



# BNP PARIBAS

## FOURTH AMENDMENT TO THE 2022 UNIVERSAL REGISTRATION DOCUMENT

**FILED WITH THE FCA ON 29 MAY 2024**

Universal Registration Document, annual financial report 2022 and first quarter 2023 results filed with the Financial Conduct Authority ("**FCA**") on 15 June 2023 (the "**2022 Universal Registration Document**").

First amendment to the 2022 Universal Registration Document filed with the FCA on 23 June 2023.

Second amendment to the 2022 Universal Registration Document and second quarter 2023 results filed with the FCA on 2 April 2024.

Third amendment to the 2022 Universal Registration Document and third quarter 2023 results filed with the FCA on 18 April 2024.

*Société anonyme* (Public Limited Company) with capital of 2,468,663,292 euros

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This fourth amendment to the 2022 Universal Registration Document has been filed on 29 May 2024, without prior approval, with the Financial Conduct Authority ("**FCA**"), as competent authority pursuant to Article 9 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as amended "**EUWA**"), as amended and the regulations made thereunder (the "**UK Prospectus Regulation**").

The universal registration document may be used for the purposes of an offer to the public of securities 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 2022 Universal Registration Document (as amended) may form part of a prospectus of the Issuer consisting of separate documents within the meaning of the UK Prospectus Regulation.



# **1. AMENDMENTS TO THE 2022 UNIVERSAL REGISTRATION DOCUMENT**

The 2022 Universal Registration Document is amended as follows:

- (a) Section 1 entitled "Presentation of the BNP Paribas Group" on pages 5 to 36 shall be deleted in its entirety and replaced with the following:

# "1 PRESENTATION OF THE BNP PARIBAS GROUP

## 1.1 Group presentation

With its integrated and diversified model, BNP Paribas is a leader in banking and financial services in Europe. The Group leverages strong customer franchises and business lines with strong positions in Europe and favourable positions internationally, strategically aligned to better serve customers and long-term partners.

It operates in 63 countries and has almost 183,000 employees<sup>1</sup>, over 145,000 in Europe. The Group's activities are diversified and integrated within a distinctive model combining Commercial & Personal Banking activities in Europe and abroad, Specialised Businesses (consumer credit, mobility and leasing services, and new digital business lines), insurance, Private Banking and asset management, and Corporate and Institutional Banking.

BNP Paribas' organisation is based on three operating divisions: Corporate and Institutional Banking (CIB), Commercial, Personal Banking and Services (CPBS) and Investment and Protection Services (IPS). These divisions include the following businesses.

- **Corporate and Institutional Banking** division, combines:
  - Global Banking;
  - Global Markets; and
  - Securities Services.
- **Commercial, Personal Banking & Services** division, covers:
  - Commercial & Personal Banking in the Euro-zone:
    - Commercial & Personal Banking in France (CPBF),
    - BNL banca commerciale (BNL bc), Italian Commercial & Personal Banking,
    - Commercial & Personal Banking in Belgium (CPBB),
    - Commercial & Personal Banking in Luxembourg (CPBL);
  - Commercial & Personal Banking outside the Euro-zone, organised around Europe-Mediterranean, covering Commercial & Personal Banking outside the Euro-zone, in particular in Central and Eastern Europe, Türkiye and Africa;
  - Specialised Businesses:
    - BNP Paribas Personal Finance,
    - Arval and BNP Paribas Leasing Solutions,
    - New Digital Businesses (in particular Nickel, Floa, Lyf) and BNP Paribas Personal Investors.
- **Investment and Protection Services** division, combines:
  - Insurance (BNP Paribas Cardif);
  - Wealth and Asset Management: BNP Paribas Asset Management, BNP Paribas Real Estate, the management of the BNP Paribas Group's portfolio of unlisted and listed industrial and commercial investments (BNP Paribas Principal Investments) and BNP Paribas Wealth Management.

BNP Paribas SA is the parent company of the BNP Paribas Group.

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<sup>1</sup> Based on HR managed workforce standard also applied in chapter 1.4 of the presentation of divisions and business lines.

## 1.2 Key figures

### RESULTS

|   | 2023<br>distributable (***) | 2023<br>reported | 2022<br>Restated<br>according to<br>IFRS 17 and<br>IFRS 9 | 2021<br>reported |
|---|-----------------------------|------------------|---|------------------|
| Revenues (in millions of euros)               | 46,927                      | 45,874           | 45,430  | 46,235           |
| Gross operating income (in millions of euros) | 17,347                      | 14,918           | 15,566  | 15,124           |
| Net income Group share (in millions of euros) | 11,232                      | 10,975           | 9,848   | 9,488            |
| Earnings per share (in euros) <sup>(*)</sup>  | 9.21                        | 8.58             | 7.52  | 7.26             |
| Return on tangible equity <sup>(**)</sup>     | 11.0%                       | 10.7%            | 10.2% <sup>(****)</sup>                                   | 10.0%            |

(\*) Based on net income Group share adjusted for interest on Undated super subordinated notes deemed equivalent to preferred shares issued by BNP Paribas SA and treated as a dividend for accounting purposes.

(\*\*) Return on tangible equity is calculated by dividing net income attributable to equity holders (adjusted for interest on Undated super subordinated notes issued by BNP Paribas SA, treated as a dividend for accounting purposes and adjusted for the foreign exchange effect on redeemed Undated super subordinated notes) by average tangible permanent shareholders' equity, not revalued, between the beginning of the year and the end of the year (shareholders' equity attributable to equity holders adjusted for changes in assets and liabilities recognised directly in equity, Undated super subordinated notes, remuneration net of tax payable to holders of Undated super subordinated notes, the distribution project, intangible assets and goodwill).

(\*\*\*) Results serving as a basis for calculating the distribution in 2023 and reflecting the Group's intrinsic performance post Bank of the West sale and post ramp-up of the Single Resolution Fund (SRF), excluding extraordinary items; earnings per share calculated on the number of shares outstanding at the end of the period.

(\*\*\*\*) 2022 return on tangible equity calculated on the basis of reported 2022 results, i.e. net income, Group share of EUR 10,196 million.

### CAPITALISATION

|  | 31/12/2023 | 31/12/2022 | 31/12/2021 |
|--|------------|------------|------------|
| Market capitalisation (in billions of euros) | 71.8       | 65.7       | 75.0       |

Source: Bloomberg.

### LONG-TERM AND SHORT-TERM RATINGS

|                   | Long-term and short-term ratings as at<br>13 March 2023 | Long-term and short-term ratings as at<br>22 March 2024 | Outlook | Date of last review |
|-------------------|---|---|---------|---------------------|
| Standard & Poor's | A+/A-1  | A+/A-1  | Stable  | 24 April 2023       |
| Fitch             | AA-/F1+   | AA-/F1+   | Stable  | 3 July 2023         |
| Moody's           | Aa3/Prime-1   | Aa3/Prime-1   | Stable  | 15 February 2024    |
| DBRS              | AA (low)/R-1 (middle)                                   | AA (low)/R-1 (middle)                                   | Stable  | 21 June 2023        |

On 24 April 2023, Standard & Poor's confirmed the long-term rating of BNP Paribas at A+, with a stable outlook.

On 3 July 2023, Fitch confirmed the long-term rating of BNP Paribas at AA-, with a stable outlook.

On 15 February 2024, Moody's confirmed the long-term rating of BNP Paribas at Aa3 with a stable outlook.

On 21 June 2023, DBRS confirmed the long-term rating of BNP Paribas at AA (low) with a stable outlook.

# 1.3 History

## 1966: Creation of BNP

The merger of BNCI and CNEP to form BNP represented the largest restructuring operation in the French banking sector since the end of the Second World War.

## 1968: Creation of Compagnie Financière de Paris et des Pays-Bas

## 1982: Nationalisation of BNP and Compagnie Financière de Paris et des Pays-Bas at the time of the nationalisation of all French banks

In the 1980s, deregulation of the banking sector and the growing tendency of borrowers to raise funds directly on the financial market transformed the banking business in France and worldwide.

## 1987: Privatisation of Compagnie Financière de Paribas

With 3.8 million individual shareholders, Compagnie Financière de Paribas had more shareholders than any other company in the world. Compagnie Financière de Paribas owned 48% of the capital of Compagnie Bancaire.

## 1993: Privatisation of BNP

BNP's return to the private sector represented a new start. The 1990s were marked by a change in the level of profitability of the Bank, which had the highest return on equity of any major French institution in 1998. This period was marked by the launch of new banking products and services, the development of activities on the financial markets, expansion in France and at the international level, and preparation for the advent of the euro.

## 1998: Creation of Paribas

On 12 May 1998, the merger between Compagnie Financière de Paribas, Banque Paribas and Compagnie Bancaire was approved.

## 1999: A momentous year for the Group

Following an unprecedented double tender offer and a stock market battle waged over six months, BNP was in a position to carry out a merger of equals with Paribas. For both groups, this was the most important event since their privatisation. It gave rise to a new Group with tremendous prospects. At a time of economic globalisation, the merger created a leading player in the European banking sector.

## 2000: Creation of BNP Paribas

BNP and Paribas merged on 23 May 2000.

The new Group derived its strength from the two major financial and banking lines from which it descends. It has two goals: to create value for shareholders, clients and employees by building the bank of the future, and to become a leading global player.

## 2006: Acquisition of BNL in Italy

BNP Paribas acquired BNL, Italy's 6<sup>th</sup>-largest bank. This acquisition transformed BNP Paribas, providing it with access to a second domestic Market in Europe. In both Italy and France, all of the Group's business lines can now develop their activities by leveraging a nationwide banking network.

## 2009: Merger with the Fortis group

BNP Paribas took control of Fortis Bank and BGL (Banque Générale du Luxembourg).

## 2012: Launch of Hello bank!

## 2015: Acquisition of BGZ Polska in Poland, which will become BNP Paribas Bank Polska

## 2017: Acquisition of Nickel, which offers payment solutions that are accessible to all, directly online or at tobacconists, without conditions of resources

## 2020: Agreement with Deutsche Bank for the takeover of its Prime Brokerage business

## 2023: Closing of the sale of Bank of the West to BMO Financial Group

# 1.4 Presentation of operating divisions and business lines

## CORPORATE AND INSTITUTIONAL BANKING

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With close to 40,000 people in 53 countries, Corporate and Institutional Banking (CIB) serves two types of clients – corporates and institutionals (Banks, Insurance Companies, Asset Managers, *etc.*) – offering them tailored solutions in Capital Markets, Securities Services, Financing, Risk Management, Cash Management and Financial Advice.

Acting as a bridge between corporate and institutional clients, CIB aims to connect the financing needs of our corporate clients with the investment needs of our institutional clientele.

In 2023, 34% of BNP Paribas' revenues from operating divisions were generated by CIB. CIB's streamlined and efficient structure is designed to meet the needs of BNP Paribas' corporate and institutional clients. CIB is thus organised around three main global business lines and three major regions:

Business lines:

- Global Banking, a global organisation since 2023;
- Global Markets, grouping together all capital market activities; and
- Securities Services, one of the main global players in securities services.

Regions:

- EMEA (Europe, Middle East, Africa);
- Americas;
- APAC (Asia Pacific).

### 2023 awards

- Euromoney Awards for Excellence 2023
  - World's Best Bank 2023: Cautiously bold – How BNP Paribas combines vision with prudence,
  - World's Best Bank for Sustainable Finance,
  - Latin America's Best Bank for Sustainable Finance,
  - Western Europe's Best Bank,
  - Best Bank in France,
  - Best Investment Bank in France,
  - Best Investment Bank in Portugal,
  - Western Europe's Best Bank for Wealth Management,
  - Best Investment Bank in Belgium (BNP Paribas Fortis),
  - Best Bank in Luxembourg (Banque BGL BNP Paribas).
- International Finance Review Awards 2022: IFR recognises 200 years of BNP Paribas' banking expertise – BNP Paribas CIB ([ifre.com](https://www.ifre.com)):
  - Bank of the Year,
  - Bank for Sustainability,
  - Asia Pacific ESG Financing House of the Year,
  - EMEA Structured Equity House EMEA.
- Environmental Finance Bond Awards 2023: BNP Paribas wins five Environmental Finance Bond Awards 2023 – BNP Paribas CIB:
  - Lead manager of the year, green bonds – financial institution,
  - Lead manager of the year, green bonds – supranational, sub-sovereign and agency (SSA),
  - Lead manager of the year, social bonds – corporate,
  - Lead manager of the year, sustainability-linked bonds,
  - Loan structurer/arranger/coordinator of the year.

## GLOBAL BANKING

The Global Banking business is structured around two axes. On the one hand, the commercial support of around 4,600 large corporate clients of BNP Paribas to meet their banking needs *via* all the solutions offered by the Group. On the other hand, global product and service platforms, including:

- loan financing solutions (traditional loans and specialised financing, including export financing and financing of projects, acquisitions and Leveraged Finance) or securitisation in connection with Global Markets;
- advisory on mergers and acquisitions (advisory mandates for acquisitions or disposals, strategic financial advice, privatisation advice, *etc.*);
- primary activities on the bond and equity markets (IPOs, capital increases, convertible and exchangeable bond issues, *etc.*);
- transaction banking solutions (liquidity management, cash management deposit collection, trade finance and supply chain management as well as the associated foreign exchange risk hedging services in collaboration with Global Markets).

Since February 2023, Global Banking, previously organised around three independent regional platforms, has gone global with the aim of ensuring better commercial and operational coordination of teams and enabling better support for clients on an international scale.

This system reinforces the Group's One Bank approach, offering any client entering a corporate business centre access to an international Global Banking platform and ensuring they benefit from the expertise of all other business centres for their activities.

In EMEA (Europe, Middle East, Africa), Global Banking activities are present in 32 countries. This set-up reinforces the *One Bank for Corporates* approach developed in close cooperation with the Group's Commercial & Personal Banking and includes a network of 78 trade centres in 2023.

In Asia-Pacific, Global Banking covers more than 1,200 Asian companies and more than 900 multinational clients with a presence in 12 countries.

In the Americas, Global Banking serves around 700 companies and 500 multinational clients in the United States, Canada and six Latin American countries.

### 2023 awards

- **Euromoney Awards 2023:**
  - Western Europe's Best Investment Bank;
  - Western Europe's Best Bank for Sustainable Finance.
- **International Finance Review Awards IFR 2023:**
  - EMEA Loan House;
  - Euro Bond House;
  - Bank for Sustainability.
- **Environmental Finance Bond Awards 2023:**
  - Lead Manager of the Year, social bonds – corporate;
  - Lead Manager of the Year, sustainability-linked bonds;
  - Loan Structurer/Arranger/Coordinator of the Year.
- **Global Finance Magazine 2023:**
  - World Best Investment Banks 2023: Debt Western Europe.

### 2023 Rankings

- No. 1 in Overall Market Penetration with Large Corporate Clients in Europe<sup>1</sup>;
- No. 1 for all bonds issued in EMEA<sup>2</sup>;
- No. 1 in syndicated loans in EMEA<sup>(2)</sup>;
- No. 1 in securitisation transactions in EMEA<sup>(2)</sup>;
- No. 1 in sustainable bonds<sup>3</sup>.

<sup>1</sup> Source: Coalition Greenwich 2023, Europe Large Corporate Banking and Europe Large Corporate Cash Management Studies (European Large Corporate Banking Market Penetration).

<sup>2</sup> Source: Dealogic at 31 December 2023.

<sup>3</sup> Source: Bloomberg at 31 December 2023.

## GLOBAL MARKETS

Global Markets (GM) serves a wide range of corporate and institutional customers (companies, institutions, private banks, distributors, *etc.*) with investment, hedging, financing, research and market intelligence products and services across all asset classes.

As an industry leader with significant market share on global financial markets and regularly ranked as one of the leading providers, GM offers a wide range of financial products and services on the equity, interest rate, foreign exchange, local and credit markets. With over 4,400 employees, GM has global coverage, operating in over 30 markets worldwide including a number of large scale business centres, in particular London, Paris, Brussels, New York, Hong Kong, Singapore and Tokyo.

The business comprises three global business lines, across two core activities:

- Fixed Income, Currencies & Commodities:
  - Global Macro: foreign exchange, Global Rates, Local Markets, Commodity Derivatives,
  - Global Credit: DCM Bonds, Credit, Securitisation;
- Equity & Prime Services:
  - Global Equities: Equity Derivatives, Cash Equities, Prime Services.

Global Markets also offers a long-established foreign exchange Prime Brokerage, and a leading global Derivatives Execution and Clearing service, under the umbrella of its Technology Platforms business.

BNP Paribas is delivering on its strategy to become the leading European markets house on the world stage. Through both investment and organic growth, the bank has built a comprehensive markets offering across its three business lines.

This year the global integration of equity broker Exane into BNP Paribas was completed. Together with the launch of BNP Paribas' Prime Services business in 2022 and coupled with the bank's longstanding expertise in Equity Derivatives, this announcement signifies the completion of the bank's Global Equities offering.

It also marks a new phase in Global Markets' ambitious growth strategy, which sees it targeting a position as the number one European markets house on the world stage.

In the face of ongoing uncertainty in the macro environment, including the persistent inflationary trend, Global Markets has continued to offer consistently excellent service across its comprehensive product range, acting as a strong, reliable European partner for global clients.

It also aims to facilitate the emergence of a carbon neutral economy and a socially responsible world, innovating new ways to help clients integrate ESG into all their markets activities, and scaling up sustainable finance markets solutions.

### 2023 awards

- **Energy Risk Awards 2023** – OTC Trading Platform of the Year;
- **Global Capital Derivatives Awards 2023** – Global Derivatives House of the Year, Derivatives House of the Year – Europe, Asia, Equity Derivatives House of the Year – Europe, Asia;
- **Risk Awards 2023** – Inflation Derivatives House of the Year;
- **Environmental Finance Bond Awards 2023** – Lead Manager of the Year Social Bonds – Corporate, Lead Manager of the Year Green Bonds – Financial Institution, Lead Manager of the Year Green Bonds – SSA, Lead Manager of the Year Sustainability-Linked Bond;
- **Institutional Investor Developed Europe Rankings 2023** – #1 Industry Research Provider for Developed Europe, joint #1 Overall Research Provider, #1 for individually ranked Analysts, #1 Specialist Sales, #1 Sales;
- **FX Markets eFX Awards 2023** – Best Algo Provider of the Year;
- **SRP Europe Awards 2023** – Best Structured Product Technological Solution, Best House Autocall, Best House Nordics, Best House Eastern Europe, Best Performance Germany, Best Performance Italy;
- **Global Capital Bond Awards 2023** – Most Impressive SSA House in Euros, Most Impressive ESG Investment Banker for SSAs, Most Impressive FIG House in Euros, Most Impressive Corporate Bond House in Euros, Most Impressive Syndicate Team for Corporate Bonds, Most Impressive Bank for Corporate Swaps and Other Derivatives, Most Impressive ESG Investment Banker for Corporate and FIG Borrowers, Most Impressive Bank for Central and Eastern European Bonds, Most Impressive Bank for ESG Capital Markets in CEEMEA, Most Impressive CEEMEA Bond Origination Banker, Rising Star Emerging Markets Bond Banker;
- **The Trade 2023** – Algorithmic Trading Survey – Long Only;
- **IFR Awards 2023** – Bond House of the Year, Europe Investment Grade Corporate Bond House of the Year, Interest Rate Derivatives House of the Year;
- **Treasury Management International Technology Innovation Awards 2023** – Best Risk Management Solution, Kantox;
- **Gestion de Fortune 2023** – Best Structured Products Provider;
- **Global Capital European Securitization Awards 2023** – ABS Bank of the Year, Speciality Finance Bank of the Year;



- **Euromoney foreign exchange Awards 2023** – Best FX Bank for Innovation, Best Bank for e-FX Trading, Best FX Market Innovator, Best FX Bank for Trading Technology.

## 2023 Rankings

- Number 1 ranked EMEA DCM volume by book runner – FY 2023;
- Number 1 ranked EUR denominated DCM volume by book runner – FY 2023<sup>(1)</sup>.

## SECURITIES SERVICES

Securities Services is one of the major global players in securities services with EUR 12,382 billion in assets under custody and EUR 2,468 billion in assets under administration. With a global reach covering more than 90 markets, Securities Services' custody network is one of the most extensive in the industry.

As part of its full range of tools and resources developed to support institutional investors in their ESG transition journey, Securities Services enhanced in 2023 its investment compliance screening capabilities to include customisable and flexible ESG criteria, enabling a responsible monitoring of their portfolios.

Securities Services offers solutions to all participants across the investment cycle:

- investment banks, broker-dealers, banks and market infrastructures (sell-side operators) are offered solutions in execution services, derivatives clearing, local and global clearing, settlement and custody for all asset classes worldwide. Outsourcing solutions for middle and back-office activities are also provided;
- institutional investors – asset managers, hedge funds, private equity funds, real estate and sovereign wealth funds, insurance companies, pension funds, fund distributors and promoters (buy-side operators) – enjoy a wide range of services: global custody, depositary bank and trustee services, transfer agent and fund distribution support, fund administration and middle-office outsourcing, investment, risk assessment and performance reporting;
- issuers (originators, arrangers and corporates) have access to a wide range of management services: securitisation and structured finance services, debt agency services;
- market and financing services are offered to all market participants: securities lending and borrowing, foreign exchange, credit and collateral management, triparty collateral management, trading service and financing.

## 2023 awards

- **Transaction Bank of the Year for Securities Services** (The Banker Transaction banking Awards 2023);
- **European Custodian of the Year** (Funds Europe Awards 2023);
- **Global Custodian of the Year, European Custodian of the Year, Asia Pacific Fund Administrator of the Year** (Asset Servicing Times Industry Excellence Awards 2023);
- **Best Global Custodian in Asia-Pacific** (Asia Asset Management Best of the Best Awards 2023);
- **Custodian Bank of the Year** (GlobalCapital Global Derivatives Awards 2023);
- **ESG Services** (Central banking Awards 2023);
- **Custodian of the Year** (European Pensions Awards 2023).

## COMMERCIAL, PERSONAL BANKING AND SERVICES

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### COMMERCIAL, PERSONAL BANKING & SERVICES (CPBS)

Commercial, Personal Banking & Services includes the Group's Commercial & Personal Banking networks and certain specialised businesses.

Employing more than 100,000 people, Commercial, Personal Banking & Services generated 54% of the revenue of BNP Paribas' operating divisions in 2023 (61% for Commercial & Personal Banking and 39% for Specialised Businesses).

Commercial, Personal Banking & Services includes BNP Paribas' Commercial & Personal Banking:

- in the Eurozone countries including France (CPBF), Italy (BNL bc), Belgium (CPBB operating under the BNP Paribas Fortis brand) and Luxembourg (CPBL operating under the BGL BNP Paribas brand);
- in countries "outside the Eurozone", and in particular in Ukraine, Poland, Türkiye, Kosovo, Morocco and Algeria and through an equity interest in China.

The CPBS division also includes specialised business lines:

- Arval: one of the European leaders in multi-brand full-service leasing and a specialist in sustainable mobility solutions with over 1.7 million vehicles leased;
- BNP Paribas Leasing Solutions: a European leader in professional equipment financing that supports its partners and clients in their energy transformation and transition;
- BNP Paribas Personal Finance: one of the major players in the financing of individuals in Europe with nearly 40% of outstandings dedicated to the automotive market;
- BNP Paribas Personal Investors: a leading digital bank in Germany and an online broker in India, with a broad retail offering focused on savings and investment for 4.5 million clients, across three brands in Germany (Consorsbank, DAB and Wealth Management Private Banking) and a brand in India (Sharekhan by BNP Paribas);
- New Digital Business lines such as Nickel (alternative banking services) that has opened over 3.7 million accounts in France since its creation and continues to grow in Europe, with a launch in Spain in 2021, Belgium and Portugal in 2022, and Germany in 2023, or Floa (the French leader in Buy Now Pay Later that joined the BNP Paribas Group in February 2022 and has more than 4 million customers in Spain, Belgium, Italy, Portugal and France).

The Cash Management activities (No. 1 in Europe for large corporate clients<sup>1</sup>), Trade Finance (No. 1 in Europe<sup>(1)</sup>) and Factoring (No. 1 in Europe<sup>2</sup>), in synergy with the CIB division's Global Banking business complete the offer to the Commercial & Personal Banking corporate clients around the One Bank for Corporates approach.

The Wealth Management activity is developing its Private Banking model within Commercial & Personal Banking. A cross-functional team, Partners in Action for Customer Experience (PACE), aims to help Commercial & Personal Banking activities offer a better customer experience. Hello bank!, the Group's main digital bank in France, Belgium and Germany, had 3.4 million customers at the end of December 2023. The Bank thus offers a full set of solutions adapted to the needs of its various customer bases (individuals, professionals, small businesses, corporates).

## COMMERCIAL & PERSONAL BANKING IN FRANCE (CPBF)

With over 23,000 employees, Commercial & Personal Banking in France (CPBF) supports its customers in all their projects. CPBF offers innovative solutions in financing, payment, wealth & asset management, and insurance to 7.2 million individual customers, 729,000 professionals and very small enterprises, over 32,600 corporate clients (SMEs, mid-sized and large corporates) and 54,000 associations.

CPBF thus occupies leading positions in Private Banking and Corporate Banking as well as strong positions in retail and professional banking. Combining the best in digital and human interaction, it provides its customers with broad interface capabilities, ranging from essential banking services, through a self-care solution, to customised guidance using dedicated teams and experts.

CPBF is structured around 10 regions covering 142 territories, making it possible to provide all customer bases with the right level of proximity whilst maintaining synergies between business lines.

All customer bases have dedicated areas appropriate to their needs:

- for individual and professional customers: 1,599 branches and 4,193 ATMs operating under the BNP Paribas and BNP Paribas – Banque de Bretagne brands<sup>3</sup>.

CPBF also provides its customers with a full online relationship capability, based on:

- a [mabanque.bnpparibas](https://mabanque.bnpparibas) website and a "My Accounts" mobile app offering services used by more than 4 million unique digital customers (who authenticated at least once on the site or app during the quarter), of which 3.3 million customers via mobile<sup>4</sup>,
- Hello bank! is BNP Paribas' digital bank. No. 1 in digital customer relations for four years, Hello bank! offers more than 800,000 individual customers a comprehensive range of products and services: everyday banking, credit solutions, savings, insurance and stock market investment solutions. Hello bank!, which celebrated its 10<sup>th</sup> anniversary in 2023, is the only digital bank to serve both individual and small businesses, with Hello bank! Pro,
- 9 customer service centres located in the regions, handling requests received by email, telephone, chat or secure messaging;
- for small business customers, a dedicated and unique system of 43 Entrepreneur Spaces bringing together 200 locations, combining proximity and expertise;

<sup>1</sup> Banking 2023 and Coalition Greenwich Voice of Client, 2023 European Large Corporate Cash Management and 2023 European Large Corporate Trade Finance studies.

<sup>2</sup> Overview of our members in the world | FCI.

<sup>3</sup> At 10 November 2023.

<sup>4</sup> Source : Digital Monthly Monitoring – TDMC (Digital Transformation and Customer Marketing), BNP Paribas, December 2023.

- for Private Banking customers, Private Banking centres located throughout France (for customers with more than EUR 250,000 in financial assets) and 14 Wealth Management offices (for customers with more than EUR 5 million in financial assets), making BNP Paribas Private Bank the leading private bank in France for Wealth Management<sup>1</sup>;
- for corporate clients, a sizeable organisation that brings together multiple skills and dedicated teams:
  - 39 business centres for SME, mid-cap and key account customers, including 6 specialised divisions (Innovation, Real Estate, Images & Media, Green Desk, Non-profit Organisations & Social Impact, banking & Financial Services) and one skills and advice centre dedicated to the social and environmental transition, offer customised solutions that meet the specific needs of clients,
  - unique Investment Banking capabilities for our SME/mid-cap customers with a team of advisory bankers and synergies between the business lines and subsidiaries (M&A, Structured Finance, Private Equity, stock market and wealth optimisation),
  - 25 trade centres and 6 trading rooms,
  - a business support service (Client Service), a Cash Customer Service (CCS) and specific customer support centres,
  - 65 WAI hubs<sup>2</sup> supporting start-ups and innovative companies and one dedicated innovation hub: WAI Paris, spaces for acceleration and connection with the ecosystem. BNP Paribas, through the hundred or so WAI bankers across France, now supports over 4,000 companies, including 88% of Next40 companies, 78% of FT120 companies and 80% of the FrenchTech 2030<sup>3</sup>;
- specialised subsidiaries: BNP Paribas Factor, one of the European leaders in factoring, which offers management solutions for trade receivables and suppliers; BNP Paribas Développement, a capital investment company and Portzamparc that allows private customers and SMEs to invest or obtain financing on the stock market; Copartis, a company specialising in the outsourcing of banking products, and Cofiloisirs, a major player in film and audiovisual financing whose main activity is the structuring of production loans;
- for customers in the French Overseas Departments and Collectivities, four regional subsidiaries, several teams and an economic interest group (GIE) in mainland France dedicated to individual, professional, Private Banking and Corporate customers (including two WAI divisions - Reunion/Antilles Guyana - and two Green Desks - Reunion/Antilles Guyana);
- lastly, 44 production and sales support branches, back offices that handle all transaction and collection processing.

Three independent studies<sup>4</sup> conducted in the second half of 2023 confirm CPBF's digital leadership on the BNP Paribas and Hello bank! brands:

- for Adverts, BNP Paribas' two banking applications, My Accounts and Hello bank!, stand out as the best banking applications in 2023;
- for Sia Partners, BNP Paribas is ranked first among branch network banks in France for its mobile application;
- for Deloitte, BNP Paribas and Hello bank! have the best digital customer service.

For Mindfintech, the Hello bank! application is ranked in 2023 as the most innovative in the online banking market.

BNP Paribas Private Banking was voted "best private bank in France" in 2024 by Euromoney, as well as in 2023 by The Digital Banker, Global Finance and World Finance. It was also named "best advisor network of the year" by Citywire in 2023.

## BNL BANCA COMMERCIALE

BNL bc is Italy's 6<sup>th</sup> largest Commercial and Personal bank in terms of total assets and 6<sup>th</sup> for customer loans<sup>5</sup>.

With about 10,000 employees, BNL bc widely supports its customers. It provides a comprehensive range of banking, financial and insurance products and services to roughly 2.5 million individual customers<sup>6</sup>, 54,000 Private Banking clients<sup>(6)</sup>, 117,000 small businesses<sup>(6)</sup>, 9,000 medium and large corporates<sup>(6)</sup> and 3,200 local authorities and non-profit organisations<sup>(6)</sup>. This range of products and services are based on the Group's extensive expertise and its integrated model by developing business line cooperation.

BNL bc has innovative and client-tailored offer models, leveraging on a multi-channel distribution network, organised in 5 regions ("*direzioni territoriali*") and 1 transversal direct banking area, integrating products and services for Retail Banking (including a network of more than 700 life bankers and 300 financial advisors), Private Banking and Corporate Banking. This organisation, named *Rete Unica*, aims at extending and strengthening the cross-selling approach to the whole distribution network, which includes:

- for individuals and professional customers, 610 branches, with Open BNL multi-channel branches (50) serving customers 24/7;
- for Private Banking customers, 27 Private Banking centres located throughout Italy;
- for Corporate clients and entrepreneurs, a diversified organisation:

<sup>1</sup> According to Euromoney 2024 ranking, and the Assets under management criterion.

<sup>2</sup> WAI: We Are Innovation.

<sup>3</sup> Source: WAI, December 2023.

<sup>4</sup> 2023 studies carried out by the consulting firms Adverts, Sia Partners and Deloitte, which compare the applications of retail banks, online banks and fintechs on the French market.

<sup>5</sup> Source: annual and periodic reports of BNL and its competitors.

<sup>6</sup> Source: internal customer data.

- 39 corporate and small-medium enterprises centres,
- 8 centres for local authorities and public sector organisations,
- 1 trade centre for clients' cross-border activities,
- 2 Italian desks to assist Italian companies abroad and multinational companies with direct investments in Italy.

The distribution network is completed by:

- 2 specialised networks: Large Corporate network with 7 centres and Wealth Management network with 2 hubs;
- a sizeable number of ATMs (1,400) as well as by a growing range of cutting-edge digital, on-line and mobile banking solutions.

As a result of this set-up, BNL bc has a significant position in lending to households, especially residential mortgages (market share of 6.5%<sup>1</sup>) and has a deposit base (3.6%<sup>(1)</sup> of household current accounts) above the market penetration rate (3.1%<sup>2</sup> in terms of number of branches).

BNL bc is also well established in the corporate markets (4.4%<sup>(1)</sup> of loans market share) and local authority, with a recognised expertise in cash management, cross-border payments, project finance, structured finance and factoring, *via* its subsidiary Ifitalia (ranked 3<sup>rd</sup> in Italy<sup>3</sup>).

## COMMERCIAL & PERSONAL BANKING IN BELGIUM (CPBB)

BNP Paribas Fortis is the No. 1 bank for retail customers in terms of market share<sup>4</sup> and has strong positions in the corporate and small business sector in Belgium. BNP Paribas Fortis is also the leading Private Bank in Belgium. BNP Paribas Fortis is also No. 1 in Belgium for Corporate Banking<sup>5</sup> and offers a full range of financial services to corporate clients, public sector entities and local authorities. On the strength of its teams' commitment, the bank aims to finance the specific needs of its customers, actively contribute to the development of the Belgian economy, and support the sustainable and energy transition, while affirming a deep commitment to society.

Since 1 January 2023, BNP Paribas Fortis has a new commercial organisation revised to better meet customer expectations:

- Retail Banking, with 2.9 million active customers<sup>6</sup>, serves individual, independent and small business customers through a multidisciplinary team;
- Affluent & Private Banking with 0.37 million active customers, serves individual customers with assets of more than EUR 85,000 and independent customers and companies active in the liberal professions through a dedicated relationship manager. Private Banking services are aimed at individual customers with invested assets of more than EUR 250,000. The Wealth Management Department within Private Banking caters to customers with invested assets of more than EUR 5 million;
- Corporate Banking, with 87,000 active customers, serves corporate clients with more complex needs through a dedicated relationship manager (Enterprises for small and medium-sized enterprises, and Corporate Coverage for large companies and public and institutional clients).

BNP Paribas Fortis serves customers through its various integrated networks, as part of a hybrid banking strategy combining physical networks and digital channels:

- 308 branches (including 132 independent branches) organised into four regions to serve individual, self-employed and small business customers. This set-up is supplemented by 193 franchises under the Fintro<sup>7</sup> brand and 656 points of sale of bpost bank (wholly owned) in partnership with bpost;
- 31 dedicated Private Banking centres, including one remote centre and two Wealth Management centres;
- teams dedicated to large companies and public companies and institutional clients centralised in Brussels supplemented by a network of 14 Business Centres across Belgium for medium-sized companies and dedicated relationship managers present in the branch network for small companies within Corporate Banking;
- a digital platform completes the system with Banking services *via* the internet (*Easy Banking Web*) and the *Easy Banking App* application (2.75 million cumulative active users, including Fintro). *Easy Banking Business* is the online banking platform for companies and the self-employed. PaxFamilia, a secure platform with tools to support the management, monitoring and transmission of assets, has 29,700 contracts. The digital offer is supplemented by the Hello bank! digital bank which has more than 537,000 customers<sup>8</sup>. These digital platforms are enriched by active collaboration with fintechs such as TINK for the development of an effective budget management tool;
- a network of 608 ATMs (including Fintro) supplemented by 973 ATMs of Batopin, a joint venture of BNP Paribas Fortis, KBC, ING and Belfius, each holding a 25% stake. Batopin is installing neutral CASH points throughout Belgium in places with high customer flows;

<sup>1</sup> Source: Bank of Italy, November 2023.

<sup>2</sup> Source: Bank of Italy, data as at 31.12.2023.

<sup>3</sup> Source: Assifact, ranking by turnover.

<sup>4</sup> Source: Financial Market Data Monitor 2023 (Market survey on a representative sample of 2,000 households in December 2023).

<sup>5</sup> Source: Greenwich 2022, in terms of market penetration of strategic companies (medium and large).

<sup>6</sup> Excluding the 600,000 active customers of bpost bank and Fintro customers.

<sup>7</sup> In December 2023, Fintro, active in the bancassurance business, had 193 branches, 909 employees and EUR 14.57 billion in assets under management (excluding insurance business) for 361,874 active clients.

<sup>8</sup> Including 5,483 Hello Pro customers.

- the bank is also available for customers thanks to the *Easy Banking Centre* which handles up to 60,000 calls per week.

BNP Paribas Fortis continued its digital development and customer experience improvement, in particular with the development of remote Easy Banking services with new features and improved performance. The customer service centre building on robotics and artificial intelligence is fully deployed, allowing optimised processing of an increasing number of questions from customers and employees.

BNP Paribas Fortis received several awards for its quality of service to its customers in 2023. The bank was voted “Best bank for digital solutions in Belgium” and “Best investment bank in Belgium” by Euromoney, “Bank of the year in Belgium” by The Banker, “Best private bank in Belgium” by PWM-The Banker and “Best bank in Belgium” by Global Finance.

In 2022, BNP Paribas Fortis became a 100% shareholder of bpost bank after the acquisition of the 50% stake held by bpost. An exclusive seven-year commercial agreement was also signed between bpost and BNP Paribas Fortis. As part of this agreement, bpost offers BNP Paribas Fortis services and products in its network of post offices. From 22 January 2024, bpost bank will be integrated into BNP Paribas Fortis and bpost bank customers will join BNP Paribas Fortis. The bpost bank brand will disappear from post offices and will be replaced by the BNP Paribas Fortis brand and logo.

## COMMERCIAL & PERSONAL BANKING IN LUXEMBOURG (CPBL)

With a 16.5%<sup>1</sup> market share of the Retail Banking market and 22%<sup>2</sup> of the SME market, BGL BNP Paribas is the No.2 commercial & personal bank in Luxembourg.

The three business lines, Luxembourg Retail Banking (LRB), Banque des Entreprises in Luxembourg (BEL) and Private Banking in Luxembourg (PBL), actively support the financing of the economy and adapt their strategy and network to changes in customer behaviour and new consumption patterns with a focus on digitisation.

With the expertise of their employees, they support their customers to bring their plan to fruition, with:

- a Retail Banking network supporting more than 180,000 customers on a daily basis, based on:
  - 28 branches throughout the country and 77 ATMs for individual and corporate customers,
  - a comprehensive and diverse range of products and services offered through an innovative multi-channel presence, encompassing a branch network as well as online, phone and mobile banking,
  - teams of savings and investment specialists assisting customers in the management of their portfolios, teams of mortgage specialists advising customers on loans for their acquisition and construction projects, as well as specialists for professionals and liberal professions;
- a corporate bank dedicated to a broad and diversified corporate client base:
  - its system of 140 employees supports large companies and SMEs, the public sector and institutional investors, real estate professionals, social organisations and start-ups,
  - each customer segment benefits from tailor-made support, with specialised asset managers for each segment and a range of adapted solutions, including financing, trade, cash management, interest rate or foreign exchange risk hedging, and the escrow account, *etc.*,
  - support for corporate clients includes access to the BNP Paribas Group’s specialised business lines as well as privileged access to the BNP Paribas’ One Bank for Corporates international network;
- a private bank organised around 5 centres serving nearly 3,900 customers and offering tailored financial and wealth management solutions.

## EUROPE-MEDITERRANEAN

Within the CPBS division, Europe-Mediterranean (EM) brings together BNP Paribas’ commercial banking activities for individuals, professionals and companies outside the Eurozone. EM offers a full range of financial and extra-financial services, leveraging inter-business cooperation and the Group’s approach to risk diversification.

Since 29 April 2023, EM is present in six countries: Poland (BNP Paribas Bank Polska), Ukraine (UKRSIBBANK), Türkiye (TEB A.S.), Kosovo (TEB Sh.A), Morocco (BMCI) and Algeria (BNP Paribas El Djazaïr) with a minority stake in China (Bank of Nanjing).

With around 23,000 employees, EM supports its customers through three main business lines:

- Commercial & Personal Banking, whose multi-channel and local network serves more than 15 million customers through a network of over 1,400 branches;
- Private Banking, which builds on the deployment of global Wealth Management activities in conjunction with the Group’s IPS division;
- Corporate Banking, with a network of 42 business centres, 11 Trade Centres and 5 desks covering Multinationals.

In 2023, EM showed solidarity with Türkiye and Morocco after the earthquakes in these countries, in particular with the Rescue & Recover Fund mobilised by the Group<sup>1</sup>. In the context of the invasion<sup>2</sup>, EM continued to provide its support to Ukraine.

<sup>1</sup> Source: TNS ILRES – Bank Survey December 2022.

<sup>2</sup> Source: TNS ILRES – SME Bank Survey 2022.

EM banks continued to implement the Group's strategy in 2023. In terms of ESG, BNP Paribas Bank Polska, for example, launched its carbon footprint calculator via the Agronomist.pl platform<sup>3</sup> and BNP Paribas El Djazaïr, its "Circular Economy" community<sup>4</sup> co-built with strategic customers. UKRSIBBANK and TEB A.S. continued to support women entrepreneurs with the Smart Lady offer<sup>5</sup> and the first female variable fund in Türkiye with TEB Portfolio Women First Variable Fund<sup>6</sup>. In addition, BMCI launched the BMCI Connect Enterprises by Centric solution<sup>7</sup> to facilitate cash management for companies and BNP Paribas Bank Polska launched the mamGo platform<sup>8</sup> by offering a customer journey to identify, locate and finance a car. In 2023, TEB A.S., BNP Paribas Bank Polska and for the first time, BNP Paribas Djazaïr, were certified Top Employers<sup>9</sup>. BNP Paribas Bank Polska was also selected as the best bank for Corporate and ESG customers in Poland by Euromoney magazine.

## BNP PARIBAS PERSONAL FINANCE

BNP Paribas Personal Finance is a major player in the financing of individuals in Europe, operating in around twenty countries, under several trademarks such as Cetelem, Findomestic, AlphaCredit, Cpay with almost 17,000 employees for over 23 million customers.

In 2023, BNP Paribas Personal Finance built a strategic transformation project to drive growth and profitability, which includes a reorganisation of its operating model as well as a refocusing of its activities in Europe and the United Kingdom.

BNP Paribas Personal Finance is the daily financial partner for its customers, giving them the means to carry out their home and personal equipment, home renovation and mobility projects and supporting their budget management needs. BNP Paribas Personal Finance also offers its wholesale, retail and mobility partners, looking for a financial partner, a wide range of services to ensure the promotion, sale and management of financing solutions.

BNP Paribas Personal Finance strengthened its ambition in the mobility business and continued to structure partnerships with major manufacturers such as Stellantis and Jaguar Land Rover. At 31 December 2023, the weight of automotive outstandings represents 41%, with the objective of reaching 50% by 2025.

Since 2020, BNP Paribas Personal Finance's purpose is to: "Promote access to more responsible and sustainable consumption to support our customers and our partners", demonstrating the willingness for the long-term transformation of the Company and its activities, and supporting the BNP Paribas Group's ambition to become the leader in sustainable finance.

By positioning this purpose as the reference framework for its 2025 strategic plan, BNP Paribas Personal Finance expresses its ambition to integrate sustainable development as a key element of its performance in a sector particularly impacted by the transformation of lifestyles and consumption. BNP Paribas Personal Finance has set an ambition in sustainable finance, with sustained efforts in four areas: financial inclusion, the energy transition of housing, sustainable mobility and the circular economy.

At the end of 2023, sustainable finance outstandings reached EUR 8.9 billion, i.e. 8% of total outstandings. This includes the financing of the energy transition of housing for EUR 4 billion.

In France, the Cetelem Foundation for Inclusion through Digital Sharing has set itself the goal of helping French people in situations of economic precariousness appropriate online consumption.

BNP Paribas Personal Finance supports households while promoting the development of controlled consumption with systems to detect and support customers in vulnerable situations in all its regions. BNP Paribas Personal Finance is developing a smooth, instant and secure customer experience and inclusive financing products, along with payment methods adapted to the consumer expectations and new needs.

To meet all of these challenges, BNP Paribas Personal Finance is pursuing a collaborative and structured innovation approach, responding to new consumer requirements by inventing value-added solutions for its customers and partners.

## ARVAL

Arval is a major player in long-term vehicle leasing and a specialist in mobility solutions. As a specialised business line belonging to the Commercial, Personal Banking & Services division of BNP Paribas, Arval is positioned at the heart of the Group's integrated model. Arval offers corporate clients (from large multinationals to small and medium enterprises), its partners, their employees and also individuals, customised solutions to optimise their mobility.

At the end of 2023, Arval had 8,400 employees in the 29 countries where the Company operates, leased over 1.7 million vehicles to its over 300,000 customers, and had nearly 20,000 users of solutions for alternative mobility to private cars such as car-sharing, mobility cards and bicycle rentals worldwide. Arval is No. 2 in the full-service multi-brand vehicle leasing sector in

<sup>1</sup> Home Page EN – Rescue & Recover Fund ([urgenceetdeveloppement.bnpparibas](https://urgenceetdeveloppement.bnpparibas)) BNP Paribas – Rescue & Recover Fund.

<sup>2</sup> <https://ukrsibbank.com/en/news-post/ukrsibbank-consolidated-report/>.

<sup>3</sup> [Bank BNP Paribas launches a carbon footprint calculator for a pig production – Agronomist](#).

<sup>4</sup> [BNP Paribas El Djazaïr : Commitment to "responsible finance" - Le Jeune Indépendant \(jeune-independant.net\)](#).

<sup>5</sup> ["Smart Lady" – special offer for businesswomen at UKRSIBBANK | Новини банку UKRSIBBANK](#).

<sup>6</sup> [Borsa İstanbul's Opening Bell Rang For TEB Portfolio Women First Variable Fund \(mondovisione.com\)](#).

<sup>7</sup> [BMCI launches the new e-banking solution "BMCI Connect Entreprise by Centric" - Le Matin.ma](#).

<sup>8</sup> <https://www.teamfrance-export.fr/infos-sectorielles/28328/28328-bnp-paribas-pologne-lance-mamgo-une-nouvelle-plateforme-tout-en-un-pour-lachat-de-voitures>.

<sup>9</sup> <https://www.bnpparibas.dz/top-employe>.

Europe, ranking No. 1 in Poland, No. 2 in France, Spain, Italy and Belgium and No. 3 in the Netherlands<sup>1</sup>. Arval relies, in addition, on strategic partnerships, thanks to the Element-Arval Global Alliance, the world leader in the sector, with a total of more than 4.4 million vehicles in 56 countries.

Arval aims to have 350,000 fully electric vehicles leased by 2025, to reduce the accident rate of its leased fleet, and to accelerate more generally virtuous behaviour and the energy transition in the markets in which it operates.

## BNP PARIBAS LEASING SOLUTIONS

BNP Paribas Leasing Solutions supports the development of its customers and industrial partners by offering them leasing and financing solutions with services to preserve their working capital.

At the heart of financing the real economy, BNP Paribas Leasing Solutions provides corporate clients with the flexibility they need to remain competitive and develop in a responsible and sustainable manner in their markets (agriculture, construction, IT, telecommunications, transportation, medical, real estate, food, materials handling, mobility infrastructure, etc.).

BNP Paribas Leasing Solutions supports its partners (manufacturers, distributors or resellers) in developing profitable business models based on the concept of use or “as a service”.

With 3,700 employees, the company operates in 20 countries in Europe, China, the United States and Canada.

BNP Paribas Leasing Solutions’ team of experts support:

- equipment manufacturers and professional software publishers with comprehensive retail financing solutions aimed at stimulating and supporting the sales of their distribution networks and resellers;
- distributors, dealers, resellers and integrators of professional equipment with a wide range of leasing products and services to meet the needs of their customers;
- corporate clients, local authorities and professionals with solutions to finance their investments.

In 2023, BNP Paribas Leasing Solutions financed more than 330,000 projects for a total volume of EUR 15.5 billion. The total amount of assets under management at the end of December 2023 was EUR 39.6 billion.

In 2023, BNP Paribas Leasing Solutions was recognised as “Vendor Finance Provider of the Year” and awarded “Best Energy Transition Financing Program” by *Leasing Life*, a magazine dedicated to leasing in Europe. (Source: 21<sup>st</sup> Annual Leasing Life Conference & Awards 2024 – Arena International ([arena-international.com](https://arena-international.com))).

In a world undergoing climate and environmental change, BNP Paribas Leasing Solutions supports the environmental transition of its partners and clients by financing low-carbon equipment (for example EV chargers, industrial electric vehicles, etc.) and remains committed to further developing its diversity, equality and inclusion roadmap.

## BNP PARIBAS PERSONAL INVESTORS

BNP Paribas Personal Investors is a digital banking and investment services specialist. It offers a broad range of banking, credit, savings and short- to long-term investment services to 5.3 million customers (out of which 2.0 million customers in Germany at December 2023), on mobile applications, online, by phone or face-to-face. It provides decision-making tools, advice and analyses.

BNP Paribas Personal Investors also provides services and its IT platform to independent financial advisors, asset managers and fintechs. Services include market access, transactions, account management and custody services.

Covering Germany and India<sup>2</sup>, BNP Paribas Personal Investors today has ~3,700 employees (out of which ~1,100 employees in Germany at December 2023<sup>3</sup>):

- in Germany, BNP Paribas Personal Investors operates under three brand names: Consorsbank for individual customers, DAB BNP Paribas for B2B partners and BNP Paribas Wealth Management Private Banking for wealthy individual customers. Consorsbank is a full-service direct bank and one of the pioneers in digital banking in Germany celebrating its 30<sup>th</sup> birthday in 2024. It was awarded best online broker by finance magazine Focus-Money in 2023<sup>4</sup>. DAB BNP Paribas is a platform for financial portfolio managers and service provider for fintechs. BNP Paribas Wealth Management Private Banking offers banking services for customers with investable assets above EUR 250,000;
- in India, Sharekhan is one of the largest online broker<sup>5</sup>. Its footprint extends to 541 across 28 states through a network of 130 branches and over 4,000 business partners, serving almost 3.2 million customers.

## NICKEL

With the acquisition of Nickel in 2017, BNP Paribas responded to customers’ need to pay, and be paid, via a simple and handy service. With over 10,000 tobacconists and Nickel Points in Europe, Nickel has a strong position in its market as notably the

<sup>1</sup> Source Frost & Sullivan at the end of December 2022, taking into account the merger of ALD and LeasePlan which was finalised in 2023.

<sup>2</sup> FTE excluding Integrated functions employees.

<sup>3</sup> Since 13 December 2023, the Group has signed with the Mirae Group the sale of 100% of its Indian activity. The final closing is subject to obtaining all the necessary regulatory approvals.

<sup>4</sup> BÖRSENHANDEL: Guter Deal – FOCUS online.

<sup>5</sup> Ranking based on data communicated by the National Stock Exchange in India.

leading distributor of current accounts in France. Thanks to its digital model and a distribution method that is present throughout the country, Nickel maintained a sustained rate of customer acquisition throughout the year and even reached a record number of new accounts opening in France in September 2023 with more than 57,500 openings during the month. Nickel had nearly 3.7 million accounts opened at 31 December 2023 in Europe. In Europe, Nickel is growing rapidly in Spain, Belgium and Portugal and launched its activity in Germany in September 2023, always with the same model combining digital with physical point of sale networks.

## FLOA

A pioneer in payment facilities, Floa offers split payment solutions, loans and bank cards. Floa is a partner of major e-retailers, key travel players and fintechs for which it develops adapted services. Floa's products and services stand out for their ease of use for customers and their speed of integration for partners. Floa has more than 4 million customers and finances more than EUR 2.5 billion in goods and services each year. Floa employs nearly 500 people based in France and Europe who work daily to offer innovative financial services with a successful cross-channel user experience, capitalising on new digital technologies and data. Floa places the customer experience at the heart of its strategy and has been rewarded with numerous awards in the field of user experience and customer relations (CX Award by Contentsquare, Cas d'Or du Digital).

Floa was also voted Customer Service of the Year for 2024, for the fourth consecutive year in the credit institution category and for the second year in the payment solution category. Leader in France, and present in Spain, Belgium, Italy and Portugal, Floa joined the BNP Paribas Group in February 2022.

## INVESTMENT AND PROTECTION SERVICES

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The Investment and Protection Services (IPS) division brings together the Group's activities dedicated to protection, savings, investment and real estate services. It strives to design innovative and sustainable products to support individuals, professionals, corporate clients and institutions in their projects and in their desire to have a positive impact:

- BNP Paribas Cardif (over 8,000 employees, present in over 30 countries, EUR 255 billion in assets under management) designs, develops and markets savings and protection offers with over 500 distributor partners to insure people, their projects and their property;
- BNP Paribas Wealth Management (more than 7,000 employees (including commercial banks), 19 countries, EUR 415 billion in assets under management) meets the wealth and financial needs of wealthy individual customers, family offices and entrepreneurs. BNP Paribas Wealth Management is the leading private bank in the Eurozone<sup>1</sup>;
- BNP Paribas Asset Management (nearly 2,100 employees, 34 countries, EUR 540 billion in assets under management) offers investment solutions to individual savers, corporate clients and institutional investors, with specific expertise: active conviction-based strategies, liquidity solutions, emerging markets, multi-asset investments, systematic investments, quantitative & index-based and private assets; In January 2023, the private asset management activities of the IPS division were grouped into a dedicated business unit, "Private Assets", integrated into BNP Paribas Asset Management;
- BNP Paribas Principal Investments is responsible for managing BNP Paribas' portfolio of unlisted and listed industrial and commercial investments.
- BNP Paribas Real Estate (nearly 4,400 employees, 14 countries (24 with its Alliances), EUR 26.1 billion in assets under management) supports its clients – institutional investors, owners, corporate clients, local authorities, individuals, etc. – during all stages of the property life cycle: Development, Transaction, Consulting, Valuation, Investment Management and Property Management;

IPS employs nearly 19,000 people in 48 countries and holds strong positions in the Group's key growth regions, Asia-Pacific and Latin America. The division works closely with CPBS to anticipate clients' savings and investment needs (offers, technologies, quality of the client experience, quality of advice) and with CIB to co-construct the best investment solutions for institutional clients and large companies.

By integrating environmental, social and governance criteria into all its operational processes, the IPS division aims to contribute to positioning BNP Paribas as one of the world leaders in sustainable finance.

## BNP PARIBAS CARDIF

Operating in over 30 countries, BNP Paribas Cardif designs, develops and markets savings and protection offers to insure people and their assets throughout their lives. A world leader in bancassurance partnerships, BNP Paribas Cardif is a major player in the financing of the economy and the world leader in creditor protection insurance (CPI)<sup>2</sup>.

BNP Paribas Cardif provides its more than 80 million insured customers with savings solutions to build and grow capital and prepare for the future, thanks to products adapted to individual customers' needs and projects. It also offers products in non-life insurance, health insurance, budget insurance, revenue and means of payment insurance, unexpected event protection

<sup>1</sup> Source: Assets under management as published by the main banks in the Eurozone at 30/09/2023.

<sup>2</sup> Finaccord 2023.



(unemployment, accident, death) or the protection of private digital data to meet the evolution of customers' needs. Over 8,000 employees worldwide contributed to generating gross written premiums of EUR 30.3 billion in 2023.

BNP Paribas Cardif builds notably on a unique partnership approach, which relies on more than 500 partners. This network of diversified distributors comprises financial institutions, credit organisations, automotive sector companies, retailers, telecommunications companies, as well as financial advisors and brokers. The insurer supports its partners by developing with them the insurance solutions best suited to their needs and those of their customers: products that are increasingly easy to understand, accessible and inclusive thanks to digital and multi-channel customer journeys, as well as integrated service ecosystems articulated around various themes: retirement, employability, housing, well-being, old age or automotive services (warranties and car maintenance contracts).

Resolutely focused on the future, BNP Paribas Cardif continued its transformation in 2023, intensifying its partnerships with digital distribution platforms and digital players. Committed toward its employees, its partners and their customers, BNP Paribas Cardif wishes to have a positive impact on society, notably through its core mission of making insurance more accessible. Concerned about its environmental impact, BNP Paribas Cardif has strengthened its commitments for the climate. As an investor, it contributes to give meaning to its policyholders' investments and has set itself the target of investing EUR 1 billion per year on average by 2025 to positive impact investments. BNP Paribas Cardif has also committed to aligning its portfolios with a carbon neutrality trajectory by 2050, to reducing the carbon intensity of its investment portfolios related to electricity producers and has joined the Net-Zero Asset Owner Alliance.

## BNP PARIBAS WEALTH MANAGEMENT

BNP Paribas Wealth Management develops its Private Banking model across 17 countries around the world, serving a client base of small businesses, family offices and high-net-worth individuals.

With EUR 415 billion in assets under management in 2023, over 7,000 employees (including commercial banks) and offices in Europe, Asia and the Middle East, BNP Paribas Wealth Management is a major global Private Bank and the leading Private Bank in the Eurozone<sup>1</sup>.

Building on BNP Paribas' integrated model, BNP Paribas Wealth Management offers its clients a network of private bankers and dedicated experts. In Europe, the Private Banking business is promoted by the commercial networks of BNP Paribas. In Asia, the Private Bank benefits from the Group's established presence in the markets and Corporate and Institutional Banking's expertise to cater to the most sophisticated needs of its clients.

A global benchmark in its industry through its experience, reputation and know-how, BNP Paribas Wealth Management offers its clients a wide range of products and services by mobilising its large network of experts: financial experts, wealth management engineers, discretionary managers, financial analysts, private bankers specialising in family ownership, experts in credit structuring, real estate specialists, advice on rural land, art, philanthropy, etc. as well as privileged access to all of the BNP Paribas Group's expertise.

BNP Paribas Wealth Management stands out for its proximity to "Entrepreneur and Family" customers, able to meet all their needs in order to support them in the construction, development and preservation of their business and personal assets, by leveraging all of the Group's capabilities.

For many years, sustainable investment and responsible innovation have been at the heart of BNP Paribas Wealth Management's business culture. The Responsible Investment offering was launched in 2006 to respond to the emerging desire of investors to combine financial performance with a social and environmental dimension, and it is based on in-depth expertise and clients' personal convictions. BNP Paribas Wealth Management gradually continued its roll-out, notably by extending its range of sustainable products and services.

Lastly, with a constant focus on innovation, BNP Paribas Wealth Management's range of digital solutions continues to expand in order to offer a unique client journeys. In 2023, BNP Paribas Wealth Management continued to enrich its customer experience. For example, the Private Assets Investor Portal enables clients to monitor their investments in private investment funds. Use cases based on artificial intelligence were also launched at the various sites to improve the customer experience, operational efficiency and risk management.

BNP Paribas Wealth Management won over 70 awards in 2023 including:

- Best private bank in Europe, best digital private bank in Europe, best DPM offer in Europe: Euromoney Global Private Banking Awards 2023 (wealthmanagement.bnpparibas) – a total of 16 prestigious prizes awarded by Euromoney;
- Best private bank in France, best private bank in the Middle East, best innovative private bank at the GLOBAL Private Banking INNOVATION AWARDS: Global Private Banking Innovation Awards – The Digital Banker;
- Best private bank for entrepreneurs, best private bank in Belgium and best private bank in Hong Kong by PWM – THE BANKER: PWM / The Banker Private Banking Awards 2023 – The Banker;
- Best SRI and impact offering by WEALTHBRIEFING at the "WEALTH FOR GOOD AWARDS 2023";
- Best private bank for its digital services and customer paths by Wealthbriefing at the European Awards.

<sup>1</sup> Assets under management as published by the main banks in the Eurozone at 30/09/2023.

## BNP PARIBAS ASSET MANAGEMENT

BNP Paribas Asset Management (BNPP AM) is the BNP Paribas Group's dedicated asset management business, employing almost 2,100 people in 34 countries<sup>1</sup> with a significant commercial presence in Europe and the Asia-Pacific region. Through the BNP Paribas integrated model, BNPP AM serves a large international client base and has close relationships with the distribution networks within BNP Paribas' commercial banks. Ranked the 10<sup>th</sup> largest asset manager in Europe<sup>2</sup>, BNPP AM manages assets totalling EUR 540 billion<sup>(2)</sup> and employs 525 investment professionals<sup>(2)</sup>.

BNPP AM offers investment solutions for individual investors (through internal distributors – private banks and Commercial & Personal Banking within BNP Paribas – and external distributors), corporates and institutional investors (insurance companies, pension funds, official institutions). BNPP AM develops specific expertise: active, conviction-based strategies, liquidity solutions, emerging markets, multi-assets, systematic, quantitative & index and private assets.

BNPP AM's priority is to achieve long-term sustainable returns for its clients by placing sustainability at the heart of its investment strategy and philosophy. In this sense, in 2023, BNPP AM completed the acquisition of a majority stake in leading Danish natural resources specialist International Woodland Company. This acquisition demonstrates its forward-looking approach to sustainability-related investment strategies, particularly in private markets. It also contributes to BNPP AM's commitments within the framework of its Net Zero and Biodiversity roadmaps.

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<sup>1</sup> Source: BNP Paribas and BNP Paribas Asset Management, as at 31 December 2023.

<sup>2</sup> Source: IPE Top 500 Asset Managers 2023.

BNPP AM is an important sustainability<sup>1</sup> player. 90%<sup>2</sup> of assets under management of its European-based open-ended funds, representing EUR 254.2 billion<sup>(2)</sup>, are classified Article 8 (promoting environmental and/or social characteristics) or Article 9 (having a sustainable investment objective) of the European SFDR regulation<sup>3</sup> – which identifies funds according to their sustainability potential. This positioning is supported by its 171<sup>(2)</sup> labelled funds<sup>4</sup> in France and Belgium, representing EUR 139.5 billion in assets<sup>(2)</sup>. BNPP AM has the largest labelled ETF & Index funds range<sup>5</sup> in Europe<sup>6</sup>.

BNPP AM also uses its ability to engage with companies and public authorities to promote a business model that incorporates a successful energy transition, healthy ecosystems and greater equality in our societies. Its best responsible investment practices were recognised by ShareAction, with BNPP AM retaining the second place for the second time in a row in its Point of No Returns 2023: Part I – Ranking and General Findings<sup>7</sup> report.

For the fourth successive year, BNPP AM also won the Best ESG<sup>8</sup> Manager award in Asia during the Best of the Best Awards 2023 and the global ESG Services prize during the Central banking Awards 2023<sup>9</sup>.

## BNP PARIBAS REAL ESTATE

With its extensive range of services, and its nearly 4,400 employees, BNP Paribas Real Estate supports its clients across all stages of the property life cycle, from building design to everyday management, through its business lines: Property Development, Transaction, Consulting, Valuation, Investment Management and Property Management.

This multi-sector offering covers all asset classes: offices, homes, warehouses, logistics platforms, retail, hotels, serviced residences, land, etc.

It is proposed based on the needs of clients, whether they are institutional investors, owners, corporate clients (SMEs, large corporate groups), public entities, local authorities or individuals.

In commercial real estate, BNP Paribas Real Estate is present in 24 countries, with:

- **its direct offices in eleven European countries**, a continent where the Company is one of the leaders and where its main markets are France, Germany and the United Kingdom. It is also present in Belgium, Spain, Ireland, Italy, Luxembourg, the Netherlands, Poland and Portugal;
- **its platforms** in Hong Kong (SAR China), Dubai and Singapore to support local investors in their real estate strategies in Europe;
- **its network of commercial Alliances** with local partners in the following countries (Austria, Greece, Hungary, Jersey, Northern Ireland, Portugal, Czech Republic, Romania, Slovakia, Switzerland and the United States).

In residential and office property development, BNP Paribas Real Estate mainly operates in the Paris region and in several major regional cities such as Bordeaux, Lyon, Marseille and Nice. Internationally, the Company is present in property development, in Germany, the UK and the Iberian Peninsula.

In order to constantly improve its services, in 2023, BNP Paribas Real Estate launched a data visualisation solution – an online platform that allows customers to explore a 3D map of Europe, using Google's Photorealistic 3D Tiles technology, enriched with their own real estate and public data. The power of the solution lies in the cross-referencing of data which makes it possible to review past changes in cities and anticipate future changes at the level of a neighbourhood, a city or a country.

In 2023, BNP Paribas Real Estate received several awards, including:

- four awards for the METAL 57 office building in Boulogne-Billancourt, notably:
  - the MIPIM Awards category “Best refurbished building” (source: MIPIM), and
  - the “Tertiary renovation” developer ranking award (source: Innovapresse);
- development - 2 silver pyramids for two housing programmes in Lyon (source: Fédération des Promoteurs);
- REIM – Prix Victoires des SCPIs pour Access Valeur Pierre, winner in the Offices category (source: Le Particulier);
- REIM – Access Valeur Pierre SCPI was ranked 3<sup>rd</sup> place on the podium of best SCPI predominantly offices (source: Mieux Vivre Votre Argent);
- HR: Top Employer France 2023 certification (source: Top Employers Institute);
- CSR: Carbon Challenge Trophy (source: CSR News and CSR Challenge Trophies).

<sup>1</sup> 2<sup>nd</sup> in Europe for sustainable thematic strategies, according to an analysis made by BNP Paribas Asset Management based on Morningstar data at 31/12/23.

<sup>2</sup> Source: BNP Paribas Asset Management, as at 31 December 2023.

<sup>3</sup> SFDR: Sustainable Finance Disclosure Regulation.

<sup>4</sup> BNP Paribas Asset Management aims to align its current range of labelled funds with the new SRI label specifications.

<sup>5</sup> ETF: Exchange Traded Fund.

<sup>6</sup> Source: According to an analysis made by BNP Paribas Asset Management based on lists of funds provided by [www.lelabelisr.fr](http://www.lelabelisr.fr), [www.towardssustainability.be](http://www.towardssustainability.be) and Morningstar data at end of August 2023.

<sup>7</sup> Source: <https://shareaction.org/reports/point-of-no-returns-2023-part-i-ranking-and-general-findings>.

<sup>8</sup> ESG: Environment, Social, Governance.

<sup>9</sup> <https://www.centralbanking.com/awards/7954723/esg-services-bnp-paribas>.

## **CORPORATE CENTRE**

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### **PERSONAL FINANCE'S MORTGAGE BUSINESS**

In the context of the Group's 2014-2016 business development plan, Personal Finance's Mortgage Business, a significant portion of which is managed in run-off, was transferred to "Corporate Centre" as at 1 January 2014.

# 1.5 BNP Paribas and its shareholders

## SHARE CAPITAL

At 31 December 2022, BNP Paribas SA's share capital stood at EUR 2,468,663,292 divided into 1,234,331,646 shares. Details of historical changes in share capital are provided in chapter 6, note 6a *Transactions in share capital*.

In 2023, the number of shares comprising the share capital was affected by the cancellation of 86,854,237 shares following market buybacks: thus, at 31 December 2023, the share capital of BNP Paribas stood at EUR 2,294,954,818, divided into 1,147,477,409 shares with a par value of EUR 2 each.

The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with the relevant legal provisions. **None of the Bank's shares entitles their holders to an increased dividend or double voting rights or limit the exercise of voting rights.**

## CHANGES IN SHARE OWNERSHIP

### CHANGES IN THE BANK'S OWNERSHIP STRUCTURE OVER THE LAST TWO YEARS

| Dates                                   | 31/12/2021                        |                     |                     | 31/12/2022                        |                     |                     | 31/12/2023                        |                     |                     |
|---|-----------------------------------|---------------------|---------------------|-----------------------------------|---------------------|---------------------|-----------------------------------|---------------------|---------------------|
| Shareholders                            | Number of shares<br>(in millions) | % of share capital  | % of voting rights  | Number of shares<br>(in millions) | % of share capital  | % of voting rights  | Number of shares<br>(in millions) | % of share capital  | % of voting rights  |
| SFPI <sup>(1)</sup>                     | 96.55 <sup>(2)</sup>              | 7.8%                | 7.8%                | 96.55 <sup>(2)</sup>              | 7.8%                | 7.8%                | 63.22 <sup>(3)</sup>              | 5.5%                | 5.5%                |
| Amundi                                  | 74.48 <sup>(4)</sup>              | 6.0%                | 6.0%                | 74.00 <sup>(5)</sup>              | 6.0%                | 6.0%                | 61.33 <sup>(6)</sup>              | 5.4%                | 5.4%                |
| BlackRock Inc.                          | 74.96 <sup>(7)</sup>              | 6.1%                | 6.1%                | 74.46 <sup>(8)</sup>              | 6.0%                | 6.0%                | 79.34 <sup>(9)</sup>              | 6.9%                | 6.9%                |
| Grand Duchy of Luxembourg               | 12.87                             | 1.0%                | 1.0%                | 12.87                             | 1.0%                | 1.0%                | 12.87                             | 1.1%                | 1.1%                |
| Employees                               | 51.32                             | 4.2%                | 4.2%                | 52.73                             | 4.3%                | 4.3%                | 57.65                             | 5.0%                | 5.0%                |
| ▪ of which Group FCPE <sup>(10)</sup>   | 39.18                             | 3.2%                | 3.2%                | 40.78                             | 3.3%                | 3.3%                | 40.83                             | 3.5%                | 3.5%                |
| ▪ of which directly held                | 12.14                             | 1.0% <sup>(*)</sup> | 1.0% <sup>(*)</sup> | 11.95                             | 1.0% <sup>(*)</sup> | 1.0% <sup>(*)</sup> | 16.82                             | 1.5% <sup>(*)</sup> | 1.5% <sup>(*)</sup> |
| Corporate officers                      | 0.30                              | NS                  | NS                  | 0.30                              | NS                  | NS                  | 0.30                              | NS                  | NS                  |
| Treasury shares <sup>(11)</sup>         | 1.28                              | 0.1%                | -                   | 1.40                              | 0.1%                | -                   | 1.49                              | 0.1%                | -                   |
| Individual shareholders <sup>(12)</sup> | 48.75                             | 4.0%                | 4.0%                | 68.60                             | 5.6%                | 5.6%                | 66.52                             | 5.8%                | 5.9%                |
| Institutional investors <sup>(12)</sup> | 836.26                            | 67.8%               | 67.9%               | 853.42                            | 69.2%               | 69.3%               | 804.76                            | 70.2%               | 70.2%               |
| ▪ European                              | 437.14                            | 35.4%               | 35.5%               | 464.59                            | 37.7%               | 37.7%               | 431.87                            | 37.7%               | 37.7%               |
| ▪ Non-European                          | 399.12                            | 32.4%               | 32.4%               | 388.83                            | 31.5%               | 31.6%               | 372.89                            | 32.5%               | 32.5%               |
| Other and unidentified <sup>(12)</sup>  | 37.56                             | 3.0%                | 3.0%                | -                                 | -                   | -                   | -                                 | -                   | -                   |
| <b>TOTAL</b>                            | <b>1,234.33</b>                   | <b>100%</b>         | <b>100%</b>         | <b>1,234.33</b>                   | <b>100.0%</b>       | <b>100.0%</b>       | <b>1,147.48</b>                   | <b>100.0%</b>       | <b>100.0%</b>       |

(1) Société Fédérale de Participations et d'Investissement: a public-interest limited company (société anonyme) acting on behalf of the Belgian State.

(2) According to the statement by SFPI, AMF Document No. 217C1156 dated 6 June 2017.

(3) According to the statement by SFPI dated 25 May 2023.

(4) According to the statement by Amundi, A.M.F. Document No. 222C0046 dated 6 January 2022.

(5) According to the statement by Amundi dated 16 November 2022.

(6) According to the statement by Amundi dated 19 May 2023.

(7) According to the statement by BlackRock dated 30 November 2021.

(8) According to the statement by BlackRock dated 13 September 2022.

(9) According to the statement by BlackRock dated 19 July 2023.

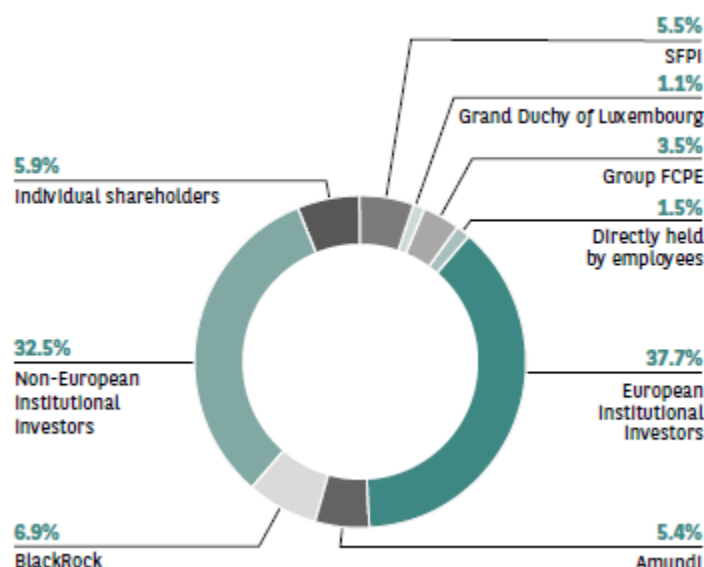
(10) The voting rights of the FCPE (profit-sharing scheme) are exercised, after the decision is taken by the Supervisory Board, by its Chairman.

(11) Excluding trading desks' inventory positions.

(12) Based on analyses from the TPI survey in 2021 and SRD2 surveys in 2022 and 2023 – Institutional investors excluding BlackRock and Amundi.

(\*) Of which 0.4% for the shares referred to in article L.225-102 of the French Commercial Code to determine the threshold above which the appointment of a director representing employee shareholders must be proposed.

## BNP PARIBAS SHAREHOLDING STRUCTURE AT 31 DECEMBER 2023 (IN% OF VOTING RIGHTS)



To the Company's knowledge, there are no shareholders, other than SFPI, Amundi and BlackRock Inc., who held more than 5% of the share capital or voting rights as at 31 December 2023.

The Société Fédérale de Participations et d'Investissement (SFPI) became a shareholder of BNP Paribas on the occasion of the merger with the Fortis group, which took place in 2009; during the same year, it made two declarations of threshold crossing to the Autorité des Marchés Financiers (AMF):

- on 19 May 2009 (AMF Disclosure No. 209C0702), SFPI disclosed that its interest in BNP Paribas' capital and voting rights had risen above the 5% and 10% disclosure thresholds following its transfer of a 74.94% stake in Fortis Bank SA/NV in return for the issue of 121,218,054 BNP Paribas shares, which at the time represented 9.83% of BNP Paribas' share capital and 11.59% of its voting rights. The disclosure stated in particular that neither the Belgian government nor SFPI were considering taking control of BNP Paribas.

At the same time, BNP Paribas notified the AMF (AMF Disclosure No. 209C0724) that an agreement had been reached between the Belgian government, SFPI and Fortis SA/NV (renamed Ageas SA/NV at end-April 2010), giving Fortis SA/NV an option to buy the 121,218,054 BNP Paribas shares issued as consideration for SFPI's transfer of its shares in Fortis Bank, with BNP Paribas having a right of subrogation regarding the shares concerned;

- on 4 December 2009 (AMF Disclosure No. 209C1459), SFPI disclosed that it owned 10.8% of BNP Paribas' share capital and voting rights. This change resulted mainly from:
  - BNP Paribas' capital increase through the issuance of ordinary shares in 2009,
  - the capital decrease by the Bank through the cancellation, on 26 November 2009, of preferred shares issued on 31 March 2009 to Société de Prise de Participation de l'État.

On 27 April 2013, the Belgian government announced the buy-back *via* SFPI of the purchase option that had been granted to Ageas.

On 6 June 2017 (AMF Disclosure No. 217C1156), SFPI disclosed that it owned 7.74% of the share capital and voting rights of BNP Paribas; this drop below the 10% capital and voting rights thresholds resulted from the sale of shares on the market. Since that date, SFPI has disclosed statutory threshold crossings without crossing legal thresholds.

On 9 May 2017 (AMF Disclosure No. 217C0939), BlackRock Inc. disclosed that its interest in BNP Paribas' capital and voting rights had risen, as at 8 May 2017 above the 5% disclosure thresholds. On this date, BlackRock Inc. held 63,223,149 BNP Paribas shares on behalf of its clients and the funds it manages.

On 18 June 2019 (AMF Disclosure No. 219C0988), BlackRock Inc. stated that it held 62,764,366 BNP Paribas shares. Since that date, BlackRock Inc. has disclosed statutory threshold crossings without crossing legal thresholds.

On 6 January 2022 (AMF Disclosure No. 222C0046), Amundi, acting on behalf of the funds it manages, disclosed that its interest in BNP Paribas' capital and voting rights had risen above the 5% legal thresholds on 31 December 2021 and that it held

74,482,498 BNP Paribas shares. Since that date, Amundi has disclosed statutory threshold crossings without crossing legal thresholds.

## LISTING INFORMATION

When the shareholders of BNP and Paribas approved the merger between the two banks at the Shareholders' Combined General Meeting of 23 May 2000, BNP shares became BNP Paribas shares. The Euroclear-France code for BNP Paribas is the same as the previous BNP code (13110). Since 30 June 2003, BNP Paribas shares have been registered under ISIN code FR0000131104. To help increase the number of shares held by individual shareholders, BNP Paribas carried out a two-for-one share split on 20 February 2002, reducing the par value of the shares to EUR 2.

BNP shares were first listed on the Cash Settlement Market of the Paris Stock Exchange on 18 October 1993, following privatisation, before being transferred to the Monthly Settlement Market on 25 October of that year. When the monthly settlement system was discontinued on 25 September 2000, BNP Paribas shares became eligible for Euronext's Deferred Settlement Service (SRD).

Since privatisation, a Level 1 144A ADR (American Depositary Receipt) programme has been active in the United States, where JP Morgan Chase is the depositary bank (two ADRs correspond to one BNP Paribas share).

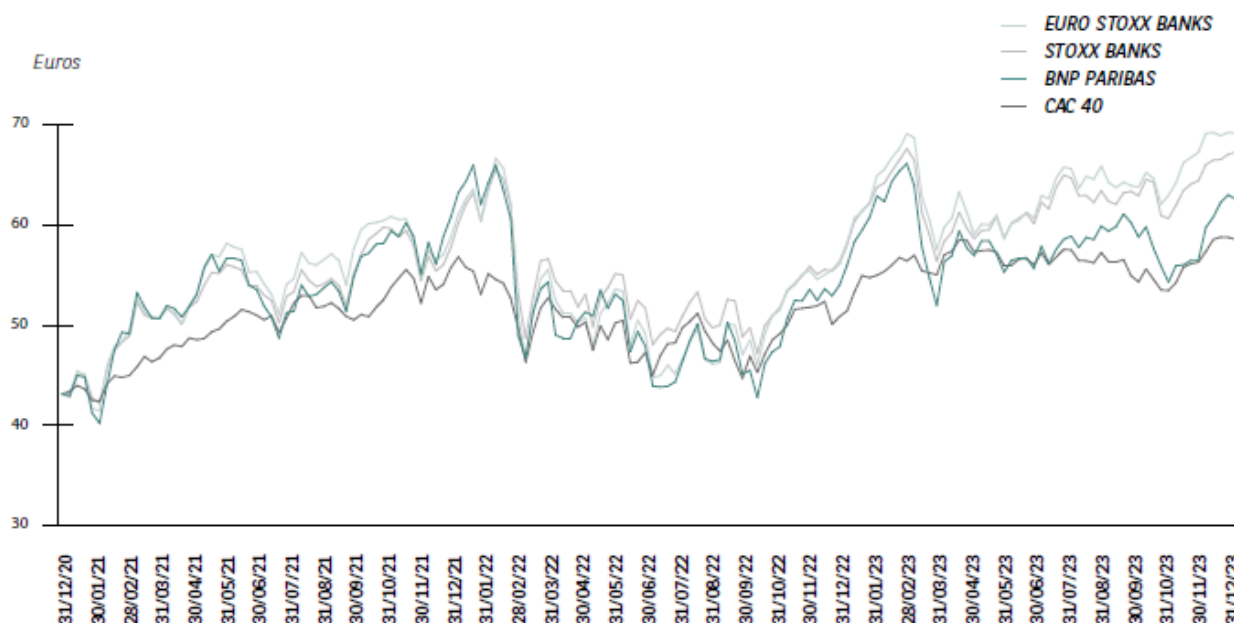
The ADRs have been traded on OTCQX International Premier since 14 July 2010 in order to provide better liquidity and visibility to US investors.

BNP Paribas has been part of the CAC 40 index since 17 November 1993 and became part of the EURO STOXX 50 index on 1 November 1999. Since 18 September 2000, it has been part of the STOXX 50 index. BNP Paribas also joined the DJ Banks Titans 30 Index, an index comprising the 30 largest banks worldwide. It is also included in the EURO STOXX Banks and STOXX Banks indices. BNP Paribas shares are also included in the main Sustainable Development benchmarks (see chapter 7), including Vigeo Euronext indices (World 120, Europe 120, Euro 120 and France 20), FTSE4Good Index Series, Dow Jones Sustainability World & Europe Indices and STOXX Global ESG Leaders Index.

All of these elements foster liquidity and share price appreciation, as the BNP Paribas share is necessarily a component of every portfolio and fund that tracks the performance of these indexes.

### BNP PARIBAS SHARE PRICE PERFORMANCE BETWEEN 31 DECEMBER 2020 AND 31 DECEMBER 2023

*Comparison with the EURO STOXX Banks, STOXX Banks and CAC 40 indexes (rebased on share price)*



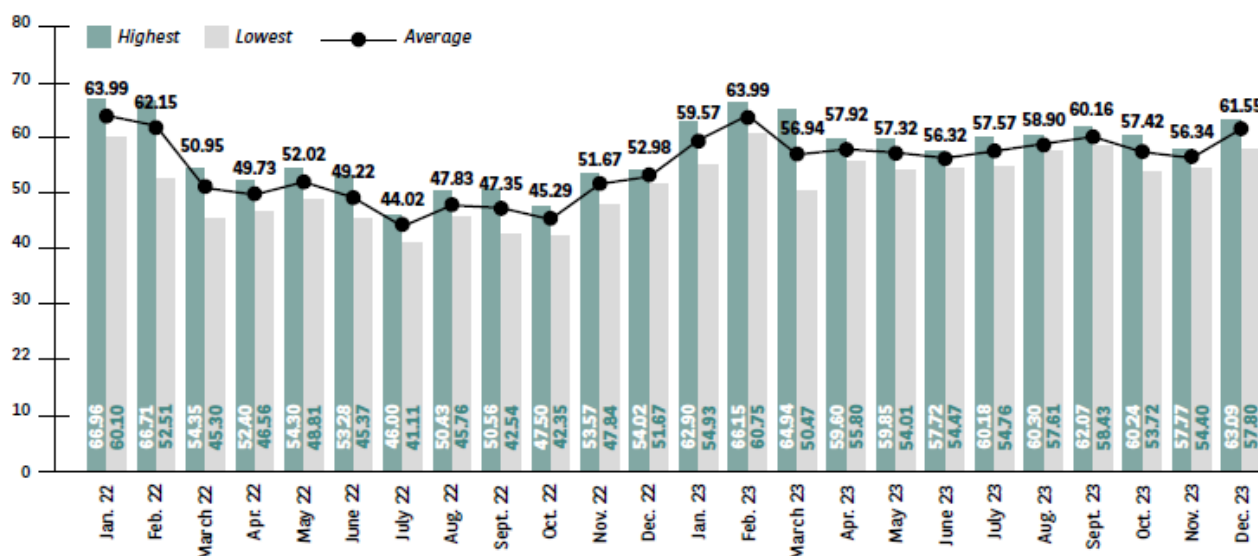
Source: Bloomberg

In the three-year period from 31 December 2020 to 31 December 2023, BNP Paribas' share price increased by 45.2% from EUR 43.11 to EUR 62.59, outperforming the CAC 40 (+35.9%), but underperforming Eurozone banks (Euro STOXX Banks: +60.4%) and European banks (STOXX Banks: +56.1%).

Over this period, European banking stocks were initially supported by the good performance of banking institutions and the outlook for a post-covid-19 economic recovery. This dynamic was halted from the end of February 2022 by the consequences of the invasion of Ukraine. Eurozone institutions subsequently benefited from the interest rate hike, but the rise in equity prices was contained by central bank actions against inflation and fears of an economic slowdown; the influence of these factors eased at the end of 2023.



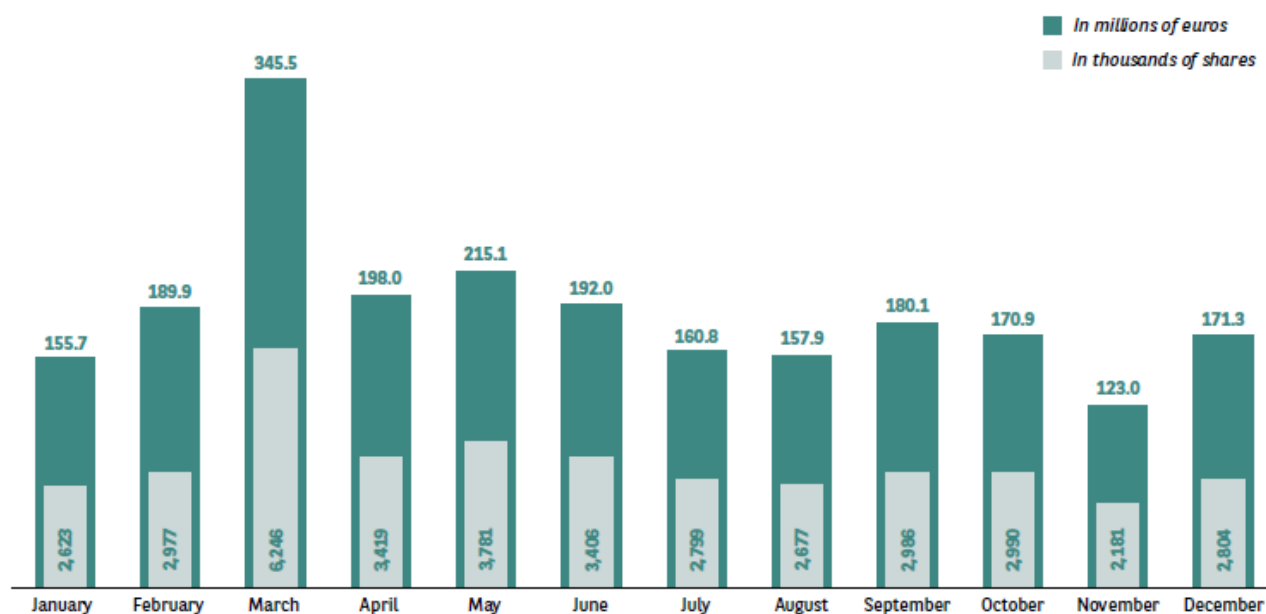
## BNP PARIBAS MONTHLY AVERAGES AND HIGH AND LOW MONTHLY CLOSING PRICES SINCE JANUARY 2022



Source: Bloomberg.

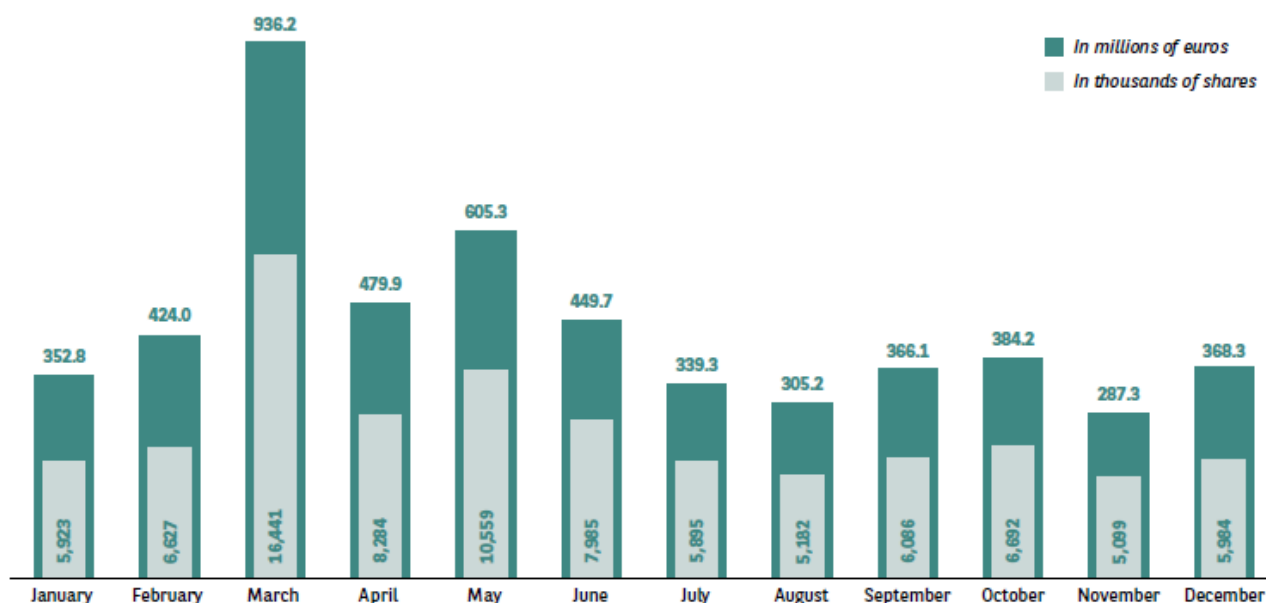
- At 31 December 2023, BNP Paribas' market capitalisation was EUR 71.82 billion, ranking the Enterprise 10<sup>th</sup> among CAC 40 stocks; BNP Paribas' free float also put the bank in 9<sup>th</sup> place on the Paris market index and in 14<sup>th</sup> place in the EURO STOXX 50 index.
- Daily trading volume on Euronext Paris averaged 3,257,629 shares in 2023, down 10.6% from the previous year (3,642,664 shares per trading session in 2022). Including the volumes traded on multilateral trading facilities (MTFs), daily trading volume in 2023 averaged 7,562,994 shares, down 5.0% (7,961,426 shares traded daily in 2022).

## TRADING VOLUME ON EURONEXT PARIS IN 2023 (DAILY AVERAGE)



Source: Euronext.

## TOTAL TRADING VOLUME ON EURONEXT PARIS AND MTF5 IN 2023 (DAILY AVERAGE)



Source: Bloomberg Composite EU Quote BNPP.

## SHAREHOLDER DASHBOARD

| (in euros)   | 2019               | 2020                 | 2021                 | 2022                 | 2023                 |
|--|--------------------|----------------------|----------------------|----------------------|----------------------|
| Net income attributable to the shareholders per share <sup>(1)</sup> | 6.21               | 5.31                 | 7.26                 | 7.80                 | 9.21                 |
| Net book value per share <sup>(2)</sup>                              | 79.0               | 82.3                 | 88.0                 | 89.0                 | 96.0                 |
| Net dividend per share   | 0.0 <sup>(3)</sup> | 2.66 <sup>(4)</sup>  | 3.67 <sup>(6)</sup>  | 3.90 <sup>(7)</sup>  | 4.60 <sup>(8)</sup>  |
| Cash pay-out ratio (%) <sup>(9)</sup>                                | 0.0 <sup>(3)</sup> | 50.00 <sup>(5)</sup> | 50.00 <sup>(6)</sup> | 50.00 <sup>(7)</sup> | 50.00 <sup>(8)</sup> |
| <b>Share price</b>   |                    |                      |                      |                      |                      |
| Highest <sup>(10)</sup>  | 53.81              | 54.22                | 62.55                | 68.07                | 67.02                |
| Lowest <sup>(10)</sup>   | 38.14              | 24.51                | 39.71                | 40.67                | 47.02                |
| Year-end   | 52.83              | 43.105               | 60.77                | 53.25                | 62.59                |
| CAC 40 index on 31 December  | 5,978.06           | 5,551.41             | 7,153.03             | 6,473.76             | 7,543.18             |

- (1) Based on the average number of shares outstanding during the year. Calculated in 2023 on the basis of the distributable 2023 earnings and the number of shares outstanding at year-end.
- (2) Before distribution. Revalued net book value based on the number of shares outstanding at year-end 2023, net earnings per share calculated on a number of shares outstanding at year-end.
- (3) Following ECB/2020/19 recommendation of the European Central Bank of 27 March 2020 on dividend distribution policies during the Covid-19 pandemic, the distribution of EUR 3.10 per share initially proposed to the Annual General Meeting of 19 May 2020, was appropriated to "Other reserves".
- (4) EUR 1.11 distributed following the approval of the Shareholders' Combined General Meeting of 18 May 2021, plus EUR 1.55 distributed following the approval of the Ordinary Annual General Meeting of 24 September 2021; taking into account only the distribution of the 2020 dividend.
- (5) Taking into account only the distribution of the 2020 dividend.
- (6) Taking into account only the distribution of the 2021 dividend and not taking into account the EUR 900 million share buyback programme, executed between 1 November 2021 and 6 December 2021.
- (7) Taking into account only the distribution of the 2022 dividend and not taking into account the EUR 962 million share buyback programme in respect of the so-called "ordinary" distribution.
- (8) Subject to approval by the Annual General Meeting of 14 May 2024 and not taking into account the EUR 1.05 billion share buyback programme planned for 2024.
- (9) Cash dividend distribution recommended at the Annual General Meeting expressed as a percentage of distributable net income attributable

to shareholders.  
(10) Recorded intra-day during trading session.

## CREATING VALUE FOR SHAREHOLDERS

### TOTAL SHAREHOLDER RETURN (TSR)

#### Calculation parameters

- Dividends are reinvested in BNP shares then in BNP Paribas shares; 50% tax credit was included until this system was abolished at the beginning of 2005.
- Exercise of preferential subscription rights during the rights issues of March 2006 and October 2009.
- Returns stated are gross, *i.e.* before any tax payments or brokerage fees.

#### Calculation results

The following table indicates, for various periods ending on 31 December 2023, the total return on a BNP share, then on a BNP Paribas share, as well as the effective annual rate of return.

| Holding period                    | Investment date | Share price at the investment date (in euros) | Number of shares at the end of the calculation period | Initial investment multiplied by | Effective annual rate of return |
|-----------------------------------|-----------------|---|---|----------------------------------|---------------------------------|
| Since privatisation of BNP        | 18/10/1993      | 36.59   | 6.8229  | 11.6710                          | 8.47%                           |
| 30 years                          | 03/01/1994      | 43.31   | 6.2129  | 8.9786                           | 7.59%                           |
| 25 years                          | 04/01/1999      | 73.05   | 5.5023  | 4.7144                           | 6.40%                           |
| Since the creation of BNP Paribas | 01/09/1999      | 72.70   | 5.3533  | 4.6088                           | 6.48%                           |
| 21 years                          | 02/01/2003      | 39.41   | 2.4382  | 3.8722                           | 6.66%                           |
| 20 years                          | 02/01/2004      | 49.70   | 2.3450  | 2.9532                           | 5.56%                           |
| 18 years                          | 02/01/2006      | 68.45   | 2.1686  | 1.9829                           | 3.88%                           |
| 15 years                          | 02/01/2009      | 30.50   | 1.9106  | 3.9209                           | 9.53%                           |
| 12 years                          | 02/01/2012      | 30.45   | 1.6976  | 3.4894                           | 10.97%                          |
| 10 years                          | 02/01/2014      | 56.70   | 1.5738  | 1.7373                           | 5.68%                           |
| 7 years                           | 02/01/2017      | 60.12   | 1.4202  | 1.4785                           | 5.75%                           |
| 6 years                           | 02/01/2018      | 62.68   | 1.3626  | 1.3606                           | 5.27%                           |
| 5 years                           | 02/01/2019      | 38.73   | 1.2913  | 2.0868                           | 15.86%                          |
| 4 years                           | 02/01/2020      | 53.20   | 1.2019  | 1.4140                           | 9.05%                           |
| 3 years                           | 04/01/2021      | 43.86   | 1.2019  | 1.7151                           | 19.78%                          |
| 2 years                           | 03/01/2022      | 61.11   | 1.1451  | 1.1728                           | 8.33%                           |
| 1 year                            | 02/01/2023      | 53.91   | 1.0696  | 1.2418                           | 24.33%                          |

## COMMUNICATION WITH SHAREHOLDERS

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BNP Paribas endeavours to provide all shareholders with clear, consistent, high-quality information at regular intervals, in accordance with best market practice and the recommendations of stock market authorities.

The Investor Relations team informs institutional investors and financial analysts about the Group's strategy, major events concerning the Group's business and the Group's quarterly results.

In 2024, the timetable is as follows<sup>1</sup>:

- 1 February 2024: publication of 2023 full-year results;
- 25 April 2024: publication of the first quarter 2024 results;
- 24 July 2024: publication of the second quarter and first half 2024 results;
- 31 October 2024: publication of the third quarter and the first nine months 2024 results.

Informative briefings are organised several times a year for all market participants, in particular when the annual and half-year results are released, or on specific topics, providing General Management with an opportunity to present the BNP Paribas Group and its strategy. More specifically, an Investor Relations Officer is responsible for liaising with managers of ethical and socially responsible funds.

The Shareholder Relations team provides information and deals with queries from the Bank's 301,200 individual shareholders (internal sources and SRD2 Survey at 31 December 2023). Twice a year, shareholders receive a financial newsletter outlining the Group's main developments, and the minutes of the Annual General Meeting are sent in early July. During the year, shareholders are invited to meetings in various French cities where the Company's achievements and strategy are presented by Executive Management (in 2023, for example, in Bordeaux on 31 May and Marseille on 12 September). Lastly, BNP Paribas representatives were able to interact directly with nearly 400 people during the "*Investir Day*" fair held in Paris on 28 November 2023.

The members of the **Cercle des actionnaires de BNP Paribas** (BNP Paribas Shareholders' Club), set up in 1995, are the 57,700 shareholders holding at least 200 shares. They receive the financial newsletters each half-year and the minutes of the Annual General Meeting. They also receive regular e-mails informing them of new events on the *Cercle des actionnaires* (Shareholders' Club) website ([www.cercle-actionnaires.bnpparibas](http://www.cercle-actionnaires.bnpparibas)), which also features all the available propositions. Each Club member has a personal and secure access to manage his/her registrations and retrieve his/her invitations.

In 2023, the Club offered more than 300 face-to-face events – guided tours, concerts, performing arts shows, film screenings, *etc.* – and videoconferences, podcasts (interviews with historians, speakers, artists, *etc.*). In addition, the site's Magazine pages contain articles related to the programming and **BNP Paribas** Group's commitments.

A **French toll-free phone number** has also been made available, **0800 666 777**; it provides the market price and allows members to leave a voice message for the Club team. Messages can also be sent by email to [cercle.actionnaires@bnpparibas.com](mailto:cercle.actionnaires@bnpparibas.com).

**The BNP Paribas website (<https://invest.bnpparibas/>)**, available in French and English, offers users access to all information on the BNP Paribas Group (including press releases, key figures, coverage of the main events, *etc.*). All documents such as Integrated reports and Reference documents or universal registration documents, can also be viewed and downloaded. The financial calendar gives the dates of important forthcoming events, such as the Annual General Meeting, results announcements and shareholder seminars. The website also features the latest share performance data and comparisons with major indexes, as well as a tool for calculating performance.

Reports and presentations relating to BNP Paribas' business and strategy aimed at all audiences (institutional investors, asset managers and financial analysts) are also available. The **Individual shareholder section** shows information and features specifically designed for retail shareholders, in particular, access to information such as proposed events.

A section dedicated to **Social and Environmental Responsibility** describes the Bank's goals, the policy followed and the main achievements in this area.

In addition, there is a specific section dedicated to the **Annual General Meeting** which includes information regarding attendance at the meeting, ways to vote and practical matters, as well as a presentation of the resolutions and the complete text of all speeches made by corporate officers. Webcasts of the Annual General Meeting can be viewed on the Bank's website.

In response to the expectations of individual shareholders and investors, and to meet strict regulatory transparency and disclosure requirements, BNP Paribas regularly adds sections to its website and improves existing sections with enhanced content and new functions.

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<sup>1</sup> Subject to change at a later date.

## SHAREHOLDER LIAISON COMMITTEE

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After its formation in 2000, BNP Paribas decided to create a Shareholder Liaison Committee to help the Group improve communications with its retail shareholders. At the Annual General Meeting that approved the merger between BNP and Paribas, the Chairman of BNP Paribas initiated the process of appointing members to this Committee, which was fully established in late 2000.

Chaired by Jean Lemierre, it includes ten shareholders who are both geographically and socio-professionally representative of the retail shareholder population, along with two employees or former employees. Each member serves a three-year term. When their terms expire, announcements are published in the Group's various financial publications; any shareholder may apply.

At end 2023, the Liaison Committee was composed of:

- Mr Jean Lemierre, Chairman;
- Mr Jean-Louis Busière, residing in the Moselle Department;
- Mr Michel Cassou, residing in the Tarn Department;
- Mr Jean-Marc Cornier, residing in Meudon;
- Mr Patrick Cunin, residing in the Essonne Department;
- Ms Catherine Drolc, residing in Montpellier;
- Ms Anne Doris Dupuy, residing in the Gironde Department;
- Mr Jean-Marie Lapoirie, residing in the Rhône Department;
- Mr Jacques Martin, residing in the Alpes-Maritimes Department;
- Ms Françoise Rey, residing in Paris;
- Mr Jean-Jacques Richard, residing in Toulon;
- Mr Ugo Cuccagna, BNP Paribas employee;
- Ms Christine Valence, BNP Paribas employee.

In accordance with the provisions of the Charter, to which all participants have adhered and which serves as the Internal Rules, the members of the Committee met twice in 2023, on 16 May (after the Annual General Meeting) and 22 September.

The main topics of discussion in 2023 included:

- BNP Paribas' capital structure and changes therein, particularly among "retail shareholders";
- the draft 2022 universal registration document, and specifically, the chapters on Shareholder Relations, Corporate governance and Social and Environmental Responsibility;
- the Integrated Report;
- the quarterly, half-yearly and annual results;
- the initiatives taken in preparation for the Annual General Meeting, including its organisation;
- proposals for resolutions at the AGM;
- the presentation of the economic outlook and environment;
- the geopolitical situation;
- presentation of ALM (Asset & Liability Management) Treasury activities.

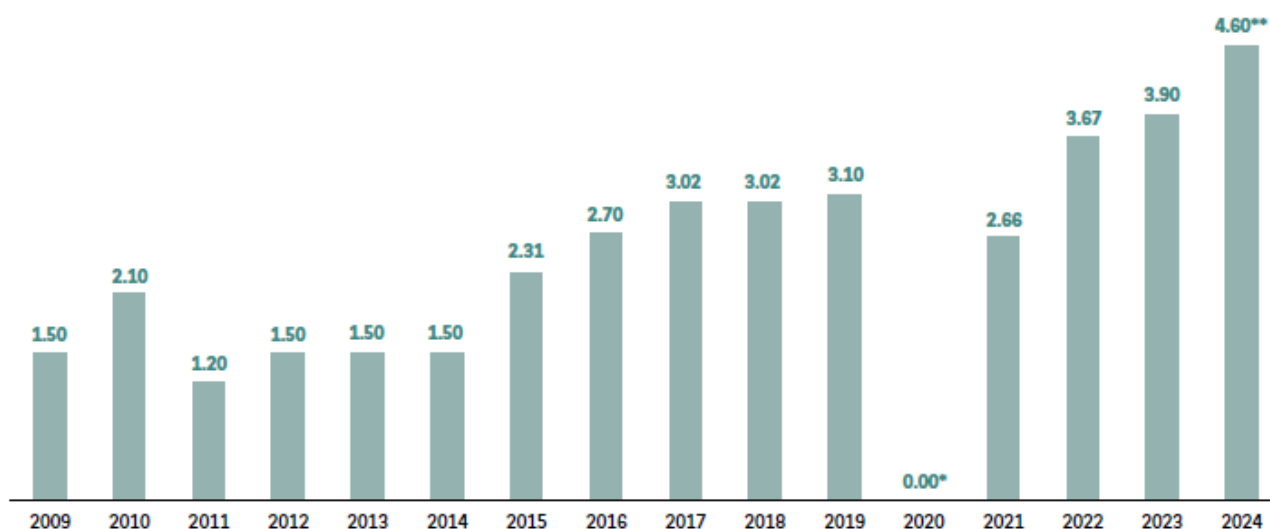
## DIVIDEND

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At the Annual General Meeting of 14 May 2024, the Board of directors will propose a dividend of EUR 4.60 per share (up by 17.9% compared to EUR 3.90 distributed in 2023). The ex-dividend date and the payment of the coupon would then take place on 21 May and 23 May 2024 respectively in the event of a positive vote by the AGM.

The total amount of the proposed cash distribution amounts to EUR 5,278 million, compared to a total of EUR 4,814 million in cash distributed in 2023.

## CHANGE IN DIVIDEND (in euros per share)



(\*) Following the recommendation BCE/2020/19 of the European Central Bank of 27 March 2020 on dividend distribution policies during the Covid-19 pandemic, the amounts corresponding to the dividend distribution initially proposed to the Annual General Meeting of 19 May 2020, of a dividend of EUR 3.10 per share, were allocated to the "Other reserves" item.

(\*\*) Subject to approval at the Annual General Meeting of 14 May 2024.

**Limitation period for dividends:** any dividend unclaimed five years after its due date is forfeited, as provided by law. Dividends for which payment has not been sought are paid to the Public Treasury.

## BNP PARIBAS REGISTERED SHARES

At 31 December 2023, 23,370 shareholders held BNP Paribas registered shares.

### REGISTERED SHARES HELD DIRECTLY WITH BNP PARIBAS

Shareholders who hold registered shares directly with BNP Paribas:

- automatically receive all documents regarding the Bank that are sent to shareholders;
- can call a **French toll-free phone number: 0800 600 700** to place buy and sell orders<sup>(1)</sup> and to obtain any information;
- benefit from preferential brokerage rates;
- have access to "Planetshares" ([planetshares.uptevia.pro.fr](https://planetshares.uptevia.pro.fr)), a fully secure dedicated web server, allowing them to view their BNP Paribas registered share accounts and account movements, as well as place and track orders<sup>1</sup>; this server is also available on tablets and smartphones;
- are automatically invited to Annual General Meetings without the need for an ownership certificate;
- may receive notice of Annual General Meetings online;
- pay no custody fees.

Registered shares held directly with BNP Paribas cannot be registered in a PEA (Share Savings Plan), given the regulations and procedures applicable to this vehicle. Investors whose shares are held in a PEA and who want to hold them in "registered" form can opt to hold them in an administered account (see below).

### REGISTERED SHARES HELD IN AN ADMINISTERED ACCOUNT

BNP Paribas is also extending its administered share account services to institutional shareholders. For institutional shareholders, this type of account combines the main benefits of holding shares in bearer form with those of holding registered shares directly with BNP Paribas:

- shares can be traded at any time, through the shareholder's usual broker;
- the shareholder can have a single share account, combined with a cash account;
- the shareholder is automatically invited to attend and vote at Annual General Meetings, without the invitation being sent through a third party;

<sup>1</sup> Subject to prior signature of a "brokerage services agreement" (free of charge).

- shareholders may receive notice of meetings and vote at Annual General Meetings online.

## SHAREHOLDERS' ANNUAL GENERAL MEETING

The procedures for BNP Paribas' Annual General Meetings are defined in article 18 of the Bank's Articles of association.

The Board of directors calls an Ordinary General Meeting at least once a year to vote on the agenda set by the Board.

The Board may call Extraordinary General Meeting for the purpose of amending the Articles of association, and especially to increase the Bank's share capital. Resolutions are adopted by a two-third majority of shareholders present or represented.

The Shareholders' Combined General Meeting may be called in a single notice of meeting and held on the same date.

The Bank's last Shareholders' Combined General Meeting took place on 16 May 2023 on first notice. The text of the resolutions and the video of the meeting can be viewed on the BNP Paribas website, where the original live webcast was shown. The composition of the quorum and the results of the votes cast on resolutions were posted online the day after the meeting. A specific letter to shareholders included the minutes of this meeting.

The quorum broke down as follows:

### BREAKDOWN OF QUORUM

|   | Number of<br>shareholders | (%)            | Equities             | (%)            |
|---|---------------------------|----------------|----------------------|----------------|
| Present   | 889                       | 4.64%          | 675,675              | 0.08%          |
| Appointment of proxy  | 515                       | 2.69%          | 12,998,276           | 1.46%          |
| Proxy given to Chairman                                     | 7,364                     | 38.40%         | 3,087,645            | 0.35%          |
| Postal votes  | 10,408                    | 54.28%         | 876,106,194          | 98.12%         |
| <b>TOTAL</b>  | <b>19,176</b>             | <b>100.00%</b> | <b>892,867,790</b>   | <b>100.00%</b> |
| <i>of which online</i>                                      | <i>17,349</i>             | <i>90.47%</i>  | <i>741,454,677</i>   | <i>83.04%</i>  |
|   |                           |                |                      | <b>Quorum</b>  |
| <b>Number of ordinary shares (excluding treasury stock)</b> |                           |                | <b>1,218,504,698</b> | <b>73.28%</b>  |

Of the 17,349 shareholders who took part in our last Shareholders' Combined General Meeting online:

- 565 had requested an admission card;
- 6,441 had given the Chairman a proxy;
- 508 had given a proxy to a third party (who legally must also be a shareholder);
- 9,835 had voted by post.

All resolutions proposed to the shareholders were approved.

## SHAREHOLDERS' COMBINED GENERAL MEETING OF 16 MAY 2023

| Results  | Rate of approval |
|--|------------------|
| <b>ORDINARY MEETING</b>  |                  |
| <b>First resolution:</b> approval of the parent company financial statements for 2022  | 99.87%           |
| <b>Second resolution:</b> approval of the consolidated financial statements for 2022   | 99.95%           |
| <b>Third resolution:</b> appropriation of net income for the 2022 financial year and distribution of dividends   | 99.92%           |
| <b>Fourth resolution:</b> agreements and commitments referred to in articles L.225-38 <i>et seq.</i> of the French Commercial Code   | 99.48%           |
| <b>Fifth resolution:</b> authorisation for BNP Paribas to buy back its own shares  | 98.77%           |
| <b>Sixth resolution:</b> renewal of the term of office of Mr Jean Lemierre as a director   | 97.27%           |
| <b>Seventh resolution:</b> renewal of the term of office of Mr Jacques Aschenbroich as a director  | 97.14%           |
| <b>Eighth resolution:</b> renewal of the term of office of Ms Monique Cohen as a director  | 97.91%           |
| <b>Ninth resolution:</b> renewal of the term of office of Ms Daniela Schwarzer as a director   | 99.43%           |
| <b>Tenth resolution:</b> vote on the components of the compensation policy attributable to directors   | 99.75%           |
| <b>Eleventh resolution:</b> vote on the components of the compensation policy attributable to the Chairman of the Board of directors   | 96.71%           |
| <b>Twelfth resolution:</b> vote on the components of the compensation policy attributable to the Chief Executive Officer and to the Chief Operating Officers   | 87.75%           |
| <b>Thirteenth resolution:</b> vote on disclosures relating to compensation paid in 2022 or awarded in respect of 2022 to all directors and corporate officers  | 96.96%           |
| <b>Fourteenth resolution:</b> vote on the components of the compensation paid or granted in respect of 2022 to Mr Jean Lemierre, Chairman of the Board of directors  | 96.86%           |
| <b>Fifteenth resolution:</b> vote on the components of the compensation paid or granted in respect of 2022 to Mr Jean-Laurent Bonnafé, Chief Executive Officer   | 90.63%           |
| <b>Sixteenth resolution:</b> vote on the components of the compensation paid or granted in respect of 2022 to Mr Yann Gérardin, Chief Operating Officer  | 94.60%           |
| <b>Seventeenth resolution:</b> vote on the components of remuneration paid or granted in 2022 to Mr Thierry Laborde, Chief Operating Officer   | 96.20%           |
| <b>Eighteenth resolution:</b> advisory vote on the overall amount of compensation of any kind paid during 2022 to Executive Officers and certain categories of staff   | 99.29%           |
| <b>EXTRAORDINARY MEETING</b>   |                  |
| <b>Nineteenth resolution:</b> Delegation to be granted to the Board of directors to increase the share capital without preferential subscription rights, through the issue of super-subordinated contingent convertible bonds that would not be converted into shares, up to a limit of 10% of the share capital, if the CET1 ratio becomes equal to or falls below 5.125% | 97.06%           |
| <b>Twentieth resolution:</b> transactions reserved for members of the BNP Paribas Group Company Savings Plan, with cancellation of preferential subscription rights  | 98.86%           |
| <b>Twenty-first resolution:</b> authorisation to reduce the share capital by cancelling shares   | 99.78%           |
| <b>Twenty-second resolution:</b> amendment of the Articles of association relating to the age limit of the Chairman  | 97.82%           |
| <b>Twenty-third resolution:</b> powers for formalities   | 99.99%           |



## NOTICES OF MEETING

BNP Paribas will hold its next shareholders' Combined General Meeting on 14 May 2024<sup>1</sup>.

The meeting notices and invitations are available on the [invest.bnpparibas.com](https://invest.bnpparibas.com) website in French and English from the time of their publication in the French Bulletin of Compulsory Legal Announcements (BALO). Staff at all BNP Paribas branches are specifically trained to provide the necessary assistance and carry out the required formalities.

Holders of registered shares are automatically notified, regardless of the number of shares held, with a complete notice of meeting containing in particular the agenda, the draft resolutions and a voting form. A significant and fast-growing proportion (20.4% for the AGM of 16 May 2023, compared to 19.6% for the AGM of 2022) of notices of meeting to registered shareholders were sent *via* the internet after the shareholders concerned had given their prior agreement to this information procedure.

BNP Paribas informs holders of bearer shares *via* the internet regardless of the number of shares held, subject to their custodians being part of the market system known as Votaccess. Shareholders notified of the Annual General Meeting may take part quickly and easily. The Bank also provides custodians with notices of meetings and printed postal voting forms, which can then be sent to those shareholders who request them.

## ATTENDANCE AT MEETINGS

Holders of shares may gain admittance to a General Meeting provided these shares are recorded in their accounts two trading days before the Meeting. Holders of bearer shares must also present an entry card or certificate proving their ownership of the shares.

## VOTING

Using the internet voting platform gives shareholders access to the notice of the Annual General Meeting. They can then either vote or appoint a proxy, or print their admission card if they wish to attend the Annual General Meeting in person.

More than 90% of shareholders who took part in the vote in May 2023 used the platform set up, a proportion that has risen sharply compared to the nearly 85% recorded in 2022.

Shareholders not using the online platform return the printed form enclosed with the notice of meeting to BNP Paribas. Before the Annual General Meeting, this document may be used to:

- request an admission card;
- vote by post;
- give proxy to another individual or legal entity; or
- give proxy to the Chairman of the meeting.

## DISCLOSURE THRESHOLDS

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In addition to the legal thresholds, and in accordance with article 5 of the Articles of association, any shareholder, whether acting alone or in concert, who owns or may hold directly or indirectly at least 0.5% of the capital or voting rights of BNP Paribas, or any multiple of that percentage up to 5%, is required to notify BNP Paribas by registered letter with return receipt.

Once the 5% threshold is reached, shareholders are required to disclose any increase in their interest representing a multiple of 1% of the share capital or voting rights of BNP Paribas.

The disclosures described in the previous two paragraphs shall also apply when the shareholding falls below the above-mentioned thresholds.

In the case of failure to comply with these disclosure requirements, either legal or statutory, the undisclosed shares will be stripped of voting rights at the request of one or more shareholders who hold a combined interest of at least 2% of the share capital or voting rights of BNP Paribas.";

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<sup>1</sup> Subject to change at a later date.

- (b) Section 2 entitled "Corporate Governance and Internal Control" on pages 37 to 144 shall be deleted in its entirety and replaced with the following:

# "2 CORPORATE GOVERNANCE AND INTERNAL CONTROL

## 2.1 Report on Corporate governance

This Corporate governance report was prepared by the Board of directors in accordance with the last paragraph of article L.225-37 of the French Commercial Code.

The information contained herein notably takes into account annex 1 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019, AMF Recommendation No. 2012-02<sup>1</sup> amended on 28 July 2023, the 2023 AMF<sup>2</sup> report and the November 2023 Annual Report of the High Committee for Corporate governance (*Haut Comité de Gouvernement d'Entreprise* – HCGE).

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<sup>1</sup> AMF recommendation No. 2012-02 – Corporate governance and executive compensation in companies referring to the Corporate Governance Code of Listed Companies (Afep-MEDEF Code) – Consolidated presentation of the recommendations contained in the Annual Reports of the AMF.

<sup>2</sup> 2023 AMF report on Corporate governance and executive compensation of listed companies (December 2023).

## 2.1.1 PRESENTATION OF DIRECTORS AND CORPORATE OFFICERS

### COMPOSITION OF THE BOARD OF DIRECTORS IN 2023

**Jean LEMIERRE**

**Principal function: Chairman of the Board of directors of BNP Paribas**

Date of birth: 6 June 1950

Nationality: French

Term start and end dates: 16 May 2023 – 2026 AGM

Date first appointed to the Board of directors: 1 December 2014

ratified by the Annual General Meeting of 13 May 2015

Number of BNP Paribas shares held<sup>(1)</sup>: 41,341<sup>(2)</sup>

Business address: 16 boulevard des Italiens

75009 PARIS

FRANCE

#### Education

Graduate of the Institut d'Études Politiques de Paris

Graduate of École Nationale d'Administration

Law degree

#### Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad

BNP Paribas(\*) Chairman of the Board of directors

TEB Holding AS, director

#### Offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad

TotalEnergies<sup>(1)</sup>, director

#### Participation<sup>(1)</sup> in specialised committees of French or foreign companies

TotalEnergies, member of the Corporate Governance and Ethics Committee and member of the Strategy & CSR Committee

#### Others<sup>(1)</sup>

Centre d'Études Prospectives et d'Informations Internationales (CEPII), Chairman

Paris Europlace, Vice-Chairman

Association française des entreprises privées (Afed), member of the Board of directors

Institut de la Finance durable (IFD), member of the Board of directors

Institute of International Finance (IIF), member

International Advisory Council of China Development Bank (CDB), member

International Advisory Council of China Investment Corporation (CIC), member

International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS), member

#### **Offices held at 31 December in previous financial years**

*(the companies mentioned are the parent companies of the groups in which the functions were carried out)*

#### **2022:**

**Chairman of the Board of directors:** BNP Paribas

**Director:** TEB Holding AS, TotalEnergies SA

**Chairman:** Centre d'Études Prospectives et d'Informations Internationales (CEPII)

**Vice-Chairman:** Paris Europlace

**Member:** Board of directors of the Association française des entreprises privées (Afed), Board of directors of the Institut de la Finance durable (IFD), Institute of International Finance (IIF), International Advisory Council of China Development Bank (CDB), International Advisory Council of China Investment Corporation (CIC), International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS)

#### **2021:**

**Chairman of the Board of directors:** BNP Paribas

**Director:** TEB Holding AS, TotalEnergies SA

**Chairman:** Centre d'Études Prospectives et d'Informations Internationales (CEPII)

**Vice-Chairman:** Paris Europlace

**Member:** Board of directors of the Association française des entreprises privées (Afed), Institute of International Finance (IIF), Orange International Advisory Board, International Advisory Council of China Development Bank (CDB), International Advisory Council of China Investment Corporation (CIC), International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS)

#### **2020:**

**Chairman of the Board of directors:** BNP Paribas

**Director:** TEB Holding AS, Total SA

**Chairman:** Centre d'Études Prospectives et d'Informations Internationales (CEPII)

**Vice-Chairman:** Paris Europlace

**Member:** Board of directors of the Association française des entreprises privées (Afed), Institute of International Finance (IIF), Orange International Advisory Board, International Advisory Council of China Development Bank (CDB), International Advisory Council of China Investment Corporation (CIC), International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS)

#### **2019:**

**Chairman of the Board of directors:** BNP Paribas

**Director:** TEB Holding AS, Total SA

**Chairman:** Centre d'Études Prospectives et d'Informations Internationales (CEPII)

**Vice-Chairman:** Paris Europlace

**Member:** Board of directors of the Association française des entreprises privées (Afed), Institute of International Finance (IIF), Orange International Advisory Board, International Advisory Council of China Development Bank (CDB), International Advisory Council of China Investment Corporation (CIC), International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS)

(1) At 31 December 2023.

(2) Including 1,515 BNP Paribas shares held under the Company Savings Plan.

(\*) Listed company.

## Jean-Laurent BONNAFÉ

**Principal function: Director and Chief Executive Officer of BNP Paribas**

Date of birth: 14 July 1961

Nationality: French

Term start and end dates: 17 May 2022 – 2025 AGM

Date first appointed to the Board of directors: 12 May 2010

Number of BNP Paribas shares held<sup>(1)</sup>: 111,588<sup>(2)</sup>

Business address: 16 boulevard des Italiens

75009 PARIS

FRANCE

### Education

Graduate of the École Polytechnique

Ingénieur en chef des Mines

### Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad

BNP Paribas<sup>(\*)</sup>, Director and Chief Executive Officer

### Offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad

#### Pierre Fabre Group:

Pierre Fabre SA, director

Pierre Fabre Participations, director

### Participation<sup>(1)</sup> in specialised committees of French or foreign companies

Pierre Fabre SA, member of the Strategic Committee

#### Others<sup>(1)</sup>

Association Française des Banques (AFB), Chairman

Fédération Bancaire Française (FBF), member of the Executive Committee

Association pour le Rayonnement de l'Opéra de Paris, Chairman

Entreprises pour l'Environnement, Vice-Chairman

La France S'engage Foundation, member of the Board of directors

### Offices held at 31 December in previous financial years

(the companies mentioned are the parent companies of the groups in which the functions were carried out)

#### 2022:

**Director and Chief Executive Officer:** BNP Paribas

**Chairman:** Association Française des Banques (AFB), Association pour le Rayonnement de l'Opéra de Paris

**Vice-Chairman:** Entreprises pour l'Environnement

**Director:** Pierre Fabre Group

**Member:** Executive Committee of the Fédération Bancaire Française (FBF), Board of directors of the Bank Policy Institute, Board of directors of La France S'engage Foundation

#### 2021:

**Director and Chief Executive Officer:** BNP Paribas

**Chairman:** Association pour le Rayonnement de l'Opéra de Paris, Entreprise pour l'Environnement

**Director:** Pierre Fabre SA

**Vice-Chairman of the Executive Committee:**

Fédération Bancaire Française (FBF)  
**Member:** Board of directors of La France S'engage Foundation

#### 2020:

**Director and Chief Executive Officer:** BNP Paribas

**Chairman:** Association pour le Rayonnement de l'Opéra de Paris, Entreprise pour l'Environnement

**Director:** Pierre Fabre SA

**Member of the Executive Committee:** Fédération

Bancaire Française (FBF)  
**Member:** Board of directors of La France S'engage Foundation

#### 2019:

**Director and Chief Executive Officer:** BNP Paribas

**Chairman:** Association pour le Rayonnement de l'Opéra de Paris, Entreprise pour l'Environnement

**Director:** Carrefour, Pierre Fabre SA

**Member of the Executive Committee:** Fédération

Bancaire Française (FBF)  
**Member:** Board of directors of La France S'engage Foundation

(1) At 31 December 2023.

(2) Includes 30,213 BNP Paribas shares held as units in the shareholders' fund under the Company Savings Plan.

(\*) Listed company.

**Jacques ASCHENBROICH****Principal function: Chairman of the Board of directors of Orange**

Date of birth: 3 June 1954

Nationality: French

Term start and end dates: 16 May 2023 – 2026 AGM

Date first appointed to the Board of directors: 23 May 2017

Number of BNP Paribas shares held<sup>(1)</sup>: 1,000Business address: 111 quai du Président-Roosevelt  
92130 ISSY-LES-MOULINEAUX  
FRANCE**Education**Graduate of the École des Mines  
Corps des Mines**Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**BNP Paribas<sup>(\*)</sup>, director**Offices<sup>(1)</sup> held under the principal function**Orange<sup>(\*)</sup>, Chairman of the Board of directors**Other offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**TotalEnergies<sup>(\*)</sup>, lead director**Participation<sup>(1)</sup> in specialised committees of French or foreign companies**

BNP Paribas, Chairman of the Corporate Governance, Ethics, Nominations and CSR Committee and member of the Financial Statements Committee

TotalEnergies, Chairman of the Corporate Governance and Ethics Committee and member of the Remuneration Committee and Strategy &amp; CSR Committee

**Others<sup>(1)</sup>**

École Nationale Supérieure Mines ParisTech, Chairman of the Board of directors

Club d'affaires franco-japonais, Co-Chairman

Institut de la Finance durable (IFD), Vice-Chairman

**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)***2022:****Chairman of the Board of directors:** Orange**Director:** BNP Paribas, TotalEnergies**Chairman:** École Nationale Supérieure Mines ParisTech**Co-Chairman:** Club d'affaires franco-japonais**Member:** Board of directors of the Association française des entreprises privées (AfeP)**2021:****Chairman and Chief Executive Officer:** Valeo Group**Director:** BNP Paribas, TotalEnergies**Chairman:** École Nationale Supérieure Mines ParisTech**Co-Chairman:** Club d'affaires franco-japonais**Member:** Board of directors of the Association française des entreprises privées (AfeP)**2020:****Chairman and Chief Executive Officer:** Valeo Group**Director:** BNP Paribas, Veolia Environnement**Chairman:** École Nationale Supérieure Mines ParisTech**Co-Chairman:** Club**Member:** Board of directors of the Association française des entreprises privées (AfeP)**2019:****Chairman and Chief Executive Officer:** Valeo Group**Director:** BNP Paribas, Veolia Environnement**Chairman:** École Nationale Supérieure Mines ParisTech**Co-Chairman:** Club**Member:** Board of directors of the Association française des entreprises privées (AfeP)<sup>(1)</sup> At 31 December 2023.<sup>(\*)</sup> Listed company.

**Juliette BRISAC****Principal function: Chief Operating Officer of the BNP Paribas Group Company Engagement**

Date of birth: 22 May 1964

Nationality: French

Term start and end dates: 18 May 2021 – 2024 AGM

Date first appointed to the Board of directors: 18 May 2021

Number of BNP Paribas shares held<sup>(1)</sup>: 10,469<sup>(2)</sup>Business address: Millénaire 4 35 rue de la Gare  
75019 PARIS  
FRANCE**Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**BNP Paribas<sup>(\*)</sup>, director representing employee shareholdersSupervisory Board of the Group profit sharing scheme mutual fund  
“BNP Paribas Actionnariat Monde”, Chairwoman**Participation<sup>(1)</sup> in specialised committees of French or foreign companies**

BNP Paribas, member of the Financial Statements Committee

**Education**Master's degree in Economics and DESS in Banking & Finance  
from the University of Paris I Panthéon Sorbonne

Graduate of the Institut français des administrateurs (IFA)

Certified auditor of the Cycle des hautes études pour le  
développement économique (CHEDE)**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)***2022:****Director:** BNP Paribas**Chairwoman:** Supervisory  
Board of the Group profit  
sharing scheme mutual fund  
“BNP Paribas Actionnariat  
Monde”**2021:****Director:** BNP Paribas**Chairwoman:** Supervisory  
Board of the Group profit  
sharing scheme mutual fund  
“BNP Paribas Actionnariat  
Monde”*(1) At 31 December 2023.**(2) Including 5,269 BNP Paribas shares held under the Company Savings Plan.**(\*) Listed company.*

**Pierre André de CHALENDAR****Principal function: Chairman of the Board of directors of Compagnie de Saint-Gobain**

Date of birth: 12 April 1958

Nationality: French

Term start and end dates: 18 May 2021 – 2024 AGM

Date first appointed to the Board of directors: 23 May 2012

Number of BNP Paribas shares held<sup>(1)</sup>: 7,000Business address: Tour Saint-Gobain 12 place de l'Iris  
92400 COURBEVOIE  
FRANCE**Education**Graduate of École Supérieure des Sciences Économiques  
et Commerciales ("Essec")

Graduate of École Nationale d'Administration

**Offices<sup>(1)</sup> held in listed or unlisted companies of the  
BNP Paribas Group, in France or abroad**BNP Paribas<sup>(\*)</sup>, director**Offices<sup>(1)</sup> held under the principal function**Compagnie de Saint-Gobain<sup>(\*)</sup>, Chairman of the Board of directors  
Saint-Gobain Corporation, director**Other offices<sup>(1)</sup> held in listed or unlisted companies outside  
the BNP Paribas Group, in France or abroad**Veolia Environnement<sup>(\*)</sup>, director

Bpifrance, director

**Participation<sup>(1)</sup> in specialised committees of French or  
foreign companies**BNP Paribas, Chairman of the Remuneration Committee and  
member of the Corporate Governance, Ethics, Nominations and  
CSR CommitteeVeolia Environnement, Chairman of the Nominations Committee,  
member of the Remuneration Committee and member of the  
Corporate Purpose CommitteeBpifrance, Chairman of the Remuneration Committee, Chairman  
of the Climate Committee**Others<sup>(1)</sup>**

Institut de l'entreprise, Chairman

Essec, Chairman of the Supervisory Board

La Fabrique de l'Industrie, Co-Chairman

Association française des entreprises privées (Afe), member of  
the Board of directors**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)***2022:****Chairman of the Board of  
directors:** Compagnie de  
Saint-Gobain**Director:** BNP Paribas, Veolia  
Environnement, Saint-Gobain  
Corporation**Chairman:** Board of overseers  
of Essec**Co-Chairman:** La Fabrique de  
l'Industrie**Member:** Board of directors of  
the Association française des  
entreprises privées (Afe)**2021:****Chairman of the Board of  
directors:** Compagnie de  
Saint-Gobain**Director:** BNP Paribas,  
Veolia Environnement, Saint-  
Gobain Corporation**Chairman:** Board of  
overseers of Essec**Co-Chairman:** La Fabrique  
de l'Industrie**Member:** Board of directors  
of the Association française  
des entreprises privées  
(Afe)**2020:****Chairman and Chief  
Executive Officer:**

Compagnie de Saint-Gobain

**Director:** BNP Paribas,  
Saint-Gobain Corporation**Chairman:** Board of  
overseers of Essec**Co-Chairman:** La Fabrique  
de l'Industrie**Member:** Board of directors  
of the Association française  
des entreprises privées  
(Afe)**2019:****Chairman and Chief  
Executive Officer:**

Compagnie de Saint-Gobain

**Director:** BNP Paribas,  
Saint-Gobain Corporation**Chairman:** Board of  
overseers of Essec**Co-Chairman:** La Fabrique  
de l'Industrie**Member:** Board of directors  
of the Association française  
des entreprises privées  
(Afe)<sup>(1)</sup> At 31 December 2023.<sup>(\*)</sup> Listed company.



**Monique COHEN****Principal function: Senior Advisor of Seven2**

Date of birth: 28 January 1956

Nationality: French

Term start and end dates: 16 May 2023 – 2026 AGM

Date first appointed to the Board of directors: 12 February 2014, ratified by the Annual General Meeting of 14 May 2014

Number of BNP Paribas shares held<sup>(1)</sup>: 9,620Business address: 1 rue Paul-Cézanne  
75008 PARIS  
FRANCE**Education**

Graduate of the École Polytechnique

Master's degree in Mathematics

Master's degree in Business Law

**Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**BNP Paribas<sup>(\*)</sup>, director**Offices<sup>(1)</sup> held under the principal function**

Proxima Investissement SA, Chairwoman of the Board of directors

Fides Holdings, Chairwoman of the Board of directors

Fides Acquisitions, member of the Supervisory Board

**Other offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**Hermès International<sup>(\*)</sup>, Vice-Chairwoman of the Supervisory BoardSafran<sup>(\*)</sup>, lead director**Participation<sup>(1)</sup> in specialised committees of French or foreign companies**BNP Paribas, Chairwoman of the Internal Control, Risk Management and Compliance Committee and member of the Corporate Governance, Ethics, Nominations and CSR Committee  
Hermès International, Chairwoman of the Audit and Risks Committee

Safran, Chairwoman of the Nominations and Remuneration Committee

**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)***2022:****Chairwoman of the Board of directors:** Proxima

Investissement SA, Fides Holdings

**Vice-Chairwoman:** Supervisory

Board of Hermès International

**Director:** BNP Paribas, Safran**Member:** Supervisory Board of Fides Acquisitions**2021:****Chairwoman of the Board of directors:** Proxima

Investissement SA, Fides Holdings

**Vice-Chairwoman:**

Supervisory Board of Hermès International

**Director:** BNP Paribas, Safran**Member:** Supervisory Board of Fides Acquisitions**2020:****Chairwoman of the Board of directors:** Proxima

Investissement SA, Fides Holdings

**Vice-Chairwoman:**

Supervisory Board of Hermès International

**Director:** BNP Paribas, Safran**Member:** Supervisory Board of Fides Acquisitions**2019:****Chairwoman of the Board of directors:** Proxima

Investissement SA, Fides Holdings

**Vice-Chairwoman:**

Supervisory Board of Hermès International

**Director:** BNP Paribas, Safran,

Apax Partners SAS

**Member:** Supervisory Board of Fides Acquisitions<sup>(1)</sup> At 31 December 2023.<sup>(\*)</sup> Listed company.**Hugues EPAILLARD****Principal function: BNP Paribas Real Estate Business Manager**

Date of birth: 22 June 1966

Nationality: French

Term start and end dates: elected by BNP Paribas executive employees for three years from 16 February 2024 – 15 February 2027

Date first appointed to the Board of directors: 16 February 2018

Number of BNP Paribas shares held<sup>(1)</sup>: 502<sup>(2)</sup>Business address: 59 rue Saint Ferréol  
13001 MARSEILLE  
FRANCE**Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**BNP Paribas<sup>(\*)</sup>, director**Other offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**

Action Logement Services, director

**Participation<sup>(1)</sup> in specialised committees of French or foreign companies**BNP Paribas, member of the Internal Control, Risk Management and Compliance Committee and of the Remuneration Committee  
Action Logement Services, Chairman of the Risk Committee**Others<sup>(1)</sup>**

Institut français des administrateurs (IFA), Co-Chairman of the Club of directors representing employees

Judge at the Marseille Employment Tribunal, Management section

Commission paritaire de la Banque (AFB – Recourse Commission), member

**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)*

| <b>2022:</b>   | <b>2021:</b>                 | <b>2020:</b>                 | <b>2019:</b>                 |
|--|------------------------------|------------------------------|------------------------------|
| <b>Director:</b> BNP Paribas, Action Logement Services | <b>Director:</b> BNP Paribas | <b>Director:</b> BNP Paribas | <b>Director:</b> BNP Paribas |

*(1) At 31 December 2023.**(2) Including 473 BNP Paribas shares held under the Company Savings Plan.**(\*) Listed company.***Rajna GIBSON-BRANDON (until 10 September 2023)<sup>(1)</sup>****Principal function: Professor in Finance at the University of Geneva**

Date of birth: 20 December 1962

Nationality: Swiss

Term start and end dates: 18 May 2021 – 2024 AGM

Date first appointed to the Board of directors: 28 November 2018, ratified by the Annual General Meeting of 23 May 2019

Number of BNP Paribas shares held<sup>(2)</sup>: 1,000Business address: 40 Boulevard Pont d'Arve  
CH-1211 GENEVA 4  
SWITZERLAND**Education**

Doctorate in Social &amp; Economic Sciences (Specialisation in Finance), University of Geneva

**Offices<sup>(2)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**BNP Paribas<sup>(1)</sup>, director**Offices<sup>(2)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**

Swiss National Bank, member of the Bank Council

Swisox, director

**Participation<sup>(2)</sup> in specialised committees of French or foreign companies**

BNP Paribas, member of the Internal Control, Risk Management and Compliance Committee

**Others<sup>(2)</sup>**

Geneva Institute for Wealth Management Foundation, director and Chairwoman

Geneva Finance Research Institute, Deputy director

Strategic Committee and Sustainable Finance Supervisory

Committee in Geneva, member

RepRisk, member of the academic advisory board

**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)*

| <b>2022:</b>                            | <b>2021:</b>                    | <b>2020:</b>                          | <b>2019:</b>                          |
|---|---------------------------------|---------------------------------------|---------------------------------------|
| <b>Director:</b><br>BNP Paribas, Swisox | <b>Director:</b> BNP Paribas    | <b>Director:</b> BNP Paribas          | <b>Director:</b> BNP Paribas,         |
| <b>Chairwoman:</b> Bülach               | <b>Chairwoman:</b> Bülach       | <b>Chairwoman:</b> Bülach             | Applic8 SA                            |
| Investment Professionals'               | Investment Professionals'       | Investment Professionals'             | <b>Chairwoman:</b> Bülach             |
| Scientific and Training Board           | Scientific and Training Board   | Scientific and Training Board         | Investment Professionals'             |
| <b>Director and Chairwoman:</b>         | <b>Director and Chairwoman:</b> | <b>Director:</b> Geneva Institute for | Scientific and Training Board         |
| Geneva Institute for Wealth             | Geneva Institute for Wealth     | Wealth Management                     | <b>Director:</b> Geneva Institute for |
| Management Foundation                   | Management Foundation           | Foundation                            | Wealth Management                     |
| <b>Deputy Director:</b> Geneva          | <b>Deputy Director:</b> Geneva  | Deputy Director: Geneva               | Foundation                            |
| Finance Research Institute              | Finance Research Institute      | Finance Research Institute            | <b>Deputy Director:</b> Geneva        |
| <b>Member:</b> Bank Council of the      | <b>Member:</b> Strategic        | <b>Member:</b> Strategic              | Finance Research Institute            |
| Swiss National Bank, Strategic          | Committee and Sustainable       | Committee and Sustainable             | <b>Member:</b> Strategic              |
| Committee and Sustainable               | Finance Supervisory             | Finance Supervisory                   | Committee and Sustainable             |
| Finance Supervisory Committee           | Committee in Geneva,            | Committee in Geneva                   | Finance Supervisory                   |
| in Geneva, RepRisk academic             | RepRisk academic advisory       |                                       | Committee in Geneva                   |
| advisory board                          | board                           |                                       |                                       |

*(1) Ms Rajna Gibson-Brandon resigned from her directorship due to family constraints.**(2) At 10 September 2023.**(\*) Listed company.*

**Marion GUILLOU****Principal function: Independent Director**

Date of birth: 17 September 1954

Nationality: French

Term start and end dates: 17 May 2022 – 2025 AGM

Date first appointed to the Board of directors: 15 May 2013

Number of BNP Paribas shares held<sup>(1)</sup>: 1,000Business address: 42 rue Scheffer  
75116 PARIS  
FRANCE**Education**

Graduate of the École Polytechnique

Graduate of the École du Génie rural, des Eaux et des Forêts

Doctor of Food Sciences

Graduate of the Institut français des administrateurs (IFA)

**Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**BNP Paribas<sup>(\*)</sup>, director**Offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**Veolia Environnement<sup>(\*)</sup>, director**Participation<sup>(1)</sup> in specialised committees of French or foreign companies**

BNP Paribas, member of the Corporate Governance, Ethics, Nominations and CSR Committee and of the Remuneration Committee

Veolia Environnement, member of the Research, Innovation and Sustainable Development Committee and the Remuneration Committee

**Others<sup>(1)</sup>**

Fonds de dotation pour la préservation de la biodiversité des espèces cultivées et de leurs apparentées sauvages, Chairwoman

Académie d'Agriculture de France, Vice-Chairwoman

Care – France (NGO), Vice-Chairwoman

Africa Europe Foundation, Co-Chairwoman of the food systems strategic group

Bioversity International, member of the Board of directors

International Centre for Tropical Agriculture (CIAT), member of the Board of directors

Bioversity International – CIAT Alliance, member of the Board of directors and Chairwoman of the Strategic Committee (ASPAC)

Accelerating Impacts of CGIAR Climate Research for Africa (AICCRA), member of the Independent Steering Committee (ISC)

Institut français des relations internationales (IFRI), member of the Board of directors

Haut Conseil pour le climat, member

**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)***2022:****Director:** BNP Paribas, Veolia Environnement**Chairwoman:** Fonds de dotation pour la préservation de la biodiversité des espèces cultivées et de leurs apparentées sauvages**Vice-Chairwoman:** Care – France (NGO)**Member:** Board of directors of Bioversity International, Board of directors of the International Centre for Tropical Agriculture (CIAT), Board of directors of Bioversity – CIAT Alliance, Board of directors of IFRI, Haut Conseil pour le climat**2021:****Director:** BNP Paribas, Veolia Environnement**Chairwoman:** Fonds de dotation pour la préservation de la biodiversité des espèces cultivées et de leurs apparentées sauvages**Vice-Chairwoman:** Care – France (NGO)**Member:** Board of directors of Bioversity International, Board of directors of the International Centre for Tropical Agriculture (CIAT), Board of directors of Bioversity – CIAT Alliance, Board of directors of IFRI, Haut Conseil pour le climat**2020:****Director:** BNP Paribas, Veolia Environnement**Vice-Chairwoman:**

Care – France (NGO)

**Member:** Board of directors of Bioversity International, Board of directors of the International Centre for Tropical Agriculture (CIAT), Board of directors of Bioversity – CIAT Alliance, Board of directors of IFRI**2019:****Director:** BNP Paribas, Imerys, Veolia Environnement**Vice-Chairwoman:** Care – France (NGO)**Member:** Board of directors of Universcience, Board of directors of Bioversity International, Board of directors of the International Centre for Tropical Agriculture (CIAT), Board of directors of Bioversity – CIAT Alliance, Board of directors of IFRI

(1) At 31 December 2023.

(\*) Listed company.

**Lieve LOGGHE****Principal function: Senior Advisor of Euronav NV**

Date of birth: 11 July 1968  
Nationality: Belgian  
Term start and end dates: 17 May 2022 – 2025 AGM  
Date first appointed to the Board of directors: 17 May 2022

Number of BNP Paribas shares held<sup>(1)</sup>: 1,000

Business address: 20 De Gerlachekaai  
2000 ANTWERP  
BELGIUM

#### **Education**

Master's degree in economics from the University of Brussels,  
Master's degree in accounting from the Vlerick School for  
Management,  
Master's degree in taxation from the EHSAL Management School

#### **Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**

BNP Paribas<sup>(\*)</sup>, director

#### **Offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**

TINCC BV, director

#### **Participation<sup>(1)</sup> in specialised committees of French or foreign companies**

BNP Paribas, member of the Financial Statements Committee

#### **Others<sup>(1)</sup>**

ODISEE, member of the Board of directors and member of the Audit Committee

#### **Offices held at 31 December in previous financial years**

(the companies mentioned are the parent companies of the groups in which the functions were carried out)

#### **2022:**

**Director:** BNP Paribas,  
TINCC BV

**Member:** Board of directors of  
ODISEE

(1) At 31 December 2023.

(\*) Listed company.

### **Christian NOYER**

#### **Principal function: Director of companies**

Date of birth: 6 October 1950  
Nationality: French  
Term start and end dates: 18 May 2021 – 2024 AGM  
Date first appointed to the Board of directors: 18 May 2021  
(Mr Christian Noyer served as non-voting director [censeur] of BNP Paribas from 1 May 2019 to 17 May 2021)

Number of BNP Paribas shares held<sup>(1)</sup>: 2,000

Business address: 53 rue Geoffroy Saint-Hilaire  
75005 PARIS  
FRANCE

#### **Education**

Graduate of École Nationale d'Administration  
Graduate of the Institut d'Études Politiques de Paris  
Masters in Law from the University of Paris  
Master's Degree from the University of Rennes

#### **Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**

BNP Paribas<sup>(\*)</sup>, director

#### **Offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**

Power Corporation of Canada<sup>(\*)</sup>, director

Setl Ltd, director

#### **Participation<sup>(1)</sup> in specialised committees of French or foreign companies**

BNP Paribas, Chairman of the Financial Statements Committee and member of the Internal Control, Risk Management and Compliance Committee

Power Corporation of Canada, member of the Governance and Nominating Committee and the Related Party and Conduct Review Committee

#### **Others<sup>(1)</sup>**

Institut pour l'Education Financière du Public (IEFP), Chairman  
Institut Français des Relations Internationales (IFRI) Foundation, member of the Board of directors  
Group of Thirty (G30), member

#### **Offices held at 31 December in previous financial years**

(the companies mentioned are the parent companies of the groups in which the functions were carried out)

#### **2022:**

**Director:**  
BNP Paribas, Power Corporation of Canada, Setl Ltd

**Chairman:**  
Institut pour l'Education Financière du Public (IEFP)

**Member:**  
Institut Français des Relations Internationales (IFRI) Foundation,

#### **2021:**

**Director:**  
BNP Paribas, Power Corporation of Canada, NSIA Banque Group, Setl Ltd

**Chairman:**  
Institut pour l'Education Financière du Public (IEFP)

**Member:**  
Institut Français des Relations Internationales (IFRI),

#### **2020:**

**Director:**  
Power Corporation of Canada, NSIA Banque Group, Lloyd's of London, Setl Ltd

#### **2019:**

**Director:**  
Power Corporation of Canada, NSIA Banque Group, Lloyd's of London, Setl Ltd

(1) At 31 December 2023.

(\*) Listed company.

**Daniela SCHWARZER****Principal function: Member of the Executive Board of the Bertelsmann Foundation**

Date of birth: 19 July 1973

Nationality: German

Term start and end dates: 16 May 2023 – 2026 AGM

Date first appointed to the Board of directors: 14 May 2014

Number of BNP Paribas shares held<sup>(1)</sup>: 1,000

Business address: Werderscher Markt 6

10117 BERLIN

GERMANY

**Education**

Doctorate in Economics from the Free University of Berlin

Master's degree in Political Science and in Linguistics, University of Tübingen

**Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**BNP Paribas<sup>(\*)</sup>, director**Offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**Covivio<sup>(\*)</sup>, director**Participation<sup>(1)</sup> in specialised committees of French or foreign companies**

BNP Paribas, member of the Corporate Governance, Ethics, Nominations and CSR Committee, member of the Internal Control, Risk Management and Compliance Committee and member of the Financial Statements Committee

**Others<sup>(1)</sup>**

Institut Jacques-Delors, member of the Board of directors

Deutsche Gesellschaft für Auswärtige Politik, member of the Board of directors

Institut Jean Monnet, member of the Board of directors

**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)***2022:****Director:** BNP Paribas, Covivio**Executive Director:** Open Society Foundation for Europe and Central Asia**Member:** Board of directors of the Institut Jacques-Delors, Board of directors of the United Europe Foundation, Board of directors of Deutsche Gesellschaft für Auswärtige Politik, Board of directors of the Institut Jean Monnet**2021:****Director:** BNP Paribas**Executive Director:** Open Society Foundation for Europe and Central Asia**Member:** Board of directors of the Institut Jacques-Delors, Board of directors of the United Europe Foundation, Advisory Committee of the Open Society Foundation, Board of directors of Deutsche Gesellschaft für Auswärtige Politik, Board of directors of the Institut Jean Monnet**2020:****Director:** BNP Paribas, Deutsche Gesellschaft für Auswärtige Politik**Member:** Board of directors of the Institut Jacques-Delors, Board of directors of the United Europe Foundation, Advisory Committee of the Open Society Foundation, Federal Security Academy, Advisory Committee**2019:****Director:** BNP Paribas, Deutsche Gesellschaft für Auswärtige Politik**Member:** Board of directors of the Institut Jacques-Delors, Board of directors of the United Europe Foundation, Advisory Committee of the Open Society Foundation, Federal Security Academy, Advisory Committee

(1) At 31 December 2023.

(\*) Listed company.

**Michel TILMANT****Principal function: Director of companies**

Date of birth: 21 July 1952

Nationality: Belgian

Term start and end dates: 17 May 2022 – 2025 AGM

Date first appointed to the Board of directors: 12 May 2010  
 (Mr Michel Tilmant served as non-voting director [censeur] of BNP Paribas from 4 November 2009 to 11 May 2010)

Number of BNP Paribas shares held<sup>(1)</sup>: 1,000

Business address: Rue du Moulin 10  
 B-1310 LA HULPE  
 BELGIUM

**Education**

Graduate of the University of Louvain

**Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**BNP Paribas<sup>(\*)</sup>, director**Offices<sup>(1)</sup> held under the principal function**

Strafin sprl, manager

**Other offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**

Groupe Lhoist SA, director

Foyer Finance SA, director

**Participation<sup>(1)</sup> in specialised committees of French or foreign companies**

BNP Paribas, member of the Internal Control, Risk Management and Compliance Committee

Groupe Lhoist SA, Chairman of the Audit Committee

**Others<sup>(1)</sup>**

Royal Automobile Club of Belgium, member of the Board of directors

Zoute Automobile Club, member of the Board of directors

**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)***2022:**

**Chairman of the Board of directors:** CapitalatWork Foyer Group SA

**Director:** BNP Paribas, Foyer SA, Foyer Finance SA, Groupe Lhoist SA

**Manager:** Strafin sprl

**Member:** Board of directors of Royal Automobile Club of Belgium, Board of directors of Zoute Automobile Club

**2021:**

**Chairman of the Board of directors:** CapitalatWork Foyer Group SA

**Director:** BNP Paribas, Foyer SA, Foyer Finance SA, Groupe Lhoist SA, Sofina SA

**Manager:** Strafin sprl

**Member:** Board of directors of Royal Automobile Club of Belgium, Board of directors of Zoute Automobile Club

**2020:**

**Chairman of the Board of directors:** CapitalatWork Foyer Group SA

**Director:** BNP Paribas, Foyer SA, Foyer Finance SA, Groupe Lhoist SA, Sofina SA

**Manager:** Strafin sprl

**Member:** Board of directors of Royal Automobile Club of Belgium, Board of directors of the Zoute Automobile Club, Board of directors of Université Catholique de Louvain

**2019:**

**Chairman of the Board of directors:** CapitalatWork Foyer Group SA

**Director:** BNP Paribas, Foyer SA, Foyer Finance SA, Groupe Lhoist SA, Sofina SA

**Manager:** Strafin sprl

**Member:** Board of directors of Royal Automobile Club of Belgium, Board of directors of the Zoute Automobile Club, Board of directors of Université Catholique de Louvain

**Senior advisor:** Cinven Ltd

(1) At 31 December 2023.

(\*) Listed company.

**Sandrine VERRIER****Principal function: BNP Paribas Production and Sales Support Assistant**

Date of birth: 9 April 1979

Nationality: French

Term start and end dates: elected by BNP Paribas technician employees for three years from 16 February 2021 – 15 February 2024

Date first appointed to the Board of directors: 16 February 2015

Number of BNP Paribas shares held<sup>(1)</sup>: 79<sup>(2)</sup>

Business address: 150 rue du Faubourg-Poissonnière  
 75010 PARIS  
 FRANCE

**Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**BNP Paribas<sup>(\*)</sup>, director**Other offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**

Action Logement Services, director

**Participation<sup>(1)</sup> in specialised committees of French or foreign companies**

BNP Paribas, member of the Financial Statements Committee

Action Logement Services, member of the Tender Committee

**Others<sup>(1)</sup>**

Conseil Économique, Social et Environnemental Régional d'Île-de-France, advisor

**Offices held at 31 December in previous financial years***(the companies mentioned are the parent companies of the groups in which the functions were carried out)*

|  |  |  |  |
|--|--|--|--|
| <b>2022:</b><br><b>Director:</b> BNP Paribas | <b>2021:</b><br><b>Director:</b> BNP Paribas | <b>2020:</b><br><b>Director:</b> BNP Paribas | <b>2019:</b><br><b>Director:</b> BNP Paribas |
|--|--|--|--|

- (1) At 31 December 2023.  
(2) Including 59 BNP Paribas shares held under the Company Savings Plan.  
(\*) Listed company.

## Fields WICKER-MIURIN (until 16 May 2023)

**Principal function: Director of companies**

Date of birth: 30 July 1958  
Nationalities: British and American  
Term start and end dates: 19 May 2020 – 2023 AGM  
Date first appointed to the Board of directors: 11 May 2011

Number of BNP Paribas shares held<sup>(1)</sup>: 1,000  
Business address: 63 Queen Victoria Street  
LONDON EC4N 4UA  
UNITED KINGDOM

### Education

Graduate of the Institut d'Études Politiques de Paris  
Master's degree from the School of Advanced International Studies, Johns Hopkins University  
Bachelor of Arts (BA), University of Virginia

### Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad

BNP Paribas<sup>(\*)</sup>, director

### Offices<sup>(1)</sup> held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad

SCOR SE<sup>(\*)</sup>, director

Aquis Exchange Plc<sup>(\*)</sup>, lead director

### Participation<sup>(1)</sup> in specialised committees of French or foreign companies

BNP Paribas, member of the Financial Statements Committee, the Remuneration Committee and the Internal Control, Risk Management and Compliance Committee  
SCOR SE, member of the Strategic Committee, member of the Risk Committee, member of the Nominations Committee, member of the Crisis Management Committee, member of the Sustainable Development Committee and Chairwoman of the Remuneration Committee  
Aquis Exchange Plc, Chairwoman of the Nomination and Remuneration Committee

### Others<sup>(1)</sup>

Leaders' Quest, Co-founder and Partner  
Board of the Royal College of Art, Vice-Chairwoman and Chair of the Planning and Resources Committee

## Offices held at 31 December in previous financial years

(the companies mentioned are the parent companies of the groups in which the functions were carried out)

|  |   |  |  |
|--|---|--|--|
| <b>2022:</b><br><b>Director:</b> BNP Paribas, SCOR SE, Acquis Exchange Plc<br><b>Co-founder and Partner:</b> Leaders' Quest<br><b>Vice-Chairwoman:</b> Board of the Royal College of Art | <b>2021:</b><br><b>Director:</b> BNP Paribas, Prudential Plc, SCOR SE<br><b>Co-founder and Partner:</b> Leaders' Quest<br><b>Vice-Chairwoman:</b> Board of the Royal College of Art | <b>2020:</b><br><b>Director:</b> BNP Paribas, Prudential Plc, SCOR SE<br><b>Co-founder and Partner:</b> Leaders' Quest | <b>2019:</b><br><b>Director:</b> BNP Paribas, Prudential Plc, SCOR SE<br><b>Co-founder and Partner:</b> Leaders' Quest<br><b>Independent member of the Ministry Council and Chairwoman of the Audit and Risks Committee:</b> UK Department of Digital, Culture, Media and Sports |
|--|---|--|--|

- (1) At 16 May 2023.  
(\*) Listed company.

## Marie-Christine LOMBARD

**Principal function: Chairwoman of the Executive Board of Geodis**

Date of birth: 6 December 1958  
Nationality: French  
Term start and end dates: 10 January 2024 – 2024 AGM  
Date first appointed to the Board of directors: 10 January 2024

Number of BNP Paribas shares held<sup>(1)</sup>: 0  
Business address: 26 quai Charles Pasqua  
92 110 Levallois-Perret  
FRANCE

### Offices<sup>(1)</sup> held in listed or unlisted companies of the BNP Paribas Group, in France or abroad

BNP Paribas<sup>(\*)</sup>, director

### Offices<sup>(1)</sup> held under the principal function

Geodis, Chairwoman of the Executive Board  
SNCF, member of the Executive Committee

**Education**

Graduate of École Supérieure des Sciences Économiques et Commerciales ("Essec")

**Other offices(1) held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad**

Vinci(\*), director

**Participation(1) in specialised committees of French or foreign companies**

BNP Paribas, Member of the Remuneration Committee Vinci, Chairwoman of the Remuneration Committee and member of the Appointments and Corporate Governance Committee

**Offices held at 31 December in previous financial years**

*(the companies mentioned are the parent companies of the groups in which the functions were carried out)*

**2023 :**

**Chairwoman of the Executive Board:** Geodis

**Director:** Vinci

**Member:** SNCF Executive Committee

(1) At 25 April 2024.

(\*) Listed company.

**Vanessa LEPOULTIER**

**Principal function:** BNP Paribas Wealth Advisor

*Date of birth:* 20 January 1983

*Nationality:* French

*Term start and end dates:* elected by BNP Paribas technician employees for three years from 16 February 2024 – 15 February 2027

*Date first appointed to the Board of directors:* 16 February 2024

*Number of BNP Paribas shares held(1):* 66(2)

*Business address:* 150 rue du Faubourg-Poissonnière  
75010 PARIS  
FRANCE

**Offices(1) held in listed or unlisted companies of the BNP Paribas Group, in France or abroad**

BNP Paribas(\*), director

**Participation(1) in specialised committees of French or foreign companies**

BNP Paribas, member of the Financial Statements Committee

**Others(1)**

N/A

**Offices held at 31 December in previous financial years**

*(the companies mentioned are the parent companies of the groups in which the functions were carried out)*

N/A

(1) At 25 April 2024.

(2) Including 66 BNP Paribas shares held under the Company Savings Plan.

(\*) Listed company.



## SCHEDULE OF THE TERMS OF THE DIRECTORSHIPS OF COMPANY DIRECTORS

On the Board's proposal, the Shareholders' Annual General Meeting of 23 May 2000 decided to limit the term of office of new directors to three years.

| Directors                          | 2024<br>(AGM called to<br>approve the 2023<br>financial<br>statements) | 2025<br>(AGM called to<br>approve the 2024<br>financial<br>statements) | 2026<br>(AGM called to<br>approve the 2025<br>financial<br>statements) |
|------------------------------------|--|--|--|
| J. Lemierre                        |  |  | ✓  |
| J.-L. Bonnafé                      |  | ✓  |  |
| J. Aschenbroich                    |  |  | ✓  |
| J. Brisac <sup>(i)</sup>           | ✓  |  |  |
| P.A. de Chalendar                  | ✓  |  |  |
| M. Cohen                           |  |  | ✓  |
| H. Epailard <sup>(ii)</sup>        | ✓  |  |  |
| R. Gibson-Brandon <sup>(iii)</sup> | ✓  |  |  |
| M. Guillou                         |  | ✓  |  |
| L. Logghe                          |  | ✓  |  |
| C. Noyer                           | ✓  |  |  |
| D. Schwarzer                       |  |  | ✓  |
| M. Tilmant                         |  | ✓  |  |
| S. Verrier <sup>(iv)</sup>         | ✓  |  |  |

(i) Director representing employee shareholders.

(ii) Director elected by executive employees – Start and end dates of previous term: 16 February 2021 – 15 February 2024. Re-elected by executive employees in the first round of voting on 17 November 2023 (effective 16 February 2024).

(iii) Ms Rajna Gibson-Brandon resigned from her directorship as of 11 September 2023 due to family constraints. She was replaced by Ms Marie-Christine Lombard, who was co-opted by the Board of directors on 20 December 2023 effective 10 January 2024, for the remaining term of the initial term of office.

(iv) Director elected by technician employees – Start and end dates of previous term: 16 February 2021 – 15 February 2024. Election of Ms Vanessa Lepoutier as director elected by the technician employees in the second round of voting on 8 December 2023 (effective on 16 February 2024).

## OTHER CORPORATE OFFICERS

### Yann GÉRARDIN

**Principal function: Chief Operating Officer of BNP Paribas**

Date of birth: 11 November 1961

Nationality: French

Number of BNP Paribas shares held<sup>(1)</sup>: 164,344<sup>(2)</sup>

Business address: 16 boulevard des Italiens  
75009 PARIS  
FRANCE

**Offices<sup>(1)</sup> held under the principal function**

BNP Paribas<sup>(\*)</sup>, Chief Operating Officer, Head of Corporate and Institutional Banking

**Others<sup>(1)</sup>**

N/A.

**Education**

Degree in Economic Science

Institut d'Études Politiques de Paris

HEC Paris

**Offices held at 31 December in previous financial years**

*(the companies mentioned are the parent companies of the groups in which the functions were carried out)*

**2022:**

**Chief Operating Officer:**

BNP Paribas

**2021:**

**Chief Operating Officer:**

BNP Paribas

(1) At 31 December 2023.

(2) Including 30,744 BNP Paribas shares held under the Company Savings Plan.

(\*) Listed company.

### Thierry LABORDE

**Principal function: Chief Operating Officer of BNP Paribas**

Date of birth: 17 December 1960

Nationality: French

Number of BNP Paribas shares held<sup>(1)</sup>: 20,170<sup>(2)</sup>

Business address: 16 boulevard des Italiens  
75009 PARIS  
FRANCE

**Offices<sup>(1)</sup> held under the principal function**

BNP Paribas<sup>(\*)</sup>, Chief Operating Officer, Head of Commercial, Personal Banking & Services

BNP Paribas Personal Finance, Chairman of the Board of directors

BNL SpA, director

Arval Service Lease, director

BNP Paribas Leasing Solutions, director

BNP Paribas Lease Group, director

**Others<sup>(1)</sup>**

European Payments Initiative, director

**Education**

Master's degree in Economic Science

**Offices held at 31 December in previous financial years**

*(the companies mentioned are the parent companies of the groups in which the functions were carried out)*

**2022:**

**Chief Operating Officer:**

BNP Paribas

**Chairman of the Board of directors:**

BNP Paribas Personal Finance

**Director:**

BNL SpA, Arval Service Lease, BNP Paribas Leasing Solutions, BNP Paribas Lease Group, European Payments Initiative

**2021:**

**Chief Operating Officer:**

BNP Paribas

**Chairman of the Board of directors:**

BNP Paribas Personal Finance

**Director:**

BNL SpA, Arval Service Lease, BNP Paribas Leasing Solutions, BNP Paribas Lease Group, European Payments Initiative

(1) At 31 December 2023.

(2) Including 2,354 BNP Paribas shares held under the Company Savings Plan.

(\*) Listed company.

## 2.1.2 BNP PARIBAS CORPORATE GOVERNANCE

The Corporate Governance Code that BNP Paribas refers to on a voluntary basis in this report is the Corporate Governance Code of Listed Companies, published by the French employers' organisations, *Association Française des Entreprises Privées* (AfeP) and the *Mouvement des Entreprises de France* (MEDEF). BNP Paribas declares that it complies with all of the recommendations of this Code, hereinafter referred to as the Corporate Governance Code or AfeP-MEDEF Code, which can be viewed on the BNP Paribas website (<http://invest.bnpparibas.com/en>), the AfeP website (<http://www.afeP.com/en>) and the MEDEF website (<http://www.MEDEF.com/en>).

The detailed rules on the participation of shareholders at the Shareholders' Annual General Meeting are laid out in article 18, Title V "Shareholders' Meetings", of BNP Paribas' Articles of association published in this amendment to the 2022 Universal Registration Document in the section entitled *Founding documents and Articles of association*. Moreover, a summary of these rules and a report on the organisation and running of the Shareholders' Combined General Meeting of 16 May 2023 are provided in the section entitled *BNP Paribas and its shareholders* of said document.

In addition to the above, BNP Paribas is governed in accordance with French and European banking regulations, and the guidelines issued by the European Banking Authority (EBA) and is subject to permanent supervision of the European Central Bank (ECB) pursuant to the Single Supervisory Mechanism (SSM).

### 1. PRINCIPLES OF GOVERNANCE

The Internal Rules adopted by the Board of directors define the duties of the Board and of its specialised committees. They are updated periodically to comply with current laws, regulations and market guidelines, and to keep pace with best practice in the area of Corporate governance.

The Internal Rules were extensively revised in 2015 to reflect the provisions of Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (hereinafter "CRD 5") then amended on various occasions to take into account changes in regulations. In respect of these changes, two procedures were added to the Internal Rules: a Policy on the suitability of Members of the management body and Key function holders, hereinafter referred to as the "Suitability policy", and the "Implementation procedure for conflicts of interest in respect to loans and other transactions granted to the Members of the management body and their related parties".

The Group Code of conduct, approved by the Board of directors, was introduced in 2016. The latter as well as the *addendum* on anti-corruption were the subject of an update in December 2021, approved by the Board of directors.

#### **Code of conduct (article 1.2 of the Internal Rules)**

The Code of conduct is the result of BNP Paribas' Board of directors and Executive Management's shared conviction that the success of the Bank depends on the behaviour of each employee. The Code of conduct "sets out the rules to uphold our values and perform the Bank's missions. This Code, which shall be integrated by each business line and each employee, governs the actions of each employee, and guides the decisions at every level of the organisation. For this purpose, the Board ensures the Executive Management implements this Code in business lines, countries and regions."

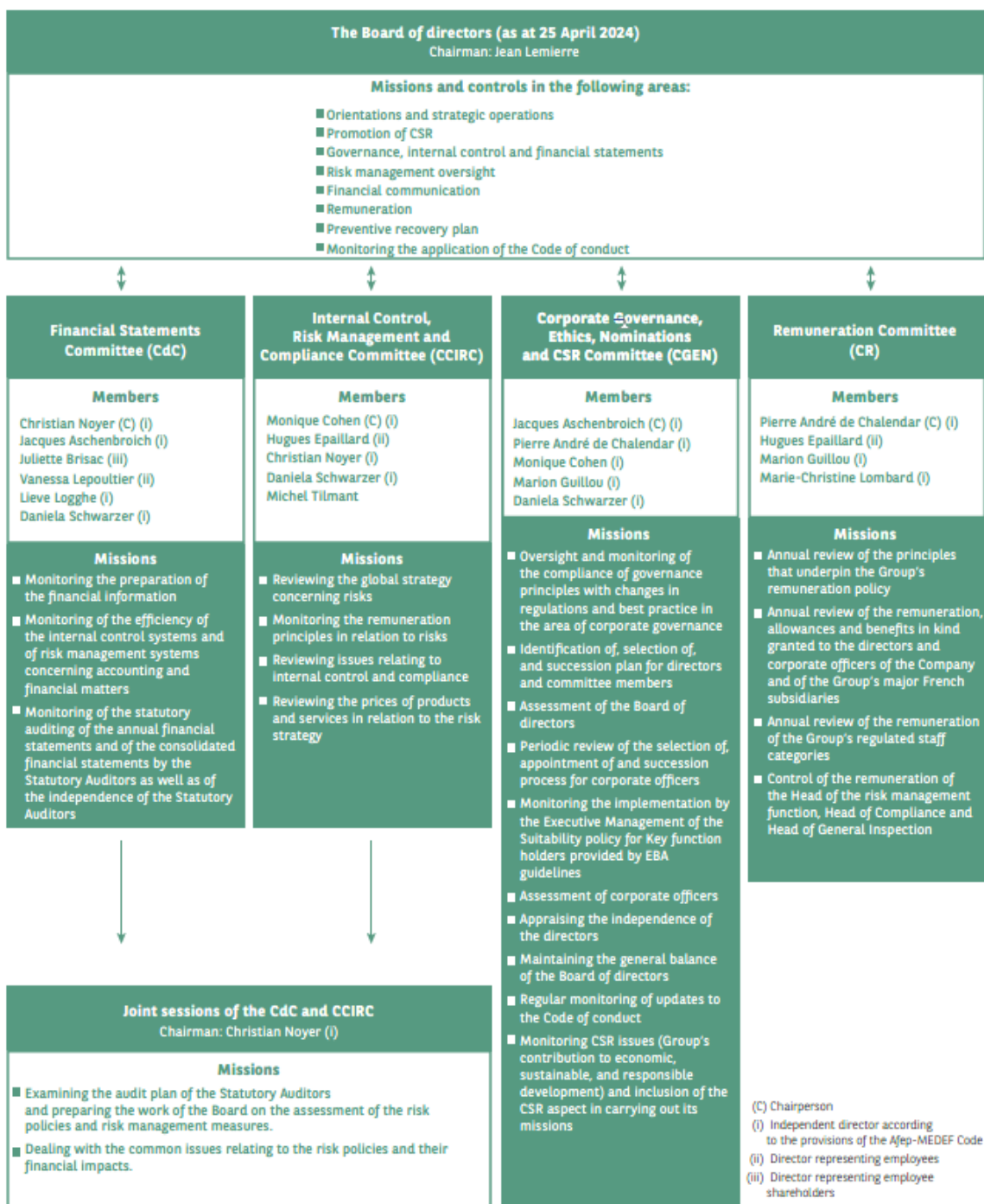
Note that the Internal Rules emphasise the collegial nature of the Board of directors, which jointly represents all shareholders and must act in the Company's best interest at all times. It details the Board responsibilities (article 1).

The Board of directors is backed by four specialised committees (the Financial Statements Committee, the Internal Control, Risk Management and Compliance Committee, the Corporate Governance, Ethics, Nominations and CSR Committee, and the Remuneration Committee) as well as any *ad hoc* committees. The Internal Rules detail each committee's missions, in line with the provisions of the CRD 5 and EBA Guidelines. They provide for joint meetings between the Financial Statements Committee and the Internal Control, Risk and Compliance Committee whenever required.

Neither the members of the Executive Management nor the Chairman of the Board of directors have been members of any committee since 1997.

As far as the Board is aware, no agreement has been entered into, directly, or through an intermediary, between on the one hand, one of BNP Paribas' directors and corporate officers and, on the other, another company in which BNP Paribas owns, directly or indirectly, over half of the share capital (articles L.22-10-10 and L.225-37-4 paragraph two of the French Commercial Code), without prejudice to any agreements relating to current operations concluded under normal conditions.

The Internal Rules and Suitability policy mentioned above have been adopted by the Board of directors and are included in this report.



Each committee is composed of members with expertise in the relevant areas and complies with the provisions of the French Monetary and Financial Code and the recommendations of the Afep-MEDEF Code. Thus,

- the Financial Statements Committee has independent members as well as a director representing employees and a director representing employee shareholders. Most of the members of the Financial Statements Committee have qualifications and experience in corporate financial management, accounting and financial information. Its Chairman brings to the Committee financial skills strengthened by his professional career, in particular as a former Governor of the Banque de France;
- the Internal Control, Risk Management and Compliance Committee has three independent members out of a total of five members. Most of the members of the Internal Control, Risk Management and Compliance Committee have particular expertise in financial matters and in the area of risk through their training or experience. Its Chairwoman brings to the Committee her experience in financial regulation and supervision acquired as a former member of the Board of the French Financial Markets Authority (Autorité des Marchés Financiers - AMF). One of its members has experience in the supervision of banking institutions as former Chairman of the *Autorité de contrôle prudentiel et de résolution* (ACPR) and another has international experience in banking management as well as in terms of financial risks. In addition, two members of the Internal Control, Risk Management and Compliance Committee are also members of the Financial Statements Committee in order to promote the work of the Committees on the appropriateness of the risks and provisions recorded by the Bank;
- the members of the Corporate Governance, Ethics, Nominations and CSR Committee are independent directors who have expertise in Corporate governance and in putting together management teams in international companies and in CSR. It is chaired by the Chairman of the Board of directors of a major telecommunications group that has made social and environmental commitments. One of its members has also been a member of the High Committee for the Climate since its creation in 2018, another is Chairman of an international group involved in energy renovation and yet, another member is a member of the management board of a leading independent foundation that participates in the research and financing of projects, in particular in the fields of education, climate and digital transformation, and themes related to Europe and democracy;
- the Remuneration Committee is made up of independent members who have experience of remuneration systems and market practices in this area and a director elected by employees. A member of the Remuneration Committee is also a member of the Internal Control, Risk Management and Compliance Committee. This composition facilitates the Board of directors' work on the appropriateness of BNP Paribas' remuneration principles with the risk policy.

The Chairman of the Board of directors attends the meetings of the committees but is not a member of any of them and may add any subject he considers relevant to the agenda.

European and French regulations applicable to BNP Paribas require members of the Board of directors and executive corporate officers to demonstrate integrity at all times, and to have the knowledge skills, experience and time needed to perform their duties. The ECB is notified of their appointment or re-appointment so that it can assess them on the basis of these criteria.

In addition, the ECB did not issue any objections as regards the composition of the Board of directors or its specialised committees.

## **1.a Separation of the functions of Chairman and Chief Executive Officer**

At 11 June 2003, BNP Paribas dissociated the offices of Chairman of the Board and Chief Executive Officer. This decision is in line with the obligations imposed on credit institutions since 2014 by the French law transposing Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

### **The duties of the Chairman**

They are described in article 3.1 of the Internal Rules.

The Chairman is responsible for ensuring that the quality of the relationship with shareholders is maintained, coordinating closely with any steps taken by Executive Management in this area. In this connection, the Chairman chairs the Shareholder Liaison Committee, whose task is to assist the Bank in its communications with individual shareholders; several times a year, he invites the shareholders to meetings where the Company's strategy is explained. He reports on his duties to the Board of directors.

The Chairman maintains a close and trusting relationship with Executive Management and provides the team with assistance and advice while respecting its executive responsibilities. The Chairman organises his activities so as to ensure his availability and put his experience to the Group's service. His duties are contributory in nature and do not confer any executive power on him. They do not in any way restrict the powers of the Chief Executive Officer, who has sole operational responsibility for the Group.

Coordinating closely with Executive Management, the Chairman can represent the Group in its high-level relationships, particularly with major clients, public authorities and institutions, at national, European and international levels. He plays an active part in discussions concerning regulatory developments and public policies affecting BNP Paribas, and, more generally, the financial services sector.

The Chairman contributes to promoting the values and image of BNP Paribas, both within the Group and externally. He expresses his views on the principles of action governing BNP Paribas, in particular in the field of professional ethics. He contributes to enhancing the Group's image through the responsibilities he exercises personally in national or international public bodies.

At the request of the Chief Executive Officer, he can take part in any internal meeting on subjects relating to strategy, organisation, investment or disinvestment projects, risks and financial information. He expresses his opinions without prejudice to the remit of the Board of directors; he provides support to the teams responsible for covering major companies and international financial institutions; he also contributes to the development of BNP Paribas' advisory activities, particularly by assisting in the completion of major corporate finance transactions.

He ensures that principles of Corporate governance are defined and implemented.

The Chairman is the custodian of the proper functioning of the Board of directors of BNP Paribas. As such:

- with the support of the Corporate Governance, Ethics, Nominations and CSR Committee, with the approval of the Board of directors and of the Shareholders' Annual General Meeting, where appropriate, he endeavours to build an efficient and balanced Board, and to manage, both in the short- and long-term, the replacement and succession processes related to the Board of directors and nominations which will acknowledge the Company's strategic ambitions;
- on the basis of the dissociation of the functions of Chairman and Chief Executive Officer, his role is to ensure directors' independence and freedom of speech;
- he ensures that the directors have the documentation and information necessary to carry out their duties in a timely manner and in a clear and appropriate form.

### **The powers of the Chief Executive Officer**

The Chief Executive Officer has the broadest powers to act in all circumstances on behalf of BNP Paribas, and to represent the Bank in its relations with third parties. He is responsible for the organisation of internal control procedures and for all the information required by regulations in that regard.

He exercises his powers within the limitations of the corporate object, and subject to any powers expressly attributed by law to the Shareholders' Annual General Meeting and Board of directors.

The Internal Rules of the Board of directors provide that the Chief Executive Officer shall request its prior approval for all investment or disinvestment decisions (other than portfolio transactions) in excess of EUR 250 million, and for any proposal to acquire or dispose of shareholdings in excess of that threshold (other than portfolio transactions) (article 1.1). The Chief Executive Officer must also ask the Board's Financial Statements Committee for prior approval of any non-audit related assignment involving fees in an amount of over EUR 1 million (excluding taxes) (article 7.1.3).

## **1.b Composition of the Board – Independence of directors**

### **Composition of the Board of directors: a collegial body with collective competence**

On the proposal of the Board of directors, the Shareholders' Annual General Meeting of 16 May 2023 renewed the terms of office as directors of Messrs Jean Lemierre and Jacques Aschenbroich and Mses Monique Cohen and Daniela Schwarzer.

At 31 December 2023:



## Independence of directors (as of 31 December 2023)

The table below shows the position of each director with regard to the independence criteria provided by the Afep-MEDEF Code to define an independent director:

| Criteria  | Jean LEMIERRE | Jean-Laurent BONNAFÉ | Jacques ASCHENBROICH | Juliette BRISAC | Pierre André de CHALENDAR | Monique COHEN | Hugues EPAILLARD | Marion GUILLOU | Lieve LOGGHE | Christian NOYER | Daniela SCHWARZER | Michel TILMANT | Sandrine VERRIER |
|---|---------------|----------------------|----------------------|-----------------|---------------------------|---------------|------------------|----------------|--------------|-----------------|-------------------|----------------|------------------|
| 1 Not be, or have been, in the last five years (i) an employee or corporate officer of the Company or of a consolidated subsidiary of the Company; (ii) a director of a consolidated subsidiary | 0             | 0                    | ✓                    | 0               | ✓                         | ✓             | 0                | ✓              | ✓            | ✓               | ✓                 | ✓              | 0                |
| 2 Whether or not corporate offices are held in another company  | ✓             | ✓                    | ✓                    | ✓               | ✓                         | ✓             | ✓                | ✓              | ✓            | ✓               | ✓                 | ✓              | ✓                |
| 3 Whether or not significant business relationships exist   | ✓             | ✓                    | ✓                    | ✓               | ✓                         | ✓             | ✓                | ✓              | ✓            | ✓               | ✓                 | ✓              | ✓                |
| 4 Whether or not there are close family ties to a corporate officer   | ✓             | ✓                    | ✓                    | ✓               | ✓                         | ✓             | ✓                | ✓              | ✓            | ✓               | ✓                 | ✓              | ✓                |
| 5 Not have been a Statutory Auditor of the Company in the previous five years   | ✓             | ✓                    | ✓                    | ✓               | ✓                         | ✓             | ✓                | ✓              | ✓            | ✓               | ✓                 | ✓              | ✓                |
| 6 Not have been a director of the Company for more than twelve years  | ✓             | 0                    | ✓                    | ✓               | ✓                         | ✓             | ✓                | ✓              | ✓            | ✓               | ✓                 | 0              | ✓                |
| 7 No variable remuneration for non-executive corporate officers   | ✓             | N/A                  | N/A                  | N/A             | N/A                       | N/A           | N/A              | N/A            | N/A          | N/A             | N/A               | N/A            | N/A              |
| 8 Major shareholder status  | ✓             | ✓                    | ✓                    | ✓               | ✓                         | ✓             | ✓                | ✓              | ✓            | ✓               | ✓                 | ✓              | ✓                |

✓ represents an independence criterion of the Afep-MEDEF Code that is met.

0 represents an independence criterion of the Afep-MEDEF Code that is not met.

- The following directors meet the independence criteria contained in the Corporate Governance Code and reviewed by the Board of directors<sup>1</sup>: Mses Monique Cohen, Marion Guillou, Lieve Logghe, Daniela Schwarzer, Messrs Jacques Aschenbroich, Pierre André de Chalendar, Christian Noyer. As far as the Board is aware, there are no potential conflicts of interests between BNP Paribas and any of the directors.
- The two directors elected by the employees, Ms Sandrine Verrier and Mr Hugues Epailard, as well as the director representing employee shareholders, Ms Juliette Brisac are not taken into account for the calculation of independence according to the criteria of the Afep-MEDEF Code despite their status and their method of election, which guarantee their independence.
- Three directors appointed by the shareholders – the Chairman of the Board of directors, Mr Jean Lemierre, the Chief Executive Officer, Mr Jean-Laurent Bonnafé, and Mr Michel Tilmant – do not fulfil the independence criteria laid down by the Corporate Governance Code of Listed Companies defining an independent director..

Over half of the directors of BNP Paribas are therefore independent in terms of the criteria for independence contained in the Afep-MEDEF Code and the Board of directors' assessment.

## Directors' knowledge, skills and experience – Diversity and complementarity

When the Corporate Governance, Ethics, Nominations and CSR Committee (CGEN) reviews the skills and experience of potential directors, it is careful to maintain the diversity and collective skills of the Board of directors in light of changes to the Bank's strategy and in accordance with the Suitability policy. Thus, the Board brings together expertise in banking and financial matters, risk management, international digital transformation, banking regulation and compliance, particularly as regards anti-money laundering and combating the financing of terrorism (AML/CFT) and in CSR as well as experience in Executive Management of large corporate groups.

These candidates are identified and recommended by the committee on the basis of criteria that combine personal and collective skills, according to the procedures in the Internal Rules (article 4.2.1) and by the Suitability policy (section II "Identification of selection of and

<sup>1</sup> Ms Rajna Gibson-Brandon and Ms Fields Wicker-Miurin also met the independence criteria on the date each of their terms of office ended.

succession plan for Members of the management body and Key function holders”), which ensure their independence of mind; these include:

- competence, based on experience and the ability to understand the issues and risks, enabling the directors to make informed and effective decisions;
- courage, in particular to express opinions and make judgements, enabling the directors to remain objective;
- availability and assiduity, which allow for the necessary detachment and promote the directors’ commitment and sense of responsibility regarding the exercise of their office;
- loyalty, which fosters directors’ commitment to the Company and to their duties within the Board, which collectively represents the shareholders;
- directors’ proper understanding of the Company’s culture and ethics.

Directors all have a range of skills and experience that they have acquired during their professional careers. The table below aims to reflect this diversity within the Board of directors and lists more specific contributions made by each of the directors.

| Director   | Age <sup>(1)</sup> | Gender | Nationality | Areas of expertise   | End of term of office |
|--|--------------------|--------|-------------|--|-----------------------|
| Jean LEMIERRE<br>(Chairman)                                    | 73                 | M      | French      | Banking/Finance<br>Risks/Regulation monitoring<br>International business operations<br>AML/CFT | 2026                  |
| Jean-Laurent BONNAFÉ<br>(Director and Chief Executive Officer) | 62                 | M      | French      | Banking/Finance<br>International business operations<br>CSR<br>AML/CFT                         | 2025                  |
| Jacques ASCHENBROICH   | 69                 | M      | French      | International business operations<br>Transformation<br>CSR<br>Digital/Cybersecurity            | 2026                  |
| Juliette BRISAC  | 59                 | F      | French      | Employee shareholders representation   | 2024                  |
| Pierre André de CHALENDAR                                      | 65                 | M      | French      | International business operations<br>Transformation<br>CSR                                     | 2024                  |
| Monique COHEN  | 67                 | F      | French      | Banking/Finance<br>Risks/Regulation monitoring<br>CSR<br>AML/CFT                               | 2026                  |
| Lieve LOGGHE   | 55                 | F      | Belgian     | Banking/Finance<br>International business operations<br>Transformation                         | 2025                  |
| Hugues EPAILLARD<br>(Director representing employees)          | 57                 | M      | French      | Organisation representing employees  | 2027                  |
| Marion GUILLOU   | 69                 | F      | French      | Risks/Regulation monitoring<br>CSR<br>Technology   | 2025                  |
| Christian NOYER  | 73                 | M      | French      | Banking/Finance<br>International business operations<br>Risks/Regulation monitoring<br>AML/CFT | 2024                  |
| Daniela SCHWARZER  | 50                 | F      | German      | Money markets<br>Geopolitics<br>CSR  | 2026                  |
| Michel TILMANT   | 71                 | M      | Belgian     | Banking/Finance<br>Risks/Regulation monitoring<br>International business operations<br>AML/CFT | 2025                  |
| Sandrine VERRIER<br>(Director representing employees)          | 44                 | F      | French      | Organisation representing employees  | 2024                  |



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(1) *At 31 December 2023.*

Furthermore, the additional information referred to in article L.22-10-10 of the French Commercial Code relating to employees is shown in sections 7.3 *Outstanding actions in the area of gender equality* and 7.7 *The system concerning Group employees* of this document<sup>1</sup>.

### **1.c Directors' ethical conduct**

As far as the Board is aware, there are no potential conflicts of interests between BNP Paribas and any of the directors. The Suitability policy requires directors to report any situation likely to constitute a conflict of interest to the Chairman, the Board of directors may then ask the director in question to refrain from taking part in voting on the relevant issues.

As far as the Board is aware, none of the Board members has been found guilty of fraud or been associated, as member of an administrative, management or supervisory body, or as Chief Executive Officer, with any insolvency, receivership or liquidation proceedings during at least the last five years.

As far as the Board is aware, no member of the Board of directors is subject to any official public accusation and/or penalty. No director has been prohibited from acting in an official capacity during at least the last five years.

There are no arrangements or agreements with key shareholders, customers, suppliers or other persons that involve the selection of any member of the Board of directors.

The directors must carry out their duties in a responsible manner, particularly as regards the regulations relating to insider dealing. They are notably required to comply with legal requirements relating to being in possession of insider information. Under the terms of the Internal Rules, they must also refrain from carrying out any transactions in BNP Paribas shares that could be regarded as speculative (article 4.3.1 of the Internal Rules). They are informed of the periods during which they may, except in special circumstances, carry out any transactions in BNP Paribas shares (article 4.3.1 of the Internal Rules).

### **1.d Directors' training and information**

Pursuant to the Internal Rules, every director can ask the Chairman or the Chief Executive Officer to provide them with all the documents and information required to enable them to carry out their duties, to participate effectively in the meetings of the Board of directors and to make informed decisions, provided that such documents are necessary to the decisions to be taken and connected with the Board's powers (article 3.4.1 of the Internal Rules).

The directors have unrestricted and continuous access to the minutes of meetings of the Board's specialised committees and the minutes of Board meetings using a special digital tool. This system also provides directors with a range of useful information in a secure and timely manner to facilitate them in their work. Since 2017, it has been possible to use this system to deliver e-learning training modules to directors.

Committee meetings provide an opportunity to update the directors on the topical issues on the agenda. In addition, the Board is kept informed of changes in the banking regulations and reference texts concerning governance and can be trained on such occasions.

During three training days (March, June and September 2023), the directors received training on (i) securitisation, (ii) adapting the Bank to the new solvency framework, (iii) overview of Global Markets activities, (iv) Global Markets partnerships and investments within fintechs, (v) liquidity risk management and (vi) financial security (sanctions and embargoes, anti-money laundering and combating the financing of terrorism, fight against corruption and influence peddling). It was also the opportunity for directors to meet with the relevant managers in the Group.

In respect of 2023, one of the directors representing employees completed her training leading to a diploma at the *Institut Technique de Banque* and the other director representing employees attended a CSR training course provided by an external organisation. The directors representing employees and the director representing employee shareholders also benefit, like any other director, from trainings provided by BNP Paribas as described above, in addition to their external training.

<sup>1</sup> This information supplements the description of the diversity policy applied to members of the Board of directors.

## 1.e Directors' attendance at Board and Committee meetings in 2023

| Director                         | Board of directors | Specialised committees | Individual attendance rates |
|----------------------------------|--------------------|------------------------|-----------------------------|
| J. LEMIERRE                      | 100%               |                        | 100%                        |
| J.-L. BONNAFÉ                    | 100%               |                        | 100%                        |
| J. ASCHENBROICH                  | 100%               | 100%                   | 100%                        |
| J. BRISAC                        | 100%               | 100%                   | 100%                        |
| P. A. de CHALENDAR               | 100%               | 100%                   | 100%                        |
| M. COHEN                         | 100%               | 100%                   | 100%                        |
| H. EPAILLARD                     | 100%               | 100%                   | 100%                        |
| R. GIBSON-BRANDON <sup>(1)</sup> | 71%                | 75%                    | 73%                         |
| M. GUILLOU                       | 100%               | 100%                   | 100%                        |
| L. LOGGHE                        | 91%                | 100%                   | 94%                         |
| C. NOYER                         | 100%               | 83%                    | 91%                         |
| D. SCHWARZER                     | 100%               | 100%                   | 100%                        |
| M. TILMANT                       | 100%               | 100%                   | 100%                        |
| S. VERRIER                       | 100%               | 86%                    | 94%                         |
| F. WICKER-MIURIN <sup>(2)</sup>  | 100%               | 100%                   | 100%                        |
| <b>Average</b>                   | <b>97%</b>         | <b>96%</b>             |                             |

(1) Ms Rajna Gibson-Brandon's term of office ended on 10 September 2023.

(2) Ms Fields Wicker-Miurin's term of office ended at the Shareholders' Annual General Meeting of 16 May 2023.

## 2. THE WORK OF THE BOARD AND COMMITTEES IN 2023

### 2.a The work of the Board in 2023



The Board of directors, which determines BNP Paribas' strategy and overall business objectives based on proposals submitted by Executive Management and with the aim of promoting long-term value creation in the light of social and environmental issues:

- monitored the Group's results for the first nine months of 2023, which demonstrate both the strength of its diversified and integrated model and the growth potential of BNP Paribas;
- proposed to the Shareholders' Annual General Meeting of 16 May 2023, the payment of a cash dividend of EUR 3.90 in respect of 2022, *i.e.* a distribution of 50% of the distributable income for 2022 increased to 60% with the launch of a share buyback programme;
- approved the launch of a EUR 5 billion share buyback programme (in two tranches of EUR 2.5 billion) of which (i) EUR 4.04 billion with the intention of offsetting the effect of the dilution of the net earnings per share related to the sale of Bank of the West on 1 February 2023 and (ii) EUR 962 million corresponding to 10% of the distributable profit for 2022 ([see previous point](#)), the execution of which was monitored during 2023;
- decided to decrease the share capital by cancelling in several instalments the shares bought back under the share buyback programme for both the first and second tranches and delegated the powers necessary for the material completion of the capital decrease and in particular the corresponding amendments to the Articles of association;
- reviewed the issuance amounts of debt securities in the form of senior debt and subordinated and hybrid debt;

- sub-delegated the power to decide on the issue of deeply subordinated bonds convertible into shares with cancellation of preferential subscription rights (AT1 bonds);
- heard the Chief Executive Officer's report on the issue of super-subordinated bonds convertible into shares with cancellation of preferential subscription rights (AT1 bonds) and approved the terms of the additional report made available to shareholders and which will be brought to the attention of the shareholders at the Annual General Meeting of 14 May 2024;
- renewed the delegations of authority for the issuance of debt securities, particularly for bonds and similar securities;
- renewed the Group's American Depositary Receipt programme;
- approved the management report for 2022;
- received the Executive Management's comments on the net margin generated on new lending in 2022 and in the first half of 2023;
- reviewed the provisional results of the Supervisory Review and Evaluation Process led by the ECB;
- reviewed the Bank's relative performance and regulatory ratios in 2023 compared with its competitors;
- monitored changes in the shareholding structure and share price;
- reviewed the reaction of analysts and investors to the 2022 annual results and the results of the first half-year 2023;
- reviewed and approved the answers to written questions submitted by shareholders at the Annual General Meeting of 16 May 2023;
- reviewed the Group's budget for 2024;
- approved the acquisition by BNP Paribas Cardif of 5.01% of the share capital of SCOR;
- approved the acquisition by BNP Paribas Cardif of 70% of the share capital of BCC Vita;
- approved the sale of Cetelem Mexico;
- approved the sale of Sharekhan;
- approved the merger of Exane SA into BNP Paribas (SA);
- was informed of the evolution of the Group's payments ecosystem and strategy as part of the transversal "Payments and Flows" initiative of the GTS 2025 Plan;
- monitored the implementation of the Group's IT and information systems strategy;
- duly noted the Group's residual direct and indirect exposure to clients established in the Russian Federation and validated the exit strategy for the Russian Federation approved by Executive Management as well as the management and monitoring of residual activities of entities that cannot be sold and monitored the implementation of the strategy;
- reviewed the situation in Türkiye following the earthquake on 6 February 2023 and in Morocco following the earthquake on 8 September 2023, as well as on the efforts undertaken by the Turkish subsidiary TEB and the Moroccan subsidiary BMCI to help employees and their families;
- took note of the highlights of 2022 and the outlook for 2023 in terms of the Group CSR policy, in terms of economic, social, civic and environmental responsibility;
- reviewed the Group's announcements on its commitments and trajectory in terms of financing the energy transition, including the update of the "oil and gas" sectoral policy and the publication of new objectives for the steel, aluminium and cement sectors;
- was informed of the opinion of the Central Social and Economic Committee on the Group's economic and financial situation as well as the elements of a response to the observations made on the one-year report of the GTS 2025 Plan;
- was informed of the results of targeted surveys of employees measuring their satisfaction and quality of life at work;
- was informed of the status of gender equality within BNP Paribas in 2023;
- reviewed the related-party agreements entered into and authorised in previous years but still in force in the past year;
- renewed the authorisation relating to the delegation of responsibility for internal control by regulated subsidiaries;
- was informed of the ECB's preliminary analysis on internal governance.

As in previous years, Single Supervisory Mechanism (SSM) representatives from the ECB and representatives of the French *Autorité de contrôle prudentiel et de résolution* (ACPR) attended the Board of directors' meeting of 22 February 2023. They outlined their priorities for banking supervision for 2023, which were followed by an exchange of views with the members of the Board.

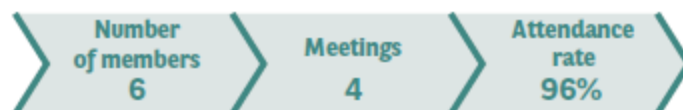
The Board of directors met on 19 December 2023 for a strategic seminar devoted, among other things, to the execution of the GTS 2025 Plan and the issues faced by the business lines within Commercial, Personal Banking & Services, Corporate and Institutional Banking and Investment and Protection Services.

### **Executive sessions**

In addition to the assessments of the performance and compensation of the executive corporate officers, which were discussed outside their presence, four meetings of directors were held in the form of "executive sessions" on the Group's challenges and operations of which three as a follow-up to the training sessions provided during the year. During these three sessions, the directors had the opportunity to interact with the operational managers concerned.

Finally, the Chairman and the non-executive directors had discussions both on strategy and on their perception of interactions between the Board of directors and the Group's Executive Management.

## 2.b Work performed by the Financial Statements Committee and work approved by the Board of directors in 2023



### Examination of the financial statements and financial information

The Financial Statements Committee:

- conducted quarterly reviews of the financial statements based on the documents and information provided by Executive Management and the work carried out by the Statutory Auditors;
- each quarter, analysed summary reports of the consolidated results and annualised return on equity, as well as results and profitability by business area;
- reviewed the Group's consolidated balance sheet and changes thereto on a quarterly basis. On this occasion, it was informed of changes in off-balance sheet commitments;
- each quarter, reviewed the report on internal audit control points flagged by Group entities in the context of the certification of their financial statements. It analysed the change in the risk level observed for each of the major accounting controls;
- reviewed changes in equity and the capital adequacy ratio with regard to the new prudential solvency regulations and new requirements imposed by the regulator;
- reviewed trends in revenues and the cost/income ratio by business for each quarter;
- kept track of the changes in prudential requirements and reviewed changes in risk-weighted assets;
- reviewed the provisions for litigation;
- reviewed goodwill;
- analysed the composition and changes in the Group's balance sheet;
- acknowledged, each quarter, the adjustments made to the Credit Valuation Adjustment (CVA), the Debt Valuation Adjustment (DVA) and the Funding Valuation Adjustment (FVA);
- monitored, on a semi-annual basis, the implementation of the recommendations of the General Inspection on accounting and financial risk, the Statutory Auditors on internal control and the ECB;
- was informed of the restatements made to arrive at a *pro forma* result as of 31 March 2022, due to the application from 1 January 2023 of the accounting standard IFRS 17 (for insurance contracts) as well as the effects of IFRS 5 (assets and liabilities held for sale) and IAS 29 (financial reporting in hyper-inflationary economies);
- reviewed the resolutions relating to the approval of the parent company and consolidated financial statements for 2022, the allocation of income for the year ended 31 December 2022 and the payment of the dividend;
- took note of the transfer to the U.S. SEC and U.S. CFTC of the simplified quarterly reporting based on 31 December 2022;
- took note of the change in the accounting risk anticipation and summary system, aimed at anticipating the risk anticipation process of the accounting closing as part of the improvement of the permanent control system;
- was informed of the proposed updates to the Independence Policy applicable to the Group's Statutory Auditors;
- reviewed the draft press release on the Group's results each quarter.

Each quarter, when reviewing the results, the Financial Statements Committee:

- heard the Group's Chief Financial Officer, his deputy and the person responsible for accounting and financial reporting;
- interviewed the Group's Chief Financial Officer and asked the questions it considered necessary, without the presence of Executive Management or the Statutory Auditors;
- heard the Statutory Auditors' comments and conclusions on the quarterly and annual financial statements;
- asked the Statutory Auditors the questions it considered necessary, without the presence of the Group's Executive Management or the Group Chief Financial Officer;
- reviewed the accounting certification mechanisms as part of the internal control procedures.

It reviewed the section of the management report concerning the internal control procedures relating to the preparation and processing of accounting and financial information in respect of 2022; it recommended its approval by the Board of directors.

The Board:

- was informed of all the work of the Financial Statements Committee and the findings of the Statutory Auditors at the end of each reporting period;
- reviewed the results of the fourth quarter of 2022, full-year 2022 and the first three quarters of 2023;
- approved the annual company and consolidated financial statements for 2022, the allocation of income for the year ended 31 December 2022 and the payment of the dividend;
- approved draft press releases at each meeting held to discuss the results;
- acknowledged the report of the discussions held by the Financial Statements Committee with the Statutory Auditors and the Chief Financial Officer, without the presence of the Executive Management;
- approved the section of the management report on the preparation and processing of accounting and financial information in respect of 2022.

### ***Relations with the Statutory Auditors***

The Financial Statements Committee received their annual certificate of independence from the Statutory Auditors.

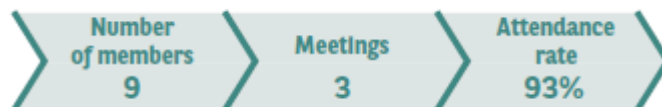
It took note of the draft engagement letter of the Statutory Auditors for the year ended 31 December 2023.

In respect of the fourth quarter 2022, it approved a non-prohibited service from one of the Statutory Auditors.

In the absence of the Statutory Auditors, the Financial Statements Committee:

- reviewed the document relating to the identification and publication of the Statutory Auditors' fees for 2022;
- gave its prior authorisation for a recurring assignment by one of the Statutory Auditors, for which the amount of fees (excluding tax) exceeded EUR 1 million;
- took note of the distribution of the mandates envisaged in respect of the statutory audit for the period 2024-2029; validated the organisation and timetable of the call for tenders with a view to the appointment of one or more auditors on sustainability information in accordance with the provisions of the Corporate Sustainability Reporting Directive (CSRD).

## 2.c Work performed by the Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee in their joint meetings, and work approved by the Board of directors in 2023



The committees:

- reviewed the findings of the Internal Capital Adequacy Assessment Process testifying to the Group's ability to continue its activities while maintaining an adequate level of capitalisation and effectively managing its risks and took note of the draft Capital Adequacy Statement;
- took note of the results of the stress tests conducted in 2023 by the EBA and internally by the Bank;
- took note of the Statutory Auditors' audit plan for 2023;
- discussed whether the prices of the products and services proposed to customers are compatible with the risk strategy (in accordance with the provisions of CRD 5);
- reviewed the main disputes and ongoing proceedings giving rise or likely to give rise to provisions;
- reviewed the economic assumptions used to prepare the budget for 2024;
- reviewed the ACPR letter notifying the Group's Global Systemically Important Bank score.

The Board:

- was informed of all the work performed jointly by the Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee;
- approved the process conducted by Executive Management to assess the internal capital adequacy and its conclusions.

## 2.d Work performed by the Internal Control, Risk Management and Compliance Committee and work approved by the Board of directors in 2023



Since 19 May 2020, the Internal Control, Risk Management and Compliance Committee and the Financial Statements Committee have at least one joint member to support the work of the committees on the appropriateness of the risks and provisions recognised by the Bank.

### Risks

The Internal Control, Risk Management and Compliance Committee:

- took note of the annual internal control report for 2022 in its permanent control and operational risk component, including the assessment by the RISK Function of the management of operational risk in terms of information technology and communication, outsourcing and fraud;
- reviewed the Risk Appetite Statement (RAS), the overall risk limits and those applicable by division as well as the proposals for the introduction of new risk indicators or new thresholds for limits, notably in terms of environmental, social and governance (ESG) risks;
- reviewed the renewal of risk limits for specific sectors and activities;
- was informed that the risk limits had not been exceeded;
- took note of the report on the Bank's Internal Liquidity Adequacy Assessment Process and of the draft Liquidity Adequacy Statement;
- reviewed the report prepared for 2022 on the Assessment and Monitoring of Risks, in accordance with the provisions of the order of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sectors subject to the control of the ACPR;

- monitored the deployment plan of the cybersecurity programme within the Group, its action plan, the priority topics and the related budget on a semi-annual basis. It was informed of regulatory changes and the expected impacts of the Digital Operational Resilience Act. It noted that no major incident had been detrimental to the Group during the first half-year 2023;
- reviewed the dashboard presented quarterly by the Head of RISK and reviewed the evolution of market risks, credit and counterparty risks, operational risk, liquidity risk, interest rate risk and equity risk in the banking book, insurance risk, model risk as well as ESG indicators;
- was informed of the governance of liquidity risk management, the impacts of changes in the ECB's monetary policy, the diversified management of the Bank's deposit base as well as the analysis of the balance sheet in terms of liquidity;
- was informed of the management of interest rate risk in the banking book in a context of rapid and significant increase in interest rates;
- reviewed the adequacy of the Group's compensation policy and practices to its risk profile;
- ensured the independence of the Head of RISK and the Head of Group Compliance and reported to the Remuneration Committee on its findings.

The Board:

- was informed of all the committee's work on the Group's risks and liquidity;
- approved the forwarding to the ACPR of the operational risk and permanent control components of the internal control report;
- approved changes to the Group's RAS;
- approved the liquidity risk tolerance level and the policies, procedures and internal systems relating to liquidity risk;
- approved the forwarding of the risk measurement and monitoring report to the ACPR;
- approved the renewal of the sector budgets.

### **Ad hoc work**

The Internal Control, Risk Management and Compliance Committee:

- was informed, during each of its meetings, of risks related to current events, such as the situation of employees and their families in Ukraine in a context of ongoing conflict with Russia as well as in Türkiye and Morocco after the earthquakes that struck these two countries and the change in the cost of risk;
- was informed of the exposure to the real estate sector in a context of rising interest rates;
- was informed of the preliminary analyses of the corporate loan portfolio with regard to CSR risk factors;
- took note of the letter from the ECB following the control carried out on electronic and algorithmic trading, as well as the elements of a response;
- took note of the ECB's letter on the risk management framework applicable to leveraged finance, as well as the elements of response.

The Internal Control, Risk Management and Compliance Committee and the Corporate Governance, Ethics, Nominations and CSR Committee, at a joint meeting, also examined the progress made in terms of the integration of CSR topics, including climate-related risk factors, as part of the Bank's risk management framework.

The Board was informed of all the *ad hoc* work of the Committee on risks and liquidity.

### **Compliance, internal control, litigation and periodic control**

The Internal Control, Risk Management and Compliance Committee:

- reviewed the draft Annual Report on internal control for 2022 presenting the internal control system and the highlights of 2022 for each of the control functions (Compliance, LEGAL, RISK and General Inspection) in terms of organisation and activity;
- reviewed the draft annual internal control report for 2022 in its compliance component, including the assessment by the Compliance Function of the risks of non-compliance in terms of financial security, market integrity, protection of customers' interests and corruption;
- reviewed the draft annual periodic control report for 2022, including notably the activity report of the General Inspection in respect of the 2022 audit plan;
- reviewed the Annual Reports on the organisation of internal control systems in terms of anti-money laundering, combating financing of terrorism and BNP Paribas (SA)'s freezing of assets on a standalone and consolidated basis;
- reviewed the classification of the Group and BNP Paribas (SA)'s risks in terms of anti-money laundering and combating the financing of terrorism in accordance with the order relating to the system and internal control on anti-money laundering and combatting the financing of terrorism, the freezing of assets, ban on the provision or use of funds or economic resources;



- reviewed the MiFID II systems put in place within BNP Paribas (SA) and the measures in progress to complete the implementation and remedy the malfunctions identified, the results of the controls carried out in 2022 by the business lines and Compliance on the compliance of systems in place to meet MiFID II requirements as well as the system in place in terms of product governance and employee knowledge and skills;
- reviewed the Annual Report on conflicts of interest relating to the system put in place under MiFID II to prevent and manage conflicts of interest that may arise in the provision of an investment or related service, regarding transactional and non-transactional conflicts of interest;
- reviewed the results of the annual assessment of corruption risks for 2022;
- took note of the analysis of the Bank's 2022 recovery plan carried out by the ECB and examined the 2023 recovery plan as well as the various recovery options;
- reviewed the European regulatory developments in terms of resolution and was informed of the Group's Minimum Requirement for own funds and Eligible Liabilities (MREL) to be reached by the first quarter 2024 set by the Single Resolution Board as well as appeals exercised by the Group;
- reviewed the implementation of the Group's outsourcing policy;
- regularly reviewed the main disputes and ongoing proceedings and the progress of the main cases;
- reviewed the completeness and evolution of the results of the periodic control in 2022;
- reviewed the General Inspection's half-year report;
- reviewed the Compliance Function's half-year report;
- regularly monitored the deployment of the 2023 audit plan and the results of the General Inspection missions;
- reviewed the remediation plan and its implementation following the ECB's mission on the General Inspection;
- took note of the follow-up letter to the Banque de France's control report on the cheque stream, as well as the response elements;
- took note of the follow-up letter to the ACPR control report on the system for implementing the free choice of borrower insurance, as well as the elements of response;
- took note of the follow-up letter to the AMF control report on the activity of BNP Paribas Épargne & Retraites Entreprises acting as custodian of accounts within the framework of an employee savings scheme, as well as the elements of response;
- regularly took note of the fines imposed on the Bank by supervisors.

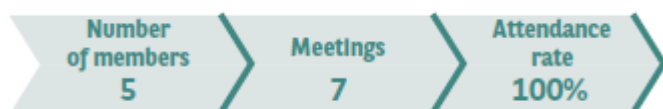
The Board:

- was informed of all the Committee's work on internal control, risks and compliance;
- approved the forwarding to the ACPR of the annual internal control report in its compliance and permanent control component;
- approved the forwarding to the ACPR and the ECB of the annual periodic control report;
- approved the forwarding to the ACPR of reports on the organisation of internal control systems on anti-money laundering and combating the financing of terrorism, as well as on asset freezing;
- took note of the state of play and the measures underway concerning the implementation of the MiFID II regulation;
- approved the 2023 recovery plan.

The committee interviewed the Heads of the RISK, Compliance, LEGAL and General Inspection Functions, without the presence of Executive Management.

The Board heard the reports of the interviews.

## 2.e Work performed by the Corporate Governance, Ethics, Nominations and CSR Committee and work approved by the Board of directors in 2023



### Changes in the membership of the Board and its specialised committees

The Corporate Governance, Ethics, Nominations and CSR Committee:

- reviewed the expiry dates of the directors' terms of office and proposed that the Board of directors submit to the vote of the Shareholders' Annual General Meeting the renewal of the terms of office expiring in 2023, namely those of Mr Jean Lemierre, Ms Monique Cohen, Ms Daniela Schwarzer and Mr Jacques Aschenbroich. It was not proposed to renew the term of office of Ms Fields Wicker-Miurin, due to her 12-year mandate at BNP Paribas, as she would no longer meet the criteria of the Corporate Governance Code defining an independent director;
- reviewed the situation of each of the directors and decided to propose to the Board of directors to appoint, in addition to their respective presence for one on the Corporate Governance, Ethics, Nominations and CSR Committee and for the other on the Financial Statements Committee:
  - Ms Daniela Schwarzer, as member of the Financial Statements Committee and member of the Internal Control, Risk Management and Compliance Committee as of the Shareholders' Annual General Meeting of 16 May 2023,
  - Mr Christian Noyer, as member of the Internal Control, Risk Management and Compliance Committee as of the Shareholders' Annual General Meeting of 16 May 2023;
- reviewed the situation of directors asked to take up corporate offices outside the Group, as provided for in the Suitability policy;
- continued its review of changes to the composition of the Board of directors and appointed an external firm to identify candidate independent directors on an ongoing basis;
- was informed that following the elections of the directors representing employees to the Board of directors of BNP Paribas (SA), Mr Hugues Epailard was re-elected the executives employees (for a period of three years from 16 February 2024) and Ms Vanessa Lepoutier was elected by the technicians employees (for a term of three years from 16 February 2024);
- took note of the resignation of Ms Rajna Gibson-Brandon from her directorship due to family constraints, as of 11 September 2023;
- selected, to replace Ms Rajna Gibson-Brandon, several candidates interviewed by the Chairman of the Committee, then proposed to the Board of directors the co-option of Ms Marie-Christine Lombard from 10 January 2024, her appointment being subject to ratification by the Shareholders' Annual General Meeting of 14 May 2024.

The Board:

- proposed that the Shareholders' Annual General Meeting of 16 May 2023 renews the terms of office of the directors in question;
- appointed with immediate effect after the Shareholders' Annual General Meeting of 16 May 2023, Ms Daniela Schwarzer as member of the Financial Statements Committee and member of the Internal Control, Risk Management and Compliance Committee and Mr Christian Noyer, as member of the Internal Control, Risk Management and Compliance Committee;
- co-opted Ms Marie-Christine Lombard to replace Ms Rajna Gibson-Brandon, from 10 January 2024, this decision being subject to ratification by the Shareholders' Annual General Meeting of 14 May 2024.

### Governance

The Corporate Governance, Ethics, Nominations and CSR Committee:

- reviewed the updated pool of potential independent directors;
- carried out the annual review of the potential successor(s) for the Chairman of the Board of directors and the Chief Executive Officer who could be proposed to the Board of directors in the event of temporary or permanent disability or death of the position holder;
- examined the proposed amendments to the Board of directors' Internal Rules to implement the ECB's recommendations following its mission on the General Inspection;
- proposed an amendment to the Articles of association to the Board of directors for submission to the Shareholders' Annual General Meeting of 16 May 2023, in order to extend the age limit of the Chairman of the Board of directors to 75 years, with the option for the Board of directors to extend it for one year;

- reviewed the report on the current agreements entered into between BNP Paribas (SA) or one of its subsidiaries and the directors, the Chief Executive Officer and the Chief Operating Officers, in accordance with the Procedure for current agreements entered into under normal conditions;
- ascertained the assessment of Key function holders by the Human Resources Department;
- was informed of the implementation and outcome of the controls related to the Corporate governance Policy applicable to all subsidiaries within BNP Paribas' prudential scope of consolidation;
- was informed of the content of exchanges between the Chairman of the Board of directors and investors about the Bank's governance;
- reviewed the draft Corporate governance report for 2022.

The Board:

- approved the amendments to the Internal Rules of the Board of directors;
- approved the amendment to the Articles of association submitted to the vote of the Shareholders' Annual General Meeting of 16 May 2023;
- concluded that all the agreements between BNP Paribas (SA) or one of its subsidiaries and the directors, the Chief Executive Officer and the Chief Operating Officers that were examined were ordinary agreements entered into under normal conditions;
- approved the Corporate governance report for 2022.

### Assessment of the Board of directors

The committee:

- acknowledged the results of the assessment of the Board of directors conducted by the Board of directors Secretariat (SCA), for 2022. The assessment confirmed the directors' satisfaction with the functioning of the Board of directors, which continues to make progress, underlined the complementarity of its members, the quality of the discussions and the attentiveness and mutual respect. It noted the fluidity of discussions with Executive Management and the quality of the interventions of the Heads of the operational departments;
- monitored the implementation of the action plan resulting from the assessment carried out in 2022, which resulted in progress in addressing CSR issues;
- proposed to the Board of directors an action plan including in particular the strengthening of the skills represented on the Board of directors.

The Board approved the action plan following the 2022 assessment.

In addition, in accordance with Article 9.4. of the Internal Rules of the Board of directors and the recommendations of the Afep-MEDEF Code stipulating that the assessment of the Board of directors must be carried out every three years by an external firm, the Committee pre-selected the firm for the 2023 assessment, following a call for tenders.

The Board approved the choice of an external firm for the 2023 assessment.

### Monitoring of the Conduct framework

The Corporate Governance, Ethics, Nominations and CSR Committee, in accordance with its powers, devoted one meeting to reviewing the main actions taken during the past year to strengthen the Conduct framework within the Group. In particular, it reviewed the results of the various Conduct indicators, including those related to respect for people and customer perception, as well as the results of the survey launched in 2023 among the Group's employees to collect their opinions on the Conduct issues.

### Directors' compensation

Prior to the Board of director's approval of the allocation of compensation to each director for 2023, the Corporate Governance, Ethics, Nominations and CSR Committee reviewed the actual attendance of each director at the Board and Committee meetings.

### Social and Environmental Responsibility

As part of its powers, the Corporate Governance, Ethics, Nominations and CSR Committee reviewed the report on the Group's social and environmental responsibility and proposed some amendments and modifications.

The Committee:

- reviewed the Group's social and environmental responsibility report and took note of the Group's main progress and achievements in 2022 in the area of economic, social, civic and environmental responsibility;

- was informed of (i) the strengthening of the Bank's Vigilance plan in order to align it with best practices and to set out in more detail its approach in this area and (ii) the results for 2022 of each of the ten 2022–2025 CSR dashboard indicators covering the Bank's four CSR pillars (economic, social, civic and environmental responsibility);
- was informed of the quantitative and qualitative information describing the environmental, social and governance risk factors that may indirectly affect the Bank's accounting balance sheet through their impact on its customers;
- reviewed the statement made on behalf of the Group's entities under the UK and Australian Modern Slavery Acts ("Modern Slavery Act 2015" in the United Kingdom and "Modern Slavery Act 2018" in Australia) to ensure that their activities are free from human trafficking and slavery. This statement is included in the Group's social and environmental responsibility report;
- was informed of the Group's policy on diversity, equality and inclusion, particularly in terms of gender balance in management bodies and strategic priorities.

The Corporate Governance, Ethics, Nominations and CSR Committee also took note of comparative analyses published by non-governmental associations on the commitments of the largest international and European banking institutions in terms of financing the energy transition.

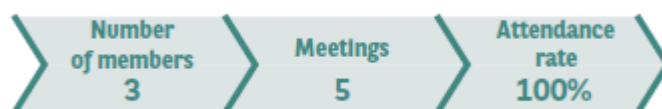
It was also informed of BNP Paribas Asset Management's CSR voting policy at Shareholders' Meetings.

The Corporate Governance, Ethics, Nominations and CSR Committee and the Internal Control, Risk Management and Compliance Committee, meeting jointly, reviewed the progress made in terms of the integration of CSR topics, including climate-related risk factors, as part of the Bank's risk management framework.

The Board:

- approved the Group's social and environmental responsibility report, including the sections on the Vigilance plan and the Extra-Financial Performance Statement, with the amendments proposed by the committee;
- approved the statement made on behalf of the Group's entities on the United Kingdom's "Modern Slavery Act 2015" and Australia's "Modern Slavery Act 2018".

## 2.f Work performed by the Remuneration Committee and work approved by the Board of directors in 2023



One member of the Remuneration Committee is also a member of the Internal Control, Risk Management and Compliance Committee, promoting thereby the work of the Committee on the appropriateness of BNP Paribas' compensation principles and risk policy, thus meeting the requirements of the French Monetary and Financial Code.

The Remuneration Committee:

In respect of the year 2022

- With regard to the principles of the compensation policy:
  - carried out an annual review of the principles of the compensation policy, and of the compensation, indemnities and benefits of any kind granted in respect of the 2022 performance year to the corporate officers of the Group's significant subsidiaries in France falling within the set threshold by law and having delegated these missions to the Committee,
  - was informed of the provisional results for 2022 of the implementation of the reviews of compliance with the Code of conduct, rules and regulations and the assessment and control of risks for the Group's Senior Management Position (SMP) and material risk takers populations,
  - was informed of the summary of the General Inspection report concerning the implementation of the review of Group material risk takers' compensation in respect of 2022,
  - was informed of the follow-up to the recommendations issued by the ECB as part of one of its missions carried out in 2020.
- With regard to specific categories of personnel, in particular employees whose professional activities have a significant impact on the Group's risk profile:
  - after receiving detailed information on Group employees whose responsibilities within the Bank have a significant impact on the Group's risk profile ("material risk takers"):
    - reviewed the issues relating to their remuneration,
    - acknowledged the final scope of the Group's material risk takers,
    - reviewed the 2023 published report on compensation paid to the Group's material risk takers for 2022;
  - reviewed the resolution on compensation paid in 2022 to the Group's material risk takers that is subject to an annual advisory vote at the Shareholders' Annual General Meeting of 16 May 2023,
  - audited the 2022 remuneration of the Group's Head of RISK and Head of Compliance,
  - was informed of the remuneration of Key function holders for 2022,
  - took note of the list of the highest paid employees in 2022,
  - reviewed the final parameters for determining the variable compensation package for the Global Markets business line in respect of 2022 performance and was informed of the final package awarded and the way in which individual awards were made for this business line.
- Concerning the corporate officers:
  - reviewed, without the presence of the Executive Management, the quantitative and qualitative performance criteria related to the annual variable compensation of the corporate officers and proposed to the Board to approve their variable compensation for the 2022 performance year,
  - approved the information relating to the total compensation and benefits of any kind awarded in respect of 2022 or paid during the same year ("Say on pay") to directors and corporate officers of BNP Paribas (SA).

- Concerning the directors:
  - was informed of the final amount of the compensation allocated to the directors for 2022.

#### In respect of the year 2023

- With regard to the principles of the compensation policy:
  - reviewed the proposed changes to the Group's compensation policy in order to take into account an extension of the retention period for the portion of variable compensation paid in instruments to material risk-takers, as well as certain proposals to adapt the policy,
  - reviewed the rules on deferred compensation and the variable compensation payment terms applicable to the Group's material risk takers in 2023,
  - was informed of the actions carried out by the Group with regard to the gender neutrality of the compensation policy,
  - was informed of future regulatory changes.
- Regarding specific categories of personnel:
  - took note of the scope of the Group's material risk takers identified as an initial estimate in respect of 2023,
  - reviewed the initial parameters used to determine the variable compensation package for Global Markets' employees for the 2023 performance year.
- Concerning directors and corporate officers:
  - reviewed the compensation policy for directors and corporate officers applicable from the 2023 performance year,
  - examined the proposed amendments to the Board of directors' Internal Rules to implement the ECB's recommendations following its mission on the General Inspection,
  - reviewed the provisional distribution of the compensation allocated to the directors in respect of 2023 on the basis of their actual attendance at Board and Committee meetings.

#### In respect of the year 2024

- Concerning the corporate officers:
  - reviewed the level and structure of the compensation of corporate officers based on benchmarks with a panel of comparable European banks.
- Concerning the directors:
  - reviewed the level of the compensation package allocated to directors.

With regard to the votes on the resolutions relating to the compensation of directors and corporate officers at the Shareholders' Annual General Meeting of 16 May 2023, the Committee noted that all the resolutions had received an approval rate significantly higher than 80%. A lower rate was observed for only one of the resolutions relating to the 2023 performance year, if abstentions are included in the votes cast. However, the Committee recalled that the standard for counting votes now excluded abstentions.

#### The Board:

- was informed of all the Remuneration Committee's work;
- approved the changes to the Group's compensation policy;
- was informed by the Committee Chairman of the approach used to identify those employees whose professional activities have a significant impact on the Company's risk profile and the principles for their compensation as proposed by Executive Management for the 2023 performance year;
- heard the Committee Chairman's report on the appropriateness of the compensation of the Group's Head of RISK and Head of Compliance for the 2022 performance year;
- approved the principles of the compensation policies for directors and corporate officers submitted for approval to the Shareholders' Annual General Meeting of 16 May 2023;
- approved, without the presence of the Chief Executive Officer and the Chief Operating Officers, the compensation policy for directors and corporate officers for 2023;
- reviewed and approved, without the presence of the Chief Executive Officer and the Chief Operating Officers, the assessment made by the Committee of the quantitative and qualitative criteria related to the annual variable compensation of the executive corporate officers for the performance year 2022;
- approved the information relating to the total compensation and benefits of any kind awarded in respect of 2022 or paid during the same year ("Say on pay") to the directors and corporate officers of BNP Paribas (SA) and submitted for the approval of the Shareholders' Annual General Meeting of 16 May 2023;
- approved the amendments to the Internal Rules of the Board of directors;
- approved the individual split of the compensation allocated to the directors for 2023.

# INTERNAL RULES OF THE BOARD OF DIRECTORS

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## PREAMBLE

The rules concerning:

- the Board of directors;
- the members of the Board of directors, including their rights and obligations;
- the Board of directors' Committees,

are set by the statutory and regulatory provisions, the Company's Articles of Association, and these rules (in addition to these Internal Rules of the Board of directors, there is the Policy on the suitability of Members of the management body and Key function holders mentioned in 1.3 below).

The Board of directors also takes into account the French market guidelines concerning Corporate Governance and, in particular, the provisions of the Corporate Governance Code of Listed Companies published by the French employers' organisations *Association française des entreprises privées* (AfeP) and the *Mouvement des entreprises de France* (MEDEF), hereinafter called the AfeP-MEDEF Code, to which BNP Paribas (the "**Company**") refers.

The Board of directors is a collegial body that collectively represents all shareholders and acts in all circumstances in the corporate interests of the Company.

The Board of directors is assisted by specialised committees:

- Financial Statements Committee;
- Internal Control, Risk Management and Compliance Committee;
- Corporate Governance, Ethics, Nominations and CSR Committee; and
- Remuneration Committee;
- as well as by any *ad hoc* committee.

## PART ONE – THE BOARD OF DIRECTORS, COLLEGIAL BODY

### ARTICLE 1. DUTIES OF THE BOARD OF DIRECTORS

The Board of directors discusses any question coming within the scope of its statutory and regulatory duties and contributes to promoting the corporate values aimed, in particular, to ensuring that the conduct of BNP Paribas' activities by its employees complies with the highest ethical requirements in order to protect the reputation of the Bank.

In particular and non-exhaustively, the Board of directors is competent in the following areas:

#### 1.1. Orientations and strategic operations

The Board of directors:

- determines BNP Paribas' s business orientations and supervises their implementation by the Executive Management, taking the social and environmental challenges of BNP Paribas' activities into consideration;
- subject to the powers expressly allocated to the shareholders' meetings and within the limit of the corporate purpose, it handles any issue concerning the smooth running of the Company and settles by its decisions any matters concerning it;
- gives its prior approval with respect to all investment or disinvestment decisions (other than portfolio transactions) in an amount in excess of EUR 250 million, and any proposal to acquire or dispose of shareholdings (other than portfolio transactions) in excess of that threshold, submitted to it by the Chief Executive Officer. It is also regularly informed by the Chief Executive Officer of significant transactions which fall below this limit;
- gives its prior approval to any significant strategic operation which falls outside the approved orientations;
- promotes long-term value creation by BNP Paribas.

#### 1.2. Code of conduct

The Board of directors and the Executive Management have developed a Code of conduct of BNP Paribas Group which defines the standards of conduct in line with the values and missions determined by the Bank. This Code, which shall be integrated by each business line and each employee, governs the actions of each employee and guides the decisions at every level of the organisation. For this purpose, the Board ensures the Executive Management implements this Code in business lines, countries and regions.

### 1.3. Governance, internal control and financial statements

The Board of directors:

- appoints the Chairman, the Chief Executive Officer and, on the recommendation of the latter, the Chief Operating Officer(s) (COO);
- sets any limits to the powers of the Chief Executive Officer and of the Chief Operating Officer(s);
- examines the system of governance, which includes, in particular, a clear organisational structure with well defined, transparent and consistent sharing of responsibilities, efficient processes to identify, manage, monitor and report the risks to which the Company is or might be exposed to; it periodically assesses the efficiency of this governance system and ensures that corrective measures have been taken to remedy any failings;
- determines the orientations and controls their implementation by the actual managers of the monitoring measures in order to guarantee an effective and prudent management of the Company, including the segregation of duties in the organisation of the Company and the prevention of conflicts of interests;
- ensures the fulfilment of the obligations which are incumbent on it concerning internal control, and, in particular, examines, at least twice a year, the activity and the results of the internal control;
- approves the Management report and the Corporate governance report attached to it;
- carries out the controls and verifications which it deems appropriate;
- ensures that the Chief Executive Officer and/or Chief Operating Officer(s) implement a policy of non-discrimination and of diversity including gender balance in management bodies;
- ensures the implementation of process for preventing and detecting corruption and influence-peddling for which it receives all the information required for that purpose;
- examines and closes the financial statements and ensures their sincerity;
- reviews, at least once a year, the draft budgets and the drafts of the various statutory and regulatory reports which the Chief Executive Officer submits to it;
- prepares a Suitability policy that defines the assessment of Members of the management body and of Key function holders (the "Policy on the suitability of Members of the management body and Key function holders"); the Board of directors (and its committees) apply this policy and revise it regularly to account in particular for any regulatory changes.

### 1.4. Risk management

The Board of directors:

- regularly examines, in connection with the strategy it has defined, the opportunities and risks, such as financial, legal, operational, social, and environmental risks, those linked to money laundering and terrorist financing issues, as well as the measures taken as a result;
- as such, approves and regularly reviews the strategies and policies governing the taking, management, monitoring and reduction of the risks to which the Company is or might be exposed to, including the risks caused by the economic environment. In particular, the Board of directors approves the global risk limits and puts into place a specific process organising its information and, as the case may be, the referral of the matter to it in the event these limits are exceeded.

### 1.5. Communication

The Board of directors:

- ensures that the financial information disclosed to the shareholders and the markets is of high quality;
- controls the process of financial publication and communication, quality and reliability of the information intended to be published and communicated by the Company.

### 1.6. Remuneration

The Board of directors:

- allocates, without prejudice to the powers of the Annual General Meeting, the directors' attendance fees;
- adopts and regularly reviews the general principles of the remuneration policy of the Group which relates, in particular, to the categories of staff including the risk takers, staff engaged in control functions and any employee who, given his overall income, is in the same remuneration bracket as those whose professional activities have an impact on the risk profile of the Group;
- decides, without prejudice to the powers of the Annual General Meeting, the remuneration of the managers who are corporate officers (*dirigeants mandataires sociaux*), in particular their fixed and variable remuneration as well as any other means of remuneration or benefit in kind.

Executive corporate officers are not present during the discussions of the Board of directors and the Remuneration Committee regarding their own compensation, nor do they participate in the vote.



## **1.7. Resolution**

The Board of directors settles the preventive recovery plan of the institution, as well as the items necessary to establish the resolution plan communicated to the competent regulatory authorities.

## **1.8. RELATIONS WITH CONTROL FUNCTIONS**

The heads of the control functions (RISK, Compliance, General Inspection and LEGAL) are interviewed once a year on the organisation, methods and procedures used and on the work programme of these functions within the Group by the Internal Control, Risk Management and Compliance Committee (CCIRC), without the presence of Executive Management.

In addition, the heads of control functions regularly present a summary of their activities to the Internal Control, Risk Management and Compliance Committee.

Without reporting to the executive officers, the heads of the control functions have direct access to the Board of directors - or, where applicable, its committees.

The Board of directors gives its prior approval to:

- the appointment of the Head of General Inspection;
- the dismissal of the heads of RISK, Compliance and General Inspection.

The heads of the control functions are subject to the same rules of ethics, confidentiality and professional conduct as the directors.

## **ARTICLE 2. FUNCTIONING OF THE BOARD OF DIRECTORS**

### **2.1. Organisation of the meetings**

The Board of directors meets at least four times a year and as often as circumstances or BNP Paribas' interest requires this.

Notices of meetings may be communicated by the Secretary of the Board.

The Secretary of the Board prepares all of the documents necessary to the Board meetings and arranges to place all of the documentation at the disposal of the directors and other participants in the meetings.

An attendance register is kept, which is signed by the directors taking part in the meeting. It mentions the names of the directors considered as present.

The Board of directors' decisions are recorded in minutes by the Secretary of the Board which are entered into a special register, in accordance with the laws in force. The Secretary of the Board of directors is authorised to issue and certify copies or excerpts of the Board minutes. Each set of Board minutes must be approved at a subsequent Board meeting.

The decisions of the Board of directors are carried out either by the Chief Executive Officer, or a Chief Operating Officer, or by any special representative appointed by the Board of directors.

### **2.2. Means of participation**

Directors taking part in the meeting by videoconference or telecommunication means enabling their identification, guaranteeing their effective participation, transmitting at least the voices of the participants, and meeting, through their technical features, the needs of confidentiality, of continuous and simultaneous retransmission, with the exception of Board meetings closing out the financial statements and the annual report, shall be deemed to be present for the purpose of calculating both the quorum and the majority. The minutes state, as the case may be, the occurrence of any technical incidents if they disturbed the conduct of the meeting.

## **PART TWO – THE MEMBERS OF THE BOARD OF DIRECTORS**

### **ARTICLE 3. COMPOSITION, INFORMATION AND SKILLS**

#### **3.1. Chairman of the Board of directors**

##### ***3.1.1. Relations with the Company's other bodies and with parties outside the Company***

In relations with the Company's other bodies and with parties outside the Company, the Chairman of the Board of directors alone has the power to act on behalf of the Board of directors and to express himself in its name, except in exceptional circumstances, and except where specific assignments or duties are entrusted by the Board of directors to another director.

The Chairman makes sure that he maintains a close and trusting relationship with Executive Management. He provides him with his assistance and his advice while respecting his executive responsibilities. He organises his activities so as to ensure his availability and put his experience at the Company's service. He contributes to promoting the values and image of the Company, both within the Group and externally.

Coordinating closely with Executive Management, he can represent the Group in its high level relationships, and particularly with major clients, public authorities and the institutions on national, European and international levels.

He ensures that the quality of relations with shareholders is maintained, in close coordination with the work of Executive Management in this area. He reports on this mission to the Board.

He ensures that principles of Corporate governance are defined and implemented.

The Chairman is the custodian of the proper functioning of the Board of directors of BNP Paribas. As such:

- with the support of the Corporate Governance, Ethics, Nominations and CSR Committee, with the approval of the Board of directors and of the Annual General Shareholders' Meeting, where appropriate, he endeavours to build an efficient and balanced Board, and to manage replacement and succession plan processes related to the Board of directors and nominations on which it will have to opine;
- he can attend all committee meetings and can add any subject to the agenda of the latter which he considers to be relevant;
- he ensures that the directors have the documentation and information necessary to carry out their duties in a timely manner and in a clear and appropriate form.

### **3.1.2. Organisation of the work of the Board of directors**

The Chairman organises and manages the work of the Board of directors in order to allow it to carry out all of its duties. He sets the timetable and agenda of Board meetings and convenes them.

He ensures that the work of the Board of directors is well organised, in a manner conducive to constructive discussion and decision-making. He directs the work of the Board of directors and coordinates its work with that of the specialised committees.

He sees to it that the Board of directors devotes an appropriate amount of time to issues relating to the future of the Company and particularly its strategy.

The Chairman is kept regularly informed by the Chief Executive Officer and other members of the Executive Management of significant events and situations relating to the business of the Group, particularly those relating to: deployment of strategy, organisation, investment or disinvestment projects, financial transactions, risks, financial statements.

The Chief Executive Officer provides the Chairman with all information required under French law regarding the internal control report.

He may ask the Chief Executive Officer or any manager, and in particular, the heads of the control functions, for any information likely to assist the Board and its committees in the carrying out of their duties.

He may hear the Statutory Auditors in order to prepare the work of the Board of directors and of the financial statements' Committee.

## **3.2. Directors**

They undertake to act in the corporate interest of BNP Paribas and to comply with all of the provisions of these Internal Rules that are applicable to them, and more specifically the procedures of the Board of directors.

## **3.3. Other participants**

### **3.3.1. Non-voting directors (censeurs)**

The non-voting directors attend the meetings of the Board and of the specialised committees in an advisory capacity.

### **3.3.2. Statutory Auditors**

The Statutory Auditors attend the meetings of the Board and of the specialised committees which examine or close the annual or interim financial statements and may attend the meetings of the Board and of the specialised committees when the Chairman of the Board considers it necessary.

### **3.3.3. Persons invited**

The Board can decide to invite one or several persons to attend the meetings.

### **3.3.4. Representative of the Central Works Committee**

The representative of the Central Works Committee attends the meetings of the Board in an advisory capacity.

### **3.3.5. Secretary of the Board**

The Secretary of the Board is appointed by the Board and attends the meetings of the latter.

## **3.4. Access to information**

### **3.4.1. Information and documentation**

For the purpose of efficiently participating in the Board of directors' meetings and making enlightened decisions, each director may ask that the Chairman or the Chief Executive Officer communicates to him or her all documents and information necessary to perform his or her duties, if these documents are useful for making decisions and are related to the Board of directors' powers.

Requests are sent to the Secretary of the Board of directors who informs the Chairman thereof.

When the Secretary of the Board of directors considers this preferable, for reasons of convenience or confidentiality, the documents thus placed at the disposal of the directors as well as of any person attending the meetings of the Board are consulted through the Secretary of the Board or through the competent employee of the Group.

### **3.4.2. Systems**

The placing at disposal of the directors or of any person attending the Board meetings of all of the documentation with a view to meetings of the Board, may be done by any means, including dematerialised. In this case, all the measures of protection considered necessary are taken to protect the confidentiality, the integrity and the availability of the information and each member of the Board or any person who has received the documentation is responsible not only for the systems and media thus placed at disposal but also for their access.

### **3.5. Training, individual and collective skills**

The directors of BNP Paribas possess, both individually and collectively, the expertise, experience, skills, understanding and personal qualities necessary, notably in terms of professionalism and integrity, to properly perform their duties in connection with each of the significant activities of BNP Paribas and guaranteeing efficient governance and supervision.

The directors shall ensure that their knowledge is kept updated in compliance with the Policy on the suitability of Members of the management body and Key function holders.

The directors representing employees and the director representing employee shareholders are given time dedicated to training determined by the Board in accordance with the regulations in force. At the end of the training, the training centre chosen by the Board must issue a certificate of regular attendance, which the director must remit to the Secretary of the Board.

## **ARTICLE 4. OBLIGATIONS**

### **4.1. Holding and keeping of BNP Paribas shares**

Every director appointed by the General Shareholders' Meeting must personally hold 1,000 shares. The director must hold all of the shares within twelve months of appointment. At the expiry of this period, every director concerned shall make sure to keep the minimum number of BNP Paribas' shares throughout their term of office.

The directors undertake not to engage in any individual hedging or insurance strategies to cover their risk on such shares.

This obligation does not concern directors representing employees and director representing employee shareholders.

### **4.2. Ethics – confidentiality**

#### **4.2.1. Ethics**

##### **4.2.1.1. Availability and regular attendance**

The members of the Board of directors shall devote the time and the effort necessary to carry out their duties and responsibilities, in compliance with the Policy on the suitability of Members of the management body and Key function holders.

The directors representing employees and the director representing employee shareholders are given a preparation time determined by the Board in accordance with the Guidelines on the assessment of the suitability of Members of the management body and Key function holders.

##### **4.2.1.2. Independence and loyalty**

Every member of the Board of directors shall at all times maintain his or her independence of mind, in compliance with the Policy on the suitability of Members of the management body and Key function holders.

He or she shall act with loyalty towards the other directors, shareholders and BNP Paribas.

He or she shall refuse any benefit or service liable to compromise his independence.

##### **4.2.1.3. Duty of vigilance**

Every member of the Board of directors is bound by a duty of vigilance with respect to the keeping, use and, as the case may be, the return of the systems, documents and information placed at disposal.

#### **4.2.2. Confidentiality**

Any director and any person participating in the work of the Board is bound by an obligation of absolute confidentiality about the content of the discussions and decisions of the Board and of its committees as well as the information and documents which are presented therein or which are provided to them, in any form whatsoever.

Except as provided by law, he or she is prohibited from communicating to any person outside of the Board of directors any information that has not been made public by BNP Paribas.

### **4.3. Ethical conduct – limitation on directorships – conflicts of interests – personal declarations**

#### **4.3.1. Ethical conduct**

If directors have any questions related to ethical conduct, they may consult the head of the Group Compliance Function.

The legislation relating to insider trading applies particularly to directors both in a personal capacity and when carrying out their duties within companies that hold shares in BNP Paribas. They are required, in particular, to respect the legal requirements governing the definition, communication and exploitation of inside information, the principal provisions of which are communicated to them when they take directorship.

Directors can only deal in securities of BNP Paribas on a personal basis during the period of six weeks beginning on the day after the publication of the quarterly and annual financial statements, or after the publication of a press release on the Company's operations, unless they are in possession during that period of information that puts them in the position of an insider with respect to stock exchange regulations.

Directors shall refrain from any transactions that could be considered as speculative, and in particular from leveraged purchases or short sales, or short-term trading.

The director as well as persons with close connections with him are under the obligation to declare to the French Financial Markets Authority (*Autorité des marchés financiers – AMF*), which ensures the publication thereof, and to BNP Paribas, the transactions that they execute in BNP Paribas shares and the financial instruments related thereto.

#### **4.3.2. Limitation on directorships**

The director complies with the statutory and regulatory provisions which are applicable to him or her, or which are applicable to BNP Paribas, concerning limitations on directorships, as well as the Policy on the suitability of Members of the management body and Key function holders.

#### **4.3.3. Conflicts of interests**

The director complies with the applicable statutory and regulatory provisions regarding conflicts of interests – in particular the so-called “related-party agreements” (*conventions réglementées*) regime as well as with the Policy on the suitability of Members of the management body and Key function holders.

Whatever the circumstances, in the event of breach of the obligations with respect to conflict of interests by a director, the Chairman of the Board of directors shall take all the statutory measures necessary in order to remedy it. He can, furthermore, keep the relevant regulators informed of such acts.

#### **4.3.4. Personal declarations**

The director undertakes to inform the Secretary of the Board as soon as possible of any change in his or her personal situation (change of address, appointment, directorships, duties carried out, or criminal, civil, or administrative convictions, *etc.*).

In particular, and in compliance with the Policy on the suitability of Members of the management body and Key function holders, the director shall inform, as soon as possible, the Chairman of the Board of directors of any criminal or civil conviction, management prohibition, administrative or disciplinary sanction, or measure of exclusion from a professional organisation, as well as any proceedings liable to entail such sanctions against him or her, any dismissal for professional misconduct, or any dismissal from a directorship of which he or she may be the subject. Similarly, the director informs the Chairman of the Board of directors of any criminal or civil order entered against it, administrative or disciplinary sanction or measure of exclusion from a professional organisation, as well as of any Court-ordered reorganisation or liquidation measure of which a company of which he is the manager, shareholder or partner is the subject or would be liable to be the subject.

### **ARTICLE 5. REMUNERATION OF DIRECTORS AND NON-VOTING DIRECTORS (*CENSEURS*)**

The overall amount of remuneration given to the directors is determined by the General Shareholders' Meeting.

The individual amount of remuneration given to directors is determined by the Board of directors pursuant to a proposal by the remuneration Committee. It comprises a predominant variable portion based on actual participation in meetings, regardless of the means. Directors residing abroad receive an increased amount, except where they may participate in meetings of the Board of directors by videoconference or telecommunications means.

Actual participation in the committees entitles committee members to an additional remuneration, the amount of which may differ depending on the committees. Committee members receive this additional remuneration for their participation in each different Committee. The Chairmen of Committees also receive an additional remuneration.

The remuneration of the non-voting directors is determined by the Board of directors pursuant to a proposal of the Remuneration Committee.

## **PART THREE – THE BOARD OF DIRECTORS’ SPECIALISED COMMITTEES**

To facilitate the performance of their duties by BNP Paribas’ directors, specialised committees are created within the Board of directors.

### **ARTICLE 6. COMMON PROVISIONS**

#### **6.1. Composition and skills**

They consist of members of the Board of directors who do not carry out management duties within the Company. They include the required number of members who meet the criteria required to qualify as independent, as recommended by the Afep-MEDEF Code. The members of the committees have the knowledge and skills suited to carry out of the missions of the committees in which they participate.

The Remuneration Committee includes at least one director representing the employees.

Their remits do not reduce or limit the powers of the Board of directors.

The Chairman of the Board of directors sees to it that the number, missions, composition, and functioning of the committees are adapted at all times to the statutory and regulatory provisions, to the Board of directors’ needs and to the best Corporate governance practices.

By decision of the Board, the Internal Control, Risk Management and Compliance Committee (CCIRC), the Remuneration Committee (RemCo), and the Corporate Governance, Ethics, Nominations and CSR Committee (CGEN) may, in accordance with the provisions of Article L.511-91 of the French Monetary and Financial Code (*Code monétaire et financier*) ensure their missions for the companies of the Group under the supervision of the regulator on a consolidated or sub-consolidated basis.

#### **6.2. Meetings**

The committees shall meet as often as necessary.

#### **6.3. Means placed at the disposal of the committees**

They may call upon outside experts when needed.

The Chairman of a Committee may ask to hear any officer within the Group, regarding issues falling within this Committee’s jurisdiction, as defined in the present Internal Rules.

The Secretary of the Board prepares all of the documents necessary to the meetings of the specialised committees and organises the placing of the documentation at the disposal of the directors and other participants in the meetings.

This documentation can be placed at disposal by any means, including dematerialised. In this case, all the measures of protection considered necessary are taken for the purposes of protecting the confidentiality, integrity and the availability of the information and each member of the specialised Committee concerned or any person who has received the documentation is responsible not only for the systems and media and their provision but also for their access.

#### **6.4. Opinions and minutes**

They express opinions intended for the Board of directors. The Chairmen of committees, or in case of their impediment another member of the same committee, present a verbal summary of their work at the next Board of directors’ meeting.

Written reports of committees’ meetings are prepared by the Secretary of the Board and communicated, after approval at a subsequent meeting, to the directors who so request.

### **ARTICLE 7. THE FINANCIAL STATEMENTS COMMITTEE**

#### **7.1. MISSIONS**

In accordance with the provisions of the French Commercial Code, the Committee ensures the monitoring of the issues concerning the preparation and verification of the accounting and financial information.

##### **7.1.1. Monitoring of the process of preparation of the financial information**

The Committee is tasked with analysing the quarterly, half-yearly and annual financial statements issued by the Company in connection with the closing of financial statements and obtaining further explanations of certain items prior to presentation of the financial statements to the Board of directors.

The Committee shall examine all matters relating to these accounts and financial statements: the choices of accounting principles and policies, provisions, analytical results, prudential standards, profitability indicators, and all other accounting matters that raise methodological issues or are liable to give rise to potential risks.

It makes, as the case may be, recommendations, in order to ensure integrity of the elaboration process of the financial information.

### **7.1.2. Monitoring of the efficiency of the internal control systems and of risk management concerning accounting and financial matters**

The Committee shall analyse, at least twice a year, the summary of the operations and the results of the internal accounting and financial control, as well as those originate from controls on the elaboration process and the processing of accounting, financial and extra-financial information, based on the information communicated to it by the Executive Management. It shall be briefed of incidents revealed by the accounting and financial internal control, reported on the basis of the thresholds and criteria defined by the Board of directors and shall report on its findings to the Board of directors.

It is informed by the Chairman of the Board of directors of any possible failure to implement corrective measures decided within the framework of the accounting and financial internal control system that has been brought to his direct knowledge by the head of periodic control and reports on its findings to the Board of directors.

### **7.1.3. Monitoring of the statutory auditing of the annual financial statements and of the consolidated financial statements by the Statutory Auditors as well as of the independence of the Statutory Auditors**

The Committee shall steer the procedure for selection of the Statutory Auditors, express an opinion on the amount of fees charged for conducting the legal auditing engagements and report to the Board of directors on the outcome of this selection process.

It shall review the Statutory Auditors' audit plan, together with their recommendations and their monitoring.

It shall be notified on a yearly basis of the amount and breakdown of the fees paid by the BNP Paribas Group to the Statutory Auditors and the networks to which they belong, calculated using a model approved by the Committee. It shall ensure that the amount or the portion of the audit firms or the networks' revenues that BNP Paribas represents is not likely to compromise the Statutory Auditors' independence.

Its prior approval shall be required for any engagement entailing total fees of over EUR 1 million (before tax). The Committee shall approve, *a posteriori*, all other engagements, based on submissions from the Finance Department. The Committee shall validate the Finance Department's fast-track approval and control procedure for all "non-audit" engagements entailing fees of over EUR 50,000. The Committee shall receive, on a yearly basis from the Finance Department, a report on all "non-audit" engagements carried out by the networks to which the Group's Statutory Auditors belong.

It receives from the Statutory Auditors a written report on their main observations concerning the weaknesses of internal control and reviews it, as well as most significant recommendations issued in the framework of their mission and reviews it. It takes notes of the most significant statements and recommendations issued by the internal audit in the framework of their missions regarding accounting and financial information.

Each Statutory Auditor shall report on a yearly basis to the Committee on its internal control system for guaranteeing its independence, and shall provide a written statement of its independence in auditing the Group.

The Committee accounts for the statements and conclusions of the *Haut Conseil des Commissaires aux comptes* (H3C) resulting from the controls provided by the H3C in the professional activity of Statutory Auditors.

At least twice a year, the Committee shall devote part of a meeting to a discussion with the team of Statutory Auditors, without any member of the company's Executive Management being present.

The Committee meets in the presence of the team of Statutory Auditors, to review quarterly, half-yearly and annual financial statements.

However, the Statutory Auditors shall not attend all or part of Committee meetings dealing with their fees or their re-appointment.

The Statutory Auditors shall not attend all or part of Committee meetings dealing with specific issues that concern a member of their staff.

Except in the event of exceptional circumstances, the files containing the quarterly, half-yearly and annual results and financial statements shall be sent to Committee members at least three days prior to the Committee meetings.

Where questions of interpretation of accounting principles arise in connection with quarterly, half-yearly and annual results, and involve choices with a significant impact, the Statutory Auditors and FINANCE shall submit, on a quarterly basis, a memorandum to the Committee analysing the nature and significance of the issues at play, presenting the pros and cons of the various possible solutions and explaining the rationale for the choices ultimately made.

They present, at least twice a year, a note on the works on certification of the financial statements. Based on it, the Committee reports to the Board on the results of this mission and on the way this mission has contributed to the integrity of the financial information and on his own role in it.

## **7.2. CHAIRMAN'S REPORT**

The Committee shall review that part of the draft of the Chairman's report on internal control procedures relating to the preparation and processing of accounting and financial information.

### **7.3. HEARINGS**

With regard to all issues falling within its jurisdiction, the Committee may, at its initiative, hear the heads of finances and accounting of the Group, as well as the head of Asset/liability management.

The Committee may ask to hear the head of Finances Group with regard to any issue within its jurisdiction, for which he may be held liable, or the Company's management may be held liable, or that could call into question the quality of accounting and financial information disclosed by the Company.

## **ARTICLE 8. THE INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE COMMITTEE**

### **8.1. MISSIONS**

#### ***8.1.1. Missions concerning the global risk strategy***

The Committee advises the Board of directors on the adequacy of the global strategy of the Company and the overall current and future risk appetite. It assists the Board of directors when the latter verifies the implementation of this strategy by the actual managers and by the Head of risk management.

For this purpose, the Committee examines the key orientations of the Group's risk policy, including social and environmental orientations, based on measurements of the risk and profitability of the operations reported to it, in accordance with the regulations in force, as well as any specific issues related to these matters and methods.

In the event that a global risk limit is exceeded, a procedure to refer the matter to the Board of directors is provided for: the Executive Management informs the Chairman of the Committee, who can decide to convene the Committee or to request the convening of the Board of directors.

#### ***8.1.2. Missions concerning the examination of the prices of the products and services proposed to customers***

In the framework of its mission and according to the terms it shall define, the Committee examines whether the prices of the products and services proposed to customers are compatible with the risk strategy. Where prices do not properly reflect the risks, it presents to the Board of directors an action plan to remedy this.

#### ***8.1.3. Missions concerning remuneration***

Without prejudice to the missions of the Remuneration Committee, the Internal Control, Risk Management and Compliance Committee examines whether the incentives provided for by the policy and the remuneration practices of the Company are compatible with its situation with respect to the risks to which it is exposed, its capital, its liquidity and the probability and the spreading over time of the expected profits.

To carry out this mission, the Chairperson of the Committee or his/her representative shall attend the Remuneration Committee's meeting and presents to it the position upheld.

#### ***8.1.4. Missions concerning internal control and compliance***

The Committee ensures compliance with its obligations relating to internal control, including compliance with banking and financial regulations on internal control; it also examines any issue relating to the compliance policy relating, in particular, to reputational risk or professional ethics.

The Committee analyses the risk measurement and monitoring report. Twice a year it examines the internal control operations and findings (excluding accounting and financial internal control, which is the responsibility of the Financial Statements Committee) based on the information provided to it by Executive Management and the reports presented to it by the heads of permanent control, compliance and periodic controls. It reviews the Company's exchanges of correspondence with the Secretariat General of the Prudential Control and Resolution Authority (*Autorité de contrôle prudentiel et de résolution* – ACPR).

The Committee is briefed on incidents revealed by internal control that are reported on the basis of the thresholds and criteria defined by the Board of directors and reports on its findings to the Board of directors.

It analyses the status of recommendations made by the General Inspection unit that were not implemented. It is informed by the Chairman of the Board of directors of any possible failure to implement corrective measures decided within the framework of the internal control, of which it would have been informed directly by the head of periodic control and reports on its findings to the Board of directors.

The General Inspection charter is presented to the Committee.

### **8.2. ACCESS TO THE INFORMATION**

The Committee has all the information about the situation of the Company with respect to risks. It may, if this is necessary, use the services of the Head of risk management or of outside experts.

### **8.3. JOINT MEETINGS OF THE FINANCIAL STATEMENTS COMMITTEE AND THE INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE COMMITTEE**

The Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee shall meet at the request of the Chairman of the Internal Control, Risk Management and Compliance Committee, or at the request of the Chairman of the Financial Statements Committee or at the request of the Chairman of the Board of directors.

In that context, the members of these committees:

- shall be briefed of the mission plan of the General Inspection and of the audit plan of the Statutory Auditors and shall prepare the work of the Board of directors in assessing the risk policies and management systems;
- deal with common subjects concerning the risks and financial impacts policy (including provisioning). They carry out, in particular, a systematic review of the risks that can in the future have a significant impact on the financial statements.

This meeting shall be chaired by the Chairman of the Financial Statements Committee.

## **ARTICLE 9. THE CORPORATE GOVERNANCE, ETHICS, NOMINATIONS AND CSR COMMITTEE**

### **9.1. MISSIONS CONCERNING CORPORATE GOVERNANCE**

The Committee is tasked with monitoring Corporate governance issues. Its role is to help the Board of directors to adapt Corporate governance practices within BNP Paribas and to assess its functioning.

It ensures the follow up on a regular basis of the evolution in the governance disciplines at the global, European and national levels. At least once a year, it presents a summary thereon to the Board of directors. It selects measures that are suitable for the Group and which are likely to bring its procedures, organisation and conduct in line with best practice in this area.

It examines the draft report on Corporate governance and all other documents required by applicable laws and regulations.

The Committee is in charge of the follow up of questions related to the social and environmental responsibility ("CSR"). For this purpose, it handles more specifically the Group's contribution to sustainable economic development, in particular by an ethical financing of the economy, by promoting the development and the commitment of the employees, by the protection of the environment and the fight against climate change, as well as the positive impact of the Group in the society.

### **9.2. CODE OF CONDUCT**

The Committee carries out regular monitoring of the update of BNP Paribas Group's Code of conduct.

### **9.3. MISSIONS CONCERNING THE IDENTIFICATION OF, SELECTION OF, AND SUCCESSION PLAN FOR DIRECTORS, COMMITTEE MEMBERS, AND NON-VOTING DIRECTORS (*CENSEURS*)**

For the identification of, selection of, and succession plan for the directors, the Committee applies the principles and procedure described in the Policy on the suitability of Members of the management body and Key function holders. The Committee regularly reviews this policy and proposes any amendments it deems advisable to the Board of directors.

The Committee sets an objective to achieve with respect to gender balance on the Board of directors. It draws up a policy aimed at achieving this objective. This objective and this policy, once set, are approved by the Board of directors.

As the case may be, the Committee proposes to the Board of directors the appointment of the non-voting directors.

### **9.4. MISSIONS CONCERNING THE ASSESSMENT OF THE BOARD OF DIRECTORS**

The Committee assesses periodically, and at least once a year, the balance and diversity of the Board in compliance with the Policy on the suitability of Members of the management body and Key function holders.

Furthermore, an assessment of the Board of directors is made by a firm of external expert advisors every three years.

### **9.5. MISSIONS CONCERNING THE SELECTION OF, APPOINTMENT OF, AND SUCCESSION PLAN FOR THE CHAIRMAN, MEMBERS OF EXECUTIVE MANAGEMENT, AND KEY FUNCTION HOLDERS**

The Committee periodically examines the Policy on the suitability of Members of the management body and Key function holders regarding the selection of, appointment of, and succession plan for the executive officers, the Chief Operating Officer(s), the Chairman, and the Key function holders as defined in this Policy, and makes recommendations in the matter.

The Committee contributes to the selection and appointment of, as well as the establishment of succession plans for, the Chairman and members of the Executive Management, pursuant to the Policy on the suitability of Members of the management body and Key function holders.

With regard to the key function holders, it ensures that the Policy on the suitability of Members of the Management body and Key function holders is applied by Executive Management.



## **9.6. MISSIONS CONCERNING THE ASSESSMENT OF THE CHAIRMAN, CHIEF EXECUTIVE OFFICER, AND CHIEF OPERATING OFFICER(S)**

The Committee assesses the action of the Chairman.

It makes an assessment of the performance of the Chief Executive Officer and of the Chief Operating Officer(s) in the light of the strategic directions of the business established by the Board of directors and taking into consideration their capacities for anticipation, decision, organisation and exemplarity.

## **9.7. MISSIONS CONCERNING THE INDEPENDENCE OF THE DIRECTORS**

The Committee is tasked with assessing the independence of the directors, within the meaning of the Afep-MEDEF Code, and reporting its findings to the Board of directors.

## **9.8. MISSIONS CONCERNING THE GENERAL BALANCE OF THE BOARD OF DIRECTORS**

The Committee ensures that the Board of directors is not dominated by one person or, a small group of persons in a manner that is detrimental to the interests of the Company. For this purpose, it applies the Policy on the suitability of Members of the management body and Key function holders.

## **ARTICLE 10. THE REMUNERATION COMMITTEE**

The Committee prepares the decisions that the Board of directors approves concerning remuneration, in particular that which has an effect on risk and the management of risks.

The Committee makes an annual examination:

- of the principles of the remuneration policy of the Company;
- of the remuneration, allowances and benefits of any kind granted to the directors and corporate officers of the Company;
- of the remuneration policies of the categories of staff, including the executive managers, risk takers, and staff engaged in control functions and any employee, who given his overall income, is in the same remuneration bracket as those whose professional activities have a material impact on the risk profile of the Company or of the Group.

The Committee directly controls the compensation of the Head of the RISK Function, the Head of Compliance and the Head of General Inspection, with regard to their independence and the rules laid down by the Code of conduct.

Within the framework of the missions described above, the Committee prepares the work of the Board of directors on the principles of the remuneration policies, in particular concerning Group staff whose professional activities have a material impact on the Group's risk profile, in accordance with the regulations in force.

It is tasked with studying all issues related to the personal status of the directors and corporate officers, and in particular the remuneration, the amount of retirement benefits and the allotment of subscription or purchase options to the Company's shares, as well as the provisions governing the departure of the members of the Company's management or representational bodies.

It examines the conditions, the amount and the distribution of the subscription or purchase stock option plans. Similarly, it examines the conditions for the allotment of free shares.

With the Chairman, it is also within its remit to assist the Chief Executive Officer with any matter relating to the remuneration of senior executives that the latter might submit to it.

## **GUIDELINES ON THE ASSESSMENT OF THE SUITABILITY OF MEMBERS OF THE MANAGEMENT BODY AND KEY FUNCTION HOLDERS**

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### **I. BACKGROUND AND DEFINITIONS**

#### **a. Background**

The purpose of the Policy on the suitability of Members of the management body and Key function holders is, while complying with the legal and regulatory provisions applicable to the Company, to specify and detail the procedures for implementing the provisions of the Internal Rules and of the regulations applicable to BNP Paribas in the French Monetary and Financial Code (hereinafter "CoMoFi"), the European Banking Authority ("EBA") Guidelines on the assessment of the suitability of members of the management body and key function holders (the "Fit and Proper Guidelines") for which the revision published on 2 July 2021, and on Internal governance, from the comply or explain process (defined below).

Pursuant to these provisions, these guidelines cover the following topics:

- I. Identification of, selection of, and succession plan for Members of the management body and Key function holders:
  - a. Identification of, selection of, and succession plan for directors,
  - b. Identification of, selection of, and succession plan for the Chief Executive Officer and Chief Operating Officer(s),
  - c. Identification of, selection of, and succession plan for Key function holders;

- II.** Independence of mind and management of conflicts of interest of the Members of the management body:
  - a.** General principles,
  - b.** Cases of conflicts of interests,
  - c.** Management of conflicts of interests;
- III.** Compliance with the rules on limitation of directorships and on availability of the Members of the management body:
  - a.** Compliance with rules when appointing a Member of the management body,
  - b.** Compliance with rules while holding directorship as a Member of the management body;
- IV.** Good repute, honesty, and integrity of the Members of the management body;
- V.** Diversity of the Members of the management body and collective competence of the Board of directors;
- VI.** Induction and training of the Members of the management body.

These guidelines are approved by the Board of directors. Updates shall also be submitted for approval to the Board of directors.

## **b. Definitions**

**Members of the management body** means the directors, the Chief Executive Officer, and the Chief Operating Officer(s).

**Key function holders** means, for the purposes of the Fit and Proper Guidelines, the Chief Financial Officer, the Head of Compliance, the Head of RISK and the Head of the General Inspection, the Head of LEGAL, the Head of Human Resources, and the individuals to whom the Company has decided to confer the title of Deputy Chief Operating Officers.

**Fit and Proper** means the assessment conducted by BNP Paribas on the collective suitability of the Board and of the relevant individuals with regard to the following criteria:

- knowledge, skills and experience;
- good reputation, honesty, and integrity;
- independence of mind;
- compliance with the rules on limitation of directorships and on availability.

**Comply or explain process** means the procedure in the Single Supervisory Mechanism by virtue of which the European Central Bank ("ECB") and the competent national authorities announce their intention to comply, fully, partially, or not at all, with the guidelines issued by that authority.

**Company** means BNP Paribas.

**CGEN** means the Corporate Governance, Ethics, Nominations and CSR Committee of BNP Paribas.

**SCA** means the Secretariat of the Board of directors of BNP Paribas.

## **II. IDENTIFICATION OF, SELECTION OF, AND SUCCESSION PLAN FOR MEMBERS OF THE MANAGEMENT BODY AND KEY FUNCTION HOLDERS**

### **a. Identification of, selection of, and succession plan for directors**

The CGEN is tasked with the identification of the persons that are likely to be appointed as directors, regardless of their role on the Board of directors, to establish and to maintain at all times a list of these persons, which will be periodically monitored by the CGEN, without precisely determining the circumstances requiring their nomination to the Board of directors.

#### ***Identification by the CGEN of the persons likely to be appointed as directors***

The CGEN shall identify and recommend to the Board of directors candidates suitable for the non-executive directorship of director, with a view to proposing their candidacy to the General Meeting. In the determination of the potential candidates, the CGEN assesses the balance of skills, experience, diversity, as well as the integrity and the capacity of understanding the stakes and the risks, both personal and collective, of the members of the Board. It ensures, furthermore, that the candidates are able to act objectively, critically and independently, notably with respect to other directorships they hold, that they have the courage necessary to express their thoughts and their judgements, sufficient availability to have a strong commitment in their duties and the objectivity indispensable for their directorship and, lastly, the desire to protect the interests of the Company and ensure its proper running.

The CGEN specifies the missions and the necessary qualifications for the duties to be carried out within the Board of directors and calculates the time to be devoted to such duties.

For the purposes of identifying the candidate, the CGEN,

- on the one hand, mandates, if it wishes so, one or several specialised agencies in the research for independent directors with the meaning of the provisions provided in Afep-MEDEF Code; this or these specialised agencies are selected further to a tender organised in coordination with the SCA;
- on the other hand gathers inputs on this from other Board members.

Upon receipt of a proposal, the CGEN conducts a careful examination of the provisions of these guidelines as well as on the following criteria based on both personal and collective skills:

- knowledge and skill in requested areas, based on experience and the ability to understand the issues and risks of key activities for the Bank, including social and environmental issues as well as money laundering and terrorism financing related risks, enabling directors to make informed and effective decisions;
- courage, in particular to express opinions and make judgments, enabling directors to remain objective and independent;
- availability, *i.e.* sufficient time for the director to dedicate to his or her directorship and related training, and the assiduity, which allow the necessary hindsight and promote the director's commitment and sense of responsibility regarding the exercise of their directorship;
- loyalty, which fosters the director's commitment to the Company and to their duties within the Board, which collectively represents the shareholders;
- director's proper understanding of the Company's culture and ethics;
- good reputation and propriety: a person should not be considered of good reputation and meeting the propriety criterion if his or her personal or business conduct gives rise to any material doubt about his or her ability to ensure his or her directorship as independent director, and if, more specifically, he or she is personally involved in a money laundering or terrorism financing operation or attempt.

The CGEN ensures the regular updating of the list of persons that are likely to be selected, and, once a year, reports to the Board the work performed in order to identify the persons that are likely to be appointed directors so that the Board can deliberate on it.

As appropriate, the CGEN shall identify those individuals likely to be selected for the non-executive directorship of Chairman in consideration of the criteria set out above.

### ***Selection by the Board of directors of the persons likely to become members of the Board***

When the Board has to decide the appointment of a new member, the CGEN decides upon the submission of the candidacy to the Board in order, if the Board decides so, to propose such candidacy to the General Meeting. First, it shall communicate to the Chairman of the Board the name of the person who is likely to be appointed setting out the reasons for its proposal. The Chairman of the Board of directors contacts the relevant person and, in the case of an agreement with this person, asked the SCA to review the situation of the person in accordance with the above provisions. The Chairman of the CGEN and the Chairman of the Board met potential candidates.

A candidate for the non-executive directorship of Chairman of the Board of directors is submitted to the Chairman of CGEN so that this latter may contact the relevant candidate.

If the review and interview regarding the duties of both director and Chairman of the Board of directors are deemed to be satisfactory, the CGEN can then propose to the Board of directors to adopt the proposal for the submission of the candidacy.

The SCA can ask the candidates for any document required for its review, which it will retain pursuant to legal and regulatory provisions on personal data.

For specialised committees, the CGEN makes recommendations to the Board of directors on the appointment of the members in cooperation with the Chairman of the relevant Committee, and of the Chairmen of the Committees when they are to be renewed.

### ***Succession plan for directors and review of the composition of the Board***

The CGEN is responsible for examining the provisions allowing for the succession of the directors as well as, where applicable, the Chairman.

Once a year, the SCA, under the responsibility of the CGEN, reviews the composition of the Board of directors in accordance with the provisions relating to the identification of persons likely to become members of the Board of directors. The CGEN presents to the Board of directors the outcome of such review, which is subject to Board's deliberation.

Moreover, the CGEN carried out an annual assessment of the potential successor(s) for the Chairman of the Board of directors liable to be proposed to the Board of directors in the event of temporary or permanent incapacity or death of the position holder. The Chairman of the Board of directors has obtained the consent of the potential successor(s). This assessment gives rise to the preparation of a list of names that is kept by the SCA.

#### **b. Identification of, selection of, and succession plan for the Chief Executive Officer and Chief Operating Officer(s)**

The Board of directors appoints the Chief Executive Officer and, on the recommendation of the latter, the Chief Operating Officer(s), and sets any limits to their powers.

For this purpose, acting jointly with the Chairman, the CGEN puts forward recommendations for the selection of the Chief Executive Officer for consideration by the Board, and, acting on recommendation of the Chief Executive Officer, it puts forward recommendations for the selection of the Chief Operating Officer(s). The CGEN ensures, at the time of identifying and putting forward recommendations for the Chief Operating Officer position(s), upon proposal from the Chief Executive Officer and where applicable with the support of the Company's Human Resources, that there is a gender balance and guarantees the presence of at least one woman and one man until the end of the selection process.

To identify the candidate, the CGEN conducts a careful examination of his or her candidacy in consideration of the provisions of this policy as well as the following criteria:

- knowledge and skill in requested areas, based on experience and ability to understand the issues and risks of key activities for the Bank, including social and environmental issues as well as money laundering and terrorism financing related risks, enabling them to make informed and effective decisions;
- courage, in particular to express opinions and make judgements, enabling directors to remain objective and independent;
- availability, *i.e.* the sufficient time which the Chief Executive Officer and Chief Operating Officer(s) must dedicate to their duties and to the relevant training;
- loyalty, which fosters the commitment of the Chief Executive Officer and the Chief Operating Officer(s) to the Company and its shareholders;
- good repute and propriety: a person shall not be considered of good repute or meeting the propriety criterion if his or her personal or business conduct gives rise to any material doubt about his or her suitability as Chief Executive Officer or Chief Operating Officer, as the case may be, and if, more specifically, he or she is personally involved in a money laundering or terrorism financing operation or attempt.

The SCA can ask the candidate or the Company, as the case may be, for any document required for its review, which it shall retain pursuant to the legal and regulatory provisions on personal data.

It is also responsible for examining the provisions allowing the succession of the Chief Executive Officer and Chief Operating Officer(s).

Moreover, the CGEN carried out an annual assessment of the potential successor(s) for the Chief Executive Officer liable to be proposed to the Board of directors in the event of temporary or permanent incapacity or death of the position holder. The Chairman of the Board of directors has obtained the consent of the potential successor(s). This assessment gives rise to the preparation of a list of names that is kept by the SCA.

### **c. Identification and appointment of the Key function holders**

The CGEN ensures that in the identification and appointment of the Key function holders by Executive Management, with the support of the Company's Human Resources, as the case may be, the following are considered:

- skills, qualification, and experience;
- and good repute, honesty, and integrity, taking particular care to ensure that the concerned person is not personally involved in a money laundering or terrorism financing operation or attempt.

## **III. INDEPENDENCE OF MIND AND MANAGEMENT OF CONFLICTS OF INTEREST OF THE MEMBERS OF THE MANAGEMENT BODY**

In consideration of the so-called "related-party agreements" regime in articles L.225-38 *et seq.* of the French Commercial Code, provisions regarding independence of mind and conflicts of interest set out in section 9 of the Fit and Proper Guidelines and Principle 3 of the Guidelines on Corporate governance principles for banks, published in July 2015 by the Basel Committee on Banking Supervision, and with the objective to embrace the best practices observed in the governance area, the aim of this section is to (i) recall the general principles applied to ensure the independence of mind of every Member of the management body, (ii) define the situations of conflicts of interest to which directors may face in light of the various activities that the Group conducts and which could be in competition with the interests of the concerned director, shall it be directly or indirectly, and (iii) provide details, in case such conflict of interest occurs, concerning the necessary measures to be adopted in order to take the situation into account and handle it in an appropriate manner.

### **a. General principles**

Every Member of the management body shall at all times maintain his or her independence of mind, analysis, assessment, decision, and action so as to be able to issue opinions and make decisions in an informed, judicious and objective manner. For this purpose, the Member of the management body shall respect both the legal and regulatory provisions applicable to conflicts of interest – specifically the so-called "related-party" agreements – and the provisions below on the measures to be adopted in recognising conflicts of interest and managing them appropriately.

More specifically, the Members of the management body shall refuse any benefit or service liable to compromise their independence, and undertake to avoid any conflict of interest (as described below).

Each member of the Board of directors shall freely express his or her positions, possibly minority positions, about the subjects discussed in the meetings of the Board or specialised committee.

It is recalled that any conflict of interest may question the fact that a director qualifies as an independent director according to the provisions of the Afep-MEDEF Code.

### **b. Cases of conflicts of interests**

Besides the so-called "*conventions réglementées*" regime provided for by articles L.225-38 and *et seq.* of the French Commercial Code, the following situations may give rise to conflicts of interest:

- a) each agreement entered into directly, or through an intermediary person<sup>1</sup>, between a company that BNP Paribas controls within the meaning of article L.233-16 of the French Commercial Code and one of the Members of the Company's management body;
- b) each agreement to which one of the Members of the Company's management body is indirectly interested, meaning that without being directly party to the said agreement entered into by one of the companies controlled by the Company within the meaning of article L.233-16 of the French Commercial Code, the Member of the management body benefits in a way or another from the agreement;
- c) each agreement entered into between one of the companies controlled by the Company, within the meaning of article L.233-16 of the French Commercial Code, and a company owned by a Member of the Company's management body or of which such director is also an owner, general partner, manager, director, Member of the Supervisory Board or, generally, in a senior manager of this company;
- d) each situation where a member of the management body is or might be, in relation with the exercise of his or her non-executive directorship, the recipient of inside information (i) concerning a company in which he or she is an executive director within the meaning of c) or in which he or she exercises a function or holds interests whatever, or (ii) concerning the Company or one of the companies under its control within the meaning of article L.233-16 of the French Commercial Code which may be interests concerning the activity of a company in which he or she is an executive director within the meaning of c) or in which he or she exercises a function or holds interests whatever they may be;

<sup>1</sup> The interposition of an intermediary corresponds to a situation in which the Member of the management body is the ultimate real beneficiary of the agreement between one of the companies that BNP Paribas controls and the co-contracting party of that controlled company.

- e) each situation where the Member of the management body could take part in a Board meeting which would be of interest to any person with whom he or she has family or professional links, or close relations;
- f) the undertaking of a new directorship whether in a listed or unlisted entity, French or foreign, not belonging to a group of which he or she is a manager, or any participation in the specialised Committee of a corporate body or any other new directorship<sup>1</sup>;
- g) each currently valid commitment made under directorship previously held in France or abroad (e.g. a non-competition clause);
- h) more generally, each situation that may constitute a conflict of interest between the Member of the management body and the Company or one of its subsidiaries within the meaning of article L.233-16 of the French Commercial Code.

#### c. Management of conflicts of interests

The assessment of current agreements is subject to a separate procedure by the Board of directors entitled “Implementation procedure for conflicts of interest in relation to loans and other transactions granted to the members of the management body and their related parties”.

#### **Situations covered by the “related-party agreements” regime**

The Members of the management body acknowledge having read and understood the related-party agreement regime and the obligations resulting from such regime.

#### **Other situations**

If one of the situations described in a) through e) or g) or h) above should occur, the Member of the management body shall immediately inform the Chairman of the Board of directors, who shall in turn inform the CGEN so that the latter, based on the analysis of the presented situation, may give an opinion which may consist of one or more measures described in the following paragraph. This opinion is then submitted to the Board of directors and, if followed by the said Board, is notified by the Chairman of the Board, to the concerned director. The decision of the Board of directors will be included in the minutes of the meeting.

More specifically, if one of the situations described in a) through e) or g) or h) above should occur during a Board of directors meeting or one of its Committees, and without prejudice to the application of the preceding paragraph, the Board of directors or the Committee, as the case may be, shall immediately determine the measures to be taken, which may take different forms including the fact the concerned director or Committee would not participate to the debate or the votes, would not receive the information on the issue that gives or may give rise to a conflict of interest, or even would have to leave the meeting of the Board or the Committee during the discussion of the concerned issue. The minutes of the Board or the Committee includes the measures adopted.

If the situation covered in f) above should occur, he or she shall inform the Chairman of the Board of directors of his or her intention to accept (i) a new directorship, whether in a listed or unlisted, French or foreign entity that does not belong to a group of which he or she is an executive director, or (ii) each participation in the specialised committees of a corporate body, or (iii) any other new directorship, such that the Board of directors, on the recommendation of the CGEN, may decide on the compatibility of such an appointment with the non-executive directorship of a Member of the management body in the Company. If necessary, the provisions on limitation of directorships and on the availability of Members of the management body set forth below shall be applied *mutatis mutandis*.

In any case, if the Board considers that the relevant Member of the management body is no longer able to perform his or her duties therein because of a conflict of interest, he or she shall resign.

More generally, in the event of a breach of obligations with respect to conflicts of interest by a Member of the management body, the Chairman of the Board of directors shall take all legal measures required to remedy it. He or she may, furthermore, keep the relevant regulators informed of such acts.

## **IV. COMPLIANCE WITH RULES ON LIMITATION OF DIRECTORSHIPS AND ON AVAILABILITY OF THE MEMBERS OF THE MANAGEMENT BODY**

The Member of the management body complies with legal and regulatory provisions, specifically those set out in articles L.511-52 and R.511-17 of the CoMoFi (the “CoMoFi Provisions”) and in the Fit and Proper Guidelines, which are applicable to him or her or applicable to the Company in matters of limitation of directorships and of availability as well as those in the Afep-MEDEF Corporate Governance Code.

#### a. Compliance with rules when appointing a Member of the management body

Once a candidate is chosen by the CGEN and prior to submitting it to the Board of directors, the SCA, under the responsibility of the Chairman of the Board of directors:

- a) contacts the candidate in order to request the list of directorships as well as any other functions he or she may hold, and how much time is spent on them each year;
- b) ensures that the candidate is in compliance with the Provisions of the CoMoFi regarding the number of directorships;

<sup>1</sup> This includes those of a political nature.

- c) ensures that the candidate has the time required for the duties and training he or she would perform for the directorship in question;
- d) and checks that these directorships and other functions are suitable with the position of a Member of the management body, in accordance with the above provisions on independence of mind and management of conflicts of interest.

The candidate shall certify that the list of directorships and functions is complete and provide on request of the SCA any document (company bylaws, extracts from trade registers or equivalent, certificate, statement, *etc.*), that the SCA deems useful to have.

The SCA then analyses the directorships declared by the candidate so as to ensure that the Provisions of the CoMoFi are complied with. It records the written documents on which the analysis and the conclusions were based, in accordance with personal data laws and regulations. As part of this review, the SCA may proceed to the researches he deems useful.

At the outcome of the SCA's review,

- a) either the candidate is in compliance with the Provisions of the CoMoFi and has the time required to serve as a director: the SCA shall report to the Chairman of the Board of directors, who shall inform the Chairman of the CGEN. The CGEN shall then propose the candidate to the Board of directors which shall take a decision on his or her appointment or co-option, as the case may be; or
- b) the candidate is not in compliance with the Provisions of the CoMoFi or does not have the time required to serve as a director: the SCA shall inform the Chairman of the Board, who shall in turn notify the Chairman of the CGEN, so that the measures for remedying this situation can be reviewed with the candidate. If the candidate is willing to make the necessary arrangements prior to his nomination or his or her co-option, the SCA states this in minutes which will then be submitted to the Board of directors which will decide on the nomination or co-option, as the case may be.

If the candidate is not willing or cannot implement the necessary steps, the SCA establishes minutes to the attention of the CGEN, which acts the end of the selection process.

#### **b. Compliance with rules while holding directorship as a Member of the management body**

At all times, the Members of the management body shall comply with the rules on limitation of directorships and dedicate the time and effort required to carrying out their duties and responsibilities. They accept the discipline involved in working together in the respect of each other's opinions and they exercise their sense of responsibilities towards shareholders and the other stakeholders of the Group.

In addition, directors shall actively and regularly participate in meetings of the Board of directors and of the committees, and shall attend the Annual General Shareholders' Meeting. Furthermore, the directors representing employees and the directors representing employee shareholders, are given preparation time determined by the Board, in accordance with the laws in force.

To this end, every Member of the management body shall inform the Chairman of the Board of directors of his or her intention to accept (i) a new directorship, whether in a listed or unlisted, French or foreign entity, not belonging to a group of which he or she is an executive officer, or (ii) any participation in the specialised committees of a corporate body, or (iii) any new directorship, in France or abroad, such that the Board of directors, on the recommendation of the Corporate Governance, Ethics, Nominations and CSR Committee may decide on the compatibility of such an appointment with the non-executive directorship in the Company.

In this case, the SCA shall follow the analysis and verification procedure for the appointment of a Member of the management body.

At the end of the analysis referred to above, one of two situations may arise:

- a) either the Member of the management body accepting this new directorship complies with the Provisions of the CoMoFi, in which case the SCA informs the Chairman of the Board of directors, who in turn informs the CGEN. The CGEN then ensures that this new directorship complies specifically with the conflicts of interest rules on set out above;
- b) or the Member of the management body, by accepting this new directorship, is no longer in compliance with the Provisions of the CoMoFi, in which case the SCA shall inform the Chairman of the Board of directors, who shall report it to the Chairman of the CGEN, so that the measures for complying with the CoMoFi Provisions can be reviewed with the Member of the management body.

Whatever the case, if he or she no longer has the time to perform his or her duties, the SCA shall inform the Chairman of the Board of directors, who shall report it to the Chairman of the CGEN so that the measures for remedying the situation can be reviewed with the Member of the management body.

If the Member of the management body is willing to maintain his or her directorship in the Company, he or she shall either not accept the proposed directorship, or resign from a directorship he or she already holds. The SCA shall include this in minutes that shall then be submitted to the Board of directors.

If the Member of the management body decides to accept this new directorship without resigning from any directorship he or she already holds, the Member of the management body shall tender his or her letter of resignation as Member of the management body. The SCA shall mention this in a report to be addressed to the CGEN which acts this resignation, with the effective date to be decided on by the Board of directors. Any Member of the management body who considers him- or herself unable to continue on the Board of directors, or on the Committees of which he or she is a member shall resign.

At least once a year, the SCA asks the Members of the management body to update the form known as the “EBA Form”, under which are listed all the directorships held by each Member of the management body, and to which is appended their availability table.

This update shall enable the SCA to ensure that all Members of the management body are in compliance with the Provisions of the CoMoFi and available on an ongoing basis.

## **V. GOOD REPUTE, HONESTY, AND INTEGRITY OF THE MEMBERS OF THE MANAGEMENT BODY**

At all times, the Members of the management body shall meet the requirements of good repute and show honesty and integrity.

Candidates and Members of the management body undertake to immediately notify the Chairman of the Board of directors and the SCA of:

- a) any conviction (including on appeal, in criminal, civil, or administrative proceedings);
- b) any disciplinary measure;
- c) any prior refusal of validation by competent banking or financial authorities in France or abroad;
- d) any refusal, withdrawal, revocation, or prohibition on management of any registration, authorisation, membership, or licence to conduct a business or profession;
- e) any sanction by public authorities or professional organisations, or investigations or enforcement proceedings ongoing in France or abroad;
- f) any dismissal for professional misconduct or any dismissal from a directorship he or she may be the subject;
- g) any situation mentioned in a) through f) above concerning a company of which he or she is an executive officer, shareholder, or partner.

The SCA shall retain the written evidence and documents on which the analysis and the conclusions of the CGEN were based, in accordance with personal data laws and regulations. As part of this review, and at the request of the Chairman of the Board of directors, or, as applicable, the Chairman of the CGEN, the SCA may carry out any searches it deems useful, including questioning the relevant person.

If the Chairman of the Board of directors, or, as applicable, the Chairman of the CGEN, is notified of the occurrence of one of the aforementioned cases, he or she shall inform the CGEN so that this latter, based on the analysis of the reported situation, can issue an opinion as to the good repute of the Member of the management body and decide whether to ask him or her to resign. This opinion is then submitted to the Board of directors and if followed by the said Board, is notified by the Chairman of the Board to the director concerned. The decision of the Board of directors will be included in the minutes of the meeting.

In addition, every Member of the management board undertakes to act with loyalty and integrity toward the Members of the management board, the shareholders, and the Company alike. Failing this, the Chairman of the Board of directors, or, as applicable, the Chairman of the CGEN, may refer the matter to the CGEN so that the latter can issue an opinion as to the loyalty and integrity of the Member of the management body and may decide to ask him or her to resign.

## **VI. DIVERSITY OF THE MEMBERS OF THE MANAGEMENT BODY AND COLLECTIVE COMPETENCE OF THE BOARD OF DIRECTORS**

The CGEN shall set the objectives to achieve with respect to gender balance on the Board of directors, age diversity, professional qualifications and experience, and nationality among the Members of the management body, so as to ensure that at all times they have the skills necessary to understand the risks, including money laundering and terrorism financing risks, and issues, including social and environmental issues, and potential developments in the Company.

For this purpose, the CGEN periodically assesses and at least once a year, the structure, the size, the composition and the effectiveness of the Board of directors with respect to the missions with which it is entrusted, and makes any useful recommendations to the Board.

## **VII. INDUCTION AND TRAINING OF THE MEMBERS OF THE MANAGEMENT BODY**

The Members of the Company's management body shall possess, both individually and collectively, the expertise, experience, skills, understanding, and personal qualities necessary, specifically in terms of professionalism and integrity, to properly perform their duties in connection with each of the significant activities of the Company, guaranteeing effective governance and supervision.

The Members of the management body shall maintain their knowledge in the following fields: finance and banking, risk management (in particular environmental, social, money laundering and terrorism financing related risks), regulations applicable to the Company, and, more broadly, any field related to the development and strategy of the Company.

The Company shall dedicate the human and financial resources required for the training of the Members of the management body. With this aim, annual training courses are administered by the managers of the topics presented, and strategy seminars are held.

In addition to the training courses mentioned above, any director may request additional training. For this purpose, he or she shall initiate a dialogue with the Chairman and the SCA, who shall determine the arrangements for the requested training.



The directors representing employees and the directors representing employee shareholders are given time dedicated to training determined by the Board, in accordance with the laws in force. At the end of the training, the training centre chosen by the Board must issue a certificate of regular attendance, which the director representing employees and the director representing employee shareholders must give to the Secretary of the Board.

The Board of directors shall ensure that new directors meet with the Key function holders.

## **DESCRIPTION OF THE IMPLEMENTATION PROCEDURE FOR CONFLICTS OF INTEREST IN RELATION TO LOANS AND OTHER TRANSACTIONS GRANTED TO THE MEMBERS OF THE MANAGEMENT BODY AND THEIR RELATED PARTIES**

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Pursuant to article L. 22-10-12 of the French Commercial Code, the Board of directors has implemented a procedure in order to regularly ensure that the transactions entered into in the ordinary course of business and on arms' length basis (so-called "free" agreements) meet these conditions, to strengthen the process for identifying and monitoring conflicts of interest and to implement a process dedicated to review loans granted by the Bank to Members of the management body and related natural and legal persons.

Pursuant to the provisions of article 72 of the Belgian law on the status and supervision of credit institutions, this procedure was extended by the Board of directors in June 2022 to transactions concluded between BNP Paribas Fortis and the directors, the Chief Executive Officer and the Chief Operating Officers of BNP Paribas.

This procedure covers agreements concluded between BNP Paribas and the directors, the Chairman, the Chief Executive Officer and the Chief Operating Officers of BNP Paribas or natural persons closely associated with them, their holding companies and legal entities in which they have an interest (directorship or equity holding).

There are two parts to the procedure for so-called "free" agreements:

- Agreements between BNP Paribas and the natural persons or holding companies mentioned above:  
Each year, the Bank reviews the list of agreements entered into between BNP Paribas and the natural persons or asset holding companies mentioned above. The Compliance Function ensures that these agreements do cover current operations and are concluded under normal conditions and prepares a report that it sends to the Secretary of the Board of directors.
- Agreements between BNP Paribas and legal entities (other than asset management companies) mentioned above:  
This procedure is based on existing policies (such as the Code of conduct or the "Customer Interests Protection Policy") and also provides:
  - the declaration by the directors and corporate officers of the legal entities with which they are associated,
  - the verification by the Bank of any business relationships between each of these legal entities,
  - in-depth monitoring of agreements identified using a risk-based approach.

A report is prepared for each of these elements and submitted every year to the CGEN which informs the Board of directors.

### **2.1.3 COMPENSATION AND BENEFITS AWARDED TO THE GROUP'S DIRECTORS AND CORPORATE OFFICERS**

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The provisions of the French Commercial Code provide for *ex ante* approval each year by the Ordinary Annual General Meeting of the compensation policy for directors and corporate officers. The compensation policy for directors and corporate officers of BNP Paribas is presented below on pages 79 to 85.

The compensation of these same directors and corporate officers is also subject to the *ex post* vote of the Ordinary Annual General Meeting on the information on compensation referred to in article L.22-10-9 I of the French Commercial Code (this information is set out below on pages 86 *et seq.*). When the Annual General Meeting does not approve these items, the Board of directors submits an amended compensation policy, taking into account the shareholders' vote, for the approval of the next Annual General Meeting. The payment of directors' compensation for the current year is suspended until the amended compensation policy is approved. When the payment is reinstated, payments are backdated to the last Annual General Meeting.

Lastly, the compensation of each corporate officer is subject to a second *ex post* vote on the total compensation and benefits in kind paid during the previous year or awarded in respect of the same year (the information relating to this compensation is outlined in tables 1a and b, 2a and b, 3a and b and 4a and b on pages 87 *et seq.*). The variable components of compensation awarded to the corporate officers in respect of the previous year can only be paid after they have been approved by the Annual General Meeting on the basis of this second vote.

## **COMPENSATION POLICY FOR DIRECTORS AND CORPORATE OFFICERS SUBMITTED FOR SHAREHOLDERS' EX ANTE APPROVAL, IN ACCORDANCE WITH ARTICLE L.22-10-8 OF THE FRENCH COMMERCIAL CODE, AT THE ANNUAL GENERAL MEETING OF 14 MAY 2024**

In this report, the Board of directors provides details of the fixed and variable components of total compensation and benefits in kind, attributable to the directors, the Chairman of the Board of directors, the Chief Executive Officer and the Chief Operating Officers for their three-year corporate offices within BNP Paribas (SA), over a three-year period.

The elements of the compensation policy presented below are the subject of resolutions submitted for the approval of the Shareholders' Annual General Meeting voting under the quorum and majority conditions required for Ordinary General Meetings. If the Annual General Meeting does not approve these resolutions, the previous compensation policy, already approved by the Annual General Meeting of 16 May 2023, will continue to apply. In this case, the Board of directors will submit for the approval of the next Annual General Meeting a draft resolution outlining an amended compensation policy, indicating how the shareholders' vote was taken into account and, where appropriate, the opinions stated during the Annual General Meeting.

The compensation policy for directors and corporate officers complies with applicable legislation and regulations, the Afep-MEDEF Code and the BNP Paribas Code of conduct. The policy as detailed below (in particular the performance criteria):

- (i) is aligned with the Company's corporate interest and contributes to the Company's commercial strategy and sustainability;
- (ii) takes into consideration the compensation and employment conditions of employees within the Company; and
- (iii) is gender-neutral.

Without prejudice to the powers of the Annual General Meeting in this respect, the determination of the compensation of directors and corporate officers is the responsibility of the Board of directors and is based on proposals from the Remuneration Committee, which drafts the decisions which the Board of directors approves regarding compensation. In particular, the Remuneration Committee annually reviews the remuneration, compensation and benefits in kind awarded to the Company's directors and corporate officers. This committee is made up of three independent members who have experience of compensation systems and market practices in this area and includes a director elected by employees.

Measures aimed at avoiding and managing conflicts of interest are established in the Internal Rules of the Board of directors, by the Policy on the suitability of Members of the management body and Key function holders, as well as by the Implementation procedure for conflicts of interest in relation to loans and other transactions granted to the Members of the management body and their related parties. Executive corporate officers do not take part in deliberations or voting on their own compensation.

The compensation of corporate officers takes into account, in its principles, the following objectives:

- alignment with the Bank's corporate interest and with that of its shareholders:
  - consistency with a medium to long-term outlook, especially in terms of the growth of the Bank's value, good risk management and the relative performance of its share,
  - integration of extra-financial assessment criteria,
  - taking into account CSR aspects to determine the compensation (partly aligned with the CSR objectives considered for certain employees), and in particular criteria related to the Group's climate objectives,
  - guaranteeing sufficient variability in the amounts allocated to reflect changes in the Bank's results without weighing too heavily on fixed expenses;
- the transparency of compensation:
  - all components (fixed, annual variable, conditional long-term incentive plan) are included in the overall assessment of compensation,
  - balance between the components of compensation, which must contribute to the general interest of the Bank and reflect best market practices and legal and regulatory constraints,
  - the rules must be stable, strict and intelligible;
- compensation that is sufficiently attractive to facilitate the selection of profiles that are particularly competent in the Group's business areas.

### **I. DIRECTORS' COMPENSATION**

The compensation policy for directors is gender-neutral.

In accordance with the law, the global amount of directors' compensation is set by the Shareholders' Annual General Meeting.

The individual amount of directors' compensation is determined by the Board of directors pursuant to a proposal of the Remuneration Committee. It consists of a fixed portion and a portion based on actual participation in meetings, regardless of the means. Directors residing abroad receive an increased amount, except where they may participate in meetings of the Board of directors by videoconference or telecommunications means. Additional compensation is paid for actual participation in one of the four Specialised Committees. This is increased for directors participating in the CCIRC in view of the specific investment required by this committee.

At the end of the year, the Remuneration Committee examines the allocation of directors' compensation and the amount paid to each of them in respect of the year on the basis of an audit of each director's actual presence at Board and Committee

meetings. Where applicable, the remainder of the global amount fixed by the Annual General Meeting is allocated in proportion to the amount paid to each director. In the event of an additional extraordinary meeting of the Board or Committees, the amount of the compensation due to each director is adjusted, in proportion to the amounts paid to each director.

The Board of directors then approves the individual distribution of the directors' compensation for the year before its actual payment to the directors (subject to the provisions of article L.22-10-34 I of the French Commercial Code which provides that the payment of directors' compensation for the current year is suspended in the event of a negative vote by the shareholders on the components of compensation paid during or awarded in respect of the past year to corporate officers).

## II. COMPENSATION OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

The annual fixed compensation of the Chairman, Mr Jean Lemierre, amounts to EUR 950,000 gross.

The Chairman does not receive annual variable compensation or conditional long-term incentive plans. The absence of variable compensation reflects the independence of the Chairman with respect to the Executive Management.

Should a new Chairman be appointed, on the proposal of the Remuneration Committee and under this compensation policy, the Board of directors will set the amount of his/her fixed compensation in line with the new Chairman's profile and experience.

## III. COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Compensation for executive corporate officers includes:

- a fixed component;
- an annual variable component;
- a conditional long-term incentive plan (long-term incentive plan or LTIP).

The levels of these different components are determined using established market benchmarks.

Compensation takes into account the cap on total variable compensation in relation to fixed compensation (including awards under long-term incentive plans) in accordance with article L.511-78 of the French Monetary and Financial Code, applicable specifically to credit institutions.

In accordance with paragraph 2 of said article, the Shareholders' Annual General Meeting of BNP Paribas of 18 May 2021 decided that this cap would be set at twice the amount of the fixed compensation for a duration of three years; this decision will once again be submitted for approval to the Shareholders' Annual General Meeting of 14 May 2024.

For the purposes of calculating the aforementioned ratio, a discount rate may in addition be applied to no more than 25% of the total variable compensation inasmuch as the payment is made in the form of instruments after a deferred period of at least five years, in accordance with article L.511-79 of the French Monetary and Financial Code.

### 1. Fixed compensation

The annual fixed compensation of the Chief Executive Officer, Mr Jean-Laurent Bonnafé, amounts to EUR 1,843,000 gross.

The last increase in the fixed annual compensation of the Chief Executive Officer, effective from 1 January 2022, was decided by the Board of directors and approved by Annual General Meeting of 17 May 2022. The Board of directors had noted the Bank's very good performance since the Chief Executive Officer was appointed.

As part of the annual review of compensation, the Board reviewed the compensation of the Chief Executive Officers of ten comparable European banks. The compensation of the Chief Executive Officer of BNP Paribas remains significantly lower than the median of the situations observed.

At 31 December 2023, the fixed annual compensation of the Chief Operating Officers amounted to EUR 1,500,000 gross for the Chief Operating Officer in charge of the CIB scope, Mr Yann Gérardin, and EUR 900,000 gross for the Chief Operating Officer in charge of the CPBS scope, Mr Thierry Laborde. These fixed annual compensations have remained unchanged since their determination in May 2021 when Mr Yann Gérardin and Mr Thierry Laborde were appointed.

Subject to approval by the Annual General Meeting of 14 May 2024, the Board of directors proposes a revaluation of 20% of the fixed annual compensation of the Chief Operating Officers, effective from 1 January 2024, taking into account the following items:

- the significant growth in the Bank's results and the consolidation of its European leadership;
- the growth in revenues of the CIB and CPBS divisions since 2020, +20% and +11% respectively (excluding the activity related to Bank of the West sold on 1 February 2023) and the confirmation of the BNP Paribas Group's leadership positions in these strategic activities;
- the increase in the average fixed compensation of BNP Paribas SA employees in France between 2020 and 2023 (+11% based on the data presented in the social reports for 2020 to 2022 and taking into account individual and collective salary increases for 2023).

The Board of directors also reviewed the compensation of holders of comparable positions on the basis of a study carried out by the independent firm WTW. This study is based on a panel of nine comparable European banks (Barclays, BBVA, Crédit Agricole, Deutsche Bank, HSBC, Santander, Société Générale, UBS and Unicredit) among which BNP Paribas ranks in terms of revenues at year-end 2022, in first position for the CIB division and in third position for the CPBS division. The total compensation awarded to the Group's Chief Operating Officers for 2022 is in sixth position out of ten, around 30% lower than the median.

Following this 20% revaluation effective on 1 January 2024, the annual fixed compensation of the Chief Operating Officer in charge of the CIB scope, Mr Yann Gérardin, amounts to EUR 1,800,000 gross and that of the Chief Operating Officer in charge of the CPBS scope, Mr Thierry Laborde, to EUR 1,080,000 gross.

After revaluation, the total compensation of the Chief Operating Officers remains below the median of the situations recorded for the panel of holders of comparable functions of the nine comparable European banks.

Should a new Chief Executive Officer or a new Chief Operating Officer be appointed, the Board of directors will, on the proposal of the Remuneration Committee and under this compensation policy, set his/her fixed compensation in line with his/her profile and experience. The components of annual variable compensation or of the conditional long-term incentive plan will be set in accordance with the principles set out in this compensation policy.

## **2. Annual variable compensation**

The variable component is intended to reflect the effective contribution of executive corporate officers to the success of BNP Paribas in respect of their functions as executive managers of an International Financial Services Group.

### **General principles**

The variable compensation of executive corporate officers is determined based on a target compensation equal to 100% of their annual fixed compensation for the Chief Executive Officer and the Chief Operating Officers.

The variable compensation varies in accordance with criteria representative of the Group's results, CSR-linked criteria and a qualitative assessment by the Board of directors.

In addition, the payment of the annual variable compensation includes a deferred period, "malus" and "claw-back" arrangements, as well as a cancellation clause in the event of a bank resolution measure, in accordance with same terms and conditions as those described below for the LTIP (see 3 below).

### **Criteria linked to the Group's financial performance**

Criteria linked to the Group's financial performance account for 75% of the target variable compensation and enable the corresponding portion of the annual variable compensation to be calculated in proportion to the evolution of financial indicators. There are two Group-based quantitative criteria for the Chief Executive Officer and four for the Chief Operating Officers, half of which are Group-based and the other half based on their respective areas of responsibility.

If objectives based on quantitative criteria are exceeded (or not achieved), the fraction of the target compensation in question evolves proportionally within the limits of the cap mentioned below.

- For the Chief Executive Officer, the quantitative criteria apply to the Group's overall performance based on the following equally weighted criteria:
  - evolution of net earnings per share for the year compared to the previous year (37.5% of the target variable compensation);
  - percentage of achievement of the Group's budgeted gross operating income (37.5% of the target variable compensation).
- For the Chief Operating Officers, half of the quantitative criteria are based on the Group's overall performance and half on the performance of their respective scopes of responsibility based on the following equally weighted criteria:
  - evolution of net earnings per share for the year compared to the previous year (18.75% of the target variable compensation);
  - percentage of achievement of the Group's budgeted gross operating income (18.75% of the target variable compensation);
  - evolution of pre-tax net income for the year compared to the previous year for their respective areas of responsibility (18.75% of the target variable compensation);
  - percentage of achievement of the budgeted gross operating income of their respective areas of responsibility (18.75% of the target variable compensation).

### **Criteria linked to the Group's CSR performance**

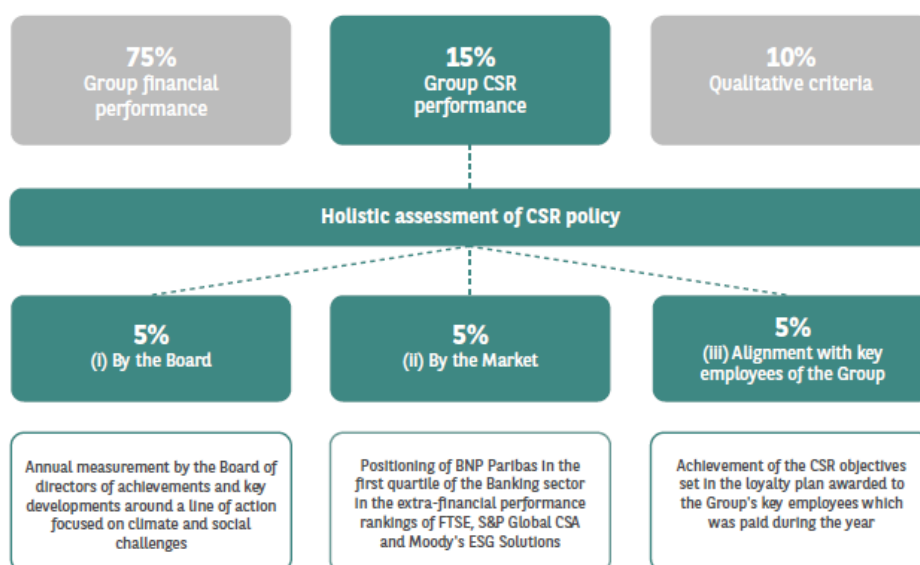
A portion of 15% of the target variable compensation is linked to the Group's CSR performance.

The allocation of this portion of the annual variable compensation is based on multi-criteria measurement resulting from a holistic approach of actions undertaken by the BNP Paribas Group with respect to social, societal, and environmental issues.

With this in mind, this compensation structure includes three weighted criteria, each at 5%:

- (i) the Board of directors' assessment of the year's highlights, primarily with regard to climatic and social challenges;
- (ii) the publications of extra-financial rating agencies measuring the quality of the BNP Paribas' CSR positioning relative to its peers;
- (iii) an alignment with the CSR objectives included in the loyalty plans granted to the Group's key employees. These objectives are based on the Group's four CSR pillars in terms of economic, social, civic and environmental responsibility and include, in particular, quantified climate objectives as part of the support for the Group's clients towards a low-carbon economy and the reduction of the BNP Paribas Group's environmental footprint.

For several years, the BNP Paribas Group has made the variable compensation of executive corporate officers conditional on the achievement of criteria in line with the Group's climate objectives in accordance with the principle of the Afep-MEDEF Code, which came into force in December 2022.



### Qualitative criteria

The portion of the variable compensation linked to the Board of directors' qualitative assessment is 10% of the target variable compensation.

The Board of directors considers it essential to carry out this qualitative assessment, particularly given its enhanced responsibilities in terms of supervision and control in line with the French Monetary and Financial Code. In addition to the Bank's strategy, which it must approve considering social and environmental issues, the Board of directors must also assess the performance of executive corporate officers based on their capacities for anticipation, decision-making, leadership and exemplary behaviour as part of the 2025 strategic plan.

This assessment will be made in light of the economic situation and with regard to the Group's operational and integrated model.

### SUMMARY OF THE CRITERIA USED TO DETERMINE THE ANNUAL VARIABLE COMPENSATION APPLICABLE TO THE CHIEF EXECUTIVE OFFICER AND THE CHIEF OPERATING OFFICERS

| Criteria   | % of target annual variable compensation |                          | Type   |
|--|--|--------------------------|--|
|  | Chief Executive Officer                  | Chief Operating Officers |  |
| Criteria linked to the Group's financial performance | 37.50%                                   | 18.75%                   | Evolution of net earnings per share for the year compared to the previous year   |
|  | 37.50%                                   | 18.75%                   | Achievement of budgeted Group gross operating income   |
|  | N/A.                                     | 18.75%                   | Evolution of pre-tax net income of the area of responsibility for the year compared to the previous year   |
|  | N/A.                                     | 18.75%                   | Achievement of budgeted gross operating income of the area of responsibility   |
| Criteria linked to the Group's CSR performance       | 15.00%                                   | 15.00%                   | Multicriteria assessment of the actions taken by BNP Paribas Group with respect to social, societal and environmental issues   |
| Qualitative criteria                                 | 10.00%                                   | 10.00%                   | Assessment with regard to implementation of the Bank's strategic guidelines, particularly the human, organisational and technical dimensions of the Growth, Technology & Sustainability 2025 plan, and taking into account the general context of the year under consideration |

## Ceiling

The Board of directors ensures the consistency of the annual variable compensation with evolution of the Group's results and the area of responsibility of each of the Chief Operating Officers.

In any case:

- each of the criteria related to the Group's financial performance (two in the case of the Chief Executive Officer and four in the case of the Chief Operating Officers) is capped at 130% of its target weight and cannot therefore result in an annual variable compensation exceeding respectively 48.75% of the target variable compensation for the Chief Executive Officer and 24.375% for the Chief Operating Officers;
- the criteria related to the Group's CSR performance, as well as the qualitative criteria, are capped at 100% of their target weight and cannot therefore result in an annual variable compensation greater than, respectively, 15% and 10% of the target variable compensation;
- the amount of the annual variable compensation awarded to each executive corporate officer is capped at 120% of their target variable compensation.

## Terms and conditions of payment

The payment terms for variable compensation of BNP Paribas Group's executive corporate officers, in accordance with the provisions of the French Monetary and Financial Code and the European Banking Authority's Guidelines on compensation policy, are:

- 60% of annual variable compensation is deferred over five years, at the rate of one-fifth per year;
- regarding the non-deferred portion of the variable compensation:
  - half will be paid in cash in May of the year of the award, subject to the approval of the Shareholders' Annual General Meeting under the terms provided for by article L.22-10-34 II of the French Commercial Code, and
  - half will be paid in cash indexed to BNP Paribas share performance, at the end of a one-year holding period starting on the award date (award date is the date of the Board of directors' decision), *i.e.* in practice, in March of the year following the year in which the compensation is awarded;
- the deferred portion of the variable compensation will be paid annually in fifths over five years, the first payment being paid only at the end of a deferred period of one year from the award date of the variable compensation. Each instalment will be paid:
  - half in cash in March every year, and
  - half in cash indexed to BNP Paribas share performance, in March of the following year, at the end of a one-year holding period,
  - provided that the Group's pre-tax ROE for the year preceding the payment is greater than 5%.

### 3. Conditional Long-Term Incentive Plan over five years (LTIP)

In 2011, to align the interests of executive corporate officers with the medium to long-term performance of the BNP Paribas Group without compromising risk management, the Board of directors introduced a conditional long-term incentive plan (LTIP) over five years.

The LTIP, which amounts to the target annual variable compensation awarded in respect of the previous year, is split into two equal parts: one recognising the increase in the intrinsic value of the BNP Paribas share, and the other, its potential outperformance relative to peers.

#### First half of the awarded amount: intrinsic share performance

The first half of the awarded amount depends on the evolution of the share price<sup>1</sup> given that no payment will be made for this first half of the awarded amount if the BNP Paribas share price does not increase by at least 5% from the date of the award by the Board of directors to the end of a five-year period from the award date.

If the share price increases by at least 5% during this period, a factor is applied to the initial amount, resulting in the amount being increased or reduced, in line with the table below:

| Evolution of the BNP Paribas share price over five years | Factor applied to the first half of the award |
|--|---|
| Strictly under 5%  | 0 (no payment)                                |
| Equal to or higher than 5% and under 10%                 | 40%   |
| Equal to or higher than 10% and under 20%                | 80%   |
| Equal to or higher than 20% and under 33%                | 120%  |

<sup>1</sup> The initial and final amounts used to measure the performance of the share price over the five-year period are as follows:

- the initial value is the average of the opening price of the BNP Paribas share for the rolling twelve-month period preceding the award date;
- the final value is the average of the opening price of the BNP Paribas share in the rolling twelve-month period preceding the payment date.

|   |      |
|---|------|
| Equal to or higher than 33% and under 50% | 130% |
| Equal to or higher than 50% and under 75% | 150% |
| Equal or higher than 75%                  | 175% |

Thus, the first half of the awarded amount will only be paid in full at the end of the five-year period if the share price increases by more than 20% during this five-year period. The factor applied to the first half of the award will, in any event, always be less than or equal to the evolution of the share price and cannot, under any circumstances, exceed 175% of the awarded amount, assuming that the share price has increased by more than 75% at the end of the five-year period.

#### **Second half of the awarded amount: outperformance of the BNP Paribas share relative to peers**

Fulfilment of this condition is assessed by measuring the performance of the BNP Paribas share price relative to the "EURO STOXX Banks" index of main Eurozone banks.

It only takes into account the outperformance of the BNP Paribas share price relative to the average index measured over the twelve months prior to the award date, compared with the average for this same index for a period of twelve months prior to payment. The second half of the target amount under the LTIP will only be paid in full if the BNP Paribas share price outperforms the index by at least 10%.

#### **Relative performance of the BNP Paribas share in relation to the performance of the EURO STOXX Banks index**

#### **Factor applied to the second half of the award**

|                           |      |
|---------------------------|------|
| Lower or equal to 0 point | 0%   |
| 0 to 5 points inclusive   | 50%  |
| 5 to 10 points inclusive  | 80%  |
| Greater than 10 points    | 100% |

The amount determined by applying each of the conditions over the plan's five-year period is the compensation paid under the LTIP.

#### **Ceiling**

According to the provisions of article L.511-78 of the French Monetary and Financial Code relating to the cap on the variable component as a percentage of the fixed component, total variable compensation awarded, including amounts awarded under the LTIP, may not be more than twice the fixed compensation, in accordance with the decision of the Shareholders' Annual General Meeting of 18 May 2021; this decision will once again be submitted for approval to the Shareholders' Annual General Meeting of 14 May 2024. To calculate the ratio, a discount rate may in addition be applied to no more than 25% of the total variable compensation in as much as the payment is made in the form of instruments after a deferred period of at least five years.

#### **Payment of LTIP**

Based on the evolution of the BNP Paribas share price, the first half of the amount paid under the LTIP may not, under any circumstances, exceed 175% of the initial awarded amount. Payment of the second half of the award may not, under any circumstances, exceed the initial awarded amount.

Thus, under no circumstances can payments under the LTIP exceed 137.5% of their award value.

#### **Continued presence requirement**

LTIP rules require continued presence throughout the entire duration of the plan. Departure from the Group would result in the LTIP not being paid. Nonetheless, in the event of retirement or death after the end of the first year of the plan, payments would be made provided that performance conditions are met and subject to assessment by the Board of directors.

#### **Malus and Claw-back clauses**

The LTIP provides for "malus" clauses and "claw-back" arrangements. Thus, in the event that the beneficiary should behave in a way or be guilty of acts that do not comply with BNP Paribas' expectations, as defined in particular in terms of:

- (i) compliance with the Code of conduct, internal rules, regulations; and
- (ii) risk assessment and management,

the Board of directors may decide not only not to proceed with the payment of the planned amount, whether or not the beneficiary is present, but also to request the return of all or part of the sums already paid under previous plans over a period of five years.



Moreover, this rule provides that in the event of the implementation of a bank resolution measure under the French Monetary and Financial Code, the LTIP rights shall be definitively cancelled.

The Board of directors reserves the right to reduce awards under the LTIP, in particular in the event of non-compliance with the above-mentioned ceiling.

#### **IV. Extraordinary compensation**

No extraordinary compensation may be paid to the directors, the Chairman of the Board of directors, the Chief Executive Officer or the Chief Operating Officers.

#### **V. Benefits in kind**

The Chairman of the Board of directors, the Chief Executive Officer and the Chief Operating Officers may have a company car.

#### **VI. Stock option or share purchase subscription plans**

Directors and corporate officers do not benefit from any stock option or share purchase subscription plans.

#### **VII. Performance shares**

Directors and corporate officers do not receive any performance or free shares.

#### **VIII. Post-employment benefits**

##### **1. *Payments or benefits due or likely to become due upon termination or change in functions***

Directors and corporate officers do not receive any contractual compensation for termination of their term of directorship.

##### **2. *Retirement benefits***

Directors and corporate officers, with the exception of the Chief Operating Officers, do not receive post-employment benefits when they leave the Company or when they retire.

The Chief Operating Officers are entitled to the standard retirement benefits awarded to all BNP Paribas (SA) employees pursuant to their initial employment contract.

##### **3. *Supplementary pension plans***

The corporate officers benefit solely from the supplementary defined-contribution pension plan set up for all BNP Paribas (SA) employees, in accordance with article 83 of the French General Tax Code.

##### **4. *Protection insurance***

The Chairman of the Board of directors, the Chief Executive Officer and the Chief Operating Officers are entitled to the same flexible welfare benefits (death and disability insurance, as well as the common healthcare benefit scheme) as all BNP Paribas (SA) employees.

They also benefit from the *Garantie Vie Professionnelle Accidents* system (death and disability insurance), which covers all employees of BNP Paribas (SA).

The Chief Executive Officer and the Chief Operating Officers are also entitled to the supplementary plan set up for members of the Group Executive Committee, which pays out additional capital of EUR 1.10 million in the event of death or total and permanent disability. The employer contribution under this scheme is recognised as a benefit in kind.

##### **5. *Non-compete agreement***

Please note that the Chief Executive Officer signed a non-compete agreement with BNP Paribas (SA) on 25 February 2016. This agreement was approved by the Annual General Meeting of 26 May 2016 pursuant to the provisions of article L.225-38 of the French Commercial Code.

Under this agreement, if he ceases to hold any role or position in BNP Paribas, Mr Jean-Laurent Bonnafé undertakes, for a period of twelve months, not to take any role whatsoever, either directly or indirectly, for a credit institution, investment or insurance firm whose securities are traded on a regulated market in France or abroad, as well as in France for a credit institution, investment or insurance firm whose securities are not traded on a regulated market. Decisions to apply the agreement will be taken in due time with sincerity and loyalty.

Under this agreement, the Chief Executive Officer will receive a payment equal to 1.2 times the total of his fixed and variable compensation (excluding LTIP) received during the year prior to his departure. One-twelfth of the indemnity would be paid each month.

In accordance with the Afep-MEDEF Code and article R.22-10-14 of the French Commercial Code which stipulate that the payment of a non-compete indemnity must be excluded if the person concerned claimed his pension rights or has exceeded the age of 65 and in line with the stipulations of said non-compete agreement, the Board of directors and the Chief Executive Officer have confirmed that they comply with this provision.

## **IX. Loans, advances and guarantees granted to the Group's directors and corporate officers**

BNP Paribas directors and corporate officers and their spouse and dependent children may be granted loans.

These loans, representing normal transactions, are granted on an arm's length basis, in accordance with the Implementation procedure for conflicts of interest in relation to loans and other transactions granted to the Members of the management body and their related parties.

**COMPONENTS OF COMPENSATION PAID IN 2023 OR ALLOCATED IN RESPECT OF THE SAME YEAR SUBMITTED TO THE EX POST VOTE OF SHAREHOLDERS DURING THE ANNUAL GENERAL MEETING OF 14 MAY 2024 IN ACCORDANCE WITH ARTICLE L.22-10-34 OF THE FRENCH COMMERCIAL CODE**

The total compensation of directors and corporate officers, as described below, is in line with the compensation policy adopted at the Annual General Meeting of 16 May 2023.

**DIRECTORS' COMPENSATION** *(amounts in euros)*

| Directors                           | Amounts paid in<br>2022 in respect of<br>the year<br>(as a reminder) | Amounts paid in<br>2023 in respect of<br>the year |
|-------------------------------------|--|---|
| ASCHENBROICH Jacques                | 100,901  | 135,521   |
| BONNAFE Jean-Laurent                | 63,220   | 64,758  |
| BRISAC Juliette                     | 88,341   | 90,490  |
| DE CHALENDAR Pierre André           | 111,996  | 122,655   |
| COHEN Monique                       | 158,993  | 159,966   |
| DE PLOEY Wouter <sup>(1)</sup>      | 42,803   | N/A   |
| EPAILLARD Hugues <sup>(2)</sup>     | 112,206  | 121,368   |
| GIBSON-BRANDON Rajna <sup>(3)</sup> | 90,748   | 57,707  |
| GUILLOU Marion                      | 104,042  | 106,573   |
| LEMIERRE Jean                       | 63,220   | 64,758  |
| LOGGHE Lieve <sup>(4)</sup>         | 54,330   | 97,245  |
| NOYER Christian                     | 110,322  | 117,080   |
| SCHWARZER Daniela                   | 97,761   | 121,798   |
| TILMANT Michel                      | 116,078  | 116,866   |
| VERRIER Sandrine <sup>(2)</sup>     | 88,341   | 87,274  |
| WICKER-MIURIN Fields <sup>(5)</sup> | 136,698  | 75,941  |
| <b>TOTAL</b>                        | <b>1,540,000</b>   | <b>1,540,000</b>                                  |

(1) Director until 17 May 2022.

(2) Amount paid to the corresponding trade union organisation.

(3) Director until 10 September 2023.

(4) Director from 17 May 2022.

(5) Director until 16 May 2023.

For information, the rules for allocating directors' compensation are as follows:

|   | Fixed portion <sup>(1)</sup> | Portion based on actual participation |                                  |
|---|------------------------------|---------------------------------------|----------------------------------|
|   |                              | Scheduled meeting                     | Extraordinary meeting            |
| Directors resident in France                          | EUR 23,000                   | EUR 3,300/meeting                     | EUR 4,400/meeting                |
| Directors resident outside of France                  | EUR 23,000                   | EUR 4,500/meeting <sup>(2)</sup>      | EUR 4,600/meeting <sup>(3)</sup> |
| Chairman of a specialised committee (excluding CCIRC) |                              | EUR 6,000/meeting                     | EUR 6,000/meeting                |
| Member of a specialised committee (excluding CCIRC)   |                              | EUR 3,000/meeting                     | EUR 3,000/meeting                |
| Chairman of CCIRC                                     |                              | EUR 6,200/meeting                     | EUR 6,200/meeting                |
| Member of the CCIRC (excluding joint session)         |                              | EUR 3,200/meeting                     | EUR 3,200/meeting                |

(1) The fixed portion is calculated prorata temporis of the term of directorship during the year in question.

(2) Or EUR 3,300 per meeting if participation is via videoconference or telecommunication means.

(3) Or EUR 4,400 per meeting if participation is via videoconference or telecommunication means.

Directors elected by the employees and the director representing the employee shareholders receive compensation under their employment contract.

At 31 December 2023, the composition of the Board of directors complies with the obligation for gender parity provided by article L225-18-1 of the French Commercial Code.

Directors' compensation is also gender-neutral. It consists of a fixed portion and a portion based on actual participation in meetings on the basis of the allocation rules presented above.

## Compensation and benefits of the corporate officers

**TABLE NO. 1: COMPONENTS OF COMPENSATION PAID DURING 2023 OR AWARDED IN RESPECT OF THE SAME YEAR TO MR JEAN LEMIERRE, CHAIRMAN OF THE BOARD OF DIRECTORS, SUBMITTED TO THE VOTE OF THE SHAREHOLDERS** (amounts in euros)

### a. Components of compensation awarded in respect of 2023 to Mr Jean LEMIERRE, Chairman of the Board of directors

|   | Amounts        | Comments   |
|---|----------------|--|
| Fixed compensation                              | 950,000 (paid) | The compensation paid to Mr Jean LEMIERRE is determined following the guidelines proposed by the Remuneration Committee and approved by the Board of directors. This fixed compensation has not changed since December 2014. |
| Annual variable compensation                    | None           | Mr Jean LEMIERRE is not entitled to annual variable compensation. The absence of variable compensation reflects the independence of the Chairman with respect to the Executive Management.                                   |
| Conditional long-term incentive plan            | None           | Mr Jean LEMIERRE does not benefit from a conditional long-term incentive plan. The absence of variable compensation reflects the independence of the Chairman with respect to the Executive Management.                      |
| Compensation linked to the term of directorship | 64,758 (paid)  | Mr Jean LEMIERRE does not receive any compensation in respect of directorships that he holds in the Group's companies other than BNP Paribas (SA).   |
| Extraordinary compensation                      | None           |  |
| Stock options awarded during the period         | None           |  |
| Performance shares awarded during the year      | None           |  |
| Benefits in kind                                | 5,023          | Mr Jean LEMIERRE has a company car.  |

|              |                  |
|--------------|------------------|
| <b>TOTAL</b> | <b>1,019,781</b> |
|--------------|------------------|

- b. Components of compensation paid to Mr Jean LEMIERRE, Chairman of the Board of directors during 2023 in respect of previous years (having been subject to a shareholders' vote at the time of their award)**

|      | Submission date to the<br>AGM and resolution<br>number | Amounts paid in<br>2023 |
|------|--|-------------------------|
| None |  |                         |

- c. Commitments of any kind corresponding to compensation components, indemnities or benefits in kind due or likely to be due as a result of the assumption, termination or change in functions or after performing these to the benefit of Mr Jean LEMIERRE, Chairman of the Board of directors**

|   | Amounts | Comments  |
|---|---------|---|
| Sign-on bonuses and severance payments          | None    | Mr Jean LEMIERRE receives no sign-on bonus or severance payment.  |
| Supplementary defined-benefit pension plan      | None    | Mr Jean LEMIERRE does not benefit from any supplementary defined-benefit pension plan.  |
| Supplementary defined-contribution pension plan | 1,892   | Mr Jean LEMIERRE benefits from the defined-contribution plan (article 83 of the French General Tax Code) set up for all BNP Paribas (SA) employees. The amount of contributions paid by the Company under the plan for Mr Jean LEMIERRE in 2023 was EUR 1,892.  |
| Welfare benefit and healthcare plans            | 4,115   | Mr Jean LEMIERRE benefits from the disability, invalidity and death, and healthcare insurance plans offered to employees of BNP Paribas (SA). He also benefits from the <i>Garantie Vie Professionnelle Accidents</i> system (death and disability insurance) covering all employees of BNP Paribas (SA). The amount of the contributions paid by the Company in this respect for Mr Jean LEMIERRE in 2023 was EUR 4,115. |

**TABLE NO. 2: COMPONENTS OF COMPENSATION PAID DURING 2023 OR AWARDED IN RESPECT OF THE SAME YEAR TO MR JEAN-LAURENT BONNAFÉ, CHIEF EXECUTIVE OFFICER, SUBMITTED TO THE VOTE OF THE SHAREHOLDERS** (*amounts in euros*)

**a. Components of compensation awarded in respect of 2023 to Mr Jean-Laurent BONNAFÉ, Chief Executive Officer**

|  | <b>Amounts</b>      | <b>Comments</b>   |
|--|---------------------|---|
| Fixed compensation   | 1,843,000<br>(paid) | The compensation paid to Mr Jean-Laurent BONNAFÉ is determined following the guidelines proposed by the Remuneration Committee and approved by the Board of directors. The last increase in the fixed compensation of Mr Jean-Laurent BONNAFÉ, bringing it to EUR 1,843,000, dates from 7 February 2022 with effect from 1 January 2022. The Board of directors had noted the Bank's very good performance since the appointment of the Chief Executive Officer.  |
| Annual variable compensation <sup>(1)</sup>                                      | 1,877,648           | <p>The variable compensation of Mr Jean-Laurent BONNAFÉ evolves depending on criteria representative of Group results and his managerial performance. It is expressed as a percentage of a target variable compensation corresponding to 100% of fixed compensation for the year.</p> <p>The quantitative criteria depend on indicators linked to the Group's overall performance; they are as follows:</p> <ul style="list-style-type: none"> <li>▪ evolution of net earnings per share for the year compared to the previous year (37.5% of the target variable compensation);</li> <li>▪ percentage of achievement of the Group's budgeted gross operating income (37.5% of the target variable compensation).</li> </ul> <p>CSR criteria also condition 15% of the target variable compensation. They correspond to the multi-criteria assessment of the actions taken by the Group with respect to social, societal and environmental issues.</p> <p>The qualitative criteria represents 10% of the target variable compensation.</p> <p>After taking into account quantitative, CSR and qualitative criteria, the Board of directors set the annual variable compensation of Mr Jean-Laurent BONNAFÉ for 2023 at EUR 1,877,648, i.e. 101.88% of the target annual variable compensation:</p> <ul style="list-style-type: none"> <li>▪ half of the non-deferred portion of the variable compensation will be paid in May 2024, and half in March 2025, indexed to the performance of the BNP Paribas share;</li> <li>▪ the deferred portion of the variable compensation will be paid in fifths as of 2025. Each payment will be made half in March every year, and half in March of the following year, indexed to the performance of the BNP Paribas share. The last payment in respect of 2023 will therefore be made in March 2030;</li> <li>▪ the annual payment of the deferred variable compensation is subject to the condition that the ROE before tax of the Group for the year preceding the payment is greater than 5%.</li> </ul> <p>The ratio between the annual fixed compensation and variable compensation, as required under the French Commercial Code, is 101.88%.</p> |
| Conditional long-term incentive plan (fully deferred for a period of five years) | 610,217             | <p>The fair value of the LTIP awarded to Mr Jean-Laurent BONNAFÉ on 31 January 2024 with respect to 2023 amounts to EUR 610,217.</p> <p>The term of the LTIP is five years. The two conditions of the LTIP, one recognising an increase in the intrinsic value of the BNP Paribas share and the other recognising its potential outperformance relative to its peers, are assigned equal weighting in order to measure their effects separately.</p> <p>Payments under the LTIP may not exceed 137.5% of their award value.</p>   |
| Compensation linked to the term of directorship                                  | 64,758              | Mr Jean-Laurent BONNAFÉ receives compensation for his term of his directorship at BNP Paribas (SA).   |
| Extraordinary compensation   | None                |   |
| Stock options awarded during the period  | None                |   |
| Performance shares awarded during the year                                       | None                |   |
| Benefits in kind   | 6,267               | Mr Jean-Laurent BONNAFÉ has a company car. This amount also includes the employer contribution of EUR 1,360 paid by BNP Paribas (SA) for 2023 under the Executive Committee professional life insurance policy, offering an additional EUR 1.10 million in the event of death or total permanent disability.  |

**TOTAL** **4,401,890**

(1) *Payment subject to the approval of the Annual General Meeting of 14 May 2024 pursuant to article L.22-10-34 II of the French Commercial Code.*

**b. Components of compensation paid to Mr Jean-Laurent BONNAFÉ, Chief Executive Officer, during 2023 in respect of previous years (having been subject to the shareholders' vote at the time of their award)**

| <i>In euros</i>   | <b>Submission date to the AGM and resolution number</b> | <b>Amounts paid in 2023</b> |
|---|---|-----------------------------|
| <b>Annual variable remuneration</b>   |   | <b>1,775,057</b>            |
| <i>Including partial payment of the annual variable compensation in respect of 2022</i> | 16 May 2023<br>15 <sup>th</sup> resolution              | 386,293                     |
| <i>Including partial payment of the annual variable compensation in respect of 2021</i> | 17 May 2022<br>15 <sup>th</sup> resolution              | 461,683                     |
| <i>Including partial payment of the annual variable compensation in respect of 2020</i> | 18 May 2021<br>15 <sup>th</sup> resolution              | 198,511                     |
| <i>Including partial payment of the annual variable compensation in respect of 2019</i> | 19 May 2020<br>16 <sup>th</sup> resolution              | 223,218                     |
| <i>Including partial payment of the annual variable compensation in respect of 2018</i> | 23 May 2019<br>14 <sup>th</sup> resolution              | 214,434                     |
| <i>Including partial payment of the annual variable compensation in respect of 2017</i> | 24 May 2018<br>15 <sup>th</sup> resolution              | 185,320                     |
| <i>Including partial payment of the annual variable compensation in respect of 2016</i> | 23 May 2017<br>14 <sup>th</sup> resolution              | 105,598                     |
| <b>Conditional long-term incentive plan</b>   | <b>24 May 2018<br/>15<sup>th</sup> resolution</b>       | <b>781,000</b>              |

**c. Commitments of any kind corresponding to compensation components, indemnities or benefits in kind due or likely to be due as a result of the assumption, termination or change in functions or after performing these to the benefit of Mr Jean-Laurent BONNAFÉ, Chief Executive Officer**

| <b>Amounts</b>                         | <b>Comments</b>  |
|--|--|
| Sign-on bonuses and severance payments | None Mr Jean-Laurent BONNAFÉ receives no sign-on bonus or severance payment.   |
| Non-compete indemnity                  | None Under the non-compete clause signed on 25 February 2016, and subject to the conditions detailed below, Mr Jean-Laurent BONNAFÉ would receive compensation equal to 1.2 times the sum of his fixed and variable compensation (excluding conditional long-term incentive plan) received during the year prior to his departure. One-twelfth of the indemnity would be paid each month.<br>Under this agreement, if he ceases to hold any role or position in BNP Paribas, Mr Jean-Laurent BONNAFÉ undertakes, for a period of twelve months, not to take any role whatsoever, either directly or indirectly, for a credit institution, investment or insurance firm whose securities are traded on a regulated market in France or abroad, as well as in France for a credit institution, investment or insurance firm whose securities are not traded on a regulated market. Decisions to apply the agreement will be taken in due time with sincerity and loyalty.<br>In accordance with the Afep-MEDEF Code and article R.22-10-14 III of the French Commercial Code, which stipulate that the payment of a non-compete payment must be excluded if the person concerned claimed his pension rights or has exceeded the age of 65 and in line with the stipulations of said non-compete agreement, the Board of directors and the Chief Executive Officer have confirmed that they comply with this provision. |

|   |       |  |
|---|-------|--|
| Supplementary defined-benefit pension plan      | None  | Mr Jean-Laurent BONNAFÉ does not benefit from any supplementary defined-benefit pension plan.  |
| Supplementary defined-contribution pension plan | 1,892 | Mr Jean-Laurent BONNAFÉ benefits from the defined-contribution plan (article 83 of the French General Tax Code) set up for all BNP Paribas (SA) employees. The amount of contributions paid by the Company in this respect for Mr Jean-Laurent BONNAFÉ was, in 2023, EUR 1,892.  |
| Welfare benefit and healthcare plans            | 4,115 | Mr Jean-Laurent BONNAFÉ benefits from the disability, invalidity and death and healthcare insurance plans offered to employees of BNP Paribas (SA). He also benefits from the <i>Garantie Vie Professionnelle Accidents</i> system (death and disability insurance) covering all employees of BNP Paribas (SA). The amount of contributions paid by the Company in this respect for Mr Jean-Laurent BONNAFÉ was, in 2023, EUR 4,115. |

**TABLE NO. 3: COMPONENTS OF COMPENSATION PAID DURING 2023 OR AWARDED IN RESPECT OF THE SAME YEAR TO MR YANN GÉRARDIN, CHIEF OPERATING OFFICER, SUBMITTED TO THE VOTE OF THE SHAREHOLDERS** (amounts in euros)

**a. Components of the compensation awarded in respect of 2023 to Mr Yann GÉRARDIN, Chief Operating Officer**

|  | Amounts          | Comments   |
|--|------------------|--|
| Fixed compensation   | 1,500,000 (paid) | The compensation paid to Mr Yann GÉRARDIN is determined following the guidelines proposed by the Remuneration Committee and approved by the Board of directors.  |
| Annual variable compensation <sup>(1)</sup>                                      | 1,529,100        | <p>The variable compensation of Mr Yann GÉRARDIN evolves depending on criteria representative of the Group's results as well as the results of the CIB division and his managerial performance. It is expressed as a percentage of a target variable compensation corresponding to 100% of fixed compensation for the year.</p> <p>The quantitative criteria depend on the following performance indicators:</p> <ul style="list-style-type: none"> <li>▪ evolution of net earnings per share for the year compared to the previous year (18.75% of the target variable compensation);</li> <li>▪ percentage of achievement of the Group's budgeted gross operating income (18.75% of the target variable compensation);</li> <li>▪ evolution of net income before tax for the CIB scope for the year compared to the previous year (18.75% of the target variable compensation);</li> <li>▪ percentage of achievement of the CIB scope's gross operating income budget (18.75% of the target variable compensation).</li> </ul> <p>CSR criteria also condition 15% of the target variable compensation. They correspond to the multi-criteria assessment of the actions taken by the Group with respect to social, societal and environmental issues.</p> <p>The qualitative criteria represents 10% of the target variable compensation.</p> <p>After taking into account quantitative, CSR and qualitative criteria, the Board of directors set the annual variable compensation of Mr Yann GÉRARDIN for 2023 at EUR 1,529,100, i.e. 101.94% of the target annual variable compensation:</p> <ul style="list-style-type: none"> <li>▪ half of the non-deferred portion of the variable compensation will be paid in May 2024, and half in March 2025, indexed to the performance of the BNP Paribas share;</li> <li>▪ the deferred portion of the variable compensation will be paid in fifths as of 2025. Each payment will be made half in March every year, and half in March of the following year, indexed to the performance of the BNP Paribas share. The last payment in respect of 2023 will therefore be made in March 2030;</li> <li>▪ the annual payment of the deferred variable compensation is subject to the condition that the ROE before tax of the Group for the year preceding the payment is greater than 5%.</li> </ul> <p>The ratio between the annual fixed compensation and variable compensation, as required under the French Commercial Code, is 101.94%.</p> |
| Conditional long-term incentive plan (fully deferred for a period of five years) | 496,650          | <p>The fair value of the LTIP awarded to Mr Yann GÉRARDIN on 31 January 2024 with respect to 2023 amounts to EUR 496,650.</p> <p>The term of the LTIP is five years. The two conditions of the LTIP, one recognising an increase in the intrinsic value of the BNP Paribas share and the other recognising its potential outperformance relative to its peers, are assigned equal weighting in order to measure their effects separately.</p> <p>Payments under the LTIP may not exceed 137.5% of their award value.</p>   |
| Compensation linked to the   | None             | Mr Yann GÉRARDIN does not hold a directorship in Group companies.  |



term of directorship

|  |                  |  |
|--|------------------|--|
| Extraordinary compensation                 | None             |  |
| Stock options awarded during the period    | None             |  |
| Performance shares awarded during the year | None             |  |
| Benefits in kind                           | 1,360            | This amount corresponds to the annual employer contribution paid by BNP Paribas (SA) for 2023 under the Executive Committee professional life insurance policy, offering an additional EUR 1.10 million in the event of death or total permanent disability. |
| <b>TOTAL</b>                               | <b>3,527,110</b> |  |

(1) *Payment subject to the approval of the Annual General Meeting of 14 May 2024 pursuant to article L.22-10-34 II of the French Commercial Code.*

**b. Components of compensation paid to Mr Yann GÉRARDIN, Chief Operating Officer, during 2023 in respect of previous years (having been subject to the shareholders' vote at the time of their award)**

| <i>In euros</i>   | <b>Submission date to the<br/>AGM and resolution<br/>number</b> | <b>Amounts paid in<br/>2023</b> |
|---|---|---------------------------------|
| <b>Annual variable remuneration</b>   |   | <b>601,354</b>                  |
| <i>Including partial payment of the annual variable compensation in respect of 2022</i> | <i>16 May 2023<br/>16<sup>th</sup> resolution</i>               | <i>320,400</i>                  |
| <i>Including partial payment of the annual variable compensation in respect of 2021</i> | <i>17 May 2022<br/>17<sup>th</sup> resolution</i>               | <i>280,954</i>                  |
| <b>Conditional long-term incentive plan</b>   | <b>None</b>   | <b>None</b>                     |

**c. Commitments of any kind corresponding to compensation components, indemnities or benefits due or likely to be due in respect of the assumption, termination or change of functions or after performing these to the benefit of Mr Yann GÉRARDIN, Chief Operating Officer**

|   | <b>Amounts</b> | <b>Comments</b>   |
|---|----------------|---|
| Sign-on bonuses and severance payments          | None           | Mr Yann GÉRARDIN receives no sign-on bonus or severance payment.  |
| Supplementary defined-benefit pension plan      | None           | Mr Yann GÉRARDIN does not benefit from any supplementary defined-benefit pension plan.  |
| Supplementary defined-contribution pension plan | 1,892          | Mr Yann GÉRARDIN benefits from the defined-contribution plan (article 83 of the French General Tax Code) set up for all employees of BNP Paribas (SA). In 2023, the amount of contributions paid by the Company in this respect for Mr Yann GÉRARDIN was EUR 1,892.   |
| Welfare benefit and healthcare plans            | 4,115          | Mr Yann GÉRARDIN benefits from the disability, invalidity and death and healthcare insurance offered to employees of BNP Paribas (SA). He also benefits from the <i>Garantie Vie Professionnelle Accidents</i> system (death and disability insurance) covering all employees of BNP Paribas (SA). In 2023, the amount of contributions paid by the Company in this respect for Mr Yann GÉRARDIN was EUR 4,115. |

**TABLE NO. 4: COMPONENTS OF COMPENSATION PAID DURING 2023 OR AWARDED IN RESPECT OF THE SAME YEAR TO MR THIERRY LABORDE, CHIEF OPERATING OFFICER, SUBMITTED TO THE VOTE OF THE SHAREHOLDERS** (amounts in euros)

**a. Components of the compensation awarded in respect of 2023 to Mr. Thierry LABORDE, Chief Operating Officer**

|  | Amounts          | Comments   |
|--|------------------|--|
| Fixed compensation due   | 900,000 (paid)   | The compensation paid to Mr Thierry LABORDE is determined following the guidelines proposed by the Remuneration Committee and approved by the Board of directors.  |
| Annual variable compensation <sup>(1)</sup>                                      | 902,520          | <p>The variable compensation of Mr Thierry LABORDE evolves depending on criteria representative of the Group's results as well as the results of the CPBS division and his managerial performance. It is expressed as a percentage of a target variable compensation corresponding to 100% of fixed compensation for the year.</p> <p>The quantitative criteria depend on the following performance indicators:</p> <ul style="list-style-type: none"> <li>▪ evolution of net earnings per share for the year compared to the previous year (18.75% of the target variable compensation);</li> <li>▪ percentage of achievement of the Group's budgeted gross operating income (18.75% of the target variable compensation);</li> <li>▪ evolution of net income before tax of the CPBS scope for the year compared to the previous year (18.75% of the target variable compensation);</li> <li>▪ percentage of achievement of the CPBS scope's gross operating income budget (18.75% of the target variable compensation).</li> </ul> <p>CSR criteria also condition 15% of the target variable compensation. They correspond to the multi-criteria assessment of the actions taken by the Group with respect to social, societal and environmental issues.</p> <p>The qualitative criteria represents 10% of the target variable compensation.</p> <p>After taking into account quantitative, CSR and qualitative criteria, the Board of directors set the annual variable compensation of Mr Thierry LABORDE for 2023 at EUR 902,520, i.e. 100.28% of the target annual variable compensation;</p> <ul style="list-style-type: none"> <li>▪ half of the non-deferred portion of the variable compensation will be paid in May 2024, and half in March 2025, indexed to the performance of the BNP Paribas share;</li> <li>▪ the deferred portion of the variable compensation will be paid in fifths as of 2025. Each payment will be made half in March every year, and half in March of the following year, indexed to the performance of the BNP Paribas share. The last payment in respect of 2023 will therefore be made in March 2030;</li> <li>▪ the annual payment of the deferred variable compensation is subject to the condition that the ROE before tax of the Group for the year preceding the payment is greater than 5%.</li> </ul> <p>The ratio between the annual fixed compensation and variable compensation, as required under the French Commercial Code, is 100.28%.</p> |
| Conditional long-term incentive plan (fully deferred for a period of five years) | 297,990          | <p>The fair value of the LTIP awarded to Mr Thierry LABORDE on 31 January 2024 with respect to 2023 amounts to EUR 297,990.</p> <p>The term of the LTIP is five years. The two conditions of the LTIP, one recognising an increase in the intrinsic value of the BNP Paribas share and the other recognising its potential outperformance relative to its peers, are assigned equal weighting in order to measure their effects separately.</p> <p>Payments under the LTIP may not exceed 137.5% of their award value.</p>   |
| Compensation linked to the term of directorship                                  | None             | Mr Thierry LABORDE does not receive any compensation for the directorships he holds in the Group's companies.  |
| Extraordinary compensation   | None             |  |
| Stock options awarded during the period  | None             |  |
| Performance shares awarded during the year                                       | None             |  |
| Benefits in kind   | 6,708            | Mr Thierry LABORDE has a company car. This amount also includes the employer contribution of EUR 1,360 paid by BNP Paribas (SA) for 2023 under the Executive Committee professional life insurance policy, offering an additional EUR 1.10 million in the event of death or total permanent disability.  |
| <b>TOTAL</b>   | <b>2,107,218</b> |  |

(1) *Payment subject to the approval of the Annual General Meeting of 14 May 2024 pursuant to article L.22-10-34 II of the French Commercial Code.*

**b. Components of the compensation paid to Mr Thierry LABORDE, Chief Operating Officer, during 2023 in respect of previous years (having been subject to a shareholder vote at the time of their award)**

| <i>In euros</i>   | Submission date to the<br>AGM and resolution<br>number | Amounts paid<br>in 2023 |
|---|--|-------------------------|
| <b>Annual variable remuneration</b>   |  | <b>357,137</b>          |
| <i>Including partial payment of the annual variable compensation in respect of 2022</i> | 16 May 2023<br>17 <sup>th</sup> resolution             | 194,616                 |
| <i>Including partial payment of the annual variable compensation in respect of 2021</i> | 17 May 2022<br>18 <sup>th</sup> resolution             | 162,521                 |
| <b>Conditional long-term incentive plan</b>   | <b>None</b>  | <b>None</b>             |

**c. Commitments of any kind corresponding to compensation components, indemnities or benefits due or likely to be due in respect of the assumption, termination or change of functions or after performing these to the benefit of Mr Thierry LABORDE, Chief Operating Officer**

|   | Amounts | Comments   |
|---|---------|--|
| Sign-on bonuses and severance payments          | None    | Mr Thierry LABORDE does not receive any sign-on bonus or severance payment.  |
| Supplementary defined-benefit pension plan      | None    | Mr Thierry LABORDE does not benefit from any supplementary defined-benefit pension plan.   |
| Supplementary defined-contribution pension plan | 1,892   | Mr Thierry LABORDE benefits from the defined-contribution plan (article 83 of the French General Tax Code) set up for all employees of BNP Paribas (SA). In 2023, the amount of contributions paid by the Company in this respect for Mr Thierry LABORDE was EUR 1,892.  |
| Welfare benefit and healthcare plans            | 4,115   | Mr Thierry LABORDE benefits from the disability, invalidity and death and healthcare insurance plans offered to BNP Paribas (SA) employees. He also benefits from the <i>Garantie Vie Professionnelle Accidents</i> system (death and disability insurance) covering all employees of BNP Paribas (SA). In 2023, the amount of contributions paid by the Company in this respect for Mr Thierry LABORDE was EUR 4,115. |

**Details relating to the annual variable compensation of executive corporate officers**

**Assessment of the achievement of the targets set for 2023**

At its meeting of 31 January 2024, the Board of directors assessed the achievement of the objectives set in accordance with the compensation policy.

**Group performance criteria**

Concerning the criterion linked to the evolution of net earnings per share for the year compared to the previous year, its measurement for the Chief Executive Officer Mr Jean-Laurent Bonnafé as a percentage of the target variable compensation, amounts to 41.25% for 2023 (20.63% for the Chief Operating Officers, Mr Yann Gérardin and Mr Thierry Laborde).

Concerning the criterion related to the achievement of the Group's gross operating income budget, its measurement for the Chief Executive Officer Mr Jean-Laurent Bonnafé as a percentage of the target variable compensation, amounts to 35.63% for 2023 (17.81% for the Chief Operating Officers, Mr Yann Gérardin and Mr Thierry Laborde).

In addition, for the Chief Operating Officers, Mr Yann Gérardin and Mr Thierry Laborde:

- concerning the criterion related to the evolution of net income before tax for the year compared to the previous year, relating to the scope under their responsibility, its measurement, as a percentage of the target variable compensation, is 19.95% for the CIB scope and 18.26% for the CPBS scope;
- concerning the criterion related to the achievement of the gross operating income budget for the scope under their responsibility, its measurement, as a percentage of the target variable compensation, is 18.55% for the CIB scope and 18.58% for the CPBS scope.

|  | 2022   | 2023 <sup>(1)</sup>             | Variation | Application to<br>37.5% of target<br>annual variable<br>compensation |
|--|--|---------------------------------|-----------|--|
| <b>Chief Executive Officer – Mr Jean-Laurent BONNAFÉ</b> |  |                                 |           |  |
| Net earnings per share                                   | 7.80   | 8.58                            | 10.00%    | 41.25%   |
| Gross Operating Income                                   | 2023 Budget <sup>(2)</sup> :<br>EUR 15,704 million | Achieved:<br>EUR 14,918 million | -5.00%    | 35.63%   |

(1) The indicators used to calculate the annual financial performance of the Chief Executive Officer and Chief Operating Officers are based on the 2023 accounting results.

(2) These data are calculated using the average exchange rate for 2023.

|   | 2022   | 2023 <sup>(3)</sup>             | Variation | Application to<br>18.75% of the<br>target annual<br>variable<br>compensation |
|---|--|---------------------------------|-----------|--|
| <b>Chief Operating Officers – Mr Yann GÉRARDIN and Mr Thierry LABORDE</b> |  |                                 |           |  |
| <b>Group</b>  |  |                                 |           |  |
| Net earnings per share  | 7.80   | 8.58                            | 10.00%    | 20.63%   |
| Gross Operating Income  | 2023 Budget <sup>(1)</sup> :<br>EUR 15,704 million | Achieved:<br>EUR 14,918 million | -5.00%    | 17.81%   |
| <b>Scope of responsibility – CIB</b>                                      |  |                                 |           |  |
| Net income before tax   | EUR 5,398 million                                  | EUR 5,744 million               | 6.42%     | 19.95%   |
| Gross Operating Income  | 2023 Budget <sup>(1)</sup> :<br>EUR 5,747 million  | Achieved:<br>EUR 5,686 million  | -1.05%    | 18.55%   |
| <b>Scope of responsibility – CPBS</b>                                     |  |                                 |           |  |
| Net income before tax   | EUR 7,285 million <sup>(2)</sup>                   | EUR 7,095 million               | -2.61%    | 18.26%   |
| Gross Operating Income  | 2023 Budget <sup>(1)</sup> :<br>EUR 10,284 million | Achieved:<br>EUR 10,191 million | -0.90%    | 18.58%   |

(1) These data are calculated using the average exchange rate for 2023.

(2) In order to be comparable with the results for 2023, the results for 2022 have been recomposed to take into account, in particular, the IFRS 5 impact. This recomposition was presented to the market in May 2023.

(3) The indicators used to calculate the annual financial performance of the Chief Executive Officer and Chief Operating Officers are based on the 2023 accounting results.

### Criteria linked to the Group's CSR performance

The Board of directors reviewed the achievement of the multi-criteria measurement with regard to the three criteria linked to the Group's CSR performance provided for in the compensation policy, each of which has a 5% weighting.

#### (i) Board's assessment of the CSR policy

With regard to the qualitative assessment, the Board of directors considered that this criteria has been met given the significant achievements in 2023 regarding environmental and social issues.

BNP Paribas has an ambitious policy of engagement in society on these issues, notably with a clear energy transition strategy and initiatives in favour of ethical responsibility. In 2023, the Bank accelerated its commitments to sustainable finance, which is one of the pillars of its 2025 strategic plan (Growth, Technology & Sustainability).

On the economic pillar:

- alignment of the loan portfolio with the Net Zero emissions objective in 2050 with the publication of the first Climate report with targets (i) by the end of 2025 for the electricity production, oil and gas and automotive sectors, and (ii) by the end of 2030 for the steel, aluminium and cement sectors;

- strengthening of the oil and gas policy to take into account the Group's new commitments, such as (i) achieving the target of 80% low-carbon in BNP Paribas' financing of energy production by 2028, (ii) achieving the target of 90% low-carbon in BNP Paribas' financing of energy production by 2030, (iii) the exclusion of all financing dedicated to the development of new oil and gas capacities and (iv) the 80% reduction of all upstream oil financing and the 30% reduction in financing for gas exploration-production by 2030;
- BNP Paribas' shift towards a majority of low-carbon energies was characterised in 2023 by a 13% increase in its low-carbon financing, representing EUR 32 billion at the end of September 2023 or 65% of financing related to energy production. At the same time, the Group reduced its fossil fuel financing by 27%, which at the end of September 2023 represented EUR 17.3 billion, *i.e.* 35% of financing related to energy production;
- number one world ranking in terms of sustainable bonds and ESG loans in 2023 according to Dealogic with USD 62.5 billion and 5<sup>th</sup> in terms of Sustainability-Linked Loans with USD 16.2 billion (1<sup>st</sup> European);
- prize for the best bank in the world in terms of sustainable finance in 2023 by Euromoney for the 3<sup>rd</sup> consecutive year;
- EUR 254 billion in assets under management of articles 8 and 9 funds within the meaning of SFDR<sup>1</sup> in BNP Paribas Asset Management's open-ended funds distributed in Europe;
- deployment of the ESG Assessment, a tool for assessing the environmental, social and governance (ESG) risk profile of the Group's corporate clients, which was almost completed at the end of 2023 for the Group's large corporate clients and extended to various client segments.

#### On the social pillar:

- protection of Group employees by providing assistance wherever they may need it (Türkiye, Morocco, Ukraine, Middle East) and by deploying the We Care program worldwide to promote the Bank's offer in terms of prevention, health and well-being at work;
- achievement of the Group's ambitious target in terms of gender representation with 37.1% of women in Senior Management Positions (SMP) by the end of 2023 (40% by 2025);
- broad promotion of BNP Paribas' inclusion policy during Inclusion Days, to raise employee awareness of equal opportunities, prejudice, disability and financial inclusion. A large majority of employees surveyed actively support BNP Paribas' initiatives in terms of diversity and inclusion (according to the Conduct & Inclusion survey conducted in 2023, which notably revealed that 87% of employees say they can be themselves at their workplace);
- recognition of the Group in 2023 as Top Employer Europe for the 10<sup>th</sup> consecutive year;
- success of the Sustainability Academy with more than 86,000 unique employees trained at least once on sustainable finance topics in 2023 (for 1.7 hours of training and 4.3 modules per person on average).

#### On the civic pillar:

- continued development of the Nickel offer (accounts and payment cards from twelve years old, without conditions) contributing to better financial inclusion: nearly 3.7 million accounts at the end of 2023 with a presence in France, Spain, Belgium, Portugal, and in Germany since the summer of 2023;
- continued development of Impact Contracts as a structurer and investor with nine new projects for a total amount of EUR 28 million, including the one operated by Andes, which aims to combat food waste and food insecurity on a large scale;
- sixteen new investments with a social and/or environmental impact in 2023 for a total of nearly EUR 56 million, including Ecov, a shared mobility operator in areas where the public transport offering is reduced or absent;
- development of the first ISLF (Inclusive & Sustainability-Linked Financing), which aim to support inclusion players, through reduced-rate financing and dedicated technical assistance if social, environmental and fair transition objectives are achieved, with the first three signed with Adie in France, PerMicro in Italy, and Banco da Familia in Brazil;
- exceptional donations of over EUR 35 million from, among other actions, the sale of fine furniture (EUR 500,000), an exceptional TEB budget for disaster victims in Türkiye (over EUR 12 million) and EUR 20 million from the solidarity tranche (ESG component) linked to the buyback of shares in favour of over 90 structures promoting environmental knowledge and combating extreme poverty.

#### On the environmental pillar:

- number one world ranking for green bonds with USD 25.6 billion in 2023 according to Dealogic;
- numerous low-carbon transactions with the LCTG (Low-Carbon Transition Group), including:
  - major role in the loan of more than EUR 4 billion for the Baltic Power project, enabling the construction of the first offshore wind farm in Polish waters, which will provide renewable energy to more than 1.5 million households from 2026,
  - financing of more than EUR 800 million for AESC (Automotive Energy Supply Corporation), a Japanese world leader in battery design and production, for a gigafactory planned for construction in Douai in France;

<sup>1</sup> "Sustainable Finance Disclosure Regulation": European regulation on the disclosure of sustainability information in the financial services sector, which entered into force in March 2021, which imposes transparency obligations on sustainable investment funds:

- "article 8" funds: products that promote environmental or social characteristics;
- "article 9" funds: products with a sustainable investment objective.

- acquisition by BNP Paribas Asset Management of a majority interest in International Woodland Company (IWC), based in Denmark, specialised in investment and advisory services dedicated to sustainable forestry, agriculture and natural ecosystems, as well as carbon credits and conservation projects;
- launch of a multi-year partnership with the Naturalis Biodiversity Center to protect and restore biodiversity, by supporting 150 biodiversity scientists, with the objectives of education, data or financial innovation.

### **(ii) Market assessment of the CSR policy**

Regarding the criterion related to the Group's CSR positioning compared to its peers in the extra-financial performance rankings of FTSE, S&P Global Corporate Sustainability Assessment and Moody's ESG Solutions, BNP Paribas is effectively in the 1<sup>st</sup> quartile of the Banks sector of the three aforementioned agencies.

### **(iii) Assessment of the CSR policy by alignment with the Group's key employees**

Regarding the criterion of alignment with the Group's key employees, the three-year CSR target measure set in the loyalty plan awarded to the Group's key employees are also met.

Consequently, the multi-criteria measure, as a percentage of the target variable compensation, amounts to 15% for 2023 for the Chief Executive Officer and the Chief Operating Officers.

| CSR – Assessment of the CSR policy |                  |                    |                                    |                            |
|------------------------------------|------------------|--------------------|------------------------------------|----------------------------|
|                                    | (i) By the Board | (ii) By the market | (iii) Alignment with key employees | Multi-criteria measurement |
| Weighting                          | 5.00%            | 5.00%              | 5.00%                              |                            |
| Measurement                        | 5.00%            | 5.00%              | 5.00%                              | <b>15.00%</b>              |

### **Qualitative criteria**

The Board of directors assessed the qualitative portion of the annual variable compensation in terms of the application of the criteria provided for in the compensation policy.

For 2023, the Board of directors took into main consideration and deemed satisfied by Mr Jean-Laurent Bonnafé the following:

- increase of 2023 net income attributable to the shareholders compared to 2022; the Group generated a positive jaws effect and continued its growth in a long-term approach by managing its risks in a prudent manner;
- his decisive role in the Bank's management with the continued implementation of the GTS 2025 Plan and in particular in strengthening the Group's operational resilience;
- his decisive action in the sale of Bank of the West to BMO Financial Group, generating a net capital gain of EUR 2.9 billion partly redeployed to the Group's organic growth and targeted investments and acquisitions;
- his continued involvement in the definition and implementation of the Group's CSR strategy in order to contribute to a carbon neutral economy in 2050, in particular through new commitments made in 2023: reduction of financing dedicated to the (i) oil and gas sectors with, in particular, the end of new production capacities financing and the (ii) steel, cement and aluminium sectors;
- his role in increasing the number of women in governing bodies as well as his involvement in all the pillars of the Group's diversity and inclusion policy.

For Mr Yann Gérardin, as Chief Operating Officer in charge of the Corporate and Institutional Banking (CIB) division and in line with the assessments proposed for Mr Jean-Laurent Bonnafé:

- CIB division's results in 2023 in line with budget after an exceptional year in 2022, with good risk management, reflecting BNP Paribas' continued improvement in the rankings of investment banks in Europe thanks to market share gains;
- his contribution to the implementation of the BNP Paribas integrated model through the acceleration of joint initiatives with each of the CPBS and IPS divisions, in particular as part of the Payments & Flows and Savings transversal initiatives;
- his commitment to continuing to make CIB a leader in CSR, and which is reflected by the Bank's position as the world No. 1 in sustainable financing in the EMEA region as well as by the award obtained as the best bank at the global level for sustainable financing (Euromoney) in 2023;
- his involvement in the integration of Exane's activities with the successful merger of Exane SA into BNP Paribas SA, enabling CIB to offer a more comprehensive range of products and services in the equity and equity derivatives segment;
- his involvement in strengthening controls and operational resilience and in the continued adoption of the Code of conduct in market activities.

For Mr Thierry Laborde, as Chief Operating Officer in charge of the Commercial, Personal Banking & Services division (CPBS) and in line with the assessments proposed for Mr Jean-Laurent Bonnafé:

- positive value creation, by controlling the effects of changes in interest rates resulting, in particular, from monetary policy;

- his involvement in the adaptation of the business model, particularly with regard to consumer finance and Retail Banking;
- his role in the deployment by CPBS of the GTS 2025 Plan, with significant progress in customer satisfaction, the continued digitalisation of the customer journey, as well as in supporting business lines and territories requiring transformation plans and/or restructuring;
- his role as sponsor in the Mobility and Payments & Flows transversal initiatives, which achieved new commercial successes in 2023, with the conclusion of new partnerships and with the acceleration of BNP Paribas' presence in the digital business lines (in particular the continued deployment of Nickel in Europe and the increase in the number of active Floa partners);
- his decisive contribution to strategic projects, in particular the European Payments Initiative (EPI), which made concrete progress in 2023;
- his commitment to continue integrating the CSR dimension into CPBS's business lines.

## Summary

After taking into account all the criteria used to set annual variable compensation, and the evolution of the Group's operating results, the Board of directors, on the proposal of the Remuneration Committee, set the variable compensation awarded in respect of 2023 at:

- EUR 1,877,648 for Mr Jean-Laurent Bonnafé (representing 101.88% of his target annual variable compensation);
- EUR 1,529,100 for Mr Yann Gérardin (representing 101.94% of his target annual variable compensation);
- EUR 902,520 for Mr Thierry Laborde (representing 100.28% of his target annual variable compensation).

The result in respect of each criterion is set out in the following table:

|                      |                            | Quantitative criteria |                    |                     |                    | CSR performance criteria | Qualitative criteria | Annual variable with respect to 2023 | Reminder of target variable compensation |
|----------------------|----------------------------|-----------------------|--------------------|---------------------|--------------------|--------------------------|----------------------|--------------------------------------|--|
|                      |                            | EPS <sup>(2)</sup>    | GOI <sup>(3)</sup> | NIBT <sup>(4)</sup> | GOI <sup>(5)</sup> |                          |                      |                                      |  |
|                      |                            | Group                 | Group              | Business            | Business           |                          |                      |                                      |  |
| Jean-Laurent BONNAFÉ | Weighting <sup>(1)</sup>   | 37.50%                | 37.50%             |                     |                    | 15.00%                   | 10.00%               |                                      |  |
|                      | Measurement <sup>(1)</sup> | 41.25%                | 35.63%             |                     |                    | 15.00%                   | 10.00%               | 1,877,648                            | 1,843,000                                |
| Yann GERARDIN        | Weighting <sup>(1)</sup>   | 18.75%                | 18.75%             | 18.75%              | 18.75%             | 15.00%                   | 10.00%               |                                      |  |
|                      | Measurement <sup>(1)</sup> | 20.63%                | 17.81%             | 19.95%              | 18.55%             | 15.00%                   | 10.00%               | 1,529,100                            | 1,500,000                                |
| Thierry LABORDE      | Weighting <sup>(1)</sup>   | 18.75%                | 18.75%             | 18.75%              | 18.75%             | 15.00%                   | 10.00%               |                                      |  |
|                      | Measurement <sup>(1)</sup> | 20.63%                | 17.81%             | 18.26%              | 18.58%             | 15.00%                   | 10.00%               | 902,520                              | 900,000                                  |

(1) As a percentage of target annual variable compensation.

(2) Evolution of net earnings per share (EPS) for the year compared to the previous year.

(3) Percentage of achievement of budgeted gross operating income (GOI) for the Group.

(4) Evolution of net income before tax (NIBT) for the year compared to the previous year. Yann Gérardin: CIB scope/Thierry Laborde: CPBS scope.

(5) Percentage of achievement of budgeted gross operating income (GOI). Yann Gérardin: CIB scope/Thierry Laborde: CPBS scope.

## Terms and conditions of payment

- a) The payment terms for variable compensation of BNP Paribas Group executive corporate officers in respect of 2023, in accordance with the provisions of the French Monetary and Financial Code and the EBA's 2 July 2021 Guidelines on compensation policy are:
- 60% of annual variable compensation is deferred over five years, at the rate of one-fifth per year;
  - half of the non-deferred portion of the variable compensation is paid in May 2024, subject to the approval of the Shareholders' Annual General Meeting under the terms provided for by article L.22-10-34 II of the French Commercial Code; and half in March 2025, indexed to the performance of the BNP Paribas share since the award;
  - the deferred portion of the variable compensation will be paid annually in fifths starting in 2025. Each payment will be made half in March every year, and half in March of the following year, indexed to the performance of the BNP Paribas share since the award. The last payment in respect of 2023 will therefore be made in March 2030.
- b) In addition, the annual payment of the deferred variable compensation is subject to the condition that the ROE before tax of the Group for the year preceding the payment is greater than 5%.

The Board of directors noted that this performance condition was met in 2023; accordingly, deferred compensation payable in 2024 in respect of previous plans will be paid.



## Details relating to the conditional long-term incentive plan over five years (LTIP)

### LTIP amounts awarded in 2024

In accordance with the compensation policy and on the proposal of the Remuneration Committee, the Board of directors set the LTIP amounts awarded in 2024.

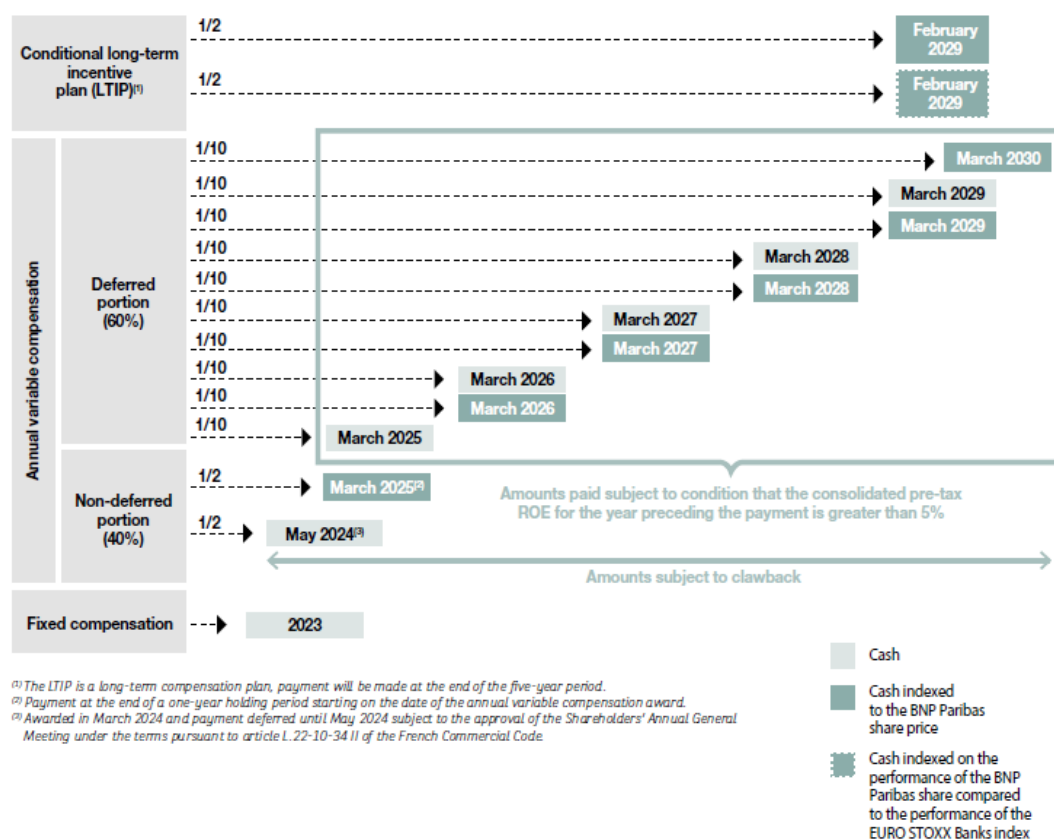
The amount awarded under the LTIP is equal to the target annual variable compensation for 2023.

| LTIP awarded on 31 January 2024 (in euros) | Awarded amount <sup>(1)</sup> | Fair value of the awarded amount <sup>(2)</sup> |
|--|-------------------------------|---|
| Jean-Laurent BONNAFÉ                       | 1,843,000                     | 610,217   |
| Yann GERARDIN                              | 1,500,000                     | 496,650   |
| Thierry LABORDE                            | 900,000                       | 297,990   |

(1) See explanations above.

(2) Fair value of the awarded amount in accordance with IFRS. The calculation is carried out by an independent expert.

## STRUCTURE OF THE PAYMENT OF THE COMPENSATION OF CORPORATE OFFICERS IN RESPECT OF 2023 AFTER TAKING INTO ACCOUNT THE EBA GUIDELINES



<sup>(1)</sup> The LTIP is a long-term compensation plan, payment will be made at the end of the five-year period.

<sup>(2)</sup> Payment at the end of a one-year holding period starting on the date of the annual variable compensation award.

<sup>(3)</sup> Awarded in March 2024 and payment deferred until May 2024 subject to the approval of the Shareholders' Annual General Meeting under the terms pursuant to article L. 22-10-34 II of the French Commercial Code.

## Relative proportion of fixed and variable compensation of executive corporate officers

The cap on total variable compensation provided for by article L.511-78 of the French Monetary and Financial Code was not exceeded. Pursuant to article L.511-79 of the French Monetary and Financial Code, a discount rate may in addition be applied to no more than 25% of total variable compensation inasmuch as the payment is made in the form of instruments after a deferred period of at least five years.

After applying the discount rate to the variable compensation amounts awarded in the form of instruments deferred for five years (discount rate of 42.24% in accordance with European Banking Authority guidelines on the application of the notional discount rate for variable compensation, published on 27 March 2014), the ratio between total variable compensation and fixed compensation is 1.73 for the Chief Executive Officer Mr Jean-Laurent Bonnafé, 1.73 and 1.71 respectively for Messrs Yann Gérardin and Thierry Laborde as Chief Operating Officers for 2023.

***Use of “malus” and “claw-back” clauses***

The Board of directors has not been called upon to apply the “malus” and “claw-back” clauses, provided for in the compensation policy defined above.

***Compensation paid or awarded by a company included in the consolidation scope***

No compensation has been paid or awarded to directors and corporate officers by a company included in the scope of consolidation of BNP Paribas within the meaning of article L.233-16 of the French Commercial Code.

***Compensation multiples and evolutions***

In accordance with the provisions of article L.22-10-9 of the French Commercial Code and the Afep guidelines on compensation multiples updated in February 2021, the level of compensation of the Chairman of the Board of directors, the Chief Executive Officer and the Chief Operating Officers, with respect to the average compensation and the median compensation based on full-time equivalent employees of BNP Paribas (SA), as well as evolutions of this compensation, these ratios and the Company's performance criteria, are shown below.

This information is provided over a five-year period.

The employees considered are those of BNP Paribas (SA) in France and its branches, continuously present over the year. Compensation due or awarded to employees includes fixed compensation, variable compensation, commercial bonuses, loyalty plans, profit-sharing and incentive bonuses, as well as benefits in kind.

The compensation due or awarded to corporate officers includes fixed compensation, variable compensation, fair value of the long-term incentive plan, directors' compensation, as well as benefits in kind, information already presented in chapter 2 of this document for 2022 and 2023.

All this compensation, due or awarded, is presented on a gross basis, excluding employer contributions.

The table below shows the compensation multiples and their evolutions for each corporate officer.

|  | Year   |       |        |                     |                     |
|--|--------|-------|--------|---------------------|---------------------|
|  | 2019   | 2020  | 2021   | 2022 <sup>(1)</sup> | 2023 <sup>(2)</sup> |
| <b>Performance of the Company</b>  |        |       |        |                     |                     |
| Net pre-tax income (in millions of euros)                                      | 11,394 | 9,822 | 13,637 | 13,214              | 11,725              |
| Evolution between N/N-1  | 12%    | -14%  | 39%    | 6%                  | -11%                |
| Operating income (in millions of euros)  | 10,057 | 8,364 | 12,199 | 12,564              | 11,236              |
| Evolution between N/N-1  | 10%    | -17%  | 46%    | 13%                 | -11%                |
| Net earnings per share (in euros)  | 6.21   | 5.31  | 7.26   | 7.80                | 8.58                |
| Evolution between N/N-1  | 8%     | -14%  | 37%    | 7%                  | 10%                 |
| <b>Compensation of employees (in thousands of euros)</b>                       |        |       |        |                     |                     |
| Average compensation   | 86     | 88    | 93     | 96                  | 99                  |
| Evolution between N/N-1  | 5%     | 2%    | 6%     | 3%                  | 2%                  |
| Median compensation  | 56     | 57    | 59     | 62                  | 66                  |
| Evolution between N/N-1  | 3%     | 2%    | 4%     | 5%                  | 5%                  |
| <b>Chairman of the Board of directors</b>                                      |        |       |        |                     |                     |
| Compensation of the Chairman of the Board of directors (in thousands of euros) | 1,014  | 1,013 | 1,020  | 1,018               | 1,020               |
| Evolution between N/N-1  | 0%     | 0%    | 1%     | 0%                  | 0%                  |
| Average compensation of employees ratio  | 12     | 12    | 11     | 11                  | 10                  |
| Evolution between N/N-1  | -5%    | -2%   | -5%    | -3%                 | -2%                 |
| Median compensation of employees ratio   | 18     | 18    | 17     | 16                  | 16                  |
| Evolution between N/N-1  | -3%    | -2%   | -3%    | -5%                 | -5%                 |
| <b>Chief Executive Officer</b>   |        |       |        |                     |                     |
| Compensation of the Chief Executive Officer (in thousands of euros)            | 3,858  | 3,756 | 4,110  | 4,604               | 4,402               |
| Evolution between N/N-1  | 14%    | -3%   | 9%     | 12%                 | -4%                 |
| Average compensation of employees ratio  | 45     | 43    | 44     | 48                  | 45                  |
| Evolution between N/N-1  | 9%     | -5%   | 3%     | 8%                  | -7%                 |
| Median compensation of employees ratio   | 69     | 66    | 69     | 74                  | 67                  |
| Evolution between N/N-1  | 11%    | -5%   | 6%     | 7%                  | -9%                 |
| <b>Yann Gérardin, Chief Operating Officer<sup>(3)</sup></b>                    |        |       |        |                     |                     |
| Compensation of the Chief Operating Officer (in thousands of euros)            |        |       | 3,924  | 3,722               | 3,527               |
| Evolution between N/N-1  |        |       |        | -5%                 | -5%                 |
| Average compensation of employees ratio  |        |       | 42     | 39                  | 36                  |
| Evolution between N/N-1  |        |       |        | -8%                 | -7%                 |
| Median compensation of employees ratio   |        |       | 66     | 60                  | 54                  |
| Evolution between N/N-1  |        |       |        | -10%                | -10%                |
| <b>Thierry Laborde, Chief Operating Officer<sup>(3)</sup></b>                  |        |       |        |                     |                     |
| Compensation of the Chief Operating Officer (in thousands of euros)            |        |       | 2,323  | 2,251               | 2,107               |
| Evolution between N/N-1  |        |       |        | -3%                 | -6%                 |
| Average compensation of employees ratio  |        |       | 25     | 23                  | 21                  |
| Evolution between N/N-1  |        |       |        | -6%                 | -9%                 |
| Median compensation of employees ratio   |        |       | 39     | 36                  | 32                  |

- (1) In order to be comparable with the results for 2023, the results for 2022 have been recomposed to take into account the enforcement of IFRS 5 and IFRS 17 accounting standards.
- (2) 2023 results are on an accounting basis.
- (3) The terms of offices of Messrs Yann Gérardin and Thierry Laborde as Chief Operating Officers began on 18 May 2021. Their compensation for 2021 has been annualised for comparability purposes.

### Application of the provisions of the second paragraph of article L.225-45 of the French Commercial Code

The provisions of the second paragraph of article L.225-45 of the French Commercial Code do not need to be applied in 2023.

## OTHER INFORMATION ON THE COMPENSATION OF CORPORATE OFFICERS PAID OR AWARDED IN RESPECT OF 2023, NOT SUBMITTED TO THE SHAREHOLDERS' VOTE

The components below, relating to the compensation of corporate officers, reiterate some information already presented in this chapter.

### TOTAL COMPENSATION AWARDED IN RESPECT OF 2023 AND COMPARISON WITH 2022

| (in euros)                              | Jean-Laurent BONNAFE |                  | Yann GERARDIN    |                  | Thierry LABORDE  |                  |
|---|----------------------|------------------|------------------|------------------|------------------|------------------|
|   | 2022                 | 2023             | 2022             | 2023             | 2022             | 2023             |
| Fixed compensation amount               | 1,843,000            | 1,843,000        | 1,500,000        | 1,500,000        | 900,000          | 900,000          |
| Annual variable compensation awarded    | 1,931,464            | 1,877,648        | 1,602,000        | 1,529,100        | 973,080          | 902,520          |
| <b>Sub-total</b>                        | <b>3,774,464</b>     | <b>3,720,648</b> | <b>3,102,000</b> | <b>3,029,100</b> | <b>1,873,080</b> | <b>1,802,520</b> |
| LTIP amount (fair value) <sup>(1)</sup> | 759,685              | 610,217          | 618,300          | 496,650          | 370,980          | 297,990          |
| <b>TOTAL</b>                            | <b>4,534,149</b>     | <b>4,330,865</b> | <b>3,720,300</b> | <b>3,525,750</b> | <b>2,244,060</b> | <b>2,100,510</b> |

(1) This is an estimated value at the award date. The final amount will be known at the date of payment.

### Share ownership

The Board of directors has decided that the minimum number of shares that Messrs Jean Lemierre, Jean-Laurent Bonnafé, Yann Gérardin and Thierry Laborde shall be required to hold for the duration of their terms of office shall be 10,000, 80,000, 30,000 and 20,000 shares respectively. The four interested parties have complied with this obligation, through the direct ownership of shares or units in the Company Savings Plan fully invested in BNP Paribas shares.

### Quantitative information on the compensation of corporate officers

The table after shows the gross compensation awarded in respect of the year, including compensation linked to a term of directorship and benefits in kind, for each corporate officer.

# SUMMARY TABLE OF THE COMPENSATION AWARDED TO EACH CORPORATE OFFICER

|   |   | 2022             | 2023             |
|---|---|------------------|------------------|
|   |   | Awarded amounts  | Awarded amounts  |
| <i>(in euros)</i>   |   |                  |                  |
| <b>Jean LEMIERRE</b><br><b>Chairman of the Board of directors</b> | Fixed compensation                                  | 950,000          | 950,000          |
|   | Annual variable compensation                        | None             | None             |
|   | Conditional long-term incentive plan                | None             | None             |
|   | Value of stock options awarded during the year      | None             | None             |
|   | Value of performance shares awarded during the year | None             | None             |
|   | <b>Sub-total</b>                                    | <b>950,000</b>   | <b>950,000</b>   |
|   | Extraordinary compensation                          | None             | None             |
|   | Compensation linked to the term of directorship     | 63,220           | 64,758           |
|   | Benefits in kind <sup>(1)</sup>                     | 5,128            | 5,023            |
|   | <b>TOTAL</b>  | <b>1,018,348</b> | <b>1,019,781</b> |
| <b>Jean-Laurent BONNAFE</b><br><b>Chief Executive Officer</b>     | Fixed compensation                                  | 1,843,000        | 1,843,000        |
|   | Annual variable compensation                        | 1,931,464        | 1,877,648        |
|   | Conditional long-term incentive plan <sup>(2)</sup> | 759,685          | 610,217          |
|   | Value of stock options awarded during the year      | None             | None             |
|   | Value of performance shares awarded during the year | None             | None             |
|   | <b>Sub-total</b>                                    | <b>4,534,149</b> | <b>4,330,865</b> |
|   | Extraordinary compensation                          | None             | None             |
|   | Compensation linked to the term of directorship     | 63,220           | 64,758           |
|   | Benefits in kind <sup>(1)</sup>                     | 6,446            | 6,267            |
|   | <b>TOTAL</b>  | <b>4,603,815</b> | <b>4,401,890</b> |
| <b>Yann GÉRARDIN</b><br><b>Chief Operating Officer</b>            | Fixed compensation                                  | 1,500,000        | 1,500,000        |
|   | Annual variable compensation                        | 1,602,000        | 1,529,100        |
|   | Conditional long-term incentive plan <sup>(2)</sup> | 618,300          | 496,650          |
|   | Value of stock options awarded during the year      | None             | None             |
|   | Value of performance shares awarded during the year | None             | None             |
|   | <b>Sub-total</b>                                    | <b>3,720,300</b> | <b>3,525,750</b> |
|   | Extraordinary compensation                          | None             | None             |
|   | Compensation linked to the term of directorship     | None             | None             |
|   | Benefits in kind <sup>(1)</sup>                     | 1,433            | 1,360            |
|   | <b>TOTAL</b>  | <b>3,721,733</b> | <b>3,527,110</b> |

|  |   | 2022             | 2023             |
|--|---|------------------|------------------|
|  |   | Awarded amounts  | Awarded amounts  |
| <i>(in euros)</i>  |   |                  |                  |
| <b>Thierry LABORDE</b><br><b>Chief Operating Officer</b> | Fixed compensation                                  | 900,000          | 900,000          |
|  | Annual variable compensation                        | 973,080          | 902,520          |
|  | Conditional long-term incentive plan <sup>(2)</sup> | 370,980          | 297,990          |
|  | Value of stock options awarded during the year      | None             | None             |
|  | Value of performance shares awarded during the year | None             | None             |
|  | <b>Sub-total</b>                                    | <b>2,244,060</b> | <b>2,100,510</b> |
|  | Extraordinary compensation                          | None             | None             |
|  | Compensation linked to the term of directorship     | None             | None             |
|  | Benefits in kind <sup>(1)</sup>                     | 6,781            | 6,708            |
|  | <b>TOTAL</b>  | <b>2,250,841</b> | <b>2,107,218</b> |

(1) The Chairman of the Board of directors, the Chief Executive Officer and the Chief Operating Officers, if applicable, have a company car. The Chief Executive Officer and Chief Operating Officers benefit from the Executive Committee professional life insurance, for which the Company's contribution is recognised as a benefit in kind.

(2) Value of amount awarded subject to performance conditions.

The tables below show the gross compensation paid in 2023, including compensation linked to directorships and benefits in kind, for each corporate officer.

# SUMMARY TABLE OF COMPENSATION PAID AS CORPORATE OFFICER

|   |   | 2022                     | 2023                   |
|---|---|--------------------------|------------------------|
| <i>In euros</i>   |   | Paid amounts             | Paid amounts           |
| <b>Jean LEMIERRE</b><br>Chairman of the<br>Board of directors | Fixed compensation  | 950,000                  | 950,000                |
|   | Annual variable compensation                                    | None                     | None                   |
|   | Conditional long-term incentive plan                            | None                     | None                   |
|   | Extraordinary compensation                                      | None                     | None                   |
|   | Compensation linked to the term of directorship                 | 63,220                   | 64,758                 |
|   | Benefits in kind <sup>(1)</sup>                                 | 5,128                    | 5,023                  |
|   | <b>TOTAL</b>  | <b>1,018,348</b>         | <b>1,019,781</b>       |
| <b>Jean-Laurent BONNAFE</b><br>Chief Executive Officer        | Fixed compensation  | 1,843,000                | 1,843,000              |
|   | Annual variable compensation                                    | 1,689,625                | 1,775,057              |
|   | <i>of which annual variable compensation in respect of 2022</i> | <i>None</i>              | <i>386,293</i>         |
|   | <i>of which annual variable compensation in respect of 2021</i> | <i>359,354</i>           | <i>461,683</i>         |
|   | <i>of which annual variable compensation in respect of 2020</i> | <i>476,315</i>           | <i>198,511</i>         |
|   | <i>of which annual variable compensation in respect of 2019</i> | <i>230,692</i>           | <i>223,218</i>         |
|   | <i>of which annual variable compensation in respect of 2018</i> | <i>221,890</i>           | <i>214,434</i>         |
|   | <i>of which annual variable compensation in respect of 2017</i> | <i>190,676</i>           | <i>185,320</i>         |
|   | <i>of which annual variable compensation in respect of 2016</i> | <i>210,698</i>           | <i>105,598</i>         |
|   | Conditional long-term incentive plan                            | 1,405,800 <sup>(2)</sup> | 781,000 <sup>(2)</sup> |
|   | Extraordinary compensation                                      | None                     | None                   |
|   | Compensation linked to the term of directorship                 | 63,220                   | 64,758                 |
|   | Benefits in kind <sup>(1)</sup>                                 | 6,446                    | 6,267                  |
|   | <b>TOTAL</b>  | <b>5,008,091</b>         | <b>4,470,082</b>       |
| <b>Yann GÉRARDIN</b><br>Chief Operating Officer               | Fixed compensation  | 1,500,000                | 1,500,000              |
|   | Annual variable compensation                                    | 218,667                  | 601,354                |
|   | <i>of which annual variable compensation in respect of 2022</i> | <i>None</i>              | <i>320,400</i>         |
|   | <i>of which annual variable compensation in respect of 2021</i> | <i>218,667</i>           | <i>280,954</i>         |
|   | <i>of which annual variable compensation in respect of 2020</i> | <i>None</i>              | <i>None</i>            |
|   | <i>of which annual variable compensation in respect of 2019</i> | <i>None</i>              | <i>None</i>            |
|   | <i>of which annual variable compensation in respect of 2018</i> | <i>None</i>              | <i>None</i>            |
|   | <i>of which annual variable compensation in respect of 2017</i> | <i>None</i>              | <i>None</i>            |
|   | <i>of which annual variable compensation in respect of 2016</i> | <i>None</i>              | <i>None</i>            |
|   | Conditional long-term incentive plan                            | None                     | None                   |
|   | Extraordinary compensation                                      | None                     | None                   |
|   | Compensation linked to the term of directorship                 | None                     | None                   |
|   | Benefits in kind <sup>(1)</sup>                                 | 1,433                    | 1,360                  |

| In euros   |  | 2022             | 2023             |
|--|--|------------------|------------------|
|  |  | Paid amounts     | Paid amounts     |
|  | <b>TOTAL</b>   | <b>1,720,100</b> | <b>2,102,714</b> |
| (1) See footnote on the following page.                  |  |                  |                  |
| (2) See footnote on the following page.                  |  |                  |                  |
| <b>Thierry LABORDE</b><br><b>Chief Operating Officer</b> | Fixed compensation                                       | 900,000          | 900,000          |
|  | Annual variable compensation                             | 126,493          | 357,137          |
|  | of which annual variable compensation in respect of 2022 | None             | 194,616          |
|  | of which annual variable compensation in respect of 2021 | 126,493          | 162,521          |
|  | of which annual variable compensation in respect of 2020 | None             | None             |
|  | of which annual variable compensation in respect of 2019 | None             | None             |
|  | of which annual variable compensation in respect of 2018 | None             | None             |
|  | of which annual variable compensation in respect of 2017 | None             | None             |
|  | of which annual variable compensation in respect of 2016 | None             | None             |
|  | Conditional long-term incentive plan                     | None             | None             |
|  | Extraordinary compensation                               | None             | None             |
|  | Compensation linked to the term of directorship          | None             | None             |
|  | Benefits in kind <sup>(1)</sup>                          | 6,781            | 6,708            |
|  | <b>TOTAL</b>   | <b>1,033,274</b> | <b>1,263,845</b> |

The average tax and social contribution rate on this compensation is 34% in 2023 (unchanged compared to 2022).

- (1) The Chairman of the Board of directors, the Chief Executive Officer and the Chief Operating Officers, if applicable, have a company car. The Chief Executive Officer and Chief Operating Officers benefit from the Executive Committee professional life insurance, for which the Company's contribution is recognised as a benefit in kind.
- (2) The application of the performance conditions attached to the LTIP awarded in 2018 led to a payment in 2023 corresponding to 50% of the amount awarded to Mr Bonnafé. As a reminder, the application of the performance conditions attached to the LTIP awarded in 2017 led to a payment in 2022 corresponding to 90% of the amount awarded to Mr Bonnafé.

#### SUMMARY TABLE OF COMPENSATION PAID DURING THEIR TERMS OF OFFICE, IN RESPECT OF THEIR PREVIOUS ACTIVITIES AS EMPLOYEES OF THE GROUP

| In euros   |  | 2022         | 2023         |
|--|--|--------------|--------------|
|  |  | Paid amounts | Paid amounts |
| <b>Yann GÉRARDIN</b><br><b>Chief Operating Officer</b> | Fixed compensation                                       | None         | None         |
|  | Annual variable compensation <sup>(1)</sup>              | 1,632,762    | 1,208,802    |
|  | of which annual variable compensation in respect of 2021 | 367,912      | 103,350      |
|  | of which annual variable compensation in respect of 2020 | 215,404      | 242,426      |
|  | of which annual variable compensation in respect of 2019 | 207,559      | 234,332      |
|  | of which annual variable compensation in respect of 2018 | 276,858      | 314,114      |
|  | of which annual variable compensation in respect of 2017 | 283,453      | 314,580      |
|  | of which annual variable compensation in respect of 2016 | 281,576      | None         |
|  | Long-term compensation                                   | 281,050      | 319,200      |
|  | Extraordinary compensation                               | None         | None         |
|  | Compensation linked to the term of directorship          | None         | None         |



| <i>In euros</i> |                  | 2022             | 2023             |
|-----------------|------------------|------------------|------------------|
|                 |                  | Paid amounts     | Paid amounts     |
|                 | Benefits in kind | None             | None             |
|                 | <b>TOTAL</b>     | <b>1,913,812</b> | <b>1,528,002</b> |

(1) See footnote on the following page.

|  |  | 2022           | 2023           |
|--|--|----------------|----------------|
| <i>In euros</i>  |  | Paid amounts   | Paid amounts   |
| <b>Thierry LABORDE</b><br><b>Chief Operating Officer</b> | Fixed compensation                                       | None           | None           |
|  | Annual variable compensation <sup>(1)</sup>              | 321,774        | 212,074        |
|  | of which annual variable compensation in respect of 2021 | 149,707        | 35,751         |
|  | of which annual variable compensation in respect of 2020 | 55,138         | 62,052         |
|  | of which annual variable compensation in respect of 2019 | 41,369         | 46,704         |
|  | of which annual variable compensation in respect of 2018 | 38,986         | 44,233         |
|  | of which annual variable compensation in respect of 2017 | 20,808         | 23,334         |
|  | of which annual variable compensation in respect of 2016 | 15,766         | None           |
|  | Long-term compensation                                   | 393,470        | 446,880        |
|  | Extraordinary compensation                               | None           | None           |
|  | Compensation linked to the term of directorship          | None           | None           |
|  | Benefits in kind   | None           | None           |
|  | <b>TOTAL</b>   | <b>715,244</b> | <b>658,954</b> |

(1) The amounts shown here correspond to the deferred variable compensation awarded in respect of the previous salaried activities of the corporate officers, prior to their term of office. The average tax and social contribution rate on this compensation is 34% in 2023 (unchanged compared to 2022).

#### **STOCK SUBSCRIPTION OR PURCHASE OPTIONS AWARDED DURING THE YEAR TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY**

No stock subscription or purchase options were awarded during the year to the corporate officers by the Company or by any other Group company.

#### **STOCK SUBSCRIPTION OR PURCHASE OPTIONS EXERCISED DURING THE YEAR BY EACH CORPORATE OFFICER**

No stock subscription or purchase options were exercised during the year by the corporate officers.

#### **PERFORMANCE SHARES AWARDED DURING THE YEAR TO EACH CORPORATE OFFICER BY THE ISSUER AND BY ANY GROUP COMPANY**

No performance share was awarded during the year to corporate officers by the Company or any company in the Group.

#### **PERFORMANCE SHARES THAT BECAME AVAILABLE DURING THE YEAR FOR EACH CORPORATE OFFICER**

No performance share became available during the year for the corporate officers.

#### **HISTORY OF STOCK SUBSCRIPTION OR PURCHASE OPTIONS**

None.

#### **HISTORY OF PERFORMANCE SHARE AWARDS**

None.

**VALUATION<sup>(1)</sup> OF THE CONDITIONAL LONG-TERM INCENTIVE PLAN AT THE AWARD DATE  
AND AT 31 DECEMBER 2023**

| <b>Award date of the plan</b> | <b>05/02/2019</b> |                  | <b>04/02/2020</b> |                  | <b>04/02/2021</b> |                  | <b>07/02/2022</b> |                  | <b>06/02/2023</b> |                  | <b>31/01/2024</b> |               |
|-------------------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|---------------|
| Maturity date of the plan     | 05/02/2024        |                  | 04/02/2025        |                  | 04/02/2026        |                  | 07/02/2027        |                  | 06/02/2028        |                  |                   |               |
| Valuation <sup>(1)</sup>      | At award date     | At 31/12/2023    | At award date     | At 31/12/2023    | At award date     | At 31/12/2023    | At award date     | At 31/12/2023    | At award date     | At 31/12/2023    | At award date     | At award date |
| Jean LEMIERRE                 | -                 | -                | -                 | -                | -                 | -                | -                 | -                | -                 | -                | -                 | -             |
| Jean-Laurent BONNAFE          | 282,644           | 1,388,987        | 617,927           | 1,378,497        | 649,636           | 1,136,901        | 680,720           | 544,383          | 759,685           | 761,500          | 610,217           |               |
| Yann GERARDIN                 | -                 | -                | -                 | -                | -                 | -                | 404,169           | 323,221          | 618,300           | 619,778          | 496,650           |               |
| Thierry LABORDE               | -                 | -                | -                 | -                | -                 | -                | 242,502           | 193,933          | 370,980           | 371,867          | 297,990           |               |
| <b>TOTAL</b>                  | <b>282,644</b>    | <b>1,388,987</b> | <b>617,927</b>    | <b>1,378,497</b> | <b>649,636</b>    | <b>1,136,901</b> | <b>1,327,391</b>  | <b>1,061,536</b> | <b>1,748,965</b>  | <b>1,753,145</b> | <b>1,404,857</b>  |               |

(1) Valuation according to the method adopted for the consolidated financial statements.

**ASSUMPTIONS USED TO VALUE THE CONDITIONAL LONG-TERM INCENTIVE PLAN IN ACCORDANCE WITH THE METHOD ADOPTED FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

**Valuation at award date**

|  |               |               |
|--|---------------|---------------|
| Award date of the plan   | 06/02/2023    | 31/01/2024    |
| Opening price of BNP Paribas share                                       | EUR 61.08     | EUR 62.45     |
| Opening level of the EURO STOXX Banks index                              | 111.40        | 121.66        |
| Zero-coupon rate   | Euribor       | Euribor       |
| Volatility of the BNP Paribas share                                      | 25.57%        | 23.42%        |
| Volatility of the EURO STOXX Banks index                                 | 24.59%        | 21.66%        |
| Correlation between the BNP Paribas share and the EURO STOXX Banks index | 93.59%        | 93.00%        |
| Financial model used   | Monte-Carlo   | Monte-Carlo   |
| <b>Fair value of the plan at award date<sup>(1)</sup></b>                | <b>41.22%</b> | <b>33.11%</b> |

(1) As a percentage of the awarded amount.

|  | Initial value<br>of the share<br>at award<br>date | Fair value at<br>award date <sup>(2)</sup> | Valuation at<br>closing date<br>31/12/2022 | Valuation at<br>closing date<br>31/12/2023 |
|--|---|--|--|--|
| Closing price of BNP Paribas share                                       |   |  | EUR 53.25                                  | EUR 62.59                                  |
| Closing level of the EURO STOXX Banks index                              |   |  | 95.86                                      | 118.38                                     |
| Zero-coupon rate   |   |  | Euribor                                    | Euribor                                    |
| Volatility of the BNP Paribas share                                      |   |  | 27.59%                                     | 23.77%                                     |
| Volatility of the EURO STOXX Banks index                                 |   |  | 26.26%                                     | 22.32%                                     |
| Correlation between the BNP Paribas share and the EURO STOXX Banks index |   |  | 93.08%                                     | 93.31%                                     |
| Financial model used   |   |  | Monte-Carlo                                | Monte-Carlo                                |
| <b>Fair value of the plan awarded on 5 February 2019</b>                 | <b>EUR 53.08<sup>(1)</sup></b>                    | <b>18.10%</b>                              | <b>54.86%</b>                              | <b>88.92%</b>                              |
| <b>Fair value of the plan awarded on 4 February 2020</b>                 | <b>EUR 45.27<sup>(1)</sup></b>                    | <b>39.56%</b>                              | <b>62.89%</b>                              | <b>88.25%</b>                              |
| <b>Fair value of the plan awarded on 4 February 2021</b>                 | <b>EUR 36.83<sup>(1)</sup></b>                    | <b>41.59%</b>                              | <b>60.08%</b>                              | <b>72.78%</b>                              |
| <b>Fair value of the plan awarded on 7 February 2022</b>                 | <b>EUR 55.13<sup>(1)</sup></b>                    | <b>43.58%</b>                              | <b>30.24%</b>                              | <b>34.85%</b>                              |
| <b>Fair value of the plan awarded on 6 February 2023</b>                 | <b>EUR 50.98<sup>(1)</sup></b>                    | <b>41.22%</b>                              |  | <b>41.32%</b>                              |

(1) The initial value is the average of the opening price of the BNP Paribas share for the rolling twelve-month period preceding the award date.

(2) As a percentage of the awarded amount.

## DETAILED CONTRACTUAL SITUATION OF THE GROUP'S CORPORATE OFFICERS

|  | Employment contract |                  | Supplementary pension plan |    | Payments or benefits due or likely to become due upon termination or change in functions |    | Non-compete indemnity |    |
|--|---------------------|------------------|----------------------------|----|--|----|-----------------------|----|
|  | Yes                 | No               | Yes                        | No | Yes  | No | Yes                   | No |
| <b>Corporate officers in 2023</b>                          |                     |                  |                            |    |  |    |                       |    |
| <b>Jean LEMIERRE</b><br>Chairman of the Board of directors |                     | ✓ <sup>(1)</sup> | ✓ <sup>(2)</sup>           |    |  | ✓  |                       | ✓  |
| <b>Jean-Laurent BONNAFE</b><br>Chief Executive Officer     |                     | ✓ <sup>(3)</sup> | ✓ <sup>(2)</sup>           |    |  | ✓  | ✓ <sup>(4)</sup>      |    |
| <b>Yann GÉRARDIN</b><br>Chief Operating Officer            | ✓ <sup>(5)</sup>    |                  | ✓ <sup>(2)</sup>           |    |  | ✓  |                       | ✓  |
| <b>Thierry LABORDE</b><br>Chief Operating Officer          | ✓ <sup>(5)</sup>    |                  | ✓ <sup>(2)</sup>           |    |  | ✓  |                       | ✓  |

(1) Waiver of employment contract with effect from 1 December 2014 in accordance with Afep-MEDEF Code.

(2) Messrs Jean Lemierre, Jean-Laurent Bonnafé, Yann Gérardin and Thierry Laborde benefit exclusively from the pension plan set up for all BNP Paribas (SA) employees (article 83 of the French General Tax Code).

(3) Waiver of employment contract with effect from 1 July 2012.

(4) See section regarding the Non-compete agreement.

(5) Employment contract suspended.

## SUMMARY OF TRANSACTIONS REPORTED ON BNP PARIBAS STOCK

The following table lists the transactions indicated in article L.621-18-2 of the French Monetary and Financial Code on the Company's securities, covered by articles 223-22 A to 223-26 of the General regulation of the AMF, carried out in 2023 by the directors and corporate officers and which must be disclosed pursuant to the AMF regulations.

| First name and surname<br>Quality               | Transactions<br>carried out | Type of<br>financial<br>instrument | Nature of the<br>transaction | Number of<br>transactions | Amount of<br>transactions<br>(in euros) |
|---|-----------------------------|------------------------------------|------------------------------|---------------------------|---|
| Jean-Laurent BONNAFE<br>Chief Executive Officer | On a personal<br>basis      | BNP Paribas<br>shares              | Purchase                     | 1                         | 115,058                                 |
| Jean-Laurent BONNAFE<br>Chief Executive Officer | On a personal<br>basis      | BNP Paribas<br>shares              | Reinvestment of dividend     | 1                         | 249,462                                 |
| Yann GÉRARDIN<br>Chief Operating Officer        | On a personal<br>basis      | BNP Paribas<br>shares              | Purchase                     | 1                         | 117,081                                 |
| Thierry LABORDE<br>Chief Operating Officer      | On a personal<br>basis      | BNP Paribas<br>shares              | Purchase                     | 2                         | 10,210                                  |
| Jean LEMIERRE<br>Chairman                       | On a personal<br>basis      | BNP Paribas<br>shares              | Purchase                     | 1                         | 5,769                                   |

## 2.1.4 OTHER INFORMATION

### 1. INFORMATION ON STOCK SUBSCRIPTION OR PURCHASE OPTIONS AND ON PERFORMANCE SHARES

The Company did not grant any instruments to employees who are not directors or corporate officers in 2022.

No instruments were transferred or exercised in 2022 for the benefit of employees who are not directors or corporate officers.

### 2. LOANS, ADVANCES AND GUARANTEES GRANTED TO THE GROUP'S DIRECTORS AND CORPORATE OFFICERS

As at 31 December 2023, the total outstanding loans granted directly or indirectly to directors and corporate officers amounted to EUR 5,770,986 (EUR 5,179,096 as at 31 December 2022). This represents the total amount of loans granted to BNP Paribas' directors and corporate officers, their spouse and dependent children. These loans representing normal transactions were carried out at arm's length, in accordance with the Implementation procedure for conflicts of interest in relation to loans and other transactions granted to the Members of the management body and their related parties.

### 3. TABLE OF DELEGATIONS

#### Resolutions adopted at Shareholders' Annual General Meetings valid for 2023

The following delegations to increase or reduce the share capital have been granted to the Board of directors under resolutions approved by Shareholders' General Meetings and were valid during 2023:

| Resolutions adopted at Shareholders' General Meetings                               |  | Use of authorisation in 2023  |
|---|--|---|
| Shareholders' Combined General Meeting of 17 May 2022 (5 <sup>th</sup> resolution)  | <p>Authorisation given to the Board of directors to set up a share buyback programme by the Company up to a maximum of 10% of the shares comprising the share capital.</p> <p>Said acquisitions of shares, at a price not exceeding EUR 88 per share (previously EUR 73), would be intended to fulfil several objectives:</p> <ul style="list-style-type: none"><li>▪ cancelling shares in accordance with conditions set by the Shareholders' Combined General Meeting of 17 May 2022 (28<sup>th</sup> resolution);</li><li>▪ fulfilling obligations arising from the issue of securities giving access to capital, stock option programmes, the award of free shares, the award or assignment of shares to employees in connection with the employee profit-sharing scheme or company savings plans, and all forms of share grants to employees and/or directors and corporate officers of BNP Paribas and the companies controlled exclusively by BNP Paribas as defined in article L.233-16 of the French Commercial Code;</li><li>▪ holding and subsequently remitting them in exchange or payment for external growth transactions, mergers, spin-offs or asset contributions;</li><li>▪ under a market-making agreement in accordance with Decision No. 2021 of 22 June 2021 of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF);</li><li>▪ carrying out investment services for which BNP Paribas is authorised or to hedge them.</li></ul> <p>This authorisation was granted for a period of 18 months and replaces that granted by the 5<sup>th</sup> resolution of the Shareholders' Combined General Meeting of 18 May 2021.</p> | <p>As part of the share buyback programme authorised by the Board of directors on 6 February 2023, 15,607,680 shares were repurchased from 3 April 2023 to the date of the Shareholders' Combined General Meeting of 16 May 2023, by virtue of this delegation, representing 1.26% of the share capital</p> |
| Shareholders' Combined General Meeting of 17 May 2022 (21 <sup>st</sup> resolution) | <p>Capital increase, with preferential subscription rights maintained, through the issue of ordinary shares and securities (<i>valeurs mobilières</i>) giving access immediately or in the future to shares to be issued.</p> <p>The nominal amount of capital increases that may be carried out, immediately and/or in the future, by virtue of this delegation, may not exceed EUR 985 million (i.e. 492,500,000 shares).</p> <p>This authorisation was granted for a period of 26 months and replaces that granted by the 19<sup>th</sup> resolution of the Shareholders' Combined General Meeting of 19 May 2020.</p>  | <p>This resolution was not used during the period</p>   |
| Shareholders' Combined General Meeting of   | <p>Capital increase, without preferential subscription rights, by issue of ordinary shares and securities (<i>valeurs mobilières</i>) giving access immediately or in the future to shares to be issued.</p>   | <p>This resolution was not used during the period</p>   |

| Resolutions adopted at Shareholders' General Meetings                                  |   | Use of authorisation in 2023                   |
|--|---|--|
| 17 May 2022<br>(22 <sup>nd</sup> resolution)   | <p>The nominal amount of capital increases that may be carried out, immediately and/or in the future, by virtue of this authorisation, may not exceed EUR 240 million (i.e. 120 million shares).</p> <p>This authorisation was granted for a period of 26 months and replaces that granted by the 20<sup>th</sup> resolution of the Shareholders' Combined General Meeting of 19 May 2020.</p>  |  |
| Shareholders' Combined General Meeting of 17 May 2022<br>(23 <sup>rd</sup> resolution) | <p>Capital increase, with cancellation of preferential subscription rights, through the issue of ordinary shares and securities (<i>valeurs mobilières</i>) giving access, immediately or in the future, to shares to be issued intended to remunerate contributions of securities up to a limit of 10% of the share capital.</p> <p>The nominal amount of capital increases that may be carried out in one or more times by virtue of this authorisation, may not exceed 10% of the share capital of BNP Paribas as at the date of the decision of the Board of directors.</p> <p>This delegation was given for a period of 26 months and replaces that granted by the 21<sup>st</sup> resolution of the Shareholders' Combined General Meeting of 19 May 2020.</p>  | This resolution was not used during the period |
| Shareholders' Combined General Meeting of 17 May 2022<br>(24 <sup>th</sup> resolution) | <p>Overall limit on authorisations to issue shares with cancellation or without preferential subscription rights for existing shareholders.</p> <p>The maximum nominal amount of capital increases with cancellation or without preferential subscription rights for existing shareholders carried out immediately and/or in the future may not exceed EUR 240 million as part of authorisations by virtue of the 22<sup>nd</sup> and 23<sup>rd</sup> resolutions of the Shareholders' Combined General Meeting of 17 May 2022.</p>   | This resolution was not used during the period |
| Shareholders' Combined General Meeting of 17 May 2022<br>(25 <sup>th</sup> resolution) | <p>Capital increase by capitalising reserves, retained earnings, additional paid-in capital or contribution premium.</p> <p>Authorisation was given to increase the share capital up to a maximum amount of EUR 985 million in one or more times, by capitalising all or part of the reserves, profits or additional paid-in capital, merger or contribution premiums, successively or simultaneously, through the issuance and award of free shares, through an increase in the par value of existing shares, or through a combination of these two methods.</p> <p>This authorisation was granted for a period of 26 months and replaces that granted by the 23<sup>rd</sup> resolution of the Shareholders' Combined General Meeting of 19 May 2020.</p>   | This resolution was not used during the period |
| Shareholders' Combined General Meeting of 17 May 2022<br>(26 <sup>th</sup> resolution) | <p>Overall limit on authorisations to issue shares with, with cancellation or without preferential subscription rights for existing shareholders</p> <p>The maximum nominal amount of capital increases with, with cancellation or without preferential subscription rights for existing shareholders carried out immediately and/or in the future may not exceed EUR 985 million as part of authorisations by virtue of the 21<sup>st</sup> to 23<sup>rd</sup> resolutions of the Shareholders' Combined General Meeting of 17 May 2022.</p>   | This resolution was not used during the period |
| Shareholders' Combined General Meeting of 17 May 2022<br>(27 <sup>th</sup> resolution) | <p>Authorisation granted to the Board of directors to carry out transactions reserved for members of the BNP Paribas Group Company Savings Plan, with cancellation of preferential subscription rights, which may take the form of capital increases and/or disposals of reserved titles.</p> <p>Authorisation was given to increase the share capital within the limit of a maximum nominal amount of EUR 46 million in one or more times by issuing ordinary shares (with cancellation of preferential subscription rights for existing shareholders), reserved for members of the BNP Paribas Group's Company Savings Plan, or by selling of shares.</p> <p>This authorisation was granted for a period of 26 months and replaces that granted by the 25<sup>th</sup> resolution of the Shareholders' Combined General Meeting of 19 May 2020.</p> | This resolution was not used during the period |

| Resolutions adopted at Shareholders' General Meetings                               |   | Use of authorisation in 2023   |
|---|---|--|
| Shareholders' Combined General Meeting of 17 May 2022 (28 <sup>th</sup> resolution) | <p>Authorisation granted to the Board of directors to reduce the share capital by cancelling shares.</p> <p>Authorisation is given to cancel, in one or more times, through reduction of the share capital, all or some of the shares that BNP Paribas holds and that it could hold, up to a maximum of 10% of the total number of shares constituting the share capital existing as at the date of the transaction, for a period of 24 months.</p> <p>Delegation of all powers to carry out this reduction in share capital, and allocate the difference between the purchase price of the cancelled shares and their nominal value to share premium and retained earnings, including the legal reserve up to 10% of the share capital cancelled.</p> <p>This authorisation was granted for a period of 18 months and replaces that granted by the 20<sup>th</sup> resolution of the Shareholders' Combined General Meeting of 18 May 2021.</p>  | This resolution was not used during the period   |
| Shareholders' Combined General Meeting of 16 May 2023 (5 <sup>th</sup> resolution)  | <p>Authorisation given to the Board of directors to set up a share buyback programme by the Company up to a maximum of 10% of the shares comprising the share capital.</p> <p>Said acquisitions of shares, at a price not exceeding EUR 89 per share (previously EUR 88), would be intended to fulfil several objectives:</p> <ul style="list-style-type: none"><li>▪ cancelling shares in accordance with conditions set by the Shareholders' Combined General Meeting of 16 May 2023 (21<sup>st</sup> resolution);</li><li>▪ fulfilling obligations arising from the issue of securities giving access to capital, stock option programmes, the award of free shares, the award or assignment of shares to employees in connection with the employee profit-sharing scheme or company savings plans, and all forms of share grants to employees and/or directors and corporate officers of BNP Paribas and the companies controlled exclusively by BNP Paribas as defined in article L.233-16 of the French Commercial Code;</li><li>▪ holding and subsequently remitting them in exchange or payment for external growth transactions, mergers, spin-offs or asset contributions;</li><li>▪ under a market-making agreement in accordance with Decision No. 2021-01 of 22 June 2021 of the French Financial Markets Authority (Autorité des Marchés Financiers – AMF);</li><li>▪ carrying out investment services for which BNP Paribas is authorised or to hedge them.</li></ul> <p>This authorisation was granted for a period of 18 months and replaces that granted by the 5<sup>th</sup> resolution of the Shareholders' Combined General Meeting of 17 May 2022.</p> | As part of the share buyback programme authorised by the Board of directors on 6 February 2023, 71,246,557 shares were repurchased from the date of the Combined General Meeting of 16 May 2023 to 8 November 2023 by virtue of this delegation, representing 5.77% of the share capital   |
| Shareholders' Combined General Meeting of 16 May 2023 (19 <sup>th</sup> resolution) | <p>In the context of an offer referred to in article L.411-2 1° of the French Monetary and Financial Code, authorisation granted to the Board of directors to increase the share capital with cancellation of preferential subscription rights, through the issue of super-subordinated convertible contingent bonds that would be converted into ordinary shares of BNP Paribas to be issued, up to a limit of 10% of the share capital, only in the event that the Common Equity Tier One ratio ("CET1") becomes equal to or falls below a threshold of 5.125%.</p> <p>The Board of directors is authorised to increase the share capital in one or more times, with cancellation of preferential subscription rights, by offering securities to a restricted circle of investors and/or qualified investors, as part of issues of super-subordinated bonds convertible into ordinary shares of BNP Paribas in the event that the Group's Common Equity Tier One (CET 1) ratio becomes equal to or falls below the threshold of 5.125% or any other threshold allowing classification as additional Tier 1 capital instruments (the "AT1 Bonds"). These AT1 Bonds will be denominated in USD, it being recalled that the ordinary shares are denominated in euros.</p> <p>The maximum nominal amount of capital increases that may be carried out, in one or more times, by virtue of this delegation, is set at EUR 240 million, and may not exceed 10% of the share capital of BNP Paribas per year as at the date of the issue decision.</p> <p>This delegation was granted for a period of 14 months.</p>   | Pursuant to the authorisation to the Board of directors of 16 May 2023, issue on 7 August 2023 of AT1 Bonds (super-subordinated convertible contingent bonds) for a nominal amount of USD 1.5 billion, which may give rise in the event of conversion to a capital increase equal to a maximum of EUR 66,529,200, subject to any adjustments |
| Shareholders' Combined General Meeting of 16 May 2023                               | <p>Authorisation granted to the Board of directors to carry out transactions reserved for members of the BNP Paribas Group Company Savings Plan, with cancellation of preferential subscription rights, which may take the form of capital increases and/or disposals of reserved titles.</p>   | This resolution was not used during the period   |



| Resolutions adopted at Shareholders' General Meetings                               |  | Use of authorisation in 2023  |
|---|--|---|
| (20 <sup>th</sup> resolution)   | <p>Authorisation is given to increase, in one or more times, the share capital by a maximum nominal amount of EUR 46 million, through the issue of ordinary shares or securities (<i>valeurs mobilières</i>) governed by article L.228-92 paragraph 1 of the French Commercial Code giving access to the share capital of BNP Paribas reserved for members of the BNP Paribas Group Company Savings Plan or by disposal of shares.</p> <p>This authorisation was granted for a period of 26 months and replaces that granted by the 27<sup>th</sup> resolution of the Shareholders' Combined General Meeting of 17 May 2022.</p>   |   |
| Shareholders' Combined General Meeting of 16 May 2023 (21 <sup>st</sup> resolution) | <p>Authorisation granted to the Board of directors to reduce the share capital by cancelling shares.</p> <p>Authorisation is given to cancel, in one or more times, through reduction of the share capital, all or some of the shares that BNP Paribas holds and that it could hold, up to a maximum of 10% of the total number of shares constituting the share capital existing as at the date of the transaction, for a period of 24 months.</p> <p>Delegation of all powers to carry out this reduction in share capital, and allocate the difference between the purchase price of the cancelled shares and their nominal value to share premium and retained earnings, including the legal reserve up to 10% of the share capital cancelled.</p> <p>This authorisation was granted for a period of 18 months and replaces that granted by the 28<sup>th</sup> resolution of the Shareholders' Combined General Meeting of 17 May 2022.</p> | <p>Cancellation of 86,854,237 shares with a par value of EUR 2 from 27 September 2023 to 17 November 2023 representing 7.04% of the share capital</p> |

#### 4. ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC TENDER OR EXCHANGE OFFER (ARTICLE L.22-10-11 OF THE FRENCH COMMERCIAL CODE)

Among the items referred to in article L.22-10-11 of the French Commercial Code, there is no item likely to have an impact in the event of a public tender or exchange offer.

## 2.2 Statutory Auditors' report

The comments required by article L.22-10-71 of the French Commercial Code are covered in the Statutory Auditor's report on the parent company financial statements (chapter 6.6).

## 2.3 The Executive Committee

At 25 April 2024, the BNP Paribas Executive Committee had the following members:

- **Jean-Laurent Bonnafé**, Director and Chief Executive Officer;
- **Yann Gérardin**, Chief Operating Officer in charge of the Corporate & Institutional Banking division;
- **Thierry Laborde**, Chief Operating Officer in charge of the Commercial, Personal Banking & Services division;
- **Laurent David**, Deputy Chief Operating Officer;
- **Renaud Dumora**, Deputy Chief Operating Officer in charge of the Investment & Protection Services division;
- **Isabelle Loc**, Head of Commercial & Personal Banking in France;
- **Charlotte Dennery**, Director and Chief Executive Officer of BNP Paribas Personal Finance;
- **Elena Goitini**, Chief Executive Officer of BNL;
- **Michael Anseeuw**, Director and Chief Executive Officer and Chairman of the Executive Board of BNP Paribas Fortis;
- **Yannick Jung**, Head of Corporate & Institutional Banking Global Banking;
- **Pauline Leclerc-Glorieux**, Chief Executive Officer of BNP Paribas Cardif;
- **Olivier Osty**, Head of Corporate & Institutional Banking Global Markets;
- **Bernard GavGANI**, Chief Information Officer;
- **Stéphanie Maarek**, Head of Compliance;
- **Lars Machenil**, Chief Financial Officer;
- **Sofia Merlo**, Head of Human Resources;
- **Frank Roncey**, Chief Risk Officer;
- **Antoine Sire**, Head of Company Engagement.

The BNP Paribas Executive Committee has had a permanent Secretariat since November 2007.

## 2.4 Internal control

The following information relating to internal control was submitted to the Group's Executive Management. The Chief Executive Officer, as executive director, is responsible for the organisation and procedures of internal control and for all information required by French law regarding the internal control report. This document is based on the information provided by the Compliance, RISK, Finance & Strategy, LEGAL and General Inspection Functions. It has been approved by the Board of directors.

### BNP PARIBAS' INTERNAL CONTROL STANDARDS

The principles and procedures for the internal control of banking activities in France and abroad are at the heart of banking and financial regulations and are subject to numerous legislative and regulatory provisions.

The main text applicable to BNP Paribas is the Ministerial Order of 3 November 2014. This text sets out the conditions for the implementation and monitoring of internal control in credit institutions and investment firms, in compliance with the European Directive CRD 4. In particular, it specifies the principles relating to internal transaction control systems and procedures, organisation of accounting and information processing, risk and result measurement systems, risk monitoring and control systems, and the information and documentation system for internal control. Article 258 of this Order provides for the drafting for the Board of directors of an annual regulatory report on the conditions under which internal control is implemented.

This Order requires BNP Paribas to have an internal control system (hereinafter Internal control) comprising specific departments and persons responsible for permanent control (including the Compliance and RISK Functions) and periodic control. This system must also take into account, as appropriate, the General regulation of the AMF, the regulations applicable to foreign branches and subsidiaries and to specialised activities such as portfolio management and insurance, and the

recommendations of leading international bodies dealing with issues related to the prudential regulation of international banks, first and foremost the Basel Committee, the Financial Stability Board, the European Authorities, the European Securities and Markets Authority, the European Central Bank and the French *Autorité de contrôle prudentiel et de résolution*.

## DEFINITION, OBJECTIVES AND STANDARDS OF INTERNAL CONTROL

The BNP Paribas Group's Executive Management has implemented an internal control system whose main purpose is to ensure overall control of the risks and to provide reasonable assurance that the Company's objectives in this respect are achieved.

The BNP Paribas Internal Control Charter specifies the framework of this system and constitutes BNP Paribas' basic internal control framework. Widely distributed within the Group and accessible to all its employees, this charter firstly recalls the objectives of internal control, which aims to ensure:

- a sound and prudent risk management approach, aligned with BNP Paribas' values and Code of conduct in conjunction with the policies outlined in its corporate social responsibility framework;
- operational security of BNP Paribas' internal operations;
- the relevance and reliability of accounting and financial information;
- compliance with laws, regulations and internal policies.

Its implementation requires, in particular, that a high-level culture of risk and ethics be promoted to all employees and in BNP Paribas' relations with third parties, clients, intermediaries or suppliers as well as its shareholders.

The charter then sets out the rules governing the organisation responsibility and scope of operations of the various internal control entities and establishes the principle according to which the control functions (Compliance, LEGAL, RISK and General Inspection in particular) execute these controls independently.

## SCOPE OF INTERNAL CONTROL

The BNP Paribas Group's internal control is overarching:

- it covers all types of risks to which the Group may be exposed (credit and counterparty risk, market risk, liquidity risk, interest rate risk in the banking book, underwriting risk with respect to insurance, operational risk, risk of non-compliance, equity risk, etc.);
- it is applied at the Group level and at the level of directly or indirectly controlled entities, irrespective of their line of business and irrespective of whether they are consolidated entities or otherwise. For other entities (in particular, legal entities subject to significant influence), the Group's representatives on the corporate bodies of these entities are strongly encouraged to promote the same standards of internal control;
- it also covers the use of outsourced services, in accordance with principles defined by regulation.

## FUNDAMENTAL PRINCIPLES OF INTERNAL CONTROL

BNP Paribas' internal control system is based on its values and the Code of conduct as well as the following additional principles of action:

- clearly identified responsibilities: internal control is the responsibility of every employee, irrespective of their seniority or responsibilities. The exercise of a managerial function carries the additional responsibility of ensuring the proper implementation of the internal control system within the scope subject to regulation. As such, the necessary responsibilities and delegations must be clearly identified and communicated to all stakeholders;
- a structured risk identification, assessment and management system (involving, among others, a decision-making system, delegation, organisational principles, controls, reporting and alert mechanism, etc.);
- independent control and oversight of risks: the Heads of the operational activities have the ultimate responsibility for those risks created by their activities and as such, the foremost responsibility of implementing and operating a system that identifies, assesses and manages risk. The internal control system provides for mandatory intervention, and as early as possible, of functions exercising independent control under a second level of control. This intervention takes the following forms:
  - defining the overall normative framework for risk identification, assessment and management,
  - defining cases where a prior second review by a function exercising a second-level control shared with the operational entity is necessary for decision-making,
  - independent controls, called second-level controls, carried out by said function on the system implemented by the Heads of the operational activities and on their operations (result of the risk identification and assessment process, relevance and compliance of the risk control systems and in particular, compliance with the limits set);
- separation of duties: this is a key element of the risk control system. It consists of assigning certain operational tasks that contribute to the performance of a single process to stakeholders at various hierarchical levels or to separate these tasks by other means, in particular by electronic means. Thus, for example, tasks related to transaction initiation, confirmation, accounting, settlement and accounts reconciliation must be performed by different parties;
- proportionality of risks: the internal control system must be implemented under an approach and with an intensity that is proportionate to the risks involved. This proportionality is determined based on one or more criteria:

- risk intensity as identified in the context of assessment programmes (“Risk ID”, RCSA, *etc.*),
- amount of allocated capital and/or ratios in terms of solvency and liquidity,
- criticality of activities with regard to systemic issues,
- regulatory conditions governing the exercise of business activities, size of business activities carried out,
- customer type and distribution channels,
- complexity of the products designed or marketed and/or services provided,
- complexity of the processes carried out and/or the level of use of outsourcing with internal/external entities of the Group,
- sensitivity of the environment where the activities are located,
- legal form and/or presence of minority shareholders;
- appropriate governance: the internal control system is subject to governance involving the different stakeholders and covering the various aspects of internal control, both organisational and monitoring and oversight; the Internal Control Committees are a key instrument in this system. The framework is part of the decision-making processes managed through a system of delegations in the management reporting lines. They may involve the input of a third party belonging to another reporting line, whenever the systems defined by the operating entities and/or the functions exercising a second-level control so provide. The escalation process allows for disagreements between the operating entities and functions exercising second-level control, especially those related to decision-making, to be escalated to the higher hierarchical and possibly functional levels, to which the two parties report, and ultimately, if these disputes cannot be resolved in this way, to arbitration conducted by the Group’s Executive Officers. This process is implemented in accordance with the powers conferred to the Group Risk Officer, who may exercise his right of veto under the conditions set out in the RISK Function Charter;
- a requirement for formalisation and traceability: Internal Control relies on the instructions of the Executive Officers, written policies and procedures and audit trails. As such, the controls, their results, their implementation and the feedback from the entities to the higher levels of the Group’s governance are documented and traceable;
- a duty of transparency: all Group employees, irrespective of their position, have a duty to communicate, in a transparent manner, that is, spontaneously and promptly, to a higher level within the organisation to which they belong:
  - any information required for a proper analysis of the situation of the entity in which the employee operates, and which may impact the risks or the reputation of the entity or the Group,
  - any question that the employee could not resolve independently in the exercise of his or her duties,
  - any anomaly of which the employee becomes aware.

In addition, he or she has a whistleblowing right, as provided for in the Group’s Code of conduct, allowing them to make a report within a framework placed under the responsibility of the Compliance Function, providing a guarantee of confidentiality and enhanced protection against the risk of retaliation;
- Human Resources management taking into account internal control objectives: the internal control objectives to be considered in employee career management and remuneration (including: as part of the employee evaluation process, training, recruitment for key positions, and in determining remuneration);
- continuous adaptation of the system in response to changes: the internal control system must be actively managed by its various stakeholders. This adjustment in response to changes of any kind that the Group must face must be done according to a periodic cycle defined in advance but also continuously as soon as events so justify.

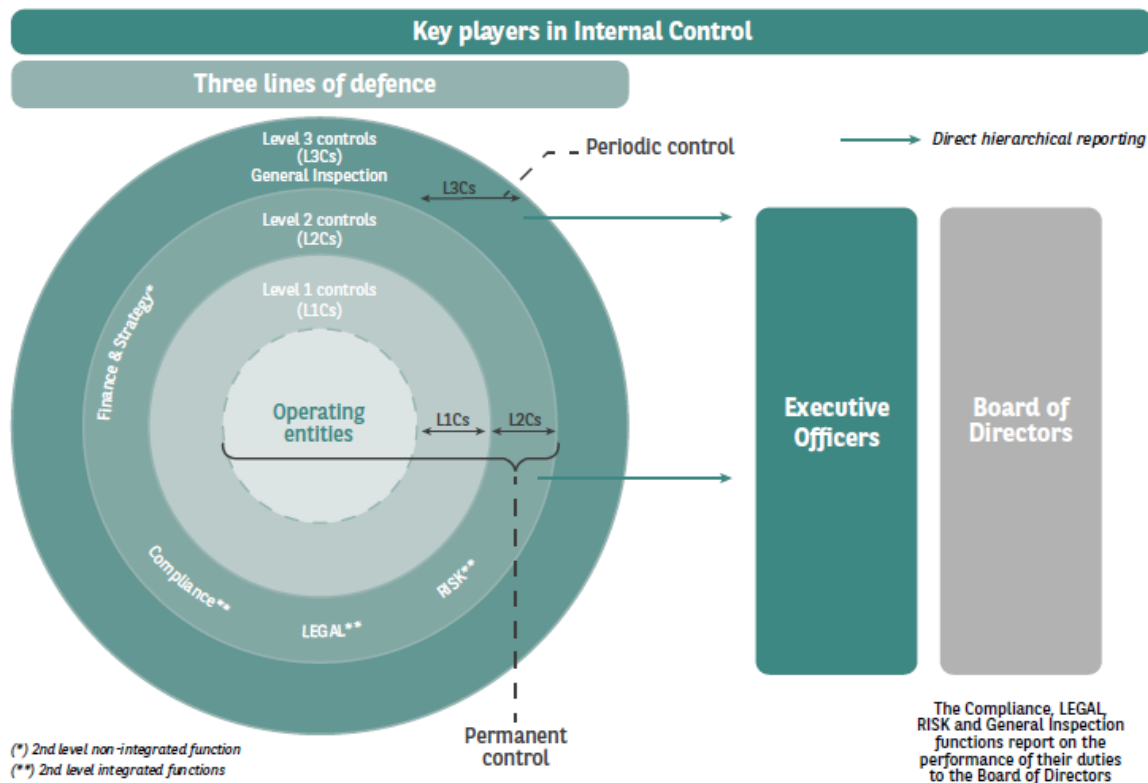
Compliance with these principles is verified on a regular basis, in particular through assignments carried out by the periodic control teams (General Inspection).

## ORGANISATION OF INTERNAL CONTROL

BNP Paribas Group’s internal control system is organised around three lines of defence, under the responsibility of the Executive Officers and under the oversight of the Board of directors.

Permanent control is the ongoing implementation of the risk management system and is provided by the first two lines of defence. Periodic control, provided by the third line of defence, has an audit and assessment function that is performed according to its own audit cycle.

The functions exercising the second and the third lines of defence are so-called functions exercising independent control. They report directly to the Executive Officers and with respect to Compliance, LEGAL, RISK and General Inspection, they report on the performance of their duties to the Board of directors.



## KEY PLAYERS IN INTERNAL CONTROL

- Operating entities are the first line of defence: operating entities are primarily responsible for managing their risks and are the front-line in permanent control. They act within the framework defined by the Group's Executive Officers and reviewed by its Board of directors, transcribed in the form of policies and procedures and to the extent necessary, tailored by the corporate bodies of the Group's entities.
- The risk control system operated by the first line of defence forms what is called the first-level control system. It is implemented by employees and/or their reporting line and/or control teams that do not operate the processes under their control.

The operating entities cover:

- all operating divisions and business lines, whether these are profit centres or their support functions;
- all cross-divisional functions, including the control functions for the processes that they operate directly and not under the responsibility of the second line of defence;
- all the Territories, attached to an operating division.
- The functions exercising second-level control (second line of defence):
  - the functions exercising second-level control are responsible, under the delegation given by the Executive Officers, for the organisation and functioning of the risk control system and its compliance with laws and regulations on a range of areas (subjects and/or processes), as defined in their Responsibility Charter;
  - as such, in their field of expertise and, where appropriate, after having consulted the operating entities, they define the general normative framework in which they manage the risk for which they are responsible, the terms of their intervention (thresholds, delegations, escalation, etc.), implement this system in the relevant areas and for which they are responsible, for first-level and second-level permanent control. They challenge and provide an independent view of risk identification and assessment *vis-à-vis* operating entities. They also contribute to spreading a culture of risk and ethics within the Group;
  - the Heads of these functions provide the Executive Officers and Board of directors with a reasoned opinion on the level of risk control, current or potential, in particular regarding the "Risk Appetite Statement" as defined and propose any actions for improvement that they deem necessary;
  - the Head of a function performing a second-level control performs this mission by relying on teams that can be placed, either:
    - under its direct or indirect hierarchical responsibility, where the function is then called integrated. It thus has full authority over its budget and the management of its Human Resources, or
    - under its direct or indirect functional responsibility (so-called non-integrated function) subject to joint decision-making with the reporting line manager for Human Resources and budget.

The three integrated functions exercising second-level control are:

- **RISK**, in charge of organising and overseeing the overall system for controlling those risks to which the BNP Paribas Group is exposed, particularly credit risk and counterparty risk, market risk, funding and liquidity risk, interest rate and exchange rate risk in the Banking book, insurance risk, operational risk, and environmental and social risk factors that affect the above risk categories;
- **Compliance**, responsible for organising and overseeing the non-compliance risk control system. As such, it contributes to the permanent control of compliance with laws and regulations, professional and ethical standards and the guidelines of the Board of directors and the instructions of the Executive Management;
- **LEGAL**, responsible for organising and overseeing the legal risk control system, exercises its responsibility to prevent and manage legal risks through its advisory and control roles. It exercises this control by (i) issuing legal opinions for the purpose of avoiding or mitigating the effects of a major legal risk, (ii) first- and second-level control exerted on the legal processes and (iii) the definition of a Group-level control plan for the business lines and functions to cover certain risks that may affect the processes under their responsibility. The missions entrusted to this function are performed independently of the business activities and support functions. The function is integrated hierarchically under the sole authority of its Department head, the Group General Counsel, who reports to the Chief Executive Officer.

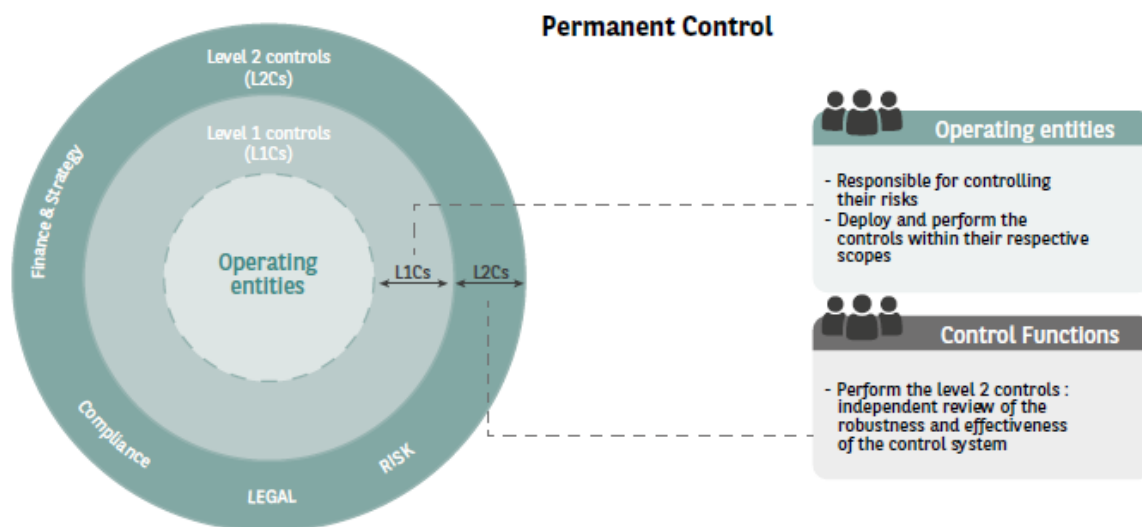
The Heads of these functions may be heard by the Board or any of its specialised committees, directly, possibly without the presence of Executive Officers, or at their request.

Finance & Strategy is a non-integrated function that exercises a second-level control. The Standards & Controls Department, within it, is responsible for defining and implementing the risk management system related to accounting and financial information.

RISK, Compliance and Finance & Strategy share responsibility for the second line of defence in terms of tax risk with the support of the Tax function, which acts as an expert on tax-related issues.

The appointment of the Heads of the Compliance, Finance & Strategy and RISK Functions falls within the framework defined by the European Banking Authority.

Permanent control can be outlined as follows:



- **General Inspection (third line of defence):** the General Inspection is responsible for periodic control, performs the internal audit function and contributes to the protection of the Group by independently acting as its third line of defence on all Group entities and in all areas. It includes:

- centrally-based inspectors who carry out their duties throughout the Group,
- auditors distributed in the geographical or business line platforms (called “hubs”).

The General Inspector, responsible for periodic controls, reports to the Chief Executive Officer.

- **Executive Officers:** the Chief Executive Officer and the Chief Operating Officers ensure the effective management of the Company for regulatory and legal purposes. In practice, the Executive Officers make key decisions through specialised committees that allow them to rely on experts with a deep understanding of the issues to be addressed.

Executive Officers are responsible for the internal control system as a whole. As such and notwithstanding the powers of the Board of directors, the Executive Officers:

- decide on the key policies and procedures serving as the basis for this system;
  - directly oversee the functions exercising independent control and provide them with the means to allow them to fulfil their responsibilities effectively;
  - define the Group's risk-taking policies, validate the most important decisions in this area and, if necessary, make the final decisions in the context of the escalation process. This process is implemented in accordance with the powers conferred to the Group Risk Officer, who may exercise his or her right of veto under the conditions set out in the RISK Function Charter;
  - periodically evaluate and monitor the effectiveness of the internal control policies, systems and procedures and implement the appropriate measures to remedy any deficiencies;
  - receive the main reports on internal control within the Group;
  - report to the Board of directors or its relevant committees on the operation of this system.
- Pursuant to the Decree of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the control of the ACPR, BNP Paribas must appoint an executive director responsible for overseeing the consistency and effectiveness of the BNP Paribas Group's internal control. At 31 December 2023, the Chief Executive Officer is the Executive Officer responsible for overseeing the consistency and effectiveness of BNP Paribas Group's internal control.
- The Board of directors: the Board of directors exercises directly or through specialised committees (Financial Statements Committee, Internal Control, Risk Management and Compliance [CCIRC] Committee, Governance, Ethics, Nominations and CSR Committee, etc.) key responsibilities in terms of internal control. Among others, the Board of directors:
- determines, on the proposal of the Executive Officers, the strategy and guidelines of the internal control activity and ensures their implementation;
  - reviews the internal control activity and results at least once per year;
  - regularly reviews, assesses and verifies the effectiveness of the governance system, including in particular clearly defined responsibilities, and internal control, which notably includes risk reporting procedures, and takes appropriate measures to remedy any failings uncovered;
  - validates the Risk Appetite Statement, approves and periodically reviews the strategies and policies for taking up, managing, monitoring and controlling risks and approves their overall limits.

The organisation of the Board of directors and its specialised committees is defined through its Internal Rules. The Heads of General Inspection and the integrated functions exercising second-level control have the right to be heard, possibly without the presence of Executive Officers, by the Board of directors or one of its specialised committees.

Finally, among the specialised committees, the Internal Control, Risk Management and Compliance Committee (CCIRC) is essential in the Group's internal control system. Indeed, it assumes the following responsibilities:

- analyses reports on internal control and on risk measurement and monitoring, reports on the activities of the General Inspection, and significant correspondence with the main regulators;
- examines the strategic directions of the risk policy;
- reports to the Board of directors.

## COORDINATION OF INTERNAL CONTROL

At the consolidated level, the Group Supervisory & Control Committee – GSCC coordinates internal control, and is responsible, in particular, for ensuring consistency and coordination in the internal control system. Chaired by the Chief Executive Officer, it brings together the Chief Operating Officers, the Deputy Chief Operating Officers and the Heads of control functions.

In those entities and territories that are significant for the Group, their Executive Officers are responsible for arranging this coordination, generally within the framework of the Internal Control Committees.

## PROCEDURES

The procedures are one of the key elements of the permanent control system alongside the identification and assessment of risks, controls, reporting and monitoring of the control system.

Written guidelines are distributed throughout the Group and provide the organisation and procedures to be applied as well as the controls to be performed. These procedures constitute the basic framework for internal control. The RISK Function regularly monitors procedure guidelines. The Group's cross-functional procedures framework is regularly updated with contributions from all divisions and functions. Regarding the control framework, investigations into the status of the system are included in the report on permanent control.

Among the Group's cross-functional procedures, applicable in all entities, risk control is critically important in, for example:

- the procedures that govern the process for approving exceptional transactions, new products and new business activities;
- the procedure for approving credit and market transactions;

- the procedures for compliance with embargoes, anti-money laundering and the financing of terrorism and anti-corruption.

The processes from these procedural frameworks rely primarily on committees (Exceptional Transactions Committees, New Business Activities and Products Committees, Credit Committees, *etc.*) mainly covering both operational and related functions such as IT and Operations, as well as the control functions (RISK, Compliance, Finance & Strategy and LEGAL Functions), which take a “second-look” on transactions. In the event of a dispute, they are submitted to a higher level of the organisation. At the highest level of the Group, there are committees (Credit, Market Risk, Risk Policy Committees, *etc.*) chaired by members of Executive Management.

## COMPLIANCE

### Organisation and change to the function

Compliance is a globally integrated function: all compliance managers in the operating divisions, business lines, regions, territories and their teams report to it hierarchically, which guarantees their independence. Its organisation brings together proximity teams aligned with the structure of the Group's operating divisions, business lines and entities, as well as central areas of expertise.

Compliance contributes to the three components of the Group's GTS 2025 strategic plan:

- growth: by participating in projects for new products, new channels and external growth as part of the business lines' development strategy;
- technology: by continuing the automation of processes and the deployment of standard IT tools;
- sustainability: by anticipating emerging risks and regulatory changes, and by supporting the Group's ESG commitments.

The Compliance workforce stood at 3,610 full-time equivalents (FTE) at the end of December 2023.

### Compliance activity in 2023

#### *Financial security*

2023 was marked by an exacerbated geopolitical context and the prospect of significant regulatory changes at the European level.

The Group's remediation plan for international financial sanctions is now complete and has been submitted to the authorities in France and the United States.

The highly complex sanction measures against Russia continue to mobilise the Compliance teams and have led to the adaptation of tools and operational processes to effectively manage the new regulations. The system is being adapted to better capture the risk of circumvention of these sanctions.

In general, the system for combating money laundering and the financing of terrorism, compliance with international sanctions and the freezing of assets is subject to continuous improvement of its standards and IT tools.

In 2023, this improvement focused, in particular, on the strengthening of steering for risk management purposes and the search for greater operational efficiency through the implementation of homogeneous indicators and dashboards in the Group.

Lastly, in terms of regulations, the Group took part in the consultations organised as part of the development of the new European framework for combating money laundering and the financing of terrorism.

#### *The fight against corruption*

As part of a continuous improvement approach, the system for preventing and detecting corruption and influence peddling is being strengthened in its various components with regard to risk assessment.

The due diligence measures on customers, intermediaries and suppliers knowledge have been complemented in order to improve the assessment of the risk of corruption. Procurement procedures have been revised. The automation of the detection of negative information on third parties is being implemented.

#### *Professional ethics*

The system for overseeing employees' personal transactions, private mandates and gifts & invitations has been strengthened with the update of the procedural body, the deployment of the dedicated IT tool allowing homogeneous risk management throughout the Group, as well as the publication of guidelines governing the management of breaches.

The whistleblowing system is now extended to external players and the protection of whistleblowers has been strengthened. In addition, employees responsible for processing alerts receive specific training. Finally, a comprehensive report on alerts is presented each year to Executive Management and the Board of directors.

#### *Market integrity*

The regulatory system has been updated: the procedures as well as the control plan applicable by the first line of defence have been updated.

In collaboration with the Professional Ethics and Protecting Clients' Interests Departments, the Group's conflict of interest policy was updated and the management system strengthened.



The integration of Exane's activities into the Group's overall monitoring system (in particular, detection and treatment of conflicts of interest and market abuse) was completed in November 2023.

The communication channels used by the market activities were subject to an exhaustive review to ensure the compliance of the registration and information retention processes.

Lastly, the algorithmic trading activities conducted within the various business lines and entities were subject to an in-depth review to ensure their compliance with the Group's control system.

### ***Regulation of banking activities***

The BNP Paribas Group is subject to the French Banking Separation and Regulation Act, as well as to the Volcker rule. The associated compliance system has been updated and adapted to the specificities and operational constraints of each activity and each legal entity, in compliance with legal and regulatory provisions.

The Group's swap activities, mainly under the responsibility of CIB, subject to CFTC (Commodity Futures Trading Commission) and SEC (Securities and Exchange Commission) regulations, have been the subject of several initiatives to strengthen their compliance framework.

### ***Tax regulations applicable to customers***

The BNP Paribas Group is subject to a set of tax regulations with extraterritorial scope: FATCA (Foreign Account Tax Compliance Act), QI regime (Qualified Intermediary) regulating the withholding of income from US securities; AEOI (automatic exchange of tax information within the OECD); DAC6 directive (declaration of tax schemes considered to be aggressive in the European Union).

The compliance systems relating to these regulations have been in place since their entry into force, including procedures, an employee training programme and adapted control plans.

In 2023, the local tax regulations applicable to customers were harmonised by Compliance, RISK and Finance & Strategy, which share the responsibility for the second line of defence in terms of tax risk with the support of the Tax function, acting as an expert in tax-related matters.

### ***Conduct***

In addition to its role as second line of defence in terms of risks relating to the rules of conduct that it shares with RISK and LEGAL, Compliance ensures the coordination, steering and information of management on transverse initiatives aimed at strengthening the Group's Conduct system composed of the following pillars:

- customer's interest;
- financial security;
- market integrity;
- conflicts of interests;
- professional ethics;
- respect for colleagues;
- protection of the Group;
- commitment to society;
- the fight against corruption and influence peddling.

This responsibility is now carried out within Compliance by a new domain of expertise, Supervisory & Conduct.

In 2023, the Group focused on strengthening the monitoring framework for Conduct, particularly within its market activities, in terms of risk assessment, procedures, controls and indicators. Specific governance has been put in place for these activities.

In addition, a series of indicators is regularly reported to the Board of directors. They relate to the use of the whistleblowing system, alerts relating to respect for people, the monitoring of mandatory training and customer complaints related to the topics of Conduct.

A recent survey of the Group's employees confirmed their high level of adherence to the values and behaviours defined in the Code of conduct, as well as a good knowledge of the channels used to raise alerts. These good overall results are the subject of a detailed analysis at the level of each entity in order to identify any additional actions.

### ***ESG practice***

In order to integrate environmental, societal and governance stakes into the risk management ensured by Compliance, an ESG practice team was created to bring expertise to the various domains of the Function and to establish collaboration with RISK, LEGAL, Company Engagement and the business lines.

The compliance system has been adapted, in particular in terms of protecting clients' interests with the issuance of instructions – for example to prevent the risk of greenwashing – and in terms of knowledge of third parties – in particular to integrate the identification of ESG risk factors when entering into relations.

Finally, a training programme for Compliance employees was designed within the Sustainability Academy, in liaison with Human Resources.

***Risk management system***

In 2023, actions relating to the risk management system focused on:

- the improvement of Risk and Control Self Assessment thanks to a more detailed taxonomy;
- the standardisation of the second-level control process carried out by Compliance on the first line of defence;
- increased use of the standard Group operational risk management tools.

## **Training**

Mandatory training programmes, adjusted in their content, continued with high completion rates.

All new employees, when they join the Group, are systematically registered for training on the Code of conduct (Conduct Journey) and financial security (know your customer, fight against money laundering, financing of terrorism and corruption, international sanctions and embargoes).

All Group employees are assigned a training course on all the topics of the Code of conduct. In its third edition, the Conduct Journey was enriched with information on whistleblowing channels and with a new module on diversity, equity and inclusion.

In addition, employees particularly exposed to certain risks receive complementary training on:

- financial security – advanced course;
- the fight against corruption – advanced course;
- the MIFID II regulation;
- the fight against market abuse and banking laws with extraterritorial scope;
- AEOI and FATCA tax regulations.

For all these campaigns completed during the year, the completion rates are between 96% and 99%.

## **Industrialisation of Compliance**

The COO Technology and Operational Performance Department continuously carries out actions to improve the effectiveness of Compliance tools and operational processes. Thus:

- close collaboration with the Group IT has made it possible to automate the search for adverse information on customers and suppliers, and to implement a new tool for managing risks related to professional ethics;
- innovative projects are carried out with the RISK Function to design solutions integrating artificial intelligence, process robotization and advanced information analysis technologies.

## **LEGAL**

### **Organisation and change to the function**

LEGAL is an independent and integrated function comprising all the Group's legal teams. All LEGAL employees report directly or indirectly to the Group General Counsel, in order to enable the legal experts to carry out their duties under conditions that guarantee their freedom of judgement and action.

At all levels of the Group, the LEGAL organisation enables adequate coverage of legal risks, including:

- dedicated legal teams that cover the business lines, regions and territories, based on the Group's organisation;
- platforms, created in 2020 and numbering nine at the end of 2023, which are dedicated internal legal teams that deliver legal services in all business activity sectors, entities and geographies concerned, within the framework of their exclusive main domain of expertise;
- the Group Dispute Resolution (GDR), a global and hierarchically integrated team which ensures appropriate management of the Group's major litigations and investigations as well as legal issues related to financial security (such as embargoes and anti-money laundering);
- the LEGAL Practice Competition Law specialising in competition law, which joined forces with Compliance in 2022 to strengthen the Group's compliance system in this area;
- finally, two central departments provide support services to the organisation of LEGAL.

### **LEGAL activity in 2023**

Throughout the year, LEGAL continued to strengthen the legal risk management system.

As part of its legal advisory activity, LEGAL has contributed to the analysis of emerging risks on themes such as corporate social responsibility (CSR), blockchain, crypto-assets, cybersecurity, artificial intelligence, outsourcing, *etc.*

In terms of legal risk prevention, training and awareness-raising actions have been undertaken at all levels of the organisation up to its executive managers.

To meet the technological challenges of the Group's GTS strategic plan, a Digital Learning Centre (DLC2) programme has been designed offering a continuous training course on digital topics for LEGAL employees as well as round tables by associating business lines and functions.

In the area of sustainable development, one of the three pillars of the GTS plan, LEGAL has actively contributed to raising the awareness of the management teams of the divisions, business lines and functions on the legal challenges in terms of sustainable finance and ESG. In addition, within the Regulatory, platform, a Sustainable Finance practice has been structured and a training course dedicated to LEGAL employees has been built with Human Resources – the LEGAL Sustainability Academy, in line with the Group's.

Lastly, LEGAL continued to implement the legal risk management system:

- updating the Risk and Control Self-Assessment – RCSA for the entire function;
- performing second-level controls on legal processes;
- overseeing operational risk incidents involving legal risk; and
- contributing to the deployment of the library of controls relating to legal risks by continuing to provide educational support for the business lines and functions.

## **RISK AND PERMANENT CONTROL**

### **Operational risk management**

The operational risk management model for the RISK Function is based on both decentralised teams within the businesses, under the responsibility of the Risk directors of these businesses, close to the processes, operational staff and systems, and on a central structure (RISK ORM) with a steering and coordination role and providing local teams with support on subjects requiring specific expertise (for example: cybersecurity, anti-fraud or managing risks related to products and services supplied by third parties).

All of the components of the procedural system for operational risk have been significantly overhauled since 2018:

- Risk and Control Self-Assessment (RCSA);
- controls;
- collection of historical incidents;
- analysis and quantification of operational risk scenarios (“potential incidents”);
- action plans;
- outsourcing risk management.

Work on the taxonomy of risks as well as the mapping of processes and organisational structures has also been completed to further standardise guidelines supporting the assessment and management of operational risk.

In addition to these methodological changes, a new integrated operational risk management tool (360 Risk Op), composed of various interconnected modules, was rolled out in the fourth quarter of 2019. After the launch of the module dedicated to the collection of Historical Incidents in 2019, those relating to RCSAs, Potential Incidents and the collection of outsourcing arrangements in 2020, the one dedicated to Action Plans has been available since April 2021. The control modules have been gradually developed and deployed since the summer of 2021 and implemented in 2023.

### **Management of risks related to Information and Communication Technologies**

The ongoing implementation of the Group’s digitisation initiatives aimed at creating streamlined channels for its customers and partners as well as new ways of collaboration for its staff, introduces new technologies and risks, and reinforces the need to continue to monitor the Group’s technological risk profile and ensure the effectiveness of controls.

In 2023, the RISK teams continued to improve the risk management framework related to information and communication technologies (ICT) through the following actions:

- the performance of penetration tests (Red Team) on several entities in order to assess their capabilities of detecting cybersecurity incidents, and reinforcing protection measures where necessary;
- better integration of ICT risk elements into the entire reference framework;
- participation in major Group programmes in order to provide an independent analysis of the risks and action plans identified on topics such as fraud, cyber risk management or the deployment of the cloud;
- the implementation of Group-level governance and a procedural framework for operational resilience;
- monitoring cybersecurity threats, notably in the context of the conflict in Ukraine.

### **Management of risks related to personal data protection**

In 2023, BNP Paribas continued to integrate personal data protection into the existing RISK management and governance practices. A robust control system makes it possible to respond to requests from the authorities, to correct vulnerabilities as a priority and to demonstrate the Group’s responsibility in this area.

- In accordance with the Group’s new confidentiality policy, the normative framework has been revised and is being implemented in all entities.
- The general risk taxonomy has been revised to include personal data protection and a Generic Control Library was designed.
- An independent testing plan was implemented by the second line of defence in the majority of entities.
- Improving the system and tools for detecting and managing personal data incidents makes it possible to react more effectively and strengthen their prevention.
- Contracts with third parties as well as cross-border data transfers are subject to continuous review, facilitated by automation measures.
- The Privacy Risk Assessment process has been improved and automated.

- A mandatory training programme has been rolled out.
- The global system has been automated, enabling the production of risk indicators, thus contributing to a better maturity of entities operating outside the scope of the European regulation.

All of these actions strengthen the consistency of the system, reduce risks and vulnerabilities, and improve visibility and control.

## Changes to the RISK Function

RISK continues to roll out its RISK2025 transformation plan, the aim of which, in line with the Group's GTS Strategic Plan, is to optimise the effectiveness and efficiency of the function through the development of enhanced capabilities to manage risks, optimise the function's operating model and ensure the attraction, retention and development of talent.

In this context, a certain number of initiatives were continued and new ones launched, structured transverse programmes covering the main types of risks. They make it possible to simplify, automate and pool certain internal processes and contribute to the end-to-end review of customer processes, while ensuring that the control system is at the highest level. They are based on reinforcing new technologies (for example in the context of lending processes and the detection and monitoring of risks), on consolidating internal skills (for example through the increased use of key profiles related to new modelling methods or through the internalisation of external assistance positions), or the strengthening of its pooled operational platforms in Portugal, India, Spain and Canada.

## Environmental, social and governance (ESG) risk management

As part of the Group's "Sustainable Finance" governance, a multi-year programme was launched to strengthen the integration of ESG risk factors into the Group's risk management system. These risk factors likely to affect so-called traditional risk categories (such as credit, market or operational risks) are thus better identified, assessed and analysed, and therefore better integrated into the Group's risk management.

In particular, a homogeneous approach to assess the ESG profile of large corporate clients is being rolled out, making it possible to:

- identify potential adverse impacts that could result in credit, investment, and reputational risks on the environment and society; and
- support dialogue with corporate clients and accompany their transition to a more sustainable business model.

As a second line of defence for environmental risks, the RISK Function has continued to integrate this analysis approach into the credit processes, in collaboration with the operating entities. This work will continue in 2024 with the adaptation of this approach to other customer segments such as midcap companies or financial institutions.

Additional information on climate change risk management can be found in Commitment3 described in chapter 7 of this amendment to the 2022 Universal Registration Document.

## PERIODIC CONTROL

In 2023, the General Inspection adjusted its framework following the disposals of Bank of the West, BICI Senegal and BICI Côte d'Ivoire. Thus, the initial audit plan of 916 missions was resized accordingly to 835 missions. A total of 798 missions were finally completed in 2023, *i.e.* 96% of the target for the year; 92% of them were scheduled in the original audit plan.

At the end of 2021, the European Central Bank initiated an audit on the General Inspection. The report was issued in 2023, highlighting positive points but also expressing recommendations. These are currently being closed in accordance with the agreed schedules.

At the end of 2021, the General Inspection had laid the foundations of a new modernisation plan with the creation of the Transformation & Digital Intelligence team. After a first year of framing and structuring the IG+ programme in 2022, 2023 saw the implementation of profound transformations impacting the daily life of the function and all of its employees around the world. This plan is structured around seven projects, the first two of which are the pillars that support the whole. Simplification and cross-functionality are the key words of this transformation.

Four projects are focused on processes and tools:

- as provided for in the project plan, in the spring of 2023, the General Inspection Department implemented an end-to-end audit tool with the highest standards in the profession, enabling a profound improvement in operational efficiency. This tool, deployed in all audit teams around the world, has made it possible to switch the conduct of all assurance missions into a new ergonomic, collaborative environment, allowing cross-functionalities at the level of the entire function, and also interfaces and feed of information from the other control functions;
- the continued strengthening of data analytics capabilities was backed by a complete overhaul of the underlying tools and technologies and the standardisation of data exchange protocols within BNP Paribas in compliance with the highest standards, systematic use of these techniques in the missions and a continuous acculturation and training effort aimed at the entire General Inspection population;
- the revision of mission conduct methodologies, systematically integrates the audit guides to improve efficiency and consistency between similar missions, thanks to the new tool;
- the overhaul of Risk Assessment mechanisms promotes better integration of the results of the works of the first and second lines of defence (*e.g.* RCSA data – Risk and Control Self Assessment), and implements new data analysis techniques to

improve access and the industrial use of the business line data necessary for risk assessment (for example, the analysis of the Group's Corporates activities).

Three projects are focused on people:

- an overhaul of the Employer Value Proposition (EVP) for inspectors/auditors;
- a review of working methods to continue to improve cross-functionality and everything that contributes to it;
- a change management project to support employees in these transformations.

Supported by its transformation, General Inspection continued to develop the methods of collaboration created during the pandemic – between the central General Inspection teams and those of the audit hubs present in the countries; with other control functions; between auditors and auditees – allowing work in remote mode and also a better coordination of teams. Among the virtuous consequences of this transformation, the General Inspection has considerably improved its carbon footprint by significantly reducing international travel.

In 2023, the General Inspection Department repeated its annual risk assessment exercise. All of the approximately 3,000 Audit Units (AUs) were reviewed and a document describing the broad outline of the AU and detailing the assessment of its inherent risk and the quality of the controls carried out therein was produced for each. The changes in scope adjustments offset each other overall:

- disposals of entities and therefore removal of the AUs that represented them; and
- conversely: creation of new entities, division of AUs in the Group's offshoring platforms to take into account the increase in these teams and the diversification of the services they provide to the Group.

Overall, the residual risk profile for 2023, which results from the combination of the two factors: inherent risk and quality of controls, is slightly improved compared to that of 2022. The General Inspection noted a certain stability of the inherent *pro forma* risk and the continued improvement of the quality of controls to a very good level.

In terms of the audit plan, 2023 is the start of a new cycle (2023-2027). The General Inspection department always endeavours to cover the entire auditable scope at the right frequency. The audit frequency applicable to each AU depends on the residual risk score. The frequency is shorter when the measured residual risk is high. If the AU has a specific regulatory audit cycle, the applicable cycle is the shorter one between the regulatory cycle and the cycle resulting from the Risk Assessment. All the AUs were placed in order of priority by combining these different elements. The duration of the audit cycle cannot exceed five years in any case.

Thanks to the capabilities offered by the new General Inspection tool, the audit plan promotes transverse missions in which the employees of the hubs and the central General Inspection audit similar AUs spread around the world, at the same time and using the same tool. In addition to an obvious gain in efficiency, these missions are of increased interest to auditees and auditors.

The policy of very high investment in training continued:

- in particular around the pillars of the General Inspection's transformation: new tool, new audit methods, actions taken in terms of data analysis;
- also in the various audit areas: in particular to enable new employees to acquire the required skills base; such that all employees of the Function follow regulatory training with a high level of expertise; or by offering technical training related to auditors' profiles and specialisations;
- the training framework is organised between face-to-face, distance learning and e-learning, to provide for digital and classroom-based at the same time;
- the headcount of the General Inspection department was down at the end of 2023 compared to the end of 2022. This trend is due to a scope effect related to disposals. It masks targeted increases, for example: audit of offshore platforms, audit of Conduct. The General Inspection is continuing a permanent recruitment effort in a context of a war for talent, which has made Human Resources challenges its priority, notably reflected in the revision of its EVP.

## INTERNAL CONTROL EMPLOYEES

The various internal control functions are based on the following headcount (in FTE = Full-Time Equivalents, calculated at the end of the period):

|                  | 2018          | 2019          | 2020          | 2021 <sup>(1)</sup> | 2022 <sup>(2)</sup> | 2023 <sup>(3)</sup> | Variation<br>2023/2022 |
|------------------|---------------|---------------|---------------|---------------------|---------------------|---------------------|------------------------|
| Compliance       | 4,183         | 4,219         | 4,105         | 3,770               | 3,791               | 3,610               | -4.8%                  |
| LEGAL            | 1,846         | 1,810         | 1,779         | 1,736               | 1,703               | 1,651               | -3.1%                  |
| RISK             | 5,520         | 5,462         | 5,191         | 5,029               | 4,885               | 4,754               | -2.7%                  |
| Periodic control | 1,394         | 1,446         | 1,381         | 1,355               | 1,342               | 1,278               | -4.8%                  |
| <b>TOTAL</b>     | <b>12,943</b> | <b>12,937</b> | <b>12,456</b> | <b>11,890</b>       | <b>11,721</b>       | <b>11,293</b>       | <b>-3.7%</b>           |

(1) In 2021, the reduction in the headcount of the Compliance and RISK Functions is mainly due to the transfer of control teams to the first line

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of defence (business lines).

- (2) In 2022, the headcount reductions result from the continuation of this transfer for the RISK Function, and a change in the scope of consolidation for all functions (deconsolidation of Ukrsibbank in Ukraine). On a like-for-like basis, the headcount increased by 2.7% for Compliance and remained virtually stable for the other functions.
- (3) In 2023, the headcount reductions result from a change in the scope of consolidation for all functions (mainly the disposals of Bank of the West in the United States, BICI Senegal and BICI Côte d'Ivoire). On a like-for-like basis, the total headcount for the control functions remained stable.

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## INTERNAL CONTROL PROCEDURES RELATING TO THE PREPARATION AND PROCESSING OF FINANCIAL INFORMATION

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### ROLES AND RESPONSIBILITIES FOR PREPARING AND PROCESSING ACCOUNTING AND FINANCIAL INFORMATION

Under the authority of the Chief Executive Officer, the Finance & Strategy Function is notably responsible for preparing and processing financial information. It also performs an independent control mission which aims at ensuring control of the risk related to accounting and financial information. The specific missions assigned by the Group to the Finance & Strategy Function are defined by a charter. These consist of:

- preparing the financial information and guaranteeing the consistency and fairness of the financial and prudential information published, in compliance with the regulatory framework and standards;
- providing Executive Management with support for the Group's economic management at each level of its organisation;
- managing the Group's tax risk, representing the Group in tax matters and helping to preserve its reputation;
- defining accounting policies, management standards and prudential standards for the Group and overseeing their operational implementation;
- defining, deploying and supervising the permanent control system concerning financial information for the entire Group;
- assisting Executive Management in defining the Group's strategy, ensuring the benchmarking of the Group's performance and initiating and examining mergers and acquisitions ("M&A");
- managing the Group's equity and conducting the analysis and financial structuring of the Group's external and internal acquisition, partnership and disposal projects;
- ensuring the Group's financial communication and monitoring of the BNP Paribas share price, shareholders and market reactions;
- managing relations with market authorities and investors and organising Annual General Meetings;
- anticipating regulatory and prudential changes, and developing and communicating the Group's positions on these issues;
- coordinating the Group's banking supervision, in particular the relationship with the ECB;
- meeting the economic research needs of all of the Group's customers, business lines and functions;
- defining and managing the organisation of the Finance & Strategy Function and monitoring its resources and costs;
- managing the implementation of the target operational system, contributing to the definition of the functional architecture and the design of the Finance systems and deploying them.

All these missions require those involved to be fully competent in their particular areas, to understand and check the information they produce and to comply with the required standards and time limits. Particular attention is paid to compliance, quality and integrity of the information used and data protection. All those involved in the function have a duty to alert Executive Management. The missions of the function are carried out in conjunction with the RISK and ALM Treasury Functions for regulatory requirements, with the Project Management team for Finance & Strategy and RISK, housed within Group IT, with regard to user processes and the changes to the information system. In practice, the responsibility of the Finance & Strategy Function is carried out as follows:

- the financial data produced is the responsibility of the Finance Department of each entity, whether produced at its own level or by shared regional platforms; when they contribute to the Group's consolidated results, they are sent to the divisions/business lines for approval;
- the production of forecast financial data is carried out by the divisions/business lines, ensuring their consistency with the actual data produced by the entities or regional platforms;
- centrally, the Finance & Strategy Function prepares the reporting instructions distributed to all divisions/business lines and consolidated entities in order to ensure that the data is homogeneous and complies with the Group's rules. It gathers all the accounting and management information produced by the entities and approved by the divisions/business lines and assembles and consolidates these data for use by Executive Management or for communication to third parties.

## PRODUCTION OF ACCOUNTING AND FINANCIAL DATA

### Standards framework

The local financial statements for each entity are prepared following the accounting standards prevailing in the country where the entity carries on business, while the Group consolidated financial statements are prepared under IFRS (International Financial Reporting Standards) as adopted by the European Union.

Within Finance & Strategy (Group), the “Standards & Controls – Group Financial Policies” (GFP) department defines the IFRS-based accounting principles to be applied to the Group as a whole. It monitors regulatory changes to IFRS and French standards and interprets them as necessary by issuing new principles. A manual of the Group’s IFRS accounting principles is available for the divisions/business lines and entities on the internal network communication tools (“intranet”) of BNP Paribas. It is regularly updated to reflect regulatory changes. At the request of GFP or those responsible for reporting, certain interpretations and major elements of doctrine are submitted to a specialised committee (“Accounting Policy Committee”) for approval or arbitration. This committee reviews and approves the changes to be made to the accounting principles manual.

In addition, the “Group Financial Policies” department reviews the specific accounting studies carried out by the divisions or entities as part of the preparation of the financial statements and during the approval process of new products or new activities, when these are complex or require the exercise of judgement. In some cases, it is also responsible for carrying out these analyses.

Finally, this department is also responsible for maintaining the management standards manual, incorporating the needs identified by the performance management teams. These principles and standards can also be accessed using internal network tools (intranet).

The solvency framework is the joint responsibility of the RISK and Finance & Strategy Functions. The Finance & Strategy Function is notably responsible for the normative elements relating to the prudential scope, regulatory capital, and the calculation of leverage and GSIB ratios. The other aspects relating to risk measurement are the responsibility of the RISK Function. A joint “Solvency Policies Committee”, co-chaired by the two functions, performs the same role as the “Accounting Policy Committee” in terms of prudential standards.

The regulatory liquidity framework is the responsibility of ALM Treasury (with the contribution of the Finance & Strategy and RISK Functions).

### Data processing system

The data processing system is organised around two channels, the first structured according to entities, and the second according to business lines:

- “Measure, Control and Explain (MCE)” is the Finance channel dedicated to the preparation of financial data. Organised around shared and multi-business regional platforms, it combines expertise and industrialisation for all financial reporting flows (financial statements, regulatory, management, solvency, liquidity, taxes), at Group or local level;
- “Monitor and Foster Performance (MFP)” is the Finance channel which has an analysis and advisory role in terms of strategic management of the businesses, based on the financial data provided by the MCE channel. It is also responsible for preparing forecast financial reports (estimate, budget, three-year plan, financial information in stressed scenarios) by interacting closely with the Business heads. This is why this channel is structured according to the Division, Business Line, Function.

## PERMANENT CONTROL OF ACCOUNTING AND FINANCIAL INFORMATION

### Internal control within the Finance & Strategy Function

To allow centralised monitoring of the risk related to accounting and financial information, the “Group Financial Controls” team within Finance & Strategy (Group) carries out the following main missions:

- defining the Group’s policy as regards the accounting internal control system. This system requires accounting entities to follow rules in organising their accounting internal control environments and to implement key controls ensuring that the information in their consolidation packages is reliable. The Group has issued internal accounting control guidelines for use by the consolidated entities and a standard accounting control plan listing the major mandatory controls aiming at covering the accounting risk;
- ensuring that the internal control environment for accounting and financial information functions properly within the Group, in particular via the procedure for internal certification of accounts described below; reporting quarterly to Executive Management and the Board of directors’ Financial Statements Committee on the quality of the Group’s financial statements;
- together with the RISK Function, overseeing the proper functioning of the system for collecting and processing consolidated credit risk reporting, including by means of quality indicators;
- ensuring the proper functioning of the data collection and processing system for the preparation of liquidity reports, in particular by means of a specific certification system and quality indicators;
- ensuring the implementation by the entities of the Statutory Auditors’ recommendations, the recommendations of the General Inspection relating to the Finance process and the ECB’s recommendations allocated to Finance & Strategy with the support of the divisions/business lines. This monitoring is facilitated by use of a dedicated tool that enables each entity to monitor the



recommendations made to it and to regularly report on the progress made on the various action plans. Centralised monitoring of these recommendations enables Finance to identify improvements to the accounting internal control system made within the consolidated entities, identify any cross-functional problems and, if necessary, revise the Group-level procedures and instructions.

These missions are relayed within the Finance Departments of the divisions-business lines by central, independent second-level control teams who carry out close supervision of the entities and develop, if necessary, accounting control procedures adapted to the specificities of their scope, in line with Group-level procedures.

Lastly, within the entities/businesses' Finance Departments, the Group's accounting internal control principles have led to dedicated and independent second-level accounting control teams or representatives, depending on the size of the entities, being set up. As such, the Group's established approach, in which the reporting production tasks are consolidated on regional platforms (improving the harmonisation of the first-line reporting and control processes and increasing their efficiency for the scope of the entities concerned), also ensures that the second-level accounting control teams are the appropriate size and have the necessary expertise. The main missions of these local teams are as follows:

- implementing second-level accounting controls on all entities falling within their scope and covering in particular the controls carried out by the entities' Finance Functions (including the first-level controls carried out on the processes operated by the Back Offices). These procedures are based, in particular, on standardised accounting control plans and accounting control tools that allow control responsibilities to be allocated to the various contributors to flows. Several control tools support first- and second-line defence controls, for example, identifying, for each account, the department responsible for its justification and control, reconciling the balances recorded in the accounting system with the balances appearing in the Operations systems of each activity and identifying, justifying and monitoring the clearance of outstanding items in the flow accounts;
- implementing control and coordinating (directly when this task is not performed by first-line controls) the "elementary certification" process (described below) requiring an entity's different departments to report to the Finance & Strategy Function on the controls that they have carried out;
- ensuring that the accounting internal control system enables the entity's Finance Department to have sufficient oversight of the process of preparation of account summaries, and in particular over all the elements necessary for the Group's certification process (described below). To assist in achieving this objective, the tasks involved in accounts closure are formally defined. The use of tools to map the processes and associated risks and to document the checks as well as the coordination with other control channels contributes to improving the quality.

## Internal Certification Process

### At Group level

Finance & Strategy (Group) uses FACT (Finance Accounting Control Tool) for the internal certification of the quarterly data produced by each entity for the consolidation package and for the consolidation process for which the "Financial & Regulatory Reporting" Department within Finance & Strategy (Group) is responsible.

The Chief Financial Officer of each entity concerned certifies to Finance & Strategy (Group) that:

- the transmitted data have been prepared in accordance with the Group's norms and standards;
- the accounting internal control system guarantees its quality and reliability.

The main certificate completed by fully consolidated entities reproduces the results of all of the major controls defined in the Group's accounting control plan, and leads to the determination of a rating for each entity. Entities consolidated by the equity method complete an appropriate certificate. Finally, non-consolidated entities are certified annually through a simplified procedure.

This internal certification process forms part of the Group's monitoring system for Internal control and enables the Finance & Strategy (Group) Function, which has the overall responsibility for the preparation and quality of the Group's consolidated financial statements, to be informed of any problems in the financial statements and to monitor the entities' implementation of appropriate corrective measures. A report on this process is presented to Executive Management and to the Financial Statements Committee of the Board of directors at the close of the Group's quarterly consolidated accounts.

This certification system is also in place for the information included in regulatory reporting on credit risk and the capital adequacy ratio. Those contributing to the reports attest that they have complied with the standards and procedures and that the data used is of appropriate quality. They further describe the results of the controls carried out at the various stages of producing the reports.

On the same principles, a certification system is in place for the reporting of liquidity-related data. The various contributors report on the compliance of the data transmitted with the standards, and the results of key controls performed to ensure the quality of reporting.

### At entity level

In order to ensure the oversight of all the process of preparation of accounting information at the level of each entity's Finance Department, the permanent control procedures of Finance & Strategy (Group), developed by Group Financial Controls require the implementation of first-level procedures relating to accounting data or controls when the process of preparing the accounting information is operated or controlled in a decentralised way. In this context, an "elementary certification" (or "sub-certification") procedure can be deployed.

This is a process by which the providers of the information used to prepare accounting and financial data (e.g. Middle Office, Back Office, Human Resources, Risk, Suppliers' Accounts, etc.) formally certify that the fundamental controls intended to ensure the reliability of the accounting and financial data under their responsibility function properly. The elementary certificates are sent to the local Finance Department first level of control, which analyses them in combination with the accounting controls that it exercises directly, prepares a summary report intended to be used to prepare the main certificate, and liaises with the various players in order to monitor points requiring attention.

The FACT application also makes it possible to automate this sub-certification process by providing entities with a dedicated environment in which they can directly manage the processes set up at their level.

## **Valuation control of financial instruments measured at fair value**

### **Assets and derivatives measured at fair value through profit or loss in the trading portfolio**

The trading portfolio mainly focuses on the market activities of Global Markets and a few other, less significant scopes. Finance & Strategy (Group) has defined a specific system for the main scope. This is based on the principle that Finance & Strategy, responsible for the preparation and quality of the Group's accounting and management information, delegates the production and control of the market or model value of financial instruments to the various players of the chain, thus constituting a single and integrated valuation channel for financial instruments. The processes covered include in particular:

- verifying the appropriateness of the valuation system as part of the approval process for new transactions or activities;
- verifying the proper recording of transactions in the systems and ensuring it is appropriate with the valuation methodologies;
- verifying the development and approval mechanism independent of the valuation methods;
- determining the market parameters and the procedure for an independent verification of these parameters;
- determining valuation adjustments for market, liquidity and counterparty risks;
- determining and reviewing the rules for making parameters observable;
- classifying instruments within the fair value hierarchy, determining day one profit adjustments, estimating the sensitivity of level 3 valuations to valuation assumptions.

Through appropriate processes and tools, the channel's objectives are to ensure both the correctness and the reliability of the process for valuing financial instruments, and the quality and comprehensiveness of the control system. It can thus provide the appropriate data to the various decision-making bodies, data that also informs the operational processes for compiling the accounting and management results, and ensures the transparency of appendices dedicated to fair value.

Control of the valuation channel, which involves all participants, is supervised by the Finance & Strategy Function within the framework of a specific charter and a dedicated governance. This control system is based on a set of organisational principles defined in the Group's Internal Control Charter for each organisational level, *i.e.* Group, CIB and the main entities that account for market transactions.

To ensure its proper functioning, the Finance & Strategy Function relies on dedicated teams ("Standards & Controls – Valuation Risk and Governance, S&C – VRG"), which oversee the entire system. The Finance Function decides on the information that must be reported by the various players: this comprises both quantitative and qualitative data indicating trends in different businesses as well as the results and quality of upstream controls carried out.

Several committees that meet on a quarterly or monthly basis are set up to bring all the players together to review and examine, for each process and Business line, the methods used and/or the results of the controls conducted. These committees' operating methods are governed by procedures approved by the Finance & Strategy Function, ensuring that Finance & Strategy takes part in the main choices and arbitrations. Lastly, the S&C – VRG reports at each accounting quarter-end to the Product Financial Control Committee (PFC), chaired by the Group Deputy Chief Financial Officer, on its work, and informs the committee of the points of arbitration or attention concerning the effectiveness of the controls and the degree of reliability of the valuation and results determination process. This quarterly committee brings together the business lines, Finance & Strategy (Group) and the divisions concerned, ALMT and the RISK Function. Intermediary PFC committees complete this system and aim at defining project priorities, monitoring their implementation and thoroughly examining certain technical elements.

### **Instruments measured at fair value through profit or loss or through equity outside the trading portfolio**

#### ***Fixed income securities, derivatives and debt measured at fair value through profit or loss or through equity***

Most of the instruments relating to this scope are covered by the system in place for the trading portfolio, thanks to an adapted extension of the governance as well as the pooling of systems, processes and valuation methodologies. The main business line concerned is ALM Treasury, which is represented on the aforementioned PFC committee.

#### ***Equity securities measured at fair value through profit or loss or through equity***

Since 2020, Group Financial Policies has developed a specific valuation standard, and the valuation governance system has been standardised to ensure homogeneous coverage of this portfolio and an appropriate distribution of responsibilities and decision-making chains.

#### ***Other items measured at fair value***

Control systems, meeting the requirements of the Group's accounting control plan, exist at the level of the entities or at the level of the divisions-business lines to ensure the necessary level of control on loans that do not meet IFRS 9 SPPI<sup>1</sup> criteria.

<sup>1</sup> SPPI (Solely Payment of Principal and Interest): The SPPI criterion is a criterion required in addition to the management model in order to determine the classification of financial instruments excluding trading activities on the balance sheet. It is linked to the contractual characteristics of the instruments. The tests must be carried out on all assets whose management model is "HTC" ("Held To Collect", collect contractual cash flows and keep the asset until maturity) or "HTCS" ("Held To Collect and Sell", collect contractual flows and sell the asset) in order to determine the accounting category: amortised cost, fair value through equity or fair value through profit or loss.

## Development of the system

### The Finance & Strategy Function's general permanent control framework

The permanent control system related to the risk on accounting and financial information is continuously being adapted. In 2021, the Finance & Strategy Function reviewed its permanent control system and the articulation between its two lines of defence as well as with the functions exercising second line of defence missions. This framework has also introduced a strong governance of the system articulated through committees called "FORCC"<sup>1</sup> through which all the permanent control processes of the Finance operating business units are reviewed. The comprehensive deployment of this system was completed in 2022. The procedures described above, as well as the change in the tools are part of an evolving framework that aims at guaranteeing an adequate level of control throughout the Group, and a better harmonisation of the control of accounting and financial information. Thus, the implementation within the channel of a standardised tool for formalising and monitoring controls (Beacon) is continuing in order to cover all entities and central teams on the various financial control plans (accounting, strategic management, solvency and liquidity). Lastly, the inherent risk assessment methodology was clarified this year. The entities measure a level of risk dynamically in anticipation of closing, based on the major events of the quarter, identified locally or by the Group, and the analysis of risk indicators adapted to each generic control point concerned. It thus makes it possible to prioritise risks in advance and to guide the intensity of the control activities of the second line of defence finance teams locally.

Moreover, the quality of the accounting certification process is regularly reviewed with the divisions/business lines, for instance with the preparation of quantitative indicators for some controls, targeted cross-functional reviews of a major control and *ad hoc* reviews with the divisions/business lines on specific points for improvement in various scopes. These reviews are supplemented by presentations to the various committees in the Finance & Strategy channel and training sessions. Group procedures clarifying some major controls, and detailed instructions aiming at ensuring consistent responses and adequately-documented processes are also distributed. These Group procedures and instructions are extended where necessary at division/business line level to cover issues specific to them.

Similarly, the certification system of the data contributing to the calculation of the capital solvency ratio is subject to adjustment in order to take into account developments in the processes and the organisation, and to capitalise on indicators and controls in place in the various sectors in connection with the improvement programme on the reporting and the quality of the data.

In addition, for liquidity reporting, changes in processes and tools are carried out regularly in order to adapt to the new regulatory reporting demands, and specific actions are taken with the various contributors in order to enhance the quality and controls for the channel.

### Data control system

As in previous years, the Group continued to adapt its system in 2023 to continue to improve the quality and integrity of the data required to produce the reports covering the different types of risks to which BNP Paribas is exposed (risk related to the accounting and financial information, credit, market/counterparty, liquidity and operational risks), and to improve the consistency of related reporting at all levels of the organisation during normal periods as well as during stress or crisis periods.

This continuous adaptation of the system is part of the regulatory framework of the principles set by the Basel Committee for the aggregation of risk data and their reporting ("Principles for effective risk data aggregation and risk reporting – Basel Committee on Banking Supervision – Standard 239") and aims at ensuring the Group's compliance with these principles.

Significant orientations taken in previous years were maintained in 2023 as part of the data strategy ("Data Towards 2025") in line with the Group's 2025 ambitions, in particular in the following areas:

- the implementation of the Group's Data Management strategy, including the Data Management by Design approach, the data compilation model around the Group Data Management tool, "WeData", monitoring and quality control (strengthening of local Business line indicators and their consolidated vision, organisation of the extension of the scope of critical data for implementation from 2023/2025), the organisation of the processes supporting these activities (inclusion of the Single Channel organisational model), the use of adapted technologies and a strengthened data culture within the Group with active management of the Data community (organisation of different Data events during the year);
- the coordination of Data governance with, in particular, the holding of the Group Data Board (biannual), a Shared Data Council for the data of the Group's standards and quality assessment committees and monitoring of remediation actions of the Group, Business lines or functions and entities ("Quality Assessment & Remediation Committees – QARC") generally quarterly. Also in 2023 the update of the Group "Roles & Responsibilities related to Data Quality, Integrity and Protection" procedure;
- consideration of the Data strategy as part of the Group's IT strategy, notably by integrating the principles of Data Management by Design and the IT contribution to the data compilation model (including the development of dictionaries of application data), and with the permanent presence of the Group CIO on the Group Data Board, the individual assignment of Data responsibilities within the Group IT Function and the participation in the main Data projects.

<sup>1</sup> FORCC: Financial and Operational Risk Control Committee.

## PERIODIC CONTROL

General Inspection has a dedicated Finance channel (called the “Finance Domain”) with a team of specialist inspectors in accounting and financial auditing, thus reflecting the General Inspection’s strategy of having a robust auditing capability, as regards both the technical complexity of its work and its scope of coverage of accounting and financial risk.

Its action plan is based on an annual risk assessment exercise, the practical details of which have been established by General Inspection based on the risk evaluation chart defined by the RISK Function.

The core aims of this team are as follows:

- establishing a hub of accounting and financial expertise in order to reinforce the capability of General Inspection when carrying out inspections in these areas;
- disseminating accounting and financial internal audit best practices and standardising the quality of related audit work within the Group;
- identifying and inspecting areas of accounting and financial risk at Group level.

## RELATIONS WITH THE STATUTORY AUDITORS

Each year, as part of their statutory assignment, the Statutory Auditors issue a report in which they give their opinion concerning the consistency and fairness of the consolidated financial statements of the BNP Paribas Group as well as the annual financial statements of the Group's companies. The Statutory Auditors also carry out limited reviews on the closing of the half-yearly accounts, and specific tasks in relation to the quarterly accounts.

Thus, as part of their statutory mission:

- they examine any significant changes in accounting standards and present their opinions to the Financial Statements Committee concerning the accounting choices with a material impact;
- they present their conclusions to the Finance & Strategy Functions in the entities/business lines/divisions and at a Group level, and in particular any observations and recommendations to improve certain aspects of the internal control system that contribute to the preparation of the accounting and financial information that they reviewed during their audit.

## FINANCIAL COMMUNICATION (PRESS RELEASES, SPECIAL PRESENTATIONS, ETC.)

Financial communications for publication are written by the "Investor Relations and Financial Information" Department within Finance & Strategy (Group). It is directed at retail and institutional shareholders, financial analysts and rating agencies, and presents the Group's different activities, explains its results and describes its development strategy, while maintaining the financial information homogeneous with that used at an internal level.

The team, which reports to Executive Management and the Chief Financial Officer, proposes and defines the format in which financial information is published by the BNP Paribas Group. It works with the divisions and functions to prepare the presentation of financial results, strategic projects and specific topics. It distributes them to the financial community.

The Statutory Auditors are associated with the validation and review phase of communications relating to the closing of quarterly, half-yearly or annual financial statements, before their presentation to the Financial Statements Committee and to the Board of directors, who approve them.";

- (c) Section 3 entitled "2022 Review of Operations" on pages 145 to 192 shall be deleted in its entirety and replaced with the following:

# "3 2023 REVIEW OF OPERATIONS

## 3.1 BNP Paribas consolidated results

As a reminder, the financial information and data at 31 December 2022 have been restated in line with the consolidated financial statements to take into account (i) the application of IFRS 5 relating to groups of assets and liabilities held for sale, following the sale of Bank of the West on 1 February 2023; (ii) the application of IFRS 17 (Insurance Contracts) and the application of IFRS 9 for insurance entities, effective 1 January 2023; (iii) the application of IAS 29 (Financial Reporting in Hyperinflationary Economies) to Türkiye, effective 1 January 2022; and (iv) the internal transfers of activities and results at Global Markets and Commercial & Personal Banking in Belgium.

The section includes references to 2023 distributable income. The distributable income is the basis for the calculation of the distribution in 2023 and reflects the intrinsic performance of the Group after the impact of the sale of Bank of the West, after the contribution to the constitution of the Single Resolution Fund (SRF) and excluding extraordinary items.

| <i>In millions of euros</i>                        | <b>2023</b>   | <b>2023 distributable</b> | <b>2022</b>   | <b>Variation<br/>2023 /2022</b> |
|--|---------------|---------------------------|---------------|---------------------------------|
| <b>Revenues</b>                                    | <b>45,874</b> | <b>46,927</b>             | <b>45,430</b> | <b>+1.0%</b>                    |
| Operating Expenses and Dep.                        | (30,956)      | (29,580)                  | (29,864)      | +3.7%                           |
| <b>Gross Operating Income</b>                      | <b>14,918</b> | <b>17,347</b>             | <b>15,566</b> | <b>-4.2%</b>                    |
| Cost of Risk                                       | (2,907)       | (2,907)                   | (3,003)       | -3.2%                           |
| Other net losses for risk on financial instruments | (775)         | 0                         | 0             | n.s.                            |
| <b>Operating Income</b>                            | <b>11,236</b> | <b>14,440</b>             | <b>12,564</b> | <b>-10.6%</b>                   |
| Share of Earnings of Equity-Method Entities        | 593           | 593                       | 655           | -9.5%                           |
| Other Non-Operating Items                          | (104)         | (104)                     | (4)           | n.s.                            |
| <b>Pre-Tax Income</b>                              | <b>11,725</b> | <b>14,929</b>             | <b>13,214</b> | <b>-11.3%</b>                   |
| Corporate Income Tax                               | (3,266)       | (3,266)                   | (3,653)       | -10.6%                          |
| Net Income Attributable to Minority Interests      | (431)         | (431)                     | (400)         | +7.8%                           |
| Net Income from discontinued activities            | 2,947         | 0                         | 687           | n.s.                            |
| <b>Net Income Attributable to Equity Holders</b>   | <b>10,975</b> | <b>11,232</b>             | <b>9,848</b>  | <b>+11.4%</b>                   |
| Cost/Income  | 67.5%         | 63.0%                     | 65.7%         | +1.8 pt                         |



## SOLID RESULTS

BNP Paribas' diversified and integrated model and its capacity to accompany clients and the economy in a comprehensive way by mobilising its teams, its resources, and its capabilities, continued to drive growth in activity and results in 2023.

**The Group's performance, as reflected in distributable Net Income<sup>1</sup>, is solid and in line with the 2023 objective.** Distributable Net Income<sup>(1)</sup> amounted to EUR 11,232 million in 2023, up sharply by 10.2% compared to the 2022 reported result<sup>2</sup>. Distributable Net Income reflects BNP Paribas' intrinsic performance post impact of the sale of Bank of the West and post contribution to the ramp-up of the Single Resolution Fund and enabled the absorption of the very significant negative impact of extraordinary items in 2023 recognised in Corporate Centre.

On this basis<sup>(1)</sup>, **revenue growth was strong (+3.3%), and operating expenses decreased by 1.0%.** The Group achieved a positive jaws effect<sup>3</sup>. Thanks to its long-term approach and prudent and proactive risk management, **cost of risk is at a low level** (32 basis points of outstanding customer loans)<sup>4</sup>, driven by a structural improvement in the risk profile over the past 10 years.

**The financial structure is solid**, and the trajectory of the common equity Tier 1 ratio is on track to meeting the 12% objective post implementation of the new CRR 3 regulation. Lastly, the **redployment of capital is well underway and disciplined in its approach and sustains the acceleration in growth.**

**For the whole of 2023, revenues came to EUR 45,874 million** (EUR 45,430 million in 2022). They reflected the extraordinary negative impact of -EUR 938 million due to changes in TLTRO terms and conditions decided by the European Central Bank in the fourth quarter 2022 and the exceptional impact of -EUR 125 million from provisions for litigation booked in the second quarter 2023, both recognised in Corporate Centre.

**Revenues adjusted to derive distributable Net Income rose by 3.3% to EUR 46,927 million.** They excluded the extraordinary negative impact and an additional adjustment of EUR 115 million for a total of EUR 1,053 million.

In the operating divisions, revenues increased by 1.8% (+2.5% at constant scope and exchange rates). They rose by 0.6% at **Corporate & Institutional Banking (CIB)** (+2.0% at constant scope and exchange rates), driven by the steep rise in Global Banking revenues (+14.5% at constant scope and exchange rates) and the increase at Securities Services (+5.6% at constant scope and exchange rates). Global Markets revenues decreased by 6.5% at constant scope and exchange rates, as activity was more normalised. Revenues at **Commercial, Personal Banking & Services (CPBS)**<sup>5</sup> rose by 4.3% (+4.7% at constant scope and exchange rates). Revenues at Commercial & Personal Banking (+4.6%) were up strongly with the increase in net interest revenues. Revenues at Specialised Businesses rose by 3.8%, driven by the strong increase at Arval & Leasing Solutions (+12.5%) and at New Digital Businesses & Personal Investors (+19.0%). The context was less favourable for Personal Finance (-3.1% at constant scope and exchange rates). At **Investment & Protection Services (IPS)** revenues decreased by 3.8% (-3.6% at constant scope and exchange rates), due to the very negative impacts of the current downturn on Real Estate and of a base effect at Principal Investments. Excluding the contribution from Real Estate and Principal Investments, IPS revenues were up by 3.7%, driven by sustained growth at Wealth Management (+6.0%) and Insurance (+3.6%).

**The Group's operating expenses came to EUR 30,956 million** (EUR 29,864 million in 2022). In 2023, they reflected the exceptional impact of restructuring and adaptation costs (EUR 182 million) and IT reinforcement costs (EUR 395 million) for a total of EUR 576 million (EUR 490 million in 2022). In 2023, they also reflected the extraordinary impact of overall adaptation costs related in particular to Personal Finance (EUR 276 million). For 2023, the Group's operating expenses were also affected by taxes subject to IFRIC 21, which came to EUR 1,896 million (EUR 1,874 million in 2022), including the contribution to the Single Resolution Fund in the amount of EUR 1,002 million (EUR 1,256 million in 2022) and the impact of UK bank levies (EUR 226 million), considered as an extraordinary item. These exceptional and extraordinary items are recognised in Corporate Centre.

**At EUR 29,580 million, operating expenses adjusted to derive distributable Net Income decreased by 1.0%.** They reflected the impact of the anticipation of the end of the ramp-up of the Single Resolution Fund (including the impact of the UK bank levies) in the amount of -EUR 1,028 million and an additional adjustment of -EUR 72 million and excluded the extraordinary impact of overall adaptation costs related in particular to Personal Finance (EUR 276 million), for a total of EUR 1,376 million. On this basis, the Group achieved a positive jaws effect.

In the operating divisions, operating expenses were up by 2.3% (+3.1% at constant scope and exchange rates). CIB's operating expenses rose by 1.2% (+2.9% at constant scope and exchange rates). The jaws effect was positive at Global Banking and Securities Services. Operating expenses at CPBS<sup>(5)</sup> were up by 3.5% (+3.8% at constant scope and exchange rates), and its jaws effect was positive (+0.8 point<sup>(5)</sup>). Operating expenses<sup>(5)</sup> rose by 2.5% at Commercial & Personal Banking and by 5.8% at

<sup>1</sup> Result serving as a basis for calculating the distribution in 2023.

<sup>2</sup> Reported on 7 February 2023, i.e. EUR 10,196 million.

<sup>3</sup> +1.0 point on distributable basis and excluding exceptional operating expenses and taxes subject to IFRIC 21.

<sup>4</sup> Note: cost of risk does not include "Other net losses for risk on financial instruments" i.e. charges related to risk of invalidation or non-enforceability of financial instruments granted (extraordinary provisions on mortgage loans in Poland, provisions for litigation related to Personal Finance, and provisions for risk on receivables in 2023 recognised in Corporate Centre (EUR 775 million in 2023)).

<sup>5</sup> Including 100% of Private Banking (excluding PEL/CEL effects in France).

Specialised Businesses. IPS's operating expenses increased by 0.4% (+0.6% at constant scope and exchange rates), and its jaws effect was positive (+2.1 points) excluding the contributions from Real Estate and Principal Investments.

**The Group's gross operating income thus amounted to EUR 14,918 million** (EUR 15,566 million in 2022).

**The Group's gross operating income adjusted to derive distributable Net Income came to EUR 17,347 million, an 11.4% increase.**

At EUR 2,907 million<sup>1</sup> (EUR 3,003 million in 2022), the **Group's cost of risk came to a low level of 32 basis points of outstanding customer loans**. It reflected EUR 517 million in releases of provisions on performing loans in 2023 and a provision on non-performing loans of EUR 1,833 million excluding cost of risk at Personal Finance.

**Other net losses for risk on financial instruments** are charges related to the risk of invalidation or non-enforceability of financial instruments granted. They came to EUR 775 million and are recognised in Corporate Centre. For 2023, they reflected the extraordinary impact of provisions on mortgage loans in Poland (EUR 450 million), provisions for litigation related to Personal Finance (EUR 221 million) and provisions for risk on receivables (EUR 104 million). These other net losses for risk on financial instruments are considered extraordinary items in 2023 recognised in Corporate Centre and are excluded in order to derive the distributable Net Income.

The Group's operating income came to EUR 11,236 million. In 2022, it amounted to EUR 12,564 million.

The Group's operating income adjusted to derive distributable Net Income amounted to EUR 14,440 million, up by 14.9%.

**The Group's non-operating items amounted to EUR 489 million** (EUR 651 million in 2022). For 2023, they reflected the exceptional impact of -EUR 87 million from the sale of an Insurance business and a capital gain of +EUR 91 million on a divestment. In 2022, they had reflected the positive impact of negative goodwill related to bpost bank (+EUR 244 million), and a capital gain (+EUR 204 million), offset by the impairment of Ukrsibbank shares and the negative impact from the reclassification to profit and loss of exchange differences (-EUR 433 million).

**The Group's pre-tax income came to EUR 11,725 million** (EUR 13,214 million in 2022).

The average corporate tax rate stood at 29.3% (29.7% in 2022). The Group is also a substantial taxpayer with a total taxes and levies of EUR 6.8 billion paid in 2023.

**The Group closed the sale of Bank of the West on 1 February 2023.** The conditions of this transaction announced on 20 December 2021 fall within the scope of application of IFRS 5 relating to groups of assets and liabilities held for sale. In accordance with IFRS 5, the result of activities held for sale came to EUR 2,947 million in 2023, reflecting the capital gain on the sale of Bank of the West, treated as an extraordinary item. This result had come to EUR 687 million in 2022.

**Net Income, Group share thus amounted to EUR 10,975 million in 2023.** In 2022, it had come to EUR 9,848 million in 2022.

As announced in February 2023, **Net Income, Group share for 2023 has been adjusted to calculate distributable Net Income, Group share.** It reflects the Group's intrinsic performance following the sale of Bank of the West and following the end of the contribution to the ramp-up of the Single Resolution Fund and enabled the absorption from 2023 of the negative impact of extraordinary items. **Distributable Net Income came to EUR 11,232 million in 2023, up by 10.2% (EUR 1,036 million) compared to the Net Income, Group share reported in February 2023 (EUR 10,196 million), in line with the 2023 objective.** Distributable Net Income for the first nine months of 2023 has been restated (see 31 January 2024 announcement) to reflect these impacts on an annual basis. After restatements, it came to EUR 9,225 million (EUR 8,810 million prior to these restatements).

**Return on non-revaluated tangible equity stood at 10.71% (10.98% on the basis of the distributable Net Income).** This reflects the BNP Paribas Group's solid performances, which are due to the strength of its diversified and integrated model.

**As of 31 December 2023, the common equity Tier 1 ratio stood at 13.2%<sup>2</sup>.** The liquidity coverage ratio (at end of period) came to 148% as of 31 December 2023. The Group's immediately available liquidity reserve amounted to EUR 474 billion, or more than one year of room to manoeuvre in terms of wholesale funding. The leverage ratio<sup>3</sup> stood at 4.6%.

**Tangible net book value<sup>4</sup> per share amounted to EUR 87.60, a 10.4% increase** since 31 December 2022, illustrating constant value creation across economic cycles.

#### Capital allocation

Revenue from the capital allocated to each division is included in the division's profit and loss account. The capital allocated to each division corresponds to the amount required to comply with CRR 2/CRD 5 regulation, also known as Basel 3, and is based on 11% of risk-weighted assets.

Risk-weighted assets are calculated as the sum of:

- the risk-weighted assets for credit and counterparty risk, calculated using the standard approach or the Internal Ratings Based Approach (IRBA) depending on the particular entity or business activity;
- the regulatory capital requirement for market risks, for adjustment of credit valuation and for operational risk, multiplied by 12.5. Moreover, elements that are deducted from Tier 1 capital are allocated to each division. Last, the capital allocated to

<sup>1</sup> Note: cost of risk does not include other net losses for risk on financial instruments.

<sup>2</sup> CRD 5; including IFRS 9 transitional arrangements.

<sup>3</sup> Calculated in accordance with Regulation (EU) No. 2019/876.

<sup>4</sup> Revaluated.

the insurance business is based on the minimum solvency capital requirement as defined by Solvency II.

## 3.2 Results by division/business line

### CORPORATE AND INSTITUTIONAL BANKING (CIB)

| <i>In millions of euros</i>                 | <b>2023</b>   | <b>2022</b>   | <b>2023/2022</b> |
|---|---------------|---------------|------------------|
| <b>Revenues</b>                             | <b>16,509</b> | <b>16,404</b> | <b>+0.6%</b>     |
| Operating Expenses and Dep.                 | (10,823)      | (10,691)      | +1.2%            |
| <b>Gross Operating Income</b>               | <b>5,686</b>  | <b>5,712</b>  | <b>-0.5%</b>     |
| Cost of Risk                                | 63            | (325)         | n.s.             |
| <b>Operating Income</b>                     | <b>5,749</b>  | <b>5,387</b>  | <b>+6.7%</b>     |
| Share of Earnings of Equity-Method Entities | 13            | 20            | -35.1%           |
| Other Non-Operating Items                   | (18)          | (10)          | +77.0%           |
| <b>Pre-Tax Income</b>                       | <b>5,744</b>  | <b>5,398</b>  | <b>+6.4%</b>     |
| Cost/Income                                 | 65.6%         | 65.2%         | +0.4 pt          |
| Allocated Equity (€bn, year to date)        | 29.1          | 29.9          | -2.9%            |

### GLOBAL BANKING

| <i>In millions of euros</i>                 | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|---|--------------|--------------|------------------|
| <b>Revenues</b>                             | <b>5,822</b> | <b>5,181</b> | <b>+12.4%</b>    |
| Operating Expenses and Dep.                 | (2,918)      | (2,841)      | +2.7%            |
| <b>Gross Operating Income</b>               | <b>2,904</b> | <b>2,340</b> | <b>+24.1%</b>    |
| Cost of Risk                                | 74           | (336)        | n.s.             |
| <b>Operating Income</b>                     | <b>2,978</b> | <b>2,004</b> | <b>+48.6%</b>    |
| Share of Earnings of Equity-Method Entities | 5            | 4            | +29.7%           |
| Other Non-Operating Items                   | 0            | 0            | -25.7%           |
| <b>Pre-Tax Income</b>                       | <b>2,984</b> | <b>2,009</b> | <b>+48.5%</b>    |
| Cost/Income                                 | 50.1%        | 54.8%        | -4.7 pt          |
| Allocated Equity (€bn, year to date)        | 16.2         | 16.5         | -2.1%            |

## GLOBAL MARKETS

| <i>In millions of euros</i>                 | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|---|--------------|--------------|------------------|
| <b>Revenues</b>                             | <b>7,996</b> | <b>8,636</b> | <b>-7.4%</b>     |
| <i>Incl. FICC</i>                           | <i>5,138</i> | <i>5,789</i> | <i>-11.2%</i>    |
| <i>Incl. Equity &amp; Prime Services</i>    | <i>2,858</i> | <i>2,848</i> | <i>+0.3%</i>     |
| Operating Expenses and Dep.                 | (5,798)      | (5,781)      | +0.3%            |
| <b>Gross Operating Income</b>               | <b>2,198</b> | <b>2,855</b> | <b>-23.0%</b>    |
| Cost of Risk                                | (13)         | 11           | n.s.             |
| <b>Operating Income</b>                     | <b>2,185</b> | <b>2,866</b> | <b>-23.8%</b>    |
| Share of Earnings of Equity-Method Entities | 4            | 14           | -69.0%           |
| Other Non-Operating Items                   | 4            | (10)         | n.s.             |
| <b>Pre-Tax Income</b>                       | <b>2,193</b> | <b>2,870</b> | <b>-23.6%</b>    |
| Cost/Income                                 | 72.5%        | 66.9%        | +5.6 pt          |
| Allocated Equity (€bn, year to date)        | 11.7         | 12.0         | -2.6%            |

## SECURITIES SERVICES

| <i>In millions of euros</i>                 | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|---|--------------|--------------|------------------|
| <b>Revenues</b>                             | <b>2,691</b> | <b>2,586</b> | <b>+4.1%</b>     |
| Operating Expenses and Dep.                 | (2,107)      | (2,069)      | +1.8%            |
| <b>Gross Operating Income</b>               | <b>585</b>   | <b>517</b>   | <b>+13.1%</b>    |
| Cost of Risk                                | 1            | 0            | n.s.             |
| <b>Operating Income</b>                     | <b>586</b>   | <b>517</b>   | <b>+13.4%</b>    |
| Share of Earnings of Equity-Method Entities | 4            | 2            | +49.2%           |
| Other Non-Operating Items                   | (22)         | 0            | n.s.             |
| <b>Pre-Tax Income</b>                       | <b>567</b>   | <b>519</b>   | <b>+9.2%</b>     |
| Cost/Income                                 | 78.3%        | 80.0%        | -1.7 pt          |
| Allocated Equity (€bn, year to date)        | 1.2          | 1.4          | -16.4%           |

**For the whole of 2023, CIB was the leading Europe-based CIB in EMEA, with increased market shares<sup>1</sup>** on the back of a diversified model supported by three powerful franchises at the service of clients. CIB has increased its global market share<sup>2</sup> by 10 basis points since 31 December 2022.

The financing business lines achieved a very good level of client activity, in particular in the Americas and EMEA. Activity was sustained on the equity markets, in particular in equity derivatives and prime brokerage, and demand was up sharply on the credit markets. On the rates, foreign exchange and commodities markets, the environment was more normalised. Securities Services continued its strong business drive, and average assets rose with the year end market rebound.

**CIB revenues**, at EUR 16,509 million, increased by 0.6% (+2.0%<sup>(3)</sup>), driven by the very strong rise at Global Banking (+14.5%<sup>(3)</sup>), the increase at Securities Services (+5.6%<sup>(3)</sup>) and good resiliency at Global Markets (-6.5%<sup>(3)</sup>).

<sup>1</sup> Source: Coalition Greenwich 3Q23 YTD Competitor Analytics. Ranking based on Coalition Greenwich Index banks and on BNP Paribas' product scope; EMEA: Europe, Middle East, Africa.

<sup>2</sup> Source: reported BNP Paribas' revenues; Coalition Greenwich Competitor Analytics based on BNP Paribas' product scope. Market share calculated as the ratio of BNP Paribas' reported revenues to industry revenues.

<sup>3</sup> At constant scope and exchange rates.

**Global Banking revenues**, at EUR 5,822 million, rose very sharply by 12.4% (+14.5% at constant scope and exchange rates) and were up in all three regions<sup>(3)</sup>, thanks in particular to strong growth in the Americas and EMEA. Activity was up very sharply in Transaction Banking, particularly in EMEA (+56.4%<sup>(3)</sup>), with a very sharp increase in revenues on the Capital Markets platform, particularly in the Americas and EMEA. Advisory progressed<sup>(3)</sup> in a market that was down sharply.

At EUR 7,996 million, **Global Markets revenues** decreased by 7.4% (-6.5% at constant scope and exchange rates). At EUR 5,138 million, FICC<sup>1</sup> revenues were down by 11.2%<sup>2</sup>. The performance was very good in credit activities but was offset by more normalised activity in EMEA in rates and foreign exchange and, even more, in commodities compared to a high base in 2022. At EUR 2,858 million, Equity & Prime Services revenues were up by 0.3%<sup>(2)</sup>, a strong performance supported by activity in equity derivatives and prime brokerage.

At EUR 2,691 million, **Securities Services revenues** were up by 4.1% (+5.6% at constant scope and exchange rates), driven by the favourable impact of the interest-rate environment and the effect of the increase in average assets. Transaction volumes decreased because of more moderate volatility.

**CIB operating expenses**, at EUR 10,823 million, were up by 1.2% (+2.9% at constant scope and exchange rates). The jaws effect was very positive at Global Banking and positive at Securities Services.

**CIB gross operating income** thus decreased by 0.5% (+0.4% at constant scope and exchange rates), to EUR 5,686 million.

**CIB** released EUR 63 million in **cost of risk**. Global Banking released EUR 74 million and cost of risk came to -4 basis points of outstanding customer loans. This included releases of provisions on performing loans (stages 1 and 2). Cost of risk on non-performing loans (stage 3) was low.

CIB thus achieved **pre-tax income** of EUR 5,744 million, up strongly by 6.4% (+7.1% at constant scope and exchange rates).

## COMMERCIAL, PERSONAL BANKING & SERVICES (CPBS)

| <i>In millions of euros</i>   | 2023          | 2022          | 2023/2022      |
|---|---------------|---------------|----------------|
| <b><u>Commercial, Personal Banking &amp; Services - excluding PEL/CEL effects</u></b>   |               |               |                |
| <b>Revenues</b>   | <b>26,627</b> | <b>25,524</b> | <b>+4.3%</b>   |
| Operating Expenses and Dep.   | (16,437)      | (15,876)      | +3.5%          |
| <b>Gross Operating Income</b>   | <b>10,191</b> | <b>9,648</b>  | <b>+5.6%</b>   |
| Cost of Risk  | (2,923)       | (2,491)       | +17.3%         |
| Other net losses for risk on financial instruments  | -             | -             | -              |
| <b>Operating Income</b>   | <b>7,267</b>  | <b>7,156</b>  | <b>+1.5%</b>   |
| Share of Earnings of Equity-Method Entities   | 337           | 433           | -22.2%         |
| Other Non-Operating Items   | (181)         | (23)          | n.s.           |
| <b>Pre-Tax Income</b>   | <b>7,423</b>  | <b>7,567</b>  | <b>-1.9%</b>   |
| Income Attributable to Wealth and Asset Management  | (328)         | (282)         | +16.4%         |
| <b>Pre-Tax Income of Commercial, Personal Banking &amp; Services</b>  | <b>7,095</b>  | <b>7,285</b>  | <b>-2.6%</b>   |
| <b>Cost/Income</b>  | <b>61.7%</b>  | <b>62.2%</b>  | <b>-0.5 pt</b> |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking in France, Belgium, Italy, Luxembourg, Poland, Türkiye and Germany) | 43.2          | 41.7          | +3.5%          |

**For the whole of 2023**, on the strength of its diversification and strong positions in the Corporate and Private Banking client segments in Europe and in Specialised Businesses, CPBS activity was up, despite the impact of the repositioning of Personal Finance and of the decisions by European public authorities late in the year (in particular in connection with mandatory reserves or the Belgian government bond issue).

Loan outstandings increased by 2.9% compared to 2022. They were up slightly at Commercial & Personal Banking in the Eurozone (+0.8%) and up sharply in Specialised Businesses (+11.3%). Deposits were down by 1.6% compared to 2022 but stable in the fourth quarter 2023 compared to the third quarter 2023 at Commercial & Personal Banking in the Eurozone, excluding the impact of the Belgian government bonds. Private Banking achieved good net asset inflows of EUR 12.5 billion in 2023 (or 5.0% of assets under management at the start of the year). Hello bank! continued to acquire customers, with 463,000

<sup>1</sup> Fixed Income, Currency, and Commodities.

<sup>2</sup> Reminder: restatement reported on 11 December 2023.

new customers in 2023 (+35.7% compared to 31 December 2022)<sup>1</sup> and the pace of account openings at Nickel was high (+22.8% compared to 31 December 2022).

**Revenues**<sup>2</sup>, at EUR 26,627 million, increased by 4.3%, driven by revenue growth at Commercial & Personal Banking (+4.6%) with an increase in net interest revenues (+8.0%) and growth at Specialised Businesses (+3.8%; +13.8% excluding Personal Finance).

**Operating expenses**<sup>(1)</sup> increased by 3.5%, to EUR 16,437 million. The jaws effect was positive (+0.8 point), driven by Commercial & Personal Banking (+2.1 points) and Arval & Leasing Solutions (+4.9 points).

**Gross operating income**<sup>(1)</sup> thus amounted to EUR 10,191 million and increased by 5.6%.

**Cost of risk**<sup>(1)</sup> stood at EUR 2,923 million (EUR 2,491 million in 2022). In 2022, it had registered a release of provision in connection with a change in method to align with European standards (EUR 163 million at Commercial Banking in France)<sup>3</sup>.

The other net losses for risk on financial instruments were null overall in 2023.

As a result, after allocating one third of Private Banking's Net Income to Wealth Management (IPS division), **CPBS achieved pre-tax income<sup>4</sup> of EUR 7,095 million**, a 2.6% decrease, in connection mainly with the hyperinflationary situation in Türkiye<sup>5</sup> (-EUR 250 million compared to 2022).

## COMMERCIAL & PERSONAL BANKING IN FRANCE (CPBF)

| <i>In millions of euros</i>  | 2023         | 2022         | 2023/2022       |
|--|--------------|--------------|-----------------|
| <b>Commercial and Personal Banking in France - excluding PEL/CEL effects</b> |              |              |                 |
| <b>Revenues</b>  | <b>6,593</b> | <b>6,634</b> | <b>-0.6%</b>    |
| <i>Incl. net interest revenue</i>  | <i>3,498</i> | <i>3,522</i> | <i>-0.7%</i>    |
| <i>Incl. fees</i>  | <i>3,095</i> | <i>3,112</i> | <i>-0.5%</i>    |
| Operating Expenses and Dep.  | (4,749)      | (4,698)      | +1.1%           |
| <b>Gross Operating Income</b>  | <b>1,844</b> | <b>1,936</b> | <b>-4.8%</b>    |
| Cost of Risk   | (485)        | (237)        | n.s.            |
| <b>Operating Income</b>  | <b>1,358</b> | <b>1,699</b> | <b>-20.0%</b>   |
| Share of Earnings of Equity-Method Entities                                  | 0            | 1            | n.s.            |
| Other Non-Operating Items  | 0            | 25           | -100.0%         |
| <b>Pre-Tax Income</b>  | <b>1,358</b> | <b>1,725</b> | <b>-21.3%</b>   |
| Income Attributable to Wealth and Asset Management                           | (165)        | (158)        | +4.5%           |
| <b>Pre-Tax Income of CPBF</b>  | <b>1,193</b> | <b>1,567</b> | <b>-23.9%</b>   |
| <b>Cost/Income</b>   | <b>72.0%</b> | <b>70.8%</b> | <b>+1.2 pts</b> |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking)       | 11.5         | 11.3         | + 2.0%          |

**For the whole of 2023**, loan outstandings increased (+1.2% compared to 2022) across all customer segments, and adjustments in margins continued. Deposits were down by 2.7% compared to 2022 but did stabilise gradually (-0.6% between 30 September 2023 and 31 December 2023), with an increase in deposits from corporate clients late in the year (+1.9% between end-September and end-December 2023). Off-balance sheet savings increased by 5.9% compared to 31 December 2022, and net asset inflows in life insurance were high (+EUR 1.6 billion in 2023, +8.5% compared to 2022). Private Banking achieved good net asset inflows of EUR 4.6 billion.

**Revenues**<sup>1</sup> amounted to EUR 6,593 million, down by 0.6%. Net interest revenues decreased by 0.7% (+2.2% excluding the impact of inflation hedges). Fees were quasi-stable (-0.5% compared to 2022), supported by a good performance in cash management and fees on payment means.

<sup>1</sup> Excluding Italy.

<sup>2</sup> Including 100% of Private Banking (excluding PEL/CEL effects in France).

<sup>3</sup> Note: cost of risk does not include "Other net losses for risk on financial instruments".

<sup>4</sup> Including 2/3 of Private Banking (excluding PEL/CEL effects in France).

<sup>5</sup> Effects of application of IAS 29 and reflecting the efficiency of hedging (with CPI linkers) in Türkiye.



**Operating expenses<sup>(5)</sup>** at EUR 4,749 million, were up by 1.1%.

**Gross operating income<sup>(5)</sup>** amounted to EUR 1,844 million, down by 4.8%.

**Cost of risk<sup>(5)</sup>** came to EUR 485 million (EUR 237 million in 2022), or 21 basis points of outstanding customer loans. In 2022, it benefited from the release of a provision due to a change in method in order to align with European standards (-EUR 163 million).

As a result, after allocating one third of Private Banking's Net Income to Wealth Management (IPS division), **CPBF achieved pre-tax income<sup>2</sup> of EUR 1,193 million**, a 23.9% decrease.

## BNL BANCA COMMERCIALE (BNL BC)

| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|--|--------------|--------------|------------------|
| <b>Revenues</b>  | <b>2,727</b> | <b>2,634</b> | <b>+3.5%</b>     |
| <i>Incl. net interest revenue</i>                                      | <i>1,619</i> | <i>1,519</i> | <i>+6.6%</i>     |
| <i>Incl. fees</i>  | <i>1,108</i> | <i>1,115</i> | <i>-0.6%</i>     |
| Operating Expenses and Dep.  | (1,804)      | (1,735)      | +4.0%            |
| <b>Gross Operating Income</b>  | <b>923</b>   | <b>899</b>   | <b>+2.7%</b>     |
| Cost of Risk   | (410)        | (465)        | -11.9%           |
| <b>Operating Income</b>  | <b>513</b>   | <b>433</b>   | <b>+18.4%</b>    |
| Share of Earnings of Equity-Method Entities                            | 0            | 0            | n.s.             |
| Other Non-Operating Items  | (3)          | 2            | n.s.             |
| <b>Pre-Tax Income</b>  | <b>509</b>   | <b>436</b>   | <b>+16.9%</b>    |
| Income Attributable to Wealth and Asset Management                     | (22)         | (26)         | -15.2%           |
| <b>Pre-Tax Income of BNL bc</b>  | <b>488</b>   | <b>410</b>   | <b>+18.8%</b>    |
| Cost/Income  | 66.2%        | 65.9%        | +0.3 pt          |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking) | 5.7          | 6.0          | -3.9%            |

*Including 100% of Private Banking in Italy for the Revenues to Pre-tax income line items.*

**For the whole of 2023**, loan outstandings were down by 4.4% compared to 2022 and by 3.0% on the scope excluding non-performing loans. Loans to individuals held up well and corporate loan outstandings decreased. The management of margins at production was disciplined in a competitive environment. Deposits expanded by 0.3% compared to 2022, with good resilience (+3.7% compared to the third quarter 2023) and a steady improvement in margins, in particular late in the year. Off-balance sheet savings decreased by 7.7% compared to 31 December 2022. Net asset inflows into Private Banking were very good (EUR 2.8 billion).

**Revenues<sup>3</sup>** increased by 3.5% to EUR 2,727 million. Net interest revenues<sup>(1)</sup> rose by 6.6%, with an acceleration in the fourth quarter 2023, driven by the margin on deposits, partially offset by the effect of lower volumes and the increase in loan financing costs. Fees decreased (-0.6%), thanks to good resilience in banking fees despite the decrease in financial fees.

At EUR 1,804 million, **operating expenses<sup>(1)</sup>** were up by 4.0%, due mainly to the impact of inflation.

**Gross operating income<sup>(1)</sup>** increased by 2.7%, to EUR 923 million.

At EUR 410 million, **cost of risk<sup>(1)</sup>** improved by EUR 55 million with the steady improvement in the risk profile. It came to 53 basis points of outstanding customer loans.

As a result, after allocating one third of Private Banking's Net Income to Wealth Management (IPS division), BNL bc achieved **pre-tax income<sup>4</sup> of EUR 488 million**, up very sharply by 18.8%.

<sup>1</sup> Including 100% of Private Banking (excluding PEL/CEL effects).

<sup>2</sup> Including 2/3 of Private Banking (excluding PEL/CEL effects).

<sup>3</sup> Including 100% of Private Banking..

<sup>4</sup> Including 2/3 of Private Banking.

## COMMERCIAL & PERSONAL BANKING IN BELGIUM (CPBB)

| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|--|--------------|--------------|------------------|
| <b>Revenues</b>  | <b>3,990</b> | <b>3,764</b> | <b>+6.0%</b>     |
| <i>Incl. net interest revenue</i>                                      | <i>2,867</i> | <i>2,618</i> | <i>+9.5%</i>     |
| <i>Incl. fees</i>  | <i>1,123</i> | <i>1,146</i> | <i>-2.0%</i>     |
| Operating Expenses and Dep.  | (2,739)      | (2,615)      | +4.7%            |
| <b>Gross Operating Income</b>  | <b>1,251</b> | <b>1,149</b> | <b>+8.9%</b>     |
| Cost of Risk   | (86)         | (36)         | n.s.             |
| <b>Operating Income</b>  | <b>1,165</b> | <b>1,113</b> | <b>+4.6%</b>     |
| Share of Earnings of Equity-Method Entities                            | 1            | 0            | n.s.             |
| Other Non-Operating Items  | 9            | 10           | -7.2%            |
| <b>Pre-Tax Income</b>  | <b>1,175</b> | <b>1,123</b> | <b>+4.6%</b>     |
| Income Attributable to Wealth and Asset Management                     | (84)         | (74)         | +13.6%           |
| <b>Pre-Tax Income of CPBB</b>  | <b>1,091</b> | <b>1,049</b> | <b>+4.0%</b>     |
| Cost/Income  | 68.6%        | 69.5%        | -0.9 pt          |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking) | 6.1          | 6.1          | -0.7%            |

*Including 100% of Private Banking in Belgium for the Revenues to Pre-tax income line items.*

**For the whole of 2023**, loan outstandings increased by 3.2% compared to 2022, driven by rises across all customer segments. Deposits decreased by 2.0% compared to 2022 (-0.5% excluding the impact of the issue of Belgian government bonds maturing in September 2024<sup>1</sup>). Off-balance sheet savings increased by 4.1% compared to 31 December 2022, driven by mutual funds. At EUR 2.0 billion, net asset inflows into Private Banking were good.

**Revenues**<sup>2</sup> rose sharply by 6.0% to EUR 3,990 million. Net interest revenues<sup>(2)</sup> were up very sharply by 9.5%, supported by margins that held up well on deposits and despite the increase in refinancing costs and the negative impact of the Belgium government bond issue in the fourth quarter 2023. Fees<sup>(2)</sup> decreased by 2.0%, due to the decrease in banking fees, partially offset by the increase in financial fees.

At EUR 2,739 million, **operating expenses**<sup>(2)</sup> were up by 4.7%. The jaws effect was positive (+1.3 points), thanks to contained operating expenses, which partially offset the impact of inflation.

**Gross operating income**<sup>(2)</sup> rose sharply by 8.9%, to EUR 1,251 million.

At EUR 86 million (EUR 36 million in 2022), **cost of risk**<sup>(2)</sup> remained low at 6 basis points of outstanding customer loans.

As a result, after allocating one third of Private Banking's Net Income to Wealth Management (IPS division), CPBB achieved **pre-tax income**<sup>3</sup> of EUR 1,091 million, up sharply by 4.0%.

<sup>1</sup> Impact of -EUR 6.9bn on end-of-period deposit volumes offset by increased volumes on securities accounts (+EUR 5.1bn at end of period) included in off-balance sheet client assets but not included in off-balance sheet savings.

<sup>2</sup> Including 100% of Private Banking.

<sup>3</sup> Including 2/3 of Private Banking.

## COMMERCIAL & PERSONAL BANKING IN LUXEMBOURG (CPBL)

| <i>In millions of euros</i>  | <b>2023</b> | <b>2022</b> | <b>2023/2022</b> |
|--|-------------|-------------|------------------|
| <b>Revenues</b>  | <b>592</b>  | <b>475</b>  | <b>+24.7%</b>    |
| <i>Incl. net interest revenue</i>                                      | <i>497</i>  | <i>377</i>  | <i>+31.6%</i>    |
| <i>Incl. fees</i>  | <i>96</i>   | <i>97</i>   | <i>-1.7%</i>     |
| Operating Expenses and Dep.  | (302)       | (275)       | +9.8%            |
| <b>Gross Operating Income</b>  | <b>290</b>  | <b>200</b>  | <b>+45.3%</b>    |
| Cost of Risk   | (8)         | 19          | n.s.             |
| <b>Operating Income</b>  | <b>283</b>  | <b>219</b>  | <b>+29.1%</b>    |
| Share of Earnings of Equity-Method Entities                            | 0           | 0           | n.s.             |
| Other Non-Operating Items  | 5           | 3           | +71.4%           |
| <b>Pre-Tax Income</b>  | <b>288</b>  | <b>222</b>  | <b>+29.8%</b>    |
| Income Attributable to Wealth and Asset Management                     | (7)         | (6)         | +12.5%           |
| <b>Pre-Tax Income of CPBL</b>  | <b>281</b>  | <b>216</b>  | <b>+30.3%</b>    |
| Cost/Income  | 51.0%       | 57.9%       | -6.9 pt          |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking) | 0.8         | 0.8         | -0.6%            |

*Including 100% of Private Banking in Luxembourg for the Revenues to Pre-tax income line items.*

**For the whole of 2023**, loan outstandings increased by 1.3% and were up across all customer segments. Deposits decreased by 4.2%.

**Revenues**<sup>1</sup> rose very sharply by 24.7% to EUR 592 million. Net interest revenues<sup>(1)</sup> were up very sharply by 31.6%, thanks to margins on deposits that held up well, particularly in corporate clients, and the increase in loan outstandings. Fees<sup>(1)</sup> were down by 1.7% compared to a high 2022 base.

At EUR 302 million, **operating expenses**<sup>(1)</sup> increased by 9.8%. The jaws effect was very positive (+14.9 points).

**Gross operating income**<sup>(1)</sup> rose very sharply by 45.3% to EUR 290 million.

At EUR 8 million, **cost of risk**<sup>(1)</sup> was very low.

As a result, after allocating one third of Private Banking's Net Income to Wealth Management (IPS division), CPBL thus achieved **pre-tax income**<sup>2</sup> of **EUR 281 million**, up very sharply by 30.3%.

<sup>1</sup> Including 100% of Private Banking.

<sup>2</sup> Including 2/3 of Private Banking.

## EUROPE-MEDITERRANEAN

| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|--|--------------|--------------|------------------|
| <b>Revenues</b>  | <b>2,687</b> | <b>2,346</b> | <b>+14.5%</b>    |
| <i>Incl. net interest revenue</i>                                      | <i>2,241</i> | <i>1,895</i> | <i>+18.3%</i>    |
| <i>Incl. fees</i>  | <i>446</i>   | <i>451</i>   | <i>-1.2%</i>     |
| Operating Expenses and Dep.  | (1,666)      | (1,658)      | +0.5%            |
| <b>Gross Operating Income</b>  | <b>1,021</b> | <b>688</b>   | <b>+48.4%</b>    |
| Cost of Risk   | (44)         | (153)        | -70.9%           |
| Other net losses for risk on financial instruments                     | 0            | 0            | n.s.             |
| <b>Operating Income</b>  | <b>977</b>   | <b>535</b>   | <b>+82.5%</b>    |
| Share of Earnings of Equity-Method Entities                            | 283          | 376          | -24.7%           |
| Other Non-Operating Items  | (183)        | (87)         | n.s.             |
| <b>Pre-Tax Income</b>  | <b>1,077</b> | <b>824</b>   | <b>+30.8%</b>    |
| Income Attributable to Wealth and Asset Management                     | (47)         | (16)         | n.s.             |
| <b>Pre-Tax Income of Europe-Mediterranean</b>                          | <b>1,030</b> | <b>808</b>   | <b>+27.6%</b>    |
| Cost/Income  | 62.0%        | 70.7%        | -8.7 pt          |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking) | 5.3          | 5.5          | -2.8%            |

*Including 100% of Private Banking in Poland and in Türkiye for the Revenues to Pre-tax income line items.*

**For the whole of 2023**, loan outstandings were up by 2.2%<sup>1</sup> compared to 2022. Targeted origination was prudent in Türkiye and Poland, particularly with individual customers. Deposits increased by 8.1%<sup>(1)</sup> compared to 2022, with an increase in all countries.

**Revenues**<sup>2</sup>, at EUR 2,687 million, were up very sharply by 19.4%<sup>3</sup>, due in particular to the good increase in net interest revenues in Poland.

**Operating expenses**<sup>(2)</sup>, at EUR 1,666 million, were up by 5.6%<sup>(3)</sup>, due to high inflation.

**Gross operating income**<sup>(2)</sup>, at EUR 1,021 million, rose very sharply by 51.9%<sup>(3)</sup>.

**Cost of risk**<sup>(2)</sup> came to EUR 44 million (EUR 153 million in 2022), or 13 basis points of outstanding customer loans<sup>4</sup>. The other net losses for risk on financial instruments are null overall in 2023.

**The hyperinflationary situation in Türkiye**<sup>5</sup> led to a decrease in “other non-operating items” of EUR 212 million compared to 2022.

As a result, after allocating one third of Private Banking’s Net Income to Wealth Management (IPS division), Europe-Mediterranean achieved **pre-tax income**<sup>6</sup> of **EUR 1,030 million**, up very sharply by 23.2%<sup>(3)</sup>.

<sup>1</sup> At constant scope and exchange rates.

<sup>2</sup> Including 100% of Private Banking.

<sup>3</sup> At constant scope and exchange rates, excluding Türkiye at historical exchange rates in accordance with IAS 29.

<sup>4</sup> The extraordinary provision on mortgage loans in Poland is booked in Corporate Centre under “Other net losses for risk on financial instruments” (EUR 450 million) and therefore has no impact on cost of risk at Europe-Mediterranean.

<sup>5</sup> Effects of application of IAS 29 and reflecting the efficiency of hedging (with CPI linkers) in Türkiye.

<sup>6</sup> Including 2/3 of Private Banking.

## SPECIALISED BUSINESSES – PERSONAL FINANCE

| <i>In millions of euros</i>                 | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|---|--------------|--------------|------------------|
| <b>Revenues</b>                             | <b>5,163</b> | <b>5,387</b> | <b>-4.2%</b>     |
| Operating Expenses and Dep.                 | (2,998)      | (2,922)      | +2.6%            |
| <b>Gross Operating Income</b>               | <b>2,164</b> | <b>2,465</b> | <b>-12.2%</b>    |
| Cost of Risk                                | (1,600)      | (1,373)      | +16.5%           |
| <b>Operating Income</b>                     | <b>565</b>   | <b>1,092</b> | <b>-48.3%</b>    |
| Share of Earnings of Equity-Method Entities | 61           | 57           | +7.1%            |
| Other Non-Operating Items                   | 4            | (29)         | n.s.             |
| <b>Pre-Tax Income</b>                       | <b>630</b>   | <b>1,121</b> | <b>-43.8%</b>    |
| Cost/Income                                 | 58.1%        | 54.2%        | +3.9 pt          |
| Allocated Equity (€bn, year to date)        | 9.2          | 8.1          | +12.7%           |

**For the whole of 2023**, Personal Finance continued its transformation. The geographical refocusing of its business activities and the reorganisation of its operating model are going smoothly. Seven entities, in particular in Central Europe, were divested or put into run-off. The effects of the new auto loan partnerships continued and contributed to the expansion in volumes and to the structural improvement in the risk profile. Loan outstandings were up by 10.1% compared to 2022, driven in particular by robust growth in mobility. There was greater selectivity in loan origination. Production margins continued to improve despite increased pressure.

**Revenues**, at EUR 5,163 million, decreased by 4.2% (-3.1% at constant scope and exchange rates), due to pressure on margins and higher financing costs and despite increased volumes.

**Operating expenses**, at 2,998 million, rose by 2.6%, in connection with targeted development projects.

**Gross operating income** decreased by 12.2% to EUR 2,164 million.

**Cost of risk** came to EUR 1,600 million (EUR 1,373 million in 2022), or 155 basis points of outstanding customer loans. Cost of risk remains low despite the impact of the current downturn, on the back of the structural improvement in the risk profile.

**Pre-tax income at Personal Finance thus amounted to EUR 630 million**, down by 43.8%, due to the decrease in gross operating income and the impact of the current downturn on the cost of risk.

## SPECIALISED BUSINESSES – ARVAL & LEASING SOLUTIONS

| <i>In millions of euros</i>                 | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|---|--------------|--------------|------------------|
| <b>Revenues</b>                             | <b>3,869</b> | <b>3,438</b> | <b>+12.5%</b>    |
| Operating Expenses and Dep.                 | (1,501)      | (1,395)      | +7.6%            |
| <b>Gross Operating Income</b>               | <b>2,368</b> | <b>2,043</b> | <b>+15.9%</b>    |
| Cost of Risk                                | (167)        | (146)        | +14.2%           |
| <b>Operating Income</b>                     | <b>2,201</b> | <b>1,897</b> | <b>+16.0%</b>    |
| Share of Earnings of Equity-Method Entities | 0            | 8            | n.s.             |
| Other Non-Operating Items                   | (14)         | 52           | n.s.             |
| <b>Pre-Tax Income</b>                       | <b>2,188</b> | <b>1,957</b> | <b>+11.8%</b>    |
| Cost/Income                                 | 38.8%        | 40.6%        | -1.8 pt          |
| Allocated Equity (€bn, year to date)        | 3.8          | 3.5          | +10.0%           |

**For the whole of 2023**, with 1.7 million financed vehicles<sup>1</sup>, Arval's financed fleet expanded robustly (+6.9% compared to 2022). The volume effect was favourable on vehicle sales on the back of shorter delivery times (342,000 vehicles sold in 2023, compared to a low base in 2022).

At EUR 23.5 billion, outstandings at Leasing Solutions increased by 4.4% compared to 2022. Business drive was good, with production volumes up by 4.3% compared to 2022.

**Revenues**, at EUR 3,869 million, rose sharply by 12.5%, driven by the steep increase in Arval revenues (+16.8% compared to 2022), supported by increases in outstandings and in the number of vehicles sold, despite the gradual normalisation, but at a high level, of used car prices. Revenues at Leasing Solutions rose with the increase in outstandings.

**Operating expenses**, at EUR 1,501 million, rose by 7.6%. The jaws effect was positive (+4.9 pts).

**Pre-tax income at Arval and Leasing Solutions** was up sharply by 11.8% to EUR 2,188 million.

## SPECIALISED BUSINESSES – NEW DIGITAL BUSINESSES (NICKEL, FLOA, LYF) AND PERSONAL INVESTORS

| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b> | <b>2023/2022</b> |
|--|--------------|-------------|------------------|
| <b>Revenues</b>  | <b>1,007</b> | <b>846</b>  | <b>+19.0%</b>    |
| Operating Expenses and Dep.  | (677)        | (578)       | +17.1%           |
| <b>Gross Operating Income</b>  | <b>330</b>   | <b>268</b>  | <b>+23.0%</b>    |
| Cost of Risk   | (123)        | (100)       | +23.5%           |
| <b>Operating Income</b>  | <b>206</b>   | <b>168</b>  | <b>+22.7%</b>    |
| Share of Earnings of Equity-Method Entities                              | (9)          | (10)        | -10.8%           |
| Other Non-Operating Items  | 0            | 1           | -56.8%           |
| <b>Pre-Tax Income</b>  | <b>198</b>   | <b>159</b>  | <b>+24.4%</b>    |
| Income Attributable to Wealth and Asset Management                       | (3)          | (2)         | +57.8%           |
| <b>Pre-Tax Income of New Digital Businesses &amp; Personal Investors</b> | <b>195</b>   | <b>157</b>  | <b>+23.9%</b>    |
| Cost/Income  | 67.3%        | 68.3%       | -1.0 pt          |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking)   | 0.8          | 0.5         | +54.1%           |

*Including 100% of Private Banking in Germany for the Revenues to Pre-tax income line items.*

**For the whole of 2023**, Nickel maintained a steady increase in account openings (more than 63,000 per month<sup>2</sup>). The number of Floa's active partnerships rose very quickly (2.8-fold since 1 January 2023). Personal Investors achieved a 12.4% increase in assets under management compared to 31 December 2022, driven by the very high level of customer acquisitions (about 230,000 in 2023).

**Revenues**<sup>3</sup>, at EUR 1,007 million, rose very sharply by 19.0%, driven by the increase at New Digital Businesses with the development of activity and the strong increase in Personal Investors revenues, driven by the interest-rate environment.

**Operating expenses**<sup>(2)</sup>, at EUR 677 million, increased by 17.1%. The jaws effect was positive.

**Gross operating income**<sup>(2)</sup> rose very sharply by 23.0%, to EUR 330 million.

**Cost of risk**<sup>(2)</sup> came to EUR 123 million (EUR 100 million in 2022).

**Pre-tax income**<sup>4</sup> at New Digital Businesses and Personal Investors after allocating one third of results of Private Banking in Germany to Wealth Management (IPS division), rose very sharply by 23.9%, to EUR 195 million.

<sup>1</sup> Fleet at end of period.

<sup>2</sup> On average in the fourth quarter 2023 in all countries.

<sup>3</sup> Including 100% of Private Banking in Germany.

<sup>4</sup> Including 2/3 of Private Banking in Germany.

## INVESTMENT & PROTECTION SERVICES (IPS)

| <i>In millions of euros</i>                 | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|---|--------------|--------------|------------------|
| <b>Revenues</b>                             | <b>5,590</b> | <b>5,813</b> | <b>-3.8%</b>     |
| Operating Expenses and Dep.                 | (3,566)      | (3,552)      | +0.4%            |
| <b>Gross Operating Income</b>               | <b>2,024</b> | <b>2,261</b> | <b>-10.5%</b>    |
| Cost of Risk                                | (13)         | 5            | n.s.             |
| <b>Operating Income</b>                     | <b>2,011</b> | <b>2,265</b> | <b>-11.2%</b>    |
| Share of Earnings of Equity-Method Entities | 224          | 178          | +25.7%           |
| Other Non-Operating Items                   | (76)         | 88           | n.s.             |
| <b>Pre-Tax Income</b>                       | <b>2,159</b> | <b>2,532</b> | <b>-14.7%</b>    |
| Cost/Income                                 | 63.8%        | 61.1%        | +2.7 pt          |
| Allocated Equity (€bn, year to date)        | 10.3         | 10.0         | +3.8%            |

**For the whole of 2023, IPS, a player of reference in protection, savings, and responsible investment**, continued to deploy its plan and to pursue its strategic initiatives. Insurance results improved, driven by Protection and an increased contribution from partnerships. Wealth Management achieved strong growth in revenues and good net asset inflows (+EUR 17.1 billion in 2023<sup>1</sup>) in all geographies. Asset Management<sup>2</sup> performed well, with net asset inflows of +EUR 13.4 billion in 2023. Results at Real Estate and Principal Investments were strongly affected by a high base effect and a market at Real Estate that slowed considerably.

**Revenues** decreased by 3.8% but increased by 3.7% without the contribution from Real Estate and Principal Investments. They were driven by growth at Wealth Management (+6.0%), Insurance (+3.6%) and Asset Management<sup>(2)</sup> (+1.7%, excluding a negative non-recurring base effect).

At EUR 3,566 million, **operating expenses** rose by 0.4% (+1.7% excluding the contribution of Real Estate and Principal Investments).

The jaws effect was positive (+2.1 points) excluding the current downturn impact at Real Estate and Principal Investments.

**Gross operating income** came to EUR 2,024 million, down by 10.5%.

At EUR 2,159 million, **IPS's pre-tax income** was down by 14.7% (+1.8% excluding the contribution of Real Estate and Principal Investments).

<sup>1</sup> Excluding the impact of the sale of a portfolio in Spain.

<sup>2</sup> Excluding Real Estate and Principal Investments.

## INSURANCE AND WEALTH MANAGEMENT

### INSURANCE

| <i>In millions of euros</i>                 | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|---|--------------|--------------|------------------|
| <b>Revenues</b>                             | <b>2,090</b> | <b>2,016</b> | <b>+3.6%</b>     |
| Operating Expenses and Dep.                 | (808)        | (794)        | +1.8%            |
| <b>Gross Operating Income</b>               | <b>1,281</b> | <b>1,222</b> | <b>+4.8%</b>     |
| Cost of Risk                                | 0            | 0            | n.s.             |
| <b>Operating Income</b>                     | <b>1,281</b> | <b>1,222</b> | <b>+4.8%</b>     |
| Share of Earnings of Equity-Method Entities | 193          | 104          | +84.4%           |
| Other Non-Operating Items                   | (80)         | 13           | n.s.             |
| <b>Pre-Tax Income</b>                       | <b>1,394</b> | <b>1,340</b> | <b>+4.1%</b>     |
| Cost/Income                                 | 38.7%        | 39.4%        | -0.7 pt          |
| Allocated Equity (€bn, year to date)        | 7.0          | 7.1          | -1.4%            |

### WEALTH MANAGEMENT

| <i>In millions of euros</i>                 | <b>2023</b>  | <b>2022</b>  | <b>2023/2022</b> |
|---|--------------|--------------|------------------|
| <b>Revenues</b>                             | <b>3,500</b> | <b>3,797</b> | <b>-7.8%</b>     |
| Operating Expenses and Dep.                 | (2,757)      | (2,758)      | -0.1%            |
| <b>Gross Operating Income</b>               | <b>743</b>   | <b>1,038</b> | <b>-28.5%</b>    |
| Cost of Risk                                | (13)         | 5            | n.s.             |
| <b>Operating Income</b>                     | <b>730</b>   | <b>1,043</b> | <b>-30.0%</b>    |
| Share of Earnings of Equity-Method Entities | 31           | 74           | -57.4%           |
| Other Non-Operating Items                   | 4            | 75           | -95.2%           |
| <b>Pre-Tax Income</b>                       | <b>765</b>   | <b>1,192</b> | <b>-35.8%</b>    |
| Cost/Income                                 | 78.8%        | 72.7%        | +6.1 pt          |
| Allocated Equity (€bn, year to date)        | 3.4          | 2.9          | +16.3%           |

### Inflows and assets under management

As of 31 December 2023, **assets under management**<sup>1</sup> came to EUR 1,236 billion. They reflected a market performance effect of +EUR 54.4 billion and the effect of strong net asset inflows of +EUR 23.8 billion, partially offset by the unfavourable forex impact of -EUR 9.8 billion. Net asset inflows were good and driven mainly by asset inflows into money-market funds at Asset Management and good inflows at Wealth Management. Assets under management<sup>(1)</sup> were up by 5.5% compared to 31 December 2022.

As of 31 December 2023, assets under management<sup>(1)</sup> broke down into EUR 566 billion at Asset Management and Real Estate, EUR 415 billion at Wealth Management, and EUR 255 billion at Insurance.

### Insurance

**For the whole of 2023**, savings activity achieved gross asset inflows of EUR 22.9 billion, driven by strong business drive in France, with net asset inflows sustained by inflows into unit-linked policies. Protection activity continued to rise in Latin America and France, in particular in affinity insurance, property & casualty insurance, and individual protection.

**Revenues** rose by 3.6%, to EUR 2,090 million, driven mainly by the good performance at Protection and the increase in the technical result.

<sup>1</sup> Including distributed assets.



**Operating expenses**, at EUR 808 million, were up by 1.8%.

At EUR 1,394 million, **pre-tax income** at Insurance was up by 4.1%, including strong contributions from associates in all regions. In the fourth quarter 2023, it reflected the negative exceptional impact of the sale of a business in Argentina.

## Wealth & Asset Management

**For the whole of 2023**, activity improved at Private Wealth Management with good net asset inflows (EUR 17.1 billion<sup>1</sup> in 2023), in particular in Commercial & Personal Banking and with large clients. Revenues were up very sharply sustained by the interest-rate environment.

Asset Management<sup>2</sup> achieved sustained asset inflows, driven by inflows into money-market funds despite net outflows from medium- and long-term funds. Revenues rose with the effect of inflows and marketing drive.

Real Estate decreased sharply on a market that slowed considerably, and the performance of Principal Investments compares with a high 2022 base.

**Revenues**, at EUR 3,500 million, decreased by 7.8% but increased by +3.8% excluding the contribution from Real Estate and Principal Investments. They were driven by higher revenues at Wealth Management (+6.0%) and Asset Management<sup>(2)</sup> (+1.7% excluding a negative third quarter 2022 base effect), offset by the decrease at Real Estate and Principal Investments.

**Operating expenses** were down by 0.1% (+1.6% excluding the contribution from Real Estate and Principal Investments), at EUR 2,757 million. The jaws effect was positive (+2.2 points) excluding the impact of the current downturn at Real Estate and Principal Investments.

**Pre-tax income** at Wealth & Asset Management thus amounted to EUR 765 million, down by 35.8%. This compares with a high base in 2022, which had reflected the impact of capital gains on divestment due to a sale at Wealth Management and the creation of a joint venture at Asset Management.

## CORPORATE CENTRE

| <i>In millions of euros</i>  | <b>2023</b>    | <b>2022</b>    | <b>2023/2022</b> |
|--|----------------|----------------|------------------|
| <b>Revenues</b>  | <b>(2,141)</b> | <b>(1,718)</b> | <b>+24.6%</b>    |
| <i>Incl. Restatement of the volatility (Insurance business)</i>        | <i>(40)</i>    | <i>(384)</i>   | <i>-89.6%</i>    |
| <i>Incl. Restatement of attributable costs (Internal Distributors)</i> | <i>(1,041)</i> | <i>(1,056)</i> | <i>-1.4%</i>     |
| Operating Expenses and Dep.  | (509)          | (107)          | n.s.             |
| <i>Incl. Restructuring, IT Reinforcement and Adaptation Costs</i>      | <i>(852)</i>   | <i>(490)</i>   | <i>+73.8%</i>    |
| <i>Incl. Restatement of attributable costs (Internal Distributors)</i> | <i>1,041</i>   | <i>1,056</i>   | <i>-1.4%</i>     |
| <b>Gross Operating Income</b>  | <b>(2,650)</b> | <b>(1,824)</b> | <b>+45.3%</b>    |
| Cost of Risk   | (37)           | (185)          | -80.1%           |
| <i>Other net losses for risk on financial instruments</i>              | <i>(775)</i>   | <i>0</i>       | <i>n.s.</i>      |
| <b>Operating Income</b>  | <b>(3,462)</b> | <b>(2,010)</b> | <b>+72.3%</b>    |
| Share of Earnings of Equity-Method Entities                            | 19             | 23             | -18.7%           |
| Other Non-Operating Items  | 171            | (59)           | n.s.             |
| <b>Pre-Tax Income</b>  | <b>(3,272)</b> | <b>(2,046)</b> | <b>+60.0%</b>    |
| Allocated Equity (€bn, year to date)                                   | 4.5            | 3.7            | +23.1%           |

**IFRS 17 “Insurance contracts” has replaced IFRS 4 “Insurance contracts” since 1 January 2023.** IFRS 17 entered into force together with the implementation of IFRS 9 for insurance activities.

The main effects are as follows:

- Operating expenses deemed “attributable to insurance activities” are recognised in deduction of revenues and no longer booked in operating expenses. These accounting entries apply only to Insurance and to Group entities (other than in the

<sup>1</sup> Excluding the impact of the sale of a portfolio in Spain.

<sup>2</sup> Excluding Real Estate and Principal Investments.

Insurance business line) that distribute insurance contracts (*i.e.* internal distributors) and have no impact on gross operating income. The impact of these entries for internal distributors is presented in Corporate Centre, in order not to impede the readability of their financial performance.

- The impact of the volatility generated by the fair value accounting of certain assets through profit and loss (IFRS 9) is presented in Corporate Centre and therefore has no impact on Insurance revenues.

As of 1 January 2023, Corporate Centre thus includes restatements, which will be reported separately each quarter to improve readability.

**For the whole of 2023, revenues on restatements related to insurance activities in Corporate Centre** amounted to -EUR 1,081 million (-EUR 1,440 million in 2022). This included -EUR 1,041 million from the impact of restating “attributable” operating expenses of internal distributors (-EUR 1,056 million in 2022) and -EUR 40 million from the impact of volatility at Insurance generated by the fair value accounting of assets through profit and loss (IFRS 9) (-EUR 384 million in 2022).

**Operating expenses from restatements related to insurance activities in Corporate Centre** amounted to - EUR 1,041 million (-EUR 1,056 million pour 2022).

**Corporate Centre’s pre-tax income from restatements related to insurance activities** thus amounted to -EUR 40 million (-EUR 384 million in 2022).

**For the whole of 2023, the extraordinary items are recognised in Corporate Centre. Corporate Centre’s revenues excluding restatements related to insurance activities** came to -EUR 1,060 million (-EUR 278 million in 2022), -EUR 122 million excluding the impact of extraordinary items. They indeed reflected the extraordinary impact of the adjustment of hedges, due to changes in TLTRO terms and conditions decided by the European Central Bank in the fourth quarter 2022 (-EUR 938 million) and the exceptional impact of provisions for litigation (-EUR 125 million). They also reflected a negative impact of EUR 55 million from the revaluation of proprietary credit risk included in derivatives (DVA) (+EUR 185 million in 2022 offset by the impact of a negative non-recurring item).

**Corporate Centre’s operating expenses excluding restatements related to insurance activities** stood at EUR 1,551 million (EUR 1,163 million in 2022), EUR 1,049 million excluding the impact of extraordinary items. They reflected the extraordinary impact of overall adaptation costs related in particular to Personal Finance (EUR 276 million) and the impact of the bank levy in Great Britain (EUR 226 million), and the exceptional impact of restructuring costs and adaptation costs in the amount of EUR 182 million (EUR 189 million in 2022) and IT reinforcement costs of EUR 395 million (EUR 302 million in 2022).

**Corporate Centre’s cost of risk excluding restatements related to insurance activities<sup>1</sup>** came to EUR 37 million (EUR 185 million in 2022).

**Other net losses for risk on financial instruments, *i.e.* charges related to the risk of invalidation or non-enforceability of financial instruments granted** came to EUR 775 million and are considered as extraordinary items. In 2023, they reflected the extraordinary impact of provisions on mortgage loans in Poland (EUR 450 million), provisions for litigation related to Personal Finance (EUR 221 million), and provisions for risk on receivables (EUR 104 million).

**Other non-operating items of Corporate Centre excluding restatements related to insurance activities** amounted to EUR 190 million (-EUR 36 million in 2022). They reflected the positive impact of capital gains on sales in the second quarter 2023. In 2022, they had reflected the negative impact of the impairment of Ukrsibbank shares and the reclassification to profit and loss of exchange differences<sup>2</sup> (-EUR 433 million), partially offset by the positive effects of negative goodwill at bpost bank (+EUR 244 million) and a capital gain on the sale of a stake (+EUR 204 million).

**Pre-tax income of Corporate Centre excluding restatements related to insurance activities thus amounted to -EUR 3,233 million** (-EUR 1,662 million in 2022), -EUR 1,017 million excluding the impact of extraordinary items.

<sup>1</sup> Note: cost of risk does not include the other net losses for risk on financial instruments.

<sup>2</sup> Previously recorded in consolidated equity.

## 3.3 Balance sheet

### ASSETS

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#### OVERVIEW

Since 1 January 2023, BNP Paribas Group's insurance entities have applied IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments". The effects of this change on the balance sheet at 31 December 2022 are presented in chapter 4 note 2 *IFRS 17 and IFRS 9 first time application impacts*.

At 31 December 2023, the total consolidated balance sheet of the BNP Paribas Group amounted to EUR 2,591.5 billion, down by -3% from 31 December 2022 (EUR 2,663.7 billion restated according to IFRS 17 and 9). The Group's main assets include cash and balances at central banks, financial instruments at fair value through profit or loss, loans and advances to customers, debt securities at amortised cost, investments and other assets related to insurance activities and accrued income and other assets, which, together, accounted for 94% of total assets at 31 December 2023 (91% at 31 December 2022). The -3% decrease in assets is mainly due to the evolution of:

- financial instruments at fair value through profit or loss which increased by +7% (+EUR 45.8 billion, or EUR 730.9 billion at 31 December 2023);
- financial instruments at fair value through equity which increased by +38% (+EUR 14.5 billion, or EUR 52.5 billion at 31 December 2023);
- investments and other assets related to insurance activities which increased by +5% (+EUR 11.6 billion, or EUR 257.1 billion at 31 December 2023);
- loans and advances to credit institutions which decreased by -25% (-EUR 8.3 billion, or EUR 24.3 billion at 31 December 2023);
- accrued income and other assets which decreased by -18% (-EUR 37.8 billion, or EUR 170.8 billion at 31 December 2023);
- assets held for sales which decreased by -EUR 86.8 billion following the sale of the retail and commercial banking activities in the United States operated by the BancWest cash-generating unit.

#### CASH AND BALANCES AT CENTRAL BANKS

Cash and central banks accounted for EUR 288.3 billion at 31 December 2023, decreased by -9.5% from 31 December 2022 (EUR 318.6 billion).

#### FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets recognised at market or model value through profit or loss are composed of trading portfolios, financial derivatives and certain assets not held for trading purposes, whose characteristics do not permit recognition at amortised cost or at fair value through equity. Financial assets in the trading portfolio include securities, loans and repurchase agreements.

These assets are measured at market or model value at each balance sheet date.

Total financial instruments at market value by profit and loss increased by +7% (+EUR 45.8 billion) compared with 31 December 2022.

This increase is mainly due to the +27.4% increase in securities (+EUR 45.6 billion to EUR 211.6 billion at 31 December 2023), and by the +18.9% increase in loans and repurchase agreements (+EUR 36.1 billion to EUR 227.2 billion at 31 December 2023), partially offset by the -10.9% decrease in derivative financial instruments (-EUR 35.9 billion to EUR 292.1 billion at 31 December 2023).

#### LOANS AND ADVANCES TO CREDIT INSTITUTIONS

Loans and advances to credit institutions (net of impairment) amounted to EUR 24.3 billion at 31 December 2023, a decrease of -EUR 8.3 billion compared with 31 December 2022, and are split between on demand accounts, loans to credit institutions and repurchase agreements.

Repurchase agreements were down by -17% for a total of EUR 4.9 billion at 31 December 2023, compared with EUR 5.9 billion at 31 December 2022. Loans to credit institutions decreased by -22% to EUR 12.3 billion at 31 December 2023, compared with EUR 15.8 billion at 31 December 2022. Impairment provisions were stable at EUR 99 million at 31 December 2023.

#### LOANS AND ADVANCES TO CUSTOMERS

Loans and advances to customers are divided into ordinary accounts, loans to customers, reverse repurchase agreements and finance leases.

Loans and advances to customers (net of impairment) amounted to EUR 859.2 billion at 31 December 2023, compared with EUR 857 billion at 31 December 2022, increasing by +0.3%. This is due to the increase in financial leases which amounted to EUR 47.7 billion at 31 December 2023, increasing by +14.9% compared with 31 December 2022 and an increase in on demand accounts which amounted to 44 billion at 31 December 2023, increasing by +9.6% compared with 2022 offset, by the decrease in loans to customers (-1%, or EUR 767 billion at 31 December 2023, compared with EUR 774.6 billion at 31 December 2022). Impairment provisions were down to EUR 17.5 billion at 31 December 2023, compared with EUR 18.3 billion at 31 December 2022.

## **DEBT SECURITIES AT AMORTISED COST OR AT MARKET OR MODEL VALUE THROUGH EQUITY**

Debt securities that are not held for trading purposes and which meet the cash flow criterion established by IFRS 9 are recognised:

- at amortised cost if managed to collect cash flows by collecting contractual payments over the life of the instrument; or
- at fair value through equity if held in a business model whose objective is achieved through both the collection of contractual cash flows and the sale of financial assets.

### **Debt securities at amortised cost**

Debt securities at amortised cost are measured using the effective interest rate method. They totalled EUR 121.2 billion at 31 December 2023 (net of impairment), compared with EUR 114 billion at 31 December 2022, thus increasing by +6.3%.

### **Debt securities at fair value through equity**

These assets are measured at market or model value through equity at each balance sheet date. They increased by EUR 14.4 billion between 31 December 2022 and 31 December 2023, amounting to EUR 50.3 billion.

Debt securities at fair value through equity posted an unrealised loss of -EUR 585 million at 31 December 2023, compared with -EUR 866 million at 31 December 2022, an increase of +EUR 281 billion.

## **INVESTMENTS AND OTHER ASSETS RELATED TO INSURANCE ACTIVITIES**

Financial investments and other assets related to insurance activities mainly include financial instruments corresponding to investments of liabilities relating to insurance contracts and in particular unit-linked contracts, derivative instruments subscribed, investment properties, equity-method investments and assets related to insurance activities.

Investments and other assets related to insurance activities amounted to EUR 257.1 billion at 31 December 2023, an increase of +4.7% compared with 31 December 2022. This variation is mainly due to an increase of +8.9% in financial assets at fair value through profit or loss (EUR 156.8 billion at 31 December 2023, compared with EUR 144 billion at 31 December 2022), and to a decrease of 15.1% in investment properties (EUR 7.5 billion at 31 December 2023, compared with EUR 8.8 billion at 31 December 2022).

Financial assets at fair value through equity have an unrealised loss of -EUR 5.1 billion at 31 December 2023, compared with -EUR 10.3 billion at 31 December 2022, an increase of +EUR 5.2 billion.

## **ACCRUED INCOME AND OTHER ASSETS**

Accrued income and other assets are divided between guarantee deposits and bank guarantees paid, collection accounts, accrued income and prepaid expenses, other debtors and miscellaneous assets.

Accrued income and other assets amounted to EUR 170.8 billion at 31 December 2023, compared with EUR 208.5 billion at 31 December 2022, down -18.1%. This decrease is in particular related to guarantee deposits and bank guarantees paid, down by -EUR 36.9 billion (-23.6%).

## **LIABILITIES**

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### **OVERVIEW**

The Group's liabilities (excluding equity) amounted to EUR 2,462.6 billion at 31 December 2023, down by -3% from 31 December 2022 (EUR 2,537.7 billion restated according to IFRS 17 and 9). The Group's main liabilities consist of financial instruments at fair value through profit or loss, deposits from customers and from credit institutions, debt securities, accrued expenses and other liabilities, and technical reserves and other insurance liabilities, which, together, accounted for 97% of the Group's total liabilities (excluding equity) at 31 December 2023 (94% at 31 December 2022). The -3% decrease in liabilities is mainly due to the evolution of:

- financial instruments at fair value through profit or loss which increased by +6% (+EUR 42.2 billion, or EUR 741.2 billion at 31 December 2023);
- deposits from credit institutions which decreased by -24% (-EUR 29.5 billion, or EUR 95.2 billion at 31 December 2023);

- deposits from customers which decreased by -2% (-EUR 19.5 billion, or EUR 988.5 billion at 31 December 2023);
- accrued expenses and other liabilities which decreased by -22% (-EUR 41.3 billion, or EUR 143.7 billion at 31 December 2023);
- liabilities associated with assets held for sale which decreased by -EUR 77 billion following the sale of the retail and commercial banking activities in the United States operated by the BancWest cash-generating unit.

## FINANCIAL INSTRUMENTS AT FAIR OR MODEL VALUE THROUGH PROFIT OR LOSS

The trading portfolio consists mainly of sales of borrowed securities, repurchase agreements and financial derivatives. Financial liabilities designated as at fair or model value through profit or loss are mainly composed of issues originated and structured on behalf of clients, where the risk exposure is managed in combination with the hedging strategy. These types of issues contain significant embedded derivatives, whose changes in value are offset by changes in value of the hedging instruments.

Total financial instruments at fair or model value through profit or loss increased by +6.0% (+EUR 42.2 billion) compared with 31 December 2022, related mainly to the +16.9% increase in repurchase agreement operations (+EUR 39.5 billion to EUR 273.6 billion at 31 December 2023) and the +5.8% increase in securities (+EUR 5.8 billion to EUR 104.9 billion in 31 December 2023), partially offset by the -7.1% decrease in financial derivatives (-EUR 21.2 billion to EUR 278.9 billion at 31 December 2023).

## DEPOSITS FROM CREDIT INSTITUTIONS

Amounts due to credit institutions consist primarily of interbank borrowings, demand deposits and repurchase agreements. Amounts due to credit institutions decreased by -23.7% or -EUR 29.5 billion to EUR 95.2 billion at 31 December 2023. This decrease mainly results from the -47.4% decrease in interbank borrowings EUR 54.8 billion at 31 December 2023 compared with EUR 104.1 billion at 31 December 2022.

## DEPOSITS FROM CUSTOMERS

Deposits from customers consist primarily of on-demand deposits, term accounts, savings accounts and repurchase agreements. Deposits from customers amounted to -EUR 988.5 billion, down by -EUR 19.5 billion from 31 December 2022. This is due to the -8.5% decrease in on-demand deposits (a decrease of -EUR 50.1 billion, to EUR 542.1 billion as at 31 December 2023) and to the increase of +15.5% in term accounts and short-term notes (an increase of +EUR 39.3 billion, to EUR 292.5 billion as at 31 December 2023).

## DEBT SECURITIES

This category includes negotiable certificates of deposit and bond issues but does not include debt securities classified as financial liabilities at fair or model value through profit or loss (see note 5.h to the consolidated financial statements). Debt securities rose from EUR 155.4 billion at 31 December 2022 to EUR 191.5 billion at 31 December 2023.

## ACCRUED EXPENSE AND OTHER LIABILITIES

Accrued expense and other liabilities consist of guarantee deposits received, collection accounts, accrued expense and deferred income, lease liabilities, as well as other creditors and miscellaneous liabilities.

Accrued expense and other liabilities amounted to EUR 143.7 billion at 31 December 2023, compared with EUR 185 billion at 31 December 2022, a decrease of -22.3%. This decrease is mainly due to guarantee deposits received, down by -EUR 36.4 billion (-29.4%).

## LIABILITIES RELATED TO INSURANCE CONTRACTS

Liabilities related to insurance contracts increased by +3.9% compared with 31 December 2022 and amounted to EUR 218 billion at 31 December 2023 (EUR 209.8 billion at 31 December 2022), mainly due to the increase in the valuation of underlining assets related to insurance contracts not measured under the Premium Allocation approach.

## MINORITY INTERESTS

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Minority interests amounted to EUR 5.1 billion at 31 December 2023, compared with EUR 4.8 billion at 31 December 2022.

## SHAREHOLDERS' EQUITY

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Shareholders' equity (before dividend payout) amounted to EUR 123.7 billion at 31 December 2023, compared with EUR 121.2 billion at 31 December 2022 (restated in accordance with IFRS 17 and 9). This EUR 2.5 billion increase is mainly attributable to the profit of the period which amounted to EUR 11.0 billion, to share buybacks for -EUR 5.0 billion, to the distribution of dividends on 2022 profit for -EUR 4.7 billion and to undated super subordinated notes' issuances for EUR 1.7 billion.

## FINANCING AND GUARANTEE COMMITMENTS

### FINANCING COMMITMENTS

Financing commitments given mainly consist mostly of documentary credit, other credit confirmations and other commitments. They decreased by -EUR 17.5 billion compared with 31 December 2022, to EUR 369.5 billion at 31 December 2023.

Financing commitments given to customers decreased by -4.4% to EUR 365.8 billion at 31 December 2022 and those given to credit institutions decreased by -EUR 0.6 billion to EUR 3.7 billion at 31 December 2023.

Financing commitments received consist mainly of financing commitments received from credit institutions in the context of refinancing from central banks. Financing commitments received increased by +5.8%, to EUR 72.8 billion at 31 December 2023, compared with EUR 68.8 billion at 31 December 2022.

### GUARANTEE COMMITMENTS

Guarantee commitments given rose by +6.5% to EUR 190.3 billion at 31 December 2023 (compared with EUR 178.8 billion at 31 December 2022); this increase comes from the guarantee commitments given to credit institutions (an increase of +4.6% to EUR 63.1 billion at 31 December 2023), and the increase of guarantee commitments to customers by +7.4% to EUR 127.2 billion at 31 December 2023 (compared with EUR 118.4 billion at 31 December 2022).

## 3.4 Profit and loss account

### REVENUES FROM CONTINUING ACTIVITIES

| <i>In millions of euros</i>  | Year to 31 Dec.<br>2022 |  | Change<br>(2023/2022) |
|--|-------------------------|--|-----------------------|
|  | Year to 31<br>Dec. 2023 | restated according<br>to IFRS 17 and 9 |                       |
| Net interest income  | 19,058                  | 20,933                                 | -9.0%                 |
| Net commission income  | 9,821                   | 10,165                                 | -3.4%                 |
| Net gain on financial instruments at fair value through profit or loss | 10,346                  | 9,352                                  | +10.6%                |
| Net gain on financial instruments at fair value through equity         | 28                      | 138                                    | -79.7%                |
| Net gain on derecognised financial assets at amortised cost            | 66                      | (41)                                   | ns                    |
| Net income from insurance activities                                   | 2,320                   | 1,901                                  | +22.0%                |
| Net income from other activities                                       | 4,235                   | 2,982                                  | +42.0%                |
| <b>REVENUES FROM CONTINUING ACTIVITIES</b>                             | <b>45,874</b>           | <b>45,430</b>                          | <b>+1.0%</b>          |

### OVERVIEW

The increase of +EUR 444 million in the Group's revenues between 2022 and 2023 was mainly due to the increase of +EUR 1 billion in net gain on financial instruments at fair value through profit or loss and +EUR 1.3 billion in net income from other activities partially offset by the decrease of -EUR 1.9 billion in net interest margin.

### NET INTEREST INCOME

This line item includes net interest income and expense related to customer transactions, interbank transactions, debt instruments issued by the Group, cash flow hedge instruments, derivatives used for interest-rate portfolio hedge, debt securities at amortised cost or at fair value through equity, and non-trading instruments at fair value through profit or loss.

More specifically, the “Net interest income” line item includes:

- net interest income from loans and advances, including interest, transaction costs, fees and commissions included in the initial value of the loan. These items are calculated using the effective interest method, and recognised in the profit and loss account over the life of the loan;
- net interest income from debt securities held by the Group, which are measured at amortised cost or at fair value through equity (for the interest calculated using the effective interest method), and from non-trading debt securities at fair value through profit or loss (for the contractual accrued interest);
- net interest income from cash flow hedges, which are used in particular to hedge the interest rate risk on variable-rate assets and liabilities. Changes in the fair value of cash flow hedges are recorded in equity. The amounts recorded in equity over the life of the hedge are transferred to “Net interest income” as and when the cash flows from the hedged item are recognised as profit or loss in the income statement.

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

The main factors affecting the level of net interest income are the relative volumes of interest-earning assets and interest-bearing liabilities and the spread between lending and funding rates. Net interest income is also affected by the impact of hedging transactions, and, to a lesser extent, exchange rate fluctuations.

Volumes of interest-earning assets and interest-bearing liabilities can be affected by various factors, in addition to general market conditions and growth in the Group’s lending activities (either organically or through acquisitions). One such factor is the Group’s business mix, such as the relative proportion of capital allocated to interest-generating as opposed to fee-generating businesses.

The other principal factor affecting net interest income is the spread between lending and funding rates, which itself is influenced by several factors. These include central bank funding rates (which affect both the yield on interest-earning assets and the rates paid on sources of funding, although not always in a linear and simultaneous manner), the proportion of funding sources represented by non-interest bearing customer deposits, government decisions to raise or lower interest rates on regulated savings accounts, the competitive environment, the relative weight of the Group’s various interest-bearing products, which have different margins as a result of different competitive environments, and the Bank’s hedging strategy and accounting treatment of hedging transactions.

Net Interest income decreased by 9% to EUR 19,058 million for the year ended 31 December 2023. This variation is attributable to the combination of the decrease in net income on interest rate portfolio hedge instruments (-EUR 1,940 million in 2023, compared with -EUR 500 million in 2022), the decrease in net income from financial instruments at amortised cost (EUR 18,269 million in 2023, compared with EUR 19,390 million in 2022), the decrease in net income from non-trading instruments at fair value through profit or loss (-EUR 1,211 million in 2023, compared with -EUR 220 million in 2022), and the increase on financial instruments designated as at fair value through equity (EUR 1,856 million in 2023, compared with EUR 738 million in 2022).

## **NET COMMISSION INCOME**

Net commission income includes commissions on customer transactions, securities and derivatives transactions, financing and guarantee commitments, and asset management and other services. Net commission income decreased by -3.4%, from EUR 10,165 million in 2022 to EUR 9,821 million in 2023.

Insurance activity fees are included in “Net income from insurance activities”.

## **NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR OR MODEL VALUE THROUGH PROFIT OR LOSS**

This line item includes all profit and loss items relating to financial instruments managed in the trading book, to financial instruments designated as at fair value through profit or loss by the Group under the fair value option and to non-trading debt securities that do not meet the criteria required to be recognised at amortised cost or at fair value through equity (other than interest income and expense on the last two categories, which are recognised under “Net interest income” as presented above). It also includes gains and losses on non-trading equity instruments that the Group did not choose to measure at fair value through equity. This includes both capital gains and losses on the sale and the marking to fair value of these instruments, along with dividends from equity securities.

This line item also includes gains and losses due to the ineffectiveness of fair value hedges, cash flow hedges, and net foreign investment hedges.

The gains and losses resulting from cash flows and the remeasurement of financial instruments, either cash or derivatives, must be appreciated as a whole in order to give a fair representation of the profit or loss resulting from trading activities.

Net gains on financial instruments as at fair or model value through profit or loss increased by +11% from EUR 9,352 million in 2022 to EUR 10,346 million in 2023.



The income from items designated as at fair value through profit or loss are partly offset by changes in value of the derivative instruments hedging these assets.

## NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH EQUITY

Net gains on financial instruments at fair value through equity correspond to gains and losses realised on debt securities recognised at fair value through equity and to dividends from equity securities that the Group chose to recognise at fair value through equity.

Changes in fair value of these assets are initially recognised under “Changes in assets and liabilities recognised directly in equity”. Upon sale of these assets, realised gains or losses are recognised in the profit or loss account under “Net gains on financial instruments at fair value through equity” for debt securities, or transferred to retained earnings for equity securities.

Net gains on financial instruments at fair value through equity amounted to EUR 28 million in 2023 and EUR 138 million in 2022.

## NET INCOME FROM INSURANCE ACTIVITIES

Net income from insurance activities includes insurance service result and financial result. Insurance service result includes revenue from services relating to a group of insurance contracts compensated by related insurance service expenses. Financial result includes investment return compensated by related net finance income or expenses from insurance contracts.

Net income from insurance activities increased by EUR 419 million compared with 2022 and amounted to EUR 2,320 million in 2023.

## NET INCOME FROM OTHER ACTIVITIES

This item includes, among other things, net income from investment property, assets held under operating lease and property development activities. Net income from other activities increased by 41.9%, from EUR 2,982 million in 2022 to EUR 4,235 million in 2023. This change is mainly due to a EUR 915 million increase in Net income from assets held under operating leases.

## OPERATING EXPENSES, DEPRECIATION AND AMORTISATION

| <i>In millions of euros</i>  | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022<br/><i>restated according<br/>to IFRS 17 and 9</i></b> | <b>Change<br/>(2023/2022)</b> |
|--|---------------------------------|--|-------------------------------|
| Operating expenses   | (28,713)                        | (27,560)   | +4.2%                         |
| Depreciation, amortisation and impairment of property, plant and equipment and intangible assets | (2,243)                         | (2,304)  | -2.6%                         |
| <b>TOTAL OPERATING EXPENSES, DEPRECIATION, AND AMORTISATION</b>                                  | <b>(30,956)</b>                 | <b>(29,864)</b>  | <b>+3.7%</b>                  |

Operating expenses, depreciation and amortisation increased by +3.7%, from -EUR 29,864 million in 2022 to -EUR 30,956 million in 2023.

## GROSS OPERATING INCOME FROM CONTINUING ACTIVITIES

The Group's gross operating income dropped by -4.2% to EUR 14,918 million for the year ended 31 December 2023 (compared with EUR 15,566 million for the year ended 31 December 2022), mainly due to the increase in operating expenses (+3.7%).

## COST OF RISK AND OTHER NET LOSSES FOR RISK ON FINANCIAL INSTRUMENTS

| <i>In millions of euros</i>                                | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to 31<br/>Dec. 2022<br/><i>restated according<br/>to IFRS 17 and 9</i></b> | <b>Change<br/>(2023/2022)</b> |
|--|---------------------------------|--|-------------------------------|
| Net allowances to impairment                               | (2,596)                         | (2,440)  | +6.4%                         |
| Recoveries on loans and receivables previously written off | 250                             | 343  | -27.1%                        |
| Losses on irrecoverable loans                              | (561)                           | (717)  | -21.8%                        |
| Act on assistance to borrowers in Poland                   |                                 | (189)  | ns                            |
| <b>TOTAL COST OF RISK FOR THE PERIOD</b>                   | <b>(2,907)</b>                  | <b>(3,003)</b>   | <b>-3.2%</b>                  |
| <b>OTHER NET LOSSES FOR RISK ON FINANCIAL INSTRUMENTS</b>  | <b>(775)</b>                    | <b>-</b>   | <b>NS</b>                     |

### COST OF RISK

This line item represents the net amount of impairment losses recognised for credit risks inherent in the Group's intermediation activities, as well as any impairment loss relating to counterparty risks on over-the-counter derivative instruments.

The Group's cost of risk amounted to EUR 2,907 million in 2023, a decrease of -3.2% compared with 2022.

The decrease in cost of risk in 2023 is mainly due to the decrease of EUR 1,087 million in cost of risk related to assets and commitments classified in stage 1 and 2 offset by an increase of +EUR 991 million in cost of risk related to impaired assets and commitments (stage 3).

As at 31 December 2023, the total amount of doubtful loans, securities and commitments, net of collateral, amounted to EUR 19.2 billion (compared with EUR 19.3 billion as at 31 December 2022), and the related impairment amounted to EUR 13.8 billion, compared with EUR 14 billion as at 31 December 2022. The coverage ratio was at 72% at 31 December 2023, compared with 73% at 31 December 2022.

More detailed information on the cost of risk per business line is available in chapter 4, note 4 *Segment Information*, paragraph *Income by business segment*.

### OTHER NET LOSSES FOR RISK ON FINANCIAL INSTRUMENTS

The corresponding expected and realised cash flow losses are now presented in "Other net losses for risk on financial instruments".

In 2023, the expense thus recognised mainly related to mortgage loans in Poland amounting to EUR 450 million (compared with EUR 157 million at 31 December 2022, presented as "Revenues") and foreign currency loans issued by BNP Paribas Personal Finance amounting to EUR 221 million (compared with EUR 130 million at 31 December 2022, presented as "Revenues").

## OPERATING INCOME FROM CONTINUING ACTIVITIES

In total, operating income decreased by -10.6%, from EUR 12,563 million in 2022 to EUR 11,236 million for the year ended 31 December 2023. This change mainly resulted from the increase in operating expenses (+3.7%) and in other net losses for risk on financial instruments.

## NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS

| <i>In millions of euros</i>                        | <b>Year to 31 Dec. 2023</b> | <b>Year to 31 Dec. 2022</b><br><i>restated according to IFRS 17 et 9</i> | <b>Change (2023/2022)</b> |
|--|-----------------------------|--|---------------------------|
| <b>OPERATING INCOME FROM CONTINUING ACTIVITIES</b> | <b>11,236</b>               | <b>12,563</b>  | <b>-10.6%</b>             |
| Share of earnings of equity-method entities        | 593                         | 655  | -9.5%                     |
| Net gain on non-current assets                     | (104)                       | (253)  | -58.9%                    |
| Goodwill   |                             | 249  | ns                        |
| Corporate income tax                               | (3,266)                     | (3,653)  | -10.6%                    |
| Net income from discontinued activities            | 2,947                       | 687  | x4,3                      |
| Net income attributable to minority interests      | (431)                       | (400)  | +7.8%                     |
| <b>NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS</b>   | <b>10,975</b>               | <b>9,848</b>   | <b>+11.4%</b>             |

### SHARE OF EARNINGS OF EQUITY-METHOD ENTITIES

The share of earnings of equity-method entities decreased from EUR 655 million in 2022 to EUR 593 million in 2023.

### NET GAIN ON NON-CURRENT ASSETS

This item includes net realised gains or losses on sales of tangible and intangible assets used in operations and on sales of investments in consolidated undertakings.

Net gains on fixed assets increased by +EUR 149 million (-EUR 104 million in 2023 compared with -EUR 253 million in 2022). In 2023, this item includes the impact of the hyperinflationary situation in Türkiye according to IAS 29 for -EUR 272 million, the loss of control of UkrSibbank in Ukraine for EUR 433 million, and the disposal of Axepta SpA in Italy for +EUR 204 million in 2022.

### CHANGE IN VALUE OF GOODWILL

No change in the value of goodwill was recognised in 2023, compared with EUR 249 million in 2022 (of which EUR 245 million in badwill on the takeover of control of bpost bank).

### INCOME TAX EXPENSE

The Group recorded an income tax expense of -EUR 3,266 million in 2023, a decrease compared with the income tax expense of -EUR 3,653 million recorded in 2022.

### NET INCOME FROM DISCONTINUED ACTIVITIES

The net income from discontinued activities amounted to EUR 2,947 million in 2023 (related to the net capital gain on the disposal of the retail and commercial banking activities in the United States operated by the BancWest cash-generating unit compared with EUR 687 million in 2022).

### MINORITY INTERESTS

The share of earnings attributable to minority interests in consolidated companies increased by +EUR 31 million (EUR 431 million in 2023 compared with EUR 400 million in 2022).

## 3.5 Recent events

### PRODUCTS AND SERVICES

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BNP Paribas regularly introduces new products and services for its customers. More information is available on the Group's websites, including in the press releases at [group.bnpparibas](https://group.bnpparibas) and [invest.bnpparibas](https://invest.bnpparibas).

### ACQUISITIONS AND PARTNERSHIPS

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Since 1 February 2024, date of publication of the 2023 annual results, no significant events have occurred that should be mentioned in this section.

## 3.6 Outlook

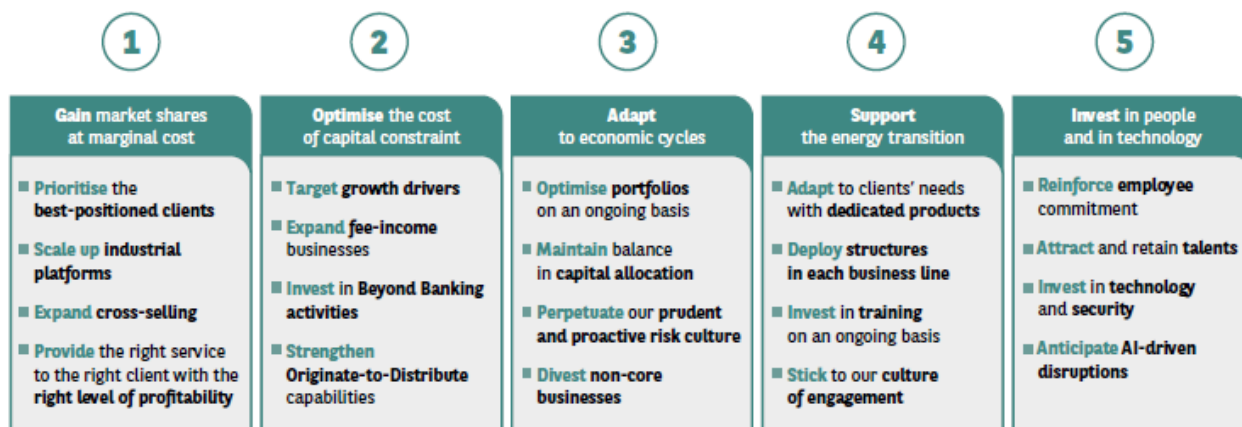
### 2024 TREND

On the strength of its diversified model, **BNP Paribas should continue to grow faster than its underlying economy and to gain market share**, thus offsetting a deterioration in the economic environment that is now more marked than in the economic baseline scenario. Nonetheless, various decisions by public authorities (ECB mandatory reserves, Belgian bank levy and Belgian government bonds) marked 2023.

Taken together, they have the effect of bringing the projected 2025 ROTE into the range of 11.5% to 12%. Especially affected by the current cycle, Personal Finance and Real Estate initiated robust adaptation plans in 2023 and should return to their nominal profitability as early as 2026. On the strength of its long-term strategy and the return to normal at Personal Finance and Real Estate, **BNP Paribas is confident in its capacity to deliver 12% ROTE as early as 2026**.

In order to present a consistent reference with the presentation of the financial statements and results for the year 2024, and in particular to take into account the end of the constitution of the Single Resolution Fund from 1 January 2024, a restatement<sup>1</sup> of the quarterly series for 2023 was published on 29 February 2024. The restatement leads, in particular, to retaining an amount of EUR 200 million corresponding to the assumption of a similar contribution to local bank taxes in the divisions and business lines, and to reallocating to “Corporate Centre” an amount of approximately EUR 800 million in contribution to the SRF which is not intended to continue from 2024. This restatement has no impact on the Group’s results for 2023 and is not included in section 3.2. Results by division/business line in this document.

#### THE MEDIUM-TERM STRATEGY IS REAFFIRMED TO ADDRESS THE CHALLENGES OF THE BANKING SECTOR



### 2022-2025 STRATEGIC PLAN

#### Growth, Technology & Sustainability 2025

As a reminder, the BNP Paribas Group presented its Growth, Technology & Sustainability 2025 plan on 8 February 2022.

During the presentation of its 2023 annual results, BNP Paribas reiterated its vision of the challenges faced by the banking sector and its long term strategy, in addition to its GTS 2025 strategic plan.

BNP Paribas relies on leading platforms, notably in Europe: in flow businesses (cash management, trade finance and factoring); in capital market businesses; in specialised 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 global and complete approach, thus enables the building of strong relationships with clients, accompanying their development throughout economic cycles, creating multiple and diversified growth opportunities. It ensures the development of volumes and market share and growth at marginal cost.

<sup>1</sup> Restatement – 2023 quarterly series in the 2024 format (invest.bnpparibas).

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<sup>1</sup> as well as Specialised Businesses<sup>2</sup> such as BNP Paribas Personal Finance or Arval; and Investment & Protection Services (IPS), which brings together Wealth and Asset Management businesses<sup>3</sup> and Insurance.

Leveraging on the strengths of its platforms and favourably positioned client franchises with the full benefit of its integrated 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 disciplined organic growth while gaining market share at marginal cost, thus generating new growth opportunities and substantial economies of scale.

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 stabilisation of similar contributions to local levies at EUR 200 million annually from 2024.

In particular, on 1 February 2024, the Group reaffirmed its objective of generating a positive jaws effect each year and 2 points higher on average<sup>4</sup>, as well as its cumulative recurring cost savings targets of EUR 2.3 billion by 2025 (EUR 1.1 billion already achieved at the end of 2023).

## 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 EUR 3.1 billion (vs. an initial objective of EUR 2.7 billion).

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 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.

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 rollout 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 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.

## Scaling up sustainable finance and social and environmental responsibility

The Group is 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 has undertaken an alignment of portfolios to achieve carbon-neutrality objectives while laying out a CO<sub>2</sub> 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 are 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 200 professionals dedicated to support clients in accelerating their transition.

Lastly, the Group strengthens its processes and steering tools to support evolving needs and standards, and will strengthen its governance.

As a reminder, the Group aims to mobilise EUR 350 billion by 2025 through loans and bond issues covering environmental and social topics<sup>5</sup>, as well as to reach EUR 300 billion in sustainable and responsible investments by 2025<sup>1</sup>.

<sup>1</sup> Commercial & Personal Banking in France, Commercial & Personal Banking in Belgium, BNL banca commerciale, Commercial & Personal Banking in Luxembourg, Europe-Mediterranean and BancWest.

<sup>2</sup> Arval & Leasing Solutions, BNP Paribas Personal Finance, New Digital Businesses (including Nickel and Floa) and Personal Investors.

<sup>3</sup> Wealth Management, Asset Management, Real Estate and Principal Investments.

<sup>4</sup> 2022-2025 CAGR of revenues less 2022-2025 CAGR of the Group's operating expenses excluding Bank of the West.

<sup>5</sup> Corporate, institutional and individual loans tied to environmental and social issues and annual sustainable bonds issuances.

BNP Paribas stood out in 2023 with a **strong acceleration in financing low-carbon energy production<sup>2</sup> and in exiting the financing of fossil fuel production<sup>3</sup>**. Its stock of low-carbon energy production credit exposure now accounts for 65%<sup>4</sup> of its total stock of energy production loans. **The 80% target initially set for 2030 has been moved forward to 2028, with a goal of 90% by 2030.** As of the end of 2023, the ratio of financing flows granted by BNP Paribas to oil and gas extraction and production companies compared to financing flows to renewable energy projects was 1 to 11.

## 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) further improves the recommendation from customers and employees, simplifies and broadens 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.

CPBS strengthens its leadership in Europe in corporate and Private Banking and accelerates the profitable growth of its Specialised Businesses at marginal cost. As Retail Banking activities are still facing headwinds, the division undertakes a strategic repositioning through more intense segmentation and changes in operating models.

On 1 February 2024, CPBS adjusted its average annual revenue growth target to 4.5% per annum for the period from 2021 to 2025<sup>(3)</sup> to take into account the impact of the authorities' decisions (non remuneration of reserve requirements, Belgian State bonds) and the repositioning of Personal Finance.

**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 relies on three strategic pillars to foster growth, fortifies its positions and captures 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 builds 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 optimising the operating model.

On 1 February 2024, IPS adjusted its objectives to reflect the impact of the environment, particularly on the Real Estate business and IFRS 17 and IFRS 9. It is aiming for an average annual revenue growth target of around 6.5% over the period from 2023 to 2025.

With the ambition of being the Europe-based partner of corporate and institutional clients on the long term, **Corporate & Institutional Banking (CIB)** pursues a strategy that is more relevant than ever, with the goal of becoming the first Europe-based CIB among global players. As of end 2023, CIB became the 1<sup>st</sup> European CIB in EMEA<sup>5</sup> with increased market share<sup>6</sup>. CIB builds 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 continues 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 pursues and deepens on key structural levers with the full backing of the integrated model and enhances its operating model and efficiency. Lastly, CIB steps up with key transforming initiatives in particular the development of a solid equity franchise and the acceleration of interregional dynamics.

CIB unlocks the full potential of its distinctive, sustainable and integrated model, with above-market growth in its revenues.

On 1 February 2024, CIB revised upwards its objectives for all of its business lines, confirming the success of its long-term strategy and is targeting average annual growth in its revenues of more than 6% over the period from 2021 to 2025.

## Event subsequent to the Board of directors' meeting of 31 January 2024

The Group confirms that the Board of directors will propose to the Shareholders' Annual General Meeting on 14 May 2024 the distribution of a dividend of EUR 4.60 in cash, equivalent to a 50% pay-out ratio of 2023 distributable income. This distribution will be raised to 60% of 2023 distributable income with the launch of the EUR 1.055 billion buyback programme<sup>(4)</sup> on 4 March 2024 following the authorisation from the ECB.

On 13 March 2024, the Group confirmed the growth trajectory in Net Income, Group Share, with a 2024 Net Income higher than 2023 Distributable Net Income. With a pay-out ratio of 60%<sup>7</sup>, this should allow the Group to return a total of about 20 billion euros<sup>8</sup> to its shareholders in 2024, 2025 and 2026. The capital gradually redeployed since 2022, following the sale of Bank of

<sup>1</sup> BNP Paribas Asset Management open-ended funds distributed in Europe and classified Article 8 or 9 by SFDR.

<sup>2</sup> Renewable energies, biofuels, nuclear.

<sup>3</sup> Refining, oil & gas exploration and production, coal. Source: internal management figures.

<sup>4</sup> Including 100% of private banks excluding the contribution of Bank of the West

<sup>5</sup> Europe, Middle-East, Africa.

<sup>6</sup> Source: Greenwich Coalition 3Q23 YTD Competitor Analytics. Ranking based on the banks of the Greenwich Coalition index and on the structure of BNP Paribas products. EMEA: Europe, Middle East, Africa.

<sup>7</sup> Applied to distributable Net Income after taking into account the remuneration of Undated super subordinated notes (“TSSDI”).

<sup>8</sup> Subject to the approval of the General Meeting and to ECB authorization (for the share buyback program), cumulated amount with respect to financial years 2023, 2024 and 2025.

the West, is expected to generate a return on invested capital of more than 16% in 2025. The Group also announced recurring operating efficiency measures of about EUR 400 million bringing the target of the 2022-2025 plan to 2.7 billion euros.



## INFORMATION ON TRENDS

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Information on trends (Macroeconomic conditions and Legislation and regulations applicable to financial institutions) are described in the section on *Principal and Emerging Risks for the year* in the *Risks and Capital Adequacy* chapter.

### 3.7 Financial structure

The Groupe has a solid financial structure.

**The common equity Tier 1 ratio stood at 13.2%<sup>1</sup> as of 31 December 2023**, down by 20 basis points compared to 30 September 2023, due mainly to:

- the placing of fourth quarter 2023 results into reserves after taking a 60% payout ratio into account, net of growth in risk-weighted assets (0 bp); and
- the effect of the adjustments related to the distributable Net Income (-20 bps).

Other impacts on the ratio were limited overall.

**The common equity Tier 1 ratio was up by 90 basis points compared to 31 December 2022**, due mainly to:

- the closing of the Bank of the West sale on 1 February 2023 net of the share buyback programme and the redeployment of capital (+100 bps);
- the effect of the adjustments related to the distributable Net Income (-30 bps);
- the placing of 2023 results into reserves after taking a 60% payout ratio into account, net of growth in risk-weighted assets and their optimisation (+30 bps);
- the impact of the application of IFRS 17, on the updating of models and regulations in 1Q23 (-10 bps).

Other impacts on the ratio were limited overall.

**The leverage ratio<sup>2</sup>** stood at 4.6% as of 31 December 2023.

The Liquidity Coverage Ratio<sup>3</sup> (end of period) stood at the high level of 148% as of 31 December 2023.

The immediately available liquidity reserve<sup>4</sup> amounted to EUR 474 billion as of 31 December 2023, equivalent to more than one year of room to manoeuvre compared to market resources.

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<sup>1</sup> CRD 5, including IFRS 9 transitional arrangements.

<sup>2</sup> Calculated in accordance with Regulation (UE) No. 2019/876.

<sup>3</sup> Calculated in accordance with Regulation (CRR) 575/2013 article 451a.

<sup>4</sup> 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.

## 3.8 Alternative Performance Measures (APM) – Article 223-1 of the AMF’s General regulation

| Alternative Performance Measures  | Definition  | Reason for use  |
|---|---|---|
| <b>Insurance P&amp;L aggregates (Revenues, Operating expenses, Gross operating income, Operating income, Pre-tax income)</b>  | <p>Insurance P&amp;L aggregates (Revenues, Gross operating income, Operating income, Pre-tax income) excluding the volatility generated by the fair value accounting of certain assets through profit and loss (IFRS 9) transferred to Corporate Centre; Gains or losses realised in the event of divestments, as well as potential long-term depreciations are included in the Insurance income profit and loss account.</p> <p>A reconciliation with Group P&amp;L aggregates is provided in the tables “Quarterly Series”.</p>   | Presentation of the Insurance result reflecting operational and intrinsic performance (technical and financial)   |
| <b>Corporate Centre P&amp;L aggregates</b>  | <p>P&amp;L aggregates of “Corporate Centre, including restatement of the volatility (IFRS 9) and attributable costs (internal distributors) related to Insurance activities”, following the application from 1 January 2023 of IFRS 17 “insurance contracts” in conjunction with the application of IFRS 9 for insurance activities, including:</p> <ul style="list-style-type: none"> <li>▪ Restatement in Corporate Centre revenues of the volatility to the financial result generated by the IFRS 9 fair value recognition of certain Insurance assets;</li> <li>▪ Operating expenses deemed “attributable to insurance activities”, net of internal margin, are recognised in deduction from revenues and no longer booked as operating expenses. These accounting entries relate exclusively to the Insurance business and Group entities (excluding the Insurance business) that distribute insurance contracts (known as internal distributors) and have no effect on gross operating income. The impact of entries related to internal distribution contracts is borne by the “Corporate Centre”.</li> </ul> <p>A reconciliation with Group P&amp;L aggregates is provided in the tables “Quarterly Series”</p>  | Transfer to Corporate Centre of the impact of operating expenses “attributable to insurance activities” on internal distribution contracts in order not to impede the readability of the financial performance of the various business lines. |
| <b>Operating division profit and loss account aggregates (revenues, net interest revenue, operating expenses, gross operating income, operating income, pre-tax income)</b> | <p>Sum of CPBS’ profit and loss account aggregates (with Commercial &amp; Personal Banking’ profit and loss account aggregates, including 2/3 of Private Banking in France, Italy, Belgium, Luxembourg, Germany, Poland and in Türkiye), IPS and CIB.</p> <p>BNP Paribas Group profit and loss account aggregates = operating division profit and loss account aggregates + Corporate Centre profit and loss account aggregates.</p> <p>Reconciliation with Group profit and loss account aggregates is provided in the tables “Results by Core Business”.</p> <p>Net interest revenue mentioned in Commercial &amp; Personal Banking includes the net interest margin (as defined in note 3.a of the financial statements), as well as, to a lesser extent, other revenues (as defined in notes 3.c, 3.d and 3.e of the financial statements), excluding fees (note 3.b of the financial statements). P&amp;L aggregates of Commercial &amp; Personal Banking or Specialised Businesses distributing insurance contracts exclude the impact of the application of IFRS 17 on the accounting presentation of operating expenses deemed “attributable to insurance activities” in deduction of revenues and no longer operating expenses, with the impact carried by Corporate Centre.</p> | Representative measure of the BNP Paribas Group’s operating performance   |

| Alternative Performance Measures  | Definition  | Reason for use  |
|---|---|---|
| <b>Profit and loss account aggregates of Commercial &amp; Personal Banking activity with 100% of Private Banking</b>                      | Profit and loss account aggregate of a Commercial & Personal Banking activity including the whole profit and loss account of Private Banking<br>Reconciliation with Group profit and loss account aggregates is provided in the tables "Quarterly series".  | Representative measure of the performance of Commercial & Personal 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 Commercial & Personal Banking (2/3) and Wealth Management business (1/3)) |
| <b>Profit and loss account aggregates, excluding PEL/CEL effects (revenues, gross operating income, operating income, pre-tax income)</b> | Profit and loss account aggregates, excluding PEL/CEL effects.<br>Reconciliation with Group profit and loss account aggregates is provided in the "Quarterly series" tables.  | 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  |
| <b>Cost/income ratio</b>  | Cost to income ratio  | Measure of operational efficiency in the banking sector   |
| <b>Cost of risk/Customer loans at the beginning of the period (in basis points)</b>   | Cost of risk (in €m) divided by customer loans at the beginning of the period<br>Cost of risk does not include "Other net losses for risk on financial instruments"   | Measure of the risk level by business in percentage of the volume of outstanding loans  |
| <b>Evolution of operating expenses excluding IFRIC 21</b>   | 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 in the 1 <sup>st</sup> half of the year, given in order to avoid any confusion compared to other quarters  |
| <b>Return on Equity (ROE)</b>   | 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   |
| <b>Return on Tangible Equity (ROTE)</b>   | 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  |
| <b>Distributable Net Income</b>   | P&L aggregates up to the net income adjusted in accordance with the announcements made in February 2023 to reflect the Group's intrinsic performance in 2023, pivotal year, after the sale of Bank of the West on 1 february 2023 but also as the last expected year of the ramp-up of the Single Resolution Fund, marked by extraordinary items.<br>Adjustments are detailed in the 2023 results' presentation: <ul style="list-style-type: none"> <li>▪ include the effect of the anticipation of the end of the ramp-up of the Single Resolution Fund in 2023;</li> <li>▪ exclude the net income of entities intended to be sold (application of IFRS 5) (notably the capital gain on the sale of Bank of the West) and additional items related to the sale of Bank of the West;</li> <li>▪ exclude extraordinary items such as the extraordinary negative impact of the hedging adjustment related to changes in the TLTRO terms decided by the ECB in the fourth quarter 2022 and extraordinary provisions for litigation.</li> </ul> The distributable net income is used to calculate the ordinary distribution in 2023 as well as to monitor the Group's performance in 2023 | Measure of BNP Paribas Group's net income reflecting the Group's intrinsic performance in 2023, pivotal year, post-impact of the sale of Bank of the West and the last expected year of the contribution to the ramp-up of the Single Resolution Fund, marked by extraordinary items  |

| Alternative Performance Measures                          | Definition   | Reason for use   |
|---|--|--|
| <b>Net income Group share excluding exceptional items</b> | Net income attributable to equity holders excluding exceptional items<br>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. |
| <b>Doubtful loans’ coverage ratio</b>                     | 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   |

## 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 (analysed quarter). All of these calculations are performed by reference to the entity’s reporting currency.

## REMINDER

**Net banking income (NBI):** throughout the document, the terms “Net Banking Income” and “Revenues” are used interchangeably.

**Operating expenses:** sum of salary and employee benefit expenses, other operating expenses and depreciation, amortisation and impairment of property, plant and equipment. Throughout the whole document, the terms operating expenses or costs can be used indifferently.

The sum of the values indicated in the tables and analyses may differ slightly from the reported total due to rounding.

**Operating divisions:** they consist of 3 divisions:

- **Corporate and Institutional Banking (CIB)** including: Global Banking, Global Markets, and Securities Services;
- **Commercial, Personal Banking & Services (CPBS)** including:
  - Commercial & Personal Banking in France, Belgium, Italy, Luxembourg, and Europe-Mediterranean,
  - Specialised Businesses, with Arval & Leasing Solutions; BNP Paribas Personal Finance; New Digital Businesses (including Nickel, Lyf, etc.) & Personal Investors;
- **Investment & Protection Services (IPS)** including: Insurance, Wealth and Asset Management, which includes Wealth Management, Asset Management, Real Estate and Principal Investments.

## RECONCILIATION OF PROFIT & LOSS WITH THE ALTERNATIVE PERFORMANCE MEASURES

### 2023 – Results by Core Business

| <i>In millions of euros</i>   | Commercial,<br>Personal<br>Banking &<br>Services (2/3<br>of Private<br>Banking) | Investment<br>&<br>Protection<br>Services | CIB           | Operating<br>divisions | Corporate<br>Centre | Group         |
|---|---|---|---------------|------------------------|---------------------|---------------|
| <b>Revenues</b>   | <b>25,917</b>   | <b>5,590</b>                              | <b>16,509</b> | <b>48,015</b>          | <b>(2,141)</b>      | <b>45,874</b> |
| % Change 2022   | +4.0%   | -3.8%                                     | +0.6%         | +1.8%                  | +24.6%              | +1.0%         |
| Operating Expenses<br>and Dep.  | (16,059)  | (3,566)                                   | (10,823)      | (30,447)               | (509)               | (30,956)      |
| % Change 2022   | +3.5%   | +0.4%                                     | +1.2%         | +2.3%                  | n.s.                | +3.7%         |
| <b>Gross Operating Income</b>   | <b>9,858</b>  | <b>2,024</b>                              | <b>5,686</b>  | <b>17,568</b>          | <b>(2,650)</b>      | <b>14,918</b> |
| % Change 2022   | +4.7%   | -10.5%                                    | -0.5%         | +1.0%                  | +45.3%              | -4.2%         |
| Cost of Risk incl. Other net<br>losses for risk on financial<br>instruments | (2,920)   | (13)                                      | 63            | (2,870)                | (812)               | (3,682)       |
| % Change 2022   | +16.9%  | n.s.                                      | n.s.          | +1.9%                  | n.s.                | +22.6%        |
| <b>Operating Income</b>   | <b>6,938</b>  | <b>2,011</b>                              | <b>5,749</b>  | <b>14,698</b>          | <b>(3,462)</b>      | <b>11,236</b> |
| % Change 2022   | +0.3%   | -11.2%                                    | +6.7%         | +0.9%                  | +72.3%              | -10.6%        |
| Share of Earnings of Equity-<br>Method Entities                             | 337   | 224                                       | 13            | 574                    | 19                  | 593           |
| Other Non-Operating Items   | -181  | -76                                       | -18           | -275                   | 171                 | -104          |
| <b>Pre-Tax Income</b>   | <b>7,094</b>  | <b>2,159</b>                              | <b>5,744</b>  | <b>14,997</b>          | <b>(3,272)</b>      | <b>11,725</b> |
| % Change 2022   | -3.2%   | -14.7%                                    | +6.4%         | -1.7%                  | +60.0%              | -11.3%        |
| Corporate Income Tax  |   |   |               |                        |                     | (3,266)       |
| Net Income Attributable<br>to Minority Interests                            |   |   |               |                        |                     | (431)         |
| Net Income from<br>discontinued activities                                  |   |   |               |                        |                     | 2,947         |
| <b>Net Income Attributable<br/>to Equity Holders</b>                        |   |   |               |                        |                     | <b>10,975</b> |

**Reconciliation with profit and loss account aggregates of Commercial & Personal Banking activity, excluding PEL/CEL effect and with 100% of Private Banking**

| <i>In millions of euros</i>   | <b>2023</b>   | <b>2022</b>   |
|---|---------------|---------------|
| <b>Commercial, Personal Banking &amp; Services (including 100% of Private Banking in France, Belgium, Italy, Luxembourg, Poland, Türkiye and Germany)<sup>1</sup></b> |               |               |
| <b>Revenues</b>   | <b>26,627</b> | <b>25,524</b> |
| Operating Expenses and Dep.   | (16,437)      | (15,876)      |
| <b>Gross Operating Income</b>   | <b>10,191</b> | <b>9,648</b>  |
| Cost of Risk incl. Other net losses for risk on financial instruments   | (2,923)       | (2,491)       |
| <b>Operating Income</b>   | <b>7,267</b>  | <b>7,156</b>  |
| Share of Earnings of Equity-Method Entities   | 337           | 433           |
| Other Non-Operating Items   | (181)         | (23)          |
| <b>Pre-Tax Income</b>   | <b>7,423</b>  | <b>7,567</b>  |
| Income Attributable to Wealth and Asset Management  | (328)         | (282)         |
| <b>Pre-Tax Income of Commercial, Personal Banking &amp; Services</b>  | <b>7,095</b>  | <b>7,285</b>  |
| Cost/Income   | 61.7%         | 62.2          |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking)  | 43.2          | 41.7          |

| <i>In millions of euros</i>  | <b>2023</b>   | <b>2022</b>   |
|--|---------------|---------------|
| <b>Commercial, Personal Banking &amp; Services (including 2/3 of Private Banking in France, Belgium, Italy, Luxembourg, Poland, Türkiye and Germany)</b> |               |               |
| <b>Revenues</b>  | <b>25,918</b> | <b>24,885</b> |
| Operating Expenses and Dep.  | (16,059)      | (15,514)      |
| <b>Gross Operating Income</b>  | <b>9,860</b>  | <b>9,372</b>  |
| Cost of Risk incl. Other net losses for risk on financial instruments  | (2,920)       | (2,497)       |
| <b>Operating Income</b>  | <b>6,939</b>  | <b>6,875</b>  |
| Share of Earnings of Equity-Method Entities  | 337           | 433           |
| Other Non-Operating Items  | (181)         | (23)          |
| <b>Pre-Tax Income</b>  | <b>7,095</b>  | <b>7,285</b>  |
| Cost/Income  | 62.0%         | 62.3%         |
| Allocated Equity (€bn, year to date)   | 43.2          | 41.7          |

<sup>1</sup> Including 100% of Private Banking for the Revenues to Pre-tax income items.

| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| <b>Commercial &amp; Personal Banking in France (including 100% of Private Banking)<sup>1</sup></b> |              |              |
| <b>Revenues</b>  | <b>6,591</b> | <b>6,680</b> |
| <i>Incl. net interest revenue</i>  | <i>3,496</i> | <i>3,568</i> |
| <i>Incl. fees</i>  | <i>3,095</i> | <i>3,112</i> |
| Operating Expenses and Dep.  | (4,749)      | (4,698)      |
| <b>Gross Operating Income</b>  | <b>1,842</b> | <b>1,982</b> |
| Cost of Risk   | (485)        | (237)        |
| <b>Operating Income</b>  | <b>1,357</b> | <b>1,745</b> |
| Share of Earnings of Equity-Method Entities  | 0            | 1            |
| Other Non-Operating Items  | 0            | 25           |
| <b>Pre-Tax Income</b>  | <b>1,357</b> | <b>1,771</b> |
| Income Attributable to Wealth and Asset Management   | (165)        | (158)        |
| <b>Pre-Tax Income of CPBF</b>  | <b>1,192</b> | <b>1,613</b> |
| Cost/Income  | 72.1%        | 70.3%        |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking)                             | 11.5         | 11.3         |

| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| <b>Commercial &amp; Personal Banking in France (including 100% of Private Banking)<sup>(1)</sup></b> |              |              |
| <b>Revenues</b>  | <b>6,593</b> | <b>6,634</b> |
| <i>Incl. net interest revenue</i>  | <i>3,498</i> | <i>3,522</i> |
| <i>Incl. fees</i>  | <i>3,095</i> | <i>3,112</i> |
| Operating Expenses and Dep.  | (4,749)      | (4,698)      |
| <b>Gross Operating Income</b>  | <b>1,844</b> | <b>1,936</b> |
| Cost of Risk   | (485)        | (237)        |
| <b>Operating Income</b>  | <b>1,358</b> | <b>1,699</b> |
| Share of Earnings of Equity-Method Entities  | 0            | 1            |
| Other Non-Operating Items  | 0            | 25           |
| <b>Pre-Tax Income</b>  | <b>1,358</b> | <b>1,725</b> |
| Income Attributable to Wealth and Asset Management   | (165)        | (158)        |
| <b>Pre-Tax Income of CPBF</b>  | <b>1,193</b> | <b>1,567</b> |
| Cost/Income  | 72.0%        | 70.8%        |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking)                               | 11.5         | 11.3         |

<sup>1</sup> Including 100% of Private Banking for the Revenues to Pre-tax income items.

Reminder on PEL/CEL provision: this provision, accounted in the revenues of CPB in France, takes into account the risk generated by *Plans Épargne Logement* (PEL) and *Comptes Épargne Logement* (CEL) during their whole lifetime.

| <i>In millions of euros</i>                              | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
| <b>PEL/CEL effects 100% of Private Banking in France</b> | <b>(1)</b>  | <b>46</b>   |

| <i>In millions of euros</i>   | <b>2023</b>  | <b>2022</b>  |
|---|--------------|--------------|
| <b>Commercial &amp; Personal Banking in France (including 2/3 of Private Banking)</b> |              |              |
| <b>Revenues</b>   | <b>6,253</b> | <b>6,315</b> |
| Operating Expenses and Dep.   | (4,576)      | (4,530)      |
| <b>Gross Operating Income</b>   | <b>1,677</b> | <b>1,786</b> |
| Cost of Risk  | (484)        | (245)        |
| <b>Operating Income</b>   | <b>1,193</b> | <b>1,541</b> |
| Non-Operating Items   | 0            | 26           |
| <b>Pre-Tax Income</b>   | <b>1,193</b> | <b>1,567</b> |
| Cost/Income   | 73.2%        | 71.7         |
| Allocated Equity (€bn, year to date)  | 11.5         | 11.3         |

| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| <b>BNL bc (including 100% of Private Banking)<sup>1</sup></b>          |              |              |
| <b>Revenues</b>  | <b>2,727</b> | <b>2,634</b> |
| <i>Incl. net interest revenue</i>                                      | <i>1,619</i> | <i>1,519</i> |
| <i>Incl. fees</i>  | <i>1,108</i> | <i>1,115</i> |
| Operating Expenses and Dep.  | (1,804)      | (1,735)      |
| <b>Gross Operating Income</b>  | <b>923</b>   | <b>899</b>   |
| Cost of Risk   | (410)        | (465)        |
| <b>Operating Income</b>  | <b>513</b>   | <b>433</b>   |
| Share of Earnings of Equity-Method Entities                            | 0            | 0            |
| Other Non-Operating Items  | (3)          | 2            |
| <b>Pre-Tax Income</b>  | <b>509</b>   | <b>436</b>   |
| Income Attributable to Wealth and Asset Management                     | (22)         | (26)         |
| <b>Pre-Tax Income of BNL bc</b>  | <b>488</b>   | <b>410</b>   |
| Cost/Income  | 66.2%        | 65.9%        |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking) | 5.7          | 6.0          |

<sup>1</sup> Including 100% of Private Banking for the Revenues to Pre-tax income items.



| <i>In millions of euros</i>                      | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| <b>BNL bc (including 2/3 of Private Banking)</b> |              |              |
| <b>Revenues</b>                                  | <b>2,646</b> | <b>2,548</b> |
| Operating Expenses and Dep.                      | (1,745)      | (1,676)      |
| <b>Gross Operating Income</b>                    | <b>901</b>   | <b>872</b>   |
| Cost of Risk                                     | (410)        | (464)        |
| <b>Operating Income</b>                          | <b>491</b>   | <b>408</b>   |
| Share of Earnings of Equity-Method Entities      | 0            | 0            |
| Other Non-Operating Items                        | (3)          | 2            |
| <b>Pre-Tax Income</b>                            | <b>488</b>   | <b>410</b>   |
| Cost/Income                                      | 65.9%        | 65.8%        |
| Allocated Equity (€bn, year to date)             | 5.7          | 6.0          |

| <i>In millions of euros</i>   | <b>2023</b>  | <b>2022</b>  |
|---|--------------|--------------|
| <b>Commercial &amp; Personal Banking in Belgium (including 100% of Private Banking)<sup>1</sup></b> |              |              |
| <b>Revenues</b>   | <b>3,990</b> | <b>3,764</b> |
| <i>Incl. net interest revenue</i>   | <i>2,867</i> | <i>2,618</i> |
| <i>Incl. fees</i>   | <i>1,123</i> | <i>1,146</i> |
| Operating Expenses and Dep.   | (2,739)      | (2,615)      |
| <b>Gross Operating Income</b>   | <b>1,251</b> | <b>1,149</b> |
| Cost of Risk  | (86)         | (36)         |
| <b>Operating Income</b>   | <b>1,165</b> | <b>1,113</b> |
| Share of Earnings of Equity-Method Entities   | 1            | 0            |
| Other Non-Operating Items   | 9            | 10           |
| <b>Pre-Tax Income</b>   | <b>1,175</b> | <b>1,123</b> |
| Income Attributable to Wealth and Asset Management  | (84)         | (74)         |
| <b>Pre-Tax Income of CPBB</b>   | <b>1,091</b> | <b>1,049</b> |
| Cost/Income   | 68.6%        | 69.5%        |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking)                              | 6.1          | 6.1          |

<sup>1</sup> Including 100% of Private Banking for the Revenues to Pre-tax income items.

| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b>  |
|--|--------------|--------------|
| <b>Commercial &amp; Personal Banking in Belgium (including 2/3 of Private Banking)</b> |              |              |
| <b>Revenues</b>  | <b>3,784</b> | <b>3,577</b> |
| Operating Expenses and Dep.  | (2,618)      | (2,502)      |
| <b>Gross Operating Income</b>  | <b>1,165</b> | <b>1,075</b> |
| Cost of Risk   | (84)         | (36)         |
| <b>Operating Income</b>  | <b>1,081</b> | <b>1,039</b> |
| Share of Earnings of Equity-Method Entities  | 1            | 0            |
| Other Non-Operating Items  | 9            | 10           |
| <b>Pre-Tax Income</b>  | <b>1,091</b> | <b>1,049</b> |
| Cost/Income  | 69.2%        | 69.9%        |
| Allocated Equity (€bn, year to date)   | 6.1          | 6.1          |

| <i>In millions of euros</i>  | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
| <b>Commercial &amp; Personal Banking in Luxembourg (including 100% of Private Banking)<sup>1</sup></b> |             |             |
| <b>Revenues</b>  | <b>592</b>  | <b>475</b>  |
| <i>Incl. net interest revenue</i>  | <i>497</i>  | <i>377</i>  |
| <i>Incl. fees</i>  | <i>96</i>   | <i>97</i>   |
| Operating Expenses and Dep.  | (302)       | (275)       |
| <b>Gross Operating Income</b>  | <b>290</b>  | <b>200</b>  |
| Cost of Risk   | (8)         | 19          |
| <b>Operating Income</b>  | <b>283</b>  | <b>219</b>  |
| Share of Earnings of Equity-Method Entities  | 0           | 0           |
| Other Non-Operating Items  | 5           | 3           |
| <b>Pre-Tax Income</b>  | <b>288</b>  | <b>222</b>  |
| Income Attributable to Wealth and Asset Management   | (7)         | (6)         |
| <b>Pre-Tax Income of CPBL</b>  | <b>281</b>  | <b>216</b>  |
| Cost/Income  | 51.0%       | 57.9%       |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking)                                 | 0.8         | 0.8         |

| <i>In millions of euros</i>   | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| <b>Commercial &amp; Personal Banking in Luxembourg (including 2/3 of Private Banking)</b> |             |             |
| <b>Revenues</b>   | <b>577</b>  | <b>461</b>  |
| Operating Expenses and Dep.   | (294)       | (268)       |
| <b>Gross Operating Income</b>   | <b>283</b>  | <b>193</b>  |
| Cost of Risk  | (8)         | 19          |
| <b>Operating Income</b>   | <b>275</b>  | <b>213</b>  |
| Share of Earnings of Equity-Method Entities   | 0           | 0           |

<sup>1</sup> Including 100% of Private Banking for the Revenues to Pre-tax income items.

|  |              |              |
|--|--------------|--------------|
| Other Non-Operating Items  | 5            | 3            |
| <b>Pre-Tax Income</b>  | <b>281</b>   | <b>216</b>   |
| Cost/Income  | 50.9%        | 58.1%        |
| Allocated Equity (€bn, year to date)   | 0.8          | 0.8          |
| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b>  |
| <b>Europe-Mediterranean (including 100% of Private Banking)<sup>1</sup></b>            |              |              |
| <b>Revenues</b>  | <b>2,687</b> | <b>2,346</b> |
| <i>Incl. net interest revenue</i>  | 2,241        | 1,895        |
| <i>Incl. fees</i>  | 446          | 451          |
| Operating Expenses and Dep.  | (1,666)      | (1,658)      |
| <b>Gross Operating Income</b>  | <b>1,021</b> | <b>688</b>   |
| Cost of Risk incl. Other net losses for risk on financial instruments                  | (44)         | (153)        |
| <b>Operating Income</b>  | <b>977</b>   | <b>535</b>   |
| Share of Earnings of Equity-Method Entities  | 283          | 376          |
| Other Non-Operating Items  | (183)        | (87)         |
| <b>Pre-Tax Income</b>  | <b>1,077</b> | <b>824</b>   |
| Income Attributable to Wealth and Asset Management                                     | (47)         | (16)         |
| <b>Pre-Tax Income of Commercial &amp; Personal Banking in the rest of the world-EM</b> | <b>1,030</b> | <b>808</b>   |
| Cost/Income  | 62.0%        | 70.7%        |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking)                 | 5.3          | 5.5          |
| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b>  |
| <b>Europe-Mediterranean (including 2/3 of Private Banking)</b>                         |              |              |
| <b>Revenues</b>  | <b>2,631</b> | <b>2,321</b> |
| Operating Expenses and Dep.  | (1,657)      | (1,650)      |
| <b>Gross Operating Income</b>  | <b>974</b>   | <b>671</b>   |
| Cost of Risk incl. Other net losses for risk on financial instruments                  | (44)         | (152)        |
| <b>Operating Income</b>  | <b>930</b>   | <b>519</b>   |
| Share of Earnings of Equity-Method Entities  | 283          | 376          |
| Other Non-Operating Items  | (183)        | (87)         |
| <b>Pre-Tax Income</b>  | <b>1,030</b> | <b>808</b>   |
| Cost/Income  | 63.0%        | 71.1%        |
| Allocated Equity (€bn, year to date)   | 5.3          | 5.5          |

<sup>1</sup> Including 100% of Private Banking for the Revenues to Pre-tax income items.

| <i>In millions of euros</i>  | <b>2023</b>  | <b>2022</b> |
|--|--------------|-------------|
| <b>New Digital Businesses &amp; Personal Investors (including 100% of Private Banking)<sup>1</sup></b> |              |             |
| <b>Revenues</b>  | <b>1,007</b> | <b>846</b>  |
| Operating Expenses and Dep.  | (677)        | (578)       |
| <b>Gross Operating Income</b>  | <b>330</b>   | <b>268</b>  |
| Cost of Risk   | (123)        | (100)       |
| <b>Operating Income</b>  | <b>206</b>   | <b>168</b>  |
| Share of Earnings of Equity-Method Entities  | (9)          | (10)        |
| Other Non-Operating Items  | 0            | 1           |
| <b>Pre-Tax Income</b>  | <b>198</b>   | <b>159</b>  |
| Income Attributable to Wealth and Asset Management   | (3)          | (2)         |
| <b>Pre-Tax Income of New Digital Businesses &amp; Personal Investors</b>                               | <b>195</b>   | <b>157</b>  |
| Cost/Income  | 67.3%        | 68.3%       |
| Allocated Equity (€bn, year to date; including 2/3 of Private Banking)                                 | 0.8          | 0.5         |

| <i>In millions of euros</i>   | <b>2023</b> | <b>2022</b> |
|---|-------------|-------------|
| <b>New Digital Businesses and Personal Investors (including 2/3 of Private Banking)</b> |             |             |
| <b>Revenues</b>   | <b>995</b>  | <b>837</b>  |
| Operating Expenses and Dep.   | (669)       | (571)       |
| <b>Gross Operating Income</b>   | <b>326</b>  | <b>266</b>  |
| Cost of Risk  | (123)       | (100)       |
| <b>Operating Income</b>   | <b>203</b>  | <b>166</b>  |
| Share of Earnings of Equity-Method Entities   | (9)         | (10)        |
| Other Non-Operating Items   | 0           | 1           |
| <b>Pre-Tax Income</b>   | <b>195</b>  | <b>157</b>  |
| Cost/Income   | 67.2%       | 68.2%       |
| Allocated Equity (€bn, year to date)  | 0.8         | 0.5         |

<sup>1</sup> Including 100% of Private Banking for the Revenues to Pre-tax income items.

**Reconciliation with the aggregate cost of risk on outstanding (cost of risk/customer loans at the beginning of the period, in annualised bps)**

|  | 2023  | 2022  |
|--|-------|-------|
| <b>Commercial, Personal Banking &amp; Services<sup>(1)</sup></b>       |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                  | 630.5 | 610.9 |
| Cost of risk (€m)  | 2,923 | 2,491 |
| Cost of risk (in annualised bp)  | 46    | 41    |
| <b>Commercial &amp; Personal Banking in the Eurozone<sup>(1)</sup></b> |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                  | 464.2 | 452.2 |
| Cost of risk (€m)  | 989   | 719   |
| Cost of risk (in annualised bp)  | 21    | 16    |
| <b>CPBF<sup>(1)</sup></b>  |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                  | 230.8 | 223.5 |
| Cost of risk (€m)  | 485   | 237   |
| Cost of risk (in annualised bp)  | 21    | 11    |
| <b>BNL bc<sup>(1)</sup></b>  |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                  | 77.1  | 80.3  |
| Cost of risk (€m)  | 410   | 465   |
| Cost of risk (in annualised bp)  | 53    | 58    |
| <b>CPBB<sup>(1)</sup></b>  |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                  | 143.0 | 135.4 |
| Cost of risk (€m)  | 86    | 36    |
| Cost of risk (in annualised bp)  | 6     | 3     |

(1) With Private Banking at 100%.

|   | 2023  | 2022  |
|---|-------|-------|
| <b>Commercial &amp; Personal Banking outside the Eurozone<sup>(1)</sup></b> |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                       | 35.5  | 37.2  |
| Cost of risk (€m)   | 44    | 153   |
| Cost of risk (in annualised bp)   | 13    | 41    |
| <b>Europe-Mediterranean<sup>(1)</sup></b>                                   |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                       | 35.5  | 37.2  |
| Cost of risk (€m)   | 44    | 153   |
| Cost of risk (in annualised bp)   | 13    | 41    |
| <b>Personal Finance</b>   |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                       | 103.5 | 96.0  |
| Cost of risk (€m)   | 1,600 | 1,373 |
| Cost of risk (in annualised bp)   | 155   | 143   |
| <b>CIB - Global Banking</b>   |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                       | 175.2 | 175.0 |
| Cost of risk (€m)   | (74)  | 336   |
| Cost of risk (in annualised bp)   | (4)   | 19    |
| <b>Group<sup>(2)</sup></b>  |       |       |
| Loan outstandings as of the beg. of the quarter (€bn)                       | 898.4 | 894.4 |
| Cost of risk (€m)   | 2,907 | 3,003 |
| Cost of risk (in annualised bp)   | 32    | 34    |

(1) With Private Banking at 100% and excluding "Other net losses for risk on financial instruments".

(2) Including cost of risk of market activities, Investment and Protection Services and Corporate Centre and excluding "Other net losses for risk on financial instruments" i.e. Charges related to risk of invalidation or non-enforceability of financial instruments granted (extraordinary provisions on mortgage loans in Poland and provisions for litigation related to Personal Finance and provisions on a risk on receivables in 2023 (EUR 50 million in 1Q23, EUR 80 million in 2Q23 booked in Europe-Mediterranean, release of provisions of EUR 130 million in 4Q23 booked in Europe-Mediterranean and EUR 775 million booked in "Corporate Centre" in 4Q23).

|  | 2023 |
|--|------|
| Other net losses for risk on financial instruments               | 775  |
| CHF impacts  | 450  |
| o/w EM   | -130 |
| o/w Corporate Centre   | 450  |
| Impacts of provisions for litigation related to Personal Finance | 221  |
| Impacts of provisions on a risk on receivables                   | 104  |

## NET EARNINGS PER SHARE<sup>(1)</sup>

| <i>In millions</i>  | 31 December 2023 | 31/12/2022 <sup>(3)</sup> |
|---|------------------|---------------------------|
| <b>Net Income attributable to equity holders<sup>(2)</sup></b>  | <b>11,232</b>    | <b>10,196</b>             |
| Remuneration net of tax of Undated super subordinated notes   | (677)            | (452)                     |
| Exchange rate effect on reimbursed Undated super subordinated notes   | 0                | (123)                     |
| <b>Net Income attributable to equity holders<sup>(2)</sup>, after remuneration and exchange rate effect on Undated super subordinated notes</b> | <b>10,555</b>    | <b>9,621</b>              |
| <b>Average number of Shares outstanding excluding Treasury Shares</b>   | <b>1,200</b>     | <b>1,233</b>              |
| <b>Net Earnings per Share (EPS) (in euros)</b>  | <b>8.79</b>      | <b>7.80</b>               |
| <b>Number of Shares excluding Treasury Shares (end of period)</b>   | <b>1,147</b>     | <b>1,233</b>              |
| <b>NET EARNINGS PER SHARE END OF PERIOD (EPS END OF PERIOD) (in euros)</b>  | <b>9.21</b>      | <b>7.80</b>               |

(1) Calculated on the basis of distributable Net Income in 2023.

(2) Distributable Net Income in 2023.

(3) As reported at 31 December 2022.

## RETURN ON EQUITY

| <i>In millions of euros</i>   | 31 December 2023 <sup>(3)</sup> | 31 December 2023 <sup>(4)</sup> | 31 December 2022 <sup>(4)</sup> |
|---|---------------------------------|---------------------------------|---------------------------------|
| <b>Net income Group share</b>   | <b>11,232</b>                   | <b>10,975</b>                   | <b>10,196</b>                   |
| Remuneration net of tax of Undated super subordinated notes and exchange effect                                     | (677)                           | (677)                           | (575)                           |
| <b>Net income Group share used for the calculation of ROE/ROTE</b>  | <b>10,555</b>                   | <b>10,298</b>                   | <b>9,621</b>                    |
| <b>Average permanent shareholders' equity, not revaluated, used for the ROE calculation<sup>(1)</sup></b>           | <b>106,938</b>                  | <b>106,938</b>                  | <b>105,707</b>                  |
| <b>Return on Equity (ROE)</b>   | <b>9.9%</b>                     | <b>9.6%</b>                     | <b>9.1%</b>                     |
| <b>Average tangible permanent shareholders' equity, not revaluated, used for the ROTE calculation<sup>(2)</sup></b> | <b>96,115</b>                   | <b>96,115</b>                   | <b>93,937</b>                   |
| <b>RETURN ON TANGIBLE EQUITY (ROTE)</b>   | <b>11.0%</b>                    | <b>10.7%</b>                    | <b>10.2%</b>                    |

(1) Average permanent shareholders' equity: average of beginning of the year and end of the period (permanent shareholders' equity = shareholders' equity attributable to shareholders - changes in assets and liabilities recognised directly in equity - Undated super subordinated notes - remuneration net of tax payable to holders of Undated super subordinated notes - dividend distribution assumption).

(2) Average tangible permanent shareholders' equity: average of beginning of the year and end of the period (tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill).

(3) Calculated on the basis of distributable Net Income in 2023.

(4) Calculated on the basis of reported results.

## MAIN EXCEPTIONAL ITEMS

| Exceptional items (excluding extraordinary items) <i>(in millions of euros)</i>                                   | 2023         | 2022         |
|---|--------------|--------------|
| <b>Revenues</b>   |              |              |
| Provision for litigation <i>(Corporate Centre)</i>  | (125)        |              |
| <b>Total exceptional revenues</b>   | <b>(125)</b> |              |
| <b>Operating expenses</b>   |              |              |
| Restructuring costs and adaptation costs <i>(Corporate Centre)</i>  | (182)        | (189)        |
| IT reinforcement costs <i>(Corporate Centre)</i>  | (395)        | (302)        |
| <b>Total exceptional operating expenses</b>   | <b>(576)</b> | <b>(490)</b> |
| <b>Cost of risk</b>   |              |              |
| Impact of the "Act on Assistance to Borrowers" in Poland <i>(Corporate Centre)</i>                                |              | (204)        |
| <b>Total exceptional cost of risk</b>   |              | <b>(204)</b> |
| <b>Other non-operating items</b>  |              |              |
| Impact of a sale <i>(Insurance)</i>   | (87)         |              |
| Capital gain on a sale <i>(Corporate Centre)</i>  | 91           | 204          |
| Negative goodwill (bpost bank) <i>(Corporate Centre)</i>  |              | 244          |
| Impairment and reclassification to profit and loss of exchange differences (Ukrsibbank) <i>(Corporate Centre)</i> |              | (433)        |
| <b>Total exceptional other non-operating items</b>  | <b>4</b>     | <b>15</b>    |
| <b>TOTAL EXCEPTIONAL ITEMS (PRE-TAX)</b>  | <b>(697)</b> | <b>(680)</b> |
| <b>TOTAL EXCEPTIONAL ITEMS (AFTER-TAX)<sup>(1)</sup></b>  | <b>(543)</b> | <b>(513)</b> |

Note: Some exceptional items reported in 1Q23 and 2Q23 have been reclassified as extraordinary items (see press release as at 31/01/2024).

(1) Group share.



## EXTRAORDINARY ITEMS ARE EXCLUDED FROM 2023 DISTRIBUTABLE INCOME

### 2023 extraordinary items (excluded from distributable Net Income and recognised in the Corporate Centre) <sup>(1)</sup> and anticipation of the end of the ramp-up of the SRF

(in millions of euros)

2023

#### Revenues

|  |       |
|--|-------|
| Adjustment of hedges related to changes in the TLTRO terms and conditions decided by the ECB in 4Q22<br>(Corporate Centre) | (938) |
|--|-------|

#### Operating expenses

|  |         |
|--|---------|
| Impact of the end of the ramp-up of the SRF (including -€201m related to the impact of the bank levy in Great Britain in 4Q23 (-€226m overall in 2023)) (Corporate Centre) | (1,028) |
|--|---------|

|   |       |
|---|-------|
| Overall adaptation costs related in particular to Personal Finance (Corporate Centre) | (276) |
|---|-------|

#### Other net losses for risk on financial instruments

|  |       |
|--|-------|
| Provision on mortgage loans in Poland (Corporate Centre) | (450) |
|--|-------|

|   |       |
|---|-------|
| Provisions for risk on receivables (Corporate Centre) | (104) |
|---|-------|

|  |       |
|--|-------|
| Provisions for litigation related to Personal Finance (Corporate Centre) | (221) |
|--|-------|

#### Income from discontinued activities

|   |       |
|---|-------|
| Capital gain on the sale of Bank of the West effective 01/02/2023 | 2,947 |
|---|-------|

|                                  |             |
|----------------------------------|-------------|
| <b>TOTAL EXTRAORDINARY ITEMS</b> | <b>(70)</b> |
|----------------------------------|-------------|

Note: Some exceptional items reported in 9M23 are now considered to be extraordinary items (see press release as at 31/01/2024).

(1) Group share.

### Extraordinary adjustments to reported Net Income, Group Share to determine distributable Net Income

(in millions of euros)

2023

|  |    |
|--|----|
| Adjustments related to extraordinary items | 70 |
|--|----|

|                                       |     |
|---------------------------------------|-----|
| Additional adjustments <sup>(1)</sup> | 187 |
|---------------------------------------|-----|

|  |            |
|--|------------|
| <b>TOTAL EXTRAORDINARY ADJUSTMENTS</b> | <b>257</b> |
|--|------------|

(1) Related mainly to the sale of Bank of the West.;

- (d) Section 4 entitled "Consolidated Financial Statements for the Year Ended 31 December 2022" on pages 193 to 337 shall be deleted in its entirety and replaced with the following:

# "4 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

*The Board of directors of BNP Paribas approved the Group consolidated financial statements on 31 January 2024.*

*The consolidated financial statements of the BNP Paribas Group are presented for the years ended 31 December 2023 and 31 December 2022. In accordance with Annex I of European Delegated Regulation (EU) 2019/980, the consolidated financial statements for the year ended 31 December 2021 are provided in the universal registration document filed with the Autorité des Marchés Financiers on 24 March 2023 under number D.23-0143.*

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 9.e *Discontinued activities*) leading 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. Following the receipt of regulatory approvals, the transaction was finalised on 1 February 2023.

## 4.1 Profit and loss account for the year ended 31 December 2023

| <i>In millions of euros</i>  | <b>Notes</b> | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022<br/><i>restated</i><br/>according to<br/>IFRS 17 and 9</b> |
|--|--------------|---------------------------------|--|
| Interest income  | 3.a          | 79,542                          | 41,082   |
| Interest expense   | 3.a          | (60,484)                        | (20,149)   |
| Commission income  | 3.b          | 15,011                          | 14,622   |
| Commission expense   | 3.b          | (5,190)                         | (4,457)  |
| Net gain on financial instruments at fair value through profit or loss                           | 3.c          | 10,346                          | 9,352  |
| Net gain on financial instruments at fair value through equity                                   | 3.d          | 28                              | 138  |
| Net gain on derecognised financial assets at amortised cost                                      |              | 66                              | (41)   |
| Net income from insurance activities   | 6.a          | 2,320                           | 1,901  |
| <i>of which Insurance revenue</i>  |              | 8,945                           | 8,759  |
| <i>Insurance service expenses</i>  |              | (6,786)                         | (6,619)  |
| <i>Investment return</i>   |              | 10,254                          | (12,077)   |
| <i>Net finance income or expenses from insurance contracts</i>                                   |              | (10,093)                        | 11,838   |
| Income from other activities   | 3.e          | 18,560                          | 15,734   |
| Expense on other activities  | 3.e          | (14,325)                        | (12,752)   |
| <b>REVENUES FROM CONTINUING ACTIVITIES</b>   |              | <b>45,874</b>                   | <b>45,430</b>  |
| Operating expenses   | 3.f          | (28,713)                        | (27,560)   |
| Depreciation, amortisation and impairment of property, plant and equipment and intangible assets | 5.l          | (2,243)                         | (2,304)  |
| <b>GROSS OPERATING INCOME FROM CONTINUING ACTIVITIES</b>   |              | <b>14,918</b>                   | <b>15,566</b>  |
| Cost of risk   | 3.g          | (2,907)                         | (3,003)  |
| Other net losses for risk on financial instruments   | 3.h          | (775)                           | -  |
| <b>OPERATING INCOME FROM CONTINUING ACTIVITIES</b>   |              | <b>11,236</b>                   | <b>12,563</b>  |
| Share of earnings of equity-method entities  | 5.k          | 593                             | 655  |
| Net gain on non-current assets   | 3.i          | (104)                           | (253)  |
| Goodwill   | 5.m          | -                               | 249  |
| <b>PRE-TAX INCOME FROM CONTINUING ACTIVITIES</b>   |              | <b>11,725</b>                   | <b>13,214</b>  |
| Corporate income tax from continuing activities  | 3.j          | (3,266)                         | (3,653)  |
| <b>NET INCOME FROM CONTINUING ACTIVITIES</b>   |              | <b>8,459</b>                    | <b>9,561</b>   |
| Net income from discontinued activities  | 9.e          | 2,947                           | 687  |
| <b>NET INCOME</b>  |              | <b>11,406</b>                   | <b>10,248</b>  |
| Net income attributable to minority interests  |              | 431                             | 400  |
| <b>NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS</b>   |              | <b>10,975</b>                   | <b>9,848</b>   |
| Basic earnings per share   | 9.a          | 8.58                            | 7.52   |

## 4.2 Statement of net income and changes in assets and liabilities recognised directly in equity

| <i>In millions of euros</i>  | <b>Year to</b>      |   |
|--|---------------------|---|
|  | <b>31 Dec. 2023</b> | <b>31 Dec. 2022</b><br><i>restated</i><br><i>according to</i><br><i>IFRS 17 and 9</i> |
| <b>Net income for the period</b>   | <b>11,406</b>       | <b>10,248</b>   |
| <b>Changes in assets and liabilities recognised directly in equity</b>                 | <b>596</b>          | <b>(2,183)</b>  |
| <b>Items that are or may be reclassified to profit or loss</b>                         | <b>367</b>          | <b>(2,381)</b>  |
| Changes in exchange differences  | (109)               | 1,041   |
| Changes in fair value of financial assets at fair value through equity                 |                     |   |
| <i>Changes in fair value recognised in equity</i>                                      | 244                 | (754)   |
| <i>Changes in fair value reported in net income</i>                                    | 27                  | (120)   |
| Changes in fair value of investments of insurance activities                           |                     |   |
| <i>Changes in fair value recognised in equity</i>                                      | 4,665               | (19,962)  |
| <i>Changes in fair value reported in net income</i>                                    | 558                 | (1)   |
| Changes in fair value of contracts of insurance activities                             | (4,573)             | 18,102  |
| Changes in fair value of hedging instruments   |                     |   |
| <i>Changes in fair value recognised in equity</i>                                      | 146                 | (1,459)   |
| <i>Changes in fair value reported in net income</i>                                    | 22                  | 14  |
| Income tax   | (283)               | 1,062   |
| Changes in equity-method investments, after tax  | (162)               | 136   |
| Changes in discontinued activities, after tax  | (168)               | (440)   |
| <b>Items that will not be reclassified to profit or loss</b>                           | <b>229</b>          | <b>198</b>  |
| Changes in fair value of equity instruments designated as at fair value through equity | 232                 | (57)  |
| Debt remeasurement effect arising from BNP Paribas Group issuer risk                   | 45                  | 515   |
| Remeasurement gains (losses) related to post-employment benefit plans                  | (173)               | (102)   |
| Income tax   | 11                  | (81)  |
| Changes in equity-method investments, after tax  | 114                 | (83)  |
| Changes in discontinued activities, after tax  | -                   | 6   |

|                                     |               |              |
|-------------------------------------|---------------|--------------|
| <b>TOTAL</b>                        | <b>12,002</b> | <b>8,065</b> |
| Attributable to equity shareholders | 11,479        | 7,572        |
| Attributable to minority interests  | 523           | 493          |

## 4.3 Balance sheet at 31 December 2023

|  |       | 31 December 2022   | 1 January 2022   |
|--|-------|--------------------|------------------|
|  |       | restated according | IAS 29,          |
| <i>In millions of euros, at</i>                                  | Notes | to IFRS 17 and 9   | IFRS 17 and 9    |
| ASSETS   |       |                    |                  |
| Cash and balances at central banks                               |       | 288,259            | 318,560          |
| Financial instruments at fair value through profit or loss       |       |                    |                  |
| Securities   | 5.a   | 211,634            | 166,077          |
| Loans and repurchase agreements                                  | 5.a   | 227,175            | 191,125          |
| Derivative financial instruments                                 | 5.a   | 292,079            | 327,932          |
| Derivatives used for hedging purposes                            | 5.b   | 21,692             | 25,401           |
| Financial assets at fair value through equity                    |       |                    |                  |
| Debt securities  | 5.c   | 50,274             | 35,878           |
| Equity securities  | 5.c   | 2,275              | 2,188            |
| Financial assets at amortised cost                               |       |                    |                  |
| Loans and advances to credit institutions                        | 5.e   | 24,335             | 32,616           |
| Loans and advances to customers                                  | 5.e   | 859,200            | 857,020          |
| Debt securities  | 5.e   | 121,161            | 114,014          |
| Remeasurement adjustment on interest-rate risk hedged portfolios |       | (2,661)            | (7,477)          |
| Investments and other assets related to insurance activities     | 6.c   | 257,098            | 245,475          |
| Current and deferred tax assets                                  | 5.i   | 6,556              | 5,932            |
| Accrued income and other assets                                  | 5.j   | 170,758            | 208,543          |
| Equity-method investments  | 5.k   | 6,751              | 6,073            |
| Property, plant and equipment and investment property            | 5.l   | 45,222             | 38,468           |
| Intangible assets  | 5.l   | 4,142              | 3,790            |
| Goodwill   | 5.m   | 5,549              | 5,294            |
| Assets held for sale   | 9.e   | -                  | 86,839           |
| <b>TOTAL ASSETS</b>  |       | <b>2,591,499</b>   | <b>2,663,748</b> |
| LIABILITIES  |       |                    |                  |
| Deposits from central banks                                      |       | 3,374              | 3,054            |
| Financial instruments at fair value through profit or loss       |       |                    |                  |
| Securities   | 5.a   | 104,910            | 99,155           |
| Deposits and repurchase agreements                               | 5.a   | 273,614            | 234,076          |
| Issued debt securities   | 5.a   | 83,763             | 65,578           |
| Derivative financial instruments                                 | 5.a   | 278,892            | 300,121          |
| Derivatives used for hedging purposes                            | 5.b   | 38,011             | 40,001           |
| Financial liabilities at amortised cost                          |       |                    |                  |
| Deposits from credit institutions                                | 5.g   | 95,175             | 124,718          |
| Deposits from customers  | 5.g   | 988,549            | 1,008,056        |

| <i>In millions of euros, at</i> | <b>Notes</b> | <b>31 December 2023</b> | <b>31 December 2022</b>                        | <b>1 January 2022</b>            |
|---------------------------------|--------------|-------------------------|--|----------------------------------|
|                                 |              |                         | <i>restated according<br/>to IFRS 17 and 9</i> | <i>IAS 29,<br/>IFRS 17 and 9</i> |
| Debt securities                 | 5.h          | 191,482                 | 155,359  | 150,822                          |
| Subordinated debt               | 5.h          | 24,743                  | 24,160   | 24,720                           |

| <i>In millions of euros, at</i>  | <b>Notes</b> | <b>31 December 2022</b> |  | <b>1 January 2022</b>            |
|--|--------------|-------------------------|--|----------------------------------|
|  |              | <b>31 December 2023</b> | <i>restated according<br/>to IFRS 17 and 9</i> | <i>IAS 29,<br/>IFRS 17 and 9</i> |
| Remeasurement adjustment on interest-rate risk hedged portfolios                                   |              | (14,175)                | (20,201)                                       | 1,367                            |
| Current and deferred tax liabilities   | 5.i          | 3,821                   | 2,979  | 3,016                            |
| Accrued expenses and other liabilities   | 5.j          | 143,673                 | 185,010  | 146,520                          |
| Liabilities related to insurance contracts   | 6.d          | 218,043                 | 209,772  | 240,118                          |
| Financial liabilities related to insurance activities  | 6.c          | 18,239                  | 18,858   | 20,041                           |
| Provisions for contingencies and charges   | 5.n          | 10,518                  | 10,040   | 10,187                           |
| Liabilities associated with assets held for sale   | 9.e          | -                       | 77,002   | 74,366                           |
| <b>TOTAL LIABILITIES</b>   |              | <b>2,462,632</b>        | <b>2,537,738</b>                               | <b>2,512,189</b>                 |
| <b>EQUITY</b>  |              |                         |  |                                  |
| <i>Share capital, additional paid-in capital and retained earnings</i>                             |              | 115,809                 | 115,008  | 107,938                          |
| <i>Net income for the period attributable to shareholders</i>                                      |              | 10,975                  | 9,848  | 9,488                            |
| <b>Total capital, retained earnings and net income for the period attributable to shareholders</b> |              | <b>126,784</b>          | <b>124,856</b>                                 | <b>117,426</b>                   |
| Changes in assets and liabilities recognised directly in equity                                    |              | (3,042)                 | (3,619)  | (1,021)                          |
| <b>Shareholders' equity</b>  |              | <b>123,742</b>          | <b>121,237</b>                                 | <b>116,405</b>                   |
| <b>Minority interests</b>  | <b>9.b</b>   | <b>5,125</b>            | <b>4,773</b>                                   | <b>4,672</b>                     |
| <b>TOTAL EQUITY</b>  |              | <b>128,867</b>          | <b>126,010</b>                                 | <b>121,077</b>                   |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |              | <b>2,591,499</b>        | <b>2,663,748</b>                               | <b>2,633,266</b>                 |



## 4.4 Cash flow statement for the year ended 31 December 2023

| <i>In millions of euros</i>  | Notes | Year to 31<br>Dec. 2023 | Year to 31<br>Dec. 2022<br><i>restated</i><br>according<br>to IFRS 17 and 9 |
|--|-------|-------------------------|---|
| <b>Pre-tax income from continuing activities</b>   |       | <b>11,725</b>           | <b>13,214</b>   |
| <b>Pre-tax income from discontinued activities</b>   |       | <b>3,658</b>            | <b>823</b>  |
| <b>Non-monetary items included in pre-tax net income and other adjustments</b>               |       | <b>8,495</b>            | <b>21,838</b>   |
| Net depreciation/amortisation expense on property, plant and equipment and intangible assets |       | 6,245                   | 6,465   |
| Impairment of goodwill and other non-current assets  |       | (32)                    | 91  |
| Net addition to provisions   |       | 3,646                   | 3,193   |
| Variation of assets/liabilities related to insurance contracts                               |       | (6,240)                 | (837)   |
| Share of earnings of equity-method entities  |       | (593)                   | (655)   |
| Net income (expense) from investing activities   |       | (3,600)                 | 265   |
| Net expense (income) from financing activities   |       | 506                     | (1,192)   |
| Other movements  |       | 8,563                   | 14,508  |
| <b>Net decrease related to assets and liabilities generated by operating activities</b>      |       | <b>(58,119)</b>         | <b>(88,712)</b>   |
| Net decrease related to transactions with customers and credit institutions                  |       | (7,751)                 | (46,438)  |
| Net decrease related to transactions involving other financial assets and liabilities        |       | (32,712)                | (30,212)  |
| Net decrease related to transactions involving non-financial assets and liabilities          |       | (14,297)                | (10,063)  |
| Taxes paid   |       | (3,359)                 | (1,999)   |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS GENERATED BY OPERATING ACTIVITIES</b>           |       | <b>(34,241)</b>         | <b>(52,837)</b>   |
| Net increase related to acquisitions and disposals of consolidated entities                  |       | 9,520                   | 366   |
| Net decrease related to property, plant and equipment and intangible assets                  |       | (2,216)                 | (2,529)   |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS RELATED TO INVESTING ACTIVITIES</b>  |       | <b>7,304</b>            | <b>(2,163)</b>  |
| Decrease in cash and cash equivalents related to transactions with shareholders              |       | (8,698)                 | (2,578)   |
| Increase in cash and cash equivalents generated by other financing activities                |       | 4,022                   | 11,828  |
| <b>NET DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS RELATED TO FINANCING ACTIVITIES</b>  |       | <b>(4,676)</b>          | <b>9,250</b>  |
| <b>EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS</b>                     |       | <b>(3,506)</b>          | <b>1,030</b>  |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>   |       | <b>(35,119)</b>         | <b>(44,720)</b>   |
| of which net increase (decrease) in cash and cash equivalents from discontinued activities   |       | 9,909                   | (11,935)  |
| <b>Balance of cash and cash equivalent accounts at the start of the period</b>               |       | <b>317,698</b>          | <b>362,418</b>  |

| <i>In millions of euros</i>  | <b>Notes</b> | <b>Year to 31</b> | <b>Year to 31</b>  |
|--|--------------|-------------------|--|
|  |              | <b>Dec. 2023</b>  | <b>Dec. 2022</b><br><i>restated</i><br><i>according</i><br><i>to IFRS 17 and 9</i> |
| Cash and amounts due from central banks                                      |              | 318,581           | 347,901  |
| Due to central banks   |              | (3,054)           | (1,244)  |
| On demand deposits with credit institutions                                  |              | 11,927            | 10,156   |
| On demand loans from credit institutions                                     | 5.g          | (12,538)          | (9,105)  |
| Deduction of receivables and accrued interest on cash and cash equivalents   |              | 163               | 156  |
| Cash and cash equivalent accounts classified as "Assets held for sale"       |              | 2,619             | 14,554   |
| <b>Balance of cash and cash equivalent accounts at the end of the period</b> |              | <b>282,579</b>    | <b>317,698</b>   |
| Cash and amounts due from central banks                                      |              | 288,279           | 318,581  |
| Due to central banks   |              | (3,374)           | (3,054)  |
| On demand deposits with credit institutions                                  |              | 8,352             | 11,927   |
| On demand loans from credit institutions                                     | 5.g          | (10,770)          | (12,538)   |
| Deduction of receivables and accrued interest on cash and cash equivalents   |              | 92                | 163  |
| Cash and cash equivalent accounts classified as "Assets held for sale"       |              | -                 | 2,619  |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                             |              | <b>(35,119)</b>   | <b>(44,720)</b>  |

## 4.5 Statement of changes in shareholders' equity between 1 January 2022 and 31 December 2023

|  | 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 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 |   |   |                                       |                         |         | Total share holders' equity | Minority interests (note 9.b) | Total equity |
|--|--|----------------------------|--------------------------|---------|---|---|---|---|-------|--|---|---|---------------------------------------|-------------------------|---------|-----------------------------|-------------------------------|--------------|
|  | Share capital and additional paid-in capital | Undated 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 benefit plans | Discontinued activities   | Total | Exchange differences   | Financial assets at fair value through equity | Financial investments and contracts of insurance activities | Derivatives used for hedging purposes | Discontinued activities | Total   |                             |                               |              |
| <i>In millions of euros</i>                              |  |                            |                          |         |   |   |   |   |       |  |   |   |                                       |                         |         |                             |                               |              |
| Balance at 31 December 2021                              | 26,347                                       | 9,207                      | 82,110                   | 117,664 | 840   | (267)   | 549   | (125)   | 997   | (4,335)  | 122   | 1,811   | 1,019                                 | 608                     | (775)   | 117,886                     | 4,621                         | 122,507      |
| Impacts of IAS 29 1 <sup>st</sup> application in Türkiye |  |                            | (39)                     | (39)    |   |   |   |   | -     | 165  |   |   |                                       |                         | 165     | 126                         | 48                            | 174          |
| Impacts of the transition to IFRS 17                     |  |                            | (2,619)                  | (2,619) |   |   |   |   | -     |  |   | 533   |                                       |                         | 533     | (2,086)                     | 12                            | (2,074)      |
| Impacts of the transition to IFRS 9                      |  |                            | 2,420                    | 2,420   | 258   |   |   |   | 258   |  |   | (2,199)   |                                       |                         | (2,199) | 479                         | (9)                           | 470          |
| Balance at   | 26,347                                       | 9,207                      | 81,872                   | 117,426 | 1,098   | (267)   | 549   | (125)   | 1,255 | (4,170)  | 122   | 145   | 1,019                                 | 608                     | (2,276) | 116,405                     | 4,672                         | 121,077      |

|   | 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 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 |   |   |                                       |                         |       | Total share holders' equity | Minority interests (note 9.b) | Total equity |
|---|--|------------------------------|--------------------------|---------|---|---|---|---|-------|--|---|---|---------------------------------------|-------------------------|-------|-----------------------------|-------------------------------|--------------|
|   | Share capital and additional paid-in capital | Undated superordinated 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 benefit plans | Discontinued activities   | Total | Exchange differences   | Financial assets at fair value through equity | Financial investments and contracts of insurance activities | Derivatives used for hedging purposes | Discontinued activities | Total |                             |                               |              |
| <i>In millions of euros</i>                 |  |                              |                          |         |   |   |   |   |       |  |   |   |                                       |                         |       |                             |                               |              |
| <b>1 January 2022</b>                       |  |                              |                          |         |   |   |   |   |       |  |   |   |                                       |                         |       |                             |                               |              |
| <b>Appropriation of net income for 2021</b> |  |                              | (4,527)                  | (4,527) |   |   |   |   | -     |  |   |   |                                       |                         | -     | (4,527)                     | (133)                         | (4,660)      |

|   | 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 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 |   |   |                                       |                         |       | Total share holders' equity | Minority interests (note 9.b) | Total equity |
|---|--|------------------------------|--------------------------|---------|---|---|---|---|-------|--|---|---|---------------------------------------|-------------------------|-------|-----------------------------|-------------------------------|--------------|
|   | Share capital and additional paid-in capital | Undated superordinated 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 benefit plans | Discontinued activities   | Total | Exchange differences   | Financial assets at fair value through equity | Financial investments and contracts of insurance activities | Derivatives used for hedging purposes | Discontinued activities | Total |                             |                               |              |
| <i>In millions of euros</i>   |  |                              |                          |         |   |   |   |   |       |  |   |   |                                       |                         |       |                             |                               |              |
| Increases in capital and issues                                     |  | 5,024                        | (4)                      | 5,020   |   |   |   |   | -     |  |   |   |                                       |                         | -     | 5,020                       | 34                            | 5,054        |
| Reduction or redemption of capital                                  |  | (2,430)                      | (123)                    | (2,553) |   |   |   |   | -     |  |   |   |                                       |                         | -     | (2,553)                     |                               | (2,553)      |
| Movements in own equity instruments                                 | (157)  | (1)                          | (151)                    | (309)   |   |   |   |   | -     |  |   |   |                                       |                         | -     | (309)                       |                               | (309)        |
| Remuneration on undated super subordinated notes                    |  |                              | (374)                    | (374)   |   |   |   |   | -     |  |   |   |                                       |                         | -     | (374)                       |                               | (374)        |
| Impact of internal transactions on minority shareholders (note 9.b) |  |                              | 1                        | 1       |   |   |   |   | -     |  |   |   |                                       |                         | -     | 1                           | 2                             | 3            |
| Movements in  |  |                              |                          | -       |   |   |   |   | -     |  |   |   |                                       |                         | -     | -                           | (136)                         | (136)        |

|   | 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 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 |   |   |                                       |                         |       | Total share holders' equity | Minority interests (note 9.b) | Total equity |
|---|--|------------------------------|--------------------------|-------|---|---|---|---|-------|--|---|---|---------------------------------------|-------------------------|-------|-----------------------------|-------------------------------|--------------|
|   | Share capital and additional paid-in capital | Undated superordinated 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 benefit plans | Discontinued activities   | Total | Exchange differences   | Financial assets at fair value through equity | Financial investments and contracts of insurance activities | Derivatives used for hedging purposes | Discontinued activities | Total |                             |                               |              |
| <i>In millions of euros</i>   |  |                              |                          |       |   |   |   |   |       |  |   |   |                                       |                         |       |                             |                               |              |
| consolidation scope impacting minority shareholders (note 9.b)                |  |                              |                          |       |   |   |   |   |       |  |   |   |                                       |                         |       |                             |                               |              |
| Acquisitions of additional interests or partial sales of interests (note 9.b) |  |                              |                          | -     |   |   |   |   | -     |  |   |   |                                       |                         | -     | -                           |                               | -            |
| Change in commitments to repurchase minority shareholders' interests          |  |                              | (2)                      | (2)   |   |   |   |   | -     |  |   |   |                                       |                         | -     | (2)                         | (157)                         | (159)        |
| Other movements   |  |                              | 4                        | 4     |   |   |   |   | -     |  |   |   |                                       |                         | -     | 4                           | (2)                           | 2            |
| Realised gains or   |  |                              | 322                      | 322   | (326)   | 3   | 1   |   | (322) |  |   |   |                                       |                         | -     | -                           |                               | -            |

|   | 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 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 |   |   |                                       |                         |         | Total share holders' equity | Minority interests (note 9.b) | Total equity |
|---|--|------------------------------|--------------------------|---------|---|---|---|---|-------|--|---|---|---------------------------------------|-------------------------|---------|-----------------------------|-------------------------------|--------------|
|   | Share capital and additional paid-in capital | Undated superordinated 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 benefit plans | Discontinued activities   | Total | Exchange differences   | Financial assets at fair value through equity | Financial investments and contracts of insurance activities | Derivatives used for hedging purposes | Discontinued activities | Total   |                             |                               |              |
| <i>In millions of euros</i>                                     |  |                              |                          |         |   |   |   |   |       |  |   |   |                                       |                         |         |                             |                               |              |
| losses reclassified to retained earnings                        |  |                              |                          |         |   |   |   |   |       |  |   |   |                                       |                         |         |                             |                               |              |
| Changes in assets and liabilities recognised directly in equity |  |                              |                          | -       | (187)   | 383   | (10)  | 6   | 192   | 980  | (633)   | (1,607)   | (768)                                 | (440)                   | (2,468) | (2,276)                     | 93                            | (2,183)      |
| <b>Net income for 2022</b>                                      |  |                              | 9,848                    | 9,848   |   |   |   |   | -     |  |   |   |                                       |                         | -       | 9,848                       | 400                           | 10,248       |
| <b>Balance at 31 December 2022</b>                              | 26,190                                       | 11,800                       | 86,866                   | 124,856 | 585   | 119   | 540   | (119)   | 1,125 | (3,190)  | (511)   | (1,462)   | 251                                   | 168                     | (4,744) | 121,237                     | 4,773                         | 126,010      |
| <b>Appropriation of net income for 2022</b>                     |  |                              | (4,744)                  | (4,744) |   |   |   |   | -     |  |   |   |                                       |                         | -       | (4,744)                     | (179)                         | (4,923)      |
| Increases in capital and issues                                 |  | 1,670                        | (2)                      | 1,668   |   |   |   |   | -     |  |   |   |                                       |                         | -       | 1,668                       | 316                           | 1,984        |
| Reduction or  | (4,983)                                      |                              | (17)                     | (5,000) |   |   |   |   | -     |  |   |   |                                       |                         | -       | (5,000)                     |                               | (5,000)      |

|  | 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 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 |   |   |                                       |                         |       | Total share holders' equity | Minority interests (note 9.b) | Total equity |
|--|--|------------------------------|--------------------------|-------|---|---|---|---|-------|--|---|---|---------------------------------------|-------------------------|-------|-----------------------------|-------------------------------|--------------|
|  | Share capital and additional paid-in capital | Undated superordinated 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 benefit plans | Discontinued activities   | Total | Exchange differences   | Financial assets at fair value through equity | Financial investments and contracts of insurance activities | Derivatives used for hedging purposes | Discontinued activities | Total |                             |                               |              |
| <i>In millions of euros</i>                      |  |                              |                          |       |   |   |   |   |       |  |   |   |                                       |                         |       |                             |                               |              |
| redemption of capital                            |  |                              |                          |       |   |   |   |   |       |  |   |   |                                       |                         |       |                             |                               |              |
| Movements in own equity instruments              | (5)  | 2                            | (218)                    | (221) |   |   |   |   | -     |  |   |   |                                       |                         | -     | (221)                       |                               | (221)        |
| Share-based payment plans                        |  |                              | (8)                      | (8)   |   |   |   |   | -     |  |   |   |                                       |                         | -     | (8)                         | 1                             | (7)          |
| Remuneration on undated super subordinated notes |  |                              | (654)                    | (654) |   |   |   |   | -     |  |   |   |                                       |                         | -     | (654)                       | (3)                           | (657)        |



|   | 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 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 |   |   |                                       |                         |       | Total share holders' equity | Minority interests (note 9.b) | Total equity |
|---|--|------------------------------|--------------------------|-------|---|---|---|---|-------|--|---|---|---------------------------------------|-------------------------|-------|-----------------------------|-------------------------------|--------------|
|   | Share capital and additional paid-in capital | Undated superordinated 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 benefit plans | Discontinued activities   | Total | Exchange differences   | Financial assets at fair value through equity | Financial investments and contracts of insurance activities | Derivatives used for hedging purposes | Discontinued activities | Total |                             |                               |              |
| <i>In millions of euros</i>   |  |                              |                          |       |   |   |   |   |       |  |   |   |                                       |                         |       |                             |                               |              |
| Impact of internal transactions on minority shareholders (note 9.b)           |  |                              | (21)                     | (21)  |   |   |   |   | -     |  |   |   |                                       |                         | -     | (21)                        | 21                            | -            |
| Movements in consolidation scope impacting minority shareholders (note 9.b)   |  |                              |                          | -     |   |   |   |   | -     |  |   |   |                                       |                         | -     | -                           | (90)                          | (90)         |
| Acquisitions of additional interests or partial sales of interests (note 9.b) |  |                              | 1                        | 1     |   |   |   |   | -     |  |   |   |                                       |                         | -     | 1                           | (12)                          | (11)         |
| Change in commitments to repurchase   |  |                              | 9                        | 9     |   |   |   |   | -     |  |   |   |                                       |                         | -     | 9                           | (225)                         | (216)        |

|   | 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 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 |   |   |                                       |                         |                | Total share holders' equity | Minority interests (note 9.b) | Total equity   |
|---|--|------------------------------|--------------------------|----------------|---|---|---|---|--------------|--|---|---|---------------------------------------|-------------------------|----------------|-----------------------------|-------------------------------|----------------|
|   | Share capital and additional paid-in-capital | Undated superordinated 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 benefit plans | Discontinued activities   | Total        | Exchange differences   | Financial assets at fair value through equity | Financial investments and contracts of insurance activities | Derivatives used for hedging purposes | Discontinued activities | Total          |                             |                               |                |
| <i>In millions of euros</i>                                     |  |                              |                          |                |   |   |   |   |              |  |   |   |                                       |                         |                |                             |                               |                |
| minority shareholders' interests                                |  |                              |                          |                |   |   |   |   |              |  |   |   |                                       |                         |                |                             |                               |                |
| Other movements   |  |                              | (4)                      | (4)            |   |   |   |   | -            |  |   |   |                                       |                         | -              | (4)                         |                               | (4)            |
| Realised gains or losses reclassified to retained earnings      |  |                              | (73)                     | (73)           | (34)  | (8)   | (4)   | 119   | 73           |  |   |   |                                       |                         | -              | -                           |                               | -              |
| Changes in assets and liabilities recognised directly in equity |  |                              |                          | -              | 304   | 35  | (105)   |   | 234          | (239)  | 153   | 490   | 34                                    | (168)                   | 270            | 504                         | 92                            | 596            |
| <b>Net income for 2023</b>                                      |  |                              | <b>10,975</b>            | <b>10,975</b>  |   |   |   |   | <b>-</b>     |  |   |   |                                       |                         | <b>-</b>       | <b>10,975</b>               | <b>431</b>                    | <b>11,406</b>  |
| <b>Balance at 31 December 2023</b>                              | <b>21,202</b>                                | <b>13,472</b>                | <b>92,110</b>            | <b>126,784</b> | <b>855</b>  | <b>146</b>  | <b>431</b>  | <b>-</b>  | <b>1,432</b> | <b>(3,429)</b>   | <b>(358)</b>                                  | <b>(972)</b>  | <b>285</b>                            | <b>-</b>                | <b>(4,474)</b> | <b>123,742</b>              | <b>5,125</b>                  | <b>128,867</b> |

## 4.6 Notes to the financial statements prepared in accordance with IFRS as adopted by the European Union

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

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#### 1.A APPLICABLE ACCOUNTING STANDARDS

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<sup>1</sup>. 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 17 “Insurance Contracts”, along with information on regulatory capital required by IAS 1 “Presentation of financial statements” are presented in chapter 5 of this amendment to the 2022 Universal Registration Document. This information, which is an integral part of the notes to the consolidated financial statements of the BNP Paribas Group at 31 December 2023, is covered by the opinion of the Statutory Auditors on the financial statements, and is identified in the management report by the word “Audited”. 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, by geographic area and by industry.

- Since 1 January 2023, BNP Paribas Group's insurance entities have applied IFRS 17 “Insurance Contracts” published in May 2017, amended in June 2020 and adopted by the European Union in November 2021, including the exemption provided for in article 2 of regulation 2021/2036 regarding annual cohorts. The transition date for IFRS 17 is 1 January 2022 for the purposes of the opening balance sheet of the comparative period required by the standard.

As the Group deferred the application of IFRS 9 “Financial Instruments” for its insurance entities until the entry into force of IFRS 17, they therefore apply this standard from 1 January 2023.

In addition, the entry into force of IFRS 17 brings into effect various amendments to other standards, including IAS 1 for presentation, IAS 16 and IAS 40 for the valuation and presentation of real estate assets, IAS 28 for exemptions from the equity method and IAS 32 and IFRS 9 for own equity instruments and other securities issued by the Group.

Finally, the amendment to IFRS 17 “Initial application of IFRS 17 and IFRS 9 – Comparative information” published by the IASB in December 2021 and adopted by the European Union on 9 September 2022 allows insurance companies applying IFRS 9 and IFRS 17 for the first time simultaneously to present 2022 comparative data as if IFRS 9 was already applied, using an “overlay” approach. The Group applied this optional approach for all financial instruments, including those derecognised in 2022, for both classification and measurement purposes.

#### Transition from IFRS 4 to IFRS 17

IFRS 17 applies retroactively to all contracts outstanding at the transition date, *i.e.* 1 January 2022 due to the mandatory comparative period. Three transition methods may be used: a full retrospective approach and, if this cannot be implemented, a modified retrospective approach or an approach based on the fair value of the contracts at the transition date.

The majority of entities controlled by the Group have applied the modified retrospective approach and, to a lesser extent, for some portfolios, an approach based on the fair value of contracts at the transition date.

As a matter of fact, not all the necessary information was available or was not sufficiently granular, in particular due to systems migration and data retention requirements, to apply a full retrospective approach. Moreover, the full retrospective approach would have required reconstituting management's assumptions and intentions in previous periods.

The objective of the modified retrospective approach is to achieve a result that is as close as possible to the result that would have been obtained through the retrospective application of the standard, based on reasonable and supportable information available without undue costs or effort.

Thus, the entities concerned applied the modified retrospective approach to most portfolios of existing contracts, whether in Protection or Life/Savings, according to the principles below.

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<sup>1</sup> 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](https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en)

**For Protection contracts valued according to the general model,** the principle of the modified retrospective approach consists in reconstituting liabilities at the initial recognition date based on their valuation at the transition date, by retroactively reconstituting movements between the two dates with simplifications:

- cash flows at inception are estimated by adding the actual cash flows recorded between the two dates, to the amount at the transition date;
- the original discount rate can be determined with interest rate curves simulating those at the date of first recognition;
- the changes in the adjustment for non-financial risk between the inception date and the transition date can be estimated based on release patterns observed on similar contracts.

For liabilities for remaining coverage that are reconstituted in this way at the inception date, the contractual service margin at inception (if any), less any acquisition costs paid in the interim period, is amortised based on the services provided in the period prior to the transition, in order to determine the amount of the remaining contractual service margin at that date, less any remaining acquisition costs.

When contracts are grouped into a single group on the transition date, the discount rate on that date or an average rate can be used.

The effect of the change in the discount rate on liabilities is recognised in the profit and loss account, unless the option to split financial changes between profit and loss and shareholders' equity is retained. Choosing this option requires the amount carried in shareholders' equity at the transition date to be recalculated from the inception rate for the liability for remaining coverage and from the rate at the date of claims occurrence for the liability for incurred claims. Where such reconstitution is not possible, the amount shown in equity is zero.

For the purposes of this reconstitution, the simplifications mainly covered the following:

- reconstitution of the annual cohorts or consolidation into a single group of contracts at the transition date according to available data;
- the reconstitution of fulfilment cash flows and unamortised acquisition costs;
- the release of the risk adjustment between the date of issuance of the contracts and the transition date;
- discount rates (the rate at inception in the case of a reconstitution by annual cohorts or an average rate in the case of a consolidation into a single group of contracts at the transition date);
- the amount transferred to changes in equity that may be reclassified to profit or loss at the transition date in respect of changes in the discount rate, that was reconstituted based on historical rates or reset to zero if such a reconstitution is not achievable.

**For Protection contracts valued according to the simplified method,** the reserves for remaining coverage were generally determined at transition from the previous reserves for unearned premiums, net of acquisition costs. The incurred claims reserves arising from these contracts consist of expected cash flows and risk adjustments for non-financial risks at the transition date. When cash flows were discounted and for portfolios for which the disaggregation option of financial changes between profit and loss account and shareholders' equity was chosen, the amount carried in changes in equity that may be reclassified to profit or loss at the transition date in relation to changes in the discount rate was reconstituted based on the historical rates or set to zero if such a reconstitution was not achievable.

**For Life/Savings contracts valued under the variable fee approach,** the modified retrospective approach also consists in reconstituting the liability at the inception date, starting from the liability at the transition date. However, for these contracts, the standard provides that the contractual services margin at the transition date is determined using the following approach:

- the realisable value of the underlying assets at the transition date is first diminished by the fulfilment cash flows (discounted cash flows and risk adjustment) at that date;
- to this amount are added the income received from the policyholders and changes in the risk adjustment, less the acquisition cashflows paid during the interim period;
- the contractual service margin net of the acquisition costs initially reconstituted is then amortised until the transition date to reflect the services provided to that date, as well as the remaining acquisition costs.

The main simplifications in implementing this approach were as follows:

- existing contracts were grouped according to the planned post-transition segmentation, without a breakdown in annual cohorts, in line with the election of the exemption provided for by the European regulation;
- for general funds common to participating and non-participating contracts and to equity, the underlying assets were defined on the basis of the breakdown used to calculate policyholders' participation;
- the contractual services margin at the transition date was reconstituted:
  - based on the fair value of the underlying assets less fulfilment cash flows at the transition date;
  - by adding the historical margins which were rolled over up to the transition date, using the same approach as that to be used after the transition, taking into account the "over-performance" on assets; and
  - deducting any remaining acquisition costs;
- the amount recorded in changes in equity that may be reclassified to profit or loss at the transition date as an adjustment for accounting mismatches was determined using the fair value of the underlying assets recognised in equity at the transition date.

Finally, under the fair value method, the contractual service margin at the transition date was determined as the difference at the transition date between the realisable value determined without taking into account the amount payable on demand and the fulfilment cash flows. This approach was used on some non-material portfolios when the modified retrospective approach could not be implemented. For these portfolios, the fair value was estimated based on a Solvency 2 valuation and, in the particular case of a recent business combination dating from 2018, based on the amount allocated to the contracts during the acquisition price allocation process.

## Transition from IAS 39 to IFRS 9

Financial assets and liabilities of insurance entities are managed by portfolios corresponding either to the insurance liabilities they back up or to the own funds. The business models were therefore determined according to these portfolios at the transition date to IFRS 9 (see note 2 *IFRS 17 and IFRS 9 First time application impacts*).

## Amendments to other standards related to IFRS 17

The Group also applied the changes in IAS 40 and IAS 16 resulting from IFRS 17, leading to the measurement of property held as underlying assets of direct participating contracts at fair value through profit or loss. It also applied the amendments to IAS 32 and IFRS 9, making it possible to maintain on the balance sheet financial assets issued by the Group that are held as assets underlying direct participating contracts and are measured at fair value through profit or loss.

Business combinations (including goodwill) prior to the transition date were not modified except for the cancellation of specific intangible assets under IFRS 4.

- In relation to the IBOR and Eonia rates reform, at the end of 2018 the Group launched a global transition programme, involving all business lines and functions. The aim of the programme was 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.

In Europe, the Eonia-€STR transition, which was 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.

Publication of JPY synthetic Libor was discontinued at the end of 2022. Regarding synthetic GBP Libor, the publication of the 1-month and 6-month settings ceased in March 2023, thereby only leaving the 3-month setting, which will subsist until March 2024.

In the United States, the decision was taken to continue publishing the USD Libor until mid-2023, and a legislative solution was passed at the federal level in the first quarter of 2022 to address legacy US-law governed contracts. In early April 2023, the FCA (Financial Conduct Authority) announced its decision to compel ICE BA (as benchmark administrator) to continue publication of 1-month, 3-month and 6-month USD Libor after 30 June 2023 and until 30 September 2024, using a synthetic methodology.

Through the implementation and execution of a detailed transition plan, the Group finalised its migration to the new reference rates.

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 could 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.

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.

- Further to the Pillar II recommendations of the Organisation for Economic Cooperation and Development (OECD) in relation to the international tax reform, the European Union adopted on 14 December 2022 the 2022/2523 directive instituting a minimum corporate income tax for international groups, effective 1 January 2024.

To clarify the directive's potential impacts, the IASB issued on 23 May 2023 a series of amendments to IAS 12 "Income Taxes", which were adopted by the European Union on 8 November 2023. In accordance with the provisions of these amendments, the Group applies the mandatory and temporary exception not to recognise deferred taxes associated with this additional taxation.

Based on the available information, the impact of the Pillar II reform are expected to be non-material for the Group once adopted. Income before tax and corporate income tax by country are presented in chapter 8 of this amendment to the 2022 Universal Registration Document (part 8.6, section II. *Profit and Loss account items and headcount by country*).

- In France, changes resulting from the pension reform enacted on 14 April 2023 constitute a change in post-employment benefits, based on IAS 19 § 104. The non-material impact of this change was recorded in the profit and loss account for the period.

The introduction of other standards, amendments and interpretations that are mandatory as from 1 January 2023, in particular the amendments to IAS 1 "Presentation of financial statements", IAS 8 "Changes in accounting estimates and errors" and "IAS 12 Income Tax", had no effect on the Group's financial statements at 31 December 2023.

The Group did not early adopt any of the new standards, amendments, and interpretations adopted by the European Union, when the application in 2023 was optional.

## **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 are maintained in the consolidated financial statements.

By way of exception, amendments to IAS 32 and IFRS 9 allow intra-group assets to be retained in the balance sheet if they are held as underlying components of direct participating contracts. These assets are measured at fair value through profit or loss. These are:

- own shares by amendment to IAS 32;
- financial liabilities issued by the entity in amendment to IFRS 9.

These provisions are applied by the Group's insurance entities that issue direct participating contracts, the underlying elements of which include securities issued by the Group either directly or through consolidated investment entities.

#### **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.

Financial statements of the Group's subsidiaries located in hyperinflationary economies, previously adjusted for inflation by applying a general price index, are translated using the closing rate. This rate applies to the translation of assets and liabilities as well as income and expenses.

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 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 combinations 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.

Specificities relating to insurance contracts acquired through business combinations are set out in note 1.g.2 in the paragraph *Recognition and derecognition*.

### **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<sup>1</sup> 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.

#### ***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<sup>2</sup> 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.

<sup>1</sup> As defined by IAS 36.

<sup>2</sup> Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

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 FINANCIAL INFORMATION IN HYPERINFLATIONARY ECONOMIES**

The Group applies IAS 29 to the presentation of the accounts of its consolidated subsidiaries located in countries whose economies are in hyperinflation.

IAS 29 presents a number of quantitative and qualitative criteria to assess whether an economy is hyperinflationary, including a cumulative, three-year inflation rate approaching or exceeding 100%.

All non-monetary assets and liabilities of subsidiaries in hyperinflationary countries, including equity and each line of the income statement has been restated on the basis of changes in the Consumer Price Index (CPI). This restatement between 1 January and the closing date resulted in the recognition of a gain or loss in its net monetary situation, recognised under “Net gain on non-current assets”. Financial statements of these subsidiaries are translated into euros at the closing rate.

In accordance with the provisions of the IFRIC’s decision of March 2020 on classifying the effects of indexation and translation of accounts of subsidiaries in hyperinflationary economies, the Group has opted to present these effects (including the net book value effect at the date of the initial application of IAS 29) within changes in assets and liabilities recognised directly through equity related to exchange differences.

Since 1 January 2022, the Group has applied IAS 29 to the presentation of the accounts of its consolidated subsidiaries located in Türkiye.

## **1.E NET INTEREST INCOME, COMMISSIONS AND INCOME FROM OTHER ACTIVITIES**

### **1.e.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.

### **1.e.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 principles set out in five steps. 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 over which the customer obtains control as it is created or enhanced (e.g. work in progress controlled by the client on the land on 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 an 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.F FINANCIAL ASSETS AND LIABILITIES

Financial assets 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.f.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 must not be modified by specific characteristics that could call into question the respect of the cash flow criterion.

Thus, when the variable interest rate of the financial asset is periodically reset at 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 to 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 consideration that is broadly consistent with the passage of time and do 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 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 reasonable. Actuarial penalties, corresponding to the discounted 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.* “symmetric” compensation). 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. Clauses included in financing granted to encourage the sustainable development of companies which adjust the interest margin depending on the achievement of environmental, social or governance (ESG) objectives and disclosed in chapter 7 of this amendment to the 2022 Universal Registration Document, do not call into question the cash flow criterion when such an adjustment is considered to be minimal. Structured instruments indexed to ESG market indices do not meet the cash flow criterion.

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 instrument portfolios must meet the cash flow criterion and the credit risk exposure of the tranche must be equal to 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 flow 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 flow criterion, the existing credit enhancement is assessed. The following aspects are considered: structuring and sizing of the transaction, own funds level of the structure, expected source of repayment, price 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 flow criterion.

## Recognition

On initial recognition, financial assets are recognised at 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 their initial recognition, to the measurement of a loss allowance for expected credit losses (note 1.f.5).

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

### 1.f.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.f.3 Financing and guarantee commitments

Financing and financial guarantee commitments that are not recognised 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.f.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.f.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 at 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 each correspond 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 “stages” 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 is experiencing 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 in 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 initial recognition.

For these assets, no loss allowance is recorded on 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 derived from 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 specialist 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.

The principles applied to assess the significant increase in credit risk are detailed in note 3.g *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 the 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 specialist 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. These parameters are measured 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 loans or groups of loans. Proceeds from the sale are recorded 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 measuring expected credit losses 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 used, for example if the next review date is the contractual maturity as they are individually managed.

### **Probabilities of Default (PD)**

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

The determination of the PD is based on the Group's internal rating system, which is described in chapter 5 of this amendment to the 2022 Universal Registration Document (section 5.4 *Credit risk – Credit risk management policy*). This section describes how environmental, social and governance (ESG) risks are taken into account in credit and rating policies, notably with the introduction of a new tool: the *ESG Assessment*.

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 based on the rating migration matrices reflecting the expected changes in the rating 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. LGD is expressed as a percentage of the Exposure At Default (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 guaranteed loans, the guarantee is considered as integral to the loan agreement if it is embedded in the contractual clauses of the loan, or if it was granted concomitantly to 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 adjusted for downturn and conservatism margins (in particular regulatory margins), except for margins for model uncertainties.

### **Exposure At Default (EAD)**

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 information**

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 3.g *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 recognised as an additional impairment loss in “Cost of risk”. For any recovery once the financial asset (or part thereof) is no longer recognised on the balance sheet, the amount received is recorded as a 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, depending on the jurisdiction, it may then become owner of the asset. In such a situation, the loan is written-off against the asset received as collateral.

Once ownership of the asset is effective, it is recognised 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’s gross carrying amount is reduced to the discounted amount, using 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 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”.

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 loan, which is then derecognised, followed by the set-up of a new loan at market conditions. If there is no significant repayment penalty, they consist in resetting the interest rate of the loan at market conditions, with the client being in a position to change lender and not encountering any financial difficulties.

### **Probation periods**

The Group applies observation periods to assess the possible return to a better stage. Accordingly, a 3-month probation period is observed for the transition from stage 3 to stage 2 which 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.f.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.

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

#### **1.f.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. Finally financial assets may be designated as at fair value

through profit or loss if this 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.

All those financial instruments are measured at fair value at initial recognition, with transaction costs directly posted in profit or loss. At the 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.

### **1.f.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.

Issued bonds redeemable or convertible into own equity may contain a debt component and an equity component, determined upon initial recognition of the transaction. In this case, they will be qualified as compound financial instruments.

In this respect, the Group has elected to record contingent convertible bonds issued, without maturity, when convertible into a variable number of own shares on the occurrence of a predetermined trigger event (e.g. a decrease in the solvency ratio below a threshold), as compound instruments, to the extent that the coupons on these bonds are paid discretionarily.

#### **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.f.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.

### **1.f.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 is 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.f.11 Derecognition of financial assets and financial liabilities**

#### **Derecognition of financial assets**

The Group derecognises all or part of a financial asset when the contractual rights to the cash flows of the asset expire, or when the Group transfers the asset – either on the basis of a transfer of the contractual rights to its cash flows, or by retaining the contractual rights to receive the cash flows of the asset while assuming an obligation to pay the cash flows of the asset under an eligible pass-through arrangement – as well as substantially all the risks and rewards of the asset.

Where the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset and has not in practice retained control of the financial asset, the Group derecognises the financial asset and then records separately, if necessary, an asset or liability representing the rights and obligations created or held as part of the transfer of the asset. If the Group has retained control of the financial asset, it maintains it on its balance sheet to the extent of its continuing involvement in that asset.

Upon the derecognition of a financial asset in its entirety, a gain or loss on disposal is recognised in the profit and loss account for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received, adjusted where appropriate for any unrealised gain or loss previously recognised directly in equity.

If all these conditions are not met, the Group retains the asset in its balance sheet and recognises a liability for the obligations arising on the transfer of the asset.

## **Derecognition of financial liabilities**

The Group derecognises all or part of a financial liability when the liability is extinguished, *i.e.* when the obligation specified in the contract is extinguished, cancelled or expired. A financial liability may also be derecognised in the event of a substantial change in its contractual terms or if exchanged with the lender for an instrument with substantially different contractual terms.

## **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.f.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.G INSURANCE ACTIVITIES**

### **1.g.1 Investments related to insurance activities**

IFRS 9 is applied in the same way as other Group entities (see note 1.f).

Investments of insurance activities include investment property which are measured at fair value as underlying assets of direct participating contracts.

### **1.g.2 Insurance contracts**

The Group applies IFRS 17 to insurance contracts issued, reinsurance contracts issued and held, and discretionary investment contracts issued (if the entity also issues insurance contracts).

The main IFRS 17 contracts issued by the Group correspond to:

- contracts covering risks related to persons or property; and
- life or savings contracts.

These contracts are described in note 6.d *Assets and liabilities related to insurance contracts*.

### **Prior separation of components covered by other standards and not closely related**

When insurance or investment contracts with discretionary participation include components, which would fall within the scope of another standard if they were separate contracts, an analysis must be carried out to determine whether these components should be accounted for separately. Thus:

- an embedded derivative is separated from the host insurance contract and accounted for under IFRS 9 when its economic characteristics and risks are not closely related to those of the host contract;
- an investment component corresponds to the amount that the insurer is required to repay to the insured in all cases whether the insured event occurs or not. It is separated from the host insurance contract and accounted for under IFRS 9 when it is distinct from the host insurance contract and when equivalent contracts could be sold separately in the same market or legal area. It is not separated if it is closely linked to the host contract. Changes in a non-distinct investment component (and in particular related payments) are not recognised in the profit and loss account;
- a promise to transfer to the policyholder distinct goods or services other than the services of the insurance contract is separated from the host insurance contract and accounted for under IFRS 15.

**Insurance contracts**

An insurance contract is a contract under which a party, the issuer, assumes a significant insurance risk for another party, the policyholder, by agreeing to indemnify the policyholder if a specified uncertain future event, the insured event, is detrimental to the policyholder.

An insurance risk is significant if, and only if, an insured event can cause the insurer to pay significant additional amounts in any scenario, excluding scenarios that are devoid of commercial substance. A contract transfers a significant insurance risk only if there is a scenario with a commercial substance in which there is a possibility that the issuer will incur a loss based on the present value.

**Investment contracts with discretionary participating features**

Investment contracts do not expose the insurer to significant insurance risk. They are within the scope of IFRS 17 if they are issued by entities that also issue insurance contracts.

Discretionary participation is defined as the contractual right to receive, in addition to an amount that is not at the issuer's discretion, additional amounts that are likely to represent a significant portion of the total benefits provided under the contract, the timing or amount of which is contractually left to the issuer's discretion and that are contractually based on the returns arising from a defined set of contracts or type of contract or on the realised and/or unrealised investment returns from a defined set of assets held by the issuer, or the result of the entity or fund issuing the contract.

## Accounting and measurement

### Aggregation of contracts

Insurance contracts are accounted and measured by groups of contracts within portfolios of contracts covering similar risks and managed together. Groups of contracts are determined according to their expected profitability at inception: onerous contracts, profitable contracts with a low risk of becoming onerous, and others. A group of contracts may contain only contracts issued no more than one year apart (corresponding to an annual “cohort”), except where the optional exemption provided for in the European regulation applies (for life-savings contracts).

For creditor protection insurance (CPI), personal protection insurance and other non-life risks, the Group uses the following discriminatory criteria when constructing portfolios of homogeneous contracts: legal entity, nature of the risks and partner, distributor. The reinsurance contracts accepted shall follow the same principles.

For life and savings contracts, the Group uses the following criteria for insurance portfolios: legal entity, product and underlying assets. Savings and retirement contracts are classified in separate portfolios (including in the period prior to the transition) due to the existence of a risk of longevity in retirement contracts.

For reinsurance contracts held, the Group uses the following criteria: legal entity, underlying item and partner. A portfolio can sometimes correspond to a single reinsurance treaty.

### Recognition and derecognition

A group of insurance contracts (or reinsurance contracts held) is recognised from the earliest of the following dates: the beginning of the period of coverage of the group of contracts, the date on which the first payment of a policyholder in the group becomes due (or, in the absence of such a date, when the first payment is received) and, in the case of a group of onerous contracts, the date on which the group becomes onerous.

A group of reinsurance contracts held is recognised from the beginning of the period of coverage of the group of reinsurance contracts held or, if the reinsurance was contracted in anticipation of the coverage of an underlying group of onerous insurance contracts, on the first recognition of that onerous group.

On initial recognition of portfolios of insurance contracts acquired as part of a business combination or a separate transfer, groups of contracts acquired are treated as if the contracts had been issued at the date of the transaction. The consideration received or paid in exchange for the contracts is treated as an approximation of the premiums received for the purpose of calculating the contractual service margin at initial recognition from this amount. In the case of a business combination within the scope of IFRS 3, the consideration received or paid is the fair value of the contracts at that date. For onerous contracts, the excess of the fulfilment cash flows over the consideration paid or received is recognised in the goodwill (or the profit resulting from an acquisition on advantageous terms) if it is a business combination and in a separate transfer, in the profit and loss account. For profitable contracts, the difference is recorded as a contractual service margin. In addition, an asset for cash flows related to acquisition costs must be recognised, for its fair value, for the acquisition costs related to the renewal of existing insurance contracts or for the acquisition costs already paid by the acquired company for future contracts.

An insurance contract shall be derecognised when the obligation it covers is extinguished, by payment or maturity, or if the terms of the contract are amended in such a way that the accounting treatment of the contract would have been substantially different if those amendments had originally existed. The derecognition of a contract entails the adjustment of the fulfilment cash flows, the contractual services margin and the coverage units of the group in which it was included.

### General measurement model (Building Block Approach – BBA)

The general model for the measurement of insurance contracts is the best estimate of the future cash flows to be paid or received necessary to meet contractual obligations. This estimate should reflect the different possible scenarios and the effect of the options and guarantees included in the contracts within the limit or “contract boundary”. The determination of this contract boundary requires an analysis of the rights and obligations arising from the contract and, in particular, of the insurer’s ability to change its price to reflect the risks. This leads, for example, to the exclusion of tacit renewals if the tariff can be amended or to the inclusion of such renewals if not.

Cash flows are discounted to reflect the time value of money. They correspond only to cash flows attributable to insurance contracts either directly or through allocation methods: premiums, acquisition and contract management costs, claims and benefits, indirect costs, taxes and depreciation of tangible and intangible assets.

The cash flows estimate is supplemented by an explicit risk adjustment to cover the uncertainty for non-financial risk. These two elements constitute the fulfilment cash flows of the contracts. A contractual service margin is added representing the expected gain or loss on future services related to a group of contracts.

If the contractual service margin is positive, it is shown on the balance sheet within the insurance contract’s measurement and amortised as the services are rendered; if negative, it is recognised immediately in the income statement. The original loss (or “loss component”) is monitored extra-accounting to allow for the subsequent recognition of the insurance service revenue.

Acquisition costs are deducted from the contractual service margin of the group of contracts to which they relate.

At each reporting date, the carrying amount of a group of insurance contracts is the sum of the liabilities for the remaining coverage which include the fulfilment cash flows related to future services (best estimate and risk adjustment) and the contractual service margin remaining at that date, and of the liabilities for incurred claims which include the best estimate of the



cash flows and the risk adjustment, without any contractual service margin. The assumptions used to estimate future cash flows and the non-financial risks adjustment are updated, as well as the discount rate, to reflect the situation at the reporting date.

The contractual service margin is adjusted for changes in the estimates of non-financial assumptions related to future services, capitalised at inception rate, and then amortised in the income statement for services rendered over the period in the insurance service revenue. In the case of contracts which become onerous, after consumption of the contractual service margin, the loss is recognised in the reporting period. In the case of onerous contracts that become profitable again as a result of favourable changes in assumptions, the contractual service margin is only reconstituted after offsetting the loss component.

The release of expected fulfillment flows (cash flow estimates and risk adjustments) for the period, except for the amount allocated to the loss component, is recorded in insurance service revenue. The change in estimates related to past service is recognised in insurance service expenses.

The Group includes the change in the adjustment for non-financial risk in its entirety in the insurance service result.

The Group records in equity the effect of the change in the discount rate. The expense of unwinding the discount is recorded in "insurance financial income or expenses" based on the initial rate (the inception rate for the liability for remaining coverage, and the rate at claims occurrence date for the liability for incurred claims). The difference between the value of liabilities discounted at the rate fixed at initial date and the value of those same liabilities estimated using current discount rate is recognised in equity. The effect on liabilities of changes in financial variables, in particular the indexation of benefits under the contract, is also recognised in equity.

Creditor protection insurance (CPI), personal protection insurance and other non-life risks are measured either according to the general model or, if the conditions are met, using the simplified approach. The same treatment applies to reinsurance contracts assumed or held.

The discount rate is based on the risk-free rate adjusted for the illiquidity of the liabilities.

The risk adjustment is determined using the quantile method.

The coverage unit used to amortise the contractual service margin is derived from the risk premium earned during the period.

#### **Measurement model for contracts with direct participation features (Variable Fee Approach – VFA)**

Direct participating contracts are insurance or investment contracts for which:

- the contractual terms specify that the policyholder is entitled to a share of a clearly defined portfolio of underlying assets;
- the insurer expects to pay the policyholder a sum corresponding to a substantial portion of the return on the fair value of the underlying assets;
- the insurer expects that any change in the amounts to be paid to the policyholder is, in a substantial proportion, attributable to the change in the fair value of the underlying assets.

Compliance with these conditions is monitored on the underwriting date and is not reviewed later.

For these contracts, for which the insurer has to pay the policyholder an amount corresponding to the fair value of clearly identified underlying assets, less a variable compensation, a specific model (called the "Variable Fee Approach") has been developed by adapting the general model.

At each reporting date, liabilities related to these contracts are adjusted for the return earned and changes in the fair value of the underlying assets: the policyholders' share is recorded in the contract fulfillment cash flows against insurance financial income or expense and the insurer's share corresponding to the variable fee is included in the contractual service margin.

The contractual service margin is also adjusted for the effect of changes in cash flows that do not vary according to the returns on the underlying assets and that relate to future services: estimation of cash flows, risk adjustment, changes in the time value effect of money and changes in the financial risks that do not result from the underlying assets (for example, the effect of financial guarantees).

Changes in the fulfillment cash flows that do not change in connection with the yields of underlying assets and that relate to past service events are recognised in the profit and loss account.

Due to the mechanism for allocating the change in the value of the underlying assets between the policyholders and the insurer, the result of these contracts is in principle mainly represented by the release of the fulfillment cash flows and the amortisation of the contractual service margin. When the underlying assets fully support the liabilities and are measured at fair value through profit or loss, the financial result under these contracts should be nil. The Group has chosen the option of reclassifying in shareholders' equity the change in the liabilities related to the underlying assets that are not measured at fair value through profit or loss.

Life and savings contracts meeting the above definition of direct participating contracts are valued using the variable fee approach. When these contracts include a surrender value, it meets the definition of a non-distinct investment component and changes in that investment component (including related payments) are therefore not recognised in the income statement.

The Group has chosen to apply the option introduced by the European regulation not to divide the portfolios of participating contracts based on intergenerational mutualisation by annual cohort. This option is applied to insurance contracts and investment contracts with discretionary participation that are eligible to the variable fee approach, euro mono-supports or multi-supports including a euro fund, for which the policyholders' profit-sharing is mutualised between the different generations of

policyholders in France, Italy and Luxembourg. As a result of this choice, the assessment of the onerousness is made on the basis of the portfolio and not on the basis of the annual cohorts.

The contract boundary includes future payments as long as the applicable pricing is not modifiable (e.g. acquisition or management loadings), as well as the annuity phase in service when contracts provide for a mandatory annuity.

The discount rate is based on the risk-free rate, extrapolated over the duration exceeding the period for which observable data are available and adjusted by a liquidity premium on the basis of the underlying assets to reflect the illiquidity of the liabilities.

The risk adjustment is determined using the cost of capital method including future payments without considering the risk of mass lapses.

The coverage unit used to amortise the contractual service margin is the change in savings due to policyholders (determined at present value), adjusted to take into account the impact of the real return on financial or property assets compared to the actuarial neutral risk projection.

#### **Simplified measurement model (Premium Allocation Approach – PAA)**

Short-term contracts (less than one year) may be measured using a simplified approach known as the premium allocation approach, also applicable to longer-term contracts if it leads to results similar to those of the general model in terms of liability for the remaining coverage. For profitable contracts, the liability for the remaining coverage is measured based on the deferral of premiums collected according to a logic similar to that used under IFRS 4. Onerous contracts and liabilities for incurred claims are valued according to the general model. Liabilities for incurred claims are discounted if the expected settlement of claims takes place one year after the date of occurrence. In this case, the option of classifying the effect of changes in the discount rate in equity is also applicable.

The Group has chosen the option of deferring acquisition costs over the coverage duration and therefore presenting them as a deduction of the deferred premiums.

Liabilities for incurred claims are discounted if the expected settlement of claims takes place after one year from the date of occurrence. The discount expense is recognised in insurance financial income or expenses as in the general model. In this case, the option to classify the effect of changes in the discount rate into equity is also applicable. The Group has retained this option for the liabilities for incurred claims.

At each reporting date, the adjustment of liabilities for remaining coverage and for incurred claims is recognised in profit or loss.

Creditor insurance (ADE), personal protection insurance and other non-life insurance contracts, and reinsurance contracts assumed or held, are measured using the simplified approach if the conditions are met.

#### **Treatment of the reinsurance**

The reinsurance ceded is also treated according to the general or simplified model, but the equivalent of the contractual service margin represents the expected gain or loss on the reinsurance and may be positive or negative. If a reinsurance contract immediately offsets the losses of an underlying group of onerous contracts, the reinsurance gain is recognised immediately in profit or loss. This “loss recovery component” is used to record amounts that are subsequently presented in net income.

In addition, contract execution flows include the reinsurer’s risk of non-performance.

Reinsurance contracts held are measured by the Group using the simplified approach or the general model.

#### **Presentation in the balance sheet and in the profit and loss**

The Group has chosen to present the investments of insurance activities and their results separately from the financial assets and liabilities of banking activities.

Financial income or expenses from issued insurance contracts are presented separately between the profit and loss account and shareholders’ equity for portfolios for which this breakdown has been deemed relevant, as allowed by the standard. For the Protection contracts liabilities measured under the general model and for the liabilities for incurred claims arising from contracts measured under the simplified model, this choice for portfolio classification was made by taking into account both the effects in the profit and loss account of the undiscounting of the liabilities and the accounting treatment of the assets backing them. For contracts measured using the variable fee approach, this choice was made to offset any accounting mismatch that may exist in the profit and loss account between the effect of changes in fair value from insurance or investment liabilities and that from the underlying assets when these are not recognised at fair value through profit or loss.

Insurance contracts may be distributed and managed by non-insurance entities of the Group that are remunerated as such by commissions paid by insurance entities. The measurement model for insurance contracts requires projecting in the contract fulfilment cash flows the acquisition and management costs that will be paid in the future and presenting in the profit and loss account, the release of the estimated costs for the period on the one hand, and on the other, the actual costs. For commissions between consolidated companies in the Group, the Group restates the internal margin on the balance sheet and in the profit and loss account (in the breakdown of insurance liabilities and the related results between cash flows and contractual service margin) by presenting as insurance service expenses the portion of the general expenses (excluding internal margins) of the banking entities that can be attributed to the insurance activity. The internal distributors’ margins are determined based on standardised management data for each of the related networks.

#### **Effect of accounting estimates in interim financial statements**

The Group has elected under IFRS 17 to record in its annual financial statements the effects of changes in accounting estimates relating to insurance contracts issued or held, without taking into account estimates previously made in its interim financial statements.

## 1.H 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.i.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, except for those held as underlying assets under participating direct contracts (as amended by IAS 40), which are measured at fair value through profit or loss and presented in the balance sheet under "Investments related to insurance activities" (see note 1.g.1).

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. By way of exception, property occupied by the holder entity that is an underlying component of direct participating contracts is measured at fair value (by amendment to IAS 16).

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.I LEASES

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

### 1.i.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.i.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 hypotheses 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.J 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.K EMPLOYEE BENEFITS**

Employee benefits are classified into four 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.L 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.M 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.N 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".

## **1.0 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.P 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, notably in relation to the effect of environmental considerations on the evaluation of future prices of second-hand vehicles;
- the deferred tax assets;
- the measurement of insurance liabilities and assets, and investment contracts with discretionary participation, by groups of contracts, on the basis of discounted and probability weighted future fulfilment cash flows, based on assumptions that can be derived from market or entity-specific data, and the recognition of the results of such contracts on the basis of the services rendered over the coverage period;



- 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.

## NOTE 2 IFRS 17 AND IFRS 9 FIRST TIME APPLICATION IMPACTS

### IFRS 17 AND IFRS 9 FIRST TIME APPLICATION IMPACTS ON THE BALANCE SHEET AT 31 DECEMBER 2022

| <i>In millions of euros, at</i>                                  | <b>31 December 2022</b> | <b>IFRS 17<br/>and 9<br/>1<sup>st</sup> time<br/>application<br/>impacts</b> | <b>31 December 2022<br/><i>restated according<br/>to IFRS 17 and 9</i></b> |
|--|-------------------------|--|--|
| <b>ASSETS</b>  |                         |  |  |
| Cash and balances at central banks                               | 318,560                 |  | 318,560  |
| Financial instruments at fair value through profit or loss       |                         |  |  |
| Securities   | 166,077                 |  | 166,077  |
| Loans and repurchase agreements                                  | 191,125                 |  | 191,125  |
| Derivative financial instruments                                 | 327,932                 |  | 327,932  |
| Derivatives used for hedging purposes                            | 25,401                  |  | 25,401   |
| Financial assets at fair value through equity                    |                         |  |  |
| Debt securities  | 35,878                  |  | 35,878   |
| Equity securities  | 2,188                   |  | 2,188  |
| Financial assets at amortised cost                               |                         |  |  |
| Loans and advances to credit institutions                        | 32,616                  |  | 32,616   |
| Loans and advances to customers                                  | 857,020                 |  | 857,020  |
| Debt securities  | 114,014                 |  | 114,014  |
| Remeasurement adjustment on interest-rate risk hedged portfolios | (7,477)                 |  | (7,477)  |
| Investments and other assets related to insurance activities     | 247,403                 | (1,928) <sup>(a)(c)(d)</sup>   | 245,475  |
| Current and deferred tax assets                                  | 5,893                   | 39   | 5,932  |
| Accrued income and other assets                                  | 209,092                 | (549)  | 208,543  |
| Equity-method investments  | 6,263                   | (190)  | 6,073  |
| Property, plant and equipment and investment property            | 38,468                  |  | 38,468   |
| Intangible assets  | 3,790                   |  | 3,790  |
| Goodwill   | 5,294                   |  | 5,294  |
| Assets held for sale   | 86,839                  |  | 86,839   |
| <b>TOTAL ASSETS</b>  | <b>2,666,376</b>        | <b>(2,628)</b>   | <b>2,663,748</b>   |
| <b>LIABILITIES</b>   |                         |  |  |
| Deposits from central banks                                      | 3,054                   |  | 3,054  |
| Financial instruments at fair value through profit or loss       |                         |  |  |
| Securities   | 99,155                  |  | 99,155   |
| Deposits and repurchase agreements                               | 234,076                 |  | 234,076  |
| Issued debt securities   | 70,460                  | (4,882) <sup>(e)(c)</sup>  | 65,578   |
| Derivative financial instruments                                 | 300,121                 |  | 300,121  |

| <i>In millions of euros, at</i>  | <b>31 December 2022</b> | <b>IFRS 17<br/>and 9<br/>1<sup>st</sup> time<br/>application<br/>impacts</b> | <b>31 December 2022<br/><i>restated according<br/>to IFRS 17 and 9</i></b> |
|--|-------------------------|--|--|
| Derivatives used for hedging purposes  | 40,001                  |  | 40,001   |
| Financial liabilities at amortised cost  |                         |  |  |
| Deposits from credit institutions  | 124,718                 |  | 124,718  |
| Deposits from customers  | 1,008,054               | 2  | 1,008,056  |
| Debt securities  | 154,143                 | 1,216 <sup>(c)</sup>   | 155,359  |
| Subordinated debt  | 24,156                  | 4  | 24,160   |
| Remeasurement adjustment on interest-rate risk hedged portfolios                                   | (20,201)                |  | (20,201)   |
| Current and deferred tax liabilities   | 3,054                   | (75)   | 2,979  |
| Accrued expenses and other liabilities   | 185,456                 | (446)  | 185,010  |
| Technical reserves and other insurance liabilities   | 226,532                 | (226,532) <sup>(a)(e)</sup>  |  |
| Liabilities related to insurance contracts   |                         | 209,772 <sup>(b)</sup>   | 209,772  |
| Financial liabilities related to insurance activities  |                         | 18,858 <sup>(e)</sup>  | 18,858   |
| Provisions for contingencies and charges   | 10,040                  |  | 10,040   |
| Liabilities associated with assets held for sale   | 77,002                  |  | 77,002   |
| <b>TOTAL LIABILITIES</b>   | <b>2,539,821</b>        | <b>(2,083)</b>   | <b>2,537,738</b>   |
| <b>EQUITY</b>  |                         |  |  |
| Share capital, additional paid-in capital and retained earnings                                    | 115,149                 | (141)  | 115,008  |
| Net income for the period attributable to shareholders   | 10,196                  | (348)  | 9,848  |
| <b>Total capital, retained earnings and net income for the period attributable to shareholders</b> | <b>125,345</b>          | <b>(489)</b>   | <b>124,856</b>   |
| Changes in assets and liabilities recognised directly in equity                                    | (3,553)                 | (66)   | (3,619)  |
| <b>Shareholders' equity</b>  | <b>121,792</b>          | <b>(555)<sup>(f)</sup></b>   | <b>121,237</b>   |
| <b>Minority interests</b>  | <b>4,763</b>            | <b>10</b>  | <b>4,773</b>   |
| <b>TOTAL EQUITY</b>  | <b>126,555</b>          | <b>(545)</b>   | <b>126,010</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>2,666,376</b>        | <b>(2,629)</b>   | <b>2,663,748</b>   |

The transition from IFRS 4 to IFRS 17 leads to the removal through equity of assets and liabilities of insurance contracts recognised in accordance with the previous standard net of deferred tax effects: insurance liabilities, reinsurance assets held, and deferred policyholders' participation arising from "shadow accounting". Receivables and payables related to insurance or reinsurance contracts were not cancelled but are included in the new measurement of insurance liabilities and assets.

The main impacts linked to the first time application of IFRS 4 and IFRS 17 at 31 December 2022 are:

**(a)** the removal of insurance assets and liabilities recognised under IFRS 4:

- on the assets side, -EUR 5.2 billion within "Investments and other assets related to insurance activities": -EUR 2.3 billion linked to reinsurance assets held, mainly mathematical reserves, and -EUR 2.9 billion in respect of deferred profit-sharing arising from shadow accounting,
- on the liabilities side, -EUR 221.6 billion of insurance contract liabilities previously recorded as "Technical reserves and other insurance liabilities";

**(b)** the recognition of "Liabilities related to insurance contracts" for +EUR 209.8 billion, including:

- the best estimate of future fulfilment cash flows together with the risk adjustment and the contractual service margin measured in accordance to IFRS 17;
- other assets and liabilities linked to insurance contracts (mainly policyholders' receivables and payables).

The methods used at transition date for the measurement of the insurance contracts are described in note 1.a *Applicable accounting standards – Transition from IFRS 4 to IFRS 17*.

**(c)** The application of the amendment to IFRS 9 enabling the recognition in the balance sheet of financial assets issued by the Group that are held as underlying items of direct participating contracts and are measured at fair value through profit or loss. Consequently, "Investments and other assets related to insurance activities" increased by +EUR 2 billion, against, on the liabilities side, an increase of +EUR 0.8 billion in "Issued debt securities at fair value through profit or loss" and +EUR 1.2 billion in "Debt securities at amortised cost";

**(d)** The Group also applies the amendments to IAS 40 and IAS 16 resulting from IFRS 17, leading to measure at fair value through profit or loss of the buildings held as underlying items of direct participating contracts and recognise +EUR 1.6 billion within "Investments and other assets related to insurance activities";

**(e)** "Financial liabilities related to insurance activities" previously recorded as "Issued debt securities" for +EUR 5.7 billion or as "Other insurance liabilities" have been combined under the same line;

**(f)** The application of IFRS 17 and IFRS 9 results in a -EUR 0.6 billion impact to equity attributable to shareholders, net of tax effect at 31 December 2022.

At 1 January 2022, this impact was -EUR 1.6 billion of which +EUR 0.5 billion related to the transition from IAS 39 to IFRS 9 and -EUR 2.1 billion related to the transition from IFRS 4 to IFRS 17.

**IFRS 9 AND IFRS 17 FIRST TIME APPLICATION IMPACTS ON “INVESTMENTS AND OTHER ASSETS RELATED TO INSURANCE ACTIVITIES”**

| In millions of euros, at                                     | 31 December 2022<br>(IAS 39/<br>IFRS 4) | Reclassifications                           |                   |   |                       |                         | IFRS 9 impacts<br>(insurance entities)       |                         |                                  |                                    |         | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |
|--|---|---|-------------------|---|-----------------------|-------------------------|--|-------------------------|----------------------------------|------------------------------------|---------|--|
|  |   | Available-for-sale financial assets at fair |                   | Held-to-maturity financial assets at amortised cost |                       | Other reclassifications | Total reclassifications to IFRS 9 categories | Remeasurement (phase 1) | Impairment adjustments (phase 2) | IFRS 17, IAS 16 and IAS 40 impacts |         |  |
|  |   | Debt securities                             | Equity securities | Debt securities                                     | Loans and receivables |                         |  |                         |                                  |                                    |         |  |
| Financial instruments at fair value through profit or loss   | 125,640                                 | 7,694                                       | 9,497             | 101   | 165                   | 325                     | 17,782                                       | 276                     |                                  | 2,015                              | 145,713 |  |
| Financial assets at fair value through equity                | 104,961                                 | (7,694)                                     | (9,497)           | 967   |                       | 255                     | (15,969)                                     | 93                      | (60)                             |                                    | 89,025  |  |
| Financial assets at amortised cost                           | 4,044                                   |   |                   | (1,068)   | (165)                 | (29)                    | (1,262)                                      |                         |                                  | (1,629)                            | 1,153   |  |
| Equity-method investments                                    | 342                                     |   |                   |   |                       | (228)                   | (228)  |                         |                                  |                                    | 114     |  |
| Investment property  | 7,257                                   |   |                   |   |                       |                         |  |                         |                                  | 1,562                              | 8,819   |  |
| Reinsurer's share of technical reserves                      | 2,277                                   |   |                   |   |                       |                         |  |                         |                                  | (2,277)                            |         |  |
| Policyholders' surplus reserve - assets                      | 2,882                                   |   |                   |   |                       |                         |  |                         |                                  | (2,882)                            |         |  |
| Assets related to insurance activities                       |   |   |                   |   |                       |                         |  |                         |                                  | 651                                | 651     |  |
| INVESTMENTS AND OTHER ASSETS RELATED TO INSURANCE ACTIVITIES | 247,403                                 | -   | -                 | -   | -                     | 323                     | 323  | 369                     | (60)                             | (2,560)                            | 245,475 |  |

Financial assets and liabilities of insurance entities are managed by portfolios corresponding to the insurance liabilities they back up or to the own funds. The business models were therefore determined according to these portfolios at the transition date to IFRS 9.

Under the business model and cash flow criteria, debt instruments are largely classified according to the “collect and sell” model, except for those representing unit-linked contracts, debt instruments held by consolidated UCITS and managed at disposal value, which are measured at fair value through profit or loss. Certain specific assets are designated as at fair value through profit or loss. Most equity instruments are measured at fair value through profit or loss, except for certain assets backing own-funds and non-participating contracts portfolios, which are measured at fair value through equity. Non-consolidated funds classified as available-for-sale financial assets under IAS 39 have been reclassified at fair value through profit or loss. The treatment of derivatives remains unchanged, including for hedge accounting, for which the principles of IAS 39 continue to be applied by the Group (see note 1.f.9).

## NOTE 3 NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

### 3.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.

|   | Year to 31 Dec. 2023 |                 |                | Year to 31 Dec. 2022                       |                 |               |
|---|----------------------|-----------------|----------------|--|-----------------|---------------|
|   |                      |                 |                | <i>restated according to IFRS 17 and 9</i> |                 |               |
| <i>In millions of euros</i>   | Income               | Expense         | Net            | Income                                     | Expense         | Net           |
| <b>Financial instruments at amortised cost</b>  | <b>66,886</b>        | <b>(48,617)</b> | <b>18,269</b>  | <b>34,795</b>                              | <b>(15,405)</b> | <b>19,390</b> |
| Deposits, loans and borrowings  | 59,019               | (36,827)        | 22,192         | 30,749                                     | (11,652)        | 19,097        |
| Repurchase agreements   | 681                  | (1,295)         | (614)          | 274  | (83)            | 191           |
| Finance leases  | 2,480                | (109)           | 2,371          | 1,763                                      | (102)           | 1,661         |
| Debt securities   | 4,706                |                 | 4,706          | 2,009                                      |                 | 2,009         |
| Issued debt securities and subordinated debt  |                      | (10,386)        | (10,386)       |  | (3,568)         | (3,568)       |
| <b>Financial instruments at fair value through equity</b>                                       | <b>1,856</b>         | <b>-</b>        | <b>1,856</b>   | <b>738</b>                                 | <b>-</b>        | <b>738</b>    |
| <b>Financial instruments at fair value through profit or loss (Trading securities excluded)</b> | <b>243</b>           | <b>(1,454)</b>  | <b>(1,211)</b> | <b>59</b>                                  | <b>(279)</b>    | <b>(220)</b>  |
| <b>Cash flow hedge instruments</b>  | <b>3,897</b>         | <b>(1,741)</b>  | <b>2,156</b>   | <b>3,025</b>                               | <b>(1,450)</b>  | <b>1,575</b>  |
| <b>Interest rate portfolio hedge instruments</b>  | <b>6,660</b>         | <b>(8,600)</b>  | <b>(1,940)</b> | <b>2,465</b>                               | <b>(2,965)</b>  | <b>(500)</b>  |
| <b>Lease liabilities</b>  | <b>-</b>             | <b>(72)</b>     | <b>(72)</b>    |  | <b>(50)</b>     | <b>(50)</b>   |
| <b>TOTAL INTEREST INCOME/(EXPENSE)</b>  | <b>79,542</b>        | <b>(60,484)</b> | <b>19,058</b>  | <b>41,082</b>                              | <b>(20,149)</b> | <b>20,933</b> |

Net interest income notably includes an expense of EUR 938 million due to the adjustment of economic hedges consecutive to the changes in the TLTRO terms and conditions mentioned below.

Net interest income includes funding costs related to Global Markets, whose revenues are mainly accounted for in “Net gain on financial instruments at fair value through profit or loss” (see note 3.c), as well as to Arval, whose income from operating leases is presented in note 3.e.

The evolution of the net interest income is therefore to be analysed in conjunction with those observed for these lines.

Interest income on individually impaired loans amounted to EUR 342 million for the year ended 2023, compared to EUR 287 million for the year ended 2022.

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, in December 2020 and in October 2022 (see note 5.g). The Group achieved the lending performance thresholds that enabled it to benefit from favourable interest rate conditions applicable for each of the reference period, namely:

- over the two special interest periods (*i.e.* from June 2020 to June 2022): the average deposit facility rate (“DFR”) -50 basis points, or -1%;
- over the next period (*i.e.* from June 2022 to November 2022): the average of the DFR between the TLTRO III initial date of subscription and 22 November 2022, *i.e.* for the main draws, -0.36% for the June 2020 tranche and -0.29% for the March 2021 tranche;
- over the last period (since 23 November 2022): the average of the DFR between 23 November 2022 and the redemption date. The average effective interest rate for the latter period was 3.15% (1.64% until 31 December 2022 and 3.31% for the year 2023).

This floating interest rate is considered as a market rate since 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. The addition of the last interest period in October 2022 is part of the European Central Bank’s monetary policy and is therefore not considered a contractual amendment according to IFRS 9 but a revision of the market rate.

### 3.B COMMISSION INCOME AND EXPENSE

| <i>In millions of euros</i>   | Year to 31 Dec. 2023 |                |              | Year to 31 Dec. 2022<br>according to IFRS 17 and 9 |                |               |
|---|----------------------|----------------|--------------|--|----------------|---------------|
|   | Income               | Expense        | Net          | Income   | Expense        | Net           |
| Customer transactions   | 4,997                | (1,250)        | 3,747        | 4,772  | (1,172)        | 3,600         |
| Securities and derivatives transactions   | 2,483                | (1,965)        | 518          | 2,051  | (1,561)        | 490           |
| Financing and guarantee commitments   | 1,155                | (189)          | 966          | 1,181  | (100)          | 1,081         |
| Asset management and other services   | 5,176                | (367)          | 4,809        | 5,425  | (385)          | 5,040         |
| Others  | 1,200                | (1,419)        | (219)        | 1,193  | (1,239)        | (46)          |
| <b>COMMISSION INCOME AND EXPENSE</b>  | <b>15,011</b>        | <b>(5,190)</b> | <b>9,821</b> | <b>14,622</b>                                      | <b>(4,457)</b> | <b>10,165</b> |
| <i>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</i> | 3,133                | (360)          | 2,773        | 3,248  | (376)          | 2,872         |
| <i>of which commission income and expense on financial instruments not measured at fair value through profit or loss</i>  | 3,133                | (453)          | 2,680        | 3,048  | (370)          | 2,678         |

### 3.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" (see note 3.a).

| <i>In millions of euros</i>   | <b>Year to</b>      |   |
|---|---------------------|---|
|   | <b>31 Dec. 2023</b> | <b>31 Dec. 2022</b><br><i>restated</i><br><i>according to</i><br><i>IFRS 17 and 9</i> |
| <b>Financial instruments held for trading</b>                                   | <b>13,801</b>       | <b>(2,023)</b>  |
| Interest rate and credit instruments  | 8,948               | (6,014)   |
| Equity financial instruments  | 3,184               | (3,268)   |
| Foreign exchange financial instruments  | 5,452               | 5,898   |
| Loans and repurchase agreements   | (4,515)             | (1,326)   |
| Other financial instruments   | 732                 | 2,687   |
| <b>Financial instruments designated as at fair value through profit or loss</b> | <b>(3,985)</b>      | <b>11,328</b>   |
| <b>Other financial instruments at fair value through profit or loss</b>         | <b>565</b>          | <b>143</b>  |
| <b>Impact of hedge accounting</b>   | <b>(35)</b>         | <b>(96)</b>   |
| Fair value hedging derivatives  | (1,247)             | (9,123)   |
| Hedged items in fair value hedge  | 1,212               | 9,027   |
| <b>NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>   | <b>10,346</b>       | <b>9,352</b>  |

Gains and losses on financial instruments designated as at fair value through profit or loss are mainly related to instruments for 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 2023 and 2022 includes 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 rate resetting, the frequency of payments and the discounting factors, or when hedging derivatives have a non-zero fair value at the 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 2023 in profit and loss accounts are not material, whether the hedged item ceased to exist or not.

### 3.D NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH EQUITY

| <i>In millions of euros</i>   | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022<br/><i>restated<br/>according to<br/>IFRS 17 and 9</i></b> |
|---|---------------------------------|--|
| Net gain on debt instruments  | (56)                            | 9  |
| Dividend income on equity instruments                                 | 84                              | 129  |
| <b>NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH EQUITY</b> | <b>28</b>                       | <b>138</b>   |

Interest income from debt instruments is included in note 3.a *Net interest income*, and impairment losses related to potential issuer default are included in note 3.g *Cost of risk*.

### 3.E NET INCOME FROM OTHER ACTIVITIES

| <i>In millions of euros</i>                        | <b>Year to 31 Dec. 2023</b> |                 |              | <b>Year to 31 Dec. 2022<br/><i>restated according to IFRS 17 and 9</i></b> |                 |              |
|--|-----------------------------|-----------------|--------------|--|-----------------|--------------|
|  | <b>Income</b>               | <b>Expense</b>  | <b>Net</b>   | <b>Income</b>  | <b>Expense</b>  | <b>Net</b>   |
| Net income from investment property                | 54                          | (28)            | 26           | 58   | (30)            | 28           |
| Net income from assets held under operating leases | 15,787                      | (12,103)        | 3,684        | 13,134   | (10,365)        | 2,769        |
| Net income from property development activities    | 488                         | (416)           | 72           | 773  | (653)           | 120          |
| Other net income                                   | 2,231                       | (1,778)         | 453          | 1,769  | (1,704)         | 65           |
| <b>TOTAL NET INCOME FROM OTHER ACTIVITIES</b>      | <b>18,560</b>               | <b>(14,325)</b> | <b>4,235</b> | <b>15,734</b>  | <b>(12,752)</b> | <b>2,982</b> |

### 3.F OPERATING EXPENSES

| <i>In millions of euros</i>  | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022<br/><i>restated<br/>according to<br/>IFRS 17 and 9</i></b> |
|--|---------------------------------|--|
| Salary and employee benefit expense for banking activities   | (17,775)                        | (16,877)   |
| Other operating expenses for banking activities  | (11,221)                        | (11,026)   |
| <i>of which external services and other operating expenses</i>                                     | (8,865)                         | (8,611)  |
| <i>of which taxes and contributions<sup>(1)</sup></i>  | (2,356)                         | (2,415)  |
| Insurance activities non-attributable costs (note 6.b)   | (758)                           | (713)  |
| Reclassification of expenses incurred by internal distributors attributable to insurance contracts | 1,041                           | 1,056  |
| <b>OPERATING EXPENSES</b>  | <b>(28,713)</b>                 | <b>(27,560)</b>  |

(1) Contributions to the Single Resolution Fund, including exceptional contributions, amounted to EUR 1,002 million for year ended 2023 compared with EUR 1,256 million for the year ended 2022.



Taxes and contributions, including those related to insurance activities, amounted to EUR 2,442 million for the year ended 2023 (compared to EUR 2,510 million for the year ended 2022).

Expenses directly attributable to insurance contracts are presented in “Net income from insurance activities”. These costs consist mainly of distribution commissions paid for the acquisition of the contracts and other costs necessary for handling the contracts. They are included in the fulfilment expenses within the “Insurance service result” (see note 6.a).

Expenses attributable to insurance contracts include the operating expenses incurred by the Group banking networks to distribute insurance contracts. Related costs are assessed on the basis of the commissions paid by the insurance entities to the internal distributors less their margin. These costs are excluded from “Operating expenses” to be included in the contracts fulfilment cash flows through the “Reclassification of expenses incurred by internal distributors attributable to insurance contracts”.

Operating costs not directly attributable to insurance contracts are included in “Operating expenses”.

Reconciliation by type and by function of insurance activities operating expenses is presented in note 6.b.

### 3.G COST OF RISK

The general model for impairment described in note 1.f.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 rely on forward-looking information.

#### Significant increase in credit risk

At 31 December 2022, BNP Paribas revised its criteria for assessing the significant increase in credit risk in line with the recommendations issued by the European Banking Authority and the European Central Bank.

Previously, except for the consumer credit specialist business, the credit risk deterioration was mainly evaluated based on changes in the internal credit rating, an indicator of the average 1-year probability of default through the cycle. In order to fully consider forward-looking information, the new criteria use the probability of default to maturity, which is derived from the internal rating, incorporating the expected consequences of changes in macroeconomic scenarios, as the main indicator.

Under these new criteria, credit risk is assumed to have significantly increased, and the asset is classified in stage 2, if the probability of default to maturity of the instrument has increased at least threefold since its origination. This relative variation criterion is supplemented by an absolute variation criterion of the default probability of 400 basis points.

Furthermore, for all portfolios (except for the consumer credit specialist business):

- the facility is assumed to be in stage 1 when its 1-year “Point in Time” probability of default (PiT PD) is below 0.3% at the reporting date, since changes in probability of default due to credit downgrades in this zone are not material, and therefore not considered “significant”;
- when the 1-year PiT PD is greater than 20% at the reporting date, given the Group's credit issuance practices, the deterioration is considered significant, and the facility is classified in stage 2 (as long as the facility is not credit-impaired).

In the consumer credit specialist business, the existence of a payment incident during the last 12 months, potentially regularised, is considered to be an indication of significant increase in credit risk and the facility is therefore classified in stage 2.

The table below shows a comparison between the previous and the new criteria for assessing the significant increase in credit risk:

|                   |                              | Stage 1 presumption                          | Deterioration from origination leading to transfer to stage 2   | Stage 2 presumption                       |
|-------------------|------------------------------|--|---|---|
| Previous criteria | Retail                       | One year probability of default* < 0.25%     | $\frac{\text{One year probability of default}}{\text{One year probability of default at origination}} > 4$ or<br>Rating downgrade $\geq 6$ notches  | One year probability of default > 10%     |
|                   | Small and Medium Enterprises | Rating $\leq 4-$                             | Rating downgrade $\geq 6$ notches   | Rating $\geq 9+$                          |
|                   | Large Corporates             |  | Rating downgrade $\geq 3$ notches   |   |
| New criteria      |                              | One year PiT probability of default** < 0.3% | $\frac{\text{Lifetime PiT probability of default}}{\text{Lifetime PiT probability of default at origination}} > 3$ or<br>Variation of lifetime PiT probability of default since origination > 400 bps | One year PiT probability of default > 20% |

\* Probability of default through the cycle.

\*\* "Point in Time" (PiT) probability of default including forward-looking.

Credit risk is assumed to have increased significantly since initial recognition and the asset is classified in stage 2 in the event of late payment of more than 30 days or restructuring due to financial difficulties (as long as the facility is not credit-impaired). Since 31 December 2023, performing corporate clients placed under credit watch are systematically downgraded to stage 2.

In the first half of 2022, the internal ratings of the Russian counterparties (including the sovereign rating) were systematically downgraded to take into account recent events, thus leading to the transfer of their outstandings to stage 2. However, given the Group's limited level of exposure to this country, this deterioration had no significant effect on the cost of risk.

## 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 measurement of expected credit losses, the Group has chosen to use 4 macroeconomic scenarios by geographic area covering a wide range of potential future economic conditions:

- a baseline scenario, consistent with the scenario used for budgeting;
- a favourable scenario, capturing situations where the economy performs better than anticipated;
- an adverse scenario, corresponding to the scenario used for the Group's quarterly stress tests;
- a severe scenario corresponding to a shock of magnitude greater than that of the adverse scenario.

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 scenarios.

The Group's setup is broken down by sector to take into account the heterogeneity of sectoral dynamics when assessing the probability of default for corporates.

Forward-looking information is also considered when determining the significant deterioration in credit risk. As a matter of fact, the probabilities of default used as the basis for this assessment include forward-looking multi-scenario information in the same way as for the calculation of the expected losses.

The weight to be attributed to the expected credit losses calculated in each of the scenarios is defined as 50% for the baseline scenario, and:

- the weight of the three alternative scenarios is defined according to the position in the credit cycle. In this approach, the adverse scenario carries more weight in situations at the upper end of the cycle than those at the lower end of the cycle, in anticipation of a potential downturn in the economy;
- the weight of the favourable scenario is at least 10% and at most 40%;
- the total weight of adverse scenarios fluctuates symmetrically with the favourable also within a range of 10% to 40%; with a severe component representing 20% of this weight with a minimum weight of 5%.

When appropriate, the ECL measurement can take into account asset sale scenarios.

## Macroeconomic scenarios

The four 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, Italy, Belgium, 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;
- 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 GDP shock is applied with varying magnitudes, but simultaneously, to the economies under consideration. Generally, these assumptions are broadly consistent with those proposed by the regulators. The calibration of shocks on other variables (*e.g.* unemployment, consumer prices, interest rates, *etc.*) is based on models and expert judgment;
- a severely adverse scenario, which is an aggravated version of the adverse scenario;
- a favourable scenario, which reflects the impact of the materialisation of some of the upside risks for the economy, resulting in a more favourable economic path. The favourable shock on GDP is deducted from the structural adverse shock on GDP in such a way that the probabilities of the two shocks are equal on average over the cycle. Other variables (*e.g.* unemployment, inflation, interest rates, *etc.*) are defined in the same way as in the adverse scenario.

The link between the macroeconomic scenarios and the measurement of the ECL is complemented by an approach allowing to take into account anticipation aspects not captured by the models in the generic approach. This is particularly the case when unprecedented events in the historical chronicle taken into account to build the models occur or are anticipated, or when the nature or amplitude of change in macroeconomic parameter calls into question past correlations. Thus, the situation of high inflation and the current and projected level of interest rates correspond to aspects not observed in the reference history. In this context, the Group has developed an approach to take into account the future economic outlook when assessing the financial strength of counterparties. This approach involves projecting the impact of higher interest rates on customers' financial ratios, notably considering their level of indebtedness. Credit ratings and associated probabilities of default are revalued based on these simulated financial ratios. This approach is also used to anticipate the effect of lower prices of commercial properties.

### Baseline scenario

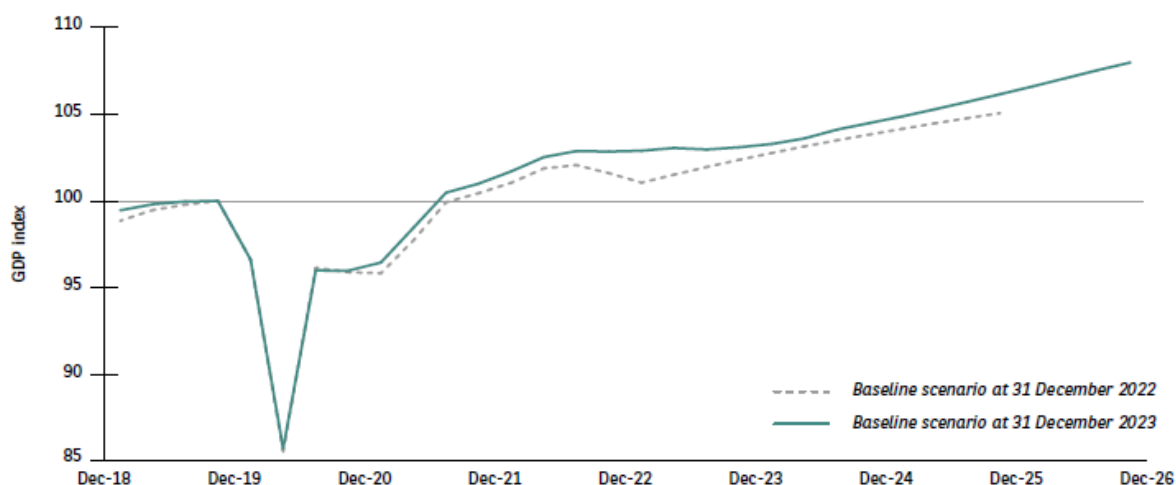
Global activity decelerated in 2023, in a context of tight financial conditions and still high inflation. Global GDP is expected to grow by 2.8% on annual average (compared with 3.3% in 2022), mainly reflecting weaker developments among European economies. In the Eurozone, activity growth is expected to have decelerated to 0.5% in 2023 (while, at 30 June 2023, it was expected to reach 0.7%), reflecting much less dynamic domestic demand (both in terms of consumption and investment). The US economy has proved more resilient than initially anticipated and is assumed to grow by 2.3% in 2023 (while, at 30 June 2023, it was expected to grow by only 0.9%). In 2024, economic conditions are expected to be sluggish among advanced economies, with growth rates slightly below 1% in both the Eurozone and the US.

While inflation has receded at a quite rapid pace in the course of 2023, it has remained significantly above central bank targets in many countries. This high inflation environment has pushed central banks to implement the most pronounced monetary tightening in recent decades.

The main central banks (European Central Bank, US Federal Reserve) may have completed their monetary policy tightening cycle by the end of 2023. They are expected to keep their monetary stance broadly unchanged for a few months. Both short-term and long-term interest rates have reached levels not seen since the years 2000 and are expected to remain relatively high for some time. Tight financial conditions should thus continue to weigh on activity in 2024.

The graph below presents a comparison of Eurozone GDP projections used in the baseline scenario for the calculation of ECLs on 31 December 2023 and 31 December 2022.

#### EUROZONE GDP: INDEX BASE 100 AT THE FOURTH QUARTER OF 2019



#### MACROECONOMIC VARIABLES, BASELINE SCENARIO AT 31 DECEMBER 2023

| <i>(annual averages)</i>             | 2023  | 2024  | 2025  | 2026  |
|--------------------------------------|-------|-------|-------|-------|
| <b>GDP growth rate</b>               |       |       |       |       |
| Eurozone                             | 0.5%  | 0.8%  | 1.6%  | 1.7%  |
| France                               | 0.9%  | 0.8%  | 1.5%  | 1.6%  |
| Italy                                | 0.7%  | 0.8%  | 1.2%  | 1.3%  |
| Belgium                              | 1.1%  | 0.9%  | 1.5%  | 1.6%  |
| United States                        | 2.3%  | 0.7%  | 2.0%  | 2.1%  |
| <b>Unemployment rate</b>             |       |       |       |       |
| Eurozone                             | 6.6%  | 6.8%  | 6.6%  | 6.2%  |
| France                               | 7.3%  | 7.6%  | 7.3%  | 6.7%  |
| Italy                                | 7.6%  | 7.7%  | 7.6%  | 7.4%  |
| Belgium                              | 5.6%  | 5.9%  | 5.8%  | 5.5%  |
| United States                        | 3.7%  | 4.4%  | 4.2%  | 3.6%  |
| <b>Inflation rate</b>                |       |       |       |       |
| Eurozone                             | 5.6%  | 2.8%  | 2.1%  | 2.2%  |
| France                               | 5.8%  | 2.6%  | 2.2%  | 2.2%  |
| Italy                                | 6.2%  | 2.9%  | 2.3%  | 2.3%  |
| Belgium                              | 2.4%  | 3.2%  | 1.6%  | 2.1%  |
| United States                        | 4.2%  | 2.6%  | 2.1%  | 2.1%  |
| <b>10-year sovereign bond yields</b> |       |       |       |       |
| Germany                              | 2.51% | 2.58% | 2.50% | 2.50% |
| France                               | 3.06% | 3.13% | 3.05% | 3.05% |

|               |       |       |       |       |
|---------------|-------|-------|-------|-------|
| Italy         | 4.33% | 4.58% | 4.50% | 4.50% |
| Belgium       | 3.15% | 3.22% | 3.14% | 3.14% |
| United States | 4.04% | 4.19% | 4.00% | 4.00% |

### Adverse and severely adverse scenarios

The adverse and severely adverse scenarios are based on the assumption that certain downside risks will materialise, resulting in much less favourable economic paths than in the baseline scenario.

The following main risks are identified:

- **Geopolitical risks and globalisation developments.** Geopolitical risks have increased significantly in recent years, contributing to a fracturing of the global economy. Geopolitical tensions can weigh on the global economy through various channels, including shocks on commodity prices, financial markets, business confidence, supply chains and trade. Such developments are susceptible to lead simultaneously to higher inflation developments and weaker activity, complicating the task of central banks. The growing use of international sanctions also increases the possible magnitude of consequences of such events;
- **A greater impact of tight monetary conditions.** The marked tightening of monetary policy in response to high inflation over past quarters has led to much higher short-term and long-term interest rates than in previous years. This has already weighed on activity, notably through weaker developments in most interest rate sensitive sectors, in particular the real estate sector. These negative consequences could extend further given the usual delays between the increase in rates and its effect on the economy. In a more unfavourable economic context, tighter financial conditions, combined with weaker activity developments could lead to weaker trends (than assumed in the baseline scenario) regarding credit, investment, residential and commercial real estate prices, and lead to higher default rates;
- **More fragile public finances.** The fact that debt-to-GDP ratios are high increases risks related to public finances in an environment of high interest rates and weak growth. These combined developments could give birth in some countries to market tensions (widening sovereign bond spreads) and affect activity through several channels (higher interest rates, reduced government spending, higher taxes).

The adverse and severe scenarios assume the materialisation of these identified latent risks from the first quarter of 2024.

While downside risks are shared by the adverse and the severely adverse scenarios, the impacts are assumed to be markedly higher in the severely adverse scenario, due to both more pronounced direct shocks (e.g. higher commodity prices) and the development of a negative spiral between key driving factors (e.g. activity, public debt, bond yields, equity markets).

Among the considered countries, GDP levels in the adverse scenario stand between 7.8% and 11.1% lower than in the baseline scenario at the end of the shock period. In particular, this deviation reaches 9% on average in both the Eurozone and the United States.

In the severe scenario, GDP levels stand between 11.6% and 16.2% lower than in the baseline scenario at the end of the shock period. This deviation reaches 13.2% in both the Eurozone and the United States.

### Scenario weighting and cost of risk sensitivity

At 31 December 2023, the weight of the favourable scenario considered by the Group was 33%, and 12% for the adverse scenario and 5% for the severe scenario. At 31 December 2022, the weight of the favourable scenario was 34% and 16% for the adverse scenario (the severe scenario was introduced in the first half 2023).

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 23%, or EUR 1,150 million according to the adverse scenario (22% at 31 December 2022);
- a decrease in ECL of 12%, or EUR 600 million according to the favourable scenario (7% at 31 December 2022).

### Post-model adjustments

Post-model adjustments are made when system limitations are identified in a particular context, for instance, in the case of insufficient statistical data to reflect the specific situation in the models. Post-model adjustments are also considered to take into account, where applicable, the consequences of climatic events on expected credit losses.

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

Conservative adjustments were 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.

For the consumer credit specialist business, a conservative adjustment had been considered in 2020 for loans that benefitted from a moratorium. In 2021, this adjustment was reversed in connection with the satisfactory return to payment observed on these loans. However, a conservative adjustment was made to compensate for the atypical level of late payments.

These post-model adjustments were reversed in 2022.

▪ **Adaptation of the ECL assessment process to factor in the significant rise in inflation and in interest rates:**

Additional adjustments were made in 2022 to take into account the effects of inflation and interest rate hikes when this effect is not directly estimated by the models. For example, within the consumer credit specialist business, adjustments were considered for the categories of customers most sensitive to the gradual decline in the level of their net income.

Part of these adjustments were integrated into the models in 2022 and in the first half of 2023, leading to a decrease in the post-model adjustments.

All of these adjustments represent 4.5% of the total amount of expected credit losses at 31 December 2023, compared to 6.1% at 31 December 2022.

**COST OF CREDIT RISK FOR THE PERIOD**

| <i>In millions of euros</i>                                | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022<br/><i>restated<br/>according to<br/>IFRS 17 and 9</i></b> |
|--|---------------------------------|--|
| Net allowances to impairment                               | (2,596)                         | (2,440)  |
| Recoveries on loans and receivables previously written off | 250                             | 343  |
| Losses on irrecoverable loans                              | (561)                           | (717)  |
| Act on assistance to borrowers in Poland                   |                                 | (189)  |
| <b>TOTAL COST OF RISK FOR THE PERIOD</b>                   | <b>(2,907)</b>                  | <b>(3,003)</b>   |

**COST OF RISK FOR THE PERIOD BY ACCOUNTING CATEGORY AND ASSET TYPE**

| <i>In millions of euros</i>                                      | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022<br/><i>restated<br/>according to<br/>IFRS 17 and 9</i></b> |
|--|---------------------------------|--|
| Cash and balances at central banks                               | (5)                             | (6)  |
| Financial instruments at fair value through profit or loss       | (31)                            | (28)   |
| Financial assets at fair value through equity                    | 3                               | 14   |
| Financial assets at amortised cost                               | (2,904)                         | (2,853)  |
| <i>Loans and receivables</i>                                     | <i>(2,912)</i>                  | <i>(2,845)</i>   |
| <i>Debt securities</i>   | <i>8</i>                        | <i>(8)</i>   |
| Other assets   | (2)                             | (17)   |
| Financing and guarantee commitments and other items              | 32                              | (113)  |
| <b>TOTAL COST OF RISK FOR THE PERIOD</b>                         | <b>(2,907)</b>                  | <b>(3,003)</b>   |
| <i>Cost of risk on unimpaired assets and commitments</i>         | <i>517</i>                      | <i>(570)</i>   |
| <i>of which stage 1</i>  | <i>122</i>                      | <i>(511)</i>   |
| <i>of which stage 2</i>  | <i>395</i>                      | <i>(59)</i>  |
| <i>Cost of risk on impaired assets and commitments - stage 3</i> | <i>(3,424)</i>                  | <i>(2,433)</i>   |

## CREDIT RISK IMPAIRMENT

### Changes in impairment by accounting category and asset type during the period

| <i>In millions of euros, at</i>                            | <b>31 December<br/>2022 <i>restated</i><br/>according<br/>to IFRS 17 and 9</b> | <b>Net<br/>allowance<br/>to<br/>impairment</b> | <b>Impairment<br/>provisions<br/>used</b> | <b>Changes<br/>in scope,<br/>exchange<br/>rates and<br/>other<br/>items</b> | <b>31 December<br/>2023</b> |
|--|--|--|---|---|-----------------------------|
| <b>Assets impairment</b>                                   |  |  |   |   |                             |
| Amounts due from central banks                             | 21   | 5  |   | (6)   | 20                          |
| Financial instruments at fair value through profit or loss | 108  | 30   | (24)                                      | (6)   | 108                         |
| Financial assets at fair value through equity              | 130  | (3)  |   | (6)   | 121                         |
| Financial assets at amortised cost                         | 18,511   | 2,620  | (3,273)                                   | (143)   | 17,715                      |
| <i>Loans and receivables</i>                               | 18,381   | 2,627  | (3,264)                                   | (133)   | 17,611                      |
| <i>Debt securities</i>                                     | 130  | (7)  | (9)                                       | (10)  | 104                         |
| Other assets   | 43   |  | (14)                                      | 1   | 30                          |
| <b>Total impairment of financial assets</b>                | <b>18,813</b>  | <b>2,652</b>                                   | <b>(3,311)</b>                            | <b>(160)</b>  | <b>17,994</b>               |
| <i>of which stage 1</i>                                    | 2,074  | (60)   | (2)                                       | (46)  | 1,966                       |
| <i>of which stage 2</i>                                    | 2,881  | (347)  | (41)                                      | (64)  | 2,429                       |
| <i>of which stage 3</i>                                    | 13,858   | 3,059  | (3,268)                                   | (50)  | 13,599                      |
| <b>Provisions recognised as liabilities</b>                |  |  |   |   |                             |
| Provisions for commitments                                 | 980  | (69)   | (1)                                       | (27)  | 883                         |
| Other provisions   | 450  | 13   | (44)                                      | (32)  | 387                         |
| <b>Total provisions recognised for credit commitments</b>  | <b>1,430</b>   | <b>(56)</b>                                    | <b>(45)</b>                               | <b>(59)</b>   | <b>1,270</b>                |
| <i>of which stage 1</i>                                    | 326  | (47)   |   | (10)  | 269                         |
| <i>of which stage 2</i>                                    | 338  | (25)   |   | (12)  | 301                         |
| <i>of which stage 3</i>                                    | 766  | 16   | (45)                                      | (37)  | 700                         |
| <b>TOTAL IMPAIRMENT AND PROVISIONS</b>                     | <b>20,243</b>  | <b>2,596</b>                                   | <b>(3,356)</b>                            | <b>(219)</b>  | <b>19,264</b>               |

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

| <i>In millions of euros, at</i>                            | <b>31 December 2021</b> | <b>Net allowance to impairment</b> | <b>Impairment provisions used</b> | <b>Changes in scope, exchange rates and other items</b> | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |
|--|-------------------------|------------------------------------|-----------------------------------|---|---|
| <b>Assets impairment</b>                                   |                         |                                    |                                   |   |   |
| Amounts due from central banks                             | 18                      | 5                                  |                                   | (2)   | 21  |
| Financial instruments at fair value through profit or loss | 121                     | 15                                 |                                   | (28)  | 108   |
| Financial assets at fair value through equity              | 140                     | (14)                               |                                   | 4   | 130   |
| Financial assets at amortised cost                         | 20,196                  | 2,371                              | (4,187)                           | 131   | 18,511  |
| <i>Loans and receivables</i>                               | 20,028                  | 2,326                              | (4,106)                           | 133   | 18,381  |
| <i>Debt securities</i>                                     | 168                     | 45                                 | (81)                              | (2)   | 130   |
| Other assets   | 59                      | (7)                                | (3)                               | (6)   | 43  |
| <b>Total impairment of financial assets</b>                | <b>20,534</b>           | <b>2,370</b>                       | <b>(4,190)</b>                    | <b>99</b>   | <b>18,813</b>   |
| <i>of which stage 1</i>                                    | 1,891                   | 223                                | (4)                               | (36)  | 2,074   |
| <i>of which stage 2</i>                                    | 2,748                   | 87                                 | (3)                               | 49  | 2,881   |
| <i>of which stage 3</i>                                    | 15,895                  | 2,060                              | (4,183)                           | 86  | 13,858  |
| <b>Provisions recognised as liabilities</b>                |                         |                                    |                                   |   |   |
| Provisions for commitments                                 | 958                     | 32                                 | (15)                              | 5   | 980   |
| Other provisions   | 467                     | 38                                 | (56)                              | 1   | 450   |
| <b>Total provisions recognised for credit commitments</b>  | <b>1,425</b>            | <b>70</b>                          | <b>(71)</b>                       | <b>6</b>  | <b>1,430</b>  |
| <i>of which stage 1</i>                                    | 230                     | 94                                 |                                   | 2   | 326   |
| <i>of which stage 2</i>                                    | 374                     | (33)                               |                                   | (3)   | 338   |
| <i>of which stage 3</i>                                    | 821                     | 9                                  | (71)                              | 7   | 766   |
| <b>TOTAL IMPAIRMENT AND PROVISIONS</b>                     | <b>21,959</b>           | <b>2,440</b>                       | <b>(4,261)</b>                    | <b>105</b>  | <b>20,243</b>   |



## Changes in impairment of financial assets at amortised cost during the period

| <i>In millions of euros</i>  | Impairment on<br>assets subject<br>to 12-month<br>Expected<br>Credit Losses<br>(Stage 1) | Impairment on<br>assets subject<br>to lifetime<br>Expected<br>Credit Losses<br>(Stage 2) | Impairment on<br>doubtful<br>assets<br>(Stage 3) | Total          |
|--|--|--|--|----------------|
| <b>At 31 December 2022 restated<br/>according to IFRS 17 and 9</b> | <b>2,035</b>   | <b>2,860</b>   | <b>13,616</b>                                    | <b>18,511</b>  |
| <b>Net allowance to impairment</b>                                 | <b>(63)</b>  | <b>(339)</b>   | <b>3,022</b>                                     | <b>2,620</b>   |
| Financial assets purchased or originated during the period         | 691  | 294  |  | 985            |
| Financial assets derecognised during the period <sup>(1)</sup>     | (405)  | (490)  | (726)  | (1,621)        |
| Transfer to stage 2  | (371)  | 2,121  | (199)  | 1,551          |
| Transfer to stage 3  | (74)   | (990)  | 2,258  | 1,194          |
| Transfer to stage 1  | 288  | (860)  | (86)   | (658)          |
| Other allowances/reversals without stage transfer <sup>(2)</sup>   | (192)  | (414)  | 1,775  | 1,169          |
| <b>Impairment provisions used</b>                                  | <b>(2)</b>   | <b>(41)</b>  | <b>(3,230)</b>                                   | <b>(3,273)</b> |
| <b>Changes in exchange rates</b>                                   | <b>(16)</b>  | <b>(7)</b>   | <b>(80)</b>                                      | <b>(103)</b>   |
| <b>Changes in scope of consolidation and other items</b>           | <b>(16)</b>  | <b>(57)</b>  | <b>33</b>  | <b>(40)</b>    |
| <b>At 31 December 2023</b>   | <b>1,938</b>   | <b>2,416</b>   | <b>13,361</b>                                    | <b>17,715</b>  |

(1) Including disposals.

(2) Including amortisation.

In 2023, the volume of financial assets at amortised cost was stable compared to previous year and amounted to EUR 1,022 billion (see note 5.e *Financial assets at amortised cost*) of which EUR 877 billion in loans and advances to customers.

Loans and advances to customers classified in stage 1 increased by EUR 15 billion over the year, while stage 2 outstandings decreased by EUR 14 billion. This evolution mainly reflects a deterioration in activity during the first half of 2023 that was less pronounced than in the forecasts made for the 31 December 2022 closing. This situation is reflected both in the consequences of the change in the GDP scenarios, and in the effects of the interest rate increase projections on customers' financial ratios, thus leading to the return to stage 1 of outstandings previously transferred to stage 2 and to provision reversals without stage transfer. The systematic classification into stage 2, for the corporate category, of performing clients under credit watch as of 31 December 2023 led to limited transfers of outstandings from stage 1 to stage 2.

Besides, in relation to the deterioration in activity, transfers to stage 3 for EUR 8.6 billion were higher than in 2022, particularly for corporate clients (see note 5.f *Impaired financial assets*).

These combined effects led to a net reversal of impairment on stage 1 and 2 in 2023. The provisioning ratio for loans and advances to customers classified in stage 2 remained stable at 3.2% at 31 December 2023.

## Changes in impairment of financial assets at amortised cost during the previous period

| <i>In millions of euros</i>   | Impairment on<br>assets subject<br>to 12-month<br>Expected<br>Credit Losses<br>(Stage 1) | Impairment on<br>assets subject<br>to lifetime<br>Expected<br>Credit Losses<br>(Stage 2) | Impairment on<br>doubtful<br>assets<br>(Stage 3) | Total          |
|---|--|--|--|----------------|
| <b>At 31 December 2021</b>  | <b>1,867</b>   | <b>2,714</b>   | <b>15,615</b>                                    | <b>20,196</b>  |
| <b>Net allowance to impairment</b>                                    | <b>212</b>   | <b>102</b>   | <b>2,057</b>                                     | <b>2,371</b>   |
| Financial assets purchased or originated during the period            | 683  | 234  |  | 917            |
| Financial assets derecognised during the period <sup>(1)</sup>        | (390)  | (388)  | (822)  | (1,600)        |
| Transfer to stage 2   | (133)  | 1,773  | (212)  | 1,428          |
| Transfer to stage 3   | (65)   | (665)  | 1,806  | 1,076          |
| Transfer to stage 1   | 63   | (502)  | (36)   | (475)          |
| Change in the significant increase in credit risk assessment criteria | 29   | (280)  |  | (251)          |
| Other allowances/reversals without stage transfer <sup>(2)</sup>      | 25   | (70)   | 1,321  | 1,276          |
| <b>Impairment provisions used</b>                                     | <b>(3)</b>   | <b>(3)</b>   | <b>(4,181)</b>                                   | <b>(4,187)</b> |
| <b>Changes in exchange rates</b>                                      | <b>(6)</b>   | <b>(30)</b>  | <b>104</b>                                       | <b>68</b>      |
| <b>Changes in scope of consolidation and other items</b>              | <b>(35)</b>  | <b>77</b>  | <b>21</b>  | <b>63</b>      |
| <b>At 31 December 2022 restated according to IFRS 17 and 9</b>        | <b>2,035</b>   | <b>2,860</b>   | <b>13,616</b>                                    | <b>18,511</b>  |

(1) Including disposals.

(2) Including amortisation.

## 3.H OTHER NET LOSSES FOR RISK ON FINANCIAL INSTRUMENTS

In 2023, the Group modified its accounting policy relating to the risk of loss of cash flows on financial instruments granted that are not linked to the counterparty's default, such as legal risks calling into question the validity or enforceability of such contracts.

The effect on expected cash flows due to these risks is now considered as a change in the contract's cash flows, in accordance with IFRS 9 B5.4.6, and is recorded as a decrease in the gross value of the asset. It was previously recognised separately in accordance with IAS 37 in "Provisions for risks and charges" (see note 5.n). Expected losses on derecognised financial instruments, as is the case when loans have been repaid, continue to be recognised in accordance with IAS 37.

The corresponding expected and realised cash flow losses are now presented in "Other net losses for risk on financial instruments".

In 2023, the expense thus recognised mainly related to mortgage loans in Poland amounting to EUR 450 million (compared with EUR 157 million at 31 December 2022, presented as "Revenues") and foreign currency loans issued by BNP Paribas Personal Finance amounting to EUR 221 million (compared with EUR 130 million at 31 December 2022, presented as "Revenues").

### 3.I NET GAIN ON NON-CURRENT ASSETS

| <i>In millions of euros</i>   | <b>Year to</b>      |   |
|---|---------------------|---|
|   | <b>31 Dec. 2023</b> | <b>31 Dec. 2022</b><br><i>restated according to IFRS 17 and 9</i> |
| Gain or loss on investments in consolidated undertakings (note 9.d) | 29                  | (257)   |
| Gain or loss on tangible and intangible assets                      | 139                 | 7   |
| Results from net monetary position                                  | (272)               | (3)   |
| <b>Net gain on non-current assets</b>                               | <b>(104)</b>        | <b>(253)</b>  |

According to IAS 29 in connection with the hyperinflation situation of the economy in Türkiye, the line "Results from net monetary positions" mainly includes the effect of the evolution of the consumer price index in Türkiye on the valuation of non-monetary assets and liabilities (-EUR 563 million) and on accrued income from the Turkish government bonds portfolio indexed to inflation and held by Turk Ekonomi Bankasi AS (+EUR 291 million, reclassified from interest margin) in 2023 (respectively - EUR 434 million and +EUR 431 million in 2022).

### 3.J CORPORATE INCOME TAX

| <b>Reconciliation of the effective tax expense to the theoretical tax expense at standard tax rate in France</b> | <b>Year to 31 Dec. 2023</b> |                 | <b>Year to 31 Dec. 2022</b><br><i>restated according to IFRS 17 and 9</i> |                 |
|--|-----------------------------|-----------------|---|-----------------|
|  | <b>in millions of euros</b> | <b>tax rate</b> | <b>in millions of euros</b>   | <b>tax rate</b> |
| <b>Corporate income tax expense on pre-tax income at standard tax rate in France<sup>(1)</sup></b>               | <b>(2,875)</b>              | <b>25.8%</b>    | <b>(3,180)</b>  | <b>25.8%</b>    |
| Impact of differently taxed foreign profits  | (56)                        | 0.5%            | (61)  | 0.5%            |
| Impact of dividends and disposals taxed at reduced rate  | 131                         | -1.2%           | 54  | -0.4%           |
| Impact of the non-deductibility of taxes and bank levies <sup>(2)</sup>  | (369)                       | 3.3%            | (300)   | 2.4%            |
| Impact of previously unrecognised deferred taxes (tax losses and temporary differences)                          | 432                         | -3.9%           |   |                 |
| Impact of the hyperinflation in Türkiye  | (202)                       | 1.9%            | (188)   | 1.6%            |
| Other items  | (327)                       | 2.9%            | 22  | -0.2%           |
| <b>Corporate income tax expense from continuing activities</b>   | <b>(3,266)</b>              | <b>29.3%</b>    | <b>(3,653)</b>  | <b>29.7%</b>    |
| <i>Current tax expense for the year to 31 December</i>   | <i>(3,063)</i>              |                 | <i>(2,844)</i>  |                 |
| <i>Deferred tax expense for the year to 31 December (note 5.i)</i>   | <i>(203)</i>                |                 | <i>(809)</i>  |                 |

(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.

## NOTE 4 SEGMENT INFORMATION

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The Group is composed of three operating divisions:

- **Corporate & Institutional Banking (CIB)** which covers Global Banking, Global Markets and Securities Services;
- **Commercial, Personal Banking & Services (CPBS)** which covers Commercial & Personal Banking in the Eurozone, with Commercial & Personal Banking in France (CPBF), Commercial & Personal Banking in Italy (BNL bc), Commercial & Personal Banking in Belgium (CPBB) and Commercial & Personal Banking in Luxembourg (CPBL); Commercial & Personal Banking outside the Eurozone, which is organised around Europe-Mediterranean, to cover Central and Eastern Europe and Türkiye. Lastly, it also covers specialised businesses (Arval, BNP Paribas Leasing Solutions, BNP Paribas Personal Finance, BNP Paribas Personal Investors and New Digital Businesses like Nickel, Floa, Lyf);
- **Investment & Protection Services (IPS)** which covers Insurance (BNP Paribas Cardif), Wealth and Asset Management (BNP Paribas Asset Management, BNP Paribas Wealth Management and BNP Paribas Real Estate), Management of the BNP Paribas Group's portfolio of unlisted and listed industrial and commercial investments (BNP Paribas Principal Investments).

Other Activities mainly include 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, adaptation and IT reinforcement costs relating to the Group's savings programmes.

In addition, Other Activities carry the impact, related to the application of IFRS 17, of the reclassification as a deduction from revenues of the operating expenses "attributable to insurance contracts" of the Group's business lines (other than Insurance) that distribute insurance contracts (*i.e.* internal distributors), in order not to disrupt the readability of their financial performance. This is also the case for the impact of the volatility on the financial result generated by the recognition at fair value through profit or loss of assets backing insurance entities' equity or non-participating contracts. In the event of divestment connected to this portfolio, the realised gains or losses are allocated to the revenues of the Insurance business line.

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 capital allocation to segments is based on a minimum of 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.

In order to be comparable with the presentation format used since 1 January 2023, the year ended 31 December 2022 of this note has been restated for the following effects as if they had occurred on 1 January 2022.

- Following the sale of Bank of the West on 1 February 2023, it was decided to apply IFRS 5 standard relating to groups of assets and liabilities held for sale to the management income. As a result, the contribution of Bank of the West in 2022 and the capital gain related to the sale in 2023 are both presented separately. Accordingly, in the profit and loss account, profits and losses are reclassified on a separate line "Net income from discontinued activities".
- Since 1 January 2023, the Group has applied IFRS 17 "Insurance contracts", as well as IFRS 9 for its insurance entities (see note 1.a). The main effects are:
  - operating expenses deemed "attributable to insurance contracts" are recognised in deduction of revenues and no longer booked in operating expenses. These accounting entries apply only to Insurance and to Group entities (other than in the Insurance business line) that distribute insurance contracts (*i.e.* internal distributors) and have no impact on gross operating income;
  - the impact of the volatility on the financial result generated by the recognition at fair value through profit or loss of assets backing insurance entities' equity and non-participating contracts is presented in "Other Activities". Accordingly, "Other Activities" revenues reflect, for 2022, the impact of volatility relating to the unfavourable market context;
  - capital gains from the Savings activity are now integrated in the contractual service margin and are recognised over the entire duration of insurance contracts. Accordingly, Insurance Revenues recorded a decrease for 2022 due to the impact of capital gains which offset the impact of volatility on the 2022 financial result.
- Internal transfers of activities and results were made, particularly at Global Markets (following BNP Paribas' acquisition of Exane, which closed on 13 July 2021) and within Commercial & Personal Banking in Belgium (*e.g.* transfer of some individual clients, SMEs in particular to the corporate segment in relation with the commercial reorganisation). These changes have no impact on the Group's results as a whole but only on their analytical breakdown in 2022.

## INCOME BY BUSINESS SEGMENT

| In millions of euros  | Year to 31 Dec. 2023 |                    |                             |                  |                     |                | Year to 31 Dec. 2022 |                    |                |                  |                     |                |
|---|----------------------|--------------------|-----------------------------|------------------|---------------------|----------------|----------------------|--------------------|----------------|------------------|---------------------|----------------|
|   | Revenues             | Operating expenses | Cost of risk <sup>(1)</sup> | Operating income | Non-operating items | Pre-tax income | Revenues             | Operating expenses | Cost of risk   | Operating income | Non-operating items | Pre-tax income |
| <b>Corporate &amp; Institutional Banking</b>                      | <b>16,509</b>        | <b>(10,823)</b>    | <b>63</b>                   | <b>5,749</b>     | <b>(5)</b>          | <b>5,744</b>   | <b>16,404</b>        | <b>(10,691)</b>    | <b>(325)</b>   | <b>5,387</b>     | <b>10</b>           | <b>5,398</b>   |
| Global Banking  | 5,822                | (2,918)            | 74                          | 2,978            | 6                   | 2,984          | 5,181                | (2,841)            | (336)          | 2,004            | 4                   | 2,009          |
| Global Markets  | 7,996                | (5,798)            | (13)                        | 2,185            | 8                   | 2,193          | 8,636                | (5,781)            | 11             | 2,866            | 4                   | 2,870          |
| Securities Services   | 2,691                | (2,107)            | 1                           | 586              | (19)                | 567            | 2,586                | (2,069)            |                | 517              | 2                   | 519            |
| <b>Commercial, Personal Banking &amp; Services</b>                | <b>25,917</b>        | <b>(16,059)</b>    | <b>(2,920)</b>              | <b>6,938</b>     | <b>156</b>          | <b>7,094</b>   | <b>24,931</b>        | <b>(15,514)</b>    | <b>(2,497)</b> | <b>6,921</b>     | <b>410</b>          | <b>7,331</b>   |
| <b>Commercial &amp; Personal Banking in the Eurozone</b>          | <b>13,259</b>        | <b>(9,233)</b>     | <b>(986)</b>                | <b>3,039</b>     | <b>12</b>           | <b>3,051</b>   | <b>12,948</b>        | <b>(8,976)</b>     | <b>(726)</b>   | <b>3,246</b>     | <b>42</b>           | <b>3,288</b>   |
| Commercial & Personal Banking in France <sup>(2)</sup>            | 6,251                | (4,576)            | (484)                       | 1,192            |                     | 1,192          | 6,361                | (4,530)            | (245)          | 1,587            | 26                  | 1,613          |
| BNL banca commerciale <sup>(2)</sup>                              | 2,646                | (1,745)            | (410)                       | 491              | (3)                 | 488            | 2,548                | (1,676)            | (464)          | 408              | 3                   | 410            |
| Commercial & Personal Banking in Belgium <sup>(2)</sup>           | 3,784                | (2,618)            | (84)                        | 1,081            | 10                  | 1,091          | 3,577                | (2,502)            | (36)           | 1,039            | 10                  | 1,049          |
| Commercial & Personal Banking in Luxembourg <sup>(2)</sup>        | 577                  | (294)              | (8)                         | 275              | 5                   | 281            | 461                  | (268)              | 19             | 213              | 3                   | 216            |
| <b>Commercial &amp; Personal Banking in the rest of the world</b> | <b>2,631</b>         | <b>(1,657)</b>     | <b>(44)</b>                 | <b>930</b>       | <b>100</b>          | <b>1,030</b>   | <b>2,321</b>         | <b>(1,650)</b>     | <b>(152)</b>   | <b>519</b>       | <b>289</b>          | <b>808</b>     |
| Europe-Mediterranean <sup>(2)</sup>                               | 2,631                | (1,657)            | (44)                        | 930              | 100                 | 1,030          | 2,321                | (1,650)            | (152)          | 519              | 289                 | 808            |
| <b>Specialised businesses</b>                                     | <b>10,027</b>        | <b>(5,168)</b>     | <b>(1,890)</b>              | <b>2,969</b>     | <b>44</b>           | <b>3,012</b>   | <b>9,662</b>         | <b>(4,888)</b>     | <b>(1,619)</b> | <b>3,155</b>     | <b>80</b>           | <b>3,235</b>   |
| Personal Finance  | 5,163                | (2,998)            | (1,600)                     | 565              | 65                  | 630            | 5,387                | (2,922)            | (1,373)        | 1,092            | 28                  | 1,121          |
| Arval & Leasing Solutions   | 3,869                | (1,501)            | (167)                       | 2,201            | (14)                | 2,188          | 3,438                | (1,395)            | (146)          | 1,897            | 60                  | 1,957          |
| New Digital Businesses & Personal Investors <sup>(2)</sup>        | 995                  | (669)              | (123)                       | 203              | (8)                 | 195            | 837                  | (571)              | (100)          | 166              | (9)                 | 157            |

| In millions of euros  | Year to 31 Dec. 2023 |                    |                             |                  |                     |                | Year to 31 Dec. 2022<br>restated according to IFRS 17 and 9 |                    |                |                  |                     |                |
|---|----------------------|--------------------|-----------------------------|------------------|---------------------|----------------|---|--------------------|----------------|------------------|---------------------|----------------|
|   | Revenues             | Operating expenses | Cost of risk <sup>(1)</sup> | Operating income | Non-operating items | Pre-tax income | Revenues  | Operating expenses | Cost of risk   | Operating income | Non-operating items | Pre-tax income |
| <b>Investment &amp; Protection Services</b>                                 | <b>5,590</b>         | <b>(3,566)</b>     | <b>(13)</b>                 | <b>2,011</b>     | <b>148</b>          | <b>2,159</b>   | <b>5,813</b>  | <b>(3,552)</b>     | <b>5</b>       | <b>2,265</b>     | <b>266</b>          | <b>2,532</b>   |
| Insurance   | 2,090                | (808)              |                             | 1,281            | 113                 | 1,394          | 2,016   | (794)              |                | 1,222            | 117                 | 1,340          |
| Wealth Management   | 1,603                | (1,196)            | (3)                         | 404              | 4                   | 408            | 1,512   | (1,183)            | 3              | 333              | 39                  | 372            |
| Asset Management <sup>(3)</sup>   | 1,897                | (1,561)            | (10)                        | 326              | 31                  | 357            | 2,284   | (1,576)            | 2              | 710              | 110                 | 820            |
| <b>Other Activities - excl. restatement related to insurance activities</b> | <b>(1,060)</b>       | <b>(1,551)</b>     | <b>(812)</b>                | <b>(3,422)</b>   | <b>190</b>          | <b>(3,233)</b> | <b>(278)</b>  | <b>(1,163)</b>     | <b>(185)</b>   | <b>(1,626)</b>   | <b>(36)</b>         | <b>(1,662)</b> |
| <b>Other Activities - restatement related to insurance activities</b>       | <b>(1,081)</b>       | <b>1,041</b>       |                             | <b>(40)</b>      |                     | <b>(40)</b>    | <b>(1,440)</b>  | <b>1,056</b>       |                | <b>(384)</b>     |                     | <b>(384)</b>   |
| of which volatility   | (40)                 |                    |                             | (40)             |                     | (40)           | (384)   |                    |                | (384)            |                     | (384)          |
| of which attributable costs to internal distributors                        | (1,041)              | 1,041              |                             |                  |                     |                | (1,056)   | 1,056              |                |                  |                     |                |
| <b>TOTAL CONTINUING ACTIVITIES</b>  | <b>45,874</b>        | <b>(30,956)</b>    | <b>(3,682)</b>              | <b>11,236</b>    | <b>489</b>          | <b>11,725</b>  | <b>45,430</b>   | <b>(29,864)</b>    | <b>(3,003)</b> | <b>12,564</b>    | <b>651</b>          | <b>13,214</b>  |

(1) Including "Other net losses for risk on financial instruments".

(2) Commercial & Personal Banking in France, BNL banca commerciale, Commercial & Personal Banking in Belgium, Commercial & Personal Banking in Luxembourg, Europe-Mediterranean and Personal Investors after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Germany, Türkiye and Poland.

(3) Including Real Estate and Principal Investments.

## NET COMMISSION INCOME BY BUSINESS SEGMENT

| <i>In millions of euros</i>   | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022<br/><i>restated<br/>according to<br/>IFRS 17 and 9</i></b> |
|---|---------------------------------|--|
| <b>Corporate &amp; Institutional Banking</b>                                | <b>2,214</b>                    | <b>2,304</b>   |
| Global Banking  | 1,784                           | 2,037  |
| Global Markets  | (975)                           | (1,230)  |
| Securities Services   | 1,405                           | 1,497  |
| <b>Commercial, Personal Banking &amp; Services</b>                          | <b>6,777</b>                    | <b>6,792</b>   |
| <b>Commercial &amp; Personal Banking in the Eurozone</b>                    | <b>5,019</b>                    | <b>5,059</b>   |
| Commercial & Personal Banking in France <sup>(1)</sup>                      | 2,875                           | 2,896  |
| BNL banca commerciale <sup>(1)</sup>  | 1,043                           | 1,047  |
| Commercial & Personal Banking in Belgium <sup>(1)</sup>                     | 1,014                           | 1,028  |
| Commercial & Personal Banking in Luxembourg <sup>(1)</sup>                  | 87                              | 88   |
| <b>Commercial &amp; Personal Banking in the rest of the world</b>           | <b>442</b>                      | <b>448</b>   |
| Europe-Mediterranean <sup>(1)</sup>   | 442                             | 448  |
| <b>Specialised businesses</b>   | <b>1,316</b>                    | <b>1,285</b>   |
| Personal Finance  | 776                             | 743  |
| Arval & Leasing Solutions   | 54                              | 41   |
| New Digital Businesses & Personal Investors <sup>(1)</sup>                  | 486                             | 502  |
| <b>Investment &amp; Protection Services</b>                                 | <b>1,850</b>                    | <b>1,987</b>   |
| Insurance   | (368)                           | (388)  |
| Wealth Management   | 749                             | 768  |
| Asset Management <sup>(2)</sup>   | 1,469                           | 1,607  |
| <b>Other activities - excl. restatement related to insurance activities</b> | <b>21</b>                       | <b>139</b>   |
| <b>Other activities - restatement related to insurance activities</b>       | <b>(1,041)</b>                  | <b>(1,056)</b>   |
| <b>TOTAL GROUP</b>  | <b>9,821</b>                    | <b>10,165</b>  |

(1) Commercial & Personal Banking in France, BNL banca commerciale, Commercial & Personal Banking in Belgium, Commercial & Personal Banking in Luxembourg, Europe-Mediterranean and Personal Investors after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Germany, Türkiye and Poland.

(2) Including Real Estate and Principal Investments.

## ASSETS AND LIABILITIES BY BUSINESS SEGMENT

|   | 31 December 2023 |                  | 31 December 2022                           |                  |
|---|------------------|------------------|--|------------------|
|   |                  |                  | <i>restated according to IFRS 17 and 9</i> |                  |
| <i>In millions of euros, at</i>                                   | <b>Asset</b>     | <b>Liability</b> | <b>Asset</b>                               | <b>Liability</b> |
| <b>Corporate &amp; Institutional Banking</b>                      | <b>1,136,691</b> | <b>1,309,407</b> | <b>1,136,501</b>                           | <b>1,302,279</b> |
| Global Banking  | 176,822          | 241,346          | 183,096                                    | 239,352          |
| Global Markets  | 921,650          | 917,780          | 913,848                                    | 908,354          |
| Securities Services   | 38,219           | 150,281          | 39,557                                     | 154,573          |
| <b>Commercial, Personal Banking &amp; Services</b>                | <b>790,648</b>   | <b>703,270</b>   | <b>843,217</b>                             | <b>798,966</b>   |
| <b>Commercial &amp; Personal Banking in the Eurozone</b>          | <b>552,876</b>   | <b>559,503</b>   | <b>546,268</b>                             | <b>584,747</b>   |
| Commercial & Personal Banking in France                           | 236,866          | 244,563          | 235,614                                    | 255,334          |
| BNL banca commerciale   | 94,164           | 81,275           | 94,230                                     | 93,880           |
| Commercial & Personal Banking in Belgium                          | 192,423          | 202,447          | 189,119                                    | 204,538          |
| Commercial & Personal Banking in Luxembourg                       | 29,423           | 31,218           | 27,305                                     | 30,995           |
| <b>Commercial &amp; Personal Banking in the rest of the world</b> | <b>59,282</b>    | <b>55,409</b>    | <b>141,356</b>                             | <b>138,231</b>   |
| Europe-Mediterranean  | 59,282           | 55,409           | 59,132                                     | 55,360           |
| BancWest  |                  |                  | 82,224                                     | 82,871           |
| <b>Specialised businesses</b>                                     | <b>178,490</b>   | <b>88,358</b>    | <b>155,593</b>                             | <b>75,988</b>    |
| Personal Finance  | 108,791          | 29,003           | 94,906                                     | 24,412           |
| Arval & Leasing Solutions   | 65,086           | 22,245           | 56,668                                     | 17,789           |
| New Digital Businesses & Personal Investors                       | 4,613            | 37,110           | 4,019                                      | 33,787           |
| <b>Investment &amp; Protection Services</b>                       | <b>289,711</b>   | <b>317,405</b>   | <b>280,400</b>                             | <b>309,513</b>   |
| Insurance   | 257,133          | 243,510          | 244,774                                    | 231,500          |
| Wealth Management   | 25,495           | 68,984           | 28,242                                     | 74,563           |
| Asset Management  | 7,083            | 4,911            | 7,384                                      | 3,450            |
| <b>Other activities</b>   | <b>374,449</b>   | <b>261,417</b>   | <b>403,630</b>                             | <b>252,990</b>   |
| <b>TOTAL GROUP</b>  | <b>2,591,499</b> | <b>2,591,499</b> | <b>2,663,748</b>                           | <b>2,663,748</b> |

Information by business segment relating to goodwill is presented in note 5.m *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 FROM CONTINUING ACTIVITIES BY GEOGRAPHIC AREA

| <i>In millions of euros</i> | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022</b><br><i>restated<br/>according to<br/>IFRS 17 and 9</i> |
|-----------------------------|---------------------------------|---|
| EMEA                        | 37,822                          | 37,675  |
| Americas (North and South)  | 4,286                           | 3,818   |
| APAC                        | 3,766                           | 3,937   |
| <b>TOTAL GROUP</b>          | <b>45,874</b>                   | <b>45,430</b>   |

## ASSETS AND LIABILITIES, IN CONTRIBUTION TO THE CONSOLIDATED ACCOUNTS, BY GEOGRAPHIC AREA

| <i>In millions of euros, at</i> | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b><br><i>restated<br/>according to<br/>IFRS 17 and 9</i> |
|---------------------------------|-----------------------------|---|
| EMEA                            | 2,148,461                   | 2,188,593   |
| Americas (North and South)      | 255,099                     | 304,829   |
| APAC                            | 187,939                     | 170,326   |
| <b>TOTAL GROUP</b>              | <b>2,591,499</b>            | <b>2,663,748</b>  |

## NOTE 5 NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2023

### 5.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 whose characteristics prevent their accounting at amortised cost or at fair value through equity.

|   | 31 December 2023                       |  |   |                | 31 December 2022                           |  |   |                |
|---|--|--|---|----------------|--|--|---|----------------|
|   |  |  |   |                | <i>restated according to IFRS 17 and 9</i> |  |   |                |
| <i>In millions of euros, at</i>                                   | 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  | 202,225                                | 549  | 8,860   | 211,634        | 157,138                                    | 1,273  | 7,666   | 166,077        |
| Loans and repurchase agreements                                   | 224,700                                |  | 2,475   | 227,175        | 186,968                                    |  | 4,157   | 191,125        |
| <b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>      | <b>426,925</b>                         | <b>549</b>   | <b>11,335</b>   | <b>438,809</b> | <b>344,106</b>                             | <b>1,273</b>   | <b>11,823</b>   | <b>357,202</b> |
| Securities  | 104,910                                |  |   | 104,910        | 99,155                                     |  |   | 99,155         |
| Deposits and repurchase agreements                                | 271,486                                | 2,128  |   | 273,614        | 232,351                                    | 1,725  |   | 234,076        |
| Issued debt securities (note 5.h)                                 |  | 83,763   |   | 83,763         |  | 65,578   |   | 65,578         |
| <i>of which subordinated debt</i>                                 |  | 735  |   | 735            |  | 675  |   | 675            |
| <i>of which non subordinated debt</i>                             |  | 83,028   |   | 83,028         |  | 64,903   |   | 64,903         |
| <b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b> | <b>376,396</b>                         | <b>85,891</b>  |   | <b>462,287</b> | <b>331,506</b>                             | <b>67,303</b>  |   | <b>398,809</b> |

Detail of these assets and liabilities is provided in note 5.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 2023 was EUR 89,910 million (EUR 71,721 million at 31 December 2022).

#### 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.

| <i>In millions of euros, at</i>         | <b>31 December 2023</b>      |                              | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |                              |
|---|------------------------------|------------------------------|---|------------------------------|
|   | <b>Positive market value</b> | <b>Negative market value</b> | <b>Positive market value</b>  | <b>Negative market value</b> |
| Interest rate derivatives               | 133,500                      | 105,976                      | 150,122   | 125,215                      |
| Foreign exchange derivatives            | 119,094                      | 118,126                      | 134,382   | 129,274                      |
| Credit derivatives                      | 8,427                        | 10,320                       | 7,294   | 7,731                        |
| Equity derivatives                      | 24,067                       | 38,027                       | 22,602  | 27,291                       |
| Other derivatives                       | 6,991                        | 6,443                        | 13,532  | 10,610                       |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS</b> | <b>292,079</b>               | <b>278,892</b>               | <b>327,932</b>  | <b>300,121</b>               |

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.

| <i>In millions of euros, at</i>         | <b>31 December 2023</b> |  |                         |                   | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |  |                         |                   |
|---|-------------------------|--|-------------------------|-------------------|---|--|-------------------------|-------------------|
|   | <b>Exchange-traded</b>  | <b>Over-the-counter, cleared through central clearing houses</b> | <b>Over-the-counter</b> | <b>Total</b>      | <b>Exchange-traded</b>  | <b>Over-the-counter, cleared through central clearing houses</b> | <b>Over-the-counter</b> | <b>Total</b>      |
| Interest rate derivatives               | 1,327,902               | 14,448,396   | 6,811,394               | 22,587,692        | 1,442,663   | 12,349,668   | 5,254,166               | 19,046,497        |
| Foreign exchange derivatives            | 57,625                  | 173,339  | 8,980,659               | 9,211,623         | 40,292  | 130,148  | 7,610,392               | 7,780,832         |
| Credit derivatives                      |                         | 357,964  | 465,403                 | 823,367           |   | 464,228  | 518,926                 | 983,154           |
| Equity derivatives                      | 1,130,554               |  | 638,904                 | 1,769,458         | 1,177,728   |  | 535,465                 | 1,713,193         |
| Other derivatives                       | 119,024                 |  | 84,251                  | 203,275           | 133,820   |  | 95,722                  | 229,542           |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS</b> | <b>2,635,105</b>        | <b>14,979,699</b>  | <b>16,980,611</b>       | <b>34,595,415</b> | <b>2,794,503</b>  | <b>12,944,044</b>  | <b>14,014,671</b>       | <b>29,753,218</b> |

As part of its *Client Clearing* activity, the Group guarantees the risk of default of its clients to central counterparties. The corresponding notional amount is EUR 1,197 billion at 31 December 2023 (EUR 1,187 billion at 31 December 2022).

## 5.B DERIVATIVES USED FOR HEDGING PURPOSES

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

| <i>In millions of euros, at</i>              | 31 December 2023 |                     |                     | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |                     |                     |
|--|------------------|---------------------|---------------------|--|---------------------|---------------------|
|  | Notional amounts | Positive fair value | Negative fair value | Notional amounts   | Positive fair value | Negative fair value |
| <b>Fair value hedges</b>                     | <b>1,148,308</b> | <b>19,409</b>       | <b>33,808</b>       | <b>1,103,455</b>   | <b>24,213</b>       | <b>36,872</b>       |
| Interest rate derivatives                    | 1,139,647        | 18,516              | 32,617              | 1,094,689  | 23,955              | 36,525              |
| Foreign exchange derivatives                 | 8,661            | 893                 | 1,191               | 8,766  | 258                 | 347                 |
| <b>Cash flow hedges</b>                      | <b>241,125</b>   | <b>2,233</b>        | <b>4,138</b>        | <b>213,866</b>   | <b>1,126</b>        | <b>3,070</b>        |
| Interest rate derivatives                    | 66,134           | 896                 | 1,760               | 59,641   | 429                 | 1,602               |
| Foreign exchange derivatives                 | 174,426          | 1,270               | 2,312               | 153,811  | 664                 | 1,416               |
| Other derivatives                            | 565              | 67                  | 66                  | 414  | 33                  | 52                  |
| <b>Net foreign investment hedges</b>         | <b>2,648</b>     | <b>50</b>           | <b>65</b>           | <b>1,719</b>   | <b>62</b>           | <b>59</b>           |
| Foreign exchange derivatives                 | 2,648            | 50                  | 65                  | 1,719  | 62                  | 59                  |
| <b>DERIVATIVES USED FOR HEDGING PURPOSES</b> | <b>1,392,081</b> | <b>21,692</b>       | <b>38,011</b>       | <b>1,319,040</b>   | <b>25,401</b>       | <b>40,001</b>       |

Interest rate risk and foreign exchange risk management strategies are described in chapter 5 – Pillar 3 of this amendment to the 2022 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.

The table below presents the detail of fair value hedge relationships for identified financial instruments and portfolios of financial instruments that are continuing at 31 December 2023:

|   | Hedging instruments     |                            |                            |   | Hedged instruments      |   |                             |   |
|---|-------------------------|----------------------------|----------------------------|---|-------------------------|---|-----------------------------|---|
|   |                         |                            |                            | 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 |
| <i>In millions of euros, at 31 December 2023</i>  | <b>Notional amounts</b> | <b>Positive fair value</b> | <b>Negative fair value</b> |   |                         |   |                             |   |
| <b>Fair value hedges of identified instruments</b>  | <b>405,307</b>          | <b>9,539</b>               | <b>13,084</b>              | <b>(582)</b>  | <b>133,418</b>          | <b>(6,571)</b>                          | <b>154,708</b>              | <b>(7,030)</b>                              |
| <b>Interest rate derivatives hedging the interest rate risk related to</b>                          | <b>398,328</b>          | <b>8,653</b>               | <b>11,932</b>              | <b>(491)</b>  | <b>129,967</b>          | <b>(6,575)</b>                          | <b>151,227</b>              | <b>(6,948)</b>                              |
| Loans and receivables   | 20,674                  | 487                        | 449                        | 88  | 20,886                  | (82)                                    |                             |   |
| Securities  | 162,254                 | 7,826                      | 2,383                      | 6,369   | 109,081                 | (6,493)                                 |                             |   |
| Deposits  | 24,158                  | 123                        | 222                        | (203)   |                         |   | 20,487                      | (201)                                       |
| Debt securities   | 191,242                 | 217                        | 8,878                      | (6,745)   |                         |   | 130,740                     | (6,747)                                     |
| <b>Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to</b> | <b>6,979</b>            | <b>886</b>                 | <b>1,152</b>               | <b>(91)</b>   | <b>3,451</b>            | <b>4</b>                                | <b>3,481</b>                | <b>(82)</b>                                 |
| Loans and receivables   | 2,069                   | 687                        | 737                        | (11)  | 2,055                   | 10                                      |                             |   |
| Securities  | 1,405                   | 184                        | 193                        | 8   | 1,396                   | (6)                                     |                             |   |
| Deposits  | 833                     | 6                          | 21                         | 4   |                         |   | 846                         | 3   |
| Debt securities   | 2,672                   | 9                          | 201                        | (92)  |                         |   | 2,635                       | (85)  |
| <b>Interest rate risk hedged portfolios</b>   | <b>743,001</b>          | <b>9,870</b>               | <b>20,724</b>              | <b>(10,261)</b>   | <b>233,224</b>          | <b>(3,803)</b>                          | <b>228,527</b>              | <b>(14,009)</b>                             |
| <b>Interest rate derivatives hedging the interest rate risk related to<sup>(1)</sup></b>            | <b>741,319</b>          | <b>9,862</b>               | <b>20,685</b>              | <b>(10,263)</b>   | <b>231,609</b>          | <b>(3,801)</b>                          | <b>228,527</b>              | <b>(14,009)</b>                             |
| Loans and receivables   | 339,035                 | 6,302                      | 1,938                      | 3,780   | 231,609                 | (3,801)                                 |                             |   |
| Deposits  | 402,284                 | 3,560                      | 18,747                     | (14,043)  |                         |   | 228,527                     | (14,009)                                    |
| <b>Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to</b> | <b>1,682</b>            | <b>8</b>                   | <b>39</b>                  | <b>2</b>  | <b>1,615</b>            | <b>(2)</b>                              |                             |   |
| Loans and receivables   | 1,682                   | 8                          | 39                         | 2   | 1,615                   | (2)                                     |                             |   |
| <b>TOTAL FAIR VALUE HEDGE</b>   | <b>1,148,308</b>        | <b>19,409</b>              | <b>33,808</b>              | <b>(10,843)</b>   | <b>366,642</b>          | <b>(10,374)</b>                         | <b>383,235</b>              | <b>(21,039)</b>                             |

(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 93,839 million for derivatives hedging loans and receivables and EUR 177,833 million for derivatives hedging deposits.

The table below presents the detail of fair value hedge relationships for identified financial instruments and portfolios of financial instruments that are continuing at 31 December 2022:

|   | Hedging instruments     |                            |                            |   | Hedged instruments      |   |                             |   |
|---|-------------------------|----------------------------|----------------------------|---|-------------------------|---|-----------------------------|---|
|   |                         |                            |                            | 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 |
| <i>In millions of euros, at 31 December 2022 restated according to IFRS 17 and 9</i>                | <b>Notional amounts</b> | <b>Positive fair value</b> | <b>Negative fair value</b> |   |                         |   |                             |   |
| <b>Fair value hedges of identified instruments</b>  | <b>332,749</b>          | <b>11,155</b>              | <b>12,711</b>              | <b>1,500</b>  | <b>114,741</b>          | <b>(12,204)</b>                         | <b>122,280</b>              | <b>(10,588)</b>                             |
| <b>Interest rate derivatives hedging the interest rate risk related to</b>                          | <b>325,470</b>          | <b>10,992</b>              | <b>12,376</b>              | <b>1,487</b>  | <b>110,376</b>          | <b>(12,128)</b>                         | <b>119,694</b>              | <b>(10,540)</b>                             |
| Loans and receivables   | 19,827                  | 613                        | 171                        | 527   | 18,394                  | (541)                                   |                             |   |
| Securities  | 131,460                 | 10,297                     | 1,258                      | 11,521  | 91,982                  | (11,587)                                |                             |   |
| Deposits  | 8,081                   | 31                         | 291                        | (375)   |                         |   | 7,878                       | (388)                                       |
| Debt securities   | 166,102                 | 51                         | 10,656                     | (10,186)  |                         |   | 111,816                     | (10,152)                                    |
| <b>Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to</b> | <b>7,279</b>            | <b>163</b>                 | <b>335</b>                 | <b>13</b>   | <b>4,365</b>            | <b>(76)</b>                             | <b>2,586</b>                | <b>(48)</b>                                 |
| Loans and receivables   | 2,619                   | 95                         | 64                         | 35  | 2,410                   | (42)                                    |                             |   |
| Securities  | 1,957                   | 55                         | 12                         | 34  | 1,955                   | (34)                                    |                             |   |
| Deposits  | 64                      | -                          | 30                         | 2   |                         |   | 76                          | 2   |
| Debt securities   | 2,639                   | 13                         | 229                        | (58)  |                         |   | 2,510                       | (50)  |
| <b>Interest rate risk hedged portfolios</b>   | <b>770,706</b>          | <b>13,058</b>              | <b>24,161</b>              | <b>(11,240)</b>   | <b>204,827</b>          | <b>(8,877)</b>                          | <b>310,192</b>              | <b>(20,063)</b>                             |
| <b>Interest rate derivatives hedging the interest rate risk related to<sup>(1)</sup></b>            | <b>769,218</b>          | <b>12,963</b>              | <b>24,149</b>              | <b>(11,292)</b>   | <b>203,490</b>          | <b>(8,830)</b>                          | <b>310,192</b>              | <b>(20,063)</b>                             |
| Loans and receivables   | 346,924                 | 9,243                      | 162                        | 9,680   | 203,490                 | (8,830)                                 |                             |   |
| Deposits  | 422,294                 | 3,720                      | 23,987                     | (20,972)  |                         |   | 310,192                     | (20,063)                                    |
| <b>Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to</b> | <b>1,488</b>            | <b>95</b>                  | <b>12</b>                  | <b>52</b>   | <b>1,337</b>            | <b>(47)</b>                             |                             |   |
| Loans and receivables   | 1,488                   | 95                         | 12                         | 52  | 1,337                   | (47)                                    |                             |   |
| <b>TOTAL FAIR VALUE HEDGE</b>   | <b>1,103,455</b>        | <b>24,213</b>              | <b>36,872</b>              | <b>(9,740)</b>  | <b>319,568</b>          | <b>(21,081)</b>                         | <b>432,472</b>              | <b>(30,651)</b>                             |

(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 121,183 million for derivatives hedging loans and receivables and EUR 103,261 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 1,143 million in assets at 31 December 2023, and to -EUR 166 million in liabilities, for hedges of portfolios of financial instruments. At 31 December 2022, these amounts were EUR 1,399 million in assets and -EUR 138 million in liabilities.

Regarding hedges of identified instruments, the cumulated amount of revaluation remaining to be amortised over the residual life of the hedged instruments amounts to EUR 105 million in assets at 31 December 2023. At 31 December 2022, this amount was EUR 111 million in assets.

The notional amount of cash flow hedge derivatives is EUR 241,125 million at 31 December 2023. Changes in assets and liabilities recognised directly in equity amount to EUR 189 million. At 31 December 2022, the notional amount of cash flow hedge derivatives was EUR 213,866 million and changes in assets and liabilities recognised directly in equity amounted to - EUR 245 million.

The tables below present the notional amounts of hedging derivatives by maturity at 31 December 2023 and at 31 December 2022:

| <i>In millions of euros, at 31 December 2023</i> | Maturity date    |                       |                |                  |
|--|------------------|-----------------------|----------------|------------------|
|  | Less than 1 year | Between 1 and 5 years | Over 5 years   | Total            |
| <b>Fair value hedges</b>                         | <b>328,104</b>   | <b>487,495</b>        | <b>332,709</b> | <b>1,148,308</b> |
| Interest rate derivatives                        | 323,853          | 483,325               | 332,469        | 1,139,647        |
| Foreign exchange derivatives                     | 4,251            | 4,170                 | 240            | 8,661            |
| <b>Cash flow hedges</b>                          | <b>176,330</b>   | <b>52,161</b>         | <b>12,634</b>  | <b>241,125</b>   |
| Interest rate derivatives                        | 30,565           | 28,999                | 6,570          | 66,134           |
| Foreign exchange derivatives                     | 145,532          | 22,832                | 6,062          | 174,426          |
| Other derivatives                                | 233              | 330                   | 2              | 565              |
| <b>Net foreign investment hedges</b>             | <b>2,648</b>     | <b>-</b>              | <b>-</b>       | <b>2,648</b>     |
| Foreign exchange derivatives                     | 2,648            |                       |                | 2,648            |

| <i>In millions of euros, at 31 December 2022<br/>restated according to IFRS 17 and 9</i> | Maturity date    |                       |                |                  |
|--|------------------|-----------------------|----------------|------------------|
|  | Less than 1 year | Between 1 and 5 years | Over 5 years   | Total            |
| <b>Fair value hedges</b>   | <b>382,063</b>   | <b>430,968</b>        | <b>290,424</b> | <b>1,103,455</b> |
| Interest rate derivatives  | 378,055          | 426,364               | 290,270        | 1,094,689        |
| Foreign exchange derivatives   | 4,008            | 4,604                 | 154            | 8,766            |
| <b>Cash flow hedges</b>  | <b>142,568</b>   | <b>51,041</b>         | <b>20,257</b>  | <b>213,866</b>   |
| Interest rate derivatives  | 18,178           | 30,041                | 11,422         | 59,641           |
| Foreign exchange derivatives   | 124,223          | 20,753                | 8,835          | 153,811          |
| Other derivatives  | 167              | 247                   |                | 414              |
| <b>Net foreign investment hedges</b>   | <b>1,719</b>     | <b>-</b>              | <b>-</b>       | <b>1,719</b>     |
| Foreign exchange derivatives   | 1,719            |                       |                | 1,719            |

## 5.C FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

| <i>In millions of euros, at</i> | 31 December 2023 |  | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |  |
|---------------------------------|------------------|--|--|--|
|                                 | Fair value       | of which changes in value recognised directly to | Fair value   | of which changes in value recognised directly to |



|  |               | equity       |               | equity       |
|--|---------------|--------------|---------------|--------------|
| <b>Debt securities</b>                                     | <b>50,274</b> | <b>(585)</b> | <b>35,878</b> | <b>(866)</b> |
| Governments  | 23,334        | (207)        | 18,682        | (350)        |
| Other public administrations                               | 16,188        | (117)        | 9,921         | (197)        |
| Credit institutions  | 7,388         | (248)        | 3,816         | (302)        |
| Others   | 3,364         | (13)         | 3,459         | (17)         |
| <b>Equity securities</b>                                   | <b>2,275</b>  | <b>767</b>   | <b>2,188</b>  | <b>623</b>   |
| <b>TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY</b> | <b>52,549</b> | <b>182</b>   | <b>38,066</b> | <b>(243)</b> |

Debt securities at fair value through equity include EUR 109 million classified as stage 3 at 31 December 2023 (EUR 108 million at 31 December 2022). 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 102 million at 31 December 2023 (EUR 100 million at 31 December 2022).

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 2023, the Group sold several of these investments and a net gain of EUR 9 million was transferred to "retained earnings" (EUR 267 million for the year ended 31 December 2022).

## 5.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 valuation adjustments are made.

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 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 through profit or loss is decreased by EUR 198 million at 31 December 2023, compared with a decrease in value of EUR 160 million at 31 December 2022, *i.e.* a +EUR 38 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.f.10), financial instruments measured at fair value are categorised into a fair value hierarchy consisting of three levels.

31 December 2023

| In millions of euros, at                    | 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         |
| <b>Securities</b>                           | <b>171,172</b>                         | <b>30,482</b>    | <b>571</b> | <b>202,225</b> | <b>1,205</b>  | <b>1,079</b>  | <b>7,125</b>  | <b>9,409</b>  | <b>44,707</b>                                 | <b>7,095</b> | <b>747</b> | <b>52,549</b> |
| Governments                                 | 80,933                                 | 14,291           | 10         | 95,234         | 225   |               |               | 225           | 19,919  | 3,367        | 48         | 23,334        |
| Other debt securities                       | 19,776                                 | 15,747           | 439        | 35,962         | 327   | 363           | 380           | 1,070         | 23,218  | 3,515        | 207        | 26,940        |
| Equities and other equity securities        | 70,463                                 | 444              | 122        | 71,029         | 653   | 716           | 6,745         | 8,114         | 1,570   | 213          | 492        | 2,275         |
| <b>Loans and repurchase agreements</b>      |  | <b>- 224,512</b> | <b>188</b> | <b>224,700</b> | <b>-</b>  | <b>913</b>    | <b>1,562</b>  | <b>2,475</b>  | <b>-</b>                                      | <b>-</b>     | <b>-</b>   | <b>-</b>      |
| Loans                                       |  | 8,441            |            | 8,441          |   | 913           | 1,562         | 2,475         |   |              |            |               |
| Repurchase agreements                       |  | 216,071          | 188        | 216,259        |   |               |               | -             |   |              |            |               |
| <b>FINANCIAL ASSETS AT FAIR VALUE</b>       | <b>171,172</b>                         | <b>254,994</b>   | <b>759</b> | <b>426,925</b> | <b>1,205</b>  | <b>1,992</b>  | <b>8,687</b>  | <b>11,884</b> | <b>44,707</b>                                 | <b>7,095</b> | <b>747</b> | <b>52,549</b> |
| <b>Securities</b>                           | <b>102,913</b>                         | <b>1,955</b>     | <b>42</b>  | <b>104,910</b> | <b>-</b>  | <b>-</b>      | <b>-</b>      | <b>-</b>      |   |              |            |               |
| Governments                                 | 69,811                                 | 398              |            | 70,209         |   |               |               | -             |   |              |            |               |
| Other debt securities                       | 9,670                                  | 1,544            | 41         | 11,255         |   |               |               | -             |   |              |            |               |
| Equities and other equity securities        | 23,432                                 | 13               | 1          | 23,446         |   |               |               | -             |   |              |            |               |
| <b>Borrowings and repurchase agreements</b> |  | <b>- 270,854</b> | <b>632</b> | <b>271,486</b> | <b>-</b>  | <b>1,973</b>  | <b>155</b>    | <b>2,128</b>  |   |              |            |               |
| Borrowings                                  |  | 4,846            |            | 4,846          |   | 1,973         | 155           | 2,128         |   |              |            |               |
| Repurchase agreements                       |  | 266,008          | 632        | 266,640        |   |               |               | -             |   |              |            |               |
| <b>Issued debt securities (note 5.h)</b>    | <b>-</b>                               | <b>-</b>         | <b>-</b>   | <b>-</b>       | <b>14</b>   | <b>60,132</b> | <b>23,617</b> | <b>83,763</b> |   |              |            |               |
| Subordinated debt (note 5.h)                |  |                  |            | -              |   | 735           |               | 735           |   |              |            |               |

|                                     |   |    |        |        |        |
|-------------------------------------|---|----|--------|--------|--------|
| Non-subordinated debt<br>(note 5.h) | - | 14 | 59,397 | 23,617 | 83,028 |
|-------------------------------------|---|----|--------|--------|--------|

|  |                |                |            |                |           |               |               |               |
|--|----------------|----------------|------------|----------------|-----------|---------------|---------------|---------------|
| <b>FINANCIAL LIABILITIES<br/>AT FAIR VALUE</b> | <b>102,913</b> | <b>272,809</b> | <b>674</b> | <b>376,396</b> | <b>14</b> | <b>62,105</b> | <b>23,772</b> | <b>85,891</b> |
|--|----------------|----------------|------------|----------------|-----------|---------------|---------------|---------------|

**31 December 2022**  
*restated according to IFRS 17 and 9*

| <i>In millions of euros, at</i>                 | Financial instruments held<br>for trading |                  |              |                | Instruments at fair value<br>through profit or loss not<br>held for trading |               |               |               | Financial assets at fair value<br>through equity |              |            |               |
|---|---|------------------|--------------|----------------|---|---------------|---------------|---------------|--|--------------|------------|---------------|
|   | Level 1                                   | Level 2          | Level 3      | Total          | Level 1   | Level 2       | Level 3       | Total         | Level 1  | Level 2      | Level 3    | Total         |
| <b>Securities</b>                               | <b>130,589</b>                            | <b>25,744</b>    | <b>805</b>   | <b>157,138</b> | <b>1,643</b>  | <b>1,495</b>  | <b>5,801</b>  | <b>8,939</b>  | <b>32,727</b>                                    | <b>4,395</b> | <b>944</b> | <b>38,066</b> |
| Governments                                     | 59,860                                    | 10,136           | 28           | 70,024         |   |               |               | -             | 16,785   | 1,770        | 127        | 18,682        |
| Other debt securities                           | 16,454                                    | 14,695           | 630          | 31,779         | 1,152   | 500           | 333           | 1,985         | 14,496   | 2,412        | 288        | 17,196        |
| Equities and other equity<br>securities         | 54,275                                    | 913              | 147          | 55,335         | 491   | 995           | 5,468         | 6,954         | 1,446  | 213          | 529        | 2,188         |
| <b>Loans and repurchase<br/>agreements</b>      |   | <b>- 186,170</b> | <b>798</b>   | <b>186,968</b> | <b>-</b>  | <b>1,274</b>  | <b>2,883</b>  | <b>4,157</b>  | <b>-</b>   | <b>-</b>     | <b>-</b>   | <b>-</b>      |
| Loans   |   | 6,428            | 5            | 6,433          |   | 1,274         | 2,883         | 4,157         |  |              |            |               |
| Repurchase agreements                           |   | 179,742          | 793          | 180,535        |   |               |               | -             |  |              |            |               |
| <b>FINANCIAL ASSETS AT<br/>FAIR VALUE</b>       | <b>130,589</b>                            | <b>211,914</b>   | <b>1,603</b> | <b>344,106</b> | <b>1,643</b>  | <b>2,769</b>  | <b>8,684</b>  | <b>13,096</b> | <b>32,727</b>                                    | <b>4,395</b> | <b>944</b> | <b>38,066</b> |
| <b>Securities</b>                               | <b>97,367</b>                             | <b>1,716</b>     | <b>72</b>    | <b>99,155</b>  | <b>-</b>  | <b>-</b>      | <b>-</b>      | <b>-</b>      |  |              |            |               |
| Governments                                     | 57,949                                    | 92               | 16           | 58,057         |   |               |               |               |  |              |            |               |
| Other debt securities                           | 13,183                                    | 1,581            | 47           | 14,811         |   |               |               |               |  |              |            |               |
| Equities and other equity<br>securities         | 26,235                                    | 43               | 9            | 26,287         |   |               |               |               |  |              |            |               |
| <b>Borrowings and<br/>repurchase agreements</b> |   | <b>- 230,303</b> | <b>2,048</b> | <b>232,351</b> | <b>-</b>  | <b>1,472</b>  | <b>253</b>    | <b>1,725</b>  |  |              |            |               |
| Borrowings                                      |   | 6,952            |              | 6,952          |   | 1,472         | 253           | 1,725         |  |              |            |               |
| Repurchase agreements                           |   | 223,351          | 2,048        | 225,399        |   |               |               |               |  |              |            |               |
| <b>Issued debt securities<br/>(note 5.h)</b>    | <b>-</b>                                  | <b>-</b>         | <b>-</b>     | <b>-</b>       | <b>4</b>  | <b>46,628</b> | <b>18,946</b> | <b>65,578</b> |  |              |            |               |
| Subordinated debt (note 5.h)                    |   |                  |              |                |   | 675           |               | 675           |  |              |            |               |
| Non-subordinated debt<br>(note 5.h)             |   |                  |              |                | 4   | 45,953        | 18,946        | 64,903        |  |              |            |               |
| <b>FINANCIAL LIABILITIES<br/>AT FAIR VALUE</b>  | <b>97,367</b>                             | <b>232,019</b>   | <b>2,120</b> | <b>331,506</b> | <b>4</b>  | <b>48,100</b> | <b>19,199</b> | <b>67,303</b> |  |              |            |               |

Fair values of derivatives 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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| <i>In millions of euros, at</i>                                       | Positive market value |                |              |                | Negative market value |                |              |                |
|---|-----------------------|----------------|--------------|----------------|-----------------------|----------------|--------------|----------------|
|   | Level 1               | Level 2        | Level 3      | Total          | Level 1               | Level 2        | Level 3      | Total          |
| Interest rate derivatives   | 734                   | 131,382        | 1,384        | 133,500        | 714                   | 103,334        | 1,928        | 105,976        |
| Foreign exchange derivatives  | 18                    | 118,300        | 776          | 119,094        | 16                    | 118,065        | 45           | 118,126        |
| Credit derivatives  |                       | 7,663          | 764          | 8,427          |                       | 8,697          | 1,623        | 10,320         |
| Equity derivatives  | 15                    | 21,177         | 2,875        | 24,067         | 659                   | 31,222         | 6,146        | 38,027         |
| Other derivatives   | 586                   | 6,365          | 40           | 6,991          | 607                   | 5,769          | 67           | 6,443          |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS NOT USED FOR HEDGING PURPOSES</b> | <b>1,353</b>          | <b>284,887</b> | <b>5,839</b> | <b>292,079</b> | <b>1,996</b>          | <b>267,087</b> | <b>9,809</b> | <b>278,892</b> |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS USED FOR HEDGING PURPOSES</b>     | <b>-</b>              | <b>21,692</b>  | <b>-</b>     | <b>21,692</b>  | <b>-</b>              | <b>38,011</b>  | <b>-</b>     | <b>38,011</b>  |

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restated according to IFRS 17 and 9

| <i>In millions of euros, at</i>                                       | Positive market value |                |              |                | Negative market value |                |              |                |
|---|-----------------------|----------------|--------------|----------------|-----------------------|----------------|--------------|----------------|
|   | Level 1               | Level 2        | Level 3      | Total          | Level 1               | Level 2        | Level 3      | Total          |
| Interest rate derivatives   | 873                   | 147,853        | 1,396        | 150,122        | 503                   | 122,659        | 2,053        | 125,215        |
| Foreign exchange derivatives  | 33                    | 133,628        | 721          | 134,382        | 35                    | 129,204        | 35           | 129,274        |
| Credit derivatives  |                       | 6,382          | 912          | 7,294          |                       | 6,822          | 909          | 7,731          |
| Equity derivatives  | 6,760                 | 13,512         | 2,330        | 22,602         | 9,177                 | 13,290         | 4,824        | 27,291         |
| Other derivatives   | 1,295                 | 12,158         | 79           | 13,532         | 843                   | 9,629          | 138          | 10,610         |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS NOT USED FOR HEDGING PURPOSES</b> | <b>8,961</b>          | <b>313,533</b> | <b>5,438</b> | <b>327,932</b> | <b>10,558</b>         | <b>281,604</b> | <b>7,959</b> | <b>300,121</b> |
| <b>DERIVATIVE FINANCIAL INSTRUMENTS USED FOR HEDGING PURPOSES</b>     | <b>-</b>              | <b>25,401</b>  | <b>-</b>     | <b>25,401</b>  | <b>-</b>              | <b>40,001</b>  | <b>-</b>     | <b>40,001</b>  |

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 2023, the main transfers between Level 1 and Level 2 are related to the reclassification of equity derivatives from Level 1 to Level 2 due to the reassessment of the observable nature of the associated valuation parameters.

## 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 quoted continuously in 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 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** 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 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 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 flow 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 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 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 there is material valuation uncertainty. 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 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 when there is material valuation uncertainty. 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 and justifies classifying these transactions in Level 3.

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 those of their economic hedge derivative. Information on those derivatives, displayed in the following table, is also applicable to these debts.

| Risk classes              | Balance sheet valuation<br>(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     | 188   | 632       | 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 bp to 152 bp   | 30 bp <sup>(a)</sup> |
| Interest rate derivatives | 1,384   | 1,928     | Hybrid Forex/Interest rate 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 | -16% to 52%  | 8% <sup>(a)</sup>    |
|                           |   |           | Hybrid inflation rates/Interest rate derivatives   | Hybrid inflation interest rate option pricing model   | Correlation between interest rates and inflation rates mainly in Europe.                          | 10% to 32%   | 29%                  |
|                           |   |           | 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  | 1.3% to 11.7%  | <sup>(b)</sup>       |
|                           |   |           |  |   | Volatility of the year-on-year inflation rate   | 0.5% to 2.8%   |                      |
|                           |   |           | Forward Volatility products such as volatility swaps, mainly in euros  | Interest rate option pricing model  | Forward volatility of interest rates  | 0.5% to 1.0%   | <sup>(b)</sup>       |
|                           |   |           | Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly indexed on European collateral pools                             | Prepayment modelling<br>Discounted cash flows   | Constant prepayment rates   | 0% to 18%  | 2% <sup>(a)</sup>    |
| Credit derivatives        | 764   | 1,623     | Collateralised Debt Obligations and index tranches for inactive index series   | Base correlation projection technique and recovery modelling  | Base correlation curve for bespoke portfolios   | 29% to 99%   | <sup>(b)</sup>       |
|                           |   |           |  |   | Recovery rate variance for single name underlyings  | 0% to 25%  | <sup>(b)</sup>       |
|                           |   |           | N-to-default baskets   | Credit default model  | Default correlation   | 48% to 84%   | 49% <sup>(a)</sup>   |
|                           |   |           | 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)  | N.A.   | 99 bp                |
|                           |   |           |  |   | Illiquid credit default spread curves (across main  | 3 bp to 2,824 bp <sup>(1)</sup>                                  | 76 bp <sup>(c)</sup> |

| Risk classes       | Balance sheet valuation<br>(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<br><br>tenors) | Range of unobservable input across Level 3 population considered | Weighted average   |
|--------------------|---|-----------|--|---|--|--|--------------------|
|                    | Asset   | Liability |  |   |  |  |                    |
| Equity derivatives | 2,875   | 6,146     | Simple and complex derivatives on multi-underlying baskets on stocks | Various volatility option models                          | Unobservable equity volatility   | 0% to 122% <sup>(2)</sup>  | 30% <sup>(d)</sup> |
|                    |   |           |  |   | Unobservable equity correlation  | 15% to 98%   | 50% <sup>(c)</sup> |

(1) The upper bound of the range relates to building, retail and services sector issuers that represent an insignificant portion of the balance sheet (CDSs with illiquid underlying instruments).

(2) The upper part of the range relates to 7 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 196%.

(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 2023:

|   | 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           |
| <i>In millions of euros</i>   |   |   |   |                |   |  |                 |
| <b>AT 31 DECEMBER 2022</b>  |   |   |   |                |   |  |                 |
| <i>restated according to IFRS 17 and 9</i>  | <b>7,041</b>  | <b>8,684</b>  | <b>944</b>                                    | <b>16,669</b>  | <b>(10,079)</b>   | <b>(19,199)</b>  | <b>(29,278)</b> |
| Purchases   | 812   | 1,442   | 154   | <b>2,408</b>   |   |  | -               |
| Issues  |   |   |   | -              |   | (5,229)  | <b>(5,229)</b>  |
| Sales   | (903)   | (1,791)   | (162)   | <b>(2,856)</b> | 39  |  | <b>39</b>       |
| Settlements <sup>(1)</sup>  | (3,019)   | (98)  | (66)  | <b>(3,183)</b> | (3,416)   | 1,355  | <b>(2,061)</b>  |
| Transfers to Level 3  | 2,797   | 36  |   | <b>2,833</b>   | (1,799)   | (359)  | <b>(2,158)</b>  |
| Transfers from Level 3  | (3,347)   |   | (90)  | <b>(3,437)</b> | 2,527   | 429  | <b>2,956</b>    |
| Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period | 981   | 486   | (1)   | <b>1,466</b>   | (3,421)   | (757)  | <b>(4,178)</b>  |
| Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period       | 2,233   | (5)   |   | <b>2,228</b>   | 5,669   | (12)   | <b>5,657</b>    |
| Items related to exchange rate movements  | 3   | (67)  | (18)  | <b>(82)</b>    | (3)   |  | <b>(3)</b>      |
| Changes in fair value of assets and liabilities recognised in equity  |   |   | (14)  | <b>(14)</b>    |   |  | -               |
| <b>AT 31 DECEMBER 2023</b>  | <b>6,598</b>  | <b>8,687</b>  | <b>747</b>                                    | <b>16,032</b>  | <b>(10,483)</b>   | <b>(23,772)</b>  | <b>(34,255)</b> |

(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 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.

### 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 a 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.

|   | 31 December 2022           |                                     |                            |                            |
|---|----------------------------|-------------------------------------|----------------------------|----------------------------|
|   | 31 December 2023           | restated according to IFRS 17 and 9 |                            |                            |
| <i>In millions of euros, at</i>                       | Potential impact on income | Potential impact on equity          | Potential impact on income | Potential impact on equity |
| Debt securities                                       | +/-6                       | +/-2                                | +/-8                       | +/-3                       |
| Equities and other equity securities                  | +/-68                      | +/-5                                | +/-56                      | +/-5                       |
| Loans and repurchase agreements                       | +/-20                      |                                     | +/-42                      |                            |
| Derivative financial instruments                      | +/-586                     |                                     | +/-576                     |                            |
| <i>Interest rate and foreign exchange derivatives</i> | +/-218                     |                                     | +/-227                     |                            |
| <i>Credit derivatives</i>                             | +/-94                      |                                     | +/-98                      |                            |
| <i>Equity derivatives</i>                             | +/-271                     |                                     | +/-245                     |                            |
| <i>Other derivatives</i>                              | +/-3                       |                                     | +/-6                       |                            |
| <b>SENSITIVITY OF LEVEL 3 FINANCIAL INSTRUMENTS</b>   | <b>+/-680</b>              | <b>+/-7</b>                         | <b>+/-682</b>              | <b>+/-8</b>                |

## 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") primarily 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.

| <i>In millions of euros</i>                    | Deferred margin<br>at<br>31 December<br>2022<br><i>restated<br/>according to<br/>IFRS 17 and 9</i> | Deferred margin<br>on transactions<br>during the<br>period | Margin taken to<br>the profit and<br>loss account<br>during the<br>period | Deferred margin<br>at<br>31 December<br>2023 |
|--|--|--|---|--|
| Interest rate and foreign exchange derivatives | 194  | 113  | (140)   | 167  |
| Credit derivatives                             | 174  | 175  | (124)   | 225  |
| Equity derivatives                             | 426  | 166  | (211)   | 381  |
| Other instruments                              | 10   | 140  | (139)   | 11   |
| <b>Financial instruments</b>                   | <b>804</b>   | <b>594</b>   | <b>(614)</b>  | <b>784</b>                                   |

## 5.E FINANCIAL ASSETS AT AMORTISED COST

### DETAIL OF LOANS AND ADVANCES BY NATURE

|   | 31 December 2023 |                          |                    | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |                          |                    |
|---|------------------|--------------------------|--------------------|--|--------------------------|--------------------|
| <i>In millions of euros, at</i>                   | Gross<br>value   | Impairment<br>(note 3.g) | Carrying<br>amount | Gross<br>value   | Impairment<br>(note 3.g) | Carrying<br>amount |
| <b>Loans and advances to credit institutions</b>  | <b>24,434</b>    | <b>(99)</b>              | <b>24,335</b>      | <b>32,716</b>  | <b>(100)</b>             | <b>32,616</b>      |
| On demand accounts                                | 7,252            | (6)                      | 7,246              | 11,000   | (8)                      | 10,992             |
| Loans <sup>(1)</sup>                              | 12,267           | (93)                     | 12,174             | 15,767   | (92)                     | 15,675             |
| Repurchase agreements                             | 4,915            |                          | 4,915              | 5,949  |                          | 5,949              |
| <b>Loans and advances to customers</b>            | <b>876,712</b>   | <b>(17,512)</b>          | <b>859,200</b>     | <b>875,301</b>   | <b>(18,281)</b>          | <b>857,020</b>     |
| On demand accounts                                | 46,733           | (2,752)                  | 43,981             | 42,963   | (2,844)                  | 40,119             |
| Loans to customers                                | 780,638          | (13,593)                 | 767,045            | 788,971  | (14,354)                 | 774,617            |
| Finance leases                                    | 48,842           | (1,167)                  | 47,675             | 42,574   | (1,083)                  | 41,491             |
| Repurchase agreements                             | 499              |                          | 499                | 793  |                          | 793                |
| <b>TOTAL LOANS AND ADVANCES AT AMORTISED COST</b> | <b>901,146</b>   | <b>(17,611)</b>          | <b>883,535</b>     | <b>908,017</b>   | <b>(18,381)</b>          | <b>889,636</b>     |

(1) Loans and advances to credit institutions include term deposits made with central banks.

## CONTRACTUAL MATURITIES OF FINANCE LEASES

| <i>In millions of euros, at</i>            | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b>                        |
|--|-----------------------------|--|
|  |                             | <i>restated<br/>according to<br/>IFRS 17 and 9</i> |
| <b>Gross investment</b>                    | <b>53,562</b>               | <b>45,602</b>                                      |
| Receivable within 1 year                   | 15,771                      | 13,278   |
| Receivable after 1 year but within 5 years | 32,539                      | 28,068   |
| Receivable beyond 5 years                  | 5,252                       | 4,256  |
| <b>Unearned interest income</b>            | <b>(4,720)</b>              | <b>(3,028)</b>                                     |
| <b>Net investment before impairment</b>    | <b>48,842</b>               | <b>42,574</b>                                      |
| Receivable within 1 year                   | 14,057                      | 12,176   |
| Receivable after 1 year but within 5 years | 29,999                      | 26,396   |
| Receivable beyond 5 years                  | 4,786                       | 4,002  |
| <b>Impairment provisions</b>               | <b>(1,167)</b>              | <b>(1,083)</b>                                     |
| <b>Net investment after impairment</b>     | <b>47,675</b>               | <b>41,491</b>                                      |

## DETAIL OF DEBT SECURITIES BY TYPE OF ISSUER

| <i>In millions of euros, at</i>                    | <b>31 December 2023</b> |                                  |                            | <b>31 December 2022</b>                    |                                  |                            |
|--|-------------------------|----------------------------------|----------------------------|--|----------------------------------|----------------------------|
|  | <b>Gross<br/>value</b>  | <b>Impairment<br/>(note 3.g)</b> | <b>Carrying<br/>amount</b> | <i>restated according to IFRS 17 and 9</i> |                                  |                            |
|  |                         |                                  |                            | <b>Gross<br/>value</b>                     | <b>Impairment<br/>(note 3.g)</b> | <b>Carrying<br/>amount</b> |
| Governments  | 62,659                  | (11)                             | 62,648                     | 59,961                                     | (23)                             | 59,938                     |
| Other public administration                        | 16,288                  | (2)                              | 16,286                     | 15,686                                     | (2)                              | 15,684                     |
| Credit institutions                                | 10,318                  | (2)                              | 10,316                     | 9,062                                      | (2)                              | 9,060                      |
| Others   | 32,000                  | (89)                             | 31,911                     | 29,435                                     | (103)                            | 29,332                     |
| <b>TOTAL DEBT SECURITIES AT<br/>AMORTISED COST</b> | <b>121,265</b>          | <b>(104)</b>                     | <b>121,161</b>             | <b>114,144</b>                             | <b>(130)</b>                     | <b>114,014</b>             |

## DETAIL OF FINANCIAL ASSETS AT AMORTISED COST BY STAGE

| <i>In millions of euros, at</i>                      | <b>31 December 2023</b> |                                  |                            | <b>31 December 2022</b>                    |                                  |                            |
|--|-------------------------|----------------------------------|----------------------------|--|----------------------------------|----------------------------|
|  | <b>Gross<br/>Value</b>  | <b>Impairment<br/>(note 3.g)</b> | <b>Carrying<br/>amount</b> | <i>restated according to IFRS 17 and 9</i> |                                  |                            |
|  |                         |                                  |                            | <b>Gross<br/>Value</b>                     | <b>Impairment<br/>(note 3.g)</b> | <b>Carrying<br/>amount</b> |
| <b>Loans and advances to credit<br/>institutions</b> | <b>24,434</b>           | <b>(99)</b>                      | <b>24,335</b>              | <b>32,716</b>                              | <b>(100)</b>                     | <b>32,616</b>              |
| Stage 1  | 23,673                  | (19)                             | 23,654                     | 32,439                                     | (11)                             | 32,428                     |
| Stage 2  | 679                     | (13)                             | 666                        | 191  | (10)                             | 181                        |
| Stage 3  | 82                      | (67)                             | 15                         | 86   | (79)                             | 7                          |

|   |                  |                 |                  |                  |                 |                  |
|---|------------------|-----------------|------------------|------------------|-----------------|------------------|
| <b>Loans and advances to customers</b>              | <b>876,712</b>   | <b>(17,512)</b> | <b>859,200</b>   | <b>875,301</b>   | <b>(18,281)</b> | <b>857,020</b>   |
| Stage 1   | 777,190          | (1,906)         | 775,284          | 761,930          | (1,998)         | 759,932          |
| Stage 2   | 74,214           | (2,399)         | 71,815           | 88,095           | (2,839)         | 85,256           |
| Stage 3   | 25,308           | (13,207)        | 12,101           | 25,276           | (13,444)        | 11,832           |
| <b>Debt securities</b>                              | <b>121,265</b>   | <b>(104)</b>    | <b>121,161</b>   | <b>114,144</b>   | <b>(130)</b>    | <b>114,014</b>   |
| Stage 1   | 120,991          | (12)            | 120,979          | 113,602          | (27)            | 113,575          |
| Stage 2   | 94               | (5)             | 89               | 387              | (10)            | 377              |
| Stage 3   | 180              | (87)            | 93               | 155              | (93)            | 62               |
| <b>TOTAL FINANCIAL ASSETS AT<br/>AMORTISED COST</b> | <b>1,022,411</b> | <b>(17,715)</b> | <b>1,004,696</b> | <b>1,022,161</b> | <b>(18,511)</b> | <b>1,003,650</b> |

## 5.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.

| <i>In millions of euros, at</i>                               | 31 December 2023                    |                 |               |                     |
|---|-------------------------------------|-----------------|---------------|---------------------|
|   | Impaired financial assets (Stage 3) |                 |               | Collateral received |
|   | Gross value                         | Impairment      | Net           |                     |
| Loans and advances to credit institutions (note 5.e)          | 82                                  | (67)            | 15            |                     |
| Loans and advances to customers (note 5.e)                    | 25,308                              | (13,207)        | 12,101        | 7,720               |
| Debt securities at amortised cost (note 5.e)                  | 180                                 | (87)            | 93            |                     |
| <b>TOTAL AMORTISED-COST IMPAIRED ASSETS (STAGE 3)</b>         | <b>25,570</b>                       | <b>(13,361)</b> | <b>12,209</b> | <b>7,720</b>        |
| Financing commitments given                                   | 889                                 | (96)            | 793           | 263                 |
| Guarantee commitments given                                   | 769                                 | (218)           | 551           | 135                 |
| <b>TOTAL OFF-BALANCE SHEET IMPAIRED COMMITMENTS (STAGE 3)</b> | <b>1,658</b>                        | <b>(314)</b>    | <b>1,344</b>  | <b>398</b>          |

| <i>In millions of euros, at</i>                               | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |                 |               |                     |
|---|--|-----------------|---------------|---------------------|
|   | Impaired financial assets (Stage 3)                            |                 |               | Collateral received |
|   | Gross value  | Impairment      | Net           |                     |
| Loans and advances to credit institutions (note 5.e)          | 86   | (79)            | 7             | 1                   |
| Loans and advances to customers (note 5.e)                    | 25,276   | (13,444)        | 11,832        | 7,651               |
| Debt securities at amortised cost (note 5.e)                  | 155  | (93)            | 62            | 14                  |
| <b>TOTAL AMORTISED-COST IMPAIRED ASSETS (STAGE 3)</b>         | <b>25,517</b>  | <b>(13,616)</b> | <b>11,901</b> | <b>7,666</b>        |
| Financing commitments given                                   | 898  | (73)            | 825           | 198                 |
| Guarantee commitments given                                   | 820  | (243)           | 577           | 135                 |
| <b>TOTAL OFF-BALANCE SHEET IMPAIRED COMMITMENTS (STAGE 3)</b> | <b>1,718</b>   | <b>(316)</b>    | <b>1,402</b>  | <b>333</b>          |

The following table presents the changes in gross exposures of stage 3 assets (EU CR2):

| <b>Gross value</b><br><i>In millions of euros</i>      | Year to 31 Dec.<br>2022<br><i>restated according to IFRS 17 and 9</i> |               |
|--|---|---------------|
|  | Year to 31 Dec.<br>2023   |               |
| <b>IMPAIRED EXPOSURES (STAGE 3) AT OPENING BALANCE</b> | <b>25,517</b>   | <b>28,165</b> |
| Transfer to stage 3                                    | 8,632   | 6,125         |
| Transfer to stage 1 or stage 2                         | (2,166)   | (1,672)       |

|  |               |               |
|--|---------------|---------------|
| Assets written off                                     | (3,769)       | (4,827)       |
| Other changes  | (2,644)       | (2,274)       |
| <b>IMPAIRED EXPOSURES (STAGE 3) AT CLOSING BALANCE</b> | <b>25,570</b> | <b>25,517</b> |

## 5.G FINANCIAL LIABILITIES AT AMORTISED COST DUE TO CREDIT INSTITUTIONS AND CUSTOMERS

| <i>In millions of euros, at</i>          | <b>31 December 2023</b> | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |
|--|-------------------------|---|
| <b>Deposits from credit institutions</b> | <b>95,175</b>           | <b>124,718</b>  |
| On demand accounts                       | 10,770                  | 12,538  |
| Interbank borrowings <sup>(1)</sup>      | 54,825                  | 104,135   |
| Repurchase agreements                    | 29,580                  | 8,045   |
| <b>Deposits from customers</b>           | <b>988,549</b>          | <b>1,008,056</b>  |
| On demand deposits                       | 542,133                 | 592,269   |
| Savings accounts                         | 152,636                 | 162,354   |
| Term accounts and short-term notes       | 292,491                 | 253,210   |
| Repurchase agreements                    | 1,289                   | 223   |

(1) Interbank borrowings from credit institutions include term borrowings from central banks, of which EUR 18 billion of TLTRO III at 31 December 2023 compared to EUR 67 billion at 31 December 2022 (see note 3.a Net Interest Income).

## 5.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 5.A)

| <b>Issuer/Issue date</b><br><i>In millions of euros, at</i> | <b>Currency</b> | <b>Original amount in foreign currency (millions)</b> | <b>Date of call or interest step-up</b> | <b>Interest rate</b>    | <b>Interest rate reset</b> | <b>Conditions precedent for coupon payment<sup>(1)</sup></b> | <b>31 December 2023</b> | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |
|---|-----------------|---|---|-------------------------|----------------------------|--|-------------------------|---|
| <b>Debt securities</b>                                      |                 |   |   |                         |                            |  | <b>83,028</b>           | <b>64,902</b>   |
| <b>Subordinated debt</b>                                    |                 |   |   |                         |                            |  | <b>735</b>              | <b>676</b>  |
| <b>Redeemable subordinated debt</b>                         |                 |   | (2)                                     |                         |                            |  | <b>18</b>               | <b>16</b>   |
| <b>Perpetual subordinated debt</b>                          |                 |   |   |                         |                            |  | <b>717</b>              | <b>660</b>  |
| BNP Paribas Fortis Dec. 2007 <sup>(3)</sup>                 | EUR             | 3,000   | Dec.-14                                 | 3-month Euribor +200 bp |                            | A  | 717                     | 660   |

(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.

Since 1 January 2022, the liability is no longer eligible to prudential own funds.

## DEBT SECURITIES MEASURED AT AMORTISED COST

| Issuer/Issue date<br><i>In millions of euros, at</i>                           | Currency | Original<br>amount<br>in<br>foreign currency<br>(millions) | Date of call<br>or interest<br>step-up | Interest<br>rate             | Interest<br>rate reset         | Conditions<br>precedent<br>for coupon<br>payment <sup>(1)</sup> | 31 December<br>2023 | 31 December<br>2022<br><i>restated<br/>according<br/>to IFRS 17<br/>and 9</i> |
|--|----------|--|--|------------------------------|--------------------------------|---|---------------------|---|
| <b>Debt securities</b>   |          |  |  |                              |                                |   | <b>191,482</b>      | <b>155,359</b>  |
| <b>Debt securities in issue with an initial maturity of less than one year</b> |          |  |  |                              |                                |   | <b>75,743</b>       | <b>58,342</b>   |
| Negotiable debt securities   |          |  |  |                              |                                |   | 75,743              | 58,342  |
| <b>Debt securities in issue with an initial maturity of more than one year</b> |          |  |  |                              |                                |   | <b>115,739</b>      | <b>97,017</b>   |
| Negotiable debt securities   |          |  |  |                              |                                |   | 30,592              | 18,503  |
| Bonds  |          |  |  |                              |                                |   | 85,147              | 78,514  |
| <b>Subordinated debt</b>   |          |  |  |                              |                                |   | <b>24,743</b>       | <b>24,160</b>   |
| <b>Redeemable subordinated debt</b>  |          |  | (2)                                    |                              |                                |   | <b>21,662</b>       | <b>22,419</b>   |
| <b>Undated subordinated notes</b>  |          |  |  |                              |                                |   | <b>2,852</b>        | <b>1,509</b>  |
| BNP Paribas SA Oct. 85 <sup>(5)</sup>  | EUR      | 305  | -                                      | TMO -<br>0.25%               | -                              | B   | 254                 | 254   |
| BNP Paribas SA Sept. 86 <sup>(5)</sup>   | USD      | 500  | -                                      | 6 month-<br>Libor<br>+0.075% | -                              | C   | 248                 | 255   |
| BNP Paribas Cardif Nov. 14   | EUR      | 1,000  | Nov. 25                                | 4.032%                       | 3 month-<br>Euribor<br>+393 bp | D   | 998                 | 1,000   |
| BNP Paribas SA Aug. 23 <sup>(6)</sup>  | USD      | 1,500  | Aug. 28                                | 8.500%                       | CMT<br>+4.354%                 | E   | 1,352               | -   |
| <b>Participating notes</b>   |          |  |  |                              |                                |   | <b>225</b>          | <b>225</b>  |
| BNP Paribas SA July 84 <sup>(3)</sup><br>(5)                                   | EUR      | 337  | -                                      | (4)                          | -                              |   | 219                 | 219   |
| Others   |          |  |  |                              |                                |   | 6                   | 6   |
| <b>Expenses and commission, related debt</b>                                   |          |  |  |                              |                                |   | <b>4</b>            | <b>7</b>  |

- (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;*
- E Payment of the interest is at full discretion and could be cancelled in whole or in part if the relevant regulator notifies based on its assessment of the financial and solvency situation of the issuer. Interest Amounts on the notes will be non-cumulative, once coupon payments resume.*
- (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.*
- (5) *As from 31 December 2023, these securities are no longer eligible to prudential own funds.*
- (6) *The instruments issued by BNP Paribas SA in August 2023 are contingent convertible securities classified as financial liabilities in accounting and eligible to Additional Tier 1 capital (see note 1.f.8).*

## 5.I CURRENT AND DEFERRED TAXES

|   | 31 December<br>2022<br><i>restated</i><br>according to<br>IFRS 17 and 9 | 31 December<br>2023 |
|---|---|---------------------|
| <i>In millions of euros, at</i>             |   |                     |
| Current taxes                               | 1,685   | 2,942               |
| Deferred taxes                              | 4,247   | 3,614               |
| <b>Current and deferred tax assets</b>      | <b>5,932</b>  | <b>6,556</b>        |
| Current taxes                               | 2,042   | 2,725               |
| Deferred taxes                              | 937   | 1,096               |
| <b>Current and deferred tax liabilities</b> | <b>2,979</b>  | <b>3,821</b>        |

Change in deferred tax by nature over the period:

|  | 31 December<br>2022<br><i>restated</i><br>according to<br>IFRS 17 and 9 | Changes<br>recognised<br>in profit or<br>loss | Changes<br>recognised<br>in equity<br>that may<br>be<br>reclassified<br>to profit or<br>loss | Changes<br>recognised<br>in equity<br>that will<br>not be<br>reclassified<br>to profit or<br>loss | Effects of<br>exchange<br>rates,<br>consolidation<br>scope and<br>other<br>movements | 31 December<br>2023 |
|--|---|---|--|---|--|---------------------|
| <i>In millions of euros, at</i>                |   |   |  |   |  |                     |
| Financial instruments                          | (1,559)   | (49)  | (476)  | (46)  | 63   | (2,067)             |
| Provisions for employee<br>benefit obligations | 754   | 136   | -  | 53  | (46)   | 897                 |
| Unrealised finance lease<br>reserve            | (577)   | (24)  | -  | -   | 2  | (599)               |
| Credit risk impairment                         | 2,632   | (285)   | -  | -   | 5  | 2,352               |
| Tax loss carryforwards                         | 564   | 184   | -  | -   | (16)   | 732                 |

|                           |              |              |              |           |          |              |
|---------------------------|--------------|--------------|--------------|-----------|----------|--------------|
| Other items               | 1,496        | (280)        | (15)         | 5         | (3)      | 1,203        |
| <b>NET DEFERRED TAXES</b> | <b>3,310</b> | <b>(318)</b> | <b>(491)</b> | <b>12</b> | <b>5</b> | <b>2,518</b> |
| Deferred tax assets       | 4,247        |              |              |           |          | 3,614        |
| Deferred tax liabilities  | (937)        |              |              |           |          | (1,096)      |

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 132 million at 31 December 2023, with a 2-year expected recovery period (unlimited carryforward period).

Unrecognised deferred tax assets totalled EUR 541 million at 31 December 2023 (of which EUR 491 million of tax loss carryforwards) compared with EUR 1,585 million at 31 December 2022 (of which EUR 1,331 million of tax loss carryforwards), amount restated according to IFRS 17 and 9.

## 5.J ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

| <i>In millions of euros, at</i>                    | <b>31 December<br/>2023</b> | <b>31 December<br/>2022 restated<br/>according<br/>to IFRS 17 and<br/>9</b> |
|--|-----------------------------|---|
| Guarantee deposits and bank guarantees paid        | 119,187                     | 156,077   |
| Collection accounts                                | 773                         | 282   |
| Accrued income and prepaid expenses                | 5,400                       | 6,839   |
| Other debtors and miscellaneous assets             | 45,398                      | 45,345  |
| <b>TOTAL ACCRUED INCOME AND OTHER ASSETS</b>       | <b>170,758</b>              | <b>208,543</b>  |
| Guarantee deposits received                        | 87,612                      | 124,055   |
| Collection accounts                                | 3,124                       | 2,907   |
| Accrued expense and deferred income                | 8,265                       | 10,849  |
| Lease liabilities                                  | 3,058                       | 3,075   |
| Other creditors and miscellaneous liabilities      | 41,614                      | 44,124  |
| <b>TOTAL ACCRUED EXPENSE AND OTHER LIABILITIES</b> | <b>143,673</b>              | <b>185,010</b>  |

## 5.K EQUITY-METHOD INVESTMENTS

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

| <i>In millions of euros</i> | <b>Year to 31 Dec. 2023</b>        | <b>31 December<br/>2023</b>   | <b>Year to 31 Dec. 2022<br/>restated according to IFRS 17 and<br/>9</b> | <b>31 December<br/>2022<br/>restated<br/>according to<br/>IFRS 17 and<br/>9</b> |
|-----------------------------|------------------------------------|---|---|---|
|                             | <b>Share<br/>of net<br/>income</b> | <b>Share of<br/>changes in<br/>net income<br/>and<br/>investments</b> | <b>Share<br/>of net<br/>income</b>                                      | <b>Share of<br/>changes in<br/>net income<br/>and<br/>investments</b>           |
|                             | <b>Equity-<br/>method</b>          | <b>Share<br/>of net<br/>income</b>                                    | <b>Share of<br/>changes in<br/>net income<br/>and<br/>investments</b>   | <b>Equity-<br/>method</b>   |

|  |            | liabilities<br>recognised<br>directly in<br>equity | changes in<br>assets and<br>liabilities<br>recognised<br>directly in<br>equity |              |            | liabilities<br>recognised<br>directly in<br>equity | changes in<br>assets and<br>liabilities<br>recognised<br>directly in<br>equity |              |
|--|------------|--|--|--------------|------------|--|--|--------------|
| Joint ventures                           | (49)       | (64)   | (113)  | 1,784        | 19         |  | 19   | 1,445        |
| Associates <sup>(1)</sup>                | 642        | 16   | 658  | 4,967        | 636        | 53   | 689  | 4,628        |
| <b>TOTAL EQUITY-<br/>METHOD ENTITIES</b> | <b>593</b> | <b>(48)</b>  | <b>545</b>   | <b>6,751</b> | <b>655</b> | <b>53</b>  | <b>708</b>   | <b>6,073</b> |

(1) Including controlled but non-material entities consolidated under the equity method.

Financing and guarantee commitments given by the Group to joint ventures are listed in note 9.i *Other related parties*.

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

|                                    |                            |                    |                 | 31 December<br>2022<br><i>restated<br/>according to<br/>IFRS 17 and 9</i> |
|------------------------------------|----------------------------|--------------------|-----------------|---|
| <i>In millions of euros, at</i>    | Country of<br>registration | Activity           | Interest<br>(%) | 31 December<br>2023   |
| <b>Joint ventures</b>              |                            |                    |                 |   |
| Union de Creditos<br>Inmobiliarios | Spain                      | Retail mortgage    | 50%             | 256   |
| BoB Cardif Life Insurance          | China                      | Life Insurance     | 50%             | 240   |
| Genius Auto Finance Co Ltd         | China                      | Specialised loans  | 25%             | 290   |
| Pinnacle Pet Holding Ltd           | United Kingdom             | Insurance          | 25%             | 393   |
| <b>Associates</b>                  |                            |                    |                 |   |
| AG Insurance                       | Belgium                    | Insurance          | 25%             | 462   |
| Bank of Nanjing                    | China                      | Retail Banking     | 14%             | 2,813   |
| Allfunds Group Plc                 | United Kingdom             | Financial Services | 12%             | 312   |

## 5.L PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS, INVESTMENT PROPERTY

| 31 December 2023   |                |   |                    | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |   |                    |
|--|----------------|---|--------------------|--|---|--------------------|
| <i>In millions of euros, at</i>                                | Gross<br>value | Accumulated<br>depreciation,<br>amortisation<br>and<br>impairment | Carrying<br>amount | Gross value  | Accumulated<br>depreciation,<br>amortisation<br>and<br>impairment | Carrying<br>amount |
| <b>INVESTMENT PROPERTY</b>                                     | <b>785</b>     | <b>(299)</b>  | <b>486</b>         | <b>827</b>   | <b>(298)</b>  | <b>529</b>         |
| Land and buildings   | 11,317         | (4,633)   | 6,684              | 11,507   | (4,704)   | 6,803              |
| Equipment, furniture and fixtures                              | 7,007          | (5,321)   | 1,686              | 7,177  | (5,400)   | 1,777              |
| Plant and equipment leased as<br>lessor under operating leases | 45,720         | (10,567)  | 35,153             | 38,817   | (10,658)  | 28,159             |

|  |               |                 |               |               |                 |               |
|--|---------------|-----------------|---------------|---------------|-----------------|---------------|
| Other property, plant and equipment                          | 2,338         | (1,125)         | 1,213         | 2,318         | (1,118)         | 1,200         |
| <b>PROPERTY, PLANT AND EQUIPMENT</b>                         | <b>66,382</b> | <b>(21,646)</b> | <b>44,736</b> | <b>59,819</b> | <b>(21,880)</b> | <b>37,939</b> |
| Of which right of use  | 5,978         | (3,322)         | 2,656         | 6,000         | (3,294)         | 2,706         |
| <b>PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY</b> | <b>67,167</b> | <b>(21,945)</b> | <b>45,222</b> | <b>60,646</b> | <b>(22,178)</b> | <b>38,468</b> |
| Purchased software   | 3,853         | (3,145)         | 708           | 3,690         | (3,035)         | 655           |
| Internally developed software                                | 6,908         | (5,398)         | 1,510         | 6,345         | (5,000)         | 1,345         |
| Other intangible assets                                      | 2,547         | (623)           | 1,924         | 2,367         | (577)           | 1,790         |
| <b>INTANGIBLE ASSETS</b>                                     | <b>13,308</b> | <b>(9,166)</b>  | <b>4,142</b>  | <b>12,402</b> | <b>(8,612)</b>  | <b>3,790</b>  |

## 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 2023 is EUR 702 million, compared with EUR 736 million at 31 December 2022.

## Operating leases

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

| <i>In millions of euros, at</i>  | <b>31 December 2023</b> | <b>31 December 2022</b><br><i>restated according<br/>to IFRS 17 and 9</i> |
|--|-------------------------|---|
| <b>Future minimum lease payments receivable under non-cancellable leases</b> | <b>10,718</b>           | <b>8,221</b>  |
| <i>Payments receivable within 1 year</i>                                     | <i>4,570</i>            | <i>3,613</i>  |
| <i>Payments receivable after 1 year but within 5 years</i>                   | <i>6,105</i>            | <i>4,582</i>  |
| <i>Payments receivable beyond 5 years</i>                                    | <i>43</i>               | <i>26</i>   |

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 2023 was EUR 2,224 million, compared with EUR 2,284 million for the year ended 31 December 2022.

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 2023 amounted to EUR 19 million, compared with EUR 20 million for the year ended 31 December 2022.

## 5.M GOODWILL

| <i>In millions of euros, at</i>                        | <b>31 December 2023</b> | <b>31 December 2022</b><br><i>restated according<br/>to IFRS 17 and 9</i> |
|--|-------------------------|---|
| <b>CARRYING AMOUNT AT START OF PERIOD</b>              | <b>5,294</b>            | <b>5,121</b>  |
| Acquisitions   | 260                     | 215   |
| Divestments  | (7)                     | (15)  |
| Impairment recognised during the period                |                         | (28)  |
| Exchange rate adjustments                              | 2                       | 1   |
| <b>CARRYING AMOUNT AT END OF PERIOD</b>                | <b>5,549</b>            | <b>5,294</b>  |
| Gross value  | 8,639                   | 8,413   |
| Accumulated impairment recognised at the end of period | (3,090)                 | (3,119)   |

Goodwill by cash-generating unit is as follows:

| In millions of euros   | Carrying amount  |                                     | Recognised impairment |                                     | Acquisitions     |                                     |
|--|------------------|-------------------------------------|-----------------------|-------------------------------------|------------------|-------------------------------------|
|  | 31 December 2022 |                                     | Year to 31 Dec. 2022  |                                     | 31 December 2022 |                                     |
|  | 31 December 2023 | restated according to IFRS 17 and 9 | Year to 31 Dec. 2023  | restated according to IFRS 17 and 9 | 31 December 2023 | restated according to IFRS 17 and 9 |
| <b>Corporate &amp; Institutional Banking</b>                                 | <b>1,275</b>     | <b>1,215</b>                        | -                     | -                                   | <b>67</b>        | -                                   |
| Global Banking   | 277              | 279                                 |                       |                                     |                  |                                     |
| Global Markets   | 549              | 490                                 |                       |                                     | 67               |                                     |
| Securities Services  | 449              | 446                                 |                       |                                     |                  |                                     |
| <b>Commercial, Personal Banking &amp; Services</b>                           | <b>3,058</b>     | <b>2,894</b>                        | -                     | (19)                                | <b>166</b>       | <b>215</b>                          |
| Arval  | 633              | 608                                 |                       |                                     | 23               | 96                                  |
| Leasing Solutions  | 147              | 148                                 |                       |                                     |                  |                                     |
| Personal Finance   | 1,432            | 1,291                               |                       | (19)                                | 143              | 61                                  |
| Personal Investors   | 562              | 564                                 |                       |                                     |                  |                                     |
| New Digital Businesses   | 220              | 220                                 |                       |                                     |                  | 61                                  |
| Other  | 64               | 63                                  |                       |                                     |                  | (3)                                 |
| <b>Investment &amp; Protection Services</b>                                  | <b>1,213</b>     | <b>1,182</b>                        | -                     | (9)                                 | <b>27</b>        | -                                   |
| Asset Management   | 197              | 190                                 |                       |                                     | 9                |                                     |
| Insurance  | 299              | 281                                 |                       |                                     | 18               |                                     |
| Real Estate  | 404              | 402                                 |                       |                                     |                  |                                     |
| Wealth Management  | 313              | 309                                 |                       | (9)                                 |                  |                                     |
| <b>Other Activities</b>  | <b>3</b>         | <b>3</b>                            | -                     | -                                   | -                | -                                   |
| <b>TOTAL GOODWILL</b>  | <b>5,549</b>     | <b>5,294</b>                        | -                     | (28)                                | <b>260</b>       | <b>215</b>                          |
| Negative goodwill  |                  |                                     | -                     | 277                                 |                  |                                     |
| <b>CHANGE IN VALUE OF GOODWILL RECOGNISED IN THE PROFIT AND LOSS ACCOUNT</b> |                  |                                     | -                     | <b>249</b>                          |                  |                                     |

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 3.g).

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

**Global Banking:** Global 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 Global Macro (Foreign Exchange,

Global Rates, Local Markets, Commodity Derivatives), Global Credit (DCM Bonds, Credit, Securitisation) and Global Equities (Equities, Cash Equities and Prime Services).

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

**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.

**Personal Finance:** BNP Paribas Personal Finance is the Group's consumer credit specialist. Through its brands and partnerships such as Cetelem, Cofinoga, Findomestic, AlphaCredit or Stellantis Financial Services, 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.

**Personal Investors:** BNP Paribas Personal Investors is a digital specialist of banking and investment services. Based in Germany and India, 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.

**New Digital Businesses:** they include the account management service "Nickel" and Floa since January 2022. Nickel is 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 10,000 points of sale in France, Spain, Belgium, Portugal and Germany. Floa offers consumers split payments, mini-loans and bank cards. The Company is a partner of major e-retailers, key players in travel and FinTechs, for which it develops tailor-made services. Already leader in France in payment facilities, Floa is present in Spain, Belgium, Italy and Portugal.

**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). 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, private asset and real asset 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 offers 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.

**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.

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**

| <i>In millions of euros</i>        | <b>Personal Finance</b> |
|------------------------------------|-------------------------|
| <b>Cost of capital</b>             | <b>10.3%</b>            |
| Adverse change (+10 basis points)  | (150)                   |
| Positive change (-10 basis points) | 154                     |
| <b>Cost/income ratio</b>           | <b>46.4%</b>            |
| Adverse change (+1%)               | (372)                   |
| Positive change (-1%)              | 372                     |
| <b>Cost of risk</b>                | <b>(1,719)</b>          |
| Adverse change (+5%)               | (504)                   |
| Positive change (-5%)              | 504                     |
| <b>Growth rate to perpetuity</b>   | <b>2.0%</b>             |
| Adverse change (-50 basis points)  | (218)                   |
| Positive change (+50 basis points) | 246                     |

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

## 5.N PROVISIONS FOR CONTINGENCIES AND CHARGES

### PROVISIONS FOR CONTINGENCIES AND CHARGES BY TYPE

| <i>In millions of euros, at</i>  | <b>31 December<br/>2022<br/>restated<br/>according to<br/>IFRS 17 and 9</b> | <b>Net additions<br/>to provisions</b> | <b>Provisions<br/>used</b> | <b>Changes in<br/>value<br/>recognised<br/>directly in<br/>equity</b> | <b>Effect of<br/>movements<br/>in exchange<br/>rates and<br/>other<br/>movements</b> | <b>31 December<br/>2023</b> |
|--|---|--|----------------------------|---|--|-----------------------------|
| Provisions for employee benefits   | 6,117   | 1,473                                  | (1,243)                    | 246   | (84)   | 6,509                       |
| of which post-employment benefits<br>(note 8.b)  | 3,160   | 174                                    | (296)                      | 253   | (93)   | 3,198                       |
| of which post-employment<br>healthcare benefits (note 8.b)   | 83  | 5                                      | (2)                        | (7)   | (1)  | 78                          |
| of which provision for other long-<br>term benefits (note 8.c)   | 1,546   | 391                                    | (367)                      |   | 1  | 1,571                       |
| of which provision for voluntary<br>departure, early retirement plans, and<br>headcount adaptation plan (note 8.d) | 270   | 314                                    | (105)                      |   | 3  | 482                         |
| of which provision for share-based<br>payments (note 8.e)  | 1,059   | 589                                    | (473)                      |   | 5  | 1,180                       |
| Provisions for home savings<br>accounts and plans  | 47  | 1                                      | -                          |   | -  | 48                          |

|   |               |              |                |            |           |               |
|---|---------------|--------------|----------------|------------|-----------|---------------|
| Provisions for credit commitments<br>(note 3.g)           | 1,430         | (56)         | (45)           | (59)       | 1,270     |               |
| Provisions for litigations                                | 1,172         | 411          | (337)          | (241)      | 1,005     |               |
| Other provisions for contingencies<br>and charges         | 1,274         | 104          | (174)          | 482        | 1,686     |               |
| <b>TOTAL PROVISIONS FOR<br/>CONTINGENCIES AND CHARGES</b> | <b>10,040</b> | <b>1,933</b> | <b>(1,799)</b> | <b>246</b> | <b>98</b> | <b>10,518</b> |

In 2023, the Group modified its accounting policy relating to the risk of loss of cash flows on financial instruments granted that are not linked to the counterparty's default, such as legal risks calling into question the validity or enforceability of such contracts (see note 3.h).

The effect on expected cash flows due to these risks is now considered as a change in the contract's cash flows, in accordance with IFRS 9 B5.4.6, and is recorded as a decrease in the gross value of the asset. It was previously recognised separately in accordance with IAS 37 in "Provisions for risks and charges" (see note 5.n). Expected losses on derecognised financial instruments, as is the case when loans have been repaid, continue to be recognised in accordance with IAS 37.

As a result, EUR 313 million previously presented in "Provisions for litigations" were deducted from "Financial assets at amortised cost".

As of 31 December 2023, reserves related to the uncertainty on the residual value of Arval's vehicles previously recognised as a decrease in assets were included in "Other provisions for contingencies and charges".

## PROVISIONS AND DISCOUNT FOR HOME SAVINGS ACCOUNTS AND PLANS

| <i>In millions of euros, at</i>   | <b>31 December</b> |   |
|---|--------------------|---|
|   | <b>2023</b>        | <b>2022</b><br><i>restated<br/>according to<br/>IFRS 17 and 9</i> |
| <b>Deposits collected under home savings accounts and plans</b>               | <b>14,606</b>      | <b>16,547</b>   |
| of which deposits collected under home savings plans                          | 12,426             | 14,409  |
| <i>Aged more than 10 years</i>  | 6,695              | 6,332   |
| <i>Aged between 4 and 10 years</i>  | 4,926              | 7,227   |
| <i>Aged less than 4 years</i>   | 805                | 850   |
| <b>Outstanding loans granted under home savings accounts and plans</b>        | <b>9</b>           | <b>10</b>   |
| of which loans granted under home savings plans                               | 4                  | 2   |
| <b>Provisions and discount recognised for home savings accounts and plans</b> | <b>48</b>          | <b>47</b>   |
| provisions recognised for home savings plans                                  | 33                 | 42  |
| provisions recognised for home savings accounts                               | 15                 | 5   |
| discount recognised for home savings accounts and plans                       | -                  | -   |

## 5.0 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.

| <i>In millions of euros,<br/>at 31 December 2023</i>                                     | <b>Gross<br/>amounts of<br/>financial<br/>assets</b> | <b>Gross<br/>amounts<br/>set off on<br/>the<br/>balance<br/>sheet</b> | <b>Net<br/>amounts<br/>presented<br/>on the<br/>balance<br/>sheet</b> | <b>Impact of<br/>Master<br/>Netting<br/>Agreements<br/>(MNA) and<br/>similar<br/>agreements</b> | <b>Financial<br/>instruments<br/>received as<br/>collateral</b> | <b>Net<br/>amounts</b> |
|--|--|---|---|---|---|------------------------|
| <b>Assets</b>  |  |   |   |   |   |                        |
| Financial instruments at fair value through profit or loss                               |  |   |   |   |   |                        |
| Securities   | 211,634  |   | 211,634   |   |   | 211,634                |
| Loans and repurchase agreements  | 462,109  | (234,934)   | 227,175   | (28,383)  | (181,529)   | 17,263                 |
| Derivative financial instruments<br>(including derivatives used for<br>hedging purposes) | 890,604  | (576,833)   | 313,771   | (213,517)   | (51,325)  | 48,929                 |
| Financial assets at amortised cost   | 1,005,096  | (400)   | 1,004,696   | (676)   | (4,325)   | 999,695                |
| <i>of which repurchase agreements</i>  | <i>5,813</i>   | <i>(400)</i>  | <i>5,413</i>  | <i>(676)</i>  | <i>(4,325)</i>  | <i>412</i>             |
| Accrued income and other assets  | 170,758  |   | 170,758   |   | (40,664)  | 130,094                |
| <i>of which guarantee deposits paid</i>  | <i>119,187</i>                                       |   | <i>119,187</i>  |   | <i>(40,664)</i>   | <i>78,523</i>          |
| Other assets not subject to offsetting   | 663,465  |   | 663,465   |   |   | 663,465                |
| <b>TOTAL ASSETS</b>  | <b>3,403,666</b>                                     | <b>(812,167)</b>  | <b>2,591,499</b>  | <b>(242,576)</b>  | <b>(277,843)</b>  | <b>2,071,080</b>       |

| <i>In millions of euros,<br/>at 31 December 2023</i>                                     | <b>Gross<br/>amounts of<br/>financial<br/>liabilities</b> | <b>Gross<br/>amounts<br/>set off on<br/>the<br/>balance<br/>sheet</b> | <b>Net<br/>amounts<br/>presented<br/>on the<br/>balance<br/>sheet</b> | <b>Impact of<br/>Master<br/>Netting<br/>Agreements<br/>(MNA) and<br/>similar<br/>agreements</b> | <b>Financial<br/>instruments<br/>given as<br/>collateral</b> | <b>Net<br/>amounts</b> |
|--|---|---|---|---|--|------------------------|
| <b>Liabilities</b>   |   |   |   |   |  |                        |
| Financial instruments at fair value through profit or loss                               |   |   |   |   |  |                        |
| Securities   | 104,910   |   | 104,910   |   |  | 104,910                |
| Deposits and repurchase agreements   | 508,548   | (234,934)   | 273,614   | (26,113)  | (231,737)  | 15,764                 |
| Issued debt securities   | 83,763  |   | 83,763  |   |  | 83,763                 |
| Derivative financial instruments<br>(including derivatives used for<br>hedging purposes) | 893,736   | (576,833)   | 316,903   | (213,517)   | (41,756)   | 61,630                 |
| Financial liabilities at amortised cost  | 1,084,124   | (400)   | 1,083,724   | (2,946)   | (26,145)   | 1,054,633              |
| <i>of which repurchase agreements</i>  | <i>31,269</i>   | <i>(400)</i>  | <i>30,869</i>   | <i>(2,946)</i>  | <i>(26,145)</i>  | <i>1,778</i>           |
| Accrued expense and other liabilities  | 143,673   |   | 143,673   |   | (46,631)   | 97,042                 |
| <i>of which guarantee deposits<br/>received</i>  | <i>87,612</i>   |   | <i>87,612</i>   |   | <i>(46,631)</i>  | <i>40,981</i>          |
| Other liabilities not subject to offsetting  | 456,045   |   | 456,045   |   |  | 456,045                |

|                          |                  |                  |                  |                  |                  |                  |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>TOTAL LIABILITIES</b> | <b>3,274,799</b> | <b>(812,167)</b> | <b>2,462,632</b> | <b>(242,576)</b> | <b>(346,269)</b> | <b>1,873,787</b> |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|

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| <i>In millions of euros,<br/>at 31 December 2022<br/>restated according to IFRS 17 and 9</i> | <b>Gross<br/>amounts of<br/>financial<br/>assets</b> | <b>Gross<br/>amounts<br/>set off on<br/>the<br/>balance<br/>sheet</b> | <b>Net<br/>amounts<br/>presented<br/>on the<br/>balance<br/>sheet</b> | <b>Impact of<br/>Master<br/>Netting<br/>Agreements<br/>(MNA) and<br/>similar<br/>agreements</b> | <b>Financial<br/>instruments<br/>received as<br/>collateral</b> | <b>Net<br/>amounts</b> |
|--|--|---|---|---|---|------------------------|
| <b>Assets</b>  |  |   |   |   |   |                        |
| Financial instruments at fair value through profit or loss                                   |  |   |   |   |   |                        |
| Securities   | 166,077  |   | 166,077   |   |   | 166,077                |
| Loans and repurchase agreements  | 334,401  | (143,276)   | 191,125   | (27,377)  | (147,368)   | 16,380                 |
| Derivative financial instruments<br>(including derivatives used for<br>hedging purposes)     | 980,162  | (626,829)   | 353,333   | (228,379)   | (64,980)  | 59,974                 |
| Financial assets at amortised cost   | 1,003,650  |   | 1,003,650   | (966)   | (5,198)   | 997,486                |
| <i>of which repurchase agreements</i>  | <i>6,742</i>   |   | <i>6,742</i>  | <i>(966)</i>  | <i>(5,198)</i>  | <i>578</i>             |
| Accrued income and other assets  | 208,543  |   | 208,543   |   | (44,982)  | 163,561                |
| <i>of which guarantee deposits paid</i>  | <i>156,077</i>                                       |   | <i>156,077</i>  |   | <i>(44,982)</i>   | <i>111,095</i>         |
| Other assets not subject to offsetting   | 741,020  |   | 741,020   |   |   | 741,020                |
| <b>TOTAL ASSETS</b>  | <b>3,433,853</b>                                     | <b>(770,105)</b>  | <b>2,663,748</b>  | <b>(256,722)</b>  | <b>(262,528)</b>  | <b>2,144,498</b>       |

| <i>In millions of euros,<br/>at 31 December 2022<br/>restated according to IFRS 17 and 9</i> | <b>Gross<br/>amounts of<br/>financial<br/>liabilities</b> | <b>Gross<br/>amounts<br/>set off on<br/>the<br/>balance<br/>sheet</b> | <b>Net<br/>amounts<br/>presented<br/>on the<br/>balance<br/>sheet</b> | <b>Impact of<br/>Master<br/>Netting<br/>Agreements<br/>(MNA) and<br/>similar<br/>agreements</b> | <b>Financial<br/>instruments<br/>given as<br/>collateral</b> | <b>Net<br/>amounts</b> |
|--|---|---|---|---|--|------------------------|
| <b>Liabilities</b>   |   |   |   |   |  |                        |
| Financial instruments at fair value through profit or loss                                   |   |   |   |   |  |                        |
| Securities   | 99,155  |   | 99,155  |   |  | 99,155                 |
| Deposits and repurchase agreements   | 377,352   | (143,276)   | 234,076   | (27,376)  | (184,013)  | 22,687                 |
| Issued debt securities   | 65,578  |   | 65,578  |   |  | 65,578                 |
| Derivative financial instruments<br>(including derivatives used for<br>hedging purposes)     | 966,951   | (626,829)   | 340,122   | (228,379)   | (44,335)   | 67,408                 |
| Financial liabilities at amortised cost  | 1,132,774   |   | 1,132,774   | (967)   | (6,500)  | 1,125,307              |
| <i>of which repurchase agreements</i>  | <i>8,268</i>  |   | <i>8,268</i>  | <i>(967)</i>  | <i>(6,500)</i>   | <i>801</i>             |
| Accrued expense and other liabilities  | 185,010   |   | 185,010   |   | (57,443)   | 127,567                |
| <i>of which guarantee deposits received</i>  | <i>124,055</i>  |   | <i>124,055</i>  |   | <i>(57,443)</i>  | <i>66,612</i>          |
| Other liabilities not subject to offsetting  | 481,023   |   | 481,023   |   |  | 481,023                |

|                          |                  |                  |                  |                  |                  |                  |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>TOTAL LIABILITIES</b> | <b>3,307,843</b> | <b>(770,105)</b> | <b>2,537,738</b> | <b>(256,722)</b> | <b>(292,291)</b> | <b>1,988,725</b> |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|

## 5.P 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:

|  | <b>31 December 2023</b>                      |  | <b>31 December 2022</b>                      |  |
|--|--|--|--|--|
|  |  |  | <i>restated according to IFRS 17 and 9</i>   |  |
| <i>In millions of euros, at</i>                            | <b>Carrying amount of transferred assets</b> | <b>Carrying amount of associated liabilities</b> | <b>Carrying amount of transferred assets</b> | <b>Carrying amount of associated liabilities</b> |
| <b>Securities lending operations</b>                       |  |  |  |  |
| Financial instruments at fair value through profit or loss | 7,565  |  | 6,274  |  |
| Financial assets at amortised cost                         | 474  |  | 1,410  |  |
| Financial assets at fair value through equity              | 39   |  | 75   |  |
| <b>Repurchase agreements</b>                               |  |  |  |  |
| Financial instruments at fair value through profit or loss | 49,747                                       | 49,700   | 33,550                                       | 33,547   |
| Financial assets at amortised cost                         | 5,949  | 5,949  | 6,311  | 6,287  |
| Financial assets at fair value through equity              | 1,936  | 1,936  | 459  | 459  |
| Financial investments of insurance activities              | 8,995  | 8,316  | 6,312  | 6,895  |
| <b>TOTAL</b>   | <b>74,705</b>                                | <b>65,901</b>                                    | <b>54,391</b>                                | <b>47,188</b>                                    |

### SECURITISATION TRANSACTIONS PARTIALLY REFINANCED BY EXTERNAL INVESTORS, WHOSE RECOURSE IS LIMITED TO THE TRANSFERRED ASSETS:

| <i>In millions of euros, at<br/>31 December 2023</i> | <b>Carrying amount of transferred assets</b> | <b>Carrying amount of associated liabilities</b> | <b>Fair value of transferred assets</b> | <b>Fair value of associated liabilities</b> | <b>Net position</b> |
|--|--|--|---|---|---------------------|
| <b>Securitisation</b>                                |  |  |   |   |                     |
| Financial assets at amortised cost                   | 27,995                                       | 26,355   | 28,032                                  | 26,278                                      | 1,754               |
| <b>TOTAL</b>   | <b>27,995</b>                                | <b>26,355</b>                                    | <b>28,032</b>                           | <b>26,278</b>                               | <b>1,754</b>        |

| <i>In millions of euros, at<br/>31 December 2022<br/>restated according to IFRS 17 and 9</i> | <b>Carrying amount of transferred assets</b> | <b>Carrying amount of associated liabilities</b> | <b>Fair value of transferred assets</b> | <b>Fair value of associated liabilities</b> | <b>Net position</b> |
|--|--|--|---|---|---------------------|
| <b>Securitisation</b>  |  |  |   |   |                     |

|                                    |               |               |               |               |              |
|------------------------------------|---------------|---------------|---------------|---------------|--------------|
| Financial assets at amortised cost | 24,126        | 23,326        | 24,164        | 22,112        | 2,052        |
| <b>TOTAL</b>                       | <b>24,126</b> | <b>23,326</b> | <b>24,164</b> | <b>22,112</b> | <b>2,052</b> |

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

## NOTE 6 NOTES RELATED TO INSURANCE ACTIVITIES

### 6.A NET INCOME FROM INSURANCE ACTIVITIES

The various income and expenses of insurance contracts are broken down in the "Net income from insurance activities" as follows:

- "Insurance revenue" include revenue from insurance activities related to groups of insurance contracts issued. Insurance revenue reflects the provision of services relating to a group of contracts in an amount corresponding to the consideration to which the insurer expects to be entitled in exchange for those services;
- "Insurance service expenses": actual charges attributable to insurance contracts incurred over the period, changes related to past and current service, amortisation of acquisition costs, and the loss component for onerous contracts;
- "Investment return";
- "Net finance income or expenses from insurance contracts" include the change in the carrying amount of insurance contracts resulting from the undiscounting effect, and the financial risk including changes in financial assumptions.

| <i>In millions of euros</i>                             | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to 31<br/>Dec. 2022<br/><i>restated</i><br/>according to<br/>IFRS 17 and 9</b> |
|---|---------------------------------|--|
| Insurance revenue                                       | 8,945                           | 8,759  |
| Insurance service expenses <sup>(1)</sup>               | (6,786)                         | (6,619)  |
| Investment return                                       | 10,254                          | (12,077)   |
| Net finance income or expenses from insurance contracts | (10,093)                        | 11,838   |
| <b>NET INCOME FROM INSURANCE ACTIVITIES</b>             | <b>2,320</b>                    | <b>1,901</b>   |

(1) Insurance service expenses include attributable expenses which amounted to -EUR 3,723 million for the year ended 2023, compared to -EUR 3,641 million for the year ended 2022 (see note 6.b).

### Insurance service result

"Insurance service result" includes:

- "Insurance revenue": for contracts under the variable fee approach and under the building block approach it represents the release of fulfilment insurance contracts cash flows over the period (excluding changes in investment component and the amount allocated to the loss component), change in the non-financial risk adjustment, amortisation of the contractual service margin for services provided over the period, the amount allocated for the amortisation of acquisition cost, and experience adjustments related to premiums.

For contracts under the variable fee approach, the amortisation of the margin on contractual services is determined after adjusting the difference between the real-world expected financial return and the risk-neutral projection. The main financial assumptions underlying the calculation of the real-world expected financial return are those adopted by the Group over the horizon of the strategic plan. Beyond this horizon, the interest rate and return assumptions used are determined in line with those underlying the risk-neutral projection.

The recovery of insurance acquisition cash flows corresponds to the portion of the premiums that relate to recovering these cash flows and the same amount is recognised as an expense on the line "Amortisation of insurance acquisition cash flows".

For contracts under the simplified measurement model, revenue represents expected cash flows over the period;

- "Insurance service expenses" include incurred and past claims expenses of the period (excluding repayments of investment component) and other expenses that have been incurred related to insurance activities. Other insurance service expenses



include the amortisation of insurance acquisition cash flows; changes that relate to past services and changes that relate to future services. This line includes also the operating expenses and depreciation and amortisation attributable to insurance contracts;

- "Net expenses from reinsurance contracts held" are service expenses from reinsurance net of amounts recovered from reinsurers.

| <i>In millions of euros</i>   | <b>Year to 31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022</b><br><i>restated according to<br/>IFRS 17 and 9</i> |
|---|-----------------------------|---|
| <b>Contracts not measured under the premium allocation approach</b> | <b>5,435</b>                | <b>5,489</b>  |
| Changes in the liability for remaining coverage                     | 2,221                       | 2,145   |
| Change in the risk adjustment                                       | 122                         | 102   |
| Contractual service margin  | 1,825                       | 1,828   |
| Recovery of insurance acquisition cash flows                        | 1,267                       | 1,414   |
| <b>Contracts measured under the premium allocation approach</b>     | <b>3,510</b>                | <b>3,270</b>  |
| Insurance revenue   | 8,945                       | 8,759   |
| Incurred claims and expenses  | (3,928)                     | (3,591)   |
| Amortisation of insurance acquisition cash flows                    | (2,612)                     | (2,678)   |
| Changes that relate to past service                                 | 249                         | 151   |
| Loss component recognised in profit or loss                         | (62)                        | (75)  |
| Net expenses from reinsurance contracts held                        | (433)                       | (426)   |
| Insurance service expenses  | (6,786)                     | (6,619)   |
| <b>INSURANCE SERVICE RESULT</b>                                     | <b>2,159</b>                | <b>2,140</b>  |

## Financial result

“Financial Result” includes “Investment return” and “Net finance income or expenses from insurance contracts.”

“Investment return” includes net income from financial instruments and from investment properties.

“Changes in fair value of underlying items of direct participation contracts” reflects the changes in value of underlying investments for the amount which was not recognised directly in equity, and excluding the portion of these changes adjusting the contract service margin.

“Other insurance financial expenses” measured under the general model and under the simplified model represent the change in technical liabilities arising from financial risks (discount rates variations, forex rates, time value and financial variations expected in the contracts) for the amount which was not recognised directly in equity.

| <i>In millions of euros</i>  | <b>Year to 31 Dec. 2023</b> | <b>Year to 31 Dec. 2022</b><br><i>restated according to<br/>IFRS 17 and 9</i> |
|--|-----------------------------|---|
| Net interest income  | 2,376                       | 2,698   |
| Net gain on financial instruments at fair value through equity         | (432)                       | (574)   |
| <i>Net gain on debt instruments</i>                                    | <i>(445)</i>                | <i>(598)</i>  |
| <i>Dividend income on equity instruments</i>                           | <i>13</i>                   | <i>24</i>   |
| Net gain on financial instruments at fair value through profit or loss | 9,040                       | (14,073)  |
| Cost of risk   | 24                          | 22  |
| Investment property income   | (672)                       | (79)  |
| Share of earnings of equity-method investments                         | (6)                         | (3)   |
| Other expenses   | (76)                        | (68)  |
| <b>Investment return</b>   | <b>10,254</b>               | <b>(12,077)</b>   |

|   |                 |               |
|---|-----------------|---------------|
| Changes in fair value of underlying items of direct participation contracts | (9,940)         | 11,968        |
| Other insurance financial expenses  | (153)           | (130)         |
| <b>Net finance income or expenses from insurance contracts</b>              | <b>(10,093)</b> | <b>11,838</b> |
| <b>FINANCIAL RESULT</b>   | <b>161</b>      | <b>(239)</b>  |

## 6.B RECONCILIATION OF EXPENSES BY TYPE AND BY FUNCTION

| <i>In millions of euros</i>  | <b>Year to 31 Dec. 2023</b> | <b>Year to 31 Dec. 2022</b><br><i>restated according to IFRS 17 and 9</i> |
|--|-----------------------------|---|
| Commissions and other expenses   | (2,494)                     | (2,217)   |
| Expenses incurred by internal distributors (see note 3.f)  | (1,041)                     | (1,056)   |
| Salary and employee benefit expense  | (778)                       | (728)   |
| Taxes and contributions  | (86)                        | (95)  |
| Depreciation, amortisation and impairment of property, plant and equipment and intangible assets | (32)                        | (63)  |
| <b>TOTAL EXPENSES BY TYPE</b>  | <b>(4,431)</b>              | <b>(4,159)</b>  |
| Acquisition cash flows incurred over the period  | 2,562                       | 2,483   |
| Amortisation of acquisition cash flows   | (2,612)                     | (2,678)   |
| <b>TOTAL EXPENSES BY TYPE ADJUSTED FOR ACQUISITION CASH FLOWS AMORTISATION EFFECT</b>            | <b>(4,481)</b>              | <b>(4,354)</b>  |
| Insurance contracts attributable expenses (see note 6.a)   | (3,723)                     | (3,641)   |
| Insurance activities non-attributable costs (see note 3.f)                                       | (758)                       | (713)   |

Acquisition cash flows over the period are deducted from total expenses and amortised over the coverage period of the contracts.

## 6.C INVESTMENTS, OTHER ASSETS AND FINANCIAL LIABILITIES RELATED TO INSURANCE ACTIVITIES

### INVESTMENTS AND OTHER ASSETS RELATED TO INSURANCE ACTIVITIES

| <i>In millions of euros, at</i>                       | <b>31 December 2023</b> | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |
|---|-------------------------|---|
| Derivative financial instruments                      | 1,658                   | 1,728   |
| Derivatives used for hedging purposes                 | 36                      |   |
| Financial assets at fair value through profit or loss | 156,758                 | 143,985   |
| Financial assets at fair value through equity         | 89,139                  | 89,025  |
| Financial assets at amortised cost                    | 1,267                   | 1,153   |
| Investment properties                                 | 7,491                   | 8,819   |
| Equity-method investments                             | 89                      | 114   |

|   |                |                |
|---|----------------|----------------|
| Assets related to insurance activities (note 6.d)                   | 660            | 651            |
| <b>INVESTMENTS AND OTHER ASSETS RELATED TO INSURANCE ACTIVITIES</b> | <b>257,098</b> | <b>245,475</b> |

#### FINANCIAL LIABILITIES RELATED TO INSURANCE ACTIVITIES

“Financial liabilities related to insurance activities” comprise unit-linked investment contracts without discretionary participating features. Those contracts are measured under IFRS 9 at fair value through profit or loss.

| <i>In millions of euros, at</i>  | <b>31 December 2023</b> | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |
|--|-------------------------|---|
| Derivative financial instruments   | 1,138                   | 1,502   |
| Derivatives used for hedging purposes  | 152                     | 348   |
| Deposit at fair value through profit or loss   | 1,063                   | 1,148   |
| Debt representative of shares of consolidated funds held by third parties                | 5,802                   | 5,675   |
| Investment contracts without discretionary participation feature - Unit-linked contracts | 8,427                   | 8,255   |
| Other debts  | 1,657                   | 1,930   |
| <b>FINANCIAL LIABILITIES RELATED TO INSURANCE ACTIVITIES</b>                             | <b>18,239</b>           | <b>18,858</b>   |

#### MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The criteria for allocating instruments to each level of the fair value hierarchy, the measurement methods, and the principles governing transfers between levels are those presented in note 5.d for the Group's financial instruments.

| <i>In millions of euros, at</i>  | <b>31 December 2023</b> |                |                |                | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |                |                |                |
|--|-------------------------|----------------|----------------|----------------|---|----------------|----------------|----------------|
|  | <b>Level 1</b>          | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   | <b>Level 1</b>  | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>   |
| <b>Financial assets designated as at fair value through profit or loss</b>   | <b>85,585</b>           | <b>56,294</b>  | <b>14,879</b>  | <b>156,758</b> | <b>83,905</b>   | <b>46,913</b>  | <b>13,167</b>  | <b>143,985</b> |
| Equity instruments   | 79,269                  | 41,846         | 14,779         | 135,894        | 77,484  | 34,083         | 13,127         | 124,694        |
| Debt securities  | 6,316                   | 13,740         | 41             | 20,097         | 6,421   | 12,317         | 24             | 18,762         |
| Loans  |                         | 708            | 59             | 767            |   | 513            | 16             | 529            |
| <b>Financial assets at fair value through equity</b>                         | <b>81,018</b>           | <b>8,106</b>   | <b>15</b>      | <b>89,139</b>  | <b>80,167</b>   | <b>8,663</b>   | <b>195</b>     | <b>89,025</b>  |
| Equity instruments   | 646                     |                |                | 646            | 210   |                |                | 210            |
| Debt securities  | 80,372                  | 8,106          | 15             | 88,493         | 79,957  | 8,663          | 195            | 88,815         |
| <b>Derivative financial instruments</b>                                      | <b>2</b>                | <b>1,678</b>   | <b>14</b>      | <b>1,694</b>   | <b>-</b>  | <b>1,709</b>   | <b>19</b>      | <b>1,728</b>   |
| <b>FINANCIAL ASSETS MEASURED AT FAIR VALUE</b>                               | <b>166,605</b>          | <b>66,078</b>  | <b>14,908</b>  | <b>247,591</b> | <b>164,072</b>  | <b>57,285</b>  | <b>13,381</b>  | <b>234,738</b> |
| <b>Financial liabilities designated at fair value through profit or loss</b> | <b>8,741</b>            | <b>5,923</b>   | <b>628</b>     | <b>15,292</b>  | <b>7,205</b>  | <b>7,213</b>   | <b>660</b>     | <b>15,078</b>  |
| Deposit at fair value through profit or loss                                 |                         | 1,063          |                | 1,063          |   | 1,148          |                | 1,148          |
| Debt representative of shares of consolidated funds held by third parties    | 2,625                   | 3,177          |                | 5,802          | 1,881   | 3,794          |                | 5,675          |

|  |              |              |            |               |              |              |              |               |
|--|--------------|--------------|------------|---------------|--------------|--------------|--------------|---------------|
| Investment contracts without discretionary participation feature - Unit-linked contracts | 6,116        | 1,683        | 628        | 8,427         | 5,324        | 2,271        | 660          | 8,255         |
| <b>Derivative financial instruments</b>  | <b>127</b>   | <b>977</b>   | <b>186</b> | <b>1,290</b>  | <b>-</b>     | <b>1,485</b> | <b>365</b>   | <b>1,850</b>  |
| <b>FINANCIAL LIABILITIES MEASURED AT FAIR VALUE</b>                                      | <b>8,868</b> | <b>6,900</b> | <b>814</b> | <b>16,582</b> | <b>7,205</b> | <b>8,698</b> | <b>1,025</b> | <b>16,928</b> |

Level 1 includes notably equity securities and liquid bonds, derivative instruments traded on organised markets (futures, options, etc.), shares of funds and UCITS, for which the net asset value is calculated on a daily basis.

Level 2 includes equity securities, government bonds, corporate debt securities, shares of funds and UCITS, and over-the-counter derivatives.

Level 3 includes units of funds and unlisted equity shares which are mainly company shares and venture capital.

#### TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

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

|  | Financial assets   |   |               | Financial liabilities                                      |                |
|--|--|---|---------------|--|----------------|
|  | Financial instruments at fair value through profit or loss | Financial assets at fair value through equity | Total         | Financial instruments at fair value through profit or loss | Total          |
| <i>In millions of euros</i>  |  |   |               |  |                |
| <b>AT 31 DECEMBER 2022</b>   |  |   |               |  |                |
| <i>restated according to IFRS 17 and 9</i>                           | <b>13,186</b>  | <b>195</b>                                    | <b>13,381</b> | <b>(1,025)</b>   | <b>(1,025)</b> |
| Purchases  | 2,179  | 9   | 2,188         |  |                |
| Sales  | (771)  | (47)  | (818)         |  |                |
| Settlements  | (194)  |   | (194)         | 214  | 214            |
| Transfers to Level 3   | 1,193  |   | 1,193         |  |                |
| Transfers from Level 3   | (569)  | (136)   | (705)         |  |                |
| Gains recognised in profit or loss                                   | (129)  |   | (129)         |  |                |
| Items related to exchange rate movement                              | (2)  |   | (2)           | (3)  | (3)            |
| Changes in fair value of assets and liabilities recognised in equity |  | (6)   | (6)           |  |                |
| <b>AT 31 DECEMBER 2023</b>   | <b>14,893</b>  | <b>15</b>                                     | <b>14,908</b> | <b>(814)</b>   | <b>(814)</b>   |

#### FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

|                                 | 31 December 2023 |   | 31 December 2022                           |   |
|---------------------------------|------------------|---|--|---|
|                                 |                  |   | <i>restated according to IFRS 17 and 9</i> |   |
|                                 | Fair value       | of which changes in value recognised directly to equity | Fair Value                                 | of which changes in value recognised directly to equity |
| <i>In millions of euros, at</i> |                  |   |  |   |
| Debt securities                 | 88,493           | (5,154)   | 88,815                                     | (10,261)  |
| Equity securities               | 646              | 70  | 210  | 11  |

**TOTAL FINANCIAL ASSETS AT FAIR VALUE  
THROUGH EQUITY**

89,139

(5,084)

89,025

(10,250)

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 2023, the Group sold several of these investments and a net gain of EUR 26 million was transferred to "retained earnings" (EUR 59 million for the year ended at 31 December 2022).

**INVESTMENT PROPERTIES FAIR VALUE**

The fair value of investment properties amounts to EUR 7.5 billion at 31 December 2023, compared with EUR 8.8 billion at 31 December 2022.

The entire non-listed real estate portfolio is appraised by one or more independent third parties. Experts have professional rules for carrying out these assessments.

For buildings that are directly held, experts use three main methods:

- the method by which similar transactions are compared;
- the rate of return method (rate applied to a rental basis);
- the discounted cash flow method.

The final value retained by the expert may be a compromise between these three methods.

**FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST**

| In millions of euros,<br>at | 31 December 2023     |         |         |       |                   | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |         |         |       |                   |
|-----------------------------|----------------------|---------|---------|-------|-------------------|--|---------|---------|-------|-------------------|
|                             | Estimated fair value |         |         |       | Carrying<br>value | Estimated fair value   |         |         |       | Carrying<br>value |
|                             | Level 1              | Level 2 | Level 3 | Total |                   | Level 1  | Level 2 | Level 3 | Total |                   |
| Loans and<br>receivables    | -                    | 1,242   | 24      | 1,266 | 1,267             | -  | 1,125   | 27      | 1,152 | 1,153             |

**6.D ASSETS AND LIABILITIES RELATED TO INSURANCE CONTRACTS**

The main insurance contracts issued by the Group are:

- contracts covering risks related to persons or property: creditor protection insurance (CPI), personal protection insurance and other non-life risks, and reinsurance contracts accepted from other insurers for these types of risks. These contracts are measured under the general model (building block approach - BBA) or the premium allocation approach (PAA) for contracts with a duration of at most one year;
- life or savings contracts: single and multi-support contracts, with or without insurance risk, including a discretionary participation, and unit-linked contracts with a minimum coverage in the event of death. These contracts are measured under the variable fee approach (VFA).

The insurance contracts issued by BNP Paribas Group entities cover risks of death (guarantees in the event of death), longevity (guarantees in the event of life, for example life annuities), morbidity (guarantees in the event of disability), disability, health (medical coverage), unemployment, civil liability, and property damage.

Life or savings contracts are considered to be insurance contracts if they include a survival risk (in the case of retirement contracts with a mandatory annuity) or a death risk (in the case of unit-linked contracts with a minimum death guarantee and savings contracts with a guarantee of an additional amount in the case of death).

Savings contracts invested in a euro fund, and multi-support contracts invested in unit-linked assets and in a euro fund are considered as investment contracts with discretionary participating features under the variable fee approach.

Insurance and reinsurance contracts issued and reinsurance contracts held are presented on the assets or liabilities side of the balance sheet according to the overall position of the portfolios to which they belong.

| In millions of euros, at | 31 December 2023 |             |          | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |             |          |
|--------------------------|------------------|-------------|----------|--|-------------|----------|
|                          |                  |             | Net      |  |             | Net      |
|                          | Assets           | Liabilities | (Assets) | Assets   | Liabilities | (Assets) |

|  |            |                | or<br>Liabilities |            |                | or<br>Liabilities |
|--|------------|----------------|-------------------|------------|----------------|-------------------|
| Insurance contracts not measured under the premium allocation approach | 22         | 215,689        | 215,667           | 8          | 207,543        | 207,535           |
| Insurance contracts measured under the premium allocation approach     | 84         | 2,354          | 2,270             | 126        | 2,142          | 2,016             |
| Reinsurance contracts held   | 554        |                | (554)             | 517        | 87             | (430)             |
| <b>ASSETS AND LIABILITIES RELATED TO INSURANCE CONTRACTS</b>           | <b>660</b> | <b>218,043</b> | <b>217,383</b>    | <b>651</b> | <b>209,772</b> | <b>209,121</b>    |

Tables below show movements in carrying amounts of insurance contracts and do not include reinsurance contracts held.

## MOVEMENTS IN CARRYING AMOUNTS OF INSURANCE CONTRACTS - REMAINING COVERAGE AND INCURRED CLAIMS

| Insurance contracts issued, excluding reinsurance contracts<br>In millions of euros | Remaining coverage       |                | Incurred claims | Total net liabilities |
|---|--------------------------|----------------|-----------------|-----------------------|
|   | excluding loss component | loss component |                 |                       |
| <b>NET (ASSETS) OR LIABILITIES AT 1 JANUARY 2022</b>                                | <b>236,471</b>           | <b>93</b>      | <b>3,354</b>    | <b>239,918</b>        |
| Insurance service result: (income) or expenses                                      | (24,419)                 | 60             | 21,793          | (2,566)               |
| <i>of which insurance revenue</i>   | (8,759)                  |                |                 | (8,759)               |
| <i>of which insurance service expenses</i>  | 2,381                    | 60             | 3,752           | 6,193                 |
| <i>of which investment component</i>  | (18,041)                 |                | 18,041          | -                     |
| Net finance (income) or expenses from insurance contracts <sup>(2)</sup>            | (29,773)                 |                | (172)           | (29,945)              |
| <b>Total changes recognised in profit and loss and in equity</b>                    | <b>(54,192)</b>          | <b>60</b>      | <b>21,621</b>   | <b>(32,511)</b>       |
| Premiums received for insurance contracts issued                                    | 25,895                   |                |                 | 25,895                |
| Insurance acquisition cash flows  | (2,186)                  |                |                 | (2,186)               |
| Claims and other service expenses paid  |                          |                | (21,997)        | (21,997)              |
| <b>Total cash flows</b>   | <b>23,709</b>            | <b>-</b>       | <b>(21,997)</b> | <b>1,712</b>          |
| Other movements   | (551)                    | (1)            | 984             | 432                   |
| <b>NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2022<sup>(1)</sup></b>                | <b>205,437</b>           | <b>152</b>     | <b>3,962</b>    | <b>209,551</b>        |
| Insurance service result: (income) or expenses                                      | (30,502)                 | 23             | 27,887          | (2,592)               |
| <i>of which insurance revenue</i>   | (8,945)                  |                |                 | (8,945)               |
| <i>of which insurance service expenses</i>  | 2,335                    | 23             | 3,995           | 6,353                 |
| <i>of which investment component</i>  | (23,892)                 |                | 23,892          | -                     |
| Net finance (income) or expenses from insurance contracts <sup>(2)</sup>            | 14,617                   | 2              | 65              | 14,684                |
| <b>Total changes recognised in profit and loss and in equity</b>                    | <b>(15,885)</b>          | <b>25</b>      | <b>27,952</b>   | <b>12,092</b>         |
| Premiums received for insurance contracts issued                                    | 26,128                   |                |                 | 26,128                |
| Insurance acquisition cash flows  | (2,285)                  |                |                 | (2,285)               |
| Claims and other service expenses paid  |                          |                | (27,454)        | (27,454)              |
| <b>Total cash flows</b>   | <b>23,843</b>            | <b>-</b>       | <b>(27,454)</b> | <b>(3,611)</b>        |
| Other movements   | (371)                    | (7)            | 283             | (95)                  |
| <b>NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2023<sup>(1)</sup></b>                | <b>213,024</b>           | <b>170</b>     | <b>4,743</b>    | <b>217,937</b>        |

(1) Including receivables and liabilities attributable to insurance contracts for a net asset of EUR 549 million at 31 December 2023, compared to a net asset of EUR 501 million at 31 December 2022.

(2) Including finance income and expenses recognised directly in equity.



**MOVEMENTS IN CARRYING AMOUNTS OF INSURANCE CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH – ANALYSIS BY MEASUREMENT COMPONENT**

| <b>Insurance contracts issued not measured under the premium allocation approach, excluding reinsurance contracts</b><br><i>In millions of euros</i> | <b>Present value of future cash flows</b> | <b>Non-financial risk adjustment</b> | <b>Contractual service margin</b> | <b>Total</b>    |
|--|---|--------------------------------------|-----------------------------------|-----------------|
| <b>NET (ASSETS) OR LIABILITIES AT 1 JANUARY 2022</b>   | <b>217,803</b>                            | <b>1,260</b>                         | <b>18,598</b>                     | <b>237,661</b>  |
| Insurance service result: (income) or expenses   | (372)                                     | (172)                                | (1,493)                           | (2,037)         |
| <i>of which changes related to future services - new contracts</i>   | <i>(1,587)</i>                            | <i>99</i>                            | <i>1,551</i>                      | <i>63</i>       |
| <i>of which changes related to future services - change in estimation</i>  | <i>1,387</i>                              | <i>(160)</i>                         | <i>(1,217)</i>                    | <i>10</i>       |
| <i>of which changes related to current service<sup>(2)</sup></i>   | <i>(34)</i>                               | <i>(77)</i>                          | <i>(1,827)</i>                    | <i>(1,938)</i>  |
| <i>of which changes related to past service</i>  | <i>(138)</i>                              | <i>(34)</i>                          |                                   | <i>(172)</i>    |
| Net finance (income) or expenses from insurance contracts <sup>(3)</sup>   | (29,882)                                  | (39)                                 | 36                                | (29,885)        |
| <b>Total changes recognised in profit and loss and in equity</b>   | <b>(30,254)</b>                           | <b>(211)</b>                         | <b>(1,457)</b>                    | <b>(31,922)</b> |
| Premiums received for insurance contracts issued   | 22,690                                    |                                      |                                   | 22,690          |
| Insurance acquisition cash flows   | (911)                                     |                                      |                                   | (911)           |
| Claims and other service expenses paid   | (20,557)                                  |                                      |                                   | (20,557)        |
| <b>Total cash flows</b>  | <b>1,222</b>                              | <b>-</b>                             | <b>-</b>                          | <b>1,222</b>    |
| Other movements  | 651                                       | (1)                                  | (76)                              | 574             |
| <b>NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2022<sup>(1)</sup></b>   | <b>189,422</b>                            | <b>1,048</b>                         | <b>17,065</b>                     | <b>207,535</b>  |
| Insurance service result: (income) or expenses   | (1,674)                                   | 550                                  | (839)                             | (1,963)         |
| <i>of which changes related to future services - new contracts</i>   | <i>(1,164)</i>                            | <i>90</i>                            | <i>1,107</i>                      | <i>33</i>       |
| <i>of which changes related to future services - change in estimation</i>  | <i>(447)</i>                              | <i>602</i>                           | <i>(121)</i>                      | <i>34</i>       |
| <i>of which changes related to current service<sup>(2)</sup></i>   | <i>32</i>                                 | <i>(103)</i>                         | <i>(1,825)</i>                    | <i>(1,896)</i>  |
| <i>of which changes related to past service</i>  | <i>(95)</i>                               | <i>(39)</i>                          |                                   | <i>(134)</i>    |
| Net finance (income) or expenses from insurance contracts <sup>(3)</sup>   | 14,510                                    | 8                                    | 51                                | 14,569          |
| <b>Total changes recognised in profit and loss and in equity</b>   | <b>12,836</b>                             | <b>558</b>                           | <b>(788)</b>                      | <b>12,606</b>   |
| Premiums received for insurance contracts issued   | 22,621                                    |                                      |                                   | 22,621          |
| Insurance acquisition cash flows   | (892)                                     |                                      |                                   | (892)           |
| Claims and other service expenses paid   | (25,994)                                  |                                      |                                   | (25,994)        |
| <b>Total cash flows</b>  | <b>(4,265)</b>                            | <b>-</b>                             | <b>-</b>                          | <b>(4,265)</b>  |

|  |                |              |               |                |
|--|----------------|--------------|---------------|----------------|
| Other movements  | (204)          | (3)          | (2)           | (209)          |
| <b>NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2023<sup>(1)</sup></b> | <b>197,789</b> | <b>1,603</b> | <b>16,275</b> | <b>215,667</b> |

- (1) Including receivables and liabilities attributable to insurance contracts for a net asset of EUR 501 million at 31 December 2023, compared to a net asset of EUR 504 million at 31 December 2022.
- (2) Including an experience adjustment that amounted to +EUR 38 million for the year ended 2023 and to -EUR 33 million for the year ended 2022.
- (3) Including finance income and expenses recognised directly in equity.

## EXPECTED AMORTISATION SCHEDULE FOR THE CONTRACTUAL SERVICE MARGIN

The schedule presents the amortisation of the contractual service margin to be recognised over time in profit or loss for protection contracts under the general model and for saving contracts under the variable fee approach. For the latter, it considers the over performance of financial assets compared to a risk-neutral measurement.

| In millions of euros, at | 31 December 2023 | 31 December 2022<br>restated<br>according to<br>IFRS 17 and 9 |
|--------------------------|------------------|---|
|                          |                  |   |
| Less than 5 years        | 6,734            | 6,793   |
| 5 to 10 years            | 5,183            | 4,709   |
| More than 10 years       | 4,358            | 5,563   |
| <b>TOTAL</b>             | <b>16,275</b>    | <b>17,065</b>   |

## DISCOUNT RATES AND ADJUSTMENT FOR NON-FINANCIAL RISK

The table below presents the average discount rates used in the measurement of savings and protection contracts for the main horizons of the euro curve.

|          | 31 December 2023 |            | 31 December 2022<br>restated according to IFRS 17 and 9 |            |
|----------|------------------|------------|---|------------|
|          | Savings          | Protection | Savings   | Protection |
| 1 year   | 4.00%            | 3.36%      | 3.64%   | 2.67%      |
| 5 years  | 2.96%            | 2.32%      | 3.60%   | 2.92%      |
| 10 years | 3.03%            | 2.39%      | 3.56%   | 3.07%      |
| 15 years | 3.10%            | 2.47%      | 3.50%   | 3.07%      |
| 20 years | 3.04%            | 2.41%      | 3.29%   | 2.85%      |
| 40 years | 3.04%            |            | 3.10%   |            |

The difference between the Savings and Protection yield curves is equal to that of their respective illiquidity premium.

- For savings contracts measured under the variable fee approach, the discounting rate consists of the risk-free rate, extrapolated over the duration exceeding the period for which observable data are available and adjusted for a liquidity premium determined based on the underlying assets and reflecting the illiquidity of liabilities.

The risk adjustment is determined according to the cost of capital method, including future payments and excluding massive lapses. It is measured within a confidence range of 60-70%. This one corresponds to a level of confidence of 65% at 31 December 2023 (64% at 31 December 2022).

- For protection contracts measured under the general model and for liabilities for incurred claims under the simplified approach, the discounting rate consists of the risk-free rate adjusted to reflect the illiquidity of liabilities.

The level of confidence used in determining the adjustment for non-financial risks for the main countries is 70% (based on the quantile method).

## 6.E RISK SENSITIVITY

### Market risk: rate risk and asset value variation

Sensitivity of the valuation of financial assets and liabilities related to insurance contracts, on the profit or loss and on equity to a variation of +/-50bps of interest rates and to a variation of +/-10% of the equity market and real estate market.

The table below presents impacts before tax:

| In millions of euros, at                | 31 December 2023                      |                                |            |                            |                                |            |
|---|---------------------------------------|--------------------------------|------------|----------------------------|--------------------------------|------------|
|   | Potential impact on income            |                                |            | Potential impact on equity |                                |            |
|   | related to investments <sup>(1)</sup> | related to insurance contracts | Net impact | related to investments     | related to insurance contracts | Net impact |
| +50 bps variation of interest rate risk | (225)                                 | 206                            | (19)       | (3,662)                    | 3,330                          | (332)      |
| -50 bps variation of interest rate risk | 239                                   | (220)                          | 19         | 3,662                      | (3,330)                        | 332        |
| +10% variation of equity market         | 1,834                                 | (1,760)                        | 74         | 61                         |                                | 61         |
| -10% variation of equity market         | (1,834)                               | 1,760                          | (74)       | (61)                       |                                | (61)       |
| +10% variation of real estate market    | 1,062                                 | (1,031)                        | 31         | 37                         |                                | 37         |
| -10% variation of real estate market    | (1,062)                               | 1,031                          | (31)       | (37)                       |                                | (37)       |

(1) Except financial assets representing unit-linked contracts.

The sensitivity was measured for most significant countries, i.e. France, Italy and Luxembourg.

For savings contracts measured under the variable fee approach, changes in the value of underlying financial assets are largely offset by changes in the value of liabilities, as contractual service margin is positive.

Potential impacts on profit and loss and equity are mainly due to non-participating contracts and to assets backing insurance entities' equity.

### Liquidity risk

The table below presents the schedule of the present value of future cash flows for all insurance contracts excluding reinsurance.

| In millions of euros, at | 31 December 2022 |                                     |
|--------------------------|------------------|-------------------------------------|
|                          | 31 December 2023 | restated according to IFRS 17 and 9 |
| 1 year                   | 7,094            | 5,966                               |
| 1 to 2 years             | 6,274            | 5,358                               |
| 2 to 3 years             | 6,179            | 5,263                               |
| 3 to 4 years             | 6,074            | 5,165                               |
| 4 to 5 years             | 5,598            | 4,756                               |
| 5 to 10 years            | 19,511           | 21,237                              |
| More than 10 years       | 148,819          | 143,321                             |
| <b>TOTAL</b>             | <b>199,549</b>   | <b>191,066</b>                      |

For participating contracts, amounts payable on demand correspond to surrender values of saving contracts.

|                                 | 31 December 2023         |                 | 31 December 2022                           |                 |
|---------------------------------|--------------------------|-----------------|--|-----------------|
|                                 |                          |                 | <i>restated according to IFRS 17 and 9</i> |                 |
| <i>In millions of euros, at</i> | Amount payable on demand | Carrying amount | Amount payable on demand                   | Carrying amount |
| Participating contracts         | 197,551                  | 212,297         | 197,330                                    | 203,833         |
| Non-participating contracts     | 70                       | 5,640           | 147  | 5,718           |
| <b>TOTAL</b>                    | <b>197,621</b>           | <b>217,937</b>  | <b>197,477</b>                             | <b>209,551</b>  |

### Underwriting risk by geographic area

The table below presents liabilities related to insurance contracts, excluding reinsurance contracts, by country of issue. They include the present value of future cash flows, the contractual service margin and the risk adjustment for non-financial risk.

|                                 | 31 December 2023 |                | 31 December 2022                           |                |
|---------------------------------|------------------|----------------|--|----------------|
|                                 |                  |                | <i>restated according to IFRS 17 and 9</i> |                |
| <i>In millions of euros, at</i> |                  |                |  |                |
| France <sup>(1)</sup>           |                  | 158,470        |  | 148,401        |
| Italy <sup>(1)</sup>            |                  | 23,236         |  | 25,870         |
| Luxembourg <sup>(1)</sup>       |                  | 28,158         |  | 27,022         |
| Other Europe <sup>(1)</sup>     |                  | 1,492          |  | 1,454          |
| Asia <sup>(1)</sup>             |                  | 6,055          |  | 6,250          |
| Latin America <sup>(2)</sup>    |                  | 526            |  | 554            |
| <b>TOTAL</b>                    |                  | <b>217,937</b> |  | <b>209,551</b> |

(1) *Savings and protection.*

(2) *Protection only.*

### Sensitivity of underwriting risk measurement, on the profit or loss and on equity to a variation of 1% of mortality rate, 5% of lapse rate and 5% of ultimate loss rate.

Sensitivities to non-financial risks are presented excluding reinsurance contracts and assuming that all other variables remain unchanged.

|   | 31 December 2023           |                            |
|---|----------------------------|----------------------------|
| <i>In millions of euros, at</i>           | Potential impact on income | Potential impact on equity |
| <b>Savings</b>                            |                            |                            |
| Mortality rates (1% increase/decrease)    | -                          | -                          |
| Lapse rates (5% increase/decrease)        | -/+2                       | -                          |
| <b>Protection</b>                         |                            |                            |
| Ultimate loss rate (5% increase/decrease) | -/+94                      | -                          |

## NOTE 7 FINANCING AND GUARANTEE COMMITMENTS

### 7.A FINANCING COMMITMENTS GIVEN OR RECEIVED

| <i>In millions of euros, at</i>   | <b>31 December 2023</b> | <b>31 December 2022</b>                    |
|---|-------------------------|--|
|   |                         | <i>restated according to IFRS 17 and 9</i> |
| <b>Financing commitments given</b>  |                         |  |
| to credit institutions  | 3,650                   | 4,235                                      |
| to customers  | 365,821                 | 382,746                                    |
| Confirmed financing commitments   | 328,678                 | 347,650                                    |
| Other commitments given to customers  | 37,143                  | 35,096                                     |
| <b>TOTAL FINANCING COMMITMENTS GIVEN</b>  | <b>369,471</b>          | <b>386,981</b>                             |
| <i>of which stage 1</i>   | <i>353,147</i>          | <i>343,339</i>                             |
| <i>of which stage 2</i>   | <i>14,857</i>           | <i>18,745</i>                              |
| <i>of which stage 3</i>   | <i>889</i>              | <i>898</i>                                 |
| <i>of which insurance activities</i>  | <i>578</i>              | <i>1,477</i>                               |
| <i>of which financing commitments given associated with assets held for sale</i>    |                         | <i>22,522</i>                              |
| <b>Financing commitments received</b>   |                         |  |
| from credit institutions  | 69,596                  | 66,554                                     |
| from customers  | 3,185                   | 2,221                                      |
| <b>TOTAL FINANCING COMMITMENTS RECEIVED</b>   | <b>72,781</b>           | <b>68,775</b>                              |
| <i>of which financing commitments received associated with assets held for sale</i> | -                       | <i>9,272</i>                               |

### 7.B GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

| <i>In millions of euros, at</i>                                | <b>31 December 2023</b> | <b>31 December 2022</b>                    |
|--|-------------------------|--|
|  |                         | <i>restated according to IFRS 17 and 9</i> |
| <b>Guarantee commitments given</b>                             |                         |  |
| to credit institutions   | 63,132                  | 60,357                                     |
| to customers   | 127,203                 | 118,427                                    |
| Property guarantees  | 2,403                   | 2,285                                      |
| Sureties provided to tax and other authorities, other sureties | 66,791                  | 65,294                                     |
| Other guarantees   | 58,009                  | 50,848                                     |
| <b>TOTAL GUARANTEE COMMITMENTS GIVEN</b>                       | <b>190,335</b>          | <b>178,784</b>                             |
| <i>of which stage 1</i>  | <i>177,315</i>          | <i>165,549</i>                             |
| <i>of which stage 2</i>  | <i>11,701</i>           | <i>12,120</i>                              |

|                                      |     |     |
|--------------------------------------|-----|-----|
| <i>of which stage 3</i>              | 769 | 820 |
| <i>of which insurance activities</i> | 550 | 295 |

The Group's annual contribution to the European Union's Single Resolution Fund may be partly in the form of an irrevocable payment commitment (IPC) guaranteed by a cash deposit of the same amount. Where the resolution of an institution involves the fund, the fund may call all or part of the IPC received.

The irrevocable payment commitment is qualified as contingent liabilities. A provision is established if the probability of a commitment call by the fund exceeds 50%. Since this probability is estimated to be below this threshold, no provision was recognised by the Group at 31 December 2023.

These commitments amounted to EUR 1,261 million at 31 December 2023 (compared with EUR 969 million at 31 December 2022).

Cash provided as collateral is remunerated and recognised as a financial asset at amortised cost.

## 7.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:

| <i>In millions of euros, at</i> | <b>31 December 2023</b> | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |
|---------------------------------|-------------------------|---|
| Securities to be delivered      | 23,159                  | 17,325  |
| Securities to be received       | 21,384                  | 17,263  |

## 7.D OTHER GUARANTEE COMMITMENTS

### FINANCIAL INSTRUMENTS GIVEN AS COLLATERAL

| <i>In millions of euros, at</i>  | <b>31 December 2023</b> | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |
|--|-------------------------|---|
| <b>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</b> | <b>87,881</b>           | <b>132,938</b>  |
| <i>Used as collateral with central banks</i>   | 20,560                  | 67,792  |
| <i>Available for refinancing transactions</i>  | 67,321                  | 65,146  |
| <b>Securities sold under repurchase agreements</b>   | <b>519,731</b>          | <b>371,552</b>  |
| <b>Other financial and similar assets pledged as collateral for transactions with credit institutions, financial customers or subscribers of covered bonds issued by the Group<sup>(1)</sup></b> | <b>323,491</b>          | <b>239,761</b>  |

(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 726,703 million at 31 December 2023 (EUR 523,321 million at 31 December 2022).

### FINANCIAL INSTRUMENTS RECEIVED AS COLLATERAL

| <i>In millions of euros, at</i> | <b>31 December 2023</b> | <b>31 December 2022</b> |
|---------------------------------|-------------------------|-------------------------|
|---------------------------------|-------------------------|-------------------------|

*restated  
according to  
IFRS 17 and 9*

|  |                |                |
|--|----------------|----------------|
| <b>Financial instruments received as collateral (excluding repurchase agreements)</b>    | <b>350,947</b> | <b>326,198</b> |
| <i>of which instruments that the Group is authorised to sell and reuse as collateral</i> | <i>187,021</i> | <i>192,274</i> |
| <b>Securities received under repurchase agreements</b>                                   | <b>467,822</b> | <b>336,799</b> |

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 377,078 million at 31 December 2023 (compared with EUR 307,886 million at 31 December 2022).

## NOTE 8 SALARIES AND EMPLOYEE BENEFITS

### 8.A SALARY AND EMPLOYEE BENEFIT EXPENSE

| <i>In millions of euros</i>  | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022<br/><i>restated<br/>according to<br/>IFRS 17 and 9</i></b> |
|--|---------------------------------|--|
| Fixed and variable remuneration, incentive bonuses and profit-sharing                  | 13,445                          | 12,995   |
| Employee benefit expense   | 3,856                           | 3,429  |
| Payroll taxes  | 474                             | 453  |
| <b>TOTAL SALARY AND EMPLOYEE BENEFIT EXPENSE FOR BANKING ACTIVITIES<br/>(NOTE 3.f)</b> | <b>17,775</b>                   | <b>16,877</b>  |
| Salary and employee benefit expense of insurance activities ( <i>note 6.b</i> )        | 778                             | 728  |
| <b>TOTAL SALARY AND EMPLOYEE BENEFIT EXPENSE</b>                                       | <b>18,553</b>                   | <b>17,605</b>  |

### 8.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 only 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 mandatory state and complementary pension schemes. BNP Paribas SA and certain subsidiaries have set up a complementary defined-contribution pension plan under a company-wide agreement. Under this plan, employees will receive an annuity or a lump sum on retirement in addition to the pension paid by mandatory 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.



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.

The amount paid into defined-contribution post-employment plans for the year ended 31 December 2023 was EUR 791 million, compared with EUR 720 million for the year ended 31 December 2022 (including amount paid by entities which are insurance companies).

The breakdown by major contributors is determined as follows:

| <b>Contribution amount</b><br><i>In millions of euros</i> | <b>Year to 31 Dec. 2023</b> | <b>Year to 31 Dec. 2022</b><br><i>restated according to IFRS 17 and 9</i> |
|---|-----------------------------|---|
| France  | 386                         | 353   |
| Italy   | 106                         | 90  |
| UK  | 62                          | 64  |
| Türkiye   | 39                          | 26  |
| Hong Kong   | 29                          | 26  |
| Luxembourg  | 30                          | 28  |
| USA   | 27                          | 25  |
| Others  | 112                         | 108   |
| <b>TOTAL</b>  | <b>791</b>                  | <b>720</b>  |

## Main defined-benefit pension plans for Group entities and 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 91% at 31 December 2023 (compared with 88% at 31 December 2022) through insurance companies.

BNP Paribas Fortis senior managers joining before 1 January 2015 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 94% at 31 December 2023 (90% at 31 December 2022) through insurance companies.

In Belgium, employees benefit from a defined-contribution scheme with a legal obligation for the employer to guarantee a minimum return on financial assets invested. Thus, a provision was recognised for these 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 2023, 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 2023, these pension plans were funded at 264% through insurance companies (221% at 31 December 2022).

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 2023, obligations for all UK entities were 118% covered by financial assets, compared with 125% at 31 December 2022.

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 2023, obligations were 111% covered by financial assets, compared with 121% at 31 December 2022.

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 2023, the obligation was 87% covered by financial assets, (85% at 31 December 2022).

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 2023, the obligation was 66% covered by financial assets, (70% at 31 December 2022).

In Türkiye, the main pension plan replaces the national pension scheme and should eventually be transferred to the Turkish State. This plan offers guarantees exceeding the minimal legal requirements. At the end of 2023, obligations under this plan are fully funded by financial assets held with an external foundation; these financial assets exceeding the related obligations, 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 2023, this obligation was 127% covered by financial assets, compared with 132% at 31 December 2022.

The law of 14 April 2023 changed the age and quarters criteria required to settle pension rights. The specificities of this law have been taken into account for the determination of the present value of the obligation under IFRS, with a decrease impact of its value of EUR 22 million.

In other countries, the obligations of the Group related to other post-employment benefits are mainly concentrated in Italy, where vested rights up to 31 December 2006 were frozen.

### Obligations under defined-benefit pension plans and indemnities payable on retirement

#### ASSETS AND LIABILITIES RECOGNISED ON THE BALANCE SHEET

| <i>In millions of euros, at 31 December 2023</i> | <i>Defined-benefit obligation arising wholly or partially funded plans</i> | <i>Defined-benefit obligation arising from unfunded plans</i> | <i>Present value of defined-benefit obligation</i> | <i>Fair value of plan assets</i> | <i>Fair value of reimbursement rights<sup>(1)</sup></i> | <i>Effect of asset ceiling</i> | <i>Net obligation</i> | <i>of which asset recognised in the balance sheet for defined-benefit plans</i> | <i>of which net assets of defined-benefit plans</i> | <i>of which fair value of reimbursement rights</i> | <i>of which obligation recognised in the balance sheet for defined-benefit plans</i> |
|--|--|---|--|----------------------------------|---|--------------------------------|-----------------------|---|---|--|--|
| Belgium  | 2,830  |   | 2,830  | (152)                            | (2,502)   |                                | 176                   | (2,502)   |   | (2,502)  | 2,678  |
| UK   | 1,158  |   | 1,158  | (1,365)                          |   |                                | (207)                 | (209)   | (209)   |  | 2  |
| Switzerland                                      | 1,123  |   | 1,123  | (1,251)                          |   | 130                            | 2                     |   |   |  | 2  |
| France   | 856  | 52  | 908  | (1,134)                          |   |                                | (226)                 | (331)   | (331)   |  | 105  |
| USA  | 146  | 1   | 147  | (127)                            |   |                                | 20                    | (4)   | (4)   |  | 24   |
| Türkiye  | 235  | 43  | 278  | (258)                            |   | 22                             | 42                    |   |   |  | 42   |
| Italy  |  | 164   | 164  |                                  |   |                                | 164                   |   |   |  | 164  |
| Germany  | 129  | 49  | 178  | (118)                            |   |                                | 60                    |   |   |  | 60   |
| Others   | 334  | 47  | 381  | (269)                            | (1)   | 1                              | 112                   | (9)   | (8)   | (1)  | 121  |
| <b>TOTAL</b>                                     | <b>6,811</b>   | <b>356</b>  | <b>7,167</b>                                       | <b>(4,674)</b>                   | <b>(2,503)</b>  | <b>153</b>                     | <b>143</b>            | <b>(3,055)</b>  | <b>(552)</b>  | <b>(2,503)</b>                                     | <b>3,198</b>   |

| <i>In millions of euros, at 31 December 2022 restated according to IFRS 17 and 9</i> | <b>Defined-benefit obligation arising wholly or partially from funded plans</b> | <b>Defined-benefit obligation arising from unfunded plans</b> | <b>Present value of defined-benefit obligation</b> | <b>Fair value of plan assets</b> | <b>Fair value of reimbursement rights<sup>(1)</sup></b> | <b>Effect of asset ceiling</b> | <b>Net obligation</b> | <b>of which asset recognised in the balance sheet for defined-benefit plans</b> | <b>of which net assets of defined-benefit plans</b> | <b>of which fair value of reimbursement rights</b> | <b>of which obligation recognised in the balance sheet for defined-benefit plans</b> |
|--|---|---|--|----------------------------------|---|--------------------------------|-----------------------|---|---|--|--|
| Belgium  | 2,738   |   | 2,738  | (124)                            | (2,395)   |                                | 219                   | (2,395)   |   | (2,395)  | 2,614  |
| UK   | 1,067   |   | 1,067  | (1,334)                          |   |                                | (267)                 | (267)   | (267)   |  |  |
| Switzerland  | 979   |   | 979  | (1,185)                          |   | 208                            | 2                     |   |   |  | 2  |
| France   | 845   | 62  | 907  | (1,157)                          |   |                                | (250)                 | (346)   | (346)   |  | 96   |
| USA  | 467   | 64  | 531  | (458)                            |   |                                | 73                    | (24)  | (24)  |  | 97   |
| Türkiye  | 139   | 63  | 202  | (295)                            |   | 157                            | 64                    |   |   |  | 64   |
| Italy  |   | 182   | 182  |                                  |   |                                | 182                   |   |   |  | 182  |
| Germany  | 93  | 45  | 138  | (98)                             |   |                                | 40                    | (7)   | (7)   |  | 47   |
| Others   | 379   | 51  | 430  | (313)                            | (2)   | 2                              | 117                   | (13)  | (11)  | (2)  | 130  |
| <b>TOTAL</b>   | <b>6,707</b>  | <b>467</b>  | <b>7,174</b>                                       | <b>(4,964)</b>                   | <b>(2,397)</b>  | <b>367</b>                     | <b>180</b>            | <b>(3,052)</b>  | <b>(655)</b>  | <b>(2,397)</b>                                     | <b>3,232</b>   |
| <b>of which continuing activities</b>  | <b>6,391</b>  | <b>404</b>  | <b>6,795</b>                                       | <b>(4,635)</b>                   | <b>(2,397)</b>  | <b>367</b>                     | <b>130</b>            | <b>(3,030)</b>  | <b>(633)</b>  | <b>(2,397)</b>                                     | <b>3,160</b>   |
| <b>of which discontinued activities</b>  | <b>316</b>  | <b>63</b>   | <b>379</b>   | <b>(329)</b>                     | <b>-</b>  | <b>-</b>                       | <b>50</b>             | <b>(22)</b>   | <b>(22)</b>   | <b>-</b>   | <b>72</b>  |

(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

| <i>In millions of euros</i>   | <b>Year to 31 Dec. 2023</b> | <b>Year to 31 Dec. 2022 restated according to IFRS 17 and 9</b> |
|---|-----------------------------|---|
| <b>PRESENT VALUE OF DEFINED-BENEFIT OBLIGATION AT START OF PERIOD</b> | <b>7,174</b>                | <b>9,060</b>  |
| Current service cost  | 181                         | 215   |
| Interest cost   | 236                         | 100   |
| Past service cost   | (25)                        | (5)   |
| Settlements   | (15)                        | (11)  |
| Actuarial (gains)/losses on change in demographic assumptions         | (11)                        | 10  |
| Actuarial (gains)/losses on change in financial assumptions           | 203                         | (1,985)   |
| Actuarial (gains)/losses on experience gaps                           | 330                         | 341   |
| Actual employee contributions   | 24                          | 23  |
| Benefits paid directly by the employer                                | (87)                        | (101)   |

|  |              |              |
|--|--------------|--------------|
| Benefits paid from assets/reimbursement rights                             | (453)        | (489)        |
| Exchange rate (gains)/losses on obligation                                 | (41)         | (25)         |
| (Gains)/losses on obligation related to changes in the consolidation scope | (349)        | 41           |
| <b>PRESENT VALUE OF DEFINED-BENEFIT OBLIGATION AT END OF PERIOD</b>        | <b>7,167</b> | <b>7,174</b> |

#### CHANGE IN THE FAIR VALUE OF PLAN ASSETS AND REIMBURSEMENT RIGHTS INCLUDING DISCONTINUED ACTIVITIES

|  | Plan assets             |  | Reimbursement rights    |   |
|--|-------------------------|--|-------------------------|---|
|  | Year to<br>31 Dec. 2023 | Year to<br>31 Dec. 2022<br>restated<br>according to<br>IFRS 17 and 9 | Year to<br>31 Dec. 2023 | Year to<br>31 Dec. 2022<br>restated<br>according to<br>IFRS 17 and<br>9 |
| <i>In millions of euros</i>  |                         |  |                         |   |
| <b>FAIR VALUE OF ASSETS AT START OF PERIOD</b>                         | <b>4,964</b>            | <b>6,082</b>   | <b>2,397</b>            | <b>2,932</b>  |
| Expected return on assets  | 169                     | 99   | 84                      | 13  |
| Settlements  | (14)                    | (21)   |                         |   |
| Actuarial gains/(losses) on assets                                     | 10                      | (938)  | 99                      | (548)   |
| Actual employee contributions  | 14                      | 13   | 10                      | 10  |
| Employer contributions   | 60                      | 54   | 131                     | 198   |
| Benefits paid from assets  | (234)                   | (257)  | (219)                   | (232)   |
| Exchange rate gains/(losses) on assets                                 | (36)                    | (64)   |                         |   |
| Gains/(losses) on assets related to changes in the consolidation scope | (259)                   | (4)  | 1                       | 24  |
| <b>FAIR VALUE OF ASSETS AT END OF PERIOD</b>                           | <b>4,674</b>            | <b>4,964</b>   | <b>2,503</b>            | <b>2,397</b>  |

#### COMPONENTS OF THE COST OF DEFINED-BENEFIT PLANS

|   | Year to<br>31 Dec. 2023 | Year to<br>31 Dec. 2022<br>restated<br>according to<br>IFRS 17 and 9 |
|---|-------------------------|--|
| <i>In millions of euros</i>             |                         |  |
| <b>Service costs</b>                    | <b>155</b>              | <b>220</b>   |
| Current service cost                    | 181                     | 215  |
| Past service cost                       | (25)                    | (5)  |
| Settlements                             | (1)                     | 10   |
| <b>Net financial expense</b>            | <b>1</b>                | <b>6</b>   |
| Interest cost                           | 236                     | 100  |
| Interest income on plan asset           | 18                      | 18   |
| Interest income on reimbursement rights | (169)                   | (99)   |
| Expected return on asset ceiling        | (84)                    | (13)   |

|  |            |            |
|--|------------|------------|
| <b>TOTAL RECOGNISED IN "SALARY AND EMPLOYEE BENEFIT EXPENSE"</b> | <b>156</b> | <b>226</b> |
| <b>of which continuing activities</b>                            | <b>156</b> | <b>222</b> |
| <b>of which discontinued activities</b>                          | <b>-</b>   | <b>4</b>   |

## OTHER ITEMS RECOGNISED DIRECTLY IN EQUITY

| <i>In millions of euros</i>   | <b>Year to<br/>31 Dec. 2023</b> | <b>Year to<br/>31 Dec. 2022<br/><i>restated<br/>according to<br/>IFRS 17 and 9</i></b> |
|---|---------------------------------|--|
| Actuarial (losses)/gains on plan assets or reimbursement rights                         | 109                             | (1,486)  |
| Actuarial (losses)/gains of demographic assumptions on the present value of obligations | 11                              | (10)   |
| Actuarial (losses)/gains of financial assumptions on the present value of obligations   | (203)                           | 1,985  |
| Experience (losses)/gains on obligations  | (330)                           | (341)  |
| Variation of the effect of assets limitation  | 216                             | (263)  |
| <b>TOTAL OF OTHER ITEMS RECOGNISED DIRECTLY IN EQUITY</b>                               | <b>(197)</b>                    | <b>(115)</b>   |
| <b>of which continuing activities</b>   | <b>(197)</b>                    | <b>(127)</b>   |
| <b>of which discontinued activities</b>   | <b>-</b>                        | <b>12</b>  |

## 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:

|             | <b>31 December 2023</b> |   | <b>31 December 2022<br/><i>restated according to IFRS 17 and 9</i></b> |   |
|-------------|-------------------------|---|--|---|
| <i>In %</i> | <b>Discount rate</b>    | <b>Compensation<br/>increase rate<sup>(1)</sup></b> | <b>Discount rate</b>   | <b>Compensation<br/>increase rate<sup>(1)</sup></b> |
| Belgium     | 3.00% / 3.60%           | 3.30% / 4.10%                                       | 1.90% / 3.80%  | 3.30% / 5.00%                                       |
| UK          | 4.40% / 5.30%           | 2.00% / 3.40%                                       | 3.50% / 4.90%  | 2.00% / 3.30%                                       |
| France      | 3.00% / 3.60%           | 2.90% / 3.10%                                       | 3.30% / 3.80%  | 2.10% / 3.65%                                       |
| Switzerland | 1.40% / 1.60%           | 1.80% / 2.00%                                       | 2.00% / 2.15%  | 1.75% / 2.00%                                       |
| USA         | 4.70% / 5.30%           | 2.50%   | 4.90% / 5.00%  | 2.50%   |
| Italy       | 3.00% / 3.60%           | 3.00% / 3.10%                                       | 1.90% / 3.60%  | 2.10% / 3.20%                                       |
| Germany     | 3.20% / 3.70%           | 2.00% / 2.90%                                       | 2.30% / 3.80%  | 2.00% / 2.90%                                       |
| Türkiye     | 23.10%                  | 18.80%  | 10.60%   | 8.50%   |

(1) Including price increases (inflation)

Average discount rates weighted by obligation amounts are as follows:

- In the Eurozone: 3.16% at 31 December 2023 (3.54% at 31 December 2022);
- In the United Kingdom: 4.51% at 31 December 2023 (4.78% at 31 December 2022);
- In Switzerland: 1.40% at 31 December 2023 (2.15% at 31 December 2022).

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

| Change in the present value of obligations<br><i>In millions of euros, at</i> | 31 December 2023         |                          | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |                          |
|---|--------------------------|--------------------------|--|--------------------------|
|   | Discount rate<br>-100bps | Discount rate<br>+100bps | Discount rate<br>-100bps                                       | Discount rate<br>+100bps |
|   |                          |                          |  |                          |
| Belgium   | 231                      | (168)                    | 201  | (175)                    |
| UK  | 170                      | (137)                    | 187  | (147)                    |
| France  | 88                       | (75)                     | 92   | (78)                     |
| Switzerland   | 148                      | (119)                    | 133  | (107)                    |
| USA   | 15                       | (13)                     | 18   | (15)                     |
| Italy   | 10                       | (9)                      | 12   | (11)                     |
| Germany   | 27                       | (21)                     | 26   | (20)                     |
| Türkiye   | 11                       | (9)                      | 13   | (10)                     |

Inflation assumptions used for the valuations of the Group obligations are determined locally depending on the monetary area, except for the Eurozone for which the assumption is determined centrally.

Average discount rates weighted by obligation amounts are as follows:

- in the Eurozone: 2.27% at 31 December 2023 (2.43% at 31 December 2022);
- in the United Kingdom: 2.94% at 31 December 2023 (3.03% at 31 December 2022);
- in Switzerland: 1.25% at 31 December 2023 (1.25% at 31 December 2022).

The impact of a +100 bps increase in inflation rates on the present value of post-employment benefit obligations is as follows:

| Change in the present value of obligations<br><i>In millions of euros, at</i> | 31 December 2023          |                           | 31 December 2022<br><i>restated according to IFRS 17 and 9</i> |                           |
|---|---------------------------|---------------------------|--|---------------------------|
|   | Inflation rate<br>+100bps | Inflation rate<br>+100bps | Inflation rate<br>+100bps                                      | Inflation rate<br>+100bps |
|   |                           |                           |  |                           |
| Belgium   | 133                       | 148                       |  |                           |
| UK  | 100                       | 126                       |  |                           |
| France  | 88                        | 92                        |  |                           |
| Switzerland   | 8                         | 8                         |  |                           |
| Italy   | 7                         | 8                         |  |                           |
| Germany   | 16                        | 14                        |  |                           |
| Türkiye   | 11                        | 12                        |  |                           |

Variation effects of discount and inflation rates presented above are not cumulative.

## ACTUAL RATE OF RETURN ON PLAN ASSETS AND REIMBURSEMENT RIGHTS OVER THE PERIOD

| In %        | Year to 31 Dec. 2023  |                           | Year to 31 Dec. 2022  |                           |
|-------------|---|---------------------------|---|---------------------------|
|             |   |                           | restated according to IFRS 17 and 9   |                           |
|             | Range of value<br>(reflecting the<br>existence of<br>several plans in<br>the same<br>country) | Weighted<br>average rates | Range of value<br>(reflecting the<br>existence of<br>several plans in<br>the same<br>country) | Weighted<br>average rates |
| Belgium     | -0.20% / 13.20%   | 6.45%                     | -18.75% / 6.30%   | -12.65%                   |
| UK          | -10.50% / 5.40%   | 0.50%                     | -38.30% / 0%  | -34.60%                   |
| France      | 2.60%   | 2.60%                     | 2.60%   | 2.60%                     |
| Switzerland | 1.70% / 2.50%   | 2.50%                     | -15.85% / 1%  | 0.50%                     |
| USA         | 1.65% / 5.45%   | 5.25%                     | -29.75% / -16.75%   | -28.90%                   |
| Germany     | -2.85% / 11.50%   | 9.30%                     | -26.15% / 1.30%   | -11.20%                   |
| Türkiye     | 44.90%  | 44.90%                    | 40.80%  | 40.80%                    |

## BREAKDOWN OF PLAN ASSETS

| In %                  | 31 December 2023 |                            |                               |                |                    |            | 31 December 2022                    |                            |                                    |                |                    |            |
|-----------------------|------------------|----------------------------|-------------------------------|----------------|--------------------|------------|-------------------------------------|----------------------------|------------------------------------|----------------|--------------------|------------|
|                       |                  |                            |                               |                |                    |            | restated according to IFRS 17 and 9 |                            |                                    |                |                    |            |
|                       | Shares           | Govern-<br>mental<br>bonds | Non-<br>Governmental<br>bonds | Real<br>estate | Deposit<br>account | Others     | Shares                              | Govern-<br>mental<br>bonds | Non-<br>Govern-<br>mental<br>bonds | Real<br>estate | Deposit<br>account | Others     |
| Belgium               | 8%               | 46%                        | 19%                           | 1%             | 2%                 | 24%        | 8%                                  | 48%                        | 20%                                | 1%             | 0%                 | 23%        |
| UK                    | 12%              | 62%                        | 16%                           | 0%             | 2%                 | 8%         | 7%                                  | 65%                        | 13%                                | 0%             | 2%                 | 13%        |
| France <sup>(1)</sup> | 8%               | 59%                        | 18%                           | 13%            | 2%                 | 0%         | 8%                                  | 60%                        | 18%                                | 13%            | 1%                 | 0%         |
| Switzerland           | 29%              | 0%                         | 26%                           | 25%            | 4%                 | 16%        | 32%                                 | 0%                         | 23%                                | 21%            | 3%                 | 20%        |
| USA                   | 17%              | 24%                        | 45%                           | 0%             | 13%                | 1%         | 19%                                 | 18%                        | 58%                                | 0%             | 1%                 | 4%         |
| Germany               | 22%              | 52%                        | 0%                            | 0%             | 0%                 | 26%        | 25%                                 | 64%                        | 0%                                 | 0%             | 3%                 | 9%         |
| Türkiye               | 0%               | 68%                        | 0%                            | 6%             | 21%                | 5%         | 0%                                  | 59%                        | 0%                                 | 3%             | 30%                | 7%         |
| Others                | 9%               | 22%                        | 12%                           | 1%             | 2%                 | 54%        | 10%                                 | 18%                        | 12%                                | 2%             | 2%                 | 57%        |
| <b>GROUP</b>          | <b>12%</b>       | <b>43%</b>                 | <b>19%</b>                    | <b>7%</b>      | <b>3%</b>          | <b>16%</b> | <b>12%</b>                          | <b>44%</b>                 | <b>18%</b>                         | <b>6%</b>      | <b>2%</b>          | <b>18%</b> |

(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 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 78 million at 31 December 2023, compared with EUR 83 million at 31 December 2022.

## 8.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 462 million at 31 December 2023 (EUR 453 million at 31 December 2022).

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 to four-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 the duration of the plan (for 80%) and to the achievement of the Group's corporate social responsibility (CSR) targets (for 20%). These ten 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 CRD European Directive.

The net obligation related to deferred compensation plans and loyalty schemes amounts to EUR 1,033 million at 31 December 2023 (EUR 1,017 million at 31 December 2022).

| <i>In millions of euros, at</i>   | <b>31 December 2022</b> |  |
|---|-------------------------|--|
|   | <b>31 December 2023</b> | <i>restated according to IFRS 17 and 9</i> |
| <b>Net provisions for other long-term benefits</b>                            | <b>1,495</b>            | <b>1,470</b>                               |
| Asset recognised in the balance sheet under the other long-term benefits      | (76)                    | (76)                                       |
| Obligation recognised in the balance sheet under the other long-term benefits | 1,571                   | 1,546                                      |

## 8.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 2023, BNP Paribas Personal Finance subgroup implemented a voluntary departure plan in France in respect of which a provision of EUR 215 million was established.

| <i>In millions of euros, at</i>   | <b>31 December 2022</b> |  |
|---|-------------------------|--|
|   | <b>31 December 2023</b> | <i>restated according to IFRS 17 and 9</i> |
| Provision for voluntary departure, early retirement plans, and headcount adaptation plans | 482                     | 270  |

## 8.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 CRD 4 of 26 July 2013, modified by the CRD 5 Directive of 20 May 2019, transposed into the French law in the Monetary and Financial Code by the Ordinance of 20 February 2014, and the Ordinance of 21 December 2020, as well as the Decrees and Orders of 3 November 2014 and 22 December 2020 and the Delegated European Regulation of 25 March 2021, 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)<br>In millions of euros | Year to<br>31 Dec. 2023 | Year to<br>31 Dec. 2022                      |
|---|-------------------------|--|
|   |                         | restated<br>according<br>to<br>IFRS 17 and 9 |
| Prior deferred compensation plans           | 48                      | (116)  |
| Deferred compensation plans for the year    | 541                     | 614  |
| <b>TOTAL</b>                                | <b>589</b>              | <b>498</b>                                   |

## NOTE 9 ADDITIONAL INFORMATION

### 9.A CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 31 December 2023, the share capital of BNP Paribas SA amounted to EUR 2,294,954,818 and was divided into 1,147,447,409 shares. The nominal value of each share is EUR 2 (compared to 1,234,331,646 at 31 December 2022).

#### Ordinary shares issued by BNP Paribas and held by the Group

|                                 | Proprietary transactions |   | Trading transactions <sup>(1)</sup> |   | Total               |   |
|---------------------------------|--------------------------|---|-------------------------------------|---|---------------------|---|
|                                 | Number<br>of shares      | Carrying<br>amount<br>(in millions of<br>euros) | Number<br>of shares                 | Carrying<br>amount<br>(in millions of<br>euros) | Number<br>of shares | Carrying<br>amount<br>(in millions of<br>euros) |
| Shares held at 31 December 2021 | 721,971                  | 38  | -                                   | -   | 721,971             | 38  |
| Net movements                   |                          |   | 159,670                             | 8   | 159,670             | 8   |
| Shares held at 31 December 2022 | 721,971                  | 38  | 159,670                             | 8   | 881,641             | 46  |
| Acquisitions                    | 86,854,237               | 5,000   |                                     |   | 86,854,237          | 5,000   |
| Capital decrease                | (86,854,237)             | (5,000)   |                                     |   | (86,854,237)        | (5,000)   |
| Net movements                   |                          |   | 64,888                              | 5   | 64,888              | 5   |
| Shares held at 31 December 2023 | 721,971                  | 38  | 224,558                             | 13  | 946,529             | 51  |

(1) Transactions realised in the framework of an activity of trading and arbitrage transactions on equity indices.

Throughout the year 2023, BNP Paribas SA bought back on the market then cancelled 86,854,237 of its own shares in accordance with the decision made by the Board of directors on 6 February 2023.

At 31 December 2023, the Group holds 946,529 BNP Paribas shares representing an amount of EUR 51 million, which were deducted from equity.

### Undated super subordinated notes eligible as Tier 1 regulatory capital

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.

On 3 January 2022, BNP Paribas SA redeemed the July 2006 issue, for an amount of EUR 150 million. These notes paid a 5.45% fixed-rate coupon.

On 12 January 2022, BNP Paribas SA 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 5 years. If the notes are not redeemed in 2027, a US 5-year Constant Maturity Treasury rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 19 January 2022, BNP Paribas SA redeemed the June 2007 issue, for an amount of USD 1,100 million. These notes paid a 7.195% fixed-rate coupon.

On 14 March 2022, BNP Paribas SA redeemed the December 2016 issue, for an amount of USD 750 million. These notes paid a 6.75% fixed-rate coupon.

On 17 June 2022, BNP Paribas SA redeemed the June 2015 issue, for an amount of EUR 750 million, at the first call date. These notes paid a 6.125% fixed-rate coupon.

On 16 August 2022, BNP Paribas SA issued undated super subordinated notes for an amount of USD 2,000 million which pay a 7.75% fixed-rate coupon. These notes could be redeemed at the end of a period of 7 years. If the notes are not redeemed in 2029, a US 5-year Constant Maturity Treasury rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 6 September 2022, BNP Paribas SA issued undated super subordinated notes for an amount of EUR 1,000 million which pay a 6.875% fixed-rate coupon. These notes could be redeemed at the end of a period of 7 years and 3 months. If the notes are not redeemed in 2029, a mid-swap rate EUR 5-year coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 17 November 2022, BNP Paribas SA issued undated super subordinated notes for an amount of USD 1,000 million which pay a 9.25% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years. If the notes are not redeemed in 2027, a US 5-year Constant Maturity Treasury rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 11 January 2023, BNP Paribas SA issued undated super subordinated notes for an amount of EUR 1,250 million which pay a 7.375% fixed-rate coupon. These notes could be redeemed at the end of a period of 7 years. If the notes are not redeemed in 2030, a mid-swap rate EUR 5-year coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 28 February 2023, BNP Paribas SA issued undated super subordinated notes for an amount of SGD 600 million which pay a 5.9% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years. If the notes are not redeemed in 2028, a SGD SORA 5-year rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

The following table summarises the characteristics of these various issues:

| Date of issue | Currency | Amount<br>(in millions of<br>currency units) | Coupon<br>payment<br>date | Rate and term<br>before 1 <sup>st</sup> call date |           | Rate after 1 <sup>st</sup> call date |
|---------------|----------|--|---------------------------|---|-----------|--------------------------------------|
| August 2015   | USD      | 1,500  | semi-annual               | 7.375%  | 10 years  | USD 5-year swap +5.150%              |
| 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-year CMT +2.944%                |
| February 2021 | USD      | 1,250  | semi-annual               | 4.625%  | 10 years  | US 5-year CMT +3.340%                |
| January 2022  | USD      | 1,250  | semi-annual               | 4.625%  | 5 years   | US 5-year CMT +3.196%                |

|   |     |                             |             |        |            |                             |
|---|-----|-----------------------------|-------------|--------|------------|-----------------------------|
| August 2022   | USD | 2,000                       | semi-annual | 7.750% | 7 years    | US 5-year CMT +4.899%       |
| September 2022  | EUR | 1,000                       | semi-annual | 6.875% | 7.25 years | EUR 5-year Mid-swap +4.645% |
| November 2022   | USD | 1,000                       | semi-annual | 9.250% | 5 years    | US 5-year CMT +4.969%       |
| January 2023  | EUR | 1,250                       | semi-annual | 7.375% | 7 years    | EUR 5-year Mid-swap +4.631% |
| February 2023   | SGD | 600                         | semi-annual | 5.900% | 5 years    | SGD SORA 5-year +2.674%     |
| <b>TOTAL EURO-EQUIVALENT HISTORICAL VALUE AT 31 DECEMBER 2023</b> |     | <b>13,472<sup>(1)</sup></b> |             |        |            |                             |

(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 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 2023, the BNP Paribas Group held EUR 12 million of undated super subordinated notes which were deducted from shareholders' equity.

## 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. All stock option and performance share plans are expired.

|  | Year to 31 Dec.<br>2022<br><i>restated</i><br>according to<br>IFRS 17 and 9 | Year to 31 Dec.<br>2023 |
|--|---|-------------------------|
| <b>Net profit used to calculate basic and diluted earnings per ordinary share<br/>(in millions of euros)<sup>(1)</sup></b> | <b>10,298</b>   | <b>9,273</b>            |
| <b>Weighted average number of ordinary shares outstanding during the year</b>  | <b>1,200,367,337</b>  | <b>1,232,991,607</b>    |
| Effect of potentially dilutive ordinary shares   | -   | -                       |
| <b>Weighted average number of ordinary shares used to calculate diluted earnings per share</b>                             | <b>1,200,367,337</b>  | <b>1,232,991,607</b>    |
| <b>Basic earnings per share (in euros)</b>   | <b>8.58</b>   | <b>7.52</b>             |

|   |             |             |
|---|-------------|-------------|
| of which continuing activities <i>(in euros)</i>    | 6.12        | 6.96        |
| of which discontinued activities <i>(in euros)</i>  | 2.46        | 0.56        |
| <b>Diluted earnings per share <i>(in euros)</i></b> | <b>8.58</b> | <b>7.52</b> |
| of which continuing activities <i>(in euros)</i>    | 6.12        | 6.96        |
| of which discontinued activities <i>(in euros)</i>  | 2.46        | 0.56        |

(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 Board of directors will propose to the Annual General Meeting on 14 May 2024, a dividend per share of EUR 4.60 out of the 2023 net income (against EUR 3.90 out of the 2022 net income).

The proposed distribution amounted to EUR 5,274 million, against EUR 4,744 million paid in 2023.

This distribution is raised to 60% of the 2023 net income with a share buyback programme of EUR 1,055 million, initiated on 4 March 2024, after having received the authorisation from the European Central Bank.

## 9.B MINORITY INTERESTS

| <i>In millions of euros</i>  | 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 |
|--|-------------------------------|---|--|--------------------|
| <b>Balance at 31 December 2021</b>                                   | <b>4,712</b>                  | <b>15</b>   | <b>(106)</b>   | <b>4,621</b>       |
| <b>Impacts of IAS 29 1<sup>st</sup> application in Türkiye</b>       | <b>(14)</b>                   |   | <b>62</b>  | <b>48</b>          |
| <b>Impacts of the transition to IFRS 17</b>                          | <b>(9)</b>                    |   | <b>21</b>  | <b>12</b>          |
| <b>Impacts of the transition to IFRS 9</b>                           | <b>17</b>                     |   | <b>(26)</b>  | <b>(9)</b>         |
| <b>Balance at 1 January 2022</b>                                     | <b>4,706</b>                  | <b>15</b>   | <b>(49)</b>  | <b>4,672</b>       |
| <b>Appropriation of net income for 2021</b>                          | <b>(133)</b>                  |   |  | <b>(133)</b>       |
| Increases in capital and issues                                      | 34                            |   |  | 34                 |
| Impact of internal transactions on minority shareholders             | 2                             |   |  | 2                  |
| Movements in consolidation scope impacting minority shareholders     | (136)                         |   |  | (136)              |
| Change in commitments to repurchase minority shareholders' interests | (157)                         |   |  | (157)              |
| Other movements  | (2)                           |   |  | (2)                |
| Changes in assets and liabilities recognised directly in equity      |                               | 6   | 87   | 93                 |
| <b>Net income for 2022</b>   | <b>400</b>                    |   |  | <b>400</b>         |
| <b>Balance at 31 December 2022</b>                                   | <b>4,714</b>                  | <b>21</b>   | <b>38</b>  | <b>4,773</b>       |
| <b>Appropriation of net income for 2022</b>                          | <b>(179)</b>                  |   |  | <b>(179)</b>       |

|  |              |           |            |              |
|--|--------------|-----------|------------|--------------|
| Increases in capital and issues                                      | 316          |           |            | 316          |
| Share-based payment plans  | 1            |           |            | 1            |
| Remuneration of undated super subordinated notes                     | (3)          |           |            | (3)          |
| Impact of internal transactions on minority shareholders             | 21           |           |            | 21           |
| Movements in consolidation scope impacting minority shareholders     | (90)         |           |            | (90)         |
| Acquisitions of additional interests or partial sales of interests   | (12)         |           |            | (12)         |
| Change in commitments to repurchase minority shareholders' interests | (225)        |           |            | (225)        |
| Other movements  |              |           |            | -            |
| Changes in assets and liabilities recognised directly in equity      |              | (5)       | 97         | 92           |
| <b>Net income for 2023</b>   | <b>431</b>   |           |            | <b>431</b>   |
| <b>Balance at 31 December 2023</b>                                   | <b>4,974</b> | <b>16</b> | <b>135</b> | <b>5,125</b> |

## 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 2023  |   | Year to 31 Dec. 2023 |            |  |                                     |   |   |   |
|---|---|----------------------|------------|--|-------------------------------------|---|---|---|
| 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 | 97,504  | 1,922                | 674        | 766  | 34%                                 | 230   | 260   | 137                                     |
| Other minority interests  |   |                      |            |  |                                     | 201   | 263   | 45                                      |
| <b>TOTAL</b>  |   |                      |            |  |                                     | <b>431</b>                                    | <b>523</b>  | <b>182</b>                              |

| 31 December 2022     |                       | Year to 31 Dec. 2022                |  |  |  |  |  |  |
|----------------------|-----------------------|-------------------------------------|--|--|--|--|--|--|
| In millions of euros | restated according to | restated according to IFRS 17 and 9 |  |  |  |  |  |  |

|  |  |          |               | Net<br>income<br>and<br>changes in<br>assets and<br>liabilities<br>recognised<br>directly in<br>equity | Minority<br>shareholders'<br>interest (%) | Net income<br>attributable<br>to minority<br>interests | Net income<br>and<br>changes in<br>assets and<br>liabilities<br>recognised<br>directly in<br>equity -<br>attributable<br>to minority<br>interests | Dividends<br>paid to<br>minority<br>shareholders |
|--|--|----------|---------------|--|---|--|---|--|
|  | Total assets<br>before<br>elimination<br>of<br>intra-group<br>transactions | Revenues | Net<br>income | Net<br>income<br>and<br>changes in<br>assets and<br>liabilities<br>recognised<br>directly in<br>equity |   |  |   |  |
| Contribution<br>of the entities<br>belonging to<br>the BGL<br>BNP Paribas<br>Group | 95,172   | 1,769    | 587           | 340  | 34%                                       | 189  | 128   | 81   |
| Other<br>minority<br>interests   |  |          |               |  |   | 211  | 365   | 52   |
| <b>TOTAL</b>   |  |          |               |  |   | <b>400</b>   | <b>493</b>  | <b>133</b>                                       |

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

|  | Year to 31 Dec. 2023         |                    | Year to 31 Dec. 2022<br><i>restated according to IFRS 17 and 9</i> |                    |
|--|------------------------------|--------------------|--|--------------------|
|  | Attributable to shareholders | Minority interests | Attributable to shareholders                                       | Minority interests |
| <i>In millions of euros</i>  |                              |                    |  |                    |
| <b>TEB Finansman</b>   |                              |                    |  |                    |
| Internal sale from BNPP Personal Finance to TEB Holding, raising the Group interest rate to 72.5%. | (22)                         | 22                 |  |                    |
| <b>Others</b>  | 1                            | (1)                | 1  | 2                  |
| <b>TOTAL</b>   | <b>(21)</b>                  | <b>21</b>          | <b>1</b>   | <b>2</b>           |

## ACQUISITIONS OF ADDITIONAL INTERESTS AND PARTIAL SALES OF INTERESTS LEADING TO CHANGES IN MINORITY INTERESTS IN THE EQUITY OF SUBSIDIARIES

|   | Year to 31 Dec. 2023         |                    | Year to 31 Dec. 2022<br><i>restated according to IFRS 17 and 9</i> |                    |
|---|------------------------------|--------------------|--|--------------------|
|   | Attributable to shareholders | Minority interests | Attributable to shareholders                                       | Minority interests |
| <i>In millions of euros</i>   |                              |                    |  |                    |
| <b>Artigiancassa Spa</b>  |                              |                    |  |                    |
| Additional acquisition of 26.14% of the total share, increasing the Group's share to 100% | 5                            | (9)                |  |                    |
| <b>Dynamic Credit Group</b>   |                              |                    |  |                    |
| Additional acquisition of 25% of the total share, increasing the Group's share to 73.65%  | (3)                          | (4)                |  |                    |
| <b>Other</b>  | (1)                          | 1                  |  |                    |
| <b>TOTAL</b>  | <b>1</b>                     | <b>(12)</b>        | <b>-</b>   | <b>-</b>           |

### 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, amounted to EUR 510 million at 31 December 2023, compared with EUR 361 million at 31 December 2022.

## 9.C 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 5.n *Provisions for contingencies and charges* of the consolidated financial statements at December 31, 2023; 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 main contingent liabilities related to pending legal, governmental, or arbitral proceedings as of 31 March 2024 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 under the U.S. Bankruptcy Code and New York state law against numerous institutions, and seek recovery of amounts allegedly received by BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests.

As a result of certain decisions of the Bankruptcy Court and the United States District Court between 2016 and 2018, the majority of the BLMIS Trustee's actions were either dismissed or substantially narrowed. However, those decisions were either reversed or effectively overruled by subsequent decisions of the United States Court of Appeals for the Second Circuit issued on 25 February 2019 and 30 August 2021. As a result, the BLMIS Trustee refiled certain of these actions and, as of end May 2023, has asserted aggregate claims of approximately USD 1.2 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.

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 definitively closed, as the Council Chamber of the Brussels Court of first instance issued on 4 September 2020 a ruling (which since became 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. Hearings on the matter before the Brussels Commercial court are scheduled for September and October 2024.

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. On 28 November 2023, the Paris Court of Appeals upheld the Paris Criminal Court's decision relating to misleading commercial practice and the concealment of those practices. As for the damages owed to the civil plaintiffs, though the Paris Court of Appeals adjusted the calculation methodology, the majority of the damages had already been paid by provisional enforcement of the Paris Criminal Court's judgment. An agreement was also entered into with the "Consommation Logement Cadre de Vie" association to settle the case with customers wishing to do so.

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.

In 2023, BNP Paribas premises (along with those of other financial institutions) were searched by the French financial prosecutor's office; BNP Paribas was informed that the office had opened a preliminary investigation relating to French securities transactions.

Save as disclosed above, there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Bank is aware) that may have or have had, in the previous twelve months, any significant effects on the financial position or the profitability of the Bank and/or the BNP Paribas Group.

## **9.D BUSINESS COMBINATIONS AND LOSS OF CONTROL OR SIGNIFICANT INFLUENCE**

### **Operation of 2023**

#### **Partnership with Stellantis**

On 3 April 2023, BNP Paribas Personal Finance became the exclusive partner of Stellantis captive company in its financing activities across three strategic markets: Germany, Austria and the United Kingdom.

This operation involved the purchase of three entities in these three countries, in conjunction with the sale of activities to various Stellantis joint ventures in France, Italy and Spain.

This restructuring increased the Group's balance sheet by EUR 8 billion, in particular in financial assets at amortised cost, and led to the recognition of a net gain on disposal of EUR 54 million and of a goodwill of EUR 143 million.

### **Operations of 2022**

#### **bpost bank**

On 3 January 2022, BNP Paribas Fortis purchased the residual 50% stake in bpost bank.

The Group BNP Paribas took therefore exclusive control of this entity and fully consolidated it from the first quarter of 2022.

Consequently, this operation increased the Group's balance sheet by EUR 12 billion at the acquisition date, in particular EUR 11 billion in financial assets at amortised cost and led to the recognition of goodwill of EUR 245 million in the profit and loss account.

### **Axepta SpA**

On 4 January 2022, Banca Nazionale del Lavoro sold 80% of its stake of Wordline Merchant Services Italia (ex-Axepta SpA).

The Group BNP Paribas lost exclusive control of this entity but kept a significant influence.

The disposal led to the recognition of a result of EUR 204 million on the line "Net gain on non-current assets".

The residual stake of 20% was consolidated using the equity method for its remeasured value, including goodwill of EUR 41 million.

### **Floa**

On 31 January 2022, BNP Paribas purchased 100% of Floa.

The Group BNP Paribas took exclusive control of this entity and fully consolidated it from the first quarter of 2022.

The Group's balance sheet increased by EUR 2 billion at the acquisition date, in particular in financial assets at amortised cost.

The goodwill related to this operation was EUR 122 million.

### **UkrSibbank**

In the context of the conflict in Ukraine, the Group reassessed the nature of control over its subsidiary UkrSibbank and concluded to the loss of exclusive control, and the maintain of a significant influence. This situation led the Group to consolidate the entity using the equity method from 1 March 2022.

The loss of exclusive control involved the recognition of a loss on disposal of -EUR 159 million and the reclassification to the profit and loss account of cumulated changes in assets and liabilities for exchange differences of -EUR 274 million, in "Net gain on non-current assets".

The Group's balance sheet decreased by EUR 2 billion at the date of loss of exclusive control, in particular in financial assets at amortised cost.

### **Terberg Leasing Group BV**

On 30 November 2022, Arval Service Lease purchased 100% of Terberg Leasing Group BV.

The Group BNP Paribas took exclusive control of these entities and fully consolidated them from the last quarter of 2022.

The Group's balance sheet increased by EUR 1 billion at the acquisition date, in particular in tangible assets.

The goodwill related to this operation was EUR 92 million.

## **9.E 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 was closed on 1 February 2023 following receipt of all regulatory approvals by BMO Financial Group.

The group of assets covered by the agreement comprises most of the entities of the homogeneous BancWest set (see reference D2 in note 9.k *Scope of consolidation*).

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 since December 2021:

- 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;
- 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;
- the net change in cash and cash equivalents is isolated in the cash flow statement.

The disposal realised on 1 February 2023 resulted in EUR 87 billion decrease in "Assets held for sale".

The net capital gain on the disposal amounted to EUR 2.9 billion.

## 9.F 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 2023, none of the BNP Paribas Group entities 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 42 billion at 31 December 2023 (EUR 37 billion at 31 December 2022).

### 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 5.p and 7.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 this amendment to the 2022 Universal Registration Document under *Liquidity risk*.

### Assets representative of unit-linked insurance contracts

Assets representative of unit-linked insurance contracts designated as at fair value through profit or loss, which amounts to EUR 95.8 billion at 31 December 2023 (compared with EUR 88.5 billion at 31 December 2022 restated according to IFRS 17 and 9), are held for the benefit of the holders of these contracts.

## 9.G 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 and Matchpoint 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 this amendment to the 2022 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 this amendment to the 2022 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.

**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:

| <i>In millions of euros, at 31 December 2023</i>                       | <b>Securitisation</b> | <b>Funds</b>   | <b>Asset<br/>Financing</b> | <b>Others</b> | <b>Total</b>   |
|--|-----------------------|----------------|----------------------------|---------------|----------------|
| <b>INTERESTS ON THE GROUP BALANCE SHEET</b>                            |                       |                |                            |               |                |
| <b>ASSETS</b>  |                       |                |                            |               |                |
| Financial instruments at fair value through profit or loss             | 1                     | 1,374          | 1                          | 480           | 1,856          |
| Derivatives used for hedging purposes                                  | 7                     | 1,005          | 9                          | 16            | 1,037          |
| Financial instruments at fair value through equity                     | 105                   |                |                            |               | 105            |
| Financial assets at amortised cost                                     | 23,623                | 262            | 1,992                      | 37            | 25,914         |
| Other assets   |                       | 84             |                            | 1             | 85             |
| Financial investments and other assets related to insurance activities |                       | 41,406         |                            |               | 41,406         |
| <b>TOTAL ASSETS</b>  | <b>23,736</b>         | <b>44,131</b>  | <b>2,002</b>               | <b>534</b>    | <b>70,403</b>  |
| <b>LIABILITIES</b>   |                       |                |                            |               |                |
| Financial instruments at fair value through profit or loss             |                       | 528            | 41                         | 438           | 1,007          |
| Derivatives used for hedging purposes                                  |                       |                |                            |               |                |
| Financial liabilities at amortised cost                                | 116                   | 13,223         | 242                        | 299           | 13,880         |
| Other liabilities  | 2                     | 251            | 57                         |               | 310            |
| <b>TOTAL LIABILITIES</b>   | <b>118</b>            | <b>14,002</b>  | <b>340</b>                 | <b>737</b>    | <b>15,197</b>  |
| <b>MAXIMUM EXPOSURE TO LOSS</b>  | <b>34,922</b>         | <b>44,657</b>  | <b>3,097</b>               | <b>1,517</b>  | <b>84,193</b>  |
| <b>SIZE OF STRUCTURED ENTITIES<sup>(1)</sup></b>                       | <b>199,055</b>        | <b>344,598</b> | <b>6,611</b>               | <b>4,362</b>  | <b>554,626</b> |

In millions of euros, at 31 December 2022  
restated according to IFRS 17 and 9

|  | Securitisation | Funds          | Asset<br>Financing | Others       | Total          |
|--|----------------|----------------|--------------------|--------------|----------------|
| <b>INTERESTS ON THE GROUP BALANCE SHEET</b>                            |                |                |                    |              |                |
| <b>ASSETS</b>  |                |                |                    |              |                |
| Financial instruments at fair value through profit or loss             | 7              | 1,468          |                    | 449          | 1,924          |
| Derivatives used for hedging purposes                                  | 9              | 1,067          | 13                 | 19           | 1,108          |
| Financial instruments at fair value through equity                     | 147            |                |                    |              | 147            |
| Financial assets at amortised cost                                     | 21,058         | 278            | 2,150              | 228          | 23,714         |
| Other assets   | 2              | 110            | 26                 |              | 138            |
| Financial investments and other assets related to insurance activities |                | 34,933         |                    |              | 34,933         |
| <b>TOTAL ASSETS</b>  | <b>21,223</b>  | <b>37,856</b>  | <b>2,189</b>       | <b>696</b>   | <b>61,964</b>  |
| <b>LIABILITIES</b>   |                |                |                    |              |                |
| Financial instruments at fair value through profit or loss             | 14             | 597            | 53                 | 230          | 894            |
| Derivatives used for hedging purposes                                  |                |                |                    |              |                |
| Financial liabilities at amortised cost                                | 553            | 10,907         | 181                | 27           | 11,668         |
| Other liabilities  | 4              | 296            | 117                |              | 417            |
| <b>TOTAL LIABILITIES</b>   | <b>571</b>     | <b>11,800</b>  | <b>351</b>         | <b>257</b>   | <b>12,979</b>  |
| <b>MAXIMUM EXPOSURE TO LOSS</b>  | <b>29,679</b>  | <b>38,505</b>  | <b>3,527</b>       | <b>753</b>   | <b>72,464</b>  |
| <b>SIZE OF STRUCTURED ENTITIES<sup>(1)</sup></b>                       | <b>163,455</b> | <b>308,773</b> | <b>5,755</b>       | <b>4,365</b> | <b>482,348</b> |

(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 26 billion at 31 December 2023 (EUR 27 billion at 31 December 2022). 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 12 billion at 31 December 2023 (8 billion at 31 December 2022);

- **investments in securitisation vehicles:** the breakdown of the Group's exposure and the nature of the securities held are presented in chapter 5 of this amendment to the 2022 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 6 billion at 31 December 2023 (EUR 4 billion at 31 December 2022).

## 9.H COMPENSATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

The Group's corporate officers, their spouse 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, are presented in chapter 2 *Corporate governance* of this amendment to the 2022 Universal Registration Document.

### REMUNERATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS AND TO DIRECTORS REPRESENTING THE EMPLOYEES

| <i>In euros</i>  | <b>Year to 31<br/>Dec. 2023</b> | <b>Year to 31<br/>Dec. 2022</b> |
|--|---------------------------------|---------------------------------|
| <b>Gross remuneration</b>  |                                 |                                 |
| Gross remuneration paid during the year including benefits in kind   | 9,319,675                       | 9,220,047                       |
| Remuneration linked to the term of directorship (paid to the trade unions)   | 428,648                         | 415,328                         |
| <b>Welfare benefits:</b> premiums paid by BNP Paribas during the year  | 26,788                          | 26,494                          |
| <b>Post-employment benefits</b>  | 1,141,635                       | 1,123,483                       |
| <b>Share-based payments:</b> conditional long-term incentive plan (LTIP) - fair value at grant date <sup>(1)</sup> | 1,404,857                       | 1,748,965                       |

(1) Valuation according to the method described in note 8.e.

At 31 December 2023, no corporate officer is eligible for 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 to all members of the Board of directors in 2023 amounts to EUR 1,540,000, unchanged compared to 2022. The amount paid in 2023 to members other than corporate officers was EUR 1,410,484 compared with EUR 1,413,560 in 2022.

#### Loans, advances and guarantees granted to the Group's corporate officers

At 31 December 2023, the total outstanding loans granted directly or indirectly to the Group's corporate officers and their spouse and dependent children amounted to EUR 5,770,986 (EUR 5,179,096 at 31 December 2022). These loans representing normal transactions were carried out on an arm's length basis.

## 9.I 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 9.k *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

| <i>In millions of euros, at</i>  | <b>31 December 2022</b><br><i>restated according to IFRS 17 and 9</i> |                   |                       |                   |
|--|---|-------------------|-----------------------|-------------------|
|  | <b>31 December 2023</b>   |                   |                       |                   |
|  | <b>Joint ventures</b>   | <b>Associates</b> | <b>Joint ventures</b> | <b>Associates</b> |
| <b>ASSETS</b>  |   |                   |                       |                   |
| On demand accounts   |   | 5                 |                       | 4                 |
| Loans  | 3,510   | 88                | 3,436                 | 91                |
| Securities   | 356   |                   | 440                   |                   |
| Other assets   | 1   | 52                | 3                     | 72                |
| Financial investments and other assets related to insurance activities |   | 3                 | 1                     |                   |
| <b>TOTAL ASSETS</b>  | <b>3,867</b>  | <b>148</b>        | <b>3,880</b>          | <b>167</b>        |
| <b>LIABILITIES</b>   |   |                   |                       |                   |
| On demand accounts   | 337   | 1,118             | 166                   | 1,243             |
| Other borrowings   | 46  | 588               | 73                    | 826               |
| Other liabilities  | 4   | 18                | 2                     | 30                |
| Liabilities related to insurance contracts                             |   | 195               | 1                     | 190               |
| <b>TOTAL LIABILITIES</b>   | <b>387</b>  | <b>1,919</b>      | <b>242</b>            | <b>2,289</b>      |
| <b>FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS</b>                 |   |                   |                       |                   |
| Financing commitments given  | 19  | 538               | 24                    | 143               |
| Guarantee commitments given  | 7   | 111               | 65                    | 120               |
| <b>TOTAL FINANCING AND GUARANTEE COMMITMENTS</b>                       | <b>26</b>   | <b>649</b>        | <b>89</b>             | <b>263</b>        |

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.*).

## RELATED-PARTY PROFIT AND LOSS ITEMS

| <i>In millions of euros</i> | <b>Year to 31 Dec. 2022</b><br><i>restated according to IFRS 17 and 9</i> |                   |                       |                   |
|-----------------------------|---|-------------------|-----------------------|-------------------|
|                             | <b>Year to 31 Dec. 2023</b>   |                   |                       |                   |
|                             | <b>Joint ventures</b>   | <b>Associates</b> | <b>Joint ventures</b> | <b>Associates</b> |
| Interest income             | 155   | 9                 | 43                    | 9                 |
| Interest expense            | (13)  | (75)              | (2)                   | (15)              |
| Commission income           | 1   | 284               | 1                     | 288               |
| Commission expense          | (1)   | (78)              | (1)                   | (78)              |
| Services provided           |   | 2                 |                       | 29                |
| Services received           |   |                   |                       |                   |
| Lease income                |   |                   |                       |                   |

|                                      |            |            |           |            |
|--------------------------------------|------------|------------|-----------|------------|
| Net income from insurance activities |            | 8          | (2)       | (2)        |
| <b>TOTAL</b>                         | <b>142</b> | <b>150</b> | <b>39</b> | <b>231</b> |

### Group entities involved in 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.

At 31 December 2023, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,864 million (EUR 3,689 million at 31 December 2022). Amounts received by Group companies in the year to 31 December 2023 totalled EUR 5 million and were mainly composed of management and custody fees (EUR 5 million at 31 December 2022).

## 9.J 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 at 31 December 2023. 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.

| In millions of euros,<br>at 31 December 2023                           | Estimated fair value |           |         |           | Carrying value |
|--|----------------------|-----------|---------|-----------|----------------|
|  | Level 1              | Level 2   | Level 3 | Total     |                |
| FINANCIAL ASSETS   |                      |           |         |           |                |
| Loans and advances to credit institutions and customers <sup>(1)</sup> |                      | 91,565    | 719,554 | 811,119   | 835,860        |
| Debt securities at amortised cost <i>(note 5.e)</i>                    | 88,984               | 29,720    | 989     | 119,693   | 121,161        |
| FINANCIAL LIABILITIES  |                      |           |         |           |                |
| Deposits from credit institutions and customers                        |                      | 1,083,782 |         | 1,083,782 | 1,083,724      |
| Debt securities <i>(note 5.h)</i>                                      | 77,165               | 115,102   |         | 192,267   | 191,482        |
| Subordinated debt <i>(note 5.h)</i>                                    | 17,128               | 7,588     |         | 24,716    | 24,743         |
| <i>(1) Finance leases excluded.</i>                                    |                      |           |         |           |                |

| <i>In millions of euros,<br/>at 31 December 2022<br/>restated according to IFRS 17 and 9</i> | Estimated fair value |         |         |         | Carrying<br>value |
|--|----------------------|---------|---------|---------|-------------------|
|  | Level 1              | Level 2 | Level 3 | Total   |                   |
| FINANCIAL ASSETS   |                      |         |         |         |                   |
| Loans and advances to credit institutions and customers <sup>(1)</sup>                       |                      | 92,635  | 731,555 | 824,190 | 848,145           |
| Debt securities at amortised cost <i>(note 5.e)</i>  | 85,758               | 26,235  | 771     | 112,764 | 114,014           |



|  |        |           |        |           |           |
|--|--------|-----------|--------|-----------|-----------|
| Assets held for sale                             | 4,440  | 9,980     | 53,325 | 67,746    | 72,176    |
| <b>FINANCIAL LIABILITIES</b>                     |        |           |        |           |           |
| Deposits from credit institutions and customers  |        | 1,132,282 |        | 1,132,282 | 1,132,774 |
| Debt securities (note 5.h)                       | 64,889 | 90,215    |        | 155,104   | 155,359   |
| Subordinated debt (note 5.h)                     | 17,193 | 6,627     |        | 23,820    | 24,160    |
| Liabilities associated with assets held for sale |        | 74,567    |        | 74,567    | 74,563    |

(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.f.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.

## 9.K 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 three operating divisions: Corporate & Institutional Banking (CIB), Commercial, Personal Banking & Services (CPBS) and Investment & Protection Services (IPS).

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.

| Name                            | Country    | 31 December 2023 |            |              |      | 31 December 2022<br>restated according to IFRS 17 and 9 |            |              |      |
|---------------------------------|------------|------------------|------------|--------------|------|---|------------|--------------|------|
|                                 |            | Method           | Voting (%) | Interest (%) | Ref. | Method  | Voting (%) | Interest (%) | Ref. |
| BNP Paribas SA                  | France     | Full             | (1)        | 100%         | 100% | Full  | (1)        |              |      |
| BNPP SA (Argentina branch)      | Argentina  | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Australia branch)      | Australia  | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Austria branch)        | Austria    | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Bahrain branch)        | Bahrain    | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Belgium branch)        | Belgium    | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Bulgaria branch)       | Bulgaria   | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Canada branch)         | Canada     | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Czech Republic branch) | Czech Rep. | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Denmark branch)        | Denmark    | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Finland branch)        | Finland    | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Germany branch)        | Germany    | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Greece branch)         | Greece     | Full             |            | 100%         | 100% | Full  | 100%       | 100%         | E2   |
| BNPP SA (Guernsey branch)       | Guernsey   | Full             |            | 100%         | 100% | Full  | 100%       | 100%         | E2   |
| BNPP SA (Hong Kong branch)      | Hong Kong  | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Hungary branch)        | Hungary    | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (India branch)          | India      | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Ireland branch)        | Ireland    | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Italy branch)          | Italy      | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Japan branch)          | Japan      | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Jersey branch)         | Jersey     | Full             |            | 100%         | 100% | Full  | 100%       | 100%         | E2   |
| BNPP SA (Kuwait branch)         | Kuwait     | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Luxembourg branch)     | Luxembourg | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |
| BNPP SA (Malaysia branch)       | Malaysia   | Full             |            | 100%         | 100% | Full  | 100%       | 100%         |      |

| 31 December 2022                              |                      |        |            |              |                                     |        |            |              |      |
|---|----------------------|--------|------------|--------------|-------------------------------------|--------|------------|--------------|------|
| 31 December 2023                              |                      |        |            |              | restated according to IFRS 17 and 9 |        |            |              |      |
| Name  | Country              | Method | Voting (%) | Interest (%) | Ref.                                | Method | Voting (%) | Interest (%) | Ref. |
| BNPP SA (Monaco branch)                       | Monaco               | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Netherlands branch)                  | Netherlands          | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Norway branch)                       | Norway               | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Panama branch)                       | Panama               |        |            |              |                                     |        |            |              | S1   |
| BNPP SA (Philippines branch)                  | Philippines          | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Poland branch)                       | Poland               | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Portugal branch)                     | Portugal             | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Qatar branch)                        | Qatar                | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Republic of Korea branch)            | Rep. of Korea        | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Romania branch)                      | Romania              | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Saudi Arabia branch)                 | Saudi Arabia         | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Singapore branch)                    | Singapore            | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (South Africa branch)                 | South Africa         | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Spain branch)                        | Spain                | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Sweden branch)                       | Sweden               | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Switzerland branch)                  | Switzerland          | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         | E2   |
| BNPP SA (Taiwan branch)                       | Taiwan               | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Thailand branch)                     | Thailand             | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (United Arab Emirates branch)         | United Arab Emirates | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (United Kingdom branch)               | UK                   | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (United States branch)                | USA                  | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| BNPP SA (Viet Nam branch)                     | Viet Nam             | Full   | 100%       | 100%         |                                     | Full   | 100%       | 100%         |      |
| <b>CORPORATE &amp; INSTITUTIONAL BANKING</b>  |                      |        |            |              |                                     |        |            |              |      |
| <b>EMEA (Europe, Middle East, Africa)</b>     |                      |        |            |              |                                     |        |            |              |      |
| <b>France</b>                                 |                      |        |            |              |                                     |        |            |              |      |
| Atargatis(s)                                  | France               |        |            |              |                                     |        |            |              | S4   |
| Austin Finance(s)                             | France               |        |            |              | S4                                  | Full   | -          | -            |      |
| BNPP Financial Markets (Ex- BNPP Arbitrage)   | France               | Full   | (1)        | 100%         | 100%                                | Full   | (1)        | 100%         | 100% |
| BNPP Securities Services                      | France               |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Australia branch)   | Australia            |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Belgium branch)     | Belgium              |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Germany branch)     | Germany              |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Greece branch)      | Greece               |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Guernsey branch)    | Guernsey             |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Hong Kong branch)   | Hong Kong            |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Hungary branch)     | Hungary              |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Ireland branch)     | Ireland              |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Italy branch)       | Italy                |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Jersey branch)      | Jersey               |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Luxembourg branch)  | Luxembourg           |        |            |              |                                     |        |            |              | S4   |
| BNPP Securities Services (Netherlands branch) | Netherlands          |        |            |              |                                     |        |            |              | S4   |

| 31 December 2023   |             |            |            |              |      | 31 December 2022<br>restated according to IFRS 17 and 9 |            |              |      |
|--|-------------|------------|------------|--------------|------|---|------------|--------------|------|
| Name   | Country     | Method     | Voting (%) | Interest (%) | Ref. | Method  | Voting (%) | Interest (%) | Ref. |
| BNPP Securities Services (Poland branch)                     | Poland      |            |            |              |      |   |            |              | S4   |
| BNPP Securities Services (Portugal branch)                   | Portugal    |            |            |              |      |   |            |              | S4   |
| BNPP Securities Services (Singapore branch)                  | Singapore   |            |            |              |      |   |            |              | S4   |
| BNPP Securities Services (Spain branch)                      | Spain       |            |            |              |      |   |            |              | S4   |
| BNPP Securities Services (Switzerland branch)                | Switzerland |            |            |              |      |   |            |              | S4   |
| BNPP Securities Services (United Kingdom branch)             | UK          |            |            |              |      |   |            |              | S4   |
| Compagnie d'Investissement Italiens(s)                       | France      |            |            |              |      |   |            |              | S4   |
| Compagnie d'Investissement Opéra(s)                          | France      |            |            |              |      |   |            |              | S4   |
| Ellipsis Asset Management                                    | France      |            |            |              |      |   |            |              | S2   |
| Eurotitrisation  | France      | Equity     | 22.0%      | 22.0%        | V4   | Equity  | 21.7%      | 21.7%        |      |
| Exane  | France      |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane (Germany branch)                                       | Germany     |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane (Italy branch)   | Italy       |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane (Spain branch)   | Spain       |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane (Sweden branch)  | Sweden      |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane (Switzerland branch)                                   | Switzerland |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane (United Kingdom branch)                                | UK          |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane Asset Management                                       | France      | Equity     | 35.0%      | 35.0%        | V2   | Equity  | 51.0%      | 51.0%        | V1   |
| Exane Derivatives  | France      |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane Derivatives (Italy branch)                             | Italy       |            |            |              |      |   |            |              | S1   |
| Exane Derivatives (Switzerland branch)                       | Switzerland |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane Derivatives (United Kingdom branch)                    | UK          |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane Derivatives Gerance                                    | France      |            |            |              | S4   | Full  | 100%       | 100%         |      |
| Exane Finance  | France      | Full       | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| Exane Participations   | France      |            |            |              |      |   |            |              | S4   |
| FCT Juice(t)   | France      | Full       | -          | -            |      | Full  | -          | -            |      |
| Financière des Italiens(s)                                   | France      |            |            |              | S4   | Full  | -          | -            |      |
| Financière du Marché Saint Honoré                            | France      | Full       | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| Financière Paris Haussmann(s)                                | France      |            |            |              |      |   |            |              | S4   |
| Financière Taitbout(s)                                       | France      |            |            |              |      |   |            |              | S4   |
| Mediterranea(s)  | France      |            |            |              |      |   |            |              | S4   |
| Optichamps(s)  | France      |            |            |              | S4   | Full  | -          | -            |      |
| Parilease  | France      | Full (1)   | 100%       | 100%         |      | Full (1)  | 100%       | 100%         |      |
| Participations Opéra(s)                                      | France      |            |            |              | S4   | Full  | -          | -            |      |
| Services Logiciels d'Intégration Boursière                   | France      | Equity (3) | 66.6%      | 66.6%        |      | Equity (3)  | 66.6%      | 66.6%        |      |
| Services Logiciels d'Intégration Boursière (Portugal branch) | Portugal    | Equity (3) | 66.6%      | 66.6%        | E2   |   |            |              |      |
| SNC Taitbout Participation 3                                 | France      | Full       | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| Société Orbaisienne de Participations                        | France      | Full       | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| Uptevia SA   | France      | Equity (3) | 50.0%      | 50.0%        | E3   |   |            |              |      |
| Verner Investissements                                       | France      |            |            |              |      |   |            |              | S4   |
| Verner Investissements NewCo1                                | France      |            |            |              |      |   |            |              | S4   |
| Verner Investissements NewCo2                                | France      |            |            |              |      |   |            |              | S4   |
| <b>Other European countries</b>                              |             |            |            |              |      |   |            |              |      |

| 31 December 2022                                     |              |            |            |              |                                     |            |            |              |      |
|--|--------------|------------|------------|--------------|-------------------------------------|------------|------------|--------------|------|
| 31 December 2023                                     |              |            |            |              | restated according to IFRS 17 and 9 |            |            |              |      |
| Name   | Country      | Method     | Voting (%) | Interest (%) | Ref.                                | Method     | Voting (%) | Interest (%) | Ref. |
| Alfunds Group PLC                                    | UK           | Equity     | 12.1%      | 12.0%        |                                     | Equity     | 12.1%      | 12.0%        | V2   |
| Aquarius + Investments PLC(t)                        | Ireland      |            |            |              |                                     |            |            |              | S3   |
| Aries Capital DAC                                    | Ireland      | Full       | 100%       |              |                                     | Full       | 100%       |              |      |
| AssetMetrix  | Germany      | Equity     | 22.3%      | 22.3%        | V4                                  | Equity     | 20.8%      | 20.8%        | V4   |
| Auseter Real Estate Opportunities SARL(t)            | Luxembourg   |            |            |              |                                     |            |            |              | S2   |
| BNP PUK Holding Ltd                                  | UK           | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Bank JSC  | Russia       | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Emissions Und Handels GmbH                      | Germany      | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Fund Administration Services Ireland Ltd        | Ireland      | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Invest Holdings BV                              | Netherlands  |            |            |              |                                     |            |            |              | S1   |
| BNPP Ireland Unlimited Co                            | Ireland      | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Islamic Issuance BV                             | Netherlands  | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Issuance BV                                     | Netherlands  | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Net Ltd   | UK           | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Prime Brokerage International Ltd               | Ireland      | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Suisse SA                                       | Switzerland  | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Suisse SA (Guernsey branch)                     | Guernsey     | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Technology LLC                                  | Russia       | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Trust Corp UK Ltd                               | UK           | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         | E1   |
| BNPP Vartry Reinsurance DAC                          | Ireland      | Full (2)   | 100%       | 100%         |                                     | Full (2)   | 100%       | 100%         |      |
| Diamante Re SRL                                      | Italy        | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| Ejesur SA  | Spain        |            |            |              | S1                                  | Full       | 100%       | 100%         |      |
| Ellipsis AM Suisse SARL                              | Switzerland  |            |            |              |                                     |            |            |              | S2   |
| Exane Solutions Luxembourg SA                        | Luxembourg   | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| Expo Atlantico EAll Investimentos Imobiliarios SA(s) | Portugal     | Full (2)   | -          | -            |                                     | Full       | -          | -            | E2   |
| Expo Indico EIII Investimentos Imobiliarios SA(s)    | Portugal     | Full (2)   | -          | -            |                                     | Full       | -          | -            | E2   |
| FScholen   | Belgium      | Equity (3) | 50.0%      | 50.0%        |                                     | Equity (3) | 50.0%      | 50.0%        |      |
| Greenstars BNPP                                      | Luxembourg   | Full (2)   | 100%       | 100%         |                                     | Full (2)   | 100%       | 100%         |      |
| Kantox European Union SL                             | Spain        | Full       | 100%       | 100%         | V1/D8                               |            |            |              |      |
| Kantox Holding Ltd                                   | UK           | Full       | 100%       | 100%         | V1/D8                               | Equity     | 9.5%       | 9.5%         |      |
| Kantox Ltd   | UK           | Full       | 100%       | 100%         | V1/D8                               |            |            |              |      |
| Madison Arbor Ltd(t)                                 | Ireland      | Full       | -          | -            |                                     | Full       | -          | -            |      |
| Matchpoint Finance PLC(t)                            | Ireland      | Full       | -          | -            |                                     | Full       | -          | -            |      |
| Ribera Del Loira Arbitrage                           | Spain        | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| Securasset SA  | Luxembourg   | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| Single Platform Investment Repackaging Entity SA     | Luxembourg   | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| Utexam Logistics Ltd                                 | Ireland      |            |            |              | S3                                  | Full       | 100%       | 100%         |      |
| Utexam Solutions Ltd                                 | Ireland      |            |            |              | S3                                  | Full       | 100%       | 100%         |      |
| <b>Middle East</b>                                   |              |            |            |              |                                     |            |            |              |      |
| BNPP Investment Co KSA                               | Saudi Arabia | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| <b>AMERICAS</b>                                      |              |            |            |              |                                     |            |            |              |      |
| Banco BNPP Brasil SA                                 | Brazil       | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Canada Corp                                     | Canada       | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Capital Services Inc                            | USA          | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |
| BNPP Colombia Corporacion Financiera SA              | Colombia     | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |      |

| 31 December 2023  |               |        |            |              | 31 December 2022<br>restated according to IFRS 17 and 9 |        |            |              |      |
|---|---------------|--------|------------|--------------|---|--------|------------|--------------|------|
| Name  | Country       | Method | Voting (%) | Interest (%) | Ref.  | Method | Voting (%) | Interest (%) | Ref. |
| BNPP EQD Brazil Fund Fundo de Investimento Multimercado(s)  | Brazil        | Full   | -          | -            |   | Full   | -          | -            |      |
| BNPP Financial Services LLC                                 | USA           | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP FS LLC   | USA           | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP IT Solutions Canada Inc                                | Canada        | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Mexico Holding   | Mexico        | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Mexico SA Institucion de Banca Multiple                | Mexico        | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Proprietario Fundo de Investimento Multimercado(s)     | Brazil        | Full   | -          | -            |   | Full   | -          | -            |      |
| BNPP RCC Inc  | USA           | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Securities Corp  | USA           | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP US Investments Inc                                     | USA           | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP US Wholesale Holdings Corp                             | USA           | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP USA Inc  | USA           | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| 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(s)   | USA           | Full   | -          | -            |   | Full   | -          | -            |      |
| BNPP VPG IV LLC(s)  | USA           | Full   | -          | -            | E2  |        |            |              |      |
| BNPP VPG Master LLC(s)                                      | USA           | Full   | -          | -            |   | Full   | -          | -            |      |
| Dale Bakken Partners 2012 LLC                               | USA           |        |            |              | S2  | FV     | 4.9%       | 23.8%        | V3   |
| Decart Re Ltd   | Bermuda       | Full   | (2)        | 100%         | 100%  | Full   | 100%       | 100%         |      |
| Exane Inc   | USA           |        |            |              |   |        |            |              | S1   |
| FSI Holdings Inc  | USA           | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| Starbird Funding Corp(t)                                    | USA           | Full   | -          | -            |   | Full   | -          | -            |      |
| <b>PACIFIC ASIA</b>   |               |        |            |              |   |        |            |              |      |
| Andalan Multi Guna Pt                                       | Indonesia     | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         | D1   |
| Bank BNPP Indonesia Pt                                      | Indonesia     | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Arbitrage Hong Kong Ltd                                | Hong Kong     | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP China Ltd  | China         | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Finance Hong Kong Ltd                                  | Hong Kong     | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Fund Services Australasia Pty Ltd                      | Australia     | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Fund Services Australasia Pty Ltd (New Zealand branch) | New Zealand   | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Global Securities Operations Private Ltd               | India         |        |            |              | S4  | Full   | 100%       | 100%         |      |
| BNPP India Holding Private Ltd                              | India         | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP India Solutions Private Ltd                            | India         | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Malaysia Berhad  | Malaysia      | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Securities Asia Ltd                                    | Hong Kong     | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Securities India Private Ltd                           | India         | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Securities Japan Ltd                                   | Japan         | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Securities Korea Co Ltd                                | Rep. of Korea | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Securities Taiwan Co Ltd                               | Taiwan        | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| BNPP Sekuritas Indonesia Pt                                 | Indonesia     | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         | V4   |
| BPP Holdings Pte Ltd  | Singapore     | Full   | 100%       | 100%         |   | Full   | 100%       | 100%         |      |
| <b>COMMERCIAL, PERSONAL BANKING &amp; SERVICES</b>          |               |        |            |              |   |        |            |              |      |
| <b>COMMERCIAL &amp; PERSONAL BANKING IN THE EUROZONE</b>    |               |        |            |              |   |        |            |              |      |

| 31 December 2022                                    |          |        |            |              |       |        |            |              |       |
|---|----------|--------|------------|--------------|-------|--------|------------|--------------|-------|
| restated according to IFRS 17 and 9                 |          |        |            |              |       |        |            |              |       |
| 31 December 2023                                    |          |        |            |              |       |        |            |              |       |
| Name  | Country  | Method | Voting (%) | Interest (%) | Ref.  | Method | Voting (%) | Interest (%) | Ref.  |
| <b>Commercial &amp; Personal Banking in France</b>  |          |        |            |              |       |        |            |              |       |
| 2SF - Société des Services Fiduciaires              | France   | Equity | (3)        | 33.3%        | 33.3% | Equity | (3)        | 33.3%        | E2    |
| Banque de Wallis et Futuna                          | France   | Full   | (1)        | 51.0%        | 51.0% | Full   | (1)        | 51.0%        |       |
| BNPP Antilles Guyane                                | France   | Full   | (1)        | 100%         | 100%  | Full   | (1)        | 100%         |       |
| BNPP Développement                                  | France   | Full   |            | 100%         | 100%  | Full   |            | 100%         |       |
| BNPP Développement Oblig                            | France   | Full   |            | 100%         | 100%  | Full   |            | 100%         |       |
| BNPP Factor   | France   | Full   | (1)        | 100%         | 100%  | Full   | (1)        | 100%         |       |
| BNPP Factor (Portugal branch)                       | Portugal | Full   | (1)        | 100%         | 100%  |        |            |              |       |
| BNPP Factor (Spain branch)                          | Spain    | Full   | (1)        | 100%         | 100%  | Full   | (1)        | 100%         |       |
| BNPP Factor Sociedade Financeira de Credito SA      | Portugal |        |            |              | S4    | Full   | 100%       | 100%         |       |
| BNPP Nouvelle Calédonie                             | France   | Full   | (1)        | 100%         | 100%  | Full   | (1)        | 100%         |       |
| BNPP Réunion  | France   | Full   | (1)        | 100%         | 100%  | Full   | (1)        | 100%         |       |
| Compagnie pour le Financement des Loisirs           | France   | Full   | (1)        | 100%         | 100%  | Full   | 100%       | 100%         | V1/D3 |
| Copartis  | France   | Full   |            | 100%         | 100%  | Full   | 100%       | 100%         |       |
| Euro Securities Partners                            | France   |        |            |              | S2    | Equity | (3)        | 50.0%        | 50.0% |
| GIE Ocean   | France   | Full   |            | 100%         | 100%  | Full   | 100%       | 100%         |       |
| Jivago Holding                                      | France   | Full   |            | 100%         | 100%  | Full   | 100%       | 100%         |       |
| 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%         | 100%  | Full   | (1)        | 100%         |       |
| Société Lainoise de Participations                  | France   |        |            |              |       |        |            |              | S4    |
| <b>BNL banca commerciale</b>                        |          |        |            |              |       |        |            |              |       |
| Artigiancassa SPA                                   | Italy    | Full   |            | 100%         | 100%  | V1     | Full       | 73.9%        | 73.9% |
| Banca Nazionale Del Lavoro SPA                      | Italy    | Full   |            | 100%         | 100%  | Full   | 100%       | 100%         |       |
| EMF IT 2008 1 SRL(t)                                | Italy    | Full   |            | -            | -     | Full   | -          | -            |       |
| Era Uno SRL(t)                                      | Italy    | Full   |            | -            | -     | Full   | -          | -            |       |
| Eutimm SRL  | Italy    | Full   |            | 100%         | 100%  | Full   | 100%       | 100%         |       |
| Financit SPA  | Italy    | Full   |            | 60.0%        | 60.0% | Full   | 60.0%      | 60.0%        |       |
| Immera SRL(t)                                       | Italy    | Full   |            | -            | -     | Full   | -          | -            |       |
| International Factors Italia SPA                    | Italy    | Full   |            | 99.7%        | 99.7% | Full   | 99.7%      | 99.7%        |       |
| Permico SPA   | Italy    | Equity |            | 21.9%        | 21.9% | Equity | 21.9%      | 21.9%        | V4    |
| Servizio Italia SPA                                 | Italy    | Full   |            | 100%         | 100%  | Full   | 100%       | 100%         |       |
| Sviluppo HQ Tiburtina SRL                           | Italy    | Full   |            | 100%         | 100%  | Full   | 100%       | 100%         |       |
| Tierre Securitisation SRL(t)                        | Italy    | Full   |            | -            | -     | Full   | -          | -            |       |
| Vela Home SRL(t)                                    | Italy    |        |            |              |       |        |            |              | S3    |
| Vela Mortgages SRL(t)                               | Italy    |        |            |              |       |        |            |              | S3    |
| Vela OBG SRL(t)                                     | Italy    | Full   |            | -            | -     | Full   | -          | -            |       |
| Vela RMBS SRL(t)                                    | Italy    |        |            |              | S3    | Full   | -          | -            |       |
| Worldline Merchant Services Italia SPA              | Italy    | Equity |            | 20.0%        | 20.0% | Equity | 20.0%      | 20.0%        | V2/D4 |
| <b>Commercial &amp; Personal Banking in Belgium</b> |          |        |            |              |       |        |            |              |       |
| Axepta BNPP Benelux                                 | Belgium  | Full   |            | 100%         | 99.9% | Full   | 100%       | 99.9%        |       |
| Bancontact Paytoniq Company                         | Belgium  | Equity |            | 22.5%        | 22.5% | Equity | 22.5%      | 22.5%        |       |
| Banking Funding Company SA                          | Belgium  |        |            |              |       |        |            |              | S3    |
| BASS Master Issuer NV(t)                            | Belgium  | Full   |            | -            | -     | Full   | -          | -            |       |
| Batopin   | Belgium  | Equity |            | 25.0%        | 25.0% | Equity | 25.0%      | 25.0%        |       |
| Belgian Mobile ID                                   | Belgium  | Equity |            | 12.2%        | 12.2% | Equity | 12.2%      | 12.2%        |       |
| BNPP Commercial Finance Ltd                         | UK       | Full   |            | 100%         | 99.9% | Full   | 100%       | 99.9%        |       |
| BNPP Factor AS                                      | Denmark  | Full   |            | 100%         | 99.9% | Full   | 100%       | 99.9%        |       |

| 31 December 2022  |             |            |            |              |                                     |            |            |              |       |
|---|-------------|------------|------------|--------------|-------------------------------------|------------|------------|--------------|-------|
| 31 December 2023  |             |            |            |              | restated according to IFRS 17 and 9 |            |            |              |       |
| Name  | Country     | Method     | Voting (%) | Interest (%) | Ref.                                | Method     | Voting (%) | Interest (%) | Ref.  |
| BNPP Factor GmbH  | Germany     | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        |       |
| BNPP Factoring Support  | Netherlands | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        |       |
| 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%       | 99.9%        |                                     | Full       | 100%       | 99.9%        |       |
| BNPP Fortis Film Finance  | Belgium     | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        |       |
| BNPP Fortis Funding SA  | Luxembourg  | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        |       |
| BNPP FPE Belgium  | Belgium     | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        |       |
| BNPP FPE Expansion  | Belgium     | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        |       |
| BNPP FPE Management   | Belgium     | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        |       |
| Bpost Banque  | Belgium     | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        | V1/D5 |
| Credissimo  | Belgium     | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 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%        |       |
| Demetris NV   | Belgium     | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        | E1    |
| Epimede(s)  | Belgium     | Equity     | -          | -            |                                     | Equity     | -          | -            |       |
| Esmee Master Issuer(t)  | Belgium     | Full       | -          | -            |                                     | Full       | -          | -            |       |
| Immobilière Sauveniere SA   | Belgium     | Full       | 100%       | 99.9%        |                                     | Full       | 100%       | 99.9%        |       |
| Isabel SA NV  | Belgium     | Equity     | 25.3%      | 25.3%        |                                     | Equity     | 25.3%      | 25.3%        |       |
| Microstart  | Belgium     | Full       | 42.3%      | 76.8%        |                                     | Full       | 42.3%      | 76.8%        |       |
| Private Equity Investments (a)  | BE/FR/LU    | FV         | -          | -            |                                     | FV         | -          | -            |       |
| Sagip   | Belgium     | Full       | 100%       | 100%         |                                     | Full       | 100%       | 100%         |       |
| Sowo Invest SA NV   | Belgium     | Full       | 87.5%      | 87.5%        |                                     | Full       | 87.5%      | 87.5%        |       |
| Commercial & Personal Banking in Luxembourg                               |             |            |            |              |                                     |            |            |              |       |
| BGL BNPP  | Luxembourg  | 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  | Luxembourg  | Full       | 100%       | 65.9%        |                                     | Full       | 100%       | 65.9%        |       |
| BNPP SB Re  | Luxembourg  | Full (2)   | 100%       | 100%         |                                     | Full (2)   | 100%       | 100%         |       |
| Cofhylux SA   | Luxembourg  |            |            |              | S4                                  | Full       | 100%       | 65.9%        |       |
| Compagnie Financière Ottomane SA  | Luxembourg  | Full       | 97.3%      | 97.3%        |                                     | Full       | 97.3%      | 97.3%        |       |
| Le Sphinx Assurances Luxembourg SA  | Luxembourg  | Full (2)   | 100%       | 100%         |                                     | Full (2)   | 100%       | 100%         |       |
| Lion International Investments SA   | Luxembourg  |            |            |              |                                     |            |            |              | S4    |
| Luxhub SA   | Luxembourg  | Equity     | 28.0%      | 18.5%        |                                     | Equity     | 28.0%      | 18.5%        |       |
| Visalux   | Luxembourg  | Equity     | 25.2%      | 16.6%        | V3                                  | Equity     | 25.3%      | 16.7%        |       |
| COMMERCIAL & PERSONAL BANKING OUTSIDE THE EUROZONE                        |             |            |            |              |                                     |            |            |              |       |
| Europe-Mediterranean  |             |            |            |              |                                     |            |            |              |       |
| Bank of Nanjing   | China       | Equity     | 13.8%      | 13.8%        | V3                                  | Equity     | 13.9%      | 13.9%        | V3    |
| Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire | Ivory Coast |            |            |              | S2                                  | Full       | 59.8%      | 59.8%        |       |
| Banque Internationale pour le Commerce et l'Industrie du Sénégal          | Senegal     |            |            |              | S2                                  | 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%       | 67.0%        |                                     | Full       | 100%       | 67.0%        |       |
| Bantas Nakit AS   | Türkiye     | Equity (3) | 33.3%      | 16.7%        |                                     | Equity (3) | 33.3%      | 16.7%        |       |
| BDSI  | Morocco     | Full       | 100%       | 96.4%        |                                     | Full       | 100%       | 96.4%        |       |
| BGZ Poland ABS1 DAC(t)  | Ireland     | Full       | -          | -            |                                     | Full       | -          | -            |       |
| BICI Bourse   | Ivory Coast |            |            |              | S2                                  | Full       | 90.0%      | 52.0%        |       |

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|---|---------|--------|------------|--------------|------|---|------------|--------------|------|
| Name  | Country | Method | Voting (%) | Interest (%) | Ref. | Method  | Voting (%) | Interest (%) | Ref. |
| BMCI Leasing  | Morocco | Full   | 86.9%      | 58.2%        |      | Full  | 86.9%      | 58.2%        |      |
| BNPP Bank Polska SA   | Poland  | Full   | 87.3%      | 87.3%        | V3   | Full  | 87.4%      | 87.4%        |      |
| BNPP El Djazair   | Algeria | Full   | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| BNPP Faktoring Spolka ZOO                                     | Poland  | Full   | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| BNPP Fortis Yatirimlar Holding AS                             | Türkiye | Full   | 100%       | 99.9%        |      | Full  | 100%       | 99.9%        |      |
| BNPP Group Service Center SA                                  | Poland  | Full   | 100%       | 87.3%        | V3   | Full  | 100%       | 87.4%        | E1   |
| BNPP IRB Participations                                       | France  | Full   | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| BNPP Solutions Spolka ZOO                                     | Poland  |        |            |              |      |   |            |              | S3   |
| BNPP Yatirimlar Holding AS                                    | Türkiye | Full   | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| Dreams Sustainable AB   | Sweden  | Full   | 57.5%      | 57.5%        |      | Full  | 57.5%      | 57.5%        | E3   |
| Joint Stock Company Ukrsibbank                                | Ukraine | Equity | 60.0%      | 60.0%        |      | Equity  | 60.0%      | 60.0%        | D1   |
| TEB ARF Teknoloji Anonim Sirketi                              | Türkiye | Full   | 100%       | 72.5%        |      | Full  | 100%       | 72.5%        |      |
| TEB Faktoring AS  | Türkiye | Full   | 100%       | 72.5%        |      | Full  | 100%       | 72.5%        |      |
| TEB Finansman AS  | Türkiye | Full   | 100%       | 72.5%        | V3   | Full  | 100%       | 92.8%        |      |
| TEB Holding AS  | Türkiye | Full   | 50.0%      | 50.0%        |      | Full  | 50.0%      | 50.0%        |      |
| TEB SH A  | Kosovo  | Full   | 100%       | 50.0%        |      | Full  | 100%       | 50.0%        |      |
| TEB Yatirim Menkul Degerler AS                                | Türkiye | Full   | 100%       | 72.5%        |      | Full  | 100%       | 72.5%        |      |
| Turk Ekonomi Bankasi AS                                       | Türkiye | Full   | 100%       | 72.5%        |      | Full  | 100%       | 72.5%        |      |
| <b>BancWest</b>   |         |        |            |              |      |   |            |              |      |
| BancWest Holding Inc  | USA     |        |            |              | S2   | Full  | 100%       | 100%         | D2   |
| BancWest Holding Inc Grantor Trust<br>ERC Subaccount(s)       | USA     |        |            |              | S2   | Full  | -          | -            | D2   |
| Bancwest Holding Inc Umbrella<br>Trust(s)                     | USA     |        |            |              | S2   | Full  | -          | -            | D2   |
| BancWest Investment Services Inc                              | USA     |        |            |              | S2   | Full  | 100%       | 100%         | D2   |
| Bank of the West  | USA     |        |            |              | S2   | Full  | 100%       | 100%         | D2   |
| Bank of the West Auto Trust 2018-1(t)                         | USA     |        |            |              |      |   |            |              | S1   |
| Bank of the West Auto Trust 2019-1(t)                         | USA     |        |            |              | S2   | Full  | -          | -            | D2   |
| Bank of the West Auto Trust 2019-2(t)                         | USA     |        |            |              | S2   | Full  | -          | -            | D2   |
| BNPP Leasing Solutions Canada Inc                             | Canada  |        |            |              | S2   | Full  | 100%       | 100%         | D2   |
| BOW Auto Receivables LLC(t)                                   | USA     |        |            |              | S2   | Full  | -          | -            | D2   |
| BWC Opportunity Fund 2 Inc(t)                                 | USA     |        |            |              | S2   | Full  | -          | -            | D2   |
| BWC Opportunity Fund Inc(t)                                   | USA     |        |            |              | S2   | Full  | -          | -            | D2   |
| CFB Community Development Corp                                | USA     |        |            |              | S2   | Full  | 100%       | 100%         | D2   |
| Claas Financial Services LLC                                  | USA     |        |            |              | S2   | Full  | 51.0%      | 51.0%        | D2   |
| Commercial Federal Affordable<br>Housing Inc                  | USA     |        |            |              | S2   | Full  | 100%       | 100%         | D2   |
| First Santa Clara Corp(s)                                     | USA     |        |            |              | S2   | Full  | -          | -            | D2   |
| United California Bank Deferred<br>Compensation Plan Trust(s) | USA     |        |            |              | S2   | Full  | -          | -            | D2   |
| Ursus Real Estate Inc   | USA     |        |            |              | S2   | Full  | 100%       | 100%         | D2   |
| <b>SPECIALISED BUSINESSES</b>                                 |         |        |            |              |      |   |            |              |      |
| <b>Personal Finance</b>                                       |         |        |            |              |      |   |            |              |      |
| Alpha Crédit SA   | Belgium | Full   | 100%       | 99.9%        |      | Full  | 100%       | 99.9%        |      |
| Auto ABS UK Loans PLC(t)                                      | UK      | Full   | -          | -            | E3   |   |            |              |      |
| AutoFlorence 1 SRL(t)   | Italy   | Full   | -          | -            |      | Full  | -          | -            |      |
| AutoFlorence 2 SRL(t)   | Italy   | Full   | -          | -            |      | Full  | -          | -            |      |
| AutoFlorence 3 SRL(t)   | Italy   | Full   | -          | -            | E2   |   |            |              |      |
| Autonor 2019(t)   | France  | Full   | -          | -            |      | Full  | -          | -            |      |
| Autonor DE 2023(t)  | France  | Full   | -          | -            | E2   |   |            |              |      |
| Autonor Spain 2019(t)   | Spain   | Full   | -          | -            |      | Full  | -          | -            |      |



| 31 December 2022<br>restated according to IFRS 17 and 9 |              |          |            |              |       |          |            |              |      |
|---|--------------|----------|------------|--------------|-------|----------|------------|--------------|------|
| 31 December 2023  |              |          |            |              |       |          |            |              |      |
| Name  | Country      | Method   | Voting (%) | Interest (%) | Ref.  | Method   | Voting (%) | Interest (%) | Ref. |
| Autonoria Spain 2021 FT(t)                              | Spain        | Full     | -          | -            |       | Full     | -          | -            |      |
| Autonoria Spain 2022 FT(t)                              | Spain        | Full     | -          | -            |       | Full     | -          | -            | E2   |
| Autonoria Spain 2023 FT(t)                              | Spain        | Full     | -          | -            | E2    |          |            |              |      |
| Autop Ocean Indien                                      | France       |          |            |              |       |          |            |              | S4   |
| Axa Banque Financement                                  | France       | Equity   | 35.0%      | 35.0%        |       | Equity   | 35.0%      | 35.0%        |      |
| Banco Cetelem SA  | Brazil       |          |            |              | S4    | Full     | 100%       | 100%         |      |
| Banco Cetelem SA  | Spain        | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BGN Mercantil E Servicos Ltda                           | Brazil       | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BNPP Personal Finance                                   | France       | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BNPP Personal Finance (Austria branch)                  | Austria      | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BNPP Personal Finance (Bulgaria branch)                 | Bulgaria     |          |            |              | S1    | Full     | 100%       | 100%         |      |
| BNPP Personal Finance (Czech Republic branch)           | Czech Rep.   | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BNPP Personal Finance (Portugal branch)                 | Portugal     | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BNPP Personal Finance (Romania branch)                  | Romania      | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BNPP Personal Finance (Slovakia branch)                 | Slovakia     | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BNPP Personal Finance BV                                | Netherlands  | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BNPP Personal Finance South Africa Ltd                  | South Africa | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| BON BNPP Consumer Finance Co Ltd                        | China        | Equity   | 33.1%      | 33.1%        | V1/V4 | Equity   | 18.0%      | 18.0%        | V1   |
| 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%       | 100%         |       | Full     | 100%       | 100%         |      |
| Cetelem America Ltda                                    | Brazil       | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| Cetelem Business Consulting Shanghai Co Ltd             | China        | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         | E1   |
| Cetelem Gestion AIE                                     | Spain        | Full     | 100%       | 96.0%        |       | Full     | 100%       | 96.0%        |      |
| Cetelem SA de CV  | Mexico       | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| Cetelem Servicios Informaticos AIE                      | Spain        | Full     | 100%       | 81.0%        |       | Full     | 100%       | 81.0%        |      |
| Cetelem Servicios SA de CV                              | Mexico       |          |            |              |       |          |            |              | S4   |
| Cetelem Servicios Ltda                                  | Brazil       | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| Cofica Bail   | France       | Full (1) | 100%       | 100%         |       | Full (1) | 100%       | 100%         |      |
| Cofiplan  | France       | Full (1) | 100%       | 100%         |       | Full (1) | 100%       | 100%         |      |
| Creation Consumer Finance Ltd                           | UK           | Full     | 100%       | 99.9%        | V3    | Full     | 100%       | 100%         |      |
| Creation Financial Services Ltd                         | UK           | Full     | 100%       | 99.9%        | V3    | Full     | 100%       | 100%         |      |
| Crédit Moderne Antilles Guyane                          | France       | Full (1) | 100%       | 100%         |       | Full (1) | 100%       | 100%         |      |
| 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 2017(t)   | France       |          |            |              |       |          |            |              | S1   |
| E Carat 10(t)   | France       |          |            |              | S1    | Full     | -          | -            |      |
| E Carat 10 PLC(t)                                       | UK           |          |            |              |       |          |            |              | S3   |
| E Carat 11 PLC(t)                                       | UK           |          |            |              | S3    | Full     | -          | -            |      |
| E Carat 12 PLC(t)                                       | UK           | Full     | -          | -            |       | Full     | -          | -            |      |
| Ekspres Bank AS   | Denmark      | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| Ekspres Bank AS (Norway branch)                         | Norway       | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| Ekspres Bank AS (Sweden branch)                         | Sweden       | Full     | 100%       | 100%         |       | Full     | 100%       | 100%         |      |
| Eos Aremas Belgium SA NV                                | Belgium      | Equity   | 50.0%      | 49.9%        |       | Equity   | 50.0%      | 49.9%        |      |

| 31 December 2022   |              |            |            |              |      |                                     |            |              |      |
|--|--------------|------------|------------|--------------|------|-------------------------------------|------------|--------------|------|
| 31 December 2023   |              |            |            |              |      | restated according to IFRS 17 and 9 |            |              |      |
| Name   | Country      | Method     | Voting (%) | Interest (%) | Ref. | Method                              | Voting (%) | Interest (%) | Ref. |
| Evollis  | France       | Equity     | 49.2%      | 49.2%        | V4   | Equity                              | 41.0%      | 41.0%        |      |
| Findomestic Banca SPA  | Italy        | Full       | 100%       | 100%         |      | Full                                | 100%       | 100%         |      |
| Florence Real Estate Developments SPA                                | Italy        | Full       | 100%       | 100%         |      | Full                                | 100%       | 100%         |      |
| Florence SPV SRL(t)  | 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) | 25.0%      | 25.0%        | V1   | Equity (3)                          | 20.0%      | 20.0%        |      |
| International Development Resources AS Services SA                   | Spain        | Full       | 100%       | 100%         |      | Full                                | 100%       | 100%         |      |
| Iqera Services   | France       |            |            |              | S2   | Equity                              | 24.5%      | 24.5%        |      |
| Loisirs Finance  | France       | Full (1)   | 51.0%      | 51.0%        |      | Full (1)                            | 51.0%      | 51.0%        |      |
| Magyar Cetelem Bank ZRT  | Hungary      | Full       | 100%       | 100%         |      | Full                                | 100%       | 100%         |      |
| Neuilly Contentieux  | France       | Full       | 95.9%      | 95.6%        |      | Full                                | 95.9%      | 95.6%        |      |
| Noria 2018-1(t)  | France       |            |            |              | S1   | Full                                | -          | -            |      |
| Noria 2020(t)  | France       |            |            |              | S1   | Full                                | -          | -            |      |
| Noria 2021(t)  | France       | Full       | -          | -            |      | Full                                | -          | -            |      |
| Noria 2023(t)  | France       | Full       | -          | -            | E2   |                                     |            |              |      |
| Noria Spain 2020 FT(t)   | Spain        | Full       | -          | -            |      | Full                                | -          | -            |      |
| Opel Finance BV  | Belgium      |            |            |              |      |                                     |            |              | S3   |
| Opel Finance NV  | Netherlands  |            |            |              | S3   | Full                                | 100%       | 50.0%        |      |
| Opel Finance SA  | Switzerland  | Full       | 100%       | 50.0%        |      | Full                                | 100%       | 50.0%        |      |
| PBD Germany Auto Lease Master SA(t)                                  | Luxembourg   | Full       | -          | -            | E3   |                                     |            |              |      |
| Personal Finance Location  | France       | Full       | 100%       | 100%         |      | Full                                | 100%       | 100%         |      |
| PF Services GmbH   | Germany      | Full       | 100%       | 100%         |      | Full                                | 100%       | 100%         |      |
| Phedina Hypotheken 2010 BV(t)  | Netherlands  | Full       | -          | -            |      | Full                                | -          | -            |      |
| RCS Botswana Pty Ltd   | Botswana     | Full       | 100%       | 100%         |      | Full                                | 100%       | 100%         |      |
| RCS Cards Pty Ltd  | South Africa | Full       | 100%       | 100%         |      | Full                                | 100%       | 100%         |      |
| RCS Investment Holdings Namibia Pty Ltd                              | Namibia      | Full       | 100%       | 100%         |      | Full                                | 100%       | 100%         |      |
| Securitisation funds Genius (d)(t)                                   | China        | Equity (3) | -          | -            | E3   |                                     |            |              |      |
| Securitisation funds UCI and RMBS Prado (b)(t)                       | Spain        | Equity (3) | -          | -            |      | Equity (3)                          | -          | -            |      |
| Securitisation funds Wisdom (e)(t)                                   | China        | Equity (3) | -          | -            | E3   |                                     |            |              |      |
| Servicios Financieros Carrefour EFC SA                               | Spain        | Equity     | 37.3%      | 40.0%        |      | Equity                              | 37.3%      | 40.0%        |      |
| Stellantis Bank SA (Ex- Opel Bank)                                   | France       | Full       | 50.0%      | 50.0%        |      | Full                                | 50.0%      | 50.0%        |      |
| Stellantis Bank SA (Austria branch) (Ex- Opel Bank (Austria branch)) | Austria      | Full       | 50.0%      | 50.0%        |      | Full                                | 50.0%      | 50.0%        |      |
| Stellantis Bank SA (Germany branch) (Ex- Opel Bank (Germany branch)) | Germany      | Full       | 50.0%      | 50.0%        |      | Full                                | 50.0%      | 50.0%        |      |
| Stellantis Bank SA (Italy branch) (Ex- Opel Bank (Italy branch))     | Italy        |            |            |              | S1   | Full                                | 50.0%      | 50.0%        |      |
| Stellantis Bank SA (Spain branch) (Ex- Opel Bank (Spain branch))     | Spain        |            |            |              | S1   | Full                                | 50.0%      | 50.0%        |      |
| Stellantis Financial Services UK Ltd                                 | UK           | Full       | 100%       | 50.0%        | E3   |                                     |            |              |      |
| 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 Ltd (Ex- Vauxhall Finance PLC)                      | UK           | Full       | 100%       | 50.0%        |      | Full                                | 100%       | 50.0%        |      |
| XFERA Consumer Finance EFC SA  | Spain        | Full       | 51.0%      | 51.0%        |      | Full                                | 51.0%      | 51.0%        |      |
| Zhejiang Wisdom Puhua Financial Leasing Co Ltd                       | China        | Equity (3) | 25.0%      | 25.0%        | V1   | Equity (3)                          | 20.0%      | 20.0%        |      |
| <b>Arval</b>   |              |            |            |              |      |                                     |            |              |      |



| 31 December 2023                                       |             |          |            |              |      | 31 December 2022<br>restated according to IFRS 17 and 9 |            |              |      |
|--|-------------|----------|------------|--------------|------|---|------------|--------------|------|
| Name   | Country     | Method   | Voting (%) | Interest (%) | Ref. | Method  | Voting (%) | Interest (%) | Ref. |
| Aprolis Finance  | France      | Full     | 51.0%      | 42.3%        |      | Full  | 51.0%      | 42.3%        |      |
| Artegy   | France      | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNL Leasing SPA  | Italy       | Full     | 100%       | 95.5%        |      | Full  | 100%       | 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 (Spain branch)                          | Spain       | Full     | 51.0%      | 42.3%        | E2   |   |            |              |      |
| BNPP 3 Step IT (United Kingdom branch)                 | UK          | Full     | 51.0%      | 42.3%        |      | Full  | 51.0%      | 42.3%        |      |
| BNPP Finansal Kiralama AS                              | Türkiye     | Full     | 100%       | 82.5%        |      | Full  | 100%       | 82.5%        |      |
| BNPP Lease Group                                       | France      | Full (1) | 100%       | 83.0%        |      | Full (1)  | 100%       | 83.0%        |      |
| BNPP Lease Group (Germany branch)                      | Germany     | Full (1) | 100%       | 83.0%        |      | Full (1)  | 100%       | 83.0%        |      |
| BNPP Lease Group (Italy branch)                        | Italy       | Full (1) | 100%       | 83.0%        |      | Full (1)  | 100%       | 83.0%        |      |
| BNPP Lease Group (Portugal branch)                     | Portugal    | Full (1) | 100%       | 83.0%        |      | Full (1)  | 100%       | 83.0%        |      |
| BNPP Lease Group (Spain branch)                        | Spain       | Full (1) | 100%       | 83.0%        |      | Full (1)  | 100%       | 83.0%        |      |
| BNPP Lease Group Belgium                               | Belgium     | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Lease Group Leasing Solutions SPA                 | Italy       | Full     | 100%       | 95.5%        |      | Full  | 100%       | 95.5%        |      |
| BNPP Lease Group PLC                                   | UK          | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Lease Group SP ZOO                                | Poland      | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Leasing Services                                  | Poland      | Full     | 100%       | 87.3%        | V3   | Full  | 100%       | 87.4%        |      |
| BNPP Leasing Solution AS                               | Norway      | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Leasing Solutions                                 | Luxembourg  | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Leasing Solutions AB                              | Sweden      | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Leasing Solutions AS                              | Denmark     | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        | E1   |
| BNPP Leasing Solutions GmbH (Ex-All In One Vermietung) | Austria     | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Leasing Solutions IFN SA                          | Romania     | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Leasing Solutions Ltd                             | UK          | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Leasing Solutions NV                              | Netherlands | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Leasing Solutions Suisse SA                       | Switzerland | Full     | 100%       | 83.0%        |      | Full  | 100%       | 83.0%        |      |
| BNPP Rental Solutions Ltd                              | UK          |          |            |              | S3   | Full  | 100%       | 83.0%        |      |
| BNPP Rental Solutions SPA                              | Italy       | Full     | 100%       | 83.0%        |      | Full  | 100%       | 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%        |      |
| 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%        |      |
| 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%        |      |

| 31 December 2022  |             |        |            |              |       |        |            |              |       |
|---|-------------|--------|------------|--------------|-------|--------|------------|--------------|-------|
| 31 December 2023  |             |        |            |              |       |        |            |              |       |
| restated according to IFRS 17 and 9                       |             |        |            |              |       |        |            |              |       |
| Name  | Country     | Method | Voting (%) | Interest (%) | Ref.  | Method | Voting (%) | Interest (%) | Ref.  |
| 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%         | 41.6% | Full   |            | 100%         | 41.6% |
| CNH Industrial Capital Europe GmbH                        | Austria     | Full   |            | 100%         | 41.6% | Full   |            | 100%         | 41.6% |
| CNH Industrial Capital Europe Ltd                         | UK          | Full   |            | 100%         | 41.6% | Full   |            | 100%         | 41.6% |
| ES Finance  | Belgium     | Full   |            | 100%         | 99.9% | Full   |            | 100%         | 99.9% |
| FL Zeebrugge(s)   | Belgium     | Full   |            | -            | -     | Full   |            | -            | -     |
| Folea Grundstücksverwaltungs und Vermietungs GmbH & Co(s) | Germany     |        |            |              |       |        |            |              | S1    |
| Fortis Lease  | France      | Full   | (1)        | 100%         | 83.0% | Full   | (1)        | 100%         | 83.0% |
| Fortis Lease Belgium                                      | Belgium     | Full   |            | 100%         | 83.0% | Full   |            | 100%         | 83.0% |
| Fortis Lease Deutschland GmbH                             | Germany     |        |            |              | S3    | Full   |            | 100%         | 83.0% |
| Fortis Lease Iberia SA                                    | Spain       |        |            |              | S1    | Full   |            | 100%         | 86.6% |
| Fortis Lease Portugal                                     | Portugal    |        |            |              | S1    | Full   |            | 100%         | 83.0% |
| Fortis Lease UK Ltd                                       | UK          | Full   |            | 100%         | 83.0% | Full   |            | 100%         | 83.0% |
| Fortis Vastgoedlease BV                                   | Netherlands | Full   |            | 100%         | 83.0% | Full   |            | 100%         | 83.0% |
| Heffiq Heftruck Verhuur BV                                | Netherlands | Full   |            | 50.1%        | 41.5% | Full   |            | 50.1%        | 41.5% |
| JCB Finance   | France      | Full   | (1)        | 100%         | 41.6% | Full   | (1)        | 100%         | 41.6% |
| JCB Finance (Germany branch)                              | Germany     | Full   | (1)        | 100%         | 41.6% | Full   | (1)        | 100%         | 41.6% |
| JCB Finance (Italy branch)                                | Italy       | Full   | (1)        | 100%         | 41.6% | Full   | (1)        | 100%         | 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% |
| MGF (Italy branch)  | Italy       | Full   | (1)        | 51.0%        | 42.3% | Full   | (1)        | 51.0%        | 42.3% |
| Natio Energie 2   | France      | Full   |            | 100%         | 100%  | Full   |            | 100%         | 100%  |
| Natiocredibail  | France      | Full   | (1)        | 100%         | 100%  | Full   | (1)        | 100%         | 100%  |
| Pixel 2021(t)   | France      | Full   |            | -            | -     | Full   |            | -            | -     |
| Same Deutz Fahr Finance                                   | France      | Full   | (1)        | 100%         | 83.0% | Full   | (1)        | 100%         | 83.0% |
| SNC Natiocredimurs  | France      | Full   | (1)        | 100%         | 100%  | Full   | (1)        | 100%         | 100%  |
| 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% | Full   |            | 95.0%        | 95.0% |
| Financière des Paiements Electroniques (Germany branch)   | Germany     | Full   |            | 95.0%        | 95.0% | Full   |            | 95.0%        | 95.0% |
| Financière des Paiements Electroniques (Portugal branch)  | Portugal    | Full   |            | 95.0%        | 95.0% | Full   |            | 95.0%        | 95.0% |
| Financière des Paiements Electroniques (Spain branch)     | Spain       | Full   |            | 95.0%        | 95.0% | Full   |            | 95.0%        | 95.0% |
| Floa  | France      | Full   | (1)        | 100%         | 100%  | Full   |            | 100%         | 100%  |
| Lyf SA  | France      | Equity | (3)        | 43.8%        | 43.8% | Equity | (3)        | 43.8%        | 43.8% |
| Lyf SAS   | France      | Equity | (3)        | 50.0%        | 50.0% | V4     | Equity     | (3)          | 49.9% |
| Personal Investors  |             |        |            |              |       |        |            |              |       |
| Espresso Financial Services Private Ltd                   | India       | Full   |            | 100%         | 100%  | Full   |            | 100%         | 100%  |
| Geojit Technologies Private Ltd                           | India       | Equity |            | 35.0%        | 35.0% | Equity |            | 35.0%        | 35.0% |
| Human Value Developers Private Ltd                        | India       | Full   |            | 100%         | 100%  | Full   |            | 100%         | 100%  |
| Sharekhan BNPP Financial Services Ltd                     | India       | Full   |            | 100%         | 100%  | Full   |            | 100%         | 100%  |
| Sharekhan Ltd   | India       | Full   |            | 100%         | 100%  | Full   |            | 100%         | 100%  |
| INVESTMENT & PROTECTION SERVICES                          |             |        |            |              |       |        |            |              |       |

| 31 December 2023  |               |          |            |              |      | 31 December 2022<br>restated according to IFRS 17 and 9 |            |                      |
|---|---------------|----------|------------|--------------|------|---|------------|----------------------|
| Name  | Country       | Method   | Voting (%) | Interest (%) | Ref. | Method  | Voting (%) | Interest (%)<br>Ref. |
| <b>Insurance</b>  |               |          |            |              |      |   |            |                      |
| AEW Immocommercial(s)   | 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%                |
| AM Select   | Luxembourg    | Full     | -          | -            | E1   |   |            |                      |
| Astridplaza   | Belgium       | Full (2) | 100%       | 98.5%        |      | Full (2)  | 100%       | 98.5%                |
| Batipart Participations SAS                                       | Luxembourg    | FV       | 29.7%      | 29.7%        |      | FV  | 29.7%      | 29.7%                |
| Becquerel(s)  | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP Actions Croissance(s)  | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP Actions Entrepreneurs(s)                                     | France        |          |            |              |      |   |            | S3                   |
| BNPP Actions Euro(s)  | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP Actions Monde(s)   | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP Actions PME(s)   | France        |          |            |              |      |   |            | S3                   |
| BNPP Actions PME ETI(s)   | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP Aqua(s)  | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP Best Selection Actions Euro(s)                               | France        | Full (4) | -          | -            |      | Full (4)v   | -          | -                    |
| BNPP Cardif   | France        | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Cardif BV  | Netherlands   | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Cardif Compania de Seguros y Reaseguros SA                   | Peru          | Equity * | 100%       | 100%         |      | Equity *  | 100%       | 100%                 |
| BNPP Cardif Emeklilik AS  | Türkiye       | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Cardif General Insurance Co Ltd                              | Rep. of Korea |          |            |              |      |   |            | S2                   |
| BNPP Cardif Hayat Sigorta AS                                      | Türkiye       | Equity * | 100%       | 100%         |      | Equity *  | 100%       | 100%                 |
| BNPP Cardif Livforsakring AB                                      | Sweden        | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Cardif Livforsakring AB (Denmark branch)                     | Denmark       | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Cardif Livforsakring AB (Norway branch)                      | Norway        | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Cardif Pojistovna AS   | Czech Rep.    | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Cardif Seguros de Vida SA                                    | Chile         | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Cardif Seguros Generales SA                                  | Chile         | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Cardif Services SRO  | Czech Rep.    | Equity * | 100%       | 100%         |      | Equity *  | 100%       | 100%                 |
| BNPP Cardif Servicios y Asistencia Ltda                           | Chile         | Equity * | 100%       | 100%         |      | Equity *  | 100%       | 100%                 |
| BNPP Cardif Sigorta AS  | Türkiye       | Equity * | 100%       | 100%         |      | Equity *  | 100%       | 100%                 |
| 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%       | 100%         |      | Full (2)  | 100%       | 100%                 |
| BNPP Convictions(s)   | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP CP Cardif Alternative(s)                                     | France        |          |            |              |      |   |            | S3                   |
| BNPP CP Cardif Private Debt(s)                                    | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP CP Infrastructure Investments Fund(s)                        | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP Deep Value(s)  | France        |          |            |              | S3   | Full (4)  | -          | -                    |
| BNPP Développement Humain(s)                                      | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP Diversiflex(s)   | France        | Full (4) | -          | -            |      | Full (4)  | -          | - E1                 |
| BNPP Diversipierre(s)   | France        | Full (2) | -          | -            |      | Full (2)  | -          | -                    |
| BNPP France Crédit(s)   | France        | Full (2) | -          | -            |      | Full (2)  | -          | -                    |
| BNPP Global Senior Corporate Loans(s)                             | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |
| BNPP Indice Amerique du Nord(s)                                   | France        | Full (4) | -          | -            |      | Full (4)  | -          | -                    |

|   |             | 31 December 2023 |            |              |      | 31 December 2022<br>restated according to IFRS 17 and 9 |            |              |      |
|---|-------------|------------------|------------|--------------|------|---|------------|--------------|------|
| Name  | Country     | Method           | Voting (%) | Interest (%) | Ref. | Method  | Voting (%) | Interest (%) | Ref. |
| BNPP Moderate Focus Italia(s)                         | France      |                  |            |              | S3   | Full (4)  | -          | -            |      |
| BNPP Monétaire Assurance(s)                           | France      |                  |            |              | S1   | Full (4)  | -          | -            |      |
| BNPP Multistratégies Protection 80(s)                 | France      | Full (4)         | -          | -            |      | Full (4)  | -          | -            |      |
| BNPP Next Tech(s)                                     | France      |                  |            |              | S3   | Full (4)  | -          | -            |      |
| BNPP Protection Monde(s)                              | France      |                  |            |              | S3   | Full (4)  | -          | -            |      |
| BNPP Sélection Dynamique Monde(s)                     | France      | Full (4)         | -          | -            |      | Full (4)  | -          | -            |      |
| BNPP Sélection Flexible(s)                            | France      |                  |            |              |      |   |            |              | S3   |
| BNPP Smallcap Euroland(s)                             | France      | Full (4)         | -          | -            |      | Full (4)  | -          | -            |      |
| BNPP Social Business France(s)                        | France      | Full (4)         | -          | -            |      | Full (4)  | -          | -            |      |
| BOB Cardif Life Insurance Co Ltd                      | China       | Equity           | 50.0%      | 50.0%        |      | Equity  | 50.0%      | 50.0%        |      |
| C Santé(s)  | France      | FV               | -          | -            |      | FV  | -          | -            | D1   |
| Camgestion Obliflexible(s)                            | France      |                  |            |              | S1   | FV  | -          | -            | D1   |
| Capital France Hotel                                  | France      | Full (2)         | 98.5%      | 98.5%        |      | Full (2)  | 98.5%      | 98.5%        |      |
| Cardif Alternatives Part I(s)                         | France      | Full (2)         | -          | -            |      | Full (2)  | -          | -            |      |
| Cardif Assurance Vie                                  | France      | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Austria branch)                 | Austria     | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Belgium branch)                 | Belgium     | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Bulgaria branch)                | Bulgaria    | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Germany branch)                 | Germany     | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Italy branch)                   | Italy       | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Netherlands branch)             | Netherlands | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Portugal branch)                | Portugal    | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Romania branch)                 | Romania     | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Spain branch)                   | Spain       | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Switzerland branch)             | Switzerland | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurance Vie (Taiwan branch)                  | Taiwan      | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers                      | France      | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Austria branch)     | Austria     | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Belgium branch)     | Belgium     | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Bulgaria branch)    | Bulgaria    | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Germany branch)     | Germany     | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Italy branch)       | Italy       | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Netherlands branch) | Netherlands | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Poland branch)      | Poland      | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Portugal branch)    | Portugal    | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Romania branch)     | Romania     | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Spain branch)       | Spain       | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Switzerland branch) | Switzerland | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| Cardif Assurances Risques Divers (Taiwan branch)      | Taiwan      | Full (2)         | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |

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| 31 December 2022  |            |          |            |              |      |          |            |              |      |
|---|------------|----------|------------|--------------|------|----------|------------|--------------|------|
| restated according to IFRS 17 and 9                                     |            |          |            |              |      |          |            |              |      |
| 31 December 2023  |            |          |            |              |      |          |            |              |      |
| Name  | Country    | Method   | Voting (%) | Interest (%) | Ref. | Method   | Voting (%) | Interest (%) | Ref. |
| Cardif Vita Convex Fund Eur(s)  | France     |          |            |              | S1   | Full (2) | -          | -            |      |
| Cardimmo  | France     | Full (2) | 100%       | 100%         |      | Full (2) | 100%       | 100%         |      |
| Carma Grand Horizon SARL  | France     | Full (2) | 100%       | 100%         |      | Full (2) | 100%       | 100%         |      |
| Cedrus Carbon Initiative Trends(s)                                      | France     | Full (2) | -          | -            |      | Full (2) | -          | -            |      |
| Centre Commercial Francilia   | France     | FV       | 21.7%      | 21.7%        |      | FV       | 21.7%      | 21.7%        | E3   |
| CFH Alexanderplatz Hotel SARL   | Luxembourg | Full (2) | 100%       | 93.5%        | E2   |          |            |              |      |
| CFH Algonquin Management Partners France Italia                         | Italy      | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| CFH Bercy   | France     | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| CFH Bercy Hotel   | France     | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| CFH Bercy Intermédiaire   | France     | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| CFH Berlin GP GmbH  | Germany    | Full (2) | 100%       | 98.5%        | E2   |          |            |              |      |
| CFH Berlin Holdco SARL  | Luxembourg | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| CFH Boulogne  | France     | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| CFH Cap d'Ail   | France     | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| CFH Hostel Berlin SARL  | Luxembourg | Full (2) | 100%       | 93.5%        | E2   |          |            |              |      |
| CFH Hotel Project SARL  | Luxembourg | Full (2) | 100%       | 93.5%        | E2   |          |            |              |      |
| CFH Milan Holdco SRL  | Italy      | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| CFH Montmartre  | France     | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| CFH Montparnasse  | France     | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| Corosa  | France     | Full (2) | 100%       | 100%         |      | Full (2) | 100%       | 100%         |      |
| Darnell DAC   | Ireland    | Full (2) | 100%       | 100%         |      | Full (2) | 100%       | 100%         |      |
| Défense CB3 SAS   | France     | FV       | 25.0%      | 25.0%        |      | FV       | 25.0%      | 25.0%        |      |
| Diversipierre DVP 1   | France     | Full (2) | 100%       | 93.4%        | V4   | Full (2) | 100%       | 88.1%        | V3   |
| Diversipierre Germany GmbH  | Germany    | Equity * | 100%       | 93.4%        | V4   | Equity * | 100%       | 88.1%        | V3   |
| DVP European Channel  | France     | Equity * | 100%       | 93.4%        | V4   | Equity * | 100%       | 88.1%        | V3   |
| DVP Green Clover  | France     | Equity * | 100%       | 93.4%        | V4   | Equity * | 100%       | 88.1%        | V3   |
| DVP Haussmann   | France     | Equity * | 100%       | 93.4%        | V4   | Equity * | 100%       | 88.1%        | V3   |
| DVP Heron   | France     | Equity * | 100%       | 93.4%        | V4   | Equity * | 100%       | 88.1%        | V3   |
| Eclair(s)   | France     |          |            |              | S3   | Full (4) | -          | -            |      |
| EP L(s)   | France     | Full (2) | -          | -            |      | Full     | -          | -            |      |
| EP1 Grands Moulins(s)   | France     | Equity * | -          | -            |      | Equity * | -          | -            |      |
| FDI Poncelet  | France     | Full (2) | 100%       | 100%         |      | Full (2) | 100%       | 100%         |      |
| 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    |          |            |              | S1   | Full (2) | -          | -            |      |
| GIE BNPP Cardif   | France     | Full (2) | 99.7%      | 99.7%        | V2   | Full (2) | 100%       | 100%         | V4   |
| GPinvest 10   | France     | FV       | 50.0%      | 50.0%        |      | FV       | 50.0%      | 50.0%        |      |
| Harewood Helena 2 Ltd   | UK         | Full (2) | 100%       | 100%         |      | Full (2) | 100%       | 100%         |      |
| Harmony Prime(s)  | France     | Full (4) | -          | -            |      | Full (4) | -          | -            | E1   |
| Hemisphere Holding  | France     | Equity   | 20.0%      | 20.0%        |      | Equity   | 20.0%      | 20.0%        |      |
| Hibernia France   | France     | Full (2) | 100%       | 98.5%        |      | Full (2) | 100%       | 98.5%        |      |
| Horizon Development GmbH  | Germany    | FV       | 66.7%      | 62.9%        |      | FV       | 66.7%      | 62.9%        |      |
| Icare   | France     | Full (2) | 100%       | 100%         |      | Full (2) | 100%       | 100%         |      |
| Icare Assurance   | France     | Full (2) | 100%       | 100%         |      | Full (2) | 100%       | 100%         |      |
| ID Cologne A1 GmbH  | Germany    | Equity * | 89.2%      | 86.2%        | V1   | Equity * | 79.2%      | 74.1%        |      |

| 31 December 2022                             |            |          |            |              |                                     |          |            |              |      |
|--|------------|----------|------------|--------------|-------------------------------------|----------|------------|--------------|------|
| 31 December 2023                             |            |          |            |              | restated according to IFRS 17 and 9 |          |            |              |      |
| Name   | Country    | Method   | Voting (%) | Interest (%) | Ref.                                | Method   | Voting (%) | Interest (%) | Ref. |
| ID Cologne A2 GmbH                           | Germany    | Equity * | 89.2%      | 86.2%        | V1                                  | Equity * | 79.2%      | 74.1%        |      |
| Karapass Courtage                            | France     | Equity * | 100%       | 100%         |                                     | Equity * | 100%       | 100%         |      |
| Korian et Partenaires Immobilier 1           | France     | FV       | 24.5%      | 24.5%        |                                     | FV       | 24.5%      | 24.5%        |      |
| Korian et Partenaires Immobilier 2           | France     | FV       | 24.5%      | 24.5%        |                                     | FV       | 24.5%      | 24.5%        |      |
| Luizaseg Seguros SA (Ex- Luizaseg)           | Brazil     | Full (2) | 100%       | 100%         | V1/D9                               | Equity   | 50.0%      | 50.0%        |      |
| Natio Assurance                              | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| Natio Fonds Ampère 1(s)                      | France     | Full (4) | -          | -            |                                     | Full (4) | -          | -            |      |
| NCVP Participacoes Societarias SA            | Brazil     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| New Alpha Cardif Incubator Fund(s)           | France     | Full (2) | -          | -            |                                     | Full (2) | -          | -            |      |
| OC Health Real Estate GmbH                   | Germany    | FV       | 35.0%      | 31.0%        |                                     | FV       | 35.0%      | 31.0%        |      |
| Opéra Rendement(s)                           | France     | Full (2) | -          | -            |                                     | Full (2) | -          | -            |      |
| Paris Management Consultant Co Ltd           | Taiwan     | Equity * | 100%       | 100%         |                                     | Equity * | 100%       | 100%         |      |
| Permal Cardif Co Investment Fund(s)          | France     | Full (2) | -          | -            |                                     | Full (2) | -          | -            |      |
| Pinnacle Insurance PLC                       | UK         |          |            |              |                                     |          |            |              | S2   |
| Pinnacle Pet Holding Ltd                     | UK         | Equity   | 24.7%      | 24.7%        | V3                                  | Equity   | 30.0%      | 30.0%        | E3   |
| Poistovna Cardif Slovakia AS                 | Slovakia   | Equity * | 100%       | 100%         |                                     | Equity * | 100%       | 100%         |      |
| Preim Healthcare SAS(s)                      | France     | FV       | -          | -            |                                     | FV       | -          | -            |      |
| PWH  | France     | FV       | 47.5%      | 47.5%        |                                     | FV       | 47.5%      | 47.5%        |      |
| Reumal Investissements                       | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| Rubin SARL                                   | Luxembourg | FV       | 50.0%      | 50.0%        |                                     | FV       | 50.0%      | 50.0%        |      |
| Rueil Ariane                                 | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SAS HVP                                      | France     | Full (2) | 100%       | 98.5%        |                                     | Full (2) | 100%       | 98.5%        |      |
| Schroder European Operating Hotels Fund 1(s) | Luxembourg | FV       | -          | -            |                                     | FV       | -          | -            |      |
| SCI 68/70 rue de Lagny - Montreuil           | France     | Full (2) | 99.9%      | 99.9%        |                                     | Full (2) | 99.9%      | 99.9%        | V3   |
| SCI Alpha Park                               | France     | FV       | 50.0%      | 50.0%        |                                     | FV       | 50.0%      | 50.0%        |      |
| SCI Batipart Chadesrent                      | France     | FV       | 20.0%      | 20.0%        |                                     | FV       | 20.0%      | 20.0%        |      |
| SCI Biv Malakoff                             | France     | FV       | 23.3%      | 23.3%        |                                     | FV       | 23.3%      | 23.3%        |      |
| SCI BNPP Pierre I                            | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI BNPP Pierre II                           | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Bobigny Jean Rostand                     | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Bouleragny                               | France     | FV       | 50.0%      | 50.0%        |                                     | FV       | 50.0%      | 50.0%        |      |
| SCI Cardif Logement                          | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Citylight Boulogne                       | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Clichy Nuovo                             | France     | FV       | 50.0%      | 50.0%        |                                     | FV       | 50.0%      | 50.0%        |      |
| SCI Défense Etoile                           | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Défense Vendôme                          | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Etoile du Nord                           | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Fontenay Plaisance                       | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Imefa Velizy                             | France     | FV       | 21.8%      | 21.8%        |                                     | FV       | 21.8%      | 21.8%        |      |
| SCI Le Mans Gare                             | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Nanterre Guillaeries                     | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Nantes Carnot                            | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Odysée                                   | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Pantin Les Moulins                       | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Paris Batignolles                        | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Paris Cours de Vincennes                 | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Paris Grande Armée                       | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |
| SCI Paris Turenne                            | France     | Full (2) | 100%       | 100%         |                                     | Full (2) | 100%       | 100%         |      |

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| 31 December 2023   |             |          |            |              |      | 31 December 2022<br>restated according to IFRS 17 and 9 |            |              |      |
|--|-------------|----------|------------|--------------|------|---|------------|--------------|------|
| Name   | Country     | Method   | Voting (%) | Interest (%) | Ref. | Method  | Voting (%) | Interest (%) | Ref. |
| BNPP Asset Management Brasil Ltda                              | Brazil      | Full     | 100%       | 99.5%        |      | Full  | 100%       | 99.5%        |      |
| BNPP Asset Management France                                   | France      | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management France<br>(Austria branch)               | Austria     | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management France<br>(Belgium branch)               | Belgium     | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        | E2   |
| BNPP Asset Management France<br>(Germany branch)               | Germany     | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management France<br>(Italy branch)                 | Italy       | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management France<br>(Netherlands branch)           | Netherlands | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management Holding                                  | France      | Full     | 99.9%      | 98.2%        |      | Full  | 99.9%      | 98.2%        |      |
| BNPP Asset Management Japan Ltd                                | Japan       | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management<br>Luxembourg                            | Luxembourg  | Full     | 99.7%      | 97.9%        |      | Full  | 99.7%      | 97.9%        |      |
| BNPP Asset Management NL<br>Holding NV                         | Netherlands |          |            |              | S1   | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management Pt                                       | Indonesia   | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management Services<br>Grouping                     | France      |          |            |              | S1   | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management Taiwan<br>Co Ltd                         | Taiwan      | Full     | 100%       | 98.2%        | E1   |   |            |              |      |
| BNPP Asset Management UK Ltd                                   | UK          | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| BNPP Asset Management USA<br>Holdings Inc                      | USA         | Full     | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| BNPP Asset Management USA Inc                                  | USA         | Full     | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| BNPP B Institutional II(s)                                     | Belgium     | Full (4) | -          | -            |      | Full (4)  | -          | -            |      |
| BNPP Dealing Services  | France      | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| BNPP Easy(s)   | Luxembourg  | Full     | -          | -            |      | Full (4)  | -          | -            | E1   |
| BNPP European SME Debt Fund 2<br>SCSp RAIF(s)                  | Luxembourg  |          |            |              |      |   |            |              | S2   |
| BNPP Flexi I(s)  | Luxembourg  | Full (4) | -          | -            |      | Full (4)  | -          | -            |      |
| BNPP Funds(s)  | Luxembourg  | Full (4) | -          | -            |      | Full (4)  | -          | -            |      |
| BNPP Multigestion(s)   | France      |          |            |              |      |   |            |              | S3   |
| Drypnr AS  | Norway      | Full     | 100%       | 0.1%         | V4   | Full  | 100%       |              |      |
| Dynamic Credit Group BV  | Netherlands | Full     | 75.0%      | 73.6%        | E3   |   |            |              |      |
| EAB Group PLC  | Finland     |          |            |              |      |   |            |              | S2   |
| Fundquest Advisor  | France      |          |            |              |      |   |            |              | S4   |
| Fundquest Advisor (United Kingdom<br>branch)                   | UK          |          |            |              |      |   |            |              | S1   |
| Gambit Financial Solutions                                     | Belgium     | Full     | 100%       | 98.2%        |      | Full  | 100%       | 98.2%        |      |
| Haitong Fortis Private Equity Fund<br>Management Co Ltd        | China       | Equity   | 33.0%      | 32.4%        |      | Equity  | 33.0%      | 32.4%        |      |
| Harewood Helena 1 Ltd  | UK          | Full     | 100%       | 100%         |      | Full  | 100%       | 100%         |      |
| 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%        |      | Equity  | 13.8%      | 13.5%        |      |
| SME Alternative Financing DAC(s)                               | Ireland     | Full     | -          | -            |      | Full  | -          | -            |      |
| Theam Quant(s)   | Luxembourg  | Full (4) | -          | -            |      | Full (4)  | -          | -            |      |
| <b>Real Estate</b>   |             |          |            |              |      |   |            |              |      |
| Auguste Thouard Expertise                                      | France      | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| BNPP Immobilier Promotion<br>(Ex- BNPP Immobilier Résidentiel) | France      | Full (2) | 100%       | 100%         |      | Full (2)  | 100%       | 100%         |      |
| BNPP Immobilier Promotion Immobilier<br>d'Entreprise           | France      |          |            |              |      |   |            |              | S4   |

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| 31 December 2023  |           |             |            |              | 31 December 2022<br>restated according to IFRS 17 and 9 |             |            |              |       |    |
|---|-----------|-------------|------------|--------------|---|-------------|------------|--------------|-------|----|
| Name  | Country   | Method      | Voting (%) | Interest (%) | Ref.  | Method      | Voting (%) | Interest (%) | Ref.  |    |
| Development & Services GmbH                                 |           |             |            |              |   |             |            |              |       |    |
| BNPP Real Estate Property Development UK Ltd                | UK        | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| BNPP Real Estate Property Developpement Italy SPA           | Italy     |             |            |              |   |             |            |              | S4    |    |
| BNPP Real Estate Property Management France SAS             | France    | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| BNPP Real Estate Property Management GmbH                   | Germany   | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| BNPP Real Estate Property Management Italy SRL              | Italy     | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| BNPP Real Estate Singapore Pte Ltd                          | Singapore | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| BNPP Real Estate Spain SA                                   | Spain     | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| BNPP Real Estate Transaction France                         | France    | Full        | (2)        | 97.2%        | 97.2%   | V1          | Full       | (2)          | 96.8% | V1 |
| BNPP Real Estate Valuation France                           | France    | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| Cariboo Development SL                                      | Spain     | Equity      |            | 65.0%        | 65.0%   | Equity      |            | 65.0%        |       |    |
| Construction-Sale Companies (c)                             | France    | Full/Equity | (2)        | -            | -   | Full/Equity | (2)        | -            | -     |    |
| Exeo Aura & Echo Offices Lda                                | Portugal  | Equity      |            | 31.9%        | 31.9%   | Equity      |            | 31.9%        | E2    |    |
| GIE BNPP Real Estate  | France    | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| Horti Milano SRL  | Italy     | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| Nanterre Arboretum  | France    | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| Parker Tower Ltd  | UK        | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| Partner's & Services  | France    | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| REPD Parker Ltd   | UK        | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| Sviluppo Residenziale Italia SRL                            | Italy     | Full        | (2)        | 100%         | 100%  | Full        | (2)        | 100%         |       |    |
| Wapiti Development SL                                       | Spain     | Equity      |            | 65.0%        | 65.0%   | Equity      |            | 65.0%        |       |    |
| OTHER BUSINESS UNITS  |           |             |            |              |   |             |            |              |       |    |
| Property Companies (Property Used In Operations) and Others |           |             |            |              |   |             |            |              |       |    |
| Antin Participation 5                                       | France    | Full        |            | 100%         | 100%  | Full        |            | 100%         |       |    |
| BNPP Home Loan SFH  | France    | Full        | (1)        | 100%         | 100%  | Full        | (1)        | 100%         |       |    |
| BNPP Partners for Innovation                                | France    | Full        |            | 100%         | 100%  | Full        |            | 100%         |       |    |
| BNPP Partners for Innovation Belgium                        | Belgium   | Full        |            | 100%         | 100%  | Full        |            | 100%         |       |    |
| BNPP Partners for Innovation Italia SRL                     | Italy     | Full        |            | 100%         | 100%  | Full        |            | 100%         |       |    |
| BNPP Procurement Tech                                       | France    | Full        |            | 100%         | 100%  | Full        |            | 100%         |       |    |
| BNPP Public Sector SA                                       | France    | Full        |            | 100%         | 100%  | Full        |            | 100%         |       |    |
| Euro Secured notes Issuer(s)                                | France    |             |            |              |   |             |            |              | S3    |    |
| FCT Lafayette 2021(t)                                       | France    | Full        |            | -            | -   | Full        |            | -            | -     |    |
| FCT Laffitte 2021(t)  | France    | Full        |            | -            | -   | Full        |            | -            | -     |    |
| FCT Opéra 2014(t)   | France    |             |            |              | S1  | Full        |            | -            | -     |    |
| FCT Opera 2023(t)   | France    | Full        |            | -            | -   | E2          |            |              |       |    |
| FCT Pyramides 2022(t)                                       | France    | Full        |            | -            | -   | Full        |            | -            | -     | E2 |
| GIE Groupement Auxiliaire de Moyens                         | France    | Full        |            | 100%         | 100%  | Full        |            | 100%         |       |    |
| GIE Groupement d'Etudes et de Prestations                   | France    | Full        |            | 100%         | 100%  | Full        |            | 100%         |       |    |
| Transvalor  | France    |             |            |              | S2  | Equity      |            | 20.2%        | 20.2% |    |

- (a) At 31 December 2023, 14 Private Equity investment entities versus 14 Private Equity investment entities at 31 December 2022.
- (b) At 31 December 2023, the securitisation funds UCI and RMBS Prado include 13 funds (FCC UCI 11, 12, 14 to 17, RMBS Prado VII to XI, Green Belem I and RMBS Belem No 2) versus 14 funds (FCC UCI 11, 12, 14 to 17, RMBS Prado V to X, Green Belem I and RMBS Belem No 2) at 31 December 2022.
- (c) At 31 December 2023, 117 Construction-sale companies (82 Full and 35 Equity) versus 125 Construction-sale companies (91 Full and 34 Equity) at 31 December 2022.
- (d) At 31 December 2023, the securitisation funds Genius include 11 funds (Generation 2021-4 Retail Auto Mortgage Loan Securitisation, Generation 2022-1 to 5 Retail Auto Mortgage Loan Securitisation, Generation 2023-1 to 5 Retail Auto Mortgage Loan Securitisation).

| 31 December 2023 |         |        |            |              |      | 31 December 2022<br>restated according to IFRS 17 and 9 |            |              |      |
|------------------|---------|--------|------------|--------------|------|---|------------|--------------|------|
| Name             | Country | Method | Voting (%) | Interest (%) | Ref. | Method  | Voting (%) | Interest (%) | Ref. |

(e) At 31 December 2023, the securitisation funds Wisdom include 13 funds (Wisdom Puhua Leasing 2021-2 & 3 Asset-Backed Securities, Wisdom Puhua Leasing 2022-1 Asset-Backed notes, Wisdom Puhua Leasing 2022-1 to 3 Asset-Backed Securities, Wisdom Puhua Leasing 2023-1 & 2 Asset-Backed notes, Wisdom Puhua Leasing 2023-1 & 2 Asset-Backed securities, Wisdom Puhua Leasing Zhixing 2023-1 & 2 Asset-Backed notes, Wisdom Puhua Leasing Xinghe 2023-1 Asset-Backed Securities).

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 Following the additional purchase of interest by BNP Paribas Group in 2022, Compagnie pour le Financement des Loisirs was fully consolidated.
- D4 Following the partial disposal by the Group in 2022, Worldline Merchant Services Italia SPA was consolidated under the equity method
- D5 Following the additional purchase of interest by BNP Paribas Group in 2022, bpost bank was fully consolidated.
- D6 Following the partial disposal by the Group in 2022, Baroda BNPP AMC Private Ltd was consolidated under the equity method
- D7 Following the additional acquisition carried out by the Group, Arval Relsa and its subsidiaries are now fully consolidated.
- D8 Following the additional acquisition carried out by the Group, Kantox Holding and its subsidiaries are now fully consolidated.
- D9 Following the additional purchase of interest by the Group on 16 October 2023, Luizaseg Seguros SA is now 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 profit or loss

- (s) Structured entities
- (t) Securitisation funds

##### Prudential scope of consolidation

- (1) French subsidiaries for which 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.

## 9.L FEES PAID TO THE STATUTORY AUDITORS

| Year to 31 Dec. 2023<br><i>Excluding tax, in thousands of euros</i>  | Deloitte      |             | PricewaterhouseCoopers |             | Mazars        |             | TOTAL         |             |
|--|---------------|-------------|------------------------|-------------|---------------|-------------|---------------|-------------|
|  | Total         | %           | Total                  | %           | Total         | %           | Total         | %           |
| Statutory audits and contractual audits, including   | 20,696        | 75%         | 17,142                 | 62%         | 10,994        | 87%         | 48,832        | 72%         |
| Issuer   | 5,505         |             | 5,627                  |             | 3,083         |             | 14,215        |             |
| Consolidated subsidiaries  | 15,191        |             | 11,515                 |             | 7,911         |             | 34,617        |             |
| Services other than those required for their statutory audit engagement, including   | 6,731         | 25%         | 10,703                 | 38%         | 1,629         | 13%         | 19,063        | 28%         |
| Issuer   | 3,385         |             | 6,815                  |             | 736           |             | 10,936        |             |
| Consolidated subsidiaries  | 3,346         |             | 3,888                  |             | 893           |             | 8,127         |             |
| <b>TOTAL</b>   | <b>27,427</b> | <b>100%</b> | <b>27,845</b>          | <b>100%</b> | <b>12,623</b> | <b>100%</b> | <b>67,895</b> | <b>100%</b> |
| <i>of which fees paid to statutory auditors in France for the statutory audit and contractual audit</i>                                | 7,551         |             | 6,080                  |             | 4,406         |             | 18,037        |             |
| <i>of which fees paid to statutory auditors in France for services other than those required for their statutory audit engagements</i> | 2,014         |             | 4,179                  |             | 1,130         |             | 7,323         |             |

| Year to 31 Dec. 2022<br><i>Excluding tax, in thousands of euros</i>  | Deloitte      |             | PricewaterhouseCoopers |             | Mazars        |             | TOTAL         |             |
|--|---------------|-------------|------------------------|-------------|---------------|-------------|---------------|-------------|
|  | Total         | %           | Total                  | %           | Total         | %           | Total         | %           |
| Statutory audits and contractual audits, including   | 17,529        | 74%         | 19,920                 | 72%         | 11,565        | 88%         | 49,014        | 76%         |
| Issuer   | 4,501         |             | 5,870                  |             | 2,919         |             | 13,290        |             |
| Consolidated subsidiaries  | 13,028        |             | 14,050                 |             | 8,646         |             | 35,724        |             |
| Services other than those required for their statutory audit engagement, including   | 6,142         | 26%         | 7,669                  | 28%         | 1,606         | 12%         | 15,417        | 24%         |
| Issuer   | 2,062         |             | 2,021                  |             | 897           |             | 4,980         |             |
| Consolidated subsidiaries  | 4,080         |             | 5,648                  |             | 709           |             | 10,437        |             |
| <b>TOTAL</b>   | <b>23,671</b> | <b>100%</b> | <b>27,589</b>          | <b>100%</b> | <b>13,171</b> | <b>100%</b> | <b>64,431</b> | <b>100%</b> |
| <i>of which fees paid to statutory auditors in France for the statutory audit and contractual audit</i>                                | 6,509         |             | 6,216                  |             | 5,359         |             | 18,084        |             |
| <i>of which fees paid to statutory auditors in France for services other than those required for their statutory audit engagements</i> | 1,739         |             | 2,353                  |             | 1,046         |             | 5,138         |             |

Audit fees paid to external auditors who are not part of the network of the external auditors certifying the individual and consolidated financial statements of BNP Paribas SA, as mentioned in the above table, amount to EUR 3,990 thousand for the year 2023 (EUR 786 thousand in 2022). Variation is mainly explained by the appointment of BDO as joint external auditor of the Personal Finance Business Line entities in 2023.



This year, services other than the ones required for the statutory audit mainly refer to issuance of attestation of accounting and financial information, review of the quality of the internal control as per the international standards (such as ISAE 3402) within the framework of services provided to customers, especially in the Securities and the Asset Management Business Lines, expertise on the Bank's transformation projects, technical consultations on specific issues and assessment of the compliance of the entity's framework with Law/Regulation.

## 4.7 Statutory Auditors' report on the consolidated financial statements

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

For the year ended 31 December 2023

To the Shareholders,

### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of BNP Paribas SA for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Financial Statements Committee.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements section of our report.

#### Indépendance

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (Code de commerce) and the French Code of Ethics (Code de déontologie) for Statutory Auditors for the period from 1 January 2023 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

### Emphasis of matter

Without qualifying our opinion, we draw your attention to the impact of the change in accounting policy relative to the application as from 1 January 2023 of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" on portfolios of financial instruments of insurance businesses as presented in Notes 1a, 1g, 1p and 2 as well as in the other notes to the consolidated financial statements presenting quantified data related to the impact of these changes.

### Justification of assessments – Key audit matters

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

## Assessment of credit risk and measurement of impairment losses (stages 1, 2 and 3) on customer loan portfolios

*(See Notes 1.f.5, 1.f.6, 1.p, 3.g, 5.e, 5.f, 5.n and 9.e to the consolidated financial statements)*

| Description of risk  | How our audit addressed this risk  |
|--|--|
| <p>BNP Paribas recognises impairment losses to hedge the credit risks inherent to its banking intermediation activities. In a context still marked by considerable uncertainty relating to the macro-economic environment, the measurement of expected credit losses for customer loan portfolios required the BNP Paribas Group to exercise greater judgement and to take into account assumptions, in particular in order to:</p> <ul style="list-style-type: none"> <li>▪ assess the significant deterioration in credit risk to classify outstandings in stage 1, stage 2, or stage 3 according to geographical region and industry. As specified in Note 3.g to the consolidated financial statements, the bank continued to develop its criteria for assessing the material increase in credit risk in line with the recommendations issued by the European Banking Authority and the European Central Bank;</li> <li>▪ prepare macro-economic projections which are integrated into both the criteria for recognising the deterioration and in the measurement of expected credit losses;</li> <li>▪ estimate the amount of expected credit losses according to the different stages and taking into account the current macro-economic environment and the absence of any comparable historical situation. In particular, as specified in Note 3.g, certain additional adjustments or forecasts not included in the models in a generic approach are made to take into account the impacts of inflation, rate hikes and rising commercial property prices where these effects are not directly estimated by the models.</li> </ul> <p>At 31 December 2023, total outstanding customer loans exposed to credit risk amounted to EUR 877 billion, while total impairment losses stood at EUR 18 billion.</p> <p>We deemed the assessment of credit risk and the measurement of impairment losses to be a key audit matter insofar as management is required to exercise judgement and make estimates as regards credit granted to companies, particularly in the context of persistent uncertainty caused by geopolitical tensions, particularly the war in Ukraine and the Middle East and economic tensions, with inflation and interest rates that remained high in 2023.</p> | <p>We assessed the relevance of BNP Paribas' internal control system, particularly its adaptation to the uncertain environment, and tested the manual and computerised controls for assessing credit risk and measuring expected losses.</p> <p>During our work, we focused on:</p> <ul style="list-style-type: none"> <li>▪ classification of outstandings by stage: we assessed whether the change of risks was taken into account in estimating the indicators applicable to the various business lines to measure the significant deterioration in credit risk;</li> <li>▪ measurement of expected losses (stages 1, 2 and 3): <ul style="list-style-type: none"> <li>▪ assisted by our credit risk experts and relying on the internal system for independent validation of BNP Paribas' models, we assessed the methodologies as well as the assumptions underlying the macro-economic projections used by BNP Paribas across the various business lines, the proper integration of said projections into the information system and the effectiveness of the data quality controls;</li> <li>▪ we paid particular attention to the additional provisions recognised to take account of the uncertainties described above. we assessed the reasonableness of the methodologies used, the underlying assumptions, the relevance of the results obtained and the control procedures implemented;</li> <li>▪ with regard to impairment losses on outstanding loans to companies classified in stage 3, we verified that a periodic review of the credit risk of counterparties under surveillance had been carried out by BNP Paribas and, based on a sample of counterparties, assessed the assumptions and data used by management to estimate impairment.</li> </ul> </li> </ul> <p>In addition, we examined the disclosures in the notes to the consolidated financial statements with respect to credit risk and particularly the disclosures required by IFRS 9 and IFRS 7.</p> |

## Valuation of financial instruments

(See Notes 1.f.7, 1.f.10, 1.p, 3.a, 3.c, 5.a and 5.d to the consolidated financial statements)

| Description of risk  | How our audit addressed this risk  |
|--|--|
| <p>As part of its trading activities, BNP Paribas holds financial instruments (assets and liabilities) which are recognised in the balance sheet at market value.</p> <p>Market value is determined according to different approaches, depending on the type of instrument and its complexity: (i) using directly observable quoted prices (instruments classified in level 1 of the fair value hierarchy); (ii) using valuation models whose main inputs are observable (instruments classified in level 2); and (iii) using valuation models whose main inputs are unobservable (instruments classified in level 3).</p> <p>The valuations obtained may be subject to additional value adjustments to take into account certain specific trading, liquidity or counterparty risks.</p> <p>The techniques adopted by management to measure these instruments may therefore involve significant judgement as regards the models and data used.</p> <p>At 31 December 2023, financial instruments represented EUR 719 billion (of which EUR 7 billion for level 3 instruments) under assets and EUR 655 billion (of which EUR 10 billion for level 3 instruments) under liabilities.</p> <p>In light of the materiality of the outstandings and the judgement used to determine market value, we deemed the measurement of financial instruments to be a key audit matter, in particular the measurement of level 3 instruments given the use of unobservable inputs.</p> | <p>Assisted by our valuation experts, we verified that the key controls used by BNP Paribas with respect to the valuation of financial instruments function properly, in particular those relating to:</p> <ul style="list-style-type: none"> <li>the approval and regular review by management of the risks of the valuation models;</li> <li>the independent verification of the valuation inputs;</li> <li>the determination of value adjustments.</li> </ul> <p>Based on a sample, our valuation experts:</p> <ul style="list-style-type: none"> <li>analysed the relevance of the assumptions and inputs used;</li> <li>analysed the results of the independent review of the inputs by BNP Paribas;</li> <li>performed independent counter valuations using our own models.</li> </ul> <p>We also analysed, on a sample basis, any differences between the valuations obtained and collateral calls with counterparties.</p> <p>In addition, we examined the disclosures in the notes to the consolidated financial statements with respect to the valuation of financial instruments.</p> |

## General IT controls

| Description of risk  | How our audit addressed this risk  |
|--|--|
| <p>The reliability and security of IT systems plays a key role in the preparation of BNP Paribas SA's consolidated financial statements.</p> <p>We thus deemed the assessment of the general IT controls of the infrastructures and applications that contribute to the preparation of accounting and financial information to be a key audit matter.</p> <p>In particular, a system for controlling access rights to IT systems and authorisation levels based on employee profiles represents a key control for limiting the risk of inappropriate changes to application settings or underlying data.</p> | <p>For the main systems used to prepare accounting and financial information, assisted by our IT specialists, our work consisted primarily in:</p> <ul style="list-style-type: none"> <li>obtaining an understanding of the systems, processes and controls which underpin accounting and financial data;</li> <li>assessing the general IT controls (application and data access management, application changes/developments management and IT operations management) on key systems (in particular accounting, consolidation and automatic reconciliation applications);</li> <li>examining the control for the authorisation of manual accounting entries;</li> <li>performing additional audit procedures, where appropriate;</li> <li>taking into account the cybersecurity risk increased by the crisis in Ukraine and the widespread use of remote working.</li> </ul> |

## Impact of the first-time application of IFRS 17 “Insurance Contracts” and valuation of insurance contract liabilities in the “Retirement savings” businesses

*(See Notes 1.a, 1.g, 1.p, 2 and 6 to the consolidated financial statements)*

| Description of risk   | How our audit addressed this risk   |
|---|---|
| <p>The entry into force of IFRS 17 “Insurance Contracts” as from 1 January 2023 has resulted in significant changes to the rules for measuring and recognising insurance liabilities as well as changes in presentation of the financial statements. The standard applies retrospectively to insurance contracts outstanding at the transition date of 1 January 2022.</p> <p>The first-time application of IFRS 17 resulted in an impact of a negative EUR 2.1 billion on opening equity at 1 January 2022 for the BNP Paribas Group (refer to the Statement of changes in shareholders’ equity) and led to the recognition of a contractual service margin of EUR 18.6 billion. Note 1.a to the consolidated financial statements describes the accounting methods chosen (mainly application of the modified retrospective approach (MRA) by BNP Paribas) and the specific assumptions made by the Group at the transition date, depending on the type of contract (Protection or Retirement-savings) and the methods used for the valuation of liabilities under IFRS 17 (general model, simplified model or variable fee approach).</p> <p>At 31 December 2023, insurance liabilities measured in accordance with IFRS 17 represented a net amount of EUR 217 billion, compared with EUR 209 billion at 31 December 2022 (see Note 6.d). The accounting methods and assumptions used by the Group to estimate insurance liabilities are described in Note 1.g.2, which specifies that insurance contracts in the Retirement-savings segment, known as participating contracts, are valued using the variable fee accounting model. These contracts represent most of the insurance liabilities (EUR 212 billion at 31 December 2023 compared with EUR 204 billion at 31 December 2022) as indicated in Note 6.e.</p> <p>In determining the impact of the transition, management’s judgements and assumptions focused in particular on the justification for using the modified retrospective approach and the simplifying methodologies and assumptions used to estimate the contractual service margin and the non-financial risk adjustment at the transition date.</p> <p>Insurance liabilities include the determination of the best estimate of the present value of cash flows to be paid or received to meet contractual obligations to policyholders, a non-financial risk adjustment based on a confidence level adopted by the Group and taking into account risk diversification, and a contractual service margin representing the unearned profit that will be recognised as services are rendered. The valuation of these insurance liabilities according to the variable fee approach is based on complex actuarial models using data and assumptions relating to future periods, such as determining the discount rate, policyholder behaviour laws, future management decisions, non-financial risk adjustment and the definition of assumptions for returns on so-called real-world assets, used for the release to income of the contractual service margin. Changes and updates to the inputs used are likely to have a significant impact on the amount of insurance liabilities in the Retirement-savings segment.</p> <p>The significant changes in the measurement and recognition of insurance liabilities introduced by the application of this new accounting standard and the significant judgements</p> | <p>With the assistance of our actuarial modelling specialists, our audit procedures mainly consisted in:</p> <ul style="list-style-type: none"> <li>▪ reviewing and assessing the relevance of the method deployed by the BNP Paribas Group to implement IFRS 17 and the adaptation of the governance responsible for validating IFRS 17 models, the inputs and assumptions to be applied at the closing date and the financial impact on the estimate of net insurance liabilities;</li> <li>▪ reviewing and assessing the relevance of the processes and controls defined by management to determine the impact of the adoption of IFRS 17 on the consolidated financial statements at 1 January 2022 and on the comparative financial statements at 31 December 2022;</li> <li>▪ assessing the compliance of the accounting policies applied by the Group with the provisions of IFRS 17. We paid particular attention to the simplifying assumptions used to apply the modified retrospective approach at the transition date;</li> <li>▪ examining the eligibility of retirement savings contracts for the variable fee approach and ensuring it is correctly applied;</li> <li>▪ analysing the main inputs used at the closing date to calculate the insurance assets and liabilities of retirement savings contracts, and assessing their relevance in light of the external information available and the Group’s own management data. These procedures include assessing the adequacy of any changes in assumptions, inputs or modelling;</li> <li>▪ testing, using sampling techniques, the reliability of the underlying data used in the projection models and calculations of insurance liabilities;</li> <li>▪ examining the internal control environment of the IT systems used to calculate the insurance assets and liabilities of retirement savings contracts;</li> <li>▪ testing the key controls implemented by the Group (including data quality at each calculation stage) to guarantee the reliability of the financial information produced;</li> <li>▪ carrying out an independent calculation of the best estimate of the cash flows based on a sample of retirement savings insurance liabilities;</li> <li>▪ implementing procedures for the analytical review of model outputs.</li> </ul> <p>In addition, we examined the information disclosed in the notes to the financial statements, including information on risk sensitivity.</p> |

made by management described above led us to deem the impact of the first-time application of IFRS 17 “Insurance Contracts” and valuation of insurance contract liabilities in the “Retirement savings” businesses as a key audit matter.

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## **Specific verifications**

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we performed the specific verifications on the information pertaining to the Group presented in the Board of Directors’ management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the Group management report includes the consolidated non-financial information statement required under article L.225-102-1 of the French Commercial Code. However, in accordance with article L.823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

## **Other verifications and information pursuant to legal and regulatory requirements**

### **Presentation of the consolidated financial statements included in the annual financial report**

In accordance with professional standards applicable to the Statutory Auditors’ procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer’s responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

Due to the technical limitations inherent to block tagging the consolidated financial statements in the European single electronic reporting format, the content of some of the tags in the notes may not be rendered identically to the accompanying consolidated financial statements.

### **Appointment of the Statutory Auditors**

We were appointed Statutory Auditors of BNP Paribas SA by the Annual General Meetings held on 23 May 2006 for Deloitte & Associés, 26 May 1994 for PricewaterhouseCoopers Audit and 23 May 2000 for Mazars.

At 31 December 2023, Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars were in the eighteenth, the thirtieth and the twenty-fourth consecutive year of their engagement, respectively.

## **Responsibilities of management and those charged with governance for the consolidated financial statements**

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

## **Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements**

### **Objective and audit approach**

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect

a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

#### **Report to the Financial Statements Committee**

We submit a report to the Financial Statements Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Financial Statements Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Financial Statements Committee.

Paris La Défense, Neuilly-sur-Seine and Courbevoie, 15 March 2024

The Statutory Auditors

**PricewaterhouseCoopers Audit**

Patrice Morot

**Deloitte & Associés**

Laurence Dubois

**Mazars**

Virginie Chauvin";

- (e) Section 5 entitled "Risks and Capital Adequacy – Pillar 3" on pages 338 to 663 shall be deleted in its entirety and replaced with the following:



# "5 RISKS AND CAPITAL ADEQUACY – PILLAR 3

The purpose of Pillar 3 relative to market discipline is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2) with a set of disclosures completing the usual financial disclosures.

Chapter 5 presents the information relative to the BNP Paribas Group's risks and in this respect meets:

- the requirements of eighth part of Regulation (EU) No. 2019/876 of 20 May 2019 on prudential requirements<sup>(1)</sup> for credit institutions and investment firms. This regulation is set out in the various technical standards published by the European Commission and European Banking Authority aimed at improving the comparability of information published by the institutions. The format and references of the Pillar 3 tables are in line with the entry into application on 28 June 2021 of Implementing Regulation (EU) No. 2021/637;
- the accounting standards requirements relating to the nature and the extent of the risks. Some information required by accounting standards IFRS 7, IFRS 4 and IAS 1 is included in this chapter and covered by the opinion of the Statutory Auditors on the consolidated financial statements. This information is identified by the mention "[Audited]" and should be read as being part of the notes to the consolidated financial statements;
- the transparency and disclosure requirements for prudential information on the management of ESG risks and, in particular, the physical and transition risks related to climate change, in accordance with article 449a of Regulation (EU) No. 2019/876 (CRR 2) and in accordance with the content provided by the European Banking Authority (EBA) in the technical implementation standard (ITS) adopted on 28 November 2022.

The Basel current measures (known as Basel 3), approved in November 2010, strengthen the ability of banks to withstand economic and financial shocks of all kinds by introducing a series of regulatory provisions. The content of this reform was transposed into European law in Directive 2013/36/EU (CRD 4) and Regulation (EU) No. 575/2013 of 26 June 2013 (CRR), supplemented in June 2019 by Directive (EU) No. 2019/878 (CRD 5) and Regulation (EU) No. 2019/876 (CRR 2).

The regulatory framework of Basel 3 had the following main impacts:

- **strengthened solvency:**

The Basel 3 rules lead to harmonise the definition of capital and strengthen the ability of financial institutions to absorb losses.

A detailed description of the composition of regulatory capital is given under *Regulatory capital* in section 5.2 *Capital management and capital adequacy*.

Rules on calculating risk-weighted assets were also revised to strengthen related capital requirements. These calculation rules are detailed by risk type in the corresponding sections.

Strengthened solvency is implemented through the Single Supervisory Mechanism (SSM) overseen by the ECB and the application of the European Banking Authority (EBA) Supervisory Review and Evaluation Process (SREP) guidelines.

The BNP Paribas Group, identified as a "financial conglomerate", is subject to additional supervision. As a financial conglomerate, the Group's own funds cover the capital requirements for banking activities as well as insurance activities (see *Capital adequacy and capital planning* in section 5.2 *Capital management and capital adequacy*);

- **monitoring of a leverage ratio:**

The main purpose of the leverage ratio is to act as a supplementary measure to the risk-based capital requirements (backstop principle). The minimum requirement is applicable since 1 January 2024 and was preceded by intermediate requirements applicable since 28 June 2021 and 1 January 2023.

The minimum requirement applicable and the Group's leverage ratio are presented under *Capital management and capital planning* in section 5.2 *Capital management and capital adequacy*;

- **liquidity management:**

The implementation of liquidity requirements with the introduction of a short-term liquidity ratio (Liquidity Coverage Ratio – LCR) and a long-term liquidity ratio (Net Stable Funding Ratio – NSFR) is presented in section 5.8 *Liquidity risk*.

The minimum liquidity coverage ratio has been set at 100% of total net cash outflows during the 30-day stress period;

<sup>1</sup> The disclosures required under article 450 concerning the Group's compensation policy are available in the Compensation of regulated employees section of the Investor Relations website: <https://invest.bnpparibas.com/en/compensation-regulated-employees>.

▪ **monitoring of the bank resolution scheme:**

The monitoring of bank resolution scheme introduced on 1 January 2016 has been accompanied, since 27 June 2019, by a TLAC (Total Loss Absorbing Capacity) minimum ratio applicable to global systemically important banks (G-SIBs).

This requirement is supplemented in Europe by the introduction of an MREL (Minimum Requirement for own funds and Eligible Liabilities) ratio applicable since 1 January 2024, with an intermediate requirement applicable since 1 January 2022 (see *Capital adequacy and capital planning* in section 5.2 *Capital management and capital adequacy*).

Furthermore, on 7 December 2017, the Group of Governors and Heads of Supervision (GHOS) approved the reforms finalising the Basel 3 regulatory framework. They consist of a revision of the framework for credit risk, credit valuation adjustment (CVA – Credit Value Adjustment) risk, and operational risk, as well as the introduction of a floor for the calculation of risk-weighted assets when an internal method is used. These proposals were supplemented by the fundamental review of the trading book (FRTB) in January 2019 and the CVA risk in July 2020. Transposition of Basel 3 finalisation into European law was initiated by the European Commission with the publication on 27 October 2021 of draft CRR 3 and CRD 6 amendments providing for gradual entry into force from 1 January 2025.

In chapter 5, the figures shown may not appear to add up in certain columns and rows due to rounding.

**Certification and governance**

I, the undersigned, Lars Machenil, Chief Financial Officer (CFO) of the BNP Paribas Group, hereby confirm that the information contained in chapter 5 *Risks and capital adequacy – Pillar 3* is, to the best of my knowledge, compliant with the requirements of eighth part of Regulation (EU) No. 2019/876 (CRR 2).

Paris, 15 March 2024.

The BNP Paribas Group operates all of its activities within the framework of a robust internal control system.

Control plans and procedures are in place within the Group to ensure the proper compliance of the information contained in the management report.

A committee, chaired by the Deputy Chief Financial Officer, has examined chapter 5 and verified that the controls have been carried out and that the regulatory requirements in terms of publication have been complied with, including the provisions of article 432 of Regulation (EU) No. 2019/876 (CRR 2) relating to non-material, sensitive and confidential information.

Since 1 January 2023, the Group's insurance entities have applied IFRS 17 "Insurance Contracts" and IFRS 9, deferred for these entities until IFRS 17 comes into force. The non-materiality of this first application to equity (see note 2 IFRS 17 and IFRS 9 first time application impacts to the consolidated financial statements) and the treatment of insurance entities under the equity method in the prudential scope lead to a limited impact on the information in chapter 5.

On 1 February 2023, the Group announced the closing of the sale of its retail and commercial banking activities in the United States operated by Bank of the West to BMO Financial Group for total consideration of USD 16.3 billion. The transaction generated an exceptional capital gain (net of tax) of EUR 2.9 billion and a positive impact on the Group's Common Equity Tier 1 (CET1) ratio of 170 basis points, i.e. a EUR 11.6 billion release of Tier 1 capital. At 31 December 2022, Bank of the West contributed mainly to the Group's credit risk and operational risk for EUR 47.9 billion and EUR 3.7 billion respectively of risk-weighted assets.

In 2023, the Group carried out a share buyback programme for a total amount of EUR 5 billion, including EUR 4 billion in order to offset the effect of the dilution of net earnings per share due to the sale of the commercial banking activities in the United States operated by Bank of West. At 31 December 2023, the programme was fully implemented and the shares acquired were all cancelled. BNP Paribas' share capital was thus reduced by 7% compared to 31 December 2022.

## 5.1 Annual risk survey

### KEY FIGURES

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## REGULATORY RATIOS

### Change in Group solvency

The Group has a solid financial structure. The CET1 ratio stands at 13.2%<sup>1</sup> as at 31 December 2023, increasing by 90 basis points compared to 31 December 2022. This is explained by:

- the closing of the sale of Bank of the West on 1 February 2023, net of the share buyback programme and redeployed capital (+100 bps);
- the effect of the adjustment in distributable net income (-30 bps);
- the 2023 results after taking a 60% payout ratio into account, net of the change in risk-weighted assets and their optimisation (+30 bps);
- the impact of the application of IFRS 17 and the updating of models and regulations<sup>2</sup> in the 1<sup>st</sup> quarter (-10 bps);
- the other effects, which are limited overall on the ratio.

The Group's CET1 ratio is significantly higher than requirements at 31 December 2023 at 9.79% and as well requirements notified by the European Central Bank at 10.20 % applicable from 2 January 2024.

The capital structure is solid and the trajectory of the CET1 ratio is in line with the target of 12% after implementation of the new CRR3 regulation.

The leverage ratio stands at 4.58% at 31 December 2023, compared to 4.36% at 31 December 2022, an increase of +22 bps. It is well above the 3.75% leverage requirement in force at 31 December 2023. This requirement has been 3.85% (excluding Pillar 2 guidance) since 1 January 2024.

As at 31 December 2023, the Group's TLAC ratio stands at 28.15% of risk-weighted assets, without using the preferred senior debt eligible within the limit of 3.5% of the risk-weighted assets. The Group is thus above the applicable minimum level of requirement which is 22.40% at 31 December 2023 and 22.58% at 2 January 2024.

As at 31 December 2023, the Group TLAC ratio stands at 8.44% of the leverage exposure. This ratio should be compared to a minimum requirement of 6.75% at 2 January 2024.

As at 31 December 2023, the Group MREL ratio stands at 30.92% of the risk-weighted assets. This ratio should be compared to a minimum requirement of 26.55% at 2 January 2024.

As at 31 December 2023, the Group MREL ratio stands at 9.27% of the leverage exposure. This ratio should be compared to a minimum requirement of 5.91% at 2 January 2024.

As at 31 December 2023, the Group subordinated MREL ratio stands at 28.15% of the risk-weighted assets. This ratio should be compared to a minimum requirement of 20.47% at 2 January 2024.

As at 31 December 2023, the Group subordinated MREL ratio stands at 8.44% of the leverage exposure. This ratio should be compared to a minimum requirement of 5.82% at 2 January 2024.

The evolution of these ratios illustrates the Group's ability to continuously adapt and the strength of its balance sheet.

### Key regulatory ratios

The capital ratio data below take into account the transitional provisions related to the introduction of IFRS 9 (Article 473a of Regulation (EU) No. 2020/873). The impact of these transitional measures on regulatory capital and regulatory ratios is presented under Regulatory capital (see Table 16 IFRS9-FL).

On 4 March 2024, the Group announced the launch of the share buyback programme scheduled for 2024 for a maximum amount of EUR 1.055 billion and for which authorisation was obtained from the European Central Bank.

At 23 April 2024, the programme has been fully implemented.

<sup>1</sup> CRD 5; including IFRS 9 transitional provisions.

<sup>2</sup> Including IFRS 9 phasing.

**TABLE 1: KEY INDICATORS (EU KM1)**

|  |  | a                | b                   | c                       | d               | e                |
|--|--|------------------|---------------------|-------------------------|-----------------|------------------|
| <i>In millions of euros</i>  |  | 31 March<br>2024 | 31 December<br>2023 | 30<br>September<br>2023 | 30 June<br>2023 | 31 March<br>2023 |
| <b>Available own funds</b>   |  |                  |                     |                         |                 |                  |
| 1  | Common Equity Tier 1 (CET1) capital  | 94,383           | 92,857              | 93,983                  | 95,036          | 94,098           |
| 2  | Tier 1 capital   | 109,146          | 107,501             | 108,716                 | 108,345         | 107,380          |
| 3  | Total capital  | 123,246          | 121,744             | 124,497                 | 124,347         | 124,179          |
| <b>Risk-weighted assets</b>  |  |                  |                     |                         |                 |                  |
| 4  | Total risk-weighted assets   | 722,349          | 703,694             | 699,257                 | 697,533         | 694,407          |
| <b>Capital ratios (as a percentage of risk-weighted assets)</b>  |  |                  |                     |                         |                 |                  |
| 5  | Common Equity Tier 1 ratio   | 13.07%           | 13.20%              | 13.44%                  | 13.62%          | 13.55%           |
| 6  | Tier 1 ratio   | 15.11%           | 15.28%              | 15.55%                  | 15.53%          | 15.46%           |
| 7  | Total capital ratio  | 17.06%           | 17.30%              | 17.80%                  | 17.83%          | 17.88%           |
| <b>Additional own funds requirements in relation to on SREP (Pillar 2 requirement as a percentage of risk-weighted assets)</b>             |  |                  |                     |                         |                 |                  |
| EU 7a  | Total Pillar 2 requirements  | 1.77%            | 1.57%               | 1.57%                   | 1.57%           | 1.57%            |
| EU 7b  | of which Additional CET1 SREP requirements   | 1.11%            | 0.88%               | 0.88%                   | 0.88%           | 0.88%            |
| EU 7c  | of which Additional AT1 SREP requirements  | 1.40%            | 1.18%               | 1.18%                   | 1.18%           | 1.18%            |
| EU 7d  | Total SREP own funds requirements  | 9.77%            | 9.57%               | 9.57%                   | 9.57%           | 9.57%            |
| <b>Combined buffer requirement (as a percentage of risk-weighted assets)</b>   |  |                  |                     |                         |                 |                  |
| 8  | Capital conservation buffer  | 2.50%            | 2.50%               | 2.50%                   | 2.50%           | 2.50%            |
| EU 8a  | Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%) |                  |                     |                         |                 |                  |
| 9  | Countercyclical capital buffer   | 0.59%            | 0.40%               | 0.41%                   | 0.35%           | 0.14%            |
| EU 9a  | Systemic risk buffer <sup>(1)</sup>  | 0.00%            | 0.00%               | 0.00%                   | 0.00%           | 0.07%            |
| 10   | Global Systemically Important Institution buffer (G-SIB)   | 1.50%            | 1.50%               | 1.50%                   | 1.50%           | 1.50%            |
| EU 10a   | Other Systemically Important Institution buffer (D-SIB)  | 1.50%            | 1.50%               | 1.50%                   | 1.50%           | 1.50%            |
| 11   | Combined buffer requirement <sup>(2)</sup>   | 4.59%            | 4.40%               | 4.41%                   | 4.35%           | 4.21%            |
| EU 11a   | Total overall capital requirements <sup>(3)</sup>  | 14.36%           | 13.97%              | 13.98%                  | 13.92%          | 13.78%           |
| 12   | CET1 available after meeting the total SREP own funds requirements   | 7.29%            | 7.73%               | 8.06%                   | 8.24%           | 8.17%            |
| <b>Leverage ratio</b>  |  |                  |                     |                         |                 |                  |
| 13   | Leverage ratio total exposure measure  | 2,471,247        | 2,346,500           | 2,423,620               | 2,405,785       | 2,464,153        |
| 14   | Leverage ratio   | 4.42%            | 4.58%               | 4.49%                   | 4.50%           | 4.36%            |
| <b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure measure)</b> |  |                  |                     |                         |                 |                  |
| EU 14a   | Additional requirements to address risk of excessive leverage  | 0.00%            | 0.00%               | 0.00%                   | 0.00%           | 0.00%            |
| EU 14b   | of which Additional AT1 leverage ratio requirements (%)  | 0.00%            | 0.00%               | 0.00%                   | 0.00%           | 0.00%            |
| EU 14c   | Total SREP leverage ratio requirements   | 3.10%            | 3.00%               | 3.00%                   | 3.00%           | 3.00%            |
| <b>Buffer and total leverage ratio requirement (as a percentage of leverage ratio total exposure measure)</b>                              |  |                  |                     |                         |                 |                  |
| EU 14d   | Applicable leverage buffer   | 0.75%            | 0.75%               | 0.75%                   | 0.75%           | 0.75%            |
| EU 14e   | Overall leverage ratio requirements  | 3.85%            | 3.75%               | 3.75%                   | 3.75%           | 3.75%            |
| <b>Liquidity Coverage Ratio</b>  |  |                  |                     |                         |                 |                  |
| 15   | Total high-quality liquid assets (HQLA) (Weighted value – average)   | 397,582          | 408,476             | 420,636                 | 436,951         | 446,763          |
| EU 16a   | Cash outflows – Total weighted value   | 516,104          | 519,311             | 532,522                 | 544,367         | 557,137          |
| EU 16b   | Cash inflows – Total weighted value  | 225,538          | 219,452             | 219,522                 | 217,017         | 220,069          |
| 16   | Total net cash outflows (adjusted value)   | 290,566          | 299,859             | 313,001                 | 327,349         | 337,068          |
| 17   | Liquidity coverage ratio   | 136.92%          | 136.47%             | 134.61%                 | 133.74%         | 132.63%          |
| <b>Net Stable Funding Ratio</b>  |  |                  |                     |                         |                 |                  |
| 18   | Total available stable funding   | 1,004,717        | 984,120             | 975,976                 | 977,327         | 1,004,613        |
| 19   | Total required stable funding  | 887,452          | 848,977             | 846,468                 | 838,082         | 864,714          |
| 20   | Net Stable Funding Ratio   | 113.21%          | 115.92%             | 115.30%                 | 116.61%         | 116.18%          |

|  | a                | b                   | c                       | d               | e                |
|--|------------------|---------------------|-------------------------|-----------------|------------------|
| <i>In millions of euros</i>  | 31 March<br>2024 | 31 December<br>2023 | 30<br>September<br>2023 | 30 June<br>2023 | 31 March<br>2023 |
| (1) Since 30 June 2023, non-applicability of the sectoral systemic risk buffer (SyRB) on mortgage portfolios in Belgium at BNP Paribas Group consolidated level. |                  |                     |                         |                 |                  |
| (2) The buffer requirements take into account the highest buffer between G-SIB and D-SIB.  |                  |                     |                         |                 |                  |
| (3) Excluding non-public Pillar 2 guidance (P2G).  |                  |                     |                         |                 |                  |

As at 31 March 2024, CET1 capital requirement stood at 10.20% of risk-weighted assets. The minimum requirement for LCR and NSFR ratios is 100%.

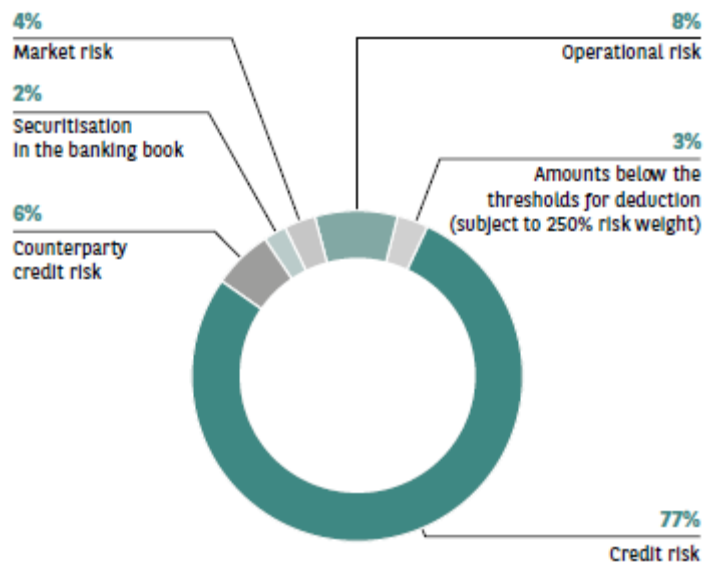
**TABLE 2: MREL AND TLAC RATIO (EU KM2)**

|   | a                | b                | c                   | d                    | e               | f                |
|---|------------------|------------------|---------------------|----------------------|-----------------|------------------|
|   | MREL             |                  |                     | TLAC                 |                 |                  |
| <i>In millions of euros</i>   | 31 March<br>2024 | 31 March<br>2024 | 31 December<br>2023 | 30 September<br>2023 | 30 June<br>2023 | 31 March<br>2023 |
| <b>Own funds and eligible liabilities, ratios and components</b>  |                  |                  |                     |                      |                 |                  |
| 1 Total capital and other eligible liabilities  | 223,992          | 201,935          | 198,082             | 203,100              | 201,683         | 202,664          |
| EU-1a of which own funds and subordinated liabilities   | 201,935          |                  |                     |                      |                 |                  |
| 2 Risk-weighted assets  | 722,349          | 722,349          | 703,694             | 699,257              | 697,533         | 694,407          |
| 3 Own funds and eligible liabilities ratio, in percentage of risk-weighted assets   | 31.01%           | 27.96%           | 28.15%              | 29.05%               | 28.91%          | 29.19%           |
| EU-3a of which own funds and subordinated liabilities   | 27.96%           |                  |                     |                      |                 |                  |
| 4 Leverage ratio total exposure measure   | 2,471,247        | 2,471,247        | 2,346,500           | 2,423,620            | 2,405,785       | 2,464,153        |
| 5 Own funds and eligible liabilities ratio, in percentage of leverage ratio total exposure measure  | 9.06%            | 8.17%            | 8.44%               | 8.38%                | 8.38%           | 8.22%            |
| EU-5a of which own funds or subordinated liabilities  | 8.17%            |                  |                     |                      |                 |                  |
| 6a Application of the exemption provided by Article 72b(4) of EU Regulation 2019/876 <sup>(1)</sup>   |                  | Not applicable   | Not applicable      | Not applicable       | Not applicable  | Not applicable   |
| 6b In case of application of Article 72b, paragraph 3 of Regulation (UE) No. 2019/876: total amount of preferred senior debt eligible to TLAC ratio <sup>(1)</sup>                  |                  | Not applied      | Not applied         | Not applied          | Not applied     | Not applied      |
| 6c In case of application of Article 72b, paragraph 3 of Regulation (UE) No. 2019/876: proportion of preferred senior debt used in the calculation of the TLAC ratio <sup>(1)</sup> |                  | Not applied      | Not applied         | Not applied          | Not applied     | Not applied      |
| <b>Requirement of own funds and eligible liabilities</b>  |                  |                  |                     |                      |                 |                  |
| EU-7 Requirement in percentage of risk-weighted assets  | 21.97%           | 18.00%           | 18.00%              | 18.00%               | 18.00%          | 18.00%           |
| EU-8 of which to be met with own funds or subordinated liabilities  | 15.89%           |                  |                     |                      |                 |                  |
| Requirement in percentage of risk-weighted assets, including combined buffer requirement  | 26.56%           | 22.59%           | 22.40%              | 22.41%               | 22.35%          | 22.21%           |
| of which to be met with own funds or subordinated liabilities   | 20.48%           |                  |                     |                      |                 |                  |
| EU-9 Requirement in percentage of leverage ratio total exposure measure   | 5.91%            | 6.75%            | 6.75%               | 6.75%                | 6.75%           | 6.75%            |
| EU-10 of which to be met with own funds or subordinated liabilities   | 5.82%            |                  |                     |                      |                 |                  |

(1) In accordance with Regulation (EU) No. 2019/876, article 72b paragraphs 3 and 4, some preferred senior debt instruments (amounting to EUR 22,057 million as at 31 March 2024) were eligible within the limit of 3.5% of risk-weighted assets. The Group did not use this option at 31 March 2024

## RISK-WEIGHTED ASSETS BY RISK TYPE AND BY BUSINESS LINE

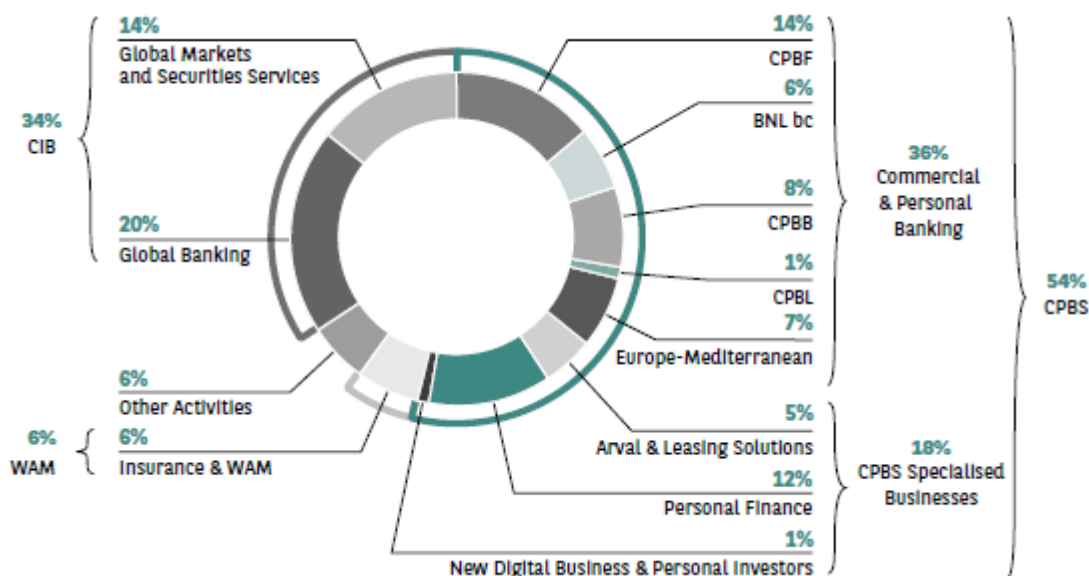
FIGURE 1: RISK-WEIGHTED ASSETS BY RISK TYPE(\*)



(\*) Breakdown at 31 December 2023.

Most of the Group's exposures are subject to credit risk. Market risk is limited to 4% of the Group's risk-weighted assets as at 31 December 2023.

FIGURE 2: RISK-WEIGHTED ASSETS BY BUSINESS LINE(\*)

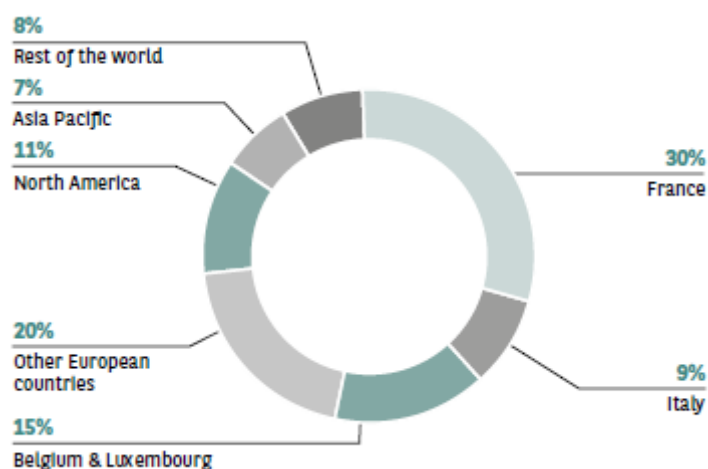


(\*) Breakdown at 31 December 2023.

As at 31 December 2023, the Group's risks are well spread and no single business makes up more than 20% of the Group's risk-weighted assets. Commercial, Personal Banking & Services account for 54% of risk-weighted assets.

## OTHER KEY FIGURES

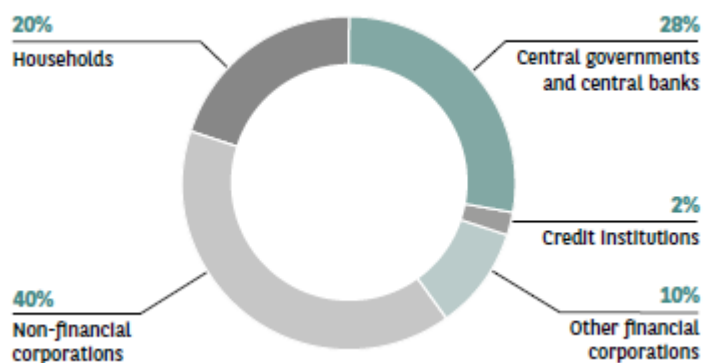
**FIGURE 3: CREDIT RISK EXPOSURE BREAKDOWN BY GEOGRAPHIC REGION<sup>(\*)</sup>**



(\*) Breakdown at 31 December 2023.

As at 31 December 2023, the Group's exposure was mainly concentrated in Europe (74%). See the section *Credit risk diversification* in section 5.4 *Credit risk* for more details about the diversification of the Group's exposures.

**FIGURE 4: CREDIT RISK EXPOSURE BREAKDOWN BY ASSET CLASS<sup>(\*)</sup>**



(\*) Breakdown at 31 December 2023.

Exposure to central governments and central banks, credit institutions, other financial corporations and non-financial corporations represented 80% of total exposure as at 31 December 2023, *versus* 79% as at 31 December 2022.

**TABLE 3: DOUBTFUL LOANS ON GROSS OUTSTANDINGS RATIO**

|  | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| DOUBTFUL LOANS <sup>(*)</sup> /LOANS <sup>(**)</sup> | 1.7%             | 1.7%             |

(\*) Impaired loans (stage 3) to customers and credit institutions, not netted of guarantees, on-balance sheet and off-balance sheet and including debt securities measured at amortised cost or at fair value through shareholders' equity (excluding insurance).

(\*\*) Gross outstanding loans to customers and credit institutions, on-balance sheet and off-balance sheet and including debt securities measured at amortised cost or at fair value through shareholders' equity (excluding insurance).

**TABLE 4: STAGE 3 COVERAGE RATIO**

| <i>In billions of euros</i>   | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b> |
|-------------------------------|-----------------------------|-----------------------------|
| Stage 3 provisions            | 13.8                        | 14.0                        |
| Doubtful loans <sup>(*)</sup> | 19.2                        | 19.3                        |
| <b>STAGE 3 COVERAGE RATIO</b> | <b>71.7%</b>                | <b>72.5%</b>                |

(\*) Impaired loans (stage 3) to customers and credit institutions, on-balance sheet and off-balance sheet, netted of guarantees received, including debt securities measured at amortised cost or at fair value through shareholders' equity (excluding insurance).

**TABLE 5: COST OF RISK ON OUTSTANDINGS**

| <i>In annualised basis points</i>  | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b> |
|------------------------------------|-----------------------------|-----------------------------|
| <b>COST OF RISK/CUSTOMER LOANS</b> | <b>32</b>                   | <b>31</b>                   |

(\*) Cost of risk divided by customer loans at the beginning of the period (see section 3.8 Alternative performance measures (APM) – Article 223-1 of the AMF's General Regulation).

**TABLE 6: IMMEDIATELY AVAILABLE LIQUIDITY RESERVE**

| <i>In billions of euros</i>                                  | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b> |
|--|-----------------------------|-----------------------------|
| <b>IMMEDIATELY AVAILABLE LIQUIDITY RESERVE<sup>(*)</sup></b> | <b>474</b>                  | <b>461</b>                  |

(\*) Liquid market assets or eligible to central banks ("counterbalancing capacity") taking into account prudential standards, notably US standards, minus intra-day payment systems needs.

## RISK FACTORS

The main categories of risks inherent in the BNP Paribas Group's business are presented below and defined in the sections of chapter 5. They can 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).

As a reminder, the financial and other information as at 31 December 2022 contained in these risk factors comprise, unless otherwise indicated, the results of Bank of the West based on a prudential vision. They are therefore presented excluding the effect of the application of IFRS 5 on groups of assets and liabilities held for sale. The financial and other information as at 31 December 2023 contained in these risk factors do not include the activities operated by of Bank of the West, which was sold on 1 February 2023.

|   | <b>RWA</b>                  |                             |
|---|-----------------------------|-----------------------------|
| <i>In billions of euros</i>   | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b> |
| <b>Credit risk</b>  | <b>535</b>                  | <b>580</b>                  |
| <b>Counterparty credit risk</b>   | <b>45</b>                   | <b>42</b>                   |
| <b>Securitisation risk in the banking book</b>                                  | <b>17</b>                   | <b>16</b>                   |
| <b>Operational risk</b>   | <b>59</b>                   | <b>62</b>                   |
| <b>Market risk</b>  | <b>29</b>                   | <b>26</b>                   |
| <b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b> | <b>19</b>                   | <b>20</b>                   |
| <b>TOTAL</b>  | <b>704</b>                  | <b>745</b>                  |



More generally, the risks to which the 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 the BNP Paribas Group's business, determined based on the circumstances known to the management as of the date of this document, are thus presented below under seven principal categories, in accordance with Article 16 of the 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 the BNP Paribas Group's growth in its current environment.

The 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.

## **1. CREDIT RISK, COUNTERPARTY RISK AND SECURITISATION RISK IN THE BANKING BOOK**

At 31 December 2023, the BNP Paribas Group's credit risk exposure broke down as follows: corporates (43%), central governments and central banks (25%), retail customers (24%), credit institutions (4%), other risk assets (2%) and equities (1%). At 31 December 2023, 33% of the Bank's credit exposure was comprised of exposures in France, 16% in Belgium and Luxembourg, 10% in Italy, 21% in other European countries, 9% in North America, 6% in Asia and 5% in the rest of the world. The BNP Paribas Group's risk-weighted assets subject to this type of risk amounted to EUR 535 billion at 31 December 2023, or 77% of the total risk-weighted assets of the BNP Paribas Group, as compared to EUR 580 billion at 31 December 2022, representing 78% of the total risk-weighted assets of the BNP Paribas Group.

At 31 December 2023, BNP Paribas Group's exposure to counterparty risk was: 37% to the corporate sector, 12% to governments and central banks, 23% to credit institutions and investment firms, and 28% to clearing houses. By product, BNP Paribas Group's exposure at 31 December 2023, excluding CVA ("Credit Valuation Adjustment") risk, is comprised of: 41% in OTC derivatives, 40% in repurchase transactions and securities lending/borrowing, 9% in listed derivatives and 10% in contributions to the clearing houses' default funds. The level of this counterparty 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 to which the BNP Paribas Group is subject to risk. The risk-weighted assets subject to counterparty credit risk amounted to EUR 45 billion at 31 December 2023, or 6% of the total risk-weighted assets of the BNP Paribas Group, as compared to EUR 42 billion at 31 December 2022, or 6% of the total risk-weighted assets of the BNP Paribas Group. With regard to risk related to securitisation of the banking book, the bulk of the BNP Paribas Group's

commitments are recorded in the prudential banking portfolio. Securitised exposures are essentially those generated by the BNP Paribas Group. Thus, the securitisation positions held or acquired by the BNP Paribas Group may be categorised by its role in the securitisation transaction: of the exposures as at 31 December 2023, the BNP Paribas Group was originator of 42%, was sponsor of 35% and was investor of 23%. The risk-weighted assets subject to this type of risk amounted to EUR 17 billion at 31 December 2023, i.e. 2% of the total risk-weighted assets for the BNP Paribas Group, compared to EUR 16 billion at 31 December 2022, or 2% of the total risk-weighted assets for the BNP Paribas Group.

### **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 the BNP Paribas Group's results of operations and financial condition.**

Credit risk and counterparty risk impact the 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 the 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, the BNP Paribas Group may have to record increased charges or provisions in respect of irrecoverable or doubtful loans (Stage 3) or 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, the BNP Paribas Group regularly establishes provisions, which are recorded on its income statement in the line item Cost of Risk. In 2023, these provisions amounted to EUR 2,907 million compared to EUR 3,003 million in 2022. This amount reflects write-backs of provisions on performing loans in an amount of EUR 517 million in 2023, and provisions on doubtful loans of EUR 1,833 million, excluding Personal Finance's cost of risk. At 31 December 2023, the cost of risk does not include other net charges for risk on financial instruments (i.e. charges relating to risks that call into question the validity or enforceability of financial instruments). These charges amount to EUR 775 million as at 31 December 2023, and in 2023 they included the extraordinary impact of provisions for litigation relating to mortgage loans in Poland (EUR 450 million), provisions for litigation relating to Personal Finance (EUR 221 million) and provisions for credit risk (EUR 104 million).

The 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. The BNP Paribas Group seeks to establish an appropriate level of provisions.

Although the BNP Paribas Group seeks to establish an appropriate level of provisions, its lending businesses may have to substantially increase their provisions for loan losses or sound receivables in the future as a result of deteriorating economic conditions or other causes.

For example, provisions increased in 2020 primarily due to the early *ex-ante* recognition of potential losses related to the effects of the health crisis (Stages 1 and 2 provisions on performing loans in accordance with IFRS 9). Any significant increase in provisions for loan losses or a significant change in the 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 the BNP Paribas Group's results of operations and financial condition.

For reference, at 31 December 2023, the ratio of doubtful loans to total loans outstanding was 1.7% and the coverage ratio of these doubtful commitments (net of guarantees received) by provisions was 71.7%, against 1.7% and 72.5%, respectively, as at 31 December 2022.

While the BNP Paribas Group seeks to reduce its exposure to credit risk and counterparty risk by using risk mitigation techniques such as collateralisation, 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, the 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 the BNP Paribas Group's overall credit risk and counterparty risk is covered by these techniques. Accordingly, the 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 the BNP Paribas Group.**

The 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 by 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. The 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. The 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 the BNP Paribas Group cannot be realised, it decreases in value or it is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the

BNP Paribas Group or in the event of the failure of a significant financial market participant such as a central counterparty.

For reference, counterparty risk exposure related to financial institutions was EUR 45 billion at 31 December 2023, or 23% of the BNP Paribas Group's total counterparty risk exposure, and counterparty risk exposure related to clearing houses was EUR 56 billion, or 28% of the BNP Paribas Group's total counterparty risk exposure, compared with rates of 13% and 33%, respectively, as at 31 December 2022.

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, including the BNP Paribas Group, announced losses or exposure to losses in substantial amounts. The BNP Paribas Group remains the subject of various claims in connection with the Madoff matter; see note 9.c *Legal proceedings and arbitration* to its consolidated financial statements for the year ended 31 December 2023.

Losses resulting from the risks summarised above could materially and adversely affect the BNP Paribas Group's results of operations.

## **2. OPERATIONAL RISK**

The BNP Paribas Group's risk-weighted assets subject to operational risk amounted to EUR 59 billion euros at 31 December 2023, or 8% of the total risk-weighted assets of the BNP Paribas Group, and EUR 62 billion at 31 December 2022, or 8% of the total risk-weighted assets of the BNP Paribas Group. The breakdown of losses by type of operational risk for the 2015-2023 period is rebalanced following the exit from the reference period of the comprehensive settlement with the US authorities in 2014. The main type of operational risk incidents remains the "Clients, products and business practices" category, followed by process failures, including errors in executing or processing transactions, and then external fraud. Between 2015 and 2023, other types of risk in operational risk consisted of external fraud (22%), business disruption and systems failure (4%), employment practices and workplace safety (3%), internal fraud (1%) and damage to physical assets (1%).

## **2.1 The 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.**

The BNP Paribas Group devotes significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the 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 within which the BNP Paribas Group operates. These techniques and strategies could also prove to be ineffective against all types of risk, particularly risks that the BNP Paribas Group may have failed to identify or anticipate. The BNP Paribas Group's ability to assess the creditworthiness of its customers, or risk parameters, such as the value of its assets and the effectiveness of its hedges, or to measure risks adequately if, as a result of market turmoil or in certain market environments such as those experienced in recent years, the models and approaches it uses become less predictive of future behaviour, valuations, assumptions or estimates. Some of the BNP Paribas Group's qualitative tools and metrics for managing risk are based on its use of observed historical market behaviour. The BNP Paribas Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the 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 the 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 the BNP Paribas Group's ability to manage its risks. The BNP Paribas Group's losses could therefore be significantly greater than the historical measures indicate. In addition, the 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.

## **2.2 An interruption in or a breach of the BNP Paribas Group's information systems may cause substantial losses of client or customer information, damage to the BNP Paribas Group's reputation and result in financial losses.**

As with most other banks, the 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 the BNP Paribas Group's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems or could cause the BNP Paribas Group to incur significant costs in recovering and verifying lost data. The 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.

In addition, the BNP Paribas Group is subject to cybersecurity risk, or risk caused by a malicious and/or fraudulent act, committed virtually, with the intention of manipulating information (confidential data, bank/insurance, technical or strategic), processes and users, in order to cause material losses to the BNP Paribas Group's subsidiaries, employees, partners and clients and/or for the purpose of extortion (ransomware). An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorised access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognised until launched against a target, the BNP Paribas Group and its third-party service providers may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any failures of or interruptions in the BNP Paribas Group's information systems or those of its providers and any subsequent disclosure of confidential information related to any client, counterpart or employee of the BNP Paribas Group (or any other person) or any intrusion or attack against its communication system could cause significant losses and have an adverse effect on the BNP Paribas Group's reputation, financial condition and results of operations. Regulatory authorities now consider cybercriminality to be a growing systemic risk for the financial sector. They have stressed the need for financial institutions to improve their resilience to cyber-attacks by strengthening internal IT monitoring and control procedures. A successful cyber-attack could therefore expose the Group to a regulatory fine, especially should any personal customer data be lost.

Moreover, the BNP Paribas Group is exposed to the risk of operational failure or interruption of a clearing agent, foreign markets, clearing houses, custodian banks or any other financial intermediary or external service provider used by the BNP Paribas Group to execute or facilitate financial transactions. Due to its increased interaction with clients, the BNP Paribas Group is also exposed to the risk of operational malfunction of the latter's information systems. The BNP Paribas Group's communications and data systems and those of its clients, service providers and counterparties may also be subject to malfunctions or interruptions as a result of cyber-crime or cyber-terrorism. The BNP Paribas Group cannot guarantee that these malfunctions or interruptions in its own systems or those of other parties will not occur or that in the event of a cyber-attack, these malfunctions or interruptions will be adequately resolved.

### **2.3 Reputational risk could weigh on the BNP Paribas Group's financial strength and diminish the confidence of clients and counterparties in it.**

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the BNP Paribas Group's ability to attract and retain customers. The BNP Paribas Group's reputation could be harmed if the means it uses to market and promote its products and services were to be deemed inconsistent with client interests. The 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, the BNP Paribas Group's reputation could be damaged by employee misconduct, fraud or misconduct by financial industry participants to which the BNP Paribas Group is exposed, a restatement of, a decline in, or

corrections to its results, as well as any adverse legal or regulatory action, such as the settlement the BNP Paribas Group entered into with the US authorities in 2014 for violations of US laws and regulations regarding economic sanctions. The loss of business that could result from damage to the BNP Paribas Group's reputation could have an adverse effect on its results of operations and financial position.

## **3. MARKET RISK**

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, in particular in Global Markets, which represented 17% of the BNP Paribas Group's revenue in 2023. 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 the BNP Paribas Group's banking activities covers its interest rate and foreign exchange rate risks 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. The BNP Paribas Group uses the concepts of standard rate risk and structural rate risk in measuring interest rate risk. Standard rate risk corresponds to the general case for a given transaction. Structural rate risk is the interest rate risk relating to own funds and non-interest-bearing current accounts. If the BNP Paribas Group's hedging strategies prove ineffective or provide only a partial hedge, the BNP Paribas Group could incur losses which could have a negative impact on its operating results as well as its financial condition. BNP Paribas' market risk based on its activities is measured by "Value at Risk" (VaR), 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 EUR 29 billion at 31 December 2023, or almost 4% of the BNP Paribas Group's total risk-weighted assets, compared to EUR 26 billion at 31 December 2022, or 3% of the total risk-weighted assets of the BNP Paribas Group.

### **3.1 The BNP Paribas Group may incur significant losses on its trading and investment activities due to market fluctuations and volatility.**

The BNP Paribas Group maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by extreme volatility in these markets, *i.e.* the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Moreover, volatility trends that prove substantially different from the BNP Paribas Group's expectations may lead to losses relating to a broad range of other products that the BNP Paribas Group uses, including swaps, forward and future contracts, options and structured products.

To the extent that the BNP Paribas Group owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the BNP Paribas Group has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose the BNP Paribas Group to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market.

The BNP Paribas Group may from time to time hold a long position in one asset and a short position in another, in order to hedge transactions with clients and/or in view of benefitting from changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the BNP Paribas Group did not anticipate or against which its positions are not hedged, it might realise a loss on those paired positions. Such losses, if significant, could adversely affect the BNP Paribas Group's results and financial condition. In addition, the BNP Paribas Group's hedging strategies may not be suitable for certain market conditions.

If any of the variety of instruments and strategies that the BNP Paribas Group uses to hedge its exposure to various types of risk in its businesses is not effective, the Group may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the BNP Paribas Group holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the BNP Paribas Group's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the BNP Paribas Group's hedging

strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the BNP Paribas Group's reported earnings.

The BNP Paribas Group uses a "Value at Risk" (VaR) model to quantify its exposure to potential losses from market risks, and also performs stress testing with a view to quantifying its potential exposure in extreme scenarios (see *Market Risk Stress Testing Framework* in section 5.7 *Market risk* of this amendment to the 2022 Universal Registration Document at 31 December 2023). However, these techniques rely on statistical methodologies based on historical observations, which may turn out to be unreliable predictors of future market conditions. Accordingly, the BNP Paribas Group's exposure to market risk in extreme scenarios could be greater than the exposures predicted by its quantification techniques.

More generally, the volatility of financial markets resulting from disruptions or deteriorations in macroeconomic conditions could adversely affect the BNP Paribas Group's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in other investments such as commercial real estate. For reference, and as indicated below, the revenues of Global Markets, the main business line of the Corporate & Institutional Banking (CIB) division, which handles the BNP Paribas Group's trading activities, accounted for 17% of the BNP Paribas Group's revenues in 2023. Severe market disruptions and extreme market volatility have occurred often in recent years (including in 2023) and may persist or resurface, which could result in significant losses for the 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 also weighs on the primary equity and bond markets, as in 2022 and 2023, affecting the activity of Corporate & Institutional Banking.

### **3.2 The BNP Paribas Group may generate lower revenues from commission and fee-based businesses during market downturns and declines in activity.**

Commissions received by the BNP Paribas Group represented 21% of its revenues in 2023. Financial and economic conditions affect the number and size of transactions for which the 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 the 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 the 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 the below-market performance by the BNP Paribas Group's mutual funds may lead to reduced revenues from the BNP Paribas Group's asset management business, and increased withdrawals and reduced inflows for these vehicles. A reduced level of net banking income from the abovementioned commission and fee-based businesses may have a material adverse impact on the BNP Paribas Group's financial results.

### **3.3 Adjustments to the carrying value of the BNP Paribas Group's securities and derivatives portfolios and the BNP Paribas Group's own debt could have an adverse effect on its net income and shareholders' equity.**

The carrying value of the 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 2023, on the assets side of the 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 EUR 731 billion, EUR 22 billion and EUR 53 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 EUR 741 billion and EUR 38 billion, respectively, at 31 December 2023. Most of the adjustments are made on the basis of changes in fair value of the 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 the BNP Paribas Group's consolidated revenues and, as a result, its net income. A downward adjustment of the fair value of the 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 the BNP Paribas Group's liabilities, the 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.

## **4. LIQUIDITY AND FUNDING RISK**

The liquidity risk of the BNP Paribas Group can be assessed through its short-term liquidity ratio ("Liquidity Coverage Ratio – LCR") which analyses the coverage of net cash outflows at 30 days in a stress scenario. The Group's period end LCR was 148% as at 31 December 2023. The liquidity reserve was EUR 474 billion as at 31 December 2023.

#### **4.1 The 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.**

The financial crisis, the Eurozone sovereign debt crisis as well as the general macroeconomic environment, at times during a period around fifteen years ago adversely affected the availability and cost of funding for European banks. 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 the BNP Paribas Group, at various points during these periods experienced restricted access to wholesale debt markets for institutional investors and to the interbank market, as well as a general increase in their cost of funding. More recently, in the context of the health crisis, the European Central Bank (ECB) also set up refinancing facilities designed to foster the banks' financing of the economy (Targeted Longer-Term Refinancing Options or "TLTRO"), on which the BNP Paribas Group has drawn. Such adverse credit market conditions may reappear in the event of a change in monetary policy (as seen, for example, with the worsening inflation and rapid rise of interest rates, as well as the end of "quantitative easing" and the changes to the TLTRO terms and conditions, in 2022 and 2023), a recession, prolonged stagnation of growth, deflation, "stagflation" (sluggish growth accompanied by inflation), another sovereign debt crisis, new forms of financial crises, factors relating to the financial industry or the economy in general (including the economic consequences of the invasion of Ukraine or the conflict in the Middle East) or to the BNP Paribas Group in particular. In such a case, the effect on the liquidity, balance sheet strength and cost of funding of European financial institutions in general or the BNP Paribas Group in particular could be materially adverse and have a negative impact on the BNP Paribas Group's results of operations and financial condition.

#### **4.2 Protracted market declines can reduce the BNP Paribas Group's liquidity, making it harder to sell assets and possibly leading to material losses. Accordingly, the BNP Paribas Group must ensure that its assets and liabilities properly match in order to avoid exposure to losses.**

In some of the BNP Paribas Group's businesses, particularly Global Markets (which represented 17% of the BNP Paribas Group's revenue in 2023) 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 the 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 the 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 (see section 5.8 *Liquidity risk*, paragraph *Stress tests and liquidity reserve* of this amendment to the 2022 Universal Registration Document at 31 December 2023).

The BNP Paribas Group is exposed to the risk that the maturity, interest rate or currencies of its assets might not match those of its liabilities. The timing of payments on certain of the BNP Paribas Group's assets is uncertain and, if the BNP Paribas Group receives lower revenues than expected at a given time, it might require additional market funding in order to meet its obligations on its liabilities. While the BNP Paribas Group imposes strict limits on the gaps between its assets and its liabilities as part of its risk management procedures, it cannot be certain that these limits will be fully effective to eliminate potential negative effects arising from asset and liability mismatches.

#### **4.3 Any downgrade of the Group's credit ratings could weigh heavily on the profitability of the Group.**

Credit ratings have a significant impact on the BNP Paribas Group's liquidity. The BNP Paribas Group is rated by four ratings agencies: Standard & Poor's, Moody's, Fitch and DBRS. On 24 April 2023, Standard & Poor's confirmed the long-term rating of BNP Paribas SA's deposits and senior preferred debt rating as A+, and its short-term rating as A-1 with a stable outlook. On 3 July 2023, Fitch maintained its long-term deposits and senior preferred debt rating for BNP Paribas SA at AA- and its short term deposits and senior preferred debt rating for BNP Paribas SA at F1+ and revised its outlook to stable. On 15 February 2024, Moody's confirmed its long-term deposits and senior preferred debt rating as Aa3, and its short-term rating as P-1, with a stable outlook. On 21 June 2023, DBRS confirmed BNP Paribas SA's senior preferred debt rating as AA(low), and its short-term rating as R-1(middle), with a stable outlook. A downgrade in the BNP Paribas Group's credit rating could affect the liquidity and competitive position of the Group. It could also increase the 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.

In addition, the BNP Paribas Group's cost of obtaining long-term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase the BNP Paribas Group's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of the BNP Paribas Group's creditworthiness. Furthermore, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to the BNP Paribas Group's debt obligations, which are influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of the BNP Paribas Group.

## 5. RISKS RELATED TO THE MACROECONOMIC AND MARKET ENVIRONMENT

### 5.1 Adverse macroeconomic and financial conditions have in the past had and may in the future significantly affect on the BNP Paribas Group and the markets in which it operates.

The BNP Paribas Group's business is affected by changes in the financial markets and more generally by trends in economic conditions in France (25% of the Group's revenues at 31 December 2023), other countries in Europe (52% of the Group's revenues at 31 December 2023) and the rest of the world (23% of the Group's revenues at 31 December 2023). A deterioration in the markets and the economic environment in the countries where the BNP Paribas Group operates has in the past had, and could again in the future have, various impacts including the following:

- adverse economic conditions affecting the business and operations of the BNP Paribas Group's customers, reducing credit demand and trading volume and resulting in an increased rate of default on loans and other client receivables, in part as a result of the deterioration of the financial capacity of companies and households. Since the beginning of 2024, this risk has materialised in the form of slow or weak growth in various regions of the world and a risk of recession in certain regions (including the Eurozone) as a result, in particular, of the 2022 and 2023 interest rate increases as well as specific effects (e.g. the real estate crisis in China and the commercial real estate crisis in the United States), in line with the central scenario drawn up by the BNP Paribas Group's Economic Research unit, forecasting an average annual increase in world GDP of 2.8% for 2023 (versus 3.3% in 2022) and increases in Eurozone and US GDP of 0.5% and 2.3% respectively for 2023 and around 1% for these two zones for 2024. Finally, in 2024, as in 2023, the global and Eurozone economies will be particularly sensitive to inflation and, consequently, to interest rates, as well as to the impact of geopolitical events;
- a decline in market prices (or an increase in volatility) of bonds, equities and commodities affecting the businesses of the BNP Paribas Group, including in particular trading, Investment Banking and asset management revenues. Indeed, high volatility over a long period can lead to financial asset market corrections (particularly the riskiest assets) and thus generate losses for the BNP Paribas Group. In addition, a sudden change in the level and structure of volatility, or the rapid alternation of periods of strong market rises and falls over a shorter period, may make it difficult or more costly to hedge certain structured products, thereby increasing the risk of loss for the BNP Paribas Group;
- macroeconomic or monetary policies adopted in response to actual or anticipated economic conditions could have consequences, anticipated or not, on market parameters such as interest rates and foreign exchange rates, which in turn can affect the BNP Paribas Group's businesses that are most exposed to market risk. This risk, which is pronounced in 2023 due to the significant and rapid monetary tightening carried out by central banks in 2022 and 2023, remains relevant in 2024 (see section 5.2 *Significant interest rate changes, and in particular the interest rate increases in 2022 and 2023 following a prolonged period of low interest rates, could adversely affect the BNP Paribas Group's results of operations and financial condition*);
- the favourable perception of economic conditions, whether globally or in specific sectors, can lead to the formation of speculative asset bubbles, and corrections when conditions change. This risk persists in 2024 after the recent monetary tightening, particularly in specific sectors such as commercial real estate and leveraged finance (see section 5.2 *Significant interest rate changes, and in particular the rise in interest rates in 2022 and 2023 following a prolonged period of low interest rates, could adversely affect the BNP Paribas Group's results of operations and financial condition*). For example, falling valuations and fewer transactions in the commercial real estate sector are tightening financing conditions and increasing investor uncertainty in this market, which may affect the financial strength of market participants and hence asset quality. The BNP Paribas Group's gross on- and off-balance sheet exposure to commercial real estate represented 3.9% of its total on- and off-balance sheet exposure as at 31 December 2023 and the BNP Paribas Group's Exposure-at-default (EAD) represented 3.8% of its total EAD as at 31 December 2023. With regard to commercial real estate in the United States, the BNP Paribas Group's EAD represented 0.09% of its total EAD as at 31 December 2023; and
- significant one-off economic disruptions related to, or adverse economic consequences resulting from, various specific adverse political or geopolitical events (such as the global financial crisis of 2008, the European sovereign debt crisis of 2011, the recession caused, in 2020 and 2021, by the Covid-19 pandemic, or high inflation and rising interest rates as well as geopolitical shocks, for example, the invasion of Ukraine in 2022 and the emergence of conflict in the Middle East in 2023) having a substantial impact on all of the BNP Paribas Group's businesses, in particular by increasing the volatility and costs of funding sources, deteriorating asset quality and financial market corrections, potentially exacerbated by a reduction in market liquidity and hence the ability to sell certain categories of assets at fair market value or at all. These disruptions could also entail, in particular, a decline in transaction commissions and consumer loans by the effect, whether temporary or permanent, of geopolitical events on the economic conditions in which the BNP Paribas Group operates.

While by definition the occurrence of such adverse geopolitical events is difficult to predict, in 2024 they could include the worsening or extension of the conflict resulting from the invasion of Ukraine and in the Middle East, which could in particular affect the energy market and/or supply chains generally, the occurrence of a sovereign debt crisis (high level of public debt post-pandemic, rapid increase in (re)financing costs, aggravating exchange rate effects, particularly for borrowers exposed to the US dollar) and the materialisation of various political risks such as, for example, a deadlock in the US Congress or uncertainty linked to elections (2024 being a busy election year).

## **5.2 Significant interest rate changes, and in particular the interest rate increases in 2022 and 2023 following a prolonged period of low interest rates, could adversely affect the BNP Paribas Group's results of operations and financial condition.**

Interest rates rose significantly in 2022 and 2023 after many years of low interest rates. In this context, the BNP Paribas Group's results have been, and could continue to be significantly affected in a number of ways. The increase in interest rates increases the cost of funding for the Group through higher interest rates on liabilities such as short-term deposits, commercial paper and bonds, as well as the risk of arbitrage by customers between non-interest-bearing deposits and interest-bearing deposits (compounded in France by policy decisions to increase rates on regulated savings, including to levels above the return received by banks on the same deposits). This increase in the cost of funding could create an imbalance and a reduction in net interest margin as a result of the BNP Paribas Group holding a significant portfolio of loans originated in a low interest rate environment. The Group may also have difficulty (in particular due to the usury rate in France) promptly reflecting higher interest rates in new mortgage or other fixed-rate consumer or corporate loans, while the cost of customer deposits and hedging costs would increase more rapidly. In addition, the ECB modified in 2022 and 2023 the instruments it used previously to implement "quantitative easing" and enhance bank liquidity e.g. the creation of a "transmission protection instrument" and the amendment of the conditions of its longer-term refinancing operations (TLTRO III); as the Group hedges its overall interest rate position, any change in the terms and conditions affecting these instruments may lead to adjustments in this hedge, which has had and could have an adverse impact on the results of the BNP Paribas Group. As a result of these adjustments, the BNP Paribas Group recorded an extraordinary charge of EUR 938 million against its net banking income at 31 December 2023.

Moreover, a portfolio comprising significant amounts of lower-interest loans and fixed-income assets as a result of an extended period of low interest rates would (in a rapidly rising market interest-rate environment) be expected to decline in value. If the Group's hedging strategies are ineffective or provide only a partial hedge against such a change in value, it could incur significant losses.

Higher interest rates increase financial expense for borrowers and may strain their ability to meet their debt obligations. Moreover, any rate increase that is sharper or more rapid than expected could threaten economic growth in the European Union, the United States and elsewhere. These effects could test the resilience of the BNP Paribas Group's loan and bond portfolios, which could lead to an increase in doubtful loans and defaults. More generally, the end of accommodating monetary policies, in particular by the US Federal Reserve and the ECB, has led, and could continue to lead, to sharp corrections in certain markets or assets (e.g., non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate, particularly commercial, and leveraged finance) that particularly benefitted from the prolonged period of low interest rates and high liquidity and adversely affect market participants. For example, in early 2024, the commercial real estate crisis affected the share prices of many US regional banks, as well as the financial condition of some major real estate developers. More generally, such corrections could potentially be contagious to financial markets generally, including by the effect of substantially increased volatility and heightened investor mistrust, generally or in relation to certain sectors, including the banking sector due to its exposure to the commercial real estate market or other sectors particularly affected by rising interest rates. The BNP Paribas Group's operations could as a result be significantly disrupted with a consequential material adverse effect on its business, results of operations and financial condition.

## **5.3 Given the global scope of its activities, the BNP Paribas Group is exposed to country risk and to changes in the political, macroeconomic or financial contexts of a region or country.**

The 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 the 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 2023, the BNP Paribas Group's loan portfolio consisted of receivables from borrowers located in France (33%), Belgium and Luxembourg (16%), Italy (10%), other European countries (21%), North America, (9%), Asia (6%) and the rest of the world (5%). Adverse economic or regulatory conditions that particularly affect these countries and regions would have a significant impact on the BNP Paribas Group. For example, the introduction by the Polish government in July 2022 of a law allowing borrowers under mortgage loans, generally at variable rates, to suspend payments for eight months in the 2022-2024 period led the Group (operating in Poland through BNP Paribas Bank Polska) to record an exceptional negative impact of EUR 204 million in the third quarter of 2022. As another example, hyperinflation in Türkiye negatively affected the 2023 results of the BNP Paribas Group. Moreover, the 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.

In addition, the BNP Paribas Group is present in Ukraine, through its subsidiary UkrSibbank in which it holds a 60% stake alongside the European Bank for Reconstruction and Development (40%). In the context of the conflict in Ukraine, the Group reassessed the nature of the control exercised over its subsidiary and concluded to the loss of exclusive control, and the maintain of a significant influence. This situation led the Group to consolidate this entity using the equity method as from 1 March 2022 as described in note 9.d *Business combinations and loss of control or significant influence* to the consolidated financial statements for the year ended 31 December 2023. At 31 December 2023, the Group's exposure resulting from UkrSibbank's business, was insignificant.



With regard to Russia, which is subject to extensive economic sanctions imposed in particular by the European Union, the United States and the United Kingdom, gross on- and off- balance sheet exposures of the BNP Paribas Group to this country represented 0.03% of the BNP Paribas Group's gross exposures on- and off- balance sheet at 31 December 2023. The Group is diligently monitoring developments in the situation in conjunction with the authorities concerned and, in particular, the reactions of the international community with regard to economic sanctions.

## 6. REGULATORY RISKS

### 6.1 Laws and regulations adopted in recent years, as well as current and future legislative and regulatory developments, may significantly impact the BNP Paribas Group and the financial and economic environment in which it operates.

Laws and regulations taking effect in recent years in the jurisdictions in which the BNP Paribas Group operates (in particular in France, Europe and the United States) have substantially changed, and in the future could potentially continue to substantially change, the environment in which the BNP Paribas Group and other financial institutions operate.

The most recent measures applicable to financial institutions such as the BNP Paribas Group adopted include in particular:

- More stringent “prudential” (i.e. capital solvency, liquidity) requirements, in particular for global systemically important banks, such as the BNP Paribas Group, and under the 26 June 2013 Regulation of the European Parliament and Council (as amended from time to time, the “CRR”), as well as changes to the risk-weighting methodologies and methods of using internal models that have led and could lead to increased capital requirements.
- In respect of minimum capital requirements in October 2021, the European Commission adopted a legislative package to finalise the implementation within the European Union of the Basel III agreement adopted by the Group of Central Governors and Heads of Supervision (GHOS). In the impact assessment accompanying this legislative package, the European Commission estimated, on the basis of an EBA impact study dated December 2020 and of additional European Commission 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 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 health crisis, the European Commission opted to apply the new capital requirements to EU banks as from 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, the Group has indicated a potential increase of 7% in its risk-weighted assets at the date of the first application announced for 1 January 2025, which implies a potential 7% increase in total minimum capital requirements resulting from the finalisation of Basel 3 fully loaded. This estimate is subject to change depending on potential changes in the draft text, in the Group and the macroeconomic context. In June 2023, negotiations resulted in a provisional agreement between the Council and the European Parliament, which was validated in December 2023, and should be formally adopted by the European Parliament in the second quarter of 2024.
- Strengthening of the powers of existing supervisory bodies and the creation of new supervisory authorities, for example under the Single Resolution Mechanism (the SRM) placing the BNP Paribas Group under the direct supervision of the ECB.
- Enhancement of recovery and resolution regimes, in particular the adoption of the Bank Recovery and Resolution Directive of 15 May 2014, as amended from time to time (the “BRRD”), in order to ensure that losses are borne largely by creditors and shareholders of banks and to thus minimise losses borne by taxpayers.
- Establishment of 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 (as amended from time to time, the “SRM Regulation”), which is authorised to initiate resolution proceedings for banking institutions such as the BNP Paribas Group, and the Single Resolution Fund (the SRF), funded via annual contributions from financial institutions. In 2023, the BNP Paribas Group's contribution was EUR 1,002 million.
- Restrictions on certain types of activities by commercial banks (in particular proprietary trading) considered as speculative and thus either prohibited or having to be ring-fenced in subsidiaries, and subject to specific capital and funding requirements.
- Prohibitions or restrictions on fees for certain types of financial products or activities.
- 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, risk management and reporting requirements with respect to certain activities.
- Implementation of regulatory stress tests (including in relation to climate change risk) which could lead to additional regulatory capital requirements (see *Market Risk Stress Testing Framework* in section 5.7 *Market risk of this amendment to the 2022 Universal Registration Document at 31 December 2023*).
- Greater powers granted to the relevant authorities to combat money laundering and terrorism financing, in particular through the creation of a new European authority for countering money laundering and financing of terrorism, endorsed by the Council and the European Parliament under a provisional agreement dated 13 December 2023.
- More stringent governance and conduct of business rules and restrictions and increased taxes on employee compensation over specified levels.

- Changes in securities regulation, in particular of financial instruments (including shares and other securities issued by entities of the BNP Paribas Group); 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 over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives).
- Regulations of market infrastructures such as trading platforms, clearing houses, central depositories and securities delivery and settlement systems.
- Introduction of enhanced disclosure requirements, including through the introduction of new disclosure requirements (i) on how banking groups providing asset management services such as the BNP Paribas Group integrate sustainability risks or negative impacts, sustainable investment objectives or the promotion of environmental or social attributes when making investment decisions, (ii) on 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 and (iii) in terms of sustainability, certified by an independent third party, making it possible to analyse the impact of the BNP Paribas Group's business on ESG issues and the manner in which these issues affect its business, its results of operations and its financial condition, in accordance with the texts transposing the Corporate Sustainability Reporting Directive ("CSRD"), applicable progressively since 1 January 2024.
- Strengthened transparency and disclosure requirements on CSR risk management, including physical and transitional risks related to climate change, and 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.
- Multiplication of measures that are not specific to financial institutions, such as measures relating to the investment fund sector or those promoting technological innovation such as "open data" access, the development of the regulation of payment services, crowdfunding and fintechs.

Existing measures, as well as those (by definition unpredictable) which could be adopted in the future, could in particular reduce the BNP Paribas Group's ability to allocate and apply its capital and financing resources, limit its ability to diversify its 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 its products and services, require it to effect internal reorganisations, structural changes or reallocations, affect its ability to conduct certain activities or to attract and/or retain talent, facilitate the entry of new players in the financial services sector or affect the business model of the BNP Paribas Group and, more generally, affect its competitiveness and profitability, which could have a significant impact on its business, financial condition and results of operations.

## **6.2 The BNP Paribas Group may incur substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.**

The BNP Paribas Group is subject to regulatory compliance risk. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to the BNP Paribas Group's reputation and private rights of action (including class actions), non-compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licences. This risk is further exacerbated by continuously increasing regulatory scrutiny of financial institutions as well as substantial increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, the BNP Paribas Group faces significant legal risk in its operations. The volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further. The BNP Paribas Group may record provisions in this respect as indicated in note 5.n *Provisions for contingencies and charges* to the consolidated financial statements for the year ending 31 December 2023.

Regarding the Cease and Desist Order issued jointly by the French *Autorité de contrôle prudentiel et de résolution* and the US Federal Reserve Board of Governors on 30 June 2014, related to violations by the Bank of US laws and regulations on economic sanctions (which resulted among other things in a fine of USD 8.9 billion) the *Secrétariat Général de l'Autorité de contrôle prudentiel et de résolution* informed BNP Paribas on 19 January 2024 of its conclusion that the Group had fully complied with the provisions of the Cease and Desist Order and that it would no longer monitor the BNP Paribas Group's compliance. On 6 February 2024, the Federal Reserve Board of Governors also announced the termination of the Cease and Desist Order and a related enforcement action.

The BNP Paribas Group is also currently involved in various litigations and investigations as summarised in note 9.c *Legal proceedings and arbitration* to the consolidated financial statements for the year ended 31 December 2023. It may become involved in other litigation or investigations at any time. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on the BNP Paribas Group's operating results for any particular period.

### **6.3 The BNP Paribas Group could experience an unfavourable change in circumstances, causing it to become subject to a resolution proceeding or a restructuring outside of resolution: BNP Paribas Group security holders could suffer losses as a result.**

The BRRD, the Ordinances of 20 August 2015 and 21 December 2020 transposing it, and the SRM Regulation 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 the BNP Paribas Group, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalise or restore the viability of the institution. These powers must be implemented so as to ensure that losses, subject to certain exceptions, are borne first by shareholders, then by holders of additional capital instruments qualifying as Tier 1 (such as super subordinated bonds) and Tier 2 (such as subordinated bonds), then by the holders of senior non-preferred debt and finally by the holders of senior preferred debt, all in accordance with the insolvency ranking in normal insolvency proceedings. For reference, the BNP Paribas Group's medium- to long-term wholesale financing at 31 December 2023 consisted of the following: EUR 14.9 billion in hybrid Tier 1 debt, EUR 20.7 billion in Tier 2 subordinated debt, EUR 1.6 billion in subordinated debt not included in own funds, EUR 73.5 billion in senior unsecured non-preferred debt, EUR 91.5 billion in senior unsecured preferred debt and EUR 15.5 billion in senior secured debt.

Resolution authorities have broad powers to implement resolution measures with respect to institutions and groups subject to resolution proceedings, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a special manager (*administrateur spécial*).

Certain powers, including the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of additional capital instruments qualifying as Tier 1 (such as super subordinated bonds) and Tier 2 (such as subordinated bonds), can also be exercised outside of resolution proceedings and/or pursuant to the European Commission's State Aid framework if the institution requires exceptional public financial support.

The implementation of these tools and powers with respect to the BNP Paribas Group may result in significant structural changes to the BNP Paribas Group (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write-down, modification or variation of claims of shareholders and creditors. Such powers may also result, after any transfer of all or part of the BNP Paribas Group's business or separation of any of its assets, in the holders of securities (even in the absence of any such write-down or conversion) being left as the creditors of the BNP Paribas Group whose remaining business or assets are insufficient to support the claims of all or any of the creditors of the Group.

## **7. RISKS RELATED TO THE BNP PARIBAS GROUP'S GROWTH IN ITS CURRENT ENVIRONMENT**

### **7.1 Should the 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 the publication of its results for the year ended 31 December 2021, the BNP Paribas Group announced its 2025 strategic plan. The plan includes financial and operational objectives. In connection with the publication of its results for the year ended 31 December 2023 the Group revised its objectives for 2025 to take into account the deterioration of the macroeconomic environment, particularly in Europe, the negative effect of European public policy decisions and the trajectory of certain business lines particularly affected by the current cycle. The BNP Paribas Group's actual results could vary significantly from these trends for a number of reasons, including the materialisation of one or more of the risks described in this section. If the BNP Paribas Group's results do not follow these trends, its financial condition and the price of its securities, as well as its financing costs, could be affected.

Additionally, the Group is pursuing an ambitious corporate social responsibility (CSR) policy and is committed to making a positive impact on society with concrete achievements. In 2022, the BNP Paribas Group strengthened its commitment to a sustainable economy and accelerated decarbonation strategies, with the signing of the Net-Zero Banking Alliance, the Net-Zero Asset Owner Alliance, and the Net-Zero Asset Manager initiative. The 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 the Group's 2022-2025 strategic plan, it aims to mobilise EUR 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 EUR 300 billion in sustainable responsible investments under management by 2025 (BNP Paribas Asset Management European open funds classified articles 8 and 9 as defined by SFDR). In addition, in 2019, as part of the fight against climate change, the 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. At the end of 2022, the BNP Paribas Group published its first climate alignment report and its targets for reducing carbon

emission intensity by 2025 and is taking the necessary measures to align its credit portfolios with its carbon neutrality commitments. Finally, in January 2023, the Group strengthened its social commitment policy and is working alongside its clients as part of a global approach to the transition to a sustainable, low-carbon economy. Building on the expertise developed through the Low-Carbon Transition Group, the Group announced new objectives that will result in an acceleration in the financing of low-carbon energy production and a reduction in the financing of fossil fuel production by 2030. If the Group fails to meet these targets, which depend in part on factors beyond its control, its reputation could be affected.

## **7.2 The BNP Paribas Group may experience difficulties integrating businesses following acquisition transactions and may be unable to realise the benefits expected from such transactions.**

The BNP Paribas Group regularly undertakes merger and acquisition transactions. It has in particular announced its intention to allocate part of the proceeds from the sale of Bank of the West to acquisitions. The BNP Paribas Group's most recent major such transactions were the integration of Deutsche Bank's Prime Brokerage & Electronic Execution platform in 2019, the acquisition of 100% of Exane, previously 50% owned by BNP Paribas, in 2021, the acquisition of 100% of Floa in 2022 and the acquisition of Kantox in 2023. Successful integration and the realisation 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 realisation. Moreover, the integration of the 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 the BNP Paribas Group's business, which could have a negative impact on the 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 the 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 the 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 have a significant adverse effect on the BNP Paribas Group's overall profitability and may increase its liabilities.

## **7.3 The BNP Paribas Group's current environment may be affected by the intense competition amongst banking and non-banking operators, which could adversely affect the BNP Paribas Group's revenues and profitability.**

Competition is intense in all of the 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 the BNP Paribas Group has launched initiatives in these areas, such as the debut of Hello bank! and its acquisition of Nickel or 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, 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, 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 the BNP Paribas Group, secure investments that otherwise would have used technology used by more established financial institutions, such as the 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 the BNP Paribas Group would be affected. If such developments continue to gain momentum, particularly with the support of governments and central banks, if the 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 the 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 the BNP Paribas Group.

## **7.4 The BNP Paribas Group could experience business disruption and losses due to risks related to environmental, social and governance ("ESG") issues, particularly relating to climate change, such as transition risks, physical risks or liability risks.**

The 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 for a transition to a low-carbon economy; and (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. Physical risk can spread throughout the value chain of the BNP Paribas Group's clients, which can lead to a payment default and thus generate financial losses, while the process of reducing emissions is likely to have a significant impact on all sectors of the economy by affecting the value of financial assets and corporate profits.

In addition, liability risks may flow from both categories of risk. They correspond to the financial compensation that can be claimed by individuals, companies, governments or non-governmental organisations (NGOs) that may be affected by climate change events, activities or effects and who would seek to hold actors in the financial sector accountable for financing, facilitating or otherwise contributing to such events, activities, or effects. In recent years, activism by shareholders, activist funds, NGOs and others, particularly on ESG issues, has been directed against many public companies. These initiatives include requiring companies to disclose material information about their ESG-related actions and commitments and, in some cases, seeking to force them to make strategic and business changes. In some jurisdictions, financial sector actors may also face legal action from individuals, companies, governments or NGOs, groups or private persons.

Policy and regulatory initiatives and frameworks, including at the French, European Union and international levels, concerning climate change and sustainability, as well as voluntary and joint commitments through industry alliances, create increasing legal, regulatory and reputational

risks. The ESG regulatory framework is constantly changing, evolving and continuing to evolve rapidly. It includes, among other things, requirements in terms of disclosure and the integration of climate risks into risk measurement and management systems, as well as a general duty of care (see section 6.1 *Laws and regulations adopted in recent years*, as well as current and future legislative and regulatory developments, may significantly impact the BNP Paribas Group and the financial and economic environment in which it operates). These initiatives and frameworks overlap in some respects and are not always consistent in their objectives, resulting in regulatory complexity and, in some cases, a lack of clarity and difficulty in interpretation. Non-compliance by the Group in its business and disclosure with these and other regulatory requirements, as well as any other regulations concerning the transition to a lower carbon economy, climate change, sustainability or energy-related investments, could have a negative impact on its business, the value of its investments and its reputation.

BNP Paribas does not consider ESG risks as a stand-alone risk category, but rather as factors affecting various risk categories such as credit, market and operational risks. Accordingly, BNP Paribas is progressively integrating the assessment of these risks into its risk management system. As explained in detail in section 7 of this amendment to the 2022 Universal Registration Document at 31 December 2023, ESG risk factors, including the subset of climate and environmental risk factors, are among the risk factors taken into account by contributors to the Group's risk identification process and to which they apply a risk assessment based on short to medium-term (three or four years) as well as longer-term scenarios. In 2022, the Group identified several major risk factors that are directly or indirectly linked to climate change, including possible changes in the insurance and reinsurance markets; customer expectations and the impact of consumerism; investors' financial expectations; climate change and the energy transition; threats to health and the environment; and the focus on banks' role in ESG matters generally. The 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 as from 2012 and 2014, respectively, with the addition of clauses relating to social and environmental responsibility. In addition, the development of regulatory requirements in this area could lead to an increase in litigation against financial institutions in relation to climate change and other related issues. The Group could thus be held liable for transaction execution failings such as inadequate assessment of the environmental, social and governance criteria of certain financial products.

In addition, sector-specific policies including to rule out financing certain sectors defined by ESG criteria have also been implemented and the BNP Paribas Group will have to adapt its business and in particular its counterparty screening accordingly in order to achieve its strategic objectives (see section 7.1 *Should the 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*). Specifically, by way of example, the results of the Group's ESG analysis may lead it to withdraw from a client relationship (unsatisfactory results), place a client relationship under review and regular monitoring (intermediate results), or enter into a new (or continue an existing) client relationship (satisfactory results). Similarly, the Group's assessment of the effectiveness of ESG risk management at the investee entity may lead it to divest from existing investments or affect its decision whether to make new investments. Notwithstanding its efforts to combat climate change and monitor the related risks, the physical, transitional or liability risks related to climate change, or any delay or failure to implement ESG risk management, could have a material adverse effect on the Group's business, financial condition or reputation.

## **7.5 Changes in certain holdings in credit or financial institutions could have an impact on the BNP Paribas Group's financial position.**

Certain classes of assets may carry a high risk-weight of 250%. They 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 the 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 EUR 19 billion at 31 December 2023, or 3% of the total risk-weighted assets of the BNP Paribas Group. They amounted to EUR 20 billion at 31 December 2022, or 3% of the Group's total risk-weighted assets. If the BNP Paribas Group increases the amount of high risk-weighted assets (either by increasing the

proportion of such high 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.

## TOP AND EMERGING RISKS

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The identification and monitoring of top and emerging risks are central to BNP Paribas' approach to risk management.

These risks are identified, analysed and managed thanks to different work and analyses carried out by the RISK Function, the divisions and the businesses, and through several committees. They notably give rise to:

- a close follow-up of macroeconomic and financial conditions with the objective of organising them into a hierarchy with regard to the consequences for Group portfolio and designing adverse scenarios. This close monitoring is delivered quarterly to the General Management as well as to the Internal Control, Risk Management and Compliance Committee (CCIRC) through a dashboard presented by RISK;
- a close monitoring of the risk profile in accordance with the directives and thresholds approved by the Board of directors;
- cross-functional policies on concentration or corporate social responsibility among others;
- market and liquidity risk decisions made by Group ALM Treasury Committee (or Group ALCo, see *Governance* in section 5.3 *Risk management*) and the Financial Markets Risk Committee (FMRC);
- key decisions made by committees with respect to specific transactions at the highest level;
- proposals for new activities or new products;
- portfolio and businesses reviews by Risk & Development Policy Committees (RDPC), on topics selected by the Group's Executive Management for the upcoming year;
- proactive and forward-looking discussions on emerging risks and their impacts on the Bank's risk profile in the Risk Anticipation Committee;
- an analysis and a monitoring of changes to the regulatory framework and their consequences on the Bank's capital and liquidity management as well as on its activities.
- the Group's sustainable finance strategy and commitments validated by the Sustainable Finance Strategic Committee (SFSC). This committee also decides on the main lines of sustainable finance's commercial policy and monitors their operational implementation. Where necessary, it also validates cross-functional infrastructure choices ensuring the expertise and consistency of the implementation of regulatory requirements and the commitments made by the Group in methods, analyses, risk management, data, tools, standards and reporting related to sustainable finance.

## TOP RISKS

A top risk is defined as having:

- the potential to have a material impact, across a business area or geographical area, on the financial results, reputation or sustainability of the Group;
- the potential to occur in the near future.

The top risks to which the Group is exposed are described below.

### Macroeconomic environment

Given the nature of the Bank's business, the Bank and its results are particularly sensitive to macroeconomic and market conditions in Europe.

Global activity decelerated in 2023, in a context of still high interest rates and inflation. According to the latest IMF projections of January 2024, global GDP grew by only 3.1% (compared with 3.5% in the previous year), mainly reflecting weakening of European economies. In the Eurozone, activity growth indeed decelerated with a growth of 0.5% (compared with +3.4% in the previous year), reflecting much less dynamic domestic demand, both in terms of consumption and investment.

While inflation has receded at a quite rapid pace in the course of 2023, it has remained significantly above central bank targets in many countries. This high inflation environment has pushed central banks to implement the most pronounced monetary tightening in recent decades.

The main central banks have most likely completed their interest rate hiking cycle in the second half of 2023. Both short-term and long-term interest rates have reached levels not seen since the years 2000 and are expected to remain relatively high for some time. These rate conditions should thus continue to weigh on activity in 2024.

In this context, the following risk categories can be identified:

#### Risks related to high inflation, supply chain disruptions and tensions on commodity markets

Inflation has receded at a quite rapid pace since late 2022 and is generally expected to continue to moderate in 2024, reflecting both reduced tensions in some specific sectors (energy, food) and a modest pace of activity growth. However, the risk that inflation remains durably above central bank targets remains. In the short term, key factors developments seem worth

monitoring from this point of view, such as the possible impacts of geopolitical tensions, the risk of shocks on commodity prices, and labour market developments. In a medium-term perspective, the energy transition also carries inflationary risks.

The risks of supply chain disruptions and shortages of inputs are likely to remain key themes in the years ahead. First, geopolitical tensions generate risks from this point of view (e.g. enforcement of sanctions). Second, the transition towards a low-carbon economy increases the competition for commodities that may not be easily available in sufficient quantities. These difficulties could lead to price volatility. They could also directly affect activity (lack of inputs or unprofitable production) and lead to difficulties in the most exposed sectors (losses, defaults).

### **Risks linked to the impact of higher interest rates, in particular for the real estate sector and indebted economic agents**

The high levels of interest rates generate risks for the economy and the financial system and are susceptible to trigger unfavourable market reactions (equity market, foreign exchange, capital flows).

Interest-rate sensitive sectors are more exposed than others. In particular, the downward trend in the real estate sector (residential and commercial) has materialised in many countries and has not come to an end yet in most cases (additional price corrections expected in the coming quarters).

More generally, in the private sector, some economic agents with high levels of debt may find it more difficult to pay off their debt, especially when variable interest rates are applied. The modest growth environment adds to such risks, notably through weaker expected labour market developments.

The combination of low growth and higher interest rates also increases pressures on public finances, especially given the increase in public debt observed in many countries in recent years, due to the health crisis and the high inflation environment. In this context, fiscal policy is expected to contribute less to growth in the near future than in previous years. The related tensions (higher sovereign spreads) are a risk in the presence of less favourable deficit trajectories than previously anticipated.

The vulnerability of some economies of emerging countries to these risks could lead to a deterioration in the rating of these countries by agencies, which can be followed by an increase in risk premiums and debt servicing. The Group's exposure in emerging countries is limited.

### **Geopolitical and geoeconomic fragmentation risks**

Geopolitical risks have increased significantly in recent years. Beyond the invasion of Ukraine and its economic consequences (e.g. gas prices, food prices), the situation in the Middle East seems susceptible to generate significant risks for the global economy, depending on developments. These conflicts, combined with other geopolitical tensions between the US and China, are contributing to some fragmentation of the global economy.

Türkiye holds a key position in this context, due to its geographical location and complex and variable relationships with various major actors. The worsening of the situation in the Middle East adds another dimension. These geopolitical risks combine with economic risks related to high inflation and the associated depreciation of its currency over the recent period. The Group presence in Türkiye is primarily through its TEB subsidiary. At 31 December 2023, the Group generated 2.0% of its pre-tax operating income in this country (see section 8.6 *Profit and loss account items and headcount by country* in chapter 8 *General information*).

Geopolitical tensions can weigh on the global economy through various channels, including shocks on commodity prices, financial markets, business confidence, supply chains and trade. Such developments are susceptible to lead to higher inflation developments and weaker activity developments simultaneously, complicating the task of central banks. The growing use of international sanctions also increases the possible magnitude of consequences of such events.

### **Laws and regulations applicable to financial institutions**

Recent and future changes in the laws and regulations applicable to financial institutions may have a significant impact on the Bank. Measures recently adopted or of which implementing measures are still under elaboration, that have or are likely to have an impact on the Bank notably include prudential regulations with the finalisation of Basel 3 published by the Basel Committee in December 2017, supplemented by the Fundamental Review of the Trading Book (FRTB) in January 2019 and of CVA risk (Credit Value Adjustment) in July 2020, which introduces a revision of the credit risk, operational risk, market risk and CVA risk measurement in the calculation of risk-weighted assets. The new Basel framework also provides for the gradual introduction of an overall floor which will be based on standardised approaches. These measures are due to come into force once they are transposed into European law. To this end, on 27 October 2021, the European Commission published a draft transposition of the Basel Accord in the form of amendments to the CRR and CRD. The European Union Council and the European Parliament have settled their positions. Negotiations between the three institutions have been completed and adoption of the finalised text is expected to take place in the first half of 2024. This text also provides for the issuance by the EBA of a number of regulatory or implementing technical standards as well as guidelines.

For a more detailed description, see risk factor 6.1 *Laws and regulations adopted in recent years, as well as current and future legislative and regulatory developments, may significantly impact the BNP Paribas Group and the financial and economic environment in which it operates.*

Moreover, in this strengthened regulatory context, the risk of non-compliance with existing laws and regulations, in particular those relating to the protection of the interests of customers and personal data, is a significant risk for the banking industry, potentially resulting in significant losses and fines<sup>1</sup>. In addition to its compliance system, which specifically covers this type of risk, the Group places the interest of its customers, and more broadly that of its stakeholders, at the heart of its mechanism. Thus, the Code of conduct adopted by the Group in 2016, updated in 2021, sets out detailed values and rules of conduct in this area.

## Environmental risks

The BNP Paribas Group is exposed to risks related to climate change, based on a double materiality approach, either directly through its own operations or for certain of its assets or indirectly through its financing and investment activities.

The main risk factors related to climate change are as follows:

- transition risk factors resulting from a change in the behaviour of economic and financial agents in response to the implementation of energy policies, change in regulation, technological innovations or changes in consumer preferences;
- physical risk factors resulting from the direct impact of climate change on people, corporates and assets due to extreme weather events or long-term shifts in climate patterns such as rising sea levels or rising temperatures;
- in addition, consequences in terms of reputation and liability may arise from these risk factors as a consequence of potential negative impacts that the Group may have either directly or indirectly on the climate or if its public commitments or disclosures are not perceived as accurate by some of its stakeholders. They may end up with potential disputes, claims for compensation, legal proceedings brought against a company, a State or a financial institution that could be held liable by any stakeholder or citizen who has suffered from climate change. In line with international work and in particular that of the Network of Supervisors and Central Banks for Greening the Financial System (NGFS), BNP Paribas considers the risks associated with the emergence of legal proceedings related to climate change for companies and investors, including liability risks, as a subset of physical and transition risks.

BNP Paribas has set up a monitoring on the potential impact of these risk factors in the conduct of its business, in that of its counterparties or in its investments on its own behalf or on behalf of third parties. The Group thus integrates these risk factors into its risk management process and gradually strengthens their assessment, as the methodologies for measuring and analysing these factors and their impact on traditional risks, in particular, those relating to credit quality, are developed.

For more details, please see risk factor 7.4 *The BNP Paribas Group could experience business disruption and losses due to risks related to environmental, social and governance ("ESG") issues, particularly relating to climate change, such as transition risks, physical risks or liability risks* as well as the measures taken and commitments made by the Group in this area in paragraph Commitment 3: *Robust management of Environmental, social and governance risks* of chapter 7.

## Cyber security and technology risk

BNP Paribas' ability to do business is intrinsically tied to the fluidity of electronic transactions as well as the protection and security of information and technology assets.

The technological change is accelerating with the digital transformation and the resulting increase in the number of communications circuits, dependency on systemic technological infrastructure, proliferation in data sources, growing process automation, and greater use of electronic banking transactions.

The progress and acceleration of the technological changes needed to respond to customer requirements are giving cybercriminals new options for altering, stealing and disclosing data. Attacks are more frequent, with a bigger reach and sophistication across all sectors, including financial services. Besides, in the current context of geopolitical tensions and development of hybrid war, cyber threat is heightened.

The outsourcing of a number of processes also is likely to expose the Group to structural cybersecurity and technology risks which can lead to the appearance of potential attack vectors that cybercriminals can exploit.

In this context, the Group has reinforced its lines of defence dedicated to managing technological and cybersecurity risks (see the paragraph *Cybersecurity and technology* in section 5.9 *Operational Risk*) and operational standards are regularly adapted to support the Bank's digital evolution and innovation while managing existing and emerging threats (such as cyber-crime, espionage, etc.).

<sup>1</sup> Risk factors: 6.2 *The BNP Paribas Group may incur substantial fines and administrative and other criminal penalties for non-compliance with applicable laws and regulations and may also incur losses in related (or unrelated) litigation with private parties.*



## EMERGING RISKS

An emerging risk is defined as a new or evolving risk which potential impact could be material in the future but is currently not fully known or is difficult to quantify.

The Group identified emerging risks related to insurance and reinsurance markets technological innovations, the evolving regulatory environment, as well as certain health, demographic and societal risks.

### Evolutions in insurance and reinsurance markets

Insurance and re-insurance play a critical role in the financial management of disaster risks, organising mutualisation, absorbing the costs of damage and losses and supporting post-disaster economic recovery by providing a source of funds for recovery and reconstruction.

With the intensification of extreme weather events associated with climate change and the progression of the claims' frequency and severity, one can already observe structural changes there is a risk, over the coming years that:

- substantial increase of insurance deductibles and premiums;
- multiplication of exceptions in insurance contracts;
- certain risks becoming non-insurable;
- difficulties of reinsurance facing catastrophic risks progression.

In this context, financial institutions have to develop a particular vigilance with regard to the effectiveness of insurance protections from which they, directly or indirectly, benefit.

### Technological innovations

Technological developments related to the growing use of data in all production, marketing, and distribution processes, and to data sharing among economic players (producers, suppliers, and customers) will impact the economic models of clients and counterparties in a lasting way. These impacts, which are sometimes hard to assess in a context where new standards, economic balances, and regulatory entities are in the process of evolving and adapting, are being analysed internally by industry experts focused on the economic sectors most exposed to this evolution.

In addition, the use of algorithms and artificial intelligence techniques, which are becoming increasingly sophisticated, combined with the spectacular development of computing power (with the emblematic emergence of quantum computing), considerably modifies decision-making and exposes people to risks of a new nature with, notably, a modified relationship with information and truth (appearance of "post-truth" concept) and even reality and standardised behaviour that can quickly affect certain markets. The emergence of decentralised finance and digital assets based on distributed ledger technologies (blockchain) and the development of digital currencies of central banks are changes that may ultimately have a structural impact on the banking sector.

Furthermore, in this regard, the Group's competitive environment is undergoing profound change, with the presence of fintech, emerging new players in the activities of the financial sector as GAFAM (Google, Apple, Facebook, Amazon, Microsoft, actors that concentrate a very substantial part of numerical power) and technological innovations which disrupt the traditional value chains of Group businesses, and place the quality of the customer experience, and the use of new technologies to reduce the cost of low added-value operations, as their competitive factors. Maintenance of the Group's information systems must be done in this context of evolving value chains and increasing protection needs (of systems, data, etc.). The Group is deploying a proactive strategy in this area to adapt its activities to these major technological developments and promote some industrial cooperation with fintech players. This strategy and the initiatives developed could nevertheless prove to be insufficient and introduce a risk of a competitive nature.

### Evolving regulatory environments

In addition to the regulatory measures recently adopted or pending adoption, and already cited as top risks, the trend towards growing complexity and regional differences in the bank regulatory environment and related supervision is creating relative uncertainty over future developments, compliance costs, and proper performance risk concerning the various measures. The Group has established an active monitoring system for its regulatory environment, enabling it to minimise these risks.

Possible future divergence by type of regulated entity, for example, depending on their degree of innovation, may introduce risk of a competitive nature.

### Health risks

The threat presented by bacteria, viruses, parasites or fungi that cause uncontrolled spread of infectious diseases leading to widespread fatalities and economic disruption, is a growing concern. It is aggravated by the resistance developed by bacteria to antibiotics, by viruses to antivirals or by fungi to antifungals, a situation that heightens the probability of large-scale health problems.

Furthermore, sanitary risk perspectives are clouded by the possible effects of climate change and man-made nature damages that are heightening the risk of emergence and re-emergence of diseases or pathogenic agents, known or new, leading to widespread infections or pandemics, thus pushing healthcare systems to the brink of failure.

In this context, a new widespread infection or pandemic, with a bacterial, viral or fungal origin, potentially resistant to antibiotics, antiviral drugs or other treatments, and therefore difficult to eradicate, is an increasing concern, and that becomes more and more preoccupying.

Despite the experience gained with health crisis linked to the Covid-19, such an infection could lead to new failures in infrastructure and production chains, with significant consequences for all stakeholders.

### Demographic risk

Demographic transition (decrease in fertility rate, increase in life expectancy) is a major underlying development in many countries. In the years and decades to come, it will have a significant impact on economic growth, but also on health and retirement budgets, and on savings and consumption behaviour.

### Societal issues

In addition to responses designed to meet its customers' changing needs, the Group is, on a more general basis, adapting its responses to the expectations of the society in which it operates in terms of how it conducts its business, respect for human rights and environmental protection. Thus, in a context where societal fragmentation and polarisation risks grow, banks must deal with the increasing sensitivity of their customers and partners to environmental, social and governance issues.

The BNP Paribas Group Code of conduct defines standards of conduct in line with the values and missions determined by the Bank.

The risks associated with changes in the macroeconomic and market environment are described in the following section *Risk factors*<sup>1</sup>.

The analyses relating to certain sectors are set out in the *Exposures, provisions and cost of risk* paragraph in section 5.4 *Credit risk*.

The risk principles are presented in the Risk Appetite Statement approved by the Board of directors (see *Risk Appetite* in section 5.3 *Risk management*).

## 5.2 Capital management and capital adequacy

### SCOPE OF APPLICATION

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The prudential scope of application defined in Regulation (EU) No. 575/2013 on capital requirements is not the same as the accounting scope of consolidation whose composition concerns the application of IFRS as adopted by the European Union. The notes to the consolidated financial statements cover the accounting consolidation scope.

The consolidation principles and the scope of consolidation in accordance with the accounting consolidation method used are described respectively in notes 1.b *Consolidation* and 9.k *Scope of consolidation* to the consolidated financial statements.

### PRUDENTIAL SCOPE

In accordance with banking regulation, BNP Paribas Group has defined a prudential scope to monitor capital ratios calculated on a consolidated basis. Its specificities are as follows:

- insurance companies (primarily BNP Paribas Cardif and its subsidiaries) that are fully consolidated within the accounting scope are consolidated under the equity method in the prudential scope;
- unregulated entities of the real estate services (BNP Paribas Real Estate) and long-term vehicle leasing (Arval<sup>2</sup>) businesses that are fully consolidated within the accounting scope are consolidated under the equity method within the prudential scope;
- jointly controlled entities are consolidated under the equity method in the accounting scope and under the proportional consolidation method in the prudential scope.

As a reminder, on 31 December 2022, the Bank of the West entities sold to BMO financial group were fully consolidated without the application of IFRS 5 (see note 9.e *Discontinued activities* to the consolidated financial statements).

The differences between the accounting and prudential scopes of consolidation are summarised in the table below.

<sup>1</sup> In particular, risk factor 5.3 Given the global scope of its activities, the BNP Paribas Group is exposed to country risk and to changes in the political, macroeconomic or financial contexts of a region or country.

<sup>2</sup> As from 1 July 2024, the entities, under exclusive control, of the Arval business line will be fully consolidated within the prudential scope.

TABLE 7: DIFFERENCES BETWEEN THE ACCOUNTING AND PRUDENTIAL SCOPES (EU LI3)

31 December 2023

| Name of the entity  | Method of accounting consolidation | Method of regulatory consolidation |                            |               | Neither consolidated nor deducted from own funds | Description of the entity         |
|---|------------------------------------|------------------------------------|----------------------------|---------------|--|-----------------------------------|
|   |                                    | Full consolidation                 | Proportional consolidation | Equity method |  |                                   |
| BNP Paribas Cardif and its subsidiaries <sup>(*)</sup>                    | Full consolidation                 |                                    |                            | x             |  | Insurance                         |
| BNPP SB Re  | Full consolidation                 |                                    |                            | x             |  | Insurance                         |
| BNPP Vartry Reinsurance DAC   | Full consolidation                 |                                    |                            | x             |  | Insurance                         |
| Darnell DAC   | Full consolidation                 |                                    |                            | x             |  | Insurance                         |
| Decart Re Ltd   | Full consolidation                 |                                    |                            | x             |  | Insurance                         |
| Greenstars BNPP   | Full consolidation                 |                                    |                            | x             |  | Insurance                         |
| Greenval Insurance DAC  | Full consolidation                 |                                    |                            | x             |  | Insurance                         |
| Le Sphinx Assurances Luxembourg SA  | Full consolidation                 |                                    |                            | x             |  | Insurance                         |
| BNP Paribas Real Estate and its non-regulated subsidiaries <sup>(*)</sup> | Full consolidation                 |                                    |                            | x             |  | Real Estate services              |
| Arval and its non-regulated subsidiaries <sup>(*)</sup>                   | Full consolidation                 |                                    |                            | x             |  | Long-term car leasing             |
| Collective investment funds <sup>(**)</sup>                               | Full consolidation                 |                                    |                            |               | x  | Asset management                  |
| 2SF – Société des Services Fiduciaires                                    | Equity method                      |                                    | x                          |               |  | Retail Banking                    |
| Bantas Nakit AS   | Equity method                      |                                    | x                          |               |  | Retail Banking                    |
| Euro Securities Partners  | Equity method                      |                                    | x                          |               |  | Retail Banking                    |
| Partecis  | Equity method                      |                                    | x                          |               |  | Retail Banking                    |
| Baroda BNPP AMC Private Ltd   | Equity method                      |                                    | x                          |               |  | Asset Management                  |
| BNPP ABC Wealth Management Co Ltd   | Equity method                      |                                    | x                          |               |  | Asset Management                  |
| FScholen  | Equity method                      |                                    | x                          |               |  | Corporate & Institutional Banking |
| Uptevia SA  | Equity method                      |                                    | x                          |               |  | Corporate & Institutional Banking |
| Lyf SA  | Equity method                      |                                    | x                          |               |  | Internet financial services       |
| Lyf SAS   | Equity method                      |                                    | x                          |               |  | Internet financial services       |
| Services Logiciels d'Intégration Boursière                                | Equity method                      |                                    | x                          |               |  | Securities custody                |
| Securitisation funds UCI and RMBS Prado                                   | Equity method                      |                                    | x                          |               |  | Specialised loans                 |
| Securitisation funds Genius   | Equity method                      |                                    | x                          |               |  | Specialised loans                 |
| Securitisation funds Wisdom   | Equity method                      |                                    | x                          |               |  | Specialised loans                 |
| Genius Auto Finance Co Ltd  | Equity method                      |                                    | x                          |               |  | Specialised loans                 |
| Union de Creditos Inmobiliarios SA  | Equity method                      |                                    | x                          |               |  | Specialised loans                 |



| <i>In millions of euros</i>   | Accounting<br>scope | Adjustment<br>of<br>insurance<br>companies | Other<br>adjustments<br>related to<br>consolidation<br>methods <sup>(*)</sup> | Prudential<br>scope | Reference<br>to capital<br>table (see<br>Appendix 2) |
|---|---------------------|--|---|---------------------|--|
| <i>of which own funds instruments in credit or financial institutions more than 10%-owned</i> | 100                 |  |   | 100                 | 1  |
| <i>of which own funds instruments in credit or financial institutions less than 10%-owned</i> |                     |  |   |                     | 2  |
| Remeasurement adjustment on interest-rate risk hedged portfolios                              | (2,661)             |  |   | (2,661)             |  |
| Investments and other assets of insurance activities  | 257,098             | (257,098)                                  |   |                     |  |
| Current and deferred tax assets   | 6,556               | (104)                                      | (128)   | 6,324               |  |
| Accrued income and other assets   | 170,758             | (1,998)                                    | (4,460)   | 164,300             |  |
| Equity-method investments   | 6,751               | 3,789                                      | 3,811   | 14,351              |  |
| <i>of which investments in credit or financial institutions</i>                               | 6,076               | 3,563                                      | (798)   | 8,841               | 1  |
| <i>of which goodwill</i>  | 512                 | 226  | 923   | 1,661               | 3  |
| Property, plant and equipment and investment property   | 45,222              | (581)                                      | (34,937)  | 9,704               |  |
| Intangible assets   | 4,142               | (462)                                      | (164)   | 3,516               |  |
| <i>of which intangible assets excluding mortgage servicing rights</i>                         | 4,142               | (462)                                      | (164)   | 3,516               | 3  |
| Goodwill  | 5,549               | (225)                                      | (922)   | 4,402               | 3  |
| <b>TOTAL ASSETS</b>   | <b>2,591,499</b>    | <b>(247,435)</b>                           | <b>(9,840)</b>  | <b>2,334,224</b>    |  |
| <b>LIABILITIES</b>  |                     |  |   |                     |  |
| Deposits from central banks   | 3,374               |  |   | 3,374               |  |
| Financial instruments at fair value through profit or loss                                    |                     |  |   |                     |  |
| Securities  | 104,910             |  |   | 104,910             |  |
| Deposits and repurchase agreements  | 273,614             | 260  |   | 273,874             |  |
| Issued debt securities  | 83,763              | 21   | (441)   | 83,343              |  |
| <i>of which liabilities qualifying for additional Tier 1 capital</i>                          |                     |  |   |                     | 4  |
| <i>of which liabilities qualifying for additional Tier 2 capital</i>                          | 18                  |  |   | 18                  | 5  |
| Derivative financial instruments  | 278,892             | 638  | (84)  | 279,446             |  |
| Derivatives used for hedging purposes   | 38,011              | (65)                                       | (35)  | 37,911              |  |
| Financial liabilities at amortised cost   |                     |  |   |                     |  |
| Deposit from credit institutions  | 95,175              | (8,510)                                    | (1,075)   | 85,590              |  |
| Deposit from customers  | 988,549             | 1,193                                      | 4,133   | 993,875             |  |
| Debt securities   | 191,482             | 12   | (6,822)   | 184,672             |  |
| Subordinated debt   | 24,743              | (1,780)                                    | 2   | 22,965              |  |
| <i>of which liabilities qualifying for additional Tier 1 capital<sup>(**)</sup></i>           | 1,352               |  |   | 1,352               | 4  |
| <i>of which liabilities qualifying additional for Tier 2 capital<sup>(***)</sup></i>          | 22,433              |  |   | 22,433              | 5  |
| Remeasurement adjustment on interest-rate risk hedged portfolios                              | (14,175)            |  |   | (14,175)            |  |
| Current and deferred tax liabilities  | 3,821               | 533  | (751)   | 3,603               |  |

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| <i>In millions of euros</i>   | Accounting scope | Adjustment of insurance companies | Other adjustments related to consolidation methods <sup>(*)</sup> | Prudential scope | Reference to capital table (see Appendix 2) |
|---|------------------|-----------------------------------|---|------------------|---|
| Accrued expenses and other liabilities  | 143,673          | (2,965)                           | (3,818)   | 136,890          |   |
| Liabilities related to insurance contracts  | 218,043          | (218,043)                         |   |                  |   |
| Financial liabilities related to insurance activities                             | 18,239           | (18,239)                          |   |                  |   |
| Provisions for contingencies and charges  | 10,518           | (348)                             | (949)   | 9,221            |   |
| <b>TOTAL LIABILITIES</b>  | <b>2,462,632</b> | <b>(247,293)</b>                  | <b>(9,840)</b>  | <b>2,205,499</b> |   |
| <b>EQUITY</b>   |                  |                                   |   |                  |   |
| <i>Share capital, additional paid-in capital and retained earnings</i>            | 115,809          |                                   | 5   | 115,814          | 6   |
| <i>Net income Group share for the period</i>                                      | 10,975           |                                   |   | 10,975           | 7   |
| <b>Total capital, retained earnings and net income Group share for the period</b> | <b>126,784</b>   | <b>-</b>                          | <b>5</b>  | <b>126,789</b>   |   |
| <i>Changes in assets and liabilities recognised directly in equity</i>            | (3,042)          |                                   | 1   | (3,041)          |   |
| <b>Shareholders' equity</b>   | <b>123,742</b>   | <b>-</b>                          | <b>6</b>  | <b>123,748</b>   |   |
| <b>Minority interests</b>   | <b>5,125</b>     | <b>(142)</b>                      | <b>(6)</b>  | <b>4,977</b>     | <b>8</b>                                    |
| <b>TOTAL CONSOLIDATED EQUITY</b>  | <b>128,867</b>   | <b>(142)</b>                      | <b>-</b>  | <b>128,725</b>   |   |
| <b>TOTAL LIABILITIES AND EQUITY</b>   | <b>2,591,499</b> | <b>(247,435)</b>                  | <b>(9,840)</b>  | <b>2,334,224</b> |   |

(\*) Adjustment of jointly controlled entities under proportional consolidation for prudential scope, which are consolidated using the equity method within the accounting scope, and of the unregulated entities of BNP Paribas Real Estate and Arval consolidated using the equity method within the prudential scope which are fully consolidated within the accounting scope.

(\*\*) Debt eligible as additional Tier 1 capital includes undated super subordinated notes and contingent convertible notes recognised respectively in equity and debt.

(\*\*\*) Debt eligible as additional Tier 2 capital is presented at its notional value (excluding accrued interest and revaluation of the hedged component).

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| <i>In millions of euros</i>   | Accounting scope <sup>(****)</sup> | Adjustment of insurance companies | Other adjustments related to consolidation methods <sup>(*)</sup> | FinRep prudential scope <sup>(****)</sup> | Adjustment related to the impact of IFRS 5 <sup>(*****)</sup> | Prudential scope <sup>(****)</sup> | Reference to capital table (see Appendix 2) |
|---|------------------------------------|-----------------------------------|---|---|---|------------------------------------|---|
| <b>ASSETS</b>   |                                    |                                   |   |   |   |                                    |   |
| Cash and amounts due from central banks   | 318,560                            |                                   | 9   | 318,569                                   | 2,751   | 321,320                            |   |
| Financial instruments at fair value through profit or loss                                    |                                    |                                   |   |   |   |                                    |   |
| Securities  | 166,077                            | 591                               | 278   | 166,946                                   | 840   | 167,786                            |   |
| <i>of which own funds instruments in credit or financial institutions more than 10%-owned</i> | 241                                | 591                               |   | 832                                       |   | 832                                | 1   |
| <i>of which own funds instruments in credit or financial institutions less than 10%-owned</i> | 3,022                              |                                   |   | 3,022                                     | 18  | 3,040                              | 2   |
| Loans and repurchase agreements   | 191,125                            | 1,239                             | (340)   | 192,024                                   | 6   | 192,030                            |   |
| Derivative financial instruments  | 327,932                            | 643                               | (217)   | 328,358                                   | 349   | 328,707                            |   |
| Derivatives used for hedging purposes   | 25,401                             | (62)                              | 342   | 25,681                                    | 6   | 25,687                             |   |

| <i>In millions of euros</i>  | Accounting<br>scope <sup>(****)</sup> | Adjustment<br>of<br>insurance<br>companies | Other<br>adjustments<br>related to<br>consolidation<br>methods <sup>(*)</sup> | FinRep<br>prudential<br>scope <sup>(****)</sup> | Adjustment<br>related to<br>the impact<br>of IFRS<br>5 <sup>(*****)</sup> | Prudential<br>scope <sup>(****)</sup> | Reference<br>to capital<br>table (see<br>Appendix 2) |
|--|---------------------------------------|--|---|---|---|---------------------------------------|--|
| Financial assets at fair value through equity  |                                       |  |   |   |   |                                       |  |
| Debt securities  | 35,878                                | 2,692                                      |   | 38,570  | 4,503   | 43,073                                |  |
| <i>of which own funds instruments in credit<br/>or financial institutions more than 10%-<br/>owned</i> | 44                                    | 2,690                                      |   | 2,734   |   | 2,734                                 | 1  |
| <i>of which own funds instruments in credit<br/>or financial institutions less than 10%-<br/>owned</i> |                                       |  |   |   |   |                                       | 2  |
| Equity securities  | 2,188                                 |  |   | 2,188   |   | 2,188                                 |  |
| <i>of which own funds instruments in credit<br/>or financial institutions more than 10%-<br/>owned</i> | 788                                   |  |   | 788   |   | 788                                   | 1  |
| <i>of which own funds instruments in credit<br/>or financial institutions less than 10%-<br/>owned</i> | 812                                   |  |   | 812   |   | 812                                   | 2  |

| <i>In millions of euros</i>  | Accounting<br>scope <sup>(****)</sup> | Adjustment<br>of<br>insurance<br>companies | Other<br>adjustments<br>related to<br>consolidation<br>methods <sup>(*)</sup> | FinRep<br>prudential<br>scope <sup>(****)</sup> | Adjustment<br>related to<br>the impact<br>of IFRS<br>5 <sup>(*****)</sup> | Prudential<br>scope <sup>(****)</sup> | Reference<br>to capital<br>table (see<br>Appendix 2) |
|--|---------------------------------------|--|---|---|---|---------------------------------------|--|
| Financial assets at amortised cost   |                                       |  |   |   |   |                                       |  |
| Loans and advances to credit institutions  | 32,616                                |  | (142)   | 32,474  | 144   | 32,618                                |  |
| <i>of which own funds instruments in credit<br/>or financial institutions more than 10%-<br/>owned</i> | 252                                   |  | (75)  | 177   |   | 177                                   | 1  |
| <i>of which own funds instruments in credit<br/>or financial institutions less than 10%-<br/>owned</i> |                                       |  |   |   |   |                                       | 2  |
| Loans and advances to customers  | 857,020                               | 4,752                                      | 25,895  | 887,667   | 56,084  | 943,751                               |  |
| <i>of which own funds instruments in credit<br/>or financial institutions more than 10%-<br/>owned</i> | 73                                    | 25   | (73)  | 25  |   | 25                                    | 1  |
| <i>of which own funds instruments in credit<br/>or financial institutions less than 10%-<br/>owned</i> |                                       |  |   |   |   |                                       | 2  |
| Debt securities  | 114,014                               |  | (303)   | 113,711   | 16,779  | 130,490                               |  |
| <i>of which own funds instruments in credit<br/>or financial institutions more than 10%-<br/>owned</i> | 100                                   |  |   | 100   |   | 100                                   | 1  |
| <i>of which own funds instruments in credit<br/>or financial institutions less than 10%-<br/>owned</i> | 74                                    |  |   | 74  |   | 74                                    | 2  |
| Remeasurement adjustment on interest-rate<br>risk hedged portfolios                                    | (7,477)                               |  |   | (7,477)   |   | (7,477)                               |  |
| Financial investments and other assets of<br>insurance activities                                      | 247,403                               | (247,403)                                  |   |   |   |                                       |  |
| Current and deferred tax assets  | 5,893                                 | (166)                                      | (114)   | 5,613   | 408   | 6,021                                 |  |
| Accrued income and other assets  | 209,092                               | (4,011)                                    | (3,611)   | 201,470   | 1,607   | 203,077                               |  |
| Equity-method investments  | 6,263                                 | 3,422                                      | 3,350   | 13,035  |   | 13,035                                |  |
| <i>of which investments in credit or financial<br/>institutions</i>                                    | 5,629                                 | 3,216                                      | (724)   | 8,121   |   | 8,121                                 | 1  |
| <i>of which goodwill</i>   | 503                                   | 208  | 918   | 1,629   |   | 1,629                                 | 3  |
| Property, plant and equipment and investment<br>property   | 38,468                                | (478)                                      | (27,913)  | 10,077  | 452   | 10,529                                |  |
| Intangible assets  | 3,790                                 | (293)                                      | (138)   | 3,359   | 215   | 3,574                                 |  |
| <i>of which intangible assets excluding<br/>mortgage servicing rights</i>                              | 3,790                                 | (293)                                      | (138)   | 3,359   | 192   | 3,551                                 | 3  |
| Goodwill   | 5,294                                 | (207)                                      | (919)   | 4,168   | 2,695   | 6,863                                 | 3  |
| Assets held for sale <sup>(*****)</sup>  | 86,839                                |  |   | 86,839  | (86,839)  |                                       |  |
| <b>TOTAL ASSETS</b>  | <b>2,666,376</b>                      | <b>(239,281)</b>                           | <b>(3,823)</b>  | <b>2,423,272</b>                                | <b>-</b>  | <b>2,423,272</b>                      |  |



| <i>In millions of euros</i>  | Accounting<br>scope | Adjustment<br>of<br>insurance<br>companies | Other<br>adjustments<br>related to<br>consolidation<br>methods <sup>(*)</sup> | FinRep<br>prudential<br>scope | Adjustment<br>related to<br>the impact<br>of IFRS<br>5 <sup>(*****)</sup> | Prudential<br>scope | Reference<br>to capital<br>table (see<br>Appendix 2) |
|--|---------------------|--|---|-------------------------------|---|---------------------|--|
| <b>LIABILITIES</b>   |                     |  |   |                               |   |                     |  |
| Deposits from central banks  | 3,054               |  |   | 3,054                         |   | 3,054               |  |
| Financial instruments at fair value through<br>profit or loss                            |                     |  |   |                               |   |                     |  |
| Securities   | 99,155              |  |   | 99,155                        |   | 99,155              |  |
| Deposits and repurchase agreements   | 234,076             |  |   | 234,076                       |   | 234,076             |  |
| Issued debt securities   | 70,460              | (4,856)                                    | (195)   | 65,409                        |   | 65,409              |  |
| <i>of which liabilities qualifying for additional<br/>Tier 1 capital</i>                 |                     |  |   |                               |   |                     | 4  |
| <i>of which liabilities qualifying for additional<br/>Tier 2 capital</i>                 | 20                  |  |   | 20                            |   | 20                  | 5  |
| Derivative financial instruments   | 300,121             | 1,023                                      | (208)   | 300,936                       | 461   | 301,397             |  |
| Derivatives used for hedging purposes  | 40,001              | (58)                                       | 59  | 40,002                        | 307   | 40,309              |  |
| Financial liabilities at amortised cost  |                     |  |   |                               |   |                     |  |
| Deposit from credit institutions   | 124,718             | (7,009)                                    | (995)   | 116,714                       | 260   | 116,974             |  |
| Deposit from customers   | 1,008,054           | 1,115                                      | 5,398   | 1,014,567                     | 74,202  | 1,088,769           |  |
| Debt securities  | 154,143             | 1,222                                      | (3,175)   | 152,190                       | 101   | 152,291             |  |
| Subordinated debt  | 24,156              | (1,769)                                    | 1   | 22,388                        |   | 22,388              |  |
| <i>of which liabilities qualifying for additional<br/>Tier 1 capital<sup>(**)</sup></i>  |                     |  |   |                               |   |                     | 4  |
| <i>of which liabilities qualifying for additional<br/>Tier 2 capital<sup>(***)</sup></i> | 23,865              |  |   | 23,865                        |   | 23,865              | 5  |
| Remeasurement adjustment on interest-rate<br>risk hedged portfolios                      | (20,201)            |  |   | (20,201)                      |   | (20,201)            |  |
| Current and deferred tax liabilities   | 3,054               | 656  | (550)   | 3,160                         | 85  | 3,245               |  |
| Accrued expenses and other liabilities   | 185,456             | (2,427)                                    | (3,725)   | 179,304                       | 1,385   | 180,689             |  |
| Technical reserves and other insurance<br>liabilities                                    | 226,532             | (226,532)                                  |   |                               |   |                     |  |
| Provisions for contingencies and charges   | 10,040              | (510)                                      | (433)   | 9,097                         | 201   | 9,298               |  |
| Liabilities associated with assets held for<br>sale <sup>(****)</sup>                    | 77,002              |  |   | 77,002                        | (77,002)  |                     |  |
| <b>TOTAL LIABILITIES</b>   | <b>2,539,821</b>    | <b>(239,145)</b>                           | <b>(3,823)</b>  | <b>2,296,853</b>              |   | <b>2,296,853</b>    |  |
| <b>EQUITY</b>  |                     |  |   |                               |   |                     |  |
| <i>Share capital, additional paid-in capital and<br/>retained earnings</i>               | 115,149             | 1  | (1)   | 115,149                       |   | 115,149             | 6  |
| <i>Net income Group share for the period</i>   | 10,196              |  |   | 10,196                        |   | 10,196              | 7  |
| <b>Total capital, retained earnings and net<br/>income Group share for the period</b>    | <b>125,345</b>      | <b>1</b>                                   | <b>(1)</b>  | <b>125,345</b>                |   | <b>125,345</b>      |  |
| <i>Changes in assets and liabilities recognised<br/>directly in equity</i>               | (3,553)             | (1)  | 1   | (3,553)                       |   | (3,553)             |  |
| <b>Shareholders' equity</b>  | <b>121,792</b>      |  |   | <b>121,792</b>                |   | <b>121,792</b>      |  |
| <b>Minority interests</b>  | <b>4,763</b>        | <b>(136)</b>                               |   | <b>4,627</b>                  |   | <b>4,627</b>        | <b>8</b>   |
| <b>TOTAL CONSOLIDATED EQUITY</b>   | <b>126,555</b>      | <b>(136)</b>                               |   | <b>126,419</b>                |   | <b>126,419</b>      |  |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>2,666,376</b>    | <b>(239,281)</b>                           | <b>(3,823)</b>  | <b>2,423,272</b>              | <b>-</b>  | <b>2,423,272</b>    |  |

| <i>In millions of euros</i> | Accounting scope | Adjustment of insurance companies | Other adjustments related to consolidation methods <sup>(*)</sup> | FinRep prudential scope | Adjustment related to the impact of IFRS 5 <sup>(*****)</sup> | Prudential scope | Reference to capital table (see Appendix 2) |
|-----------------------------|------------------|-----------------------------------|---|-------------------------|---|------------------|---|
|-----------------------------|------------------|-----------------------------------|---|-------------------------|---|------------------|---|

(\*) Adjustment of jointly controlled entities under proportional consolidation for prudential scope, which are consolidated using the equity method within the accounting scope, and of the unregulated entities of BNP Paribas Real Estate and Arval consolidated using the equity method within the prudential scope which are fully consolidated within the accounting scope.

(\*\*) Debt eligible as additional Tier 1 capital is recognised in equity.

(\*\*\*) Debt eligible as additional Tier 2 capital is presented as its notional value (excluding accrued interest and revaluation of the hedged component).

(\*\*\*\*) Unadjusted data from the first application of IFRS 17.

(\*\*\*\*\*) See note 9.e Discontinued activities to the consolidated financial statements at 31 December 2023.

The following table shows the breakdown of the different categories of assets and liabilities recognised on the Bank's prudential balance sheet by regulatory risk type. The sum of the amounts thus broken down is not necessarily equal to the net carrying values of the prudential scope, because some items may be subject to capital requirements for several types of risk.

**TABLE 9: PRUDENTIAL BALANCE SHEET BY RISK TYPE (EU LI1-B)**

|  | 31 December 2023                      |                       |                                    |  |                       |  |
|--|---------------------------------------|-----------------------|------------------------------------|--|-----------------------|--|
| <i>In millions of euros</i>                                      | Net carrying values: prudential scope | Credit risk framework | Counterparty credit risk framework | Items subject to: Securitisation framework | Market risk framework | Not subject to capital requirements or deducted from capital |
| <b>ASSETS</b>  |                                       |                       |                                    |  |                       |  |
| Cash and amounts due from central banks                          | 288,270                               | 288,270               |                                    |  |                       |  |
| Financial instruments at fair value through profit or loss       |                                       |                       |                                    |  |                       |  |
| Securities   | 212,127                               | 9,467                 | 7,565                              | 73   | 202,064               | 537  |
| Loans and repurchase agreements                                  | 227,038                               | 2,296                 | 216,332                            |  | 224,716               |  |
| Derivative financial instruments                                 | 292,754                               |                       | 292,754                            |  | 291,603               |  |
| Derivatives used for hedging purposes                            | 21,814                                |                       | 21,814                             |  |                       |  |
| Financial assets at fair value through equity                    | 55,242                                | 52,028                | 39                                 | 435  |                       | 2,779  |
| Financial assets at amortised cost                               |                                       |                       |                                    |  |                       |  |
| Loans and advances to credit institutions                        | 24,255                                | 19,081                | 4,997                              |  |                       | 177  |
| Loans and advances to customers                                  | 891,806                               | 807,137               | 27,480                             | 55,716                                     |                       | 1,473  |
| Debt securities  | 120,982                               | 106,771               | 474                                | 20,125                                     |                       | (5,645)  |
| Remeasurement adjustment on interest-rate risk hedged portfolios | (2,661)                               |                       |                                    |  |                       | (2,661)  |
| Current and deferred tax assets                                  | 6,324                                 | 6,302                 |                                    |  |                       | 22   |
| Accrued income and other assets                                  | 164,300                               | 30,775                | 120,337                            |  | 11,818                | 3,078  |
| Equity-method investments  | 14,351                                | 12,690                |                                    |  |                       | 1,661  |
| Property, plant and equipment and investment property            | 9,704                                 | 9,349                 |                                    |  |                       | 355  |

31 December 2023

| <i>In millions of euros</i> | Net<br>carrying<br>values:<br>prudential<br>scope | Items subject to:        |  |                             |                             | Not subject<br>to capital<br>requirements<br>or deducted<br>from capital |
|-----------------------------|---|--------------------------|--|-----------------------------|-----------------------------|--|
|                             |   | Credit risk<br>framework | Counterparty<br>credit risk<br>framework | Securitisation<br>framework | Market<br>risk<br>framework |  |
| Intangible assets           | 3,516   | 1,284                    |  |                             |                             | 2,232  |
| Goodwill                    | 4,402   |                          |  |                             |                             | 4,402  |
| <b>TOTAL ASSETS</b>         | <b>2,334,224</b>                                  | <b>1,345,450</b>         | <b>691,792</b>                           | <b>76,349</b>               | <b>730,201</b>              | <b>8,410</b>   |

31 December 2023

|  | Net carrying values: prudential scope | Credit risk framework | Counterparty credit risk framework | Items subject to:        |                       | Not subject to capital requirements or deducted from capital |
|--|---------------------------------------|-----------------------|------------------------------------|--------------------------|-----------------------|--|
| <i>In millions of euros</i>                                      |                                       |                       |                                    | Securitisation framework | Market risk framework |  |
| LIABILITIES  |                                       |                       |                                    |                          |                       |  |
| Deposits from central banks                                      | 3,374                                 |                       |                                    |                          |                       | 3,374  |
| Financial instruments at fair value through profit or loss       |                                       |                       |                                    |                          |                       |  |
| Securities   | 104,910                               |                       |                                    |                          | 104,910               |  |
| Deposits and repurchase agreements                               | 273,874                               |                       | 266,720                            |                          | 266,720               | 7,153  |
| Issued debt securities   | 83,343                                |                       |                                    |                          |                       | 83,343   |
| Derivative financial instruments                                 | 279,446                               |                       | 279,446                            |                          | 277,708               |  |
| Derivatives used for hedging purposes                            | 37,911                                |                       | 37,911                             |                          |                       |  |
| Financial liabilities at amortised cost                          |                                       |                       |                                    |                          |                       |  |
| Deposit from credit institutions                                 | 85,590                                |                       | 21,567                             |                          |                       | 64,023   |
| Deposit from customers   | 993,875                               |                       | 1,289                              |                          |                       | 992,586  |
| Debt securities  | 184,672                               |                       |                                    |                          |                       | 184,672  |
| Subordinated debt  | 22,965                                |                       |                                    |                          |                       | 22,965   |
| Remeasurement adjustment on interest-rate risk hedged portfolios | (14,175)                              |                       |                                    |                          |                       | (14,175)   |
| Current and deferred tax liabilities                             | 3,603                                 |                       |                                    |                          |                       | 3,603  |
| Accrued expenses and other liabilities                           | 136,890                               |                       | 91,406                             |                          | 2,289                 | 43,617   |
| Provisions for contingencies and charges                         | 9,221                                 | 884                   |                                    |                          |                       | 8,338  |
| TOTAL LIABILITIES  | 2,205,499                             | 884                   | 698,339                            | -                        | 651,627               | 1,399,499  |
| TOTAL CONSOLIDATED EQUITY  | 128,725                               | -                     | -                                  | -                        | -                     | 128,725  |
| TOTAL LIABILITIES AND EQUITY                                     | 2,334,224                             | 884                   | 698,339                            | -                        | 651,627               | 1,528,224  |

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|  | Net<br>carrying<br>values:<br>prudential<br>scope | Items subject to:        |  |                             |                             | Not subject<br>to capital<br>requirements<br>or deducted<br>from capital |
|--|---|--------------------------|--|-----------------------------|-----------------------------|--|
|  |   | Credit risk<br>framework | Counterparty<br>credit risk<br>framework | Securitisation<br>framework | Market<br>risk<br>framework |  |
| <i>In millions of euros</i>                                      |   |                          |  |                             |                             |  |
| ASSETS   |   |                          |  |                             |                             |  |
| Cash and amounts due from central banks                          | 321,320   | 321,320                  |  |                             |                             |  |
| Financial instruments at fair value through profit or loss       |   |                          |  |                             |                             |  |
| Securities   | 167,786   | 10,493                   | 6,274                                    | 95                          | 156,668                     | 531  |
| Loans and repurchase agreements                                  | 192,030   | 3,918                    | 181,713                                  |                             | 188,005                     |  |
| Derivative financial instruments                                 | 328,707   |                          | 328,707                                  |                             | 327,132                     |  |
| Derivatives used for hedging purposes                            | 25,687  |                          | 25,687                                   |                             |                             |  |
| Financial assets at fair value through equity                    | 45,261  | 41,905                   | 75                                       | 533                         |                             | 2,823  |
| Financial assets at amortised cost                               |   |                          |  |                             |                             |  |
| Loans and advances to credit institutions                        | 32,618  | 25,300                   | 7,141                                    |                             |                             | 177  |
| Loans and advances to customers                                  | 943,751   | 869,303                  | 23,258                                   | 49,374                      |                             | 1,816  |
| Debt securities  | 130,490   | 121,033                  | 1,410                                    | 18,046                      |                             | (8,589)  |
| Remeasurement adjustment on interest-rate risk hedged portfolios | (7,477)   |                          |  |                             |                             | (7,477)  |
| Current and deferred tax assets                                  | 6,021   | 5,866                    |  |                             |                             | 156  |
| Accrued income and other assets                                  | 203,077   | 33,782                   | 154,532                                  |                             | 15,351                      | 3,007  |
| Equity-method investments  | 13,035  | 11,406                   |  |                             |                             | 1,628  |
| Property, plant and equipment and investment property            | 10,529  | 10,070                   |  |                             |                             | 459  |
| Intangible assets  | 3,574   | 1,260                    |  |                             |                             | 2,314  |
| Goodwill   | 6,863   |                          |  |                             |                             | 6,863  |
| TOTAL ASSETS   | 2,423,272   | 1,455,656                | 728,797                                  | 68,048                      | 687,156                     | 3,708  |

|  | Net carrying values: prudential scope | Credit risk framework | Counterparty credit risk framework | Items subject to:        |                       | Not subject to capital requirements or deducted from capital |
|--|---------------------------------------|-----------------------|------------------------------------|--------------------------|-----------------------|--|
| <i>In millions of euros</i>                                      |                                       |                       |                                    | Securitisation framework | Market risk framework |  |
| LIABILITIES  |                                       |                       |                                    |                          |                       |  |
| Deposits from central banks                                      | 3,054                                 |                       |                                    |                          |                       | 3,054  |
| Financial instruments at fair value through profit or loss       |                                       |                       |                                    |                          |                       |  |
| Securities   | 99,155                                |                       |                                    |                          | 99,057                | 99   |
| Deposits and repurchase agreements                               | 234,076                               |                       | 225,481                            |                          | 225,523               | 8,595  |
| Issued debt securities   | 65,409                                |                       |                                    |                          |                       | 65,409   |
| Derivative financial instruments                                 | 301,397                               |                       | 301,397                            |                          | 299,061               |  |
| Derivatives used for hedging purposes                            | 40,309                                |                       | 40,309                             |                          |                       |  |
| Financial liabilities at amortised cost                          |                                       |                       |                                    |                          |                       |  |
| Deposit from credit institutions                                 | 116,974                               |                       | 1,408                              |                          |                       | 115,566  |
| Deposit from customers   | 1,088,769                             |                       | 3,840                              |                          |                       | 1,084,929  |
| Debt securities  | 152,291                               |                       |                                    |                          |                       | 152,291  |
| Subordinated debt  | 22,388                                |                       |                                    |                          |                       | 22,388   |
| Remeasurement adjustment on interest-rate risk hedged portfolios | (20,201)                              |                       |                                    |                          |                       | (20,201)   |
| Current and deferred tax liabilities                             | 3,245                                 |                       |                                    |                          |                       | 3,245  |
| Accrued expenses and other liabilities                           | 180,689                               |                       | 126,480                            |                          | 7,610                 | 50,850   |
| Provisions for contingencies and charges                         | 9,298                                 | 1,060                 |                                    |                          |                       | 8,238  |
| TOTAL LIABILITIES  | 2,296,853                             | 1,060                 | 698,915                            | -                        | 631,251               | 1,494,463  |
| TOTAL CONSOLIDATED EQUITY  | 126,419                               | -                     | -                                  | -                        | -                     | 126,419  |
| TOTAL LIABILITIES AND EQUITY                                     | 2,423,272                             | 1,060                 | 698,915                            | -                        | 631,251               | 1,620,882  |

The following table shows the main differences between the amounts of accounting exposure on the prudential balance sheet (see previous table) and the amounts of exposure used for regulatory purposes, based on the different types of risk, except market risk. Indeed, for the latter, the main regulatory measure used by the Group is Value at Risk (VaR), which reflects the sensitivity of the Bank's trading book to the different market parameters (see Market risk exposure section 5.7 *Market risk*). Therefore the VaR amount does not relate directly to the net carrying value of the assets and liabilities subject to market risk.

**TABLE 10: RECONCILIATION BETWEEN NET CARRYING VALUES UNDER THE PRUDENTIAL SCOPE AND THE EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES (EU LI2)**

| 31 December 2023  |                       |                                    |                          |                       |
|---|-----------------------|------------------------------------|--------------------------|-----------------------|
| <i>In millions of euros</i>   | Credit risk framework | Counterparty credit risk framework | Securitisation framework | Market risk framework |
| <b>ASSETS NET CARRYING VALUE</b>  | <b>1,345,450</b>      | <b>691,792</b>                     | <b>76,349</b>            | <b>730,201</b>        |
| Liabilities net carrying value  |                       | (698,339)                          |                          |                       |
| Off-balance sheet amounts net of depreciation   | 466,318               |                                    | 24,642                   |                       |
| Credit risk depreciation amounts  | 18,167                |                                    | 35                       |                       |
| Amounts below the thresholds for deduction (subject to 250% risk-weight) <sup>(*)</sup>   | (7,701)               |                                    |                          |                       |
| Differences in valuations due to the use of internal models <sup>(**)</sup>   |                       | 205,836                            |                          |                       |
| Other adjustments   | 6,960                 |                                    |                          |                       |
| <b>EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES</b>  | <b>1,829,194</b>      | <b>199,289</b>                     | <b>101,026</b>           |                       |
| <sup>(*)</sup> Includes deferred tax assets depending on future profits and significant participations in financial sector entities, subject to 250% risk-weight.<br><sup>(**)</sup> The main regulatory measure used by the Group for counterparty risk is the EEPE (Effective Expected Positive Exposure). The features of the valuation model are described in the paragraph Counterparty risk measurement in section 5.6 Counterparty risk. |                       |                                    |                          |                       |

| 31 December 2022  |                       |                                    |                          |                       |
|---|-----------------------|------------------------------------|--------------------------|-----------------------|
| <i>In millions of euros</i>   | Credit risk framework | Counterparty credit risk framework | Securitisation framework | Market risk framework |
| <b>ASSETS NET CARRYING VALUE</b>  | <b>1,455,656</b>      | <b>728,797</b>                     | <b>68,048</b>            | <b>687,156</b>        |
| Liabilities net carrying value  |                       | (698,915)                          |                          |                       |
| Off-balance sheet amounts net of depreciation   | 481,773               |                                    | 23,946                   |                       |
| Credit risk depreciation amounts  | 19,780                |                                    | 44                       |                       |
| Amounts below the thresholds for deduction (subject to 250% risk-weight) <sup>(*)</sup>   | (7,958)               |                                    |                          |                       |
| Differences in valuations due to the use of internal models <sup>(**)</sup>   |                       | 191,988                            |                          |                       |
| Other adjustments   | 7,138                 |                                    |                          |                       |
| <b>EXPOSURE AMOUNTS CONSIDERED FOR REGULATORY PURPOSES</b>  | <b>1,956,389</b>      | <b>221,870</b>                     | <b>92,038</b>            |                       |
| <sup>(*)</sup> Includes deferred tax assets depending on future profits and significant participations in financial sector entities, subject to 250% risk-weight.<br><sup>(**)</sup> The main regulatory measure used by the Group for counterparty risk is the EEPE (Effective Expected Positive Exposure). The features of the valuation model are described in the paragraph Counterparty risk measurement in section 5.6 Counterparty risk. |                       |                                    |                          |                       |

The exposure amounts used for regulatory purposes are presented:

- in section 5.4 for credit risk;
- in section 5.5 for securitisation positions in the banking book;
- in section 5.6 for counterparty credit risk;
- in section 5.7 for market risk.

## SIGNIFICANT SUBSIDIARIES

Aggregate information on the risk-weighted assets of BNP Paribas' significant subgroups and subsidiaries are given as Group contribution in Appendix 4 to this chapter.

The following subgroups are considered significant, based on the criterion that their risk-weighted assets amount to more than 3% of the Group's total risk-weighted assets (excluding entities consolidated under the equity method) at 31 December 2023:

- BNP Paribas Fortis;
- Banca Nazionale del Lavoro (BNL);
- BNP Paribas Personal Finance;
- BGL BNP Paribas.

The risk-weighted assets reported correspond to the sub-consolidation scope of the four subgroups. Thus, BGL BNP Paribas subgroup is also included in BNP Paribas Fortis. subgroups respectively.

The significant restrictions relating to the Group's ability to transfer cash within the entities are described in note 9.f *Significant restrictions in subsidiaries, joint ventures and associates* to the consolidated financial statements.

Subsidiaries whose prudential requirements are supervised as part of the consolidated supervision of BNP Paribas SA, in accordance with article 7.1 of Regulation (EU) No. 575/2013, are identified in the scope of consolidation in note 9.k *Scope of consolidation* to the consolidated financial statements, under reference (1).

Compliance with capital requirements at the individual level of each entity that does not have an exemption is verified at the level of their respective division or business line. As at 31 December 2023, the Group's entities had a capital level that complied with regulatory requirements.

## REGULATORY CAPITAL

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The BNP Paribas Group is required to comply with the French regulation that transposes European Directives on "Access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms" and "Financial Conglomerates".

In the various countries in which the Group operates, BNP Paribas also complies with specific regulatory ratios in line with procedures controlled by the relevant supervisory authorities. These ratios mainly address the issues of capital adequacy, risk concentration, liquidity and asset/liability mismatches.

As at 1 January 2014, Regulation (EU) No. 575/2013, establishing the methods for calculating the solvency ratio, defines it as the ratio between the regulatory capital and the sum of:

- the amount of risk-weighted assets for credit and counterparty risks, calculated using the standardised approach or the Internal Ratings-Based Approach (IRBA) depending on the particular entity or the activity of the Group concerned;
- capital requirements for market risk, for credit valuation adjustment risk and for operational risk, multiplied by a factor of 12.5.

## BREAKDOWN OF REGULATORY CAPITAL

Regulatory capital is divided into three categories (Common Equity Tier 1 capital, Additional Tier 1 capital and Tier 2 capital), which consist of equity and debt instruments, to which regulatory adjustments have been made.

### Common Equity Tier 1 capital

Common Equity Tier 1 capital instruments mainly comprise:

- the consolidated equity attributable to shareholders restated for the anticipated distribution of result and undated super subordinated notes, which are ineligible for this category;
- minority interest reserves of regulated entities, adjusted for their capitalisation surplus.

The main regulatory adjustments are as follows:

- gains and losses generated by cash flow hedges;
- adjustments to the value of instruments measured at fair value required by prudent valuation;
- goodwill and other intangible assets, net of deferred tax liabilities. Since 31 December 2020, in accordance with Regulation (EU) No. 2020/2176, certain software products have benefited from a specific prudential amortisation allowing the application of a preferential weighting instead of a deduction from CET1 capital;
- net deferred tax assets that rely on future profitability and arising from tax loss carry-forwards;
- expected losses on equity exposures;
- share of expected losses on outstanding loans measured using the Internal Ratings-Based Approach (IRBA) which is not covered by provisions and other value adjustments;



- negative difference between the amount of the provision recognised for each non-performing exposure and the minimum provisioning level as defined in article 47a of Regulation (EU) No. 2019/630;
- securitisation tranches for which the Group has opted for the own funds deduction instead of a 1,250% weighting.

Treasury shares held or granted a buy-back authorisation are deducted from this category.

**TABLE 11: TRANSITION FROM CONSOLIDATED EQUITY TO COMMON EQUITY TIER 1 (CET1) CAPITAL**

| <i>In millions of euros</i>  | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b> |
|--|-----------------------------|-----------------------------|
| <b>Consolidated equity<sup>(*)</sup></b>                                       | <b>128,725</b>              | <b>126,419</b>              |
| Undated super subordinated notes ineligible in CET1                            | (13,549)                    | (11,800)                    |
| Proposed distribution <sup>(**)</sup>  | (6,329)                     | (5,773)                     |
| Ineligible minority interests  | (2,852)                     | (2,891)                     |
| Changes in the fair value of hedging instruments recognised directly in equity | (293)                       | (12)                        |
| Additional value adjustments linked to prudent valuation requirements          | (1,817)                     | (1,514)                     |
| Goodwill and other intangible assets   | (8,055)                     | (10,559)                    |
| Net deferred tax assets arising from tax loss carry-forwards                   | (311)                       | (160)                       |
| Negative amounts resulting from the calculation of expected losses             | (837)                       | (420)                       |
| Other prudential adjustments   | (1,824)                     | (1,462)                     |
| <b>COMMON EQUITY TIER 1 (CET1) CAPITAL</b>                                     | <b>92,857</b>               | <b>91,828</b>               |

(\*) In 2023, the Group carried out a share buyback programme for a total amount of EUR 5 billion, including EUR 4 billion to offset the effect of the dilution of net earnings per share related to the sale of 100% of its commercial banking activities in the United States by Bank of the West. At 31 December 2023, the shares acquired under this repurchase programme were all cancelled. BNP Paribas' share capital was thus reduced by 7% compared to 31 December 2022.

(\*\*) The ordinary distribution as at 31 December 2022 included -EUR 962 million under a share buyback programme carried out in 2023. The planned ordinary distribution at 31 December 2023 takes into account -EUR 1,055 million in respect of the distribution in the form of a share buyback programme initiated on 4 March 2024, after receiving authorisation from the European Central Bank.

The table below shows the calculation of value adjustments applied to instruments measured at fair value, related to the prudent valuation requirements subject to a deduction from Common Equity Tier 1 capital.

TABLE 12: VALUE ADJUSTMENTS RELATED TO PRUDENT VALUATION (PVA) (EU PV1)

|   | a                | b                 | c                   | d      | e           | EU e1   | EU e2                              | f            | g  | h  |
|---|------------------|-------------------|---------------------|--------|-------------|---|------------------------------------|--------------|--|--|
|   | 31 December 2023 |                   |                     |        |             |   |                                    |              |  |  |
|   | Risk category    |                   |                     |        |             | Category level AVA –<br>Valuation uncertainty |                                    |              | Total category level<br>post-diversification                           |  |
|   |                  |                   |                     |        |             |   |                                    |              | Of<br>which:<br>Total<br>core<br>approach<br>in the<br>trading<br>book | Of<br>which:<br>Total<br>core<br>approach<br>in the<br>banking<br>book |
| <i>In millions of euros</i>   | Equity           | Interest<br>Rates | Foreign<br>exchange | Credit | Commodities | Unearned<br>credit<br>spreads<br>AVA          | Investment<br>and funding<br>costs | AVA          |  |  |
| Market price  |                  |                   |                     |        |             |   |                                    |              |  |  |
| 1 uncertainty   | 1,138            | 176               | 16                  | 181    | 22          | 35  | 30                                 | 645          | 172  | 473  |
| 3 Close-out cost  | 386              | 295               | 32                  | 210    | 27          |   |                                    | 438          | 391  | 47   |
| 4 Concentrated positions  | 238              | 135               | 12                  | 44     | 7           |   |                                    | 436          | 328  | 107  |
| 5 Early termination   | 6                | 1                 | -                   | 1      |             |   |                                    | 9            | 8  | 1  |
| 6 Model risk  | 105              | 107               | 8                   | 77     |             | 130   |                                    | 130          | 130  |  |
| 7 Operational risk  |                  |                   |                     |        |             |   |                                    |              |  |  |
| Future administrative   |                  |                   |                     |        |             |   |                                    |              |  |  |
| 10 costs  | 82               | 6                 | 33                  | 37     |             |   |                                    | 159          | 159  |  |
| <b>TOTAL ADDITIONAL<br/>VALUATION<br/>ADJUSTMENTS<br/>12 (AVAS)</b> |                  |                   |                     |        |             |   |                                    | <b>1,817</b> | <b>1,188</b>   | <b>629</b>   |

|  | a                | b                 | c                   | d      | e           | EU e1   | EU e2                              | f            | g  | h  |
|--|------------------|-------------------|---------------------|--------|-------------|---|------------------------------------|--------------|--|--|
|  | 31 December 2022 |                   |                     |        |             |   |                                    |              |  |  |
|  | Risk category    |                   |                     |        |             | Category level AVA –<br>Valuation uncertainty |                                    |              | Total category level<br>post-diversification                           |  |
|  |                  |                   |                     |        |             |   |                                    |              | Of<br>which:<br>Total<br>core<br>approach<br>in the<br>trading<br>book | Of<br>which:<br>Total<br>core<br>approach<br>in the<br>banking<br>book |
| <i>In millions of euros</i>                            | Equity           | Interest<br>Rates | Foreign<br>exchange | Credit | Commodities | Unearned<br>credit<br>spreads<br>AVA          | Investment<br>and funding<br>costs | AVA          |  |  |
| Market price   |                  |                   |                     |        |             |   |                                    |              |  |  |
| 1 uncertainty  | 474              | 195               | 17                  | 179    | 47          | 64  | 23                                 | 431          | 194  | 238  |
| 3 Close-out cost                                       | 341              | 263               | 27                  | 220    | 31          |   |                                    | 297          | 264  | 33   |
| 4 Concentrated positions                               | 161              | 127               | 14                  | 47     | 8           |   |                                    | 358          | 288  | 69   |
| 5 Early termination                                    | 169              | 1                 |                     | 1      |             |   |                                    | 171          | 170  | 1  |
| 6 Model risk   | 114              | 78                | 4                   | 41     |             | 174   |                                    | 121          | 121  |  |
| 7 Operational risk                                     |                  |                   |                     |        |             |   |                                    |              |  |  |
| Future administrative                                  |                  |                   |                     |        |             |   |                                    |              |  |  |
| 10 costs   | 80               | 26                | 6                   | 24     |             |   |                                    | 136          | 136  |  |
| <b>TOTAL ADDITIONAL<br/>VALUATION<br/>12 VALUATION</b> |                  |                   |                     |        |             |   |                                    | <b>1,514</b> | <b>1,173</b>   | <b>341</b>   |

### **Additional Tier 1 capital**

Additional Tier 1 capital is mainly composed of subordinated debt instruments with the following characteristics:

- they are perpetual and include no redemption incentive;
- they are not held by the bank, its subsidiaries or any company in which the Group holds 20% or more of the capital;
- they have a capacity to absorb losses;
- they may include a buy back option, five years after the issue date at the earliest, exercisable at the issuer's discretion (subject to authorisation by the supervisor);
- they have remuneration arising from distributable elements that may be cancelled, with no requirements for the bank.

This category is also composed of non-eligible minority reserves in common equity within their limit of eligibility.

Authorisations to redeem Additional Tier 1 own capital instruments are deducted from this category.

### **Tier 2 capital**

Tier 2 capital is composed of subordinated debt with no buy back incentive, as well as non-eligible minority reserves in Tier 1 capital within their limit of eligibility. A prudential discount is applied to the subordinated debt with less than five years of residual maturity.

Prudential deductions from Tier 2 capital primarily concern:

- Tier 2 capital components in significant financial entities;
- Tier 2 own capital instrument buy back authorisations.

### **Composition and evolution of regulatory capital**

The detail of regulatory capital and regulatory adjustments is presented in Appendix 2 Regulatory capital – Detail.

The table presenting the details of the debt instruments recognised as capital, as well as their characteristics, in accordance with the template (EU CCA) required by implementing Regulation No. 2021/637, is available in the BNP Paribas Debt section of the Investor Relations website: <https://invest.bnpparibas/en/search/debt/documents/documentation-on-programs-and-issuances>.

TABLE 13: REGULATORY CAPITAL

| <i>In millions of euros</i>   | 31 March<br>2024 | 31 December<br>2023 |
|---|------------------|---------------------|
| <b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>  |                  |                     |
| Capital instruments and the related share premium accounts <sup>(1)</sup>   | 21,253           | 21,253              |
| <i>of which ordinary shares<sup>(1)</sup></i>   | 21,253           | 21,253              |
| Retained earnings <sup>(2)</sup>  | 87,425           | 86,227              |
| Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards) | (2,824)          | (2,809)             |
| Minority interests (amount allowed in consolidated CET1)  | 2,101            | 2,048               |
| Independently reviewed interim profits net of any foreseeable charge or distribution <sup>(3)</sup>   | 1,225            |                     |
| <b>COMMON EQUITY TIER 1 (CET1) CAPITAL BEFORE REGULATORY ADJUSTMENTS</b>  | <b>109,179</b>   | <b>106,719</b>      |
| <b>Common Equity Tier 1 (CET1) capital: regulatory adjustments<sup>(4)</sup></b>  | <b>(14,796)</b>  | <b>(13,862)</b>     |
| <b>COMMON EQUITY TIER 1 (CET1) CAPITAL</b>  | <b>94,383</b>    | <b>92,857</b>       |
| <b>Additional Tier 1 (AT1) capital: instruments</b>   | <b>15,259</b>    | <b>15,150</b>       |
| <b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>  | <b>(496)</b>     | <b>(506)</b>        |
| <b>ADDITIONAL TIER 1 (AT1) CAPITAL</b>  | <b>14,763</b>    | <b>14,644</b>       |
| <b>TIER 1 CAPITAL (T1 = CET1 + AT1)</b>   | <b>109,146</b>   | <b>107,501</b>      |
| <b>Tier 2 (T2) capital: instruments and provisions<sup>(5)</sup></b>  | <b>17,355</b>    | <b>17,476</b>       |
| <b>Tier 2 (T2) capital: regulatory adjustments</b>  | <b>(3,256)</b>   | <b>(3,233)</b>      |
| <b>TIER 2 (T2) CAPITAL</b>  | <b>14,100</b>    | <b>14,243</b>       |
| <b>TOTAL CAPITAL (TC = T1 + T2)</b>   | <b>123,246</b>   | <b>121,744</b>      |

(1) Including as at 31 December 2023, -EUR 5 billion in capital reduction related to the cancellation in 2023 of shares acquired in connection with the implementation of the 2023 share buyback programme carried out in full in 2023.

(2) Taking into account as at 31 December 2023, an anticipated distribution of 60% (of which -EUR 1.055 billion in the form of share buyback) in respect of distributable income after taking into account the compensation cost of undated super subordinated notes and subject to customary conditions.

(3) Taking into account a 60% proposed distribution of result subject to usual conditions.

(4) Including, as at 31 March 2024, -EUR 1.055 billion relating to the 2024 share repurchase programme carried out in full at 23 April 2024.

(5) In accordance with the grandfathered debt eligibility rules applicable to Tier 2 capital.

Excluding first quarter results, CET1 capital amounted to EUR 93,123 million, Tier 1 capital to EUR 107,887 million and total capital to EUR 121,986 million as at 31 March 2024.

TABLE 14: CHANGE IN REGULATORY CAPITAL

| <i>In millions of euros</i>   | 31 December<br>2023 |
|---|---------------------|
| <b>COMMON EQUITY TIER 1 (CET1) CAPITAL</b>  |                     |
| <b>31 December 2022</b>   | <b>91,828</b>       |
| <b>Common Equity Tier 1 capital: instruments and reserves</b>   | <b>(618)</b>        |
| Capital instruments and the related share premium accounts  | (4,983)             |
| <i>of which ordinary shares</i>   | (427)               |
| Retained earnings   | 4,507               |
| Accumulated other comprehensive income  | 510                 |
| Minority interests (amounts allowed in consolidated CET1)   | 311                 |
| Independently reviewed interim profits net of any foreseeable charge or distribution <sup>(*)</sup>   | 3,970               |
| <b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>  | <b>1,647</b>        |
| of which additional value adjustments   | (303)               |
| <i>of which intangible assets</i>   | 2,504               |
| <i>of which net deferred tax assets depending on future profits excluding these arising from temporary differences</i>  | (151)               |
| <i>of which fair value reserves related to gains or losses on cash flow hedges</i>  | (282)               |
| <i>of which negative amounts resulting from the calculation of expected loss amounts</i>  | (301)               |
| <i>of which gains or losses on liabilities valued at fair value resulting from changes in own credit standing</i>   | (28)                |
| <i>of which securitisation positions deducted from own funds</i>  | (61)                |
| <i>of which other adjustments</i>   | 269                 |
| <b>31 December 2023</b>   | <b>92,857</b>       |
| <b>ADDITIONAL TIER 1 CAPITAL<sup>(**)</sup></b>   |                     |
| <b>31 December 2022</b>   | <b>11,616</b>       |
| <b>Additional Tier 1 (AT1) capital: instruments<sup>(**)</sup></b>  | <b>3,047</b>        |
| <b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>  | <b>(19)</b>         |
| Loans to credit or financial institutions more than 10%-owned   |                     |
| Others  | (19)                |
| <b>31 December 2023</b>   | <b>14,644</b>       |
| <b>TIER 2 CAPITAL<sup>(**)</sup></b>  |                     |
| <b>31 December 2022</b>   | <b>17,117</b>       |
| <b>Tier 2 (T2) capital: instruments and provisions<sup>(**)</sup></b>   | <b>(3,217)</b>      |
| <b>Tier 2 (T2) capital: regulatory adjustments</b>  | <b>343</b>          |
| Loans to credit or financial institutions more than 10%-owned   |                     |
| Others  | 343                 |
| <b>31 December 2023</b>   | <b>14,243</b>       |
| (*) Taking into account a distribution proposal, subject to the usual conditions, of 60% of distributable income (including -EUR 1,055 million in share buyback) adjusted for the interest expense on undated super subordinated notes. |                     |
| (**) In accordance with the eligibility rules for grandfathered debt in additional Tier 1 and Tier 2 capital applicable.  |                     |

TABLE 15: CHANGE IN ELIGIBLE DEBT FOR THE CONSTITUTION OF EQUITY

| <i>In millions of euros</i> | Tier 1        | Tier 2        |
|-----------------------------|---------------|---------------|
| <b>31 December 2022</b>     | <b>11,800</b> | <b>20,470</b> |

|                         |               |               |
|-------------------------|---------------|---------------|
| New issues              | 3,164         | 105           |
| Redemptions             |               | (333)         |
| Prudential discount     |               | (1,834)       |
| Others                  | (63)          | (1,123)       |
| <b>31 December 2023</b> | <b>14,901</b> | <b>17,286</b> |

### Transitional arrangements relating to regulatory capital

Under Regulation (EU) No. 575/2013 (CRR), the calculation methods introduced by Basel 3 were implemented gradually until 1 January 2022. Since 2019, the items still subject to these transitional arrangements were subordinated debt issued prior to 31 December 2011, eligible under prior regulations but not eligible under Basel 3, to which a declining eligibility threshold applied. These transitional arrangements expired on 1 January 2022, and the instruments concerned were all called before 31 December 2021, with the exception of one Tier 1 instrument and of six Tier 2 instruments, all of which having no prudential value as at 31 December 2023.

Regulation (EU) No. 2019/876 (CRR 2), which came into force on 27 June 2019, introduces additional eligibility criteria for Tier 1 and 2 regulatory capital which supplement those provided for by Regulation (EU) No. 575/2013. Instruments that were previously eligible under CRR, although not fulfilling these additional requirements may, eventually, be recognised in a less subordinated category, for a transitional period that may extend up to 2025. A Tier 2 capital instrument of EUR 31 million lost its eligibility on 1 January 2022, as issued by an *ad hoc* entity (article 63(a) CRR). In addition, at 31 December 2023, there were no longer any Tier 1 capital instruments eligible for the transitional arrangements in force until June 2025, because they were issued under the law of countries outside the European Union without a bail-in clause (articles 52(1)(p) and 63(n) CRR); the stock of Tier 2 capital instruments eligible for the same provisions amounted to EUR 2.3 billion.

The details of the instruments concerned by these transitional provisions, describing their eligibility period and the main characteristics in relation to the CRR/CRR 2 Regulations and the EBA's opinion published on 21 October 2020, on the appropriate treatment of instruments ineligible at the end of 2021 in relation to the CRR criteria, are available on the Group's investor relations website: <https://invest.bnpparibas/en/search/debt/documents/documentation-on-programs-and-issuances>.

Regulation (EU) No. 2017/2395 and Regulation (EU) No. 2020/873 define the transitional measures relating to the introduction of IFRS 9. These measures mitigate the impact of the increase in expected credit losses related to the application of new standard on CET1 capital until 2024. The Group has been applying these transitional measures since 31 March 2020 in accordance with the ECB recommendation. The Bank has opted for the arrangements relating to the calculation of the exposure value calculated under the standardised approach, defined in paragraph 4 and paragraph 7 point b) in article 473a.

**TABLE 16: EFFECT OF THE APPLICATION OF TRANSITIONAL ARRANGEMENTS  
FOR IFRS 9 ACCOUNTING STANDARD (EU IFRS9-FL)**

*In millions of euros*

**31 March 2024**      **31 December 2023**

**Available capital**

|   |   |         |         |
|---|---|---------|---------|
| 1 | Common Equity Tier 1 (CET1) capital   | 94,383  | 92,857  |
| 2 | Common Equity Tier 1 (CET1) capital as if IFRS 9 transitional arrangements had not been applied | 94,383  | 92,857  |
| 3 | Tier 1 capital  | 109,146 | 107,501 |
| 4 | Tier 1 capital as if IFRS 9 transitional arrangements had not been applied                      | 109,146 | 107,501 |
| 5 | Total capital   | 123,246 | 121,744 |
| 6 | Total capital as if IFRS 9 transitional arrangements had not been applied                       | 123,246 | 121,744 |

**Risk-weighted assets**

|   |  |         |         |
|---|--|---------|---------|
| 7 | Risk-weighted assets   | 722,349 | 703,694 |
| 8 | Risk-weighted assets as if IFRS 9 transitional arrangements had not been applied | 722,349 | 703,694 |

**Capital ratios**

|    |   |        |        |
|----|---|--------|--------|
| 9  | Common Equity Tier 1 (CET1) capital   | 13.07% | 13.20% |
| 10 | Common Equity Tier 1 (CET1) capital as if IFRS 9 transitional arrangements had not been applied | 13.07% | 13.20% |
| 11 | Tier 1 capital  | 15.11% | 15.28% |
| 12 | Tier 1 capital as if IFRS 9 transitional arrangements had not been applied                      | 15.11% | 15.28% |
| 13 | Total capital   | 17.06% | 17.30% |
| 14 | Total capital as if IFRS 9 transitional arrangements had not been applied                       | 17.06% | 17.30% |

**Leverage ratios**

|    |  |           |           |
|----|--|-----------|-----------|
| 15 | Leverage ratio total exposure measure                                      | 2,471,247 | 2,346,500 |
| 16 | Leverage ratio   | 4.42%     | 4.58%     |
| 17 | Leverage ratio as if IFRS 9 transitional arrangements had not been applied | 4.42%     | 4.58%     |

## CAPITAL REQUIREMENT AND RISK-WEIGHTED ASSETS

The table below shows risk-weighted assets and capital requirement by risk type. Capital requirements make up 8% of risk-weighted assets.

**TABLE 17: OVERVIEW OF RISK-WEIGHTED EXPOSURE AMOUNTS (EU OV1)**

|                             |   | RWAs           |                  | Capital requirements |
|-----------------------------|---|----------------|------------------|----------------------|
|                             |   | 31 March 2024  | 31 December 2023 | 31 March 2024        |
| <i>In millions of euros</i> |   |                |                  |                      |
| <b>1</b>                    | <b>Credit risk</b>  | <b>550,666</b> | <b>535,141</b>   | <b>44,053</b>        |
| 2                           | Of which the standardised approach  | 188,315        | 188,191          | 15,065               |
| 3                           | Of which the foundation IRB (FIRB) approach                                       |                |                  |                      |
| 4                           | Of which slotting approach  |                |                  |                      |
| EU 4a                       | Of which equities under the simple weighting approach                             | 48,543         | 45,941           | 3,883                |
| 5                           | Of which the advanced IRB (A-IRB) approach  | 313,807        | 287,009          | 25,105               |
|                             | Of which other risk exposure  |                | 14,000           |                      |
| <b>6</b>                    | <b>Counterparty credit risk</b>   | <b>47,715</b>  | <b>45,025</b>    | <b>3,817</b>         |
| 7                           | Of which SACCR (Derivatives)  | 3,183          | 3,287            | 255                  |
| 8                           | Of which internal model method (IMM)  | 31,677         | 28,904           | 2,534                |
| EU 8a                       | Of which exposures to CCP related to clearing activities                          | 7,905          | 7,193            | 632                  |
| EU 8b                       | Of which CVA  | 4,561          | 5,189            | 365                  |
| 9                           | Of which other  | 389            | 452              | 31                   |
| <b>15</b>                   | <b>Settlement risk</b>  | <b>3</b>       | <b>8</b>         | <b>0</b>             |
| <b>16</b>                   | <b>Securitisation exposures in the banking book</b>                               | <b>17,374</b>  | <b>16,589</b>    | <b>1,390</b>         |
| 17                          | Of which internal ratings-based approach (SEC-IRBA)                               | 8,694          | 8,829            | 696                  |
| 18                          | Of which external ratings-based approach (SEC-ERBA)                               | 1,246          | 1,258            | 100                  |
| 19                          | Of which standardised approach (SEC-SA)   | 7,434          | 6,502            | 595                  |
| EU 19a                      | Of which exposures weighted at 1,250% (or deducted from own funds) <sup>(1)</sup> |                |                  |                      |
| <b>20</b>                   | <b>Market risk</b>  | <b>28,110</b>  | <b>28,783</b>    | <b>2,249</b>         |
| 21                          | Of which the standardised approach  | 6,983          | 9,768            | 559                  |
| 22                          | Of which internal model approach (IMA)  | 21,127         | 19,015           | 1,690                |
| <b>23</b>                   | <b>Operational risk</b>   | <b>58,544</b>  | <b>58,897</b>    | <b>4,683</b>         |
| EU 23a                      | Of which basic indicator approach   | 3,554          | 3,911            | 284                  |
| EU 23b                      | Of which standardised approach  | 10,207         | 10,215           | 817                  |
| EU 23c                      | Of which advanced measurement approach  | 44,783         | 44,771           | 3,583                |
| <b>24</b>                   | <b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b>   | <b>19,938</b>  | <b>19,252</b>    | <b>1,595</b>         |
| <b>29</b>                   | <b>TOTAL</b>  | <b>722,349</b> | <b>703,694</b>   | <b>57,788</b>        |

<sup>(1)</sup> The Group opted for the deductive approach rather than a weighting of 1,250%. The amount of securitisation exposures in the banking book deducted from own funds stands at EUR 239 million at 31 March 2024 (270 million at 31 December 2023).

## RISK-WEIGHTED ASSETS MOVEMENTS IN 2023

The change in risk-weighted assets can be broken down into the following effects:

- asset size effect: impact stemming from the variation in exposures (EAD) and impact related to the efficient securitisation programmes and credit insurance initiated by the Group;
- asset quality effect: impact stemming from the change in risk parameters (Probability of Default, Loss Given Default for the internal ratings-based approach, and risk weighting for the standardised approach, *etc.*);
- model update effect: impact stemming from changes in the use of internal models (introduction of a new model, deployment on a new exposure scope, annual recalibration or review of risk parameters, application of add-ons, *etc.*);
- methodology and policy effect: impact stemming from changes in methodology and the establishment of new regulatory requirements having an impact on the calculation of risk-weighted assets;
- acquisition and disposal effect: impact stemming from changes in the scope of consolidation;
- currency effect: impact stemming from fluctuations in foreign exchange rates on exposures.

**TABLE 18: RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER**

|                             |               | Key driver   |               |               |                        |               |          |       |                     |
|-----------------------------|---------------|--------------|---------------|---------------|------------------------|---------------|----------|-------|---------------------|
| RWAs                        | 31            | Acquisitions |               |               |                        |               | 31       |       |                     |
| <i>In millions of euros</i> | December 2022 | Asset size   | Asset quality | Model updates | Methodology and policy | and disposals | Currency | Other | Total December 2023 |



|  |                |              |                 |              |            |                 |                |               |                 |                |
|--|----------------|--------------|-----------------|--------------|------------|-----------------|----------------|---------------|-----------------|----------------|
| Credit risk  | <b>579,635</b> | 4,494        | (11,150)        | 3,226        | (2,588)    | (44,794)        | (3,577)        | 9,895         | (44,494)        | 535,141        |
| Counterparty credit risk   | <b>42,320</b>  | 1,625        | (741)           | 701          | 3,111      | (159)           | (87)           | (1,746)       | 2,704           | <b>45,025</b>  |
| Settlement risk  | <b>9</b>       |              |                 |              |            |                 |                | (1)           | (1)             | <b>8</b>       |
| Banking book securitisation positions                                    | <b>15,794</b>  | 917          | 79              |              |            |                 | (172)          | (29)          | 795             | <b>16,589</b>  |
| Market risk  | <b>25,543</b>  | 1,468        | 1,101           | (1,682)      |            | 264             |                | 2,089         | 3,241           | <b>28,783</b>  |
| Operational risk   | <b>61,656</b>  | 1,463        | (281)           | (110)        |            | (3,852)         |                | 22            | (2,758)         | <b>58,897</b>  |
| Amounts below the thresholds for deduction (subject to 250% risk weight) | <b>19,895</b>  | (1,298)      | (15)            |              | 352        | (166)           |                | 484           | (643)           | <b>19,252</b>  |
| <b>TOTAL</b>   | <b>744,851</b> | <b>8,668</b> | <b>(11,006)</b> | <b>2,135</b> | <b>875</b> | <b>(48,708)</b> | <b>(3,836)</b> | <b>10,715</b> | <b>(41,156)</b> | <b>703,694</b> |

The main reasons explaining the -EUR 41 billion decrease in risk-weighted assets in 2023 are:

- a -EUR 49 billion decrease related to perimeter effects, linked to Bank of the West disposal net of Stellantis acquisition;
- a +EUR 19 billion increase in line with business activity net of the impact of the efficient securitisation transactions initiated by the Group;
- a -EUR 11 billion decrease induced by improvement of risk parameters;
- a -EUR 4 billion decrease due to currency effects, linked to the depreciation of the US dollar and of the Turkish lira compared to the euro.

Comments on the main changes in 2023 for each type of risk are detailed in the various appropriate sections.

## BREAKDOWN OF RISK-WEIGHTED ASSETS BY BUSINESS LINE

TABLE 19: RISK-WEIGHTED ASSETS BY RISK TYPE AND BUSINESS

| 31 December 2023  |                                   |                |                     |   |                        |                                  |                  |                |
|---|-----------------------------------|----------------|---------------------|---|------------------------|----------------------------------|------------------|----------------|
| RWAs<br><i>In millions of euros</i>                         | Corporate & Institutional Banking |                |                     | Commercial, Personal Banking & Services |                        | Investment & Protection Services | Corporate center | Total          |
|   | Global Banking                    | Global Markets | Securities Services | Commercial & Personal Banking           | Specialised Businesses |                                  |                  |                |
| <b>Credit risk</b>  | <b>117,212</b>                    | <b>11,521</b>  | <b>4,291</b>        | <b>223,157</b>                          | <b>108,619</b>         | <b>35,962</b>                    | <b>34,378</b>    | <b>535,141</b> |
| of which standardised approach                              | 9,858                             | 2,712          | 826                 | 78,162                                  | 80,327                 | 12,360                           | 3,946            | 188,191        |
| of which advanced IRB approach                              | 106,062                           | 7,584          | 3,347               | 139,300                                 | 15,399                 | 4,637                            | 10,681           | 287,009        |
| of which equity positions under the simple weighting method | 1,292                             | 1,226          | 119                 | 5,696                                   | 12,893                 | 18,965                           | 5,751            | 45,941         |
| of which other risk exposure                                |                                   |                |                     |   |                        |                                  | 14,000           | 14,000         |
| <b>Counterparty credit risk</b>                             | <b>1,022</b>                      | <b>39,817</b>  | <b>1,743</b>        | <b>2,038</b>                            | <b>143</b>             | <b>285</b>                       | <b>(22)</b>      | <b>45,025</b>  |
| of which SACCR (Derivatives)                                | 5                                 | 2,242          |                     | 701                                     | 89                     | 242                              | 7                | 3,287          |
| of which internal model method (IMM)                        | 432                               | 26,228         | 1,117               | 1,253                                   |                        |                                  | (126)            | 28,904         |
| of which exposures to CCP related to clearing activities    | 469                               | 6,044          | 607                 |   |                        |                                  | 73               | 7,193          |
| of which CVA  | 83                                | 4,886          | 16                  | 84                                      | 53                     | 42                               | 24               | 5,189          |
| of which other  | 33                                | 416            | 3                   |   |                        |                                  |                  | 452            |
| <b>Settlement risk</b>                                      | <b>-</b>                          | <b>8</b>       | <b>-</b>            | <b>-</b>                                | <b>-</b>               | <b>-</b>                         | <b>-</b>         | <b>8</b>       |
| <b>Securitisation exposures</b>                             | <b>7,713</b>                      | <b>5,411</b>   | <b>-</b>            | <b>2,836</b>                            | <b>241</b>             | <b>100</b>                       | <b>289</b>       | <b>16,589</b>  |

**in the banking book**

|   |                |               |               |                |                |               |               |                |
|---|----------------|---------------|---------------|----------------|----------------|---------------|---------------|----------------|
| of which internal ratings based approach (SEC-IRBA)                             | 4,474          | 1,568         |               | 2,742          | 45             |               |               | 8,829          |
| of which standardised approach (SEC-SA)   | 3,082          | 3,316         |               | 93             |                |               | 10            | 6,502          |
| of which external ratings based approach (SEC-ERBA)                             | 157            | 526           |               |                | 196            | 100           | 279           | 1,258          |
| <b>Market risk</b>  | <b>4,668</b>   | <b>19,279</b> | <b>140</b>    | <b>2,936</b>   | <b>219</b>     | <b>199</b>    | <b>1,343</b>  | <b>28,783</b>  |
| of which standardised approach  | 4,592          | 1,654         | 5             | 1,791          | 219            | 163           | 1,343         | 9,768          |
| of which internal model approach (IMA)  | 76             | 17,624        | 135           | 1,145          |                | 36            |               | 19,015         |
| <b>Operational risk</b>   | <b>10,113</b>  | <b>13,956</b> | <b>4,081</b>  | <b>16,981</b>  | <b>10,090</b>  | <b>3,659</b>  | <b>18</b>     | <b>58,897</b>  |
| of which basic indicator approach   | 343            | 419           | 233           | 1,725          | 902            | 315           | (25)          | 3,911          |
| of which standardised approach  | 1,470          | 1,502         | 363           | 2,928          | 3,318          | 426           | 209           | 10,215         |
| of which advanced measurement approach (AMA)                                    | 8,299          | 12,035        | 3,485         | 12,328         | 5,870          | 2,918         | (166)         | 44,771         |
| <b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b> | <b>4</b>       | <b>98</b>     | <b>331</b>    | <b>8,034</b>   | <b>2,855</b>   | <b>903</b>    | <b>7,027</b>  | <b>19,252</b>  |
| <b>TOTAL</b>  | <b>140,732</b> | <b>90,088</b> | <b>10,586</b> | <b>255,983</b> | <b>122,167</b> | <b>41,107</b> | <b>43,032</b> | <b>703,694</b> |

| RWAs<br><i>In millions of euros</i>   | Corporate & Institutional Banking |                |                     | Commercial, Personal Banking & Services |                        | Investment & Protection Services |               | Corporate center | Total          |
|---|-----------------------------------|----------------|---------------------|---|------------------------|----------------------------------|---------------|------------------|----------------|
|   | Global Banking                    | Global Markets | Securities Services | Commercial & Personal Banking           | Specialised Businesses |                                  |               |                  |                |
| <b>Credit risk</b>  | <b>125,017</b>                    | <b>11,740</b>  | <b>3,869</b>        | <b>277,059</b>                          | <b>98,401</b>          | <b>35,556</b>                    | <b>27,993</b> |                  | <b>579,635</b> |
| of which standardised approach  | 9,065                             | 2,513          | 487                 | 128,492                                 | 72,452                 | 12,864                           | 5,502         |                  | 231,375        |
| of which advanced IRB approach  | 114,933                           | 8,056          | 3,260               | 143,699                                 | 14,954                 | 4,817                            | 17,348        |                  | 307,068        |
| of which equity positions under the simple weighting method                     | 1,018                             | 1,171          | 122                 | 4,869                                   | 10,995                 | 17,874                           | 5,143         |                  | 41,192         |
| <b>Counterparty credit risk</b>   | <b>418</b>                        | <b>37,297</b>  | <b>1,909</b>        | <b>1,907</b>                            | <b>1</b>               | <b>326</b>                       | <b>463</b>    |                  | <b>42,320</b>  |
| of which SACCR (Derivatives)  | 0                                 | 416            |                     | 497                                     |                        | 286                              | 8             |                  | 1,208          |
| of which internal model method (IMM)  | 236                               | 28,195         | 1,027               | 1,225                                   |                        |                                  | 388           |                  | 31,072         |
| of which exposures to CCP related to clearing activities                        | 80                                | 1,551          | 872                 |   |                        |                                  | 39            |                  | 2,541          |
| of which CVA  | 102                               | 6,099          | 10                  | 185                                     | 1                      | 39                               | 28            |                  | 6,464          |
| of which other  |                                   | 1,035          |                     |   |                        |                                  |               |                  | 1,035          |
| <b>Settlement risk</b>  |                                   | <b>9</b>       |                     |   |                        |                                  |               |                  | <b>9</b>       |
| <b>Securitisation exposures in the banking book</b>                             | <b>7,190</b>                      | <b>5,259</b>   |                     | <b>2,579</b>                            | <b>367</b>             | <b>106</b>                       | <b>294</b>    |                  | <b>15,794</b>  |
| of which internal ratings based approach (SEC-IRBA)                             | 4,328                             | 1,839          |                     | 2,449                                   | 154                    |                                  |               |                  | 8,770          |
| of which standardised approach (SEC-SA)   | 2,621                             | 3,129          |                     | 129                                     |                        |                                  | 13            |                  | 5,892          |
| of which external ratings based approach (SEC-ERBA)                             | 241                               | 291            |                     | 1                                       | 213                    | 106                              | 281           |                  | 1,132          |
| <b>Market risk</b>  | <b>4,062</b>                      | <b>18,913</b>  | <b>238</b>          | <b>1,670</b>                            | <b>338</b>             | <b>61</b>                        | <b>261</b>    |                  | <b>25,543</b>  |
| of which standardised approach  | 3,315                             | 1,524          | 14                  | 1,114                                   | 338                    | 55                               | 261           |                  | 6,622          |
| of which internal model approach (IMA)  | 747                               | 17,388         | 224                 | 556                                     |                        | 5                                |               |                  | 18,921         |
| <b>Operational risk</b>   | <b>9,613</b>                      | <b>14,397</b>  | <b>3,588</b>        | <b>20,363</b>                           | <b>10,177</b>          | <b>3,706</b>                     | <b>(187)</b>  |                  | <b>61,656</b>  |
| of which basic indicator approach   | 364                               | 794            | 160                 | 1,701                                   | 1,103                  | 297                              | (139)         |                  | 4,280          |
| of which standardised approach  | 1,136                             | 1,206          | 334                 | 6,219                                   | 2,520                  | 550                              | 109           |                  | 12,073         |
| of which advanced measurement approach (AMA)                                    | 8,112                             | 12,397         | 3,094               | 12,443                                  | 6,554                  | 2,860                            | (157)         |                  | 45,302         |
| <b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b> | <b>10</b>                         | <b>133</b>     | <b>339</b>          | <b>7,932</b>                            | <b>2,273</b>           | <b>917</b>                       | <b>8,290</b>  |                  | <b>19,895</b>  |
| <b>TOTAL</b>  | <b>146,310</b>                    | <b>87,746</b>  | <b>9,943</b>        | <b>311,510</b>                          | <b>111,557</b>         | <b>40,671</b>                    | <b>37,114</b> |                  | <b>744,851</b> |

The breakdown of risk-weighted assets by domain reflects the Group's diversified business mix, with 54% devoted to Commercial, Personal Banking & Services (Including 36% for Commercial & Personal Banking and 18% for Specialised Businesses), 34% to Corporate & Institutional Banking, 6% to Investment & Protection Services and 6% to Corporate Center.

The decrease in the Group's risk-weighted assets was EUR 41.2 billion over 2023, with:

- a EUR 55.5 billion decrease in Commercial & Personal Banking risk-weighted assets, mainly linked to the sale of Bank of the West;
- a EUR 2.6 billion decrease in Corporate & Institutional Banking, including EUR 5.8 billion in Global Banking;
- a EUR 10.6 billion increase in Specialised Businesses, driven by Personal Finance;
- a EUR 0.4 billion increase in Investment & Protection Services.

### Transitional arrangements relating to risk-weighted assets

Since 31 March 2020, the Group applies the provisions of Regulation (EU) No. 2017/2395 on transitional measures relating to the introduction of IFRS 9 for the calculation of risk-weighted assets for credit risk. Since 30 June 2020, the Group has also applied the provisions of Regulation (EU) No. 2020/875 supplementing these transitional measures (see Table 16: *Effect of the application of the transitional arrangements for IFRS 9 accounting standard*).

## CAPITAL ADEQUACY AND CAPITAL PLANNING

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### CAPITAL ADEQUACY

The BNP Paribas Group is required to comply with a range of regulations:

- European banking regulations under the CRR and CRD, which also cover banking supervision;
- regulation relating to financial conglomerates in respect of additional supervision of its banking and insurance activities. BNP Paribas' insurance business is governed by Solvency II insurance regulations.

Within the context of the Single Supervisory Mechanism, the ECB thus became the direct supervisor of BNP Paribas as of 4 November 2014. The ECB draws on the competent national supervisory authorities in fulfilling this role.

### Requirements under banking regulations and supervision

With respect to Pillar 1, the Group is required to meet:

- a minimum Common Equity Tier 1 (CET1) capital ratio of 4.5%;
- a minimum Tier 1 capital ratio of 6%;
- a minimum Total capital ratio of 8%.

#### Additional requirements known as buffers

In addition to the minimum capital requirements regarding Pillar 1, BNP Paribas has to maintain additional CET1 capital buffers:

- the capital conservation buffer is equal to 2.5% of the risk-weighted assets. The aim of this buffer is to absorb losses in a situation of intense economic stress;
- the following two buffers were defined to limit systemic institutions failure risk. Only the highest of these two buffers is applicable:
  - the buffer for Global Systemically Important Banks (G-SIBs) consists of a surcharge of CET1 capital defined by the Financial Stability Board based on the methodology developed by the Basel Committee, which corresponds to the global systemic importance of banks. Global systemic importance is measured in terms of the impact a bank's failure can have on the global financial system and the wider economy.

The measurement approach of the global systemic importance is indicator-based. The selected indicators reflect the size of banks, their interconnectedness, the use of banking information systems for the services they provide, their global cross-jurisdictional activity and their complexity. The methodology is described in the document published in July 2013 by the Basel Committee, entitled *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement (BCBS 255)*.

The values of G-SIBs indicators at 31 December 2023 are presented in GSIB1 format in Appendix 3 *Countercyclical capital buffers and G-SIB buffer*.

The Group received the notification from the *Autorité de contrôle prudentiel et de résolution* (ACPR), dated 27 November 2023, that it was on the 2023 list of global systemically important financial institutions in sub-category 2, corresponding to its score in the database at end 2022.

As a result, the G-SIB buffer requirement for the Group applying from 1 January 2024 remain unchanged compared to the previous requirement at 1.5% of the total amount of risk exposures.

- the buffer for Domestic Systemically Important Banks (D-SIBs) aims to strengthen the capital requirements for institutions whose failure would have an impact on their national economy. The D-SIBs buffer for BNP Paribas is set at 1.5% until to 2024;
- the systemic risk buffer aims to limit systemic or macro prudential non-cyclical risks in the long term. This is not significant for the Group;

- the countercyclical capital buffer is defined as a surcharge of CET1 capital whose purpose is to adjust over time to increase the capital requirements in periods when credit growth is accelerating and reduce them in slower periods. A rate may be activated in each country by a discretionary decision from the appointed national authority. In view of the notified rates by country, the BNP Paribas countercyclical capital buffer is 0.40% at 31 December 2023 and 0.58% from 2 January 2024 compared with 0.09% at 31 December 2022 (see Appendix 3 *Countercyclical Capital Buffer and G-SIB Buffer*).

## Pillar 2 requirement

With respect to supervision, the second Pillar of the Basel Agreement provides that the supervisor shall determine whether the policies, strategies, procedures and arrangements implemented by the Group on the one hand, and the capital held on the other hand, are adequate for risk management and risk coverage purposes. This evaluation exercise by the supervisors to determine the adequacy of mechanisms and capital with respect to bank risk levels is designated in the regulations under the term SREP (Supervisory Review and Evaluation Process).

ICAAP (Internal Capital Adequacy Assessment Process) is the process by which institutions assess the adequacy of their own funds with their internal measurements of the capital needed to cover the risks generated by their usual activities. ICAAP is used for the annual SREP.

Within the BNP Paribas Group, the ICAAP is based on two key principles, as articulated in the European Central Bank's Guide on ICAAP: the assessment of the Group's adequate level of available capital to cover the capital needed in the internal perspective, and the forward-looking capital planning.

In the ICAAP, the adequacy of available capital to the risks borne by the Group is assessed in the internal perspective, using a comprehensive quantification of the capital needs generated by the Pillar 1 risks specified by Basel regulations, as well as by the Pillar 2 risks identified as material within the framework of the Group's risk identification system. In this perspective, capital needs to cover Pillar 1 and Pillar 2 risks are assessed using internal quantitative approaches, supplemented, as necessary, by qualitative approaches and dedicated monitoring frameworks.

Capital planning is based on the most recent actual and estimated financial data available at the time. This data is used to project future capital resources and requirements, in particular by taking into account regulatory requirements, factoring in the Group's goal of maintaining a first-class credit rating to protect its origination capability, its business development targets and anticipated regulatory changes.

Capital planning consists in comparing regulatory requirements and the capital ratio targets defined by the Group with future projected capital requirements, then testing their robustness in different scenarios, including stressed macroeconomic environments.

## Notification of SREP results

The results of the SREP process are notified annually to BNP Paribas Executive Management by the ECB. The requirements applying for the year 2024 were notified on 1 December 2023.

The SREP decision comprises two items: a requirement known as the "Pillar 2 requirement" ("P2R"), and a non-public guidance called "Pillar 2 guidance" ("P2G"). Following the SREP assessment conducted by the ECB in 2023, the requirements that the Group must meet under Pillar 2 since 1 January 2024 are the following:

- 1.11% for CET1 capital;
- 1.40% for Tier 1 capital;
- 1.77% for total capital.

The leverage ratio requirement that the Group must comply with on a consolidated basis from 1 January 2024 is 3.85% (excluding Pillar 2 guidance) including a P2R of 0.10%.

## Capital requirements

**The Group's CET1 ratio, Tier 1 ratio and total capital ratio must at all times satisfy the following requirements corresponding to the limits of applicable distribution restrictions (Maximum Distributable Amount – MDA):**

- the minimum CET1 ratio, Tier 1 ratio and total capital ratio, respectively, in accordance with article 92 (1) points a), b) and c) of the CRR;
- the Pillar 2 requirement;
- the combined buffer requirement defined in article 128 (6) of CRD 5, as transposed into the respective national law.

**TABLE 20: OVERALL CAPITAL REQUIREMENTS**

|  | 31 December<br>2023 | 31 December<br>2024 |
|--|---------------------|---------------------|
| CET1: Minimum requirements (Pillar 1)            | 4.50%               | 4.50%               |
| CET1: <i>Pillar 2 requirement</i> <sup>(1)</sup> | 0.88%               | 1.11%               |

|  |               |               |
|--|---------------|---------------|
| Combined Buffer Requirement  | 4.40%         | 4.69%         |
| <i>of which capital conservation buffer</i>                        | 2.50%         | 2.50%         |
| <i>of which G-SIBs buffer</i>                                      | 1.50%         | 1.50%         |
| <i>of which Countercyclical capital buffer<sup>(*)</sup></i>       | 0.40%         | 0.69%         |
| <i>of which Systemic capital buffer<sup>(***)</sup></i>            | 0.00%         | 0.00%         |
| <b>OVERALL CET1 CAPITAL REQUIREMENT</b>                            | <b>9.79%</b>  | <b>10.31%</b> |
| Tier 1 (CET1 + AT1): Minimum requirement (Pillar 1)                | 6.00%         | 6.00%         |
| Tier 1: <i>Pillar 2 requirement<sup>(*)</sup></i>                  | 1.18%         | 1.40%         |
| Combined Buffer Requirement  | 4.40%         | 4.69%         |
| <b>OVERALL TIER 1 CAPITAL REQUIREMENT</b>                          | <b>11.58%</b> | <b>12.09%</b> |
| Total capital: Tier 1 (CET1 + AT1): Minimum requirement (Pillar 1) | 8.00%         | 8.00%         |
| Total capital: <i>Pillar 2 requirement<sup>(*)</sup></i>           | 1.57%         | 1.77%         |
| Combined Buffer Requirement  | 4.40%         | 4.69%         |
| <b>OVERALL TOTAL CAPITAL REQUIREMENT</b>                           | <b>13.97%</b> | <b>14.46%</b> |

(\*) Only the Pillar 2 requirement is made public. Since 2020, the P2R has taken into account the application of Article 104a of Directive (EU) No 2019/878.

(\*\*) Countercyclical capital buffers as at 31 December 2023 and anticipated as at 31 December 2024 take into account the applicable rate increases applicable in 2023 (see Appendix 3: Countercyclical capital buffer and G-SIB buffer).

(\*\*\*) Since 30 June 2023, non-applicability of the sectoral systemic risk buffer (SyRB) on mortgage portfolios in Belgium at BNP Paribas Group consolidated level.

The CET1 capital requirement is 9.79% at 31 December 2023 (excluding Pillar 2 guidance), in view of the capital conservation buffer at 2.5%, a G-SIB buffer at 1.5%, the countercyclical buffer at 0.40% and a Pillar 2 requirement at 0.88%.

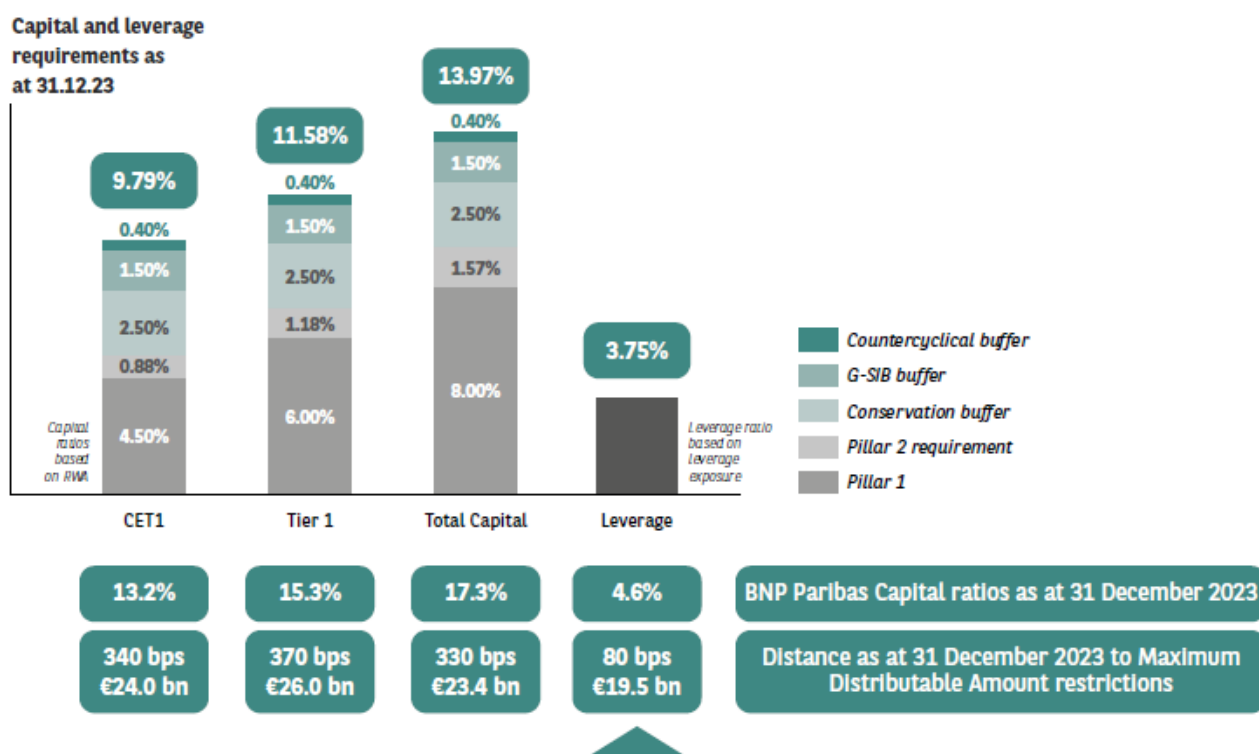
At 31 December 2023, BNP Paribas' CET1 ratio stands at 13.20%<sup>1</sup>, well above the minimum requirement level applicable in 2023 notified by the European Central Bank. Compared to 31 December 2022, the CET1 ratio increased by around 90 basis points as at 31 December 2023, is mainly explained by:

- the closing of the sale of Bank of the West on 1 February 2023, net of the share buyback programme and redeployed capital (+100 bps);
- the effect of the adjustment in distributable net income (-30 bps);
- the 2023 results after taking a 60% payout ratio into account, net of the change in risk-weighted assets and their optimisation (+30 bps);
- The impact of the application of IFRS 17 and the updating of models and regulations<sup>2</sup> at the 1<sup>st</sup> quarter (-10 bps);
- the other effects, which are limited overall on the ratio.

<sup>1</sup> CRD 5, including IFRS 9 transitional arrangements.

<sup>2</sup> Including IFRS 9 phasing.

FIGURE 5: MDA RESTRICTION THRESHOLD



As a reminder, since 1 January 2022, the Group is subject to a restriction threshold applicable to distributions on the basis of the MREL requirement (M-MDA, see paragraph *MREL*). This constraint is non-binding because it is higher than the distance to the distribution restriction thresholds.

Since 1 January 2023, the Group is subject to a restriction threshold applicable to distributions on the basis of the leverage ratio requirement (L-MDA, see paragraph *Leverage ratio*).

The capital surplus over the thresholds for distribution restriction is the lesser of the four amounts calculated respectively in relation to CET1, Tier 1, total capital and leverage ratio requirements based on exposure. At 31 December 2023, the excess of total capital over the restriction thresholds applicable to distributions was EUR 19.5 billion.

BNP Paribas ratios are monitored and managed centrally, on a consolidated basis. Where a French or international entity is required to comply with banking regulations at its own level, its ratios are also monitored and managed directly by the entity (see paragraph *Capital management at local level*).

### Requirements applicable to the Insurance business

BNP Paribas' insurance business is governed by Solvency II, the standard for calculating the solvency coverage ratio (Directive 2009/138/EC as transposed into French law).

The objective of Solvency II is to:

- integrate the concepts of risks and risk appetite;
- harmonise the insurance regulatory regimes across Europe;
- give more power to supervisory authorities.

Solvency II is divided into three pillars aiming to:

- Pillar 1: assess solvency using what is known as an economic capital-based approach;
- Pillar 2: implement qualitative requirements, *i.e.* governance and risk management rules that include a forward-looking approach to risk assessment. This assessment is called ORSA (Own Risk & Solvency Assessment);
- Pillar 3: improve the transparency of the insurance business by making solvency the cornerstone of disclosures to the public and the supervisory authority.

The BNP Paribas Cardif group complies with this regulation both in terms of risk management and governance, as well as calculation and reporting. Solvency II-related data as at 31 December 2022 are available in the Solvency and Financial Condition Report (SFCR) for the BNP Paribas Cardif group, published on the institutional website <https://www.bnpparibascardif.com/en>.

Insurance risks are introduced in section 5.10 *Insurance risks*.

Solvency II sets out two capital requirements:

- the Solvency Capital Requirement (SCR);
- the Minimum Capital Required (MCR) or, for groups, the SCR Group Minimum.

The SCR (Solvency Capital Requirement) is the level of own funds required to absorb a full series impacts after accounting for the correlation between risks. It is calibrated to cover such an event with a return period of 200 years within a one-year timescale (Value at Risk at 99.5%). The BNP Paribas Cardif SCR is evaluated by means of the standard formula laid down by the regulation.

The capital management policy of BNP Paribas Cardif aims notably to ensure that the prudential solvency requirements are met, to cover at least 100% of the SCR defined within the scope of the ORSA assessment and to structure own funds so that the best balance can be found between the share capital, subordinated debt and other own funds elements, complying with the limits and levels laid down by regulations.

At 31 December 2022, own funds eligible for the Solvency Capital Requirement stood at EUR 15,882 million. The amount of SCR was EUR 9,717 million and the SCR coverage ratio was 163%. Eligible own funds for the SCR Group Minimum amounted to EUR 12,329 million. The amount of SCR Group Minimum was EUR 3,611 million, and the SCR Group Minimum coverage ratio was 341%.

The Solvency Report at 31 December 2023 will be published on 17 May 2024.

### Compliance with the regulation on the additional supervision of financial conglomerates

As a bancassurer, the BNP Paribas Group is also subject to additional supervision as a financial conglomerate, pursuant to European Directive 2002/87/EU, supplemented by Delegated Regulation 342/2014 of the European Commission and implemented into French law by the Order of 3 November 2014.

The financial conglomerates directive has established additional prudential supervision, added to the rules existing in the banking and insurance sectors, because it has introduced additional constraints on capital adequacy, the monitoring of large exposures, and intragroup transactions.

A financial conglomerate is required to meet additional capital adequacy requirements on a consolidated basis. The purpose is to require sufficient capital to cover both banking sector and insurance sector risks, while eliminating multiple gearing.

The capital surplus or shortfall results from the difference between the financial conglomerate's equity capital and the solvency requirements applicable to the banking and insurance industries:

- the financial conglomerate's capital is determined based on the sector's solvency rules (CRR for the banking sector and Solvency II for the insurance sector);
- the requirements for the financial conglomerate are determined on the basis of banking sector requirements, calculated according to the CRR 2 and CRD 5 rules, including all capital buffers as well as the requirement resulting from the SREP 2022 applicable in 2023, and on the basis of the solvency capital requirement (SCR) for the insurance sector, calculated in accordance with the Solvency II regulation.

In calculating the financial conglomerate's capital adequacy, the requirements and deductions of insurance entities are treated in compliance with Solvency II rules in replacement of the rules defined in the CRR. The latter consist primarily of a 370% weighting of investments in equities treated according to the simple weighting method (see *Equities under the simple weighting method* in section 5.4 *Credit risk*).

Governance for the prudential supervision of financial conglomerates falls to the Capital Committee, which meets quarterly under the Chairmanship of the Chief Financial Officer.

As at 31 December 2023, BNP Paribas Group, as a financial conglomerate, had capital of EUR 134.1 billion compared to a total requirement of EUR 105.0 billion, which represents a capital surplus of EUR 29.2 billion.

**TABLE 21: FINANCIAL CONGLOMERATES – OWN FUNDS AND CAPITAL ADEQUACY RATIO (EU INS2)**

|                             |   | a                   | a                   |
|-----------------------------|---|---------------------|---------------------|
|                             |   | 31 December<br>2023 | 31 December<br>2022 |
| <i>In millions of euros</i> |   |                     |                     |
| 1                           | Supplementary own fund requirements of the financial conglomerate ( <i>amount</i> ) | 29,177              | 26,250              |
| 2                           | Capital adequacy ratio of the financial conglomerate (%)                            | 127.80%             | 123.91%             |



## RECOVERY AND RESOLUTION

Following the 2008/2009 financial crisis, international banking regulatory bodies adopted a series of regulations and directives based on the recommendations of the Financial Stability Board to facilitate the authorities' management of crises involving financial institutions and limit the impact of a potential collapse on the economy and public finances. They provide for:

- powers and instruments for the supervisory authorities to allow for better anticipation and oversight of the recovery of banks in difficulty, particularly by means of recovery plans;
- powers and instruments for the resolution authorities in order to implement orderly resolution of a bank that would not have been able to recover by itself and would be placed in resolution. This is based among other things on the resolution documents and detailed reports required from banks to enable authorities to prepare resolution plan;
- the addition of further regulatory requirements for institutions. These requirements, which overlap quite widely, aim to ensure a sufficient quantity of liabilities able to absorb losses or be converted into equity. In particular, they consist of:
  - a TLAC (Total Loss Absorbing Capacity) ratio for Global Systemically Important Banks (G-SIBs),
  - a MREL (Minimum Requirement for own funds and Eligible Liabilities) ratio applicable to all European institutions;
- bail-in rules for banks, with a review of the ranking of creditors including a category of TLAC and MREL eligible debt (non-preferred senior) created in 2016, plus the creation in 2014 of the Single Resolution Fund, at European level, financed by the banks, with the aim of avoiding any recourse to public assistance.

The recommendations of the Financial Stability Board were transposed into French banking law in July 2013, introducing in particular the obligation to create recovery and resolution plans, and giving resolution powers for the ACPR (*Autorité de contrôle prudentiel et de résolution*).

On a European level, Directive 2014/59/EU (BRRD – Bank Recovery and Resolution Directive) was passed in 2014 and has been transposed into the law of all European Union Member States. This directive, as well as Regulation (EU) No. 806/2014 (SRM Regulation – Single Resolution Mechanism Regulation) of 2014 and various additional delegated regulations, form all of the current regulations governing the recovery and resolution of European financial institutions. Following the European Commission proposal of November 2016, the amendments contained in the BRRD2 and in the SRMR2 were approved and published in the Official Journal on 7 June 2019. In France, the transposition of the BRRD2 directives was finalised on 21 December 2020.

### Recovery Plan

The recovery plan, prepared at Group level, describes the possible recovery options if the Group were to find itself in a distressed situation. It contains information needed by the authorities to understand the Group's operations, resilience and capacity to absorb losses.

BNP Paribas submitted its updated Recovery Plan to its supervisor, the ECB, in September 2023. The Single Resolution Board (SRB) and other authorities can obtain the Recovery Plan from the ECB.

Prepared in accordance with the Financial Stability Board's recommendations and the provisions of the French Monetary and Financial Code, this Recovery Plan was submitted to the Board of director's Internal Control, Risk Management and Compliance Committee (CCIRC) for review and then to the Board of directors for approval (see chapter 2 *Corporate governance and internal control*).

The new version of the Plan includes updated figures and takes account of changes in the Group's organisation and activities. It is accompanied by a detailed description of the recovery scenarios used and the impacts of the recovery options identified. It also takes account of the comments of the ECB and the Recovery College's participating authorities, which met in March 2023, as well as developments in European regulations. It also incorporates lessons learned from dry runs conducted regularly by BNP Paribas on certain aspects of the plan with the participation of the Executive Management and the ECB.

This Recovery College, organised under the auspices of the ECB, brings together the authorities of the member countries of the European Union in which BNP Paribas has a presence, as well as the European Banking Authority.

### Resolution documentation

In 2023, the Group submitted a set of documents to the *Autorité de contrôle prudentiel et de résolution* (ACPR) to be forwarded to the Single Resolution Board (SRB). These documents contain information needed by the authorities to prepare a plan for the potential resolution of BNP Paribas.

Since 2016, the Group provides annually a series of documents. These include an analytical declaration of the BNP Paribas SA and its subsidiaries' liabilities (Liability Data Report), required by the SRB to carry out its analyses of future requirements for liabilities eligible for bail-in, as well as various financial analyses, a presentation on the Group's organisational structure and analyses of its critical functions and operational continuity in resolution. These statements are in line with the requirements formalised by the EBA (on behalf of the Commission).

In 2023, BNP Paribas took also part in a series of working meetings of the SRB, the ACPR and other EU bank resolution authorities, under the auspices of the SRB. The purpose of these meetings, is to deepen the SRB's analyses of the Group's capacity to deal with a potential resolution.

The Crisis Management Group (CMG) and the Resolution College met in January 2024 in view to approve the resolution plan drafted by the SRB.

The resolution strategy privileged by the SRB for major institutions such as the Group includes “bail-in” which, in contrast to “bail-out”, involves the absorption of losses through BNP Paribas SA’s internal resources. This implies the cancellation or reduction in the nominal value of a debt and/or its complete or partial conversion into equity. For major centralised banking institutions such as the Group, this resolution strategy is applied at a Single Point of Entry (SPE), *i.e.* BNP Paribas SA, regardless of where the losses occur within the Group.

With regard to the US authorities, the Group presented a resolution plan for its activities in the United States, pursuant to Rule 165(d) of the Dodd-Frank Act in December 2021. The next version of the resolution plan will be submitted at end-March 2025.

## TLAC

In accordance with Regulation (EU) No. 2019/876, Global Systemically Important Banks (G-SIBs) have been subject to a two-fold TLAC requirement since 27 June 2019. This requirement includes, on the one hand, a minimum ratio expressed as a percentage of the risk-weighted assets, and, on the other hand, a minimum ratio expressed as a percentage of the leverage ratio exposure.

At 31 December 2023, the minimum TLAC requirement for the Group stood at 22.40% of the risk-weighted assets taking into account:

- a 18% TLAC minimum requirement;
- a 4.40% combined buffer requirement, in view of the capital conservation buffer at 2.5%, the G-SIBs buffer at 1.5% and the countercyclical capital buffer at 0.40%.

From 1 January 2022, the Group’s minimum TLAC requirement amounts to 6.75% of leverage exposure.

**TABLE 22: COMPOSITION OF TLAC RATIO (EU TLAC1)**

| <i>In millions of euros</i>  |   | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b> |
|--|---|-----------------------------|-----------------------------|
| <b>Regulatory capital</b>  |   |                             |                             |
| 1  | Common Equity Tier 1 capital (CET1)   | 92,857                      | 91,828                      |
| 2  | Additional Tier 1 capital (AT1)   | 14,644                      | 11,616                      |
| 6  | Tier 2 capital (Tier 2)   | 14,243                      | 17,117                      |
| <b>11</b>  | <b>Total TLAC eligible capital</b>  | <b>121,744</b>              | <b>120,562</b>              |
| <b>Other TLAC eligible liabilities</b>   |   |                             |                             |
| 12   | Non-preferred senior debt issued directly by the resolution entity (not grandfathered) <sup>(1)</sup> | 72,301                      | 75,204                      |
| Non-preferred senior debt issued by other entities within the resolution group                                 |   |                             |                             |
| EU-12a (not grandfathered)   |   |                             |                             |
| EU-12b Non-preferred senior debt issued prior to 27 June 2019 (grandfathered)                                  |   |                             |                             |
| EU-12c Amortised portion of Tier 2 instruments with remaining maturity over one year                           |   | 4,399                       | 3,410                       |
| 13   | Preferred senior debt (not grandfathered before application of 3.5% RWA limit)                        | Option not applied          | Option not applied          |
| Preferred senior debt issued prior to 27 June 2019 (grandfathered before application of EU-13a 3.5% RWA limit) |   | Option not applied          | Option not applied          |
| 14   | Preferred senior debt (after application of the 3.5% RWA limit)                                       | Option not applied          | Option not applied          |
| 17   | TLAC eligible liabilities items before adjustments  | 76,337                      | 78,614                      |
| EU-17a   | <i>of which subordinated</i>  | 76,337                      | 78,614                      |
| <b>Own funds and TLAC eligible liabilities: Adjustments to non-regulatory capital elements</b>                 |   |                             |                             |
| 18   | Total capital and other TLAC eligible liabilities before regulatory adjustments                       | 198,082                     | 199,176                     |
| 19   | Deduction of exposures between MPE resolution groups  |                             |                             |
| 20   | Deduction of investments in other TLAC eligible liabilities instruments                               |                             |                             |
| <b>22</b>  | <b>Total capital and other TLAC eligible liabilities after regulatory adjustments</b>                 | <b>198,082</b>              | <b>199,176</b>              |
| <b>Risk-weighted assets and leverage ratio total exposure measure</b>  |   |                             |                             |

|   |  |                  |                  |
|---|--|------------------|------------------|
| 23  | <b>Risk-weighted assets (RWAs)</b>   | <b>703,694</b>   | <b>744,851</b>   |
| 24  | <b>Leverage ratio total exposure measure</b>   | <b>2,346,500</b> | <b>2,373,844</b> |
| 25  | <b>TLAC RATIO</b> (as a percentage of risk-weighted assets)                                | <b>28.15%</b>    | <b>26.74%</b>    |
| 26  | <b>TLAC RATIO</b> (as a percentage of leverage ratio total exposure measure)               | <b>8.44%</b>     | <b>8.39%</b>     |
| 27  | CET1 (as a percentage of RWAs) available after meeting the resolution group's requirements | 7.73%            | 6.80%            |
| 28  | Combined buffer requirement  | 4.40%            | 4.17%            |
| 29  | of which capital conservation buffer   | 2.50%            | 2.50%            |
| 30  | of which countercyclical buffer  | 0.40%            | 0.09%            |
| 31  | of which systemic risk buffer  | 0.00%            | 0.08%            |
| EU-31a  | of which G-SIBs or D-SIBs buffers  | 1.50%            | 1.50%            |
| <b>Total amount of excluded liabilities referred to in Article 72a(2) of the Regulation</b> |  |                  |                  |
| EU-32   | <b>(EU) No. 575/2013</b>   | <b>1,685,403</b> | <b>1,772,802</b> |

(\*) Outstanding principal amount.

At 31 December 2023, the Group's TLAC ratio broadly exceeds the applicable minimum level of requirement.

This ratio stood at 28.15% of risk-weighted assets, without using senior preferred debt, which are eligible up to a limit of 3.5% of risk-weighted assets. It amounted to 8.44% of leverage ratio total exposure measure.

The debts issuance targets aiming at satisfying these requirements and their nature are described in the section *Wholesale funding trends based on regulatory changes* in section 5.8 *Liquidity risk*.

**TABLE 23: CREDITOR RANKING OF THE RESOLUTION ENTITY BNP PARIBAS SA<sup>(\*)</sup> (EU TLAC3)**

|                      |  | 31 December 2023              |                              |   |   |   |         |
|----------------------|--|-------------------------------|------------------------------|---|---|---|---------|
|                      |  | Insolvency ranking            |                              |   |   |   |         |
| In millions of euros |  | 1                             | 2                            | 4 <sup>(**)</sup>                                 | 3   | 7   | TOTAL   |
|                      |  | CET1 capital <sup>(***)</sup> | AT1 capital <sup>(***)</sup> | T2 capital – participating notes <sup>(***)</sup> | T2 capital – subordinated debt <sup>(***)</sup> | Non-preferred senior debt <sup>(****)</sup> |         |
| 1                    | Description of insolvency ranking                                |                               |                              |   |   |   |         |
| 2                    | Regulatory capital instruments and debt instruments              | 116,227                       | 14,823                       | 225   | 22,658  | 80,276                                      | 234,209 |
| 3                    | of which excluded instruments                                    |                               |                              |   |   |   | -       |
| 4                    | Non-excluded regulatory capital instruments and debt instruments | 116,227                       | 14,823                       | 225   | 22,658  | 80,276                                      | 234,209 |
| 5                    | of which instruments eligible for the TLAC ratio                 | 116,227                       | 14,823                       | -   | 21,392  | 72,301                                      | 224,743 |
| 6                    | of which residual maturity ≥ 1 year and < 2 years                |                               |                              |   | 2,850   | 7,510                                       | 10,361  |
| 7                    | of which residual maturity ≥ 2 years and < 5 years               |                               |                              |   | 5,565   | 30,558                                      | 36,123  |
| 8                    | of which residual maturity ≥ 5 years and < 10 years              |                               |                              |   | 9,420   | 26,259                                      | 35,679  |
| 9                    | of which residual maturity ≥ 10 years (excluding perpetual)      |                               |                              |   | 3,557   | 7,973                                       | 11,530  |
| 10                   | of which perpetual instruments                                   | 116,227                       | 14,823                       |   |   |   | 131,050 |

(\*) The data presented correspond to the scope of the resolution entity, BNP Paribas SA.

(\*\*) According to the Appendix on insolvency ranking in the jurisdictions of the Banking Union published by the Single Resolution Board, participating notes are classified in rank 4. However, the ranking clauses of BNP Paribas SA's deeply subordinated notes (AT1) indicate that these notes are subordinated to participating notes. The participating notes are thus presented between ranks 2 and 3.

(\*\*\*) Amounts before regulatory adjustments.

(\*\*\*\*) Outstanding principal amount.

|                      |  | 31 December 2022              |                              |   |   |   |         |
|----------------------|--|-------------------------------|------------------------------|---|---|---|---------|
|                      |  | Insolvency ranking            |                              |   |   |   |         |
| In millions of euros |  | 1                             | 2                            | 4 <sup>(**)</sup>                                 | 3   | 7   | TOTAL   |
|                      |  | CET1 capital <sup>(***)</sup> | AT1 capital <sup>(***)</sup> | T2 capital – participating notes <sup>(***)</sup> | T2 capital – subordinated debt <sup>(***)</sup> | Non-preferred senior debt <sup>(****)</sup> |         |
| 1                    | Description of insolvency ranking                                |                               |                              |   |   |   |         |
| 2                    | Regulatory capital instruments and debt instruments              | 121,296                       | 11,800                       | 225   | 23,474  | 81,044                                      | 237,839 |
| 3                    | of which excluded instruments                                    |                               |                              |   |   |   | -       |
| 4                    | Non-excluded regulatory capital instruments and debt instruments | 121,296                       | 11,800                       | 225   | 23,474  | 81,044                                      | 237,839 |
| 5                    | of which instruments eligible for the TLAC ratio                 | 121,296                       | 11,800                       | 225   | 23,466  | 75,204                                      | 231,991 |
| 6                    | of which residual maturity ≥ 1 year and < 2 years                |                               |                              |   | 937   | 5,751                                       | 6,688   |
| 7                    | of which residual maturity ≥ 2 years and < 5 years               |                               |                              |   | 8,239   | 28,687                                      | 36,926  |
| 8                    | of which residual maturity ≥ 5 years and < 10 years              |                               |                              |   | 7,772   | 31,851                                      | 39,623  |
| 9                    | of which residual maturity ≥ 10 years (excluding perpetual)      |                               |                              |   | 6,012   | 8,915                                       | 14,927  |
| 10                   | of which perpetual instruments                                   | 121,296                       | 11,800                       | 225   | 506   |   | 133,827 |

(\*) The data presented correspond to the scope of the resolution entity, BNP Paribas SA.

(\*\*) According to the Appendix on the insolvency ranking in the jurisdictions of the Banking Union published by the Single Resolution Board, participating notes are classified in rank 4. However, the ranking clauses of BNP Paribas SA's deeply subordinated notes (AT1) indicate that these notes are subordinated to participating notes. The participating notes are thus presented between ranks 2 and 3.

(\*\*\*) Amounts before regulatory adjustments.

(\*\*\*\*) Outstanding principal amount.

## MREL

The total Minimum Requirement for own funds and Eligible Liabilities (MREL) applies to all European Union credit institutions and investment firms from 1 January 2024.

In accordance with the regulations (BRRD, Article 45i(3) and implementing regulation EU 2021/763 Recital 10 and Articles 9 and 10) Institutions are required to publish the MREL requirements to which they are subject and the liabilities with which they comply since 1 January 2024.

The resolution authorities have notified the Group of an intermediate MREL which applies from 1 January 2022. At 31 December 2023, the Group exceeded the expected intermediate MREL requirement and the distance above the minimum requirement ("M-MDA") was greater than the distance applicable to the distribution restriction thresholds ("MDA") calculated in relation to the capital requirements (see paragraph Overall capital requirements).

At 31 December 2023, the Group's MREL ratio stood at 30.92% of risk-weighted assets. The Group was thus above the minimum requirement level of 26.55% applicable on 2 January 2024.

At 31 December 2023, the Group's MREL ratio stood at 9.27% of leverage exposures. This ratio is to be compared to a minimum requirement of 5.91% applicable on 2 January 2024.

At 31 December 2023, the Group's subordinated MREL ratio stood at 28.15% of risk-weighted assets, compared to a minimum requirement of 20.47% applicable on 2 January 2024.

At 31 December 2023, the Group's MREL ratio stood at 8.44% of leverage exposures, compared to a minimum requirement of 5.82% applicable on 2 January 2024.

## Changes in regulations

BNP Paribas closely tracks the regulatory developments relating to banks recovery and resolution.

It noted in particular the Eurogroup statement of June 2022<sup>1</sup> that required a targeted review of the Crisis Management and Deposit Insurance (CMDI) framework (BRRD, SRMR and DGSD), the Commission published a proposal on 18 April 2023. This proposal is currently being discussed by the European Parliament and the Council. BNP Paribas closely follows these discussions. At this stage, the legislative process is expected to be completed by 2025 or even 2026.

## LEVERAGE RATIO

The leverage ratio's main objective is to serve as a complementary measure to the risk-based capital requirements (back-stop principle). It is calculated as the ratio between Tier 1 capital and an exposure measure calculated using on- and off-balance sheet commitments valued using a prudential approach. In particular, derivatives and repurchase agreements are also adjusted.

At European level, the leverage ratio requirement is applied gradually in accordance with the provisions contained in the CRR:

- up to 28 June 2021, the leverage ratio was the subject of a statement submitted to the ECB and a disclosure requirement under Pillar 3;
- from 29 June 2021 to 31 December 2022, institutions were subject to a minimum leverage ratio requirement of 3%;
- From 1 January 2023, Global Systemically Important Banks (G-SIBs) are subject to an additional leverage requirement of 50% of the institution's G-SIBs buffer (see paragraph *Capital adequacy*) and a new distribution threshold applying to the leverage ratio. The distance applicable to the distribution restriction thresholds ("L-MDA") is calculated in relation to the capital requirements (see paragraph *Overall capital requirements*). The leverage ratio requirement thus stood at 3.75% at 31 December 2023, compared with 3% at 31 December 2022.

## Processes used to manage the risk of excessive leverage

Monitoring of the leverage ratio is one of the responsibilities of the Capital Committee (as described in the section *Capital management* hereafter).

## Factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers

The leverage ratio stood at 4.58% at 31 December 2023 compared to 4.36% at 31 December 2022. It was well above the 3.75% leverage requirement in force at 31 December 2023, as well as that applicable from 1 January 2024 of 3.85%.

**TABLE 24: LEVERAGE RATIO – ITEMISED**

### Summary reconciliation of accounting assets and leverage ratio exposures (LR1)

|                             |   | a                   |                     |
|-----------------------------|---|---------------------|---------------------|
| <i>In millions of euros</i> |   | 31 December<br>2023 | 31 December<br>2022 |
| 1                           | Total assets as per published financial statements  | 2,591,499           | 2,666,376           |
| 2                           | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation  | (257,275)           | (243,105)           |
| 3                           | (Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)  | (4,003)             | (3,594)             |
| 4                           | (Adjustment for temporary exemption of exposures to central bank (if applicable))   |                     |                     |
| 5                           | (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR) |                     |                     |
| 6                           | Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting   |                     |                     |
| 7                           | Adjustment for eligible cash pooling transactions   |                     |                     |

<sup>1</sup> Eurogroup statement on the future of the Banking Union of 16 June 2022 – Consilium (europa.eu).

|           |  |                  |                  |
|-----------|--|------------------|------------------|
| 8         | Adjustments for derivative financial instruments   | (100,967)        | (136,719)        |
| 9         | Adjustment for securities financing transactions (SFTs) <sup>(*)</sup>   | 21,586           | 26,619           |
| 10        | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)                     | 207,680          | 207,155          |
| 11        | (Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)                   | (2,472)          | (2,495)          |
| 11a       | (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR) |                  |                  |
| 11b       | (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR) | (16,703)         | (14,531)         |
| 12        | Other adjustments  | (92,846)         | (125,864)        |
| <b>13</b> | <b>LEVERAGE RATIO TOTAL EXPOSURE MEASURE</b>   | <b>2,346,500</b> | <b>2,373,844</b> |

(\*) Securities Financing Transactions: repurchase agreements and securities borrowing/lending.

#### Leverage ratio common disclosure (EU LR2)

|  |   | a                | b                |
|--|---|------------------|------------------|
|  |   | 31 December 2023 | 31 December 2022 |
| <i>In millions of euros</i>  |   |                  |                  |
| <b>On-balance sheet exposures (excluding derivatives and SFTs<sup>(*)</sup>)</b> |   |                  |                  |
| 1  | On-balance sheet items (excluding derivatives, SFTs <sup>(*)</sup> , but including collateral)  | 1,763,655        | 1,821,751        |
| 2  | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework |                  |                  |
| 3  | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)   | (40,530)         | (48,796)         |
| 4  | (Adjustment for securities received under securities financing transactions that are recognised as an asset)                              |                  |                  |
| 5  | (General credit risk adjustments to on-balance sheet items)   |                  |                  |
| 6  | (Asset amounts deducted in determining Tier 1 capital)  | (14,368)         | (15,032)         |
| <b>7</b>   | <b>Total on-balance sheet exposures (excluding derivatives and SFTs<sup>(*)</sup>)</b>  | <b>1,708,757</b> | <b>1,757,923</b> |
| <b>Derivative exposures</b>  |   |                  |                  |
| 8  | Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)                               | 58,593           | 76,968           |
| 8a   | Derogation for derivatives: replacement costs contribution under the simplified standardised approach                                     |                  |                  |
| 9  | Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions  | 133,250          | 127,968          |
| 9a   | Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach                             |                  |                  |
| 9b   | Exposure determined under Original Exposure Method  |                  |                  |
| 10   | (Exempted CCP leg of client-cleared trade exposures) (SA-CCR)   | (1,309)          | (4,897)          |
| 10a  | (Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)   |                  |                  |
| 10b  | (Exempted CCP leg of client-cleared trade exposures) (original exposure method)   |                  |                  |
| 11   | Adjusted effective notional amount of written credit derivatives  | 404,326          | 474,397          |
| 12   | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)  | (381,259)        | (456,761)        |
| <b>13</b>  | <b>Total derivatives exposures</b>  | <b>213,601</b>   | <b>217,675</b>   |

|   |   | a                | b                |
|---|---|------------------|------------------|
|   |   | 31 December 2023 | 31 December 2022 |
| <i>In millions of euros</i>   |   |                  |                  |
| <b>Securities financing transaction (SFT) exposures<sup>(1)</sup></b> |   |                  |                  |
| 14  | Gross SFT <sup>(1)</sup> assets (with no recognition of netting), after adjustment for sales accounting transactions                | 457,137          | 331,761          |
| 15  | (Netted amounts of cash payables and cash receivables of gross SFT <sup>(1)</sup> assets)   | (235,392)        | (143,306)        |
| 16  | Counterparty credit risk exposure for SFT <sup>(1)</sup> assets   | 21,505           | 26,362           |
| 16a   | Derogation for SFTs <sup>(1)</sup> : Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR              |                  |                  |
| 17  | Agent transaction exposures   | 81               | 258              |
| 17a   | (Exempted CCP leg of client-cleared SFT exposure)   |                  |                  |
| <b>18</b>   | <b>Total securities financing transaction exposures</b>   | <b>243,331</b>   | <b>215,074</b>   |
| <b>Other off-balance sheet exposures</b>                              |   |                  |                  |
| 19  | Off-balance sheet exposures at gross notional amount  | 498,249          | 506,724          |
| 20  | (Adjustments for conversion to credit equivalent amounts)   | (290,569)        | (299,569)        |
| 21  | (General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)     | (655)            | (981)            |
| <b>22</b>   | <b>Off-balance sheet exposures</b>  | <b>207,026</b>   | <b>206,174</b>   |
| <b>Excluded exposures</b>   |   |                  |                  |
| 22a   | (Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)             |                  |                  |
| 22b   | (Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off-balance sheet))                                | (16,703)         | (14,531)         |
| 22c   | (Excluded exposures of public development banks – Public sector investments)  |                  |                  |
| 22d   | (Excluded exposures of public development banks (or units) – Promotional Loans)   |                  |                  |
| 22e   | (Excluded passing-through promotional loan exposures by non-public development banks (or units))                                    |                  |                  |
| 22f   | (Excluded guaranteed parts of exposures arising from export credits)  | (9,512)          | (8,471)          |
| 22g   | (Excluded excess collateral deposited at triparty agents)   |                  |                  |
| 22h   | (Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)                             |                  |                  |
| 22i   | (Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)                      |                  |                  |
| 22j   | (Reduction of the exposure value of pre-financing or intermediate loans)  |                  |                  |
| <b>22k</b>  | <b>(Total exempted exposures)</b>   | <b>(26,215)</b>  | <b>(23,003)</b>  |
| <b>Capital and total exposure measure</b>                             |   |                  |                  |
| <b>23</b>   | <b>Tier 1 capital</b>   | <b>107,501</b>   | <b>103,445</b>   |
| <b>24</b>   | <b>Leverage ratio total exposure measure</b>  | <b>2,346,500</b> | <b>2,373,844</b> |
| <b>25</b>   | <b>LEVERAGE RATIO</b>   | <b>4.58%</b>     | <b>4.36%</b>     |
|   | Leverage ratio (without the adjustment due to excluded exposures of public EU-25 development banks – Public sector investments) (%) | 4.58%            | 4.36%            |
| 25a   | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)                            | 4.58%            | 4.36%            |
| <b>Leverage requirement</b>   |   |                  |                  |
| 26  | Regulatory minimum leverage ratio requirement (%)   | 3.00%            | 3.00%            |

|   |  | a                   | b                   |
|---|--|---------------------|---------------------|
|   |  | 31 December<br>2023 | 31 December<br>2022 |
| <i>In millions of euros</i>                                       |  |                     |                     |
| 26a   | Additional leverage ratio requirements (%)   | 0.00%               | 0.00%               |
| 26b   | <i>of which: to be made up of CET1 capital</i>   | <i>0.00%</i>        | <i>0.00%</i>        |
| 27  | Leverage ratio buffer requirement (%)  | 0.75%               | 0.00%               |
| 27a   | Overall leverage ratio requirement (%)   | 3.75%               | 3.00%               |
| <b>Choice on transitional arrangements and relevant exposures</b> |  |                     |                     |
| EU-   |  |                     |                     |
| 27b   | Choice on transitional arrangements for the definition of the capital measure  | Transitional        | Transitional        |
| <b>Disclosure of mean values</b>                                  |  |                     |                     |
| 28  | Mean of daily values of gross SFT <sup>(*)</sup> assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable   | 294,819             | 250,964             |
| 29  | Quarter-end value of gross SFT <sup>(*)</sup> assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables   | 221,745             | 188,455             |
| 30  | Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT <sup>(*)</sup> assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 2,419,574           | 2,436,353           |
| 30a   | Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT <sup>(*)</sup> assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables) | 2,419,574           | 2,436,353           |
| 31  | <b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT<sup>(*)</sup> assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)</b>   | <b>4.44%</b>        | <b>4.25%</b>        |
| 31a   | <b>Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT<sup>(*)</sup> assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)</b>   | <b>4.44%</b>        | <b>4.25%</b>        |

(\*) *Securities Financing Transactions: repurchase agreements and securities lending/borrowing operations.*



**Split of on-balance sheet exposures (excluding derivatives, SFTs<sup>(\*)</sup> and exempted exposures) (EU LR3)**

|                             |  | a                |                  |
|-----------------------------|--|------------------|------------------|
|                             |  | 31 December 2023 | 31 December 2022 |
| <i>In millions of euros</i> |  |                  |                  |
| <b>EU-1</b>                 | <b>Total on-balance sheet exposures (excluding derivatives, SFTs<sup>(*)</sup>, and exempted exposures), of which:</b> | <b>1,696,910</b> | <b>1,749,953</b> |
| EU-2                        | Trading book exposures   | 211,023          | 164,340          |
| EU-3                        | Banking book exposures, of which:  | 1,485,887        | 1,585,613        |
| EU-4                        | Covered bonds  |                  |                  |
| EU-5                        | Exposures treated as sovereigns  | 442,944          | 483,668          |
| EU-6                        | Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns                  | 37,386           | 38,724           |
| EU-7                        | Institutions   | 27,376           | 29,795           |
| EU-8                        | Secured by mortgages of immovable properties   | 184,067          | 205,730          |
| EU-9                        | Retail exposures   | 228,618          | 246,598          |
| EU-10                       | Corporate  | 355,974          | 383,742          |
| EU-11                       | Exposures in default   | 13,369           | 12,844           |
| EU-12                       | Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)                                 | 196,154          | 184,511          |

(\*) Securities Financing Transactions: repurchase agreements and securities borrowing/lending

Pursuant to article R.511-16-1 of French Monetary and Financial Code, BNP Paribas' asset yield (*i.e.* net accounting income divided by the total balance sheet on a consolidated basis) was 0.42% in 2023 compared to 0.38% in 2022.

## CAPITAL MANAGEMENT [Audited]

To ensure the Group's sustainability, the Bank must maintain an adequate level of capital with respect to the risks to which it is exposed in the course of its activities and strategy. Capital is a rare and strategic resource, which requires stringent, clearly defined, rigorous management according to an approach, which takes account of the needs and demands of stakeholders, including shareholders, supervisors, creditors and depositors.

### OBJECTIVES

BNP Paribas' capital management:

- is governed by policies and procedures which make it possible to understand, document and supervise capital management practices throughout the Bank;
- takes risk measurement into account to determine the use of the capital;
- considers capital requirements and resources under normal operating conditions, as well as under situations of severe, but plausible stress;
- presents a forward-looking vision of the Bank's capital adequacy to the Executive Management;
- allocates the capital constraint to the business lines in keeping with their strategic objectives;
- complies with the Internal Capital Adequacy Assessment Process (ICAAP) and is consistent with the Risk Appetite Framework;
- is monitored by an appropriate governance.

### CAPITAL MANAGEMENT AT CENTRAL LEVEL

BNP Paribas' capital management aims to ensure and verify that the Group has adequate capital to comply with the regulatory capital ratios, as well as specific requirements, for instance to operate as a Global Systemically Important Bank. To ensure its capital adequacy, the Group abides by the following principles:

- maintaining the capital at an appropriate level in view of BNP Paribas' activities, risk appetite, growth and strategic initiatives;

- maintaining BNP Paribas' capital at a level which complies with regulatory requirements;
- keeping a balance between capital adequacy and return on capital;
- meeting its obligations to creditors and counterparties, at each due date;
- continuing to operate as a financial intermediary.

## Governance

The governance of the development, approval and update of the capital planning process is handled by two committees:

- **the Risk-Weighted Assets Committee:** it is jointly chaired by the Chief Financial Officer and the Chief Risk Officer, and comprises the operational divisions' Chief Financial Officers and Chief Risk Officers. The committee meets quarterly to examine forecasts of the Group's risk-weighted assets in the context of the budget cycle and updating of its estimates.

The Risk-Weighted Assets Committee is tasked with:

- monitoring and discussing the forecasts of the Group's risk-weighted assets for each business line,
- identifying the main assumptions underlying these forecasts and checking their accuracy,
- identifying any evolution factors and quantifying their impacts,
- proposing adjustments if required;
- **the Capital Committee:** it meets at least quarterly and is chaired by the Group Chief Financial Officer. The committee's mission is to validate the Group's targets in terms of solvency ratios and loss absorbing capacity requirements in case of resolution (TLAC and MREL) as well as the trajectory to achieve these targets; monitor compliance with this trajectory; and, where necessary, propose corrective measures, consistent with the Group's Risk Appetite Statement. The committee ensures, in this respect, internal capital adequacy is taken into account in the ICAAP as well as in the results of the global stress tests processes.

The Capital Committee is tasked with:

- monitoring, validating and anticipating changes in the business lines' risk-weighted assets as well as changes in the Group's prudential ratios, in central scenario and adverse scenario, and monitoring these indicators relative to the Group's Risk Appetite, which is stated in the Risk Appetite Statement. This includes solvency ratios, leverage ratio, TLAC/MREL ratios, capital adequacy of the financial conglomerate, *etc.*,
- identifying any evolution factors and quantifying their impacts,
- defining trends in short and medium terms capital consumption (at least 3 years) and proposing or reporting the ensuing arbitrages to the Group's Executive Committee,
- monitoring internal capital adequacy as part of the ICAAP,
- monitoring potential regulatory changes,
- monitoring the sensitivity of the CET1 ratio to changes in exchange rates,
- validating management buffers applicable to the aforementioned ratios,
- monitoring the impacts of global stress test results,
- monitoring the implementation of the supervisor's decisions that have an impact on the Group's solvency ratio or the amount of its risk-weighted assets.

The Capital Committee is also the Group's competent Executive Management authority for all issues related to the internal credit and operational risk model and the methodologies used in the ICAAP.

## Monitoring indicators

Capital management at the consolidated level rests on the following indicators:

- **the solvency ratios:**

BNP Paribas uses the CET1 ratio as its main internal capital management indicator;

- **risk-weighted assets:**

The risk-weighted assets are calculated per business line and per type of risk. The change in risk-weighted assets is analysed per type of effect (in particular: volume effect, parameters effect, perimeter effect, currency effect and method effect);

- **the leverage ratio:**

It reports the amount of Tier 1 capital to a measure of both on- and off-balance sheet exposures using a prudential approach. In particular, derivatives and repurchase agreements are adjusted;

- **notional equity:**

The capital allocation transfers the capital constraints to all Group divisions and thus represents a major constraint concerning the Group's development and management. The evaluation of the business lines' performance includes the analysis of their pre-tax Return On Notional Equity (RONE) indicators. The equity component of this ratio is the notional equity, which corresponds to the business lines' consumption of capital.

This management rests on two major processes which are closely linked:

- a detailed quarterly analysis of actual capital consumption by divisions/business lines and of the Group's solvency ratios, as well as quarterly forecasts of these indicators throughout the year;
- the yearly budget process, which plays a central role in the strategic planning process.

## CAPITAL MANAGEMENT AT LOCAL LEVEL

The Group has to allocate available capital among its different entities. To ensure a free and efficient flow of capital throughout the Group, the capital allocation process within the Group is centralised at head office level. It is mainly based on two principles: compliance with local regulatory requirements and analysis of the local business needs of the entity and growth prospects. In line with these two principles, the aim is to minimise capital dispersion.

Local Chief Financial Officers are responsible for the daily management and reporting of their subsidiaries' capital requirements. When a capital need arises, it is analysed on a case-by-case basis by dedicated teams at Group level, taking into consideration the subsidiary's present position, its future strategy as well as the Group's one in the relevant country, the entity's growth prospects and the macroeconomic environment. Furthermore, each year, the Group manages the subsidiaries' earnings repatriation process. The Group general policy stipulates that the entire distributable profit of every entity, including retained earnings, must be paid out. This policy ensures that the capital remains centralised at the BNP Paribas SA level and also contributes to reducing the foreign exchange risk. Exceptions are considered on a case-by-case basis.

Local Chief Executive Officers are responsible for ensuring the subsidiary's ongoing financial viability and competitiveness in terms of capital, where relevant. However, any capital action requested by a subsidiary is assessed by and subject to authorisation from head office.

In addition, every year the Group examines the branches' capital allocations in order to maintain an adequate level of capital in light of the different regulations.

## 5.3 Risk management [Audited]

### GOVERNANCE

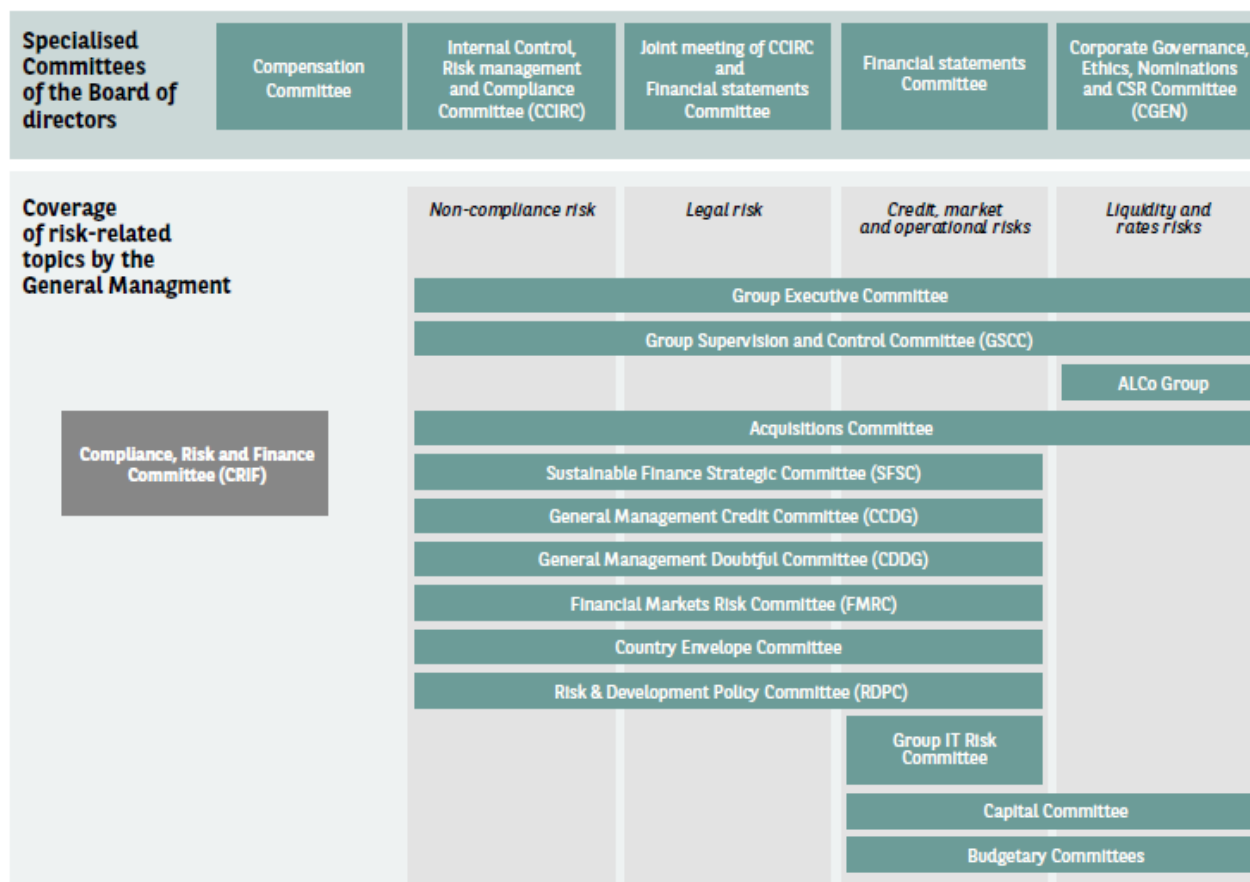
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The specialised committees of the Board of directors (see part 2.1.2, Corporate governance of BNP Paribas of chapter 2 *Corporate governance and internal control*), which examine the risks taken and the risk policies on a Group scale, are:

- the Internal control, risk management and compliance Committee (CCIRC);
- the Joint Committee that combines the CCIRC and the Financial statements Committee;
- the Corporate governance, ethics, nominations and CSR Committee (CGEN).

In line with the Group's Risk Appetite Statement, Executive Management provides broad guidelines for risk management through Group-level governance bodies of which the main ones are shown in the diagram below:

**FIGURE 6: OVERVIEW OF GROUP LEVEL GOVERNING BODIES COVERING RISK-RELATED TOPICS**



Main Group-level governance bodies have the following roles:

- Capital Committee, described under Capital management in section 5.2 *Capital management and capital adequacy*, validates the Group's objectives in terms of solvency ratios and Total Loss Absorbing Capacity (TLAC and MREL) requirements in case of resolution as well as the trajectory to achieve these targets, monitors the compliance with this trajectory and, when relevant, proposes corrective actions to achieve target solvency ratios. As the Group's competent Executive Management authority for all issues related to the internal credit and operational risks model, the Capital Committee is informed of decisions made in the MARCo Committees (Model Approval and Review Committee);
- Group ALM Treasury Committee (Group ALCo) is responsible for the management of the liquidity risk, interest rate risk in the banking book and structural foreign exchange risk over the whole Group.
- Group Supervision and Control Committee (GSCC) brings together the Group's control functions at Executive Management level and takes a Group-wide approach to tackling all aspects of risk exposure;
- Acquisitions Committee decides on acquisitions, disposals and external partnerships for operations under its jurisdiction as part of the Group's general investment approval procedure. The Acquisitions Committee reviews the strategic relevance of the proposed projects from the Group's point of view, as well as the various components of the business plans, including synergies and execution risks. In particular, it ensures the intrinsic profitability of projects (measured by Return on Investment), as well as the impact on the Group's solvency, liquidity and profitability, and their adequacy with the Group's Risk Appetite Statement.
- the Sustainable Finance Strategic Committee (SFSC) aims to validate the Group's sustainable finance strategy and commitments in this area. It approves the overall strategy in terms of sustainable finance, decides the main focuses of sustainable finance commercial policies and monitors their operational implementation. Where necessary, it also validates cross-functional infrastructure choices ensuring expertise and consistency in the implementation of regulatory requirements and the Group's commitments in methods, analyses, risk management, data, tools, standards and reporting related to sustainable finance.
- the General Management Credit Committee (CCDG) is the Group's highest authority concerning credit and counterparty risks. This committee decides primarily on credit requests exceeding the amount of individual delegations attributed to divisions and business lines or relating to transactions of a specific nature or which would deviate from the principles of the

General Credit Policy. A Compliance representative may attend CCDG meetings when an opinion on financial security is needed;

- the General Management Doubtful Committee (CDDG) is the Group's highest level decision-making committee in terms of specific provisioning and recognitions of losses relative to the Group's customer exposures;
- the Financial Markets Risk Committee (FMRC) is the body which governs the Group's risk profile of the capital markets activities; its tasks include, among others, analysing market and counterparty risks and setting limits for capital markets activities;
- the Country Envelope Committees determine the Group's risk appetite by setting limits for medium-to-high-risk countries in view of risk in relation to country, market conditions, business strategies and aspects of risk and compliance;
- the Risk & Development Policy Committees (RDPC) have the dual objective of defining an appropriate risk policy for any given subject which may be a business activity, a product, a geographic area (region or country), a customer segment or economic sector, and of investigating development opportunities in relation to the subject in question;
- the Group IT Risk Committee (GITRC) defines and oversees the Group's IT risk profile. This is the highest authority in terms of technological and cybersecurity risk management.

## RISK MANAGEMENT ORGANISATION

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### POSITION OF THE CONTROL FUNCTIONS

Risk management is central to the banking business and is one of the cornerstones of operations for the BNP Paribas Group. BNP Paribas has an internal control system covering all types of risks to which the Group may be exposed, organised around three lines of defence (see section 2.4 *Internal Control* in chapter 2 *Corporate governance and internal control*):

- as the first line of defence, internal control is the business of every employee, and the heads of the operational activities are responsible for establishing and running a system for identifying, assessing and managing risks according to the standards defined by the functions exercising an independent control in respect of the second line of defence;
- the main control functions within BNP Paribas ensuring the second line of defence are the Compliance, RISK and LEGAL Functions. Their Heads report directly to Chief Executive Officer and account for the performance of their missions to the Board of directors via its specialised committees;
- General Inspection provides a third line of defence. It is responsible for the periodic control.

### GENERAL RESPONSIBILITIES OF THE RISK AND COMPLIANCE FUNCTIONS

Responsibility for managing risks primarily lies with the divisions and business lines that are at the origin of the underlying transactions. RISK continuously performs a second-line control over credit and counterparty risks, market risk, interest rate and foreign exchange rate risks on the banking book, liquidity risks, insurance risks, and operational risk, including technological and cybersecurity risks, over data protection risks, modelling risks and environmental and social risk factors, as well as the associated governance risks. As part of this role, it must ascertain the soundness and sustainability of the business commercial developments and their overall alignment with the risk appetite target set by the Group. RISK's remit includes formulating recommendations on risk policies, analysing the risk portfolio on a forward-looking basis, approving customers loans and trading limits, guaranteeing the quality and effectiveness of monitoring procedures, controlling the maturity of the processes and underlying operational risks and defining or validating risk measurement methods. RISK is also responsible for ensuring that all the risk implications of new businesses or products have been adequately assessed.

Compliance deals identically with risks related to financial security (money laundering, terrorist financing, corruption and influence peddling), market integrity, protection of clients, professional ethics, tax regulations applicable to customers and laws governing banking activities.

Its mission is to provide, through its opinions and decisions, as well as through its supervision and second level-controls, a reasonable assurance as to the effectiveness and consistency of the compliance system over operations and the protection of its reputation.

### ORGANISATION OF THE RISK AND COMPLIANCE FUNCTIONS

#### Approach

The RISK organisation fully complies with the principles of independence, vertical integration, and decentralisation issued by the Group's Management for the Group's main control functions (Compliance, RISK, LEGAL, and a third line of defence, General Inspection). Hence within RISK:

- all the teams in charge of risks, including those in operating entities have been integrated in the function with reporting lines to the Chief Risk Officers of these entities;
- the Chief Risk Officers of the entities report to RISK.

This organisation enables the governance of risk management activities to be strengthened, especially regarding model risk management, through RISK Independent Review and Control (RISK IRC) team, reporting directly to the Chief Risk Officer (CRO) which groups together the teams in charge of the independent review of the risk methodologies and models. This team is also in charge of the independent review of operational risk of RISK Function, with the organisation described in section 5.9 *Operational risk*.

In accordance with international standards and French regulations, Compliance manages the system for monitoring compliance and reputation risks for all of the Group's businesses in France and abroad. The system for monitoring non-compliance and reputation risks is described in section 5.9.

Independent and hierarchically integrated on a global basis, Compliance brings together all employees reporting to the function. Its organisation is based on its guiding principles (independence, integration, decentralisation and subsidiarity of the function, dialogue with the business lines) through local teams (operating divisions, CPBS, IPS and CIB), areas of expertise, and departments in charge of transverse missions.

### **Role of the Chief Risk Officer**

The Group Chief Risk Officer reports directly to the Chief Executive Officer and sits on the Executive Committee of BNP Paribas. He has line authority over all RISK employees. He can veto the decisions which are not in line with the Risk Appetite Statement, concerning the risks under RISK competency. The Group Chief Risk Officer has no connection, in terms of authority, with the Heads of Core Businesses, business lines and territories. He also has direct and independent access to the Board of directors of BNP Paribas, via the Internal Control, Risk management and Compliance Committee (CCIRC).

This positioning serves the following purposes:

- ensuring the objectivity of risk control, by removing any involvement in commercial relationships;
- making sure senior management is warned of any deterioration in risk and is rapidly provided with objective and comprehensive information on the status of risks;
- enabling the dissemination, throughout the Bank, of high and uniform risk management standards and practices;
- ensuring the quality of risk assessment methods and procedures by calling on professional risk managers in charge of evaluating and enhancing these methods and procedures in light of the best practices implemented by international competitors.

### **Role of the Chief Compliance Officer**

The Chief Compliance Officer reports to the Chief Executive Officer and is a member of the BNP Paribas Executive Committee. She has direct and independent access to the Board of directors and in particular to its specialised committee, the Internal Control, Risk management and Compliance Committee (CCIRC), and can thus inform it of any event likely to have a significant impact on the Group. Lastly, the CCIRC periodically interviews her, without the effective managers being present.

The Chief Compliance Officer has no operational activity outside of the non-compliance and reputation risk management framework and no commercial activity, which guarantees her independence of action. She exercises hierarchical supervision over all the Compliance teams within the various business units, geographical areas and functions.

# RISK CULTURE

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## ONE OF THE GROUP'S CORE FOUNDING PRINCIPLES

The BNP Paribas Group has a strong risk and compliance culture.

Executive Management has chosen to include the risk culture in three of its key corporate culture documents:

- Code of conduct:

The Group adopted a new Code of conduct in 2016. It applies to all employees and defines the rules for our conduct in line with the core values of our corporate culture. For example, employees are reminded in the Code of conduct that the Group's interests are protected by responsible risk-taking in a strict control environment. The Code of conduct, updated in 2021, also includes rules for protecting customers' interests, financial security, market integrity, professional ethics and anti-bribery and corruption, which all play an important role in mitigating non-compliance and reputation risks;

- Responsibility Charter:

Executive Management drew up a formal Responsibility Charter, inspired by the Group's core values (the "BNP Paribas Way"), management principles and Code of conduct. One of the four commitments is "Being prepared to take risks, while ensuring close risk control".

The Group sees rigorous risk control as part of its responsibility, both to clients and to the financial system as a whole. The Bank's decisions on the commitments it makes are reached after a rigorous and concerted process, based on a strong, shared risk culture which pervades all levels of the Group. This is true both for risks linked to lending activities, where loans are granted only after in-depth analysis of the borrower's situation and the project to be financed, and for market risks arising from transactions with clients – these are assessed on a daily basis, tested against stress scenarios, and subject to limits.

As a strongly diversified Group, both in terms of geography and businesses, BNP Paribas is able to balance risks and their consequences as they materialise. The Group is organised and managed in such a way that any difficulties arising in one business area will not jeopardise another in the Bank;

- the Group's mission and commitments:

The mission of BNP Paribas is to finance the economy and advise its clients, by supporting them with their projects, their investments, and the management of their savings, guided by strong ethical principles. Through these activities, BNP Paribas wants to have a positive impact on stakeholders and on society, and be one of the most trustworthy players in the sector. BNP Paribas' 12 commitments as a Responsible Bank include in particular the commitment to apply the highest ethical standards and rigorously manage environmental, social, and governance risks (see section 7.2 *Economic Responsibility: financing the economy in an ethical manner*).

## SPREADING THE RISK CULTURE

Robust risk management and control is an integral part of the Bank's principles. A culture of risk management and control has always been one of its top priorities.

In addition to the various training programmes in support of this ambition, there are numerous awareness and acculturation initiatives at global and local level within different entities. These include some examples of teams of experts dedicated to acculturating employees to new developments in certain risk categories: cyber risks, ESG risks, legal risks.

BNP Paribas launched the Risk Culture, a Group-wide initiative, giving it the objective of reinforcing the communication of the best practices in risk management. Sponsored by four functions: Compliance, LEGAL, Human Resources (HR), and RISK, Risk Culture is designed for the benefit of all staff and intervenes on all types of risks to which the Group may be exposed, including credit, market, liquidity, operational, non-compliance, regulatory, environmental and social risks.

Taking an adaptive and participative approach, this initiative supports the business lines and functions in their process of understanding risks, for example in transformation projects or when onboarding new employees. In particular, it takes special care to ensure that conduct and behaviour requirements are well integrated, beyond the mission of transmitting knowledge. It provides entities with resources that they can use for their information, acculturation and support for employee skills development in all aspects of the risk culture.

In conjunction with operating entities, Risk Culture actions mainly consist of:

- ensuring the dissemination of information and professional development in the area of risk management, by means of conferences and the publication of educational articles or videos;
- facilitating the sharing of knowledge between the various players in the Bank, in particular changes in the Bank's business lines, news on regulatory requirements and new ways of working. The experts of the Group are invited to expand documentary resources which can be accessed by employees through various communication channels available within the Group;
- relay, if necessary by adapting from one entity to another, actions to raise awareness of good risk practices carried out on the initiative of other entities.

In all its initiatives, Risk Culture promotes the six fundamental risk management practices that are key to developing a robust risk culture. They serve as a reminder to staff about the importance of clearly understanding and anticipating risks with a long-term perspective, being disciplined with risks taken and reporting swiftly and transparently on risk management.

Lastly, the risk culture is also spread throughout the Group by linking compensation to performance and risk (see chapter 7, section 7.3 *A competitive compensation policy*), under a system that was strengthened in this area since 2015 for those employees whose decisions entail a significant risk component.

## RISK APPETITE

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### DEFINITION AND OBJECTIVES

The Group does not have a specific risk appetite target, but some risks are inherent to its business and therefore to the achievement of its strategic objectives. It has prepared a Risk Appetite Statement and Risk Appetite Framework, which should be seen as the Group's formal statement of its tolerance to the risks to which it is exposed as it implements its strategy.

The Risk Appetite Statement is approved on a yearly basis, or more frequently if necessary, by the Board of directors on the proposal of Executive Management. Consistent with the Group's strategy and in light of the environment in which it operates, this document sets out the qualitative risk principles it intends to follow in its business activities, as well as a quantitative mechanism for supervising the Group's risk profile indicators through quantitative metrics and thresholds. This system covers both the quantifiable and non-quantifiable risks to which it is exposed.

The Group's risk appetite is determined by Executive Management, during various committees it chairs (CCDG, FMRC, Group ALCo, Capital Committee), which are tasked with managing the Group's different types of risk exposure. The Group's strategic processes, such as budget, capital and liquidity management, are in line with the Risk Appetite Statement. Certain Risk Appetite Statement indicators are included in the budget exercise and their expected values in the budget are cross-checked against the thresholds in the Risk Appetite Statement.

The Group's Risk Appetite Statement reflects the core values of its risk culture. It states that the Group's risk culture and its commitments as a responsible bank are at the heart of its strategy. The statement reaffirms the Group's mission: to finance the economy, advise its clients and help to finance their projects, guided by strong ethical principles. The Group's strategy underpinning its risk appetite is founded on the core principles that have guided its development: a balance between business activities to deliver profitability and stability, a customer-focused business model and an integrated banking model to optimise services to the latter. This strategy also factors developments in the banking industry, including the trend towards a digital model, and a macroeconomic situation marked by higher inflation and interest rates than in recent years, in a context of particularly critical geopolitical risk, while certain sectors of the economy show higher levels of risk.

### RISK PRINCIPLES

The risk principles aim to define the types of risk the Group is prepared to accept in support of its business strategy.

They include the following in particular:

- diversification and risk-adjusted profitability:

The Group seeks to generate sustainable, client-driven, risk adjusted profits. Sustainable profitability will be achieved based on selectivity and controlled evolution of BNP Paribas assets, and the pursuit of a diversified business model. Whilst the Group accepts some level of earnings volatility, it remains attentive to contain, at all times, the level of maximum potential losses in an adverse scenario;

- solvency and profitability:

BNP Paribas has sufficient capital to cope with stress scenarios and to meet regulatory capitalisation standards in force. In the course of serving its clients, BNP Paribas accepts exposure to risks when it earns a proper return over an acceptable time frame, and when its potential impacts seem acceptable;

- funding and liquidity:

the Group ensures that the diversification of and balance between its resources and uses of funds correspond to a conservative funding strategy, allowing it to withstand adverse liquidity scenarios. The Group makes sure that it complies with the regulatory liquidity ratios in force;

- credit risk:

The Group only accepts exposure on customers it knows well, based on comprehensive information, and pays close attention to the structure of the financing it grants. The Group builds and maintains a diversified risk portfolio, avoiding large concentrations (especially on single names, industries and countries) and ensures that it complies with the concentration policies in force;

- market risk:

The Group manages market risks (interest rates, equities, currencies, commodities) within the following framework:



- for activities in the capital markets that are customer-focused, BNP Paribas intends to keep its market risk profile in line with this customer-focused business mode,
- interest rate risk associated with its banking book with the aim of stabilising its results on an ongoing basis to within acceptable limits;
- operational risk:

The Group aims to protect its customers, employees and shareholders from operational risk. To do so it has developed a risk management infrastructure based on identifying potential risks, strategies to mitigate risk, and actions to raise awareness of these risks. Some specific risks have resulted in the definition of dedicated principles, in particular:

- non-compliance risk:

The Group is committed to compliance with all applicable laws and regulations. It undertakes to implement a system to manage the risk of non-compliance, including through special programs dedicated to the most important regulations for its business,

- information, communication and technology risk:

The Group endeavours to reduce the risks related to the security of its information through various awareness actions, enhanced supervision of outsourced activities, heightened protection of terminals, incident monitoring, and a technology watch over IT vulnerabilities and attacks;

- insurance activities:

BNP Paribas Cardif is exposed mainly to credit, underwriting and market risks. The entity closely monitors its exposures and profitability, taking into account its risks and the adequacy of its capital with regard to solvency rules. It endeavours to contain potential losses in adverse scenarios at acceptable levels;

- risk associated with social and environmental responsibility:

The Group is particularly sensitive to its customers' performance in terms of social and environmental responsibility, believing that this could have a material impact on its customers' risk profile and, consequently, their solvency, in addition to being a major reputational risk. BNP Paribas takes social and environmental risks into consideration when assessing customer-related risks. The Group also tracks these risks as part of the conduct of its own business, the conduct of its counterparties' business and of its investments on its own behalf or on behalf of third parties.

## SUPERVISION OF RISK PROFILE INDICATORS

The Risk Appetite Statement sets out the indicators that measure the Group's risk profile for its risk exposure categories.

Risk level thresholds are assigned to each metric. When these thresholds are reached, they trigger an established process to inform Executive Management and the Board of directors, and if need be, to implement action plans.

These indicators are monitored quarterly in the risk dashboards presented to the CCIRC.

For example, the following ratios (described in the Key figures of section 5.1 Annual Risk survey) are included in the Risk Appetite statement indicators:

- the solvency ratios (CET1, Tier 1, total own funds, TLAC, MREL and leverage ratio);
- the balance of the breakdown of risk-weighted assets by business line;
- the cost of risk on loans outstandings (in annualised basis points) and doubtful loans on gross outstandings ratio;
- the liquidity ratios (LCR and NSFR).

## STRESS TESTING

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To ensure dynamic risk supervision and management, the Group has implemented a comprehensive stress testing framework.

### STRESS TESTING FRAMEWORK

The stress testing framework forms an integral part of the risk management and financial monitoring system and is used with a threefold objective of forward-looking risk management, planning of regulatory resources and liquidity requirements, and optimisation of the deployment of these resources within the Group, mainly through the Group's and its main entities' ICAAP and ILAAP processes.

#### Different types of stress tests

There are two types of stress tests:

- regulatory stress tests:

These involve primarily the stress tests requested by the European Banking Authority, the European Central Banks, or any other supervisory authority.

In 2023, BNP Paribas took part in the EU-wide stress test organized by the European Banking Authority and the European Central Bank. The exercise was conducted across a panel of 70 banks representing 75% of total assets of the banking system in the European Union. As in previous years, macroeconomic scenarios and a certain number of methodological assumptions were applied to all banks for comparison purposes. A macroeconomic stress scenario was used to test the impact on exposure to credit, market and operational risks, and revenue (net interest income and commissions) and applied to the P&L account, risk weighted assets and capital aggregates.

In 2022, the ECB had conducted a climate stress test among 104 financial institutions under its supervision. The ECB did not disclose any bank-specific information. The exercise demonstrated the good level of progress achieved by BNP Paribas in climate stress testing. The Group recognises the relevance of scenario analysis to assess the possible impacts of climate risk, given its forward-looking nature. The Group however also considers that climate stress testing is a developing activity, which is less mature than traditional stress tests involving macro-economic or capital markets scenarios. Results of climate scenarios analyses should be used in a way that reflects this lesser maturity.

BNP Paribas has participated in early 2024 in the One-off Fit-for-55 climate risk scenario analysis organised by the European Banking Authority under the mandate it received jointly with EIOPA and ESMA from the European Commission to assess the ability of the European financial sector to participate in the financing of energy transition, and more specifically the level of investment required for the European Union to meet its commitment of reducing greenhouse gas emissions by 55% by 2030.

In 2024, BNP Paribas will also participate in the Cyber Resilience Stress Test organised by the European Central Bank.

- internal stress tests:
  - stress tests dedicated to risk anticipation: they contribute to the forward-looking risk management, in particular of credit, market, counterparty, interest rates in the banking book, operational, activity and liquidity risks. The results of the transverse stress tests are used, among other purposes, to formulate the Bank's risk appetite and periodically measure its risk profile. They are periodically submitted to Group Executive Management as well as the Board of directors' Internal Control, Risk Management and Compliance Committee (CCIRC) through the quarterly Group risk dashboard. Moreover, *ad hoc* stress testing is performed, when appropriate, within Risk & Development Policy Committees, portfolio reviews or Country Strategic Committees to identify and assess areas of vulnerability within the Group's portfolios,
  - stress tests for the budget process: they contribute to three-year capital planning. Stress tests are carried out annually as part of the budget process and are included in the ICAAP and the ILAAP. They are reviewed at divisional and business line level before being consolidated at Group level to provide a comprehensive view of the impact on the Bank's capital, liquidity and earnings.

The calculated final output is a range of projected Group's solvency ratios, as well as possible adjustment measures. The scenarios used, the outcomes of the stress tests and the proposed possible adjustment measures (such as reducing exposures to a sub-segment, cost reduction initiatives, or changes in funding or liquidity policies, *etc.*) are included in the budget synthesis report presented to the Group Executive Management and to the Board of directors at the end of the budget process. In addition, in the Group's ICAAP, its solvency can be analysed in adverse scenarios other than an adverse budget scenario, defined by risk topics occasionally identified by the Group,

- reverse stress tests: they are conducted as part of the Bank's recovery and resolution plan and ICAAP. Reverse stress tests consist of identifying scenarios likely to result in a drop in the Bank's solvency ratios to levels set in advance in line with the methods of use in question. These exercises enable any areas where the Bank is fragile in terms of changes in certain risk factors to be detected and facilitate in-depth analyses of the remedial actions that could be implemented by business lines or Group-wide.

## Governance and implementation

This stress testing framework is based on a well-defined governance, with responsibilities shared between the Group and operating entities in order to encourage operational integration and relevance and in particular to develop internal stress test practices required for proper risk management and Group resource planning.

Finance, RISK and ALM Treasury functions have created a shared team, Stress Testing and Financial Simulations ("STFS"), responsible for developing stress testing, ICAAP, internal capital and capital planning across the Group's entities and activities.

The STFS team is responsible in particular for:

- the definition and the implementation of the Group's target structure in terms of stress testing and ICAAP while covering the associated organisational issues, modelisation, IT systems and governance;
- the performance of all of the Group's stress testing exercises, relying in particular on existing teams within the RISK and Finance Functions;
- the support of the stress test and ICAAP initiatives of the Group's business lines and legal entities in order to ensure overall consistency and streamline procedures;
- the coordination of the Group's financial simulation system and its adaptation to the challenges of SREP;
- the Group's risk identification process;
- the production of the Group's ICAAP report and, for certain risks, the quantification of internal capital.

Stress test methodologies are tailored to the main categories of risk and subject to independent review.

Stress tests may be run at Group, business line or portfolio level, dedicated to one or more risk types and on a more or less large number of variables depending on the pursued objective. Where appropriate, the results of quantitative models may be adjusted on the basis of expert judgement.

Since its creation, the Group's stress testing framework has evolved continuously in order to integrate the most recent developments in stress tests, whether in terms of methodologies or improved operational integration in the Group's management processes. The stress test framework by type of risks is detailed in sections 5.4 *Credit risk*, 5.6 *Counterparty credit risk* and 5.7 *Market risk*. In this context, the Group is engaged in the development of a climate stress testing infrastructure, covering scenarios (see below), data and models and methodologies, as well as encompassing both transition and physical risks, which are the two main risk types into which climate risk materialises.

## INTERNAL STRESS TEST SCENARIO DEFINITION

In stress testing exercises, it is common practice to distinguish the baseline scenario from one or several alternative scenarios. A macroeconomic scenario is typically a set of macroeconomic and financial variables (GDP and its components, inflation, employment and unemployment, interest and exchange rates, stock prices, commodity prices, *etc.*) projected over a given future period.

### Macroeconomic stress tests

#### Baseline scenario

The baseline scenario is considered as the most likely scenario over the projection horizon. The baseline scenario is constructed by Group Economic Research in collaboration with various functions and business lines possessing a specific expertise, in particular:

- Group ALM Treasury for interest rates;
- Wealth Management for equity indices;
- BNP Paribas Real Estate regarding commercial real estate;
- local economists when regional expertise is required;
- Stress Testing & Financial Simulations (STFS) for coordination and overall consistency of the scenario.

The global scenario is made up of regional and national scenarios (Eurozone, France, Italy, Belgium, Spain, Germany, United Kingdom, Poland, Türkiye, United States, Japan, China, India, Russia, *etc.*) consistent with each other.

#### Alternative scenarios

Depending on the exercise, one or more alternative scenarios may be used for stress tests.

STFS produces three types of alternative scenarios on a regular basis, in collaboration with the same functions and business lines as those requested in the central scenario: an adverse scenario, a severe scenario and a favourable scenario.

- The adverse scenario describes one or several potential shocks to the economic and financial environment – *i.e.* the materialisation of one or several risks to the baseline scenario – over the projection horizon. An adverse scenario is thus always designed in relation to a baseline scenario. The shocks associated with the adverse scenario are translated in the set of macroeconomic and financial variables listed above in the form of deviations from their value in the baseline scenario.
- The severe scenario is an aggravated version of the adverse scenario.
- The favourable scenario reflects the impact of the materialisation of risks with a positive effect on the economy.

#### Construction of scenarios

The baseline, adverse, severe and favourable scenarios are revised quarterly to monitor the Bank's risk appetite metrics and credit provision calculations within the framework of IFRS 9 (see note 2. *IFRS 17 and IFRS 9 first time application impacts* to the consolidated financial statements).

They are validated in meetings involving the Group Executive Management for scenarios used in the Group's budget process (second and third quarters of the year). For the other two quarterly exercises in March and December, scenarios are validated jointly by the Group Chief Risk Officer and the Group Chief Financial Officer.

The scenarios are then used to calculate expected losses (or profit and loss impact in the case of market risks) over the year for all Group portfolios:

- for portfolios exposed to credit or counterparty risk and for the equity portfolio of the banking book: this calculation measures the impact of the scenario on the cost of risk and risk-weighted assets due to the deterioration of the portfolio quality resulting from the macroeconomic scenario, or adverse moves in equity prices. Credit risk stress tests are performed on the Bank's entire portfolio for all regions and all prudential portfolios, namely Retail, Corporates and Institutions;
- for market portfolios: the changes in value and their profit and loss impact are calculated by simulating a one-time shock, which is consistent with the overall scenario.

The above calculations and related methodologies for stress tests on credit and market risks are coordinated centrally at Group level by STFS team. They also involve various teams of experts at Group and territory's levels in their implementation and design.

Lastly, in an adverse budget scenario, risks appertaining to the Group and its business activities and not forming part of the adverse macroeconomic scenario are added. They are identified and quantified either by the Group's businesses or centrally for those likely to impact the Group as a whole.

### Climate stress tests

Beyond macroeconomic stress tests, the field of climate stress tests is developing rapidly. In this context, the Group is engaged in the analysis, adaptation and creation of transition and physical risk scenarios.

With regard to the risk of transition, the analysis and adaptation works are based at this stage on the work of the NGFS (Network for Greening the Financial System), pioneer in this field. For the Group's internal requirements in terms of climate stress tests, the NGFS scenarios can be adjusted and adapted, so that they are more in touch with most recent developments (e.g. at the macroeconomic level) or that they are more specifically adapted to the Group's portfolios. In addition, in collaboration with other companies and institutions, the Group is taking part in the Iris initiative to define transition scenarios with more precise sectoral aspects that are relevant to assess transition risk.

The physical risk scenarios used by the Group at this stage focus on geographies with significant Retail Banking activities in Europe.

## 5.4 Credit risk

Credit risk is the consequence resulting from the likelihood that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment.

### EXPOSURE TO CREDIT RISK

The following table shows the gross exposure of all of the BNP Paribas Group's assets exposed to credit risk. The banking book securitisation positions as well as derivatives and repurchase agreements exposed to counterparty risk are excluded from this section and presented respectively in section 5.5 and 5.6.

In accordance with Implementing Regulation (EU) No. 2021/637, equity exposures under the standardised approach and using the simple weighting method are included in this section.

The main differences between the carrying amounts of the prudential balance sheet and the risk exposure amounts used for regulatory purposes are presented in Table 10 in the *Scope of Application* section of section 5.2 *Capital management and capital adequacy*.

These gross exposure amounts do not take into account guarantee and collateral received by the Group in its normal credit risk management operations (see section *Credit risk mitigation techniques*).

**TABLE 25: CREDIT RISK EXPOSURE BY ASSET CLASS AND APPROACH**

| Exposure<br>In<br>millions<br>of euros | 31 December 2023 |   |  | 31 December 2022 |   |  | Variation |          |   |
|--|------------------|---|--|------------------|---|--|-----------|----------|---|
|  | IRB<br>approach  | Standardise<br>d<br>approach <sup>(*)</sup> | Simple<br>weightin<br>g<br>method<br>Total | IRB<br>approach  | Standardise<br>d<br>approach <sup>(*)</sup> | Simple<br>weightin<br>g<br>method<br>Total | Total     | Total    | Total –<br>excludin<br>g foreign<br>exchang<br>e effect |
| Central governments and central banks  | 432,341          | 33,179                                      | 465,520                                    | 454,775          | 50,222                                      | 504,997                                    | (39,477)  | (37,297) |   |
| Corporates                             | 671,642          | 118,053                                     | 789,694                                    | 674,680          | 157,795                                     | 832,475                                    | (42,780)  | (30,298) |   |
| Institutions <sup>(**)</sup>           | 45,783           | 23,879                                      | 69,662                                     | 45,960           | 26,289                                      | 72,249                                     | (2,587)   | (1,384)  |   |
| Retail                                 | 281,501          | 164,781                                     | 446,282                                    | 288,930          | 198,524                                     | 487,454                                    | (41,172)  | (42,025) |   |
| Equity                                 |                  | 540   | 13,593                                     |                  | 501   | 12,133                                     | 12,634    | 1,499    | 1,502   |

|   |                  |                |               |                  |                  |                |               |                  |                  |                  |
|---|------------------|----------------|---------------|------------------|------------------|----------------|---------------|------------------|------------------|------------------|
| Units or shares in collective investment undertakings |                  | 5,626          |               | 5,626            |                  | 5,169          |               | 5,169            | 457              | 481              |
| Other items <sup>(**)</sup>                           | 1,327            | 36,948         |               | 38,276           | 726              | 40,686         |               | 41,412           | (3,136)          | (3,557)          |
| <b>TOTAL</b>  | <b>1,432,594</b> | <b>383,007</b> | <b>13,593</b> | <b>1,829,194</b> | <b>1,465,071</b> | <b>479,186</b> | <b>12,133</b> | <b>1,956,389</b> | <b>(127,195)</b> | <b>(112,577)</b> |

(\*) In the following paragraphs, standardised credit risk exposures are reported according to the regulatory standardised classification.

(\*\*) Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.

(\*\*\*) Other non credit-obligation assets include tangible assets, accrued income and residual values.

Exposure related to loan acquisitions on the secondary market in 2023 only accounts for a marginal amount.

## TRENDS IN CREDIT RISK EXPOSURE

The -EUR 113 billion decrease in credit risk exposure is mostly related to the disposal of Bank of the West in the first quarter of 2023. Currency effects with an impact on the exposure trend of -EUR 15 billion, particularly with the depreciation of the US dollar (-EUR 11 billion) and Turkish lira (-EUR 5 billion), partially offset by the appreciation of Polish Zloty (+EUR 3 billion) compared to the euro.

Excluding the currency effects, the main changes by exposure class are the following:

- the -EUR 42.0 billion decrease in retail exposures, following the disposal of Bank of the West coupled with a decrease on residential and commercial real estate loan activities at CPBS, notably in France (-EUR 5 billion) and to a lesser extent in Italy (-EUR 1 billion).
- the -EUR 37.3 billion decrease in central governments and central banks arising from the sale of Bank of the West jointly with a reduction of liquidity placed in the European Central Bank;
- the -EUR 30.0 billion decrease in corporate mostly explained by the sale of Bank of the West and the decrease of CPBS in France (-EUR 4.8 billion), offset by an increase in activity driven by CIB (+EUR 6 billion), mainly split between Americas and Europe, and by CPBS (+EUR 4 billion), primarily in Germany (+EUR 3.4 billion), followed by Belgium (+EUR 2.7 billion) and United Kingdom (+EUR 2.5 billion).

## APPROACHES USED TO CALCULATE CAPITAL REQUIREMENTS

BNP Paribas has opted for the most advanced approaches allowed under Basel 3. In accordance with the European Directive and its transposition into French law, in 2007 the supervisor authorised the Group to use internal models to calculate capital requirements starting on 1 January 2008.

For credit risk, the share of gross exposures under the IRBA approach is 78% at 31 December 2023, up slightly compared to 31 December 2022.

This significant scope includes in particular Corporate & Institutional Banking (CIB), Commercial & Personal Banking in France (CPBF), Commercial & Personal Banking in Belgium (CPBB), BNL bc, Personal Finance and Commercial & Personal Banking in Luxembourg (CPBL).

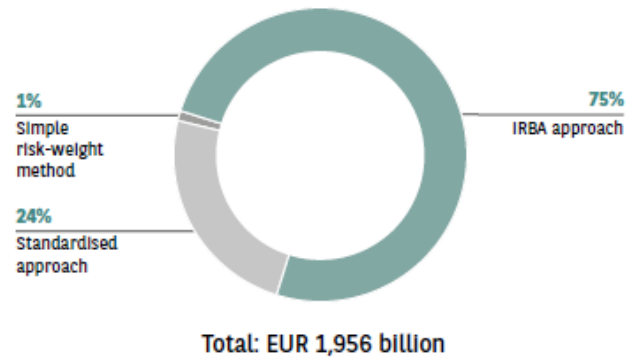
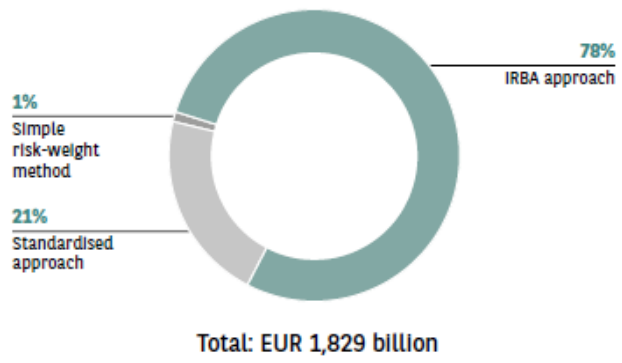
The IRBA scope nevertheless excludes certain entities such as those subsidiaries in the Europe-Mediterranean business lines.

Within the scope of equity exposures, the Group has mainly opted for the simple weighting method.

### FIGURE 7: GROSS CREDIT RISK EXPOSURE BY APPROACH

At 31 December 2023

At 31 December 2022



The amounts and percentages below are presented net of provisions for credit risk.

**TABLE 26: SCOPE OF THE USE OF IRB AND SA APPROACHES (EU CR6-A)**

|                             |  | a   | b   | c   | d   | e  |
|-----------------------------|--|---|---|---|---|--|
|                             |  | 31 December 2023  |   |   |   |  |
|                             |  | Exposure for purposes of leverage ratio <sup>(2)</sup>              |   |   |   |  |
|                             |  | Exposure value for exposures subject to IRB approach <sup>(1)</sup> | Total exposure value for exposures subject to the Standardised approach and to the IRB approach | Percentage of total exposure value subject to the permanent partial use of the SA (%) | Percentage of total exposure value subject to a roll-out plan (%) | Percentage of total exposure value subject to IRB Approach (%) |
| <i>In millions of euros</i> |  |   |   |   |   |  |
| 1                           | Central governments or central banks               | 431,674   | 473,358   | 1.35%   | 7.32%   | 91.33%   |
| 1.1                         | of which Regional governments or local authorities |   | 5,790   | 12.96%  | 87.04%  |  |
| 1.2                         | of which Public sector entities                    |   | 3,194   | 2.50%   | 97.50%  |  |
| 2                           | Institutions                                       | 37,244  | 61,342  | 0.16%   | 25.62%  | 74.21%   |
| 3                           | Corporates   | 482,551   | 771,380   | 0.64%   | 13.14%  | 86.22%   |
| 3.1                         | of which Specialised lending, IRB approach         |   | 79,066  |   |   | 100.00%  |
| 4                           | Retail   | 278,276   | 400,428   | 2.80%   | 27.85%  | 69.35%   |
| 4.1                         | of which secured by real estate SMEs               | 10,675  | 11,014  | 0.00%   |   | 100.00%  |
| 4.2                         | of which secured by real estate non-SMEs           | 185,085   | 184,492   |   |   | 100.00%  |
| 4.3                         | of which qualifying revolving                      | 10,051  | 11,533  |   |   | 100.00%  |
| 4.4                         | of which SMEs                                      | 30,819  | 30,745  |   |   | 100.00%  |
| 4.5                         | of which Other retail                              | 41,644  | 39,918  |   |   | 100.00%  |
| 5                           | Equity   | 13,581  | 19,028  | 0.00%   | 28.57%  | 71.43%   |
| 6                           | Other non-credit obligation assets                 | 1,327   | 1,327   |   |   | 100.00%  |
| 7                           | <b>TOTAL</b>                                       | <b>1,244,653</b>  | <b>1,726,864</b>  | <b>1.31%</b>  | <b>15.56%</b>   | <b>83.13%</b>  |

(1) EAD value used in the risk-weighted assets calculation for the purpose of solvency ratio, pursuant to Article 166 of Regulation (EU) No. 575/2013.

(2) Exposure value used as a measure of exposure for the purpose of leverage ratio, pursuant to Article 249 of Regulation (EU) No. 2019/876.

|  | a   | b   | c   | d   | e  |
|--|---|---|---|---|--|
|  | 31 December 2022  |   |   |   |  |
|  | Exposure for purposes of leverage ratio <sup>(2)</sup>              |   |   |   |  |
| <i>In millions of euros</i>                            | Exposure value for exposures subject to IRB approach <sup>(1)</sup> | Total exposure value for exposures subject to the Standardised approach and to the IRB approach | Percentage of total exposure value subject to the permanent partial use of the SA (%) | Percentage of total exposure value subject to a roll-out plan (%) | Percentage of total exposure value subject to IRB Approach (%) |
| 1 Central governments or central banks                 | 452,804   | 520,777   | 1.14%   | 11.54%  | 87.32%   |
| 1.1 of which Regional governments or local authorities |   | 6,148   | 12.27%  | 87.73%  |  |
| 1.2 of which Public sector entities                    |   | 19,169  | 0.39%   | 99.61%  |  |
| 2 Institutions   | 38,441  | 58,346  | 0.39%   | 21.33%  | 78.28%   |
| 3 Corporates   | 491,948   | 801,132   | 0.73%   | 15.91%  | 83.36%   |
| 3.1 of which Specialised lending, IRB approach         |   | 81,891  |   |   | 100.00%  |
| 4 Retail   | 285,075   | 424,581   | 2.94%   | 29.98%  | 67.08%   |
| 4.1 of which secured by real estate SMEs               |   | 12,044  | 0.00%   |   | 100.00%  |
| 4.2 of which secured by real estate non-SMEs           |   | 188,191   |   |   | 100.00%  |
| 4.3 of which qualifying revolving                      |   | 11,657  |   |   | 100.00%  |
| 4.4 of which SMEs                                      |   | 32,960  |   |   | 100.00%  |
| 4.5 of which Other retail                              |   | 40,105  |   |   | 100.00%  |
| 5 Equity   | 12,108  | 21,653  | 0.03%   | 43.94%  | 56.03%   |
| 6 Other non-credit obligation assets                   | 726   | 726   |   |   | 100.00%  |
| <b>7 TOTAL</b>   | <b>1,281,102</b>  | <b>1,827,215</b>  | <b>1.34%</b>  | <b>18.43%</b>   | <b>80.23%</b>  |

(1) EAD value used in the risk-weighted assets calculation for the purpose of solvency ratio, pursuant to Article 166 of Regulation (EU) No. 575/2013.

(2) Exposure value used as a measure of exposure for the purpose of leverage ratio, pursuant to Article 249 of Regulation (EU) No. 2019/876.



# CREDIT RISK MANAGEMENT POLICY

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## CREDIT POLICIES [Audited]

The Bank's lending activities are governed by the Global Credit Policy. It applies to all Group activities that generate credit or counterparty risk. The Global Credit Policy provides general principles (including the risk assessment and decision-making process, adherence to the highest standards of compliance and ethics) applicable to all credit risk, as well as specific principles applicable to country risk, sector risks, clients selection and the transaction structures. It is supplemented by specific policies tailored to each type of business or counterparty.

These credit policies are regularly updated in line with developments in the credit environment in which the Group operates.

### Corporate Social and Environmental Responsibility (CSR)

Since 2012, clauses on Corporate Social and Environmental Responsibility (CSR) are included in specific new credit policies or when existing policies are updated.

Furthermore, sectoral policies and financing exclusions for certain sectors presenting significant Environmental, Social and Governance (ESG) challenges (described in the Commitment 3, section of chapter 7, *Systematic integration and management of Environmental, social and governance risks (ESG)*) have been implemented since 2011 and steadily strengthened since then. These risks are also analysed in the context of sector reviews and country envelope limits.

The Group is also taking a number of steps to improve the incorporation of ESG risks factors, especially those linked to climate change, in its credit risk system. Within this context, the Group continues to strengthen the ESG assessment of its clients to make it more systematic and to better understand the ESG risk profile associated.

### Expanding the ESG analysis of corporate customers thanks to a risk assessment tool: the ESG Assessment

BNP Paribas takes ESG criteria into account in its decision-making processes. ESG criteria are integrated into the Know Your Client (KYC) as well as into the Global Credit policy and, when more precise criteria are deemed relevant, in specific credit policies.

In addition to the current ESG risk assessment framework (sectoral policies, specific credit policies), an ESG assessment tool has been deployed since June 2021: ESG Assessment, which progressively replaces previous set-ups. It makes it possible to identify, assess and monitor the ESG performance and risks of corporate customers according to the specific characteristic of each of their sectors, with a common approach within the Group for a given customer segment.

The assessment aims to perform an ESG analysis at business group level as part of the credit process, a key pillar of banking financing activities, thus integrating ESG criteria with the other analysis parameters included in the assessment of the counterparty's credit profile

The ESG Assessment covers the environmental (climate, biodiversity), social (health and safety at work, consumer protection and impact on communities) and governance (business ethics) dimensions through a set of questions, supplemented by an analysis of controversies affecting the client. The questionnaires developed in this context are specific to each sector in order to better integrate the challenges and issues specific to their activities.

This tool makes it possible to assess clients' compliance with the Group's sectoral policies, as well as the maturity of their ESG strategy and its implementation.

The deployment of ESG Assessment, included in the credit files for all large corporate business groups regardless of their activity, enables the RISK Function to exercise greater control over the ESG dimensions during credit committees on a documented basis. Currently designed for large companies, this framework has been adapted and will be extended to additional customer segments (corporates with a turnover of more than EUR 50 million and financial institutions) starting from 2024.

## INDIVIDUAL DECISION-MAKING PROCEDURES [Audited]

A system of discretionary credit delegations has been established, under which all lending decisions must be approved by managers or representatives of the business teams, with the concurrence of a formally designated RISK representative. Approvals are systematically evidenced in writing, possibly electronically either by means of a signed approval form or in the minutes of formal Credit Committee meetings. Discretionary credit delegations correspond to aggregate commitments by business group and vary according to internal credit ratings and the specific nature of the business concerned. All transactions proposed are subject to a detailed review of the borrower's current and future position. The review, conducted when granting the transaction and updated at least on an annual basis, is designed to ensure the Group has a comprehensive understanding of the borrower and can monitor any potential changes in its situation. Certain types of lending commitments, such as loans to financial institutions, sovereign loans and loans to customers operating in certain industries that are exposed to cyclical risks or to a rapid pace of change, are subject to specific authorisation procedures and require the sign-off of an industry expert or designated specialist. In Retail Banking, simplified procedures are applied, based on statistical decision-making aids.

Credit applications must comply with the Bank's Global Credit Policy and any relevant specific policies. Material exceptions undergo a special approval process. Before making any commitments, BNP Paribas carries out an in-depth review of any known development plans of the borrower, and ensures that it has thorough knowledge of all the structural aspects of the borrower's operations and that adequate monitoring will be possible.

The General Management Credit Committee (CCDG) is the highest level Group committee for all decisions related to credit and counterparty risk. It has in particular ultimate decision-making authority for all credit applications notably for amounts in excess of individual discretionary credit delegations or applications that would not comply with the Global Credit Policy.

## MONITORING AND PORTFOLIO MANAGEMENT PROCEDURES [Audited]

### Monitoring exposures

A comprehensive risk monitoring system is organised around control units, which are responsible for ensuring that lending commitments comply with the credit decision, that credit risk reporting data are reliable and that risks are effectively monitored. Daily irregular exception reports are produced and various early warning tools are used to identify early the deterioration of credit risks. The various monitoring levels are carried out under the supervision of RISK. Non-performing loans or those placed under credit watch (see *Exposures, provisions and cost of risk*) are overseen more closely via dedicated quarterly committee meetings (see the *Governance* part of section 5.3 *Risk management*). To supplement this mechanism, the Doubtful Committee meets on a monthly basis to validate the proposed changes in individual provisions for doubtful loans for which an adjustment is necessary based on expected financial flows.

The responsibilities of the control teams include the monitoring of exposures against approved authorisations, covenants, and guarantees. This allows the identification of any signs of deterioration against the risk profile approved by the Credit Committee. Control teams flag up (to the RISK teams and business units) any cases that fail to comply with Credit Committee decisions and oversee their resolution. In some cases, a specific alert is sent to the senior management of RISK and of the relevant business unit. These are mainly where exceptions remain unresolved and/or where there are serious indications of deterioration in the risk profile compared with that approved by the Credit Committee.

Furthermore, since 2018 the General Credit Policy has included specific checks to be conducted for loans granted to clients presenting high leverage ratios, in accordance with European Central Bank guidelines.

### Overall portfolio management and monitoring

The selection and careful evaluation of individual risks taken are supported by a monitoring and risk control system based on more aggregated portfolio levels in terms of division/business line, regions, industry, business/product.

The overall portfolio management policy, including concentration of risk by single name, industry and country, is based on this monitoring system and Group Risk Committees review all reports and analyses produced:

- risk concentration by country is managed through country risk limits that are set at the appropriate level of delegated authority for each country. The Group, which is naturally present in most economically active areas endeavours to avoid excessive concentrations of risk in countries with a high geopolitical risk or unstable political structures or which economic position has been undermined. Country envelope limits are reviewed at least once a year, and quarterly reports are drawn up on their use;
- the Group closely monitors individual concentrations, in particular on business groups, corporates, banks or sovereign debts. These concentrations are reported in the quarterly risk report to CCIRC. Related policies implemented by the Group are described under *Credit risk diversification* of this section;
- regular reviews by the Group are carried out of portfolios in certain industries, either because of the magnitude of the Group's exposure to the sector or because of sector-specific risks, such as the cyclical nature of the industry or rapid technological developments. In these reviews, special focus is placed on ESG issues in potentially sensitive sectors. The Group draws on the expertise of the relevant business lines and independent industry specialists working in RISK (Industry and Sector Studies). These reviews provide Executive Management, and if appropriate the CCIRC, with an overview of the Group's exposure to the sector under consideration, and assist it to decide on strategic guidelines. As an illustration, in 2023, an internal portfolio review was undertaken on Petrol & Gas, electricity generation, commercial real estate, Metals & Mining, and automotive;
- Stress tests assess portfolio vulnerabilities by measuring the impact of various adverse scenarios. They are conducted on a quarterly basis on the entire portfolio and on an *ad hoc* basis on sub-portfolios to identify any concentrations. They help to ensure that the Bank's credit risk exposure is in line with its risk appetite.

Lastly, BNP Paribas may use credit risk transfer instruments, such as securitisation programmes, credit derivatives or credit insurance, to mitigate individual risks, reduce portfolio concentration or cap potential losses arising from crisis scenarios.

## IMPAIRMENT VALUATION PROCEDURES [Audited]

The Group applies the impairment procedures described below for all loans subject to impairment (see note 1.f.5 *Impairment of financial assets at amortised cost and of debt instruments at market value through shareholders' equity* to the consolidated financial statements):

- impairment valuation procedure for performing loans:

A loss allowance for loans in stage 1 or stage 2 is constituted by each operating division based on an estimation of expected credit losses. This is validated on a quarterly basis during a committee meeting attended by the Chief Financial Officer and Chief Risk Officer of each operating division. Estimations of expected credit losses result from the default risk in the coming twelve months for financial instruments whose credit risk has not significantly increased since initial recognition (stage 1) or upon maturity for unimpaired loans whose credit risk has significantly increased since initial recognition (stage 2). A tool used by most of the Group's business lines enables calculations to be performed based on the parameters of the rating system described below and integrating the potential impact of macroeconomic and sectoral dynamics;

- impairment valuation procedure for defaulted exposures:

Monthly, RISK reviews corporate, bank and sovereign loans, requiring a review of their impairment, to determine the amount of any decrease in value to be recognised, either by reducing the carrying amount or by recording a provision for impairment, in accordance with applicable accounting standards (see note 1.f.5 *Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders' equity* to the consolidated financial statements). The Group uses various methodologies (expert opinions, statistical calculations) for defaulted exposures to retail customers. These impairments are referred to as stage 3. The amount of this impairment loss is based on the present value of probable recovered net cash flows issued from several scenarios, including from the possible realisation of the collateral held. The amount of this impairment loss is based on the present value of probable recovered net cash flows under various scenarios and including from the possible realisation of the collateral held. Estimated expected cash flows also includes a cash flow scenario from the possible sale of non-performing loans or all loans. Proceeds from the sale is net of costs associated to the sale.

## **RATING SYSTEM** [Audited]

Each counterparty is rated internally by the Group using uniform principles, regardless of the approach used to calculate regulatory capital requirements.

The Bank has a comprehensive internal rating system compliant with regulatory requirements regarding capital adequacy. A periodic assessment and control process has been deployed within the Bank to ensure that the system is appropriate and correctly implemented. The system was formally validated by the supervisor in December 2007 and is inspected on a regular basis.

For loans to institutions, corporates, sovereigns and specialised lendings, the system is based on three parameters: the counterparty's probability of default (PD) expressed via a rating, the Global Recovery Rate (GRR) or its complement, Loss Given Default (LGD), which depends on the structure of the transaction, and the Credit Conversion Factor (CCF) which estimates the off-balance sheet exposure at risk.

There are twelve counterparty ratings. Ten cover performing clients with credit assessments ranging from "excellent" to "very concerning", and two relate to clients classified as in default, as per the definition by the banking supervisor.

Confirmation or amendments to the probability of default parameters and GRR applicable to each transaction are reviewed at least once a year as part of the loan approval process or annual credit review. These are based on the combined expertise of business line staff and, as a second look, the RISK representatives (who have the final say in case of disagreement). It uses appropriate tools including analysis aids and credit scoring systems. The decision to use these tools and the choice of technique depends on the nature of the risk.

For retail counterparties, the system is also based on three parameters: Probability of Default (PD), the Global Recovery Rate (GRR) and the Credit Conversion Factor (CCF). On the other hand, rating methods are applied automatically to determine the loan parameters.

Internal estimates of risk parameters are used in the Bank's day-to-day management in line with regulation recommendations. Thus, apart from calculating capital requirements, they are used for example when setting delegated limits, granting new loans or reviewing existing loans to measure profitability, determine impairments and for book analyses.

**TABLE 27: INDICATIVE MAPPING OF INTERNAL COUNTERPARTY RATING WITH AGENCY RATING SCALE AND AVERAGE EXPECTED PD**

|                      | Internal rating<br>BNP Paribas | LT<br>Issuer/Unsecured<br>issuer's ratings<br>S&P/Fitch | Average expected PD |
|----------------------|--------------------------------|---|---------------------|
| Investment Grade     | 1+                             | AAA   | 0.01%               |
|                      | 1                              | AA+   | 0.01%               |
|                      | 1-                             | AA  | 0.01%               |
|                      | 2+                             | AA-   | 0.02%               |
|                      | 2                              | A+/A  | 0.03%               |
|                      | 2-                             | A-  | 0.04%               |
|                      | 3+/3/3-                        | BBB+  | 0.06% to 0.10%      |
|                      | 4+/4/4-                        | BBB   | 0.13 to 0.21%       |
|                      | 5+/5/5-                        | BBB-  | 0.26% to 0.48%      |
| Non-Investment Grade | 6+                             | BB+   | 0.69%               |
|                      | 6/6-                           | BB  | 1.00% to 1.46%      |
|                      | 7+/7                           | BB-   | 2.11% to 3.07%      |
|                      | 7-                             | B+  | 4.01%               |
|                      | 8+/8/8-                        | B   | 5.23% to 8.06%      |
|                      | 9+/9/9-                        | B-  | 9.53% to 13.32%     |
|                      | 10+                            | CCC   | 15.75%              |
|                      | 10                             | CC  | 18.62%              |
|                      | 10-                            | C   | 21.81%              |
| Default              | 11                             | D   | 100%                |
|                      | 12                             | D   | 100%                |

The Group has developed an indicative equivalence between the Bank's internal ratings and the long-term issuer ratings assigned by the major rating agencies. Nevertheless, the Bank has a much broader clientele than just those counterparties rated by an external rating agency. An indicative equivalence is not relevant in Retail Banking. It is used when the internal ratings are assigned or reviewed in order to identify any differences between the Bank's assessment of a borrower's probability of default and that of one or more of the rating agencies. However, the internal ratings do not aim to reproduce or even approximate the external ratings. There are significant variances in both directions within the portfolio. Some counterparties rated 6 or 7 by BNP Paribas could be considered Investment Grade by the rating agencies.

For further details, see the sections Internal rating system – sovereign, financial institution, corporate and specialised financing portfolios and Internal rating system specific to retail customers.

## CREDIT RISK STRESS TESTING

Quantitative models have been developed and are used to connect credit risk and rating migration parameters with macroeconomic and financial variables projected in stress testing scenarios (see section 5.3 *Stress testing*), for historical data as well as the relevant forecast period.

The quality of the methods used is guaranteed by:

- strict governance in terms of the separation of duties and responsibilities;
- a review of existing systems (models, methodologies, tools) by an independent entity;

- periodic evaluation of the effectiveness and pertinence of the system as a whole.

This governance is based on internal policies and procedures, the supervision of the Credit Risk Stress Testing Committees by business line and the integration of the stress tests within the risk management system.

The central stress testing framework is consistent with the structure defined in the EBA guidelines for European stress tests:

- it is based on the parameters used to calculate capital requirements (regulatory EAD, PD and LGD);
- the expected loss conditional to the macroeconomy is used as a measure of the cost of risk resulting from new defaults;
- the stressed cost of risk is supplemented with impacts on stage 1 and 2 provisions and provisions on the outstanding non-performing loans;
- the regulatory capital stress testing is performed on the basis of rating migrations, default events, and the stressed regulatory PD used in calculating regulatory capital requirements.

Stress testing of credit risk is used in the evaluation of the Group's risk appetite, and more specifically during portfolio reviews. They are based on models integrated into the risk management and financial planning processes, shared with the provisions calculation system and the internal economic measurement of capital requirements.

The system was strengthened and adapted to the evolution of the risk environment:

- it integrates consideration of the heterogeneity of sectoral trajectories according to scenarios, in particular in high inflation and energy transition contexts;
- the Forward Looking Adjustment of Internal Rating (FLAIR) approach makes it possible to include in the projections developments that are unparalleled in the recent historical period or likely to lead to rapid changes in the relationships observed historically between variables. This system is used to take into account the impact of the rise in recent interest rates and contributes to the assessment of climate change risks.

The Bank has developed a partnership with the *Centre de Mathématiques appliquées de l'Ecole Polytechnique en France* (CMAP) to ensure access to the most advanced scientific knowledge in the measurement of climate change risks, cyber risks, uncertainty and extreme events more generally.

## CREDIT RISK DIVERSIFICATION

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The Group's gross exposure to credit risk stands at EUR 1,815 billion at 31 December 2023, a decrease compared to 31 December 2022 with EUR 1,944 billion. This decrease is mainly due to the disposal of Bank of the West. This portfolio, which is analysed below in terms of its diversification, comprises all exposures to credit risk shown in Table 25, excluding equity exposures under the simple weighting method, shown in the section *Credit risk: equities under the simple weighting method*.

These exposure amounts are based on the gross carrying value of the financial assets. They do not include collateral taken by the Group in its normal credit risk management operations (see section *Credit risk mitigation techniques*).

No single counterparty gives rise to an excessive concentration of credit risk, due to the size of the business and the high level of industrial and geographical diversification of the client base. The breakdown of credit risks by industry and by region is presented in the tables hereafter.

This risk is mainly assessed through the monitoring of the indicators shown below.

### SINGLE NAME CONCENTRATION

The single name concentration risk of the portfolio is subject to regular monitoring. It is assessed on the basis of the total commitments at client or business group level and is based on two types of monitoring:

#### Monitoring of large exposures

Article 395 of Regulation (EU) No. 575/2013 of 26 June 2013 establishes a limit of 25% of the Bank's capital for exposure by business group (after exemptions and taking credit risk mitigation techniques into account).

BNP Paribas is well below the concentration thresholds set by this regulation. The exposure (as defined above) of a client or a group of connected clients never exceeds 10% of the Bank's eligible capital.

#### Monitoring through individual "single name" concentration policies

The single name concentration risks are part of the Group's concentration policies. They are meant to identify and closely monitor any single business group with an excessive concentration of risk to proactively manage individual concentrations relative to the Group's Risk Appetite Statement.

## BREAKDOWN BY REGULATORY ASSET CLASS

TABLE 28: CREDIT RISK EXPOSURE BY ASSET CLASS AND APPROACH TYPE

| Exposure<br><i>In millions of euros</i>  | 31 December<br>2023 | 31 December<br>2022 |
|--|---------------------|---------------------|
| Central governments or central banks   | 432,341             | 454,775             |
| Institutions   | 45,783              | 45,960              |
| Corporates   | 671,642             | 674,680             |
| Corporates – Specialised financing   | 80,020              | 82,887              |
| Corporates – SME   | 49,095              | 51,583              |
| Other corporates   | 542,527             | 540,210             |
| Retail   | 281,501             | 288,930             |
| Retail – Secured by real estate property                                       | 185,070             | 189,024             |
| Retail – Secured by commercial property  | 11,106              | 12,176              |
| Retail – Revolving exposures   | 11,901              | 12,087              |
| Retail – SME   | 31,932              | 34,210              |
| Retail – Other   | 41,492              | 41,432              |
| Other risk assets  | 1,327               | 726                 |
| <b>TOTAL IRB APPROACH</b>  | <b>1,432,594</b>    | <b>1,465,071</b>    |
| Central governments or central banks   | 29,288              | 37,425              |
| Regional governments or local authorities                                      | 5,793               | 6,153               |
| Public sector entities   | 3,196               | 19,167              |
| Multilateral development banks   | 1,637               | 221                 |
| International organisations  | 1,279               | 1,023               |
| Institutions   | 15,828              | 12,502              |
| Corporates   | 106,662             | 133,300             |
| Retail   | 124,421             | 141,447             |
| Exposures secured by mortgages on immovable property                           | 41,726              | 70,079              |
| Exposures in default   | 10,062              | 10,858              |
| Items associated with particular high risk <sup>(*)</sup>                      | 0                   | 655                 |
| Exposures in the form of units or shares in collective investment undertakings | 5,626               | 5,169               |
| Equity   | 540                 | 501                 |
| Other items  | 36,948              | 40,686              |
| <b>TOTAL STANDARDISED APPROACH</b>   | <b>383,007</b>      | <b>479,186</b>      |
| <b>TOTAL</b>   | <b>1,815,602</b>    | <b>1,944,257</b>    |

(\*) Immovable property financing exposures whose risk profile may be affected by market conditions.

## **GEOGRAPHIC DIVERSIFICATION**

Country risk is the sum of the risks on all exposures to obligors in the country concerned. It is not the same as sovereign risk, which is the sum of all exposures to the central government and its various branches. Country risk reflects the Bank's exposure to a given economic and political environment, which are taken into consideration when assessing counterparty quality.

The geographic breakdown shown below is based on the counterparty's country of residence.

The geographic breakdown of the portfolios is balanced. In 2023, the Group was particularly attentive to geopolitical risks and the economic performance of emerging countries.

TABLE 29: CREDIT RISK EXPOSURE BY GEOGRAPHIC REGION

|   | 31 December 2023      |         |         |            |        |                   |         |             |                                |                  |                          |         |               |                                   |                                  |                                  |         |                        |                               |                  |                    |        |        |           |
|---|-----------------------|---------|---------|------------|--------|-------------------|---------|-------------|--------------------------------|------------------|--------------------------|---------|---------------|-----------------------------------|----------------------------------|----------------------------------|---------|------------------------|-------------------------------|------------------|--------------------|--------|--------|-----------|
| Exposure<br><i>In millions<br/>of euros</i>     | Europe <sup>(1)</sup> |         |         |            |        |                   |         |             |                                |                  | Asia Pacific             |         |               |                                   |                                  |                                  |         | Rest of the World      |                               |                  |                    |        |        |           |
|   | Total<br>Europe       | France  | Belgium | Luxembourg | Italy  | United<br>Kingdom | Germany | Netherlands | Other<br>European<br>countries | North<br>America | Total<br>Asia<br>Pacific | Japan   | North<br>Asia | South-<br>East<br>Asia<br>(ASEAN) | Indian<br>peninsula<br>& Pacific | Total<br>Rest<br>of the<br>World | Türkiye | Mediterranean<br>basin | Gulf<br>States<br>&<br>Africa | Latin<br>America | Other<br>countries | TOTAL  |        |           |
|   |                       |         |         |            |        |                   |         |             |                                |                  |                          |         |               |                                   |                                  |                                  |         |                        |                               |                  |                    |        |        |           |
| Central governments<br>or central banks         | 331,619               | 207,395 | 37,758  |            | 26,423 | 21,375            | 5,385   | 12,086      | 171                            | 21,026           | 46,000                   | 47,310  | 25,137        | 6,921                             | 9,171                            | 6,081                            | 7,412   | 404                    |                               | 277              | 2,121              | 2,648  | 1,962  | 432,341   |
| Institutions                                    | 26,044                | 7,569   | 8,715   |            | 424    | 1,968             | 878     | 1,702       | 1,799                          | 2,991            | 5,670                    | 7,382   | 1,454         | 4,194                             | 705                              | 1,029                            | 6,687   | 1,059                  |                               | 181              | 3,105              | 1,951  | 390    | 45,783    |
| Corporates                                      | 476,070               | 147,757 | 69,813  |            | 29,276 | 60,486            | 51,736  | 32,731      | 25,756                         | 58,516           | 108,216                  | 49,882  | 7,721         | 17,085                            | 10,813                           | 14,264                           | 37,474  | 1,200                  |                               | 425              | 8,603              | 14,863 | 12,382 | 671,642   |
| Retail  | 279,905               | 149,927 | 82,558  |            | 9,100  | 36,145            | 570     | 373         | 265                            | 969              | 560                      | 418     | 20            | 163                               | 191                              | 45                               | 619     | 17                     |                               | 72               | 318                | 78     | 134    | 281,501   |
| Other items                                     | 1,327                 | 1,327   |         |            |        |                   |         |             |                                |                  | -                        | -       |               |                                   |                                  |                                  |         |                        |                               |                  |                    |        |        | 1,327     |
| TOTAL IRB<br>APPROACH                           | 1,114,966             | 513,975 | 198,843 |            | 65,222 | 119,973           | 58,568  | 46,891      | 27,990                         | 83,503           | 160,445                  | 104,992 | 34,332        | 28,363                            | 20,879                           | 21,419                           | 52,191  | 2,680                  |                               | 955              | 14,147             | 19,540 | 14,868 | 1,432,594 |
| Central governments<br>or central banks         | 22,107                | 5,821   | 1,626   |            | 328    | 4,954             | 122     | 531         | 3                              | 8,722            | 366                      | 237     | 53            | 14                                | 1                                | 168                              | 6,578   | 4,683                  |                               | 1,672            |                    | 133    | 90     | 29,288    |
| Regional governments<br>or local<br>authorities | 5,454                 | 531     | 1,142   |            | 86     | 2,961             | 37      | 46          | 15                             | 636              | 196                      | 5       |               |                                   |                                  | 5                                | 137     | 137                    |                               | 1                |                    |        |        | 5,793     |
| Public sector<br>entities                       | 3,085                 | 583     | 77      |            | 12     | 1,943             | 41      | 37          | 6                              | 385              | 1                        | 16      |               | 16                                |                                  |                                  | 94      |                        |                               | 94               |                    |        |        | 3,196     |
| Multilateral<br>development<br>banks            | 1,637                 |         |         |            | 1,603  |                   | 34      |             |                                |                  | -                        | -       |               |                                   |                                  |                                  | -       |                        |                               |                  |                    |        |        | 1,637     |
| International<br>organisations                  | 1,279                 | 1,030   | 175     |            | 20     | 51                |         |             |                                | 3                | -                        | -       |               |                                   |                                  |                                  | -       |                        |                               |                  |                    |        |        | 1,279     |
| Institutions                                    | 12,460                | 6,825   | 268     |            | 216    | 574               | 780     | 398         | 94                             | 3,306            | 299                      | 1,681   | 12            | 410                               | 221                              | 1,038                            | 1,388   | 506                    |                               | 83               | 265                | 332    | 201    | 15,828    |
| Corporates                                      | 87,079                | 21,905  | 5,546   |            | 1,603  | 9,518             | 8,541   | 8,472       | 1,492                          | 30,002           | 1,000                    | 6,131   | 51            | 3,011                             | 1,534                            | 1,535                            | 12,453  | 4,825                  |                               | 5,136            | 521                | 638    | 1,333  | 106,662   |



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| Exposure<br><i>In millions<br/>of euros</i>   | Europe <sup>(*)</sup> |         |         |            |                |         |         |             |                                |                  | Asia Pacific             |        |               |                                   |                                  |                                  |         | Rest of the World      |                               |                  |                    |           | TOTAL |
|---|-----------------------|---------|---------|------------|----------------|---------|---------|-------------|--------------------------------|------------------|--------------------------|--------|---------------|-----------------------------------|----------------------------------|----------------------------------|---------|------------------------|-------------------------------|------------------|--------------------|-----------|-------|
|   | Total<br>Europe       | France  | Belgium | Luxembourg | United Kingdom |         |         |             | Other<br>European<br>countries | North<br>America | Total<br>Asia<br>Pacific | Japan  | North<br>Asia | South-<br>East<br>Asia<br>(ASEAN) | Indian<br>peninsula<br>& Pacific | Total<br>Rest<br>of the<br>World | Türkiye | Mediterranean<br>basin | Gulf<br>States<br>&<br>Africa | Latin<br>America | Other<br>countries |           |       |
|   |                       |         |         |            | Italy          | Kingdom | Germany | Netherlands |                                |                  |                          |        |               |                                   |                                  |                                  |         |                        |                               |                  |                    |           |       |
| Retail  | 111,342               | 15,373  | 4,631   | 287        | 29,786         | 15,613  | 17,516  | 1,448       | 26,689                         | 114              | 2,460                    | 4      | 2,107         | 7                                 | 342                              | 10,505                           | 4,864   | 1,367                  | 1,103                         | 2,475            | 696                | 124,421   |       |
| Exposures<br>secured by<br>mortgages on<br>immovable<br>property                              | 39,057                | 7,298   | 7,223   | 85         | 949            | 1,229   | 2,054   | 5,666       | 14,554                         | 20               | 315                      | 1      | 110           | 155                               | 48                               | 2,334                            | 1,144   | 1,076                  | 62                            | 9                | 44                 | 41,726    |       |
| Exposures in<br>default   | 8,850                 | 2,159   | 342     | 18         | 2,020          | 577     | 896     | 70          | 2,769                          | 8                | 4                        |        | 1             | 1                                 | 3                                | 1,200                            | 138     | 797                    | 200                           | 36               | 29                 | 10,062    |       |
| Items<br>associated with<br>particular high<br>risk <sup>(**)</sup>                           | -                     |         |         |            |                |         |         |             |                                | -                | -                        |        |               |                                   |                                  | -                                |         |                        |                               |                  |                    | -         |       |
| Exposures in<br>the form of units<br>or shares in<br>collective<br>investment<br>undertakings | 5,482                 | 3,167   | 397     | 1,135      | 458            | 97      | 35      | 65          | 128                            | 112              | 26                       | 12     | 7             | 2                                 | 5                                | 6                                | 4       |                        |                               |                  | 1                  | 5,626     |       |
| Equity  | 467                   | 210     |         | 196        | 1              | 27      | 2       | 15          | 16                             | 58               | 6                        |        |               |                                   | 6                                | 9                                |         |                        |                               | 8                | 1                  | 540       |       |
| Other items   | 34,866                | 20,369  | 2,365   | 441        | 4,074          | 2,354   | 3,752   | 166         | 1,344                          | 292              | 972                      | 73     | 815           | 8                                 | 76                               | 818                              | 390     | 293                    | 24                            | 86               | 25                 | 36,948    |       |
| TOTAL<br>STANDARDISED<br>APPROACH   | 333,166               | 85,270  | 23,792  | 6,031      | 57,288         | 29,452  | 33,739  | 9,040       | 88,553                         | 2,467            | 11,852                   | 206    | 6,491         | 1,929                             | 3,226                            | 35,522                           | 16,690  | 10,518                 | 2,176                         | 3,718            | 2,420              | 383,007   |       |
| TOTAL   | 1,448,132             | 599,245 | 222,635 | 71,254     | 177,261        | 88,020  | 80,630  | 37,030      | 172,056                        | 162,912          | 116,845                  | 34,537 | 34,854        | 22,808                            | 24,645                           | 87,713                           | 19,370  | 11,473                 | 16,323                        | 23,258           | 17,288             | 1,815,601 |       |

(\*) Within the scope of the European Union, the European Free Trade Association (EFTA) and United Kingdom.

(\*\*) Immovable property financing exposures whose risk profile may be affected by market conditions.

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| Exposure<br><i>In millions<br/>of euros</i> | Europe <sup>(1)</sup> |         |         |            |                |         |         |             |                                |                  | Asia Pacific             |        |               |                                   |                                  |                                  |         | Rest of the World      |                               |                  |                    |           |
|---|-----------------------|---------|---------|------------|----------------|---------|---------|-------------|--------------------------------|------------------|--------------------------|--------|---------------|-----------------------------------|----------------------------------|----------------------------------|---------|------------------------|-------------------------------|------------------|--------------------|-----------|
|   | Total<br>Europe       | France  | Belgium | Luxembourg | United Kingdom |         |         |             | Other<br>European<br>countries | North<br>America | Total<br>Asia<br>Pacific | Japan  | North<br>Asia | South-<br>East<br>Asia<br>(ASEAN) | Indian<br>peninsula<br>& Pacific | Total<br>Rest<br>of the<br>World | Türkiye | Mediterranean<br>basin | Gulf<br>States<br>&<br>Africa | Latin<br>America | Other<br>countries | TOTAL     |
|   |                       |         |         |            | Italy          | Kingdom | Germany | Netherlands |                                |                  |                          |        |               |                                   |                                  |                                  |         |                        |                               |                  |                    |           |
| Central governments or central banks        | 363,169               | 241,404 | 34,353  | 25,225     | 17,668         | 5,544   | 14,996  | 191         | 23,788                         | 40,859           | 42,024                   | 17,157 | 6,966         | 11,837                            | 6,064                            | 8,722                            | 387     | 292                    | 3,580                         | 2,354            | 2,110              | 454,775   |
| Institutions                                | 23,445                | 5,652   | 8,370   | 695        | 1,926          | 1,154   | 1,420   | 1,618       | 2,611                          | 7,450            | 7,934                    | 1,815  | 4,160         | 634                               | 1,325                            | 7,131                            | 1,017   | 176                    | 3,078                         | 2,199            | 660                | 45,960    |
| Corporates                                  | 475,679               | 149,297 | 67,635  | 29,306     | 63,983         | 53,642  | 34,138  | 24,107      | 53,571                         | 103,362          | 56,137                   | 7,232  | 18,510        | 13,350                            | 17,045                           | 39,502                           | 1,566   | 546                    | 9,799                         | 14,567           | 13,024             | 674,680   |
| Retail                                      | 288,332               | 156,086 | 84,067  | 9,244      | 37,400         | 345     | 288     | 226         | 674                            | 264              | 105                      | 6      | 37            | 44                                | 19                               | 228                              | 8       | 44                     | 70                            | 34               | 72                 | 288,930   |
| Other items                                 | 726                   | 726     |         |            |                |         |         |             |                                |                  |                          |        |               |                                   |                                  |                                  |         |                        |                               |                  |                    | 726       |
| TOTAL IRB APPROACH                          | 1,151,351             | 553,165 | 194,425 | 64,471     | 120,977        | 60,686  | 50,842  | 26,143      | 80,643                         | 151,936          | 106,200                  | 26,210 | 29,672        | 25,865                            | 24,453                           | 55,583                           | 2,978   | 1,058                  | 16,526                        | 19,154           | 15,867             | 1,465,071 |
| Central governments or central banks        | 21,889                | 7,159   | 2,580   | 335        | 3,460          | 23      | 307     | 3           | 8,022                          | 7,957            | 177                      | 46     | 20            | 5                                 | 105                              | 7,403                            | 4,222   | 1,860                  | 1,031                         | 180              | 109                | 37,425    |
| Regional governments or local authorities   | 5,073                 | 679     | 1,149   | 102        | 2,420          | 25      | 12      | 12          | 674                            | 1,008            | 3                        |        |               |                                   | 3                                | 69                               | 69      |                        |                               |                  |                    | 6,153     |
| Public sector entities                      | 2,880                 | 598     | 71      | 17         | 1,874          | 49      | 41      | 6           | 223                            | 16,138           | 20                       |        | 20            |                                   |                                  | 129                              |         | 125                    | 4                             |                  |                    | 19,167    |
| Multilateral development banks              | 221                   |         |         | 166        |                | 55      |         |             |                                | -                | -                        |        |               |                                   |                                  | -                                |         |                        |                               |                  |                    | 221       |
| International organisations                 | 1,023                 | 772     | 206     | 3          | 39             |         |         |             | 2                              | -                | -                        |        |               |                                   |                                  | -                                |         |                        |                               |                  |                    | 1,023     |
| Institutions                                | 9,408                 | 4,676   | 173     | 146        | 658            | 506     | 342     | 226         | 2,681                          | 781              | 1,025                    | 36     | 349           | 117                               | 523                              | 1,288                            | 700     | 86                     | 85                            | 255              | 161                | 12,502    |
| Corporates                                  | 81,213                | 23,055  | 5,152   | 1,805      | 9,651          | 7,387   | 5,534   | 1,446       | 27,183                         | 33,443           | 5,657                    | 30     | 3,161         | 1,757                             | 709                              | 12,987                           | 5,590   | 4,270                  | 2,009                         | 479              | 639                | 133,300   |
| Retail                                      | 111,260               | 17,397  | 4,697   | 299        | 30,876         | 13,541  | 16,942  | 1,399       | 26,110                         | 16,452           | 2,063                    | 62     | 1,659         | 13                                | 329                              | 11,673                           | 4,961   | 1,173                  | 1,636                         | 3,261            | 642                | 141,447   |

31 December 2022

| Exposure<br><i>In millions<br/>of euros</i>   |                       |                |                |               |                |                   |               |               |                                |                  |                          |               |               |                                   |                                  |                                  |               |                        |                               |                  |                    |                  |
|---|-----------------------|----------------|----------------|---------------|----------------|-------------------|---------------|---------------|--------------------------------|------------------|--------------------------|---------------|---------------|-----------------------------------|----------------------------------|----------------------------------|---------------|------------------------|-------------------------------|------------------|--------------------|------------------|
|   | Europe <sup>(*)</sup> |                |                |               |                |                   |               |               |                                |                  | Asia Pacific             |               |               |                                   |                                  |                                  |               | Rest of the World      |                               |                  |                    |                  |
|   | Total<br>Europe       | France         | Belgium        | Luxembourg    | Italy          | United<br>Kingdom | Germany       | Netherlands   | Other<br>European<br>countries | North<br>America | Total<br>Asia<br>Pacific | Japan         | North<br>Asia | South-<br>East<br>Asia<br>(ASEAN) | Indian<br>peninsula<br>& Pacific | Total<br>Rest<br>of the<br>World | Türkiye       | Mediterranean<br>basin | Gulf<br>States<br>&<br>Africa | Latin<br>America | Other<br>countries | TOTAL            |
| Exposures<br>secured by<br>mortgages on<br>immovable<br>property                              | 39,368                | 7,435          | 6,281          | 68            | 924            | 1,302             | 1,735         | 5,800         | 15,823                         | 27,782           | 318                      | 1             | 119           | 176                               | 21                               | 2,612                            | 1,266         | 1,243                  | 59                            | 10               | 34                 | 70,079           |
| Exposures in<br>default   | 8,848                 | 2,169          | 281            | 27            | 2,168          | 585               | 835           | 42            | 2,740                          | 464              | 5                        |               | 1             | 2                                 | 2                                | 1,561                            | 259           | 768                    | 350                           | 152              | 31                 | 10,878           |
| Items<br>associated with<br>particular high<br>risk <sup>(**)</sup>                           | -                     |                |                |               |                |                   |               |               |                                | 636              | -                        |               |               |                                   |                                  | -                                |               |                        |                               |                  |                    | 636              |
| Exposures in<br>the form of units<br>or shares in<br>collective<br>investment<br>undertakings | 4,923                 | 3,087          | 351            | 903           | 264            | 122               | 29            | 62            | 105                            | 115              | 105                      | 7             | 4             |                                   | 93                               | 26                               | 2             |                        | 3                             | 13               | 9                  | 5,169            |
| Equity  | 404                   | 50             |                | 294           | 15             | 28                | 1             |               | 16                             | 84               | 4                        |               |               |                                   | 4                                | 9                                |               |                        |                               | 8                | 1                  | 501              |
| Other items   | 36,476                | 25,143         | 2,278          | 509           | 3,800          | 1,344             | 2,112         | 123           | 1,168                          | 2,009            | 1,171                    | 23            | 1,055         | 7                                 | 85                               | 1,030                            | 446           | 312                    | 144                           | 105              | 22                 | 40,686           |
| <b>TOTAL<br/>STANDARDISED<br/>APPROACH</b>  | <b>322,986</b>        | <b>92,220</b>  | <b>23,219</b>  | <b>4,673</b>  | <b>56,149</b>  | <b>24,967</b>     | <b>27,890</b> | <b>9,120</b>  | <b>84,747</b>                  | <b>106,867</b>   | <b>10,547</b>            | <b>207</b>    | <b>6,388</b>  | <b>2,078</b>                      | <b>1,874</b>                     | <b>38,785</b>                    | <b>17,516</b> | <b>9,838</b>           | <b>5,322</b>                  | <b>4,463</b>     | <b>1,647</b>       | <b>479,186</b>   |
| <b>TOTAL</b>  | <b>1,474,337</b>      | <b>645,385</b> | <b>217,644</b> | <b>69,145</b> | <b>177,126</b> | <b>85,654</b>     | <b>78,732</b> | <b>35,262</b> | <b>165,390</b>                 | <b>258,803</b>   | <b>116,748</b>           | <b>26,417</b> | <b>36,060</b> | <b>27,943</b>                     | <b>26,327</b>                    | <b>94,369</b>                    | <b>20,494</b> | <b>10,896</b>          | <b>21,848</b>                 | <b>23,616</b>    | <b>17,515</b>      | <b>1,944,257</b> |

(\*) Within the scope of the European Union and the European Free Trade Association (EFTA).

(\*\*) Immovable property financing exposures whose risk profile may be affected by market conditions.

## INDUSTRY DIVERSIFICATION

The sectoral breakdown of the exposure class of non-financial corporations by industry is available in Table 51 *Breakdown of loans and advances and provisions to non-financial corporations by industry (EU CQ5)*.

## RISK-WEIGHTED ASSETS

**TABLE 30: CREDIT RISK-WEIGHTED ASSETS**

| <b>RWAs</b><br><i>In millions of euros</i>                                     | <b>31 December<br/>2023</b> | <b>31 December<br/>2022</b> | <b>Variation</b> |
|--|-----------------------------|-----------------------------|------------------|
| <b>IRB approach</b>  | <b>287,009</b>              | <b>307,068</b>              | <b>(20,059)</b>  |
| Central governments or central banks   | 4,360                       | 4,620                       | (260)            |
| Institutions   | 7,963                       | 8,280                       | (317)            |
| Corporates   | 218,425                     | 237,260                     | (18,835)         |
| Corporates – Specialised financing   | 22,918                      | 24,001                      | (1,084)          |
| Corporates – SME   | 21,967                      | 20,979                      | 989              |
| Other corporates   | 173,540                     | 192,280                     | (18,740)         |
| Retail   | 55,989                      | 56,767                      | (778)            |
| Retail – Secured by real estate property                                       | 23,174                      | 23,560                      | (386)            |
| Retail – Secured by commercial property  | 2,880                       | 3,146                       | (266)            |
| Retail – Revolving exposures   | 3,366                       | 3,304                       | 62               |
| Retail – SME   | 9,469                       | 9,579                       | (110)            |
| Retail – Other   | 17,100                      | 17,178                      | (78)             |
| Other risk assets  | 272                         | 141                         | 132              |
| <b>Standardised approach</b>   | <b>188,191</b>              | <b>231,375</b>              | <b>(43,184)</b>  |
| Central governments or central banks   | 4,842                       | 6,229                       | (1,386)          |
| Regional governments or local authorities                                      | 709                         | 774                         | (66)             |
| Public sector entities   | 1,110                       | 2,236                       | (1,126)          |
| Multilateral development banks   |                             |                             |                  |
| International organisations  |                             |                             |                  |
| Institutions   | 5,562                       | 4,411                       | 1,150            |
| Corporates   | 60,937                      | 80,433                      | (19,497)         |
| Retail   | 62,749                      | 73,410                      | (10,661)         |
| Exposures secured by mortgages on immovable property                           | 16,012                      | 26,941                      | (10,930)         |
| Exposures in default   | 4,957                       | 5,684                       | (727)            |
| Items associated with particular high risk <sup>(*)</sup>                      |                             | 705                         | (705)            |
| Exposures in the form of units or shares in collective investment undertakings | 7,838                       | 7,101                       | 737              |
| Equity   | 2,265                       | 2,301                       | (36)             |
| Other items  | 21,211                      | 21,150                      | 61               |
| <b>Equity positions under the simple weighting method</b>                      | <b>45,941</b>               | <b>41,192</b>               | <b>4,749</b>     |
| Private equity exposures in diversified portfolios                             | 3,480                       | 2,952                       | 527              |
| Listed equity exposures  | 3,706                       | 2,976                       | 730              |
| Other equity exposures   | 38,755                      | 35,263                      | 3,492            |

|                      |                |                |                 |
|----------------------|----------------|----------------|-----------------|
| Other risk exposures | 14,000         |                | 14,000          |
| <b>CREDIT RISK</b>   | <b>535,141</b> | <b>579,635</b> | <b>(44,494)</b> |

(\*) *Immovable property financing exposures whose risk profile may be affected by market conditions.*

**TABLE 31: CREDIT RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER (EU CR8)**

**1<sup>st</sup> quarter 2024**

|                             |                            | RWAs           |                       | Capital Requirements |                       |
|-----------------------------|----------------------------|----------------|-----------------------|----------------------|-----------------------|
| <i>In millions of euros</i> |                            | Total          | of which IRB approach | Total                | of which IRB approach |
| <b>1</b>                    | <b>31 December 2023</b>    | <b>535,141</b> | <b>287,009</b>        | <b>42,811</b>        | <b>22,961</b>         |
| 2                           | Asset size                 | 5,527          | 3,773                 | 442                  | 302                   |
| 3                           | Asset quality              | (1,259)        | (1,635)               | (101)                | (131)                 |
| 4                           | Model update               | 9,077          | 24,277                | 726                  | 1,942                 |
| 5                           | Methodology and policy     | 1,423          |                       | 114                  |                       |
| 6                           | Acquisitions and disposals | (1,282)        |                       | (103)                |                       |
| 7                           | Currency                   | 1,569          | 1,316                 | 126                  | 105                   |
| 8                           | Others                     | 469            | (933)                 | 38                   | (75)                  |
| <b>9</b>                    | <b>31 MARCH 2024</b>       | <b>550,666</b> | <b>313,807</b>        | <b>44,053</b>        | <b>25,105</b>         |

## CREDIT RISK: INTERNAL RATINGS-BASED APPROACH (IRBA)

The internal rating system developed by the Group covers the entire Bank. The IRBA framework, validated in December 2007, covers the portfolio described in *Approaches used to calculate capital requirements* in the section entitled *Exposure to credit risk*.

The Group has developed specific internal models adapted for the most common categories of exposure and clients in its loan portfolio. BNP Paribas bases these developments on internal data gathered over long periods. Each of these models is developed and maintained by a specialist team, in conjunction with relevant RISK and business line experts. Moreover, verification is performed to ensure compliance with the floors set by the regulation on these models. The Bank does not use models developed by external suppliers.

IRBA credit models are developed and used within a control system comprising three lines of defence:

- models producing internal estimates of the risk parameters are developed and maintained by specialised RISK teams, which also perform annual backtesting of each model in production;
- another RISK team, which reports directly to the Group Chief Risk Officer, conducts independent reviews of the models. Three types of review are carried out: systematic before a model is implemented, annual when reviewing backtesting carried out by the first line, and finally periodic, covering all the IRBA models used in the Bank according to an auditing plan that takes into account a risk-based approach;
- finally, each year, the General Inspectorate conducts an overall assessment of the models and their governance, and conducts a detailed review of an identified risk area.

In addition, the first and second line of defence RISK teams regularly report the most important information to Bank management and senior management, through:

- the Capital Committee, which is the competent Executive Management authority for issues relating to internal credit models, and which, as such, is informed of the main decisions taken concerning these models, annually reviews the results of backtesting and receives a summary of the results of the independent review of the models; and
- the Internal Control, Risk Management and Compliance Committee (CCIRC), a body appointed by the Board of directors, which receives a quarterly qualitative dashboard detailing the major risk-related events over the quarter and a metric based on the recommendations of the independent review team.

Counterparty rating (or the Probability of Default) and the Loss Given Default are determined either using purely statistical models for portfolios with the highest degree of granularity (loans to individuals or to very small enterprises) or a combination of models and expert judgement based on indicative values.

Loss Given Default is defined as the loss that the Bank would suffer in the event of the counterparty's default in times of economic downturn, as required by regulations. For each transaction, it is measured using the recovery rate for a senior unsecured exposure to the counterparty, adjusted for any risk mitigation techniques (collateral or guarantees). Amounts recoverable against these mitigants are estimated each year using conservative assumptions as well as haircuts calibrated to reflect economic downturn conditions.

The Bank models its own conversion factors on financing commitments by using internal default data. Conversion factors are used to measure the off-balance sheet exposure at risk in the event of a default. This parameter is assigned automatically depending on the transaction type for all portfolios and therefore, is not determined by the Credit Committees.

Internal estimates of risk parameters are used in the Bank's day-to-day management in line with regulation recommendations. Thus, apart from calculating capital requirements, they are used, for example, when setting delegated limits, granting new loans or reviewing existing loans to measure profitability, determining stage 1 and stage 2 impairment and for book analyses.

**TABLE 32: MAIN MODELS: PD, LGD AND CCF/EAD**

| Modelled parameter | Portfolio                                      | Number of models | Model and methodology                        | Number of years – Default/loss data | Main asset class   |
|--------------------|--|------------------|--|-------------------------------------|--|
| <b>PD</b>          | Sovereigns                                     | 1                | Qualitative                                  | > 10 years                          | Central governments and central banks                                      |
|                    | Banks  | 4                | Quantitative + expert opinion                | > 10 years                          | Institutions<br>Central governments and central banks<br>Corporate – other |
|                    | Insurance                                      | 1                | Quantitative + expert opinion                | > 10 years                          | Corporate – other  |
|                    | Large corporates                               | 3                | Quantitative + expert opinion<br>Qualitative | > 10 years                          | Corporate – other  |
|                    | Real Estate non-retail in France               | 1                | Qualitative                                  | > 10 years                          | Corporate – other  |
|                    | Project financing                              | 3                | Qualitative<br>Quantitative + expert opinion | > 10 years                          | Corporate – specialised lending  |
|                    | Other Non Retail Policy                        | 1                | Qualitative                                  | > 10 years                          | Corporate – other  |
|                    | CPBF – SME                                     | 1                | Quantitative + expert opinion                | > 10 years                          | Corporate – SME  |
|                    | CPBF – Professionnals & Entrepreneurs          | 1                | Quantitative                                 | > 10 years                          | Retail – other SME   |
|                    | CPBF – Personal (Individuals & Professionnals) | 1                | Quantitative                                 | > 10 years                          | Retail – other non-SME/qualifying Revolving/secured by real estate non-SME |
|                    | Personal Finance                               | 2                | Quantitative                                 | > 10 years                          | Retail – other non-SME   |
|                    | BNPP FORTIS – SME                              | 3                | Quantitative + expert opinion                | > 10 years                          | Retail – other/secured by real estate SME                                  |
|                    | BNPP FORTIS – Professionnals                   | 1                | Quantitative                                 | > 10 years                          | Retail – other SME/secured by real estate SME                              |
|                    | BNPP FORTIS – Individuals                      | 1                | Quantitative                                 | > 10 years                          | Retail – Secured by real estate non-SME                                    |
|                    | BNPP FORTIS – Public entities                  | 1                | Quantitative + expert opinion                | 9 years                             | Institutions   |
|                    | BNL bc – SME                                   | 1                | Quantitative – logistic regression           | > 10 years                          | Corporate – SME  |
|                    | BNL bc – Retail Individuals                    | 1                | Quantitative – logistic regression           | > 10 years                          | Retail – other non-SME   |
|                    | BNL bc – Professionnals et Retail SME          | 1                | Quantitative – logistic regression           | > 10 years                          | Retail – other SME   |
|                    | BCEL – Retail                                  | 1                | Quantitative                                 | > 10 years                          | Retail non-SME/secured by real estate SME                                  |
| <b>LGD</b>         | Sovereigns                                     | 1                | Qualitative                                  | > 10 years                          | Central governments and central banks                                      |

| Modelled parameter | Portfolio  | Number of models | Model and methodology   | Number of years – Default/loss data | Main asset class   |
|--------------------|--|------------------|---|-------------------------------------|--|
|                    | Banks  | 4                | Quantitative + expert opinion   | > 10 years                          | Institutions<br>Central governments and central banks<br>Corporate – other |
|                    | Insurance  | 1                | Qualitative   | > 10 years                          | Corporate – other  |
|                    | Large corporates: Other non-retail               | 4                | Quantitative – calibrated on internal data<br>Quantitative + expert opinion<br>Quantitative | > 10 years                          | Corporate – other  |
|                    | Real Estate non-retail in France                 | 1                | Qualitative – Asset valuation haircut   | > 10 years                          | Corporate – other  |
|                    | Project financing                                | 3                | Quantitative – calibrated on internal data<br>Qualitative                                   | > 10 years                          | Corporate – specialised lending  |
|                    | Other Non Retail Policy                          | 1                | Qualitative   | > 10 years                          | Corporate – other  |
|                    | CPBF – SME                                       | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Corporate – SME  |
|                    | CPBF – Professionnals                            | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Retail – other SME   |
|                    | CPBF – Vie privée (Individuals & Professionnals) | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Retail – other non SME/qualifying Revolving/secured by real estate non-SME |
|                    | Personal Finance                                 | 2                | Quantitative – calibrated on internal data  | > 10 years                          | Retail – other non-SME   |
|                    | BNPP FORTIS – Professionnals & SME               | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Retail – other non-SME/qualifying Revolving/secured by real estate non-SME |
|                    | BNPP FORTIS – Individuals                        | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Retail – other SME/secured by real estate non-SME                          |
|                    | BNPP FORTIS – Public entities                    | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Institutions   |
|                    | BNL bc – SME                                     | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Corporate – SME  |
|                    | BNL bc – Retail Individuals                      | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Retail – other non-SME   |
|                    | BNL bc – Professionnals et Retail SME            | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Retail – other non-SME   |
|                    | BCEL – Retail                                    | 1                | Quantitative  | > 10 years                          | Retail – other non-SME   |
| CCF/EAD            | CCF for corporates, banks and sovereigns         | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Central governments and central banks                                      |
|                    | CPBF – Retail                                    | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Retail   |
|                    | Personal Finance – France                        | 2                | Quantitative – calibrated on internal data  | > 10 years                          | Retail   |
|                    | BNPP FORTIS – Professionnals & SME               | 1                | Quantitative – calibrated on internal data  | > 10 years                          | Retail   |



| Modelled parameter | Portfolio                     | Number of models | Model and methodology                      | Number of years – Default/loss data | Main asset class |
|--------------------|-------------------------------|------------------|--|-------------------------------------|------------------|
|                    | BNPP FORTIS – Individuals     | 1                | Quantitative – calibrated on internal data | > 10 years                          | Retail           |
|                    | BNPP FORTIS – Public entities | 1                | Quantitative + expert opinion              | > 10 years                          | Institutions     |
|                    | BNL bc – Retail               | 2                | Fix value                                  | -                                   | Retail           |
|                    | BNL bc – SME                  | 1                | Fix value                                  | -                                   | Corporates – SME |
|                    | BCEL – Retail                 | 1                | Quantitative                               | > 10 years                          | Retail           |

## BACKTESTING

Each one of the three credit risk parameters (PD, LGD, CCF/EAD) is backtested annually in order to check the performance and conservatism of every model and business segment of the Bank.

Backtesting of a Probability of Default's model primarily aims at ensuring that the ratings attributed internally by the PD model are more conservative than the default rates observed during the year for the population under the scope of this model. When external ratings are available, for clients covered by low default portfolio's model, they are also used to challenge the conservatism of our internal ratings.

Backtesting of Loss Given Default's model is only based on exposures that are on default and includes both closed and open files. The Long Run Average LGD is compared with the corresponding LGD Estimated from the model applied to the relevant application scope. The Time-to-Workout is defined as the period during which the institution realises the vast majority of the recoveries and it is used as the largest period for which recoveries are expected. When a recovery process is operationally closed, or reaches the Time-to-Workout (*i.e.* pseudo-closed), the observed LGD is calculated using all observed cashflows (recoveries, cost of recoveries and additional drawings) discounted back to the default date and compared with the outstanding at default (which may include additional drawings when relevant). When the recovery process is open or incomplete, the future recoveries are estimated until the Time-to-Workout by extrapolating the historical recoveries, and potentially as well the additional drawings, observed for the underlying population.

For both PD and LGD backtesting, additional tests are performed to assess and track over years the data representativeness, the stability, the risk differentiation as well as the correct calibration and conservatism of the model. In case any of these dimensions has deteriorated, or if any major alert is threatening the model's relevancy, a recalibration can be proposed or even, in more extreme cases, a redevelopment of the model.

All this work is reviewed annually in the Capital Committee (see section 5.2 under *Capital management*). The results from the backtesting are also certified internally by an independent team and the results sent to the supervisor. Any change is submitted to the supervisor for approval, in line with the regulation.

The following tables present an overview of the performance of the models for regulatory risk parameters PD and LGD within the context of the Group's IRBA scope

For constructing the PD tables (see Tables 33, 34, 35 and 36 after), each obligor is assigned to its correspondent class of [Portfolio x PD Scale] and then the indicators of each class are computed as follows:

- Observed average default rate: The number of obligors falling in default during the observed year divided by the number of performing obligors at the end of the previous year;
- Average PD weighted by the number of debtors: Average, of the 1-year probability of default attributed to each performing obligor by PD internal models;
- Exposure weighted average PD: Average (weighted by the exposure of each obligor) of the 1-year probability of default attributed to each performing obligor by PD internal models;
- Average historical annual default rates: Average (weighted by the number of historical years observed) of the yearly observed average default rates (defined above).

For constructing the LGD tables (see Table 37 after), each facility is assigned to one of the six pre-defined types of Portfolios and then the indicators are computed as follows:

- Arithmetical average of the estimated LGD: Average (weighted by the number of facilities) of the rates of loss in the event of default attributed by internal LGD models to each performing facility;
- Arithmetical average of the historic LGD observed: Average (weighted by the number of facilities) of the rates of loss in the event of default historically observed for each facility having been in default.

**TABLE 33: BACKTESTING OF PD ON CENTRAL GOVERNMENTS, CENTRAL BANKS AND INSTITUTIONS  
PORTFOLIO (EU CR9)**

| a  | b                       | c  | d  | e  | f  | g  | h  |
|--|-------------------------|--|--|--|--|--|--|
|  |                         |  |  |  |  |  | 2022   |
| Portfolio                                | PD scale                | Number of obligors<br>at the end of the year |  | Observed<br>average<br>default rate<br>(%) | Exposures<br>weighted<br>average PD<br>(%) | Average PD<br>weighted by<br>the number<br>of debtors<br>(%) | Average<br>historical<br>annual<br>default rate<br>(%) |
|  |                         |  | of which:<br>number of<br>obligors<br>which<br>defaulted<br>during the<br>year |  |  |  |  |
| Central governments<br>and central banks | 0.00 to 0.15%           | 750  |  |  | 0.01%                                      | 0.04%  |  |
|  | <i>0.00 to 0.10%</i>    | <i>664</i>                                   |  |  | <i>0.01%</i>                               | <i>0.03%</i>   |  |
|  | <i>0.10 to 0.15%</i>    | <i>86</i>                                    |  |  | <i>0.13%</i>                               | <i>0.12%</i>   |  |
|  | 0.15 to 0.25%           | 61   |  |  | 0.19%                                      | 0.22%  | 0.37%  |
|  | 0.25 to 0.50%           | 29   |  |  | 0.29%                                      | 0.32%  |  |
|  | 0.50 to 0.75%           | 58   |  |  | 0.69%                                      | 0.65%  | 0.33%  |
|  | 0.75 to 2.50%           | 93   |  |  | 1.30%                                      | 1.30%  | 2.28%  |
|  | <i>0.75 to 1.75%</i>    | <i>75</i>                                    |  |  | <i>1.29%</i>                               | <i>1.12%</i>   | <i>2.38%</i>   |
|  | <i>1.75 to 2.50%</i>    | <i>18</i>                                    |  |  | <i>1.88%</i>                               | <i>2.05%</i>   |  |
|  | 2.50 to 10.00%          | 19   |  |  | 8.33%                                      | 5.49%  | 0.44%  |
|  | <i>2.50 to 5.00%</i>    | <i>10</i>                                    |  |  | <i>3.07%</i>                               | <i>3.26%</i>   | <i>0.64%</i>   |
|  | <i>5.00 to 10.00%</i>   | <i>9</i>                                     |  |  | <i>8.36%</i>                               | <i>7.97%</i>   | <i>0.40%</i>   |
|  | 10.00 to 100.00%        | 38   | 4  | 10.53%                                     | 19.48%                                     | 11.92%   | 3.61%  |
|  | <i>10.00 to 20.00%</i>  | <i>34</i>                                    | <i>1</i>   | <i>2.94%</i>                               | <i>14.76%</i>                              | <i>10.75%</i>  | <i>1.99%</i>   |
|  | <i>20.00 to 30.00%</i>  | <i>4</i>                                     | <i>3</i>   | <i>75.00%</i>                              | <i>21.81%</i>                              | <i>21.81%</i>  | <i>12.86%</i>  |
|  | <i>30.00 to 100.00%</i> |  |  |  |  |  |  |
| Institutions                             | 100% (Default)          | 14   |  |  | 100.00%                                    | 100.00%  |  |
|  | 0.00 to 0.15%           | 710  |  |  | 0.04%                                      | 0.07%  | 0.04%  |
|  | <i>0.00 to 0.10%</i>    | <i>491</i>                                   |  |  | <i>0.04%</i>                               | <i>0.05%</i>   | <i>0.05%</i>   |
|  | <i>0.10 to 0.15%</i>    | <i>219</i>                                   |  |  | <i>0.12%</i>                               | <i>0.13%</i>   | <i>0.05%</i>   |
|  | 0.15 to 0.25%           | 202  |  |  | 0.18%                                      | 0.20%  | 0.25%  |
|  | 0.25 to 0.50%           | 185  |  |  | 0.32%                                      | 0.34%  | 0.13%  |
|  | 0.50 to 0.75%           | 85   |  |  | 0.64%                                      | 0.58%  | 0.06%  |
|  | 0.75 to 2.50%           | 259  |  |  | 1.42%                                      | 1.32%  | 0.54%  |
|  | <i>0.75 to 1.75%</i>    | <i>219</i>                                   |  |  | <i>1.06%</i>                               | <i>1.16%</i>   | <i>0.53%</i>   |
|  | <i>1.75 to 2.50%</i>    | <i>40</i>                                    |  |  | <i>1.87%</i>                               | <i>2.20%</i>   | <i>0.52%</i>   |
|  | 2.50 to 10.00%          | 123  |  |  | 5.29%                                      | 5.29%  | 0.85%  |
|  | <i>2.50 to 5.00%</i>    | <i>66</i>                                    |  |  | <i>3.34%</i>                               | <i>3.79%</i>   | <i>0.49%</i>   |
|  | <i>5.00 to 10.00%</i>   | <i>57</i>                                    |  |  | <i>8.71%</i>                               | <i>7.02%</i>   | <i>0.84%</i>   |
|  | 10.00 to 100.00%        | 33   |  |  | 17.74%                                     | 17.77%   | 2.80%  |
|  | <i>10.00 to 20.00%</i>  | <i>18</i>                                    |  |  | <i>12.44%</i>                              | <i>13.06%</i>  | <i>2.11%</i>   |
|  | <i>20.00 to 30.00%</i>  | <i>15</i>                                    |  |  | <i>23.83%</i>                              | <i>23.42%</i>  | <i>4.17%</i>   |

| a                | b                | c  | d   | e  | f  | g   | h   |
|------------------|------------------|--|---|--|--|---|---|
|                  |                  |  |   |  |  |   | <b>2022</b>   |
|                  |                  | <b>Number of obligors<br/>at the end of the year</b> |   |  |  |   |   |
|                  |                  |  | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default rate<br/>(%)</b> | <b>Exposures<br/>weighted<br/>average PD<br/>(%)</b> | <b>Average PD<br/>weighted by<br/>the number<br/>of debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default rate<br/>(%)</b> |
| <b>Portfolio</b> | <b>PD scale</b>  |  |   |  |  |   |   |
|                  | 30.00 to 100.00% |  |   |  | 51.64%   |   |   |
|                  | 100% (Default)   | 18   |   |  | 100.00%  | 100.00%   |   |

| a  | b                | c  | d   | e  | f  | g   | h   |
|--|------------------|--|---|--|--|---|---|
|  |                  |  |   |  |  |   | <b>2021</b>   |
|  |                  | <b>Number of obligors<br/>at the end of the year</b> |   |  |  |   |   |
|  |                  |  | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default rate<br/>(%)</b> | <b>Exposures<br/>weighted<br/>average PD<br/>(%)</b> | <b>Average PD<br/>weighted by<br/>the number<br/>of debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default rate<br/>(%)</b> |
| <b>Portfolio</b>                         | <b>PD scale</b>  |  |   |  |  |   |   |
| Central governments<br>and central banks | 0.00 to 0.15%    | 739  |   |  | 0.01%  | 0.04%   |   |
|  | 0.00 to 0.10%    | 721  |   |  | 0.01%  | 0.03%   |   |
|  | 0.10 to 0.15%    | 18   |   |  | 0.13%  | 0.12%   |   |
|  | 0.15 to 0.25%    | 67   |   |  | 0.19%  | 0.17%   | 1.29%   |
|  | 0.25 to 0.50%    | 80   |   |  | 0.29%  | 0.33%   |   |
|  | 0.50 to 0.75%    | 14   |   |  | 0.69%  | 0.60%   |   |
|  | 0.75 to 2.50%    | 58   |   |  | 1.24%  | 1.19%   | 0.89%   |
|  | 0.75 to 1.75%    | 51   |   |  | 1.24%  | 1.07%   | 1.31%   |
|  | 1.75 to 2.50%    | 7  |   |  | 1.85%  | 2.08%   |   |
|  | 2.50 to 10.00%   | 43   |   |  | 7.07%  | 3.95%   | 0.82%   |
|  | 2.50 to 5.00%    | 36   |   |  | 3.10%  | 3.18%   | 0.82%   |
|  | 5.00 to 10.00%   | 7  |   |  | 7.13%  | 7.92%   | 0.94%   |
|  | 10.00 to 100.00% | 16   | 3   | 18.75%   | 19.05%   | 17.85%  | 9.02%   |
|  | 10.00 to 20.00%  | 8  |   |  | 13.43%   | 13.29%  | 2.23%   |
|  | 20.00 to 30.00%  | 8  | 3   | 37.50%   | 21.81%   | 22.42%  | 28.31%  |
|  | 30.00 to 100.00% |  |   |  |  |   |   |
|  | 100% (Default)   | 12   |   |  | 100.00%  | 100.00%   |   |
| Institutions                             | 0.00 to 0.15%    | 744  |   |  | 0.04%  | 0.07%   | 0.05%   |
|  | 0.00 to 0.10%    | 513  |   |  | 0.04%  | 0.05%   | 0.05%   |
|  | 0.10 to 0.15%    | 231  |   |  | 0.12%  | 0.11%   | 0.05%   |
|  | 0.15 to 0.25%    | 196  |   |  | 0.17%  | 0.18%   | 0.23%   |
|  | 0.25 to 0.50%    | 225  |   |  | 0.37%  | 0.35%   | 0.12%   |

| a                | b                | c  | d   | e  | f  | g   | h   |
|------------------|------------------|--|---|--|--|---|---|
|                  |                  |  |   |  |  |   | <b>2021</b>                                       |
|                  |                  | <b>Number of obligors at the end of the year</b> |   |  |  |   |   |
|                  |                  |  | <b>of which:<br/>number of obligors which defaulted during the year</b> | <b>Observed average default rate (%)</b> | <b>Exposures weighted average PD (%)</b> | <b>Average PD weighted by the number of debtors (%)</b> | <b>Average historical annual default rate (%)</b> |
| <b>Portfolio</b> | <b>PD scale</b>  |  |   |  |  |   |   |
|                  | 0.50 to 0.75%    | 78   |   |  | 0.61%                                    | 0.66%   | 0.23%   |
|                  | 0.75 to 2.50%    | 187  |   |  | 1.35%                                    | 1.43%   | 0.20%   |
|                  | 0.75 to 1.75%    | 138  |   |  | 1.03%                                    | 1.20%   | 0.08%   |
|                  | 1.75 to 2.50%    | 49   |   |  | 1.85%                                    | 2.07%   | 0.56%   |
|                  | 2.50 to 10.00%   | 136  | 2   | 1.47%                                    | 5.08%                                    | 4.85%   | 0.70%   |
|                  | 2.50 to 5.00%    | 82   | 1   | 1.22%                                    | 3.52%                                    | 3.48%   | 0.47%   |
|                  | 5.00 to 10.00%   | 54   | 1   | 1.85%                                    | 7.30%                                    | 6.94%   | 0.98%   |
|                  | 10.00 to 100.00% | 24   |   |  | 21.05%                                   | 15.18%  | 3.54%   |
|                  | 10.00 to 20.00%  | 22   |   |  | 14.51%                                   | 14.57%  | 2.56%   |
|                  | 20.00 to 30.00%  | 2  |   |  | 23.21%                                   | 21.81%  | 6.26%   |
|                  | 30.00 to 100.00% |  |   |  |  |   |   |
|                  | 100% (Default)   | 22   |   |  | 100.00%                                  | 100.00%   |   |

**TABLE 34: BACKTESTING OF PD ON CORPORATES PORTFOLIO (EU CR9)**

| a                                      | b               | c  | d   | e  | f  | g   | h   |
|--|-----------------|--|---|--|--|---|---|
|  |                 |  |   |  |  |   | <b>2022</b>                                       |
|  |                 | <b>Number of obligors at the end of the year</b> |   |  |  |   |   |
|  |                 |  | <b>of which:<br/>number of obligors which defaulted during the year</b> | <b>Observed average default rate (%)</b> | <b>Exposures weighted average PD (%)</b> | <b>Average PD weighted by the number of debtors (%)</b> | <b>Average historical annual default rate (%)</b> |
| <b>Portfolio</b>                       | <b>PD scale</b> |  |   |  |  |   |   |
| Corporates –<br>Specialised<br>Lending | 0.00 to 0.15%   | 164  |   |  | 0.08%                                    | 0.09%   |   |
|  | 0.00 to 0.10%   | 65   |   |  | 0.05%                                    | 0.06%   |   |
|  | 0.10 to 0.15%   | 99   |   |  | 0.12%                                    | 0.12%   |   |
|  | 0.15 to 0.25%   | 154  |   |  | 0.18%                                    | 0.18%   | 0.02%   |
|  | 0.25 to 0.50%   | 529  | 1   | 0.19%                                    | 0.34%                                    | 0.35%   | 0.14%   |
|  | 0.50 to 0.75%   | 375  | 1   | 0.27%                                    | 0.69%                                    | 0.68%   | 0.53%   |
|  | 0.75 to 2.50%   | 954  |   |  | 1.35%                                    | 1.26%   | 0.46%   |
|  | 0.75 to 1.75%   | 780  |   |  | 1.18%                                    | 1.09%   | 0.33%   |
|  | 1.75 to 2.50%   | 174  |   |  | 2.09%                                    | 2.00%   | 1.01%   |

| a                  | b                | c  | d   | e  | f  | g   | h   |
|--------------------|------------------|--|---|--|--|---|---|
|                    |                  |  |   |  |  |   | <b>2022</b>   |
|                    |                  | <b>Number of obligors<br/>at the end of the year</b> |   |  |  |   |   |
| <b>Portfolio</b>   | <b>PD scale</b>  |  | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default rate<br/>(%)</b> | <b>Exposures<br/>weighted<br/>average PD<br/>(%)</b> | <b>Average PD<br/>weighted by<br/>the number<br/>of debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default rate<br/>(%)</b> |
|                    | 2.50 to 10.00%   | 423  | 4   | 0.95%  | 4.95%  | 4.20%   | 1.33%   |
|                    | 2.50 to 5.00%    | 300  | 1   | 0.33%  | 3.40%  | 3.14%   | 1.13%   |
|                    | 5.00 to 10.00%   | 123  | 3   | 2.44%  | 6.76%  | 6.77%   | 1.81%   |
|                    | 10.00 to 100.00% | 58   | 9   | 15.52%   | 17.17%   | 16.94%  | 13.41%  |
|                    | 10.00 to 20.00%  | 40   | 4   | 10.00%   | 15.31%   | 14.75%  | 10.73%  |
|                    | 20.00 to 30.00%  | 18   | 5   | 27.78%   | 22.97%   | 21.81%  | 23.78%  |
|                    | 30.00 to 100.00% |  |   |  |  |   |   |
|                    | 100% (Default)   | 97   |   |  | 100.00%  | 100.00%   |   |
| Corporates – SME   | 0.00 to 0.15%    | 1,637  | 4   | 0.24%  | 0.07%  | 0.12%   | 0.17%   |
|                    | 0.00 to 0.10%    | 160  |   |  | 0.05%  | 0.06%   | 0.14%   |
|                    | 0.10 to 0.15%    | 1,477  | 4   | 0.27%  | 0.12%  | 0.13%   | 0.20%   |
|                    | 0.15 to 0.25%    | 9,418  | 12  | 0.13%  | 0.17%  | 0.23%   | 0.22%   |
|                    | 0.25 to 0.50%    | 4,776  | 3   | 0.06%  | 0.31%  | 0.35%   | 0.31%   |
|                    | 0.50 to 0.75%    | 3,095  | 12  | 0.39%  | 0.64%  | 0.65%   | 0.58%   |
|                    | 0.75 to 2.50%    | 14,738   | 90  | 0.61%  | 1.48%  | 1.24%   | 1.28%   |
|                    | 0.75 to 1.75%    | 12,940   | 75  | 0.58%  | 1.03%  | 1.12%   | 1.12%   |
|                    | 1.75 to 2.50%    | 1,798  | 15  | 0.83%  | 2.04%  | 2.10%   | 2.01%   |
|                    | 2.50 to 10.00%   | 9,712  | 193   | 1.99%  | 4.16%  | 4.54%   | 3.95%   |
|                    | 2.50 to 5.00%    | 6,718  | 100   | 1.49%  | 3.27%  | 3.43%   | 3.08%   |
|                    | 5.00 to 10.00%   | 2,994  | 93  | 3.11%  | 6.76%  | 7.03%   | 6.22%   |
|                    | 10.00 to 100.00% | 1,943  | 135   | 6.95%  | 17.50%   | 15.51%  | 13.66%  |
|                    | 10.00 to 20.00%  | 1,257  | 71  | 5.65%  | 13.47%   | 11.75%  | 10.37%  |
|                    | 20.00 to 30.00%  | 658  | 63  | 9.57%  | 22.59%   | 21.55%  | 17.34%  |
|                    | 30.00 to 100.00% | 28   | 1   | 3.57%  | 40.42%   | 41.82%  | 30.90%  |
|                    | 100% (Default)   | 3,000  |   |  | 100.00%  | 100.00%   |   |
| Corporates – Other | 0.00 to 0.15%    | 5,636  | 2   | 0.04%  | 0.08%  | 0.09%   | 0.26%   |
|                    | 0.00 to 0.10%    | 2,611  | 1   | 0.04%  | 0.05%  | 0.05%   | 0.07%   |
|                    | 0.10 to 0.15%    | 3,025  | 1   | 0.03%  | 0.12%  | 0.12%   | 0.19%   |
|                    | 0.15 to 0.25%    | 11,588   | 7   | 0.06%  | 0.18%  | 0.22%   | 0.16%   |

| a                | b                | c  | d   | e  | f  | g   | h   |
|------------------|------------------|--|---|--|--|---|---|
|                  |                  |  |   |  |  |   | <b>2022</b>   |
|                  |                  | <b>Number of obligors<br/>at the end of the year</b> |   |  |  |   |   |
|                  |                  |  | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default rate<br/>(%)</b> | <b>Exposures<br/>weighted<br/>average PD<br/>(%)</b> | <b>Average PD<br/>weighted by<br/>the number<br/>of debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default rate<br/>(%)</b> |
| <b>Portfolio</b> | <b>PD scale</b>  |  |   |  |  |   |   |
|                  | 0.25 to 0.50%    | 6,331  | 4   | 0.06%  | 0.34%  | 0.35%   | 0.20%   |
|                  | 0.50 to 0.75%    | 3,738  | 10  | 0.27%  | 0.67%  | 0.65%   | 0.55%   |
|                  | 0.75 to 2.50%    | 16,433   | 56  | 0.34%  | 1.39%  | 1.28%   | 0.71%   |
|                  | 0.75 to 1.75%    | 14,071   | 44  | 0.31%  | 1.15%  | 1.14%   | 0.60%   |
|                  | 1.75 to 2.50%    | 2,362  | 12  | 0.51%  | 2.02%  | 2.07%   | 1.28%   |
|                  | 2.50 to 10.00%   | 9,363  | 113   | 1.21%  | 4.68%  | 4.58%   | 2.54%   |
|                  | 2.50 to 5.00%    | 6,349  | 64  | 1.01%  | 3.48%  | 3.47%   | 1.91%   |
|                  | 5.00 to 10.00%   | 3,014  | 49  | 1.63%  | 6.80%  | 6.93%   | 3.96%   |
|                  | 10.00 to 100.00% | 1,708  | 103   | 6.03%  | 16.94%   | 16.18%  | 9.80%   |
|                  | 10.00 to 20.00%  | 1,178  | 61  | 5.18%  | 14.68%   | 13.05%  | 7.70%   |
|                  | 20.00 to 30.00%  | 500  | 33  | 6.60%  | 22.71%   | 22.21%  | 13.47%  |
|                  | 30.00 to 100.00% | 30   | 9   | 30.00%   | 34.27%   | 38.95%  | 21.74%  |
|                  | 100% (Default)   | 2,867  |   |  | 100.00%  | 100.00%   |   |

| a                                      | b                | c  | d  | e  | f  | g  | h  |
|--|------------------|--|--|--|--|--|--|
|  |                  |  |  |  |  |  | 2021   |
| Portfolio                              | PD scale         | Number of obligors<br>at the end of the year |  | Observed<br>average<br>default<br>rate (%) | Exposures<br>weighted<br>average<br>PD (%) | Average<br>PD<br>weighted<br>by the<br>number of<br>debtors<br>(%) | Average<br>historical<br>annual<br>default<br>rate (%) |
|  |                  |  | of which:<br>number of<br>obligors<br>which<br>defaulted<br>during the<br>year |  |  |  |  |
| Corporates –<br>Specialised<br>Lending | 0.00 to 0.15%    | 138  |  |  | 0.08%                                      | 0.09%  |  |
|  | 0.00 to 0.10%    | 65   |  |  | 0.06%                                      | 0.06%  |  |
|  | 0.10 to 0.15%    | 73   |  |  | 0.12%                                      | 0.12%  |  |
|  | 0.15 to 0.25%    | 114  |  |  | 0.18%                                      | 0.18%  |  |
|  | 0.25 to 0.50%    | 522  |  |  | 0.36%                                      | 0.34%  | 0.12%  |
|  | 0.50 to 0.75%    | 278  |  |  | 0.69%                                      | 0.68%  | 0.66%  |
|  | 0.75 to 2.50%    | 945  |  |  | 1.39%                                      | 1.24%  | 0.48%  |
|  | 0.75 to 1.75%    | 786  |  |  | 1.20%                                      | 1.08%  | 0.36%  |
|  | 1.75 to 2.50%    | 159  |  |  | 2.09%                                      | 1.98%  | 1.01%  |
|  | 2.50 to 10.00%   | 339  | 3  | 0.88%                                      | 4.68%                                      | 3.99%  | 1.44%  |
|  | 2.50 to 5.00%    | 261  |  |  | 3.36%                                      | 3.18%  | 1.31%  |
|  | 5.00 to 10.00%   | 78   | 3  | 3.85%                                      | 6.96%                                      | 6.69%  | 1.91%  |
|  | 10.00 to 100.00% | 53   | 10   | 18.87%                                     | 16.69%                                     | 17.17%   | 13.17%   |
|  | 10.00 to 20.00%  | 35   | 5  | 14.29%                                     | 15.70%                                     | 14.51%   | 10.63%   |
|  | 20.00 to 30.00%  | 18   | 5  | 27.78%                                     | 22.22%                                     | 22.35%   | 23.89%   |
|  | 30.00 to 100.00% |  |  |  |  |  |  |
|  | 100% (Default)   | 68   |  |  | 100.00%                                    | 100.00%  |  |
| Corporates – SME                       | 0.00 to 0.15%    | 1,251  | 1  | 0.08%                                      | 0.07%                                      | 0.11%  | 0.16%  |
|  | 0.00 to 0.10%    | 317  | 1  | 0.32%                                      | 0.05%                                      | 0.06%  | 0.15%  |
|  | 0.10 to 0.15%    | 934  |  |  | 0.11%                                      | 0.13%  | 0.18%  |
|  | 0.15 to 0.25%    | 595  | 1  | 0.17%                                      | 0.18%                                      | 0.19%  | 0.24%  |
|  | 0.25 to 0.50%    | 8,997  | 17   | 0.19%                                      | 0.31%                                      | 0.36%  | 0.42%  |
|  | 0.50 to 0.75%    | 1,845  | 6  | 0.33%                                      | 0.66%                                      | 0.66%  | 0.72%  |
|  | 0.75 to 2.50%    | 8,955  | 54   | 0.60%                                      | 1.33%                                      | 1.26%  | 1.37%  |
|  | 0.75 to 1.75%    | 8,120  | 44   | 0.54%                                      | 1.02%                                      | 1.18%  | 1.19%  |
|  | 1.75 to 2.50%    | 835  | 10   | 1.20%                                      | 1.99%                                      | 2.08%  | 2.08%  |
|  | 2.50 to 10.00%   | 10,746                                       | 206  | 1.92%                                      | 4.40%                                      | 4.32%  | 3.56%  |
|  | 2.50 to 5.00%    | 8,049  | 107  | 1.33%                                      | 3.29%                                      | 3.35%  | 2.83%  |
|  | 5.00 to 10.00%   | 2,697  | 99   | 3.67%                                      | 7.01%                                      | 7.24%  | 5.72%  |

| a                  | b                       | c  | d   | e  | f  | g   | h   |
|--------------------|-------------------------|--|---|--|--|---|---|
|                    |                         |  |   |  |  |   | <b>2021</b>   |
|                    |                         | <b>Number of obligors<br/>at the end of the year</b> |   |  |  |   |   |
| <b>Portfolio</b>   | <b>PD scale</b>         |  | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default<br/>rate (%)</b> | <b>Exposures<br/>weighted<br/>average<br/>PD (%)</b> | <b>Average<br/>PD<br/>weighted<br/>by the<br/>number of<br/>debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default<br/>rate (%)</b> |
|                    | 10.00 to 100.00%        | 1,312  | 174   | 13.26%   | 16.81%   | 17.36%  | 17.23%  |
|                    | <i>10.00 to 20.00%</i>  | <i>766</i>   | <i>72</i>   | <i>9.40%</i>   | <i>12.70%</i>  | <i>13.52%</i>   | <i>14.36%</i>   |
|                    | <i>20.00 to 30.00%</i>  | <i>515</i>   | <i>101</i>  | <i>19.61%</i>  | <i>22.96%</i>  | <i>21.93%</i>   | <i>20.51%</i>   |
|                    | <i>30.00 to 100.00%</i> | <i>31</i>  | <i>1</i>  | <i>3.23%</i>   | <i>43.14%</i>  | <i>36.41%</i>   | <i>30.65%</i>   |
|                    | 100% (Default)          | 3,379  |   |  | 100.00%  | 100.00%   |   |
| Corporates – Other | 0.00 to 0.15%           | 5,983  | 2   | 0.03%  | 0.08%  | 0.08%   | 0.21%   |
|                    | <i>0.00 to 0.10%</i>    | <i>3,581</i>   | <i>1</i>  | <i>0.03%</i>   | <i>0.05%</i>   | <i>0.05%</i>  | <i>0.08%</i>  |
|                    | <i>0.10 to 0.15%</i>    | <i>2,402</i>   | <i>1</i>  | <i>0.04%</i>   | <i>0.12%</i>   | <i>0.12%</i>  | <i>0.10%</i>  |
|                    | 0.15 to 0.25%           | 3,844  | 3   | 0.08%  | 0.18%  | 0.18%   | 0.08%   |
|                    | 0.25 to 0.50%           | 8,133  | 7   | 0.09%  | 0.34%  | 0.36%   | 0.19%   |
|                    | 0.50 to 0.75%           | 3,066  | 3   | 0.10%  | 0.67%  | 0.65%   | 0.51%   |
|                    | 0.75 to 2.50%           | 11,639   | 44  | 0.38%  | 1.41%  | 1.37%   | 0.61%   |
|                    | <i>0.75 to 1.75%</i>    | <i>9,321</i>   | <i>34</i>   | <i>0.36%</i>   | <i>1.12%</i>   | <i>1.19%</i>  | <i>0.49%</i>  |
|                    | <i>1.75 to 2.50%</i>    | <i>2,318</i>   | <i>10</i>   | <i>0.43%</i>   | <i>2.04%</i>   | <i>2.07%</i>  | <i>1.09%</i>  |
|                    | 2.50 to 10.00%          | 10,130   | 100   | 0.99%  | 4.83%  | 4.58%   | 2.30%   |
|                    | <i>2.50 to 5.00%</i>    | <i>6,680</i>   | <i>42</i>   | <i>0.63%</i>   | <i>3.43%</i>   | <i>3.41%</i>  | <i>1.68%</i>  |
|                    | <i>5.00 to 10.00%</i>   | <i>3,450</i>   | <i>58</i>   | <i>1.68%</i>   | <i>6.87%</i>   | <i>6.85%</i>  | <i>3.61%</i>  |
|                    | 10.00 to 100.00%        | 1,242  | 93  | 7.49%  | 15.68%   | 17.59%  | 12.30%  |
|                    | <i>10.00 to 20.00%</i>  | <i>911</i>   | <i>54</i>   | <i>5.93%</i>   | <i>13.96%</i>  | <i>14.56%</i>   | <i>10.43%</i>   |
|                    | <i>20.00 to 30.00%</i>  | <i>257</i>   | <i>24</i>   | <i>9.34%</i>   | <i>22.46%</i>  | <i>22.58%</i>   | <i>17.05%</i>   |
|                    | <i>30.00 to 100.00%</i> | <i>74</i>  | <i>15</i>   | <i>20.27%</i>  | <i>42.45%</i>  | <i>37.54%</i>   | <i>18.73%</i>   |
|                    | 100% (Default)          | 3,535  |   |  | 100.00%  | 100.00%   |   |



TABLE 35: BACKTESTING OF PD ON RETAIL SECURED BY PROPERTY PORTFOLIO (EU CR9)

| a  | b                | c  | d  | e  | f  | g  | h  |
|--|------------------|--|--|--|--|--|--|
|  |                  |  |  |  |  |  | 2022   |
| Portfolio  | PD scale         | Number of obligors<br>at the end of the year |  | Observed<br>average<br>default<br>rate (%) | Exposures<br>weighted<br>average<br>PD (%) | Average<br>PD<br>weighted<br>by the<br>number of<br>debtors<br>(%) | Average<br>historical<br>annual<br>default<br>rate (%) |
|  |                  |  | of which:<br>number of<br>obligors<br>which<br>defaulted<br>during the<br>year |  |  |  |  |
| Retail – Secured by<br>immovable property<br>non-SME | 0.00 to 0.15%    | 503,520                                      | 430  | 0.09%                                      | 0.10%                                      | 0.08%  | 0.06%  |
|  | 0.00 to 0.10%    | 218,757                                      | 60   | 0.03%                                      | 0.06%                                      | 0.05%  | 0.06%  |
|  | 0.10 to 0.15%    | 284,763                                      | 370  | 0.13%                                      | 0.11%                                      | 0.11%  | 0.11%  |
|  | 0.15 to 0.25%    | 83,030                                       | 106  | 0.13%                                      | 0.18%                                      | 0.19%  | 0.13%  |
|  | 0.25 to 0.50%    | 295,890                                      | 686  | 0.23%                                      | 0.37%                                      | 0.36%  | 0.30%  |
|  | 0.50 to 0.75%    | 195,767                                      | 889  | 0.45%                                      | 0.59%                                      | 0.59%  | 0.33%  |
|  | 0.75 to 2.50%    | 110,626                                      | 837  | 0.76%                                      | 1.48%                                      | 1.46%  | 0.96%  |
|  | 0.75 to 1.75%    | 81,291                                       | 475  | 0.58%                                      | 1.28%                                      | 1.27%  | 0.84%  |
|  | 1.75 to 2.50%    | 29,335                                       | 362  | 1.23%                                      | 2.00%                                      | 1.96%  | 1.44%  |
|  | 2.50 to 10.00%   | 48,747                                       | 977  | 2.00%                                      | 4.20%                                      | 4.50%  | 3.60%  |
|  | 2.50 to 5.00%    | 33,125                                       | 710  | 2.14%                                      | 3.46%                                      | 3.46%  | 2.44%  |
|  | 5.00 to 10.00%   | 15,622                                       | 267  | 1.71%                                      | 6.52%                                      | 6.72%  | 6.16%  |
|  | 10.00 to 100.00% | 20,529                                       | 2,275  | 11.08%                                     | 21.94%                                     | 19.99%   | 20.88%   |
|  | 10.00 to 20.00%  | 14,993                                       | 1,064  | 7.10%                                      | 13.13%                                     | 13.84%   | 13.41%   |
|  | 20.00 to 30.00%  | 2,976  | 410  | 13.78%                                     | 26.01%                                     | 24.18%   | 25.73%   |
|  | 30.00 to 100.00% | 2,560  | 801  | 31.29%                                     | 44.99%                                     | 51.15%   | 40.97%   |
|  | 100% (Default)   | 30,727                                       |  |  | 100.00%                                    | 100.00%  |  |
| Retail – Secured by<br>immovable property<br>SME     | 0.00 to 0.15%    | 2,670  | 1  | 0.04%                                      | 0.09%                                      | 0.08%  | 0.13%  |
|  | 0.00 to 0.10%    | 1,834  |  |  | 0.07%                                      | 0.06%  | 0.09%  |
|  | 0.10 to 0.15%    | 836  | 1  | 0.12%                                      | 0.12%                                      | 0.13%  | 0.20%  |
|  | 0.15 to 0.25%    | 5,642  | 13   | 0.23%                                      | 0.18%                                      | 0.22%  | 0.23%  |
|  | 0.25 to 0.50%    | 8,226  | 20   | 0.24%                                      | 0.36%                                      | 0.36%  | 0.39%  |
|  | 0.50 to 0.75%    | 11,657                                       | 76   | 0.65%                                      | 0.59%                                      | 0.57%  | 0.45%  |
|  | 0.75 to 2.50%    | 11,400                                       | 70   | 0.61%                                      | 1.41%                                      | 1.43%  | 0.77%  |
|  | 0.75 to 1.75%    | 8,763  | 44   | 0.50%                                      | 1.21%                                      | 1.22%  | 0.68%  |
|  | 1.75 to 2.50%    | 2,637  | 26   | 0.99%                                      | 2.05%                                      | 2.11%  | 1.02%  |
|  | 2.50 to 10.00%   | 9,642  | 142  | 1.47%                                      | 4.61%                                      | 4.66%  | 2.04%  |
|  | 2.50 to 5.00%    | 6,279  | 73   | 1.16%                                      | 3.47%                                      | 3.75%  | 1.46%  |
|  | 5.00 to 10.00%   | 3,363  | 69   | 2.05%                                      | 6.33%                                      | 6.36%  | 3.00%  |
|  | 10.00 to 100.00% | 2,141  | 189  | 8.83%                                      | 18.21%                                     | 18.24%   | 14.49%   |
|  | 10.00 to 20.00%  | 1,378  | 77   | 5.59%                                      | 13.35%                                     | 13.18%   | 9.17%  |
|  | 20.00 to 30.00%  | 577  | 65   | 11.27%                                     | 23.99%                                     | 23.18%   | 18.73%   |

| a         | b                | c  | d  | e  | f  | g  | h  |
|-----------|------------------|--|----|--|--|--|--|
|           |                  |  |    |  |  |  | 2022   |
| Portfolio | PD scale         | Number of obligors<br>at the end of the year                                   |    | Observed<br>average<br>default<br>rate (%) | Exposures<br>weighted<br>average<br>PD (%) | Average<br>PD<br>weighted<br>by the<br>number of<br>debtors<br>(%) | Average<br>historical<br>annual<br>default<br>rate (%) |
|           |                  | of which:<br>number of<br>obligors<br>which<br>defaulted<br>during the<br>year |    |  |  |  |  |
|           |                  |  |    |  |  |  |  |
|           |                  |  |    |  |  |  |  |
|           |                  |  |    |  |  |  |  |
|           | 30.00 to 100.00% | 186  | 47 | 25.27%                                     | 38.88%                                     | 40.44%   | 31.76%   |
|           | 100% (Default)   | 3,050  |    |  | 100.00%                                    | 100.00%  |  |

| a  | b                | c   | d     | e  | f  | g  | h  |
|--|------------------|---|-------|--|--|--|--|
| 2021   |                  |   |       |  |  |  |  |
| Portfolio  | PD scale         | Number of obligors<br>at the end of the year          |       | Observed<br>average<br>default<br>rate (%) | Exposures<br>weighted<br>average<br>PD (%) | Average<br>PD<br>weighted<br>by the<br>number of<br>debtors<br>(%) | Average<br>historical<br>annual<br>default<br>rate (%) |
|  |                  | of which:<br>which<br>defaulted<br>during the<br>year |       |  |  |  |  |
| Retail – Secured by<br>immovable property<br>non-SME | 0.00 to 0.15%    | 493,375   | 371   | 0.08%                                      | 0.10%                                      | 0.08%  | 0.05%  |
|  | 0.00 to 0.10%    | 207,309   | 51    | 0.02%                                      | 0.06%                                      | 0.05%  | 0.07%  |
|  | 0.10 to 0.15%    | 286,066   | 320   | 0.11%                                      | 0.11%                                      | 0.11%  | 0.10%  |
|  | 0.15 to 0.25%    | 81,767  | 87    | 0.11%                                      | 0.18%                                      | 0.19%  | 0.13%  |
|  | 0.25 to 0.50%    | 302,721   | 993   | 0.33%                                      | 0.37%                                      | 0.37%  | 0.31%  |
|  | 0.50 to 0.75%    | 164,121   | 685   | 0.42%                                      | 0.59%                                      | 0.60%  | 0.32%  |
|  | 0.75 to 2.50%    | 98,023  | 815   | 0.83%                                      | 1.47%                                      | 1.45%  | 0.99%  |
|  | 0.75 to 1.75%    | 71,575  | 557   | 0.78%                                      | 1.26%                                      | 1.27%  | 0.86%  |
|  | 1.75 to 2.50%    | 26,448  | 258   | 0.98%                                      | 1.99%                                      | 1.95%  | 1.49%  |
|  | 2.50 to 10.00%   | 41,490  | 939   | 2.26%                                      | 4.28%                                      | 4.45%  | 3.80%  |
|  | 2.50 to 5.00%    | 29,867  | 616   | 2.06%                                      | 3.41%                                      | 3.43%  | 2.51%  |
|  | 5.00 to 10.00%   | 11,623  | 323   | 2.78%                                      | 6.77%                                      | 7.08%  | 6.79%  |
|  | 10.00 to 100.00% | 18,460  | 2,124 | 11.51%                                     | 22.41%                                     | 20.37%   | 22.28%   |
|  | 10.00 to 20.00%  | 12,825  | 939   | 7.32%                                      | 13.28%                                     | 14.12%   | 14.07%   |
|  | 20.00 to 30.00%  | 3,432   | 548   | 15.97%                                     | 25.76%                                     | 24.24%   | 27.71%   |
|  | 30.00 to 100.00% | 2,203   | 637   | 28.92%                                     | 45.43%                                     | 50.71%   | 41.59%   |
|  | 100% (Default)   | 35,325  |       |  | 100.00%                                    | 100.00%  |  |
| Retail – Secured by<br>immovable property<br>SME     | 0.00 to 0.15%    | 2,409   | 1     | 0.04%                                      | 0.09%                                      | 0.08%  | 0.12%  |
|  | 0.00 to 0.10%    | 1,693   | 1     | 0.06%                                      | 0.06%                                      | 0.06%  | 0.10%  |
|  | 0.10 to 0.15%    | 716   |       | 0.00%                                      | 0.12%                                      | 0.13%  | 0.16%  |
|  | 0.15 to 0.25%    | 2,042   | 4     | 0.20%                                      | 0.18%                                      | 0.19%  | 0.22%  |
|  | 0.25 to 0.50%    | 16,064  | 65    | 0.40%                                      | 0.39%                                      | 0.40%  | 0.41%  |
|  | 0.50 to 0.75%    | 4,815   | 13    | 0.27%                                      | 0.66%                                      | 0.59%  | 0.32%  |
|  | 0.75 to 2.50%    | 11,907  | 90    | 0.76%                                      | 1.41%                                      | 1.48%  | 0.72%  |
|  | 0.75 to 1.75%    | 8,732   | 67    | 0.77%                                      | 1.20%                                      | 1.26%  | 0.68%  |
|  | 1.75 to 2.50%    | 3,175   | 23    | 0.72%                                      | 2.03%                                      | 2.07%  | 0.85%  |
|  | 2.50 to 10.00%   | 14,130  | 206   | 1.46%                                      | 4.73%                                      | 4.93%  | 2.02%  |
|  | 2.50 to 5.00%    | 7,554   | 83    | 1.10%                                      | 3.48%                                      | 3.67%  | 1.50%  |
|  | 5.00 to 10.00%   | 6,576   | 123   | 1.87%                                      | 6.69%                                      | 6.38%  | 2.82%  |
|  | 10.00 to 100.00% | 2,371   | 235   | 9.91%                                      | 19.06%                                     | 19.25%   | 14.09%   |
|  | 10.00 to 20.00%  | 1,486   | 94    | 6.33%                                      | 13.63%                                     | 13.97%   | 8.93%  |
|  | 20.00 to 30.00%  | 591   | 87    | 14.72%                                     | 23.64%                                     | 23.59%   | 19.88%   |

| a                | b                       | c  | d  | e  | f  | g   | h   |
|------------------|-------------------------|--|--|--|--|---|---|
|                  |                         |  |  |  |  |   | <b>2021</b>   |
| <b>Portfolio</b> |                         | <b>Number of obligors<br/>at the end of the year</b> |  |  |  | <b>Average<br/>PD<br/>weighted<br/>by the<br/>number of<br/>debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default<br/>rate (%)</b> |
|                  | <b>PD scale</b>         |  | <b>of which:<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default<br/>rate (%)</b> | <b>Exposures<br/>weighted<br/>average<br/>PD (%)</b> |   |   |
|                  | <i>30.00 to 100.00%</i> | <i>294</i>   | <i>54</i>  | <i>18.37%</i>  | <i>41.69%</i>  | <i>37.24%</i>   | <i>26.15%</i>   |
|                  | 100% (Default)          | 3,813  |  |  | 100.00%  | 100.00%   |   |

**TABLE 36: BACKTESTING OF PD ON OTHER RETAIL PORTFOLIO (EU CR9)**

| a                             | b                       | c  | d   | e  | f  | g   | h   |
|-------------------------------|-------------------------|--|---|--|--|---|---|
|                               |                         |  |   |  |  |   | <b>2022</b>   |
| <b>Portfolio</b>              |                         | <b>Number of obligors<br/>at the end of the year</b> |   |  |  | <b>Average<br/>PD<br/>weighted<br/>by the<br/>number of<br/>debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default<br/>rate (%)</b> |
|                               | <b>PD scale</b>         |  | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default<br/>rate (%)</b> | <b>Exposures<br/>weighted<br/>average<br/>PD (%)</b> |   |   |
|                               | 0.00 to 0.15%           | 1,787,470  | 3,292   | 0.18%  | 0.09%  | 0.08%   | 0.09%   |
|                               | <i>0.00 to 0.10%</i>    | <i>849,072</i>                                       | <i>515</i>  | <i>0.06%</i>   | <i>0.03%</i>   | <i>0.03%</i>  | <i>0.06%</i>  |
| Retail – Qualifying revolving | <i>0.10 to 0.15%</i>    | <i>938,398</i>                                       | <i>2,777</i>  | <i>0.30%</i>   | <i>0.12%</i>   | <i>0.13%</i>  | <i>0.17%</i>  |
|                               | 0.15 to 0.25%           | 57,094   | 142   | 0.25%  | 0.17%  | 0.18%   | 0.25%   |
|                               | 0.25 to 0.50%           | 296,988  | 1,926   | 0.65%  | 0.38%  | 0.34%   | 0.47%   |
|                               | 0.50 to 0.75%           | 295,878  | 2,285   | 0.77%  | 0.61%  | 0.60%   | 0.63%   |
|                               | 0.75 to 2.50%           | 316,764  | 7,285   | 2.30%  | 1.35%  | 1.24%   | 1.51%   |
|                               | <i>0.75 to 1.75%</i>    | <i>301,731</i>                                       | <i>6,888</i>  | <i>2.28%</i>   | <i>1.29%</i>   | <i>1.20%</i>  | <i>1.46%</i>  |
|                               | <i>1.75 to 2.50%</i>    | <i>15,033</i>  | <i>397</i>  | <i>2.64%</i>   | <i>1.94%</i>   | <i>2.05%</i>  | <i>2.08%</i>  |
|                               | 2.50 to 10.00%          | 195,573  | 16,194  | 8.28%  | 4.97%  | 5.01%   | 5.23%   |
|                               | <i>2.50 to 5.00%</i>    | <i>106,856</i>                                       | <i>5,664</i>  | <i>5.30%</i>   | <i>3.47%</i>   | <i>3.36%</i>  | <i>3.45%</i>  |
|                               | <i>5.00 to 10.00%</i>   | <i>88,717</i>  | <i>10,530</i>   | <i>11.87%</i>  | <i>7.20%</i>   | <i>7.01%</i>  | <i>7.01%</i>  |
|                               | 10.00 to 100.00%        | 56,430   | 10,144  | 17.98%   | 22.05%   | 18.93%  | 22.03%  |
|                               | <i>10.00 to 20.00%</i>  | <i>39,979</i>  | <i>3,869</i>  | <i>9.68%</i>   | <i>12.92%</i>  | <i>12.34%</i>   | <i>12.29%</i>   |
|                               | <i>20.00 to 30.00%</i>  | <i>8,016</i>   | <i>2,298</i>  | <i>28.67%</i>  | <i>24.12%</i>  | <i>28.33%</i>   | <i>25.72%</i>   |
|                               | <i>30.00 to 100.00%</i> | <i>8,435</i>   | <i>3,977</i>  | <i>47.15%</i>  | <i>48.44%</i>  | <i>41.22%</i>   | <i>40.48%</i>   |
|                               | 100% (Default)          | 162,034  |   |  | 100.00%  | 100.00%   |   |

| a                      | b                | c  | d  | e  | f  | g  | h  |
|------------------------|------------------|--|--|--|--|--|--|
|                        |                  | 2022   |  |  |  |  |  |
|                        |                  | Number of obligors<br>at the end of the year |  |  |  |  |  |
| Portfolio              | PD scale         |  | of which:<br>number of<br>obligors<br>which<br>defaulted<br>during the<br>year | Observed<br>average<br>default<br>rate (%) | Exposures<br>weighted<br>average<br>PD (%) | Average<br>PD<br>weighted<br>by the<br>number of<br>debtors<br>(%) | Average<br>historical<br>annual<br>default<br>rate (%) |
| Retail – Other SME     | 0.00 to 0.15%    | 110,444                                      | 421  | 0.38%                                      | 0.09%                                      | 0.10%  | 0.15%  |
|                        | 0.00 to 0.10%    | 45,341                                       | 72   | 0.16%                                      | 0.07%                                      | 0.07%  | 0.08%  |
|                        | 0.10 to 0.15%    | 65,103                                       | 349  | 0.54%                                      | 0.12%                                      | 0.12%  | 0.18%  |
|                        | 0.15 to 0.25%    | 92,257                                       | 404  | 0.44%                                      | 0.18%                                      | 0.21%  | 0.25%  |
|                        | 0.25 to 0.50%    | 74,393                                       | 489  | 0.66%                                      | 0.33%                                      | 0.35%  | 0.43%  |
|                        | 0.50 to 0.75%    | 122,861                                      | 1,550  | 1.26%                                      | 0.60%                                      | 0.60%  | 0.69%  |
|                        | 0.75 to 2.50%    | 208,002                                      | 5,354  | 2.57%                                      | 1.50%                                      | 1.57%  | 2.29%  |
|                        | 0.75 to 1.75%    | 150,885                                      | 3,305  | 2.19%                                      | 1.14%                                      | 1.36%  | 1.32%  |
|                        | 1.75 to 2.50%    | 57,117                                       | 2,049  | 3.59%                                      | 2.07%                                      | 2.11%  | 5.08%  |
|                        | 2.50 to 10.00%   | 124,230                                      | 7,117  | 5.73%                                      | 4.92%                                      | 4.97%  | 5.49%  |
|                        | 2.50 to 5.00%    | 74,171                                       | 3,985  | 5.37%                                      | 3.68%                                      | 3.86%  | 4.58%  |
|                        | 5.00 to 10.00%   | 50,059                                       | 3,132  | 6.26%                                      | 5.83%                                      | 6.61%  | 6.86%  |
|                        | 10.00 to 100.00% | 45,251                                       | 7,851  | 17.35%                                     | 17.44%                                     | 14.23%   | 16.82%   |
|                        | 10.00 to 20.00%  | 38,262                                       | 5,846  | 15.28%                                     | 12.60%                                     | 11.47%   | 12.06%   |
|                        | 20.00 to 30.00%  | 4,423  | 885  | 20.01%                                     | 24.24%                                     | 23.68%   | 25.83%   |
|                        | 30.00 to 100.00% | 2,566  | 1,120  | 43.65%                                     | 41.73%                                     | 39.14%   | 41.33%   |
|                        | 100% (Default)   | 102,019                                      |  |  | 100.00%                                    | 100.00%  |  |
| Retail – Other non-SME | 0.00 to 0.15%    | 572,651                                      | 357  | 0.06%                                      | 0.10%                                      | 0.06%  | 0.06%  |
|                        | 0.00 to 0.10%    | 433,424                                      | 133  | 0.03%                                      | 0.05%                                      | 0.04%  | 0.05%  |
|                        | 0.10 to 0.15%    | 139,227                                      | 224  | 0.16%                                      | 0.12%                                      | 0.12%  | 0.16%  |
|                        | 0.15 to 0.25%    | 144,330                                      | 393  | 0.27%                                      | 0.19%                                      | 0.20%  | 0.33%  |
|                        | 0.25 to 0.50%    | 365,100                                      | 1,653  | 0.45%                                      | 0.38%                                      | 0.37%  | 0.50%  |
|                        | 0.50 to 0.75%    | 136,848                                      | 764  | 0.56%                                      | 0.61%                                      | 0.64%  | 0.54%  |
|                        | 0.75 to 2.50%    | 443,439                                      | 4,418  | 1.00%                                      | 1.39%                                      | 1.30%  | 1.35%  |
|                        | 0.75 to 1.75%    | 398,325                                      | 3,328  | 0.84%                                      | 1.20%                                      | 1.23%  | 1.25%  |
|                        | 1.75 to 2.50%    | 45,114                                       | 1,090  | 2.42%                                      | 2.00%                                      | 1.89%  | 3.28%  |
|                        | 2.50 to 10.00%   | 115,346                                      | 5,805  | 5.03%                                      | 4.49%                                      | 4.97%  | 6.01%  |
|                        | 2.50 to 5.00%    | 63,102                                       | 2,263  | 3.59%                                      | 3.52%                                      | 3.67%  | 3.88%  |
|                        | 5.00 to 10.00%   | 52,244                                       | 3,542  | 6.78%                                      | 7.34%                                      | 6.55%  | 9.00%  |

| a                | b                       | c             | d   | e  | f  | g   | h   |
|------------------|-------------------------|---------------|---|--|--|---|---|
|                  |                         |               |   |  |  |   | <b>2022</b>   |
| <b>Portfolio</b> |                         |               | <b>Number of obligors<br/>at the end of the year</b>  |  |  |   |   |
|                  | <b>PD scale</b>         |               | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default<br/>rate (%)</b> | <b>Exposures<br/>weighted<br/>average<br/>PD (%)</b> | <b>Average<br/>PD<br/>weighted<br/>by the<br/>number of<br/>debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default<br/>rate (%)</b> |
|                  | 10.00 to 100.00%        | 36,149        | 5,563   | 15.39%   | 23.12%   | 18.94%  | 20.40%  |
|                  | <i>10.00 to 20.00%</i>  | <i>25,797</i> | <i>2,923</i>  | <i>11.33%</i>  | <i>13.71%</i>  | <i>13.54%</i>   | <i>15.21%</i>   |
|                  | <i>20.00 to 30.00%</i>  | <i>6,573</i>  | <i>1,013</i>  | <i>15.41%</i>  | <i>24.37%</i>  | <i>25.01%</i>   | <i>22.09%</i>   |
|                  | <i>30.00 to 100.00%</i> | <i>3,779</i>  | <i>1,627</i>  | <i>43.05%</i>  | <i>45.64%</i>  | <i>45.24%</i>   | <i>39.93%</i>   |
|                  | 100% (Default)          | 188,753       |   |  | 100.00%  | 100.00%   |   |

| a                             | b                      | c              | d   | e  | f  | g   | h   |
|-------------------------------|------------------------|----------------|---|--|--|---|---|
|                               |                        |                |   |  |  |   | <b>2021</b>   |
| <b>Portfolio</b>              |                        |                | <b>Number of obligors<br/>at the end of the year</b>  |  |  |   |   |
|                               | <b>PD scale</b>        |                | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default<br/>rate (%)</b> | <b>Exposures<br/>weighted<br/>average<br/>PD (%)</b> | <b>Average<br/>PD<br/>weighted<br/>by the<br/>number of<br/>debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default<br/>rate (%)</b> |
|                               | 0.00 to 0.15%          | 1,790,722      | 2,891   | 0.16%  | 0.09%  | 0.08%   | 0.08%   |
|                               | <i>0.00 to 0.10%</i>   | <i>840,717</i> | <i>426</i>  | <i>0.05%</i>   | <i>0.03%</i>   | <i>0.03%</i>  | <i>0.06%</i>  |
|                               | <i>0.10 to 0.15%</i>   | <i>950,005</i> | <i>2,465</i>  | <i>0.26%</i>   | <i>0.12%</i>   | <i>0.13%</i>  | <i>0.16%</i>  |
|                               | 0.15 to 0.25%          | 67,866         | 159   | 0.23%  | 0.17%  | 0.18%   | 0.25%   |
|                               | 0.25 to 0.50%          | 305,277        | 1,920   | 0.63%  | 0.39%  | 0.34%   | 0.45%   |
| Retail – Qualifying revolving | 0.50 to 0.75%          | 253,240        | 2,063   | 0.81%  | 0.62%  | 0.59%   | 0.62%   |
|                               | 0.75 to 2.50%          | 314,801        | 6,692   | 2.13%  | 1.35%  | 1.24%   | 1.43%   |
|                               | <i>0.75 to 1.75%</i>   | <i>300,721</i> | <i>6,318</i>  | <i>2.10%</i>   | <i>1.29%</i>   | <i>1.20%</i>  | <i>1.37%</i>  |
|                               | <i>1.75 to 2.50%</i>   | <i>14,080</i>  | <i>374</i>  | <i>2.66%</i>   | <i>1.94%</i>   | <i>1.96%</i>  | <i>2.02%</i>  |
|                               | 2.50 to 10.00%         | 190,523        | 14,151  | 7.43%  | 4.95%  | 4.89%   | 4.92%   |
|                               | <i>2.50 to 5.00%</i>   | <i>110,190</i> | <i>5,117</i>  | <i>4.64%</i>   | <i>3.48%</i>   | <i>3.34%</i>  | <i>3.26%</i>  |
|                               | <i>5.00 to 10.00%</i>  | <i>80,333</i>  | <i>9,034</i>  | <i>11.25%</i>  | <i>7.21%</i>   | <i>7.02%</i>  | <i>6.53%</i>  |
|                               | 10.00 to 100.00%       | 63,196         | 9,266   | 14.66%   | 21.45%   | 17.48%  | 22.53%  |
|                               | <i>10.00 to 20.00%</i> | <i>48,239</i>  | <i>4,001</i>  | <i>8.29%</i>   | <i>12.92%</i>  | <i>12.16%</i>   | <i>12.64%</i>   |
|                               |                        |                |   |  |  |   |   |

| a                      | b                | c  | d   | e  | f  | g   | h   |
|------------------------|------------------|--|---|--|--|---|---|
|                        |                  |  |   |  |  |   | <b>2021</b>   |
|                        |                  | <b>Number of obligors<br/>at the end of the year</b> |   |  |  |   |   |
| <b>Portfolio</b>       | <b>PD scale</b>  |  | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> | <b>Observed<br/>average<br/>default<br/>rate (%)</b> | <b>Exposures<br/>weighted<br/>average<br/>PD (%)</b> | <b>Average<br/>PD<br/>weighted<br/>by the<br/>number of<br/>debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default<br/>rate (%)</b> |
|                        | 20.00 to 30.00%  | 7,616  | 1,992   | 26.16%   | 24.27%   | 28.33%  | 25.42%  |
|                        | 30.00 to 100.00% | 7,341  | 3,273   | 44.59%   | 47.77%   | 41.21%  | 39.82%  |
|                        | 100% (Default)   | 166,145  |   |  | 100.00%  | 100.00%   |   |
| Retail – Other SME     | 0.00 to 0.15%    | 63,471   | 77  | 0.12%  | 0.09%  | 0.08%   | 0.09%   |
|                        | 0.00 to 0.10%    | 47,114   | 54  | 0.11%  | 0.06%  | 0.07%   | 0.07%   |
|                        | 0.10 to 0.15%    | 16,357   | 23  | 0.14%  | 0.12%  | 0.13%   | 0.12%   |
|                        | 0.15 to 0.25%    | 115,421  | 502   | 0.43%  | 0.18%  | 0.19%   | 0.18%   |
|                        | 0.25 to 0.50%    | 106,183  | 589   | 0.55%  | 0.37%  | 0.38%   | 0.39%   |
|                        | 0.50 to 0.75%    | 70,553   | 538   | 0.76%  | 0.63%  | 0.58%   | 0.59%   |
|                        | 0.75 to 2.50%    | 162,966  | 3,770   | 2.31%  | 1.54%  | 1.46%   | 2.43%   |
|                        | 0.75 to 1.75%    | 120,061  | 1,829   | 1.52%  | 1.15%  | 1.25%   | 1.22%   |
|                        | 1.75 to 2.50%    | 42,905   | 1,941   | 4.52%  | 2.08%  | 2.06%   | 5.30%   |
|                        | 2.50 to 10.00%   | 180,087  | 7,845   | 4.36%  | 5.07%  | 4.86%   | 5.33%   |
|                        | 2.50 to 5.00%    | 115,977  | 3,935   | 3.39%  | 3.60%  | 3.55%   | 4.34%   |
|                        | 5.00 to 10.00%   | 64,110   | 3,910   | 6.10%  | 6.55%  | 7.24%   | 6.91%   |
|                        | 10.00 to 100.00% | 22,305   | 3,976   | 17.83%   | 18.73%   | 20.50%  | 22.00%  |
|                        | 10.00 to 20.00%  | 13,922   | 1,955   | 14.04%   | 12.87%   | 14.92%  | 15.09%  |
|                        | 20.00 to 30.00%  | 4,967  | 863   | 17.37%   | 24.22%   | 24.26%  | 27.07%  |
|                        | 30.00 to 100.00% | 3,416  | 1,158   | 33.90%   | 43.02%   | 37.77%  | 42.27%  |
|                        | 100% (Default)   | 121,222  |   |  | 100.00%  | 100.00%   |   |
| Retail – Other non-SME | 0.00 to 0.15%    | 672,077  | 775   | 0.12%  | 0.10%  | 0.06%   | 0.10%   |
|                        | 0.00 to 0.10%    | 508,777  | 395   | 0.08%  | 0.05%  | 0.04%   | 0.07%   |
|                        | 0.10 to 0.15%    | 163,300  | 380   | 0.23%  | 0.12%  | 0.12%   | 0.27%   |
|                        | 0.15 to 0.25%    | 188,902  | 973   | 0.52%  | 0.19%  | 0.20%   | 0.39%   |
|                        | 0.25 to 0.50%    | 437,832  | 2,667   | 0.61%  | 0.38%  | 0.37%   | 0.54%   |
|                        | 0.50 to 0.75%    | 150,840  | 969   | 0.64%  | 0.60%  | 0.64%   | 0.63%   |
|                        | 0.75 to 2.50%    | 461,013  | 5,901   | 1.28%  | 1.37%  | 1.30%   | 1.46%   |
|                        | 0.75 to 1.75%    | 410,554  | 4,546   | 1.11%  | 1.20%  | 1.23%   | 1.32%   |
|                        | 1.75 to 2.50%    | 50,459   | 1,355   | 2.69%  | 2.00%  | 1.90%   | 3.40%   |

| a                | b                | c  | d   | e  | f  | g   | h   |
|------------------|------------------|--|---|--|--|---|---|
|                  |                  |  |   |  |  |   | <b>2021</b>   |
| <b>Portfolio</b> | <b>PD scale</b>  | <b>Number of obligors<br/>at the end of the year</b> |   | <b>Observed<br/>average<br/>default<br/>rate (%)</b> | <b>Exposures<br/>weighted<br/>average<br/>PD (%)</b> | <b>Average<br/>PD<br/>weighted<br/>by the<br/>number of<br/>debtors<br/>(%)</b> | <b>Average<br/>historical<br/>annual<br/>default<br/>rate (%)</b> |
|                  |                  |  | <b>of which:<br/>number of<br/>obligors<br/>which<br/>defaulted<br/>during the<br/>year</b> |  |  |   |   |
|                  | 2.50 to 10.00%   | 121,986  | 6,866   | 5.63%  | 4.60%  | 5.16%   | 6.33%   |
|                  | 2.50 to 5.00%    | 63,458   | 2,518   | 3.97%  | 3.54%  | 3.64%   | 4.00%   |
|                  | 5.00 to 10.00%   | 58,528   | 4,348   | 7.43%  | 7.39%  | 6.81%   | 9.52%   |
|                  | 10.00 to 100.00% | 44,003   | 6,718   | 15.27%   | 22.41%   | 19.62%  | 21.57%  |
|                  | 10.00 to 20.00%  | 31,628   | 3,719   | 11.76%   | 13.45%   | 13.90%  | 15.59%  |
|                  | 20.00 to 30.00%  | 7,361  | 1,141   | 15.50%   | 24.38%   | 24.52%  | 23.41%  |
|                  | 30.00 to 100.00% | 5,014  | 1,858   | 37.06%   | 46.30%   | 48.51%  | 39.76%  |
|                  | 100% (Default)   | 231,030  |   |  | 100.00%  | 100.00%   |   |

**TABLE 37: BACKTESTING OF LGD**

| Portfolio                             | 2022                                      |   |
|---------------------------------------|---|---|
|                                       | Arithmetical average of the estimated LGD | Historic arithmetic average of the observed LGD |
| Sovereigns and public sector entities | 31%                                       | 18%   |
| Institutions <sup>(*)</sup>           | 32%                                       | 31%   |
| Large corporates <sup>(**)</sup>      | 39%                                       | 22%   |
| Individuals                           | 58%                                       | 37%   |
| Professionals and SME retail          | 48%                                       | 34%   |
| SME corporate                         | 51%                                       | 42%   |

(\*) Including the Banks, Insurance and Regulated funds & Agency arrangements portfolios.

(\*\*) Including the Large corporates, Project financing and Energy and commodity financing portfolios.

|                                       | 2021  |  |
|---------------------------------------|---|--|
| Portfolio                             | Arithmetical<br>average of the<br>estimated LGD | Historic<br>arithmetic<br>average of the<br>observed LGD |
| Sovereigns and public sector entities | 33%   | 6%   |
| Institutions <sup>(*)</sup>           | 33%   | 32%  |



|                                 |     |     |
|---------------------------------|-----|-----|
| Large corporates <sup>(*)</sup> | 40% | 27% |
| Individuals                     | 60% | 36% |
| Professionals and SME retail    | 46% | 35% |
| SME corporate                   | 36% | 30% |

(\*) Including the Banks, Insurance and Regulated funds & Agency arrangements portfolios.

(\*\*) Including the Large corporates, Project financing and Energy and commodity financing portfolios.

## INTERNAL RATING SYSTEM – SOVEREIGN, FINANCIAL INSTITUTION, CORPORATE AND SPECIALISED FINANCING PORTFOLIOS

The IRBA for sovereigns, financial institutions, corporates and specialised financing portfolios is based on a consistent rating procedure in which RISK has the final say regarding the rating assigned to the counterparty and the Global Recovery Rate (GRR) assigned to transactions. Credit Conversion Factors (CCF) of off-balance sheet transactions are automatically assigned according to counterparty and transaction type.

The generic process for assigning a rating to each segment is as follows:

- for large corporates and specialised financing, an analysis is carried out by the unit proposing a rating and a Global Recovery Rate to the Credit Committee, using the rating models and tools developed by RISK. The rating and Global Recovery Rate are validated or revised by the RISK representative during the Credit Committee meeting. The committee decides whether or not to grant or renew a loan and, if applicable, reviews the counterparty rating at least once a year;
- for financial institutions, the analysis is carried out by analysts in the RISK Function. Counterparty ratings and Global Recovery Rates are determined during review committees by geographical area to ensure comparability between similar banks;
- for sovereigns, the ratings are proposed by the Economic Research Department and approved at Country ratings Committee meetings which take place generally three times per year. The committee comprises members of Executive Management, representatives of Economic Studies and the RISK function;
- for small and medium-sized companies (other than retail customers), a score is assigned by the RISK analysts.

For each of these sub-portfolios, the risk parameters are measured using a model certified and validated by the RISK teams, based mainly on an analysis of the Bank's historical data. The model is supported as far as possible by tools shared Group-wide to ensure consistent use. The method is supplemented by expert judgement provided it can be justified. However, the expert judgement remains irreplaceable, with each of the scores and each of the GTRs relying on the judgement, which may deviate, subject to justification, from the strict application of the models.

The method for assessing risk parameters is based on a set of common principles, and particularly the “two pairs of eyes” principle which requires at least two people, at least one of whom has no commercial involvement, to give their opinion on each counterparty rating and each transaction Global Recovery Rate.

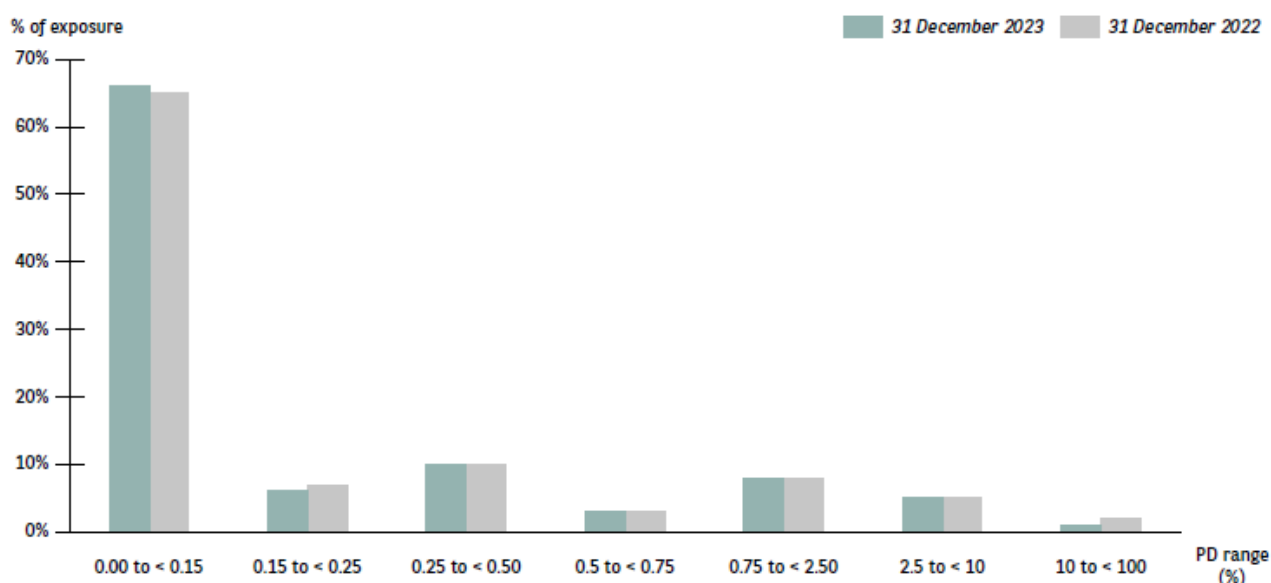
The same definition of default is used consistently throughout the Group for each asset class, in accordance with regulations.

The chart hereafter presents a breakdown by PD range of non-defaulted loans and commitments for the asset classes: central governments and central institutions, corporates for all the Group's business lines, measured using the internal ratings-based approach (see Table 27: *Indicative mapping of internal counterparty rating with agency rating scale and average expected PD*).

This exposure represented EUR 1,139 billion at 31 December 2023 compared with EUR 1,165 billion at 31 December 2022.

The majority of commitments are towards borrowers rated as good or excellent quality, reflecting the heavy weighting of large multinational groups and financial institutions in the Bank's client base. A significant proportion of commitments to non-Investment Grade borrowers are highly structured or secured by high quality guarantees implying a high recovery rate in the event of default. They include export financing covered by export credit insurance written by international agencies, project finance, structured finance and transaction financing.

**FIGURE 8: IRBA EXPOSURE BY PD RANGE – SOVEREIGN, FINANCIAL INSTITUTION, CORPORATE AND SPECIALISED FINANCING PORTFOLIOS**



## SOVEREIGN, FINANCIAL INSTITUTION, CORPORATE AND SPECIALISED FINANCING PORTFOLIOS

The following table presents the breakdown by PD range of loans and commitments for the asset classes: Central governments and central banks, Institutions and Corporates for all the Group's business lines using the advanced IRB Approach. This exposure represented EUR 1,150 billion at 31 December 2023, including EUR 1,139 billion of non-defaulted loans and EUR 11 billion of defaulted loans, compared with EUR 1,175 billion at 31 December 2022, including EUR 1,165 billion of non-defaulted loans and EUR 10 billion of defaulted loans.

The table also gives the average rates of the main risk parameters in the Basel framework:

- average probability of default weighted by exposure at default: average PD<sup>1</sup>;
- weighted average of Credit Conversion Factor (CCF) for off-balance sheet items: average CCF<sup>2</sup>;
- average Loss Given Default weighted by exposure at default: average LGD<sup>3</sup>;
- average of residual maturities (in years) weighted by the exposure at default: average maturity.

The average risk weight (average RW) is defined as the ratio between risk-weighted assets and the exposure at default (EAD), resulting from the parameters defined above.

The column "Estimated loss amount" presents the expected loss at a one-year horizon.

**TABLE 38: IRBA EXPOSURE BY PD SCALE AND ASSET CLASS – CENTRAL BANK, CENTRAL GOVERNMENT AND INSTITUTIONS PORTFOLIO (EU CR6)**

|                        | a                | b                      | c                                     | d                    | e       | f                   | g                  | h                    | i                         | j                                   | k              | l  | m  |
|------------------------|------------------|------------------------|---------------------------------------|----------------------|---------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
|                        |                  |                        |                                       |                      |         |                     |                    |                      |                           |                                     |                |  | 31 December 2023                                   |
| In millions of euros   | PD range         | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD     | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(1)</sup> | Average weight | Amount of expected losses <sup>(2)</sup> | Value of adjustments and provisions <sup>(3)</sup> |
| Central government and | 0.00 to < 0.15 % | 422,378                | 875                                   | 36%                  | 423,540 | 0.01%               | 100 to 1 000       | 2%                   | 2                         | 1,774                               | 0%             | 2  |  |

<sup>1</sup> (1) Average PD: "Probability of Default" – average probability of default weighted by exposure at default.

<sup>2</sup> Average CCF: "Credit Conversion Factor" – ratio of exposure at default to off-balance sheet exposure.

<sup>3</sup> Average LGD: "Loss Given Default" – average Loss Given Default weighted by exposure at default.

|                             | a                | b                      | c                                     | d                    | e              | f                   | g                  | h                    | i                         | j                                   | k              | l   | m   |
|-----------------------------|------------------|------------------------|---------------------------------------|----------------------|----------------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|---|---|
|                             | 31 December 2023 |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |   |   |
| <i>In millions of euros</i> | PD range         | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD            | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of expected losses <sup>(**)</sup> | Value of adjustments and provisions <sup>(**)</sup> |
| central banks               | 0.00 to < 0.10 % | 418,230                | 875                                   | 36%                  | 419,392        | 0.01%               | 100 to 1 000       | 1%                   | 2                         | 850                                 | 0%             | 1   |   |
|                             | 0.10 to < 0.15 % | 4,148                  | 0                                     | 0%                   | 4,148          | 0.13%               | 0 to 100           | 19%                  | 3                         | 924                                 | 22%            | 1   |   |
|                             | 0.15 to < 0.25 % | 1,304                  | 0                                     | 3%                   | 1,304          | 0.19%               | 0 to 100           | 11%                  | 2                         | 177                                 | 14%            | 0   |   |
|                             | 0.25 to < 0.50 % | 2,921                  | 614                                   | 55%                  | 3,259          | 0.29%               | 0 to 100           | 21%                  | 2                         | 913                                 | 28%            | 2   |   |
|                             | 0.50 to < 0.75 % | 1,127                  | 757                                   | 55%                  | 1,544          | 0.69%               | 0 to 100           | 17%                  | 2                         | 579                                 | 38%            | 2   |   |
|                             | 0.75 to < 2.50 % | 512                    | 361                                   | 55%                  | 710            | 1.30%               | 0 to 100           | 11%                  | 3                         | 200                                 | 28%            | 1   |   |
|                             | 0.75 to < 1.75 % | 501                    | 361                                   | 55%                  | 699            | 1.29%               | 0 to 100           | 11%                  | 3                         | 191                                 | 27%            | 1   |   |
|                             | 1.75 to < 2.5% % | 11                     | 0                                     | 23%                  | 11             | 1.88%               | 0 to 100           | 33%                  | 1                         | 9                                   | 79%            | 0   |   |
|                             | 2.50 to < 10% %  | 456                    | 263                                   | 55%                  | 601            | 8.33%               | 0 to 100           | 7%                   | 4                         | 252                                 | 42%            | 4   |   |
|                             | 2.5 to < 5% %    | 3                      | 2                                     | 55%                  | 4              | 3.07%               | 0 to 100           | 2%                   | 2                         | 0                                   | 8%             | 0   |   |
|                             | 5 to < 10% %     | 453                    | 261                                   | 55%                  | 597            | 8.36%               | 0 to 100           | 7%                   | 4                         | 252                                 | 42%            | 4   |   |
|                             | 10 to < 100% %   | 556                    | 83                                    | 55%                  | 604            | 19.48%              | 0 to 100           | 12%                  | 2                         | 433                                 | 72%            | 15  |   |
|                             | 10 to < 20% %    | 152                    | 83                                    | 55%                  | 199            | 14.76%              | 0 to 100           | 3%                   | 5                         | 31                                  | 16%            | 1   |   |
|                             | 20 to < 30% %    | 405                    | 0                                     | 57%                  | 405            | 21.81%              | 0 to 100           | 16%                  | 1                         | 402                                 | 99%            | 14  |   |
|                             | 30 to < 100% %   |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |   |   |
|                             | 100% (Default )  | 86                     | 47                                    | 55%                  | 113            | 100.00%             | 0 to 100           | 14%                  | 5                         | 32                                  | 28%            | 15  |   |
| <b>SUB-TOTAL</b>            |                  | <b>429,341</b>         | <b>3,001</b>                          | <b>50%</b>           | <b>431,674</b> | <b>0.09%</b>        |                    | <b>2%</b>            | <b>2</b>                  | <b>4,360</b>                        | <b>1%</b>      | <b>40</b>                                 | <b>(29)</b>   |

|                             | a                | b                      | c                                     | d                    | e              | f                   | g                  | h                    | i                         | j                                   | k              | l   | m   |
|-----------------------------|------------------|------------------------|---------------------------------------|----------------------|----------------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|---|---|
|                             | 31 December 2023 |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |   |   |
| <i>In millions of euros</i> | PD range         | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD            | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of expected losses <sup>(**)</sup> | Value of adjustments and provisions <sup>(**)</sup> |
| Institutions                | 0.00 to < 0.15 % | 23,355                 | 12,145                                | 44%                  | 28,926         | 0.04%               | 1,000 to 10,000    | 25%                  | 3                         | 4,589                               | 16%            | 3   |   |
|                             | 0.00 to < 0.10 % | 22,421                 | 11,021                                | 44%                  | 27,453         | 0.04%               | 1,000 to 10,000    | 25%                  | 3                         | 4,197                               | 15%            | 3   |   |
|                             | 0.10 to < 0.15 % | 934                    | 1,124                                 | 46%                  | 1,472          | 0.12%               | 100 to 1,000       | 32%                  | 2                         | 392                                 | 27%            | 1   |   |
|                             | 0.15 to < 0.25 % | 1,430                  | 1,171                                 | 45%                  | 1,961          | 0.18%               | 100 to 1,000       | 39%                  | 2                         | 647                                 | 33%            | 1   |   |
|                             | 0.25 to < 0.50 % | 1,803                  | 1,747                                 | 68%                  | 2,989          | 0.32%               | 100 to 1,000       | 18%                  | 2                         | 639                                 | 21%            | 2   |   |
|                             | 0.50 to < 0.75 % | 361                    | 184                                   | 36%                  | 432            | 0.64%               | 100 to 1,000       | 19%                  | 3                         | 148                                 | 34%            | 1   |   |
|                             | 0.75 to < 2.50 % | 1,789                  | 578                                   | 34%                  | 1,993          | 1.42%               | 100 to 1,000       | 28%                  | 2                         | 1,165                               | 58%            | 8   |   |
|                             | 0.75 to < 1.75 % | 989                    | 240                                   | 42%                  | 1,090          | 1.06%               | 100 to 1,000       | 27%                  | 2                         | 502                                 | 46%            | 3   |   |
|                             | 1.75 to < 2.5% % | 800                    | 338                                   | 29%                  | 904            | 1.87%               | 100 to 1,000       | 29%                  | 2                         | 663                                 | 73%            | 5   |   |
|                             | 2.50 to < 10% %  | 489                    | 363                                   | 43%                  | 644            | 5.29%               | 100 to 1,000       | 36%                  | 2                         | 460                                 | 71%            | 9   |   |
|                             | 2.5 to < 5% %    | 318                    | 239                                   | 38%                  | 409            | 3.34%               | 100 to 1,000       | 44%                  | 2                         | 377                                 | 92%            | 6   |   |
|                             | 5 to < 10% %     | 171                    | 124                                   | 53%                  | 235            | 8.71%               | 100 to 1,000       | 22%                  | 4                         | 83                                  | 35%            | 4   |   |
|                             | 10 to < 100% %   | 44                     | 144                                   | 51%                  | 117            | 17.74%              | 100 to 1,000       | 47%                  | 2                         | 313                                 | 267%           | 10  |   |
|                             | 10 to < 20% %    | 14                     | 93                                    | 53%                  | 63             | 12.44%              | 100 to 1,000       | 40%                  | 3                         | 133                                 | 212%           | 3   |   |
|                             | 20 to < 30% %    | 30                     | 51                                    | 48%                  | 55             | 23.83%              | 100 to 1,000       | 54%                  | 1                         | 180                                 | 331%           | 7   |   |
|                             | 30 to < 100% %   |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |   |   |
|                             | 100% (Default)   | 181                    | 0                                     | 20%                  | 181            | 100.00%             | 0 to 100           | 97%                  | 3                         | 2                                   | 1%             | 168                                       |   |
| <b>SUB-TOTAL</b>            |                  | <b>29,452</b>          | <b>16,331</b>                         | <b>47%</b>           | <b>37,244</b>  | <b>0.79%</b>        |                    | <b>25%</b>           | <b>3</b>                  | <b>7,963</b>                        | <b>21%</b>     | <b>203</b>                                | <b>(258)</b>  |
| <b>TOTAL</b>                |                  | <b>458,792</b>         | <b>19,332</b>                         |                      | <b>468,918</b> |                     |                    |                      |                           | <b>12,323</b>                       | <b>3%</b>      | <b>243</b>                                | <b>(287)</b>  |

|                                     | a           | b            | c                          | d              | e   | f             | g             | h              | i                   | j                     | k           | l  | m   |
|-------------------------------------|-------------|--------------|----------------------------|----------------|-----|---------------|---------------|----------------|---------------------|-----------------------|-------------|--|---|
|                                     |             |              |                            |                |     |               |               |                |                     |                       |             |  | 31 December 2023  |
|                                     |             |              | Off-<br>balance<br>sheet   | Weighte<br>d   |     | Weighte<br>d  | Numbe<br>r of | Weighte<br>d   | Weighte<br>d        | Risk-<br>weighte<br>d | Averag<br>e | Amount<br>of expecte<br>d losses <sup>(**)</sup> | Value<br>of adjustment<br>s and provisions <sup>(*)</sup> |
| <i>In<br/>millions<br/>of euros</i> | PD<br>range | exposur<br>e | exposur<br>e before<br>CCF | average<br>CCF | EAD | average<br>PD | obligor<br>s  | average<br>LGD | average<br>maturity | assets <sup>(*)</sup> | weight      |  |   |

(\*) Add-on included.

(\*\*) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard (see note 1.f.5 Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders' equity to the consolidated financial statements as at 31 December 2023).

|                                       | a                | b                      | c                                     | d                    | e              | f                   | g                  | h                    | i                         | j                                   | k              | l   | m   |
|---------------------------------------|------------------|------------------------|---------------------------------------|----------------------|----------------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|---|---|
|                                       | 31 December 2022 |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |   |   |
| <i>In millions of euros</i>           | PD range         | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD            | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of expected losses <sup>(**)</sup> | Value of adjustments and provisions <sup>(**)</sup> |
| Central governments and central banks | 0.00 to < 0.15%  | 442,627                | 2,846                                 | 49%                  | 444,432        | 0.01%               | 100 to 1,000       | 2%                   | 2                         | 1,836                               | 0%             | 2   |   |
|                                       | 0.00 to < 0.10%  | 438,412                | 2,846                                 | 49%                  | 440,218        | 0.01%               | 100 to 1,000       | 1%                   | 2                         | 871                                 | 0%             | 1   |   |
|                                       | 0.10 to < 0.15%  | 4,214                  | 0                                     | 0%                   | 4,214          | 0.13%               | 0 to 100           | 19%                  | 4                         | 965                                 | 23%            | 1   |   |
|                                       | 0.15 to < 0.25%  | 1,140                  | 0                                     | 22%                  | 1,140          | 0.19%               | 0 to 100           | 13%                  | 3                         | 188                                 | 17%            | 0   |   |
|                                       | 0.25 to < 0.50%  | 3,103                  | 414                                   | 55%                  | 3,330          | 0.29%               | 0 to 100           | 26%                  | 2                         | 1,025                               | 31%            | 2   |   |
|                                       | 0.50 to < 0.75%  | 961                    | 751                                   | 55%                  | 1,374          | 0.69%               | 0 to 100           | 16%                  | 2                         | 482                                 | 35%            | 2   |   |
|                                       | 0.75 to < 2.50%  | 596                    | 480                                   | 55%                  | 982            | 1.24%               | 0 to 100           | 13%                  | 3                         | 278                                 | 28%            | 1   |   |
|                                       | 0.75 to < 1.75%  | 592                    | 480                                   | 55%                  | 978            | 1.24%               | 0 to 100           | 13%                  | 3                         | 275                                 | 28%            | 1   |   |
|                                       | 1.75 to < 2.5%   | 4                      | 0                                     | 0%                   | 4              | 1.85%               | 0 to 100           | 30%                  | 1                         | 3                                   | 67%            | 0   |   |
|                                       | 2.50 to < 10%    | 441                    | 593                                   | 55%                  | 767            | 7.07%               | 0 to 100           | 6%                   | 4                         | 237                                 | 31%            | 3   |   |
|                                       | 2.5 to < 5%      | 13                     | 0                                     | 27%                  | 13             | 3.10%               | 0 to 100           | 6%                   | 1                         | 2                                   | 17%            | 0   |   |
|                                       | 5 to < 10%       | 428                    | 593                                   | 55%                  | 754            | 7.13%               | 0 to 100           | 6%                   | 4                         | 234                                 | 31%            | 3   |   |
|                                       | 10 to < 100%     | 674                    | 84                                    | 55%                  | 720            | 19.05%              | 0 to 100           | 13%                  | 2                         | 537                                 | 75%            | 20  |   |
|                                       | 10 to < 20%      | 192                    | 84                                    | 55%                  | 237            | 13.43%              | 0 to 100           | 3%                   | 4                         | 47                                  | 20%            | 1   |   |
|                                       | 20 to < 30%      | 482                    | 0                                     | 55%                  | 482            | 21.81%              | 0 to 100           | 18%                  | 1                         | 490                                 | 102%           | 19  |   |
|                                       | 30 to < 100%     |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |   |   |
|                                       | 100% (Default)   | 52                     | 13                                    | 55%                  | 59             | 100.00%             | 0 to 100           | 12%                  | 3                         | 38                                  | 64%            | 5   |   |
| <b>SUB-TOTAL</b>                      |                  | <b>449,594</b>         | <b>5,181</b>                          | <b>52%</b>           | <b>452,804</b> | <b>0.08%</b>        |                    | <b>2%</b>            | <b>2</b>                  | <b>4,620</b>                        | <b>1%</b>      | <b>36</b>                                 | <b>(22)</b>   |

|                             | a               | b                      | c                                     | d                    | e              | f                   | g                  | h                    | i                         | j                                   | k              | l   | m   |
|-----------------------------|-----------------|------------------------|---------------------------------------|----------------------|----------------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|---|---|
| 31 December 2022            |                 |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |   |   |
| <i>In millions of euros</i> | PD range        | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD            | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of expected losses <sup>(**)</sup> | Value of adjustments and provisions <sup>(**)</sup> |
| Institutions                | 0.00 to < 0.15% | 24,436                 | 11,627                                | 47%                  | 30,181         | 0.04%               | 1,000 to 10,000    | 28%                  | 2                         | 4,946                               | 16%            | 4   |   |
|                             | 0.00 to < 0.10% | 23,189                 | 10,741                                | 47%                  | 28,515         | 0.04%               | 1,000 to 10,000    | 27%                  | 2                         | 4,547                               | 16%            | 3   |   |
|                             | 0.10 to < 0.15% | 1,247                  | 886                                   | 43%                  | 1,666          | 0.12%               | 100 to 1,000       | 32%                  | 2                         | 399                                 | 24%            | 1   |   |
|                             | 0.15 to < 0.25% | 2,146                  | 813                                   | 41%                  | 2,482          | 0.17%               | 100 to 1,000       | 46%                  | 2                         | 771                                 | 31%            | 2   |   |
|                             | 0.25 to < 0.50% | 1,896                  | 812                                   | 46%                  | 2,268          | 0.37%               | 100 to 1,000       | 23%                  | 1                         | 682                                 | 30%            | 2   |   |
|                             | 0.50 to < 0.75% | 381                    | 254                                   | 43%                  | 497            | 0.61%               | 100 to 1,000       | 18%                  | 3                         | 163                                 | 33%            | 1   |   |
|                             | 0.75 to < 2.50% | 2,044                  | 566                                   | 38%                  | 2,266          | 1.35%               | 100 to 1,000       | 26%                  | 2                         | 1,179                               | 52%            | 8   |   |
|                             | 0.75 to < 1.75% | 1,256                  | 267                                   | 42%                  | 1,369          | 1.03%               | 100 to 1,000       | 28%                  | 1                         | 672                                 | 49%            | 4   |   |
|                             | 1.75 to < 2.5%  | 787                    | 300                                   | 35%                  | 896            | 1.85%               | 100 to 1,000       | 23%                  | 3                         | 506                                 | 56%            | 4   |   |
|                             | 2.50 to < 10%   | 320                    | 327                                   | 39%                  | 452            | 5.08%               | 100 to 1,000       | 25%                  | 3                         | 281                                 | 62%            | 5   |   |
|                             | 2.5 to < 5%     | 208                    | 156                                   | 35%                  | 265            | 3.52%               | 100 to 1,000       | 34%                  | 2                         | 190                                 | 72%            | 3   |   |
|                             | 5 to < 10%      | 112                    | 171                                   | 43%                  | 187            | 7.30%               | 100 to 1,000       | 13%                  | 4                         | 92                                  | 49%            | 2   |   |
|                             | 10 to < 100%    | 85                     | 65                                    | 37%                  | 109            | 21.05%              | 100 to 1,000       | 48%                  | 1                         | 255                                 | 233%           | 11  |   |
|                             | 10 to < 20%     | 18                     | 27                                    | 32%                  | 27             | 14.51%              | 100 to 1,000       | 43%                  | 2                         | 63                                  | 233%           | 2   |   |
|                             | 20 to < 30%     | 67                     | 38                                    | 40%                  | 82             | 23.21%              | 100 to 1,000       | 50%                  | 1                         | 192                                 | 233%           | 10  |   |
|                             | 30 to < 100%    |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |   |   |
|                             | 100% (Default)  | 187                    | 0                                     | 26%                  | 186            | 100.00%             | 0 to 100           | 94%                  | 3                         | 3                                   | 1%             | 177                                       |   |
| <b>SUB-TOTAL</b>            |                 | <b>31,495</b>          | <b>14,465</b>                         | <b>46%</b>           | <b>38,441</b>  | <b>0.76%</b>        |                    | <b>28%</b>           | <b>2</b>                  | <b>8,280</b>                        | <b>22%</b>     | <b>209</b>                                | <b>(286)</b>  |
| <b>TOTAL</b>                |                 | <b>481,089</b>         | <b>19,646</b>                         |                      | <b>491,246</b> |                     |                    |                      |                           | <b>12,900</b>                       | <b>3%</b>      | <b>245</b>                                | <b>(308)</b>  |

(\*) Add-on included.

(\*\*) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard (see note 1.f.5 Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders' equity to the consolidated financial statements as at 31 December 2023).

**TABLE 39: IRBA EXPOSURE BY PD SCALE AND ASSET CLASS CORPORATE PORTFOLIOS (EU CR6)**

|                                    | a               | b                      | c                                     | d                    | e             | f                   | g                  | h                    | i                         | j                                   | k              | l   | m   |
|------------------------------------|-----------------|------------------------|---------------------------------------|----------------------|---------------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|---|---|
|                                    |                 |                        |                                       |                      |               |                     |                    |                      |                           |                                     |                |   | 31 December 2023                                |
| <i>In millions of euros</i>        | PD range        | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD           | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(1)</sup> | Average weight | Amount of anticipated losses <sup>(2)</sup> | Value adjustments and provisions <sup>(3)</sup> |
| Corporates – Specialised financing | 0.00 to < 0.15% | 5,732                  | 3,944                                 | 50%                  | 7,777         | 0.08%               | 100 to 1,000       | 12%                  | 4                         | 814                                 | 10%            | 1   |   |
|                                    | 0.00 to < 0.10% | 3,276                  | 2,534                                 | 49%                  | 4,606         | 0.05%               | 100 to 1,000       | 13%                  | 4                         | 516                                 | 11%            | 0   |   |
|                                    | 0.10 to < 0.15% | 2,456                  | 1,411                                 | 51%                  | 3,171         | 0.12%               | 100 to 1,000       | 9%                   | 4                         | 299                                 | 9%             | 0   |   |
|                                    | 0.15 to < 0.25% | 6,366                  | 1,535                                 | 52%                  | 7,163         | 0.18%               | 100 to 1,000       | 12%                  | 4                         | 1,230                               | 17%            | 2   |   |
|                                    | 0.25 to < 0.50% | 14,129                 | 5,235                                 | 53%                  | 16,941        | 0.34%               | 1,000 to 10,000    | 15%                  | 4                         | 4,330                               | 26%            | 9   |   |
|                                    | 0.50 to < 0.75% | 5,950                  | 2,453                                 | 63%                  | 7,508         | 0.69%               | 100 to 1,000       | 17%                  | 3                         | 3,217                               | 43%            | 9   |   |
|                                    | 0.75 to < 2.50% | 13,006                 | 6,035                                 | 57%                  | 16,438        | 1.35%               | 1,000 to 10,000    | 14%                  | 3                         | 7,234                               | 44%            | 30  |   |
|                                    | 0.75 to < 1.75% | 10,365                 | 5,241                                 | 57%                  | 13,339        | 1.18%               | 1,000 to 10,000    | 14%                  | 3                         | 5,880                               | 44%            | 21  |   |
|                                    | 1.75 to < 2.5%  | 2,642                  | 793                                   | 57%                  | 3,100         | 2.09%               | 100 to 1,000       | 13%                  | 3                         | 1,354                               | 44%            | 9   |   |
|                                    | 2.50 to < 10%   | 5,874                  | 2,818                                 | 54%                  | 7,405         | 4.95%               | 1,000 to 10,000    | 12%                  | 3                         | 3,404                               | 46%            | 40  |   |
|                                    | 2.5 to < 5%     | 3,219                  | 1,432                                 | 52%                  | 3,971         | 3.40%               | 100 to 1,000       | 13%                  | 3                         | 1,834                               | 46%            | 17  |   |
|                                    | 5 to < 10%      | 2,655                  | 1,386                                 | 56%                  | 3,434         | 6.76%               | 100 to 1,000       | 10%                  | 4                         | 1,571                               | 46%            | 22  |   |
|                                    | 10 to < 100%    | 2,740                  | 2,399                                 | 54%                  | 4,036         | 17.17%              | 100 to 1,000       | 8%                   | 4                         | 1,537                               | 38%            | 60  |   |
|                                    | 10 to < 20%     | 1,843                  | 2,234                                 | 54%                  | 3,052         | 15.31%              | 100 to 1,000       | 5%                   | 4                         | 949                                 | 31%            | 25  |   |
|                                    | 20 to < 30%     | 896                    | 165                                   | 53%                  | 984           | 22.97%              | 0 to 100           | 15%                  | 2                         | 588                                 | 60%            | 35  |   |
|                                    | 30 to < 100%    |                        |                                       |                      |               |                     |                    |                      |                           |                                     |                |   |   |
|                                    | 100% (Default)  | 1,622                  | 182                                   | 67%                  | 1,769         | 100.00%             | 100 to 1,000       | 46%                  | 3                         | 1,151                               | 65%            | 823   |   |
| <b>SUB-TOTAL</b>                   |                 | <b>55,418</b>          | <b>24,601</b>                         | <b>55%</b>           | <b>69,038</b> | <b>4.61%</b>        |                    | <b>13%</b>           | <b>3</b>                  | <b>22,918</b>                       | <b>33%</b>     | <b>972</b>                                  | <b>(954)</b>                                    |



|                             | a                | b                      | c                                     | d                    | e             | f                   | g                  | h                    | i                         | j                                   | k              | l   | m   |
|-----------------------------|------------------|------------------------|---------------------------------------|----------------------|---------------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|---|---|
|                             | 31 December 2023 |                        |                                       |                      |               |                     |                    |                      |                           |                                     |                |   |   |
| <i>In millions of euros</i> | PD range         | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD           | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(1)</sup> | Average weight | Amount of anticipated losses <sup>(2)</sup> | Value adjustments and provisions <sup>(3)</sup> |
| SME corporates              | 0.00 to < 0.15%  | 1,608                  | 2,276                                 | 48%                  | 2,703         | 0.07%               | 1,000 to 10,000    | 37%                  | 3                         | 867                                 | 32%            | 1   |   |
|                             | 0.00 to < 0.10%  | 915                    | 1,863                                 | 48%                  | 1,818         | 0.05%               | 100 to 1,000       | 38%                  | 3                         | 515                                 | 28%            | 0   |   |
|                             | 0.10 to < 0.15%  | 693                    | 413                                   | 46%                  | 885           | 0.12%               | 100 to 1,000       | 35%                  | 3                         | 352                                 | 40%            | 0   |   |
|                             | 0.15 to < 0.25%  | 1,515                  | 786                                   | 35%                  | 1,807         | 0.17%               | 1,000 to 10,000    | 25%                  | 2                         | 445                                 | 25%            | 1   |   |
|                             | 0.25 to < 0.50%  | 6,616                  | 1,879                                 | 38%                  | 7,362         | 0.31%               | 20,000 to 30,000   | 26%                  | 3                         | 2,444                               | 33%            | 6   |   |
|                             | 0.50 to < 0.75%  | 2,020                  | 477                                   | 43%                  | 2,233         | 0.64%               | 1,000 to 10,000    | 22%                  | 4                         | 964                                 | 43%            | 3   |   |
|                             | 0.75 to < 2.50%  | 13,157                 | 2,333                                 | 45%                  | 14,236        | 1.48%               | 30,000 to 40,000   | 27%                  | 3                         | 9,463                               | 66%            | 55  |   |
|                             | 0.75 to < 1.75%  | 7,069                  | 1,757                                 | 44%                  | 7,864         | 1.03%               | 10,000 to 20,000   | 29%                  | 3                         | 4,307                               | 55%            | 23  |   |
|                             | 1.75 to < 2.5%   | 6,088                  | 575                                   | 48%                  | 6,371         | 2.04%               | 10,000 to 20,000   | 25%                  | 2                         | 5,156                               | 81%            | 32  |   |
|                             | 2.50 to < 10%    | 4,538                  | 8,283                                 | 37%                  | 7,607         | 4.16%               | 10,000 to 20,000   | 32%                  | 3                         | 5,106                               | 67%            | 101   |   |
|                             | 2.5 to < 5%      | 2,885                  | 7,726                                 | 36%                  | 5,671         | 3.27%               | 1,000 to 10,000    | 34%                  | 3                         | 3,360                               | 59%            | 64  |   |
|                             | 5 to < 10%       | 1,654                  | 557                                   | 48%                  | 1,936         | 6.76%               | 1,000 to 10,000    | 27%                  | 3                         | 1,745                               | 90%            | 37  |   |
|                             | 10 to < 100%     | 1,375                  | 131                                   | 45%                  | 1,445         | 17.50%              | 1,000 to 10,000    | 27%                  | 3                         | 1,685                               | 117%           | 66  |   |
|                             | 10 to < 20%      | 861                    | 66                                    | 45%                  | 894           | 13.47%              | 1,000 to 10,000    | 28%                  | 3                         | 1,056                               | 118%           | 32  |   |
|                             | 20 to < 30%      | 470                    | 63                                    | 45%                  | 505           | 22.59%              | 1,000 to 10,000    | 25%                  | 2                         | 569                                 | 113%           | 29  |   |
|                             | 30 to < 100%     | 44                     | 1                                     | 82%                  | 45            | 40.42%              | 100 to 1,000       | 26%                  | 4                         | 60                                  | 132%           | 5   |   |
|                             | 100% (Default)   | 1,986                  | 117                                   | 38%                  | 2,033         | 100.00%             | 1,000 to 10,000    | 50%                  | 2                         | 995                                 | 49%            | 977   |   |
| <b>SUB-TOTAL</b>            |                  | <b>32,815</b>          | <b>16,280</b>                         | <b>40%</b>           | <b>39,427</b> | <b>7.24%</b>        |                    | <b>28%</b>           | <b>3</b>                  | <b>21,967</b>                       | <b>56%</b>     | <b>1,209</b>                                | <b>(1,176)</b>                                  |

|                             | a               | b                      | c                                     | d                    | e              | f                   | g                  | h                    | i                         | j                                   | k              | l  | m  |
|-----------------------------|-----------------|------------------------|---------------------------------------|----------------------|----------------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
| 31 December 2023            |                 |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |  |  |
| <i>In millions of euros</i> | PD range        | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD            | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value adjustments and provisions <sup>(**)</sup> |
| Other corporates            | 0.00 to < 0.15% | 92,209                 | 188,099                               | 47%                  | 181,047        | 0.08%               | 10,000 to 20,000   | 33%                  | 2                         | 41,916                              | 23%            | 46   |  |
|                             | 0.00 to < 0.10% | 45,780                 | 149,087                               | 48%                  | 117,093        | 0.05%               | 1,000 to 10,000    | 32%                  | 2                         | 23,109                              | 20%            | 20   |  |
|                             | 0.10 to < 0.15% | 46,429                 | 39,012                                | 45%                  | 63,954         | 0.12%               | 1,000 to 10,000    | 34%                  | 2                         | 18,807                              | 29%            | 25   |  |
|                             | 0.15 to < 0.25% | 26,881                 | 33,494                                | 43%                  | 41,366         | 0.18%               | 10,000 to 20,000   | 35%                  | 2                         | 16,388                              | 40%            | 27   |  |
|                             | 0.25 to < 0.50% | 38,033                 | 36,937                                | 41%                  | 53,582         | 0.34%               | 30,000 to 40,000   | 34%                  | 2                         | 27,272                              | 51%            | 61   |  |
|                             | 0.50 to < 0.75% | 10,323                 | 9,030                                 | 40%                  | 14,099         | 0.67%               | 1,000 to 10,000    | 28%                  | 3                         | 8,423                               | 60%            | 26   |  |
|                             | 0.75 to < 2.50% | 32,864                 | 23,352                                | 42%                  | 43,235         | 1.39%               | 30,000 to 40,000   | 27%                  | 2                         | 29,105                              | 67%            | 160  |  |
|                             | 0.75 to < 1.75% | 23,249                 | 17,809                                | 43%                  | 31,306         | 1.15%               | 20,000 to 30,000   | 27%                  | 2                         | 19,410                              | 62%            | 97   |  |
|                             | 1.75 to < 2.5%  | 9,615                  | 5,543                                 | 39%                  | 11,929         | 2.02%               | 1,000 to 10,000    | 26%                  | 2                         | 9,695                               | 81%            | 64   |  |
|                             | 2.50 to < 10%   | 20,748                 | 14,362                                | 45%                  | 27,024         | 4.68%               | 20,000 to 30,000   | 30%                  | 3                         | 36,320                              | 134%           | 213  |  |
|                             | 2.5 to < 5%     | 13,623                 | 8,943                                 | 42%                  | 17,248         | 3.48%               | 10,000 to 20,000   | 30%                  | 2                         | 25,124                              | 146%           | 185  |  |
|                             | 5 to < 10%      | 7,125                  | 5,419                                 | 48%                  | 9,777          | 6.80%               | 1,000 to 10,000    | 30%                  | 3                         | 11,196                              | 115%           | 28   |  |
|                             | 10 to < 100%    | 5,194                  | 3,761                                 | 49%                  | 7,055          | 16.94%              | 1,000 to 10,000    | 27%                  | 3                         | 9,946                               | 141%           | 322  |  |
|                             | 10 to < 20%     | 3,758                  | 2,889                                 | 48%                  | 5,172          | 14.68%              | 1,000 to 10,000    | 25%                  | 3                         | 6,788                               | 131%           | 189  |  |
|                             | 20 to < 30%     | 1,373                  | 866                                   | 51%                  | 1,815          | 22.71%              | 1,000 to 10,000    | 31%                  | 3                         | 3,060                               | 169%           | 128  |  |
|                             | 30 to < 100%    | 63                     | 5                                     | 59%                  | 68             | 34.27%              | 0 to 100           | 22%                  | 3                         | 98                                  | 144%           | 5  |  |
|                             | 100% (Default)  | 6,272                  | 966                                   | 40%                  | 6,677          | 100.00%             | 1,000 to 10,000    | 45%                  | 2                         | 4,170                               | 62%            | 3391   |  |
| <b>SUB-TOTAL</b>            |                 | <b>232,524</b>         | <b>310,003</b>                        | <b>45%</b>           | <b>374,086</b> | <b>2.73%</b>        |                    | <b>32%</b>           | <b>2</b>                  | <b>173,540</b>                      | <b>46%</b>     | <b>4,246</b>                                 | <b>(4,449)</b>                                   |
| <b>TOTAL</b>                |                 | <b>320,758</b>         | <b>350,884</b>                        |                      | <b>482,551</b> |                     |                    |                      |                           | <b>218,425</b>                      | <b>45%</b>     | <b>6,428</b>                                 | <b>(6,579)</b>                                   |

(\*) Add-on included.

(\*\*) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard (see note 1.f.5 Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders' equity to the consolidated financial statements as at 31 December 2023).

|           | a  | b                | c | d | e | f | g | h | i | j | k | l | m |
|-----------|----|------------------|---|---|---|---|---|---|---|---|---|---|---|
| <i>In</i> | PD | 31 December 2022 |   |   |   |   |   |   |   |   |   |   |   |

| <i>millions<br/>of euros</i>             | <b>range</b>       | <b>Balance<br/>sheet<br/>exposure</b> | <b>Off-<br/>balance<br/>sheet<br/>exposure<br/>before<br/>CCF</b> | <b>Weighted<br/>average<br/>CCF</b> | <b>EAD</b>    | <b>Weighted<br/>average<br/>PD</b> | <b>Number<br/>of<br/>obligors</b> | <b>Weighted<br/>average<br/>LGD</b> | <b>Weighted<br/>average<br/>maturity</b> | <b>Risk-<br/>weighted<br/>assets<sup>(*)</sup></b> | <b>Average<br/>weight</b> | <b>Amount of<br/>anticipated<br/>losses<sup>(**)</sup></b> | <b>Value<br/>adjustments<br/>and<br/>provisions<sup>(**)</sup></b> |
|--|--------------------|---------------------------------------|---|-------------------------------------|---------------|------------------------------------|-----------------------------------|-------------------------------------|--|--|---------------------------|--|--|
| Corporates –<br>Specialised<br>financing | 0.00 to<br>< 0.15% | 6,664                                 | 3,043   | 51%                                 | 8,238         | 0.08%                              | 100 to<br>1,000                   | 13%                                 | 4  | 1,257  | 15%                       | 1  |  |
|  | 0.00 to<br>< 0.10% | 3,814                                 | 2,274   | 50%                                 | 4,960         | 0.06%                              | 100 to<br>1,000                   | 15%                                 | 4  | 966  | 19%                       | 0  |  |
|  | 0.10 to<br>< 0.15% | 2,850                                 | 769   | 51%                                 | 3,278         | 0.12%                              | 100 to<br>1,000                   | 10%                                 | 4  | 291  | 9%                        | 0  |  |
|  | 0.15 to<br>< 0.25% | 5,770                                 | 1,890   | 41%                                 | 6,542         | 0.18%                              | 100 to<br>1,000                   | 17%                                 | 3  | 1,479  | 23%                       | 2  |  |
|  | 0.25 to<br>< 0.50% | 14,048                                | 5,920   | 51%                                 | 17,113        | 0.36%                              | 1,000 to<br>10,000                | 15%                                 | 4  | 4,785  | 28%                       | 9  |  |
|  | 0.50 to<br>< 0.75% | 7,712                                 | 3,677   | 56%                                 | 9,811         | 0.69%                              | 100 to<br>1,000                   | 16%                                 | 3  | 4,180  | 43%                       | 11   |  |
|  | 0.75 to<br>< 2.50% | 13,217                                | 5,172   | 54%                                 | 15,998        | 1.39%                              | 1,000 to<br>10,000                | 14%                                 | 3  | 7,040  | 44%                       | 29   |  |
|  | 0.75 to<br>< 1.75% | 10,439                                | 4,038   | 53%                                 | 12,580        | 1.20%                              | 1,000 to<br>10,000                | 14%                                 | 3  | 5,390  | 43%                       | 19   |  |
|  | 1.75 to<br>< 2.5%  | 2,778                                 | 1,133   | 56%                                 | 3,418         | 2.09%                              | 100 to<br>1,000                   | 13%                                 | 3  | 1,650  | 48%                       | 10   |  |
|  | 2.50 to<br>< 10%   | 5,639                                 | 3,294   | 53%                                 | 7,401         | 4.68%                              | 1,000 to<br>10,000                | 12%                                 | 3  | 3,149  | 43%                       | 39   |  |
|  | 2.5 to<br>< 5%     | 3,655                                 | 2,040   | 50%                                 | 4,682         | 3.36%                              | 100 to<br>1,000                   | 13%                                 | 3  | 1,991  | 43%                       | 20   |  |
|  | 5 to<br>< 10%      | 1,984                                 | 1,255   | 59%                                 | 2,719         | 6.96%                              | 100 to<br>1,000                   | 11%                                 | 3  | 1,158  | 43%                       | 19   |  |
|  | 10 to<br>< 100%    | 2,949                                 | 2,046   | 74%                                 | 4,475         | 16.69%                             | 100 to<br>1,000                   | 7%                                  | 4  | 1,729  | 39%                       | 56   |  |
|  | 10 to<br>< 20%     | 2,382                                 | 1,848   | 76%                                 | 3,795         | 15.70%                             | 100 to<br>1,000                   | 7%                                  | 4  | 1,334  | 35%                       | 41   |  |
|  | 20 to<br>< 30%     | 567                                   | 198   | 57%                                 | 681           | 22.22%                             | 0 to 100                          | 9%                                  | 4  | 394  | 58%                       | 15   |  |
|  | 30 to<br>< 100%    |                                       |   |                                     |               |                                    |                                   |                                     |  |  |                           |  |  |
|  | 100%<br>(default)  | 1,761                                 | 85  | 71%                                 | 1,822         | 100.00%                            | 100 to<br>1,000                   | 46%                                 | 3  | 383  | 21%                       | 828  |  |
| <b>SUB-TOTAL</b>                         |                    | <b>57,760</b>                         | <b>25,128</b>   | <b>54%</b>                          | <b>71,400</b> | <b>4.60%</b>                       |                                   | <b>14%</b>                          | <b>4</b>                                 | <b>24,001</b>                                      | <b>34%</b>                | <b>975</b>   | <b>(996)</b>   |

|                             | a               | b                      | c                                     | d                    | e             | f                   | g                  | h                    | i                         | j                                   | k              | l  | m  |
|-----------------------------|-----------------|------------------------|---------------------------------------|----------------------|---------------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
|                             |                 |                        |                                       |                      |               |                     |                    |                      |                           |                                     |                |  | 31 December 2022                                 |
| <i>In millions of euros</i> | PD range        | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD           | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value adjustments and provisions <sup>(**)</sup> |
| SME corporates              | 0.00 to < 0.15% | 1,460                  | 3,276                                 | 51%                  | 3,156         | 0.07%               | 1,000 to 10,000    | 38%                  | 3                         | 860                                 | 27%            | 1  |  |
|                             | 0.00 to < 0.10% | 834                    | 2,925                                 | 52%                  | 2,366         | 0.05%               | 100 to 1,000       | 39%                  | 3                         | 575                                 | 24%            | 1  |  |
|                             | 0.10 to < 0.15% | 625                    | 351                                   | 47%                  | 791           | 0.11%               | 100 to 1,000       | 35%                  | 3                         | 285                                 | 36%            | 0  |  |
|                             | 0.15 to < 0.25% | 1,978                  | 933                                   | 41%                  | 2,371         | 0.18%               | 1,000 to 10,000    | 21%                  | 2                         | 499                                 | 21%            | 1  |  |
|                             | 0.25 to < 0.50% | 8,645                  | 2,081                                 | 45%                  | 9,600         | 0.31%               | 20,000 to 30,000   | 27%                  | 3                         | 3,253                               | 34%            | 8  |  |
|                             | 0.50 to < 0.75% | 2,090                  | 418                                   | 45%                  | 2,301         | 0.66%               | 1,000 to 10,000    | 18%                  | 3                         | 747                                 | 32%            | 3  |  |
|                             | 0.75 to < 2.50% | 12,008                 | 2,660                                 | 49%                  | 13,328        | 1.33%               | 20,000 to 30,000   | 28%                  | 3                         | 7,694                               | 58%            | 50   |  |
|                             | 0.75 to < 1.75% | 8,154                  | 1,938                                 | 48%                  | 9,099         | 1.02%               | 10,000 to 20,000   | 26%                  | 3                         | 4,542                               | 50%            | 24   |  |
|                             | 1.75 to < 2.5%  | 3,853                  | 722                                   | 51%                  | 4,229         | 1.99%               | 1,000 to 10,000    | 31%                  | 3                         | 3,152                               | 75%            | 26   |  |
|                             | 2.50 to < 10%   | 4,870                  | 7,627                                 | 36%                  | 7,622         | 4.40%               | 10,000 to 20,000   | 31%                  | 3                         | 4,924                               | 65%            | 100  |  |
|                             | 2.5 to < 5%     | 2,703                  | 7,362                                 | 36%                  | 5,337         | 3.29%               | 1000 to 10,000     | 32%                  | 3                         | 2,930                               | 55%            | 56   |  |
|                             | 5 to < 10%      | 2,166                  | 265                                   | 43%                  | 2,284         | 7.01%               | 1,000 to 10,000    | 27%                  | 3                         | 1,994                               | 87%            | 43   |  |
|                             | 10 to < 100%    | 1,545                  | 189                                   | 49%                  | 1,642         | 16.81%              | 1,000 to 10,000    | 29%                  | 3                         | 1,950                               | 119%           | 75   |  |
|                             | 10 to < 20%     | 1,036                  | 99                                    | 50%                  | 1,087         | 12.70%              | 1,000 to 10,000    | 31%                  | 3                         | 1,372                               | 126%           | 42   |  |
|                             | 20 to < 30%     | 460                    | 86                                    | 48%                  | 502           | 22.96%              | 1,000 to 10,000    | 25%                  | 3                         | 528                                 | 105%           | 29   |  |
|                             | 30 to < 100%    | 50                     | 4                                     | 67%                  | 52            | 43.14%              | 100 to 1,000       | 20%                  | 3                         | 50                                  | 96%            | 4  |  |
|                             | 100% (Default)  | 1,664                  | 139                                   | 39%                  | 1,734         | 100.00%             | 1,000 to 10,000    | 58%                  | 3                         | 1,051                               | 61%            | 1085   |  |
| <b>SUB-TOTAL</b>            |                 | <b>34,259</b>          | <b>17,324</b>                         | <b>42%</b>           | <b>41,754</b> | <b>6.16%</b>        |                    | <b>28%</b>           | <b>3</b>                  | <b>20,979</b>                       | <b>50%</b>     | <b>1,323</b>                                 | <b>(1,326)</b>                                   |

|                             | a                | b                      | c                                     | d                    | e              | f                   | g                  | h                    | i                         | j                                   | k              | l  | m  |
|-----------------------------|------------------|------------------------|---------------------------------------|----------------------|----------------|---------------------|--------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
|                             | 31 December 2022 |                        |                                       |                      |                |                     |                    |                      |                           |                                     |                |  |  |
| <i>In millions of euros</i> | PD range         | Balance sheet exposure | Off-balance sheet exposure before CCF | Weighted average CCF | EAD            | Weighted average PD | Number of obligors | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value adjustments and provisions <sup>(**)</sup> |
| Other corporates            | 0.00 to < 0.15%  | 93,168                 | 169,770                               | 47%                  | 173,373        | 0.08%               | 10,000 to 20,000   | 34%                  | 2                         | 41,435                              | 24%            | 46   |  |
|                             | 0.00 to < 0.10%  | 44,554                 | 132,678                               | 48%                  | 108,009        | 0.05%               | 1,000 to 10,000    | 33%                  | 2                         | 21,076                              | 20%            | 19   |  |
|                             | 0.10 to < 0.15%  | 48,614                 | 37,092                                | 45%                  | 65,364         | 0.12%               | 1,000 to 10,000    | 35%                  | 2                         | 20,360                              | 31%            | 27   |  |
|                             | 0.15 to < 0.25%  | 27,318                 | 35,829                                | 44%                  | 43,323         | 0.18%               | 10,000 to 20,000   | 36%                  | 2                         | 16,918                              | 39%            | 28   |  |
|                             | 0.25 to < 0.50%  | 39,251                 | 40,293                                | 42%                  | 56,599         | 0.34%               | 20,000 to 30,000   | 35%                  | 3                         | 30,365                              | 54%            | 67   |  |
|                             | 0.50 to < 0.75%  | 10,834                 | 8,251                                 | 41%                  | 14,406         | 0.67%               | 1000 to 10,000     | 28%                  | 2                         | 8,605                               | 60%            | 28   |  |
|                             | 0.75 to < 2.50%  | 36,816                 | 21,224                                | 45%                  | 46,772         | 1.41%               | 30,000 to 40,000   | 28%                  | 2                         | 33,720                              | 72%            | 188  |  |
|                             | 0.75 to < 1.75%  | 23,906                 | 16,885                                | 46%                  | 31,961         | 1.12%               | 20,000 to 30,000   | 30%                  | 2                         | 21,329                              | 67%            | 113  |  |
|                             | 1.75 to < 2.5%   | 12,910                 | 4,339                                 | 40%                  | 14,811         | 2.04%               | 10,000 to 20,000   | 25%                  | 2                         | 12,391                              | 84%            | 75   |  |
|                             | 2.50 to < 10%    | 21,789                 | 18,654                                | 45%                  | 30,468         | 4.83%               | 10,000 to 20,000   | 30%                  | 3                         | 46,675                              | 153%           | 310  |  |
|                             | 2.5 to < 5%      | 12,959                 | 10,736                                | 46%                  | 18,073         | 3.43%               | 10,000 to 20,000   | 30%                  | 3                         | 32,157                              | 178%           | 187  |  |
|                             | 5 to < 10%       | 8,830                  | 7,918                                 | 45%                  | 12,395         | 6.87%               | 1,000 to 10,000    | 30%                  | 3                         | 14,518                              | 117%           | 124  |  |
|                             | 10 to < 100%     | 6,400                  | 4,453                                 | 41%                  | 8,248          | 15.68%              | 1,000 to 10,000    | 29%                  | 2                         | 11,466                              | 139%           | 369  |  |
|                             | 10 to < 20%      | 5,169                  | 3,883                                 | 40%                  | 6,738          | 13.96%              | 1,000 to 10,000    | 29%                  | 3                         | 9,236                               | 137%           | 263  |  |
|                             | 20 to < 30%      | 1,169                  | 561                                   | 49%                  | 1,445          | 22.46%              | 1,000 to 10,000    | 31%                  | 2                         | 2,150                               | 149%           | 100  |  |
|                             | 30 to < 100%     | 62                     | 9                                     | 32%                  | 66             | 42.45%              | 0 to 100           | 20%                  | 3                         | 80                                  | 121%           | 6  |  |
|                             | 100% (Default)   | 5,099                  | 1,061                                 | 46%                  | 5,606          | 100.00%             | 1,000 to 10,000    | 45%                  | 2                         | 3,097                               | 55%            | 3173   |  |
| <b>SUB-TOTAL</b>            |                  | <b>240,676</b>         | <b>299,534</b>                        | <b>46%</b>           | <b>378,795</b> | <b>2.52%</b>        |                    | <b>33%</b>           | <b>2</b>                  | <b>192,280</b>                      | <b>51%</b>     | <b>4,209</b>                                 | <b>(4,518)</b>                                   |
| <b>TOTAL</b>                |                  | <b>332,695</b>         | <b>341,985</b>                        |                      | <b>491,948</b> |                     |                    |                      |                           | <b>237,260</b>                      | <b>48%</b>     | <b>6,506</b>                                 | <b>(6,841)</b>                                   |

(\*) Add-on included.

(\*\*) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard (see note 1.f.5 Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders' equity to the consolidated financial statements as at 31 December 2023).

Most of the Group's central government and central bank counterparties are of very high credit quality and based in developed countries, meaning that they have very good internal ratings and very low average Loss Given Default.

The majority of the Group's corporate commitments concerns counterparties of excellent or good quality, reflecting the large part of multinationals in BNP Paribas' customer base. Other commitments are mainly structured transactions or transactions secured by high-quality assets, reflected in their average LGD levels.

On average, the probability of default excluding counterparty default stands at 0.65%. It is 1.23% for Corporates.

**TABLE 40: AVERAGE PD AND LGD OF THE CORPORATE ASSET CLASS BY GEOGRAPHIC REGION**

| <i>In millions of euros</i> | 31 December 2023       |              |             |
|-----------------------------|------------------------|--------------|-------------|
|                             | Non-defaulted exposure | Average PD   | Average LGD |
| <b>Europe<sup>(*)</sup></b> | <b>460,921</b>         | <b>1.28%</b> | <b>28%</b>  |
| <i>of which France</i>      | <i>144,717</i>         | <i>1.21%</i> | <i>30%</i>  |
| <i>of which Belgium</i>     | <i>69,107</i>          | <i>1.89%</i> | <i>20%</i>  |
| <i>of which Luxembourg</i>  | <i>24,002</i>          | <i>1.07%</i> | <i>29%</i>  |
| <i>of which Italy</i>       | <i>56,657</i>          | <i>0.99%</i> | <i>34%</i>  |
| <b>North America</b>        | <b>114,632</b>         | <b>1.16%</b> | <b>29%</b>  |
| <b>Asia Pacific</b>         | <b>52,751</b>          | <b>0.98%</b> | <b>34%</b>  |
| <b>Rest of the World</b>    | <b>32,192</b>          | <b>1.05%</b> | <b>30%</b>  |
| <b>TOTAL</b>                | <b>660,497</b>         | <b>1.23%</b> | <b>29%</b>  |

(\*) Within the European Union and the European Free Trade Association (EFTA).

| <i>In millions of euros</i> | 31 December 2022       |              |             |
|-----------------------------|------------------------|--------------|-------------|
|                             | Non-defaulted exposure | Average PD   | Average LGD |
| <b>Europe<sup>(*)</sup></b> | <b>463,470</b>         | <b>1.31%</b> | <b>29%</b>  |
| <i>of which France</i>      | <i>148,753</i>         | <i>1.32%</i> | <i>31%</i>  |
| <i>of which Belgium</i>     | <i>66,782</i>          | <i>1.76%</i> | <i>20%</i>  |
| <i>of which Luxembourg</i>  | <i>23,845</i>          | <i>1.07%</i> | <i>30%</i>  |
| <i>of which Italy</i>       | <i>60,301</i>          | <i>1.06%</i> | <i>34%</i>  |
| <b>North America</b>        | <b>109,298</b>         | <b>1.31%</b> | <b>30%</b>  |
| <b>Asia Pacific</b>         | <b>57,924</b>          | <b>1.24%</b> | <b>35%</b>  |
| <b>Rest of the World</b>    | <b>34,178</b>          | <b>1.14%</b> | <b>29%</b>  |
| <b>TOTAL</b>                | <b>664,871</b>         | <b>1.29%</b> | <b>30%</b>  |

(\*) Within the European Union and the European Free Trade Association (EFTA).

## INTERNAL RATING SYSTEM SPECIFIC TO RETAIL CUSTOMERS

Retail customers are characterised by a high degree of granularity, small unit volumes and a standard risk profile.

The majority of retail borrowers are assigned a behavioural score which serves as a basis to determine the probability of default and, for each transaction, the Global Recovery Rate (GRR) and exposure at default (EAD). These parameters are calculated every month on the basis of the most up-to-date information. They are supplemented by different scores that are made available

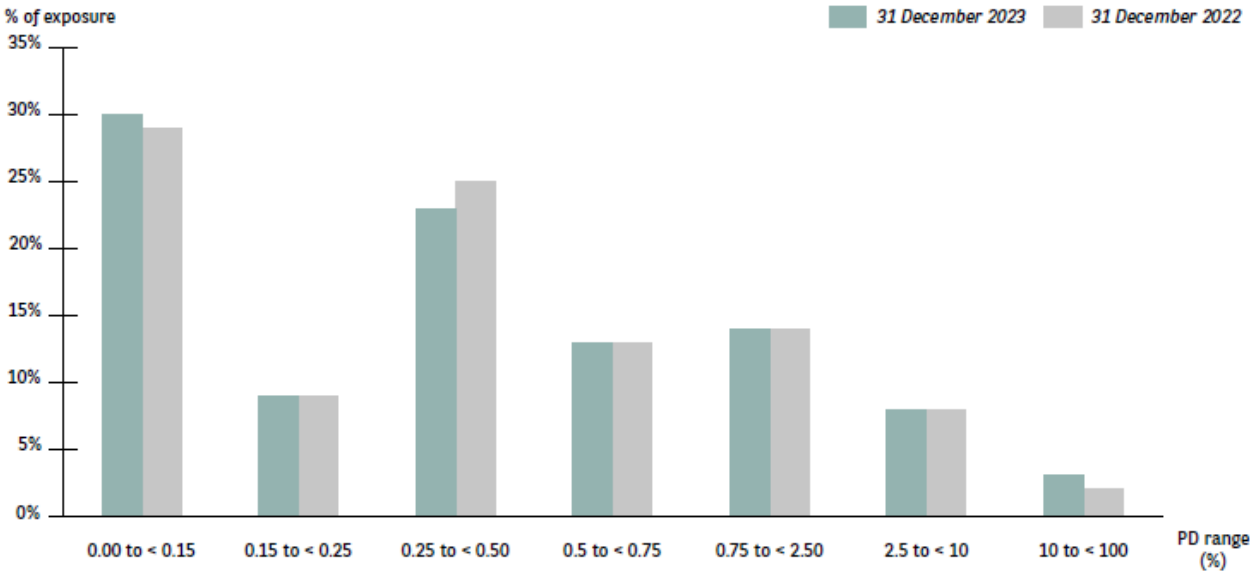
to the commercial function. The latter has no involvement in determining risk parameters. These methods are used consistently for all retail customers. The general principles of the rating system are set out in the *Rating System* paragraph in the section *Credit Risk Management Policy*.

Scoring techniques are used to assign retail customers to risk groups presenting the same default risk characteristics. This also applies to the other credit risk parameters: EAD and LGD.

The chart below shows a breakdown by PD range of non-defaulted loans and commitments in the retail book for all the Group's business lines, measured using the internal ratings-based approach (see Table 27: Indicative mapping of internal counterparty rating with agency rating scale and average PD).

These exposures represented EUR 275 billion at 31 December 2023, stable compared with 31 December 2022.

**FIGURE 9: IRBA EXPOSURE BY PD RANGE – RETAIL PORTFOLIO**



### RETAIL PORTFOLIO

The following table gives the breakdown by PD range of the retail loans and commitments for all of the Group's business lines using the advanced IRB Approach. Total exposure represented EUR 282 billion as at 31 December 2023 compared with EUR 289 billion as at 31 December 2022.

**TABLE 41: IRBA EXPOSURE BY PD SCALE AND ASSET CLASS – RETAIL GUARANTEED BY REAL PROPERTY PORTFOLIO (EU CR6)**

|  | a                | b                      | c                          | d                    | e              | f                   | h                    | i                         | j                                   | k              | l  | m  |
|--|------------------|------------------------|----------------------------|----------------------|----------------|---------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
|  | 31 December 2023 |                        |                            |                      |                |                     |                      |                           |                                     |                |  |  |
| <i>In millions of euros</i>              | PD range         | Balance sheet exposure | Off-balance sheet exposure | Weighted average CCF | EAD            | Weighted average PD | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(1)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value adjustments and provisions <sup>(**)</sup> |
| Retail – Secured by residential property | 0.00 to < 0.15%  | 67,217                 | 1.488                      | 100%                 | 68,707         | 0.10%               | 10%                  | 5                         | 2,107                               | 3%             | 7  |  |
|  | 0.00 to < 0.10%  | 15,183                 | 292                        | 100%                 | 15,475         | 0.06%               | 13%                  | 5                         | 392                                 | 3%             | 1  |  |
|  | 0.10 to < 0.15%  | 52,034                 | 1.197                      | 100%                 | 53,232         | 0.11%               | 9%                   | 5                         | 1,715                               | 3%             | 5  |  |
|  | 0.15 to < 0.25%  | 16,986                 | 427                        | 102%                 | 17,420         | 0.18%               | 16%                  | 5                         | 1,156                               | 7%             | 5  |  |
|  | 0.25 to < 0.50%  | 43,548                 | 672                        | 100%                 | 44,220         | 0.37%               | 13%                  | 5                         | 4,478                               | 10%            | 22   |  |
|  | 0.50 to < 0.75%  | 24,280                 | 433                        | 101%                 | 24,715         | 0.59%               | 13%                  | 5                         | 3,389                               | 14%            | 19   |  |
|  | 0.75 to < 2.50%  | 17,269                 | 243                        | 100%                 | 17,511         | 1.48%               | 14%                  | 5                         | 4,765                               | 27%            | 36   |  |
|  | 0.75 to < 1.75%  | 12,406                 | 139                        | 99%                  | 12,544         | 1.28%               | 14%                  | 5                         | 3,230                               | 26%            | 23   |  |
|  | 1.75 to < 2.5%   | 4,863                  | 103                        | 100%                 | 4,967          | 2.00%               | 13%                  | 5                         | 1,535                               | 31%            | 13   |  |
|  | 2.50 to < 10%    | 7,747                  | 232                        | 101%                 | 7,980          | 4.20%               | 14%                  | 5                         | 3,930                               | 49%            | 48   |  |
|  | 2.5 to < 5%      | 5,842                  | 212                        | 101%                 | 6,056          | 3.46%               | 13%                  | 5                         | 2,747                               | 45%            | 28   |  |
|  | 5 to < 10%       | 1,905                  | 19                         | 100%                 | 1,924          | 6.52%               | 16%                  | 5                         | 1,183                               | 61%            | 19   |  |
|  | 10 to < 100%     | 2,877                  | 35                         | 100%                 | 2,913          | 21.94%              | 14%                  | 5                         | 2,486                               | 85%            | 89   |  |
|  | 10 to < 20%      | 1,839                  | 22                         | 100%                 | 1,862          | 13.13%              | 14%                  | 5                         | 1,535                               | 82%            | 33   |  |
|  | 20 to < 30%      | 409                    | 4                          | 100%                 | 413            | 26.01%              | 13%                  | 5                         | 401                                 | 97%            | 14   |  |
|  | 30 to < 100%     | 628                    | 10                         | 100%                 | 638            | 44.99%              | 15%                  | 5                         | 550                                 | 86%            | 42   |  |
|  | 100% (default)   | 1,610                  | 7                          | 95%                  | 1,617          | 100.00%             | 24%                  | 4                         | 862                                 | 53%            | 457  |  |
| <b>SUB-TOTAL</b>                         |                  | <b>181,533</b>         | <b>3,537</b>               | <b>100%</b>          | <b>185,085</b> | <b>1.76%</b>        | <b>12%</b>           | <b>5</b>                  | <b>23,174</b>                       | <b>13%</b>     | <b>682</b>                                   | <b>(578)</b>                                     |



|   | a                | b                      | c                          | d                    | e              | f                   | h                    | i                         | j                                   | k              | l  | m  |
|---|------------------|------------------------|----------------------------|----------------------|----------------|---------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
|   | 31 December 2023 |                        |                            |                      |                |                     |                      |                           |                                     |                |  |  |
| <i>In millions of euros</i>             | PD range         | Balance sheet exposure | Off-balance sheet exposure | Weighted average CCF | EAD            | Weighted average PD | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value adjustments and provisions <sup>(**)</sup> |
| Retail – Secured by commercial property | 0.00 to < 0.15%  | 186                    | 22                         | 35%                  | 198            | 0.09%               | 22%                  | 4                         | 8                                   | 4%             | 0  |  |
|   | 0.00 to < 0.10%  | 96                     | 10                         | 32%                  | 102            | 0.07%               | 25%                  | 4                         | 4                                   | 4%             | 0  |  |
|   | 0.10 to < 0.15%  | 90                     | 11                         | 39%                  | 97             | 0.12%               | 18%                  | 4                         | 4                                   | 4%             | 0  |  |
|   | 0.15 to < 0.25%  | 366                    | 75                         | 32%                  | 403            | 0.18%               | 18%                  | 4                         | 26                                  | 6%             | 0  |  |
|   | 0.25 to < 0.50%  | 2,586                  | 248                        | 35%                  | 2,708          | 0.36%               | 21%                  | 4                         | 308                                 | 11%            | 2  |  |
|   | 0.50 to < 0.75%  | 2,329                  | 106                        | 48%                  | 2,390          | 0.59%               | 25%                  | 5                         | 465                                 | 19%            | 3  |  |
|   | 0.75 to < 2.50%  | 2,442                  | 242                        | 37%                  | 2,552          | 1.41%               | 17%                  | 4                         | 606                                 | 24%            | 6  |  |
|   | 0.75 to < 1.75%  | 1,850                  | 192                        | 36%                  | 1,935          | 1.21%               | 16%                  | 4                         | 386                                 | 20%            | 4  |  |
|   | 1.75 to < 2.5%   | 592                    | 50                         | 42%                  | 617            | 2.05%               | 21%                  | 4                         | 220                                 | 36%            | 3  |  |
|   | 2.50 to < 10%    | 1,624                  | 135                        | 33%                  | 1,681          | 4.61%               | 17%                  | 4                         | 801                                 | 48%            | 14   |  |
|   | 2.5 to < 5%      | 977                    | 89                         | 33%                  | 1,012          | 3.47%               | 18%                  | 4                         | 438                                 | 43%            | 6  |  |
|   | 5 to < 10%       | 647                    | 46                         | 34%                  | 669            | 6.33%               | 17%                  | 4                         | 363                                 | 54%            | 7  |  |
|   | 10 to < 100%     | 468                    | 18                         | 59%                  | 480            | 18.21%              | 24%                  | 4                         | 526                                 | 110%           | 21   |  |
|   | 10 to < 20%      | 337                    | 14                         | 60%                  | 347            | 13.35%              | 25%                  | 4                         | 378                                 | 109%           | 11   |  |
|   | 20 to < 30%      | 70                     | 4                          | 48%                  | 72             | 23.99%              | 17%                  | 4                         | 62                                  | 87%            | 3  |  |
|   | 30 to < 100%     | 61                     | 0                          | 91%                  | 62             | 38.88%              | 28%                  | 5                         | 86                                  | 139%           | 7  |  |
|   | 100% (default)   | 252                    | 6                          | 42%                  | 263            | 100.00%             | 36%                  | 3                         | 140                                 | 53%            | 92   |  |
| <b>SUB-TOTAL</b>                        |                  | <b>10,254</b>          | <b>853</b>                 | <b>37%</b>           | <b>10,675</b>  | <b>4.58%</b>        | <b>21%</b>           | <b>4</b>                  | <b>2,880</b>                        | <b>27%</b>     | <b>138</b>                                   | <b>(93)</b>                                      |
| <b>TOTAL</b>                            |                  | <b>191,787</b>         | <b>4,390</b>               |                      | <b>195,760</b> |                     |                      |                           | <b>26,054</b>                       | <b>13%</b>     | <b>820</b>                                   | <b>(671)</b>                                     |

(\*) Add-on included.

(\*\*) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard (see note 1.f.5 Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders' equity to the consolidated financial statements as at 31 December 2023).

|           | a  | b                | c | d | e | f | h | i | j | k | l | m |
|-----------|----|------------------|---|---|---|---|---|---|---|---|---|---|
| <i>In</i> | PD | 31 December 2022 |   |   |   |   |   |   |   |   |   |   |

| <i>millions<br/>of euros</i>                      | <b>range</b>       | <b>Balance<br/>sheet<br/>exposure</b> | <b>Off-<br/>balance<br/>sheet<br/>exposure</b> | <b>Weighted<br/>average<br/>CCF</b> | <b>EAD</b>     | <b>Weighted<br/>average<br/>PD</b> | <b>Weighted<br/>average<br/>LGD</b> | <b>Weighted<br/>average<br/>maturity</b> | <b>Risk-<br/>weighted<br/>assets<sup>(*)</sup></b> | <b>Average<br/>weight</b> | <b>Amount of<br/>anticipated<br/>losses<sup>(**)</sup></b> | <b>Value<br/>adjustments<br/>and<br/>provisions<sup>(**)</sup></b> |
|---|--------------------|---------------------------------------|--|-------------------------------------|----------------|------------------------------------|-------------------------------------|--|--|---------------------------|--|--|
| Retail –<br>Secured by<br>residential<br>property | 0.00 to<br>< 0.15% | 65,449                                | 2,210  | 100%                                | 67,660         | 0.10%                              | 9%                                  | 5  | 1,995  | 3%                        | 6  |  |
|   | 0.00 to<br>< 0.10% | 14,153                                | 443  | 100%                                | 14,596         | 0.06%                              | 11%                                 | 5  | 294  | 2%                        | 1  |  |
|   | 0.10 to<br>< 0.15% | 51,296                                | 1,767  | 100%                                | 53,063         | 0.11%                              | 9%                                  | 5  | 1,701  | 3%                        | 5  |  |
|   | 0.15 to<br>< 0.25% | 16,199                                | 684  | 103%                                | 16,905         | 0.18%                              | 16%                                 | 5  | 1,158  | 7%                        | 5  |  |
|   | 0.25 to<br>< 0.50% | 44,554                                | 1,060  | 100%                                | 45,614         | 0.37%                              | 13%                                 | 5  | 4,643  | 10%                       | 23   |  |
|   | 0.50 to<br>< 0.75% | 26,389                                | 758  | 101%                                | 27,153         | 0.59%                              | 11%                                 | 5  | 3,548  | 13%                       | 18   |  |
|   | 0.75 to<br>< 2.50% | 17,759                                | 423  | 100%                                | 18,181         | 1.47%                              | 14%                                 | 5  | 4,812  | 26%                       | 36   |  |
|   | 0.75 to<br>< 1.75% | 12,753                                | 239  | 100%                                | 12,992         | 1.26%                              | 14%                                 | 5  | 3,259  | 25%                       | 23   |  |
|   | 1.75 to<br>< 2.5%  | 5,006                                 | 184  | 100%                                | 5,190          | 1.99%                              | 13%                                 | 5  | 1,553  | 30%                       | 13   |  |
|   | 2.50 to<br>< 10%   | 8,608                                 | 352  | 101%                                | 8,963          | 4.28%                              | 14%                                 | 5  | 4,356  | 49%                       | 54   |  |
|   | 2.5 to<br>< 5%     | 6,308                                 | 323  | 101%                                | 6,634          | 3.41%                              | 13%                                 | 5  | 2,969  | 45%                       | 31   |  |
|   | 5 to<br>< 10%      | 2,300                                 | 29   | 100%                                | 2,329          | 6.77%                              | 15%                                 | 5  | 1,387  | 60%                       | 23   |  |
|   | 10 to<br>< 100%    | 2,376                                 | 35   | 100%                                | 2,412          | 22.41%                             | 13%                                 | 5  | 1,987  | 82%                       | 70   |  |
|   | 10 to<br>< 20%     | 1,475                                 | 23   | 100%                                | 1,499          | 13.28%                             | 13%                                 | 5  | 1,192  | 80%                       | 25   |  |
|   | 20 to<br>< 30%     | 366                                   | 6  | 100%                                | 373            | 25.76%                             | 13%                                 | 5  | 356  | 96%                       | 12   |  |
|   | 30 to<br>< 100%    | 535                                   | 6  | 101%                                | 541            | 45.43%                             | 13%                                 | 5  | 439  | 81%                       | 33   |  |
|   | 100%<br>(default)  | 2,163                                 | 3  | 98%                                 | 2,169          | 100.00%                            | 33%                                 | 3  | 1,061  | 49%                       | 703  |  |
| <b>SUB-TOTAL</b>                                  |                    | <b>183,497</b>                        | <b>5,527</b>                                   | <b>101%</b>                         | <b>189,058</b> | <b>2.00%</b>                       | <b>12%</b>                          | <b>5</b>                                 | <b>23,560</b>                                      | <b>12%</b>                | <b>917</b>   | <b>(834)</b>   |

|   | a                | b                      | c                          | d                    | e              | f                   | h                    | i                         | j                                   | k              | l  | m  |
|---|------------------|------------------------|----------------------------|----------------------|----------------|---------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
|   | 31 December 2022 |                        |                            |                      |                |                     |                      |                           |                                     |                |  |  |
| <i>In millions of euros</i>             | PD range         | Balance sheet exposure | Off-balance sheet exposure | Weighted average CCF | EAD            | Weighted average PD | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value adjustments and provisions <sup>(**)</sup> |
| Retail – Secured by commercial property | 0.00 to < 0.15%  | 182                    | 33                         | 46%                  | 201            | 0.09%               | 23%                  | 4                         | 9                                   | 4%             |  |  |
|   | 0.00 to < 0.10%  | 96                     | 15                         | 49%                  | 106            | 0.06%               | 26%                  | 4                         | 4                                   | 4%             |  |  |
|   | 0.10 to < 0.15%  | 85                     | 18                         | 44%                  | 95             | 0.12%               | 19%                  | 4                         | 4                                   | 5%             |  |  |
|   | 0.15 to < 0.25%  | 371                    | 87                         | 34%                  | 414            | 0.18%               | 20%                  | 4                         | 29                                  | 7%             |  |  |
|   | 0.25 to < 0.50%  | 4,074                  | 314                        | 44%                  | 4,249          | 0.39%               | 24%                  | 5                         | 628                                 | 15%            | 4  |  |
|   | 0.50 to < 0.75%  | 1,133                  | 109                        | 44%                  | 1,192          | 0.66%               | 19%                  | 4                         | 187                                 | 16%            | 2  |  |
|   | 0.75 to < 2.50%  | 2,784                  | 302                        | 41%                  | 2,930          | 1.41%               | 17%                  | 4                         | 698                                 | 24%            | 7  |  |
|   | 0.75 to < 1.75%  | 2,092                  | 249                        | 41%                  | 2,211          | 1.20%               | 16%                  | 4                         | 436                                 | 20%            | 4  |  |
|   | 1.75 to < 2.5%   | 692                    | 53                         | 42%                  | 720            | 2.03%               | 22%                  | 4                         | 262                                 | 36%            | 3  |  |
|   | 2.50 to < 10%    | 1,858                  | 167                        | 40%                  | 1,937          | 4.73%               | 18%                  | 4                         | 978                                 | 51%            | 17   |  |
|   | 2.5 to < 5%      | 1,126                  | 104                        | 45%                  | 1,180          | 3.48%               | 18%                  | 4                         | 517                                 | 44%            | 7  |  |
|   | 5 to < 10%       | 732                    | 62                         | 33%                  | 757            | 6.69%               | 18%                  | 4                         | 461                                 | 61%            | 9  |  |
|   | 10 to < 100%     | 424                    | 24                         | 57%                  | 439            | 19.06%              | 22%                  | 4                         | 451                                 | 103%           | 19   |  |
|   | 10 to < 20%      | 285                    | 19                         | 62%                  | 298            | 13.63%              | 23%                  | 4                         | 307                                 | 103%           | 9  |  |
|   | 20 to < 30%      | 85                     | 4                          | 33%                  | 87             | 23.64%              | 17%                  | 4                         | 74                                  | 85%            | 3  |  |
|   | 30 to < 100%     | 54                     | 1                          | 63%                  | 54             | 41.69%              | 26%                  | 4                         | 70                                  | 130%           | 6  |  |
|   | 100% (default)   | 310                    | 6                          | 46%                  | 320            | 100.00%             | 43%                  | 3                         | 166                                 | 52%            | 133  |  |
| <b>SUB-TOTAL</b>                        |                  | <b>11,136</b>          | <b>1,041</b>               | <b>42%</b>           | <b>11,681</b>  | <b>4.81%</b>        | <b>20%</b>           | <b>4</b>                  | <b>3,146</b>                        | <b>27%</b>     | <b>182</b>                                   | <b>(132)</b>                                     |
| <b>TOTAL</b>                            |                  | <b>194,633</b>         | <b>6,568</b>               |                      | <b>200,739</b> |                     |                      |                           | <b>26,706</b>                       | <b>13%</b>     | <b>1,098</b>                                 | <b>(966)</b>                                     |

(\*) Add-on included.

(\*\*) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard (see note 1f.5 Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders' equity to the consolidated financial statements as at 31 December 2023).

**TABLE 42: IRBA EXPOSURE BY PD SCALE AND ASSET CLASS – OTHER RETAIL PORTFOLIOS (EU CR6)**

|           | a  | b                | c | d | e | f | h | i | j | k | l | m |
|-----------|----|------------------|---|---|---|---|---|---|---|---|---|---|
| <i>In</i> | PD | 31 December 2023 |   |   |   |   |   |   |   |   |   |   |

| <i>millions<br/>of euros</i>       | <b>range</b>       | <b>Balance<br/>sheet<br/>exposure</b> | <b>Off-<br/>balance<br/>sheet<br/>exposure</b> | <b>Weighted<br/>average<br/>CCF</b> | <b>EAD</b>    | <b>Weighted<br/>average<br/>PD</b> | <b>Weighted<br/>average<br/>LGD</b> | <b>Weighted<br/>average<br/>maturity</b> | <b>Risk-<br/>weighted<br/>assets<sup>(1)</sup></b> | <b>Average<br/>weight</b> | <b>Amount of<br/>anticipated<br/>losses<sup>(2)</sup></b> | <b>Value<br/>adjustments<br/>and<br/>provisions<sup>(3)</sup></b> |
|------------------------------------|--------------------|---------------------------------------|--|-------------------------------------|---------------|------------------------------------|-------------------------------------|--|--|---------------------------|---|---|
| Retail –<br>Revolving<br>exposures | 0.00 to<br>< 0.15% | 60                                    | 1,773  | 76%                                 | 1,914         | 0.09%                              | 81%                                 | 1  | 115  | 6%                        | 1   |   |
|                                    | 0.00 to<br>< 0.10% | 9                                     | 673  | 76%                                 | 699           | 0.03%                              | 80%                                 | 1  | 17   | 2%                        |   |   |
|                                    | 0.10 to<br>< 0.15% | 51                                    | 1,100  | 77%                                 | 1,215         | 0.12%                              | 82%                                 | 1  | 98   | 8%                        | 1   |   |
|                                    | 0.15 to<br>< 0.25% | 59                                    | 3,383  | 74%                                 | 2,584         | 0.17%                              | 29%                                 | 1  | 82   | 3%                        | 1   |   |
|                                    | 0.25 to<br>< 0.50% | 262                                   | 1,513  | 49%                                 | 1,088         | 0.38%                              | 49%                                 | 1  | 121  | 11%                       | 2   |   |
|                                    | 0.50 to<br>< 0.75% | 48                                    | 590  | 71%                                 | 548           | 0.61%                              | 57%                                 | 1  | 108  | 20%                       | 2   |   |
|                                    | 0.75 to<br>< 2.50% | 380                                   | 644  | 52%                                 | 763           | 1.35%                              | 56%                                 | 1  | 267  | 35%                       | 6   |   |
|                                    | 0.75 to<br>< 1.75% | 358                                   | 597  | 50%                                 | 694           | 1.29%                              | 54%                                 | 1  | 219  | 32%                       | 5   |   |
|                                    | 1.75 to<br>< 2.5%  | 23                                    | 47   | 78%                                 | 68            | 1.94%                              | 80%                                 | 1  | 48   | 70%                       | 1   |   |
|                                    | 2.50 to<br>< 10%   | 1,474                                 | 475  | 70%                                 | 1,840         | 4.97%                              | 49%                                 | 1  | 1,292  | 70%                       | 46  |   |
|                                    | 2.5 to<br>< 5%     | 841                                   | 400  | 59%                                 | 1,098         | 3.47%                              | 47%                                 | 1  | 587  | 53%                       | 18  |   |
|                                    | 5 to<br>< 10%      | 633                                   | 76   | 128%                                | 741           | 7.20%                              | 52%                                 | 1  | 705  | 95%                       | 28  |   |
|                                    | 10 to<br>< 100%    | 658                                   | 63   | 124%                                | 760           | 22.05%                             | 52%                                 | 1  | 1,126  | 148%                      | 87  |   |
|                                    | 10 to<br>< 20%     | 428                                   | 44   | 133%                                | 498           | 12.92%                             | 53%                                 | 1  | 663  | 133%                      | 34  |   |
|                                    | 20 to<br>< 30%     | 83                                    | 13   | 76%                                 | 98            | 24.12%                             | 52%                                 | 1  | 176  | 179%                      | 13  |   |
|                                    | 30 to<br>< 100%    | 147                                   | 7  | 157%                                | 164           | 48.44%                             | 50%                                 | 1  | 287  | 175%                      | 40  |   |
|                                    | 100%<br>(default)  | 492                                   | 26   | 65%                                 | 555           | 100.00%                            | 61%                                 | 1  | 255  | 46%                       | 311   |   |
| <b>SUB-TOTAL</b>                   |                    | <b>3,433</b>                          | <b>8,468</b>                                   | <b>68%</b>                          | <b>10,051</b> | <b>8.33%</b>                       | <b>52%</b>                          | <b>1</b>                                 | <b>3,366</b>                                       | <b>33%</b>                | <b>456</b>  | <b>(368)</b>  |

|                             | a                | b                      | c                          | d                    | e             | f                   | h                    | i                         | j                                   | k              | l  | m  |
|-----------------------------|------------------|------------------------|----------------------------|----------------------|---------------|---------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
|                             | 31 December 2023 |                        |                            |                      |               |                     |                      |                           |                                     |                |  |  |
| <i>In millions of euros</i> | PD range         | Balance sheet exposure | Off-balance sheet exposure | Weighted average CCF | EAD           | Weighted average PD | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value adjustments and provisions <sup>(**)</sup> |
| Retail – SME                | 0.00 to < 0.15%  | 1,022                  | 362                        | 65%                  | 1,304         | 0.09%               | 33%                  | 2                         | 92                                  | 7%             |  |  |
|                             | 0.00 to < 0.10%  | 565                    | 211                        | 62%                  | 720           | 0.07%               | 32%                  | 2                         | 39                                  | 5%             |  |  |
|                             | 0.10 to < 0.15%  | 457                    | 150                        | 69%                  | 583           | 0.12%               | 34%                  | 3                         | 53                                  | 9%             |  |  |
|                             | 0.15 to < 0.25%  | 782                    | 941                        | 55%                  | 1,352         | 0.18%               | 31%                  | 2                         | 138                                 | 10%            | 1  |  |
|                             | 0.25 to < 0.50%  | 5,118                  | 1,688                      | 69%                  | 6,425         | 0.33%               | 32%                  | 3                         | 1,004                               | 16%            | 7  |  |
|                             | 0.50 to < 0.75%  | 4,103                  | 571                        | 73%                  | 4,567         | 0.60%               | 31%                  | 4                         | 1,014                               | 22%            | 8  |  |
|                             | 0.75 to < 2.50%  | 6,805                  | 1,848                      | 79%                  | 8,384         | 1.50%               | 34%                  | 2                         | 2,933                               | 35%            | 44   |  |
|                             | 0.75 to < 1.75%  | 3,952                  | 1,339                      | 79%                  | 5,084         | 1.14%               | 32%                  | 2                         | 1,536                               | 30%            | 18   |  |
|                             | 1.75 to < 2.5%   | 2,853                  | 509                        | 80%                  | 3,300         | 2.07%               | 38%                  | 3                         | 1,397                               | 42%            | 25   |  |
|                             | 2.50 to < 10%    | 3,905                  | 587                        | 70%                  | 4,407         | 4.92%               | 30%                  | 2                         | 1,890                               | 43%            | 66   |  |
|                             | 2.5 to < 5%      | 1,564                  | 353                        | 74%                  | 1,863         | 3.68%               | 32%                  | 2                         | 768                                 | 41%            | 22   |  |
|                             | 5 to < 10%       | 2,342                  | 235                        | 64%                  | 2,544         | 5.83%               | 29%                  | 2                         | 1,122                               | 44%            | 44   |  |
|                             | 10 to < 100%     | 1,784                  | 196                        | 92%                  | 2,035         | 17.44%              | 38%                  | 3                         | 1,307                               | 64%            | 128  |  |
|                             | 10 to < 20%      | 1,345                  | 153                        | 92%                  | 1,524         | 12.60%              | 39%                  | 3                         | 944                                 | 62%            | 73   |  |
|                             | 20 to < 30%      | 242                    | 33                         | 84%                  | 288           | 24.24%              | 32%                  | 2                         | 185                                 | 64%            | 22   |  |
|                             | 30 to < 100%     | 197                    | 9                          | 122%                 | 223           | 41.73%              | 35%                  | 3                         | 178                                 | 80%            | 33   |  |
|                             | 100% (default)   | 2,143                  | 74                         | 98%                  | 2,346         | 100.00%             | 46%                  | 1                         | 1,090                               | 46%            | 981  |  |
| <b>SUB-TOTAL</b>            |                  | <b>25,664</b>          | <b>6,268</b>               | <b>71%</b>           | <b>30,819</b> | <b>10.04%</b>       | <b>33%</b>           | <b>3</b>                  | <b>9,469</b>                        | <b>31%</b>     | <b>1,235</b>                                 | <b>(1,187)</b>                                   |

|                             | a                | b                      | c                          | d                    | e             | f                   | h                    | i                         | j                                   | k              | l  | m   |
|-----------------------------|------------------|------------------------|----------------------------|----------------------|---------------|---------------------|----------------------|---------------------------|-------------------------------------|----------------|--|---|
|                             | 31 December 2023 |                        |                            |                      |               |                     |                      |                           |                                     |                |  |   |
| <i>In millions of euros</i> | PD range         | Balance sheet exposure | Off-balance sheet exposure | Weighted average CCF | EAD           | Weighted average PD | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value of adjustments and provisions <sup>(**)</sup> |
| Retail – Other              | 0.00 to < 0.15%  | 7,769                  | 1,832                      | 88%                  | 9,463         | 0.10%               | 43%                  | 3                         | 1,274                               | 13%            | 4  |   |
|                             | 0.00 to < 0.10%  | 2,334                  | 1,016                      | 73%                  | 3,095         | 0.05%               | 41%                  | 3                         | 204                                 | 7%             | 1  |   |
|                             | 0.10 to < 0.15%  | 5,435                  | 816                        | 107%                 | 6,368         | 0.12%               | 44%                  | 3                         | 1,071                               | 17%            | 3  |   |
|                             | 0.15 to < 0.25%  | 1,637                  | 541                        | 88%                  | 2,141         | 0.19%               | 36%                  | 3                         | 359                                 | 17%            | 1  |   |
|                             | 0.25 to < 0.50%  | 7,171                  | 1,712                      | 94%                  | 8,854         | 0.38%               | 38%                  | 3                         | 2,590                               | 29%            | 13   |   |
|                             | 0.50 to < 0.75%  | 3,395                  | 365                        | 98%                  | 3,972         | 0.61%               | 41%                  | 3                         | 1,665                               | 42%            | 10   |   |
|                             | 0.75 to < 2.50%  | 7,511                  | 1,059                      | 98%                  | 8,650         | 1.39%               | 40%                  | 2                         | 4,864                               | 56%            | 47   |   |
|                             | 0.75 to < 1.75%  | 5,587                  | 977                        | 99%                  | 6,637         | 1.20%               | 39%                  | 2                         | 3,555                               | 54%            | 31   |   |
|                             | 1.75 to < 2.5%   | 1,924                  | 81                         | 93%                  | 2,012         | 2.00%               | 41%                  | 2                         | 1,308                               | 65%            | 16   |   |
|                             | 2.50 to < 10%    | 4,884                  | 249                        | 111%                 | 5,175         | 4.49%               | 42%                  | 2                         | 3,882                               | 75%            | 100  |   |
|                             | 2.5 to < 5%      | 3,666                  | 154                        | 120%                 | 3,860         | 3.52%               | 41%                  | 2                         | 2,722                               | 71%            | 56   |   |
|                             | 5 to < 10%       | 1,218                  | 95                         | 96%                  | 1,315         | 7.34%               | 46%                  | 2                         | 1,160                               | 88%            | 44   |   |
|                             | 10 to < 100%     | 1,254                  | 77                         | 97%                  | 1,347         | 23.12%              | 43%                  | 2                         | 1,502                               | 112%           | 130  |   |
|                             | 10 to < 20%      | 715                    | 55                         | 99%                  | 785           | 13.71%              | 44%                  | 2                         | 806                                 | 103%           | 47   |   |
|                             | 20 to < 30%      | 242                    | 5                          | 89%                  | 247           | 24.37%              | 42%                  | 2                         | 303                                 | 123%           | 25   |   |
|                             | 30 to < 100%     | 297                    | 16                         | 90%                  | 314           | 45.64%              | 40%                  | 2                         | 392                                 | 125%           | 58   |   |
|                             | 100% (default)   | 2,020                  | 18                         | 85%                  | 2,043         | 100.00%             | 63%                  | 2                         | 964                                 | 47%            | 1,410  |   |
| <b>SUB-TOTAL</b>            |                  | <b>35,641</b>          | <b>5,851</b>               | <b>93%</b>           | <b>41,644</b> | <b>6.67%</b>        | <b>40%</b>           | <b>2</b>                  | <b>17,100</b>                       | <b>41%</b>     | <b>1,715</b>                                 | <b>(1,574)</b>                                      |
| <b>TOTAL</b>                |                  | <b>64,738</b>          | <b>20,587</b>              |                      | <b>82,515</b> |                     |                      |                           | <b>29,935</b>                       | <b>36%</b>     | <b>3,406</b>                                 | <b>(3,129)</b>                                      |

(\*) Add-on included.

(\*\*) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard (see note 1.f.5 Impairment of assets at amortised cost and debt instruments at fair value through equity to the consolidated financial statements at 31 December 2023).

|           | a  | b                | c | d | e | f | h | i | j | k | l | m |
|-----------|----|------------------|---|---|---|---|---|---|---|---|---|---|
| <i>In</i> | PD | 31 December 2022 |   |   |   |   |   |   |   |   |   |   |

| <i>millions<br/>of euros</i>       | <b>range</b>       | <b>Balance<br/>sheet<br/>exposure</b> | <b>Off-<br/>balance<br/>sheet<br/>exposure</b> | <b>Weighted<br/>average<br/>CCF</b> | <b>EAD</b>    | <b>Weighted<br/>average<br/>PD</b> | <b>Weighted<br/>average<br/>LGD</b> | <b>Weighted<br/>average<br/>maturity</b> | <b>Risk-<br/>weighted<br/>assets<sup>(*)</sup></b> | <b>Average<br/>weight</b> | <b>Amount of<br/>anticipated<br/>losses<sup>(**)</sup></b> | <b>Value<br/>adjustments<br/>and<br/>provisions<sup>(**)</sup></b> |
|------------------------------------|--------------------|---------------------------------------|--|-------------------------------------|---------------|------------------------------------|-------------------------------------|--|--|---------------------------|--|--|
| Retail –<br>Revolving<br>exposures | 0.00 to<br>< 0.15% | 54                                    | 1,798  | 76%                                 | 1,902         | 0.09%                              | 81%                                 | 1  | 115  | 6%                        | 1  |  |
|                                    | 0.00 to<br>< 0.10% | 7                                     | 661  | 76%                                 | 676           | 0.03%                              | 80%                                 | 1  | 17   | 2%                        |  |  |
|                                    | 0.10 to<br>< 0.15% | 48                                    | 1,137  | 76%                                 | 1,226         | 0.12%                              | 82%                                 | 1  | 99   | 8%                        | 1  |  |
|                                    | 0.15 to<br>< 0.25% | 62                                    | 3,476  | 74%                                 | 2,659         | 0.17%                              | 29%                                 | 1  | 85   | 3%                        | 1  |  |
|                                    | 0.25 to<br>< 0.50% | 267                                   | 1,551  | 49%                                 | 1,125         | 0.39%                              | 51%                                 | 1  | 132  | 12%                       | 2  |  |
|                                    | 0.50 to<br>< 0.75% | 46                                    | 615  | 71%                                 | 553           | 0.62%                              | 54%                                 | 1  | 104  | 19%                       | 2  |  |
|                                    | 0.75 to<br>< 2.50% | 362                                   | 689  | 53%                                 | 775           | 1.35%                              | 56%                                 | 1  | 269  | 35%                       | 6  |  |
|                                    | 0.75 to<br>< 1.75% | 339                                   | 638  | 51%                                 | 704           | 1.29%                              | 54%                                 | 1  | 220  | 31%                       | 5  |  |
|                                    | 1.75 to<br>< 2.5%  | 24                                    | 51   | 77%                                 | 71            | 1.94%                              | 78%                                 | 1  | 49   | 69%                       | 1  |  |
|                                    | 2.50 to<br>< 10%   | 1,361                                 | 502  | 67%                                 | 1,729         | 4.95%                              | 49%                                 | 1  | 1,203  | 70%                       | 42   |  |
|                                    | 2.5 to<br>< 5%     | 782                                   | 423  | 58%                                 | 1,049         | 3.48%                              | 47%                                 | 1  | 561  | 53%                       | 17   |  |
|                                    | 5 to<br>< 10%      | 580                                   | 79   | 115%                                | 681           | 7.21%                              | 52%                                 | 1  | 642  | 94%                       | 25   |  |
|                                    | 10 to<br>< 100%    | 623                                   | 67   | 111%                                | 722           | 21.45%                             | 52%                                 | 1  | 1,060  | 147%                      | 80   |  |
|                                    | 10 to<br>< 20%     | 417                                   | 47   | 120%                                | 482           | 12.92%                             | 53%                                 | 1  | 637  | 132%                      | 33   |  |
|                                    | 20 to<br>< 30%     | 78                                    | 13   | 71%                                 | 93            | 24.27%                             | 52%                                 | 1  | 167  | 179%                      | 12   |  |
|                                    | 30 to<br>< 100%    | 127                                   | 7  | 128%                                | 146           | 47.77%                             | 50%                                 | 1  | 256  | 175%                      | 35   |  |
|                                    | 100%<br>(Default)  | 582                                   | 30   | 70%                                 | 630           | 100.00%                            | 63%                                 | 1  | 335  | 53%                       | 383  |  |
| <b>SUB-TOTAL</b>                   |                    | <b>3,359</b>                          | <b>8,728</b>                                   | <b>68%</b>                          | <b>10,095</b> | <b>8.86%</b>                       | <b>51%</b>                          | <b>1</b>                                 | <b>3,304</b>                                       | <b>33%</b>                | <b>517</b>   | <b>(430)</b>   |

|                             | a                | b                      | c                          | d                    | e             | f                   | h                    | i                         | j                                   | k              | l  | m  |
|-----------------------------|------------------|------------------------|----------------------------|----------------------|---------------|---------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
|                             | 31 December 2022 |                        |                            |                      |               |                     |                      |                           |                                     |                |  |  |
| <i>In millions of euros</i> | PD range         | Balance sheet exposure | Off-balance sheet exposure | Weighted average CCF | EAD           | Weighted average PD | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value adjustments and provisions <sup>(**)</sup> |
| Retail – SME                | 0.00 to < 0.15%  | 1,342                  | 637                        | 65%                  | 1,806         | 0.09%               | 30%                  | 3                         | 113                                 | 6%             |  |  |
|                             | 0.00 to < 0.10%  | 844                    | 308                        | 70%                  | 1,086         | 0.06%               | 29%                  | 3                         | 53                                  | 5%             |  |  |
|                             | 0.10 to < 0.15%  | 498                    | 329                        | 61%                  | 721           | 0.12%               | 32%                  | 3                         | 60                                  | 8%             |  |  |
|                             | 0.15 to < 0.25%  | 1,342                  | 1,060                      | 56%                  | 1,990         | 0.18%               | 30%                  | 2                         | 204                                 | 10%            | 1  |  |
|                             | 0.25 to < 0.50%  | 7,280                  | 1,803                      | 73%                  | 8,717         | 0.37%               | 30%                  | 3                         | 1,454                               | 17%            | 10   |  |
|                             | 0.50 to < 0.75%  | 2,247                  | 471                        | 67%                  | 2,601         | 0.63%               | 31%                  | 3                         | 602                                 | 23%            | 5  |  |
|                             | 0.75 to < 2.50%  | 7,576                  | 1,787                      | 78%                  | 9,072         | 1.54%               | 32%                  | 3                         | 3,086                               | 34%            | 45   |  |
|                             | 0.75 to < 1.75%  | 4,191                  | 1,280                      | 78%                  | 5,257         | 1.15%               | 30%                  | 2                         | 1,530                               | 29%            | 18   |  |
|                             | 1.75 to < 2.5%   | 3,385                  | 507                        | 78%                  | 3,815         | 2.08%               | 34%                  | 3                         | 1,556                               | 41%            | 27   |  |
|                             | 2.50 to < 10%    | 4,022                  | 685                        | 74%                  | 4,595         | 5.07%               | 27%                  | 2                         | 1,925                               | 42%            | 63   |  |
|                             | 2.5 to < 5%      | 1,924                  | 449                        | 77%                  | 2,305         | 3.60%               | 29%                  | 3                         | 906                                 | 39%            | 24   |  |
|                             | 5 to < 10%       | 2,098                  | 236                        | 68%                  | 2,291         | 6.55%               | 25%                  | 2                         | 1,019                               | 45%            | 39   |  |
|                             | 10 to < 100%     | 1,695                  | 176                        | 85%                  | 1,882         | 18.73%              | 36%                  | 3                         | 1,159                               | 62%            | 113  |  |
|                             | 10 to < 20%      | 1,241                  | 139                        | 85%                  | 1,380         | 12.87%              | 39%                  | 3                         | 851                                 | 62%            | 67   |  |
|                             | 20 to < 30%      | 193                    | 25                         | 78%                  | 219           | 24.22%              | 28%                  | 2                         | 124                                 | 57%            | 15   |  |
|                             | 30 to < 100%     | 261                    | 12                         | 103%                 | 284           | 43.02%              | 26%                  | 3                         | 184                                 | 65%            | 31   |  |
|                             | 100% (Default)   | 1,989                  | 99                         | 90%                  | 2,199         | 100.00%             | 53%                  | 1                         | 1,035                               | 47%            | 1099   |  |
| <b>SUB-TOTAL</b>            |                  | <b>27,492</b>          | <b>6,718</b>               | <b>71%</b>           | <b>32,861</b> | <b>9.06%</b>        | <b>31%</b>           | <b>3</b>                  | <b>9,579</b>                        | <b>29%</b>     | <b>1,335</b>                                 | <b>(1,250)</b>                                   |



|                             | a                | b                      | c                          | d                    | e             | f                   | h                    | i                         | j                                   | k              | l  | m  |
|-----------------------------|------------------|------------------------|----------------------------|----------------------|---------------|---------------------|----------------------|---------------------------|-------------------------------------|----------------|--|--|
|                             | 31 December 2022 |                        |                            |                      |               |                     |                      |                           |                                     |                |  |  |
| <i>In millions of euros</i> | PD range         | Balance sheet exposure | Off-balance sheet exposure | Weighted average CCF | EAD           | Weighted average PD | Weighted average LGD | Weighted average maturity | Risk-weighted assets <sup>(*)</sup> | Average weight | Amount of anticipated losses <sup>(**)</sup> | Value adjustments and provisions <sup>(**)</sup> |
| Retail – Other              | 0.00 to < 0.15%  | 7,299                  | 1,699                      | 83%                  | 8,771         | 0.10%               | 41%                  | 3                         | 1,188                               | 14%            | 4  |  |
|                             | 0.00 to < 0.10%  | 1,850                  | 986                        | 72%                  | 2,574         | 0.05%               | 37%                  | 3                         | 165                                 | 6%             | -  |  |
|                             | 0.10 to < 0.15%  | 5,449                  | 713                        | 98%                  | 6,197         | 0.12%               | 43%                  | 3                         | 1,023                               | 17%            | 3  |  |
|                             | 0.15 to < 0.25%  | 1,802                  | 779                        | 97%                  | 2,572         | 0.19%               | 37%                  | 2                         | 450                                 | 17%            | 2  |  |
|                             | 0.25 to < 0.50%  | 7,405                  | 1,667                      | 95%                  | 9,044         | 0.38%               | 39%                  | 3                         | 2,727                               | 30%            | 13   |  |
|                             | 0.50 to < 0.75%  | 3,574                  | 436                        | 103%                 | 4,136         | 0.60%               | 39%                  | 3                         | 1,653                               | 40%            | 10   |  |
|                             | 0.75 to < 2.50%  | 7,361                  | 1,097                      | 97%                  | 8,481         | 1.37%               | 40%                  | 2                         | 4,827                               | 57%            | 47   |  |
|                             | 0.75 to < 1.75%  | 5,608                  | 1,017                      | 97%                  | 6,643         | 1.20%               | 40%                  | 2                         | 3,651                               | 55%            | 32   |  |
|                             | 1.75 to < 2.5%   | 1,753                  | 80                         | 92%                  | 1,838         | 2.00%               | 40%                  | 2                         | 1,176                               | 64%            | 15   |  |
|                             | 2.50 to < 10%    | 4,857                  | 239                        | 115%                 | 5,149         | 4.60%               | 42%                  | 2                         | 3,804                               | 74%            | 101  |  |
|                             | 2.5 to < 5%      | 3,527                  | 154                        | 126%                 | 3,731         | 3.54%               | 40%                  | 2                         | 2,561                               | 69%            | 53   |  |
|                             | 5 to < 10%       | 1,330                  | 85                         | 97%                  | 1,418         | 7.39%               | 46%                  | 2                         | 1,244                               | 88%            | 48   |  |
|                             | 10 to < 100%     | 1,253                  | 49                         | 97%                  | 1,308         | 22.41%              | 44%                  | 2                         | 1,475                               | 113%           | 127  |  |
|                             | 10 to < 20%      | 742                    | 39                         | 96%                  | 785           | 13.45%              | 45%                  | 2                         | 802                                 | 102%           | 47   |  |
|                             | 20 to < 30%      | 244                    | 4                          | 101%                 | 249           | 24.38%              | 44%                  | 2                         | 320                                 | 128%           | 27   |  |
|                             | 30 to < 100%     | 266                    | 6                          | 101%                 | 274           | 46.30%              | 42%                  | 2                         | 354                                 | 129%           | 53   |  |
|                             | 100% (Default)   | 1,896                  | 19                         | 92%                  | 1,919         | 100.00%             | 64%                  | 2                         | 1,053                               | 55%            | 1242   |  |
| <b>SUB-TOTAL</b>            |                  | <b>35,447</b>          | <b>5,985</b>               | <b>94%</b>           | <b>41,380</b> | <b>6.38%</b>        | <b>40%</b>           | <b>2</b>                  | <b>17,178</b>                       | <b>42%</b>     | <b>1,545</b>                                 | <b>(1,466)</b>                                   |
| <b>TOTAL</b>                |                  | <b>66,298</b>          | <b>21,432</b>              |                      | <b>84,336</b> |                     |                      |                           | <b>30,061</b>                       | <b>36%</b>     | <b>3,398</b>                                 | <b>(3,145)</b>                                   |

(\*) Add-on included.

(\*\*) The expected losses and provisions are not directly comparable data: the expected one-year losses are statistical estimates through the cycle (TTC) whilst the provisions for credit risk are calculated according to the IFRS 9 standard (see note 1.f.5 Impairment of assets at amortised cost and debt instruments at fair value through equity to the consolidated financial statements at 31 December 2023).

Most of the mortgage exposures concern Commercial & Personal Banking in France, Commercial & Personal Banking in Belgium and Commercial & Personal Banking in Luxembourg. Mortgages are issued according to strict and well-defined procedures. Average probability of default on retail clients' non-defaulted loans is 1.34%. The low average Loss Given Default level reflects the guarantees put in place when the mortgages were granted. Most of the Revolving exposures and Other

exposures relate to consumer loans subsidiaries that have a wider range of customers in terms of credit quality and a lower level of guarantees.

**TABLE 43: AVERAGE PD AND LGD OF THE RETAIL PORTFOLIO BY GEOGRAPHIC REGION**

|                             | 31 December 2023       |              |             |
|-----------------------------|------------------------|--------------|-------------|
| <i>In millions of euros</i> | Non-defaulted exposure | Average PD   | Average LGD |
| <b>Europe<sup>(*)</sup></b> | <b>273,289</b>         | <b>1.34%</b> | <b>20%</b>  |
| <i>of which France</i>      | <i>145,826</i>         | <i>1.48%</i> | <i>21%</i>  |
| <i>of which Belgium</i>     | <i>81,663</i>          | <i>1.15%</i> | <i>18%</i>  |
| <i>of which Luxembourg</i>  | <i>8,983</i>           | <i>0.91%</i> | <i>21%</i>  |
| <i>of which Italy</i>       | <i>34,683</i>          | <i>1.27%</i> | <i>21%</i>  |
| <b>North America</b>        | <b>548</b>             | <b>n.s.</b>  | <b>n.s.</b> |
| <b>Asia Pacific</b>         | <b>414</b>             | <b>n.s.</b>  | <b>n.s.</b> |
| <b>Rest of the World</b>    | <b>603</b>             | <b>n.s.</b>  | <b>n.s.</b> |
| <b>TOTAL</b>                | <b>274,854</b>         | <b>1.34%</b> | <b>20%</b>  |

(\*) Within the European Union and the European Free Trade Association (EFTA).

|                             | 31 December 2022       |              |             |
|-----------------------------|------------------------|--------------|-------------|
| <i>In millions of euros</i> | Non-defaulted exposure | Average PD   | Average LGD |
| <b>Europe<sup>(*)</sup></b> | <b>281,267</b>         | <b>1.30%</b> | <b>20%</b>  |
| <i>of which France</i>      | <i>152,218</i>         | <i>1.42%</i> | <i>20%</i>  |
| <i>of which Belgium</i>     | <i>83,212</i>          | <i>1.14%</i> | <i>17%</i>  |
| <i>of which Luxembourg</i>  | <i>9,148</i>           | <i>0.73%</i> | <i>23%</i>  |
| <i>of which Italy</i>       | <i>35,197</i>          | <i>1.30%</i> | <i>21%</i>  |
| <b>North America</b>        | <b>251</b>             | <b>n.s.</b>  | <b>n.s.</b> |
| <b>Asia Pacific</b>         | <b>102</b>             | <b>n.s.</b>  | <b>n.s.</b> |
| <b>Rest of the World</b>    | <b>213</b>             | <b>n.s.</b>  | <b>n.s.</b> |
| <b>TOTAL</b>                | <b>281,833</b>         | <b>1.30%</b> | <b>20%</b>  |

(\*) Within the European Union and the European Free Trade Association (EFTA).

## CREDIT RISK: STANDARDISED APPROACH

For exposures under the standardised approach, BNP Paribas uses the external ratings from External Credit Assessment Institutions (ECAIs) Standard & Poor's, Moody's, Fitch Ratings, Cerved and Banque de France recognised by the supervisor.

The Group uses the correspondence tables published by the EBA and the ACPR to compare the external ratings and weighting rates used to calculate risk-weighted assets specific to each exposure class:

The ratings supplied by Standard & Poor's, Moody's and Fitch Ratings are mainly used for exposures to Central governments and central banks, Regional and local authorities, Public sector entities and Multilateral development banks, Institutions and Corporates. The ratings supplied by the Banque de France are mainly used for corporate exposures and exposures secured by a mortgage on a real estate asset.

The ratings supplied by Cerved are mainly used for Corporate exposures.

When there is no directly applicable external rating, the issuer's senior unsecured rating may, if available, be obtained from external databases and used for risk-weighting purposes in some cases.

As at 31 December 2023, standardised approach exposure represented 21% of the BNP Paribas Group's total gross exposures to credit risk of the Group. This breakdown is down compared to 31 December 2022.

The following table shows a summary of standardised risk-weighted exposures broken down by regulatory asset class. The equity exposures weighted using the standardised approach consist primarily of asset value guarantees given to fund unit holders.

**TABLE 44: STANDARDISED CREDIT RISK EXPOSURE BY STANDARD EXPOSURE CLASS (EU CR4)**

|                      |   | a                | b                 | c                          | d                 | e             | f                 |        |             |
|----------------------|---|------------------|-------------------|----------------------------|-------------------|---------------|-------------------|--------|-------------|
|                      |   | 31 December 2023 |                   |                            |                   |               |                   |        |             |
|                      |   | Gross exposure   |                   | Exposure net of provisions |                   | EAD           |                   |        |             |
| In millions of euros |   | Balance sheet    | Off-balance sheet | Balance sheet              | Off-balance sheet | Balance sheet | Off-balance sheet | RWAs   | RWA density |
| 1                    | Central governments or central banks                            | 29,003           | 285               | 28,972                     | 285               | 33,629        | 134               | 4,842  | 14%         |
| 2                    | Regional government or local authorities                        | 3,668            | 2,125             | 3,666                      | 2,124             | 3,290         | 442               | 709    | 19%         |
| 3                    | Public sector entities  | 1,779            | 1,417             | 1,778                      | 1,417             | 1,737         | 351               | 1,110  | 53%         |
| 4                    | Multilateral development banks                                  | 1,635            | 2                 | 1,635                      | 2                 | 1,796         | 1                 |        | 0%          |
| 5                    | International organisations                                     | 1,278            | 1                 | 1,278                      | 1                 | 1,278         |                   |        | 0%          |
| 6                    | Institutions  | 12,999           | 2,829             | 12,996                     | 2,821             | 13,597        | 1,281             | 5,562  | 37%         |
| 7                    | Corporates  | 77,899           | 28,763            | 77,615                     | 28,703            | 71,297        | 9,259             | 60,937 | 76%         |
| 8                    | Retail  | 94,497           | 29,923            | 92,854                     | 29,872            | 89,681        | 2,081             | 62,749 | 68%         |
| 9                    | Exposures secured by mortgages on immovable property            | 39,750           | 1,976             | 39,422                     | 1,966             | 35,040        | 867               | 16,012 | 45%         |
| 10                   | Exposures in default  | 9,777            | 285               | 4,661                      | 251               | 4,469         | 66                | 4,957  | 109%        |
| 11                   | Exposures associated with particularly high risk <sup>(1)</sup> |                  |                   |                            |                   |               |                   |        |             |
| 12                   | Covered bonds   |                  |                   |                            |                   |               |                   |        |             |
| 13                   | Institutions and corporates with a short-term credit assessment |                  |                   |                            |                   |               |                   |        |             |
| 14                   | Collective investment undertakings                              | 3,470            | 2,156             | 3,459                      | 2,156             | 3,459         | 846               | 7,838  | 182%        |
| 15                   | Equity  | 96               | 444               | 96                         | 444               | 96            | 222               | 2,265  | 712%        |
| 16                   | Other items   | 35,286           | 1,662             | 35,286                     | 1,662             | 35,286        | 1,556             | 21,211 | 58%         |

|           |              |                |               |                |               |                |               |                |            |
|-----------|--------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|------------|
| <b>17</b> | <b>TOTAL</b> | <b>311,139</b> | <b>71,868</b> | <b>303,718</b> | <b>71,704</b> | <b>294,657</b> | <b>17,107</b> | <b>188,191</b> | <b>60%</b> |
|-----------|--------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|------------|

(\*) *Exposures in the property development sector for which risk profile may be influenced by market conditions.*

|                      |   | a                | b                 | c                          | d                 | e             | f                 |         |             |
|----------------------|---|------------------|-------------------|----------------------------|-------------------|---------------|-------------------|---------|-------------|
|                      |   | 31 December 2022 |                   |                            |                   |               |                   |         |             |
|                      |   | Gross exposure   |                   | Exposure net of provisions |                   | EAD           |                   |         |             |
| In millions of euros |   | Balance sheet    | Off-balance sheet | Balance sheet              | Off-balance sheet | Balance sheet | Off-balance sheet | RWAs    | RWA density |
| 1                    | Central governments or central banks                            | 36,898           | 527               | 36,856                     | 527               | 41,819        | 183               | 6,229   | 15%         |
| 2                    | Regional government or local authorities                        | 4,121            | 2,032             | 4,117                      | 2,032             | 3,778         | 551               | 774     | 18%         |
| 3                    | Public sector entities  | 17,669           | 1,498             | 17,666                     | 1,498             | 18,376        | 392               | 2,236   | 12%         |
| 4                    | Multilateral development banks                                  | 221              |                   | 221                        |                   | 221           |                   |         |             |
| 5                    | International organisations                                     | 989              | 34                | 989                        | 34                | 989           | 33                |         |             |
| 6                    | Institutions  | 10,673           | 1,829             | 10,668                     | 1,827             | 11,760        | 967               | 4,411   | 35%         |
| 7                    | Corporates  | 91,999           | 41,300            | 91,538                     | 41,184            | 84,950        | 15,325            | 80,433  | 80%         |
| 8                    | Retail  | 107,851          | 33,597            | 106,236                    | 33,526            | 102,256       | 3,945             | 73,410  | 69%         |
| 9                    | Exposures secured by mortgages on immovable property            | 62,509           | 7,570             | 62,006                     | 7,535             | 57,196        | 1,538             | 26,941  | 46%         |
| 10                   | Exposures in default  | 10,494           | 364               | 5,111                      | 302               | 4,974         | 105               | 5,684   | 112%        |
| 11                   | Exposures associated with particularly high risk <sup>(*)</sup> | 288              | 367               | 287                        | 367               | 287           | 183               | 705     | 150%        |
| 12                   | Covered bonds   |                  |                   |                            |                   |               |                   |         | -50%        |
| 13                   | Institutions and corporates with a short-term credit assessment |                  |                   |                            |                   |               |                   |         |             |
| 14                   | Collective investment undertakings                              | 2,976            | 2,193             | 2,969                      | 2,193             | 2,969         | 849               | 7,101   | 212%        |
| 15                   | Equity  | 99               | 402               | 99                         | 402               | 99            | 201               | 2,301   | 767%        |
| 16                   | Other items   | 39,334           | 1,352             | 39,334                     | 1,352             | 39,334        | 1,203             | 21,150  | 52%         |
| 17                   | TOTAL   | 386,121          | 93,066            | 378,097                    | 92,778            | 369,008       | 25,475            | 231,375 | 59%         |

(\*) Exposures in the property development sector for which risk profile may be influenced by market conditions.

Excluding the foreign exchange effect, loan outstandings processed according to the standardised method recorded a sharp decrease in 2023, mainly due to the disposal of Bank of the West (-EUR 99.9 billion), partially offset by an increase in CPBS, in particular on Corporate Clients (+EUR 7.7 billion) with the acquisition of Stellantis and on Institutions (+EUR 2.7 billion) mainly in Europe.

The following table gives the breakdown by standard asset class, the distribution by risk weight of the loans and commitments in the book for all the Group's business lines using the standardised approach. Exposure at default was EUR 312 billion at 31 December 2023 compared to EUR 394 billion at 31 December 2022.

**TABLE 45: STANDARDISED CREDIT EXPOSURE AT DEFAULT (EU CR5)**

|                    | a                       | e | f | g | i | j | k | m | n | o | p | q |
|--------------------|-------------------------|---|---|---|---|---|---|---|---|---|---|---|
| <b>Risk weight</b> | <b>31 December 2023</b> |   |   |   |   |   |   |   |   |   |   |   |

In millions of euros

EAD (on-balance and off-balance)

|    |  | 0%            | 20%           | 35%           | 50%           | 75%           | 100%          | 150%         | 370%       | 1,250%     | Other         | Total          | of which<br>unrated <sup>(*)</sup> |
|----|--|---------------|---------------|---------------|---------------|---------------|---------------|--------------|------------|------------|---------------|----------------|------------------------------------|
| 1  | Central governments or central banks                             | 28,305        | 630           |               | 225           |               | 4,602         | 1            |            |            |               | 33,764         | 8,934                              |
| 2  | Regional government or local authorities                         | 682           | 2,922         |               | 4             |               | 124           |              |            |            |               | 3,732          | 1,650                              |
| 3  | Public sector entities   | 633           | 251           |               | 287           |               | 916           |              |            |            |               | 2,088          | 583                                |
| 4  | Multilateral development banks                                   | 1,797         |               |               |               |               |               |              |            |            |               | 1,797          | 161                                |
| 5  | International organisations                                      | 1,278         |               |               |               |               |               |              |            |            |               | 1,278          | 82                                 |
| 6  | Institutions   |               | 10,229        |               | 2,232         |               | 2,356         | 62           |            |            |               | 14,878         | 520                                |
| 7  | Corporates   | 621           | 15,334        | 632           | 9,093         |               | 54,240        | 636          |            |            |               | 80,556         | 48,834                             |
| 8  | Retail   |               |               | 4,030         |               | 87,733        |               |              |            |            |               | 91,762         | 91,762                             |
| 9  | Exposures secured by mortgages on immovable property             |               |               | 24,637        | 5,221         | 2,293         | 3,560         | 197          |            |            |               | 35,907         | 28,231                             |
| 10 | Exposures in default   |               |               |               |               |               | 3,694         | 842          |            |            |               | 4,536          | 4,438                              |
| 11 | Exposures associated with particularly high risk <sup>(**)</sup> |               |               |               |               |               |               |              |            |            |               | -              | -                                  |
| 12 | Covered bonds  |               |               |               |               |               |               |              |            |            |               | -              | -                                  |
| 13 | Institutions and corporates with a short-term credit assessment  |               |               |               |               |               |               |              |            |            |               | -              | -                                  |
| 14 | Unit or shares in collective investment undertakings             | 7             | 101           |               | 109           |               | 809           | 7            |            |            | 3,272         | 4,305          | 4,034                              |
| 15 | Equity   |               |               |               |               |               |               |              | 194        | 124        |               | 318            | 318                                |
| 16 | Other items  | 7,805         | 566           |               | 139           |               | 14,280        |              |            |            | 14,052        | 36,843         | 28,466                             |
| 17 | <b>TOTAL</b>   | <b>41,129</b> | <b>30,032</b> | <b>29,298</b> | <b>17,311</b> | <b>90,025</b> | <b>84,581</b> | <b>1,745</b> | <b>194</b> | <b>124</b> | <b>17,324</b> | <b>311,764</b> | <b>218,013</b>                     |

(\*) Exposures to counterparties without a credit rating from external rating agencies.

(\*\*) Exposures in the property development sector for which risk profile may be influenced by market conditions.

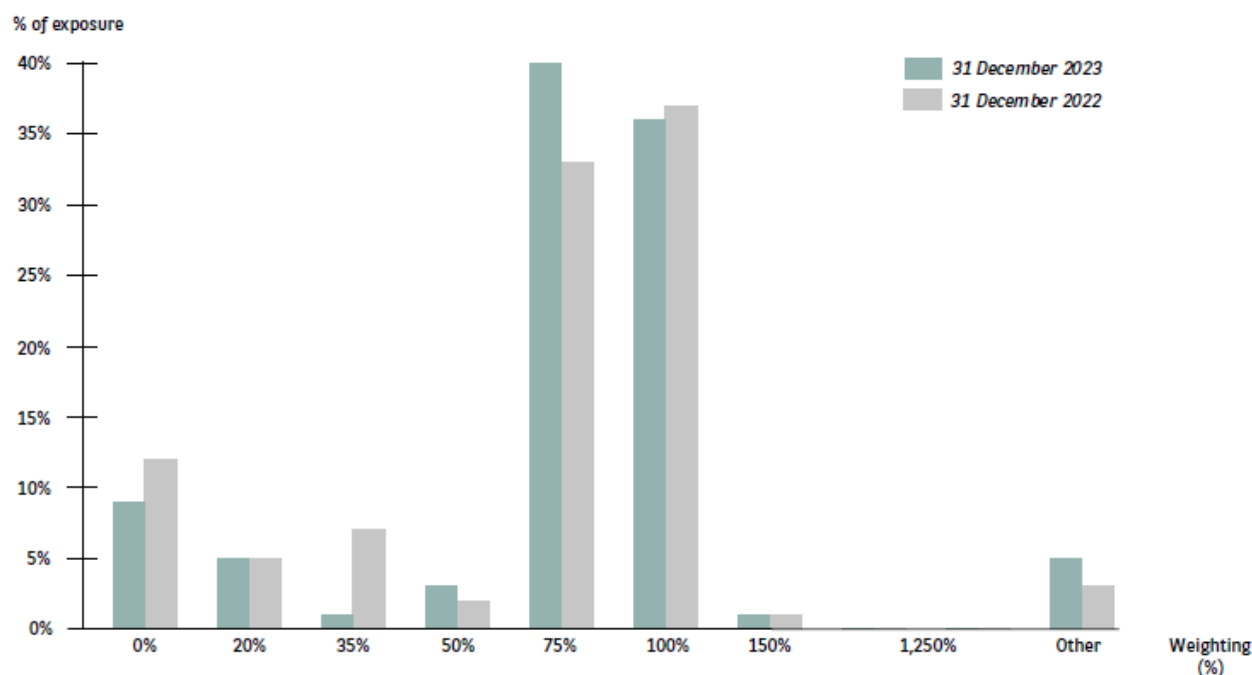
|                                  |  | a             | e             | f             | g             | i              | j              | k            | m          | n          | o             | p              | q                      |
|----------------------------------|--|---------------|---------------|---------------|---------------|----------------|----------------|--------------|------------|------------|---------------|----------------|------------------------|
| 31 December 2022                 |  |               |               |               |               |                |                |              |            |            |               |                |                        |
| EAD (on-balance and off-balance) |  |               |               |               |               |                |                |              |            |            |               |                |                        |
| Risk weight                      |  |               |               |               |               |                |                |              |            |            |               | of which       |                        |
| <i>In millions of euros</i>      |  | 0%            | 20%           | 35%           | 50%           | 75%            | 100%           | 150%         | 370%       | 1,250%     | Other         | Total          | unrated <sup>(*)</sup> |
| 1                                | Central governments or central banks                             | 35,509        | 211           |               | 192           |                | 6,096          | 1            |            |            |               | 42,002         | 10,814                 |
| 2                                | Regional government or local authorities                         | 706           | 3,556         |               |               |                | 66             |              |            |            |               | 4,328          | 1,728                  |
| 3                                | Public sector entities   | 11,016        | 6,717         |               | 267           |                | 768            |              |            |            |               | 18,768         | 11,122                 |
| 4                                | Multilateral development banks                                   | 221           |               |               |               |                |                |              |            |            |               | 221            |                        |
| 5                                | International organisations                                      | 1,023         |               |               |               |                |                |              |            |            |               | 1,022          | 132                    |
| 6                                | Institutions   |               | 9,156         |               | 1,992         |                | 1,471          | 107          |            |            |               | 12,727         | 355                    |
| 7                                | Corporates   | 617           | 13,392        | 3,732         | 8,990         |                | 72,261         | 1,283        |            |            |               | 100,275        | 67,137                 |
| 8                                | Retail   |               |               | 4,193         |               | 102,007        |                |              |            |            |               | 106,201        | 106,201                |
| 9                                | Exposures secured by mortgages on immovable property             |               |               | 34,186        | 16,586        | 2,815          | 4,339          | 808          |            |            |               | 58,734         | 40,307                 |
| 10                               | Exposures in default   |               |               |               |               |                | 3,870          | 1,209        |            |            |               | 5,079          | 5,033                  |
| 11                               | Exposures associated with particularly high risk <sup>(**)</sup> |               |               |               |               |                |                | 470          |            |            |               | 470            | 19                     |
| 12                               | Covered bonds  |               |               |               |               |                |                |              |            |            |               |                |                        |
| 13                               | Institutions and corporates with a short-term credit assessment  |               |               |               |               |                |                |              |            |            |               |                |                        |
| 14                               | Unit or shares in collective investment undertakings             | 13            | 84            |               | 124           |                | 541            | 8            |            |            | 3,047         | 3,818          | 3,526                  |
| 15                               | Equity   |               |               |               |               |                |                |              | 165        | 135        |               | 300            | 300                    |
| 16                               | Other items  | 13,777        | 190           |               | 141           |                | 16,064         |              |            |            | 10,366        | 40,538         | 27,705                 |
| 17                               | <b>TOTAL</b>   | <b>62,881</b> | <b>33,306</b> | <b>42,111</b> | <b>28,293</b> | <b>104,822</b> | <b>105,468</b> | <b>3,888</b> | <b>165</b> | <b>135</b> | <b>13,414</b> | <b>394,482</b> | <b>274,379</b>         |

(\*) Exposures to counterparties without a credit rating from external rating agencies.

(\*\*) Exposures in the property development sector for which risk profile may be influenced by market conditions.

The following chart shows the breakdown by risk weight of EAD outstandings relating to credit risk for all the Group's business lines, measured using the standardised approach.

**FIGURE 10: STANDARDISED EXPOSURE AT DEFAULT BY RISK WEIGHT**



## CREDIT RISK: EQUITIES UNDER THE SIMPLE WEIGHTING METHOD

### Exposure

Exposures under the simple weighting method at 31 December 2023 amounted to EUR 13.6 billion, versus EUR 12.1 billion at 31 December 2022.

### Scope

The equities held by the Group outside trading portfolios are securities “conferring residual and subordinated rights on issuer’s assets or income, or securities representing a similar economic nature”. They encompass:

- listed and unlisted equities, including shares in investment funds;
- embedded options of convertible bonds, redeemable or exchangeable for equities;
- equity options;
- super subordinated notes;
- private funds on given commitments;
- equity holdings hedge;
- shares of consolidated entities using the equity method.

The scope of exposures processed according to the simple weighting method does not include the following items:

- stakes higher than 10% in credit or financial institutions, mainly consolidated by the equity method or held as financial assets at fair value through equity, are exempt from the equity deduction, being weighted at a flat rate of 250% (exposure of EUR 4.9 billion at 31 December 2023 compared with EUR 4.6 billion at 31 December 2022);
- exposures in the form of units or shares of undertakings for collective investment (UCI) treated according to the transparency approach in accordance with the provisions of Articles 132 to 132c of Regulation (EU) No. 2019/876 (exposure of EUR 5.6 billion at 31 December 2023 compared with EUR 5.2 billion at 31 December 2022).

### Accounting principles and valuation methods

Accounting principles and valuation methods are set out in note 1.f to the consolidated financial statements – *Financial assets and liabilities*.

### Total gains and losses

Total unrealised gains and losses recorded in shareholders’ equity are set out in note 5.c to the consolidated financial statements – *Financial assets at fair value through equity*.



## Risk-weighted assets

The simple weighting method gives the following risk weights for the calculation of risk-weighted assets:

- 190% for investments held for medium/long-term valuation purposes within the activity of the Principal Investments business, as well as private equity exposures in diversified portfolios in line with the Bank's business line activities;
- 290% for exposures in the form of listed securities, including primarily investments related to the Bank's business line activities. In addition, some exposures relating to Principal Investments are also included in this category;
- 370% for all other exposures in the form of equities, primarily including entities consolidated using the equity method (including the Group's insurance entities in the prudential scope that are included in Table 47: *Insurance undertakings (EU INS1)*). Furthermore, this risk weight is also applied to unlisted investments in non-diversified portfolios.

**TABLE 46: EQUITY POSITIONS UNDER THE SIMPLE WEIGHTING METHOD (EU CR10)**

|                                  | a   | b  | c                      | d                         | e  | f                                   |
|----------------------------------|---|--|------------------------|---------------------------|--|-------------------------------------|
|                                  | <b>31 December 2023</b>                                 |  |                        |                           |  |                                     |
| <i>In millions of euros</i>      | <b>On-<br/>balance<br/>sheet<br/>gross<br/>exposure</b> | <b>Off-<br/>balance<br/>sheet<br/>gross<br/>exposure</b> | <b>Risk<br/>weight</b> | <b>Exposure<br/>value</b> | <b>Risk<br/>weighted<br/>exposure<br/>amount</b> | <b>Expected<br/>loss<br/>amount</b> |
| Private equity exposures         | 1,820   | 23   | 190%                   | 1,831                     | 3,480  | 15                                  |
| Exchange-traded equity exposures | 1,278   |  | 290%                   | 1,278                     | 3,706  | 10                                  |
| Other equity exposures           | 10,474  |  | 370%                   | 10,474                    | 38,755   | 251                                 |
| <b>TOTAL</b>                     | <b>13,572</b>   | <b>23</b>  |                        | <b>13,584</b>             | <b>45,941</b>                                    | <b>276</b>                          |

|                                  | a   | b  | c                      | d                         | e  | f                                   |
|----------------------------------|---|--|------------------------|---------------------------|--|-------------------------------------|
|                                  | <b>31 December 2022</b>                                 |  |                        |                           |  |                                     |
| <i>In millions of euros</i>      | <b>On-<br/>balance<br/>sheet<br/>gross<br/>exposure</b> | <b>Off-<br/>balance<br/>sheet<br/>gross<br/>exposure</b> | <b>Risk<br/>weight</b> | <b>Exposure<br/>value</b> | <b>Risk<br/>weighted<br/>exposure<br/>amount</b> | <b>Expected<br/>loss<br/>amount</b> |
| Private equity exposures         | 1,529   | 50   | 190%                   | 1,554                     | 2,952  | 12                                  |
| Exchange-traded equity exposures | 1,026   |  | 290%                   | 1,026                     | 2,976  | 8                                   |
| Other equity exposures           | 9,531   |  | 370%                   | 9,531                     | 35,263   | 229                                 |
| <b>TOTAL</b>                     | <b>12,086</b>   | <b>50</b>  |                        | <b>12,111</b>             | <b>41,192</b>                                    | <b>249</b>                          |

The increase of +EUR 5 billion in risk-weighted assets in 2023 is mainly linked market effects for the entire portfolio.

The Group does not use the simple weighting method for specialised lending portfolios.

**TABLE 47: INSURANCE UNDERTAKINGS (EU INS1)**

|                                   |  | a                | b                |
|-----------------------------------|--|------------------|------------------|
| <i>In millions of euros</i>       |  | 31 December 2023 | 31 December 2022 |
| 1                                 | Holdings in insurance companies <sup>(*)</sup> (before 370% risk weight) | 4,824            | 4,561            |
| <b>TOTAL RISK-WEIGHTED ASSETS</b> |  | <b>17,847</b>    | <b>16,876</b>    |

(\*) Significant financial holdings in insurance companies consolidated by the equity method within the prudential scope, benefiting from the provisions of Article 49 of Regulation (EU) No. 575/2013 on exemptions from deduction from regulatory capital of holdings in an insurance company. Under the provisions of Article 48 of Regulation (EU) No. 575/2013, a potential deduction from regulatory capital would have a limited impact with a decrease of less than 10 basis points in the CET1 ratio.

## EXPOSURES, PROVISIONS AND COST OF RISK [Audited]

Impaired exposures (stage 3) related to assets at amortised cost and financing and guarantee commitments given, as well as the guarantees received as collateral are presented in note 5.f *Impaired exposures*. The definition of impaired loans (stage 3) is presented in note 1.f.5 *Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders' equity*, *Definition of default* paragraph.

The following table shows the carrying amount of performing and non-performing<sup>1</sup> financial assets included in the prudential consolidation scope.

An exposure is deemed to be non-performing when it falls into one of the following categories:

- exposures in default;
- 90 days past-due exposures which are not in default;
- restructured loans (see the *Restructured loans* section) during the one-year minimal period required before returning to performing status.

In this part, in accordance with the Implementing Regulation (EU) No. 2021/637, the scope of the tables in this section includes the following items:

- current accounts with central banks (cash accounts are not considered);
- loans and receivables and debt securities at amortised cost;
- loans and receivables and debt securities at fair value through equity;
- loans and receivables and debt securities at fair value through profit or loss excluding the trading portfolio;
- financing and guarantee commitments outside the trading portfolio.

Exposures in default include impaired loans and receivables (stage 3) and doubtful loans and receivables and debt securities at fair value through profit or loss outside the trading book.

The classifications used for exposures shown are taken from financial reports intended for the supervisory authority<sup>2</sup> and so differ from the exposure classes usually used within the context of Pillar 3. The classification includes:

- central banks;
- public administrations including mainly central governments, regional or local authorities and international organisations;
- credit institutions including credit institutions and multilateral development banks;
- other financial corporations including institutions (notably supervised investment companies and clearing houses) and corporations (mainly investment funds, pension funds and insurance companies);
- non-financial corporations including mainly corporations and small and medium enterprises (SME);
- households: mainly non-SME retail portfolio.

In addition, in accordance with Appendix III and V of Implementing Regulation (EU) No. 2021/451 regarding supervisory reporting of financial institutions, the assets of activities held for sale<sup>3</sup> for the items listed above, are presented on a separate line in the tables.

<sup>1</sup> At 31 December 2023, the Group's non-performing loans ratio was 2.2%, compared with 2.1% at 31 December 2022. This ratio is used by the European Banking Authority to monitor non-performing outstandings in Europe. It is calculated on the basis of gross outstanding of loans, receivables and deposits with central banks, not netted of guarantees received.

<sup>2</sup> Appendices III and V of Implementing Regulation (EU) No. 2021/451 on supervisory reporting.

<sup>3</sup> See note 9.e *Discontinued activities* to the consolidated financial statements.

**TABLE 48: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS (EU CR1) [Audited]**

|   | a                     | b                | c                        | d                  | e   | f  | g                | h                        | i                  | j        | k  | l        | n                          | o     |
|---|-----------------------|------------------|--------------------------|--------------------|-----|--|------------------|--------------------------|--------------------|----------|--|----------|----------------------------|-------|
|   | 31 December 2023      |                  |                          |                    |     |  |                  |                          |                    |          |  |          |                            |       |
|   | Gross carrying amount |                  |                          |                    |     | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                          |                    |          | Collateral and financial guarantees received |          |                            |       |
|   | Performing exposures  |                  | Non-performing exposures |                    |     | Performing exposures   |                  | Non-performing exposures |                    |          | On performing exposure                       |          | On non-performing exposure |       |
| <i>In millions of euros</i>                 | of which stage 1      | of which stage 2 | of which stage 1 & 2     | of which defaulted |     | of which stage 1   | of which stage 2 | of which stage 1 & 2     | of which defaulted |          |  |          |                            |       |
| Current accounts at central banks and other |                       |                  |                          |                    |     |  |                  |                          |                    |          |  |          |                            |       |
| 00 demand deposits                          | 292,738               | 292,359          | 379                      | 2                  | -   | 2  | (26)             | (21)                     | (5)                | -        | -  | -        | 973                        | -     |
| 01 Loans and advances                       | 902,012               | 828,757          | 73,255                   | 26,775             | 465 | 26,310   | (4,338)          | (1,960)                  | (2,378)            | (13,261) | (13)   | (13,248) | 538,230                    | 8,551 |
| 02 Central banks                            | 9,731                 | 9,731            |                          |                    |     |  |                  |                          |                    |          |  |          | 3,313                      |       |
| 03 General government securities            | 33,971                | 31,954           | 2,017                    | 256                | 93  | 163  | (16)             | (6)                      | (10)               | (39)     | (1)  | (38)     | 8,826                      | 167   |
| 04 Credit institutions                      | 7,457                 | 6,839            | 618                      | 80                 |     | 80   | (27)             | (18)                     | (9)                | (67)     |  | (67)     | 3,580                      |       |
| 05 Other financial corporations             | 90,811                | 87,537           | 3,274                    | 1,412              |     | 1,412  | (153)            | (70)                     | (83)               | (856)    |  | (856)    | 21,110                     | 502   |
| 06 Non-financial corporations               | 430,758               | 380,019          | 50,739                   | 14,155             | 344 | 13,811   | (1,807)          | (726)                    | (1,081)            | (6,978)  | (3)  | (6,975)  | 272,354                    | 5,011 |
| 07 of which SMEs                            | 127,144               | 108,650          | 18,494                   | 5,597              | 90  | 5,507  | (770)            | (319)                    | (451)              | (2,363)  | (2)  | (2,361)  | 92,600                     | 2,532 |
| 08 Households                               | 329,284               | 312,677          | 16,607                   | 10,872             | 28  | 10,844   | (2,335)          | (1,140)                  | (1,195)            | (5,321)  | (9)  | (5,312)  | 229,047                    | 2,871 |
| 09 Debt Securities                          | 175,677               | 175,342          | 335                      | 349                | -   | 349  | (36)             | (19)                     | (17)               | (226)    | -  | (226)    | 4,017                      | -     |
| 10 Central banks                            | 4,705                 | 4,705            |                          |                    |     |  |                  |                          |                    |          |  |          |                            |       |
| 11 General government securities            | 118,856               | 118,785          | 71                       |                    |     |  | (17)             | (14)                     | (3)                |          |  |          | 450                        |       |
| 12 Credit institutions                      | 18,004                | 18,004           |                          | 101                |     | 101  |                  |                          |                    | (101)    |  | (101)    | 3,262                      |       |
| 13 Other financial corporations             | 27,747                | 27,552           | 195                      | 152                |     | 152  | (13)             | (1)                      | (12)               | (56)     |  | (56)     | 305                        |       |

|                                    | a                     | b                | c                        | d                  | e                    | f                | g  | h                  | i              | j               | k           | l               | n  | o                           |
|------------------------------------|-----------------------|------------------|--------------------------|--------------------|----------------------|------------------|--|--------------------|----------------|-----------------|-------------|-----------------|--|-----------------------------|
|                                    | 31 December 2023      |                  |                          |                    |                      |                  |  |                    |                |                 |             |                 |  |                             |
|                                    | Gross carrying amount |                  |                          |                    |                      |                  | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                    |                |                 |             |                 | Collateral and financial guarantees received |                             |
|                                    | Performing exposures  |                  | Non-performing exposures |                    | Performing exposures |                  | Non-performing exposures   |                    |                |                 |             |                 | On performing exposures                      | On non-performing exposures |
| <i>In millions of euros</i>        | of which stage 1      | of which stage 2 | of which stage 1 & 2     | of which defaulted | of which stage 1     | of which stage 2 | of which stage 1 & 2   | of which defaulted |                |                 |             |                 |  |                             |
| Non-financial corporations         | 6,365                 | 6,296            | 69                       | 96                 |                      | 96               | (6)  | (4)                | (2)            | (69)            |             | (69)            |  |                             |
| <b>Off-balance sheet exposures</b> | <b>560,116</b>        | <b>533,559</b>   | <b>26,557</b>            | <b>1,661</b>       | <b>3</b>             | <b>1,658</b>     | <b>(570)</b>   | <b>(269)</b>       | <b>(301)</b>   | <b>(313)</b>    | <b>-</b>    | <b>(313)</b>    | <b>142,400</b>                               | <b>398</b>                  |
| Central banks                      | 51,627                | 51,627           |                          |                    |                      |                  |  |                    |                |                 |             |                 | 49,622                                       |                             |
| General government                 | 11,292                | 9,915            | 1,377                    | 48                 |                      | 48               | (5)  | (2)                | (3)            |                 |             |                 | 742  | 42                          |
| Credit institutions                | 15,155                | 13,611           | 1,544                    |                    |                      |                  | (27)   | (7)                | (20)           |                 |             |                 | 654  |                             |
| Other financial corporations       | 77,005                | 76,019           | 986                      | 87                 |                      | 87               | (32)   | (24)               | (8)            | (11)            |             | (11)            | 17,614                                       | 12                          |
| Non-financial corporations         | 357,031               | 335,568          | 21,463                   | 1,390              | 4                    | 1,386            | (421)  | (182)              | (239)          | (298)           |             | (298)           | 69,078                                       | 331                         |
| Households                         | 48,006                | 46,819           | 1,187                    | 136                | (1)                  | 137              | (85)   | (54)               | (31)           | (4)             |             | (4)             | 4,690  | 13                          |
| <b>22 0 TOTAL</b>                  | <b>1,930,543</b>      | <b>1,830,017</b> | <b>100,526</b>           | <b>28,787</b>      | <b>468</b>           | <b>28,319</b>    | <b>(4,970)</b>   | <b>(2,269)</b>     | <b>(2,701)</b> | <b>(13,800)</b> | <b>(13)</b> | <b>(13,787)</b> | <b>685,620</b>                               | <b>8,949</b>                |

|   | a                     | b                | c                        | d                  | e                    | f                | g  | h                | i                    | j                  | k           | l               | n  | o                           |
|---|-----------------------|------------------|--------------------------|--------------------|----------------------|------------------|--|------------------|----------------------|--------------------|-------------|-----------------|--|-----------------------------|
|   | 31 December 2022      |                  |                          |                    |                      |                  |  |                  |                      |                    |             |                 |  |                             |
|   | Gross carrying amount |                  |                          |                    |                      |                  | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                      |                    |             |                 | Collateral and financial guarantees received |                             |
|   | Performing exposures  |                  | Non-performing exposures |                    | Performing exposures |                  | Non-performing exposures   |                  |                      |                    |             |                 | On performing exposures                      | On non-performing exposures |
| <i>In millions of euros</i>                                     | of which stage 1      | of which stage 2 | of which stage 1 & 2     | of which defaulted | of which stage 1     | of which stage 2 | of which stage 1   | of which stage 2 | of which stage 1 & 2 | of which defaulted |             |                 |  |                             |
| <b>Cash balances at central banks and other demand deposits</b> | <b>326,410</b>        | <b>325,762</b>   | <b>648</b>               | <b>4</b>           | <b>1</b>             | <b>3</b>         | <b>(29)</b>  | <b>(20)</b>      | <b>(9)</b>           | <b>(1)</b>         | <b>-</b>    | <b>(1)</b>      | <b>829</b>                                   | <b>-</b>                    |
| <b>Loans and advances</b>                                       | <b>905,208</b>        | <b>818,136</b>   | <b>87,072</b>            | <b>26,337</b>      | <b>447</b>           | <b>25,890</b>    | <b>(4,862)</b>   | <b>(2,045)</b>   | <b>(2,817)</b>       | <b>(13,513)</b>    | <b>(10)</b> | <b>(13,503)</b> | <b>540,589</b>                               | <b>8,359</b>                |
| Central banks   | 13,619                | 13,612           | 7                        |                    |                      |                  |  |                  |                      |                    |             |                 | 4,807  |                             |
| General government  | 31,523                | 30,155           | 1,368                    | 199                | 99                   | 100              | (15)   | (6)              | (9)                  | (26)               | (2)         | (24)            | 8,138  | 151                         |
| Credit institutions   | 8,044                 | 7,912            | 132                      | 84                 | 1                    | 83               | (13)   | (6)              | (7)                  | (79)               |             | (79)            | 3,817  | 1                           |
| Other financial corporation                                     | 84,667                | 79,895           | 4,772                    | 1,106              |                      | 1,106            | (169)  | (70)             | (99)                 | (778)              |             | (778)           | 25,770                                       | 284                         |
| Non-financial corporation                                       | 437,918               | 374,954          | 62,964                   | 13,196             | 329                  | 12,867           | (2,267)  | (803)            | (1,464)              | (6,920)            | (7)         | (6,913)         | 267,929                                      | 4,711                       |
| of which SMEs   | 125,350               | 110,545          | 14,805                   | 4,984              | 89                   | 4,895            | (804)  | (327)            | (477)                | (2,277)            | (4)         | (2,273)         | 87,527                                       | 2,154                       |
| Households  | 329,437               | 311,608          | 17,829                   | 11,752             | 18                   | 11,734           | (2,398)  | (1,160)          | (1,238)              | (5,710)            | (1)         | (5,709)         | 230,128                                      | 3,212                       |
| <b>Debt Securities</b>  | <b>154,741</b>        | <b>154,209</b>   | <b>532</b>               | <b>348</b>         | <b>-</b>             | <b>348</b>       | <b>(68)</b>  | <b>(42)</b>      | <b>(26)</b>          | <b>(231)</b>       | <b>-</b>    | <b>(231)</b>    | <b>3,182</b>                                 | <b>20</b>                   |
| Central banks   | 6,012                 | 6,012            |                          |                    |                      |                  |  |                  |                      |                    |             |                 |  |                             |
| General government  | 105,318               | 104,965          | 353                      |                    |                      |                  | (32)   | (23)             | (9)                  |                    |             |                 | 476  |                             |
| Credit institutions   | 13,320                | 13,320           |                          | 103                |                      | 103              | (5)  | (5)              |                      | (103)              |             | (103)           | 2,390  |                             |
| Other financial corporation                                     | 24,801                | 24,635           | 166                      | 111                |                      | 111              | (24)   | (7)              | (17)                 | (44)               |             | (44)            | 316  |                             |
| Non-financial corporation                                       | 5,290                 | 5,277            | 13                       | 134                |                      | 134              | (7)  | (7)              |                      | (84)               |             | (84)            |  | 20                          |

|                                    | a                     | b                | c                        | d                  | e                    | f                | g  | h                | i                    | j                  | k           | l               | n  | o                           |
|------------------------------------|-----------------------|------------------|--------------------------|--------------------|----------------------|------------------|--|------------------|----------------------|--------------------|-------------|-----------------|--|-----------------------------|
|                                    | 31 December 2022      |                  |                          |                    |                      |                  |  |                  |                      |                    |             |                 |  |                             |
|                                    | Gross carrying amount |                  |                          |                    |                      |                  | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                      |                    |             |                 | Collateral and financial guarantees received |                             |
|                                    | Performing exposures  |                  | Non-performing exposures |                    | Performing exposures |                  | Non-performing exposures   |                  |                      |                    |             |                 | On performing exposures                      | On non-performing exposures |
| <i>In millions of euros</i>        | of which stage 1      | of which stage 2 | of which stage 1 & 2     | of which defaulted | of which stage 1     | of which stage 2 | of which stage 1   | of which stage 2 | of which stage 1 & 2 | of which defaulted |             |                 |  |                             |
| <b>Assets held for sale</b>        | <b>79,542</b>         | <b>76,392</b>    | <b>3,150</b>             | <b>553</b>         | <b>-</b>             | <b>553</b>       | <b>(267)</b>   | <b>(141)</b>     | <b>(126)</b>         | <b>(62)</b>        | <b>-</b>    | <b>(62)</b>     | <b>46,754</b>                                | <b>283</b>                  |
| <b>Off-balance sheet exposures</b> | <b>565,733</b>        | <b>533,619</b>   | <b>32,114</b>            | <b>1,730</b>       | <b>-</b>             | <b>1,730</b>     | <b>(664)</b>   | <b>(325)</b>     | <b>(339)</b>         | <b>(316)</b>       | <b>-</b>    | <b>(316)</b>    | <b>127,110</b>                               | <b>386</b>                  |
| Central banks                      | 50,759                | 50,742           | 17                       | 1                  |                      | 1                |  |                  |                      |                    |             |                 | 48,718                                       |                             |
| General government                 | 12,256                | 11,128           | 1,128                    | 10                 |                      | 10               | (6)  | (2)              | (4)                  |                    |             |                 | 947  |                             |
| Credit institutions                | 13,832                | 13,033           | 799                      | 1                  |                      | 1                | (12)   | (5)              | (7)                  |                    |             |                 | 652  |                             |
| Other financial corporation        | 68,425                | 66,541           | 1,884                    | 24                 |                      | 24               | (50)   | (36)             | (14)                 | (9)                |             | (9)             | 15,334                                       | 5                           |
| Non-financial corporation          | 363,252               | 336,133          | 27,119                   | 1,489              |                      | 1,489            | (500)  | (221)            | (279)                | (299)              |             | (299)           | 57,571                                       | 377                         |
| Households                         | 57,209                | 56,042           | 1,167                    | 205                |                      | 205              | (96)   | (61)             | (35)                 | (8)                |             | (8)             | 3,888  | 4                           |
| <b>220TOTAL</b>                    | <b>2,031,634</b>      | <b>1,908,118</b> | <b>123,516</b>           | <b>28,972</b>      | <b>448</b>           | <b>28,524</b>    | <b>(5,890)</b>   | <b>(2,573)</b>   | <b>(3,317)</b>       | <b>(14,123)</b>    | <b>(10)</b> | <b>(14,113)</b> | <b>718,464</b>                               | <b>9,048</b>                |

Changes in the stock of non-performing loans and advances (EU CR2) are presented in note 5.f *Impaired financial assets (stage 3)* to the consolidated financial statements as at 31 December 2023.

**TABLE 49: PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS (EU CQ3) [Audited]**

|   | a                    | b             | c     | d      | e  | f                           | g                        | h                         | i                         | j                         | k             | l                     |
|---|----------------------|---------------|-------|--------|--|-----------------------------|--------------------------|---------------------------|---------------------------|---------------------------|---------------|-----------------------|
|   | 31 December 2023     |               |       |        |  |                             |                          |                           |                           |                           |               |                       |
|   | Performing exposures |               |       |        |  |                             | Non-performing exposures |                           |                           |                           |               |                       |
|   |                      |               |       |        | Unlikely<br>to pay<br>that are<br>not past<br>due or |                             |                          |                           |                           |                           |               |                       |
|   | Not past<br>due or   | > 30 day<br>s |       |        | are past<br>due                                      | > 90 days<br>≤ 180 day<br>s | > 180 day<br>s           | > 1 year<br>≤ 2 year<br>s | > 2 year<br>≤ 5 year<br>s | > 5 year<br>≤ 7 year<br>s | > 7 year<br>s | of which<br>defaulted |
| <i>In millions<br/>of euros</i>                                 | ≤ 30 day<br>s        | ≤ 90 day<br>s |       |        | ≤ 90 day<br>s  | ≤ 180 day<br>s              | ≤ 1 year<br>s            | ≤ 2 year<br>s             | ≤ 5 year<br>s             | ≤ 7 year<br>s             | ≤ 7 year<br>s | ≤ 7 year<br>s         |
| <b>Cash<br/>balances at<br/>central<br/>banks and<br/>other</b> |                      |               |       |        |  |                             |                          |                           |                           |                           |               |                       |
| <b>00 demand</b>  |                      |               |       |        |  |                             |                          |                           |                           |                           |               |                       |
| <b>05 deposits</b>  | 292,738              | 292,738       | -     | 2      | -  | -                           | -                        | -                         | -                         | -                         | 2             | 2                     |
| <b>01 Loans and<br/>advances</b>                                | 902,012              | 897,206       | 4,806 | 26,775 | 9,475  | 2,051                       | 2,110                    | 2,728                     | 4,780                     | 1,374                     | 4,257         | 26,310                |
| 02 Central<br>banks   | 9,731                | 9,731         |       |        |  |                             |                          |                           |                           |                           |               |                       |
| General<br>03 government<br>s                                   | 33,971               | 33,935        | 36    | 256    | 36   | 12                          | 6                        | 69                        | 99                        | 28                        | 6             | 163                   |
| 04 Credit<br>institutions                                       | 7,457                | 7,454         | 3     | 80     | 3  |                             |                          | 2                         |                           |                           | 75            | 79                    |
| Other<br>05 financial<br>corporations                           | 90,811               | 90,687        | 124   | 1,412  | 638  | 30                          | 5                        | 309                       | 230                       | 8                         | 192           | 1,412                 |
| Non-<br>06 financial<br>corporations                            | 430,758              | 427,102       | 3,656 | 14,155 | 5,847  | 995                         | 848                      | 1,049                     | 1,767                     | 869                       | 2,780         | 13,812                |
| 07 of which<br>SMEs   | 127,144              | 126,363       | 781   | 5,597  | 2,082  | 378                         | 544                      | 707                       | 838                       | 314                       | 734           | 5,506                 |
| 08 Households   | 329,284              | 328,297       | 987   | 10,872 | 2,951  | 1,014                       | 1,251                    | 1,299                     | 2,684                     | 469                       | 1,204         | 10,844                |
| <b>09 Debt<br/>securities</b>                                   | 175,677              | 175,677       | -     | 349    | 236  | -                           | -                        | -                         | 5                         | 101                       | 7             | 349                   |
| 10 Central<br>banks   | 4,705                | 4,705         |       |        |  |                             |                          |                           |                           |                           |               |                       |
| General<br>11 government<br>s                                   | 118,856              | 118,856       |       |        |  |                             |                          |                           |                           |                           |               |                       |
| 12 Credit<br>institutions                                       | 18,004               | 18,004        |       | 101    | 2  |                             |                          |                           |                           | 99                        |               | 101                   |
| Other<br>13 financial<br>corporations                           | 27,747               | 27,747        |       | 152    | 144  |                             |                          |                           |                           | 2                         | 6             | 152                   |

|   | a                    | b                | c            | d             | e  | f            | g                        | h            | i            | j            | k            | l             |
|---|----------------------|------------------|--------------|---------------|--|--------------|--------------------------|--------------|--------------|--------------|--------------|---------------|
|   | 31 December 2023     |                  |              |               |  |              |                          |              |              |              |              |               |
|   | Performing exposures |                  |              |               |  |              | Non-performing exposures |              |              |              |              |               |
|   |                      |                  |              |               | Unlikely<br>to pay<br>that are<br>not past<br>due or<br>are past |              |                          |              |              |              |              |               |
|   | Not past             | > 30 day         |              |               | due > 90 days  | > 180 day    | > 1 year                 | > 2 year     | > 5 year     |              |              | of which      |
| <i>In millions<br/>of euros</i>         | ≤ 30 day             | ≤ 90 day         |              | ≤ 90 day      | ≤ 180 day  | ≤ 1 year     | ≤ 2 year                 | ≤ 5 year     | ≤ 7 year     | > 7 year     |              | defaulted     |
|   | s                    | s                |              | s             | s  | s            | s                        | s            | s            | s            |              |               |
| Non-<br>14 financial<br>0 corporations  | 6,365                | 6,365            |              | 96            | 90   |              |                          | 5            |              | 1            |              | 96            |
| Off-balance<br>15 sheet<br>0 exposures  | 560,116              |                  |              | 1,661         |  |              |                          |              |              |              |              | 1,658         |
| 16 Central<br>0 banks                   | 51,627               |                  |              |               |  |              |                          |              |              |              |              |               |
| General<br>17 government<br>0 s         | 11,292               |                  |              | 48            |  |              |                          |              |              |              |              | 48            |
| 18 Credit<br>0 institutions             | 15,155               |                  |              |               |  |              |                          |              |              |              |              |               |
| Other<br>19 financial<br>0 corporations | 77,005               |                  |              | 87            |  |              |                          |              |              |              |              | 87            |
| Non-<br>20 financial<br>0 corporations  | 357,031              |                  |              | 1,390         |  |              |                          |              |              |              |              | 1,386         |
| 21<br>0 Households                      | 48,006               |                  |              | 136           |  |              |                          |              |              |              |              | 137           |
| <b>22</b><br><b>0 TOTAL</b>             | <b>1,930,543</b>     | <b>1,365,621</b> | <b>4,806</b> | <b>28,787</b> | <b>9,711</b>   | <b>2,051</b> | <b>2,110</b>             | <b>2,728</b> | <b>4,785</b> | <b>1,475</b> | <b>4,266</b> | <b>28,319</b> |



|   | a                         | b                         | c                           | d                          | e   | f                         | g                         | h                         | i                         | j             | k                     | l      |
|---|---------------------------|---------------------------|-----------------------------|----------------------------|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------|-----------------------|--------|
|   | 31 December 2022          |                           |                             |                            |   |                           |                           |                           |                           |               |                       |        |
|   | Performing exposures      |                           |                             |                            |   |                           | Non-performing exposures  |                           |                           |               |                       |        |
|   |                           |                           |                             |                            | Unlikely<br>to pay<br>that are<br>not past<br>due or<br>are past<br>due |                           |                           |                           |                           |               |                       |        |
| <i>In millions<br/>of euros</i>                                 | Not past<br>≤ 30 day<br>s | > 30 day<br>≤ 90 day<br>s | > 90 days<br>≤ 180 day<br>s | > 180 day<br>≤ 1 year<br>s | > 1 year<br>≤ 2 year<br>s   | > 2 year<br>≤ 5 year<br>s | > 1 year<br>≤ 2 year<br>s | > 2 year<br>≤ 5 year<br>s | > 1 year<br>≤ 2 year<br>s | > 5 year<br>s | of which<br>defaulted |        |
| <b>Cash<br/>balances at<br/>central<br/>banks and<br/>other</b> |                           |                           |                             |                            |   |                           |                           |                           |                           |               |                       |        |
| <b>00 demand<br/>5 deposits</b>                                 | 326,410                   | 326,410                   | -                           | 4                          | 1   | -                         | -                         | -                         | -                         | -             | 3                     | 3      |
| <b>01 Loans and<br/>0 advances</b>                              | 905,208                   | 900,706                   | 4,502                       | 26,337                     | 7,736   | 1,773                     | 2,163                     | 2,246                     | 5,434                     | 1,662         | 5,323                 | 25,890 |
| 02 Central<br>0 banks   | 13,619                    | 13,619                    |                             |                            |   |                           |                           |                           |                           |               |                       |        |
| 03 General<br>0 government<br>0 s                               | 31,523                    | 31,462                    | 61                          | 199                        | 35  | 6                         | 7                         | 40                        | 68                        | 35            | 8                     | 100    |
| 04 Credit<br>0 institutions                                     | 8,044                     | 8,028                     | 16                          | 84                         |   |                           |                           | 3                         |                           |               | 81                    | 83     |
| 05 Other<br>0 financial<br>0 corporations                       | 84,667                    | 84,598                    | 69                          | 1,106                      | 572   | 1                         | 10                        | 64                        | 251                       | 5             | 203                   | 1,106  |
| 06 Non-<br>0 financial<br>0 corporations                        | 437,918                   | 434,683                   | 3,235                       | 13,196                     | 4,314   | 687                       | 970                       | 903                       | 2,286                     | 968           | 3,068                 | 12,867 |
| 07 of which<br>0 SMEs   | 125,350                   | 124,698                   | 652                         | 4,984                      | 1,422   | 365                       | 472                       | 508                       | 914                       | 401           | 902                   | 4,895  |
| 08<br>0 Households  | 329,437                   | 328,316                   | 1,121                       | 11,752                     | 2,815   | 1,079                     | 1,176                     | 1,236                     | 2,829                     | 654           | 1,963                 | 11,734 |
| <b>09 Debt<br/>0 securities</b>                                 | 154,741                   | 154,741                   | -                           | 348                        | 232   | -                         | -                         | -                         | 4                         | 101           | 11                    | 348    |
| 10 Central<br>0 banks   | 6,012                     | 6,012                     |                             |                            |   |                           |                           |                           |                           |               |                       |        |
| 11 General<br>0 government<br>0 s                               | 105,318                   | 105,318                   |                             |                            |   |                           |                           |                           |                           |               |                       |        |
| 12 Credit<br>0 institutions                                     | 13,320                    | 13,320                    |                             | 103                        | 4   |                           |                           |                           |                           | 99            |                       | 103    |
| 13 Other<br>0 financial<br>0 corporations                       | 24,801                    | 24,801                    |                             | 111                        | 100   |                           |                           |                           |                           | 2             | 9                     | 111    |
| 14 Non-<br>0 financial<br>0 corporations                        | 5,290                     | 5,290                     |                             | 134                        | 128   |                           |                           |                           | 4                         |               | 2                     | 134    |

|  | a                    | b                | c            | d             | e  | f            | g                        | h            | i            | j            | k            | l             |
|--|----------------------|------------------|--------------|---------------|--|--------------|--------------------------|--------------|--------------|--------------|--------------|---------------|
|  | 31 December 2022     |                  |              |               |  |              |                          |              |              |              |              |               |
|  | Performing exposures |                  |              |               |  |              | Non-performing exposures |              |              |              |              |               |
|  |                      |                  |              |               | Unlikely<br>to pay<br>that are<br>not past<br>due or<br>are past |              |                          |              |              |              |              |               |
|  |                      | Not past         | > 30 day     |               |  |              |                          |              | > 2 year     |              |              |               |
| <i>In millions<br/>of euros</i>            |                      | due or           | s            |               | due  | > 90 days    | > 180 day                | > 1 year     | s            | > 1 year     | of which     |               |
|  |                      | ≤ 30 day         | ≤ 90 day     |               | ≤ 90 day   | ≤ 180 day    | ≤ 1 year                 | ≤ 2 year     | ≤ 5 year     | ≤ 2 year     | > 5 year     | defaulted     |
|  |                      | s                | s            |               | s  | s            | s                        | s            | s            | s            | s            |               |
| <b>Assets held<br/>for sale</b>            | <b>79,542</b>        | <b>79,130</b>    | <b>412</b>   | <b>553</b>    | <b>372</b>   | <b>67</b>    | <b>91</b>                | <b>15</b>    | <b>8</b>     | <b>-</b>     | <b>-</b>     | <b>553</b>    |
| <b>Off-balance<br/>sheet<br/>exposures</b> | <b>565,733</b>       |                  |              | <b>1,730</b>  |  |              |                          |              |              |              |              | <b>1,730</b>  |
| 16 Central<br>banks                        | 50,759               |                  |              | 1             |  |              |                          |              |              |              |              | 1             |
| General<br>17 government<br>s              | 12,256               |                  |              | 10            |  |              |                          |              |              |              |              | 10            |
| 18 Credit<br>institutions                  | 13,832               |                  |              | 1             |  |              |                          |              |              |              |              | 1             |
| Other<br>19 financial<br>corporations      | 68,425               |                  |              | 24            |  |              |                          |              |              |              |              | 24            |
| Non-<br>20 financial<br>corporations       | 363,252              |                  |              | 1,489         |  |              |                          |              |              |              |              | 1,489         |
| 21<br>Households                           | 57,209               |                  |              | 205           |  |              |                          |              |              |              |              | 205           |
| <b>22<br/>0 TOTAL</b>                      | <b>2,031,634</b>     | <b>1,460,987</b> | <b>4,914</b> | <b>28,972</b> | <b>8,341</b>   | <b>1,840</b> | <b>2,254</b>             | <b>2,261</b> | <b>5,446</b> | <b>1,763</b> | <b>5,337</b> | <b>28,524</b> |

Table 50 (EU CQ4) below shows the on- and off-balance sheet exposures. These exposures contribute to all Group risks, mainly credit risk.

TABLE 50: EXPOSURES AND PROVISIONS BY GEOGRAPHIC BREAKDOWN (EU CQ4) [Audited]

|                             | a                                    | b  | c                       | d   | e                      | f  | g  |   |      |
|-----------------------------|--------------------------------------|--|-------------------------|---|------------------------|--|--|---|------|
|                             | 31 December 2023                     |  |                         |   |                        |  |  |   |      |
|                             | Gross carrying amount/Nominal amount |  |                         |   | Accumulated impairment |  |  |   |      |
|                             |                                      | Of which Instrument s with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2) | Of which non-performing |   |                        | Of which Instrument s with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2) | Provisions on off-balance sheet commitments and financial guarantees given | Accumulated negative risk on non-performing exposures changes in fair value |      |
| <i>In millions of euros</i> |                                      |  | Of which defaulted      | Of which loans and advances subject to impairment |                        | Of which defaulted   |  |   |      |
| On balance sheet exposures  | 1,397,553                            | 74,371   | 27,126                  | 26,661  | 1,393,402              | (17,817)   | (2,404)  | (13,404)  | (70) |
| Europe <sup>(1)</sup>       | 1,100,051                            | 62,345   | 22,566                  | 22,352  | 1,097,563              | (14,349)   | (2,050)  | (10,559)  | (43) |
| France                      | 490,339                              | 21,068   | 9,042                   | 8,897   | 488,938                | (5,286)  | (759)  | (3,949)   | (8)  |
| Belgium                     | 174,544                              | 9,073  | 2,531                   | 2,521   | 174,517                | (1,423)  | (190)  | (1,087)   |      |
| Luxembourg                  | 51,238                               | 2,419  | 362                     | 357   | 51,042                 | (189)  | (46)   | (113)   | (3)  |
| Italy                       | 133,525                              | 8,179  | 4,631                   | 4,629   | 133,453                | (3,657)  | (487)  | (2,784)   | (23) |
| United Kingdom              | 57,788                               | 4,811  | 977                     | 966   | 57,545                 | (743)  | (99)   | (533)   | (7)  |
| Germany                     | 52,738                               | 5,913  | 1,330                   | 1,308   | 52,529                 | (987)  | (151)  | (689)   |      |
| Netherlands                 | 21,181                               | 2,190  | 160                     | 157   | 21,165                 | (92)   | (20)   | (52)  |      |
| Other European countries    | 118,699                              | 8,693  | 3,532                   | 3,517   | 118,374                | (1,972)  | (298)  | (1,353)   | (3)  |
| North America               | 111,548                              | 4,431  | 767                     | 614   | 110,240                | (225)  | (87)   | (113)   | (27) |
| Asia Pacific                | 95,147                               | 2,294  | 323                     | 320   | 94,981                 | (290)  | (48)   | (160)   |      |
| Japan                       | 31,455                               | 276  | 12                      | 12  | 31,424                 | (2)  | (1)  |   |      |
| North Asia                  | 26,472                               | 855  | 149                     | 148   | 26,466                 | (103)  | (11)   | (31)  |      |
| South-East Asia (ASEAN)     | 18,706                               | 488  | 131                     | 130   | 18,697                 | (165)  | (32)   | (121)   |      |
| Indian peninsula & Pacific  | 18,514                               | 675  | 31                      | 30  | 18,394                 | (20)   | (4)  | (8)   |      |
| Rest of the World           | 90,807                               | 5,301  | 3,471                   | 3,375   | 90,617                 | (2,954)  | (218)  | (2,571)   |      |
| Türkiye                     | 14,086                               | 1,201  | 140                     | 140   | 14,066                 | (213)  | (83)   | (81)  |      |

|                             | a                                    | b  | c                       | d   | e       |                        | f  | g       |   |   |
|-----------------------------|--------------------------------------|--|-------------------------|---|---------|------------------------|--|---------|---|---|
|                             | 31 December 2023                     |  |                         |   |         |                        |  |         |   |   |
|                             | Gross carrying amount/Nominal amount |  |                         |   |         | Accumulated impairment |  |         |   |   |
|                             |                                      | Of which Instrument s with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2) | Of which non-performing |   |         |                        | Of which Instrument s with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2) |         | Provisions on off-balance sheet due to credit commitment s and financial guarantees given | Accumulated negative risk on non-performing exposures changes in fair value |
| <i>In millions of euros</i> |                                      |  | Of which defaulted      | Of which loans and advances subject to impairment |         |                        | Of which defaulted   |         |   |   |
| Mediterranean               | 9,387                                | 1,450  | 798                     | 791   | 9,387   | (723)                  | (54)   | (630)   |   |   |
| Gulf States & Africa        | 10,606                               | 267  | 1,726                   | 1,726   | 10,606  | (1,509)                | (43)   | (1,439) |   |   |
| Latin America               | 17,683                               | 592  | 318                     | 316   | 17,513  | (264)                  | (16)   | (214)   |   |   |
| Other countries             | 39,045                               | 1,791  | 489                     | 402   | 39,045  | (245)                  | (22)   | (207)   |   |   |
| Off-balance sheet exposures | 561,777                              | 26,559   | 1,661                   | 1,658   | 561,777 | (883)                  | (301)  | (313)   | (883)   |   |
| Europe <sup>(*)</sup>       | 350,726                              | 14,572   | 1,230                   | 1,228   | 350,726 | (560)                  | (172)  | (178)   | (560)   |   |
| France                      | 102,178                              | 3,597  | 286                     | 286   | 102,178 | (159)                  | (52)   | (37)    | (159)   |   |
| Belgium                     | 41,563                               | 2,157  | 190                     | 190   | 41,563  | (106)                  | (16)   | (64)    | (106)   |   |
| Luxembourg                  | 16,864                               | 492  | 51                      | 51  | 16,864  | (19)                   | (7)  | (3)     | (19)  |   |
| Italy                       | 40,105                               | 1,604  | 367                     | 367   | 40,105  | (90)                   | (25)   | (40)    | (90)  |   |
| United Kingdom              | 39,555                               | 2,538  | 114                     | 114   | 39,555  | (55)                   | (32)   | (2)     | (55)  |   |
| Germany                     | 32,110                               | 1,726  | 57                      | 57  | 32,110  | (52)                   | (14)   | (21)    | (52)  |   |
| Netherlands                 | 17,431                               | 406  | 47                      | 47  | 17,431  | (12)                   | (2)  | (3)     | (12)  |   |
| Other European countries    | 60,920                               | 2,052  | 119                     | 116   | 60,920  | (66)                   | (24)   | (8)     | (66)  |   |
| North America               | 111,492                              | 7,479  | 177                     | 177   | 111,492 | (135)                  | (74)   | (38)    | (135)   |   |
| Asia Pacific                | 33,458                               | 863  | 30                      | 30  | 33,458  | (14)                   | (3)  | -       | (14)  |   |
| Japan                       | 2,669                                |  |                         |   | 2,669   | (1)                    |  |         | (1)   |   |
| North Asia                  | 18,854                               | 151  | 27                      | 27  | 18,854  | (7)                    | (1)  |         | (7)   |   |
| South-East Asia (ASEAN)     | 4,896                                | 429  | 3                       | 3   | 4,896   | (3)                    | (1)  |         | (3)   |   |
| Indian peninsula            | 7,038                                | 283  |                         |   | 7,038   | (4)                    | (1)  |         | (4)   |   |

|                             | a                                    | b  | c                       | d      | e   | f         | g  |                    |  |   |      |
|-----------------------------|--------------------------------------|--|-------------------------|--------|---|-----------|--|--------------------|--|---|------|
|                             | 31 December 2023                     |  |                         |        |   |           |  |                    |  |   |      |
|                             | Gross carrying amount/Nominal amount |  |                         |        |   |           | Accumulated impairment   |                    |  |   |      |
|                             |                                      | Of which Instrument s with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2) | Of which non-performing |        | Of which loans and advances subject to impairment |           | Of which Instrument s with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2) | Of which defaulted | Provisions on off-balance sheet commitments and financial guarantees given | Accumulated negative due to credit risk on non-performing exposures changes in fair value |      |
| <i>In millions of euros</i> |                                      |  |                         |        |   |           |  |                    |  |   |      |
| & Pacific                   |                                      |  |                         |        |   |           |  |                    |  |   |      |
| 14 0                        | Rest of the World                    | 66,101   | 3,645                   | 223    | 223   | 66,101    | (174)  | (53)               | (97)   | (174)   |      |
|                             | Türkiye                              | 4,633  | 388                     | 8      | 8   | 4,633     | (31)   | (21)               | (4)  | (31)  |      |
|                             | Mediterranean                        | 2,240  | 521                     | 86     | 86  | 2,240     | (58)   | (14)               | (39)   | (58)  |      |
|                             | Gulf States & Africa                 | 44,285   | 316                     | 49     | 49  | 44,285    | (65)   | (5)                | (54)   | (65)  |      |
|                             | Latin America                        | 5,910  | 812                     | 33     | 33  | 5,910     | (11)   | (9)                |  | (11)  |      |
|                             | Other countries                      | 9,033  | 1,608                   | 48     | 48  | 9,033     | (9)  | (4)                |  | (9)   |      |
| 15 0                        | TOTAL                                | 1,959,330  | 100,930                 | 28,787 | 28,319  | 1,955,179 | (18,700)   | (2,705)            | (13,717)   | (883)   | (70) |

(\*) Within the European Union, the European Free Trade Association (EFTA) and the United Kingdom.

|                                 | a                                    | b  |                             | c      | d  | e                      |  | f                            |  | g   |
|---------------------------------|--------------------------------------|--|-----------------------------|--------|--|------------------------|--|------------------------------|--|---|
|                                 | 31 December 2022                     |  |                             |        |  |                        |  |                              |  |   |
|                                 | Gross carrying amount/Nominal amount |  |                             |        |  | Accumulated impairment |  |                              |  |   |
|                                 |                                      | Of which<br>Instrument<br>s with<br>significant<br>increase in<br>credit risk<br>since<br>initial<br>recognitio<br>n but<br>not credit-<br>impaired<br>(Stage 2) | Of which non-<br>performing |        | Of which<br>loans and<br>advances<br>subject to<br>default |                        | Of which<br>Instrument<br>s with<br>significant<br>increase in<br>credit risk<br>since<br>initial<br>recognitio<br>n but not<br>credit-<br>impaired<br>(Stage 2) | Of<br>which<br>defaulte<br>d | Provisions<br>on off-<br>balance<br>sheet<br>commitment<br>s and<br>financial<br>guarantees<br>given | Accumulate<br>d negative<br>due to<br>credit risk<br>on non-<br>performing<br>exposures<br>changes in<br>fair value |
| <i>In millions of<br/>euros</i> |                                      |  |                             |        |  |                        |  |                              |  |   |
| On balance                      |                                      |  |                             |        |  |                        |  |                              |  |   |
| 01 sheet                        | 1,493,14                             |  | 27,24                       |        |  | (18,972                |  |                              |  |   |
| 0 exposures                     | 3                                    | 91,775   | 2                           | 26,794 | 1,486,697  | )                      | (2,978)  | (13,736)                     | -  | (61)  |
| of which<br>balance             | 1,413,04                             |  | 26,68                       |        |  | (18,643                |  |                              |  |   |
|                                 | 8                                    | 88,625   | 9                           | 26,241 | 1,406,602  | )                      | (2,852)  | (13,674)                     |  | (61)  |

|  | a  | b                           | c  | d  | e                     | f  | g   |
|--|--|-----------------------------|--|--|-----------------------|--|---|
|  | 31 December 2022   |                             |  |  |                       |  |   |
|  | Gross carrying amount/Nominal amount   |                             |  | Accumulated impairment   |                       |  |   |
|  | Of which<br>Instrument<br>s with<br>significant<br>increase in<br>credit risk<br>since<br>initial<br>recognitio<br>n but<br>not credit-<br>impaired<br>(Stage 2) | Of which non-<br>performing | Of which<br>loans and<br>advances<br>subject to<br>defaulted | Of which<br>Instrument<br>s with<br>significant<br>increase in<br>credit risk<br>since<br>initial<br>recognitio<br>n but not<br>credit-<br>impaired<br>(Stage 2) | Of which<br>defaulted | Provisions<br>on off-<br>balance<br>sheet<br>commitment<br>s and<br>financial<br>guarantees<br>given | Accumulate<br>d negative<br>due to<br>credit risk<br>on non-<br>performing<br>exposures<br>changes in<br>fair value |
| <i>In millions of<br/>euros</i>                      |  |                             |  |  |                       |  |   |
| sheet<br>exposures<br>of<br>continuing<br>activities |  |                             |  |  |                       |  |   |
| Europe <sup>(*)</sup>                                | 1,122,545  | 22,341                      | 22,137   | 1,118,922  | (14,740)              | (2,322)  | (10,662)  |
| France   | 518,296  | 25,082                      | 7,657  | 7,518  | 516,899               | (4,949)  | (855)   |
| Belgium  | 172,415  | 9,047                       | 2,361  | 2,353  | 172,402               | (1,368)  | (180)   |
| Luxembourg   | 52,880   | 2,334                       | 300  | 298  | 52,674                | (176)  | (34)  |
| Italy  | 135,910  | 8,587                       | 5,823  | 5,818  | 135,218               | (4,068)  | (543)   |
| United Kingdom                                       | 54,639   | 6,040                       | 1,149  | 1,145  | 54,172                | (799)  | (119)   |
| Germany  | 47,965   | 5,405                       | 1,224  | 1,207  | 47,620                | (976)  | (178)   |
| Netherlands  | 21,341   | 1,803                       | 118  | 114  | 21,321                | (135)  | (63)  |
| Other European countries                             | 119,099  | 9,181                       | 3,709  | 3,684  | 118,616               | (2,269)  | (350)   |
| North America  | 103,128  | 7,354                       | 330  | 200  | 101,157               | (238)  | (112)   |
| Asia Pacific   | 96,915   | 5,109                       | 379  | 375  | 96,707                | (356)  | (78)  |
| Japan  | 23,942   | 1,225                       | 70   | 70   | 23,942                | (9)  | (5)   |
| North Asia   | 29,143   | 2,162                       | 63   | 61   | 29,129                | (132)  | (24)  |
| South-East Asia (ASEAN)                              | 23,895   | 665                         | 166  | 165  | 23,825                | (168)  | (38)  |
| Indian peninsula & Pacific                           | 19,935   | 1,057                       | 80   | 79   | 19,811                | (47)   | (11)  |
| Rest of the World                                    | 90,460   | 8,683                       | 3,639  | 3,529  | 89,816                | (3,309)  | (340)   |
| Türkiye  | 14,962   | 911                         | 233  | 233  | 14,962                | (338)  | (115)   |
| Mediterranean  | 8,886  | 1,485                       | 818  | 809  | 8,886                 | (722)  | (75)  |

|   | a                                    | b  | c                           | d   | e                      | f  | g     |                              |  |   |
|---|--------------------------------------|--|-----------------------------|---|------------------------|--|-------|------------------------------|--|---|
|   | 31 December 2022                     |  |                             |   |                        |  |       |                              |  |   |
|   | Gross carrying amount/Nominal amount |  |                             |   | Accumulated impairment |  |       |                              |  |   |
|   |                                      | Of which<br>Instrument<br>s with<br>significant<br>increase in<br>credit risk<br>since<br>initial<br>recognitio<br>n but<br>not credit-<br>impaired<br>(Stage 2) | Of which non-<br>performing |   |                        | Of which<br>Instrument<br>s with<br>significant<br>increase in<br>credit risk<br>since<br>initial<br>recognitio<br>n but not<br>credit-<br>impaired<br>(Stage 2) |       | Of<br>which<br>defaulte<br>d | Provisions<br>on off-<br>balance<br>sheet<br>commitment<br>s and<br>financial<br>guarantees<br>given | Accumulate<br>d negative<br>due to<br>credit risk<br>on non-<br>performing<br>exposures<br>changes in<br>fair value |
| In millions of<br>euros   |                                      |  |                             | Of which<br>loans and<br>advances<br>which subject to<br>defaulted impai<br>rment |                        |  |       |                              |  |   |
| Gulf States &<br>Africa   | 14,696                               | 1,099  | 2,005                       | 2,003   | 14,696                 | (1,734)  | (71)  | (1,613)                      |  |   |
| Latin<br>America  | 17,922                               | 1,999  | 295                         | 294   | 17,922                 | (313)  | (37)  | (226)                        |  |   |
| Other<br>countries  | 33,994                               | 3,189  | 288                         | 190   | 33,350                 | (202)  | (42)  | (146)                        |  |   |
| of which<br>balance<br>sheet<br>exposures<br>of assets<br>held for sale | 80,095                               | 3,150  | 553                         | 553   | 80,095                 | (329)  | (126) | (62)                         |  |   |
| Off-balance<br>sheet<br>exposures                                       | 567,463                              | 32,114   | 1,729                       | 1,730   | 567,463                | (980)  | (338) | (316)                        | (980)  | -   |
| Europe <sup>(*)</sup>   | 345,858                              | 18,237   | 1,286                       | 1,286   | 345,858                | (633)  | (204) | (196)                        | (633)  |   |
| France  | 101,899                              | 4,072  | 179                         | 179   | 101,899                | (158)  | (49)  | (41)                         | (158)  |   |
| Belgium   | 40,336                               | 3,115  | 252                         | 252   | 40,336                 | (125)  | (22)  | (70)                         | (125)  |   |
| Luxembourg  | 16,102                               | 614  | 20                          | 20  | 16,102                 | (20)   | (7)   | (1)                          | (20)   |   |
| Italy   | 36,399                               | 1,519  | 340                         | 340   | 36,399                 | (104)  | (30)  | (44)                         | (104)  |   |
| United<br>Kingdom   | 42,349                               | 3,014  | 326                         | 326   | 42,349                 | (60)   | (33)  | (1)                          | (60)   |   |
| Germany   | 31,969                               | 1,545  | 50                          | 50  | 31,969                 | (64)   | (25)  | (18)                         | (64)   |   |
| Netherlands   | 15,774                               | 946  | 20                          | 20  | 15,774                 | (24)   | (11)  | (5)                          | (24)   |   |
| Other<br>European<br>countries  | 61,030                               | 3,412  | 99                          | 99  | 61,030                 | (78)   | (27)  | (16)                         | (78)   |   |
| North<br>America  | 125,435                              | 8,554  | 115                         | 115   | 125,435                | (133)  | (67)  | (19)                         | (133)  |   |
| Asia Pacific  | 34,728                               | 1,655  | 3                           | 3   | 34,728                 | (20)   | (8)   |                              | (20)   |   |
| Japan   | 2,764                                | 158  |                             |   | 2,764                  | (1)  |       |                              | (1)  |   |
| North Asia  | 18,354                               | 588  |                             |   | 18,354                 | (10)   | (4)   |                              | (10)   |   |
| South-East  | 5,841                                | 263  | 3                           | 3   | 5,841                  | (4)  | (1)   |                              | (5)  |   |

|                                  | a                                    | b  | c                           | d      | e  | f                      | g  |                          |  |   |
|----------------------------------|--------------------------------------|--|-----------------------------|--------|--|------------------------|--|--------------------------|--|---|
|                                  | 31 December 2022                     |  |                             |        |  |                        |  |                          |  |   |
|                                  | Gross carrying amount/Nominal amount |  |                             |        |  | Accumulated impairment |  |                          |  |   |
|                                  |                                      | Of which<br>Instrument<br>s with<br>significant<br>increase in<br>credit risk<br>since<br>initial<br>recognitio<br>n but<br>not credit-<br>impaired<br>(Stage 2) | Of which non-<br>performing |        | Of which<br>loans and<br>advances<br>which subject to<br>defaulted |                        | Of which<br>Instrument<br>s with<br>significant<br>increase in<br>credit risk<br>since<br>initial<br>recognitio<br>n but not<br>credit-<br>impaired<br>(Stage 2) | Of<br>which<br>defaulted | Provisions<br>on off-<br>balance<br>sheet<br>commitment<br>s and<br>financial<br>guarantees<br>given | Accumulate<br>d negative<br>due to<br>credit risk<br>on non-<br>performing<br>exposures<br>changes in<br>fair value |
| <i>In millions of<br/>euros</i>  |                                      |  |                             |        |  |                        |  |                          |  |   |
| Asia<br>(ASEAN)                  |                                      |  |                             |        |  |                        |  |                          |  |   |
| Indian<br>peninsula<br>& Pacific | 7,769                                | 646  |                             |        | 7,769  | (5)                    | (3)  |                          | (4)  |   |
| 14 Rest of the<br>0 World        | 61,442                               | 3,668  | 325                         | 325    | 61,442   | (194)                  | (60)   | (101)                    | (194)  |   |
| Türkiye                          | 4,891                                | 338  | 13                          | 13     | 4,891  | (35)                   | (19)   | (7)                      | (35)   |   |
| Mediterranea<br>n                | 2,492                                | 287  | 92                          | 92     | 2,492  | (54)                   | (11)   | (37)                     | (54)   |   |
| Gulf States &<br>Africa          | 40,860                               | 578  | 73                          | 73     | 40,860   | (79)                   | (14)   | (56)                     | (79)   |   |
| Latin<br>America                 | 5,316                                | 1,026  | 141                         | 141    | 5,316  | (16)                   | (10)   | (1)                      | (16)   |   |
| Other<br>countries               | 7,883                                | 1,439  | 6                           | 6      | 7,883  | (10)                   | (6)  |                          | (10)   |   |
| 15 TOTAL<br>0                    | 2,060,606                            | 123,889  | 28,971                      | 28,524 | 2,054,160  | (19,952)               | (3,316)  | (14,052)                 | (980)  | (61)  |

(\*) Within the European Union, the European Free Trade Association (EFTA) and the United Kingdom.

In accordance with Implementing Regulation (EU) No. 2021/637, the table below (EU CQ5) shows the breakdown of loans and receivables with the scope of non-financial corporations. It does not take into account all exposures to central governments and central banks, credit institutions, financial companies and households. These on-balance sheet and off-balance sheet exposures contribute to all Group risks, mainly credit risk. The breakdown by sector – as defined by European Regulation No. 1893/2006 establishing the statistical classification of economic activities NACE rev. 2 – is based on the borrower's declaration.

These same balance sheet exposures of continuing activities, broken down by sector, are included in Table 108: *Credit quality of exposures by sector and residual maturities* of section 5.11 *Environmental, social and governance risks* of this chapter. In the latter, exposures include, however, debt securities and equity instruments not held for trading.

**TABLE 51: BREAKDOWN OF LOANS AND ADVANCES AND PROVISIONS TO NON-FINANCIAL CORPORATIONS BY INDUSTRY (EU CQ5) [Audited]**

|                             | a                                    | b | c | d                      | e | f |
|-----------------------------|--------------------------------------|---|---|------------------------|---|---|
|                             | 31 December 2023                     |   |   |                        |   |   |
| <i>In millions of euros</i> | Gross carrying amount/Nominal amount |   |   | Accumulated impairment |   |   |
|                             |                                      |   |   |                        |   |   |



|                               |   |         | Of which<br>Instruments<br>with<br>significant<br>increase in<br>credit risk<br>since initial<br>recognition<br>but not<br>credit-<br>impaired<br>(Stage2) | Of which non-<br>performing |        |         | Of which<br>Instruments<br>with<br>significant<br>increase in<br>credit risk<br>since initial<br>recognition<br>but not<br>credit-<br>impaired<br>(Stage2) | Of which<br>defaulted | negative<br>changes in<br>fair value<br>due to credit<br>risk on non-<br>performing<br>exposures |      |
|-------------------------------|---|---------|--|-----------------------------|--------|---------|--|-----------------------|--|------|
| On balance sheet<br>exposures |   | 444,913 | 51,031   | 14,155                      | 13,810 | 443,073 | (8,753)  | (1,084)               | (6,942)  | (33) |
| 010                           | Agriculture,<br>forestry and fishing                                      | 12,989  | 969  | 460                         | 457    | 12,841  | (341)  | (40)                  | (261)  |      |
| 020                           | Mining and<br>quarrying   | 7,622   | 544  | 192                         | 192    | 7,622   | (124)  | (5)                   | (108)  |      |
| 030                           | Manufacturing   | 91,434  | 9,444  | 2,603                       | 2,439  | 90,492  | (2,035)  | (235)                 | (1,663)  |      |
| 040                           | Electricity, gas,<br>steam and air<br>conditioning<br>supply              | 18,367  | 1,537  | 312                         | 310    | 18,366  | (138)  | (17)                  | (102)  |      |
| 050                           | Water supply  | 2,507   | 276  | 108                         | 106    | 2,507   | (72)   | (4)                   | (62)   |      |
| 060                           | Construction  | 25,544  | 2,919  | 2,110                       | 2,099  | 25,523  | (1,494)  | (49)                  | (1,389)  | (6)  |
| 070                           | Wholesale and<br>retail trade   | 69,557  | 10,492   | 2,120                       | 2,084  | 69,546  | (1,323)  | (172)                 | (1,033)  |      |
| 080                           | Transport and<br>storage  | 28,600  | 3,837  | 593                         | 591    | 28,529  | (423)  | (51)                  | (335)  |      |
| 090                           | Accommodation<br>and food service<br>activities                           | 7,545   | 1,761  | 653                         | 652    | 7,517   | (347)  | (69)                  | (262)  |      |
| 100                           | Information and<br>communication  | 16,133  | 2,147  | 620                         | 606    | 15,758  | (178)  | (46)                  | (111)  | (27) |
| 110                           | Financial and<br>insurance<br>activities                                  | 21,192  | 1,650  | 788                         | 711    | 20,964  | (502)  | (58)                  | (408)  |      |
| 120                           | Real estate<br>activities   | 61,270  | 7,111  | 1,494                       | 1,494  | 61,256  | (730)  | (181)                 | (438)  |      |
| 130                           | Professional,<br>scientific and<br>technical activities                   | 19,413  | 2,087  | 604                         | 592    | 19,413  | (333)  | (41)                  | (257)  |      |
| 140                           | Administrative and<br>support service<br>activities                       | 45,092  | 2,462  | 624                         | 618    | 45,091  | (334)  | (49)                  | (252)  |      |
| 150                           | Public<br>administration and<br>defence,<br>compulsory social<br>security | 724     | 55   | 59                          | 59     | 724     | (41)   | (4)                   | (35)   |      |
| 160                           | Education   | 1,072   | 165  | 34                          | 34     | 1,072   | (29)   | (5)                   | (16)   |      |

|                                   |  | a                                    | b  |                             | c   | d                      | e  | f                     |   |  |
|-----------------------------------|--|--------------------------------------|--|-----------------------------|---|------------------------|--|-----------------------|---|--|
|                                   |  | 31 December 2023                     |  |                             |   |                        |  |                       |   |  |
|                                   |  | Gross carrying amount/Nominal amount |  |                             |   | Accumulated impairment |  |                       |   |  |
|                                   |  |                                      | Of which<br>Instruments<br>with<br>significant<br>increase in<br>credit risk<br>since initial<br>recognition<br>but not<br>credit-<br>impaired<br>(Stage2) | Of which non-<br>performing |   |                        | Of which<br>Instruments<br>with<br>significant<br>increase in<br>credit risk<br>since initial<br>recognition<br>but not<br>credit-<br>impaired<br>(Stage2) | Of which<br>defaulted | Accumulated<br>negative<br>changes in<br>fair value<br>due to credit<br>risk on non-<br>performing<br>exposures |  |
| In millions of euros              |  |                                      |  | Of which<br>defaulted       | Of which<br>loans and<br>advances<br>subject to<br>impairment |                        |  |                       |   |  |
| 170                               | Human health<br>services and<br>social work<br>activities    | 6,348                                | 965  | 485                         | 480   | 6,348                  | (139)  | (27)                  | (96)  |  |
| 180                               | Arts,<br>entertainment and<br>recreation                     | 1,974                                | 511  | 141                         | 141   | 1,974                  | (83)   | (19)                  | (51)  |  |
| 190                               | Other services   | 7,531                                | 2,098  | 155                         | 146   | 7,530                  | (86)   | (12)                  | (63)  |  |
| Off-balance sheet<br>200exposures |  | 358,419                              | 21,465   | 1,389                       | 1,386   | 358,419                | (717)  | (239)                 | (296)   |  |
|                                   | Agriculture,<br>forestry and<br>fishing                      | 1,511                                | 91   | 3                           | 3   | 1,511                  | (3)  | (2)                   | 0   |  |
|                                   | Mining and<br>quarrying                                      | 8,305                                | 292  | 35                          | 35  | 8,305                  | (6)  | (1)                   | 0   |  |
|                                   | Manufacturing  | 112,756                              | 4,542  | 352                         | 352   | 112,756                | (190)  | (63)                  | (69)  |  |
|                                   | Electricity, gas,<br>steam and air<br>conditioning<br>supply | 31,873                               | 750  | 60                          | 60  | 31,873                 | (26)   | (6)                   | (10)  |  |
|                                   | Water supply   | 3,317                                | 90   | 19                          | 19  | 3,317                  | (3)  | 0                     | (2)   |  |
|                                   | Construction   | 32,639                               | 2,205  | 356                         | 356   | 32,639                 | (113)  | (29)                  | (64)  |  |
|                                   | Wholesale and<br>retail trade                                | 37,411                               | 2,657  | 170                         | 170   | 37,411                 | (91)   | (24)                  | (45)  |  |
|                                   | Transport and<br>storage                                     | 20,851                               | 3,981  | 33                          | 33  | 20,851                 | (40)   | (31)                  | (3)   |  |
|                                   | Accommodation<br>and food service<br>activities              | 2,595                                | 247  | 30                          | 30  | 2,595                  | (10)   | (6)                   | (2)   |  |
|                                   | Information and<br>communication                             | 23,863                               | 3,981  | 76                          | 76  | 23,863                 | (50)   | (21)                  | (21)  |  |
|                                   | Financial and<br>insurance<br>activities                     | 20,121                               | 904  | 37                          | 37  | 20,121                 | (69)   | (13)                  | (48)  |  |
|                                   | Real estate<br>activities                                    | 15,335                               | 732  | 55                          | 55  | 15,335                 | (26)   | (9)                   | (7)   |  |

|                      |   | a                                    | b  |                             | c   | d                      | e  | f                     |   |  |
|----------------------|---|--------------------------------------|--|-----------------------------|---|------------------------|--|-----------------------|---|--|
|                      |   | 31 December 2023                     |  |                             |   |                        |  |                       |   |  |
|                      |   | Gross carrying amount/Nominal amount |  |                             |   | Accumulated impairment |  |                       |   |  |
|                      |   |                                      | Of which<br>Instruments<br>with<br>significant<br>increase in<br>credit risk<br>since initial<br>recognition<br>but not<br>credit-<br>impaired<br>(Stage2) | Of which non-<br>performing |   |                        | Of which<br>Instruments<br>with<br>significant<br>increase in<br>credit risk<br>since initial<br>recognition<br>but not<br>credit-<br>impaired<br>(Stage2) | Of which<br>defaulted | Accumulated<br>negative<br>changes in<br>fair value<br>due to credit<br>risk on non-<br>performing<br>exposures |  |
| In millions of euros |   |                                      |  | Of which<br>defaulted       | Of which<br>loans and<br>advances<br>subject to<br>impairment |                        |  |                       |   |  |
|                      | Professional,<br>scientific and<br>technical activities                   | 22,323                               | 877  | 29                          | 26  | 22,323                 | (19)   | (7)                   | (2)   |  |
|                      | Administrative and<br>support service<br>activities                       | 19,863                               | 911  | 91                          | 91  | 19,863                 | (27)   | (12)                  | (5)   |  |
|                      | Public<br>administration and<br>defense,<br>compulsory social<br>security | 364                                  | 110  |                             |   | 364                    |  |                       |   |  |
|                      | Education   | 279                                  | 30   | 1                           | 1   | 279                    | (1)  |                       |   |  |
|                      | Human health<br>services and<br>social work<br>activities                 | 1,393                                | 82   | 32                          | 32  | 1,393                  | (3)  | (1)                   |   |  |
|                      | Arts,<br>entertainment and<br>recreation                                  | 1,030                                | 259  | 5                           | 5   | 1,030                  | (10)   | (6)                   |   |  |
|                      | Other services  | 2,589                                | 452  | 5                           | 5   | 2,589                  | (29)   | (7)                   | (18)  |  |
|                      | TOTAL   | 803,332                              | 72,496   | 15,544                      | 15,196  | 801,492                | (9,470)  | (1,323)               | (7,238)   |  |
|                      |   |                                      |  |                             |   |                        |  |                       | (33)  |  |

|   |   | a                                    | b  |                         | c      | d   | e                      | f  |                    |   |
|---|---|--------------------------------------|--|-------------------------|--------|---|------------------------|--|--------------------|---|
|   |   | 31 December 2022                     |  |                         |        |   |                        |  |                    |   |
|   |   | Gross carrying amount\Nominal amount |  |                         |        |   | Accumulated impairment |  |                    |   |
|   |   |                                      | Of which Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage2) | Of which non-performing |        | Of which loans and advances subject to impairment |                        | Of which Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage2) | Of which Defaulted | Accumulated negative changes in fair value due to credit risk on non-performing exposures |
| In millions of euros                                      |   |                                      |  |                         |        |   |                        |  |                    |   |
| On balance sheet exposures                                |   | 482,673                              | 64,359   | 13,622                  | 13,242 | 479,359   | (9,306)                | (1,492)  | (6,929)            | (22)  |
| of which balance sheet exposures of continuing activities |   | 451,114                              | 63,221   | 13,196                  | 12,816 | 447,800   | (9,165)                | (1,470)  | (6,892)            | (22)  |
| 010   | Agriculture, forestry and fishing                   | 13,302                               | 1,409  | 526                     | 510    | 13,102  | (325)                  | (69)   | (211)              |   |
| 020   | Mining and quarrying                                | 9,452                                | 909  | 156                     | 155    | 9,452   | (123)                  | (15)   | (93)               |   |
| 030   | Manufacturing                                       | 90,538                               | 11,715   | 2,723                   | 2,687  | 88,733  | (2,238)                | (323)  | (1,742)            |   |
| 040   | Electricity, gas, steam and air conditioning supply | 20,640                               | 1,874  | 137                     | 136    | 20,477  | (135)                  | (43)   | (68)               |   |
| 050   | Water supply  | 2,934                                | 195  | 148                     | 148    | 2,935   | (134)                  | (4)  | (124)              |   |
| 060   | Construction  | 24,991                               | 3,288  | 2,262                   | 2,226  | 24,970  | (1,593)                | (83)   | (1,449)            | (3)   |
| 070   | Wholesale and retail trade                          | 62,880                               | 11,433   | 1,919                   | 1,818  | 62,857  | (1,287)                | (195)  | (964)              |   |
| 080   | Transport and storage                               | 30,129                               | 6,804  | 781                     | 777    | 30,100  | (551)                  | (121)  | (386)              |   |
| 090   | Accommodation and food service activities           | 7,567                                | 2,299  | 528                     | 527    | 7,540   | (365)                  | (113)  | (232)              |   |
| 100   | Information and communication                       | 15,925                               | 1,824  | 204                     | 201    | 15,435  | (177)                  | (27)   | (126)              |   |
| 110   | Financial and insurance activities                  | 24,136                               | 3,361  | 664                     | 616    | 24,038  | (346)                  | (101)  | (195)              |   |
| 120   | Real estate activities                              | 65,402                               | 6,708  | 1,199                   | 1,188  | 65,209  | (649)                  | (146)  | (415)              |   |
| 130   | Professional, scientific and technical activities   | 20,782                               | 2,592  | 478                     | 472    | 20,782  | (333)                  | (55)   | (228)              |   |

|  |   | a                                    | b  |                         | c   | d       | e                      | f  |           |   |
|--|---|--------------------------------------|--|-------------------------|---|---------|------------------------|--|-----------|---|
|  |   | 31 December 2022                     |  |                         |   |         |                        |  |           |   |
|  |   | Gross carrying amount\Nominal amount |  |                         |   |         | Accumulated impairment |  |           |   |
|  |   |                                      | Of which Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage2) | Of which non-performing |   |         |                        | Of which Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage2) | Of which  | Accumulated negative changes in fair value due to credit risk on non-performing exposures |
| In millions of euros                                     |   |                                      |  | Of which Defaulted      | Of which loans and advances subject to impairment |         |                        |  | Defaulted |   |
| 140  | Administrative and support service activities                 | 45,608                               | 4,130  | 855                     | 852   | 45,342  | (588)                  | (103)  | (444)     |   |
| 150  | Public administration and defence, compulsory social security | 288                                  | 35   | 6                       | 5   | 288     | (5)                    |  | (4)       |   |
| 160  | Education   | 817                                  | 91   | 43                      | 43  | 817     | (18)                   | (2)  | (14)      |   |
| 170  | Human health services and social work activities              | 5,606                                | 882  | 190                     | 187   | 5,606   | (134)                  | (29)   | (94)      |   |
| 180  | Arts, entertainment and recreation                            | 2,207                                | 433  | 153                     | 153   | 2,207   | (74)                   | (17)   | (54)      |   |
| 190  | Other services  | 7,911                                | 3,239  | 224                     | 115   | 7,910   | (91)                   | (24)   | (49)      | (19)  |
| of which balance sheet exposures of assets held for sale |   | 31,559                               | 1,138  | 426                     | 426   | 31,559  | (141)                  | (22)   | (37)      | 0   |
| Off-balance sheet 200exposures                           |   | 364,740                              | 27,119   | 1,489                   | 1,489   | 364,740 | (795)                  | (280)  | (295)     | -   |
|  | Agriculture, forestry and fishing                             | 2,164                                | 132  | 10                      | 10  | 2,164   | (8)                    | (2)  |           |   |
|  | Mining and quarrying  | 9,136                                | 758  | 88                      | 88  | 9,136   | (9)                    | (4)  |           |   |
|  | Manufacturing   | 118,678                              | 7,287  | 326                     | 326   | 118,678 | (219)                  | (89)   | (50)      |   |
|  | Electricity, gas, steam and air conditioning supply           | 26,268                               | 1,300  | 49                      | 49  | 26,268  | (29)                   | (9)  | (7)       |   |
|  | Water supply  | 3,535                                | 170  | 4                       | 4   | 3,535   | (2)                    |  | (1)       |   |
|  | Construction  | 34,086                               | 3,754  | 431                     | 431   | 34,086  | (126)                  | (30)   | (78)      |   |
|  | Wholesale and retail trade                                    | 42,621                               | 2,591  | 178                     | 178   | 42,621  | (126)                  | (29)   | (70)      |   |

|                      |   | a                                    | b  |                         | c   | d       | e  | f         |   |      |
|----------------------|---|--------------------------------------|--|-------------------------|---|---------|--|-----------|---|------|
|                      |   | 31 December 2022                     |  |                         |   |         |  |           |   |      |
|                      |   | Gross carrying amount\Nominal amount |  |                         |   |         | Accumulated impairment   |           |   |      |
|                      |   |                                      | Of which Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage2) | Of which non-performing |   |         | Of which Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage2) | Of which  | Accumulated negative changes in fair value due to credit risk on non-performing exposures |      |
| In millions of euros |   |                                      |  | Of which Defaulted      | Of which loans and advances subject to impairment |         |  | Defaulted |   |      |
|                      | Transport and storage   | 21,354                               | 4,634  | 267                     | 267   | 21,354  | (64)   | (49)      | (7)   |      |
|                      | Accommodation and food service activities                     | 2,334                                | 167  | 23                      | 23  | 2,334   | (6)  | (2)       | (2)   |      |
|                      | Information and communication                                 | 21,653                               | 694  | 18                      | 18  | 21,653  | (16)   | (3)       | (2)   |      |
|                      | Financial and insurance activities                            | 21,368                               | 1,091  | 14                      | 14  | 21,368  | (68)   | (14)      | (43)  |      |
|                      | Real estate activities  | 19,422                               | 1,228  | 29                      | 29  | 19,422  | (22)   | (5)       | (8)   |      |
|                      | Professional, scientific and technical activities             | 17,887                               | 1,097  | 49                      | 49  | 17,887  | (20)   | (8)       | (2)   |      |
|                      | Administrative and support service activities                 | 14,374                               | 1,152  | 130                     | 130   | 14,374  | (38)   | (19)      | (9)   |      |
|                      | Public administration and defence, compulsory social security | 748                                  | 28   |                         |   | 748     |  |           |   |      |
|                      | Education   | 366                                  | 21   | 1                       | 1   | 366     |  |           |   |      |
|                      | Human health services and social work activities              | 1,777                                | 147  | 2                       | 2   | 1,777   | (16)   | (2)       | (12)  |      |
|                      | Arts, entertainment and recreation                            | 1,333                                | 284  | 7                       | 7   | 1,333   | (6)  | (4)       |   |      |
|                      | Other services  | 5,636                                | 584  | 39                      | 39  | 5,636   | (20)   | (11)      | (4)   |      |
| TOTAL                |   | 847,413                              | 91,478   | 15,111                  | 14,731  | 844,099 | (10,101)   | (1,772)   | (7,224)   | (22) |

Industry risks are monitored in terms of gross exposure<sup>1</sup> and risk-weighted assets. Certain sectors, defined in line with the principles of the Group's Risk Appetite Statement, are subject to enhanced monitoring and specific reviews. Their monitoring is

<sup>1</sup> Gross credit risk exposures across all regulatory exposure classes. They amounted to EUR 1,829 billion at 31 December 2023.

carried out on a wider scope, taking into account all the exposures of the Business Groups and entities relating to these sectors as defined by the monitoring and the internal risk management nomenclature.

- the leveraged finance sector:

As at 31 December 2023, the Group's exposure to Leverage Buy-Out transactions with financial sponsors ("LBO") amounted to EUR 12.7 billion, or 0.7% of the Group's gross on-balance sheet and off-balance sheet commitments, compared with EUR 18.4 billion, or 0.9% as at 31 December 2022. This reduction is partly due to lower new production in the context of higher interest rates and to slowdown in the M&A market. These exposures are very granular with an average amount of EUR 12 million per loan (EUR 24 million taking into account all exposures related to the business groups). This portfolio has proven resilient in the current economic environment, despite an increase at the end of the year in defaulted assets (EUR 762 million compared to EUR 361 million in 2022) and stage 3 provisions amounting to EUR 156 million (compared to EUR 125 million at end 2022).

- the shipping sector:

the shipping sector covers a set of segments with very different dynamics: bulk, oil and gas tankers, container carriers, oil services and cruises. In 2023, these different segments were affected in very heterogeneous ways by the evolution of the macro-economic environment. The cruise segment benefitted from a progressive recovery of demand but remains with the burden of banking debt and export finance repayments that were delayed during the pandemic. Some signs of slowdown of the maritime container transport are visible since the second half of 2022, however this segment is still doing very well. Lastly, the dry bulk and tanker segments remain subject to high market volatility and have suffered both positive and negative impacts from the consequences of the invasion of Ukraine and the Middle East conflict. LNG and Floating Storage and Regasification Units (FRSUs) benefited from the collapse of Russian natural gas exports to Europe via pipeline and the lasting change in the geopolitical context.

The shipping industry has to face new environmental constraints (International Maritime Organisation (IMO) standards) involving investment efforts. A growing number of new orders concern hybrid LNG (Liquefied Natural Gas) propulsion or other technologies with a reduced impact on the environment.

At 31 December 2023 gross exposure of the shipping finance sector was EUR 19.6 billion, *i.e.* 1.1% of the Group's gross on-balance sheet and off-balance sheet credit exposures, compared to EUR 21.5 billion or 1.1% at 31 December 2022. Most of this exposure is borne by Corporate and Institutional Banking (more than 90%, like last year), with good geographical diversification of the client base. Doubtful loans account for 2.4% of the Group's exposure to the shipping finance segment (compared to 3.2% of doubtful loans at 31 December 2022) and stage 3 provisions were EUR 175 million (compared to EUR 230 million in provisions at 31 December 2022);

- the aviation sector:

business activity in this sector is evenly split between airlines and aircraft leasing companies. The gross exposure is EUR 14.5 billion at 31 December 2023, *i.e.* 0.8% of the Group's total gross on- and off-balance sheet commitments, versus EUR 14.4 billion, *i.e.* 0.7% of the Group's total gross commitments at 31 December 2022. Origination continues to be concentrated on leading airlines and the latest technology aircrafts with lower environmental impact. The direct and indirect consequences of the invasion of Ukraine have not had a significant impact on the cost of risk of this portfolio yet. Thus, the amount of doubtful loans remains low and strongly decreased at 31 December 2023 representing 2% of the sector's outstandings (versus 5.2% in 2022). As aircraft financing is a highly collateralised business, stage 3 provisions are limited and represent EUR 58 million at 31 December 2023, compared to EUR 111 million at 31 December 2022;

- the commercial real estate sector:

The commercial real estate sector covers a set of segments with very different dynamics: logistics, office real estate, residential, hotels, shopping centers, but all segments are affected by rising rates which are driving down valuations. The Group expects values to stabilise in 2024, but they will not return to their 2022 level until 2027, except for the best assets. More specifically, the office sector is undergoing a change in use following the widespread adoption of work-from-home and some assets may experience a high vacancy rate. Overall, the portfolio is predominantly investment grade.

At 31 December 2023, the gross exposure to the commercial real estate sector is EUR 71.7 billion, (EUR 82.6 billion at 31 December 2022 o/w EUR 11.2 billion in Bank of the West), *i.e.* 3.9% of the Group's total gross on- and off-balance sheet commitments (4.2% of total commitments in 2022). This exposure is mainly in Europe and highly diversified between the various market segments, countries and entities of the Group. Defaulted assets represent 2.4% of the sector's total gross exposure (compared to 1.5% in 2022). On commercial real estate, stage 3 provisions amounted to EUR 583 million as at 31 December 2023 (EUR 411 million as at 31 December 2022). The provisions for stages 1 and 2 amount to EUR 298 million at 31 December 2023, *i.e.* an exposure coverage rate of 0.4%.

- the Power sector:

The activity of this sector includes the generation, transportation, and distribution of electricity.

A strong demand for electricity is expected in the coming years due to the need for electrification of many economic sectors, particularly as part of the decarbonisation of the economy.

The strong geopolitical tensions and the consequences of the Russia-Ukraine conflict caused a sharp rise in electricity market prices in 2022, mainly in Europe. In 2023, the decrease in prices has reduced clients' need for liquidity, even though market volatility remains high due to new geopolitical tensions.

To meet the future demand for electricity and the gradual phase-out of fossil fuels, the "Renewables" segment will continue to expand, but certain adjustments have been made necessary regarding the economic parameters of new investments, in a context of inflation and increased costs related to the development of these assets.

As at 31 December 2023, gross exposure to the electricity sector amounted to EUR 55.2 billion (or 3.0% of the Group's total on- and off-balance sheet gross exposure), compared with EUR 55.3 billion as at 31 December 2022 (2.8% of gross exposure in 2022). 81% of counterparties have good credit quality (investment grade rating), and the amount of outstanding on doubtful customers is low, representing 0.7% of the sector as at 31 December 2023 (compared to 0.4% in 2022). Stage 3 provisions amounted to EUR 87 million as at 31 December 2023 (compared to EUR 74 million last year).

The Group remains diversified, with no sector accounting for more than 10% of corporate lending exposure and more than 4.0% of total credit exposure as at 31 December 2023.

At 31 December 2023, non-performing loans were stable compared to 31 December 2022, following the sale of Bank of the West and the sale of doubtful portfolios in Italy and Personal Finance, offset by an increase at CPBS in France and Global Banking Americas.

The main effects explaining changes in the amount of doubtful outstandings in 2023 (EU CR2-B) are presented in note 5.f *Impaired financial assets (stage 3)*.

The cost of risk and the change in impairment in respect of credit risk are presented in note 1.f.6 *Cost of risk* to the consolidated financial statements.

The following table shows the carrying amounts of the financial assets and commitments at amortised cost and fair value through equity subject to impairment provisions for credit risk (*i.e.* excluding instruments at fair value through profit and loss) broken down by stage of impairment and by BNP Paribas internal rating in the prudential scope. Financial assets subject to impairment are recognised in the following accounting categories:

- amounts due from central banks (excluding cash);
- debt securities at fair value through equity or at amortised cost;
- loans and advances at amortised cost;
- financing and guarantee commitments given (off-balance sheet).



**TABLE 52: BREAKDOWN OF FINANCIAL ASSETS SUBJECT TO IMPAIRMENT BY STAGE AND INTERNAL RATING** [Audited]

|  | 31 December 2023                 |         |         |         |           |           |             |                    |
|--|----------------------------------|---------|---------|---------|-----------|-----------|-------------|--------------------|
|  | Gross carrying value             |         |         |         |           |           |             |                    |
|  | BNP Paribas rating or equivalent |         |         |         |           |           |             | Net carrying value |
| <i>In millions of euros</i>                  | 1 to 3                           | 4 to 5  | 6 to 8  | 9 to 10 | Defaulted | TOTAL     | Impairments |                    |
| Central Banks                                | 280,710                          | 1,085   | 3,489   | 312     | -         | 285,596   | (20)        | 285,576            |
| Stage 1                                      | 280,710                          | 1,085   | 3,484   |         |           | 285,279   | (20)        | 285,259            |
| Stage 2                                      |                                  |         | 5       | 312     |           | 317       |             | 317                |
| Stage 3                                      |                                  |         |         |         |           | -         | -           | -                  |
| Debt securities at fair value through equity | 49,857                           | 1,996   | 1,126   | -       | 109       | 53,088    | (121)       | 52,967             |
| Stage 1                                      | 49,857                           | 1,833   | 1,048   |         |           | 52,738    | (7)         | 52,731             |
| Stage 2                                      |                                  | 163     | 78      |         |           | 241       | (12)        | 229                |
| Stage 3                                      |                                  |         |         |         | 109       | 109       | (102)       | 7                  |
| Loans and advances at amortised cost         | 222,805                          | 283,937 | 380,766 | 20,237  | 25,887    | 933,632   | (17,572)    | 916,060            |
| Stage 1                                      | 220,797                          | 276,147 | 331,317 | 5,766   |           | 834,027   | (1,970)     | 832,057            |
| Stage 2                                      | 2,008                            | 7,790   | 49,449  | 14,471  |           | 73,718    | (2,387)     | 71,331             |
| Stage 3                                      |                                  |         |         |         | 25,887    | 25,887    | (13,215)    | 12,672             |
| Debt securities at amortised cost            | 105,170                          | 12,653  | 3,016   | 67      | 180       | 121,086   | (104)       | 120,982            |
| Stage 1                                      | 105,170                          | 12,632  | 2,960   | 50      |           | 120,812   | (12)        | 120,800            |
| Stage 2                                      |                                  | 21      | 56      | 17      |           | 94        | (5)         | 89                 |
| Stage 3                                      |                                  |         |         |         | 180       | 180       | (87)        | 93                 |
| Financing and guarantee commitments          | 274,772                          | 159,280 | 118,897 | 7,169   | 1,658     | 561,776   | (883)       | 560,893            |
| Stage 1                                      | 272,732                          | 155,360 | 104,403 | 1,064   |           | 533,559   | (269)       | 533,290            |
| Stage 2                                      | 2,040                            | 3,920   | 14,494  | 6,105   |           | 26,559    | (301)       | 26,258             |
| Stage 3                                      |                                  |         |         |         | 1,658     | 1,658     | (313)       | 1,345              |
| TOTAL  | 933,314                          | 458,951 | 507,294 | 27,785  | 27,834    | 1,955,178 | (18,700)    | 1,936,478          |

Financial assets subject to impairments were down by EUR 99 billion, a decrease of 5% compared to 31 December 2022. This change is mainly due to the disposal of the activities of Bank of the West in the first quarter of 2023, for which outstandings amounted to EUR 80 billion on the balance sheet (presented in "Assets held for sale") and EUR 22 billion in financing and guarantee commitments (including EUR 6 billion rated 4 to 5 and EUR 14 billion rated 6 to 8) at 31 December 2022.

Excluding the disposal of the Bank of the West activities, financial assets subject to impairments were up by EUR 4 billion compared to 31 December 2022. This change mainly relates to financial assets and commitments rated 6 to 8 (+EUR 6 billion), while financial assets and commitments rated 9 to 10 decreased by EUR 2 billion.

Loans and receivables at amortised cost classified in stage 1 increased by EUR 9 billion, while outstandings classified in stage 2 decreased by EUR 14 billion, notably as a result of a less pronounced deterioration in activity than initially anticipated during the first half of 2023 (see note 3.g *Cost of risk* in the notes to the consolidated financial statements). Outstandings transferred

from stage 2 to stage 1 mainly concern the least risky outstandings among those previously classified in stage 2 (outstandings rated 4 to 5 and 6 to 8 notably).

31 December 2022

| In millions of euros                         | Gross carrying value             |         |         |         |           |           | Impairments | Net carrying value |
|--|----------------------------------|---------|---------|---------|-----------|-----------|-------------|--------------------|
|  | BNP Paribas rating or equivalent |         |         |         |           | TOTAL     |             |                    |
|  | 1 to 3                           | 4 to 5  | 6 to 8  | 9 to 10 | Defaulted |           |             |                    |
| Central Banks                                | 310,779                          | 2,185   | 2,368   | 226     |           | 315,558   | (21)        | 315,537            |
| Stage 1                                      | 310,779                          | 2,126   | 2,070   |         |           | 314,975   | (15)        | 314,960            |
| Stage 2                                      |                                  | 59      | 298     | 226     |           | 583       | (6)         | 577                |
| Stage 3                                      |                                  |         |         |         |           |           |             |                    |
| Debt securities at fair value through equity | 35,431                           | 1,856   | 1,291   | 14      | 108       | 38,700    | (130)       | 38,570             |
| Stage 1                                      | 35 431                           | 1,794   | 1,208   | 14      |           | 38,447    | (15)        | 38,432             |
| Stage 2                                      |                                  | 62      | 83      |         |           | 145       | (15)        | 130                |
| Stage 3                                      |                                  |         |         |         | 108       | 108       | (100)       | 8                  |
| Loans and advances at amortised cost         | 224,883                          | 287,238 | 378,444 | 22,095  | 25,842    | 938,502   | (18,361)    | 920,141            |
| Stage 1                                      | 221,538                          | 274,000 | 321,860 | 7,752   |           | 825,150   | (2,050)     | 823,100            |
| Stage 2                                      | 3,345                            | 13,238  | 56,584  | 14,343  |           | 87,510    | (2,829)     | 84,681             |
| Stage 3                                      |                                  |         |         |         | 25,842    | 25,842    | (13,482)    | 12,360             |
| Debt securities at amortised cost            | 95,454                           | 13,614  | 4,521   | 97      | 155       | 113,841   | (130)       | 113,711            |
| Stage 1                                      | 95,454                           | 13,593  | 4,199   | 53      |           | 113,299   | (27)        | 113,272            |
| Stage 2                                      |                                  | 21      | 322     | 44      |           | 387       | (10)        | 377                |
| Stage 3                                      |                                  |         |         |         | 155       | 155       | (93)        | 62                 |
| Assets held for sale                         | 24,979                           | 7,923   | 46,036  | 605     | 553       | 80,096    | (329)       | 79,767             |
| Stage 1                                      | 24,979                           | 7,795   | 43,251  | 368     |           | 76,393    | (141)       | 76,252             |
| Stage 2                                      |                                  | 128     | 2,785   | 237     |           | 3,150     | (126)       | 3,024              |
| Stage 3                                      |                                  |         |         |         | 553       | 553       | (62)        | 491                |
| Financing and guarantee commitments          | 268,021                          | 161,600 | 128,697 | 7,415   | 1,730     | 567,463   | (980)       | 566,483            |
| Stage 1                                      | 265,880                          | 154,481 | 111,371 | 1,887   |           | 533,619   | (326)       | 533,293            |
| Stage 2                                      | 2,141                            | 7,119   | 17,326  | 5,528   |           | 32,114    | (338)       | 31,776             |
| Stage 3                                      |                                  |         |         |         | 1,730     | 1,730     | (316)       | 1,414              |
| TOTAL  | 959,547                          | 474,416 | 561,357 | 30,452  | 28,388    | 2,054,160 | (19,951)    | 2,034,209          |

## RESTRUCTURED LOANS [AUDITED]

When a borrower is bordering on or is in financial difficulties, he may receive a concession from the bank that would otherwise not have been granted if the borrower had not met with financial difficulties. The concession may be:

- a change to the contract terms and conditions;
- partial or total refinancing of the debt.

The loan is then said to be “restructured”. It must retain the status of “restructured” during a period of observation, known as a probation period, for at least two years. The concept of restructuring is described in the accounting principles (note 1.f.5 *Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders’ equity* to the consolidated financial statements as at 31 December 2023) and is aligned with by Article 47 of Regulation 575/2013.

According to the principles for identifying the restructured exposure amounts for the Group as a whole, for the non-retail business, exposures are identified individually during the loan process, notably during committees. As for restructured exposures for retail customers, they are usually identified via a systematic process requiring the use of algorithms whose parameters are validated by the RISK and Finance & Strategy Functions.

Information on restructured loans is reported to the supervisory authority on a quarterly basis.

The following table shows the gross value and impairment amounts of performing and non-performing loans that have been restructured.

**TABLE 53: CREDIT QUALITY OF RESTRUCTURED LOANS (EU CQ1) [Audited]**

|                             |                               | a                        | b                  | c  | e                           | f   | g            | h            |
|-----------------------------|-------------------------------|--------------------------|--------------------|--|-----------------------------|---|--------------|--------------|
|                             |                               | 31 December 2023         |                    |  |                             |   |              |              |
|                             |                               | Gross carrying amount    |                    | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                             | Collaterals received and financial guarantees received                            |              |              |
|                             |                               | Non-performing exposures |                    |  |                             | Of which Collateral and financial guarantees received on non-performing exposures |              |              |
| <i>In millions of euros</i> |                               | Performing exposures     | Of which defaulted | On performing exposures  | On non-performing exposures |   |              |              |
| <b>010</b>                  | <b>Loans and advances</b>     | <b>6,713</b>             | <b>7,738</b>       | <b>7,714</b>   | <b>(312)</b>                | <b>(3,179)</b>  | <b>6,977</b> | <b>2,695</b> |
| 030                         | General governments           | 15                       | 5                  | 5  |                             | (4)   |              |              |
| 040                         | Credit institutions           |                          | 5                  | 5  |                             | (5)   |              |              |
| 050                         | Other financial corporations  | 377                      | 421                | 421  | (11)                        | (244)   | 252          | 169          |
| 060                         | Non-financial corporations    | 4,547                    | 3,915              | 3,898  | (140)                       | (1,639)   | 4,981        | 1,660        |
| 070                         | Households                    | 1,775                    | 3,392              | 3,385  | (162)                       | (1,287)   | 1,744        | 866          |
| <b>080</b>                  | <b>Debt Securities</b>        | <b>-</b>                 | <b>25</b>          | <b>25</b>  | <b>-</b>                    | <b>(13)</b>   | <b>-</b>     | <b>-</b>     |
| <b>090</b>                  | <b>Loan commitments given</b> | <b>2,290</b>             | <b>309</b>         | <b>307</b>   | <b>(18)</b>                 | <b>(40)</b>   | <b>1,465</b> | <b>64</b>    |
| <b>100</b>                  | <b>TOTAL</b>                  | <b>9,002</b>             | <b>8,073</b>       | <b>8,046</b>   | <b>(331)</b>                | <b>(3,232)</b>  | <b>8,442</b> | <b>2,758</b> |
|                             |                               | a                        | b                  | c  | e                           | f   | g            | h            |
|                             |                               | 31 December 2022         |                    |  |                             |   |              |              |
| <i>In millions of euros</i> |                               | Gross carrying amount    |                    | Accumulated  |                             | Collaterals received and  |              |              |

|            |                                   |                             |                       |              | impairment,<br>accumulated negative<br>changes in fair value<br>due to credit risk and<br>provisions | financial guarantees<br>received   |   |              |
|------------|-----------------------------------|-----------------------------|-----------------------|--------------|--|------------------------------------|---|--------------|
|            |                                   | Non-performing<br>exposures |                       |              | On<br>performing<br>exposures  | On non-<br>performing<br>exposures | Of which Collateral<br>and financial<br>guarantees<br>received on non-<br>performing<br>exposures |              |
|            |                                   | Performing<br>exposures     | Of which<br>defaulted |              |  |                                    |   |              |
| <b>010</b> | <b>Loans and advances</b>         | <b>9,461</b>                | <b>7,889</b>          | <b>7,866</b> | <b>(491)</b>   | <b>(3,154)</b>                     | <b>8,749</b>  | <b>2,662</b> |
| 030        | General governments               | 7                           | 7                     | 7            | (1)  | (4)                                | 4   |              |
| 040        | Credit institutions               | -                           | 5                     | 5            |  | (5)                                |   |              |
| 050        | Other financial<br>corporations   | 313                         | 427                   | 427          | (18)   | (194)                              | 315   | 206          |
| 060        | Non-financial<br>corporations     | 6,870                       | 3,720                 | 3,701        | (319)  | (1,533)                            | 6,278   | 1,604        |
| 070        | Households                        | 2,271                       | 3,731                 | 3,727        | (154)  | (1,417)                            | 2,151   | 852          |
| <b>080</b> | <b>Debt Securities</b>            | <b>-</b>                    | <b>102</b>            | <b>102</b>   | <b>-</b>   | <b>(53)</b>                        | <b>20</b>   | <b>20</b>    |
|            | <b>Assets held for sale</b>       | <b>123</b>                  | <b>134</b>            | <b>134</b>   | <b>(5)</b>   | <b>(6)</b>                         | <b>239</b>  | <b>127</b>   |
| <b>090</b> | <b>Loan commitments<br/>given</b> | <b>2,209</b>                | <b>150</b>            | <b>150</b>   | <b>(34)</b>  | <b>(14)</b>                        | <b>1,401</b>  | <b>29</b>    |
| <b>100</b> | <b>TOTAL</b>                      | <b>11,793</b>               | <b>8,275</b>          | <b>8,252</b> | <b>(530)</b>   | <b>(3,227)</b>                     | <b>10,409</b>   | <b>2,838</b> |

## CREDIT RISK MITIGATION TECHNIQUES

Credit risk mitigation techniques are divided into two main categories:

- funded credit protection (collateral) pledged to the Bank is used to secure timely performance of a borrower's financial obligations;
- unfunded credit protection (personal guarantee) is the commitment by a third party to replace the primary obligor in the event of default. Thus, public guarantee mechanisms are considered as personal guarantees. By extension, credit insurance and credit derivatives (purchased protection) fall into this category.

The amount of personal guarantees and collateral recognised on loans and receivables and debt securities in the prudential reporting scope amounted to EUR 552 billion at 31 December 2023.

**TABLE 54: CREDIT RISK MITIGATION TECHNIQUES (EU CR3) [Audited]**

|                      |                                      | a                           | b                                      | c                                       | d                                   | e       |
|----------------------|--------------------------------------|-----------------------------|--|---|-------------------------------------|---------|
|                      |                                      | 31 December 2023            |  |   |                                     |         |
|                      |                                      | Secured net carrying amount |  |   |                                     |         |
|                      |                                      | Gross<br>carrying<br>amount | Unsecured<br>net<br>carrying<br>amount | Secured<br>by<br>physical<br>collateral | Secured by personal<br>guarantees   |         |
|                      |                                      |                             |  |   | Secured by<br>credit<br>derivatives |         |
| In millions of euros |                                      |                             |  |   |                                     |         |
| 1                    | Loans and advances                   | 1,221,527                   | 656,149                                | 547,754                                 | 315,544                             | 232,210 |
| 2                    | Debt securities                      | 176,026                     | 171,747                                | 4,017                                   | 1,795                               | 2,222   |
| 3                    | TOTAL                                | 1,397,553                   | 827,895                                | 551,771                                 | 317,339                             | 234,432 |
|                      |                                      |                             |  |   |                                     | -       |
| 4                    | of which non-performing<br>exposures | 27,126                      | 5,089                                  | 8,551                                   | 5,847                               | 2,704   |
| EU-5                 | of which defaulted                   | 26,661                      | 4,981                                  | 8,343                                   | 5,826                               | 2,517   |

|                      |                                      | a                           | b                                      | c                                       | d                                   | e       |
|----------------------|--------------------------------------|-----------------------------|--|---|-------------------------------------|---------|
|                      |                                      | 31 December 2022            |  |   |                                     |         |
|                      |                                      | Secured net carrying amount |  |   |                                     |         |
|                      |                                      | Gross<br>carrying<br>amount | Unsecured<br>net<br>carrying<br>amount | Secured<br>by<br>physical<br>collateral | Secured by personal<br>guarantees   |         |
|                      |                                      |                             |  |   | Secured by<br>credit<br>derivatives |         |
| In millions of euros |                                      |                             |  |   |                                     |         |
| 1                    | Loans and advances                   | 1,257,959                   | 689,778                                | 549,777                                 | 298,331                             | 251,446 |
| 2                    | Debt securities                      | 155,088                     | 151,587                                | 3,202                                   | 1,122                               | 2,080   |
|                      | Assets held for sale                 | 80,095                      | 32,729                                 | 47,037                                  | 38,998                              | 8,039   |
| 3                    | TOTAL                                | 1,493,143                   | 874,094                                | 600,016                                 | 338,451                             | 261,565 |
|                      |                                      |                             |  |   |                                     | -       |
| 4                    | of which non-performing<br>exposures | 26,689                      | 4,565                                  | 8,378                                   | 5,616                               | 2,762   |
| EU-5                 | of which defaulted                   | 26,240                      | 4,378                                  | 8,217                                   | 5,590                               | 2,626   |

Credit Risk Mitigants (CRM) are taken into account in accordance with the regulation. In particular, their effect is assessed under conditions characteristic of an economic downturn.

For the scope under the IRB approach, personal guarantees and collaterals are taken into account, provided they are eligible, by decreasing the Loss Given Default (LGD) parameter corresponding to an increase in the Global Recovery Rate (GRR) that applies to the transactions of the banking book. The value taken into consideration takes account, where relevant, of currency and maturity mismatches and, for funded credit protection, of a haircut applied to the market value of the pledged asset based on a default scenario during an economic downturn. The amount of unfunded credit protection to which a haircut is applied depends on the enforceable nature of the commitment and the risk of simultaneous default by the borrower and guarantor.

For the scope under the standardised approach, unfunded credit protection is taken into account provided it is eligible, by applying the more favourable risk weight of the guarantor to a portion of the secured exposure adjusted for currency and

maturity mismatches. Funded credit protection is taken into account as a decrease in the exposure, after adjustment for any currency and maturity mismatches and a discount to take account of volatility in market value for financial security collaterals.

The assessment of the credit risk mitigating effect follows a methodology that is approved for each activity and is used throughout the Group. These techniques are monitored in accordance with the monitoring and portfolio management procedures described in the Credit risk management policy section.

**TABLE 55: CREDIT RISK MITIGATION IN IRBA AND STANDARD APPROACH**

| In millions of euros  | 31 December 2023 |                        |                                   |                       | 31 December 2022 |                        |                                   |                       |
|-----------------------|------------------|------------------------|-----------------------------------|-----------------------|------------------|------------------------|-----------------------------------|-----------------------|
|                       | Gross exposure   | Risk mitigation amount |                                   |                       | Gross exposure   | Risk mitigation amount |                                   |                       |
|                       |                  | Collateral             | Guarantees and credit derivatives | Total risk mitigation |                  | Collateral             | Guarantees and credit derivatives | Total risk mitigation |
|                       |                  |                        |                                   |                       |                  |                        |                                   |                       |
| IRB approach          | 1,431,267        | 233,297                | 197,157                           | 430,454               | 1,464,345        | 234,920                | 197,444                           | 432,365               |
| Standardised approach | 340,936          | 42,736                 | 25,381                            | 68,117                | 433,607          | 68,758                 | 23,479                            | 92,237                |
| TOTAL                 | 1,772,203        | 276,033                | 222,538                           | 498,570               | 1,897,952        | 303,679                | 220,923                           | 524,602               |

TABLE 56: SECURED EXPOSURES IN IRB APPROACH (EU CR7-A)

|  | a  |                                 | b                    | c   | d                                       | e   | f                                  | g                        | h                                | i                                  | j                           | k                                   | l  | m     |
|--|--|---------------------------------|----------------------|---|---|---|------------------------------------|--------------------------|----------------------------------|------------------------------------|-----------------------------|-------------------------------------|--|-------|
|  | 31 December 2023                               |                                 |                      |   |   |   |                                    |                          |                                  |                                    |                             |                                     |  |       |
|  | Credit Risk Mitigation techniques              |                                 |                      |   |   |   |                                    |                          |                                  |                                    |                             |                                     |  |       |
|  | Funded credit Protection (physical collateral) |                                 |                      |   |   |   |                                    |                          |                                  |                                    | Unfunded credit protection  |                                     |  |       |
|  |  |                                 |                      | Part covered by other eligible physical collaterals (%) |   | Part covered by other physical funded credit protection (%) |                                    |                          |                                  |                                    | Part covered by guarantee s | Part covered by credit derivative s | Total RWA (reduction effects only)( <sup>(*)</sup> ) |       |
| In millions of euros                     | Total gross exposures( <sup>(*)</sup> )        | Total of the risk-exposed value | Financial Collateral | Part covered by financial Collateral                    | of which immovable property Collaterals | of which receivables  | of which other physical collateral | of which cash on deposit | of which life insurance policies | Instrument s held by a third party |                             |                                     |  |       |
| 1 Central government s and central banks | 432,341  | 431,674                         | 0.00%                | 0.01%   | 0.01%                                   | 0.00%   | 0.00%                              | 0.00%                    | 0.00%                            | 0.00%                              | 0.00%                       | 0.83%                               | 0.00%  | 4,360 |
| 2 Institutions                           | 45,783   | 37,244                          | 2.14%                | 1.19%   | 1.14%                                   | 0.03%   | 0.02%                              | 0.03%                    | 0.00%                            | 0.00%                              | 15.49%                      | 0.00%                               | 7,963  |       |
| 3 Corporates                             | 671,642  | 482,551                         | 2.29%                | 18.95%  | 9.28%                                   | 1.66%   | 8.01%                              | 0.46%                    | 0.07%                            | 0.00%                              | 20.67%                      | 0.01%                               | 218,425  |       |
| 3.1 of which SMEs                        | 49,095   | 39,427                          | 1.61%                | 33.66%  | 26.45%                                  | 6.42%   | 0.80%                              | 0.78%                    | 0.24%                            | 0.00%                              | 17.03%                      | 0.00%                               | 21,967   |       |
| 3.2 of which specialised lending         | 80,020   | 69,038                          | 0.14%                | 54.34%  | 18.30%                                  | 1.95%   | 34.09%                             | 0.60%                    | 0.00%                            | 0.00%                              | 18.37%                      | 0.00%                               | 22,918   |       |
| 3.3 of which other                       | 542,527  | 374,086                         | 2.76%                | 10.87%  | 5.81%                                   | 1.10%   | 3.96%                              | 0.40%                    | 0.06%                            | 0.00%                              | 21.47%                      | 0.01%                               | 173,540  |       |
| 4 Retail                                 | 281,501  | 278,276                         | 0.41%                | 44.47%  | 44.29%                                  | 0.15%   | 0.04%                              | 0.05%                    | 0.69%                            | 0.00%                              | 31.64%                      | 0.00%                               | 55,989   |       |
| 4.1 of which immovable property SMEs     | 11,106   | 10,675                          | 0.09%                | 91.32%  | 91.30%                                  | 0.02%   | 0.01%                              | 0.02%                    | 0.04%                            | 0.00%                              | 2.10%                       | 0.00%                               | 2,880  |       |
| 4.2 of which immovable property non-SMEs | 185,070  | 185,085                         | 0.02%                | 57.65%  | 57.64%                                  | 0.00%   | 0.00%                              | 0.00%                    | 0.04%                            | 0.00%                              | 41.28%                      | 0.00%                               | 23,174   |       |
| 4.3 of which qualifying revolving        | 11,901   | 10,051                          | 0.00%                | 0.00%   | 0.00%                                   | 0.00%   | 0.00%                              | 0.00%                    | 0.00%                            | 0.00%                              | 0.00%                       | 0.00%                               | 3,366  |       |
| 4.4 of which other SMEs                  | 31,932   | 30,819                          | 1.38%                | 18.36%  | 16.74%                                  | 1.31%   | 0.31%                              | 0.31%                    | 1.62%                            | 0.00%                              | 29.77%                      | 0.00%                               | 9,469  |       |
| 4.5 of which other non-SMEs              | 41,492   | 41,644                          | 1.58%                | 3.95%   | 3.95%                                   | 0.00%   | 0.00%                              | 0.11%                    | 3.21%                            | 0.00%                              | 5.39%                       | 0.00%                               | 17,100   |       |
| 5 TOTAL                                  | 1,431,267                                      | 1,229,744                       | 1.06%                | 17.54%  | 13.70%                                  | 0.69%   | 3.15%                              | 0.19%                    | 0.18%                            | 0.00%                              | 16.03%                      | 0.00%                               | 286,737  |       |

(\*) Excluding derivatives and securities financing transactions subject to counterparty risk exposures.

(\*\*) In accordance with the Group's IRBA methodology, the impact of risk mitigation techniques is treated only by reducing LGD (no substitution approach).

|                      | a   |                                 | b                                    | c   | d                    | e                                  | f   | g                                | h  | i                         | j                                  | k     | l  | m     |         |
|----------------------|---|---------------------------------|--------------------------------------|---|----------------------|------------------------------------|---|----------------------------------|--|---------------------------|------------------------------------|-------|--|-------|---------|
|                      | 31 December 2022                                |                                 |                                      |   |                      |                                    |   |                                  |  |                           |                                    |       |  |       |         |
|                      | Credit Risk Mitigation techniques               |                                 |                                      |   |                      |                                    |   |                                  |  |                           |                                    |       | Total RWA (reduction effects only)( <sup>(*)</sup> ) |       |         |
|                      | Funded credit Protection (physical collateral)  |                                 |                                      |   |                      |                                    |   |                                  |  |                           |                                    |       | Unfunded credit protection                           |       |         |
|                      |   |                                 |                                      | Part covered by other eligible physical collaterals (%) |                      |                                    | Part covered by other physical funded credit protection (%) |                                  |  |                           |                                    |       |  |       |         |
|                      |   |                                 | Part covered by Financial Collateral | of which immovable property Collaterals                 | of which receivables | of which other physical collateral | of which cash on deposit                                    | of which life insurance policies | of which Instruments held by a third party | Part covered by guarantee | Part covered by credit derivatives |       |  |       |         |
| In millions of euros | Total gross exposures( <sup>(*)</sup> )         | Total of the risk-exposed value |                                      |   |                      |                                    |   |                                  |  |                           |                                    |       |  |       |         |
| 1                    | Central government securities and central banks | 454,775                         | 452,804                              | 0.00%   | 0.01%                | 0.01%                              | 0.00%   | 0.00%                            | 0.00%                                      | 0.00%                     | 0.00%                              | 0.75% | 0.00%  | 4,620 |         |
| 2                    | Institutions                                    | 45,960                          | 38,441                               | 0.72%   | 1.05%                | 1.01%                              | 0.02%   | 0.02%                            | 0.36%                                      | 0.35%                     | 0.00%                              | 0.00% | 15.03%   | 0.00% | 8,280   |
| 3                    | Corporates                                      | 674,680                         | 491,948                              | 2.65%   | 17.78%               | 8.91%                              | 1.75%   | 7.12%                            | 0.85%                                      | 0.71%                     | 0.13%                              | 0.00% | 19.61%   | 0.01% | 237,260 |
| 3.1                  | of which SMEs                                   | 51,583                          | 41,754                               | 1.63%   | 35.65%               | 27.20%                             | 7.62%   | 0.83%                            | 0.73%                                      | 0.41%                     | 0.32%                              | 0.00% | 17.57%   | 0.00% | 20,979  |
| 3.2                  | of which specialised lending                    | 82,887                          | 71,400                               | 1.04%   | 50.88%               | 17.79%                             | 1.97%   | 31.12%                           | 2.78%                                      | 2.78%                     | 0.00%                              | 0.00% | 16.69%   | 0.00% | 24,001  |
| 3.3                  | of which other                                  | 540,210                         | 378,795                              | 3.07%   | 9.57%                | 5.22%                              | 1.06%   | 3.29%                            | 0.50%                                      | 0.36%                     | 0.14%                              | 0.00% | 20.39%   | 0.02% | 192,280 |
| 4                    | Retail  | 288,930                         | 285,075                              | 0.42%   | 44.20%               | 44.02%                             | 0.14%   | 0.04%                            | 0.78%                                      | 0.05%                     | 0.73%                              | 0.00% | 32.19%   | 0.00% | 56,766  |
| 4.1                  | of which immovable property SMEs                | 12,176                          | 11,681                               | 0.11%   | 90.50%               | 90.46%                             | 0.03%   | 0.01%                            | 0.08%                                      | 0.02%                     | 0.06%                              | 0.00% | 2.24%  | 0.00% | 3,146   |
| 4.2                  | of which immovable property non-SMEs            | 189,024                         | 189,058                              | 0.02%   | 57.05%               | 57.04%                             | 0.00%   | 0.00%                            | 0.05%                                      | 0.01%                     | 0.05%                              | 0.00% | 41.60%   | 0.00% | 23,559  |
| 4.3                  | of which qualifying revolving                   | 12,087                          | 10,095                               | 0.00%   | 0.00%                | 0.00%                              | 0.00%   | 0.00%                            | 0.00%                                      | 0.00%                     | 0.00%                              | 0.00% | 0.00%  | 0.00% | 3,304   |
| 4.4                  | of which other SMEs                             | 34,210                          | 32,861                               | 1.53%   | 17.76%               | 16.22%                             | 1.23%   | 0.31%                            | 1.81%                                      | 0.25%                     | 1.56%                              | 0.00% | 31.96%   | 0.00% | 9,579   |
| 4.5                  | of which other non-SMEs                         | 41,432                          | 41,380                               | 1.51%   | 4.20%                | 4.20%                              | 0.00%   | 0.00%                            | 3.65%                                      | 0.11%                     | 3.54%                              | 0.00% | 5.67%  | 0.00% | 17,178  |
| 5                    | TOTAL   | 1,464,345                       | 1,268,269                            | 1.14%   | 16.87%               | 13.38%                             | 0.71%   | 2.77%                            | 0.51%                                      | 0.30%                     | 0.22%                              | 0.00% | 15.56%   | 0.00% | 306,927 |

(\*) Excluding derivatives and securities financing transactions subject to counterparty risk exposures.

(\*\*) In accordance with the Group's IRBA methodology, the impact of risk mitigation techniques is treated only by reducing LGD (no substitution approach).



The main providers of unfunded credit protection (personal guarantees) are the guarantee institutions in the Commercial & Personal Banking of CPBS mortgage business (mainly housing loans in France) and, since 2020, States or public organisms that have set up public guarantee mechanisms to counter the public health crisis.

As at 31 December 2023, 78% of exposure to property loans is concentrated in the Group's two main Domestic Markets (France, Belgium). In view of the specific features of these markets (amortising long-term financing, primarily at fixed rates), the LTV (Loan-to-value) ratio is not a main monitoring indicator at Group level.

## FUNDED CREDIT PROTECTION

Funded credit protection is divided into two categories:

- financial collateral:  
this consists of cash amounts (including gold), shares in collective investment funds, equities (listed or unlisted) and bonds;
- other diverse forms of collateral:  
these include real estate mortgages or ship mortgages, pledge of equipment or inventories, transfer of commercial receivables or any other rights to an asset of the counterparty.

To be considered as eligible, funded credit protection must fulfil the following conditions:

- the value of the collateral must not be highly correlated with the risk on the obligor (in particular, shares of the obligor are not eligible);
- the pledge must be documented;
- the pledged asset must be traded on a liquid secondary market to enable rapid resale;
- the Bank must have a regularly updated value of the pledged asset;
- the Bank must have a reasonable level of comfort in the potential appropriation and realisation of the asset concerned.

In the Retail Banking business, the presence or absence of a particular type of collateral may, depending on the coverage ratio, lead to assigning the exposure to particular LGD class on a statistical basis.

## UNFUNDED CREDIT PROTECTION

Guarantors are subject to the same rigorous credit risk assessment process as primary obligors and are assigned risk parameters according to similar methods and procedures.

Guarantees are granted by the obligor's parent company or by other entities such as financial institutions. Other examples of guarantees are credit derivatives, guarantees from public insurers for export financing or private insurers.

Consideration of a guarantee consists of determining the average amount the Bank can expect to recover if the borrower defaults and the guarantee is called in. It depends on the amount of the guarantee, the risk of simultaneous default by the borrower and the guarantor (which is a function of the probability of default of the borrower, of the guarantor, and the degree of correlation between borrower and guarantor default, which is high if they belong to the same business group or the same sector and low if not) and the enforceable nature of the guarantee.

## OPTIMISING CREDIT RISK MANAGEMENT THROUGH CDS (EU CR7)

As part of its role of optimising credit risk management for CIB, Portfolio Management (PM) sets up hedges using credit derivatives, and mainly credit default swaps (CDS). These CDS are used as part of an active management policy, the main aim being to hedge migration and concentration risks and manage major exposures. The underlying assets are loans made to large corporates by CIB Global Banking, and occasionally those made by the Commercial & Personal Banking activity.

These hedges are put on by CIB to hedge exposures mainly treated under the IRB approach. Provided they are eligible, they have the effect of decreasing the estimated Loss Given Default for the underlying asset, and, therefore, reducing its consumption in terms of risk-weighted assets. The reduction in risk-weighted assets resulting from hedging operations via CDS concerns only the corporate asset class, and represents EUR 165 million as at 31 December 2023 compared to EUR 238 million as at 31 December 2022 (EU CR7).

## COLLATERAL SEIZED

**TABLE 57: COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES (EU CQ7)**  
[Audited]

|   | a   | b                            | a   | b                            |
|---|---|------------------------------|---|------------------------------|
|   | 31 December 2023  |                              | 31 December 2022  |                              |
|   | Collateral obtained by taking possession accumulated <sup>(*)</sup> |                              | Collateral obtained by taking possession accumulated <sup>(*)</sup> |                              |
| <i>In millions of euros</i>                 | Value at initial recognition  | Accumulated negative changes | Value at initial recognition  | Accumulated negative changes |
| 010 Property Plant and Equipment (PP&E)     |   |                              |   |                              |
| 020 Other than Property Plant and Equipment | 227   | (29)                         | 270   | (35)                         |
| 030 Residential immovable property          | 199   | (29)                         | 224   | (35)                         |
| 040 Commercial Immovable property           | 8   |                              | 8   |                              |
| 050 Movable property (auto, shipping, etc.) |   |                              |   |                              |
| 060 Equity and debt instruments             | 20  |                              | 22  |                              |
| 070 Other collateral                        |   |                              | 16  |                              |
| <b>080 TOTAL</b>                            | <b>227</b>  | <b>(29)</b>                  | <b>270</b>  | <b>(35)</b>                  |

(\*) The amount of assets held for sale are included in the amounts of collateral presented in the table above.

Collateral obtained by taking possession includes assets obtained in exchange for cancellation of the receivable, whether on a voluntary basis or on foot of legal proceedings.

## 5.5 Securitisation in the banking book

Securitisation means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranching, having the following characteristics:

- payments made in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures;
- the subordination of tranches determines the distribution of losses during the life of the risk transfer.

Any commitment (including derivatives and liquidity lines) granted to a securitisation operation must be treated as a securitisation position. Most of these commitments are held in the prudential banking book (section 5.5). Commitments held in the trading book are set out in section 5.7 *Market risk*.

The securitisation transactions discussed below concern:

- the programmes originated by the Group for its own account, securitising its credit exposures ("originator" role) which are recognised as efficient under Basel 3 regulatory framework;
- the programmes that the Group has structured on behalf of its clients ("sponsor" role where clients' assets are securitised), in which it has retained positions;
- the programmes to which the Group has subscribed without having a role in structuring the operation ("investor" role).

Securitisation positions deducted from own funds, amounting to at -EUR 270 million at 31 December 2023, are now included in this whole section 5.5.

## BNP PARIBAS SECURITISATION ACTIVITIES

The Group's activities in each of its roles as originator, sponsor and investor, are described below:

**TABLE 58: SECURITISED EXPOSURES AND SECURITISATION POSITIONS (HELD OR ACQUIRED) BY ROLE**

| BNP Paribas<br>role<br><i>In millions of<br/>euros</i> | 31 December 2023  |  |  | 31 December 2022  |  |   |
|--|---|--|--|---|--|---|
|  | Securitised exposures<br>originated by BNP Paribas <sup>(*)</sup> |  | Securitised<br>positions held<br>or acquired<br>(EAD) <sup>(***)</sup> | Securitised exposures<br>originated by BNP Paribas <sup>(*)</sup> |  | Securitised<br>positions<br>held or<br>acquired<br>(EAD) <sup>(***)</sup> |
|  |   | Efficient<br>securitisation<br>(SRT) <sup>(**)</sup> |  |   | Efficient<br>securitisation<br>(SRT) <sup>(**)</sup> |   |
| Originator   | 136,720   | 62,097   | 42,798   | 119,716   | 50,072   | 39,893  |
| Sponsor  |   |  | 35,470   |   |  | 31,353  |
| Investor   |   |  | 23,003   |   |  | 21,005  |
| <b>TOTAL</b>   | <b>136,720</b>  | <b>62,097</b>  | <b>101,271</b>   | <b>119,716</b>  | <b>50,072</b>  | <b>92,252</b>   |

(\*) Securitised exposures originated by the Group correspond to the underlying exposures recognised on the Group's balance sheet and off-balance sheet which have been securitised.

(\*\*) Securitisation programmes meeting the Significant Risk Transfer (SRT) criteria, see next paragraph.

(\*\*\*) Securitisation positions correspond to tranches retained and off-balance sheet commitments granted by the Group in securitisation transactions originated or arranged by the Group, as well as tranches acquired by the Group in securitisation transactions arranged by other parties.

### PROPRIETARY SECURITISATION (ORIGINATOR)

The Group acts as an originator by securitising its own credit exposures in order to obtain new sources of financing and improve the liquidity of its balance sheet, and to reduce its risk and capital requirements.

Where the purpose of the transaction is solely to reduce risk, the Group will favour so-called "synthetic" securitisation transactions, ensuring the risk transfer of exposures (mortgages, consumer loans, corporate loans, etc.) through credit derivatives or guarantees. These transactions are initiated mainly by Corporate & Institutional Banking in collaboration with the Commercial, Personal Banking & Services business lines.

In the context of securitisation transactions carried out for financing purposes, the Group will favour so-called "cash" or "traditional" securitisations, characterised by the sale of securitised exposures to a specially created entity. These operations are initiated by ALM Treasury in collaboration with the businesses whose exposures are securitised in exchange for liquid assets eligible for central bank financing or included in the global liquidity reserve (see paragraph *Wholesale funding and liquidity reserve monitoring indicators* in section 5.8 *Liquidity risk*).

### Risk transfer of own account securitisation transactions

The capital requirement of securitised credit exposures and securitisation positions depends on the risk transfer level of the transaction.

When the exposures securitised by the Group in the context of own-account securitisation transactions meet the Basel eligibility criteria, in particular that of significant risk transfer as defined in Regulation (EU) No. 2017/2401, they are excluded from the calculation of credit risk-weighted assets and the securitisation transaction is said to be efficient. In this case, only the positions retained by the institution and any commitments granted to the structure after securitisation are subject to risk-weighted assets calculation.

Exposures securitised through proprietary securitisation transactions that do not meet Basel eligibility criteria (inefficient securitisations) remain in their original prudential portfolio. Their capital requirement is calculated as if they were not securitised and is included in section 5.4 *Credit risk*.

### Efficient securitisations

Exposures retained in securitisation positions originated by BNP Paribas amounted to EUR 42.8 billion at 31 December 2023, corresponding to positions in thirty efficient securitisation programmes under Basel rules.

At 31 December 2023, the main securitisation transactions recognised as efficient are the following:

- a synthetic transaction initiated in 2023 by Commercial & Institutional Banking concerning an EUR 3.2 billion portfolio of large corporate loans in France;

- a synthetic transaction initiated in 2023 by Commercial & Personal Banking in France concerning an EUR 1.8 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2023 by Commercial & Personal Banking in France concerning an EUR 1.5 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2023 by Commercial & Personal Banking in Belgium concerning an EUR 2.1 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2023 by Commercial & Institutional Banking concerning an EUR 9.5 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2023 by Commercial & Personal Banking in France concerning an EUR 1.3 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2022 by Commercial & Institutional Banking concerning an EUR 0.9 billion portfolio of large corporate loans in France;
- a synthetic transaction initiated in 2022 by BNL bc concerning an EUR 1.3 billion portfolio of corporate loans;
- a synthetic transaction initiated in 2022 by Commercial & Institutional Banking concerning an EUR 5.7 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2022 by Commercial & Institutional Banking concerning an EUR 3.0 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2021 by Corporate & Institutional Banking concerning an EUR 1.1 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2021 by Commercial & Institutional Banking concerning an EUR 2.2 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2021 by BNL bc concerning an EUR 1.3 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2020 by Commercial & Personal Banking in France concerning an EUR 0.9 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2019 by Commercial & Personal Banking in Belgium concerning an EUR 1.2 billion portfolio of large corporate loans;
- a synthetic transaction initiated in 2019 by Commercial & Institutional Banking concerning an EUR 2.3 billion portfolio of large corporate loans in France.

The Group has not set up own account securitisations of revolving exposures with an anticipated repayment clause.

At 31 December 2023, there were no assets awaiting securitisation.

**TABLE 59: SECURITISED EXPOSURES ORIGINATED BY BNP PARIBAS**

| <i>In millions of euros</i>                   | Securitized exposures<br>originated by BNP Paribas |                     |
|---|--|---------------------|
|   | 31 December<br>2023                                | 31 December<br>2022 |
| <b>Traditional</b>                            | <b>6,767</b>                                       | <b>8,884</b>        |
| of which IRB approach                         | 2,739  | 3,532               |
| of which standardised approach <sup>(*)</sup> | 4,027  | 5,351               |
| <b>Synthetic</b>                              | <b>55,330</b>                                      | <b>41,188</b>       |
| of which IRB approach                         | 55,330   | 41,188              |
| <b>TOTAL</b>                                  | <b>62,097</b>                                      | <b>50,072</b>       |

(\*) Securitisation programmes processed under SEC-ERBA approach.

**TABLE 60: SECURITISED EXPOSURES BY BNP PARIBAS AS AN ORIGINATOR BY UNDERLYING ASSET CATEGORY<sup>(\*)</sup>**

| <i>In millions of euros</i> | 31 December 2023                 | 31 December 2022                 |
|-----------------------------|----------------------------------|----------------------------------|
|                             | Originated securitized exposures | Originated securitized exposures |

|                     | Traditional  | Synthetic     | Total         | Traditional  | Synthetic     | Total         |
|---------------------|--------------|---------------|---------------|--------------|---------------|---------------|
| Consumer loans      | 4,629        |               | 4,629         | 6,764        |               | 6,764         |
| Loans to corporates | 1,572        | 55,330        | 56,903        | 1,620        | 41,188        | 42,808        |
| Finance leases      | 565          |               | 565           | 500          |               | 500           |
| <b>TOTAL</b>        | <b>6,767</b> | <b>55,330</b> | <b>62,097</b> | <b>8,884</b> | <b>41,188</b> | <b>50,072</b> |

(\*) This breakdown is based on the predominant underlying asset of the securitisations.

## Inefficient securitisations

Inefficient securitisation transactions are mainly carried out for refinancing purposes. These operations, which do not result in any risk transfer within the meaning of Regulation (EU) No. 2017/2401, do not have a diminishing effect on the calculation of risk-weighted assets. Securitised exposures are included in customer loans and subject to credit risk-weighted assets calculation.

As at 31 December 2023, BNP Paribas originated 31 securitisation transactions, for a total amount of EUR 70.5 billion of securitised exposures. The main transactions concern: Commercial & Personal Banking in Belgium (EUR 31.4 billion), BNP Paribas Personal Finance (EUR 7.3 billion), Commercial & Personal Banking in France (EUR 27.8 billion) and BNL bc (EUR 0.1 billion). In 2023, two transactions without a significant risk transfer were completed by Commercial & Personal Banking in France, for a total amount of EUR 13 billion. The relevant exposures are therefore included in the section on credit risk (see section 5.4 *Credit risk*).

## Credit quality of securitised exposures

The table below presents all exposures securitised by BNP Paribas as part of efficient and ineffective securitisation transactions carried out as originator:

**TABLE 61: EXPOSURES SECURITISED BY THE INSTITUTION – EXPOSURES IN DEFAULT (EU SEC5)**

|                             |  | a  | b     | a  | b     |
|-----------------------------|--|--|-------|--|-------|
|                             |  | 31 December 2023                                       |       | 31 December 2022                                       |       |
|                             |  | Exposures securitised by the institution as originator |       | Exposures securitised by the institution as originator |       |
|                             |  | Total gross exposure amount <sup>(*)</sup>             |       | Total gross exposure amount <sup>(*)</sup>             |       |
|                             |  | of which in default                                    |       | of which in default                                    |       |
| <i>In millions of euros</i> |  |  |       |  |       |
| 2                           | Retail                                   | 66,052   | 1,204 | 64,029   | 946   |
| 3                           | Residential real estate                  | 49,650   | 1,025 | 45,977   | 740   |
| 4                           | Credit card and consumer loans           | 16,402   | 178   | 18,052   | 206   |
| 7                           | Corporate                                | 70,667   | 144   | 55,687   | 148   |
| 8                           | Loans to corporates                      | 70,102   | 142   | 55,187   | 145   |
| 9                           | Commercial real estate                   |  |       |  |       |
| 10                          | Finance lease and commercial receivables | 565  | 2     | 500  | 3     |
| 1                           | TOTAL                                    | 136,720  | 1,348 | 119,716  | 1,094 |

(\*) Underlying exposures of effective and ineffective securitisation transactions.

## SECURITISATION ON BEHALF OF CLIENTS (SPONSOR)

As part of their third-party securitisation activity, Corporate & Institutional Banking enables its large corporate and institutional clients to obtain attractive financing conditions directly from the financing markets, through multiple-seller conduits (short-term refinancing markets) or specific structured operations (medium and long-term refinancing).

**TABLE 62: SECURITISED EXPOSURES BY BNP PARIBAS AS A SPONSOR(\*) BY UNDERLYING ASSET CATEGORY<sup>(\*)</sup>**

| Securitised exposures<br><i>In millions of euros</i> | 31 December 2023 |           |               | 31 December 2022 |           |               |
|--|------------------|-----------|---------------|------------------|-----------|---------------|
|  | Traditional      | Synthetic | Total         | Traditional      | Synthetic | Total         |
| Residential mortgages                                |                  |           |               | 550              |           | 550           |
| Consumer loans                                       | 16,700           |           | 16,700        | 14,839           |           | 14,839        |
| Loans to corporates                                  | 1,145            |           | 1,145         | 1,084            |           | 1,084         |
| Trade receivables                                    | 17,622           |           | 17,622        | 14,858           |           | 14,858        |
| Finance leases                                       |                  |           |               | 18               |           | 18            |
| Other assets   | 3                |           | 3             | 5                |           | 5             |
| <b>TOTAL</b>   | <b>35,470</b>    |           | <b>35,470</b> | <b>31,353</b>    |           | <b>31,353</b> |

(\*) This breakdown is based on the predominant underlying asset of the securitisation.

The financing structures thus put in place are accompanied by liquidity lines and, where appropriate, by the granting of guarantees by the Group, which are subject to a capital requirement. Commitments and positions retained or acquired by BNP Paribas on securitisation programmes as sponsor, amounted to EUR 35.5 billion at 31 December 2023.

### Short-term refinancing

At 31 December 2023, two consolidated multi-seller conduits (Starbird and Matchpoint) were sponsored by the Group. These conduits, by seeking refinancing on the local short-term commercial paper market, are able to provide CIB clients, large corporates and institutions with an attractive financing solution in exchange for some of their assets (trade receivables, finance leases for automobiles or various equipment, credit card receivables, etc.).

BNP Paribas provides each of these conduits with a liquidity line which amounted to EUR 33.7 billion at 31 December 2023, compared with EUR 28.9 billion at 31 December 2022.

### Medium/long-term refinancing

In Europe and North America, the Group's structuring platform provides financing solutions to its clients, based on products adapted to current conditions in terms of risk and liquidity. Altogether, the facilities granted by the Group through these transactions amounted to EUR 1.8 billion at 31 December 2023, compared with EUR 2.0 billion at 31 December 2022.

## SECURITISATION AS INVESTOR

The securitisation positions of BNP Paribas as an investor amounted to EUR 23.0 billion at 31 December 2023, with an increase of EUR 2.0 billion compared to 31 December 2022 (EUR 21.0 billion).

Investments made by the Group in third-party securitisation transactions are mainly concentrated in Capital markets, a joint-venture between Global Banking and Global Markets with an exposure of EUR 23.7 billion at 31 December 2023 compared to EUR 20.6 billion at 31 December 2022. Capital Markets is involved in setting up, then financing and hedging (as a "swap" supplier) structured asset financing operations initiated by its clients, including mainly institutions, large companies or private equity platforms.

Investor securitisation exposures also include historical positions within the BNP Paribas Fortis entity managed in run-off. This portfolio, housed in the Corporate Center, amounted to EUR 0.3 billion at 31 December 2023 compared with EUR 0.4 billion at 31 December 2022.

The table below shows the securitisation vehicles set up on behalf of the Group or its customers.

**TABLE 63: LIST OF SECURITISATION VEHICLES INITIATED BY THE GROUP (SEC-A)**

|   | <b>Business line which initiated the vehicle</b> | <b>Underlying asset category<sup>(*)</sup></b> |
|---|--|--|
| <b>VEHICLES SPONSORED BY THE GROUP</b>  |  |  |
| ACCESS HARMONY IRELAND FINCO LIMITED  | Corporate & Institutional Banking                | Consumer Loans                                 |
| APIDOS CLO XLVII LTD  | Corporate & Institutional Banking                | SME loans                                      |
| ARES CLO WAREHOUSE 2023-4 LTD.  | Corporate & Institutional Banking                | SME loans                                      |
| BANCA IFIS SPA  | Corporate & Institutional Banking                | Receivables                                    |
| BELMONT PARK VIEW, LTD.   | Corporate & Institutional Banking                | SME loans                                      |
| BNPP AM EURO CLO 2017 DESIGNATED ACTIVITY COMPANY   | Asset Management                                 | SME loans                                      |
| BNPP AM EURO CLO 2018 DAC   | Asset Management                                 | SME loans                                      |
| BNPP AM EURO CLO 2019 DAC   | Asset Management                                 | SME loans                                      |
| BNPP AM EURO CLO 2021 DAC   | Asset Management                                 | SME loans                                      |
| BNPP IP EURO CLO 2015-1 DAC   | Asset Management                                 | SME loans                                      |
| CREDIARC SPV S.R.L.   | BNL bc   | Other assets                                   |
| DRYDEN 100 CLO, LTD.  | Corporate & Institutional Banking                | SME loans                                      |
| EXETER FUNDING II LLC   | Corporate & Institutional Banking                | Consumer Loans                                 |
| FORTRESS CREDIT BSL XXI LIMITED   | Corporate & Institutional Banking                | SME loans                                      |
| KIMM FUNDING I LLC  | Corporate & Institutional Banking                | SME loans                                      |
| MADISON PARK FUNDING LXI LTD  | Corporate & Institutional Banking                | SME loans                                      |
| MADISON PARK FUNDING LXIV, LTD.   | Corporate & Institutional Banking                | SME loans                                      |
| MATCHPOINT FINANCE PUBLIC LIMITED COMPANY   | Corporate & Institutional Banking                | Receivables                                    |
| OHA CREDIT FUNDING 17, LTD.   | Corporate & Institutional Banking                | SME loans                                      |
| PEEBLES PARK CLO, LTD.  | Corporate & Institutional Banking                | SME loans                                      |
| STARBIRD FUNDING CORPORATION  | Corporate & Institutional Banking                | Consumer Loans                                 |
| STEAMBOAT HARBOR LTD.   | Corporate & Institutional Banking                | SME loans                                      |
| <b>VEHICLES WHICH ACQUIRE EXPOSURES ORIGINATED BY THE GROUP (ORIGINATOR)<sup>(**)</sup></b> |  |  |
| AUTOFLORENCE 1 SRL  | Personal Finance                                 | Consumer Loans                                 |
| AUTOFLORENCE 2 SRL  | Personal Finance                                 | Consumer Loans                                 |
| AUTOFLORENCE 3 SRL  | Personal Finance                                 | Consumer Loans                                 |
| AUTONORIA 2019  | Personal Finance                                 | Consumer Loans                                 |
| AUTONORIA DE 2023   | Personal Finance                                 | Consumer Loans                                 |
| AUTONORIA SPAIN 2019  | Personal Finance                                 | Consumer Loans                                 |
| AUTONORIA SPAIN 2021, FT  | Personal Finance                                 | Consumer Loans                                 |
| AUTONORIA SPAIN 2022, FT  | Personal Finance                                 | Consumer Loans                                 |
| AUTONORIA SPAIN 2023, FT  | Personal Finance                                 | Consumer Loans                                 |



|  | <b>Business line which initiated the vehicle</b>   | <b>Underlying asset category<sup>(*)</sup></b> |
|--|--|--|
| AXA INVESTMENT MANAGERS  | Corporate & Institutional Banking  | SME loans                                      |
| BLACKSTONE COF IV SCA SICAV-RAIF                               | Corporate & Institutional Banking  | SME loans                                      |
| BNL MINERVA 3  | BNL bc   | SME loans                                      |
| BNP PARIBAS ARBITRAGE ISSUANCE B.V. – RESONANCE 3              | Commercial & Personal Banking in France  | SME loans                                      |
| CHORUS CAPITAL CREDIT FUND V EUR SCSP-RAIF                     | Commercial & Personal Banking in Belgium   | SME loans                                      |
| CHORUS CAPITAL MANAGEMENT LIMITED                              | Commercial & Personal Banking in France  | SME loans                                      |
| EUROPEAN INVESTMENT FUND                                       | Corporate & Institutional Banking  | SME loans                                      |
| EUROPEAN INVESTMENT FUND MINERVA                               | BNL bc   | SME loans                                      |
| EUROPEAN INVESTMENT FUND MINERVA 2                             | BNL bc   | SME loans                                      |
| EUROPEAN INVESTMENT FUND PROXIMA2                              | Commercial & Personal Banking in France  | SME loans                                      |
| EUROPEAN INVESTMENT FUND PROXIMA3                              | Commercial & Personal Banking in France  | SME loans                                      |
| EUROPEAN INVESTMENT FUND PROXIMA 4                             | Commercial & Personal Banking in France  | SME loans                                      |
| FCT MONTE CRISTO 2 COMPARTMENT HAREWOOD                        | Corporate & Institutional Banking  | SME loans                                      |
| FCT MONTE CRISTO 2 – COMPARTMENT RESONANCE 11                  | Corporate & Institutional Banking  | SME loans                                      |
| FCT MONTE CRISTO 2 COMPARTMENT RESONANCE 6B                    | Corporate & Institutional Banking  | SME loans                                      |
| FCT MONTE CRISTO 2 COMPARTMENT WAGNER                          | Corporate & Institutional Banking  | SME loans                                      |
| FCT MONTE CRISTO COMPARTMENT RESONANCE 7                       | Corporate & Institutional Banking  | SME loans                                      |
| FCT MONTE CRISTO COMPARTMENT RESONANCE 9                       | Corporate & Institutional Banking  | SME loans                                      |
| FONDS COMMUN DE TITRISATION- RESONANCE 4                       | Corporate & Institutional Banking  | SME loans                                      |
| INTERNATIONAL FINANCE CORPORATION                              | Corporate & Institutional Banking  | SME loans                                      |
| JUNO_1   | BNL bc   | SME loans                                      |
| JUNO_2   | BNL bc   | SME loans                                      |
| LIBERTY MUTUAL INSURANCE EUROPE SE                             | Corporate & Institutional Banking  | SME loans                                      |
| NORIA 2021   | Personal Finance   | Consumer Loans                                 |
| NORIA 2023   | Personal Finance   | Consumer Loans                                 |
| PARK MOUNTAIN SECURITISATION 2019                              | Commercial & Personal Banking in Belgium   | SME loans                                      |
| PBD GERMANY AUTO LEASE MASTER S.A.                             | Personal Finance   | Finance lease                                  |
| PIXEL 2021   | Leasing Solutions  | Finance lease                                  |
| <b>VEHICLES INCLUDED IN THE PRUDENTIAL CONSOLIDATION SCOPE</b> | See note 9.k <i>Scope of consolidation</i> (reference t) to the consolidated financial statements. |  |

(\*) The category is based on the predominant underlying asset of the securitisation.

(\*\*) Efficient securitisation.

(See note 1 to the consolidated financial statements – *Summary of significant accounting policies applied by the Group*.)

The accounting classification of securitisation positions in the banking book is shown in Table 9: *Prudential balance sheet by risk type (EULI1-B)*.

Securitisation positions classified as “Financial assets at amortised cost” are measured using the method described in note 1.f.1 *Financial assets at amortised cost* to the consolidated financial statements: the effective interest rate used to recognise interest income is measured on the basis of an expected cash flow model. From the outset, these positions are subject to an impairment calculation for expected credit risk losses (see note 1.f.5 *Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders’ equity* to the consolidated financial statements).

Securitisation positions classified on an accounting basis as “Financial assets at fair value through equity” are measured using the method described in note 1.f.2 *Financial assets at fair value through shareholders’ equity* to the consolidated financial statements. Changes in fair value determined according to the principles listed in note 1.f.10 *Determination of fair value* to the consolidated financial statements (excluding revenue recognised using the effective interest method) are presented in a specific subsection of shareholders’ equity along with expected credit risk losses calculated using the methods described in note 1.f.5 *Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders’ equity* to the consolidated financial statements. Upon disposal, amounts previously recognised in recyclable equity are transferred to the profit and loss account.

Securitisation positions classified on an accounting basis as “Financial instruments at fair value through profit or loss” are measured using the method described in note 1.f.7 *Financial instruments at fair value through profit or loss* to the consolidated financial statements.

Proceeds from the sale of securitisation positions are recognised in accordance with rules for the category of origin of positions sold.

Synthetic securitisations in the form of credit derivatives (credit default swaps) or guarantees received follow accounting rules appertaining respectively:

- to trading portfolio derivatives. These are measured at fair value through profit or loss (see note 1.f.7 *Financial instruments at fair value through profit or loss* to the consolidated financial statements);
- to financial guarantees received, which cannot be considered as forming an integral part of secured assets. If it is virtually certain that a loss caused by a defaulting debtor will be offset by the guarantor, the guarantee is then recognised as a reimbursement asset (right to reimbursement for expected credit losses) and expected credit losses on the asset are, at the same time, recognised in profit or loss. The overall impact in terms of profit or loss is the same as if the guarantee had been recognised in the measurement of expected credit losses, with the difference that the guarantee received is shown as a reimbursement asset rather than as a reduction in the expected credit losses on the asset.

Assets awaiting securitisation are classified as:

- financial instruments at amortised cost or at fair value through equity and in the prudential banking book in the case of exposures resulting from the Bank’s balance sheet, for which the Bank will be originator in the future securitisation within the meaning of Basel 3;
- financial instruments at fair value through profit or loss and in the prudential banking book in the case of exposures purchased and put into warehousing, for which the Bank will be sponsor in the future securitisation within the regulatory meaning.

## SECURITISATION RISK MANAGEMENT

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The risk management framework for securitisation is part of the risk management described in section 5.3 *Risk management*.

The business lines represents the first line of defence with responsibility for understanding all the risks incurred in order to ensure correct evaluation. The RISK Function acts independently, as a second line of defence.

Positions taken are monitored to measure changes in individual and portfolio risks.

The monitoring of securitised assets covers credit, counterparty, market and liquidity risks on the underlying assets.

### CREDIT RISK ON SECURITISED ASSETS

Securitisation assets outside the trading book are subject to specific approval by the Credit Committees. For new transactions, a credit proposal is prepared by the business, and a comprehensive risk analysis is carried out by the RISK analysts before presentation to the Credit Committee. All approvals are subject to an annual review. Exposures are monitored to ensure that they do not exceed the limits set by the Credit Committees.

The risk exposure of securitisation tranches is intrinsically linked to that of the underlying assets, whether for securitisation or re-securitisation. Through the customary governance of Credit Committees, the Group monitors changes in the quality of underlying assets for the entire duration of the programme concerned.

## COUNTERPARTY RISK ON SECURITISATION RELATED TO INTEREST RATES OR FX DERIVATIVES

Securitisation-related derivative instruments are also subject to the approval of the Credit Committees. BNP Paribas integrates counterparty risk into the securitisation structure. The principles are the same as those described above in respect of credit risk.

## MARKET RISK WITHIN THE BANKING BOOK

On fixed rate ABS positions, a macro hedge consisting of fixed/variable rate swaps is put in place to cover interest rate risk. The hedge is recorded in accordance with the rules of hedge accounting.

## LIQUIDITY/FUNDING RISK

Securitisation positions are financed internally by the ALM – Treasury or via conduits sponsored by BNP Paribas.

## SECURITISATION POSITIONS

TABLE 64: SECURITISATION EXPOSURES IN THE NON-TRADING BOOK<sup>(1)</sup> (EU SEC1)

|                             |                                  | a                           | b   | c                           | d | e                           | f      | g           | h                  | i       | j         | k           | l                  | m        | n         | o      |
|-----------------------------|----------------------------------|-----------------------------|-----|-----------------------------|---|-----------------------------|--------|-------------|--------------------|---------|-----------|-------------|--------------------|----------|-----------|--------|
| 31 December 2023            |                                  |                             |     |                             |   |                             |        |             |                    |         |           |             |                    |          |           |        |
|                             |                                  | originator                  |     |                             |   |                             |        |             |                    | sponsor |           |             |                    | investor |           |        |
|                             |                                  | Traditional                 |     | Synthetic                   |   |                             |        | Traditional |                    |         |           | Traditional |                    |          |           |        |
|                             |                                  | STS <sup>(2)</sup>          |     | Non-STS                     |   |                             |        |             |                    |         |           |             |                    |          |           |        |
| <i>In millions of euros</i> |                                  | of which SRT <sup>(3)</sup> |     | of which SRT <sup>(3)</sup> |   | of which SRT <sup>(3)</sup> |        | Total       | STS <sup>(2)</sup> | Non-STS | Synthetic | Total       | STS <sup>(2)</sup> | Non-STS  | Synthetic | Total  |
| 2                           | Retail                           | 7,637                       | 867 | 50,908                      | - | -                           | -      | 58,546      | 300                | 16,400  | -         | 16,700      | 1,085              | 3,902    | -         | 4,987  |
|                             | of which residential mortgages   | 374                         |     | 45,942                      |   |                             |        | 46,316      |                    |         |           | -           | 103                | 2,647    |           | 2,750  |
| 3                           |                                  |                             |     |                             |   |                             |        |             |                    |         |           |             |                    |          |           | 49,066 |
| 4                           | of which credit card receivables |                             |     |                             |   |                             |        | -           |                    |         |           | -           |                    | 4        |           | 4      |
| 5                           | of which other retail            | 7,263                       | 867 | 4,967                       |   |                             |        | 12,230      | 300                | 16,400  |           | 16,700      | 982                | 1,250    |           | 2,233  |
| 6                           | of which re-securitisation       |                             |     |                             |   |                             |        | -           |                    |         |           | -           |                    |          |           | -      |
| 7                           | Corporate                        | 76                          | 76  | 12,867                      | 7 | 41,849                      | 41,849 | 54,792      | 294                | 18,476  | -         | 18,770      | 350                | 17,666   | -         | 18,016 |
|                             | of which loans to corporates     |                             |     | 12,867                      | 7 | 41,849                      | 41,849 | 54,716      | 98                 | 1,048   |           | 1,145       |                    | 17,045   |           | 17,045 |
| 8                           |                                  |                             |     |                             |   |                             |        |             |                    |         |           |             |                    |          |           | 72,907 |
| 9                           | of which commercial mortgages    |                             |     |                             |   |                             |        | -           |                    |         |           | -           |                    | 15       |           | 15     |
| 10                          | of which finance leases          | 76                          | 76  |                             |   |                             |        | 76          |                    |         |           | -           | 350                | 398      |           | 748    |
| 11                          | of which other assets            |                             |     |                             |   |                             |        | -           | 196                | 17,429  |           | 17,625      |                    | 208      |           | 208    |
| 12                          | of which re-securitisation       |                             |     |                             |   |                             |        | -           |                    |         |           | -           |                    |          |           | -      |
| 1                           | TOTAL                            | 7,713                       | 943 | 63,776                      | 7 | 41,849                      | 41,849 | 113,338     | 594                | 34,876  | -         | 35,470      | 1,434              | 21,569   | -         | 23,003 |

(1) Based on the predominant asset class in the asset pool of the securitisation in which the position is held.

(2) Simple, Transparent and Standards securitisation programmes (see next section).

(3) Effective securitisation programmes, for which the criteria for significant risk transfer are met (see paragraph Risk transfer of own account securitisation transactions, in the section on BNP Paribas securitisation activities).



|    |                                  | a                           | b     | c                           | d   | e                           | f      | g       | h                        | i      | j                 | k      | l                        | m        | n                 | o      |         |
|----|----------------------------------|-----------------------------|-------|-----------------------------|-----|-----------------------------|--------|---------|--------------------------|--------|-------------------|--------|--------------------------|----------|-------------------|--------|---------|
|    |                                  | 31 December 2022            |       |                             |     |                             |        |         |                          |        |                   |        |                          |          |                   |        |         |
|    |                                  | originator                  |       |                             |     |                             |        |         | sponsor                  |        |                   |        |                          | investor |                   |        |         |
|    |                                  | Traditional                 |       | Synthetic                   |     | Traditional                 |        |         | Traditional              |        |                   |        |                          |          |                   |        |         |
|    |                                  | STS <sup>(2)</sup>          |       | Non-STS                     |     |                             |        |         |                          |        |                   |        |                          |          |                   |        |         |
|    |                                  | of which SRT <sup>(3)</sup> |       | of which SRT <sup>(3)</sup> |     | of which SRT <sup>(3)</sup> |        |         | Total STS <sup>(2)</sup> |        | Non-STS Synthetic |        | Total STS <sup>(2)</sup> |          | Non-STS Synthetic |        |         |
|    | In millions of euros             |                             |       |                             |     |                             |        |         |                          |        |                   |        |                          |          |                   |        |         |
| 2  | Retail                           | 7,628                       | 917   | 48,398                      | 185 | -                           | -      | 56,026  | -                        | 15,388 | -                 | 15,388 | 834                      | 3,456    | -                 | 4,290  | 75,704  |
|    | of which residential mortgages   | 388                         |       | 43,247                      |     |                             |        | 43,636  |                          | 549    |                   | 549    | 137                      | 3,072    |                   | 3,209  | 47,394  |
| 4  | of which credit card receivables |                             |       |                             |     |                             |        | -       |                          |        |                   | -      |                          | 2        |                   | 2      | 2       |
| 5  | of which other retail            | 7,240                       | 917   | 5,150                       | 185 |                             |        | 12,390  |                          | 14,839 |                   | 14,839 | 697                      | 382      |                   | 1,079  | 28,308  |
| 6  | of which re-securitisation       |                             |       |                             |     |                             |        | -       |                          |        |                   |        |                          |          |                   | -      | -       |
| 7  | Corporate                        | 121                         | 121   | 12,012                      | 9   | 38,662                      | 38,662 | 50,794  | 305                      | 15,660 | -                 | 15,965 | 310                      | 16,405   | -                 | 16,715 | 83,474  |
| 8  | of which loans to corporates     |                             |       | 12,012                      | 9   | 38,662                      | 38,662 | 50,674  | 100                      | 984    |                   | 1,084  |                          | 16,110   |                   | 16,110 | 67,867  |
| 9  | of which commercial mortgages    |                             |       |                             |     |                             |        | -       |                          |        |                   | -      |                          | 16       |                   | 16     | 16      |
| 10 | of which finance leases          | 121                         | 121   |                             |     |                             |        | 121     | 18                       |        |                   | 18     | 310                      | 236      |                   | 546    | 685     |
| 11 | of which other assets            |                             |       |                             |     |                             |        | -       | 187                      | 14,676 |                   | 14,863 |                          | 43       |                   | 43     | 14,906  |
| 12 | of which re-securitisation       |                             |       |                             |     |                             |        | -       |                          |        |                   | -      |                          |          |                   | -      | -       |
| 1  | TOTAL                            | 7,749                       | 1,037 | 60,409                      | 194 | 38,662                      | 38,662 | 106,820 | 305                      | 31,048 | -                 | 31,353 | 1,144                    | 19,861   | -                 | 21,005 | 159,178 |

(1) Based on the predominant asset class in the asset pool of the securitisation in which the position is held.

(2) Simple, Transparent and Standards securitisation programmes (see next section).

(3) Effective securitisation programmes, for which the criteria for significant risk transfer are met (see paragraph Risk transfer of own account securitisation transactions, in the section on BNP Paribas securitisation activities).

**TABLE 65: BANKING BOOK SECURITISATION POSITION QUALITY**

| <i>In millions of euros</i> | Securitisation positions held or acquired (EAD) |                  |
|-----------------------------|---|------------------|
|                             | 31 December 2023                                | 31 December 2022 |
| <b>Tranche quality</b>      |   |                  |
| Senior tranche              | 99,482  | 90,899           |
| Mezzanine tranche           | 1,548   | 1,150            |
| First-loss tranche          | 241   | 203              |
| <b>TOTAL</b>                | <b>101,271</b>                                  | <b>92,252</b>    |

At 31 December 2023, 98.2% of the securitisation positions held or acquired by the Group were senior tranches, compared with 98.5% at 31 December 2022, reflecting the high quality of the Group's portfolio.

## RISK-WEIGHTED ASSETS

The revised securitisation framework came into force on 1 January 2019 with the application of Regulation (EU) No. 2017/2401 and Regulation (EU) No. 2017/2402. It provides for:

- the creation of a specific status for programmes known as Simple, Transparent and Standardised, which comply with certain conditions:
  - the portfolio of underlying assets, which must be uniform in terms of asset type, may not include a re-securitisation position nor defaulting asset at origination,
  - the programme must be traditional and the payment of the interest for the securitisation positions must be based on standard benchmark interest rates,
  - investors must have sufficient information on the portfolio of underlying assets, specifically, information on the histories of defaults and losses.

Subject to eligibility in terms of applicable risk-weight and concentration of the underlying asset portfolio, these programmes may benefit from preferential weightings;

- new approaches for the calculation of risk-weighted assets related to applicable securitisation positions according to the specificities of the underlying portfolio:
  - **internal ratings-based approach (SEC-IRBA):** the risk-weight applicable to the securitisation position depends on the one hand on the characteristics of the securitisation programme and on the other hand on the capital charge of the underlying portfolio calculated as credit risk,
  - **standardised approach (SEC-SA):** the risk-weight applicable to the securitisation position depends on the characteristics of the securitisation programme, the capital charge of the underlying portfolio calculated as credit risk and the proportion of assets in default in this portfolio,
  - **external ratings-based approach (SEC-ERBA):** the risk-weight applicable to the securitisation position is given directly by a correspondence table defined in Regulation (EU) No. 2017/2401, based on the external rating of the tranche, its subordination rank and its maturity. BNP Paribas uses the external ratings of the Standard & Poor's, Moody's, Fitch and DBRS rating agencies,
  - in other cases, Regulation (EU) No. 2017/2401 provides for the deduction of CET1 own funds.

Risk-weighted assets corresponding to securitisation positions held or acquired by the Group amounted to EUR 16.6 billion at 31 December 2023, or 2.4% of Group total risk-weighted assets, compared with EUR 15.8 billion at 31 December 2022 (2.1% of Group total risk-weighted assets).

**TABLE 66: SECURITISATION RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER**

|                             |               | Key driver |                       |               |                        |               |          |                 |               |
|-----------------------------|---------------|------------|-----------------------|---------------|------------------------|---------------|----------|-----------------|---------------|
|                             | 31            |            |                       |               |                        | Acquisitions  |          |                 | 31            |
| <i>In millions of euros</i> | December 2022 | Asset size | Asset quality updates | Model updates | Methodology and policy | and disposals | Currency | Other variation | December 2023 |
| RWAs - Securitisation       | 15,794        | 917        | 79                    |               |                        |               | (172)    | (29)            | 16,589        |

**TABLE 67: SECURITISATION EXPOSURES AND RISK-WEIGHTED ASSETS – INSTITUTION ACTING AS ORIGINATOR OR AS SPONSOR (EU SEC3)**

|                            | a   | b     | c             | d               | e                | f   | g             | h                   | i                             | j  | k             | l                   | m                             | n   | o             | EU-<br>p            | EU-q                          |
|----------------------------|---|-------|---------------|-----------------|------------------|---|---------------|---------------------|-------------------------------|--|---------------|---------------------|-------------------------------|---|---------------|---------------------|-------------------------------|
|                            | 31 December 2023                                |       |               |                 |                  |   |               |                     |                               |  |               |                     |                               |   |               |                     |                               |
|                            | Exposure values (EAD)<br>by RW bands/deductions |       |               |                 |                  | Exposure values (EAD)<br>by regulatory approach |               |                     |                               | Risk-weighted assets<br>by regulatory approach |               |                     |                               | Capital charge after<br>cap <sup>(**)</sup> |               |                     |                               |
| In millions<br>of euros    | > 20<br>% ≤ 20                                  |       | > 50%<br>≤ 50 | > 100%<br>≤ 100 | deduc<br>< 1,250 | SEC-<br>- IRBA                                  | SEC-<br>ERB A | deduc<br>SEC-<br>SA | SEC<br>- tions <sup>(*)</sup> | IRB<br>A                                       | SEC-<br>ERB A | deduc<br>SEC<br>-SA | SEC<br>- tions <sup>(*)</sup> | IRB<br>A                                    | SEC-<br>ERB A | deduc<br>SEC<br>-SA | SEC<br>- tions <sup>(*)</sup> |
|                            | %   | %     | %             | %               | %                | %   | %             | %                   | %                             | %  | %             | %                   | %                             | %   | %             | %                   | %                             |
| Traditional<br>transaction | 33,16   |       |               |                 |                  |   |               | 31,34               |                               |  |               | 5,36                |                               |   |               |                     |                               |
| 2 s                        | 2   | 2,955 | 175           | 79              | 49               | 1,232   | 3,790         | 8                   | 49                            | 327  | 986           | 3                   |                               | 26  | 78            | 422                 |                               |
| Securitisation             | 33,16   |       |               |                 |                  |   |               | 31,34               |                               |  |               | 5,36                |                               | 26  | 78            | 422                 |                               |
| 3 n                        | 2   | 2,955 | 175           | 79              | 49               | 1,232   | 3,790         | 8                   | 49                            | 327  | 986           | 3                   |                               | 26  | 78            | 422                 |                               |
| 4 Retail                   | 14,71   |       |               |                 |                  |   |               | 14,69               |                               |  |               | 2,80                |                               | 4   | 54            | 220                 |                               |
|                            | 5   | 2,771 | 53            |                 | 27               | 179   | 2,666         | 4                   | 27                            | 49   | 678           | 3                   |                               |   |               |                     |                               |
| 5 of<br>which<br>STS       | 321   | 766   | 53            |                 | 27               | 179   | 661           | 300                 | 27                            | 49   | 188           | 30                  |                               | 4   | 15            | 2                   |                               |
| 6 Wholesale                | 18,44   |       |               |                 |                  |   |               | 16,65               |                               |  |               | 2,56                |                               | 22  | 24            | 202                 |                               |
|                            | 6   | 184   | 122           | 79              | 22               | 1,053   | 1,124         | 3                   | 22                            | 278  | 308           | 0                   |                               |   |               |                     |                               |
| 7 of<br>which<br>STS       | 196   | 68    | 16            | 69              | 21               |   | 153           | 196                 | 21                            |  | 125           | 20                  |                               |   | 9             | 2                   |                               |
| Re-<br>securitisation      |   |       |               |                 |                  |   |               |                     |                               |  |               |                     |                               |   |               |                     |                               |
| 8 n                        |   |       |               |                 |                  |   |               |                     |                               |  |               |                     |                               |   |               |                     |                               |
| Synthetic<br>transaction   | 39,55   |       |               |                 |                  |   |               | 41,62               |                               |  |               | 6,09                |                               |   |               |                     |                               |
| 9 s                        | 6   | 1,667 | 405           |                 | 221              | 8   |               |                     | 221                           | 0  |               |                     |                               | 487   |               |                     |                               |
| 10 Securitisation          | 39,55   |       |               |                 |                  |   |               | 41,62               |                               |  |               | 6,09                |                               | 487   |               |                     |                               |
|                            | 6   | 1,667 | 405           |                 | 221              | 8   |               |                     | 221                           | 0  |               |                     |                               |   |               |                     |                               |
| 11 Retail                  |   |       |               |                 |                  |   |               |                     |                               |  |               |                     |                               |   |               |                     |                               |
| 12 Wholesale               | 39,55   |       |               |                 |                  |   |               | 41,62               |                               |  |               | 6,09                |                               | 487   |               |                     |                               |
|                            | 6   | 1,667 | 405           |                 | 221              | 8   |               |                     | 221                           | 0  |               |                     |                               |   |               |                     |                               |
| Re-<br>securitisation      |   |       |               |                 |                  |   |               |                     |                               |  |               |                     |                               |   |               |                     |                               |
| 13 n                       |   |       |               |                 |                  |   |               |                     |                               |  |               |                     |                               |   |               |                     |                               |
| 1 TOTAL                    | 72,71   |       |               |                 |                  |   |               | 42,86               |                               |  |               | 5,36                |                               | 513   | 78            | 422                 |                               |
|                            | 8   | 4,622 | 580           | 79              | 270              | 0   | 3,790         | 8                   | 270                           | 7  | 986           | 3                   |                               |   |               |                     |                               |

(\*) The Group opted for the deduction of CET1 capital rather than the 1,250% weighting.

(\*\*) After application of the regulatory ceiling. Capital requirements correspond to 8% of risk-weighted assets.

|  | a   | b                   | c                   | d                      | e                              | f   | g                | h             | i                              | j  | k                | l              | m                              | n  | o                | EU-p           | EU-q                           |
|--|---|---------------------|---------------------|------------------------|--------------------------------|---|------------------|---------------|--------------------------------|--|------------------|----------------|--------------------------------|--|------------------|----------------|--------------------------------|
| 31 December 2022                           |   |                     |                     |                        |                                |   |                  |               |                                |  |                  |                |                                |  |                  |                |                                |
|  | Exposure values (EAD)<br>by RW bands/deductions |                     |                     |                        |                                | Exposure values (EAD)<br>by regulatory approach |                  |               |                                | Risk weighted assets<br>by regulatory approach |                  |                |                                | Capital charge after<br>cap <sup>(*)</sup> |                  |                |                                |
| <i>In millions<br/>of euros</i>            | ≤ 20<br>%                                       | > 20<br>% ≤ 50<br>% | > 50%<br>≤ 100<br>% | > 100%<br>< 1,250<br>% | deduc-<br>tions <sup>(*)</sup> | SEC-<br>IRBA                                    | SEC-<br>ERB<br>A | SEC-<br>SA    | deduc-<br>tions <sup>(*)</sup> | SEC<br>-<br>IRB<br>A                           | SEC-<br>ERB<br>A | SEC<br>-<br>SA | deduc-<br>tions <sup>(*)</sup> | SEC<br>-<br>IRB<br>A                       | SEC-<br>ERB<br>A | SEC<br>-<br>SA | deduc-<br>tions <sup>(*)</sup> |
| <b>Traditional<br/>transaction<br/>2 s</b> | <b>29,720</b>                                   | <b>2,528</b>        | <b>238</b>          | <b>84</b>              | <b>15</b>                      | <b>1,387</b>                                    | <b>3,456</b>     | <b>27,727</b> | <b>15</b>                      | <b>408</b>                                     | <b>851</b>       | <b>6,613</b>   |                                | <b>32</b>                                  | <b>67</b>        | <b>398</b>     |                                |
| Securitisatio<br>3 n                       | 29,720  | 2,528               | 238                 | 84                     | 15                             | 1,387   | 3,456            | 27,727        | 15                             | 408  | 851              | 6,613          |                                | 32   | 67               | 398            |                                |
| 4 Retail                                   | 14,299  | 1,970               | 222                 |                        |                                | 395   | 1,797            | 14,298        |                                | 162  | 443              | 4,408          |                                | 12   | 35               | 223            |                                |
| 5 of<br>which<br>STS                       |   | 864                 | 53                  |                        |                                | 226   | 691              |               |                                | 61   | 196              |                |                                | 4  | 15               |                |                                |
| 6 Wholesale                                | 15,421  | 559                 | 16                  | 84                     | 15                             | 992   | 1,659            | 13,428        | 15                             | 246  | 409              | 2,205          |                                | 20   | 32               | 175            |                                |
| 7 of<br>which<br>STS                       | 205   | 121                 | 16                  | 70                     | 15                             |   | 206              | 205           | 15                             |  | 138              | 20             |                                |  | 11               | 2              |                                |
| 8 Re-<br>securitisatio<br>n                |   |                     |                     |                        |                                |   |                  |               |                                |  |                  |                |                                |  |                  |                |                                |
| <b>Synthetic<br/>transaction<br/>9 s</b>   | <b>35,092</b>                                   | <b>3,370</b>        |                     |                        |                                | <b>199</b>                                      | <b>38,463</b>    |               | <b>199</b>                     | <b>5,896</b>                                   |                  |                |                                | <b>472</b>                                 |                  |                |                                |
| 1 Securitisatio<br>0 n                     | 35,092  | 3,370               |                     |                        |                                | 199   | 38,463           |               | 199                            | 5,896  |                  |                |                                | 472  |                  |                |                                |
| 1 Retail                                   |   |                     |                     |                        |                                |   |                  |               |                                |  |                  |                |                                |  |                  |                |                                |
| 1 Wholesale                                | 35,092  | 3,370               |                     |                        |                                | 199   | 38,463           |               | 199                            | 5,896  |                  |                |                                | 472  |                  |                |                                |
| 2 Re-<br>securitisatio<br>3 n              |   |                     |                     |                        |                                |   |                  |               |                                |  |                  |                |                                |  |                  |                |                                |
| <b>1 TOTAL</b>                             | <b>64,812</b>                                   | <b>5,899</b>        | <b>238</b>          | <b>84</b>              | <b>214</b>                     | <b>39,850</b>                                   | <b>3,456</b>     | <b>27,727</b> | <b>214</b>                     | <b>6,304</b>                                   | <b>851</b>       | <b>6,613</b>   |                                | <b>504</b>                                 | <b>67</b>        | <b>398</b>     |                                |

(\*) The Group opted for the deduction of CET1 capital rather than the 1,250% weighting.

(\*\*) After application of the regulatory ceiling. Capital requirements correspond to 8% of risk-weighted assets.



**TABLE 68: SECURITISATION POSITIONS AND RISK-WEIGHTED ASSETS – BNP PARIBAS ACTING AS INVESTOR (EU SEC4)**

|                                  | a   | b              | c                | d  | e   | f            | g            | h                              | i                    | j            | k            | l                              | m  | n            | o          | EU-p                           | EU-q |
|----------------------------------|---|----------------|------------------|--|---|--------------|--------------|--------------------------------|----------------------|--------------|--------------|--------------------------------|--|--------------|------------|--------------------------------|------|
|                                  | 31 December 2023                                |                |                  |  |   |              |              |                                |                      |              |              |                                |  |              |            |                                |      |
|                                  | Exposure values (EAD)<br>by RW bands/deductions |                |                  |  | Exposure values (EAD)<br>by regulatory approach |              |              |                                | Risk-weighted assets |              |              |                                | Capital charge after<br>cap <sup>(*)</sup> |              |            |                                |      |
| <i>In millions of<br/>euros</i>  | > 20%<br>≤ 20%                                  | > 50%<br>≤ 50% | > 100%<br>≤ 100% | > 1,250%<br>deduc-<br>tions <sup>(*)</sup> | SEC-<br>IRBA                                    | SEC-<br>ERBA | SEC-<br>SA   | deduc-<br>tions <sup>(*)</sup> | SEC-<br>IRBA         | SEC-<br>ERBA | SEC-<br>SA   | deduc-<br>tions <sup>(*)</sup> | SEC-<br>IRBA                               | SEC-<br>ERBA | SEC-<br>SA | deduc-<br>tions <sup>(*)</sup> |      |
| <b>Traditional</b>               |   |                |                  |  |   |              |              |                                |                      |              |              |                                |  |              |            |                                |      |
| <b>2 transactions</b>            | <b>19,593</b>                                   | <b>3,045</b>   | <b>291</b>       | <b>74</b>                                  | <b>15,744</b>                                   | <b>355</b>   | <b>6,904</b> |                                | <b>2,678</b>         | <b>384</b>   | <b>1,260</b> |                                | <b>193</b>                                 | <b>23</b>    | <b>98</b>  |                                |      |
| 3 Securitisation                 | 19,593  | 3,045          | 291              | 74   | 15,744  | 355          | 6,904        |                                | 2,678                | 384          | 1,260        |                                | 193  | 23           | 98         |                                |      |
| 4 <i>Retail</i>                  | 4,604   | 79             | 242              | 63   | 908   | 304          | 3,775        |                                | 136                  | 373          | 588          |                                |  | 22           | 45         |                                |      |
| 5 <i>of which<br/>STS</i>        | 1,085   |                |                  |  |   |              | 1,085        |                                |                      |              | 110          |                                |  |              | 9          |                                |      |
| 6 <i>Wholesale</i>               | 14,989  | 2,966          | 50               | 11   | 14,837  | 51           | 3,129        |                                | 2,542                | 10           | 672          |                                | 193  | 1            | 54         |                                |      |
| 7 <i>of which<br/>STS</i>        | 350   |                |                  |  |   |              | 350          |                                |                      |              | 35           |                                |  |              | 3          |                                |      |
| 8 <i>Re-<br/>securitisation</i>  |   |                |                  |  |   |              |              |                                |                      |              |              |                                |  |              |            |                                |      |
| <b>Synthetic</b>                 |   |                |                  |  |   |              |              |                                |                      |              |              |                                |  |              |            |                                |      |
| <b>9 transactions</b>            |   |                |                  |  |   |              |              |                                |                      |              |              |                                |  |              |            |                                |      |
| 10 Securitisation                |   |                |                  |  |   |              |              |                                |                      |              |              |                                |  |              |            |                                |      |
| 11 <i>Retail<br/>underlying</i>  |   |                |                  |  |   |              |              |                                |                      |              |              |                                |  |              |            |                                |      |
| 12 <i>Wholesale</i>              |   |                |                  |  |   |              |              |                                |                      |              |              |                                |  |              |            |                                |      |
| 13 <i>Re-<br/>securitisation</i> |   |                |                  |  |   |              |              |                                |                      |              |              |                                |  |              |            |                                |      |
| <b>1 TOTAL</b>                   | <b>19,593</b>                                   | <b>3,045</b>   | <b>291</b>       | <b>74</b>                                  | <b>- 15,744</b>                                 | <b>355</b>   | <b>6,904</b> |                                | <b>2,678</b>         | <b>384</b>   | <b>1,260</b> |                                | <b>193</b>                                 | <b>23</b>    | <b>98</b>  |                                |      |

(\*) The Group opted for the deduction of CET1 capital instead of the 1,250% weighting.

(\*\*) After application of the regulatory ceiling. Capital requirements correspond to 8% of risk-weighted assets.

|                                 | a   | b              | c                | d                   | e                              | f   | g             | h            | i                              | j            | k                    | l          | m                              | n             | o   | EU-p       | EU-q                           |
|---------------------------------|---|----------------|------------------|---------------------|--------------------------------|---|---------------|--------------|--------------------------------|--------------|----------------------|------------|--------------------------------|---------------|---|------------|--------------------------------|
|                                 | 31 December 2022                                |                |                  |                     |                                |   |               |              |                                |              |                      |            |                                |               |   |            |                                |
|                                 | Exposure values (EAD)<br>by RW bands/deductions |                |                  |                     |                                | Exposure values (EAD)<br>by regulatory approach |               |              |                                |              | Risk weighted assets |            |                                |               | Capital charge after<br>cap <sup>(**)</sup> |            |                                |
| <i>In millions of<br/>euros</i> | > 20<br>%<br>≤ 20%                              | > 50%<br>≤ 50% | > 100%<br>≤ 100% | > 1,250<br>≤ 1,250% | deduc-<br>tions <sup>(*)</sup> | SEC-<br>IRBA                                    | SEC-<br>ERB A | SEC-<br>SA   | deduc-<br>tions <sup>(*)</sup> | SEC-<br>IRBA | SEC-<br>ERB A        | SEC-<br>SA | deduc-<br>tions <sup>(*)</sup> | SEC-<br>IRB A | SEC-<br>ERB A                               | SEC-<br>SA | deduc-<br>tions <sup>(*)</sup> |
| <b>Traditional</b>              |   |                |                  |                     |                                |   |               |              |                                |              |                      |            |                                |               |   |            |                                |
| <b>2 transactions</b>           | <b>18,438</b>                                   | <b>2,405</b>   | <b>77</b>        | <b>86</b>           |                                | <b>15,086</b>                                   | <b>449</b>    | <b>5,471</b> |                                | <b>2,496</b> | <b>415</b>           | <b>912</b> |                                | <b>198</b>    | <b>24</b>                                   | <b>73</b>  |                                |
| 3 n Securitisation              | 18,438  | 2,405          | 77               | 86                  |                                | 15,086  | 449           | 5,471        |                                | 2,496        | 415                  | 912        |                                | 198           | 24  | 73         |                                |
| 4 Retail                        | 3,886   | 258            | 76               | 70                  |                                |   | 362           | 3,928        |                                |              | 398                  | 567        |                                |               | 23  | 45         |                                |
| 5 of which<br>STS               | 834   |                |                  |                     |                                |   |               | 834          |                                |              |                      | 84         |                                |               |   | 7          |                                |
| 6 Wholesale                     | 14,552  | 2,147          | 1                | 15                  |                                | 15,086  | 87            | 1,542        |                                | 2,496        | 17                   | 345        |                                | 198           | 1   | 28         |                                |
| 7 of which<br>STS               | 310   |                |                  |                     |                                |   |               | 310          |                                |              |                      | 31         |                                |               |   | 2          |                                |
| 8 Re-<br>securitisation         |   |                |                  |                     |                                |   |               |              |                                |              |                      |            |                                |               |   |            |                                |
| <b>Synthetic</b>                |   |                |                  |                     |                                |   |               |              |                                |              |                      |            |                                |               |   |            |                                |
| <b>9 transactions</b>           |   |                |                  |                     |                                |   |               |              |                                |              |                      |            |                                |               |   |            |                                |
| 10 n Securitisation             |   |                |                  |                     |                                |   |               |              |                                |              |                      |            |                                |               |   |            |                                |
| 11 Retail<br>underlying         |   |                |                  |                     |                                |   |               |              |                                |              |                      |            |                                |               |   |            |                                |
| 12 Wholesale                    |   |                |                  |                     |                                |   |               |              |                                |              |                      |            |                                |               |   |            |                                |
| 13 Re-<br>securitisation        |   |                |                  |                     |                                |   |               |              |                                |              |                      |            |                                |               |   |            |                                |
| <b>1 TOTAL</b>                  | <b>18,438</b>                                   | <b>2,405</b>   | <b>77</b>        | <b>86</b>           | <b>-</b>                       | <b>15,086</b>                                   | <b>449</b>    | <b>5,471</b> | <b>-</b>                       | <b>2,496</b> | <b>415</b>           | <b>912</b> |                                | <b>198</b>    | <b>24</b>                                   | <b>73</b>  |                                |

(\*) The Group opted for the deduction of CET1 capital instead of the 1,250% weighting.

(\*\*) After application of the regulatory ceiling. Capital requirements correspond to 8% of risk-weighted assets.

Guarantees on securitisation positions amounted to EUR 142 million as at 31 December 2023, compared with EUR 188 million at 31 December 2022.

## 5.6 Counterparty credit risk

Counterparty credit risk is the translation of the credit risk embedded in financial transactions, investments and/or settlement transactions between counterparties. Those transactions include bilateral contracts such as over-the-counter (OTC) derivative contracts as well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions.

Counterparty risk lies in the event that a counterparty defaults on its obligations to pay the Bank the full present value of the flows relating to a transaction or a portfolio for which the Bank is a net receiver. Counterparty credit risk is also linked to the replacement cost of a derivative or portfolio in the event of counterparty default. Hence, it can be seen as a market risk in case of default or a contingent risk.

In respect of counterparty risk, the RISK function is structured according to five main priorities:

- measuring exposure to counterparty credit risk;
- checking and analysing these exposures and the limits that apply to them;
- implementing mechanisms to reduce risk;
- calculating and managing credit valuation adjustments (CVA);
- defining and implementing stress tests.

### COUNTERPARTY CREDIT RISK VALUATION

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#### COUNTERPARTY EXPOSURE CALCULATION

Exposure to counterparty risk is measured using two approaches:

##### Modelled exposure – Internal model method

With regard to modelling counterparty risk exposure, the exposure at default (EAD) for counterparty risk is calculated based on the Effective Expected Positive Exposure (EEPE) indicator multiplied by the alpha regulatory factor as defined in article 284-4 of Regulation (EU) No. 575/2013. The Effective Expected Positive Exposure (EEPE) is measured using an internal exposure valuation model to determine exposure profiles. The model was developed by the Group and approved by the supervisor.

The principle of the model is to simulate the main risk factors, such as commodity and equity prices, interest rates and foreign exchange rates, affecting the counterparty risk exposure, based on their initial respective values. The Bank uses Monte-Carlo simulations to generate thousands of time trajectories (corresponding to thousands of potential market scenarios) to define potential changes in risk factors. The diffusion processes used by the model are calibrated on the most recent historic data set over a four-year period.

Based on all the risk factor simulations, the model assesses the value of the positions from the simulation date to the transaction maturity date (from one day to more than thirty years for the longest-term transactions) to generate an initial set of exposure profiles.

Exposure may be reduced by a Master Agreement, and may also be covered by a Credit Support Annex (CSA). For each counterparty, the model aggregates the exposures taking into consideration any netting agreements and credit support annexes, as well as the potentially risky nature of the collateral exchanged.

Based on the breakdown of exposure to the counterparty, the model determines the following in particular:

- The average risk profile, the Expected Positive Exposure (EPE), from which the EEPE (Effective Expected Positive Exposure) is calculated:

the Expected Positive Exposure (EPE) profile is calculated as the average of the breakdown of counterparty exposures at each point in the simulation, with the negative portions of the trajectories set to zero (the negative portions correspond to situations where BNP Paribas Group is a risk for the counterparty). The EEPE is calculated as the first-year average of the non-decreasing EPE profile: at each simulation date, the value taken is the maximum of the EPE value and the value on the previous simulation date.

- The Potential Future Exposure (PFE) profile:

the Potential Future Exposure (PFE) profile is calculated as a 90% percentile of the breakdown of exposure to the counterparty at each point in the simulation. This percentile is raised to 99% for hedge fund counterparties. The highest Potential Future Exposure value (Max PFE) is used to monitor maximum limits.

Since 1 January 2014, date of entry into force of Regulation (EU) No. 575/2013, the system for measuring exposures to counterparty risk takes into account:

- extension of the margin periods of risk in accordance with article 285 of the CRR;

- inclusion of the specific correlation risk;
- determination of a stressed EEPE calculated based on a calibration reflecting a particular period of stress.

## Non-modelled exposure – Method SA-CCR

For non-modelled counterparty credit risk exposures, the derivative exposure at default is calculated using the standardised approach for counterparty credit risk (Standardised Approach for Counterparty Credit Risk – SA-CCR) in accordance with Article 274 of Regulation (EU) No. 2019/876.

The exposure at default of a netting set using the standardised approach to counterparty risk is based on:

- the replacement cost (RC), calculated in accordance with Article 275;
- potential future exposure (PFE), calculated in accordance with Article 278;
- the regulatory factor alpha, set in accordance with Article 274.

The exposure at default on securities financing transactions (SFTs) is calculated using the Financial Collateral Comprehensive Method in accordance with Article 223 of Regulation (EU) No. 575/2013.

## LIMIT/MONITORING FRAMEWORK

Limits reflecting the principles of the Group's Risk Appetite Statement are defined for the counterparty credit risk. These limits are set in accordance with the type of counterparty (banks, institutional investors, asset managers, corporates, clearing houses, etc.) and the type of exposure used to measure and manage counterparty risk:

- the highest value of potential future exposures (Max PFE) for modelled exposures;
- the exposure value calculated using the standardised approach for non-modelled exposures.

The exposure of each counterparty is calculated to verify compliance with credit decisions.

These limits are defined and calibrated as part of the risk approval process. They are approved in the following committees (listed in ascending order of discretionary authority): Local Credit Committee, Regional Credit Committee, Global Credit Committee, General Management Credit Committee.

These measures are complemented by sets of directives (covering contingent market risk sensitivities per counterparty which are extracted from the market risk system) which provide further tools in the monitoring of counterparty credit risk and the prevention of systemic risk concentrations.

## MITIGATION OF COUNTERPARTY CREDIT RISK

As part of its risk management, the BNP Paribas Group implemented three counterparty risk mitigation mechanisms:

- the signature of netting agreements for OTC transactions;
- clearing through central counterparties, in the case of OTC or listed derivative transactions;
- Bilateral initial margin exchange.

### Netting agreements

Netting is used by the Bank in order to mitigate counterparty credit risk associated with derivative trading. The main instance where netting occurs is in case of trade termination: if the counterparty defaults, all the trades are terminated at their current market value, and all the positive and negative market values are summed to obtain a single amount (net) to be paid to or received from the counterparty. The balance ("close-out netting") may be collateralised with cash, securities or deposits.

The Bank also applies settlement netting in order to mitigate counterparty credit risk in cases of currency settlement. This corresponds to the netting of all payments and receipts between the Bank and one counterparty in the same currency to be settled in the same day. The netting results in a single amount (for each currency) to be paid either by the Bank or by the counterparty.

Transactions affected by this are processed in accordance with bilateral or multilateral agreements respecting the general principles of the national or international framework. The main forms of bilateral agreements are those issued by *Fédération bancaire française* (FBF) and on an international basis by the International Swaps and Derivatives Association (ISDA).

### Trade clearing through central counterparties

Trade clearing through central counterparties (CCPs) is part of BNP Paribas usual capital market activities. As a global clearing member, BNP Paribas contributes to the risk management framework of the CCPs through payment to a default fund as well as daily margin calls. The rules which define the relationships between BNP Paribas and the CCPs of which it is a member are described in each CCP's rulebook.

For Europe, the United Kingdom and the United States in particular, this scheme enables the reduction of notional amounts through the netting of the portfolio, on one hand, and, on the other, a transfer of the risk from several counterparties to a single central counterparty with a robust risk management framework.

In its clearing for third parties activity, BNP Paribas requests as well, and on a daily basis, the payment of margin calls from its clients.

Since default by one or more clearing houses would affect BNP Paribas, it has introduced dedicated monitoring of these central counterparties and closely tracks concentrations with them.

### **Bilateral initial margin exchange**

Regulation (EU) No. 648/2012 (EMIR) stipulates the establishment of additional constraints for players in the derivatives markets, including the obligation to exchange collateral for contracts that are not centrally cleared. An initial guarantee deposit must be made by the Bank's most significant financial and non-financial counterparties. The purpose of this exchange is to mitigate the counterparty credit risk associated with over-the-counter derivative trading that is not centrally cleared. The Bank's transactions with sovereign borrowers, central banks, and supranational entities are excluded from this system.

If the counterparty defaults, all the trades are terminated at their current market value by the Bank. The initial guarantee deposit hedges the variation in the value of transactions during this liquidation period. The initial deposit reflects an extreme but plausible estimate of potential losses corresponding to a unilateral interval of confidence of 99% over a ten-day period, based on historic data including an episode of significant financial tensions.

The initial deposit must be bilaterally traded on a gross basis between the Bank and the counterparty. It is kept by a third party so as to guarantee that the Bank immediately has access to the counterparty's deposit and that the Bank's deposit be protected in case the counterparty defaults.

### **CREDIT VALUATION ADJUSTMENTS (CVA)**

The valuation of financial OTC trades carried out by BNP Paribas as part of its trading activities (mainly Global Markets) includes Credit Valuation Adjustments (CVA). CVA is an adjustment of the trading portfolio valuation to take into account each counterparty's credit risk. It is the fair value on any expected loss arising from counterparty exposure based on the potential positive value of the contract, the counterparty default probability and the estimated recovery rate in case of default.

The majority of counterparty credit risk exposures on derivatives are related to the Group's interest rate, credit and foreign exchange activities, all underlying assets, and all business lines combined.

The credit valuation adjustment is not only a function of the expected exposure but also the credit risk level of the counterparty, which is linked to the level of the Credit Default Swaps (CDS) spreads used in the default probability calculation.

In order to reduce the risk associated with the credit quality deterioration embedded in a financial operations portfolio, BNP Paribas uses a dynamic hedging strategy, involving the purchase of market instruments such as credit derivative instruments. (See *CVA risk management* in the section *Counterparty risk management*).

### **Risk related to the volatility of CVAS (CVA risk)**

To protect banks against the risk of losses due to CVA variations, Regulation (EU) No. 575/2013 introduced a dedicated capital charge, the CVA charge. This charge aims at capitalising the risk of loss caused by changes in the credit spread of a counterparty to which the BNP Paribas Group is exposed. The CVA charge is computed by the Group using mainly the advanced method and relies on the Bank's model on market risk (see section *CVA Risk* hereafter).

### **STRESS TESTS AND WRONG WAY RISK**

The BNP Paribas counterparty risk stress testing framework is consistent with the market risk framework (see section 5.7 *Market risk related to trading activities*). As such, the counterparty stress testing framework is implemented in conjunction with the market risk stress testing and employs consistent market shifts where scenarios are shared. Testing also comprises factors specific to counterparty risk such as deteriorations in counterparty credit quality.

Such risk analysis is present within the Executive Management reporting framework which shares some common forums with the market risk reporting set up such as the Financial Markets Risk Committee (FMRC), core risk committee for market and counterparty credit risk. Both counterparty and market risk stress testing frameworks are governed by the Stress Testing Steering Committee.

Wrong Way Risk (or unfavourable correlation risk) is the case of exposure to a counterparty being inversely correlated with the counterparty's credit quality.

Such risk can be split in two parts:

- General Wrong Way Risk (GWWR), which corresponds to the risk that the probability of default by counterparty is positively correlated with general market risk factors;
- Specific Wrong Way Risk (SWWR), which corresponds to the risk arising when future exposure to a specific counterparty is positively correlated with the counterpart's probability of default due to the nature of the transactions with the counterparty or of the collateral received.

BNP Paribas' monitoring and analysis of General Wrong Way Risk is performed through stress tests that highlight the risk factors negatively correlated with the counterparty's credit quality. It combines a top-down approach and a bottom-up approach:

- for the top-down approach, the GWWR policy defines the generic rules and criteria to be used to detect GWWR. These criteria are based on the countries of incorporation of the counterparties, the region of which they are part and the industries in which they are involved. Derivative positions, structured financing, and collateral that counterparties may have with BNP Paribas have been defined as the situations where GWWR should be analysed and reported;
- the GWWR framework relies upon a robust bottom-up approach with the expertise of the counterparty credit analysts specifically needed to define the most impacting scenarios at portfolio level (the approach consists of the use of stressed market parameters reflecting extreme but realistic conditions).

When a legal link between the exposure underlyings and the counterparty is established, the SWWR is subject to prescribed regulatory capital treatment.

## EXPOSURE TO COUNTERPARTY CREDIT RISK

The table below shows exposure to counterparty credit risk (measured as the exposure at default) by Basel asset class on derivative contracts and securities lending/borrowing transactions, after the impact of any netting agreement. Bilateral transactions between the Bank and customers (bilateral counterparty risk) are distinguished from transactions related to the clearing activities of the Bank, including essentially exposures to central counterparties (CCP).

**TABLE 69: COUNTERPARTY CREDIT RISK EXPOSURE AT DEFAULT BY ASSET CLASS (EXCL. CVA RISK CHARGE)**

| <i>In millions of euros</i>                           | 31 December 2023 |                       |                | 31 December 2022 |                       |                |                 |
|---|------------------|-----------------------|----------------|------------------|-----------------------|----------------|-----------------|
|   | EAD              |                       |                | EAD Variation    |                       |                |                 |
|   | IRBA             | Standardised approach | Total          | IRBA             | Standardised approach | Total          | Total           |
| <b>Bilateral counterparty credit risk</b>             | <b>140,157</b>   | <b>2,760</b>          | <b>142,916</b> | <b>147,061</b>   | <b>1,975</b>          | <b>149,036</b> | <b>(6,119)</b>  |
| Central governments and central banks                 | 23,023           | 38                    | 23,061         | 26,737           | 49                    | 26,786         | (3,725)         |
| Corporates <sup>(*)</sup>                             | 72,727           | 1,798                 | 74,525         | 93,069           | 1,103                 | 94,172         | (19,647)        |
| Institutions <sup>(**)</sup>                          | 44,406           | 922                   | 45,328         | 27,255           | 795                   | 28,050         | 17,278          |
| Retail  |                  | 2                     | 2              |                  | 27                    | 27             | (25)            |
| <b>Exposure to CCP related to clearing activities</b> | <b>4,489</b>     | <b>51,884</b>         | <b>56,373</b>  | <b>1,778</b>     | <b>71,056</b>         | <b>72,834</b>  | <b>(16,461)</b> |
| <b>TOTAL</b>  | <b>144,646</b>   | <b>54,644</b>         | <b>199,289</b> | <b>148,839</b>   | <b>73,031</b>         | <b>221,870</b> | <b>(22,580)</b> |

(\*) Corporates asset class includes other risky assets (EUR 3 million at 31 December 2022).

(\*\*) Institutions asset class comprises credit institutions and investment firms, including those recognised in other countries, it also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not treated as central government authorities.

For bilateral counterparty credit risk, the share of exposures under the IRB approach represented 98% at 31 December 2023 (stable compared with 31 December 2022).

The following table summarises the exposures to counterparty credit risk with a breakdown by product. An indication of the Group's business volume on derivative financial instruments booked in the trading portfolio is presented in note 5.a *Financial instruments at fair value through profit or loss* to the consolidated financial statements.

**TABLE 70: COUNTERPARTY CREDIT RISK EXPOSURE AT DEFAULT BY PRODUCT (EXCL. CVA RISK CHARGE)**

| <i>In millions of euros</i> | 31 December 2023 | 31 December 2022 |
|-----------------------------|------------------|------------------|
|                             | EAD              | EAD              |

|                                   | Exposure to CCP                          |        |                                      |         |         | Exposure to CCP                          |        |                                      |         |         |
|-----------------------------------|--|--------|--------------------------------------|---------|---------|--|--------|--------------------------------------|---------|---------|
|                                   | Bilateral<br>counterparty<br>credit risk |        | related to<br>clearing<br>activities |         | Total   | Bilateral<br>counterparty<br>credit risk |        | related to<br>clearing<br>activities |         | Total   |
|                                   |  |        |                                      |         |         |  |        |                                      |         |         |
| OTC derivatives                   | 78,438                                   | 96.19% | 3,108                                | 3.81%   | 81,546  | 89,517                                   | 85.88% | 14,715                               | 14.12%  | 104,233 |
| Securities Financing Transactions | 64,478                                   | 81.74% | 14,406                               | 18.26%  | 78,885  | 59,514                                   | 93.82% | 3,919                                | 6.18%   | 63,434  |
| Listed derivatives                |  |        | 18,399                               | 100.00% | 18,399  |  |        | 38,315                               | 100.00% | 38,315  |
| Default fund contribution         |  |        | 20,459                               | 100.00% | 20,459  |  |        | 15,885                               | 100.00% | 15,885  |
| TOTAL                             | 142,916                                  | 71.71% | 56,373                               | 28.29%  | 199,289 | 149,036                                  | 67.17% | 72,834                               | 32.83%  | 221,870 |

## BILATERAL COUNTERPARTY CREDIT RISK

The bilateral counterparty risk corresponds to the contracts treated bilaterally (or over-the-counter) by BNP Paribas with its clients.

The exposure at default (EAD) is primarily measured with the aid of internal models (see paragraph *Counterparty exposure calculation*). For the perimeter not covered by internal models (limited mainly to subsidiaries BNL and TEB), EAD is calculated using the standardised approach to counterparty credit risk. Risk-weighted assets linked to counterparty credit risk are computed by multiplying EAD by an appropriate weighting according to the approach used (standardised or IRBA).

The following table shows a summary, by approach, of the regulatory exposures of counterparty credit risk and associated risk-weighted assets for the entire scope of the BNP Paribas Group's bilateral activities, which represents the bulk of counterparty credit risk exposures.

Since 30 June 2021, exposures not modelled are calculated according to the provisions of Article 274 of Regulation (EU) No. 2019/876 (SA-CCR method) and no longer using the "Mark-to-market" valuation method.

**TABLE 71: BILATERAL COUNTERPARTY CREDIT RISK EXPOSURES AT DEFAULT BY APPROACH (EU CCR1)**

|   | a                    | b         | c                    | d          | e              | f              | g              | h             |                  |               |
|---|----------------------|-----------|----------------------|------------|----------------|----------------|----------------|---------------|------------------|---------------|
|   |                      |           |                      |            |                |                |                |               | 31 December 2023 |               |
|   |                      |           |                      |            |                |                |                |               |                  | RWA           |
|   |                      | Potential |                      | Alpha      |                | Exposure       |                |               |                  |               |
|   |                      | future    |                      | used for   |                | value          |                |               |                  |               |
|   |                      | exposure  |                      | computing  | Exposure       | post-          | Exposure       |               | Of which         | Of which      |
|   | Replacement          | (PFE)     | EEPE <sup>(**)</sup> | regulatory | value          | CRM            | value          |               | standard         | IRB           |
| <i>In millions of euros</i>   | cost <sup>(RC)</sup> |           |                      | exposure   | pre-CRM        |                |                |               | approach         | approach      |
| EU – Original<br>Exposure Method<br>EU1(for derivatives)                    |                      |           |                      | value      |                |                |                |               |                  |               |
| EU – Simplified SA-<br>CCR<br>EU2(for derivatives)                          |                      |           |                      |            |                |                |                |               |                  |               |
| 1 SA-CCR (for<br>derivatives)   | 906                  | 3,159     |                      | 1.40       | 5,692          | 5,692          | 5,692          | 3,287         | 1,596            | 1,691         |
| 2 IMM (for derivatives<br>and SFTs) <sup>(*)</sup>                          |                      |           | 86,754               | 1.55       | 134,468        | 134,468        | 134,282        | 28,904        | 231              | 28,674        |
| 2a <i>of which securities<br/>financing<br/>transactions</i>                |                      |           | 39,703               |            | 61,540         | 61,540         | 61,535         | 7,821         | 53               | 7,768         |
| 2b <i>of which<br/>derivatives and<br/>long settlement<br/>transactions</i> |                      |           | 47,050               |            | 72,928         | 72,928         | 72,747         | 21,083        | 177              | 20,906        |
| 2c <i>of which from<br/>contractual cross-<br/>product netting<br/>sets</i> |                      |           |                      |            |                |                |                |               |                  |               |
| 3 Financial collateral<br>simple method (for<br>SFTs)                       |                      |           |                      |            |                |                |                |               |                  |               |
| 4 Financial collateral<br>comprehensive<br>method (for SFTs)                |                      |           |                      |            | 2,943          | 2,943          | 2,943          | 452           | 168              | 284           |
| 5 VaR for SFTs  |                      |           |                      |            |                |                |                |               |                  |               |
| <b>6 TOTAL</b>  |                      |           |                      |            | <b>143,103</b> | <b>143,103</b> | <b>142,916</b> | <b>32,643</b> | <b>1,995</b>     | <b>30,648</b> |

(\*) Securities Financing Transactions.

(\*\*) Effective Expected Positive Exposure.

(\*\*\*) Credit risk mitigation.



|  | a                     | b         | c                    | d              | e              | f              | g              | h             |                  |               |
|--|-----------------------|-----------|----------------------|----------------|----------------|----------------|----------------|---------------|------------------|---------------|
|  |                       |           |                      |                |                |                |                |               | 31 December 2022 |               |
|  |                       |           |                      |                |                |                |                |               | RWA              |               |
|  |                       | Potential |                      | Alpha          |                | Exposure       |                |               |                  |               |
|  |                       | future    |                      | used for       |                | value          |                |               |                  |               |
|  |                       | exposure  |                      | computing      | Exposure       | post-          | Exposure       |               | Of which         | Of which      |
|  |                       | (PFE)     | EEPE <sup>(**)</sup> | regulatory     | value          | CRM            | value          |               | standard         | IRB           |
| <i>In millions of euros</i>                              | Replacement cost (RC) |           |                      | exposure value | pre-CRM        |                |                |               | approach         | approach      |
| EU – Original Exposure Method EU1 (for derivatives)      |                       |           |                      |                |                |                |                |               |                  |               |
| EU – Simplified SA-CCR (for EU2 derivatives)             |                       |           |                      |                |                |                |                |               |                  |               |
| 1 SA-CCR (for derivatives)                               | 363                   | 655       |                      | 1.40           | 1,425          | 1,425          | 1,425          | 1,208         | 1,184            | 24            |
| 2 IMM (for derivatives and SFTs) <sup>(*)</sup>          |                       |           | 91,812               | 1.60           | 146,900        | 146,900        | 146,873        | 31,072        | 203              | 30,869        |
| 2a of which securities financing transactions            |                       |           | 36,738               |                | 58,781         | 58,781         | 58,781         | 6,618         | 100              | 6,518         |
| 2b of which derivatives and long settlement transactions |                       |           | 55,074               |                | 88,119         | 88,119         | 88,092         | 24,454        | 103              | 24,351        |
| 2c of which from contractual cross-product netting sets  |                       |           |                      |                |                |                |                |               |                  |               |
| 3 Financial collateral simple method (for SFTs)          |                       |           |                      |                |                |                |                |               |                  |               |
| 4 Financial collateral comprehensive method (for SFTs)   |                       |           |                      |                | 734            | 734            | 734            | 1,031         |                  | 1,031         |
| 5 VaR for SFTs   |                       |           |                      |                |                |                |                |               |                  |               |
| <b>6 TOTAL</b>   |                       |           |                      |                | <b>149,059</b> | <b>149,059</b> | <b>149,032</b> | <b>33,311</b> | <b>1,386</b>     | <b>31,925</b> |

(\*) Securities Financing Transactions.

(\*\*) Effective Expected Positive Exposure.

(\*\*\*) Credit risk mitigation.

TABLE 72: IRBA BILATERAL COUNTERPARTY CREDIT RISK EXPOSURE AT DEFAULT (EU CCR4)

|  |                 | a                | b            | c                  | d           | e                | f             | g          |
|--|-----------------|------------------|--------------|--------------------|-------------|------------------|---------------|------------|
|  |                 | 31 December 2023 |              |                    |             |                  |               |            |
| <i>In millions of euros</i>            | PD scale        | EAD              | Average PD   | Number of obligors | Average LGD | Average maturity | RWAs          | Average RW |
| 1 Central governments or central banks | 0.00 to < 0.15% | 22,702           | 0.02%        | 100 to 1,000       | 2%          | 2                | 97            | 0%         |
| 2                                      | 0.15 to < 0.25% | 126              | 0.18%        | 0 to 100           | 20%         | 2                | 27            | 22%        |
| 3                                      | 0.25 to < 0.50% | 131              | 0.30%        | 0 to 100           | 50%         | 0                | 61            | 46%        |
| 4                                      | 0.50 to < 0.75% | 1                | 0.69%        | 0 to 100           | 50%         | 1                | 1             | 81%        |
| 5                                      | 0.75 to < 2.50% | 48               | 1.45%        | 0 to 100           | 11%         | 5                | 19            | 40%        |
| 6                                      | 2.50 to < 10.0% |                  |              |                    |             |                  |               |            |
| 7                                      | 10 to < 100%    | 14               | 21.81%       | 0 to 100           | 40%         |                  |               | 247%       |
| 8                                      | 100% (Default)  |                  |              |                    |             |                  |               |            |
| <b>SUB-TOTAL</b>                       |                 | <b>23,023</b>    | <b>0.04%</b> |                    | <b>2%</b>   | <b>2</b>         | <b>240</b>    | <b>1%</b>  |
| 1 Institutions                         | 0.00 to < 0.15% | 39,668           | 0.05%        | 1,000 to 10,000    | 36%         | 1                | 4,960         | 13%        |
| 2                                      | 0.15 to < 0.25% | 2,534            | 0.17%        | 100 to 1,000       | 40%         | 1                | 940           | 37%        |
| 3                                      | 0.25 to < 0.50% | 1,360            | 0.35%        | 100 to 1,000       | 50%         | 1                | 710           | 52%        |
| 4                                      | 0.50 to < 0.75% | 147              | 0.59%        | 100 to 1,000       | 42%         | 1                | 93            | 63%        |
| 5                                      | 0.75 to < 2.50% | 364              | 1.15%        | 100 to 1,000       | 60%         | 1                | 438           | 120%       |
| 6                                      | 2.50 to < 10.0% | 317              | 3.07%        | 100 to 1,000       | 50%         | 1                | 414           | 131%       |
| 7                                      | 10 to < 100%    | 16               | 23.14%       | 0 to 100           | 63%         | 0                | 58            | 361%       |
| 8                                      | 100% (Default)  |                  |              |                    |             |                  |               |            |
| <b>SUB-TOTAL</b>                       |                 | <b>44,406</b>    | <b>0.10%</b> |                    | <b>37%</b>  | <b>1</b>         | <b>7,612</b>  | <b>17%</b> |
| 1 Corporates                           | 0.00 to < 0.15% | 56,435           | 0.06%        | 1,000 to 10,000    | 31%         | 1                | 10,992        | 19%        |
| 2                                      | 0.15 to < 0.25% | 5,292            | 0.18%        | 1,000 to 10,000    | 39%         | 2                | 2,008         | 38%        |
| 3                                      | 0.25 to < 0.50% | 4,515            | 0.32%        | 1,000 to 10,000    | 37%         | 2                | 2,471         | 55%        |
| 4                                      | 0.50 to < 0.75% | 631              | 0.69%        | 100 to 1,000       | 35%         | 2                | 419           | 66%        |
| 5                                      | 0.75 to < 2.50% | 3,575            | 1.36%        | 1,000 to 10,000    | 46%         | 1                | 3,493         | 98%        |
| 6                                      | 2.50 to < 10.0% | 1,873            | 4.44%        | 1,000 to 10,000    | 47%         | 2                | 2,794         | 149%       |
| 7                                      | 10 to < 100%    | 301              | 17.15%       | 100 to 1,000       | 42%         | 2                | 619           | 206%       |
| 8                                      | 100% (defaults) | 106              | 100.00%      | 0 to 100           | 43%         | 2                | 1             | 1%         |
| <b>SUB-TOTAL</b>                       |                 | <b>72,727</b>    | <b>0.48%</b> |                    | <b>33%</b>  | <b>1</b>         | <b>22,796</b> | <b>31%</b> |
| Retail                                 |                 | n.s.             | n.s.         |                    | n.s.        | n.s.             | n.s.          | n.s.       |
| <b>TOTAL</b>                           |                 | <b>140,157</b>   | <b>0.29%</b> |                    | <b>29%</b>  | <b>1</b>         | <b>30,648</b> | <b>22%</b> |

|  |                 | a             | b            | c                  | d           | e                | f             | g          |
|--|-----------------|---------------|--------------|--------------------|-------------|------------------|---------------|------------|
| 31 December 2022                       |                 |               |              |                    |             |                  |               |            |
| <i>In millions of euros</i>            | PD scale        | EAD           | Average PD   | Number of obligors | Average LGD | Average maturity | RWAs          | Average RW |
| 1 Central governments or central banks | 0.00 to < 0.15% | 26,356        | 0.01%        | 100 to 1,000       | 1%          | 1                | 53            | 0%         |
| 2                                      | 0.15 to < 0.25% | 147           | 0.17%        | 0 to 100           | 20%         | 2                | 26            | 18%        |
| 3                                      | 0.25 to < 0.50% | 170           | 0.31%        | 0 to 100           | 47%         | 0                | 66            | 39%        |
| 4                                      | 0.50 to < 0.75% |               |              |                    |             |                  |               |            |
| 5                                      | 0.75 to < 2.50% | 3             | 1.07%        | 0 to 100           | 50%         | 1                | 3             | 101%       |
| 6                                      | 2.50 to < 10.0% |               |              |                    |             |                  |               |            |
| 7                                      | 10 to < 100%    | 61            | 21.79%       | 0 to 100           | n/a         |                  | n/a           | n/a        |
| 8                                      | 100% (Default)  |               |              |                    |             |                  |               |            |
| <b>SUB-TOTAL</b>                       |                 | <b>26,737</b> | <b>0.07%</b> |                    | <b>2%</b>   | <b>1</b>         | <b>436</b>    | <b>2%</b>  |
| 1 Institutions                         | 0.00 to < 0.15% | 23,963        | 0.05%        | 10,000 to 20,000   | 41%         | 1                | 3,903         | 16%        |
| 2                                      | 0.15 to < 0.25% | 1,293         | 0.18%        | 100 to 1,000       | 45%         | 1                | 527           | 41%        |
| 3                                      | 0.25 to < 0.50% | 1,188         | 0.34%        | 100 to 1,000       | 52%         | 1                | 764           | 64%        |
| 4                                      | 0.50 to < 0.75% | 201           | 0.61%        | 0 to 100           | 55%         | 1                | 185           | 92%        |
| 5                                      | 0.75 to < 2.50% | 449           | 1.26%        | 100 to 1,000       | 56%         | 1                | 476           | 106%       |
| 6                                      | 2.50 to < 10.0% | 117           | 3.70%        | 0 to 100           | 58%         | 1                | 181           | 154%       |
| 7                                      | 10 to < 100%    | 44            | 14.33%       | 0 to 100           | 49%         | 1                | 104           | 238%       |
| 8                                      | 100% (Default)  |               |              | 0 to 100           |             |                  |               |            |
| <b>SUB-TOTAL</b>                       |                 | <b>27,255</b> | <b>0.13%</b> |                    | <b>42%</b>  | <b>1</b>         | <b>6,140</b>  | <b>23%</b> |
| 1 Corporates                           | 0.00 to < 0.15% | 74,593        | 0.05%        | 20,000 to 30,000   | 32%         | 1                | 12,501        | 17%        |
| 2                                      | 0.15 to < 0.25% | 6,124         | 0.17%        | 1,000 to 10,000    | 37%         | 1                | 2,065         | 34%        |
| 3                                      | 0.25 to < 0.50% | 6,459         | 0.31%        | 1,000 to 10,000    | 34%         | 1                | 3,062         | 47%        |
| 4                                      | 0.50 to < 0.75% | 776           | 0.68%        | 100 to 1,000       | 36%         | 2                | 519           | 67%        |
| 5                                      | 0.75 to < 2.50% | 3,339         | 1.31%        | 1,000 to 10,000    | 58%         | 2                | 4,308         | 129%       |
| 6                                      | 2.50 to < 10.0% | 1,329         | 4.32%        | 1,000 to 10,000    | 59%         | 2                | 2,115         | 159%       |
| 7                                      | 10 to < 100%    | 356           | 15.85%       | 100 to 1,000       | 43%         | 2                | 778           | 218%       |
| 8                                      | 100% (Default)  | 93            | 100.00%      | 100 to 1,000       |             |                  | 0             | 0%         |
| <b>SUB-TOTAL</b>                       |                 | <b>93,069</b> | <b>0.35%</b> |                    | <b>34%</b>  | <b>1</b>         | <b>25,349</b> | <b>27%</b> |
| Retail                                 |                 | n.s.          | n.s.         |                    | n.s.        | n.s.             | n.s.          | n.s.       |

|              |                |              |            |          |               |            |
|--------------|----------------|--------------|------------|----------|---------------|------------|
| <b>TOTAL</b> | <b>147,061</b> | <b>0.26%</b> | <b>30%</b> | <b>1</b> | <b>31,925</b> | <b>22%</b> |
|--------------|----------------|--------------|------------|----------|---------------|------------|

**TABLE 73: STANDARDISED BILATERAL COUNTERPARTY CREDIT RISK EXPOSURE AT DEFAULT (EU CCR3)**

|  | a         | e          | f          | h          | i            | j           | l            |                         |
|--|-----------|------------|------------|------------|--------------|-------------|--------------|-------------------------|
|  |           |            |            |            |              |             |              | <b>31 December 2023</b> |
|  |           |            |            |            |              |             |              | <b>EAD</b>              |
|  |           |            |            |            |              |             |              | <b>Risk weight</b>      |
| <i>In millions of euros</i>            | <b>0%</b> | <b>20%</b> | <b>50%</b> | <b>75%</b> | <b>100%</b>  | <b>150%</b> | <b>Total</b> | <b>RWAs</b>             |
| 1 Central governments or central banks |           |            | 23         |            | 15           |             | 38           | 26                      |
| 2; 3; 4; 5; 6 Institutions             |           | 648        | 226        |            | 49           |             | 922          | 291                     |
| 7; 9; 10 Corporates                    |           | 23         | 203        |            | 1,524        | 48          | 1,798        | 1,676                   |
| 8 Retail                               |           |            |            | 2          |              |             | 2            | 2                       |
| <b>TOTAL</b>                           | <b>-</b>  | <b>671</b> | <b>451</b> | <b>2</b>   | <b>1,587</b> | <b>48</b>   | <b>2,760</b> | <b>1,995</b>            |

|   | a         | e          | f          | h          | i            | j           | l            |                         |
|---|-----------|------------|------------|------------|--------------|-------------|--------------|-------------------------|
|   |           |            |            |            |              |             |              | <b>31 December 2022</b> |
|   |           |            |            |            |              |             |              | <b>EAD</b>              |
|   |           |            |            |            |              |             |              | <b>Risk weight</b>      |
| <i>In millions of euros</i>               | <b>0%</b> | <b>20%</b> | <b>50%</b> | <b>75%</b> | <b>100%</b>  | <b>150%</b> | <b>Total</b> | <b>RWAs</b>             |
| 1 Central governments or central banks    |           |            | 41         |            | 8            |             | 49           | 28                      |
| 2; 3; 4; 5; 6 Institutions <sup>(*)</sup> |           | 574        | 140        |            | 81           |             | 795          | 266                     |
| 7; 9; 10 Corporates                       |           | 8          | 78         |            | 972          | 46          | 1,103        | 1,076                   |
| 8 Retail                                  |           |            |            | 27         |              |             | 27           | 20                      |
| <b>TOTAL</b>                              | <b>-</b>  | <b>582</b> | <b>259</b> | <b>27</b>  | <b>1,061</b> | <b>46</b>   | <b>1,975</b> | <b>1,390</b>            |

(\*) Asset class "Corporate" included Other risk assets with an amount of EUR 3 million at 31 December 2022.

## COUNTERPARTY CREDIT RISK FOR EXPOSURES TO CENTRAL COUNTERPARTIES ASSOCIATED WITH CLEARING ACTIVITIES

The capital requirements related to central counterparties (CCP) exposures correspond to an extension of the bilateral counterparty credit risk perimeter to clearing activities; it covers the cleared part of the OTC derivatives, repo portfolio as well as the listed derivatives portfolio.

It is equal to the sum of the following three elements:

- a charge resulting from exposures generated by clearing activities (proprietary and client clearing);
- a requirement resulting from the non-segregated initial margins posted to the CCP;
- a requirement resulting from the default fund contribution of the central counterparties.

For central counterparties (CCP), Regulation (EU) No. 575/2013 distinguishes qualifying central counterparties (QCCP) from non-qualifying central counterparties. Qualifying central counterparties correspond to central counterparties authorised or recognised in accordance with Regulation (EU) No. 648/2012.

The table below presents the breakdown of the risk-weighted assets by method and category of exposure to central counterparties.

**TABLE 74: EXPOSURES TO CCPS (EU CCR8)**

|                             |  | a                | b            | a                | b            |
|-----------------------------|--|------------------|--------------|------------------|--------------|
|                             |  | 31 December 2023 |              | 31 December 2022 |              |
| <i>In millions of euros</i> |  | EAD              | RWAs         | EAD              | RWAs         |
| <b>1</b>                    | <b>Exposures to QCCPs (total)</b>  |                  | <b>3,917</b> |                  | <b>2,349</b> |
| 2                           | Exposures for trades at QCCPs (excluding initial margin and default fund contributions);     | 33,385           | 1,720        | 44,669           | 1,140        |
| 3                           | of which OTC derivatives   | 2,669            | 126          | 4,208            | 93           |
| 4                           | of which exchange-traded derivatives   | 17,463           | 1,321        | 37,723           | 992          |
| 5                           | of which SFTs <sup>(*)</sup>   | 13,252           | 274          | 2,738            | 55           |
| 6                           | of which Netting sets where cross-product netting has been approved                          |                  |              |                  |              |
| 7                           | Segregated initial margin  |                  |              |                  |              |
| 8                           | Non-segregated initial margin  | 1,968            | 41           | 12,212           | 252          |
| 9                           | Prefunded default fund contributions   | 6,127            | 2,155        | 5,320            | 957          |
| 10                          | Unfunded default fund contributions  | 14,115           |              | 10,555           |              |
| <b>11</b>                   | <b>Exposures to non-eligible CCPs</b>  |                  | <b>3,276</b> |                  | <b>192</b>   |
| 12                          | Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); | 479              | 479          | 1                | 1            |
| 13                          | of which OTC derivatives   | 118              | 118          |                  |              |
| 14                          | of which exchange-traded derivatives   | 320              | 320          |                  |              |
| 15                          | of which SFTs <sup>(*)</sup>   | 41               | 41           | 1                | 1            |
| 16                          | of which netting sets where cross-product netting has been approved                          |                  |              |                  |              |
| 17                          | Segregated initial margin  |                  |              |                  |              |
| 18                          | Non-segregated initial margin  | 82               | 82           | 67               | 67           |
| 19                          | Prefunded default fund contributions   | 41               | 514          | 4                | 47           |
| 20                          | Unfunded default fund contributions  | 176              | 2,202        | 6                | 77           |

(\*) Securities Financing Transactions.

## CVA RISK

The CVA risk measures the risk of losses caused by changes in the credit valuation adjustments resulting from credit spread changes associated with the counterparties to whom the Group is exposed (see paragraph *Credit Valuation Adjustments (CVA)*).

Using the standardised approach, the capital requirement for credit valuation adjustment risk (CVA) is calculated according to the supervisory formula.

Using the IRB approach, the CVA risk capital charge is the sum of two elements:

- CVA VaR charge, which represents the own funds requirement measured from a VaR computation on CVA sensitivities to credit spreads;
- CVA SVaR charge, which represents the own funds requirement measured from a stressed VaR computation on CVA sensitivities to credit spreads.

**TABLE 75: CVA RISK CAPITAL CHARGE (EU CCR2)**

|  | a                | b            | a                | b            |
|--|------------------|--------------|------------------|--------------|
|  | 31 December 2023 |              | 31 December 2022 |              |
| <i>In millions of euros</i>              | EAD              | RWAs         | EAD              | RWAs         |
| <b>1 Advanced approach<sup>(*)</sup></b> | <b>51,629</b>    | <b>4,988</b> | <b>45,446</b>    | <b>6,137</b> |
| 2 CVA VaR charge                         |                  | 924          |                  | 1,295        |
| 3 CVA SVaR charge                        |                  | 4,064        |                  | 4,842        |
| <b>4 Standardised approach</b>           | <b>370</b>       | <b>200</b>   | <b>530</b>       | <b>327</b>   |
| <b>5 TOTAL</b>                           | <b>52,000</b>    | <b>5,189</b> | <b>45,976</b>    | <b>6,464</b> |

(\*) The EAD in advanced approach has been adjusted on the previous closing date on a specific counterparty. This change has no impact on the associated RWA.

## CVA RISK MANAGEMENT

CVA sensitivities to credit spreads are partially offset by the recognition of hedges. These hedges correspond to credit derivatives on certain identified counterparties or indices composed of identifiable counterparties.

Instruments authorised as hedges in the calculation of the capital requirements for credit valuation adjustment risk form a subset of the credit derivatives used as hedges by the Global Markets business in the management of its CVA.

## COUNTERPARTY CREDIT RISK MANAGEMENT

### CREDIT RISK MITIGATION TECHNIQUES

In the context of liquidity management and counterparty credit risk management, the BNP Paribas Group systematically monitors the collateral guarantees received and given, for both the portion hedging the contracts' market value (variation margin) and the risk of an adverse change in these market values in the event of a counterparty default (initial margin). The collateral given and received used in derivative contracts is mainly comprised of cash, and to a lesser extent, debt securities. The impact of the collateral received in clearing contracts is shown in the consolidated financial statements in note 5.o *Offsetting of financial assets and liabilities*.

As a general rule, when EAD is modelled in EEPE and weighted according to the IRB approach, the LGD (Loss Given Default) is not adjusted according to the collateral received since it is already taken into account in the "Effective Expected Positive Exposure" computation (see section *Bilateral counterparty risk*).

Collateral guarantees used in the standardised approach to reduce the EAD totalled EUR 690 million at 31 December 2023, compared with EUR 490 million at 31 December 2022.

The table below shows the breakdown of the collateral posted and received in respect of initial margins, margin calls as well as amounts in cash and in securities of repurchase agreements and securities lending and borrowing.

**TABLE 76: COMPOSITION OF COLLATERAL GIVEN AND RECEIVED (EU CCR5)**

|                                   | a  | b                | c                               | d                | e                                      | f                | g                               | h                |
|-----------------------------------|--|------------------|---------------------------------|------------------|--|------------------|---------------------------------|------------------|
|                                   | 31 December 2023                           |                  |                                 |                  |  |                  |                                 |                  |
|                                   | Collateral used in derivative transactions |                  |                                 |                  | Collateral used in SFTs <sup>(*)</sup> |                  |                                 |                  |
|                                   | Fair value of collateral received          |                  | Fair value of posted collateral |                  | Fair value of collateral received      |                  | Fair value of posted collateral |                  |
| <i>In millions of euros</i>       | Segregate<br>d                             | Unsegregate<br>d | Segregate<br>d                  | Unsegregate<br>d | Segregate<br>d                         | Unsegregate<br>d | Segregate<br>d                  | Unsegregate<br>d |
| Cash – domestic<br>1 currency     |  | 39,307           | 3,300                           | 49,002           |  | 203,858          | 1,110                           | 173,855          |
| Cash – other<br>2 currencies      |  | 38,320           | 1,337                           | 33,703           |  | 287,443          | 15                              | 262,674          |
| Domestic sovereign<br>3 debt-euro | 216  | 14,346           | 15,984                          | 12,851           |  | 206,202          | 4,108                           | 189,108          |
| Other sovereign<br>4 debt         | 6,707                                      | 6,735            | 2,317                           | 6,109            | 6                                      | 370,802          | 147                             | 306,124          |
| Government agency<br>5 debt       | 112  | 410              |                                 | 317              |  | 3,160            |                                 | 3,045            |
| Corporate<br>6 bonds              | 26,027                                     | 4,847            | 23,365                          | 2,128            | 2                                      | 94,165           |                                 | 125,513          |
| Equity<br>7 securities            | 125  | 13               |                                 |                  |  | 94,989           |                                 | 51,914           |
| Other<br>8 collateral             |  | 14               |                                 |                  |  | 6,261            |                                 | 16,332           |
| <b>9 TOTAL</b>                    | <b>33,186</b>                              | <b>103,992</b>   | <b>46,303</b>                   | <b>104,110</b>   | <b>7</b>                               | <b>1,266,880</b> | <b>5,379</b>                    | <b>1,128,565</b> |

(\*) Securities Financing Transactions.

|                             | a  | b              | c                               | d              | e                                      | f              | g                               | h              |
|-----------------------------|--|----------------|---------------------------------|----------------|--|----------------|---------------------------------|----------------|
|                             | 31 December 2022                           |                |                                 |                |  |                |                                 |                |
|                             | Collateral used in derivative transactions |                |                                 |                | Collateral used in SFTs <sup>(*)</sup> |                |                                 |                |
|                             | Fair value of collateral received          |                | Fair value of posted collateral |                | Fair value of collateral received      |                | Fair value of posted collateral |                |
| <i>In millions of euros</i> | Segregated                                 | Unsegregated   | Segregated                      | Unsegregated   | Segregated                             | Unsegregated   | Segregated                      | Unsegregated   |
|                             | d  | d              | d                               | d              | d                                      | d              | d                               | d              |
| Cash – domestic             |  |                |                                 |                |  |                |                                 |                |
| 1 currency                  |  | 47,462         | 2,552                           | 86,212         |  | 156,026        | 2,821                           | 154,694        |
| Cash – other                |  |                |                                 |                |  |                |                                 |                |
| 2 currencies                |  | 58,613         | 848                             | 30,652         |  | 97,635         |                                 | 146,290        |
| Domestic sovereign          |  |                |                                 |                |  |                |                                 |                |
| 3 debt-euro                 | 402  | 17,485         | 12,779                          | 5,742          |  | 202,959        | 1,382                           | 187,290        |
| Other sovereign             |  |                |                                 |                |  |                |                                 |                |
| 4 debt                      | 6,094                                      | 6,128          | 1,174                           | 3,776          | 2                                      | 229,008        | 294                             | 167,096        |
| Government agency           |  |                |                                 |                |  |                |                                 |                |
| 5 debt                      |  | 619            |                                 |                |  | 3,807          |                                 | 2,421          |
| Corporate bonds             |  |                |                                 |                |  |                |                                 |                |
| 6 bonds                     | 17,735                                     | 5,482          | 15,409                          | 125            | 216                                    | 70,744         |                                 | 46,772         |
| Equity securities           |  |                |                                 |                |  |                |                                 |                |
| 7 securities                | 642  | 25             |                                 |                |  | 96,322         |                                 | 66,879         |
| Other collateral            |  |                |                                 |                |  |                |                                 |                |
| 8 collateral                |  | 14             |                                 |                |  | 3,231          |                                 | 110            |
| <b>9 TOTAL</b>              | <b>24,874</b>                              | <b>135,827</b> | <b>32,762</b>                   | <b>126,507</b> | <b>218</b>                             | <b>859,732</b> | <b>4,497</b>                    | <b>771,552</b> |

(\*) Securities Financing Transactions.

The amount of additional collateral to be provided by the Group in the event of a credit rating downgrade is not significant.



## CREDIT DERIVATIVE EXPOSURES

The following table summarises all the notional amounts and market values of the trading portfolio credit derivatives.

**TABLE 77: CREDIT DERIVATIVES EXPOSURES (EU CCR6)**

| <i>In millions of euros</i>        | a                 | b               | a                 | b               |
|------------------------------------|-------------------|-----------------|-------------------|-----------------|
|                                    | 31 December 2023  |                 | 31 December 2022  |                 |
|                                    | Protection bought | Protection sold | Protection bought | Protection sold |
| <b>6 Notionals</b>                 | <b>455,307</b>    | <b>369,046</b>  | <b>548,220</b>    | <b>441,858</b>  |
| 1 Single-name credit default swaps | 186,611           | 154,081         | 211,302           | 168,367         |
| 2 Index credit default swaps       | 223,602           | 177,977         | 291,586           | 238,239         |
| 3 Total return swaps               | 10,647            | 5,426           | 10,919            | 3,654           |
| 4 Credit options                   | 31,396            | 31,562          | 33,749            | 31,598          |
| 5 Other credit derivatives         | 3,051             |                 | 665               |                 |
| <b>Fair values</b>                 | <b>(8,348)</b>    | <b>6,455</b>    | <b>(2,730)</b>    | <b>2,292</b>    |
| 7 Positive fair value (asset)      | 953               | 7,536           | 2,593             | 4,774           |
| 8 Negative fair value (liability)  | (9,301)           | (1,081)         | (5,324)           | (2,482)         |

## CAPITAL REQUIREMENT AND RISK-WEIGHTED ASSETS

**TABLE 78: COUNTERPARTY CREDIT RISK CAPITAL REQUIREMENT AND RISK-WEIGHTED ASSETS**

| <i>In millions of euros</i>                                   | RWAs             |                  |              | Capital requirements |                  |            |
|---|------------------|------------------|--------------|----------------------|------------------|------------|
|   | 31 December 2023 | 31 December 2022 | Variation    | 31 December 2023     | 31 December 2022 | Variation  |
| Bilateral counterparty credit risk                            | 32,191           | 32,280           | (89)         | 2,575                | 2,582            | (7)        |
| Exposure to CCP related to clearing activities <sup>(*)</sup> | 7,193            | 2,541            | 4,652        | 575                  | 203              | 372        |
| CVA risk  | 5,189            | 6,464            | (1,276)      | 415                  | 517              | (102)      |
| Others (general method based on financial collateral)         | 452              | 1,035            | (583)        | 36                   | 83               | (47)       |
| <b>TOTAL</b>  | <b>45,025</b>    | <b>42,320</b>    | <b>2,705</b> | <b>3,602</b>         | <b>3,386</b>     | <b>216</b> |

<sup>(\*)</sup> Counterparty credit risk related to clearing activities.

**TABLE 79: COUNTERPARTY CREDIT RWA MOVEMENTS BY KEY DRIVER (EU CCR7)**

**1st quarter 2024**

a

|                             |                            | RWAs - Counterparty credit risk                     |        | Capital Requirements - Counterparty credit risk |       |
|-----------------------------|----------------------------|---|--------|---|-------|
|                             |                            | of which internal model method (IMM) <sup>(1)</sup> |        | of which internal model method (IMM)            |       |
| <i>In millions of euros</i> |                            | Total   |        | Total   |       |
| 1                           | 31 December 2023           | 45,025  | 28,904 | 3,602   | 2,312 |
| 2                           | Asset size                 | 1,909   | 2,239  | 153   | 179   |
| 3                           | Asset quality              | 323   | 133    | 26  | 11    |
| 4                           | Model update               | 662   | 662    | 53  | 53    |
| 5                           | Methodology and policy     |   |        |   |       |
| 6                           | Acquisitions and disposals |   |        |   |       |
| 7                           | Currency                   | (4)   | 1      |   |       |
| 8                           | Other                      | (200)   | (262)  | (16)  | (21)  |
| 9                           | 31 March 2024              | 47,715  | 31,677 | 3,817   | 2,534 |

<sup>(1)</sup> Internal model method related to bilateral counterparty model (excluded CCP clearing).

## 5.7 Market risk

Market risk is the risk of incurring a loss of value due to adverse trends in market prices or parameters, whether directly observable or not.

Observable market parameters include, but are not limited to, exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, and other parameters that can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.

In fixed-income trading books, credit instruments are valued on the basis of bond yields and credit spreads, which represent market parameters in the same way as interest rates or foreign exchange rates. The credit risk arising on the issuer of the debt instrument is therefore a component of market risk known as issuer risk.

Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or goods may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.

The market risk related to banking activities encompasses the interest rate and foreign exchange risks stemming from banking intermediation activities.

Market risk is presented in this section in two parts:

- market risk linked to trading activities and corresponding to trading instruments and derivative contracts;
- market risk linked to banking activities encompassing the interest rate and foreign exchange risks stemming from banking intermediation activities.

## CAPITAL REQUIREMENTS AND RISK-WEIGHTED ASSETS

TABLE 80: MARKET RISK CAPITAL REQUIREMENT AND RISK-WEIGHTED ASSETS

| <i>In millions of euros</i> | RWAs             |                  |           | Capital requirements |                  |           |
|-----------------------------|------------------|------------------|-----------|----------------------|------------------|-----------|
|                             | 31 December 2023 | 31 December 2022 | Variation | 31 December 2023     | 31 December 2022 | Variation |
| Internal model approach     | 19,015           | 18,921           | 95        | 1,521                | 1,514            | 8         |

|  |               |               |              |              |              |            |
|--|---------------|---------------|--------------|--------------|--------------|------------|
| Standardised approach                    | 8,979         | 5,851         | 3,128        | 718          | 468          | 250        |
| Trading book<br>securitisation positions | 789           | 771           | 17           | 63           | 62           | 1          |
| <b>TOTAL</b>                             | <b>28,783</b> | <b>25,543</b> | <b>3,241</b> | <b>2,303</b> | <b>2,043</b> | <b>259</b> |

Within the BNP Paribas Group, market risk is primarily handled using the internal model approach.

At 31 December 2023, the increase in market risk-weighted assets is mainly related to the update by EBA of the list of closely correlated currencies. Thus, since 1 October 2023, the correlation of the euro with the US dollar and the yuan renminbi, among others, is no longer applied in the context of the calculation of foreign exchange risk under the standardised method.

**TABLE 81: MARKET RISK UNDER THE INTERNAL MODEL APPROACH (EU MR2-A)**

|                             |   | a                | b                    | a                | b                    |
|-----------------------------|---|------------------|----------------------|------------------|----------------------|
|                             |   | 31 December 2023 |                      | 31 December 2022 |                      |
| <i>In millions of euros</i> |   | RWAs             | Capital requirements | RWAs             | Capital requirements |
| <b>1</b>                    | <b>VaR<sup>(*)</sup> (higher of values 1.a and 1.b)</b>   | <b>4,134</b>     | <b>331</b>           | <b>5,635</b>     | <b>451</b>           |
| 1.a                         | Previous day's VaR (VaRt-1)   |                  | 116                  |                  | 119                  |
| 1.b                         | Average of the daily VaR on each of the preceding 60 business days x multiplication factor                              |                  | 331                  |                  | 451                  |
| <b>2</b>                    | <b>SVaR<sup>(*)</sup> (higher of values 2.a and 2.b)</b>  | <b>9,050</b>     | <b>724</b>           | <b>9,936</b>     | <b>795</b>           |
| 2.a                         | Latest SVaR   |                  | 229                  |                  | 256                  |
| 2.b                         | Average of the daily SVaR during the preceding 60 business days x multiplication factor                                 |                  | 724                  |                  | 795                  |
| <b>3</b>                    | <b>IRC<sup>(**)</sup> (higher of values 3.a and 3.b)</b>  | <b>5,170</b>     | <b>414</b>           | <b>2,731</b>     | <b>219</b>           |
| 3.a                         | Last measure  |                  | 346                  |                  | 203                  |
| 3.b                         | Average of the IRC number over the preceding 12 weeks   |                  | 414                  |                  | 219                  |
| <b>4</b>                    | <b>CRM<sup>(***)</sup> (higher of values 4.a, 4.b and 4.c)</b>  | <b>661</b>       | <b>53</b>            | <b>618</b>       | <b>49</b>            |
| 4.a                         | Last measure  |                  | 15                   |                  | 19                   |
| 4.b                         | Average of the CRM over the preceding 12 weeks  |                  | 33                   |                  | 42                   |
| 4.c                         | 8% of the capital requirement in the standardised approach on the most recent CRM for the correlation trading portfolio |                  | 53                   |                  | 49                   |
| <b>6</b>                    | <b>TOTAL</b>  | <b>19,015</b>    | <b>1,521</b>         | <b>18,921</b>    | <b>1,514</b>         |

(\*) VaR, SVaR and IRC include all the components taken into account in the calculation of RWA.

(\*\*) Incremental Risk Charge.

(\*\*\*) Comprehensive Risk Measure.

The market risk calculated using the standardised approach covers the market risk of some entities of the Group that are not covered by internal models. The standardised approach is used to calculate foreign exchange risk and raw materials risk for the banking book (see section 5.7 *Market risk related to banking activities*).

**TABLE 82: MARKET RISK UNDER THE STANDARDISED APPROACH (EU MR1)**

|                             |   | a                |                      | a                |                      |
|-----------------------------|---|------------------|----------------------|------------------|----------------------|
|                             |   | 31 December 2023 |                      | 31 December 2022 |                      |
| <i>In millions of euros</i> |   | RWAs             | Capital requirements | RWAs             | Capital requirements |
| <b>Outright products</b>    |   |                  |                      |                  |                      |
| 1                           | Interest rate risk (general and specific) | 405              | 32                   | 344              | 28                   |
| 2                           | Equity risk (general and specific)        | 1                | 0                    | 59               | 5                    |
| 3                           | Foreign exchange risk                     | 8,568            | 685                  | 5,434            | 435                  |
| 4                           | Commodity risk                            | 0                | 0                    | 0                | 0                    |
| <b>Options</b>              |   |                  |                      |                  |                      |
| 5                           | Simplified approach                       |                  |                      |                  |                      |
| 6                           | Delta-plus approach                       |                  |                      |                  |                      |
| 7                           | Scenario approach                         | 5                | 0                    | 13               | 1                    |
| 8                           | <b>Securitisation (specific risk)</b>     | <b>789</b>       | <b>63</b>            | <b>771</b>       | <b>62</b>            |
| 9                           | <b>TOTAL</b>                              | <b>9,768</b>     | <b>781</b>           | <b>6,622</b>     | <b>530</b>           |

**TABLE 83: MARKET RISK-WEIGHTED ASSETS MOVEMENTS BY KEY DRIVER (EU MR2-B)**
**1st quarter 2024**

|                             |                            | a            | b            | c                  | d                  | e                     | f             | g                          |
|-----------------------------|----------------------------|--------------|--------------|--------------------|--------------------|-----------------------|---------------|----------------------------|
| <i>In millions of euros</i> |                            | VaR          | SVaR         | IRC <sup>(1)</sup> | CRM <sup>(2)</sup> | Standardised approach | Total RWAs    | Total capital requirements |
| 1                           | <b>31 December 2023</b>    | <b>4,134</b> | <b>9,050</b> | <b>5,170</b>       | <b>661</b>         | <b>9,768</b>          | <b>28,783</b> | <b>2,303</b>               |
| 2                           | Asset size and quality     | 907          | (296)        | 1,360              | 137                | (81)                  | 2,027         | 162                        |
| 3                           | Model update               |              |              |                    |                    |                       |               |                            |
| 4                           | Methodology and policy     |              |              |                    |                    |                       |               |                            |
| 5                           | Acquisitions and disposals |              |              |                    |                    | (321)                 | (321)         | (26)                       |
| 6                           | Currency                   |              |              |                    |                    |                       |               |                            |
| 7                           | Other                      | 2            | 2            |                    |                    | (2,383)               | (2,379)       | (190)                      |
| 8                           | <b>31 March 2024</b>       | <b>5,043</b> | <b>8,756</b> | <b>6,529</b>       | <b>799</b>         | <b>6,983</b>          | <b>28,110</b> | <b>2,249</b>               |

<sup>(1)</sup> Incremental Risk Charge.

<sup>(2)</sup> Comprehensive Risk Measure

## MARKET RISK RELATED TO TRADING ACTIVITIES

### INTRODUCTION

Market risk arises mainly from trading activities carried out within Corporate & Institutional Banking (CIB), mainly within Global Markets and encompasses different risk factors defined as follows:

- interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates;
- foreign exchange risk is the risk that the value of an instrument will fluctuate due to changes in foreign exchange rates;
- equity risk arises from changes in the market prices and volatilities of equity shares and/or equity indices;

- commodities risk arises from changes in the market prices and volatilities of commodities and/or commodity indices;
- credit spread risk arises from the change in the credit quality of an issuer and is reflected in changes in the cost of purchasing protection on that issuer;
- option products carry by nature volatility and correlation risks, for which risk parameters can be derived from option market prices observed in an active market.

Trading activities at BNP Paribas are directly related to economic relations with business line customers, or indirectly as part of market-making activities.

## MARKET RISK MANAGEMENT ORGANISATION

The market risk management system aims to track and control market risks as well as control financial instrument valuation whilst ensuring that the control functions remain totally independent from the business lines.

Within RISK, three departments are responsible for monitoring market risk:

- RISK Markets and Financial Institutions (RISK MFI) covers Global Markets and Securities Services activities;
- RISK ALM-T covers ALM-Treasury activities;
- RISK Commercial, Personal Banking and Services (RISK CPBS) covers Domestic Markets and Europe-Mediterranean activities.

This mission consists of defining, measuring and analysing risk factors and sensitivities, as well as measuring and controlling Value at Risk (VaR), the global indicator of potential losses. RISK ensures that all business activity complies with the limits approved by the various committees and approves new activities and major transactions, reviews and approves position valuation models and conducts a monthly review of market parameters (MAP review) in association with the Valuation and Risk Control Department (V&RC).

Market Risk and financial instrument valuation monitoring is structured around several formal committees:

- the Financial Market Risk Committee (FMRC) is the main committee governing the risks related to Capital Market activities. It is responsible for addressing, in a coherent manner, the issues related to market and counterparty risk. The FMRC follows the evolution of the main exposures and stress risk and sets the high level trading limits. The committee meets approximately monthly. It is chaired by either the Group Chief Executive Officer or by a Bank's Deputy Chief Operating Officer;
- the Product and Financial Control Committee (PFC) is the arbitration and pricing decision-making committee regarding financial instrument valuation matters. The committee meets quarterly and discusses the conclusions of the CIB Financial Control teams and their work to enhance control effectiveness and the reliability of the measurement and recognition of the results of market transactions. It is chaired by the Group Chief Financial Officer and brings together the Directors of Finance & Strategy – Accounting, Corporate & Institutional Banking and RISK;
- at business line level, the Valuation Review Committee (VRC) meets monthly to examine and approve the results of Market parameters review (MAP review) and any changes in reserves. The Valuation Review Committee also acts as the referee in any disagreements between trading and control functions. The committee is chaired by the Senior Trader and other members include representatives from trading, RISK, the CIB Valuation and Risk Control Group (V&RC) team, and Finance & Strategy. Any disagreement is escalated to the PFC;
- the Valuation Methodology Committee (VMC) meets quarterly per business line to monitor model approvals and reviews, follow up relevant recommendations and present model governance improvements. This committee is chaired by RISK MFI and includes representatives from trading, research, and the valuation and risk control (V&RC) team of CIB and Finance & Strategy. Any disagreement can be escalated to the PFC, which can make an arbitrage decision.

As part of BCBS 239 Principles for effective risk data aggregation and risk reporting by the Basel Committee, a quarterly reconciliation process ensures that the entire trading portfolio of Front Office systems is correctly represented in the Group's RISK and Finance & Strategy systems, and in particular:

- that the dividing line between trading activities and banking activities is observed;
- that the internal market risk model is exhaustive: each portfolio and entity generating market risk relating to trading activities corresponds to a capital requirement.

This quarterly process is structured around the Effective Coverage of Portfolios Committee (EC) which validates the reconciliation results and any corrective and prevention actions undertaken subsequent to any discrepancies observed.

## VALUATION CONTROL

Financial instruments in the prudential trading book are valued and reported at market or model value through P&L, in compliance with applicable accounting standards. Such can also be the case of financial instruments classified in the banking book.

Portfolio valuation control is described in the Charter of Responsibility for Valuation, which sets out the division of responsibilities. These governance policies and practices also apply to all ALM Treasury activities.

In addition to the charter, the relevant valuation controls are detailed in specific policies. The main processes that together form the valuation control governance mechanism are set out below.

### **Transaction accounting control**

This control is under the responsibility of middle-office teams. However, the most complex transactions are controlled by RISK.

### **Market Parameter (MAP) review – Independent Price Verification**

Price verification is managed jointly by Valuation and Risk Control (V&RC) and RISK. Daily controls are performed on the most liquid parameters and a comprehensive and formal review of all the market parameters is performed at month end. The types of parameters controlled by V&RC are listed precisely; these are essentially the parameters for which an automatic control against external sources can be implemented (security prices, vanilla parameters); this may include the use of consensus price services. RISK is in charge of controlling valuation methodologies as well as the most complex parameters that are very dependent on the choice of models.

The general principles of the Market Parameter review are described in the Charter of Responsibility for Valuation as well as specialised global policies such as the Global Marking and Independent Price Verification Policy and MAP Review Principles. The specific methodologies are described in documents known as the MAP Books organised by product lines and regularly updated. The responsibilities of RISK and V&RC are defined for each point in time and the conclusions of the Market Parameter reviews are documented in the MAP review finding documents.

The outcome of the Market parameter review is the estimation of valuation adjustments communicated to the middle-office, which enters it in the accounting records. The results are communicated to the Trading management during the Valuation Review Committees. The opinion of the control functions prevails, however, significant and persistent disagreement can be escalated to the PFC.

### **Model Approval and Reviews**

The governance of model controls is described in the Valuation Methodology Control Policy (VMCP).

Front office quantitative analysts design and propose the methodologies used to value the product and measure the risks that are used to take trading decisions. The research team and IT are responsible for the implementation of these models in the systems.

The independent control of the valuation models falls under the responsibility of RISK and includes:

- model validation, by which a formal decision to approve or reject a model is taken, including following any modification of the valuation methodology called a “Valuation Model Event”. In all cases, the approval decisions are taken by a senior RISK analyst during a specific VMC. The review required by the validation process can be fast track or comprehensive; in the latter case, the reasons and conditions for approval are detailed in a model approval document;
- the review of models can be conducted at inception (linked to approval) or during the life of a model (re-calibration); it consists of an examination of the suitability of the model used to value certain products in the context of a given market environment;
- the control of the use and implementation of models, consists of continuous control of the correct parameterisation and configuration of the models as well as their suitability for the relevant products.

### **Reserve and other valuation adjustments**

RISK defines and calculates “reserves”. These are adjustments to the market or model value affecting both the accounting valuation and regulatory capital. They can be considered either as the exit cost of a position or as a premium for risks that cannot be diversified or hedged, as appropriate.

The reserves primarily cover:

- the bid-offer spreads and liquidity risk;
- the model or market parameters uncertainties;
- the reduction of non-hedgeable risks (smoothing digital or barrier pay-offs).

A general valuation adjustment policy exists. Reserve methodologies are documented by RISK for each product line and these documentations are updated regularly. The analysis of reserve variations is reported at the monthly VRC.

Reserve methodologies are improved regularly and any change is a Valuation Model Event. Reserve improvements are generally motivated by the conclusion of a model review or by the calibration to market information during the Market parameter review process.

Additional Valuation Adjustments (AVA) are calculated in accordance with the Commission delegated Regulation (EU) No. 2016/101.

This delegated regulation supplements the requirements of article 105 of the CRR with regard to regulatory technical standards for prudent valuation of financial instruments in the trading portfolio. It specifies that the scope of application of these requirements covers all instruments measured according to article 34 of the CRR, based on the proportion of the accounting valuation change that impacts Tier 1 capital.

The regulatory technical standards set out the definitions and a framework for measurement and control for the elements of valuation uncertainty that must be considered when determining a prudent valuation under article 105. The standard also sets a target level of valuation certainty: the Bank must be 90% confident that it could liquidate the instrument at a better price than the prudent valuation.

To apply these requirements, the first step is to define Prudent Valuation Adjustments (PVA). These adjustments correspond to the different types of risks and costs that could lead to exit costs, relative to the mid-market value (or the expected value). The main categories are the liquidation cost, the risk related to uncertainties regarding market prices, concentration risk and valuation model risk. PVAs are calculated for each exposure on a granular level.

Based on these PVAs and for each exposure and risk type, BNP Paribas calculates the AVA (Additional Valuation Adjustments) that may be necessary, in addition to the reserves already taken into account in the valuation for the same exposure and risk type, to achieve the target valuation certainty level.

For some types of risk, the calculation of AVAs includes a diversification effect. This reflects the fact that the amount of the additional adjustments that are necessary with respect to all positions are less than the sum of the additional adjustments that may be required for the positions or risks taken individually.

The AVA amounts are deducted from Common Equity Tier 1 capital.

## **Day One profit or loss**

Some transactions are valued with non-observable parameters. Accounting norms require the recognition of any Day One P&L where these parameters are used. The deferred net margin on reserves is recognised through profit or loss in proportion to the anticipated duration of the transaction or the period for which the inputs will be non-observable.

RISK works with Finance, middle-offices, and business lines on the process of identifying and handling these profit and loss items, in order to determine whether a type of parameter or transaction is observable or not in accordance with the observability rules, which are moreover duly documented and approved in the Valuation Methodology Committee.

The P&L impact of the P&L deferral is calculated by the middle-office or the Finance teams, according to the scope.

The accounting treatment of the deferred margin is explained in note 1.f.10 *Determination of fair value* to consolidated the financial statements.

## **MARKET RISK EXPOSURE**

Market risk is first analysed by systematically measuring portfolio sensitivity to various market parameters. The results of these sensitivity analyses are compiled at various aggregate position levels and compared with market limits.

### **Risk monitoring set up and limit setting**

The Group uses an integrated system to follow the trading positions on a daily basis and manage VaR calculations. This system not only tracks the VaR, but also detailed positions and sensitivities to market parameters based on various criteria (such as by currency, product, counterparty). This system is also configured to include trading limits, reserves and stress tests.

Responsibility for limit setting and monitoring is delegated at three levels, which are, in order of decreasing importance: FMRC, followed by the Head of the business line and finally the manager of a trading portfolio. Limits may be changed either temporarily or permanently, in accordance with the level of delegation and the prevailing procedures. Appropriate escalation mechanisms are in place to ensure that the independent view from the RISK Function on the level of limits is heard.

### **Core risk analysis and reporting to Executive Management**

RISK reports, through various risk analyses and dashboards, to Executive Management and business lines' Senior Management on its risk analysis work (limit, VaR monitoring, core risk analysis, etc.). The reporting and diffusion of the main summary reports on risk are carried out by the MFI MI (Markets and Financial Institutions - Management Information) team within RISK.

The following reports are generated on a regular basis:

- weekly "Main Position" reports for each business line (equity derivatives, commodities, credit G10 rates and FX & Local Markets), summarising all positions and highlighting items needing particular attention; these reports are mainly intended for business line managers;
- monthly local "bottom-up" stress testing reports for Executive Management identifying key risk concentrations around the globe;
- supporting documentation for the FMRC comprising markets and risk event summaries, global counterparty exposure summary, VaR/Stressed VaR evolution, market and counterparty risk stress testing and capital evolution summaries, market and counterparty risk backtesting;
- geographical and global risk dashboards;
- reports on valuation adjustments in the trading book, in particular regarding market and CVA sensitivities.



## VaR (Value at Risk)

The VaR is a statistical measure indicating the worst loss expected for a given portfolio over a given time horizon and within a given confidence interval under normal market movements. It is not a maximum loss and it can potentially be exceeded in some cases, for example in the event of abnormal market conditions.

The BNP Paribas VaR calculation uses an internal model which has been approved by the banking supervisor. The BNP Paribas VaR methodology aims to accurately compute a one-day Value at Risk at the 99% confidence level.

The VaR calculation is based on a Monte-Carlo approach, which not only performs normal or log-normal simulations but also accounts for the non-normality often observed in financial markets as well as correlation between risk factors. An equally weighted one-year rolling window of historical market data (updated fortnightly) is used to calibrate the Monte-Carlo simulation.

The principal groups of simulated factors include: interest rates, credit spreads, exchange rates, equity prices, commodities prices, and associated volatilities. Changes in risk factors are proportional (share prices, volatility, CDS spreads) or absolute (rates excluding OIS, spreads, repo rates, correlations).

The valuation method used varies depending not upon the product but upon the type of risk we are capturing. To generalise, the methods used are either sensitivity based or full revaluation based on grid interpolation to incorporate both linear and, especially for derivatives, non-linear effects. In both cases, BNP Paribas calculates the general and specific risk as a whole, taking into account the diversification effect by correlating market parameters.

The algorithms, methodologies and sets of indicators are reviewed and improved regularly to take into account the capital market evolution.

The scope of the BNP Paribas internal model covers the majority of capital market activities (Global Markets, ALM Treasury). As an indication, market risk based on the standardised approach (excluding securitisation positions in the trading book) represented less than 5% of the total market risk capital requirement at 31 December 2022, including foreign exchange risk.

VaR is a statistical measure that does not take into account losses outside a given confidence interval and does not apply to losses related to intraday market movements. Other risk measures, such as Stressed VaR (SVaR), IRC and CRM, complement the BNP Paribas Group's market risk monitoring and management system.

### Evolution of the VaR (1-day, 99%)

The VaR set out below are calculated from an internal model, which uses parameters that comply with regulations in place. They correspond to measurements taken into account within the framework of monitoring market limits. They are based on a one-day time horizon and a 99% confidence interval.

In 2023, total average VaR for BNP Paribas was EUR 31 million (with a minimum of EUR 23 million and a maximum of EUR 44 million), after taking into account the -EUR 39 million netting effect between the different types of risks. These amounts break down as follows:

**TABLE 84: VALUE AT RISK (1-DAY, 99%)** [Audited]

| <i>In millions of euros</i>   | Year to 2023           |           |                        |              | Year to 2022 |              |
|-------------------------------|------------------------|-----------|------------------------|--------------|--------------|--------------|
|                               | Minimum <sup>(*)</sup> | Average   | Maximum <sup>(*)</sup> | Last measure | Average      | Last measure |
| Interest rate risk            | 19                     | 28        | 44                     | 31           | 24           | 27           |
| Credit risk                   | 8                      | 11        | 33                     | 9            | 11           | 10           |
| Foreign exchange risk         | 5                      | 10        | 21                     | 7            | 7            | 9            |
| Equity price risk             | 9                      | 14        | 28                     | 11           | 15           | 12           |
| Commodity price risk          | 3                      | 7         | 13                     | 5            | 17           | 7            |
| Netting effect <sup>(*)</sup> |                        | (39)      |                        | (30)         | (40)         | (36)         |
| <b>TOTAL VALUE AT RISK</b>    | <b>23</b>              | <b>31</b> | <b>44</b>              | <b>33</b>    | <b>34</b>    | <b>30</b>    |

(\*) Note that the minimum and maximum figures shown above for the various risk types are computed on a standalone basis (i.e. independently from each other as well as the total VaR). While the minimum or maximum for each risk type may not necessarily be observed on the same date, minimum/maximum netting effects are not considered relevant.

(\*\*) For minima and maxima, total VaR cannot be read as the sum of VaR by risk type.

The VaR (1 day, 99%) stood at a low level throughout 2023 thanks to prudent management.

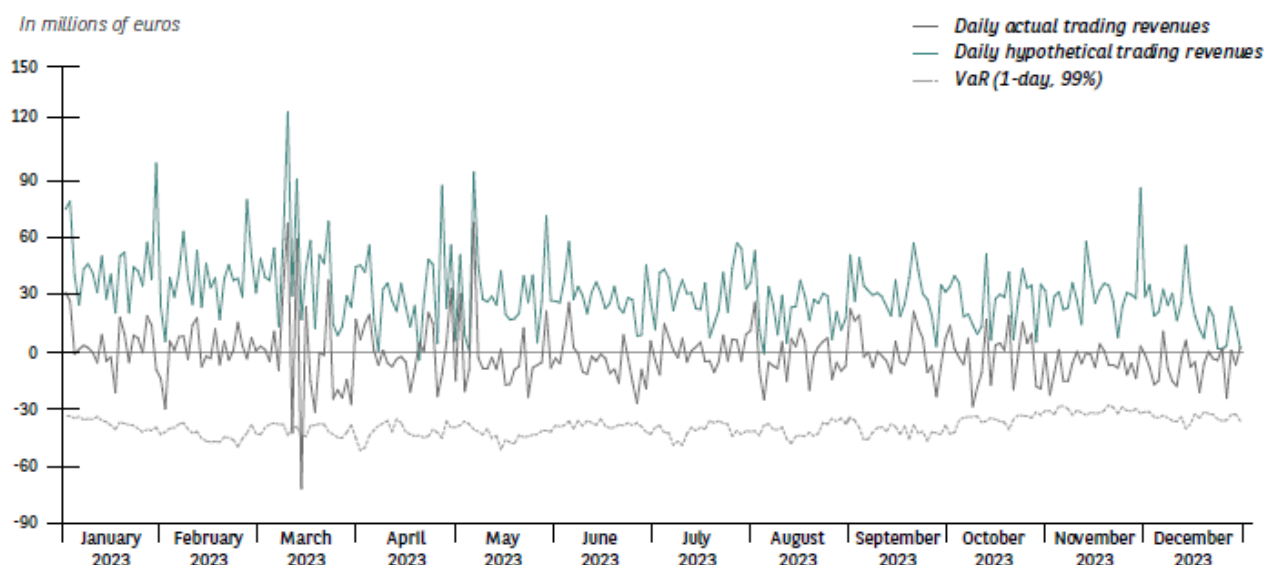
## Backtesting the VaR

RISK continuously tests the accuracy of its internal model through a variety of techniques, including in particular a regular comparison over a long-term horizon between actual daily losses on capital market transactions and one-day VaR.

This backtesting consists of making a comparison between the daily global trading book VaR and the actual result except fees and commissions. In accordance with the regulation, BNP Paribas supplements this “actual backtesting” method with a comparison between the daily VaR and the hypothetical result generated by the trading book, which is also known as “hypothetical backtesting”. The hypothetical result includes all components of the actual result, calculated on the previous day’s positions, only incorporating changes in market parameters. A backtesting event is declared when a real or hypothetical loss exceeds the daily VaR amount. The confidence interval selected for calculating daily VaR is 99%, which in theory means the observation of two to three events per year.

The number of events is calculated at least quarterly and is equal to the highest of the number of excesses for the hypothetical and actual variations in the portfolio value.

**FIGURE 11: COMPARISON BETWEEN VAR (1-DAY, 99%) AND DAILY TRADING REVENUE (EU MR4)**

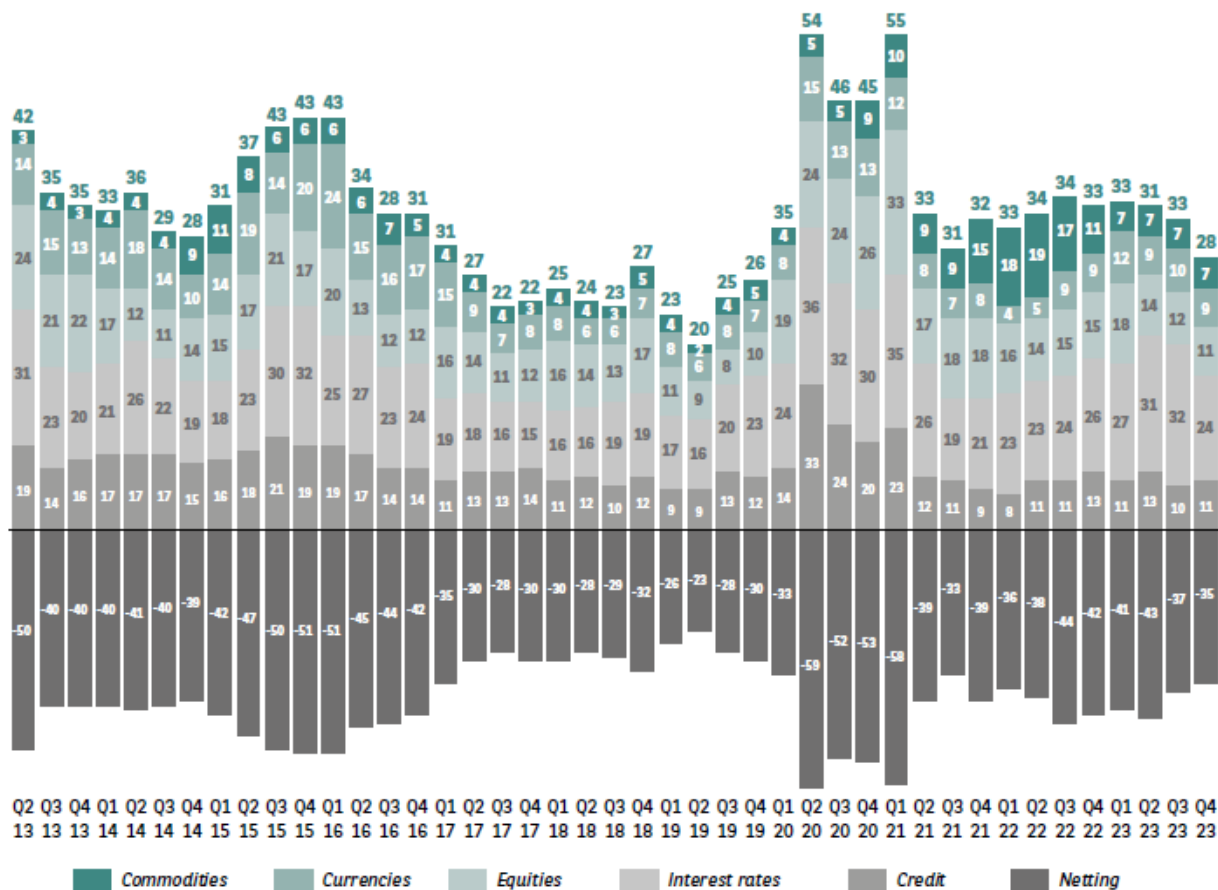


In 2023, only one backtesting event at Group level was noted:

- 15 March 2023: this hypothetical loss was due to a market rally on 16 March, in an unfavourable context for Silicon Valley Bank and Credit Suisse, which resulted in cumulative losses within different business lines of the Bank.

## Quarterly change in VaR

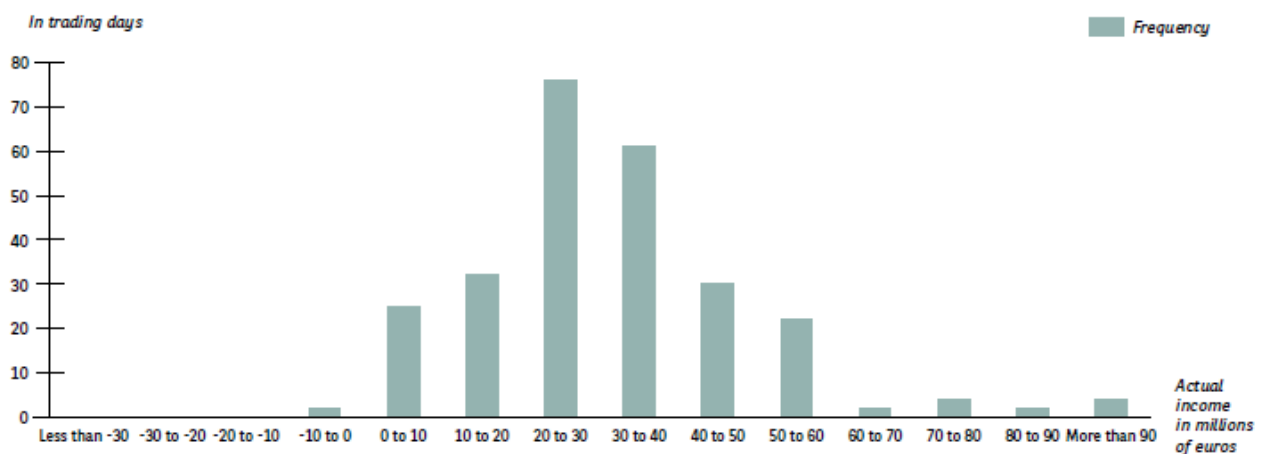
**FIGURE 12: QUARTERLY CHANGE IN VAR (1-DAY, 99%)**



## Distribution of daily revenue

The following histogram presents the distribution of the actual daily trading revenue of BNP Paribas, including intra-day revenues, fees and commissions. It indicates the numbers of trading days during which the revenue reached each of the levels marked on the x axis, in millions of euros.

**FIGURE 13: DISTRIBUTION OF ACTUAL DAILY TRADING REVENUE**



Trading activities generated an actual positive result for 99% of the trading days in 2023 (versus 95% in 2022).

## Evolution of the VaR (10-day, 99%)

The VaR set out below are calculated from an internal model, which uses parameters that comply with the method recommended by the Basel Committee for determining estimated Value at Risk. They correspond to measurements taken into account within the framework of monitoring market limits. These are based on a ten-day time horizon and a 99% confidence interval, extrapolated from 1-day VaR amounts with the same confidence interval, by multiplying by a factor equal to the square root of ten.

In 2023, total average VaR (10-day, 99%) for BNP Paribas is EUR 99 million (with a minimum of EUR 71 million and a maximum of EUR 141 million), after taking into account the -EUR 123 million netting effect between the different types of risks. These amounts break down as follows:

**TABLE 85: VALUE AT RISK (10-DAY, 99%)** [Audited]

| <i>In millions of euros</i>   | Year to 2023            |           |                         |              | Year to 2022 |              |
|-------------------------------|-------------------------|-----------|-------------------------|--------------|--------------|--------------|
|                               | Minimum <sup>(**)</sup> | Average   | Maximum <sup>(**)</sup> | Last measure | Average      | Last measure |
| Interest rate risk            | 59                      | 90        | 139                     | 98           | 76           | 86           |
| Credit risk                   | 27                      | 36        | 106                     | 29           | 34           | 32           |
| Foreign exchange risk         | 17                      | 31        | 68                      | 22           | 22           | 28           |
| Equity price risk             | 27                      | 43        | 89                      | 35           | 48           | 39           |
| Commodity price risk          | 10                      | 22        | 40                      | 16           | 53           | 22           |
| Netting effect <sup>(*)</sup> |                         | (123)     |                         | (95)         | (125)        | (113)        |
| <b>TOTAL VALUE AT RISK</b>    | <b>71</b>               | <b>99</b> | <b>141</b>              | <b>105</b>   | <b>106</b>   | <b>95</b>    |

(\*) Note that the minimum and maximum figures shown above for the various risk types are computed on a standalone basis (i.e. independently from each other as well as the total VaR). While the minimum or maximum for each risk type may not necessarily be observed on the same date, minimum/maximum netting effects are not considered relevant.

(\*\*) For minima and maxima, total VaR cannot be read as the sum of VaR by risk type.

## Stressed VaR

Stressed VaR is calibrated over a specified full twelve-month period, including a crisis period. This period applies across the Group, which must have comprehensive market data to calculate the risk measurements and remain relevant when applied to the current trading book. An expert committee reviews the period on a quarterly basis in accordance with a quantitatively informed approach among the three scenarios that generate the maximum stressed risk measures.

The current reference period for calibrating stressed VaR is from 3 January 2008 to 31 December 2008.

BNP Paribas uses the same calculation method as for calculating VaR, with market parameters determined based on this reference period.

The SVaRs presented below are based on a one-day time horizon and a 99% confidence interval and correspond to measurements taken into account within the framework of monitoring market limits.

The SVaR (1-day, 99%) experienced a downward trend in the second half of 2023 due to the activity in domestic and emerging markets.

**TABLE 86: STRESSED VALUE AT RISK (1-DAY, 99%)**

| <i>In millions of euros</i> | Year to 2023 |         |         |              | Year to 2022 |              |
|-----------------------------|--------------|---------|---------|--------------|--------------|--------------|
|                             | Minimum      | Average | Maximum | Last measure | Average      | Last measure |
| Stressed Value at Risk      | 60           | 75      | 113     | 70           | 75           | 70           |

## Incremental Risk Charge (IRC)

The IRC approach measures losses due to default and ratings migration at the 99.9% confidence interval (i.e. the maximum loss incurred after eliminating the 0.1% worst events) over a capital of one year, assuming a constant level of risk. The scope to which IRC applies mainly includes plain vanilla credit products (bonds and CDS, excluding securitised products) from the trading book.

The calculation of IRC is based on the assumption of a constant level of risk over the one-year capital horizon, implying that the trading positions or sets of positions must be rebalanced during the one-year horizon in a manner that maintains the initial risk level. Positions that have reached maturity or are in default are thus rolled over at the beginning of the liquidity horizon.

The model, developed internally, is built around a rating-based simulation for each obligor, which captures both the risk of the default as well as the risk of rating migration. The dependency between debtors is integrated into a multi-factor asset return model, resulting in the rating migration, potential default and changes in credit spreads.

The performance of each debtor depends on four factors:

- a specific factor;
- three systemic factors including one global factor, one geographical factor among three regions and one sector factor among twelve, one of which is dedicated to sovereign entities.

The model is calibrated quarterly over the period from 1 February 2010 to the end of the quarter preceding the calculation date based on the CDS spread data series, and the price of corporate and institutional shares.

The simulated returns are used to calculate the probability of change in rating – which is assigned to a credit rating scenario, then a credit spread – and to define a price variation grid associated with each debtor within a credit rating scenario. Positions that can be broken down by debtor are thus valued in the various simulated scenarios. Non-linear products such as credit index options are revalued directly.

IRC was up, with an average of EUR 288 million in 2023. This increase is linked to the increase in the risk of positions in European and US credit index options.

### **Comprehensive Risk Measure (CRM) for credit correlation portfolio**

CRM is an additional capital charge to the IRC which applies to the credit correlation portfolio (excluding securitisation products) from the trading book. It measures potential losses from a variety of specific price change risks (spread, correlation, recovery, credit migration, *etc.*) at the 99.9% confidence interval (*i.e.* the maximum loss incurred after eliminating the 0.1% worst events) over a capital and liquidity horizon or rebalancing frequency of one year, assuming a constant level of risk over this horizon.

The corporate correlation activity is an activity that consists of trading and risk managing mainly bespoke corporate CDOs and their hedges using single name CDS, CDS indices and index tranches. This activity falls under the structured credit activity trading within the Global Credit business line of Global Markets.

The valuation framework uses both market observable prices (particularly used for CDS, index and index tranches) and data established based on models for the implicit correlations and recovery rates, the same model of returns and dependency between debtors, similar to that used for the IRC. The calibration is carried out on an annual basis. The correlation portfolio comprises of complex non-linear products. Each product is revalued directly in the various simulated scenarios.

## Summary of measures taken into account within the framework of monitoring market limits

**TABLE 87: IMA VALUES FOR TRADING PORTFOLIOS (EU MR3)**

|                                   |               | a                |                  |
|-----------------------------------|---------------|------------------|------------------|
| <i>In millions of euros</i>       |               | 31 December 2023 | 31 December 2022 |
| <b>VaR (10 days, 99%)</b>         |               |                  |                  |
| 1                                 | Maximum value | 141              | 164              |
| 2                                 | Average value | 99               | 106              |
| 3                                 | Minimum value | 71               | 77               |
| 4                                 | Period end    | 105              | 95               |
| <b>SVaR (10 days, 99%)</b>        |               |                  |                  |
| 5                                 | Maximum value | 358              | 359              |
| 6                                 | Average value | 239              | 238              |
| 7                                 | Minimum value | 190              | 162              |
| 8                                 | Period end    | 221              | 220              |
| <b>IRC<sup>(*)</sup> (99.9%)</b>  |               |                  |                  |
| 9                                 | Maximum value | 594              | 439              |
| 10                                | Average value | 288              | 256              |
| 11                                | Minimum value | 154              | 136              |
| 12                                | Period end    | 324              | 184              |
| <b>CRM<sup>(**)</sup> (99.9%)</b> |               |                  |                  |
| 13                                | Maximum value | 82               | 140              |
| 14                                | Average value | 42               | 79               |
| 15                                | Minimum value | 0                | 9                |
| 16                                | Period end    | 15               | 19               |

(\*) Incremental Risk Charge.

(\*\*) Comprehensive Risk Measure.

## Securitisation positions in trading book outside correlation portfolio

For securitisation positions treated as financial assets at fair value for accounting purposes, changes in market value, except accrued interest on fixed-income securities, are recognised in the profit and loss account under “Net gain/loss on financial instruments at fair value through profit or loss”.

For ABS positions outside the correlation book, the standardised capital charge applies (as per the standard method for banking books). The capital requirements are determined on the basis of the asset's external rating. The capital calculation is based on the second-worst rating of the three rating agencies.

**TABLE 88: BREAKDOWN OF TRADING BOOK SECURITISATION POSITIONS OUTSIDE CORRELATION BOOK BY ASSET TYPE (EU SEC2)**

|                             | i | j | k                |
|-----------------------------|---|---|------------------|
| <i>In millions of euros</i> |   |   | 31 December 2023 |

|    |                                     | Investor    |         |           |             |         |           |
|----|-------------------------------------|-------------|---------|-----------|-------------|---------|-----------|
|    |                                     | EAD         |         |           | RWA         |         |           |
|    |                                     | Traditional |         | Synthetic | Traditional |         | Synthetic |
|    |                                     | STS         | Non-STS |           | STS         | Non-STS |           |
| 2  | <b>Retail</b>                       | 45          | 347     | -         | 64          | 231     | -         |
| 3  | Residential mortgages               | 24          | 124     |           | 3           | 25      |           |
| 4  | Credit card receivables             | 12          | 59      |           | 57          | 17      |           |
| 5  | Other retail exposures              | 9           | 165     |           | 5           | 189     |           |
| 6  | <i>Re-securitisation</i>            |             |         |           |             |         |           |
| 7  | <b>Corporates</b>                   | 3           | 477     | -         | 2           | 298     | -         |
| 8  | Loans to corporates                 |             | 418     |           |             | 260     |           |
| 9  | Commercial mortgage                 |             | 9       |           |             | 8       |           |
| 10 | Finance lease and trade receivables | 3           | 27      |           | 2           | 14      |           |
| 11 | Other assets                        |             | 22      |           |             | 16      |           |
| 12 | <i>Re-securitisation</i>            |             |         |           |             |         |           |
| 1  | <b>TOTAL</b>                        | 48          | 824     | -         | 66          | 530     | -         |

i j k

31 December 2022

|                             |                                     | Investor    |         |           |             |         |           |
|-----------------------------|-------------------------------------|-------------|---------|-----------|-------------|---------|-----------|
|                             |                                     | EAD         |         |           | RWA         |         |           |
|                             |                                     | Traditional |         | Synthetic | Traditional |         | Synthetic |
|                             |                                     | STS         | Non-STS |           | STS         | Non-STS |           |
| <i>In millions of euros</i> |                                     |             |         |           |             |         |           |
| 2                           | <b>Retail</b>                       | 42          | 174     | -         | 68          | 179     | -         |
| 3                           | Residential mortgages               | 1           | 47      |           |             | 49      |           |
| 4                           | Credit card receivables             | 16          | 16      |           | 2           | 5       |           |
| 5                           | Other retail exposures              | 24          | 111     |           | 66          | 126     |           |
| 6                           | <i>Re-securitisation</i>            |             |         |           |             |         |           |
| 7                           | <b>Corporates</b>                   | -           | 470     | -         |             | 524     | -         |
| 8                           | Loans to corporates                 |             | 387     |           |             | 507     |           |
| 9                           | Commercial mortgage                 |             | 10      |           |             | 2       |           |
| 10                          | Finance lease and trade receivables |             | 71      |           |             | 14      |           |
| 11                          | Other assets                        |             | 1       |           |             | 1       |           |
| 12                          | <i>Re-securitisation</i>            |             |         |           |             |         |           |
| 1                           | <b>TOTAL</b>                        | 42          | 644     | -         | 68          | 703     | -         |

**TABLE 89: BREAKDOWN OF TRADING BOOK SECURITISATION POSITIONS AND CAPITAL REQUIREMENTS OUTSIDE THE CORRELATION BOOK BY RISK WEIGHT**

*In  
millions  
of euros*

**31 December 2023**

| Risk weight   | Securitisation positions |                   |          |                 |                   |              | Capital requirements |                |           |
|---------------|--------------------------|-------------------|----------|-----------------|-------------------|--------------|----------------------|----------------|-----------|
|               | Short positions          |                   |          | Long positions  |                   |              | Short positions      | Long positions | Total     |
|               | Securitisati on          | Re-securitisation | Total    | Securitisati on | Re-securitisation | Total        |                      |                |           |
| 7% – 10%      |                          |                   | -        | 68              |                   | 68           |                      | 1              | 1         |
| 12% – 18%     |                          |                   | -        | 467             |                   | 467          |                      | 7              | 7         |
| 20% – 35%     |                          |                   | -        | 292             |                   | 292          |                      | 8              | 8         |
| 40% – 75%     |                          |                   |          |                 |                   |              |                      |                |           |
| 100%          |                          |                   | -        | 163             |                   | 163          |                      | 18             | 18        |
| 250%          |                          |                   |          | 61              |                   | 61           |                      | 17             | 17        |
| 425%          |                          |                   | -        | 4               |                   | 4            |                      | 2              | 2         |
| 650%          |                          |                   | -        | 17              |                   | 17           |                      | 11             | 11        |
| Deduction (*) |                          |                   | -        | 13              |                   | 13           |                      |                |           |
| <b>TOTAL</b>  | <b>-</b>                 | <b>-</b>          | <b>-</b> | <b>1,084</b>    | <b>-</b>          | <b>1,084</b> | <b>-</b>             | <b>63</b>      | <b>63</b> |

(\*) The Group opted for the deduction of CET1 capital instead of the 1.250% weighting.

*In  
millions  
of euros*

**31 December 2022**

| Risk weight | Securitisation positions |                   |       |                 |                   |       | Capital requirements |                |       |
|-------------|--------------------------|-------------------|-------|-----------------|-------------------|-------|----------------------|----------------|-------|
|             | Short positions          |                   |       | Long positions  |                   |       | Short positions      | Long positions | Total |
|             | Securitisati on          | Re-securitisation | Total | Securitisati on | Re-securitisation | Total |                      |                |       |
| 7% – 10%    |                          |                   |       | 11              |                   | 11    |                      |                |       |
| 12% – 18%   |                          |                   |       | 167             |                   | 167   |                      | 2              | 2     |
| 20% – 35%   |                          |                   |       | 301             |                   | 301   |                      | 8              | 8     |
| 40% – 75%   |                          |                   |       |                 |                   |       |                      |                |       |
| 100%        |                          |                   |       | 135             |                   | 135   |                      | 17             | 17    |
| 250%        |                          |                   |       | 19              |                   | 19    |                      | 5              | 5     |



|                  |   |   |   |            |   |            |   |           |           |
|------------------|---|---|---|------------|---|------------|---|-----------|-----------|
| 425%             |   |   |   | 7          |   | 7          |   | 3         | 3         |
| 650%             |   |   |   | 36         |   | 36         |   | 26        | 26        |
| Deduction<br>(*) |   |   |   | 9          |   | 9          |   |           |           |
| <b>TOTAL</b>     | - | - | - | <b>686</b> | - | <b>686</b> | - | <b>62</b> | <b>62</b> |

(\*) The Group opted for the deduction of CET1 capital instead of the 1.250% weighting.

## MARKET RISK STRESS TESTING FRAMEWORK

A range of stress tests are performed to simulate the impact of extreme market moves on the value on the global trading books. Stress tests cover all market activities applying a range of stressed market conditions.

### Scenarios

The fundamental approach of the current trading book stress testing framework combines “bottom-up” and “top-down” stress testing:

- Macro Level Scenarios (top-down) comprise the evaluation of a set of global level stress test. These scenarios assess the impact of severe market moves on BNP Paribas trading positions related to large regional or market shock events. They can be based on historical events or forward-looking hypothetical scenarios. Scenarios include events such as an emerging markets crisis, credit crunch and a stock market crash, and some are based on past crises.

The official macro stress tests scenarios currently comprise a range of eight different stress tests. The results of these scenarios are reviewed at each Financial Markets Risk Committee (FMRC). The scenarios are:

- scenario 1: Unexpected Rate Hike, driving short-term rates higher with a flattening of the interest rate curve,
- scenario 2: Stock Market Crash, with a flight to quality assets leading to a drop and a steepening of the interest rate curve,
- scenario 3: Emerging Market Crisis, generic and not one specific region,
- scenario 4: Credit Crunch, leading to general risk aversion,
- scenario 5: Euro Crisis, low GDP expectations, potential threat of a country leaving the euro and a significant weakening of the currency,
- scenario 6: Energy Shock driven by geopolitical turmoil with serious consequences on energy markets,
- scenario 7: Crisis in the United States, linked to an event such as a US debt ceiling deadlock,
- scenario 8: Risk-On scenario: rally in equity and emerging markets, low implied volatility and drop in implied volatility in all markets (effectively a return to risky assets);
- Micro Level Scenarios (bottom-up): instead of looking at the effect on the global portfolio, these types of scenarios aim to highlight risk exposures on specific trading desks, regions, or risk concentrations. This bottom-up approach enables the use of more bespoke stress scenarios (such as complex product dislocations or idiosyncratic risk) and hence allows the detection of areas of potential losses which may not be easily achieved under the global macroeconomic scenario. This bottom-up process also facilitates the classification of risk areas into those where there may be less liquidity or where the risk may be more structural in nature.

### Process

It is the combination of such top-down and bottom-up scenarios that leads to the construction of the FMRC Adverse scenario for the trading books. The official top-down stress scenarios are presented at each FMRC meeting along with the FMRC Adverse global stress scenarios and any bottom-up stress tests on complex products yielding significant results.

The results of all stress tests are reviewed regularly by Executive Management and sent to the Board of directors.

The scenarios take market liquidity into account by simulating the drying up of certain assets or product liquidity as the stress event unfolds. To understand this process, it can be simplified by considering an approach where the time horizon for the stress shock can vary between different instruments/assets (hence more advanced scenarios can take certain idiosyncratic factors into account). Moreover, it may sometimes be required to quantify the impact of a stress event occurring with re-hedging assumptions factored into part of the exposure under stress.

Stress testing is governed by the Stress Testing Steering Committee (STSC). The committee meets approximately monthly and sets the direction of all internal risk departmental stress scenario developments, infrastructure, analysis and reporting. The STSC governs all internal stress testing matters relating to both market and counterparty risk and decides upon the detailed definition of the FMRC Stress Tests.

Stress testing is the core element of the tail risk analysis, which is also captured through the stressed Value at Risk, the Incremental Risk Charge and the Comprehensive Risk Measure. Furthermore, the risk of a rare event used in the form of the

“average loss in addition to VaR” (Expected Shortfall) in allocating capital in respect of market risk between business lines is an additional element allowing tail risk in the management and monitoring of market risk to be taken into account.

## MARKET RISK RELATED TO BANKING ACTIVITIES

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Interest rate and foreign exchange risks related to banking intermediation activities and investments are managed by the cross-functional ALM Treasury Department. At Group level, the ALM-Treasury Department is directly overseen by the Group Senior Executive Advisor. BNP Paribas SA's ALM Treasury Department exercises functional authority over the ALM Treasury teams of each entity or group of entities covering the entire Group perimeter. Strategic decisions are made by the Asset and Liability Committee (ALCo), which oversees ALM Treasury's activities. These committees have been set up at Group, entity or group of entities level.

The foreign exchange risk gives rise to a weighted assets calculation under Pillar 1. The interest rate risk falls under Pillar 2.

### FOREIGN EXCHANGE RISK

#### Calculation of risk-weighted assets

Foreign exchange risk relates to all transactions part of the banking book.

Group entities calculate their net position in each currency, including the euro. The net position is equal to the sum of all asset items less all liability items plus off-balance sheet items (including the net forward currency position and the net delta-based equivalent of the currency option book), less structural, non-current assets (long-term equity interests, property, plant and equipment, and intangible assets) subject to exemption. These positions are converted into euros at the exchange rate prevailing on the reporting date and aggregated to give the Group's overall net open position in each currency. The net position in a given currency is long when assets exceed liabilities and short when liabilities exceed assets. For each Group entity, the net currency position is balanced in the relevant currency (*i.e.* its reporting currency) such that the sum of long positions equals the sum of short positions.

The rules for calculating the capital requirement for foreign exchange risk are as follows:

- matched positions in currencies of Member States participating in the European Monetary System are subject to a capital requirement of 1.6% of the value of the matched positions;
- CFA and CFP francs are matched with the euro, and are not subject to a capital requirement;
- positions in closely correlated currencies are subject to a capital requirement of 4% of the matched amount;
- other positions, including the balance of unmatched positions in the currencies mentioned above, are subject to a capital requirement of 8% of their amount.

The amounts involved are set out in Table 85: *Market risk under the standardised approach (EU MR1)*.

#### Foreign exchange risk and hedging of net income generated in foreign currencies [Audited]

So-called "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 Group's policy is to hedge the variability of its net income due to currency movements. To this end, earnings generated in a currency other than the functional currency of a given entity of the Group are hedged locally.

#### Foreign exchange risk and hedging of net investments in foreign operations [Audited]

The so-called "structural" foreign exchange position of an entity relates to investments in currencies other than the functional currency. This position mainly results from the capital endowment of the branches and equity investments in foreign currencies financed by buying the investment currency. This structural foreign exchange position, adjusted for any intangibles, constitutes patrimonial exposure.

The Group's policy is to hedge portfolio exposure to liquid currencies, while at the same time maintaining the solvency ratio's limited sensitivity to exchange rate fluctuations. For this, borrowings in the same currency as the investment are used as an alternative to financing by purchasing the currency in question. Borrowings are recognised as hedges of investments.

### INTEREST RATE RISK [Audited]

|  |
|--|
| Interest rate risk in the banking book, or global interest rate risk, is the risk of variability in results as a result of mismatches in interest rates, maturities and nature between assets and liabilities in the banking book. This risk arises in non-trading portfolios. |
|--|

## Organisation of the Group interest risk management

The Board of directors assigns responsibility to the Chief Executive Officer for management of interest rate risk in the banking book. The Board of directors is informed quarterly on the principles governing interest rate policy and the Group's position through the Internal Control, Risk Management and Compliance Committee (CCIRC).

The Chief Executive Officer delegates management responsibility to the Group ALM Treasury Committee (Asset and Liability Management Committee). The permanent members of the Group ALM Treasury Committee are the Group Senior Executive Advisor (Chairman), the Delegate Deputy Chief Operating Officers, the Group Chief Risk Officer, the Group Chief Financial Officer, the Group ALM Treasury Head. The Head of General Inspection and the Head of Compliance are also invited. This committee is responsible for tracking interest rate risk monitoring indicators, proposing the Group's interest rate risk profile and assigning limits.

ALM Treasury is responsible for the analysis of the management proposals and operational implementation of decisions related to managing the interest rate risk of the banking book as part of its delegated management.

The RISK Function participates in the Group ALM Treasury Committee and the local ALM Treasury Committees (ALCo) and oversees implementation by ALM Treasury of the relevant decisions made by these committees. It also provides second-line control by reviewing the models and risk indicators, monitoring the level of risk indicators and ensuring compliance with the limits assigned.

The banking book consists of the Group's total bank balance sheet, excluding trading book transactions. This includes intermediation transactions (deposits, loans, *etc.*), non-commercial balance sheet items (equity, fixed assets, *etc.*) and banking book risk management activities, including derivatives used for the management of interest rate risk on the banking book (notably when they are ineligible for hedge accounting under IFRS).

Banking book interest rate risk in each BNP Paribas entity is systematically transferred to ALM Treasury, through internal analytic contracts or lending/borrowing transactions. For the Group as a whole, ALM Treasury is responsible for managing the interest rate risk transferred in this way.

Decisions concerning the management of interest rate risk are made and monitored during monthly or quarterly committee meetings by entity or group of entities, attended by representatives of local ALM Treasury, Group ALM Treasury, FINANCE & STRATEGY and RISK Functions and senior management of the entities and/or businesses.

## Measurement of interest rate risk

Rate positions are measured taking into account the specific features of the risks managed. Hence, the Group has defined the concepts of standard rate risks and structural rate risks. The standard rate risk corresponds to the general case, namely when it is possible to define uniquely the most appropriate hedging strategy for a given transaction. The structural rate risk is the interest rate risk for equity and non-interest-bearing current accounts: the investment of these balance sheet items generates regular revenues but are sensitive to interest rate levels. However, it is not possible to define a single hedging strategy to fully neutralise this sensitivity. In this case, the Group included all the possible so-called "neutral" management strategies in terms of interest rate risk.

Interest rate risks are analysed in terms of interest rate gaps that measure for each future period the potential rate characteristic mismatches between assets and liabilities (fixed rate and indexation type). In the interest rate gaps, the optional effects, in particular linked to behavioural options, are embedded and translated into their delta equivalent. Value indicators are also used.

The maturity split is determined on the basis of the contractual terms of the transactions and observations of customer behaviour. For Retail Banking products, behavioural models are based on historical or forward data and econometric studies. These possible management strategies notably relate to early redemption and savings accounts. Moreover, the maturities of non-interest-bearing current accounts and of equity are calculated according to a more conventional approach defining a range of investments taking into account the objective of stabilising results and stability of deposits. For current accounts, average maturities are less than five years and the proportion invested beyond 10 years is negligible.

Incorporating dynamic changes in balance sheet items, the interest rate risk is measured through indicators of the sensitivity of revenues to interest rate changes on a going concern basis. This enables the partial or zero correlation between customer interest rates and market interest rates to be taken into account on the one hand, and the volume sensitivities to interest rates on the other hand, which create a risk to future revenues.

The choice of indicators and risk modelling are reviewed by RISK. The results and the adjustments following these reviews are presented and monitored to the committees on a regular basis.

The interest rate risk measurement indicators are consistently presented to the ALCos and serve as the basis for operating risk management decisions.

## Risk limits

Interest rate risk indicators span the entire banking book as at 31 December 2022.

The interest rate gaps are subject to interest rate risk limits across all time horizons. These limits are calibrated based on the nature of the risks (standard or structural) at Group and entity level. They are reviewed annually.

The Group's revenue sensitivity indicator is subject to limits and a warning threshold relative to the overall sensitivity level, also broken down by division and the main entities. Moreover, the Group regularly monitors the impact of stress scenarios on its revenues.

Economic hedges transactions that do not qualify for hedge accounting under IFRS are subject to specific limits.

### Sensitivity of revenues to global interest rate risk

Net interest income sensitivities are calculated on the total banking book, over one-, two- and three-year rolling timeframes notably, for a parallel, instantaneous and definitive increase and decrease in market rates on all currencies over all the terms of  $\pm 50$  basis points ( $\pm 0.5\%$ ). These sensitivities are measured as deviations from the NII projection for the central rate scenario corresponding to future interest rates expected by the markets at estimation date (e.g. forward rates seen at the end of December 2023 for sensitivities at the end -2023). Other scenarios are also used to measure NII sensitivities, including instantaneous, parallel and definitive shocks of  $\pm 200$  basis points.

The sensitivities include the direct impacts of market rates and business trends. Indirect effects on commercial activity linked to changes in outstandings and customer rates, are also taken into account. Thus, for the sake of prudence, increases in sight non-interest-bearing current account balances, observed during the period of low or negative interest rates, are considered as situational to the low interest rates environment, and are assumed to decrease gradually when short-term rates return to sufficiently positive levels. Having maintained interest rates at significant positive levels, has gradually led to sensitivities levels that existed before the low interest rate environment, as illustrated below by end -2023 sensitivities (end -December interest rates being punctually at lower levels compared to previous and subsequent weeks).

**TABLE 90: SENSITIVITY OF REVENUES TO GLOBAL INTEREST RATE RISK BASED ON A 50 BASIS POINTS INCREASE OR DECREASE IN THE INTEREST RATES (EU IRRBB1A) [Audited]**

| <i>In millions of euros</i> | <b>31 December 2023</b> |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | <b>For +50bps shock</b> | <b>For -50bps shock</b> |
| Year 1                      | 336                     | (363)                   |
| Year 2                      | 401                     | (378)                   |
| Year 3                      | 603                     | (555)                   |

| <i>In millions of euros</i> | <b>31 December 2022</b> |                         |
|-----------------------------|-------------------------|-------------------------|
|                             | <b>For +50bps shock</b> | <b>For -50bps shock</b> |
| Year 1                      | (22)                    | 20                      |
| Year 2                      | (20)                    | (92)                    |
| Year 3                      | 125                     | (264)                   |

### Sensitivity of the value of the net assets of the banking intermediation activity

As the assets and liabilities of the Group's banking intermediation business are not intended to be sold, they are not recognised or managed on the basis of their theoretical economic value measured by discounting future cash flows. Similarly, the theoretical economic value of the net assets does not affect the Group's capital.

However, pursuant to the regulatory requirements and calculation methods laid down by the European Banking Authority (EBA), the ratios of sensitivity of the theoretical economic value of the net assets of the intermediation business in relation to Tier 1 capital are regularly calculated through 6 interest rate scenarios defined by the EBA (i.e. parallel up/down, steepening/flattening, short rates up/down). Moreover, the EBA defines thresholds for risk-free rates by maturity (interpolated yield curve between -1.5% for the overnight rate and 0% for the 50-year yields) These ratios are compared to the -15% threshold used by the supervisor to identify situations where the interest rate risk in the banking book could be material.

The ratios at end-December 2023 are presented in the table below and are significantly below the materiality threshold of -15%. In the event of parallel down interest rate scenario, the ratio decreases compared to end-December 2022 and stands at -5.4%.

**TABLE 91: SENSITIVITY OF TIER 1 CAPITAL ECONOMIC VALUE TO THE 6 REGULATORY STRESS TEST SCENARIOS (EU IRRBB1B)**

|                             |   | 31 December 2023                    |              |   |
|-----------------------------|---|-------------------------------------|--------------|---|
|                             |   | Interest rates shock <sup>(*)</sup> |              | Change in the economic value as a percentage of equity (Tier 1) |
| <i>In millions of euros</i> |   | Overnight rate                      | 10-year rate |   |
| 1                           | Parallel up   | 2.00%                               | 2.00%        | 0.3%  |
| 2                           | Parallel down   | -2.00%                              | -2.00%       | -5.4%   |
| 3                           | Steeper (decrease in short term rates, increase in long term rates)   | -1.70%                              | 0.80%        | 1.3%  |
| 4                           | Flattener (increase in short term rates, decrease in long term rates) | 2.10%                               | -0.40%       | -3.1%   |
| 5                           | Short rates up  | 2.60%                               | 0.20%        | -2.0%   |
| 6                           | Short rates down  | -2.60%                              | -0.20%       | 0.8%  |

(\*) Change in interest rate level (OIS swaps) applied for each scenario and application of floor rates (for the euro).

|                             |   | 31 December 2022                    |              |   |
|-----------------------------|---|-------------------------------------|--------------|---|
|                             |   | Interest rates shock <sup>(*)</sup> |              | Change in the economic value of equity (Tier 1) |
| <i>In millions of euros</i> |   | Overnight rate                      | 10-year rate |   |
| 1                           | Parallel up   | 2.00%                               | 2.00%        | -6.8%   |
| 2                           | Parallel down   | -2.00%                              | -2.00%       | 1.2%  |
| 3                           | Steeper (decrease in short term rates, increase in long term rates)   | -1.60%                              | 0.70%        | 0.9%  |
| 4                           | Flattener (increase in short term rates, decrease in long term rates) | 2.00%                               | -0.40%       | -2.6%   |
| 5                           | Short rates up  | 2.50%                               | 0.20%        | -4.6%   |
| 6                           | Short rates down  | -2.50%                              | -0.20%       | 2.4%  |

(\*) Change in interest rate level (OIS swaps) applied for each scenario and application of floor rates (for the euro).

## HEDGING OF INTEREST RATE AND FOREIGN EXCHANGE RISKS

Hedges initiated by the Group consist mainly of interest rate or currency hedges using derivative financial instruments (swaps, options and forwards).

Depending on the hedging objective, derivative financial instruments used for hedging purposes are qualified either as fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Each hedging relationship is formally documented at inception. The documentation describes the hedging strategy, identifies the hedged item and the hedging instrument, and the nature of the hedged risk; and describes the methodology used to test the expected (prospective) and actual (retrospective) effectiveness of the hedge.

### Global interest rate risk

The Bank's strategy for managing global interest rate risk is mainly based on closely monitoring the sensitivity of the Bank's net income to changes in interest rates, factoring in all interest rate risks. The aim is to ensure the stability and regularity of the interest margin. This monitoring is based on an extremely accurate assessment of the risks incurred so that the Bank can determine the hedging strategy, after taking into account the effects of netting the different types of risk. These hedging strategies are defined and implemented by entity and by currency.

The hedges can comprise swaps and options and are typically accounted for as fair value hedges or cash flow hedges. They may also take the form of government securities and are classified on an accounting basis as “Financial assets at amortised cost” or “Financial assets at fair value through equity”.

2023 was characterised by a marked slowdown in the rise of price indices due to less difficult logistics and more restrictive policies of main central banks. The latter ones continued to reduce their balance sheets and to increase their key rates during the first three quarters of the year (+2.00% in Europe, +1.75% in the United Kingdom, +1.00% in the United States of America). To the extent that the outlook related to price increase returns to commonly accepted levels of 2.00% and that the outlook related to economic activity displays a relative slowdown, financial markets began to anticipate declines in key interest rates in 2024 from the last quarter of 2023, particularly in Europe and the United States.

Bonds' interest rates rose from January to October (10-year Bund from 2.00% to 3.00%, US 10-year debt from 3.30% to 5.00%) before a contraction until the end of the year (the 10-year Bund interest rate having ended below 2.00% and the US 10-year debt at 3.80%).

### **Structural foreign exchange risk [Audited]**

Currency hedges are contracted by the ALM Treasury in relation to the Group's investments in foreign currencies and its future foreign currency revenues. Each hedging relationship is formally documented at inception. The documentation describes the hedging strategy, identifies the hedged item and the hedging instrument, and the nature of the hedged risk and describes the methodology used to test the expected (prospective) and actual (retrospective) effectiveness of the hedge.

A hedging relationship is applied and documented for investments in subsidiaries and branches financed by foreign currency loans so as to record movements in exchange rates symmetrically and avoid impacts on the profit and loss account. In this context, these instruments are designated as net investment hedges. The amount of these loans stood at EUR 16 billion at 31 December 2023, compared with EUR 23 billion at 31 December 2022. The changes in value related to exchange differences recognised directly in equity with respect to these hedges amounted to +EUR 339 million in 2023, compared with - EUR 303 million at 31 December 2022.

During the 2023 financial year, no net investment hedging relationships were disqualified.

The amount recorded in the profit and loss account for 2023 with respect to the ineffective portion of hedges of net investments is immaterial.

### **Hedging of financial instruments recognised in the balance sheet (Fair Value Hedge)**

Fair value hedges of interest rate risks relate either to identified fixed-rate assets or liabilities, or to portfolios of fixed-rate assets or liabilities. Derivatives are contracted to reduce the exposure of the fair value of these instruments to changes in interest rates.

Individual assets hedging consists mainly of securities classified as “Financial assets at amortised cost” or “Financial assets at fair value through equity”; individual liabilities hedging consists mainly of fixed-income securities issued by the Group.

Hedges of portfolios of financial assets and liabilities, constructed by currency, relate to:

- fixed-rate loans (property loans, equipment loans, consumer credit and export loans);
- fixed-rate deposits (mainly demand deposits and funds deposited under home savings contracts).

To identify the hedged amount, the residual balance of the hedged item is split into maturity bands, and a separate amount is designated for each band. The maturity split is determined on the basis of the contractual terms of the transactions and historical observations of customer behaviour (early redemption assumptions and estimated default rates).

Demand deposits, which do not bear interest at contractual rates, are qualified as fixed-rate medium-term financial liabilities. Consequently, the value of these liabilities is sensitive to changes in interest rates. Estimates of future cash outflows are based on historical analyses.

For each hedging relationship, expected hedge effectiveness is measured by ensuring that for each maturity band, the fair value of the hedged items is greater than the fair value of the designated hedging instruments.

Actual effectiveness is assessed on an *ex-post* basis by ensuring that the monthly change in the fair value of hedged items since the start of the month does not indicate any over-hedging.

### **Cash flow hedge**

In terms of interest rate risk, the Group uses derivative instruments to hedge fluctuations in income and expenses arising on floating-rate assets and liabilities. Highly probable forecast transactions are also hedged. Hedged items are split into maturity bands by currency and benchmark interest rate. After factoring in early redemption assumptions and estimated default rates, the Group uses derivatives to hedge some or all of the risk exposure generated by these floating-rate instruments.

In terms of foreign exchange risk, the Group hedges against variability in components of consolidated net income. In particular, the Group may hedge future revenue flows (especially interest income and fees) derived from operations carried out by its main subsidiaries and/or branches in a currency other than their functional currencies. As in the case of interest rate hedges, the effectiveness of these hedging relationships is documented and assessed on the basis of forecast maturity bands.

The table below concerns the scope of BNP Paribas SA's medium- and long-term transactions and shows the amount of hedged future cash flows (split by forecast date of realisation), which constitute the majority of the Group's hedging transactions.

**TABLE 92: HEDGED CASH FLOWS** [Audited]

| Period to realisation<br><i>In millions of euros</i> | 31 December 2023 |              |                   |        | 31 December 2022 |              |                   |       |
|--|------------------|--------------|-------------------|--------|------------------|--------------|-------------------|-------|
|  | Less than 1 year | 1 to 5 years | More than 5 years | Total  | Less than 1 year | 1 to 5 years | More than 5 years | Total |
| Hedged cash flows                                    | 2,993            | 6,716        | 887               | 10,596 | 1,769            | 4,090        | 739               | 6,598 |

In 2023, no cash flow hedges were declassified on the grounds that achieving these future earnings would no longer be highly probable.

## 5.8 Liquidity risk

Liquidity risk is the risk that the Bank will not be able to honour its commitments or unwind or settle a position due to the market environment or idiosyncratic factors (*i.e.* specific to BNP Paribas), within a given timeframe and at a reasonable cost.

Liquidity risk reflects the risk of the Group being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements, across all time horizons, from the short to the long term.

This risk may stem from the reduction in funding sources, drawdown of funding commitments, a reduction in the liquidity of certain assets, or an increase in cash or collateral margin calls. It may be related to the bank itself (reputation risk) or to external factors (risks in some markets).

The Group's liquidity risk is managed under a global liquidity policy approved by the Group's ALM Treasury Committee. This policy is based on management principles designed to apply both in normal conditions and in a liquidity crisis. The Group's liquidity position is assessed on the basis of internal indicators and regulatory ratios.

## LIQUIDITY RISK MANAGEMENT POLICY

 [Audited]

### OBJECTIVES

The objectives of the Group's liquidity management policy are to secure a balanced financing structure for the development of BNP Paribas business activities, and to ensure it is sufficiently robust to cope with crisis situations.

The liquidity risk management framework relies on:

- management indicators:
  - by volume, to ensure that businesses or activities comply with their liquidity targets set in line with the Group's funding capacity,
  - by price, *via* internal liquidity pricing;
- the definition of monitoring indicators which enable assessment of the Group's liquidity position under normal conditions and in crisis situations, the efficiency of actions undertaken and compliance with regulatory ratios;
- the implementation of liquidity risk management strategies based on diversification of funding sources with maturities in line with needs, and the constitution of liquidity reserves.

The Group's liquidity policy defines the management principles that apply across all Group entities and businesses and across all time horizons.

### GOVERNANCE

As for all risks, the Group Chief Executive Officer is granted authority by the Board of directors to manage the Group's liquidity risk. The Chief Executive Officer delegates this responsibility to the Group ALM Treasury Committee.

The Internal Control, Risk Management and Compliance Committee (CCIRC) reports quarterly to the Board of directors on liquidity policy principles and the Group's liquidity position.

The Group ALM Treasury Committee is responsible for:

- proposing the Group's liquidity risk profile at the CCIRC and the Board of directors, for review and decision;
- monitoring compliance with regulatory liquidity ratios;
- defining and monitoring management indicators and calibrating the quantitative thresholds set for the Bank's businesses;



- defining and monitoring liquidity risk indicators and associating quantitative thresholds to them if necessary;
- defining and overseeing implementation of liquidity risk management strategies, including monitoring of business lines, under normal and stressed conditions.

In particular, the Group ALM Treasury Committee is informed about funding programmes and programmes to build up liquidity reserves, simulations in crisis conditions (stress tests), and about all events that may arise in crisis situations.

The Group ALM Treasury Committee is tasked with defining the management approach in periods of crisis (emergency plan). This framework is based on:

- supervision of the emergence of a crisis by monitoring the market position and complying with thresholds set for a series of indicators;
- governance of the activation of crisis management mode and the associated responsibilities;
- identification of possible actions for managing a crisis.

The Group ALM Treasury Committee meets every month under normal conditions and more often in stressed conditions or to deal with specific issues.

The permanent members of the Group ALM Treasury Committee are the Group Senior Executive Advisor (Chairman), the Delegate Deputy Chief Operating Officers, the Chief Risk Officer, the Group Chief Financial Officer and the Group ALM Treasury Head. Other members represent the RISK Function, Finance & Strategy Function and ALM Treasury. The Head of General Inspection and the Head of Compliance are also invited.

Across the Group, ALM Treasury is responsible for the operational implementation of the Group ALM Treasury Committee's liquidity management decisions. The ALM Treasury Committees in entities or groups of entities are responsible for local implementation of the strategy decided by the Group ALM Treasury Committee to manage the Bank's liquidity risk.

ALM Treasury is responsible for managing liquidity for the entire Group across all maturities. In particular, it is responsible for funding and short-term issuance (certificates of deposit, commercial paper, *etc.*), for senior and subordinated debt issuance (MTNs, bonds, medium/long-term deposits, covered bonds, *etc.*), preferred share issuance, and loan securitisation programmes for the Group. ALM Treasury is tasked with providing internal funding to the Group's divisions, operating entities and business lines, and investing their surplus cash. It is also responsible for building up and managing liquidity reserves, which comprise assets that can be easily sold in the event of a liquidity squeeze.

RISK participates in the Group and local ALM Treasury Committees and oversees implementation by ALM Treasury of the relevant decisions made by these committees. It provides second-line control by reviewing the models and risk indicators (including liquidity stress tests), monitoring risk indicators and ensuring compliance with the limits assigned.

Finance is responsible for producing the regulatory liquidity indicators, as well as the internal monitoring indicators. Finance oversees the consistency of the internal monitoring indicators with the objectives defined by the Group ALM Treasury Committee. Finance takes also part in the Group and local ALM Committees.

## LIQUIDITY RISK MANAGEMENT AND SUPERVISION

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Internal liquidity risk management and internal monitoring are based on a large range of indicators at various maturities. These indicators are measured on a regular basis by currency and maturity, both at Group level and entity level.

### BUSINESS LINES' INTERNAL MONITORING INDICATORS [Audited]

The management indicators relate to funding needs of Group's Business Lines under normal and stressed conditions. These indicators are part of the Group's budget management framework, with targets and regular (monthly) monitoring of the deviations from the objectives set.

#### Funding needs of the Group's businesses

The funding needs associated with the activity of the Group's businesses are managed in particular by measuring the difference between commercial funding needs (customer loans and overdrafts, trading assets, *etc.*) and commercial funding resources (customer deposits, sale of the Group's debt securities to customers, trading liabilities, *etc.*). This indicator makes it possible to measure the business lines' liquidity consumption under a normal business scenario.

It is supplemented by indicators to measure the funding needs of the business lines in one month and one year depending on the assumptions defined by European regulations in force (Liquidity Coverage Ratio) and (Net Stable Funding Ratio).

In addition to this commercial funding need indicators, the Group closely monitors the liquidity reserves and the refinancing provided by ALM Treasury, as well as the Group's structural resources (*i.e.* net own funds).

The overall management of the business funding needs, the Group's structural resources, funding and liquidity reserves made by the ALM Treasury allows the Group to achieve a structurally robust liquidity situation able to resist severe liquidity stresses.

Business lines' consumption of liquidity is thus integrated in the Group's budget process, wherein each business line estimates its future liquidity needs, in keeping with its profitability targets and capital consumption objectives. During the iterative budget

process, liquidity consumption objectives are allotted to the business lines, taking into account the funding provided by ALM Treasury and structural resources, in line with the Group's overall target. This process is regularly renewed, monitored and adjusted as appropriate throughout the year by the Group ALM Treasury Committee.

### Internal liquidity pricing

All of the Group's assets and liabilities are subject to internal liquidity pricing, the principles of which are decided by the Group ALM Treasury Committee and aim to take account of trends in the cost of market liquidity and the balance between assets and liabilities within the Group's development strategy.

### Change in the liquidity position

At end -2023, the businesses had a net liquidity surplus, as in 2022 (deposits higher than loans). Group's net equity is added to this surplus leading to an overall liquidity surplus.

In this context, the funding provided by ALM Treasury is used to finance the liquidity reserve, while also correcting the structural differences between assets and liabilities (by maturity term) and covering TLAC (Total Loss-Absorbing Capacity) requirements, as well as future Minimum Requirement for own funds and Eligible Liabilities (MREL).

The Group maintains a large surplus in liquidity.

## WHOLESALE FUNDING AND LIQUIDITY RESERVE MONITORING INDICATORS [Audited]

### Sources of wholesale funding

The Group adopted a broad definition of wholesale funding, covering all funds excluding those provided by:

- retail customers, professionals and corporates;
- institutional clients for their operating needs (e.g. portion needed for custody management);
- monetary policy and funding secured by market assets.

This definition is broader than market funding. For example, it includes medium- to long-term debt placed in funds for individuals and, in the short-term portion, non-operating deposits in the Securities Services business.

The Group has a conservative policy for the management of its wholesale funding by ensuring that it does not depend on very short-term funding and diversifying these funding sources.

Thus, wholesale funding with an original maturity of less than one month, so-called very short-term wholesale funding, is systematically "sterilised" by being placed in immediately-available deposits in central banks so that it is not used to fund the Group's business.

The Group ensures that short-term wholesale funding (with original maturity of between one month and one year) is diversified in terms of counterparty, industry and residual maturity. Any excess concentration on one of these criteria is systematically "sterilised" and placed in central bank deposits.

Medium- to long-term wholesale market funding (with original maturity over one year) is diversified in terms of investor type, distribution network, funding programme (secured or unsecured), and by geographical area to ensure diversification. Furthermore, the Group aims to optimise the term structure of its funding operations.

At end of 2023, sterilised very short-term wholesale funding totalled EUR 70.9 billion (leading to the sterilisation of an equivalent amount in the Group's liquidity reserve), diversified short-term wholesale funding totalled EUR 137.4 billion and diversified medium-to long-term wholesale funding totalled EUR 217.7 billion.

### TABLE 93: BREAKDOWN OF THE WHOLESALE FUNDING BY CURRENCY [Audited]

The breakdown of funding by currency corresponds to the Group's needs and to a diversification objective.

| 31 December 2023                             |                  |                |               |                |
|--|------------------|----------------|---------------|----------------|
| <i>In millions of euros</i>                  | EUR              | USD            | Other         | Total          |
| Sterilised very short-term wholesale funding | 38,358           | 20,243         | 12,328        | 70,930         |
| Short-term wholesale funding                 | 56,676           | 46,920         | 33,805        | 137,400        |
| Medium- to long-term wholesale funding       | 105,461          | 85,776         | 26,485        | 217,722        |
| <b>TOTAL WHOLESALE</b>                       | <b>200,495</b>   | <b>152,939</b> | <b>72,618</b> | <b>426,052</b> |
|  |                  |                |               |                |
| <i>In millions of euros</i>                  | 31 December 2022 |                |               |                |

|  | EUR            | USD            | Other         | Total          |
|--|----------------|----------------|---------------|----------------|
| Sterilised very short-term wholesale funding | 49,067         | 23,948         | 15,893        | 88,908         |
| Short-term wholesale funding                 | 48,376         | 53,690         | 32,567        | 134,632        |
| Medium- to long-term wholesale funding       | 88,954         | 64,591         | 26,976        | 180,521        |
| <b>TOTAL WHOLESALE</b>                       | <b>186,397</b> | <b>142,228</b> | <b>75,436</b> | <b>404,062</b> |

**TABLE 94: BREAKDOWN OF THE GROUP'S MEDIUM LONG TERM (MLT) WHOLESALE FUNDING**

The instruments are shown at their net carrying amount (including in particular accrued unpaid interest and the revaluation of the hedged portion).

**31 December 2023**

| <i>In millions of euros</i>  | Tier 1<br>hybrid<br>debt | Tier 2<br>subordinated<br>debt | Subordinated<br>debt not<br>eligible to<br>own funds | Unsecured senior<br>debt |                | Secured<br>MLT<br>funding | Monetary<br>policy<br>funding | TOTAL          |
|------------------------------|--------------------------|--------------------------------|--|--------------------------|----------------|---------------------------|-------------------------------|----------------|
|                              |                          |                                |  | Non-<br>preferred        | Preferred      |                           |                               |                |
| <b>Total MLT funding</b>     | <b>14,901</b>            | <b>20,748</b>                  | <b>1,600</b>   | <b>73,499</b>            | <b>109,123</b> | <b>15,524</b>             | <b>18,162</b>                 | <b>253,556</b> |
| MLT debt placed with clients |                          |                                |  |                          | (17,673)       |                           |                               | (17,673)       |
| Monetary policy              |                          |                                |  |                          |                |                           | (18,162)                      | (18,162)       |
| <b>WHOLESALE MLT FUNDING</b> | <b>14,901</b>            | <b>20,748</b>                  | <b>1,600</b>   | <b>73,499</b>            | <b>91,450</b>  | <b>15,524</b>             | <b>-</b>                      | <b>217,722</b> |

**31 December 2022**

| <i>In millions of euros</i>  | Tier 1<br>hybrid<br>debt | Tier 2<br>subordinated<br>debt | Subordinated<br>debt not<br>eligible to<br>own funds | Unsecured senior<br>debt |               | Secured<br>MLT<br>funding | Monetary<br>policy<br>funding | TOTAL          |
|------------------------------|--------------------------|--------------------------------|--|--------------------------|---------------|---------------------------|-------------------------------|----------------|
|                              |                          |                                |  | Non-<br>preferred        | Preferred     |                           |                               |                |
| <b>Total MLT funding</b>     | <b>11,801</b>            | <b>22,270</b>                  | <b>793</b>   | <b>72,227</b>            | <b>73,608</b> | <b>12,993</b>             | <b>67,087</b>                 | <b>260,779</b> |
| MLT debt placed with clients |                          |                                |  |                          | (12,904)      | (268)                     |                               | (13,172)       |
| Monetary policy              |                          |                                |  |                          |               |                           | (67,087)                      | (67,087)       |
| <b>WHOLESALE MLT FUNDING</b> | <b>11,801</b>            | <b>22,270</b>                  | <b>793</b>   | <b>72,227</b>            | <b>60,704</b> | <b>12,726</b>             | <b>-</b>                      | <b>180,521</b> |

**TABLE 95: TRENDS IN GROUP MLT WHOLESALE FUNDING [Audited]**

| <i>In millions of euros</i>  | Outstanding<br>31<br>December<br>2022 | New<br>origination | Redemptions     | Buy-<br>backs  | Exercise<br>of calls | Perimeter<br>effect<br>and other | Outstanding<br>31<br>December<br>2023 |
|------------------------------|---------------------------------------|--------------------|-----------------|----------------|----------------------|----------------------------------|---------------------------------------|
| <b>Total MLT funding</b>     | <b>260,779</b>                        | <b>74,732</b>      | <b>(77,635)</b> | <b>(2,008)</b> | <b>(11,370)</b>      | <b>9,058</b>                     | <b>253,556</b>                        |
| MLT debt placed with clients | (13,172)                              | (3,028)            | 749             | 458            |                      | (2,680)                          | (17,673)                              |
| Monetary policy              | (67,087)                              |                    | 48,925          |                |                      |                                  | (18,162)                              |

|                              |                |               |                 |                |                 |              |                |
|------------------------------|----------------|---------------|-----------------|----------------|-----------------|--------------|----------------|
| <b>WHOLESALE MLT FUNDING</b> | <b>180,521</b> | <b>71,704</b> | <b>(27,961)</b> | <b>(1,550)</b> | <b>(11,370)</b> | <b>6,378</b> | <b>217,722</b> |
|------------------------------|----------------|---------------|-----------------|----------------|-----------------|--------------|----------------|

Total medium- to long-term wholesale funding outstandings stood at EUR 217.7 billion at 31 December 2023 against EUR 180.5 billion at 31 December 2022.

Wholesale funding raised by the Group in the markets with an initial maturity of over 1 year reached EUR 71.7 billion in 2023, compared to EUR 51.9 billion in 2022.

### Wholesale funding trends based on regulatory changes

In addition to the Group's liquidity management targets, use of wholesale funding also satisfies regulatory requirements relating to Recovery and Resolution, with the application of the Total Loss Absorbing Capacity (TLAC) and Minimum Requirement on own funds and Eligible Liabilities (MREL) requirements (see paragraph *Recovery and resolution in Capital adequacy and capital planning* in section 5.2).

At 31 December 2023, BNP Paribas issued a total of EUR 80.3 billion (outstanding principal) of non-preferred senior debt (of which EUR 71.9 billion in debt is eligible for TLAC and MREL). This debt is composed of: public issues and private placements in various currencies with different maturities.

The main characteristics of these debt instruments are:

- issues under EMTN and US MTN programmes, non-preferred senior bonds (see article L.613-30-3-I-4 of the French Monetary and Financial Code) or unstructured debt;
- initial maturities of more than one year;
- subject to conversion or impairment before senior preferred debt but after subordinated debt;
- documentation mandatorily stating that this debt belongs to the new statutory category.

In addition, as at 31 December 2023, BNP Paribas issued a total of EUR 19.5 billion in senior preferred vanilla debt, eligible for the MREL requirement.

To meet the TLAC and MREL ratio requirements, the Group plans to issue EUR 18.5 billion of senior debt (senior preferred and senior non-preferred) in 2024, subject to market conditions. The Group had completed 19.7% of its issue programme for this category of debt as at 29 January 2024.

### MLT secured wholesale funding

MLT secured wholesale funding is measured by separating out assets representing securities and loans. Funding obtained from central banks is not included in the table below.

**TABLE 96: MLT SECURED WHOLESALE FUNDING**

|                             | 31 December 2023               |                                | 31 December 2022               |                                |
|-----------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
|                             | Collateral used <sup>(*)</sup> | Funding raised <sup>(**)</sup> | Collateral used <sup>(*)</sup> | Funding raised <sup>(**)</sup> |
| <i>In millions of euros</i> |                                |                                |                                |                                |
| Loans and receivables       | 17,671                         | 15,524                         | 14,662                         | 12,685                         |
| Securities                  |                                |                                | 43                             | 40                             |
| <b>TOTAL</b>                | <b>17,671</b>                  | <b>15,524</b>                  | <b>14,706</b>                  | <b>12,726</b>                  |

(\*) Amounts gross of haircuts.

(\*\*) Amounts net of haircuts.

MLT secured wholesale funding (outside of monetary policy) represents 7.1% of total MLT wholesale funding in 2023 (7.0% in 2022). The Bank carefully manages its proportion of secured funding and the associated overcollateralisation in order to protect creditors holding unsecured debt.

Covered bonds and securitisation programmes are the main sources of the Group's secured financing. On average, covered bonds are collateralised by 114% and securitisation programmes by 115%.

### Medium- to long-term liquidity position

The medium-to long-term liquidity positions are measured regularly at Group level by entity and by currency to evaluate the medium-to long-term resources and uses. To this end, each balance sheet item is given a maturity in an economic approach using models and conventions offered by ALM Treasury and reviewed by the RISK Function, or a regulatory approach by

applying standardised weightings of the Net Stable Funding Ratio (NSFR). For example, despite their immediate availability, the current accounts of retail customers and those linked with corporates' cash management activities always remain highly stable, even through the most severe financial crises, thus constituting stable medium- to long-term funding sources in both an economic and a regulatory approach.

## Stress tests and liquidity reserve

Liquidity stress tests are performed regularly on various maturities (one day to twelve months) based on market factors and/or factors specific to the Group and using different scenarios: idiosyncratic (*i.e.* specific to BNP Paribas), systemic crisis (affecting financial institutions), and combined crisis scenarios.

For each crisis scenario considered, borrowings and liabilities are expected to only partially renew, while loan amortisations are expected to be replaced by new loans to protect the commercial franchise, off-balance sheet financing commitments are expected to be used, and market assets are expected to lose their market liquidity. Commitment renewal and utilisation are differentiated in intensity and in time, based on client type (individuals, small and medium enterprises, corporates, financial institutions, *etc.*) and/or the type of underlying for secured borrowings and loans (repos/reverse repos). Stress scenarios also cover calls for additional collateral (*e.g.* increased margin calls for collateralised derivatives, impact of "rating trigger" clauses).

The liquidity reserve consists of Group assets held by ALM Treasury and the capital market businesses. The liquidity reserve comprises:

- deposits with central banks;
- available assets that can be immediately sold on the market or through repurchase agreements (bonds or shares);
- available securities and receivables that can be refinanced with central banks (*e.g.* through securitisation, transforming less liquid assets into liquid or available assets) (see section 5.5 *Proprietary Securitisation (originator)*).

The global liquidity reserve (counterbalancing capacity) is calculated net of the payment systems' intraday needs and in keeping with prudential rules, in particular US rules, under which certain liquid assets are only recognised as available after a certain time period. Transferability restrictions are also taken into consideration in the calculation of the Group's liquidity reserve. These restrictions may stem from local regulations which limit transfers between entities of a group, non-convertible currencies or jurisdictions with foreign exchange control.

The table below shows its trends.

**TABLE 97: BREAKDOWN OF GLOBAL LIQUIDITY RESERVE (COUNTERBALANCING CAPACITY)**

| <i>In millions of euros</i>  | Average 2023   | 31 December 2023 | 31 December 2022 |
|--|----------------|------------------|------------------|
| Total eligible assets  | 614,152        | 618,359          | 591,242          |
| Utilisations   | (146,390)      | (138,791)        | (124,649)        |
| Transferability  | (5,078)        | (5,700)          | (5,943)          |
| <b>GLOBAL LIQUIDITY RESERVE</b>  | <b>462,683</b> | <b>473,867</b>   | <b>460,651</b>   |
| of which liquid assets meeting prudential regulation requirements (HQLA) | 408,476        | 402,700          | 418,900          |
| of which other liquid assets   | 54,207         | 71,167           | 41,751           |

The Group's liquidity reserve stood at EUR 473.9 billion at end-2023, of which EUR 70.9 billion sterilising very short-term wholesale funding.

The Group's liquidity reserve at 31 December 2023 increased by EUR 13.2 billion compared to end-2022.

## REGULATORY LIQUIDITY RATIOS

### Scope of application

The prudential liquidity scope defined by the BNP Paribas Group for monitoring and overseeing liquidity ratios on a consolidated basis is the one defined for its capital ratio adequacy, with the exception of jointly controlled entities which are consolidated under the equity method in the prudential liquidity scope (see Scope of application in section 5.2 *Capital management and capital adequacy*).

### Liquidity Coverage Ratio – LCR

The 30-day Liquidity Coverage Ratio (LCR) came into force on 1 October 2015 setting the minimum coverage ratio for net cash outflows over a one-month time horizon, in a crisis situation, at 100% from 1 January 2018. The Group measures its liquidity requirements in accordance with the requirements of the Delegated Act adopted by the European Commission in January 2015,

and has adapted its management process in keeping with this regulation. The management indicators for the businesses' funding needs and the internal pricing terms therefore reflect the standardised assumptions set by the LCR and allow the Group to monitor compliance with this requirement.

The Group's LCR for the period ending 31 December 2023 stood at 148%, *versus* 129% at 31 December 2022.

**TABLE 98: SHORT-TERM LIQUIDITY RATIO (LCR)<sup>(1)</sup> – ITEMISED (EU LIQ1)**

|   | a                | b              | c              | d              | e              | f              | g              | h              |
|---|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | Unweighted value |                |                |                | Weighted value |                |                |                |
|   | 31 March         | 31 December    | 30 September   | 30 June        | 31 March       | 31 December    | 30 September   | 30 June        |
| <i>In millions of euros</i>   | 2024             | 2023           | 2023           | 2023           | 2024           | 2023           | 2023           | 2023           |
| Number of data points used in the calculation of averages                           | 12               | 12             | 12             | 12             | 12             | 12             | 12             | 12             |
| <b>HIGH QUALITY LIQUID ASSETS (HQLA)</b>  |                  |                |                |                |                |                |                |                |
| <b>TOTAL HIGH QUALITY LIQUID</b>  |                  |                |                |                | <b>397,582</b> | <b>408,476</b> | <b>420,636</b> | <b>436,951</b> |
| <b>CASH OUTFLOWS</b>  |                  |                |                |                |                |                |                |                |
| Retail deposits (including small  | 422,446          | 423,972        | 432,121        | 440,215        | 30,687         | 31,077         | 32,046         | 32,893         |
| Of which stable deposits  | 245,985          | 249,034        | 254,490        | 260,292        | 12,299         | 12,452         | 12,725         | 13,015         |
| Of which less stable deposits   | 157,979          | 159,938        | 165,121        | 168,507        | 18,326         | 18,545         | 19,203         | 19,697         |
| Unsecured non-retail funding  | 479,145          | 490,373        | 510,230        | 537,281        | 215,823        | 222,958        | 234,633        | 248,694        |
| Of which operational deposits   | 163,111          | 163,363        | 166,440        | 172,777        | 40,188         | 40,256         | 40,978         | 42,502         |
| Of which non-operational deposits   | 302,508          | 313,896        | 330,609        | 351,386        | 162,109        | 169,588        | 180,475        | 193,074        |
| Of which unsecured debt   | 13,526           | 13,115         | 13,180         | 13,119         | 13,526         | 13,115         | 13,180         | 13,119         |
| Secured non-retail funding (of which repos)   |                  |                |                |                | 97,444         | 93,645         | 91,116         | 88,304         |
| Additional requirements   | 385,516          | 385,746        | 390,921        | 392,540        | 104,181        | 103,752        | 104,403        | 102,242        |
| Of which outflows related to derivative exposures and other collateral requirements | 48,974           | 48,604         | 48,334         | 44,761         | 47,614         | 47,463         | 47,611         | 44,321         |
| Of which outflows on secured debt   | 7,196            | 7,430          | 7,498          | 8,020          | 7,196          | 7,430          | 7,498          | 8,020          |
| Of which credit and liquidity facilities  | 329,345          | 329,712        | 335,089        | 339,759        | 49,370         | 48,859         | 49,294         | 49,901         |
| Other contractual funding obligations   | 60,821           | 61,133         | 63,615         | 65,514         | 60,821         | 61,133         | 63,615         | 65,514         |
| Other contingent funding obligations  | 142,122          | 139,214        | 137,295        | 138,667        | 7,149          | 6,746          | 6,711          | 6,720          |
| <b>TOTAL CASH OUTFLOWS</b>  | <b>516,104</b>   | <b>519,311</b> | <b>532,522</b> | <b>544,367</b> |                |                |                |                |
| <b>CASH INFLOWS</b>   |                  |                |                |                |                |                |                |                |
| Secured lending (of which reverse repos)  | 471,994          | 453,725        | 441,809        | 445,077        | 96,369         | 93,698         | 92,466         | 93,950         |
| Inflows from fully performing exposures   | 87,138           | 87,373         | 90,998         | 93,786         | 68,448         | 68,319         | 71,490         | 73,167         |
| Other cash inflows  | 71,585           | 67,430         | 65,025         | 59,732         | 60,720         | 57,436         | 55,566         | 49,900         |
| <b>TOTAL CASH INFLOWS</b>   | <b>630,717</b>   | <b>608,529</b> | <b>597,832</b> | <b>598,595</b> | <b>225,538</b> | <b>219,452</b> | <b>219,522</b> | <b>217,017</b> |
| EU-20c Inflows subject to 75% cap   | 454,620          | 436,026        | 427,000        | 424,511        | 225,538        | 219,452        | 219,522        | 217,017        |
| <b>LIQUIDITY BUFFER</b>   | <b>397,582</b>   | <b>408,476</b> | <b>420,636</b> | <b>436,951</b> |                |                |                |                |
| <b>TOTAL NET CASH OUTFLOWS</b>  | <b>290,566</b>   | <b>299,859</b> | <b>313,001</b> | <b>327,349</b> |                |                |                |                |
| <b>LIQUIDITY COVERAGE RATIO (%)</b>   | <b>136.92%</b>   | <b>136.47%</b> | <b>134.61%</b> | <b>133.74%</b> |                |                |                |                |

<sup>(1)</sup> The data presented in this table are calculated as the rolling average over the twelve latest month-end values.

## Qualitative information on LCR (EU LIQ-B)

The Group's rolling month-end average LCR over the last 12 months stands at 137%, which corresponded to a liquidity surplus of EUR 107 billion compared with the regulatory requirement. The Group ratio averaged between 134% and 137%.

After application of the regulatory haircuts (weighted values), the Group's rolling month-end average liquid assets over the last 12 months amounted to EUR 398 billion, and mainly consist of central bank deposits (50% at the end of March) and government and sovereign bonds (50%).

Rolling month-end average cash outflows over the last 12 months under the thirty-day liquidity stress scenario amount to EUR 291 billion, a large part of which corresponds to thirty-day deposit outflow assumptions of EUR 247 billion. Reciprocally, cash inflows on loans under the thirty-day liquidity regulatory stress scenario amount to EUR 68 billion.

Cash flows on financing transactions and collateralised loans, representing repurchase agreements and securities exchanges, record net rolling month-end average outflows over the last 12 months of EUR 1 billion, given the regulatory haircuts applied to collaterals. Flows linked to derivative instruments and regulatory stress tests record net outflows of EUR 18 billion after netting of cash outflows (EUR 48 billion) and inflows (EUR 30 billion).

Lastly, the rolling month-end average drawdown assumptions on financing commitments over the last 12 months amounted to EUR 49 billion.

There was no excessive imbalance on any significant currency.

**TABLE 99: NET STABLE FUNDING RATIO (EU LIQ2)**

|   |   | a                                     | b                      | c        | d        | e              |
|---|---|---------------------------------------|------------------------|----------|----------|----------------|
|   |   | 31 December 2023                      |                        |          |          |                |
|   |   | Unweighted value by residual maturity |                        |          |          |                |
| <i>In millions of euros</i>                 |   | No maturity                           | 6 months to < 6 months | < 1 year | ≥ 1 year | Weighted value |
| <b>Available stable funding (ASF) Items</b> |   |                                       |                        |          |          |                |
| 1   | Capital items and instruments   | 119,821                               | 143                    |          | 19,041   | 138,862        |
| 2   | Own funds   | 119,821                               | 143                    |          | 17,332   | 137,153        |
| 3   | Other capital instruments   |                                       |                        |          | 1,708    | 1,708          |
| 4   | Retail deposits   |                                       | 394,964                | 3,744    | 5,476    | 375,800        |
| 5   | Stable deposits   |                                       | 228,935                | 777      | 977      | 219,203        |
| 6   | Less stable deposits  |                                       | 166,030                | 2,967    | 4,500    | 156,597        |
| 7   | Wholesale funding   |                                       | 998,486                | 52,212   | 162,771  | 440,539        |
| 8   | Operational deposits  |                                       | 165,695                | 12       | 804      | 83,658         |
| 9   | Other wholesale funding   |                                       | 832,791                | 52,200   | 161,967  | 356,881        |
| 10  | Interdependent liabilities  |                                       | 17,926                 |          | 25,778   |                |
| 11  | Other liabilities   | 61,763                                | 168,967                | 1,095    | 28,373   | 28,920         |
| 12  | NSFR derivative liabilities   | 61,763                                |                        |          |          |                |
| 13  | All other liabilities and capital instruments not included in the above categories  |                                       | 168,967                | 1,095    | 28,373   | 28,920         |
| <b>14</b>                                   | <b>TOTAL AVAILABLE STABLE FUNDING (ASF)</b>   |                                       |                        |          |          | <b>984,120</b> |
| <b>Required stable funding (RSF) Items</b>  |   |                                       |                        |          |          |                |
| 15  | Total high-quality liquid assets (HQLA)   |                                       |                        |          |          | 29,226         |
| 15a   | Assets encumbered for a residual maturity of one year or more in a cover pool   |                                       | 254                    | 250      | 10,413   | 9,279          |
| 16  | Deposits held at other financial institutions for operational purposes  |                                       | 6                      | 1        | 1        | 5              |
| 17  | Performing loans and securities:  |                                       | 433,499                | 93,040   | 642,326  | 650,883        |
| 18  | Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut                                    |                                       | 113,944                | 4,910    | 5,396    | 13,040         |
| 19  | Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions          |                                       | 132,919                | 12,305   | 9,982    | 27,290         |
| 20  | Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which                |                                       | 120,158                | 59,023   | 372,265  | 406,659        |
| 21  | With a risk weight of less than or equal to 35% under the Basel Standardised Approach for credit risk   |                                       |                        |          |          |                |
| 22  | Performing residential mortgages, of which  |                                       | 5,078                  | 5,143    | 172,478  | 117,581        |
| 23  | With a risk weight of less than or equal to 35% under the Basel Standardised Approach for credit risk   |                                       | 5,078                  | 5,143    | 172,478  | 117,581        |
| 24  | Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products |                                       | 61,400                 | 11,659   | 82,205   | 86,313         |
| 25  | Interdependent assets   |                                       | 17,926                 |          | 25,778   |                |
| 26  | Other assets  |                                       |                        |          |          |                |
| 27  | Physical traded commodities   |                                       |                        |          | 10,110   | 8,594          |



|                             | a   | b                  | c         | d               | e               |
|-----------------------------|---|--------------------|-----------|-----------------|-----------------|
|                             | <b>31 December 2023</b>   |                    |           |                 |                 |
|                             | <b>Unweighted value by residual maturity</b>  |                    |           |                 |                 |
|                             |   | <b>6 months</b>    |           |                 | <b>Weighted</b> |
| <i>In millions of euros</i> | <b>No</b>   | <b>to</b>          | <b>to</b> | <b>≥ 1 year</b> | <b>value</b>    |
|                             | <b>maturity &lt; 6 months</b>   | <b>&lt; 1 year</b> |           |                 |                 |
| 28                          | Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs |                    | 30,767    |                 | 26,152          |
| 29                          | NSFR derivative assets  |                    |           |                 |                 |
| 30                          | NSFR derivative liabilities before deduction of variation margin posted                             |                    | 103,619   |                 | 5,181           |
| 31                          | All other assets not included in the above categories   | 47,661             | 2,996     | 79,755          | 95,927          |
| 32                          | Off-balance sheet items   | 431,582            | 18,425    | 38,209          | 23,731          |
| 33                          | <b>TOTAL REQUIRED STABLE FUNDING (RSF)</b>  |                    |           |                 | <b>848,977</b>  |
| 34                          | <b>NET STABLE FUNDING RATIO (%)</b>   |                    |           |                 | <b>115.92%</b>  |

|                                      |   | a                                     | b                    | c        | d              | e         |
|--------------------------------------|---|---------------------------------------|----------------------|----------|----------------|-----------|
|                                      |   | 31 December 2022                      |                      |          |                |           |
|                                      |   | Unweighted value by residual maturity |                      |          |                |           |
| <i>In millions of euros</i>          |   | No maturity < 6 months                | 6 months to < 1 year | ≥ 1 year | Weighted value |           |
| Available stable funding (ASF) Items |   |                                       |                      |          |                |           |
| 1                                    | Capital items and instruments   | 117,703                               |                      | 20,692   | 138,395        |           |
| 2                                    | Own funds   | 117,703                               |                      | 20,692   | 138,395        |           |
| 3                                    | Other capital instruments   |                                       |                      |          |                |           |
| 4                                    | Retail deposits   |                                       | 442,881              | 2,548    | 4,284          | 418,566   |
| 5                                    | Stable deposits   |                                       | 266,922              | 983      | 1,318          | 255,828   |
| 6                                    | Less stable deposits  |                                       | 175,959              | 1,565    | 2,966          | 162,738   |
| 7                                    | Wholesale funding   |                                       | 1,061,592            | 48,662   | 154,116        | 454,843   |
| 8                                    | Operational deposits  |                                       | 177,614              | 26       | 672            | 89,492    |
| 9                                    | Other wholesale funding   |                                       | 883,978              | 48,636   | 153,444        | 365,351   |
| 10                                   | Interdependent liabilities  |                                       | 15,157               | -        | 50,663         | -         |
| 11                                   | Other liabilities   | 68,599                                | 173,335              | 1,273    | 30,845         | 31,481    |
| 12                                   | NSFR derivative liabilities   | 68,599                                |                      |          |                |           |
| 13                                   | All other liabilities and capital instruments not included in the above categories  |                                       | 173,335              | 1,273    | 30,845         | 31,481    |
| 14                                   | TOTAL AVAILABLE STABLE FUNDING (ASF)  |                                       |                      |          |                | 1,043,285 |
| Required stable funding (RSF) Items  |   |                                       |                      |          |                |           |
| 15                                   | Total high-quality liquid assets (HQLA)   |                                       |                      |          |                | 24,749    |
| 15a                                  | Assets encumbered for a residual maturity of one year or more in a cover pool   |                                       | 165                  | 163      | 6,564          | 5,859     |
| 16                                   | Deposits held at other financial institutions for operational purposes  |                                       | 1                    | 1        | 1              | 2         |
| 17                                   | Performing loans and securities:  |                                       | 458,227              | 90,795   | 701,469        | 715,424   |
| 18                                   | Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut                                    |                                       | 96,139               | 4,787    | 4,125          | 10,157    |
| 19                                   | Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions          |                                       | 156,806              | 14,320   | 6,329          | 25,403    |
| 20                                   | Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which                |                                       | 141,518              | 57,200   | 433,552        | 472,528   |
| 21                                   | With a risk weight of less than or equal to 35% under the Basel Standardised Approach for credit risk   |                                       |                      |          |                |           |
| 22                                   | Performing residential mortgages, of which  |                                       | 5,728                | 5,560    | 177,717        | 123,034   |
| 23                                   | With a risk weight of less than or equal to 35% under the Basel Standardised Approach for credit risk   |                                       | 5,728                | 5,560    | 177,717        | 123,034   |
| 24                                   | Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products |                                       | 58,035               | 8,928    | 79,746         | 84,301    |
| 25                                   | Interdependent assets   |                                       | 15,157               |          | 50,663         |           |
| 26                                   | Other assets  |                                       |                      |          |                |           |
| 27                                   | Physical traded commodities   |                                       |                      |          | 11,755         | 9,992     |
| 28                                   | Assets posted as initial margin for derivative contracts and contributions to default   |                                       |                      | 27,440   |                | 23,324    |

|  | a  | b                  | c               | d               | e              |
|--|--|--------------------|-----------------|-----------------|----------------|
|  | <b>31 December 2022</b>                      |                    |                 |                 |                |
|  | <b>Unweighted value by residual maturity</b> |                    |                 |                 |                |
|  | <b>6 months</b>                              |                    |                 | <b>Weighted</b> |                |
| <i>In millions of euros</i>  | <b>No</b>                                    | <b>to</b>          | <b>to</b>       | <b>≥ 1 year</b> | <b>value</b>   |
|  | <b>maturity &lt; 6 months</b>                | <b>&lt; 1 year</b> | <b>≥ 1 year</b> |                 |                |
| funds of CCPs  |  |                    |                 |                 |                |
| 29 NSFR derivative assets  |  |                    |                 |                 |                |
| 30 NSFR derivative liabilities before deduction of variation margin posted |  |                    | 113,092         |                 | 5,655          |
| 31 All other assets not included in the above categories                   | 37,017                                       | 4,756              | 87,667          |                 | 97,867         |
| 32 Off-balance sheet items   | 397,340                                      | 12,542             | 28,511          |                 | 23,951         |
| <b>33 TOTAL REQUIRED STABLE FUNDING (RSF)</b>                              |  |                    |                 |                 | <b>906,821</b> |
| <b>34 NET STABLE FUNDING RATIO (%)</b>                                     |  |                    |                 |                 | <b>115.05%</b> |

## SCHEDULE OF THE BANK'S PRUDENTIAL BALANCE SHEET

This schedule presents cash flows according to contractual payment dates within the prudential scope (see Scope of application in section 5.2 *Capital management and capital adequacy*) in line with the rules defined for the liquidity ratio.

The securities in the trading book listed at fair value through profit or loss are presented with “not determined” maturities, as the securities’ contractual maturity is not representative of the Group’s planned holding period. Likewise, derivative financial instruments listed at fair value through profit or loss, derivatives used for hedging purposes and remeasurement adjustments on interest-rate risk hedged portfolios are presented with “not determined” maturities.

In the following table and in the event of an early repayment option, the rules applied are the most conservative:

- if the option is at the hands of both parties, the repayment date is the next contractual date for the exercise of the option;
- if the option is at the hands of the counterparty, the date for the repayment of assets is the date of final maturity while that used for liabilities is the next contractual date for the exercise of the option;
- if the option is at the hands of the Group, the repayment date is the next contractual date for the exercise of the option, for both assets and liabilities;
- in the case of subordinated debt, the redemption date used is the final maturity date.

**TABLE 100: CONTRACTUAL MATURITIES OF THE PRUDENTIAL BALANCE SHEET (EU CR1-A)** [Audited]**31 December 2023**

| <i>In millions of euros</i>                                      | <b>Not<br/>determined</b> | <b>Overnight<br/>or<br/>demand</b> | <b>Up to<br/>1 month<br/>(excl.<br/>Overnight)</b> | <b>1 to 3 months</b> | <b>3 months<br/>to 1 year</b> | <b>1 to<br/>5 years</b> | <b>More<br/>than<br/>5 years</b> | <b>TOTAL</b>     |
|--|---------------------------|------------------------------------|--|----------------------|-------------------------------|-------------------------|----------------------------------|------------------|
| <b>ASSETS</b>  |                           |                                    |  |                      |                               |                         |                                  |                  |
| Cash and amounts due from central banks                          |                           | 288,270                            |  |                      |                               |                         |                                  | 288,270          |
| Financial instruments at fair value through profit and loss      |                           |                                    |  |                      |                               |                         |                                  |                  |
| Securities   | 212,127                   |                                    |  |                      |                               |                         |                                  | 212,127          |
| Loans and repurchase agreements                                  |                           | 65,049                             | 86,442   | 30,200               | 24,195                        | 16,466                  | 4,686                            | 227,038          |
| Derivative financial instruments                                 | 292,754                   |                                    |  |                      |                               |                         |                                  | 292,754          |
| Derivatives used for hedging purposes                            | 21,814                    |                                    |  |                      |                               |                         |                                  | 21,814           |
| Financial assets at fair value through equity                    |                           |                                    |  |                      |                               |                         |                                  |                  |
| Debt securities  | 26                        | 81                                 | 1,571  | 1,418                | 3,440                         | 16,706                  | 29,725                           | 52,967           |
| Equity securities  | 2,275                     |                                    |  |                      |                               |                         |                                  | 2,275            |
| Financial assets at amortised cost                               |                           |                                    |  |                      |                               |                         |                                  |                  |
| Loans and advances to credit institutions                        |                           | 7,058                              | 8,971  | 4,672                | 2,496                         | 496                     | 560                              | 24,255           |
| Loans and advances to customers                                  |                           | 1,143                              | 59,590   | 81,324               | 147,170                       | 349,672                 | 252,907                          | 891,806          |
| Debt securities  | 150                       | 553                                | 2,092  | 4,511                | 20,584                        | 48,071                  | 45,021                           | 120,982          |
| Remeasurement adjustment on interest rate risk hedged portfolios | (2,661)                   |                                    |  |                      |                               |                         |                                  | (2,661)          |
| <b>Financial assets</b>  | <b>526,485</b>            | <b>362,155</b>                     | <b>158,665</b>                                     | <b>122,125</b>       | <b>197,887</b>                | <b>431,410</b>          | <b>332,900</b>                   | <b>2,131,627</b> |
| Other assets   | 174,813                   | 9,772                              | 8,581  | 1,568                | 1,521                         | 766                     | 5,575                            | 202,596          |
| <b>TOTAL ASSETS</b>  | <b>701,298</b>            | <b>371,927</b>                     | <b>167,247</b>                                     | <b>123,693</b>       | <b>199,408</b>                | <b>432,176</b>          | <b>338,475</b>                   | <b>2,334,224</b> |
| of which Loans and advances                                      | -                         | 66,111                             | 155,003  | 116,196              | 173,862                       | 366,634                 | 258,154                          | 1,135,960        |
| of which Debt securities   | 133,195                   | 635                                | 3,662  | 5,929                | 24,024                        | 64,777                  | 74,746                           | 306,968          |
| <b>LIABILITIES</b>   |                           |                                    |  |                      |                               |                         |                                  |                  |
| Deposit from central banks                                       |                           | 3,374                              |  |                      |                               |                         |                                  | 3,374            |
| Financial instruments at fair value through profit and loss      |                           |                                    |  |                      |                               |                         |                                  |                  |
| Securities   | 104,910                   |                                    |  |                      |                               |                         |                                  | 104,910          |
| Deposits and repurchase agreements                               |                           | 35,451                             | 157,221  | 47,554               | 20,074                        | 11,907                  | 1,667                            | 273,873          |
| Issued debt securities   |                           | 218                                | 4,190  | 5,131                | 16,140                        | 37,549                  | 20,116                           | 83,343           |
| Derivative financial instruments                                 | 279,446                   |                                    |  |                      |                               |                         |                                  | 279,446          |
| Derivatives used for hedging purposes                            | 37,911                    |                                    |  |                      |                               |                         |                                  | 37,911           |

| <i>In millions of euros</i>   | Not<br>determined | Overnight<br>or<br>demand | Up to<br>1 month<br>(excl.<br>Overnight) | 1 to<br>3 months | 3 months<br>to 1 year | 1 to<br>5 years | More<br>than<br>5 years | TOTAL            |
|---|-------------------|---------------------------|--|------------------|-----------------------|-----------------|-------------------------|------------------|
| Financial liabilities at amortised cost                             |                   |                           |  |                  |                       |                 |                         |                  |
| Deposits from credit institutions                                   |                   | 14,293                    | 4,219                                    | 53,913           | 10,944                | 2,154           | 67                      | 85,590           |
| Deposits from customers   |                   | 724,599                   | 142,697                                  | 79,720           | 35,283                | 7,978           | 3,598                   | 993,875          |
| Debt securities   |                   | 107                       | 11,647                                   | 32,852           | 46,140                | 57,453          | 36,473                  | 184,672          |
| Subordinated debt   |                   |                           | 48                                       |                  | 1,127                 | 8,076           | 13,715                  | 22,965           |
| Remeasurement adjustment on<br>interest rate risk hedged portfolios | (14,175)          |                           |  |                  |                       |                 |                         | (14,175)         |
| <b>Financial liabilities</b>  | <b>408,093</b>    | <b>778,042</b>            | <b>320,021</b>                           | <b>219,170</b>   | <b>129,707</b>        | <b>125,116</b>  | <b>75,635</b>           | <b>2,055,785</b> |
| Other liabilities   | 229,199           | 3,965                     | 22,483                                   | 2,466            | 1,903                 | 585             | 17,838                  | 278,439          |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                 | <b>637,292</b>    | <b>782,007</b>            | <b>342,503</b>                           | <b>221,636</b>   | <b>131,610</b>        | <b>125,701</b>  | <b>93,473</b>           | <b>2,334,224</b> |

| <i>In millions of euros</i>                                      | Not<br>determined | Overnight<br>or<br>demand | Up to<br>1 month<br>(excl.<br>Overnight) | 1 to<br>3 months | 3 months<br>to 1 year | 1 to<br>5 years | More<br>than<br>5 years | TOTAL            |
|--|-------------------|---------------------------|--|------------------|-----------------------|-----------------|-------------------------|------------------|
| <b>ASSETS</b>  |                   |                           |  |                  |                       |                 |                         |                  |
| Cash and amounts due from central banks                          |                   | 318,569                   |  |                  |                       |                 |                         | 318,569          |
| Financial instruments at fair value through profit and loss      |                   |                           |  |                  |                       |                 |                         |                  |
| Securities   | 166,946           |                           |  |                  |                       |                 |                         | 166,946          |
| Loans and repurchase agreements                                  |                   | 64,994                    | 57,714                                   | 29,441           | 24,085                | 9,961           | 5,828                   | 192,024          |
| Derivative financial instruments                                 | 328,358           |                           |  |                  |                       |                 |                         | 328,358          |
| Derivatives used for hedging purposes                            | 25,681            |                           |  |                  |                       |                 |                         | 25,682           |
| Financial assets at fair value through equity                    |                   |                           |  |                  |                       |                 |                         |                  |
| Debt securities  | 59                |                           | 3,890                                    | 797              | 3,787                 | 12,120          | 17,916                  | 38,570           |
| Equity securities  | 2,188             |                           |  |                  |                       |                 |                         | 2,188            |
| Financial assets at amortised cost                               |                   |                           |  |                  |                       |                 |                         |                  |
| Loans and advances to credit institutions                        |                   | 9,987                     | 13,023                                   | 5,055            | 2,463                 | 649             | 1,297                   | 32,474           |
| Loans and advances to customers                                  |                   | 13,851                    | 56,802                                   | 78,893           | 134,620               | 345,125         | 258,376                 | 887,667          |
| Debt securities  | 154               | 92                        | 3,503                                    | 4,100            | 14,908                | 47,213          | 43,741                  | 113,711          |
| Remeasurement adjustment on interest rate risk hedged portfolios | (7,477)           |                           |  |                  |                       |                 |                         | (7,477)          |
| <b>Financial assets</b>  | <b>515,910</b>    | <b>407,494</b>            | <b>134,931</b>                           | <b>118,287</b>   | <b>179,864</b>        | <b>415,067</b>  | <b>327,158</b>          | <b>2,098,711</b> |
| Other assets   | 187,930           | 21,181                    | 6,832                                    | 9,241            | 1,835                 | 1,977           | 8,727                   | 237,722          |
| Assets held for sale   |                   |                           |  | 86,839           |                       |                 |                         | 86,839           |
| <b>TOTAL ASSETS</b>  | <b>703,839</b>    | <b>428,674</b>            | <b>141,764</b>                           | <b>214,366</b>   | <b>181,699</b>        | <b>417,045</b>  | <b>335,885</b>          | <b>2,423,272</b> |
| of which Loans and advances                                      | -                 | 77,985                    | 127,538                                  | 113,389          | 161,168               | 355,735         | 265,501                 | 1,101,317        |
| of which Debt securities   | 104,526           | 92                        | 7,393                                    | 4,898            | 18,696                | 59,333          | 61,656                  | 256,593          |
| <b>LIABILITIES</b>   |                   |                           |  |                  |                       |                 |                         |                  |
| Deposit from central banks                                       |                   | 3,054                     |  |                  |                       |                 |                         | 3,054            |
| Financial instruments at fair value through profit and loss      |                   |                           |  |                  |                       |                 |                         |                  |
| Securities   | 99,155            |                           |  |                  |                       |                 |                         | 99,155           |
| Deposits and repurchase agreements                               |                   | 48,048                    | 125,131                                  | 39,086           | 14,922                | 5,923           | 965                     | 234,076          |
| Issued debt securities   |                   | 7                         | 3,672                                    | 4,662            | 12,442                | 27,376          | 17,250                  | 65,409           |
| Derivative financial instruments                                 | 300,936           |                           |  |                  |                       |                 |                         | 300,936          |
| Derivatives used for hedging                                     | 40,002            |                           |  |                  |                       |                 |                         | 40,002           |

| <i>In millions of euros</i>   | Not<br>determined | Overnight<br>or<br>demand | Up to<br>1 month<br>(excl.<br>Overnight) | 1 to<br>3 months | 3 months<br>to 1 year | 1 to<br>5 years | More<br>than<br>5 years | TOTAL            |
|---|-------------------|---------------------------|--|------------------|-----------------------|-----------------|-------------------------|------------------|
| purposes  |                   |                           |  |                  |                       |                 |                         |                  |
| Financial liabilities at amortised cost                             |                   |                           |  |                  |                       |                 |                         |                  |
| Deposits from credit institutions                                   |                   | 14,768                    | 5,518                                    | 25,331           | 49,365                | 20,950          | 780                     | 116,714          |
| Deposits from customers   |                   | 780,457                   | 124,371                                  | 63,839           | 37,088                | 5,924           | 2,888                   | 1,014,567        |
| Debt securities   |                   | 5                         | 9,731                                    | 31,847           | 34,884                | 42,770          | 32,952                  | 152,191          |
| Subordinated debt   |                   |                           | 8  |                  | 270                   | 8,599           | 13,511                  | 22,388           |
| Remeasurement adjustment on<br>interest rate risk hedged portfolios | (20,201)          |                           |  |                  |                       |                 |                         | (20,201)         |
| <b>Financial liabilities</b>  | <b>419,893</b>    | <b>846,339</b>            | <b>268,431</b>                           | <b>164,765</b>   | <b>148,972</b>        | <b>111,543</b>  | <b>68,347</b>           | <b>2,028,290</b> |
| Other non-financial liabilities                                     | 257,789           | 13,059                    | 14,228                                   | 10,092           | 2,318                 | 1,818           | 18,675                  | 317,980          |
| Liabilities associated with assets<br>held for sale                 | -                 | -                         | -  | 77,002           | -                     | -               | -                       | 77,002           |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                 | <b>677,682</b>    | <b>859,398</b>            | <b>282,659</b>                           | <b>251,860</b>   | <b>151,290</b>        | <b>113,361</b>  | <b>87,022</b>           | <b>2,423,272</b> |

For liquidity risk management, the above contractual schedule is supplemented by economic analyses taking into account customer behaviour or market liquidity of certain assets (e.g. securities), under normal conditions and stress situations.

To this end, the Group uses a set of tools to anticipate and manage its economic liquidity, in particular as previously stated:

- medium and long-term liquidity situations;
- stress tests and the liquidity reserve;
- monitoring regulatory liquidity ratios.

The following table presents the details of Table 100: *Contractual maturities of the prudential balance sheet* for equity instruments and debt securities issued by the Group in the medium and long term, excluding early redemption options.

**TABLE 101: CONTRACTUAL MATURITIES OF CAPITAL INSTRUMENTS AND MEDIUM LONG TERM DEBT SECURITIES IN THE PRUDENTIAL SCOPE**

| <i>In millions of euros</i>  | <b>TOTAL</b>       |               |               |               |               |               | <b>2029- Beyond</b> |               |                  |
|--|--------------------|---------------|---------------|---------------|---------------|---------------|---------------------|---------------|------------------|
|  | <b>31 December</b> |               |               |               |               |               | <b>2023</b>         | <b>2033</b>   | <b>Perpetual</b> |
|  | <b>2023</b>        | <b>2024</b>   | <b>2025</b>   | <b>2026</b>   | <b>2027</b>   | <b>2028</b>   |                     |               |                  |
| <b>Amount<sup>(*)</sup> of liabilities eligible to Additional Tier 1</b> | <b>14,901</b>      | -             | -             | -             | -             | -             | -                   | -             | <b>14,901</b>    |
| <b>Subordinated debt</b>   | <b>1,352</b>       | -             | -             | -             | -             | -             | -                   | -             | <b>1,352</b>     |
| <b>Preferred shares and Undated super subordinated notes</b>             | <b>13,549</b>      | -             | -             | -             | -             | -             | -                   | -             | <b>13,549</b>    |
| <b>Amount<sup>(*)</sup> of debt eligible to Tier 2</b>                   | <b>20,748</b>      | <b>1,165</b>  | <b>2,635</b>  | <b>2,574</b>  | <b>2,598</b>  | <b>253</b>    | <b>8,785</b>        | <b>2,739</b>  | <b>-</b>         |
| <b>Subordinated debt</b>   | <b>20,748</b>      | <b>1,165</b>  | <b>2,635</b>  | <b>2,574</b>  | <b>2,598</b>  | <b>253</b>    | <b>8,785</b>        | <b>2,739</b>  | <b>-</b>         |
| of which subordinated debt at amortised cost                             | 20,728             | 1,163         | 2,635         | 2,574         | 2,598         | 253           | 8,785               | 2,721         |                  |
| of which subordinated debt at fair value through profit and loss         | 20                 | 2             |               |               |               |               |                     | 18            |                  |
| <b>Amount<sup>(*)</sup> of debt not eligible to prudential own funds</b> | <b>1,600</b>       | -             | <b>40</b>     | -             | -             | <b>2</b>      | <b>46</b>           | <b>2</b>      | <b>1,510</b>     |
| <b>Unsecured Senior debt</b>   | <b>158,320</b>     | <b>17,796</b> | <b>25,315</b> | <b>19,119</b> | <b>17,886</b> | <b>23,628</b> | <b>43,259</b>       | <b>11,315</b> | <b>-</b>         |
| <b>Non-preferred senior debt</b>   | <b>73,499</b>      | <b>6,198</b>  | <b>9,668</b>  | <b>6,420</b>  | <b>10,902</b> | <b>11,321</b> | <b>23,726</b>       | <b>5,264</b>  | <b>-</b>         |
| of which non preferred senior debt at amortised cost                     | 69,018             | 6,198         | 9,668         | 6,420         | 10,902        | 11,321        | 23,451              | 1,059         |                  |
| of which non preferred senior debt at fair value through profit and loss | 4,481              |               |               |               |               |               | 276                 | 4,205         |                  |
| <b>Preferred senior debt</b>   | <b>84,821</b>      | <b>11,598</b> | <b>15,648</b> | <b>12,700</b> | <b>6,984</b>  | <b>12,307</b> | <b>19,533</b>       | <b>6,051</b>  | <b>-</b>         |
| of which preferred senior debt at amortised cost                         | 27,464             | 7,091         | 2,088         | 2,697         | 803           | 4,531         | 7,957               | 2,297         |                  |
| of which preferred senior debt at fair value through profit and loss     | 57,357             | 4,507         | 13,559        | 10,004        | 6,181         | 7,776         | 11,576              | 3,754         |                  |
| <b>Secured Senior debt</b>   | <b>15,114</b>      | <b>3,738</b>  | <b>3,705</b>  | <b>903</b>    | <b>872</b>    | <b>3,864</b>  | <b>1,581</b>        | <b>451</b>    | <b>-</b>         |

(\*) Accounting value before any prudential adjustments.

Tables providing details of instruments recognised as capital (CET1, AT1 and Tier 2), as well as debt instruments eligible for TLAC ratio (senior non-preferred debt), as required (EU CCA) by implementing Regulation (EU) No. 2021/637, are available in the BNP Paribas Debt section of the Investor Relations website: <https://invest.bnpparibas/recherche/dette/documents/informations-sur-les-programmes-et-les-emissions>.

Some debt instruments shown above have an early redemption ("call") option exercisable by the Group (Issuer). The following table shows the maturity schedule for debt and other subordinated liabilities by considering, where appropriate, the next date on which the option may be exercised ("call date"). Calls may only be exercised after authorisation from the regulator. The maturity dates shown hereafter are purely contractual and do not foresee the Group's call policy.



**TABLE 102: ECONOMIC<sup>(\*)</sup> MATURITIES OF SUBORDINATED DEBT (PRUDENTIAL PERIMETER)**

| <i>In millions of euros</i>   | TOTAL<br>31 December |              | 2024         | 2025         | 2026         | 2027         | 2028         | 2029- Beyond |              | Perpetual |
|---|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-----------|
|   | 2023                 |              |              |              |              |              |              | 2023         | 2033         |           |
| <b>Amount<sup>(**)</sup> of liabilities eligible to Additional Tier 1</b> | <b>14,901</b>        | <b>1,325</b> | <b>1,534</b> |              | -            | <b>2,691</b> | <b>2,508</b> | <b>6,843</b> | -            | -         |
| <b>Subordinated debt</b>  | <b>1,352</b>         |              |              |              |              |              | <b>1,352</b> |              |              |           |
| <b>Preferred shares and undated super subordinated notes</b>              | <b>13,549</b>        | <b>1,325</b> | <b>1,534</b> |              |              | <b>2,691</b> | <b>1,156</b> | <b>6,843</b> |              |           |
| <b>Amount<sup>(**)</sup> of debt eligible to Tier 2</b>                   | <b>20,748</b>        | <b>1,494</b> | <b>3,283</b> | <b>4,314</b> | <b>5,425</b> | <b>2,315</b> | <b>2,420</b> | <b>1,497</b> |              | -         |
| <b>Subordinated debt</b>  | <b>20,748</b>        | <b>1,494</b> | <b>3,283</b> | <b>4,314</b> | <b>5,425</b> | <b>2,315</b> | <b>2,420</b> | <b>1,497</b> |              |           |
| of which subordinated debt at amortised cost                              | 20,728               | 1,492        | 3,283        | 4,314        | 5,425        | 2,315        | 2,420        | 1,479        |              |           |
| of which subordinated debt at fair value through profit and loss          | 20                   | 2            |              |              |              |              |              |              | 18           |           |
| <b>Amount<sup>(**)</sup> of debt not eligible to prudential own funds</b> | <b>1,600</b>         | <b>248</b>   | <b>40</b>    | -            | -            | <b>70</b>    | <b>46</b>    | <b>2</b>     | <b>1,194</b> |           |

(\*) The economic maturity is defined as either the contractual maturity or the next call date when the instrument has an early redemption option.

(\*\*) Accounting value before any prudential adjustments.

## ENCUMBRANCE OF GROUP ASSETS AND ASSETS RECEIVED BY THE GROUP

Assets on the balance sheet and financial instruments received in guarantee used as pledges, guarantees or enhancement of a Group transaction and which cannot be freely withdrawn are considered to be encumbered.

The encumbrance of assets is central to the Group's businesses and has two aims:

- to trade in derivatives or repurchase agreements, including the payment of margin calls to secure transactions (see paragraphs on *Bilateral initial margin exchange* and *Counterparty credit risk management* in section 5.6 *Counterparty credit risk*);
- to obtain funding, by issuing secured debt, in particular asset-backed securities (see *Proprietary securitisation (originator)* in section 5.5 *Securitisation in the banking book*), covered bonds (see paragraph on *MLT secured wholesale funding* in this section) or by participating in monetary policy, thus diversifying and optimising its funding structure.

Thus, the encumbrance of assets can be distinguished from the transfer of assets shown in note 5.p *Transfers of financial assets* to the consolidated financial statements insofar as it only comprises the following transactions:

- securities recognised in the Bank's balance sheet, which have been sold or loaned, on a temporary basis, by the Bank under repurchase agreements (repos and securities lending) but which are not derecognised in the Bank's balance sheet once the transaction is complete;
- assets securitised by the Bank (within efficient and inefficient programmes), which continue to be recognised in the Bank's balance sheet under the applicable consolidation rules contained in the accounting standard, to hedge the issue of asset-backed securities.

Based on the definitions above, guarantees given to clearing houses or central banks in the context of monetary policy, along with asset portfolios hedging the issue of secured bonds, fall within the scope of the encumbrance of assets but do not fall within the scope of asset transfers. The same applies to repurchase agreements (repos) and loans in the case of securities that are not recognised in the Bank's balance sheet (because they were previously received under reverse repos and securities borrowing) and to securities received under repurchase agreements (reverse repos) and securities borrowings.

## ENCUMBRANCE OF ASSETS AND COLLATERAL RECEIVED

The monitoring of encumbered assets and assets received is carried out within the prudential scope defined in the section *Scope of application* in section 5.2 *Capital management and capital adequacy*.

The amounts of encumbered and unencumbered assets and collateral received are shown in the following table according to the provisions of Execution Regulation (EU) 2021/637. Thus, all data presented in the table are calculated as the median of the four quarter ends of the corresponding year. Each total line is thus calculated as the median of the four values of the total at each end of quarter, not as the sum of the median values for the year.

The median ratio of encumbered assets relative to Group balance sheet assets was 14.6% in 2023, compared to 19.5% in 2022.

**TABLE 103: ENCUMBRED AND UNENCUMBRED ASSETS**

*Encumbered and unencumbered assets*

|   | 010   | 030   | 040   | 050   | 060              | 080            | 090     | 100     |
|---|---|---|---|---|------------------|----------------|---------|---------|
|   | <b>Four end of quarter median values in 2023</b>      |   |   |   |                  |                |         |         |
|   | Carrying amount<br>of encumbered<br>assets            | Fair value of<br>encumbered<br>assets                 | Carrying amount<br>of unencumbered<br>assets          | Fair value of<br>unencumbered<br>assets               |                  |                |         |         |
|   | of which<br>HQLA<br>and<br>Total EHQLA <sup>(*)</sup> | of which<br>HQLA<br>and<br>Total EHQLA <sup>(*)</sup> | of which<br>HQLA<br>and<br>Total EHQLA <sup>(*)</sup> | of which<br>HQLA<br>and<br>Total EHQLA <sup>(*)</sup> |                  |                |         |         |
| <i>In millions of euros</i>                                 |   |   |   |   |                  |                |         |         |
| <b>010 ASSETS</b>   | <b>354,106</b>  | <b>135,540</b>  |   |   | <b>2,067,026</b> | <b>464,382</b> |         |         |
| 030 Equity instruments                                      | 24,694  | 16,253  |   |   | 61,759           | 22,956         |         |         |
| 040 Debt securities   | 148,995   | 119,481   | 148,995   | 119,481   | 175,765          | 154,098        | 175,765 | 154,098 |
| 050 of which covered bonds                                  | 3,458   | 2,839   | 3,458   | 2,839   | 2,975            | 2,723          | 2,975   | 2,723   |
| 060 of which asset-backed securities                        | 867   | 558   | 867   | 558   | 7,615            | 3              | 7,615   | 3       |
| 070 of which issued by general governments                  | 112,222   | 110,833   | 112,222   | 110,833   | 137,469          | 135,332        | 137,469 | 135,332 |
| 080 of which issued by financial corporations               | 27,861  | 4,093   | 27,861  | 4,093   | 24,982           | 6,177          | 24,982  | 6,177   |
| 090 of which issued by non-financial corporations           | 8,999   | 1,779   | 8,999   | 1,779   | 8,973            | 1,119          | 8,973   | 1,119   |
| 120 Other assets  | 178,102   |   |   |   | 1,838,784        | 283,351        |         |         |
| 121 of which: Loans on demand                               |   |   |   |   | 301,377          | 283,351        |         |         |
| 122 of which: Loans and advances other than loans on demand | 85,622  |   |   |   | 1,079,703        |                |         |         |
| 123 of which: Other assets                                  | 91,909  |   |   |   | 434,107          |                |         |         |

(\*) Assets of extremely high liquidity and credit quality.

|   | 010   | 030            | 040   | 050     | 060   | 080            | 090   | 100     |
|---|---|----------------|---|---------|---|----------------|---|---------|
| Four end of quarter median values in 2022                   |   |                |   |         |   |                |   |         |
|   | Carrying amount<br>of encumbered<br>assets            |                | Fair value of<br>encumbered<br>assets                 |         | Carrying amount<br>of unencumbered<br>assets          |                | Fair value of<br>unencumbered<br>assets               |         |
|   | of which<br>HQLA<br>and<br>Total EHQLA <sup>(*)</sup> |                | of which<br>HQLA<br>and<br>Total EHQLA <sup>(*)</sup> |         | of which<br>HQLA<br>and<br>Total EHQLA <sup>(*)</sup> |                | of which<br>HQLA<br>and<br>Total EHQLA <sup>(*)</sup> |         |
| <i>In millions of euros</i>                                 |   |                |   |         |   |                |   |         |
| <b>010 ASSETS</b>   | <b>508,631</b>  | <b>146,763</b> |   |         | <b>2,096,309</b>                                      | <b>496,901</b> |   |         |
| 030 Equity instruments                                      | 37,218  | 22,377         |   |         | 29,941  | 7,471          |   |         |
| 040 Debt securities   | 155,037   | 123,822        | 155,037   | 123,822 | 146,761   | 135,134        | 146,761   | 135,134 |
| 050 of which covered bonds                                  | 3,230   | 2,564          | 3,230   | 2,564   | 1,933   | 1,393          | 1,933   | 1,393   |
| 060 of which asset-backed securities                        | 1,209   | 673            | 1,209   | 673     | 5,847   |                | 5,847   |         |
| 070 of which issued by general governments                  | 114,059   | 113,724        | 114,059   | 113,724 | 110,250   | 106,340        | 110,250   | 106,340 |
| 080 of which issued by financial corporations               | 28,133  | 4,624          | 28,133  | 4,624   | 22,091  | 4,767          | 22,091  | 4,767   |
| 090 of which issued by non-financial corporations           | 13,070  | 1,718          | 13,070  | 1,718   | 4,498   | 531            | 4,498   | 531     |
| 120 Other assets  | 286,731   | 2,887          |   |         | 1,942,768   | 358,506        |   |         |
| 121 of which: Loans on demand                               |   |                |   |         | 360,595   | 351,181        |   |         |
| 122 of which: Loans and advances other than loans on demand | 163,784   |                |   |         | 1,029,183   |                |   |         |
| 123 of which: Other assets <sup>(**)</sup>                  | 135,134   | 2,887          |   |         | 552,117   | 8,326          |   |         |

(\*) Assets of extremely high liquidity and credit quality.

(\*\*) The encumbered assets of Bank of the West are presented under "Other assets" following the application of IFRS 5 relating to groups of assets and liabilities held for sale, in accordance with prudential balance sheet presentation conventions. At 31 December 2022, EUR 15 billion in loans and advances were encumbered out of a total of EUR 56 billion, and EUR 6 billion of fixed-income securities were encumbered out of a total of EUR 21 billion.

The other encumbered assets mainly comprised loans and advances (often used when issuing asset-backed securities issues or guaranteed bonds) and amount to EUR 86 billion. The balance, grouped under line 123 "of which other assets", comprises guarantee deposits and bank guarantees paid in respect of derivatives (recognised in the Accrued income and other assets category) amounting to EUR 92 billion.

The other unencumbered assets amount to EUR 434 billion. They mainly include intangible assets, goodwill, current and deferred tax assets, and assets ineligible for financing programmes under normal business conditions.

**Encumbered and unencumbered collateral received**

|                             |   | 010   | 030                   | 040  | 060                   | 010   | 030                   | 040  | 060                   |
|-----------------------------|---|---|-----------------------|--|-----------------------|---|-----------------------|--|-----------------------|
|                             |   | Four end of quarter median values in 2023   |                       |  |                       | Four end of quarter median values in 2022   |                       |  |                       |
|                             |   | Fair value of encumbered collateral received or own <sup>(*)</sup> debt securities issued |                       | Fair value of collateral received or own <sup>(*)</sup> debt securities issued available for encumbrance |                       | Fair value of encumbered collateral received or own <sup>(*)</sup> debt securities issued |                       | Fair value of collateral received or own <sup>(*)</sup> debt securities issued available for encumbrance |                       |
|                             |   | of which HQLA and EHQLA <sup>(**)</sup>   |                       | of which HQLA and EHQLA <sup>(**)</sup>  |                       | of which HQLA and EHQLA <sup>(**)</sup>   |                       | of which HQLA and EHQLA <sup>(**)</sup>  |                       |
| <i>In millions of euros</i> |   | Total   | EHQLA <sup>(**)</sup> | Total  | EHQLA <sup>(**)</sup> | Total   | EHQLA <sup>(**)</sup> | Total  | EHQLA <sup>(**)</sup> |
| 130                         | <b>COLLATERAL RECEIVED</b>  | 548,698   | 450,565               | 72,634   | 40,558                | 530,400   | 440,989               | 108,852  | 59,441                |
| 140                         | Loans on demand   |   |                       |  |                       |   |                       |  |                       |
| 150                         | Equity instruments  | 139,591   | 97,423                | 12,123   | 4,620                 | 112,102   | 75,298                | 26,494   | 17,675                |
| 160                         | Debt securities   | 412,865   | 356,143               | 61,156   | 37,553                | 421,322   | 365,691               | 79,236   | 38,767                |
| 170                         | of which covered bonds  | 7,548   | 5,293                 | 1,875  | 1,354                 | 2,764   | 2,456                 | 403  |                       |
| 180                         | of which asset-backed securities  | 5,871   | 218                   | 6,846  | 513                   | 4,343   |                       | 3,807  | 523                   |
| 190                         | of which issued by general governments  | 346,412   | 345,059               | 24,316   | 23,798                | 360,183   | 357,787               | 37,060   | 37,060                |
| 200                         | of which issued by financial corporations   | 30,969  | 7,257                 | 13,383   | 2,277                 | 28,661  | 3,226                 | 35,169   |                       |
| 210                         | of which issued by non-financial corporations   | 36,760  | 5,440                 | 15,899   | 6,039                 | 28,903  | 4,403                 | 5,571  | 1,958                 |
| 220                         | Loans and advances other than loans on demand   |   |                       |  |                       |   |                       |  |                       |
| 230                         | Other collateral received   |   |                       |  |                       |   |                       |  |                       |
| 240                         | <b>OWN<sup>(*)</sup> DEBT SECURITIES ISSUED OTHER THAN OWN COVERED BONDS OR ASSET-BACKED SECURITIES</b> | -   | -                     | -  | -                     | -   |                       | -  | -                     |
| 241                         | <b>OWN<sup>(*)</sup> COVERED BONDS AND ASSET-BACKED SECURITIES AND NOT YET PLEDGED</b>                  |   |                       | 68,876   | -                     |   |                       | 10,456   | -                     |
| 250                         | <b>TOTAL ASSETS, COLLATERAL PLEDGED AND OWN<sup>(*)</sup> DEBT SECURITIES ISSUED</b>                    | 915,448   | 586,106               |  |                       | 1,055,791   | 592,502               |  |                       |

(\*) Financial assets issued by a Group entity and underwritten by the Group.

(\*\*) Assets of extremely high liquidity and credit quality.

The amount of own collateralised bonds and asset-backed securities (ABS and collateralised bonds) without collateral amounted to EUR 76 billion (EUR 69 billion available and EUR 6 billion not available) for an outstanding amount of underlying assets of EUR 87 billion.

**Encumbered assets/collateral received and associated liabilities**

|                             |  | 010                                       | 030 | 010                                       | 030 |
|-----------------------------|--|---|-----|---|-----|
|                             |  | Four end of quarter median values in 2023 |     | Four end of quarter median values in 2022 |     |
| <i>In millions of euros</i> |  |   |     |   |     |

|            |  | Matching liabilities, contingent liabilities or securities lent | Assets, collateral received and own debt securities issued <sup>(*)</sup> | Matching liabilities, contingent liabilities or securities lent | Assets, collateral received and own debt securities issued <sup>(*)</sup> |
|------------|--|---|---|---|---|
| <b>010</b> | <b>CARRYING AMOUNT OF SELECTED FINANCIAL LIABILITIES</b>           | <b>766,746</b>  | <b>915,448</b>  | <b>852,991</b>  | <b>1,055,791</b>  |
| 011        | of which: Repurchase agreements                                    | 346,474   | 361,885   | 332,012   | 342,546   |
| 012        | of which: Collateralised deposits other than repurchase agreements | 101,560   | 110,923   | 194,063   | 227,587   |
| 013        | of which: Debt securities issued                                   | 36,371  | 37,903  | 30,443  | 32,159  |
| 014        | <i>of which: Other sources of encumbrance</i>                      | 276,463   | 393,876   | 296,113   | 439,003   |

(\*) Other than encumbered secured bonds and securities backed by encumbered assets.

Encumbered assets, collateral received and own fixed-income securities are mainly issued by general government entities, raising EUR 460 billion and make it possible to obtain EUR 411 billion of financing.

In median data as at 31 December 2023, Fixed-Income Credit and Commodities and Prime Solutions & Financing businesses as well as Securities Services represent 68% of the Group's encumbered assets (EUR 238 billion) and 100% of the collateral received (EUR 548 billion), *i.e.* 88% of the encumbrance (EUR 784 billion). These are mainly repos and derivatives activities. The other encumbered assets are mainly held through financing activities of ALM Treasury.

Encumbered assets and received and encumbered collateral are denominated mainly in euros or dollars (for a median amount of 38% and 43%, respectively, over the year).

## 5.9 Operational risk

Operational risk is the risk of incurring a loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Management of operational risk is based on an analysis of the "cause – event – consequences" chain.

Internal processes giving rise to operational risk may involve employees and/or IT systems. External events include, but are not limited to floods, fire, earthquakes and terrorist attacks. Credit or market events such as default or fluctuations in value do not fall within the scope of operational risk.

Operational risk encompasses fraud, Human Resources risks, legal risks, non-compliance risks, tax risks, information system risks, conduct risks (risks related to the provision of inappropriate financial services), risk related to failures in operating processes, including loan procedures or model risks, as well as any potential financial implications resulting from the management of reputation risk.

## REGULATORY FRAMEWORK

Operational and non-compliance risks come under a specific regulatory framework:

- Directive 36/2013/UE (CRD 4) and Regulation (EU) No. 575/2013 (CRR) governing prudential supervision and the methods for calculating the amount of capital requirements to cover the operational risk;
- French Ministry of Finance Decree of 3 November 2014, which defines the roles and responsibilities of the RISK Function (covering all types of risks) and an internal control system which ensures the efficiency and quality of the Bank's internal operations, the reliability of internal and external information, the security of transactions, as well as compliance with applicable laws, regulations and internal policies.

Banking regulation divides operational loss events into seven categories: (i) internal fraud, (ii) external fraud, (iii) employment practices and safety (such as an anomaly arising from recruitment management), (iv) clients, products and business practices (such as product defects, mis-selling, professional misconduct, *etc.*), (v) damage to physical assets, (vi) business disruption and system failures, (vii) execution, delivery and process management (data entry error, error in documentation, *etc.*).

Effective management of non-compliance risk aims to ensure compliance with applicable laws, regulations, rules of ethics and instructions, protect the Group's reputation, that of its investors and that of its customers, ensure ethical professional behaviour, prevent conflicts of interest, protect customers' interests and market integrity, fight against money laundering, corruption and the financing of terrorist activities, as well as ensure compliance with financial embargoes.

## ORGANISATION AND OVERSIGHT MECHANISM

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### KEY PLAYERS AND GOVERNANCE

The general internal control system at BNP Paribas underpins management of operational, non-compliance and reputation risks as part of its dual-level system to ensure periodic and permanent control.

Within BNP Paribas, the control functions providing the second line of defence are Compliance, RISK and LEGAL. General Inspection provides a third line of defence responsible for periodic controls. These four Group oversight and control functions are organised according to a hierarchical reporting principle by all their teams worldwide, guaranteeing their independence and resource autonomy.

The governance of the Group's internal control system is described in the section *Internal control* in chapter 2 *Corporate governance and internal control*.

Within the RISK Function, the second line of defence in terms of operational, technological and information protection risks (cybersecurity) is provided by Operational Risk Officers in the operating entities in accordance with the operational risk management system defined and supervised by RISK Operational Risk Management (RISK ORM).

The operational risk management and control system for the Group as a whole is structured around a dual-level system with the following participants:

- on the first level of defence: operational staff, notably the Heads of operating entities, business lines and functions, who are on the front-line of risk management and implementation of systems to manage these risks;
- on the second line of defence: the functions exercising second-level control that are responsible for the organisation and proper functioning of the risk management system and its compliance with laws and regulations for their domain of expertise as defined in their Responsibility Charter. These teams are, in particular, responsible for:
  - coordinating, throughout the scope of responsibilities, the definition and implementation of the permanent control and operational risk identification and management system, its standards and methodologies, reporting and related tools;
  - acting as a second pair of eyes, independently of the Heads of operating entities, to scrutinise operational risk factors and the functioning of the operational risk and permanent control system, and issuing warnings, where appropriate.

Issues relating to operational risk, permanent control and the emergency plan to ensure business continuity in those situations specified in the regulatory standards are regularly submitted to the Group's Executive Committee. The Group operating entities and subsidiaries implement this governance structure within their organisations, with the participation of Executive Management.

For its part, Compliance is in charge of supervising the non-compliance and reputation risk control system (see section 5.3).

## OBJECTIVES AND PRINCIPLES

To meet this dual requirement of the management and control of operational risk, BNP Paribas has developed a permanent iterative risk management process based on the following elements:

- identifying and assessing operational risks;
- formalisation, implementing and monitoring of the risk mitigation system (procedures, checks and all organisational elements designed to help to control risk, such as segregation of tasks, management of access rights, *etc.*);
- producing measurements of known and potential risks and calculating the capital requirement for operational risk;
- reporting and analysing oversight information relating to operational risk and the permanent control system;
- managing the system through a governance framework that involves members of management, preparing and monitoring action plans.

This system encompasses two major pillars:

- the identification and assessment of risk and of the control system based on the libraries of risks and controls defined by the Group's business lines and functions. Each entity must take into consideration those risks and, if necessary, enhance them when assessing the intrinsic and residual risks in accordance with the standard Group scoring grid;
- the risk management system is underpinned by procedures, standards and generic control plans consistent with the above-mentioned risk libraries, and which each entity must apply, unless an exception is authorised, and enhance according to their own characteristics.

## SCOPE AND NATURE OF RISK REPORTING AND MEASUREMENT

Group Executive Committees, and those of operating entities (business lines, functions and subsidiaries), are tasked with monitoring the management of operational and non-compliance risk and permanent control in the areas falling within their remit, in accordance with the Group's operational risk framework. The committees validate the quality and consistency of reporting data, examine their risk profile in light of the tolerance levels they have set in keeping with the Group Risk Appetite Statement, and assess the quality of risk control procedures according to their objectives and the risks they incur. They monitor the implementation of risk mitigation techniques.

Operational risk management has developed a system of data collection of actual or potential incidents using an approach structured by organisational process and business unit (activities in a country and a single legal entity) focusing on the cause-and-effect chain behind events. This information is used as the basis for risk mitigation and prevention measures.

The most significant information is brought to the attention of staff at various levels of the organisation, up to and including executive managers and supervisory bodies, in line with a predefined information reporting process.

## SPECIFIC COMPONENTS LINKED TO OPERATIONAL RISK

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By its nature, operational risk covers numerous areas related with the Group's usual business activity and is linked to specific risks such as non-compliance, reputation, legal, fiscal and cybersecurity risks which are monitored in specific ways.

### NON-COMPLIANCE AND REPUTATION RISK

#### Definitions

Non-compliance risk is defined in French regulations as the risk of legal, administrative or disciplinary sanctions, of significant financial loss or reputational damage that a bank may suffer as a result of failure to comply with national or European laws and regulations, codes of conduct and standards of good practice applicable to banking and financial activities, or instructions given by leaders, particularly in application of guidelines issued by a supervisory body.

The non-compliance risk is a sub-category of operational risk. Moreover, certain of its implications can involve more than a purely financial loss and may actually damage the institution's reputation.

Reputation risk is the risk of damaging the Group's image, the trust placed in a corporation by customers, counterparties, suppliers, employees, shareholders, supervisors and any other stakeholder whose trust is an essential condition for the corporation to carry out its day-to-day operations.

Reputation risk is primarily contingent on all the other risks borne by the Group, specifically the effective or potential materialisation of a credit, market risk, an operational, non-compliance, environmental, social or legal risk, as well as any violation of a law, a regulation of the Group's Code of conduct or procedure.

#### Group organisation

Responsibility for controlling the risk of non-compliance lies primarily with the activities and business lines. In this context, and in accordance with international standards and French regulations, Compliance manages the system for monitoring non-compliance risks for the scope of all of the Group's businesses in France and abroad.

The system for managing non-compliance risks is based on a permanent control system, structured around the following axes:

- general and specific procedures;
- processes for identifying and assessing risks, monitoring, reporting information and alerts, coordinated to ensure overall consistency and effectiveness;
- the deployment of risk prevention and detection tools (systems for combating money laundering, the financing of terrorism and corruption, detection of market abuse, etc.);
- training and awareness-raising initiatives for all Group employees.

Reputation risk management is based on the following elements:

- individual responsibility of employees: the Group's employees have an essential role in managing reputation risk. Any employee confronted with the actual or potential occurrence of a credit, market or operational risk (including in the area of IT and cybersecurity, a non-compliance, legal or social risk, and/or the violation of a law or regulation, or of the Group's Code of conduct or procedures), that could lead to a reputation risk for the Group or one of its entities, must communicate, immediately and without delay, his or her concern to his or her line manager or to a more senior manager. This individual responsibility is one of the key elements of the Group's Code of conduct, which is at the heart of every action and guides all employees in their decisions, at all levels of the organisation. The employee awareness programme also reiterates the responsibility of each individual and guides them, in particular through information on identifying, controlling and managing reputation risk, the Group's values and its ethics standards;
- permanent control: identifying and managing reputation risk are part of the objectives of the permanent control system. Implementation of the procedures and recommendations of the periodic control, the results of the controls and reports from the whistleblowing system are closely monitored. Reputation risk is also taken into account in the process for validating exceptional transactions, new businesses, and new products. The Group has procedures for conflicts of interest, market integrity, adequacy and appropriateness of offers to clients, best execution of their orders, anti-money laundering, terrorist financing and corruption, compliance with international sanctions and embargoes, and social and environmental responsibility that, along with the Code of conduct, are conducive to effective management of reputation risk;
- corporate engagement: the Corporate Engagement Department is made up of the Corporate Social and Environmental Responsibility and Group Communication functions. It defines and implements the Group's strategy of engagement in the main sectors related to the future of the society, such as economic development, the environment and energy transition; social integration and regional development; diversity and respect for human rights. These areas are particularly relevant to the protection against risk to the Group's reputation. Furthermore, one of the major missions of Corporate Communication is to protect the reputation of the Group and its entities, as well as being a source of information for employees and the public, whose trust is essential for the Group.

Compliance Function is centrally responsible for coordinating initiatives related to reputation risk management.



The Group's reputation risk management framework, like the entire internal control system, is under the responsibility of the Group Supervisory and Control Committee (GSCC), which is chaired by the Chief Executive Officer (see chapter 2 *Corporate governance and internal control*, section *Internal control*).

## LEGAL RISK

The LEGAL Function is an independent function of the BNP Paribas Group and is hierarchically integrated with all the Group's legal teams. LEGAL is responsible for managing legal risks and is responsible for interpreting the laws and regulations applicable to the Group's activities and providing legal advice and guidance to the Group in a manner that meets the highest standards of excellence and integrity. The LEGAL Function provides Executive Officers and the Board of directors with reasonable assurance that legal risks are monitored, controlled and mitigated at the Group level. It is responsible for the prevention and management of legal risks within the Group through its advisory and control roles.

Legal risk refers to the potential loss to the BNP Paribas Group, whether financial or reputational, which impacts or could impact one or more entities of the BNP Paribas Group and/or its employees, business lines, operations, products and/or its services, and results from:

- non-compliance with a law or regulation or a change in law(s) or regulation(s) (including a change in the interpretation or application of a law or regulation by a court or competent authority and any requirement of any regulatory or supervisory authority);
- a dispute (including all forms of alternative/extrajudicial dispute resolution and court orders) or an investigation or inquiry by a regulatory or supervisory authority (with implications for LEGAL);
- a contractual deficiency;
- a non-contractual matter.

The LEGAL Function is responsible for:

- every failure or deficiency in a legal process that may involve the risk of a penalty, reputational risk or financial loss, in all areas;
- management of risk relating to a conflict with a counterparty, a customer, a third party or a regulatory body, resulting from a deficiency or default that could be attributable to the Group in the course of its operations.

## Strategic and preventive missions

In its strategic missions, LEGAL is responsible for:

- defining the Group's legal policy and overseeing its consistency;
- providing legal advice to the Executive Management, business lines and functions;
- contributing to the Bank's influence on regulatory, legislative or market initiatives.

In its prevention missions, LEGAL is responsible for ensuring:

- the Group's legal security in connection with its commercial activities or proprietary businesses;
- the protection of the Group's legal interests, including through the management of the Group's disputes and conflicts;
- the legal protection of the Group's managers or employees in the ordinary course of their business.

## TAX RISK

BNP Paribas ensures compliance with the tax regulations in force in the various countries where the Group operates and which apply to the sectors of activity covered by the several Group entities, such as banking, insurance and other financial services.

The tax mission is carried out by TAX, which has global powers in order to ensure, in particular, control of tax risk at the Group level. RISK, FINANCE & STRATEGY and Compliance are involved as the second line of defence in monitoring the tax risk according to the domain concerned (transactions carried out by the Group, obligations related to the tax situation of clients, tax returns made by the Group).

TAX is composed of the Group Tax Department (GTD) and the tax departments on which the GTD is based in certain businesses and in the main geographical areas where the Group operates (there are tax correspondents in the other geographical areas where the Group operates).

In ensuring the coherence of the Group's tax practices and the global tax risk monitoring, the Group Tax Department:

- has drawn up principles and guidelines that business lines must follow to limit tax risks;
- has implemented a process of feedback aimed at contributing to the master of local and global tax risk;
- oversees tax-related operational risks by defining an adequate system for managing these risks, in particular by drawing up and validating control plans;
- oversees the internal audit recommendations falling within tax mission's scope of responsibility.

## CYBERSECURITY AND TECHNOLOGY

The use and protection of data and technologies are determining factors for the Bank's activity and its transformation process.

While the Bank continues the roll-out of Digital Banking (for the Group's customers and partners) and Digital Working (for the Group's employees), it must incorporate new technology and innovative risk management practices, and establish new working practices. This introduces new technology risks in the cybersecurity area. In that context, the Group deploys significant resources to identify, measure and control these risks.

Technology management and information systems security is part of the Group's cybersecurity strategy. This strategy is focused on the preservation of the most sensitive data, regularly adapting both its internal processes and procedures, and its employee training and awareness to contend with increasingly sophisticated and varied threats.

To reinforce its technology and the protection of data, the Group has adopted a comprehensive approach in cybersecurity management through its three lines of defence:

- operating entities are the first line of defence. Since 2015, the Group has introduced across all of the entities a transformation programme based on the international standard NIST (National Institute of Standards and Technology). This programme is regularly updated taking into account new threats and recent incidents identified around the world;
- as a second line of defence, the team dedicated to managing cybersecurity and technological risk within RISK ORM and under the responsibility of the Group Chief Operational Risk Officer, is tasked with the following in relation to Operational Risk Officers:
  - presenting the Group's cybersecurity and technology risk position to the Group Executive Committee, the Board of directors, and the supervisory authorities,
  - monitoring the transformation programme across the entire Group,
  - integrating the cybersecurity and technology risk aspects into all major projects within the Group,
  - ensuring that policies, principles and major projects take aspects of cybersecurity and technology risk into consideration,
  - monitoring existing risks and identifying new threats likely to have a negative impact on the Group's business,
  - overseeing third-party information systems risks within a strengthened framework,
  - conducting independent assessment campaigns on priority objectives,
  - taking measures to assess and improve the Group's ability to respond to failings and incidents;
- as the third line of defence, the role of General Inspection is to:
  - assess the processes put in place to manage ICT risks (related to information and communication technologies), as well as associated controls and governance,
  - check for compliance with laws and regulations,
  - propose areas of improvement to support the mechanisms put in place.

The Group is responding to new technological and cybersecurity risks as follows:

- ITC risks linked to availability and continuity:

BNP Paribas relies heavily on communication and information systems across all its business activities. Any breach in the security of these systems could lead to failures or interruptions in the systems used to manage customer relations or to record transactions (deposits, services and loans) and could incur major costs to recover and verify compromised data. The Group regularly manages, and revises its crisis management and recovery plans by testing its data recovery services and the robustness of its information systems, using various scheduled stress scenarios;
- security risks:

the Bank is vulnerable to cybersecurity risk, or risk caused by malicious and/or fraudulent acts, committed with the intention of manipulating information (confidential, bank/insurance, technical or strategic data), processes and users, which may result in material losses for the Group's subsidiaries, employees, partners and customers. The Group continually reassesses the threats as they evolve and mitigates risks detected in a good time by means of taking effective counter measures;
- IT change-related risks:

the Group's information systems are changing rapidly in the light of digital transformation. These risks, identified during the systems' design or modification phases, are regularly assessed to ensure that the proposed solutions are consistent with the needs of the Group's business lines;
- data integrity risks:

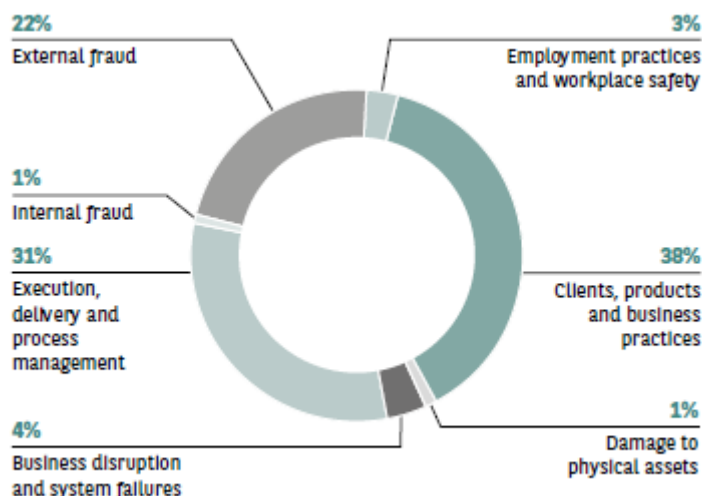
confidentiality of customer data and transaction integrity are areas covered by the same systems set up in response to Regulation (EU) No. 2016/679 of 27 April 2016 (General Data Protection Regulation – GDPR) intended to provide the Group's customers with a service that meets their expectations;
- third-party information systems risks:

the Bank is exposed to risks of financial default, breaches or operational capacity constraints when it interacts with third parties, including customers, financial intermediaries and other market operators. The Group's three lines of defence constitute the management framework of these risks at every step of integration until the end of the relationship with such third parties.

## OPERATIONAL RISK EXPOSURE

The chart below shows the losses linked to operational risk, according to the event classification defined in the current regulation.

**FIGURE 14: OPERATIONAL LOSSES – BREAKDOWN BY EVENT TYPE (AVERAGE 2015-2023)<sup>(\*)</sup>**



(\*) Percentages correspond to average loss by type of event for the 2015-2023 period.

The breakdown of losses by type of operational risk for the period 2015-2023 is rebalanced following the exit from the reference period of the comprehensive settlement with the US authorities in 2014.

The main type of operational risk incidents remains the “Clients, products and business practices” category, followed by process failures, including errors in executing or processing transactions, and then external fraud.

BNP Paribas Group pays the utmost attention to analyse its operational risk incidents to continuously improve its control system.

## CAPITAL REQUIREMENT CALCULATION

Operational risk-weighted assets are calculated by multiplying the capital requirement by 12.5.

### APPROACH ADOPTED

BNP Paribas uses a hybrid approach combining the advanced measurement approach (AMA), standardised approach, and basic indicator approach.

In terms of net banking income, most legal entities within the Group’s prudential scope of consolidation use the advanced measurement approach. This includes most retail banking activities in the domestic networks and private banking, as well as Corporate & Institutional Banking.

### Advanced Measurement Approach (AMA)

**Under the AMA for calculating capital requirements, the Bank uses an** operational risk internal model based on the four components required by regulations, namely:

- internal historical loss data from operational risk;
- external loss data from operational risk;
- environmental and internal control factors;
- analysis of forward-looking scenarios, known as potential incidents in the BNP Paribas Group.

BNP Paribas’ internal model in place since 2008 includes the following features:

- an aggregated annual loss distribution, meaning that the frequency and severity of losses from operational risks are modelled using an actuarial approach and according to distributions calibrated with available risk data;
- it uses historical data as well as prospective scenarios to calculate capital requirements, with a predominance for scenarios because they can be shaped to reflect severe and less frequent operational risks;
- the model is faithful to its operational risk input data, so that its results can be used easily by each of the Group’s business lines. Most of the assumptions are therefore included in the data themselves;
- it is prudent in its capital requirement calculations: the input data are thoroughly reviewed, and any supplemental risk data are added if needed to cover all relevant operational risks within the Group.

Regulatory AMA capital requirements are calculated as VaR (Value at Risk), or the maximum potential loss over one year, at a 99.9% confidence level to calculate regulatory capital requirements. Capital requirements are calculated at an aggregated level using risk data from all Group entities in the AMA perimeter, then allocated to business lines and individual legal entities.

### Fixed-parameter approaches

BNP Paribas uses fixed-parameter approaches (basic or standard) to calculate the capital requirements for entities in the Group's prudential consolidation scope that are not covered by the internal model:

- **basic approach:** the capital requirement is calculated as the average over the past three years of a financial aggregate based on net banking income (the exposure indicator) multiplied by a unique alpha parameter set by the regulator (15% weighting);
- **standardised approach:** the capital requirement is calculated as the average over the past three years of a financial aggregate based on net banking income multiplied by factors set by the regulator and corresponding to each business category. For the purposes of this calculation, all the Group's business lines are broken down into eight regulatory business categories.

## RISK-WEIGHTED ASSETS AND CAPITAL REQUIREMENT

TABLE 104: OPERATIONAL RISK CAPITAL REQUIREMENT AND RISK-WEIGHTED ASSETS (EU OR1)

|                               |                                     | a                   | b             | c             | d                    | e            |                        |
|-------------------------------|-------------------------------------|---------------------|---------------|---------------|----------------------|--------------|------------------------|
|                               |                                     |                     |               |               |                      |              | 31<br>December<br>2022 |
|                               |                                     |                     |               |               |                      |              | 31 December 2023       |
|                               |                                     | Relevant Indicators |               |               | Capital requirements |              |                        |
| <i>In millions of euros</i>   |                                     | Year-3              | Year-2        | Last year     | RWAs                 |              | RWAs                   |
| 1                             | Basic indicator approach            | 1,654               | 2,002         | 2,602         | 3,911                | 313          | 4,280                  |
| 2                             | Standardised approach               | 4,937               | 5,921         | 6,135         | 10,215               | 817          | 12,073                 |
| 3                             | of which subject to TSA             | 4,937               | 5,921         | 6,135         | 10,215               | 817          | 12,073                 |
| 4                             | of which subject to ASA             |                     |               |               |                      |              |                        |
| 5                             | Advanced measurement approach (AMA) | 32,613              | 34,475        | 32,171        | 44,771               | 3,582        | 45,302                 |
| <b>TOTAL OPERATIONAL RISK</b> |                                     | <b>39,205</b>       | <b>42,397</b> | <b>40,908</b> | <b>58,897</b>        | <b>4,712</b> | <b>61,656</b>          |

The -EUR 2.8 billion decrease in risk-weighted assets due to operational risk in 2023 is driven by the decrease in risk-weighted assets according to the standardised approach, notably due to the sale of Bank of the West during the first quarter of 2023. A decrease is also observed on the risk-weighted assets calculated according to the AMA method induced by the update of risk scenarios.

## RISK MITIGATION TECHNIQUES AND INSURANCE POLICIES

BNP Paribas Group deals with its insurable risks with the triple aim of protecting its balance sheet, its profit and loss account and its staff. Its insurance set-up is based on risk identification and assessment, underpinned by risk mapping and by analysis of operational loss profile, both historical and forward-looking.

The Group purchases insurance from leaders in the insurance market, covering computer crime, fraud, theft, business disruption, liability and other risks for which it may be held responsible. In order to optimise costs whilst effectively managing its exposure, the Group retains some well-identified risks whose impact in terms of frequency and cost is known or can be adequately estimated.

In selecting insurers, the Group pays close attention to the credit rating and claims paying ability of the companies concerned. Detailed information on risks incurred by BNP Paribas as well as risk assessment visits, enable insurers to assess the quality risk prevention within the Group, as well as the safeguard measures put in place and upgraded on a regular basis in light of new standards and regulations.

## 5.10 Insurance risks [Audited]

### BNP PARIBAS CARDIF GROUP RISK MANAGEMENT SYSTEM

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Risk management is a process that allows identification, measurement, monitoring, management and reporting of both the risks arising from the external environment as well as intrinsic risks inherent to the BNP Paribas Cardif group. The objective is to guarantee the solvency, business continuity, and development of the BNP Paribas Cardif group, under satisfactory conditions of risk and profitability.

Within the framework of the provisions of article L.354-2 of the French Insurance Code, the BNP Paribas Cardif group conducts a forward-looking assessment of its solvency and risks every year under the Solvency II framework, in particular:

- the definition and evaluation of a capital requirement specific to the risk profile;
- the level of capital that the BNP Paribas Cardif group wishes to hold to cover this specific requirement; the forward-looking solvency ratios under the medium-term plan;
- the resilience of these ratios in stress test cases.

Depending on the observed solvency ratio levels and the forecasts made under ORSA (Own Risk and Solvency Assessment), remedial actions may be undertaken to adjust own capital.

The risk typology adopted by the BNP Paribas Cardif group is changing in pace with methodological work and regulatory requirements. It is presented according to the main categories as follows:

- underwriting risk: underwriting risk is the risk of a financial loss caused by a sudden, unexpected increase in insurance claims that may result from inadequate pricing and provisioning assumptions due to internal or external factors, including sustainability risks. Depending on the type of insurance business (life, non-life), this risk may be statistical, macroeconomic or behavioural, or may be related to public health issues or disasters;
- market risk: market risk is the risk of a financial loss arising from adverse movements of financial markets. These adverse movements are notably reflected in price fluctuations (foreign exchange rates, bonds, equities and commodities, derivatives, real estate, *etc.*) and derived from fluctuations in interest rates, credit spreads, volatilities and correlations;
- liquidity risk: liquidity risk is the risk of being unable to fulfil current or future foreseen or unforeseen cash requirements coming from insurance commitments to policyholders, because of an inability to sell assets in a timely manner and at an acceptable cost without having a significant impact on market prices; and/or get access to alternative financing instruments in a timely manner;
- credit risk: credit risk is the risk of loss or adverse change in the financial situation resulting from fluctuations in the credit standing of issuers of securities, counterparties, and any debtors to which the BNP Paribas Cardif group is exposed, in the form of counterparty risk. Among the debtors, risks related to financial instruments (including the banks in which the BNP Paribas Cardif group holds deposits) and risks related to receivables generated by the underwriting activities (premium collection, reinsurance recovering, *etc.*) are divided into two categories: assets credit risk and liabilities credit risk;
- operational risk: operational risk is the risk of loss resulting from inadequate or failed internal processes, IT failures or from external events, whether accidental or natural. It includes legal, tax and non-compliance risks, but excludes risks arising from strategic decisions and reputational risks.

The BNP Paribas Cardif group is exposed mainly to credit, underwriting, and market risks. The BNP Paribas Cardif group closely monitors its exposures, taking into account these various risks and the adequacy of its capital with regard to regulatory solvency requirements. It endeavours to contain potential losses in adverse scenarios at acceptable levels.

The risk strategy is implemented and monitored through an organisation tailored to the broad risk classes and supported by *ad hoc* governance structures. The governance and risk management systems are presented in sections B. System of Governance and C. Risk profile of the BNP Paribas Cardif group's Solvency and Financial Condition Report (SFCR), available on the institutional website at <https://www.bnpparibascardif.com/en>.

The solvency requirements for the BNP Paribas Cardif group under Solvency II are shown in section 5.2 *Capital management and capital adequacy*.

## MARKET RISK

Market risk arises mainly in the Savings business, where technical reserves represent most of the BNP Paribas Cardif group insurance subsidiaries liabilities.

Interest rate risk management for the general insurance funds and the asset diversification policy have driven investment in real estate assets, equities and fixed- or floating-income securities, including government bonds particularly in the Eurozone countries.

Market risk falls into four categories:

- interest rate risk:

Euro funds in underwritten life insurance policies are measured based on either a contractual fixed rate or a variable rate, with or without a minimum guaranteed return. All of these policies give rise to an interest rate and asset value risk, corresponding to the risk that the return on admissible assets is less than the contractual return payable to policyholders or return payable defined in consideration of the market expectations and the positioning of the market players. In France, the average rate guaranteed by Cardif Assurance Vie in 2023 is below 0.1%;

- liquidity risk:

liquidity risk with a 24-month horizon is managed by the Asset Management Department. Asset-liability matching analyses over the medium to long term are also carried out regularly by Asset-Liability Management in order to supplement the measurement of the financial risks incurred. They are based on medium- and/or long-term profit and loss account and balance sheet projections prepared using a range of economic scenarios. The results of these reviews are analysed in order to determine any adjustments to required assets (through strategic allocation, diversification, use of derivatives, etc.);

- spread risk:

limits by issuer and rating type (Investment Grade, non-Investment Grade) are monitored regularly. Issuer credit quality is also reviewed frequently;

- change in the value of assets:

The exposure to the risk of a decline in the value of assets (interest rate, spread, equities, real estate) for contracts with a profit-sharing clause is mitigated by the variable fees model (VFA), with changes in the value of financial assets adjusting the cash flows from execution for the share accruing to policyholders and the margin on contractual services for the share accruing to the insurer.

## GROUP BNP PARIBAS CARDIF INVESTMENTS

The BNP Paribas Cardif group manages EUR 158.3 billion at net book value and at market value, through its subsidiaries in France, mainly Cardif Assurance Vie, representing EUR 127.7 billion, its subsidiaries in Italy, mainly Cardif Vita, representing EUR 18.5 billion and its subsidiary in Luxembourg, Cardif Lux Vie (EUR 7.9 billion). BNP Paribas Cardif group investments break down as follows:

**TABLE 105: BREAKDOWN OF BNP PARIBAS CARDIF GROUP INVESTMENTS  
(EXCLUDING INVESTMENTS IN UNIT-LINKED CONTRACTS)**

| <i>In millions of euros</i>                             | 31 December 2022 |                |                                     |                |
|---|------------------|----------------|-------------------------------------|----------------|
|   | 31 December 2023 |                | restated according to IFRS 17 and 9 |                |
|   | Net book value   | Market value   | Net book value                      | Market value   |
| Equities and variable-income securities (including UCI) | 44,866           | 44,866         | 39,580                              | 39,580         |
| Real estate   | 7,266            | 7,266          | 8,044                               | 8,044          |
| of which buildings                                      | 4,136            | 4,136          | 4,453                               | 4,453          |
| of which shares in real estate companies                | 3,130            | 3,130          | 3,591                               | 3,591          |
| Government bonds and similar                            | 45,544           | 45,544         | 47,324                              | 47,324         |
| Other bonds   | 57,051           | 57,051         | 55,676                              | 55,676         |
| Derivative instruments and other                        | 3,540            | 3,539          | 3,493                               | 3,492          |
| <b>TOTAL</b>  | <b>158,267</b>   | <b>158,266</b> | <b>154,117</b>                      | <b>154,116</b> |

**TABLE N° 106: BOND EXPOSURE BY ISSUER AND RATING (EXCLUDING INVESTMENTS IN UNIT-LINKED CONTRACTS AND EUROCROISSANCE CONTRACTS)**

| Exposure by rating   | 31 December 2023 |              |             | 31 December 2022<br>restated according to IFRS 17 and 9 |              |             |
|----------------------|------------------|--------------|-------------|---|--------------|-------------|
|                      | Govies           | Corporate    | Total       | Govies  | Corporate    | Total       |
| AAA                  | 7.9%             | 4.1%         | 12.0%       | 6.6%  | 3.7%         | 10.3%       |
| AA                   | 21.0%            | 13.6%        | 34.6%       | 22.3%   | 6.1%         | 28.3%       |
| A                    | 2.9%             | 23.7%        | 26.6%       | 5.5%  | 21.1%        | 26.6%       |
| BBB                  | 10.1%            | 13.7%        | 23.8%       | 9.7%  | 16.2%        | 26.0%       |
| < BBB <sup>(*)</sup> | 0.4%             | 2.6%         | 3.0%        | 0.2%  | 8.6%         | 8.8%        |
| <b>TOTAL</b>         | <b>42.2%</b>     | <b>57.8%</b> | <b>100%</b> | <b>44.3%</b>  | <b>55.7%</b> | <b>100%</b> |

(\*) Including unrated bonds.

**TABLE 107: EXPOSURE TO GOVERNMENT BOND AND SIMILAR BY ISSUING COUNTRY (EXCLUDING INVESTMENTS IN UNIT-LINKED CONTRACTS AND EUROCROISSANCE CONTRACTS)**

| Exposure by country<br><i>In millions of euros</i> | Rating | 31 December 2023 | 31 December 2022<br>restated according to IFRS 17<br>and 9 |
|--|--------|------------------|--|
|  |        | Net book value   | Net book value   |
| France   | AA     | 15,523           | 17,383   |
| Italy  | BBB    | 10,253           | 10,487   |
| Spain  | A-     | 1,904            | 3,656  |
| Belgium  | AA-    | 7,494            | 4,352  |
| Germany  | AAA    | 1,922            | 1,717  |
| Austria  | AA+    | 313              | 785  |
| Netherlands  | AAA    | 674              | 1,024  |
| Ireland  | A+     | 96               | 252  |
| Portugal   | BBB-   | 57               | 454  |
| Others   |        | 7,308            | 7,521  |
| <b>TOTAL</b>                                       |        | <b>45,544</b>    | <b>47,632</b>  |

# INSURANCE UNDERWRITING RISK

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Underwriting risk arises mainly from the surrender, the longevity and the mortality risk in the savings business line, and in creditor insurance contracts for the protection business.

There are three types of underwriting risk:

## SAVINGS – SURRENDER RISK

Savings contracts include a surrender clause allowing policyholders to request reimbursement of all or part of their accumulated savings. The insurer is thus exposed to the risk of surrender volumes being higher than the forecasts used for ALM purposes, leading to potential capital losses on asset disposals needed to finance excess surrenders.

BNP Paribas Cardif adopted a monitoring framework and tools to reduce the surrender risk:

- expected short-, medium- and long-term liability flows are regularly estimated and any liquidity gaps with expected asset flows are identified and controlled in order to reduce the risk of large-scale instant asset disposals. Changes in assets and liabilities are projected over periods of up to forty years, in order to identify treasury mismatches and over or under covered maturities giving rise to a liquidity risk. These analyses are then used to determine the choice of maturities for new investments and the assets to be sold;
- the guaranteed revaluation of policies is completed by a participating benefit feature, partly discretionary, that raises the total return to a level in line with market benchmarks and reduces the risk of an increase in surrenders. The policyholders' surplus reserve is the mechanism in France that enables the surplus actually paid out to be pooled and spread between generations of policyholders and to manage the performance of contracts over time;
- the return on financial assets may be protected through the use of hedging instruments.

Average redemption rates for BNP Paribas Cardif group general funds stood in France<sup>1</sup> at 7.9% (compared to 6.7% in 2022), in Italy at 21.1% (compared 9.4% in 2022) and in Luxembourg at 23.8% (compared to 22.5% in 2022).

## SAVINGS – UNIT-LINKED CONTRACTS WITH A MINIMUM COVERAGE

The insurer's liabilities are covered by the assets held, which are used as a valuation reference. The consistency of this coverage is controlled at monthly intervals.

Certain unit-linked commitments provide for the payment of a death benefit at least equal to the cumulative premiums invested in the contract, whatever the conditions on the financial markets at the time of the insured's death. The risk on these contracts is both statistical (probability of a claim) and financial (market value of the units).

The capital guarantee is generally subject to certain limits. In France, for example, most contracts limit the guarantee to one year (renewable annually), an age limit of eighty to benefit from the guarantee and a maximum of EUR 1 million per person insured.

The minimum coverage reserve, included in liabilities for the remaining coverage, is (re)assessed every quarter and takes into account the probability of death, based on a deterministic scenario, and stochastic analyses of changing financial market prices. The reserve amounted to EUR 4.9 million at 31 December 2023 (*versus* EUR 18.9 million at 31 December 2022).

## PROTECTION

These risks result mainly from the sale of creditor insurance, as well as activities as individual death and disability, extended warranty, theft, accidental damage, third party liability, annuity policies in France, and health, with geographic coverage in many countries.

Creditor insurance mainly covers death, disability, critical illness, work disability, loss of employment and financial loss risks for revolving credit, personal loans and mortgage loans. The insurance book comprises a very large number of policies representing low risks and low premiums. Margins depend on the size of the insurance book, effective pooling of risks and tight control of administrative costs. The term of these contracts is usually equal to the term of the underlying loan and the premium is either deducted once upon issuance of the policy (single premium) or deducted regularly throughout the term of the policy (regular or periodic premiums).

Other contracts (individual death and disability, extended warranty, theft, accidental damage, and annuity policies in France, civil liability, health) are either for personal risk (death, accidental death, hospitalisation, critical illness, healthcare expenses) or property & casualty risk and/or responsibilities (accidental damage, breakdown or theft of consumer goods or vehicles, civil liability, etc.). The individual sums insured under these contracts are generally low, whether they are indemnities or lump-sum payments.

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<sup>1</sup> On the main general fund.



Lastly, principally through its expanding entity, Cardif IARD in France, motor contracts (material damage, civil liability, car assistance) and comprehensive household coverage are also underwritten. This type of insurance coverage is also developing in the international market, namely in Latin America.

The governance set up to prevent and control actuarial risks in France and internationally is based on guidelines and tools that describe the principles, rules, methods and best practices to be followed by each actuary throughout the policies' life cycle, the tasks to be performed by the actuaries and their reporting obligations. It also sets out the practices that are excluded or that are allowed only if certain conditions are met.

Risks underwritten must comply with delegation limits set at various local and central levels depending on the estimated maximum acceptable losses, the estimated Solvency II capital requirements and the estimated margins on the policies concerned. The experience acquired in managing geographically diversified portfolios is used to regularly update risk pricing databases comprising a wide range of criteria such as loan type for creditor insurance, the type of guarantee and the insured population, *etc.* Each contract is priced by reference to the profitability and return-on-equity targets set by the Executive Management of the BNP Paribas Cardif group.

Reinsurance is a complementary element of the underwriting risk management system. Its objective is to protect the BNP Paribas Cardif group against three main risks:

- the so-called "peak" risk from exposure to an individual risk exceeding a certain threshold, called "retention". The peak risk can be managed by reinsurance which may take the form of surplus or excess of loss treaties;
- the so-called "claim accumulation" risk, which corresponds mainly to the disaster risk associated with exposure to a single low occurrence event, but very strong financial impact (concentration risk). This risk can be reinsured in the form of a catastrophe excess of loss treaty;
- risk on new products, linked to insufficient mutualisation, wrong definition of the technical databases or uncertainty over the insured portfolio data. This risk can be reinsured in the form of quota share, stop loss or excess of loss treaties, depending on the level of risk identified.

Risk exposures are monitored periodically by the Executive Committee of the BNP Paribas Cardif group through the Commitment Monitoring Committees that are based on a two-pronged approach:

- quarterly monitoring of loss ratios at each accounting quarter end;
- supplemented by monitoring of the portfolio characteristics according to a schedule based on the type of product (monthly, quarterly or annually).

Contract pricing for annuity contracts are based on mortality tables applicable under insurance regulations, adjusted in some cases by portfolio-specific data which is certified by independent actuaries. The result is a low annuity risk.

Underwriting risks are covered by various reserves in accordance with IFRS 17:

- a reserve for the cash flows related to the future coverage period, including an adjustment for non-financial risks;
- a reserve for the contractual service margin yet to be recognised;
- a reserve for all incurred claims whether reported or not, including an adjustment for non-financial risks.

The level of confidence used to determinate the non-financial risk adjustment corresponds to the 70% quantile for the main countries.

## 5.11 Environmental, social and governance risk

The publications under this section cover the environmental, social and governance (ESG) risk factors that may directly affect credit institutions through their impacts on the business activity of the customers.

From a general perspective, the Group is integrating the ESG-related risk factors into the Group's risk management framework, as potential driver of existing financial risks. Given the evolving nature of these methodologies, data and regulations related to ESG, the Group's set-up may also be gradually adapted, as relevant.

The tools rolled out and continuously improved within the Group cover the risk factors regarding the three pillars "E", "S", and "G". The environmental and climate-related ones are the most developed. The Supervisors and other external stakeholders pay particular attention to identifying and managing these types of risks, considering their potential impacts on the banking sector.

## BUSINESS STRATEGY AND PROCESSES

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### IMPACT OF ESG RISK FACTORS ON BUSINESS STRATEGY AND PROCESSES

In its ambition to be a leader in sustainable finance and in the wake of its 2022-2025 Strategic Plan, built around the pillars Growth, Technology & Sustainability (GTS), BNP Paribas has set itself the objective of directing financial flows towards a more sustainable economy. The Group consequently supports all its customers (corporates and individuals) in their transition.

Three strategic pillars have been identified to accelerate the implementation of the Group's sustainable development commitments: firstly, the alignment of lending portfolios with the commitment to carbon neutrality through sector-specific objectives, integrating customer transition. Secondly, supporting clients towards a sustainable, low-carbon economy, thanks to the mobilisation of the Group's networks of internal experts on ESG issues through the Low-Carbon Transition Group. Thirdly, strengthening the internal expertise, the management tools, the processes and mechanisms enabling to support the evolving needs of stakeholders and the training of employees, including the Sustainability Academy.

In this context, the Group continuously strengthens its ESG risk management framework. The Group monitors the potential impact of ESG risk factors on the conduct of its business, counterparties and investments on its own behalf or on behalf of third parties. Initially focused on the sectors most sensitive from an ESG perspective, the assessment of these ESG risks is gradually strengthened following the development of the methods for measuring and analysing these factors and their impact on financial risks, in particular those relating to credit risk. Thus, the Group relies in particular on:

- financing and investing policies which set ESG criteria governing the Group's decisions to allocate financial services in some ESG sensitive areas, in particular those related to sensitive industrial areas (see section Commitment 3 *Systematic integration and management of Environmental, social and governance risks (ESG)* in chapter 7);
- the Global Credit Policy, supplemented by specific credit policies. The policy requires that client engagement be grounded on solid ESG assessment. The latter must be performed in accordance with the defined ESG framework, notably integrating the questions from the ESG Assessment (see appendix 5: *ESG Assessment (ESG-A)*) for large corporates. It takes into consideration clients' reports and performance indicators, that could be their transition plans or external data assessing the transition, as relevant. The Group works directly with its clients to identify, assess, and manage the ESG risks.

Finally, the Group has considerably expanded its training offer towards employees to further support the consideration of ESG issues in its global risk management. It now covers a broad spectrum ranging from general awareness-raising on the ESG issues related to the energy transition, the protection of biodiversity and respect for human rights, training on ESG risk management setups and the offer of sustainable finance products. The creation of the Sustainability Academy in 2022 enabled to accelerate this process (see section Commitment 6 *A learning company supporting dynamic career path management* in chapter 7).

## OBJECTIVES, TARGETS AND LIMITS RELATED TO ESG RISKS AND OPPORTUNITIES

BNP Paribas has implemented a comprehensive ESG risk management approach developed in compliance with the United Nations Sustainable Development Goals (SDGs). It reflects a commitment at the highest level of the Group to combine performance, responsibility, ethics, and transparency. BNP Paribas' approach to corporate social responsibility (CSR) embeds environmental and social risks on a short, medium, and long-term scale as displayed in its CSR policy management dashboard in line with the Growth-Technology-Sustainability (GTS) 2025 Strategic Plan (see section 7.1 *Strategy* in chapter 7).

The Group strategy aims to contribute to directing capital flows towards the transition to a more sustainable economy through banking and financial services. In that regard, the Group also pays specific attention to actions and practices that facilitate the alignment of its loan portfolio with the Net-Zero in 2050 objective. By joining the Net-Zero Banking Alliance (NZBA) in 2021, the Group has committed to extending the alignment scope to a greater number of sectors and to a higher ambition: to finance a carbon-neutral world by 2050, which corresponds to a limited increase in temperature of 1.5°C compared to the pre-industrial era.

In May 2023, the Group has published its Climate report<sup>1</sup>. It illustrates its progress in supporting the transition of clients in developing renewable and low-carbon energies, supporting the energy transition of individuals and improving energy efficiency within its operating scope. The Climate report presents the transition in the financing of low-carbon energy, now the majority in its energy financing portfolio, and the intermediate targets for reducing greenhouse gas emissions intensity of its credit portfolios in the oil and gas sectors (matched by reductions in its financing for this sector), electricity generation, automotive, steel, aluminium and cement sectors. In 2024, the Group will extend the scope to new sectors by defining new targets for reducing greenhouse gas emissions (see section Commitment 3 *Systematic integration and management of Environmental, social and governance risks (ESG)* in chapter 7).

In addition, the objectives, targets and limits to assess and address social risks are developed in the strategy and in the Group's vigilance plan. The Group's vigilance plan is implemented to identify and prevent the risk of serious violations of human rights and fundamental freedoms, of harm to human health and safety, and to the environment throughout its business operations. The actions related to the Group's vigilance Plan are defined by the CSR Department, prepared jointly with the stakeholders in the main business lines and functions. These actions aim to cover all the Group's business lines, functions and countries of operation. For more information, refer to section 7.7 *Vigilance plan* in chapter 7.

Furthermore, the Group is committed to respecting and promoting internationally recognised human rights standards as defined in the International Charter of Human Rights, the OECD Guidelines for Multinational Enterprises, and the United Nations Guidelines on Business and Human Rights. The Group also recognises the fundamental conventions established by the International Labour Organisation (ILO), integral parts of the *ILO Declaration on Fundamental Principles and Rights at Work*, as well as the principles of international humanitarian law applicable in situations of armed conflict.

The Group has been an active member of the United Nations Global Compact since 2003. The principles of the Global Compact, the Sustainable Development Goals (SDGs) and the OECD Guidelines for Multinational Enterprises serve as a framework for BNP Paribas to effectively guide its corporate responsibility approach, particularly in terms of human rights

<sup>1</sup> <https://invest.bnpparibas/document/rapport-climat-2022>.

protection. As a founding member of the Principles for Responsible Banking (2019), the Group committed itself to aligning its business model and practices to help achieve the SDGs.

BNP Paribas complies with international covenants and local regulations of the countries in which the Group operates.

Finally, the Group also monitors social issues related to health, safety at work and impact on communities as part of its assessment process using the *ESG Assessment* tool. (see section Commitment 3 *integration and management of environmental, social and governance risks* (ESG) in chapter 7).

## GOVERNANCE

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### MANAGEMENT BODY SETTING ESG RISKS AND OPPORTUNITIES FRAMEWORK

The Board of directors validates the Group's strategy on energy and climate-related matters, with the support of two specialised Committees (as described in the Governance section at 5.3 *Risk Management*):

- the Corporate Governance, Ethics, Nominations and CSR Committee (CGEN);
- the Internal Control, Risk management and Compliance Committee (CCIRC).

For environmental-related risks and opportunities in all fields, the Chief Executive Officer and the Chief Operating Officer submit a strategy proposal to the Board of directors, then subsequently oversee the management of the Group and its performance.

The Chief Executive Officer is responsible for the climate strategy, for which the definition and implementation through the Group's commitments is managed by the Head of Company Engagement, a member of the Group Executive Committee, in its role as CSR supervisor. The Company Engagement Department, the CSR Department (which is part of the Company Engagement Department), the operating entities and functions are responsible for the implementation of the Group's climate strategy.

Since 2021, the Group's ESG governance system has been extended to cover all aspects of the Company and restructured to better incorporate environmental and climate-related issues in the definition of the strategy, its oversight and management of the associated risks. This framework is based on well-defined governance, with responsibilities shared between the Group and operating entities in order to facilitate operational integration of the ESG policies, targets and risk framework. This governance is led by:

- the sustainable finance strategic Committee, which aims to validate the Group's climate strategy and the implementation of the policy of aligning the loan portfolio with the Paris Agreement. The main associated indicators are discussed at regular meetings chaired by the Chief Executive Officer within the framework of this Strategic Committee. The topics related to sustainable financing discussed by the members of the Committee are then transmitted to the business lines and functions through their representatives;
- the sustainable finance infrastructure Committee aims at industrialising ESG processes, data and reporting. Its mission is to meet the growing needs of customers, regulators and investors. Around the Deputy Chief Executive Officer, it brings together key contributors from different business lines and functions;
- the ESG Regulatory Committee at Executive Management level was set up to assess the operational consequences of the main new regulations.

### ESG RISK CONTROLLING AND REPORTING FRAMEWORK

The Group General Management has settled an internal control framework which main objective is to ensure the global risk management and to give a reasonable assurance that related objectives are achieved (see section 2.4 *Internal Control* in chapter 2). The BNP Paribas Group's internal control monitors all types of risks to which the Group may be exposed, including those resulting from ESG factors. It is applied at the Group level and at the level of directly or indirectly controlled entities.

Environmental and social risk factors are progressively being integrated into the usual reporting processes, considering progress on internal analyses related to ESG issues as well as regulatory developments. At the Board of directors' level, the CCIRC reviews the Risk Appetite Statement (RAS), which contains metrics resulting from targets set within the NZBA commitments.

Finally, environmental and social risk-related objectives are considered in the remuneration policy (see section 1. *Corporate governance* in chapter 2).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK MANAGEMENT FRAMEWORK

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## DEFINITIONS AND FRAMEWORK

The ESG risk management framework of the Group has been built on the ground of voluntary actions and commitments as well as regulatory requirements and supervisory expectations.

The long-standing voluntary actions with respect to international and European policy framework encompass good practices on both environmental and social fields and include the following principles:

- application of internationally recognised human rights standards as defined in the Bill of Human Rights: the United Nations Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights. This commitment is expressed at the highest level in the BNP Paribas Declaration on Human Rights, signed by the Group's Chief Executive Officer and promoting the respect of these rights within BNP Paribas' sphere of influence;
- adoption of social and environmental goals aligned with global standards such as the United Nations Sustainable Development Goals and those of the financial community such as the Principles for Responsible Banking (PRB) and the Principles for Responsible Investment (PRI);
- actions following the framework of the United Nations Global Compact (Advanced level) and the United Nations Women's Empowerment Principles. The Group also complies with ILO Conventions concerning social and labour aspects and the internationally accepted OECD Guidelines for multinational enterprises;
- commitment to align greenhouse gas (GHG) emissions arising from its credit activities with the path required to achieve carbon neutrality in 2050. By joining the Net-Zero Banking Alliance (NZBA) and engaged to align thanks to the methodology guidance developed by the NZBA, the Group has been able to assess the trajectory of its portfolio on the following sectors: power generation, oil and gas (upstream and refining), automotive, cement, aluminium and steel;
- application of the 4<sup>th</sup> version of the Equator Principles (EP4) related to project finance activities. The Group works with its customers to identify, assess, and manage the environmental and social risks and impacts linked with major industrial and infrastructure projects. Any potential negative impact of these projects on communities, ecosystems or climate must be avoided, mitigated and/or offset.

With respect to legislative and regulatory requirements, the Group abides by those in relation to the French Duty of Care law requiring, in particular, a vigilance plan to be established and implemented to identify and prevent the risk of serious violations of human rights and fundamental freedoms, and of harm to human health and safety and to the environment.

Specific actions aiming at further embedding the ESG into the risk management framework are handled within the ESG Methodologies, Analyses and Risk Management program.

## IDENTIFICATION OF ESG RISK, ASSESSMENT AND LIMITS

The Group does not consider the ESG risks as risk types *per se* but rather as risk factors which may potentially favour, trigger or worsen any types of risk, and notably credit, market or operational risks.

Accordingly, ESG risk factors are incorporated in the Group's existing risk management framework and processes.

Given the still evolving feature of the ESG topics, projects are ongoing to further identify and integrate these risk factors into the risk management framework, for instance in the Risk Appetite framework, and in the risk identification process:

- the Group Risk Appetite Statement (RAS), which is defined consistently with the strategy of BNP Paribas, includes principles dedicated to ESG risk factors. These principles, coupled with dedicated metrics, define the risk tolerance of the Group on these dimensions. The Group Risk Appetite Statement ESG section has been further reinforced in 2023 and now integrates 5 metrics with limits to control the Group achievements with respect to its commitments on Thermal Coal and Oil & Gas financing for 2025 and 2030. In addition, complementary indicators, resulting from the definition of the Net-Zero targets setting regarding the Oil & Gas, the Power, the Low-Carbon Financing and the Automotive sectors are part of the Risk Appetite Statement for monitoring purposes;
- the Group Risk Identification process (Risk ID) (see Appendix 5 *Risk identification & assessment process ("Risk ID")*) has been adapted and enriched to capture ESG dimensions and to inform the capital adequacy assessment and the resilience tests.

The importance devoted by the Group to better taking into account ESG aspects in its risk management framework is attested by the fact that, in BNP Paribas 2023 Financial Institutions Global Risks Landscape<sup>1</sup>, 13 among the 32 global risks retained and detailed in this work have an ESG dimension (see the table below). This document is meant to be used by Risk ID contributors who have to appreciate the extent to which these global risks could have direct or indirect negative impacts for the Group.

|  | Time<br>horizons <sup>(1)</sup> | Severity | Trend | Type | Systemic Emerging |
|--|---------------------------------|----------|-------|------|-------------------|
|--|---------------------------------|----------|-------|------|-------------------|

<sup>1</sup> BNP Paribas Financial Institution Global Risks Landscape is a document, produced annually and presented to the Group RISK Anticipation Committee, that proposes a panorama of the global risks (uncertainties, vulnerabilities, trends and threats) of all natures (economic, technological, business, geopolitical socio-political & environmental, etc) that should be taken into account when trying to anticipate scenarios that could lead to direct or indirect damages for financial institutions, in the short, medium and longer term.

|  | Time horizons <sup>(1)</sup> | Severity       | Trend | Type       | Systemic | Emerging |
|--|------------------------------|----------------|-------|------------|----------|----------|
| Technology and digital                               |                              |                |       |            |          |          |
| Data protection, governance and strategy             | Short term                   | High           | ↑     | Structural |          |          |
|  | Medium Term                  | Extremely high |       |            |          |          |
|  | Long term                    | Extremely high |       |            |          |          |
| Risks related to artificial intelligence             | Short term                   | High           | ↑     | Structural |          | ✓        |
|  | Medium Term                  | Extremely high |       |            |          |          |
|  | Long term                    | High           |       |            |          |          |
| Changes in the business environment                  |                              |                |       |            |          |          |
| Regulatory pressure and supervision                  | Short term                   | High           | →     | Structural | ✓        |          |
|  | Medium Term                  | High           |       |            |          |          |
|  | Long term                    | High           |       |            |          |          |
| Possible change in insurance and reinsurance markets | Short term                   | High           | ↑     | Structural | ✓        | ✓        |
|  | Medium Term                  | Extremely high |       |            |          |          |
|  | Long term                    | Extremely high |       |            |          |          |
| Customer expectations and impact of consumerism      | Short term                   | High           | →     | Structural |          |          |
|  | Medium Term                  | High           |       |            |          |          |
|  | Long term                    | High           |       |            |          |          |
| Financial expectations of investors                  | Short term                   | High           | →     | Structural |          |          |
|  | Medium Term                  | High           |       |            |          |          |
|  | Long term                    | Extremely high |       |            |          |          |

|   | Time horizons <sup>(1)</sup> | Severity       | Trend | Type       | Systemic | Emerging |
|---|------------------------------|----------------|-------|------------|----------|----------|
| <b>Environment &amp; Society</b>  |                              |                |       |            |          |          |
| <b>Economic impact of climate change &amp; energy transition</b>            | Short term                   | High           | ↑     | Structural | ✓        | ✓        |
|   | Medium Term                  | Very high      |       |            |          |          |
|   | Long term                    | Extremely high |       |            |          |          |
| <b>Imbalance in the supply and demand for natural resources</b>             | Short term                   | High           | ↑     | Structural | ✓        | ✓        |
|   | Medium Term                  | Very high      |       |            |          |          |
|   | Long term                    | Extremely high |       |            |          |          |
| <b>Environmental and climatic risks due to the collapse of ecosystems</b>   | Short term                   | High           | ↑     | Structural | ✓        | ✓        |
|   | Medium Term                  | Very high      |       |            |          |          |
|   | Long term                    | Extremely high |       |            |          |          |
| <b>Threats for health and resistance to pathogenic agents</b>               | Short term                   | Medium         | ↑     | Structural | ✓        | ✓        |
|   | Medium Term                  | High           |       |            |          |          |
|   | Long term                    | Extremely high |       |            |          |          |
| <b>Bank and ESG concerns</b>  | Short term                   | High           | ↑     | Structural |          |          |
|   | Medium Term                  | Very high      |       |            |          |          |
|   | Long term                    | Very high      |       |            |          |          |
| <b>Aggravation of inequalities, societal fragmentation and civil unrest</b> | Short term                   | High           | ↑     | Structural | ✓        |          |
|   | Medium Term                  | Extremely high |       |            |          |          |
|   | Long term                    | Extremely high |       |            |          |          |
| <b>Employee expectations and commitment, recruitment &amp; retention</b>    | Short term                   | High           | ↑     | Structural |          |          |
|   | Medium Term                  | High           |       |            |          |          |
|   | Long term                    | High           |       |            |          |          |

(1) Time horizons are defined as follows: Short term from 0 to 3 years; Medium term from 3 to 10 years, Long term from 10 to 30 years.

Risk ID process has been designed to favour anticipation and to promote a forward-looking approach when updating the Risk inventory of the Group, which is the final outcome of the process. The risk inventory is made of a set of “severe but plausible” elementary scenarios (the “risk events”) that reflect the ways the risk types faced by the Group could materialise.

For each risk event, Risk ID methodology requires to identify the risk factors that underpin its materialisation, those that favour, trigger or worsen the event. ESG-related are among the risk factors that shall be considered by contributors to the Risk ID process.

Because in Risk ID, ESG risks are considered as risk factors, BNP Paribas risk driver taxonomy that is used as a reference in Risk ID approach encompasses a comprehensive set of risk factors covering environmental, social and governance risk topics.

With regard to the way horizons are considered, if Risk ID contributors are asked to identify and assess scenarios that represent concerns in the coming 3 to 4 years (short to medium term), they are also invited to anticipate scenarios that could materialise in the longer term.

To do so, four features in the Risk ID methodology enable to qualify the probability and the time horizon of each risk event, notably those that are favoured, triggered or worsened by ESG risk factors:

- the intrinsic frequency, *i.e.*, recurrence time, of the risk event (this corresponds to the number of years between two risk events of the same magnitude);
- the imminence of the risk event that qualifies the probability that the risk event occurs in the coming three years;
- the probable evolution of the materiality of the risk event in the coming year;

- the relative materiality of the risk event on a 30-year horizon.

This approach enables the Group to consider in its risk inventory both frequent, probable risk events and unusual, long-term, less probable but more severe risk events. In addition, there are several other components of ESG assessment that provide information to the risk identification process:

- the country and sovereign risks assessment: BNP Paribas takes into consideration the countries' Environmental, Social, and Governance performances when gauging the overall "country risks" and is assessing the sovereign counterparties' exposure to ESG risks and to more specific transition and physical climate & environment risks. Country risk is an essential component in the assessment of the creditworthiness of the Group's counterparties; sovereign risks are central to the analysis of the risks associated with the Group's exposures to public and banking counterparties. More precisely, the assessment of sovereign ESG risks is based on an internal methodology and on data from recognised external sources (international organisations such as UN agencies, NGFS - Network for Greening the Financial System, World Bank), updated annually;
- sectoral analysis: sectoral analyses and heatmaps on climate-related risks are being developed by the Group. Climate transition risk heatmap and climate physical risk heatmap stand as a key tools to appreciate the materiality of the ESG risks, as it enables to map the Group's exposures to sectors considered as vulnerable to climate transition and/or physical risk factors, and to assess potential concentrations thereof;
- in the credit risk framework with the ESG Assessment deployment (see Appendix 5 *ESG Assessment (ESG-A)*), aiming at strengthening and further documenting monitoring process on ESG aspects both at counterparty and transaction levels.

With respect to social risk factors and similarly to climate and environmental-related risks, they are incorporated as risk factors in the Group's process for identifying and assessing risks incurred by the Group, thus enabling the identification and assessment of elementary severe but plausible scenarios that are triggered, favoured or aggravated by social risk factors. (See section Commitment 3 *Systematic integration and management of Environmental, social and governance risks (ESG)* in chapter 7 and Appendix 5 *ESG Assessment (ESG-A)*).

## MEASUREMENT, MONITORING & MITIGATION

In order to support the Group's Sustainable Finance ambitions, actions related to ESG data and information systems are subject to a specific "Data & Systems" stream, under the Group Sustainable Finance Infrastructure Committee's umbrella.

In this context, the following framework has been set up to collect ESG needs within the Group:

- identification and prioritisation of the various ESG use-cases conducted by the Group Data Office and ITG Architecture for the Group Entities and Functions. At the end of 2023, 48 use cases have been identified, of which 38 are under analysis;
- identification of data needs for each use-case: definition of the sourcing strategy either via the purchase from external ESG data providers or internal sourcing relying on the Group's existing processes;
- in case of external sourcing, integration, storage and distribution of the data by the impACT platform, the Group ESG data platform;
- deployment of the ESG Data Management system: classification of data into data families, update of the ESG data catalogue and the ESG data dictionary into We Data (Group data management tool), implementation of data quality indicators to measure data completeness, data validity.

Feedback loops are organised with data providers to address data quality issues and remediation;

- implementation of a governance to define the data collection instructions, the data management and estimation rules, in order to optimise the quality, the exhaustivity and the freshness of ESG data.

As highlighted in the section related to business strategy and processes, since 2011, BNP Paribas has gradually been incorporating ESG issues in its risk management framework, notably drawing on the following:

- financing and investment policies, named "sector policies", have been established in particular for sectors extensively associated to ESG issues;
- provisions relating to social and environmental responsibility (including climate) have been added in the General Credit Policy and specific policies, and are progressively reinforced;
- adherence to the Equator Principles on project financing;
- integration of ESG criteria in collateral valuation policies;
- integration of ESG criteria into supply chain management;
- integration of ESG criteria into asset management activities;
- offering of enhanced ESG training programs for all staff of the Group (see section Commitment 2 *Ethic of the highest standards* in chapter 7);
- dedicated programmes to reinforce the integration of ESG into the risk management framework;
- active participation in open-source initiatives for methodology development regarding climate risk analyses, for instance, BNP Paribas is one of the founding members of the Open-Source Climate Risk (OS-Climate) initiative.

Besides, tools to enhance forward-looking assessment capabilities are being developed. In particular, climate scenarios analyses are being expanded, covering climate-related risk factors, in that respect:

- use of traditional regulatory and internal stress tests to measure the consequences of a crisis scenario on an institution's solvency and liquidity situation. Gradually, this scenario analysis framework has been enriched for use in analysing the consequences of global warming and the energy transition on asset portfolios. Progress has been made in the integration of longer horizons (e.g. 50 years), to project the evolution in the breakdown of sectors in the institution's balance sheet, differentiated scenarios according to a detailed sectoral segmentation and to take into account specific factors such as the cost of carbon emissions, technological innovation and physical risks. Improvements to the climate scenario analyses framework initiated in 2022, which include the development of a long-term strategy for the dynamic balance sheet projection in line with the different transition risk scenarios;
- climate scenarios addressing transition risk and physical risk have been included in the ICAAP, reflecting the increasing importance of climate in the Bank's strategy, climate being one of the pillars of the new 2022-2025 strategic plan. Consistent with this pivotal role of climate change and energy transition, these scenarios are part of a more general treatment of climate-related risks and opportunities in the ICAAP, which are documented in a dedicated section of the ICAAP. This section includes a description of how climate change and energy transition are embedded in Group processes, of how the ICAAP infrastructure increasingly addresses climate-related risks and of the outcome of climate scenarios;
- climate scenario analyses in the ICAAP are not limited to credit risk and also include:
  - an assessment in an adverse scenario of losses calculated from operational risk events for which climate risk has been identified as a risk factor,
  - a reputation risk scenario, in which the impacts of climate-related controversies on the revenues of various business lines are assessed.

Those different scenarios enable the Group to determine the materiality and sensitivity of climate risk factors to risks it is exposed to and for which climate risk can be a relevant risk factor and to assess the impact of climate scenarios on its business model. This concerns in particular business risk, credit risk and operational risk. Climate risk scenarios remain exploratory in nature and cover time horizons that far exceed horizons used for capital planning. As a result, although integrated in the ICAAP for risk management purposes, climate scenarios are not used to calculate an impact on the Group's capital position,

- for further information on the Group's developing climate stress testing infrastructure, please also refer to section 5.3 *Risk Management* which provides information on the Group's stress testing infrastructure, including relating to climate.

The Group does not calculate a capital charge linked to climate-related risk, which is considered a risk factor of risks such as business, credit or operational risk. The Group is, however, able to assess the contribution of events that can be triggered or worsened by climate risk to its internal capital requirement. The assessment relies on the Group's risk identification process.

The Group's resilience to environmental and social risk is underpinned by its diversified, integrated business model. The diversity of the business lines, the business sectors in which the Group operates and the geographic areas in which it is established is a key asset to mitigate risks of all kinds, whether they are climate, related to biodiversity or other environmental risks.

In parallel with internal climate scenario analyses, the Group continues to participate in supervisory climate stress test exercises. Notably, the Group participates in the "One-off Fit-for-55 climate scenario analysis" for which EBA launched in July a public consultation on draft templates for collecting data to carry out its climate scenario by the end of 2023. A cross-fertilisation occurs between internal climate scenario analyses and climate-related exercises mandated by supervisors.

Several other elements can be highlighted as contributing significantly to the Group's resilience to environmental risks:

- the integration of the transition to carbon neutrality at the core of the 2025 strategic plan and the commitment to align its activities with a carbon neutrality trajectory by 2050. Formalised by the Group's membership in the Net-Zero Banking Alliance, BNP Paribas Cardif's membership in the Net-Zero Asset Owner Alliance and BNP Paribas Asset Management's membership in the Net-Zero Asset Manager Initiative, those commitments contribute to supporting the reduction in the Group's exposure to economic players responsible for generating the highest GHG emissions, and thus its exposure to transition risks, particularly those related to changes in public policies aimed at reducing emissions;
- expansion of teams dedicated to supporting customers in their transition (e.g. Low-Carbon Transition Group);
- enhancement of the Group's capabilities to assess and manage environmental risks and incorporate them in its decision-making processes as described in other chapters.

Regarding social risks, activities of the corporate clients may introduce social risks related to the respect of human rights particularly in the area of workers' rights, and may have a negative impact on local communities. Hence, the Group encourages clients to manage their own activities with respect to human rights. It also endeavors to identify, assess, monitor and encourage the improvement of the current and future performance of clients operating in sensitive sectors through the application of its investment and financing policies. This set-up has been further strengthened with the deployment of the ESG assessment of the Group's customers on five dimensions, including social (health, safety and impact on communities). In case of suspicion or identification of serious human rights abuses by a BNP Paribas customer or a company in its portfolio, the Group conducts in-depth due diligences with the company concerned.



In addition, the adherence to international and European policy framework, which incorporates principles on the social field, can also contribute to reduce potential social risks. For example, as a signatory member of the Equator Principles, the Group ensures that any negative impacts of a project finance on communities, ecosystems or the climate are avoided and, if necessary, remedied; and encourages clients to obtain the Free, Prior and Informed Consent (FPIC) of the local communities impacted by their projects.

Further information is displayed in the Commitment 3 *Systematic integration and management of Environmental, social and governance risks (ESG)* and Commitment 8 *Combat Social Exclusion and Support HR* in chapter 7.

## MEASURING THE POTENTIAL RISK OF CLIMATE CHANGE

Despite the developments in recent years in terms of standardising methodologies for the quantitative analysis of ESG factors and their impact on traditional financial risks, they must be interpreted with caution, taking into account their limitations. In the response to the public consultation of its Report on prudential disclosures for ESG<sup>1</sup> of January 2022, the EBA underlines the difficulties relating to these methodologies, namely the low historical depth, the unavailability of standardised and comparable data on the various geographies and sectors of activity, the multiplicity of methods and scenarios used to estimate missing data, among others.

The tables presented in this section should be read in conjunction with the methods and definitions used and described in the accompanying narrative. In the absence of a reference proposed by the supervisory authorities, the Group has chosen to refer, whenever possible, to European definitions or regulatory exercises. When this was not possible, the information was produced on the basis of forward-looking plans and projections, prepared in good faith by the Group based on internal definitions and estimates. The Group constantly adapts its methodologies taking into account the development of knowledge, the availability of data, the establishment or updating of recognised guidelines and standards.

Certain factors, which are external to the Group, may cause variations in the forecasts taken into account to prepare forward-looking plans and projections, such as changes in climate scenarios, changes in economic conditions or geopolitical risks. The information contained in this section may, therefore, be significantly revised in future publications.

As a result, the tables presented in this section can only be assessed on the date of publication of this document and must be interpreted taking into account the uncertainties related to the methodologies, projections and data used.

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<sup>1</sup> EBA draft ITS on Pillar 3 disclosures on ESG risks.pdf (europa.eu).

## BANKING BOOK - INDICATORS OF POTENTIAL CLIMATE CHANGE TRANSITION RISK

TABLE N° 108: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY

|                      | a   | b  | c  | d                | e                                 | f  | g                | h                       | i         | m                   | n                    | o          | p                                    |   |
|----------------------|---|--|--|------------------|-----------------------------------|--|------------------|-------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|---|
|                      | 31 December 2023  |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |   |
|                      | Gross carrying amount   |  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                         |           |                     |                      |            |                                      |   |
|                      |   | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks | of which environmentally sustainable (CCM) | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |   |
| In millions of euros |   |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |   |
| 1                    | Exposures towards sectors that highly contribute to climate change <sup>(1)</sup> | 327,955  | 22,630                                     | 4,117            | 38,902                            | 10,646   | (7,032)          | (821)                   | (5,659)   | 269,597             | 29,396               | 27,266     | 1,723                                | 4 |
| 2                    | A – Agriculture, forestry and fishing   | 12,989   | 39   | 0                | 969                               | 460  | (341)            | (40)                    | (261)     | 10,945              | 1,124                | 841        | 78                                   | 4 |
| 3                    | B – Mining and quarrying  | 7,623  | 5,389                                      | 22               | 544                               | 193  | (124)            | (5)                     | (108)     | 6,678               | 840                  | 103        | 1                                    | 3 |
| 4                    | B.05 – Mining of coal and lignite   | 124  | 124  | 0                | 58                                | 3  | (4)              | ( )                     | (3)       | 124                 |                      |            |                                      | 3 |
| 5                    | B.06 – Extraction of crude petroleum and natural gas                              | 3,755  | 3,755                                      | 11               | 140                               | 101  | (63)             | (1)                     | (58)      | 3,336               | 392                  | 27         | 0                                    | 4 |
| 6                    | B.07 – Mining of metal ores   | 1,656  | 101  | 1                | 260                               | 63   | (31)             | (2)                     | (26)      | 1,268               | 388                  |            |                                      | 4 |
| 7                    | B.08 – Other mining and quarrying   | 690  | 11   | 3                | 52                                | 20   | (17)             | (2)                     | (14)      | 628                 | 59                   | 2          | 0                                    | 3 |
| 8                    | B.09 – Mining support service activities  | 1,398  | 1,398                                      | 7                | 35                                | 6  | (9)              | ( )                     | (6)       | 1,322               | 1                    | 75         |                                      | 3 |
| 9                    | C – Manufacturing   | 92,356   | 4,889                                      | 1,115            | 9,444                             | 2,603  | (2,035)          | (235)                   | (1,663)   | 87,074              | 3,822                | 1,172      | 289                                  | 3 |
| 10                   | C.10 – Manufacture of food products   | 12,857   | 276  | 1                | 1,081                             | 339  | (243)            | (37)                    | (183)     | 12,140              | 545                  | 143        | 29                                   | 3 |

|                      |   | a                     | b  | c  | d                | e                                 | f  | g                | h                       | i         | m                   | n                    | o          | p                                    |
|----------------------|---|-----------------------|--|--|------------------|-----------------------------------|--|------------------|-------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|
|                      |   | 31 December 2023      |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |
|                      |   | Gross carrying amount |  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                         |           |                     |                      |            |                                      |
|                      |   |                       | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks | of which environmentally sustainable (CCM) | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |
| In millions of euros |   |                       |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |
| 11                   | C.11 – Manufacture of beverages                             | 3,279                 |  |  | 145              | 46                                | (30)   | (2)              | (22)                    | 3,161     | 80                  | 37                   | 1          | 3                                    |
| 12                   | C.12 – Manufacture of tobacco products                      | 6                     |  |  | 1                |                                   | ( )  |                  |                         | 6         |                     |                      |            | 4                                    |
| 13                   | C.13 – Manufacture of textiles                              | 961                   |  |  | 297              | 87                                | (67)   | (3)              | (62)                    | 929       | 10                  | 10                   | 12         | 3                                    |
| 14                   | C.14 – Manufacture of wearing apparel                       | 1,156                 |  |  | 113              | 70                                | (71)   | (9)              | (49)                    | 1,143     | 8                   | 4                    | 1          | 2                                    |
| 15                   | C.15 – Manufacture of leather and related products          | 406                   |  |  | 105              | 32                                | (24)   | (2)              | (22)                    | 400       | 4                   | 0                    | 2          | 2                                    |
| 16                   | C.16 – Manufacture of wood and of products of wood and cork | 1,149                 | 8  | 5  | 96               | 48                                | (35)   | (3)              | (27)                    | 965       | 175                 | 8                    | 1          | 4                                    |
| 17                   | C.17 – Manufacture of paper and paper products              | 1,741                 |  |  | 336              | 38                                | (38)   | (4)              | (30)                    | 1,640     | 92                  | 3                    | 6          | 2                                    |
| 18                   | C.18 – Printing and reproduction of recorded media          | 791                   | 0  |  | 109              | 58                                | (37)   | (5)              | (29)                    | 744       | 36                  | 7                    | 3          | 3                                    |
| 19                   | C.19 – Manufacture of coke and refined petroleum products   | 2,987                 | 2,987  | 17   | 506              | 10                                | (30)   | (16)             | (10)                    | 2,097     | 445                 | 445                  |            | 5                                    |
| 20                   | C.20 – Manufacture of chemicals and chemical products       | 7,878                 | 541  | 25   | 771              | 124                               | (85)   | (15)             | (52)                    | 7,056     | 720                 | 76                   | 26         | 3                                    |

|                             |   | a                     | b  | c  | d                | e                                 | f  | g                | h                       | i         | m                   | n                    | o          | p                                    |
|-----------------------------|---|-----------------------|--|--|------------------|-----------------------------------|--|------------------|-------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|
|                             |   | 31 December 2023      |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |
|                             |   | Gross carrying amount |  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                         |           |                     |                      |            |                                      |
|                             |   |                       | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks | of which environmentally sustainable (CCM) | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |
| <i>In millions of euros</i> |   |                       |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |
| 21                          | C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations | 4,939                 | 1  |  | 525              | 11                                | (23)   | (7)              | (8)                     | 4,698     | 219                 | 8                    | 14         | 4                                    |
| 22                          | C.22 – Manufacture of rubber products   | 4,919                 | 168  | 1  | 320              | 199                               | (138)  | (8)              | (125)                   | 4,762     | 100                 | 28                   | 29         | 3                                    |
| 23                          | C.23 – Manufacture of other non-metallic mineral products                           | 3,103                 | 0  | 29   | 291              | 160                               | (120)  | (5)              | (110)                   | 2,922     | 144                 | 24                   | 13         | 3                                    |
| 24                          | C.24 – Manufacture of basic metals  | 5,393                 | 100  | 164  | 441              | 72                                | (64)   | (6)              | (55)                    | 5,071     | 262                 | 44                   | 16         | 3                                    |
| 25                          | C.25 – Manufacture of fabricated metal products, except machinery and equipment     | 4,749                 | 8  | 17   | 458              | 237                               | (193)  | (16)             | (170)                   | 4,311     | 273                 | 128                  | 38         | 3                                    |
| 26                          | C.26 – Manufacture of computer, electronic and optical products                     | 6,686                 | 207  | 15   | 574              | 67                                | (91)   | (23)             | (58)                    | 6,443     | 210                 | 8                    | 26         | 3                                    |
| 27                          | C.27 – Manufacture of electrical equipment  | 4,635                 | 219  | 245  | 578              | 45                                | (72)   | (24)             | (40)                    | 4,530     | 59                  | 28                   | 18         | 2                                    |
| 28                          | C.28 – Manufacture of machinery and equipment n.e.c.                                | 8,236                 | 30   | 67   | 448              | 459                               | (297)  | (5)              | (287)                   | 8,053     | 135                 | 21                   | 27         | 3                                    |

|                      |  | a                     | b  | c  | d                | e                                 | f  | g                | h                       | i         | m                   | n                    | o          | p                                    |
|----------------------|--|-----------------------|--|--|------------------|-----------------------------------|--|------------------|-------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|
|                      |  | 31 December 2023      |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |
|                      |  | Gross carrying amount |  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                         |           |                     |                      |            |                                      |
|                      |  |                       | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks | of which environmentally sustainable (CCM) | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |
| In millions of euros |  |                       |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |
| 29                   | C.29 – Manufacture of motor vehicles, trailers and semi-trailers | 7,038                 | 23   | 60   | 1,015            | 264                               | (223)  | (9)              | (214)                   | 6,991     | 38                  | 5                    | 3          | 2                                    |
| 30                   | C.30 – Manufacture of other transport equipment                  | 4,331                 | 213  | 372  | 584              | 47                                | (26)   | (7)              | (18)                    | 4,150     | 100                 | 78                   | 3          | 2                                    |
| 31                   | C.31 – Manufacture of furniture                                  | 1,013                 | 0  |  | 108              | 35                                | (32)   | (4)              | (25)                    | 929       | 56                  | 27                   | 1          | 2                                    |
| 32                   | C.32 – Other manufacturing                                       | 1,614                 | 0  | 3  | 238              | 98                                | (53)   | (15)             | (34)                    | 1,540     | 47                  | 11                   | 16         | 3                                    |
| 33                   | C.33 – Repair and installation of machinery and equipment        | 2,490                 | 106  | 94   | 305              | 57                                | (41)   | (7)              | (32)                    | 2,394     | 63                  | 28                   | 5          | 3                                    |
| 34                   | D – Electricity, gas, steam and air conditioning supply          | 19,080                | 4,760  | 1,339                                      | 1,546            | 312                               | (138)  | (17)             | (102)                   | 13,677    | 2,323               | 2,876                | 204        | 5                                    |
| 35                   | D35.1 – Electric power generation, transmission and distribution | 15,711                | 1,943  | 1,323                                      | 1,164            | 281                               | (118)  | (12)             | (91)                    | 10,650    | 2,194               | 2,680                | 188        | 7                                    |
| 36                   | D35.11 – Production of electricity                               | 11,946                | 1,528  | 824  | 1,100            | 276                               | (110)  | (12)             | (85)                    | 7,305     | 1,864               | 2,626                | 150        | 6                                    |

|                      |   | a                     | b  | c  | d                | e                                 | f  | g                | h                       | i         | m                   | n                    | o          | p                                    |
|----------------------|---|-----------------------|--|--|------------------|-----------------------------------|--|------------------|-------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|
|                      |   | 31 December 2023      |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |
|                      |   | Gross carrying amount |  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                         |           |                     |                      |            |                                      |
|                      |   |                       | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks | of which environmentally sustainable (CCM) | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |
| In millions of euros |   |                       |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |
| 37                   | D35.2 – Manufacture of gas; distribution of gaseous fuels through mains | 2,797                 | 2,797  | 13   | 192              | 29                                | (19)   | (4)              | (11)                    | 2,572     | 106                 | 119                  |            | 1                                    |
| 38                   | D35.3 – Steam and air conditioning supply                               | 571                   | 20   | 3  | 190              | 2                                 | (2)  | ()               | ()                      | 455       | 22                  | 77                   | 16         | 1                                    |
| 39                   | E – Water supply; sewerage, waste management and remediation activities | 2,528                 | 102  | 89   | 276              | 108                               | (72)   | (4)              | (62)                    | 1,949     | 476                 | 83                   | 21         | 3                                    |
| 40                   | F – Construction  | 25,615                | 332  | 374  | 2,923            | 2,112                             | (1,499)  | (49)             | (1,395)                 | 23,246    | 1,126               | 1,140                | 102        | 3                                    |
| 41                   | F.41 – Construction of buildings  | 15,728                | 87   | 134  | 1,585            | 1,473                             | (936)  | (22)             | (886)                   | 14,263    | 681                 | 706                  | 79         | 3                                    |
| 42                   | F.42 – Civil engineering  | 3,713                 | 236  | 70   | 626              | 200                               | (153)  | (11)             | (131)                   | 3,603     | 53                  | 52                   | 5          | 4                                    |

|                      | a  | b  | c  | d                | e                                 | f  | g                | h                       | i         | m                   | n                    | o          | p                                    |   |
|----------------------|--|--|--|------------------|-----------------------------------|--|------------------|-------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|---|
|                      | 31 December 2023   |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |   |
|                      | Gross carrying amount  |  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                         |           |                     |                      |            |                                      |   |
|                      |  | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks | of which environmentally sustainable (CCM) | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |   |
| In millions of euros |  |  |  |                  |                                   |  |                  |                         |           |                     |                      |            |                                      |   |
| 43                   | F.43 – Specialised construction activities                               | 6,173  | 9  | 171              | 711                               | 439  | (410)            | (16)                    | (378)     | 5,381               | 393                  | 381        | 18                                   | 4 |
| 44                   | G – Wholesale and retail trade; repair of motor vehicles and motorcycles | 69,868   | 4,165                                      | 654              | 10,492                            | 2,120  | (1,323)          | (172)                   | (1,033)   | 64,766              | 3,564                | 1,267      | 271                                  | 3 |
| 45                   | H – Transportation and storage   | 29,001   | 2,892                                      | 311              | 3,836                             | 591  | (423)            | (51)                    | (335)     | 23,390              | 3,803                | 1,660      | 148                                  | 4 |
| 46                   | H.49 – Land transport and transport via pipelines                        | 8,600  | 1,754                                      | 93               | 912                               | 335  | (231)            | (16)                    | (200)     | 7,577               | 653                  | 359        | 11                                   | 4 |
| 47                   | H.50 – Water transport   | 11,170   | 934  | 6                | 1,875                             | 170  | (113)            | (10)                    | (100)     | 8,352               | 2,250                | 568        | 0                                    | 5 |
| 48                   | H.51 – Air transport   | 3,162  |  |                  | 563                               | 21   | (19)             | (6)                     | (11)      | 2,625               | 359                  | 171        | 6                                    | 5 |
| 49                   | H.52 – Warehousing and support activities for transportation             | 5,888  | 205  | 212              | 473                               | 60   | (55)             | (18)                    | (21)      | 4,661               | 538                  | 559        | 130                                  | 4 |
| 50                   | H.53 – Postal and courier activities                                     | 181  | 0  |                  | 12                                | 5  | (4)              | 0                       | (3)       | 176                 | 2                    | 3          | 0                                    | 2 |
| 51                   | I – Accommodation and food service activities                            | 7,587  | 20   | 1                | 1,761                             | 653  | (347)            | (69)                    | (262)     | 5,774               | 1,117                | 642        | 54                                   | 4 |
| 52                   | L – Real estate activities   | 61,308   | 41   | 212              | 7,111                             | 1,494  | (730)            | (181)                   | (438)     | 32,097              | 11,174               | 17,480     | 557                                  | 7 |

|  | a                     | b  | c  | d                | e                                 | f  | g                | h                       | i              | m                   | n                    | o            | p                                    |
|--|-----------------------|--|--|------------------|-----------------------------------|--|------------------|-------------------------|----------------|---------------------|----------------------|--------------|--------------------------------------|
|  | 31 December 2023      |  |  |                  |                                   |  |                  |                         |                |                     |                      |              |                                      |
|  | Gross carrying amount |  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                         |                |                     |                      |              |                                      |
|  |                       | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks | of which environmentally sustainable (CCM) | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing | ≤ 5 years      | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years   | Average weighted maturity (in years) |
| <i>In millions of euros</i>  |                       |  |  |                  |                                   |  |                  |                         |                |                     |                      |              |                                      |
| <b>53</b> Exposures towards sectors other than those that highly contribute to climate change <sup>(*)</sup> | <b>125,900</b>        | <b>2,823</b>   | <b>4,473</b>                               | <b>12,197</b>    | <b>3,606</b>                      | <b>(1,828)</b>   | <b>(265)</b>     | <b>(1,385)</b>          | <b>108,287</b> | <b>10,580</b>       | <b>5,048</b>         | <b>1,985</b> | <b>2</b>                             |
| 54 K – Financial and insurance activities  | 23,702                | 619  | 454  | 1,695            | 793                               | (502)  | (58)             | (408)                   | 18,745         | 3,142               | 1,139                | 676          | 2                                    |
| 55 Exposures to other sectors (NACE codes J, M – U)  | 102,198               | 2,204  | 4,019                                      | 10,502           | 2,813                             | (1,326)  | (206)            | (977)                   | 89,542         | 7,438               | 3,910                | 1,309        | 3                                    |
| <b>56 TOTAL</b>  | <b>453,855</b>        | <b>25,453</b>  | <b>8,590</b>                               | <b>51,100</b>    | <b>14,252</b>                     | <b>(8,860)</b>   | <b>(1,086)</b>   | <b>(7,044)</b>          | <b>377,884</b> | <b>39,949</b>       | <b>32,314</b>        | <b>3,708</b> | <b>4</b>                             |

(\*) In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – regulation on climate benchmarks: the sectors listed in Annex I, sections A to H and section L, of Regulation (EC) No. 1893/2006



|                      | a  | b  | d                | e                                 | f  | g                | h                                 | i         | m                   | n                    | o          | p                                    |   |
|----------------------|--|--|------------------|-----------------------------------|--|------------------|-----------------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|---|
|                      | 31 December 2022   |  |                  |                                   |  |                  |                                   |           |                     |                      |            |                                      |   |
|                      | Gross carrying amount  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                                   |           |                     |                      |            |                                      |   |
|                      |  | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks <sup>(**)</sup> | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing exposures | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |   |
| In millions of euros |  |  |                  |                                   |  |                  |                                   |           |                     |                      |            |                                      |   |
| 1                    | Exposures towards sectors that highly contribute to climate change | 330,046  | 24,319           | 46,639                            | 10,472   | (7,475)          | (1,112)                           | (5,754)   | 270,655             | 29,967               | 28,006     | 1,418                                | 4 |
| 2                    | A – Agriculture, forestry and fishing                              | 13,302   | 38               | 1,409                             | 526  | (325)            | (69)                              | (211)     | 11,255              | 1,160                | 800        | 88                                   | 4 |
| 3                    | B – Mining and quarrying   | 9,501  | 6,892            | 909                               | 194  | (141)            | (15)                              | (111)     | 8,562               | 707                  | 224        | 7                                    | 3 |
| 4                    | B.05 – Mining of coal and lignite                                  | 183  | 183              | 14                                | 40   | (22)             |                                   | (22)      | 183                 |                      |            |                                      | 3 |
| 5                    | B.06 – Extraction of crude petroleum and natural gas               | 5,221  | 5,221            | 571                               | 123  | (69)             | (1)                               | (63)      | 4,832               | 159                  | 224        | 6                                    | 3 |
| 6                    | B.07 – Mining of metal ores  | 2,114  | 176              | 203                               | 4  | (19)             | (9)                               | (5)       | 1,739               | 376                  |            |                                      | 4 |
| 7                    | B.08 – Other mining and quarrying                                  | 691  | 19               | 40                                | 23   | (21)             | (2)                               | (18)      | 648                 | 41                   |            | 1                                    | 3 |
| 8                    | B.09 – Mining support service activities                           | 1,293  | 1,293            | 81                                | 4  | (10)             | (3)                               | (4)       | 1,160               | 132                  |            |                                      | 3 |
| 9                    | C – Manufacturing  | 91,160   | 5,218            | 11,715                            | 2,723  | (2,239)          | (323)                             | (1,742)   | 85,109              | 4,743                | 1,063      | 245                                  | 3 |
| 10                   | C.10 – Manufacture of food products                                | 13,250   | 309              | 1,743                             | 432  | (310)            | (60)                              | (220)     | 12,432              | 674                  | 122        | 23                                   | 3 |
| 11                   | C.11 – Manufacture of beverages                                    | 4,116  |                  | 600                               | 53   | (38)             | (7)                               | (23)      | 3,978               | 107                  | 30         |                                      | 3 |
| 12                   | C.12 – Manufacture of tobacco products                             | 14   |                  |                                   |  |                  |                                   |           | 14                  |                      |            |                                      | 4 |
| 13                   | C.13 – Manufacture of textiles                                     | 1,241  |                  | 199                               | 83   | (69)             | (5)                               | (61)      | 1,212               | 14                   | 9          | 7                                    | 3 |

|                             |   | a                     | b  | d                | e                                 | f  | g                | h                                 | i         | m                   | n                    | o          | p                                    |
|-----------------------------|---|-----------------------|--|------------------|-----------------------------------|--|------------------|-----------------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|
|                             |   | 31 December 2022      |  |                  |                                   |  |                  |                                   |           |                     |                      |            |                                      |
|                             |   | Gross carrying amount |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                                   |           |                     |                      |            |                                      |
|                             |   |                       | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks <sup>(**)</sup> | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing exposures | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |
| <i>In millions of euros</i> |   |                       |  |                  |                                   |  |                  |                                   |           |                     |                      |            |                                      |
| 14                          | C.14 – Manufacture of wearing apparel   | 1,715                 |  | 105              | 92                                | (72)   | (12)             | (57)                              | 1,669     | 34                  | 8                    | 5          | 2                                    |
| 15                          | C.15 – Manufacture of leather and related products                                  | 522                   |  | 193              | 30                                | (28)   | (7)              | (21)                              | 516       | 4                   |                      | 2          | 2                                    |
| 16                          | C.16 – Manufacture of wood and of products of wood and cork,                        | 1,125                 |  | 103              | 48                                | (41)   | (5)              | (33)                              | 980       | 126                 | 18                   | 1          | 3                                    |
| 17                          | C.17 – Manufacture of paper and paper products                                      | 1,979                 | 32   | 385              | 66                                | (68)   | (7)              | (55)                              | 1,926     | 46                  | 2                    | 6          | 2                                    |
| 18                          | C.18 – Printing and reproduction of recorded media                                  | 709                   |  | 122              | 67                                | (39)   | (7)              | (29)                              | 671       | 27                  | 8                    | 3          | 3                                    |
| 19                          | C.19 – Manufacture of coke and refined petroleum products                           | 3,565                 | 3,565  | 172              | 12                                | (16)   | (2)              | (10)                              | 2,656     | 429                 | 479                  |            | 5                                    |
| 20                          | C.20 – Manufacture of chemicals and chemical products                               | 6,402                 | 535  | 1,190            | 132                               | (89)   | (20)             | (55)                              | 5,568     | 770                 | 44                   | 21         | 3                                    |
| 21                          | C.21 – Manufacture of basic pharmaceutical products and pharmaceutical preparations | 5,416                 |  | 518              | 6                                 | (12)   | (3)              | (3)                               | 5,355     | 43                  | 5                    | 13         | 2                                    |
| 22                          | C.22 – Manufacture of rubber products   | 4,877                 | 207  | 528              | 127                               | (124)  | (23)             | (89)                              | 4,587     | 232                 | 32                   | 25         | 3                                    |
| 23                          | C.23 – Manufacture of other non-metallic mineral products                           | 3,065                 |  | 318              | 157                               | (125)  | (16)             | (102)                             | 2,852     | 163                 | 37                   | 14         | 3                                    |

|                      | a   | b  | d                      | e   | f   | g                   | h   | i         | m                      | n                       | o          | p   |   |
|----------------------|---|--|------------------------|---|---|---------------------|---|-----------|------------------------|-------------------------|------------|---|---|
|                      | 31 December 2022  |  |                        |   |   |                     |   |           |                        |                         |            |   |   |
|                      | Gross carrying amount   |  |                        |   | Accumulated impairment,<br>accumulated negative changes in<br>fair value due to credit risk and<br>provisions |                     |   |           |                        |                         |            |   |   |
|                      |   | of which<br>exposures<br>towards<br>companies<br>excluded from<br>EU Paris-<br>Aligned<br>Benchmarks <sup>(**)</sup> | of<br>which<br>Stage 2 | of which<br>non-<br>performing<br>exposures |   | of which<br>Stage 2 | of which<br>non-<br>performing<br>exposures | ≤ 5 years | > 5 year<br>≤ 10 years | > 10 year<br>≤ 20 years | > 20 years | Average<br>weighted<br>maturity<br>(in years) |   |
| In millions of euros |   |  |                        |   |   |                     |   |           |                        |                         |            |   |   |
| 24                   | C.24 – Manufacture of basic metals  | 5,326  | 108                    | 644   | 85  | (142)               | (27)  | (107)     | 5,030                  | 219                     | 52         | 25  | 3 |
| 25                   | C.25 – Manufacture of fabricated metal products, except machinery and equipment | 5,015  | 8                      | 674   | 255   | (198)               | (23)  | (161)     | 4,518                  | 388                     | 83         | 26  | 3 |
| 26                   | C.26 – Manufacture of computer, electronic and optical products                 | 4,304  | 35                     | 197   | 65  | (67)                | (5)   | (53)      | 3,638                  | 633                     | 8          | 25  | 3 |
| 27                   | C.27 – Manufacture of electrical equipment                                      | 4,665  | 238                    | 461   | 52  | (58)                | (6)   | (43)      | 4,119                  | 501                     | 39         | 7   | 2 |
| 28                   | C.28 – Manufacture of machinery and equipment n.e.c.                            | 9,376  | 1                      | 1,072                                       | 431   | (298)               | (24)  | (260)     | 9,221                  | 114                     | 22         | 19  | 3 |
| 29                   | C.29 – Manufacture of motor vehicles, trailers and semi-trailers                | 6,879  | 1                      | 998   | 289   | (243)               | (26)  | (204)     | 6,832                  | 42                      | 3          | 2   | 2 |
| 30                   | C.30 – Manufacture of other transport equipment                                 | 3,274  | 173                    | 624   | 88  | (73)                | (17)  | (56)      | 3,258                  | 15                      | 1          |   | 1 |
| 31                   | C.31 – Manufacture of furniture   | 743  |                        | 150   | 44  | (36)                | (4)   | (30)      | 677                    | 45                      | 20         | 1   | 3 |
| 32                   | C.32 – Other manufacturing  | 1,619  |                        | 242   | 42  | (42)                | (12)  | (27)      | 1,559                  | 31                      | 13         | 15  | 3 |
| 33                   | C.33 – Repair and installation of machinery and equipment                       | 1,961  | 6                      | 479   | 68  | (50)                | (5)   | (42)      | 1,841                  | 88                      | 27         | 5   | 3 |
| 34                   | D – Electricity, gas, steam and air conditioning supply                         | 21,213   | 5,200                  | 1,874                                       | 137   | (135)               | (43)  | (68)      | 14,868                 | 2,924                   | 3,286      | 135   | 5 |

|                             | a  | b  | d                | e                                 | f  | g                | h                                 | i         | m                   | n                    | o          | p                                    |   |
|-----------------------------|--|--|------------------|-----------------------------------|--|------------------|-----------------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|---|
|                             | 31 December 2022   |  |                  |                                   |  |                  |                                   |           |                     |                      |            |                                      |   |
|                             | Gross carrying amount  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                                   |           |                     |                      |            |                                      |   |
| <i>In millions of euros</i> |  | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks <sup>(**)</sup> | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing exposures | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |   |
| 35                          | D35.1 – Electric power generation, transmission and distribution         | 16,965   | 1,549            | 1,250                             | 129  | (106)            | (28)                              | (60)      | 11,043              | 2,641                | 3,146      | 135                                  | 5 |
| 36                          | D35.11 – Production of electricity                                       | 13,014   | 1,165            | 1,098                             | 121  | (91)             | (28)                              | (50)      | 7,582               | 2,219                | 3,101      | 112                                  | 5 |
| 37                          | D35.2 – Manufacture of gas; distribution of gaseous fuels through mains  | 3,914  | 3,650            | 610                               | 8  | (28)             | (14)                              | (9)       | 3,533               | 282                  | 100        |                                      | 1 |
| 38                          | D35.3 – Steam and air conditioning supply                                | 334  |                  | 15                                |  | (1)              |                                   |           | 292                 | 2                    | 41         |                                      | 1 |
| 39                          | E – Water supply; sewerage, waste management and remediation activities  | 2,935  | 3                | 195                               | 148  | (134)            | (4)                               | (124)     | 2,504               | 346                  | 84         |                                      | 3 |
| 40                          | F – Construction   | 25,096   | 315              | 3,292                             | 2,272  | (1,600)          | (83)                              | (1,456)   | 22,386              | 1,316                | 1,342      | 53                                   | 3 |
| 41                          | F.41 – Construction of buildings   | 15,665   | 89               | 1,768                             | 1,591  | (983)            | (46)                              | (911)     | 13,896              | 849                  | 884        | 35                                   | 3 |
| 42                          | F.42 – Civil engineering   | 3,175  | 180              | 533                               | 181  | (130)            | (10)                              | (108)     | 3,036               | 80                   | 52         | 7                                    | 3 |
| 43                          | F.43 – Specialised construction activities                               | 6,256  | 46               | 992                               | 499  | (488)            | (27)                              | (437)     | 5,453               | 387                  | 406        | 10                                   | 3 |
| 44                          | G – Wholesale and retail trade; repair of motor vehicles and motorcycles | 63,307   | 3,380            | 11,433                            | 1,939  | (1,308)          | (195)                             | (984)     | 58,452              | 3,416                | 1,248      | 190                                  | 3 |
| 45                          | H – Transportation and storage   | 30,514   | 3,267            | 6,806                             | 806  | (578)            | (121)                             | (411)     | 25,132              | 3,268                | 1,982      | 133                                  | 4 |

|                             | a  | b  | d                | e                                 | f  | g                | h                                 | i         | m                   | n                    | o          | p                                    |   |
|-----------------------------|--|--|------------------|-----------------------------------|--|------------------|-----------------------------------|-----------|---------------------|----------------------|------------|--------------------------------------|---|
|                             | 31 December 2022   |  |                  |                                   |  |                  |                                   |           |                     |                      |            |                                      |   |
|                             | Gross carrying amount  |  |                  |                                   | Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions |                  |                                   |           |                     |                      |            |                                      |   |
|                             |  | of which exposures towards companies excluded from EU Paris-Aligned Benchmarks <sup>(**)</sup> | of which Stage 2 | of which non-performing exposures |  | of which Stage 2 | of which non-performing exposures | ≤ 5 years | > 5 year ≤ 10 years | > 10 year ≤ 20 years | > 20 years | Average weighted maturity (in years) |   |
| <i>In millions of euros</i> |  |  |                  |                                   |  |                  |                                   |           |                     |                      |            |                                      |   |
| 46                          | H.49 – Land transport and transport via pipelines  | 8,356  | 1,863            | 889                               | 286  | (192)            | (32)                              | (134)     | 7,211               | 647                  | 488        | 10                                   | 4 |
| 47                          | H.50 – Water transport   | 12,297   | 1,231            | 3,260                             | 230  | (177)            | (27)                              | (140)     | 9,724               | 1,655                | 918        |                                      | 5 |
| 48                          | H.51 – Air transport   | 3,519  | 2                | 2,102                             | 102  | (54)             | (38)                              | (20)      | 3,004               | 417                  | 90         | 7                                    | 4 |
| 49                          | H.52 – Warehousing and support activities for transportation                                       | 6,197  | 171              | 547                               | 185  | (153)            | (23)                              | (114)     | 5,053               | 547                  | 483        | 115                                  | 4 |
| 50                          | H.53 – Postal and courier activities   | 145  |                  | 8                                 | 3  | (3)              |                                   | (2)       | 140                 | 2                    | 2          |                                      | 2 |
| 51                          | I – Accommodation and food service activities  | 7,576  |                  | 2,299                             | 528  | (365)            | (113)                             | (232)     | 5,868               | 1,081                | 596        | 31                                   | 4 |
| 52                          | L – Real estate activities   | 65,442   | 6                | 6,708                             | 1,199  | (649)            | (146)                             | (415)     | 36,520              | 11,005               | 17,381     | 536                                  | 7 |
| 53                          | Exposures towards sectors other than those that highly contribute to climate change <sup>(*)</sup> | 128,619  | 3,015            | 16,595                            | 2,858  | (1,803)          | (358)                             | (1,244)   | 112,001             | 10,569               | 4,172      | 1,877                                | 1 |
| 54                          | K – Financial and insurance activities   | 26,945   | 1,302            | 3,369                             | 669  | (349)            | (101)                             | (195)     | 22,115              | 2,854                | 1,295      | 682                                  | 1 |
| 55                          | Exposures to other sectors (NACE codes J, M – U)   | 101,673  | 1,713            | 13,226                            | 2,189  | (1,455)          | (257)                             | (1,049)   | 89,886              | 7,715                | 2,877      | 1,195                                | 2 |
| 56                          | TOTAL  | 458,665  | 27,334           | 63,234                            | 13,330   | (9,278)          | (1,470)                           | (6,998)   | 382,655             | 40,536               | 32,178     | 3,295                                | 3 |

(\*) In accordance with Commission Delegated Regulation (EU) 2020/1818 supplementing Regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks – regulation on climate benchmarks: the sectors listed in Annex I, sections A to H and section L, of Regulation (EC) No. 1893/2006.

(\*\*) Amounts supplemented by additional data.



The Group's total exposure to non-financial corporates stands at EUR 454 billion at 31 December 2023 including loans and advances, debt securities and equity instruments not held for trading. The table shows a mapping of exposures by sector with the detail of those considered to significantly contribute to climate change and may not, under any circumstances, be interpreted as an exposure to transition risk as such.

The exposure towards companies excluded from Paris-aligned benchmarks<sup>1</sup> stands at EUR 25 billion and is mainly composed of exposure towards companies active in fossil fuel. These companies have been identified through a double screening based on:

1. the identification of counterparts belonging to oil, gas and coal sectors as identified in the Group's internal activity referential or according to the NACE code declared by the counterpart;
2. the identification of counterparts deriving their revenue from the fossil fuel value chain as per defined in the Climate Benchmark Standard Regulation<sup>2</sup> obtained from an external data provider.

The environmentally-sustainable outstandings relate to the exposures identified as aligned to the climate change mitigation objective in relation with the Regulation EU 2020/852. They only cover financial instruments with general purpose, granted to European corporates subject to the Non-Financial Reporting Directive. The alignment share is calculated on the basis of the ratio of EU Taxonomy aligned turnover disclosed by these counterparts. The methodology is detailed in section 7.9 *Activities aligned within the meaning of the European Taxonomy* in chapter 7.

Financed GHG emissions of our non-financial counterparts are not disclosed, as authorised by the regulations during the phasing-in period to June 2024, as the quality of the underlying data coming from our clients is still not available with a sufficient quality as not required by regulation yet. Hence, more than two-thirds of the portfolio would rely on low quality estimated data, based on geographical and sectorial average, not taking into consideration the specific situation of our clients even in the most emitting sectors.

Internally within the risk identification process (Risk ID), the bank identifies the climate change risk drivers, including three drivers related to the transition, and how they materialise into the traditional financial (e.g. credit risk) and non-financial risks (e.g. legal risk, operational risk).

In particular, it highlights how credit exposure to sector highly sensitive to the transition (e.g. Power generation sector, fossil fuel extraction) could materialise through transmission channel (e.g. new climate-related regulations, shifts in prices and asset values) into credit risk, which is the most salient risk for the banking book.

The Group has adapted its Credit risk management by taking into account ESG risks and transition risk in particular into the Global Credit policy and into the specific credit policies when it is relevant.

**TABLE 109: EXPOSURES TO TOP 20 CARBON-INTENSIVE FIRMS**

|                | a                             | b                                | c                             | d                 | e                       |
|----------------|-------------------------------|----------------------------------|-------------------------------|-------------------|-------------------------|
|                | <b>31 December 2023</b>       |                                  |                               |                   |                         |
|                | <b>Gross carrying amount</b>  | <b>Gross carrying amount</b>     | <b>of which</b>               | <b>Weighted</b>   | <b>Number of top 20</b> |
|                | <b>amount</b>                 | <b>towards the</b>               | <b>environmentally</b>        | <b>average</b>    | <b>polluting firms</b>  |
|                | <b>(in millions of euros)</b> | <b>counterparties</b>            | <b>sustainable</b>            | <b>maturity</b>   | <b>included</b>         |
|                |                               | <b>compared to total</b>         | <b>(CCM)</b>                  | <b>(in years)</b> |                         |
|                |                               | <b>gross carrying amount</b>     | <b>(in millions of euros)</b> |                   |                         |
|                |                               | <b>(aggregate)<sup>(*)</sup></b> |                               |                   |                         |
| <b>1 TOTAL</b> | <b>6,407</b>                  | <b>0.58%</b>                     | <b>14.7</b>                   | <b>4</b>          | <b>11</b>               |

(\*) For counterparties among the top 20 carbon emitting companies in the world.

The information above does not include the counterparties for which the commercial relationship has ended and for which the residual outstanding is not significant.

<sup>1</sup> In accordance with article 12 (1) (d) to (g) and article 12 (2) of Regulation (EU) 2020/1818.

<sup>2</sup> As per Regulation (EU) 2020/1818, companies active in fossil fuel are those that derive revenues from exploration, mining, extraction, production, processing, storage, refining or distribution, including transportation, storage and trade, of fossil fuels with the following thresholds 1% for coal, 10% for oil, 50% for gas.

|                | a   | b   | c  | d   | e  |
|----------------|---|---|--|---|--|
|                | <b>31 December 2022</b>                                       |   |  |   |  |
|                | <b>Gross carrying amount</b><br><i>(in millions of euros)</i> | <b>Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)<sup>(*)</sup></b> | <b>of which environmentally sustainable (CCM)</b><br><i>(in millions of euros)</i> | <b>Weighted average maturity</b><br><i>(in years)</i> | <b>Number of top 20 polluting firms included</b> |
| <b>1 TOTAL</b> | <b>7,885</b>  | <b>0.72%</b>  | <b>-</b>   | <b>4</b>  | <b>16</b>  |

(\*) For counterparties among the top 20 carbon emitting companies in the world

The identification of the counterparties making up the list of the 20 most carbon-intensive firms worldwide is based on the public list provided by the Climate Accountability Institute as for 2018<sup>1</sup>. This list shows limits as notably it only contains companies active in fossil fuel activities compared to the others proposed in the EBA instructions, nevertheless it is also the most recent and the one for which the Group has computed the highest exposure.

The assets included in the table are composed of loans and advances, debt securities and equity instruments not held for trading granted to these business groups. They are compared to the gross carrying amount of the assets included in the banking book, excluding financial assets held for trading and held for sale.

After matching on a name-by-name basis the Climate Accountability Institute list with the internal third parties referential at business group level, the related carrying amount, corresponding to the financing of 11 of them, has been aggregated and stands at EUR 6 billion at end-December 2023.

The environmentally-sustainable gross carrying amount relates to the exposures identified as aligned to the climate change mitigation objective in relation with the Regulation EU 2020/852. They only cover financial instruments with general purpose, granted to European corporates subject to the Non-Financial Reporting Directive. The alignment share is calculated on the basis of the ratio of EU Taxonomy aligned turnover disclosed by these counterparts. The methodology is detailed in section 7.9 *Activities aligned within the meaning of the European Taxonomy* in chapter 7.

<sup>1</sup> <https://climateaccountability.org/wp-content/uploads/2020/12/TopTwenty-CO2CH4-1751-2018-Table.png> – Top Twenty CO<sub>2</sub>e 2018 table.



## ENERGY EFFICIENCY OF THE COLLATERAL

**TABLE 110: LOANS COLLATERALISED BY IMMOVABLE PROPERTY – ENERGY EFFICIENCY OF THE COLLATERAL**

|   | a  | b             | c             | d             | e             | f             | g             | h            | i   | j            | k            | l            | m   | n            | o              | p          |
|---|--|---------------|---------------|---------------|---------------|---------------|---------------|--------------|---|--------------|--------------|--------------|---|--------------|----------------|------------|
|   | 31 December 2023   |               |               |               |               |               |               |              |   |              |              |              |   |              |                |            |
|   | Total gross carrying amount  |               |               |               |               |               |               |              |   |              |              |              |   |              |                |            |
|   | Level of energy efficiency<br>(EP score in kWh/m <sup>2</sup> of collateral) |               |               |               |               |               |               |              | Level of energy efficiency<br>(EPC label of collateral) |              |              |              | Without EPC<br>label of<br>collateral   |              |                |            |
|   |  |               |               |               |               |               |               |              |   |              |              |              | Of which<br>level of<br>energy<br>efficiency<br>(EP score<br>in<br>kWh/m <sup>2</sup><br>of<br>collateral)<br>estimated |              |                |            |
| <i>In millions of euros</i>   | 0; > 100; > 200; > 300; > 400;<br>≤ 100 ≤ 200 ≤ 300 ≤ 400 ≤ 500 > 500        |               |               |               |               |               |               |              | A   | B            | C            | D            | E   | F            | G              |            |
| <b>1 TOTAL EU AREA</b>  | <b>200,874</b>   | <b>21,533</b> | <b>52,250</b> | <b>43,576</b> | <b>25,784</b> | <b>18,787</b> | <b>11,918</b> | <b>1,854</b> | <b>3,072</b>  | <b>3,940</b> | <b>4,472</b> | <b>4,123</b> | <b>4,290</b>  | <b>3,363</b> | <b>175,759</b> | <b>85%</b> |
| of which Loans<br>collateralised by<br>commercial immovable<br>property   | 67,486   | 8,054         | 20,142        | 15,074        | 6,525         | 4,499         | 4,866         | 152          | 633   | 636          | 1,126        | 657          | 158   | 364          | 63,760         | 87%        |
| of which Loans<br>collateralised by residential<br>immovable property   | 133,182  | 13,480        | 32,106        | 28,495        | 19,237        | 14,112        | 7,052         | 1,702        | 2,439   | 3,304        | 3,346        | 3,466        | 4,132   | 2,999        | 111,792        | 83%        |
| of which Collateral obtained<br>by taking possession:<br>residential and commercial<br>immovable properties       | 207  |               | 2             | 7             | 22            | 176           |               |              |   |              |              |              |   |              | 207            | 100%       |
| of which Level of energy<br>efficiency (EP score i <sup>n</sup><br>kWh/m <sup>2</sup> of collateral)<br>estimated | 145,656  | 18,328        | 44,436        | 37,196        | 22,215        | 15,658        | 7,823         |              |   |              |              |              |   |              |                |            |
| <b>6 TOTAL NON-EU AREA</b>  | <b>5,577</b>   | <b>18</b>     | <b>183</b>    | <b>298</b>    | <b>53</b>     | <b>26</b>     | <b>29</b>     | <b>2</b>     | <b>128</b>  | <b>229</b>   | <b>14</b>    | <b>10</b>    | <b>9</b>  | <b>8</b>     | <b>5,178</b>   | <b>4%</b>  |
| of which Loans<br>collateralised by<br>commercial immovable<br>property   | 1,855  | 0             | 118           | 218           |               | 0             |               |              | 118   | 218          |              | 0            |   |              | 1,519          | 0%         |
| of which Loans<br>collateralised by residential<br>immovable property   | 3,722  | 18            | 65            | 80            | 53            | 25            | 29            | 2            | 10  | 11           | 14           | 10           | 9   | 8            | 3,658          | 6%         |
| of which Collateral obtained<br>by taking possession:<br>residential and commercial<br>immovable properties       |  |               |               |               |               |               |               |              |   |              |              |              |   |              |                |            |
| of which Level of energy<br>efficiency (EP score i <sup>n</sup><br>kWh/m <sup>2</sup> of collateral)<br>estimated | 145  | 7             | 36            | 54            | 30            | 13            | 5             |              |   |              |              |              |   |              |                |            |

|   | A  | b             | c             | d             | e             | f   | g             | h            | i          | j            | k   | l            | m            | n            | o              | p    |
|---|--|---------------|---------------|---------------|---------------|---|---------------|--------------|------------|--------------|---|--------------|--------------|--------------|----------------|------|
|   | 31 December 2022   |               |               |               |               |   |               |              |            |              |   |              |              |              |                |      |
|   | Total gross carrying amount  |               |               |               |               |   |               |              |            |              |   |              |              |              |                |      |
|   | Level of energy efficiency<br>(EP score in kWh/m <sup>2</sup> of collateral) |               |               |               |               | Level of energy efficiency<br>(EPC label of collateral) |               |              |            |              | Without EPC<br>label of collateral  |              |              |              |                |      |
|   | > 100; > 200; > 300; > 400;  |               |               |               |               |   |               |              |            |              | Of which<br>level of<br>energy<br>efficiency<br>(EP score<br>in<br>kWh/m <sup>2</sup><br>of<br>collateral)<br>estimated |              |              |              |                |      |
| <i>In millions of euros</i>   | 0; <= 100  | <= 200        | <= 300        | <= 400        | <= 500        | > 500   | A             | B            | C          | D            | E   | F            | G            |              |                |      |
| <b>1 TOTAL EU AREA</b>  | <b>200,012</b>   | <b>18,030</b> | <b>47,092</b> | <b>41,226</b> | <b>26,390</b> | <b>22,524</b>   | <b>16,947</b> | <b>1,206</b> | <b>992</b> | <b>1,572</b> | <b>2,008</b>  | <b>1,859</b> | <b>2,033</b> | <b>2,604</b> | <b>187,738</b> |      |
| 2 of which Loans collateralised by commercial immovable property  | 65,399   | 8,007         | 19,704        | 13,766        | 6,293         | 4,874   | 5,126         | 66           | 62         | 135          | 162   | 128          | 75           | 40           | 64,732         | 87%  |
| 3 of which Loans collateralised by residential immovable property   | 134,381  | 10,023        | 27,386        | 27,452        | 20,072        | 17,453  | 11,822        | 1,139        | 930        | 1,438        | 1,846   | 1,731        | 1,957        | 2,564        | 122,775        | 76%  |
| 4 of which Collateral obtained by taking possession: residential and commercial immovable properties        | 232  |               | 2             | 7             | 25            | 197   |               |              |            |              |   |              |              |              | 232            | 100% |
| 5 of which Level of energy efficiency (EP score i <sup>n</sup> kWh/m <sup>2</sup> of collateral) estimated  | 159,705  | 16,294        | 44,637        | 38,923        | 24,514        | 20,813  | 14,524        |              |            |              |   |              |              |              |                |      |
| <b>6 TOTAL NON-EU AREA</b>  | <b>7,519</b>   | <b>11</b>     | <b>63</b>     | <b>70</b>     | <b>22</b>     | <b>6</b>  | <b>2</b>      | <b>2</b>     | <b>9</b>   | <b>11</b>    | <b>8</b>  | <b>2</b>     | <b>1</b>     | <b>7,486</b> |                |      |
| 7 of which Loans collateralised by commercial immovable property  | 3,321  | 1             | 3             | 3             | 1             |   |               |              |            |              | 1   | 1            |              |              | 3,318          |      |
| 8 of which Loans collateralised by residential immovable property   | 4,198  | 10            | 60            | 67            | 22            | 6   | 2             | 1            | 9          | 11           | 7   | 1            | 1            | 4,168        | 3%             |      |
| 9 of which Collateral obtained by taking possession: residential and commercial immovable properties        |  |               |               |               |               |   |               |              |            |              |   |              |              |              |                |      |
| 10 of which Level of energy efficiency (EP score i <sup>n</sup> kWh/m <sup>2</sup> of collateral) estimated | 142  | 9             | 47            | 61            | 18            | 5   | 2             |              |            |              |   |              |              |              |                |      |

The Group's total portfolio of loans collateralised by immovable properties stands at EUR 206 billion at 31 December 2023 including loans collateralised by both commercial and residential immovable properties and collateral obtained by taking possession. Its repartition by energy efficiency is displayed in two forms: its value in kWh/m<sup>2</sup> and in label (A to G) of the collateral as defined in the Energy Performance of Buildings Directive<sup>1</sup> and the Energy Efficiency Directive<sup>2</sup>. The Energy Performance Certificates (EPCs) provides information on the energy efficiency of the collateral, which enables to:

- support/advice clients on their home purchase and during their home sustainable transition,
- integrate EPC-related information into the credit decision process and credit risk management framework,

<sup>1</sup> Directive 2010/31/EU.

<sup>2</sup> Directive 2012/27/EU.

- improve the accuracy of financial risk measures performed in climate scenario analyses.

The availability of Energy Performance Certificates across Europe is nevertheless not homogeneous, as it strongly relies on geographical specificities, such as national data protection laws in Belgium, or real estate local market practices for instance. Moreover, open-source data bases are sometimes available, barely covering a whole country and often showing with poor data quality, as only updated at the last sale of the assets, often more than two years ago.

As Energy Performance Certificates are based on EU regulations, data for real estate collaterals located outside of the European Union cannot be obtained except in a case where a mapping with the EU EPC label exists.

As in most cases no mapping exists, the columns corresponding to the EPC label of real estate collaterals located outside of the EU have been left blank and only the energy efficiency in kWh/m<sup>2</sup> has been filled in with estimates, when relevant.

As a result, Energy Performance Certificates (EPCs) are either:

- collected by entities, during the loan origination process. In this case they are considered as reported data.
- obtained from central national databases. When a 1-to-1 matching with the financed counterpart is possible, EPC data is considered as reported. When the matching is deduced (based on the address for example), EPC data is considered as estimated.
- estimated on the basis of proxies or rules (based on the mean energy efficiency for a region or a country for example).

Loans guaranteed by a mutual guarantee fund, especially the “*Crédit Logement*” framework in France, do not fall under the definition of loans collateralised by immovable property and are not reported in this table.

Should these loans have been reported, the total gross carrying amount of real estate loans at 31 December 2023 would have increased by EUR 78 billion, of which EUR 7 billion in the “0; < 100” bucket, EUR 26 billion in the “> 100; <= 200” bucket, EUR 27 billion in the “> 200; <= 300” tranche, EUR 13 billion in the “> 300; <= 400” bucket, EUR 3 billion in the “> 400; <= 500” bucket, and EUR 2 billion in the “> 500” bucket.

## ALIGNMENT METRICS BY SECTOR

To achieve the banking's sector ambition to align its climate commitments with the objectives of the Paris Agreement and to pursue a warming target limited to 1.5°C, BNP Paribas signed the Net Zero Alliances in 2021.

As part of its 2025 strategic Plan, the Group has published a Climate Report in May 2023 which illustrates notably its progress in supporting the alignment of its portfolio with its Net-Zero commitment for different sectors: oil and gas, electricity generation, automotive, steel, aluminium and cement.

At 31 December 2023, the Group's commitments and progress update for these six sectors, which meet the requirement to disclose alignment metrics, are reported in the Commitment 3 *Systematic integration and management of Environmental, social and governance risks (ESG)* of chapter 7. These metrics though they met most of the disclosure requirements do not exactly respect all definitions and criteria defined by EBA as they are measured according to NZBA framework.

In the first semester 2024, for the first ESG Pillar 3 disclosure requirement, the Group has noted some adjustments which are in the process of being assessed and prioritised and is working towards alignment with the reporting requirements:

- in terms of sector: the inclusion of the coal sector in the perimeter of the “Upstream oil & gas” sector;
- in terms of portfolio amounts disclosed: the disclosure of the gross carrying amount of the portfolios instead of the total exposure including drawn and committed undrawn amounts;
- in terms of precise scope of counterparts: the use of NACE codes to map the counterparts included in each sector instead of internal sectorial approach;
- in terms of target date: the use of a rolling target (3 years after the year of reference) instead of fixed targets.

# BANKING BOOK – INDICATORS OF POTENTIAL CLIMATE CHANGE PHYSICAL RISK

TABLE 111: EXPOSURES SUBJECT TO POTENTIAL PHYSICAL RISK

| 31 December 2023   |  |        |     |     |     |    |   |  |       |
|--|--|--------|-----|-----|-----|----|---|--|-------|
| Gross carrying amount  |  |        |     |     |     |    |   |  |       |
| of which exposures sensitive to impact from climate change physical events               |  |        |     |     |     |    |   |  |       |
| Breakdown by maturity bucket   |  |        |     |     |     |    |   |  |       |
| of which exposures sensitive to impact from chronic climate change events                |  |        |     |     |     |    |   |  |       |
| of which exposures sensitive to impact from acute climate change events                  |  |        |     |     |     |    |   |  |       |
| of which exposures sensitive to impact both from chronic and acute climate change events |  |        |     |     |     |    |   |  |       |
| Average weighted maturity (in years)   |  |        |     |     |     |    |   |  |       |
| > 5 years > 10 years   |  |        |     |     |     |    |   |  |       |
| < 5 years < 10 years < 20 years > 20 years   |  |        |     |     |     |    |   |  |       |
| In millions of euros   |  |        |     |     |     |    |   |  |       |
| 1  | A – Agriculture, forestry and fishing                                    | 12,989 | 51  | 5   | 4   |    | 4 |  | 60    |
| 2  | B – Mining and quarrying   | 7,623  |     |     |     |    |   |  |       |
| 3  | C – Manufacturing  | 92,356 | 1   |     |     |    | 3 |  | 1     |
| 4  | D – Electricity, gas, steam and air conditioning supply                  | 19,080 |     |     |     |    |   |  |       |
| 5  | E – Water supply; sewerage, waste management and remediation activities  | 2,528  |     |     |     |    |   |  |       |
| 6  | F – Construction   | 25,615 | 164 | 8   | 8   | 1  | 3 |  | 181   |
| 7  | G – Wholesale and retail trade; repair of motor vehicles and motorcycles | 69,868 | 73  | 4   | 1   |    | 3 |  | 79    |
| 8  | H – Transportation and storage   | 29,001 | 1   |     |     |    | 4 |  | 2     |
| 9  | L – Real estate activities   | 61,308 | 594 | 207 | 323 | 10 | 7 |  | 1,135 |
| 10   | Loans collateralised by residential immovable property                   | 13,749 | 208 | 45  | 62  | 3  | 4 |  | 319   |
| 11   | Loans collateralised by commercial immovable property                    | 55,591 | 874 | 189 | 262 | 13 | 4 |  | 1,337 |
| 12   | Reposessed collaterals   | 227    |     |     |     |    |   |  |       |

|           |   |                |              |            |            |           |   |              |
|-----------|---|----------------|--------------|------------|------------|-----------|---|--------------|
| 13        | Exposures to other sectors (NACE codes I, J, M - U) | 133,488        | 287          | 29         | 14         | 5         | 3 | 336          |
| <b>14</b> | <b>TOTAL</b>  | <b>453,855</b> | <b>1,172</b> | <b>254</b> | <b>351</b> | <b>17</b> |   | <b>1,794</b> |

|   | A  | b      | c   | d   | e   | f | g | h | i     | j |
|---|--|--------|-----|-----|-----|---|---|---|-------|---|
| <b>31 December 2022</b>   |  |        |     |     |     |   |   |   |       |   |
| <b>Gross carrying amount</b>  |  |        |     |     |     |   |   |   |       |   |
| <b>of which exposures sensitive to impact from climate change physical events</b>               |  |        |     |     |     |   |   |   |       |   |
| <b>Breakdown by maturity bucket</b>   |  |        |     |     |     |   |   |   |       |   |
| <b>of which exposures sensitive to impact from chronic climate change events</b>                |  |        |     |     |     |   |   |   |       |   |
| <b>of which exposures sensitive to impact from acute climate change events</b>                  |  |        |     |     |     |   |   |   |       |   |
| <b>of which exposures sensitive to impact from both chronic and acute climate change events</b> |  |        |     |     |     |   |   |   |       |   |
| <b>Average weighted maturity (in years)</b>   |  |        |     |     |     |   |   |   |       |   |
| <b>&gt; 5 years &gt; 10 years</b>   |  |        |     |     |     |   |   |   |       |   |
| <b>≤ 5 years ≤ 10 years ≤ 20 years &gt; 20 years</b>  |  |        |     |     |     |   |   |   |       |   |
| <i>In millions of euros</i>   |  |        |     |     |     |   |   |   |       |   |
| 1   | A – Agriculture, forestry and fishing                                    | 13,302 | 89  | 9   | 6   | 1 | 4 |   | 106   |   |
| 2   | B – Mining and quarrying   | 9,501  |     |     |     |   |   |   |       |   |
| 3   | C – Manufacturing  | 91,160 | 40  | 2   | 1   |   | 3 |   | 43    |   |
| 4   | D – Electricity, gas, steam and air conditioning supply                  | 21,213 | 25  | 4   | 5   |   | 5 |   | 35    |   |
| 5   | E – Water supply; sewerage, waste management and remediation activities  | 2,935  | 1   |     |     |   | 3 |   | 1     |   |
| 6   | F – Construction   | 25,096 | 585 | 35  | 36  | 1 | 3 |   | 657   |   |
| 7   | G – Wholesale and retail trade; repair of motor vehicles and motorcycles | 63,307 | 14  | 1   |     |   | 3 |   | 15    |   |
| 8   | H – Transportation and storage   | 30,514 | 15  | 2   | 1   |   | 4 |   | 18    |   |
| 9   | L – Real estate activities   | 65,442 | 371 | 110 | 174 | 5 | 7 |   | 661   |   |
| 10  | Loans collateralised by residential immovable property                   | 13,064 | 150 | 74  | 101 | 2 | 3 |   | 327   |   |
| 11  | Loans collateralised by commercial immovable property                    | 55,657 | 489 | 241 | 331 | 6 | 3 |   | 1,068 |   |

|    |   |         |       |     |     |    |   |       |
|----|---|---------|-------|-----|-----|----|---|-------|
| 12 | Reposessed<br>collaterals                                   | 232     |       |     |     |    |   |       |
| 13 | Exposures to other<br>sectors (NACE<br>codes I – K & M – U) | 136,194 | 256   | 25  | 10  | 4  | 4 | 295   |
| 14 | TOTAL   | 458,665 | 1,395 | 189 | 233 | 12 |   | 1,828 |

The table before shows the potential exposures sensitives to physical risks.

**Disclaimer:** Given the current lack of stability of the models, the data gaps and the guidelines uncertainty, the Bank has opted for the disclosure of impacts using the physical risk scenarios of the 2022 European Central Bank Climate stress test. The results of the flood, heat wave and drought scenarios of the ECB's 2022 climate stress test have been adjusted to reflect the materiality of chronic physical risk factors over the horizon of the estimated duration of the credit portfolios, by only retaining exposures to non-financial companies to match the model expected by EBA. These figures are not comparable with other banks publications having taken other disclosure options and are published for information only. Those figures are an attempt to flag exposures potentially sensitive to physical risk events and should not be understood as direct or integrated risks.

The Group expects that the instructions and working assumptions will be clarified with a common methodology to be applied for future years. It should also be noted that these analyses are based on an adjusted version of the ECB scenarios initially presenting a time horizon of 2050, to reflect the materiality of the chronic physical risk factors to the expected duration of the credit portfolios, all other things being equal.

Physical risks are defined as the risks of any negative financial impact on the institution stemming from the current or prospective impacts of physical effects of environmental factors on its counterparties or invested assets.

The presentation of assets subject to climate change physical risks in the Group's balance sheet requires the definition of methodologies and hypotheses to identify the corresponding counterparties.

Two physical risk scenarios were retained by the European Central Bank for its 2022 climate stress test exercise. They are based on anticipating today the levels of expected chronic heat levels and an acute river flooding event forecast for 2050. The acute extreme climate events are managed through this thirty-year anticipation of severe events that are plausible in 2050. No chronic physical risk events have been specifically covered in the 2022 ECB climate stress test.

In the ECB drought and heat risk scenario, the economic effects of a severe drought and heatwave in Europe were modelled. Extended periods of hot weather can lead to sizeable output losses across several economic sectors, for example through the decrease in labour productivity for outdoor professional activities. Through their exposure to these vulnerable industries, banks could sustain losses. To limit the scope of the exercise, the scenario only models the shocks to sectoral gross value-added growth. The scenario calibration is based on NGFS (Network for Greening the Financial System) estimates for labour productivity shocks due to heat stress across relevant countries in 2050. Thus, the key transmission channel of heatwave risk to the economy is through labour productivity. For example, a severe heatwave can weaken the productivity of construction workers or that of farmers who face harsher working conditions.

For this drought risk scenario, BNP Paribas provided its corporate exposures not secured by real estate with headquarters in France, Belgium, Italy, Germany and Luxembourg.

River flooding has historically been a major source of physical risk in Europe and, with a rise in extreme levels of precipitation being associated with climate change, this risk is expected to increase. The floods during the summer of 2021 show the consequences of heavy rainfall on both human lives lost and physical capital being destroyed or severely impaired. Under the river flooding scenario used by the ECB in its 2022 climate stress test, it is assumed that severe floods sweep across Europe on the first day of projection. While the probability of such an event is very low, it allows relevant flood risk scenarios to be created across the European Union. Flood risk is different across Europe and can vary significantly even within a few kilometers. Therefore, the flood risk scenario accounts for within-country variation in risks. As such, shocks to residential and commercial real estate exposures are estimated at NUTS3 regional level ("*Nomenclature des Unités Territoriales Statistiques*" – the level 3 being departments for France), according to a specific flood risk level.

The flood risk scenario was developed based on insights from the work carried out by the European Commission's Joint Research Centre on flood risk, as well as from granular geospatial flood risk data collected for the purposes of the ECB economy-wide climate stress test based on the Four Twenty-Seven dataset.

For this flood risk scenario, BNP Paribas provided its commercial real estate exposures located in France, Belgium and Italy.

## BANKING BOOK – MITIGATION ACTIONS

In accordance with EBA instructions, publications relating to the GAR (Green Asset Ratio) presented below in tables 112 to 114 are based on the alignment with the taxonomy of the counterparty's turnover for the financing component without determined allocation.

The methodology for identifying eligible and aligned assets is described in section 7.9 *Aligned activities within the meaning of European taxonomy* of chapter 7. The Group has chosen to publish the GAR according to the interpretation of the European Commission published on 21 December 2023. As a result, no financial instrument whose use of funds is allocated has been reported in the numerator of the GAR, either with respect to companies, local governments or households.

Due to its methodological imbalance and operational complexity, the GAR cannot reflect all the financing of the transition to a low-carbon economy for the Group. As a result, an additional ratio of the share of aligned assets eligible assets is presented in the section 7.9 *Activities aligned within the meaning of European taxonomy*.

**TABLE 112: SUMMARY OF KEY PERFORMANCE INDICATORS (KPIs) ALIGNED WITH THE TAXONOMY**

|                  | a                          | b                         | c   | d   | e  | f |
|------------------|----------------------------|---------------------------|---|---|--|---|
|                  | 31 December 2023           |                           |   |   |  |   |
|                  | Key performance indicators |                           |   | Proportion of eligible assets in relation to total assets | Proportion of assets covered by the European Taxonomy compared to total assets |   |
|                  | Climate change mitigation  | Climate change adaptation | Total (climate change mitigation + climate change adaptation) |   |  |   |
| <b>GAR stock</b> | 0.77%                      | 0.01%                     | 0.78%   | 11.78%  | 28.10%   |   |
| <b>GAR flow</b>  | -                          | -                         | -   | -   |  |   |



TABLE 113: ASSETS FOR THE GAR CALCULATION

|   | a  | b       | c                                     | d     | e                                   | f     | g   | h   | i   | j | k                                  | l     | m   | n     | o                    | p     |
|---|--|---------|---------------------------------------|-------|-------------------------------------|-------|---|-----|---|---|------------------------------------|-------|---|-------|----------------------|-------|
|   | 31 December 2023   |         |                                       |       |                                     |       |   |     |   |   |                                    |       |   |       |                      |       |
|   | Climate Change Mitigation (CCM)  |         |                                       |       |                                     |       | Climate Change Adaptation (CCA)                                   |     |   |   |                                    |       | TOTAL (CCM + CCA)   |       |                      |       |
|   | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible)  |         |                                       |       |                                     |       | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |     |   |   |                                    |       | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |       |                      |       |
|   | of which environmentally sustainable<br>(Taxonomy-aligned)   |         |                                       |       |                                     |       | of which environmentally sustainable<br>(Taxonomy-aligned)        |     |   |   |                                    |       | of which environmentally sustainable<br>(Taxonomy-aligned)        |       |                      |       |
|   | of which<br>specialise<br>d lending  |         | of which<br>transitiona<br>l enabling |       | of which<br>specialise<br>d lending |       | of which<br>specialise<br>d lending                               |     | of which<br>of which<br>adaptation enabling |   | of which<br>specialised<br>lending |       | of which<br>transitional/ad<br>aptation                           |       | of which<br>enabling |       |
| <i>In millions of euros</i>                                   | Gross<br>carrying<br>amount  |         |                                       |       |                                     |       |   |     |   |   |                                    |       |   |       |                      |       |
| <b>GAR - Covered assets in both numerator and denominator</b> |  |         |                                       |       |                                     |       |   |     |   |   |                                    |       |   |       |                      |       |
| 1   | Loans and advances, debt securities and equity instruments not held for trading eligible for the GAR calculation | 659,823 | 276,571                               | 9,137 | 5,808                               | 2,631 | 598   | 117 |   |   | 277,169                            | 9,254 |   | 5,808 |                      | 2,631 |
| 2   | Financial corporations   | 82,051  | 6,803                                 | 546   | 495                                 | 403   | 34  | 4   |   |   | 6,837                              | 550   |   | 495   |                      | 403   |
| 3   | Credit institutions  | 12,674  | 978                                   |       |                                     |       |   |     |   |   | 978                                |       |   |       |                      |       |
| 4   | Loans and advances   | 1,356   | 253                                   |       |                                     |       |   |     |   |   | 253                                |       |   |       |                      |       |

|                         |                                     | a   | b     | c                            | d | e                    | f   | g   | h | i                      | j | k                    | l     | m   | n | o                                       | p   |                      |     |
|-------------------------|-------------------------------------|---|-------|------------------------------|---|----------------------|-----|---|---|------------------------|---|----------------------|-------|---|---|---|-----|----------------------|-----|
|                         |                                     | 31 December 2023  |       |                              |   |                      |     |   |   |                        |   |                      |       |   |   |   |     |                      |     |
|                         |                                     | Climate Change Mitigation (CCM)                                   |       |                              |   |                      |     | Climate Change Adaptation (CCA)                                   |   |                        |   |                      |       | TOTAL (CCM + CCA)   |   |   |     |                      |     |
|                         |                                     | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |       |                              |   |                      |     | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |   |                        |   |                      |       | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |   |   |     |                      |     |
|                         |                                     | of which environmentally sustainable<br>(Taxonomy-aligned)        |       |                              |   |                      |     | of which environmentally sustainable<br>(Taxonomy-aligned)        |   |                        |   |                      |       | of which environmentally sustainable<br>(Taxonomy-aligned)        |   |   |     |                      |     |
|                         |                                     | of which<br>specialise<br>d lending                               |       | of which<br>transitiona<br>l |   | of which<br>enabling |     | of which<br>specialise<br>d lending                               |   | of which<br>adaptation |   | of which<br>enabling |       | of which<br>specialised<br>lending                                |   | of which<br>transitional/ad<br>aptation |     | of which<br>enabling |     |
| In millions of<br>euros |                                     | Gross<br>carrying<br>amount                                       |       |                              |   |                      |     |   |   |                        |   |                      |       |   |   |   |     |                      |     |
| 5                       | Debt<br>securities                  | 6,137   | 725   |                              |   |                      |     |   |   |                        |   |                      | 725   |   |   |   |     |                      |     |
| 6                       | Equity<br>instruments               | 5,181   |       |                              |   |                      |     |   |   |                        |   |                      |       |   |   |   |     |                      |     |
| 7                       | Other financial<br>corporations     | 69,377  | 5,825 | 546                          |   | 495                  | 403 | 34  | 4 |                        |   |                      | 5,859 | 550   |   |   | 495 |                      | 403 |
| 8                       | of which<br>investment<br>firms     | 47,567  | 3,108 | 323                          |   | 323                  | 231 | 21  | 3 |                        |   |                      | 3,128 | 326   |   |   | 323 |                      | 231 |
| 9                       | Loans and<br>advances               | 31,470  | 1,799 | 221                          |   | 221                  | 130 | 21  | 3 |                        |   |                      | 1,820 | 224   |   |   | 221 |                      | 130 |
| 10                      | Debt<br>securities                  | 11,305  | 1,309 | 102                          |   | 102                  | 102 |   |   |                        |   |                      | 1,309 | 102   |   |   | 102 |                      | 102 |
| 11                      | Equity<br>instruments               | 4,792   |       |                              |   |                      |     |   |   |                        |   |                      |       |   |   |   |     |                      |     |
| 12                      | of which<br>management<br>companies | 8,039   | 2,231 | 172                          |   | 172                  | 171 | 13  | 1 |                        |   |                      | 2,244 | 173   |   |   | 172 |                      | 171 |
| 13                      | Loans and<br>advances               | 6,424   | 2,219 | 172                          |   | 172                  | 171 | 13  | 1 |                        |   |                      | 2,233 | 173   |   |   | 172 |                      | 171 |

|                             |   | a  | b      | c                     | d | e                 | f     | g  | h  | i                                | j | k                 | l      | m  | n | o                                | p     |
|-----------------------------|---|--|--------|-----------------------|---|-------------------|-------|--|----|----------------------------------|---|-------------------|--------|--|---|----------------------------------|-------|
|                             |   | 31 December 2023   |        |                       |   |                   |       |  |    |                                  |   |                   |        |  |   |                                  |       |
|                             |   | Climate Change Mitigation (CCM)                                |        |                       |   |                   |       | Climate Change Adaptation (CCA)                                |    |                                  |   |                   |        | TOTAL (CCM + CCA)  |   |                                  |       |
|                             |   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |        |                       |   |                   |       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |    |                                  |   |                   |        | of which towards taxonomy relevant sectors (Taxonomy-eligible) |   |                                  |       |
|                             |   | of which environmentally sustainable (Taxonomy-aligned)        |        |                       |   |                   |       | of which environmentally sustainable (Taxonomy-aligned)        |    |                                  |   |                   |        | of which environmentally sustainable (Taxonomy-aligned)        |   |                                  |       |
|                             |   | of which specialised lending                                   |        | of which transitional |   | of which enabling |       | of which specialised lending                                   |    | of which transitional/adaptation |   | of which enabling |        | of which specialised lending                                   |   | of which transitional/adaptation |       |
| <i>In millions of euros</i> |   | Gross carrying amount  |        |                       |   |                   |       |  |    |                                  |   |                   |        |  |   |                                  |       |
| 14                          | Debt securities   | 752  | 12     |                       |   |                   |       |  |    |                                  |   |                   | 12     |  |   |                                  |       |
| 15                          | Equity instruments  | 863  |        |                       |   |                   |       |  |    |                                  |   |                   |        |  |   |                                  |       |
| 16                          | of which insurance undertakings                                     | 13,771   | 487    | 51                    |   | 0                 | 0     |  |    |                                  |   |                   | 487    | 51   |   | 0                                | 0     |
| 17                          | Loans and advances  | 5,727  | 48     | 0                     |   | 0                 | 0     |  |    |                                  |   |                   | 48     | 0  |   | 0                                | 0     |
| 18                          | Debt securities   | 3,445  | 8      |                       |   |                   |       |  |    |                                  |   |                   | 8      |  |   |                                  |       |
| 19                          | Equity instruments  | 4,599  | 431    | 51                    |   |                   |       |  |    |                                  |   |                   | 431    | 51   |   |                                  |       |
| 20                          | Non-financial corporations (subject to NFRD disclosure obligations) | 258,850  | 42,107 | 8,590                 |   | 5,313             | 2,228 | 56   | 11 |                                  |   |                   | 42,672 | 8,704  |   | 5,313                            | 2,228 |



|                                 | a  | b       | c                            | d     | e                    | f     | g   | h   | i                      | j | k                    | l       | m   | n | o                                       | p |                      |  |
|---------------------------------|--|---------|------------------------------|-------|----------------------|-------|---|-----|------------------------|---|----------------------|---------|---|---|---|---|----------------------|--|
|                                 | 31 December 2023   |         |                              |       |                      |       |   |     |                        |   |                      |         |   |   |   |   |                      |  |
|                                 | Climate Change Mitigation (CCM)  |         |                              |       |                      |       | Climate Change Adaptation (CCA)                                   |     |                        |   |                      |         | TOTAL (CCM + CCA)   |   |   |   |                      |  |
|                                 | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible)  |         |                              |       |                      |       | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |     |                        |   |                      |         | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |   |   |   |                      |  |
|                                 | of which environmentally sustainable<br>(Taxonomy-aligned)   |         |                              |       |                      |       | of which environmentally sustainable<br>(Taxonomy-aligned)        |     |                        |   |                      |         | of which environmentally sustainable<br>(Taxonomy-aligned)        |   |   |   |                      |  |
|                                 | of which<br>specialise<br>d lending  |         | of which<br>transitiona<br>l |       | of which<br>enabling |       | of which<br>specialise<br>d lending                               |     | of which<br>adaptation |   | of which<br>enabling |         | of which<br>specialised<br>lending                                |   | of which<br>transitional/ad<br>aptation |   | of which<br>enabling |  |
| <i>In millions of<br/>euros</i> | Gross<br>carrying<br>amount  |         |                              |       |                      |       |   |     |                        |   |                      |         |   |   |   |   |                      |  |
| 28                              | Local<br>governments<br>financing  | 11,286  | 4                            |       |                      |       |   |     |                        |   |                      | 4       |   |   |   |   |                      |  |
| 29                              | Housing<br>financing   |         |                              |       |                      |       |   |     |                        |   |                      |         |   |   |   |   |                      |  |
| 30                              | Other local<br>government<br>financing   | 11,286  | 4                            |       |                      |       |   |     |                        |   |                      | 4       |   |   |   |   |                      |  |
| 31                              | Collateral<br>obtained by<br>taking<br>possession:<br>residential and<br>commercial<br>immovable<br>properties | 227     |                              |       |                      |       |   |     |                        |   |                      |         |   |   |   |   |                      |  |
| 32                              | TOTAL GAR<br>ASSETS  | 660,050 | 276,571                      | 9,137 | 5,808                | 2,631 | 598   | 117 |                        |   |                      | 277,169 | 9,254   |   | 5,808                                   |   | 2,631                |  |

[illegible]

[illegible]

[illegible]



[illegible]

TABLE 114: GAR (%)

|  |                                     | a   | b     | c                        | d                    | e     | f     | g   | h | i                      | j                    | k      | l     | m   | n                                   | o                    | p      |  |
|--|-------------------------------------|---|-------|--------------------------|----------------------|-------|-------|---|---|------------------------|----------------------|--------|-------|---|-------------------------------------|----------------------|--------|--|
|  |                                     | 31 December 2023: Stock indicators                                |       |                          |                      |       |       |   |   |                        |                      |        |       |   |                                     |                      |        |  |
|  |                                     | Climate Change Mitigation (CCM)                                   |       |                          |                      |       |       | Climate Change Adaptation (CCA)                                   |   |                        |                      |        |       | TOTAL (CCM + CCA)   |                                     |                      |        |  |
|  |                                     | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |       |                          |                      |       |       | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |   |                        |                      |        |       | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                                     |                      |        |  |
|  |                                     | of which environmentally sustainable<br>(Taxonomy-aligned)        |       |                          |                      |       |       | of which environmentally sustainable<br>(Taxonomy-aligned)        |   |                        |                      |        |       | of which environmentally sustainable<br>(Taxonomy-aligned)        |                                     |                      |        | Proportion<br>of eligible<br>assets in<br>relation to<br>total<br>assets |
| % (of total assets<br>included in the<br>denominator)  |                                     | of which<br>specialised<br>lending                                |       | of which<br>transitional | of which<br>enabling |       |       | of which<br>specialised<br>lending                                |   | of which<br>adaptation | of which<br>enabling |        |       | of which<br>specialised<br>lending                                | of which<br>transitional/adaptation | of which<br>enabling |        |  |
| 1  | GAR                                 | 23.22%  | 0.77% |                          | 0.49%                | 0.22% | 0.05% | 0.01%   |   |                        |                      | 23.27% | 0.78% |   | 0.49%                               | 0.22%                | 11.78% |  |
| Loans and<br>advances, debt<br>securities and<br>equity instruments<br>not held for<br>trading and<br>eligible for the |                                     |   |       |                          |                      |       |       |   |   |                        |                      |        |       |   |                                     |                      |        |  |
| 2  | GAR calculation                     | 23.22%  | 0.77% |                          | 0.49%                | 0.22% | 0.05% | 0.01%   |   |                        |                      | 23.27% | 0.78% |   | 0.49%                               | 0.22%                | 11.78% |  |
| 3  | Financial<br>corporations           | 0.57%   | 0.05% |                          | 0.04%                | 0.03% |       |   |   |                        |                      | 0.57%  | 0.05% |   | 0.04%                               | 0.03%                | 0.29%  |  |
| 4  | Credit institutions                 | 0.08%   |       |                          |                      |       |       |   |   |                        |                      | 0.08%  |       |   |                                     |                      | 0.04%  |  |
| 5  | Other financial<br>corporations     | 0.49%   | 0.05% |                          | 0.04%                | 0.03% |       |   |   |                        |                      | 0.49%  | 0.05% |   | 0.04%                               | 0.03%                | 0.25%  |  |
| 6  | of which<br>investment firms        | 0.26%   | 0.03% |                          | 0.03%                | 0.02% |       |   |   |                        |                      | 0.26%  | 0.03% |   | 0.03%                               | 0.02%                | 0.13%  |  |
| 7  | of which<br>management<br>companies | 0.19%   | 0.01% |                          | 0.01%                | 0.01% |       |   |   |                        |                      | 0.19%  | 0.01% |   | 0.01%                               | 0.01%                | 0.10%  |  |

|   | a   | b                                  | c                        | d                    | e   | f                                  | g                      | h                    | i   | j                                  | k                                   | l                    | m  | n     | o     | p     |
|---|---|------------------------------------|--------------------------|----------------------|---|------------------------------------|------------------------|----------------------|---|------------------------------------|-------------------------------------|----------------------|--|-------|-------|-------|
|   | 31 December 2023: Stock indicators                                |                                    |                          |                      |   |                                    |                        |                      |   |                                    |                                     |                      |  |       |       |       |
|   | Climate Change Mitigation (CCM)                                   |                                    |                          |                      | Climate Change Adaptation (CCA)                                   |                                    |                        |                      | TOTAL (CCM + CCA)   |                                    |                                     |                      |  |       |       |       |
|   | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                                    |                          |                      | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                                    |                        |                      | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |                                    |                                     |                      |  |       |       |       |
|   | of which environmentally sustainable<br>(Taxonomy-aligned)        |                                    |                          |                      | of which environmentally sustainable<br>(Taxonomy-aligned)        |                                    |                        |                      | of which environmentally sustainable<br>(Taxonomy-aligned)        |                                    |                                     |                      | Proportion<br>of eligible<br>assets in<br>relation to<br>total<br>assets |       |       |       |
| <i>% (of total assets<br/>included in the<br/>denominator)</i>                    |   | of which<br>specialised<br>lending | of which<br>transitional | of which<br>enabling |   | of which<br>specialised<br>lending | of which<br>adaptation | of which<br>enabling |   | of which<br>specialised<br>lending | of which<br>transitional/adaptation | of which<br>enabling |  |       |       |       |
| 8 of which<br>insurance<br>undertakings   | 0.04%   |                                    |                          |                      |   |                                    |                        |                      |   | 0.04%                              |                                     |                      |  |       |       | 0.02% |
| 9 Non-financial<br>corporations<br>(subject to NFRD<br>disclosure<br>obligations) | 3.54%   | 0.72%                              |                          | 0.45%                | 0.19%   | 0.05%                              | 0.01%                  |                      |   | 3.58%                              | 0.73%                               |                      |  | 0.45% | 0.19% | 1.81% |
| 10 Households   | 19.11%  |                                    |                          |                      |   |                                    |                        |                      |   | 19.11%                             |                                     |                      |  |       |       | 9.68% |
| 11 of which loans<br>collateralised by<br>residential<br>immovable<br>property    | 17.51%  |                                    |                          |                      |   |                                    |                        |                      |   | 17.51%                             |                                     |                      |  |       |       | 8.86% |
| 12 of which building<br>renovation loans  | 0.39%   |                                    |                          |                      |   |                                    |                        |                      |   | 0.39%                              |                                     |                      |  |       |       | 0.20% |
| 13 of which motor<br>vehicles <i>loans</i>  | 1.22%   |                                    |                          |                      |   |                                    |                        |                      |   | 1.22%                              |                                     |                      |  |       |       | 0.62% |
| 14 Local<br>governments<br>financing  |   |                                    |                          |                      |   |                                    |                        |                      |   |                                    |                                     |                      |  |       |       |       |
| 15 <i>Housing<br/>financing</i>   |   |                                    |                          |                      |   |                                    |                        |                      |   |                                    |                                     |                      |  |       |       |       |

|  | a   | b | c                        | d                    | e | f   | g | h                      | i                    | j | k   | l | m                                   | n                    | o | p  |
|--|---|---|--------------------------|----------------------|---|---|---|------------------------|----------------------|---|---|---|-------------------------------------|----------------------|---|--|
|  | 31 December 2023: Stock indicators                                |   |                          |                      |   |   |   |                        |                      |   |   |   |                                     |                      |   |  |
|  | Climate Change Mitigation (CCM)                                   |   |                          |                      |   | Climate Change Adaptation (CCA)                                   |   |                        |                      |   | TOTAL (CCM + CCA)   |   |                                     |                      |   |  |
|  | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |   |                          |                      |   | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |   |                        |                      |   | of which towards taxonomy relevant sectors<br>(Taxonomy-eligible) |   |                                     |                      |   |  |
|  | of which environmentally sustainable<br>(Taxonomy-aligned)        |   |                          |                      |   | of which environmentally sustainable<br>(Taxonomy-aligned)        |   |                        |                      |   | of which environmentally sustainable<br>(Taxonomy-aligned)        |   |                                     |                      |   | Proportion<br>of eligible<br>assets in<br>relation to<br>total<br>assets |
| <i>% (of total assets<br/>included in the<br/>denominator)</i>   | of which<br>specialised<br>lending                                |   | of which<br>transitional | of which<br>enabling |   | of which<br>specialised<br>lending                                |   | of which<br>adaptation | of which<br>enabling |   | of which<br>specialised<br>lending                                |   | of which<br>transitional/adaptation | of which<br>enabling |   |  |
| 16 Other local<br>government<br>financing  |   |   |                          |                      |   |   |   |                        |                      |   |   |   |                                     |                      |   |  |
| 17 Collateral<br>obtained by taking<br>possession:<br>residential and<br>commercial<br>immovable<br>properties |   |   |                          |                      |   |   |   |                        |                      |   |   |   |                                     |                      |   |  |

For consistency purpose, the figures presented in the tables of this section correspond to the alignment information presented in the section 7.9 *Aligned activities within the meaning of European taxonomy* of chapter 7, in application of the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 and of the Draft Commission Notice of 21 December 2023. Therefore, the Group did not apply in this section the simplified approach recommended by EBA. As such, only gross carrying amounts of general purpose financing instruments towards European non-financial companies subject to NFRD (Non-Financial Reporting Directive 2014/95/EU of 22 October 2014), and identified as aligned, have been included in the ratio's numerator.

The detail of covered assets and the methodology as well as the limitations of the Green Asset Ratio are presented in the section 7.9 *Aligned activities within the meaning of European taxonomy* of chapter 7, as well as an internal complementary ratio. The table with the gross carrying amounts in absolute values is accessible in the ESG regulatory indicators dedicated document, on the Group Investors Relationships website.

It should be noted that the Green Asset Ratio, due to its unbalanced methodology and its operating complexity, cannot reflect for the Group the entirety of the instruments financing transition to a low-carbon economy.

Firstly, the EU Taxonomy alignment covers only companies subject to the NFRD, European households and specialised financings granted to European local administrations. The regulation excludes from the analysis financings granted to SMEs and non-EU companies. Neither does not allow either to include in the analysis of project financings set up in dedicated vehicles, not subject to NFRD, even if they relate to financing of European low-carbon infrastructures. Moreover, the ratio's scope limited to large corporations subject to NFRD regulation, appears too restrictive as regards to the Group's diversified business model.

As such, the unbalance between the assets subject to alignment analysis for the numerator and all covered assets in the denominator sets a structural cap to the GAR at 55% for 2023. This cap is as much lower as the business model is diversified in terms of clients, products and geographies.

The taxonomy's alignment criteria are by definition ambitious, since they correspond to science-based thresholds compatible with the EU carbon neutrality goal by 2050. However, by proposing only an aligned or non-aligned outcome, the transition pathway is not taken into account, although it is part of long-term effort already engaged by the Group and its clients.

Lastly, climate performance criteria are completed by multiple supplementary conditions, aiming at ensuring that no significant harm is caused towards one of the other environmental objectives of the Taxonomy. The assessment of these latter conditions is complex, including issues both of normative interpretation and of information access. Most of the information to be collected by banks from their clients are not standardised yet, which slows down the activities alignment assessment by companies, and the bank's data collection for each criteria is not operant as of today.

**TABLE 115: OTHER CLIMATE CHANGE MITIGATION ACTIONS NOT COVERED BY THE TAXONOMY**

|                              |  | a  | b   | c   | d   | e |
|------------------------------|--|--|---|---|---|---|
|                              |  | 31 December 2023   |   |   |   |   |
| Type of financial instrument | Type of counterparty   | Gross carrying amount  | Type of risk mitigated (Climate change transition risk) | Type of risk mitigated (Climate change physical risk) | Qualitative information on the nature of the mitigating actions |   |
| <i>In millions of euros</i>  |  |  |   |   |   |   |
| 1                            | Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards) | Financial corporations   | 43  | Yes   | Refer to comments   |   |
| 2                            |  | Non-financial corporations   | 93  | Yes   |   |   |
| 7                            |  | Other counterparties   | 3,797   | Yes   |   |   |
| 8                            | Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards) | Financial corporations   | 2,335   | Yes   | Refer to comments   |   |
| 9                            |  | Non-financial corporations   | 18,907  | Yes   |   |   |
| 10                           |  | <i>of which Loans collateralised by commercial immovable property</i>  | 1,882   | Yes   |   |   |
| 11                           |  | Households   | 22,919  | Yes   |   |   |
| 12                           |  | <i>of which Loans collateralised by residential immovable property</i> | 14,569  | Yes   |   |   |
| 13                           |  | <i>of which building renovation loans</i>                              | 4,619   | Yes   |   |   |

| 14   | Other counterparties   | 116                   | Yes   |   |   |
|--|--|-----------------------|---|---|---|
|  | a  | b                     | c   | d   | e   |
| 31 December 2022   |  |                       |   |   |   |
| Type of financial instrument<br><i>In millions of euros</i>  | Type of counterparty   | Gross carrying amount | Type of risk mitigated (Climate change transition risk) | Type of risk mitigated (Climate change physical risk) | Qualitative information on the nature of the mitigating actions |
| 1 Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards) | Financial corporations   | 360                   | Yes   |   | Refer to comments   |
| 2  | Non-financial corporations   | 29                    | Yes   |   |   |
| 7  | Other counterparties   | 2,297                 | Yes   |   |   |
| 8  | Financial corporations   | 1,560                 | Yes   |   | Refer to comments   |
| 9  | Non-financial corporations   | 11,554                | Yes   |   |   |
| 10   | <i>of which Loans collateralised by commercial immovable property</i>  | 1,851                 | Yes   |   |   |
| 11   | Households   | 12,713                | Yes   |   |   |
| 12   | <i>of which Loans collateralised by residential immovable property</i> | 6,259                 | Yes   |   |   |
| 13   | <i>of which building renovation loans</i>                              | 1,329                 | Yes   |   |   |
| 14   | Other counterparties   | 3                     | Yes   |   |   |

The table shows the loans and bonds, held in the banking book, measured on a gross carrying amount basis, and that contribute to mitigating climate change risks according to the ESG internal classification principles of the Bank.

Bonds outstanding stood at EUR 3.9 billion at 31 December 2023 (versus EUR 2.7 billion at 31 December 2022) and are identified by a third part as aligned with key green bond principles defined by the International Capital Market Association. Each bond in the banking book portfolio is analysed according to the different criteria collected by external information in order to select only the bonds which finance low-carbon and/or climate resilient projects or climate transition projects.

Reported obligations are only those recorded in assets for which the business model is to collect the contractual cash flows and hold the asset until maturity.

Loans outstanding stood at EUR 44 billion at 31 December 2023 (versus EUR 26 billion at 31 December 2022) measured on the basis of the gross carrying amount. They have been identified by the Group as corresponding to loans with a specified climate mitigation purpose based on the transactions tagging process deployed by the Group in the credit process. The internal principles on which the tagging is done are based on the Loan Market Association principles. The outstanding also includes Sustainability-Linked Loans granted to financial and non-financial corporations, whose loan agreement contains at least one performance indicator related to climate change mitigation.

## Appendix 1: Sovereign exposures

The BNP Paribas Group is exposed to sovereign risk, which is the risk of a State defaulting on its debt, *i.e.* a temporary or prolonged interruption of debt servicing (interest and/or principal). The Group is thus exposed to credit, counterparty or market risk according to the accounting category of the financial asset issued by the sovereign State.

Exposure to sovereign debt mainly consists of securities. The Group holds sovereign bonds as part of its liquidity management process. Liquidity management is based in particular on holding securities eligible as collateral for refinancing by central banks and includes a substantial share of highly rated debt securities issued by governments, representing a low level of risk. Moreover, as part of its assets and liability management and structural interest rate risk management policy, the Group also holds a portfolio of assets including sovereign debt instruments, with interest-rate characteristics that contribute to its hedging

strategies. In addition, the Group is a primary dealer in sovereign debt securities in a number of countries, which leads it to take temporary long and short trading positions, some of which are hedged by derivatives.

Sovereign exposures held by the Group are presented in the table hereafter in accordance with the method defined by the EBA for the 2014 stress tests covering a scope which includes sovereigns as well as local and regional authorities.

## BANKING AND TRADING BOOKS SOVEREIGN EXPOSURES BY GEOGRAPHICAL BREAKDOWN

31 December 2023

| Exposures<br><i>In millions of euros</i>          | Banking book <sup>(1)</sup> |   |  |   |   | Trading book                       |                                      |
|---|-----------------------------|---|--|---|---|------------------------------------|--------------------------------------|
|   | Total                       | of which<br>financial<br>assets at<br>amortised<br>cost | of which<br>financial<br>instruments<br>at fair value<br>through<br>equity | of which<br>financial<br>instruments<br>at fair value<br>through<br>profit or<br>loss | Financial<br>instruments at<br>fair value<br>through profit or<br>loss held for<br>trading (excl.<br>derivatives) | Direct<br>exposures <sup>(3)</sup> | Indirect<br>exposures <sup>(4)</sup> |
| <b>Eurozone</b>                                   |                             |   |  |   |   |                                    |                                      |
| Belgium   | 11,073                      | 8,206   | 2,867  |   | (50)  | 2                                  | (21)                                 |
| France  | 12,776                      | 11,105  | 1,622  | 49  | (1,713)   | 9                                  | (79)                                 |
| Germany   | 5,067                       | 3,592   | 1,475  |   | 8,754   | (174)                              | (8)                                  |
| Ireland   | 1,061                       | 1,061   |  |   | 182   | 1                                  |                                      |
| Italy   | 12,353                      | 9,608   | 2,745  |   | (347)   | 2,482                              | (35)                                 |
| Portugal  | 3,153                       | 3,153   |  |   | (347)   | 5                                  | (1)                                  |
| Spain   | 9,194                       | 8,919   | 275  |   | (93)  |                                    | 4                                    |
| Other Eurozone countries                          | 1,842                       | 1,088   | 754  |   | 209   | 513                                | 10                                   |
| <b>TOTAL EUROZONE</b>                             | <b>56,519</b>               | <b>46,732</b>   | <b>9,738</b>   | <b>49</b>   | <b>6,595</b>  | <b>2,838</b>                       | <b>(130)</b>                         |
| <b>Other European<br/>Economic Area countries</b> |                             |   |  |   |   |                                    |                                      |
| Poland  | 6,229                       | 4,640   | 1,589  |   | (105)   | (431)                              |                                      |
| Other EEA countries                               | 698                         | 650   | 47   | 1   | (612)   | (57)                               |                                      |
| <b>TOTAL OTHER EEA<br/>COUNTRIES</b>              | <b>6,927</b>                | <b>5,290</b>  | <b>1,636</b>   | <b>1</b>  | <b>(717)</b>  | <b>(488)</b>                       | <b>-</b>                             |
| <b>TOTAL EEA</b>                                  | <b>63,446</b>               | <b>52,022</b>   | <b>11,374</b>  | <b>50</b>   | <b>5,878</b>  | <b>2,350</b>                       | <b>(130)</b>                         |
| United States                                     | 18,446                      | 10,737  | 7,709  |   | 20,858  | 233                                | (64)                                 |
| Canada  | 4,189                       | 2,387   | 1,802  |   | 1,860   | 1,755                              |                                      |
| United Kingdom                                    | 3,609                       | 1,722   | 1,887  |   | (879)   |                                    | 70                                   |
| Japan   | 107                         | 38  | 69   |   |   |                                    |                                      |
| Türkiye   | 2,050                       | 1,806   | 244  |   | 444   |                                    | (46)                                 |
| Other   | 13,244                      | 8,074   | 5,171  |   | 29,652  | 4,208                              | (731)                                |
| <b>TOTAL</b>                                      | <b>105,091</b>              | <b>76,786</b>   | <b>28,255</b>  | <b>50</b>   | <b>57,813</b>   | <b>8,546</b>                       | <b>(901)</b>                         |

(1) Book value after revaluation and before any impairment provision.

(2) Market value.

(3) Sovereign counterparty risk: direct exposure to a sovereign counterparty. This excludes exposure to a non-sovereign counterparty fully or partly covered by a sovereign counterparty.

(4) Positions held with a non-sovereign counterparty, exposing BNP Paribas to a credit risk on a sovereign third party. For example, sale of a CDS to a non-sovereign third party as a hedge against a sovereign's default. This excludes exposures to non-sovereign counterparties fully or partly covered by a sovereign government.

31 December 2022

| Exposures<br><i>In millions of euros</i> | Banking book <sup>(1)</sup> |          |          |          | Trading book |                            |
|--|-----------------------------|----------|----------|----------|--------------|----------------------------|
|  | Total                       | of which | of which | of which | Financial    | Derivatives <sup>(2)</sup> |

|   | financial<br>assets at<br>amortised<br>cost | financial<br>instruments<br>at fair value<br>through<br>equity | financial<br>instruments<br>at fair value<br>through<br>profit or<br>loss | instruments at<br>fair value<br>through profit or<br>loss held for<br>trading (excl.<br>derivatives) | Direct<br>exposures <sup>(3)</sup> | Indirect<br>exposures <sup>(4)</sup> |
|---|---|--|---|--|------------------------------------|--------------------------------------|
| <b>Eurozone</b>                                   |   |  |   |  |                                    |                                      |
| Belgium   | 9,914                                       | 8,961  | 953   | (676)  | (57)                               | 106                                  |
| France  | 12,709                                      | 11,135   | 1,528   | (3,669)  | (12)                               | 83                                   |
| Germany   | 5,006                                       | 4,205  | 801   | 3,264  | (174)                              | (2)                                  |
| Ireland   | 994   | 994  |   | (97)   | 4                                  |                                      |
| Italy   | 11,556                                      | 9,793  | 1,763   | (211)  | 1,915                              | (58)                                 |
| Portugal  | 3,101                                       | 3,101  |   | (449)  | (6)                                |                                      |
| Spain   | 9,835                                       | 8,547  | 1,288   | (132)  |                                    | 40                                   |
| Other Eurozone countries                          | 1,395                                       | 1,173  | 222   | (663)  | 701                                |                                      |
| <b>TOTAL EUROZONE</b>                             | <b>54,510</b>                               | <b>47,909</b>  | <b>6,555</b>  | <b>(2,633)</b>   | <b>2,371</b>                       | <b>169</b>                           |
| <b>Other European Economic<br/>Area countries</b> |   |  |   |  |                                    |                                      |
| Poland  | 4,837                                       | 3,906  | 931   | 8  | (2)                                |                                      |
| Other EEA countries                               | 749   | 698  | 50  | (24)   | (79)                               |                                      |
| <b>TOTAL OTHER EEA<br/>COUNTRIES</b>              | <b>5,586</b>                                | <b>4,604</b>   | <b>981</b>  | <b>(16)</b>  | <b>(81)</b>                        | <b>-</b>                             |
| <b>TOTAL EEA</b>                                  | <b>60,096</b>                               | <b>52,513</b>  | <b>7,536</b>  | <b>(2,649)</b>   | <b>2,290</b>                       | <b>169</b>                           |
| United States                                     | 23,448                                      | 14,415   | 9,033   | 14,650   | (24)                               | 617                                  |
| Canada  | 3,531                                       | 2,179  | 1,352   | (19)   | 2,600                              |                                      |
| Japan   | 83  | 38   | 45  | 9,380  | 575                                | (151)                                |
| United Kingdom                                    | 1,950                                       | 1,667  | 283   | 565  |                                    | 257                                  |
| Türkiye   | 2,725                                       | 2,299  | 426   | 82   |                                    | (12)                                 |
| Other   | 13,349                                      | 9,032  | 4,317   | 12,503   | 1,619                              | (90)                                 |
| <b>TOTAL</b>                                      | <b>105,182</b>                              | <b>82,143</b>  | <b>22,992</b>   | <b>34,512</b>  | <b>7,060</b>                       | <b>790</b>                           |

(1) Book value after revaluation and before any impairment provision.

(2) Market value.

(3) Sovereign counterparty risk: direct exposure to a sovereign counterparty. This excludes exposure to a non-sovereign counterparty fully or partly covered by a sovereign counterparty.

(4) Positions held with a non-sovereign counterparty, exposing BNP Paribas to a credit risk on a sovereign third party. For example, sale of a CDS to a non-sovereign third party as a hedge against a sovereign's default. This excludes exposures to non-sovereign counterparties fully or partly covered by a sovereign government.

## Appendix 2: Regulatory capital – Detail

### REGULATORY CAPITAL – DETAIL (EU CC1)

|                             | a                      | a                      | b                       |       |
|-----------------------------|------------------------|------------------------|-------------------------|-------|
|                             | 31<br>December<br>2023 | 31<br>December<br>2022 | Reference<br>to table 8 | Notes |
| <i>In millions of euros</i> |                        |                        |                         |       |



|  |   | a                      | a                      | b                       |       |
|--|---|------------------------|------------------------|-------------------------|-------|
|  |   | 31<br>December<br>2023 | 31<br>December<br>2022 | Reference<br>to table 8 | Notes |
| <i>In millions of euros</i>  |   |                        |                        |                         |       |
| <b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b> |   |                        |                        |                         |       |
| 1  | Capital instruments and the related share premium accounts  | 21,253                 | 26,236                 | 6                       |       |
|  | of which: Instrument type 1   | 21,253                 | 26,236                 |                         |       |
| 2  | Retained earnings   | 82,257                 | 77,751                 | 6                       |       |
| 3  | Accumulated other comprehensive income (and other reserves)   | (2,809)                | (3,319)                |                         |       |
| 3a   | Funds for general banking risk  |                        |                        |                         |       |
| 4  | Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1   |                        |                        |                         |       |
| 5  | Minority interests (amount allowed in consolidated CET1)  | 2,048                  | 1,736                  | 8                       | (1)   |
| 5a   | Independently reviewed interim profits net of any foreseeable charge or dividend <sup>(1)</sup>   | 3,970                  | 4,933                  | 7                       | (2)   |
| <b>6</b>   | <b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>  | <b>106,719</b>         | <b>107,337</b>         |                         |       |
| <b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>   |   |                        |                        |                         |       |
| 7  | Additional value adjustments (negative amount)  | (1,817)                | (1,514)                |                         |       |
| 8  | Intangible assets (net of related tax liability) (negative amount)  | (8,055)                | (10,559)               | 3                       | (3)   |
| 10   | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)  | (311)                  | (160)                  |                         |       |
| 11   | Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value   | (293)                  | (12)                   |                         |       |
| 12   | Negative amounts resulting from the calculation of expected loss amounts  | (599)                  | (298)                  |                         |       |
| 13   | Any increase in equity that results from securitised assets (negative amount)   |                        |                        |                         |       |
| 14   | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing   | (146)                  | (118)                  |                         |       |
| 15   | Defined-benefit pension fund assets (negative amount)   | (397)                  | (457)                  |                         | (3)   |
| 16   | Direct and indirect holdings by an institution of own CET1 instruments (negative amount)  | (128)                  | (137)                  |                         |       |
| 17   | Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)                        |                        |                        |                         |       |
| 18   | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) |                        |                        |                         |       |
| 19   | Direct, indirect and synthetic holdings by the institution of the CET1  |                        |                        |                         |       |

|  |  | a                      | a                      | b                       |       |
|--|--|------------------------|------------------------|-------------------------|-------|
|  |  | 31<br>December<br>2023 | 31<br>December<br>2022 | Reference<br>to table 8 | Notes |
| <i>In millions of euros</i>  |  |                        |                        |                         |       |
|  | instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)   |                        |                        |                         |       |
| 20a  | Exposure amount of the following items which qualify for a RW of 1,250%, where the institution opts for the deduction alternative  | (284)                  | (223)                  |                         |       |
| 20b  | of which: qualifying holdings outside the financial sector (negative amount)   |                        |                        |                         |       |
| 20c  | of which: securitisation positions (negative amount)   | (284)                  | (223)                  |                         |       |
| 20d  | of which: free deliveries (negative amount)  |                        |                        |                         |       |
| 21   | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)   |                        |                        |                         |       |
| 22   | Amount exceeding the 17.65% threshold (negative amount)  |                        |                        |                         |       |
| 23   | of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities   |                        |                        |                         |       |
| 25   | of which: deferred tax assets arising from temporary differences   |                        |                        |                         |       |
| 25a  | Losses for the current financial year (negative amount)  |                        |                        |                         |       |
| 25b  | Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount) |                        |                        |                         |       |
| 26   | Empty set in the EU  |                        |                        |                         |       |
| 27   | Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)   |                        |                        |                         |       |
| 27a  | Other regulatory adjustments <sup>(*)</sup>  | (1,832)                | (2,031)                |                         |       |
| <b>28</b>  | <b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>   | <b>(13,862)</b>        | <b>(15,509)</b>        |                         |       |
| <b>29</b>  | <b>Common Equity Tier 1 (CET1) capital</b>   | <b>92,857</b>          | <b>91,828</b>          |                         |       |
| <b>Additional Tier 1 (AT1) capital: instruments<sup>(**)</sup></b> |  |                        |                        |                         |       |
| 30   | Capital instruments and the related share premium accounts   | 14,901                 | 11,800                 |                         |       |
| 31   | of which: classified as equity under applicable accounting standards   | 13,549                 | 11,800                 | 4                       |       |
| 32   | of which: classified as liabilities under applicable accounting standards  | 1,352                  |                        | 4                       |       |
| 33   | Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 as described in Article 486(3) of CRR   |                        |                        | 4                       | (4)   |
| 33a  | Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1  |                        |                        |                         |       |

|   | a   | a                      | b                       |       |
|---|---|------------------------|-------------------------|-------|
|   | 31<br>December<br>2023  | 31<br>December<br>2022 | Reference<br>to table 8 | Notes |
| <i>In millions of euros</i>   |   |                        |                         |       |
| 33b   | Amount of qualifying items referred to in Article 494b <sup>(1)</sup> subject to phase out from AT1 <sup>(****)</sup>   |                        |                         |       |
| 34  | Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties  |                        |                         |       |
|   | 249   | 303                    |                         |       |
| 35  | of which: instruments issued by subsidiaries subject to phase out   |                        |                         |       |
| 36  | <b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>  |                        |                         |       |
|   | 15,150  | 12,103                 |                         |       |
| <b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>        |   |                        |                         |       |
| 37  | Direct and indirect holdings by an institution of own AT1 instruments (negative amount)   |                        |                         |       |
|   | (56)  | (37)                   |                         |       |
| 38  | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)      |                        |                         |       |
| 39  | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) |                        |                         |       |
| 40  | Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)                       |                        |                         |       |
|   | (450)   | (450)                  |                         |       |
| 42  | Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)  |                        |                         |       |
| 42a   | Other regulatory adjustments to AT1 capital   |                        |                         |       |
| 43  | <b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>  |                        |                         |       |
|   | (506)   | (487)                  |                         |       |
| 44  | <b>Additional Tier 1 (AT1) capital</b>  |                        |                         |       |
|   | 14,644  | 11,616                 |                         |       |
| 45  | <b>Tier 1 capital (T1 = CET1 + AT1)</b>   |                        |                         |       |
|   | 107,501   | 103,445                |                         |       |
| <b>Tier 2 (T2) capital: instruments and provisions<sup>(**)</sup></b> |   |                        |                         |       |
| 46  | Capital instruments and the related share premium accounts <sup>(**)</sup>  |                        |                         |       |
|   | 15,002  | 16,883                 | 5                       | (5)   |
| 47  | Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR   |                        |                         |       |
| 47a   | Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2   |                        |                         |       |
|   |   |                        | 5                       | (5)   |
| 47b   | Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2 <sup>(****)</sup>   |                        |                         |       |
|   | 2,284   | 3,588                  | 5                       | (5)   |
| 48  | Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties   |                        |                         |       |
|   | 190   | 222                    |                         |       |

|  | a  | a                      | b                       |       |
|--|--|------------------------|-------------------------|-------|
|  | 31<br>December<br>2023   | 31<br>December<br>2022 | Reference<br>to table 8 | Notes |
| <i>In millions of euros</i>                        |  |                        |                         |       |
| 49   | of which: instruments issued by subsidiaries subject to phase out  |                        |                         |       |
| 50   | Credit risk adjustments  |                        |                         |       |
| <b>51</b>  | <b>Tier 2 (T2) capital before regulatory adjustments</b>   | <b>17,476</b>          | <b>20,692</b>           |       |
| <b>Tier 2 (T2) capital: regulatory adjustments</b> |  |                        |                         |       |
| 52   | Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)  | (101)                  | (137)                   |       |
| 53   | Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)   |                        |                         |       |
| 54   | Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)   |                        |                         |       |
| 55   | Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)   | (3,132)                | (3,132)                 | 1 (6) |
| 56a  | Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)   |                        |                         |       |
| 56b  | Other regulatory adjustments to T2 capital   |                        | (307)                   |       |
| <b>57</b>  | <b>Total regulatory adjustments to Tier 2 (T2) capital</b>   | <b>(3,233)</b>         | <b>(3,575)</b>          |       |
| <b>58</b>  | <b>Tier 2 (T2) capital</b>   | <b>14,243</b>          | <b>17,117</b>           |       |
| <b>59</b>  | <b>Total capital (TC = T1 + T2)</b>  | <b>121,744</b>         | <b>120,562</b>          |       |
| <b>60</b>  | <b>Total risk-weighted assets</b>  | <b>703,694</b>         | <b>744,851</b>          |       |
| <b>Capital ratios and buffers</b>                  |  |                        |                         |       |
| 61   | Common Equity Tier 1 (as a percentage of total risk exposure amount)   | 13.20%                 | 12.33%                  |       |
| 62   | Tier 1 (as a percentage of total risk exposure amount)   | 15.28%                 | 13.89%                  |       |
| 63   | Total capital (as a percentage of total risk exposure amount)  | 17.30%                 | 16.19%                  |       |
| 64   | Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount | 9.79%                  | 9.45%                   |       |
| 65   | of which: capital conservation buffer requirement  | 2.50%                  | 2.50%                   |       |
| 66   | of which: countercyclical buffer requirement   | 0.40%                  | 0.09%                   |       |
| 67   | of which: systemic risk buffer requirement <sup>(****)</sup>   | 0.00%                  | 0.08%                   |       |

|  |   | a                      | a                      | b                       |       |
|--|---|------------------------|------------------------|-------------------------|-------|
|  |   | 31<br>December<br>2023 | 31<br>December<br>2022 | Reference<br>to table 8 | Notes |
| <i>In millions of euros</i>  |   |                        |                        |                         |       |
| 67a  | of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer  | 1.50%                  | 1.50%                  |                         |       |
| 67b  | of which: Pillar 2 Requirements – additional CET1 SREP requirements   | 0.88%                  | 0.78%                  |                         |       |
| 68   | Common Equity Tier 1 available to meet buffer (as a percentage of risk exposure amount)   | 7.73%                  | 6.80%                  |                         |       |
| <b>Amounts below the thresholds for deduction (before risk weighting)</b>  |   |                        |                        |                         |       |
| 72   | Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) | 4,835                  | 4,259                  | 2                       | (6)   |
| 73   | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)  | 4,910                  | 4,635                  | 1                       | (6)   |
| 75   | Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)   | 2,805                  | 3,308                  |                         |       |
| <b>Applicable caps on the inclusion of provisions in Tier</b>  |   |                        |                        |                         |       |
| 76   | Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)   |                        |                        |                         |       |
| 77   | Cap on inclusion of credit risk adjustments in T2 under standardised approach   | 2,633                  | 3,173                  |                         |       |
| 78   | Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)   |                        |                        |                         |       |
| 79   | Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach  | 1,995                  | 2,035                  |                         |       |
| <b>Capital instruments subject to phase out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b> |   |                        |                        |                         |       |
| 80   | Current cap on CET1 instruments subject to phase out arrangements   |                        |                        |                         |       |
| 81   | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)   |                        |                        |                         |       |
| 82   | Current cap on AT1 instruments subject to phase out arrangements  |                        |                        |                         |       |
| 83   | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  |                        |                        |                         |       |
| 84   | Current cap on T2 instruments subject to phase out arrangements   |                        |                        |                         |       |
| 85   | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)   |                        |                        |                         |       |

(\*) At 31 December 2023, eligible income was reduced by the proposed dividend distribution, including in the form of share buyback for -EUR 1,055 million.

(\*\*) At 31 December 2022, other regulatory adjustments include adjustments related to IFRS 9 transitional arrangements and -EUR 962 million included in the share buyback programme under the ordinary dividend policy.

(\*\*\*) In accordance with the eligibility rules for grandfathered debt in additional Tier 1 and Tier 2 capital applicable.

|  | a        | a        | b          |       |
|--|----------|----------|------------|-------|
|  | 31       | 31       | Reference  |       |
|  | December | December | to table 8 | Notes |
| In millions of euros   | 2023     | 2022     |            |       |
| <p>(****) This amount includes grandfathered debts issued under the law of third countries to the European Union without a bail-in clause under Regulation (EU) No. 2019/876.</p> <p>(*****): Since 30 June 2023, the sector systemic risk buffer (SyRB) in Belgium on mortgage portfolios does not apply at BNP Group level.</p> <p>(1) Minority interests are adjusted for their capitalisation surplus for regulated entities. For the other entities, minority interests are not recognised in full Basel 3.</p> <p>(2) Profit eligible of the period is mainly reduced by related project of result distribution.</p> <p>(3) The deduction of intangible assets and pension plans is calculated net of related deferred tax liabilities.</p> <p>(4) Own funds instruments that will be progressively be excluded (Grandfathered instruments), included instruments issued by subsidiaries.</p> <p>(5) A prudential discount is applied to Tier 2 capital instruments with less than five years of residual maturity.</p> <p>(6) Holdings of equity instruments in financial institutions are recorded in the banking book, as detailed in the consolidated accounting balance sheet to the prudential balance sheet reconciliation, as well as in the trading book.</p> |          |          |            |       |

## Appendix 3: Countercyclical capital buffer and G-SIB buffer

### COUNTERCYCLICAL CAPITAL BUFFER

The calculation and the amount of the BNP Paribas countercyclical capital buffer are given in the tables below in accordance with the instructions of Commission Delegated Regulation (EU) No. 2015/1555 of 28 May 2015.

#### INSTITUTION-SPECIFIC COUNTERCYCLICAL CAPITAL BUFFER (EU CCYB2)

|   | a                |                  |
|---|------------------|------------------|
| In millions of euros                                | 31 December 2023 | 31 December 2022 |
| 010 Total risk-weighted assets                      | 703,694          | 744,851          |
| 020 BNP Paribas countercyclical capital buffer rate | 0.40%            | 0.09%            |
| 030 Countercyclical capital buffer requirement      | 2,813            | 682              |

At 31 December 2023, the BNP Paribas countercyclical capital buffer rate is 0.40% against 0.09% at 31 December 2022.

The countercyclical capital buffer is calculated as the weighted average of the countercyclical buffer rates that apply in the countries where the relevant credit exposures of the Group are located. The weight applied to the countercyclical buffer rate in each country is the share of own funds requirements in total own funds requirements relating to relevant credit exposures in the territory in question.

In the context of the public health crisis, many countries have reduced the countercyclical buffer rate applicable to relevant credit exposures located in their territory. At 31 December 2023, BNP Paribas' countercyclical capital buffer rate of 0.40% is mainly due to the rates applicable in France (0.5%) and United Kingdom (2.0%). This rate is expected to be around 0.69% at 31 December 2024 due to the activation or increase in requirements announced by certain European countries (see table below).

**GEOGRAPHICAL DISTRIBUTION OF CREDIT EXPOSURES RELEVANT FOR THE CALCULATION OF THE COUNTERCYCLICAL CAPITAL BUFFER (CCYB1)**

|                                 | a  | b                                     | c  | d                                     | e                                   | g                             | h                             | i                                 | j             | k                              | l                                 | m                               | 31 December 2023                | 31 December 2024   |
|---------------------------------|--|---------------------------------------|--|---------------------------------------|-------------------------------------|-------------------------------|-------------------------------|-----------------------------------|---------------|--------------------------------|-----------------------------------|---------------------------------|---------------------------------|--|
|                                 | General credit exposures                       |                                       | Relevant credit exposures – Market risk        |                                       | Securitisations exposures           | Own fund requirements         |                               |                                   |               |                                | Own fund requirements             |                                 |                                 |  |
| <i>In millions of euros</i>     | Exposure value under the standardised approach | Exposure value under the IRB approach | Exposure value under the standardised approach | Exposure value under the IRB approach | Exposure value for non-trading book | Of which credit risk exposure | Of which market risk exposure | Of which securitisation positions | Total         | Risk-weighted exposure amounts | Own fund requirements weights (%) | Countercyclical buffer rate (%) | Countercyclical buffer rate (%) | Countercyclical buffer rate (%) announced <sup>(*)</sup> |
| <b>010 Breakdown by country</b> |  |                                       |  |                                       |                                     |                               |                               |                                   |               |                                |                                   |                                 |                                 |  |
| <b>Europe<sup>(*)</sup></b>     | <b>229,769</b>                                 | <b>681,303</b>                        |  |                                       | <b>68,621</b>                       | <b>35,607</b>                 | <b>1,517</b>                  | <b>842</b>                        | <b>37,967</b> | <b>474,581</b>                 | <b>81%</b>                        |                                 |                                 |  |
| of which Germany                | 26,043   | 24,654                                |  |                                       | 3,548                               | 2,076                         |                               | 46                                | 2,121         | 26,518                         | 5%                                | 0.75%                           | 0.75%                           |  |
| of which Belgium                | 25,256   | 133,421                               |  |                                       | 3,855                               | 3,901                         |                               | 51                                | 3,951         | 49,389                         | 0%                                | 0.00%                           | 1.00%                           |  |
| of which Bulgaria               | 26   | 133,421                               |  |                                       | 3,855                               | 7                             |                               |                                   | 7             | 91                             | 0%                                | 2.00%                           | 2.00%                           |  |
| of which Cyprus                 | 28   | 74                                    |  |                                       |                                     | 5                             |                               |                                   | 5             | 66                             | 0%                                | 0.50%                           | 1.00%                           |  |
| of which Croatia                | 3  | 83                                    |  |                                       |                                     | 3                             |                               |                                   | 3             | 39                             | 0%                                | 1.00%                           | 1.50%                           |  |
| of which Denmark                | 1,959  | 3,169                                 |  |                                       |                                     | 201                           |                               |                                   | 201           | 2,511                          | 0%                                | 2.50%                           | 2.50%                           |  |
| of which Estonia                | 2  | 62                                    |  |                                       |                                     | 4                             |                               |                                   | 4             | 46                             | 0%                                | 1.50%                           | 1.50%                           |  |
| of which France                 | 57,190   | 281,814                               |  |                                       | 39,060                              | 14,800                        | 1,490                         | 468                               | 16,757        | 209,465                        | 36%                               | 0.50%                           | 1.00%                           |  |
| of which Hungary                | 235  | 1,341                                 |  |                                       |                                     | 52                            |                               |                                   | 52            | 653                            | 0%                                | 0.00%                           | 0.50%                           |  |
| of which Ireland                | 803  | 8,774                                 |  |                                       | 378                                 | 265                           |                               | 5                                 | 270           | 3,380                          | 1%                                | 1.00%                           | 1.50%                           |  |
| of which Iceland                |  | 18                                    |  |                                       |                                     | 1                             |                               |                                   | 1             | 9                              | 0%                                | 2.00%                           | 2.50%                           |  |
| of which Latvia                 | 2  | 3                                     |  |                                       |                                     |                               |                               |                                   |               | 3                              | 0%                                | 0.00%                           | 0.50%                           |  |
| of which Lithuania              | 14   | 6                                     |  |                                       |                                     | 1                             |                               |                                   | 1             | 17                             | 0%                                | 1.00%                           | 1.00%                           |  |
| of which Luxembourg             | 3,287  | 39,436                                |  |                                       | 40                                  | 1,878                         | 0                             | 0                                 | 1,879         | 23,486                         | 4%                                | 0.50%                           | 0.50%                           |  |
| of which Norway                 | 454  | 2,851                                 |  |                                       |                                     | 89                            |                               |                                   | 89            | 1,108                          | 0%                                | 2.50%                           | 2.50%                           |  |

|                          |                |                |                |               |              |              |               |                |             |                              |
|--------------------------|----------------|----------------|----------------|---------------|--------------|--------------|---------------|----------------|-------------|------------------------------|
| of which Netherland      | 5,077          | 20,254         | 1,305          | 876           | 15           | 891          | 11,132        | 2%             | 1.00%       | 2.00%                        |
| of which Czech Republic  | 369            | 465            |                | 39            |              | 39           | 491           | 0%             | 2.00%       | 2.00%                        |
| of which Romania         | 774            | 94             |                | 49            |              | 49           | 607           | 0%             | 1.00%       | 1.00%                        |
| of which United Kingdom  | 16,619         | 45,429         | 12,559         | 2,235         | 170          | 2,404        | 30,051        | 5%             | 2.00%       | 2.00%                        |
| of which Slovakia        | 95             | 178            |                | 11            |              | 11           | 138           | 0%             | 1.50%       | 1.50%                        |
| of which Slovenia        | 8              | 22             |                | 2             |              | 2            | 22            | 0%             | 0.50%       | 0.50%                        |
| of which Sweden          | 2,541          | 4,552          | 597            | 247           |              | 252          | 3,154         | 1%             | 2.00%       | 2.00%                        |
| <b>North America</b>     | <b>1,107</b>   | <b>93,448</b>  | <b>30,974</b>  | <b>2,856</b>  | <b>42</b>    | <b>462</b>   | <b>3,360</b>  | <b>41,995</b>  | <b>7%</b>   |                              |
| <b>Asia Pacific</b>      | <b>10,099</b>  | <b>45,135</b>  | <b>1,652</b>   | <b>2,905</b>  |              | <b>20</b>    | <b>2,925</b>  | <b>36,559</b>  | <b>6%</b>   |                              |
| of which Australia       | 196            | 7,303          |                | 192           |              | 192          | 2,401         | 0%             | 1.00%       | 1.00%                        |
| of which Hong Kong       | 1,586          | 6,976          |                | 318           | 2            | 320          | 3,995         | 1%             | 1.00%       | 1.00%                        |
| <b>Rest of the World</b> | <b>20,668</b>  | <b>34,440</b>  | <b>49</b>      | <b>2,759</b>  | <b>5</b>     | <b>3</b>     | <b>2,768</b>  | <b>34,594</b>  | <b>6%</b>   |                              |
| <b>020 TOTAL</b>         | <b>261,643</b> | <b>854,325</b> | <b>101,296</b> | <b>44,127</b> | <b>1,564</b> | <b>1,327</b> | <b>47,018</b> | <b>587,730</b> | <b>100%</b> | <b>0.40%</b><br><b>0.69%</b> |

(\*) Within the European Union, the European Free Trade Association (EFTA) and the United Kingdom.

(\*\*) According to the rates published on the ESRB website as at 6 July 2023.



## G-SIB BUFFER

The measurement approach of the global systemic importance is indicator-based. The selected indicators reflect the size of banks, their interconnectedness, the use of banking information systems for the services they provide, their global cross-jurisdictional activity and their complexity. The methodology is described in a document published in July 2013 by the Basel Committee, entitled Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement (BCBS 255).

The Group received notification from the *Autorité de contrôle prudentiel et de résolution* (ACPR), dated 27 November 2023, that it was on the 2023 list of global systemically important financial institutions in sub-category 3, corresponding to its score in the database at end 2022.

As a result, the G-SIB buffer requirement for the Group, applicable from 1 January 2024 remains unchanged at 1.5% of the total exposure amount.

### SYSTEMIC RISK BUFFER (G-SIB)

| <i>In millions of euros</i>                                 |  | 31 December<br>2023 |
|---|--|---------------------|
| <b>Cross-jurisdictional activity</b>                        |  |                     |
| 1   | Cross-jurisdictional claims                            | 1,348,201           |
| 2   | Cross-jurisdictional liabilities                       | 1,208,729           |
| <b>Size</b>   |  |                     |
| 3   | Total exposures  | 2,608,724           |
| <b>Interconnectedness</b>                                   |  |                     |
| 4   | Intra-financial system assets                          | 359,736             |
| 5   | Intra-financial system liabilities                     | 271,664             |
| 6   | Securities outstanding                                 | 377,326             |
| <b>Substitutability</b>                                     |  |                     |
| 7   | Assets under custody                                   | 6,482,818           |
|   | Trading volume fixed income                            | 1,636,803           |
|   | Trading volume equities and other securities           | 3,127,562           |
| <b>Financial institution infrastructure</b>                 |  |                     |
| 8   | Payment activity                                       | 54,455,027          |
| <b>Underwritten transactions in debt and equity markets</b> |  |                     |
| 9   | Underwritten transactions in a debt and equity markets | 214,706             |
| <b>Complexity</b>   |  |                     |
| 10  | Notional amount of over-the-counter (OTC) derivatives  | 30,496,579          |
| 11  | Level 3 assets   | 30,584              |
| 12  | Trading and available for sale (AFS) securities        | 88,054              |

## Appendix 4: Capital requirements of significant subsidiaries

## BNP PARIBAS FORTIS GROUP

|                             |   | RWAs             |                  | Capital requirements |
|-----------------------------|---|------------------|------------------|----------------------|
|                             |   | 31 December 2023 | 31 December 2022 | 31 December 2023     |
| <i>In millions of euros</i> |   |                  |                  |                      |
| <b>1</b>                    | <b>Credit risk</b>  | <b>137,700</b>   | <b>133,033</b>   | <b>11,016</b>        |
| 2                           | of which standardised approach  | 62,680           | 59,185           | 5,014                |
| EU 4a                       | of which equities under the simple weighting approach                           | 15,664           | 14,192           | 1,253                |
| 5                           | of which advanced IRB (A-IRB) approach  | 59,356           | 59,657           | 4,749                |
| <b>6</b>                    | <b>Counterparty credit risk</b>   | <b>1,296</b>     | <b>1,402</b>     | <b>104</b>           |
| 7                           | of which SACCR (derivatives)  | 634              | 604              | 51                   |
| 8                           | of which internal model method (IMM)  | 330              | 580              | 27                   |
| EU 8a                       | of which exposures to CCP related to clearing activities                        | 297              | 152              | 24                   |
| EU 8b                       | of which CVA  | 33               | 67               | 3                    |
| 9                           | of which other  | 2                | 1                | -                    |
| <b>16</b>                   | <b>Securitisation exposures in the banking book</b>                             | <b>1,026</b>     | <b>724</b>       | <b>82</b>            |
| 17                          | of which internal ratings based approach (SEC-IRBA)                             | 621              | 295              | 50                   |
| 18                          | of which external ratings based approach (SEC-ERBA)                             | 394              | 416              | 31                   |
| 19                          | of which standardised approach (SEC-SA)   | 11               | 13               | 1                    |
| <b>20</b>                   | <b>Market risk</b>  | <b>1,061</b>     | <b>788</b>       | <b>85</b>            |
| 21                          | of which standardised approach  | 1,061            | 788              | 85                   |
| <b>23</b>                   | <b>Operational risk</b>   | <b>11,971</b>    | <b>10,806</b>    | <b>958</b>           |
| EU 23a                      | of which basic indicator approach   | 2,212            | 1,912            | 177                  |
| EU 23b                      | of which standardised approach  | 3,108            | 2,449            | 249                  |
| EU 23c                      | of which advanced measurement approach (AMA)                                    | 6,651            | 6,444            | 532                  |
| <b>24</b>                   | <b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b> | <b>3,616</b>     | <b>4,088</b>     | <b>289</b>           |
| <b>29</b>                   | <b>TOTAL</b>  | <b>156,669</b>   | <b>150,840</b>   | <b>12,534</b>        |

## BNL GROUP

|                             |  | RWAs             |                  | Capital requirements |
|-----------------------------|--|------------------|------------------|----------------------|
|                             |  | 31 December 2023 | 31 December 2022 | 31 December 2023     |
| <i>In millions of euros</i> |  |                  |                  |                      |

|                             |   | RWAs             |                  | Capital requirements |
|-----------------------------|---|------------------|------------------|----------------------|
|                             |   | 31 December 2023 | 31 December 2022 | 31 December 2023     |
| <i>In millions of euros</i> |   |                  |                  |                      |
| <b>1</b>                    | <b>Credit risk</b>  | <b>36,081</b>    | <b>38,097</b>    | <b>2,886</b>         |
| 2                           | of which standardised approach  | 7,288            | 7,320            | 583                  |
| EU 4a                       | of which equities under the simple weighting approach                           | 1,128            | 1,139            | 90                   |
| 5                           | of which advanced IRB (A-IRB) approach  | 27,664           | 29,638           | 2,213                |
| <b>6</b>                    | <b>Counterparty credit risk</b>   | <b>471</b>       | <b>205</b>       | <b>38</b>            |
| 7                           | of which SACCR (Derivatives)  | 440              | 184              | 35                   |
| 8                           | of which internal model method (IMM)  |                  |                  |                      |
| EU 8a                       | of which exposures to CCP related to clearing activities                        |                  |                  |                      |
| EU 8b                       | of which CVA  | 32               | 20               | 3                    |
| 9                           | of which other  |                  |                  |                      |
| <b>16</b>                   | <b>Securitisation exposures in the banking book</b>                             | <b>396</b>       | <b>507</b>       | <b>32</b>            |
| 17                          | of which internal ratings based approach (SEC-IRBA)                             | 322              | 393              | 26                   |
| 18                          | of which external ratings based approach (SEC-ERBA)                             |                  |                  |                      |
| 19                          | of which standardised approach (SEC-SA)   | 75               | 113              | 6                    |
| <b>20</b>                   | <b>Market risk</b>  | <b>7</b>         | <b>2</b>         | <b>1</b>             |
| 21                          | of which standardised approach  | 7                | 2                | 1                    |
| <b>23</b>                   | <b>Operational risk</b>   | <b>3,366</b>     | <b>3,393</b>     | <b>269</b>           |
| EU 23a                      | of which basic indicator approach   | 61               | 54               | 5                    |
| EU 23b                      | of which standardised approach  | 95               | 112              | 8                    |
| EU 23c                      | of which advanced measurement approach (AMA)                                    | 3,209            | 3,227            | 257                  |
| <b>24</b>                   | <b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b> | <b>80</b>        | <b>19</b>        | <b>6</b>             |
| <b>29</b>                   | <b>TOTAL</b>  | <b>40,402</b>    | <b>42,223</b>    | <b>3,232</b>         |

## BNP PARIBAS PERSONAL FINANCE GROUP

|                             |   | RWAs             |                  | Capital requirements |
|-----------------------------|---|------------------|------------------|----------------------|
|                             |   | 31 December 2023 | 31 December 2022 | 31 December 2023     |
| <i>In millions of euros</i> |   |                  |                  |                      |
| <b>1</b>                    | <b>Credit risk</b>  | <b>59,136</b>    | <b>57,112</b>    | <b>4,731</b>         |
| 2                           | of which standardised approach  | 52,140           | 49,970           | 4,171                |
| EU 4a                       | of which equities positions under the simple weighting approach                 | 33               | 46               | 3                    |
| 5                           | of which advanced IRB (A-IRB) approach  | 6,963            | 7,096            | 557                  |
| <b>6</b>                    | <b>Counterparty credit risk</b>   | <b>174</b>       | <b>37</b>        | <b>14</b>            |
| 7                           | of which SACCR (Derivatives)  | 96               | 8                | 8                    |
| 8                           | of which internal model method (IMM)  |                  |                  |                      |
| EU 8a                       | of which exposures to CCP related to clearing activities                        |                  |                  |                      |
| EU 8b                       | of which CVA  | 77               | 28               | 6                    |
| 9                           | of which other  |                  |                  |                      |
| <b>16</b>                   | <b>Securitisation exposures in the banking book</b>                             | <b>216</b>       | <b>341</b>       | <b>17</b>            |
| 17                          | of which internal ratings based approach (SEC-IRBA)                             | 45               | 154              | 4                    |
| 18                          | of which external ratings based approach (SEC-ERBA)                             | 171              | 186              | 14                   |
| 19                          | of which standardised approach (SEC-SA)   |                  |                  |                      |
| <b>20</b>                   | <b>Market risk</b>  | <b>78</b>        | <b>216</b>       | <b>6</b>             |
| 21                          | of which standardised approach  | 78               | 216              | 6                    |
| <b>23</b>                   | <b>Operational risk</b>   | <b>5,963</b>     | <b>6,829</b>     | <b>477</b>           |
| EU 23a                      | of which basic indicator approach   | 390              | 188              | 31                   |
| EU 23b                      | of which standardised approach  | 1,496            | 1,913            | 120                  |
| EU 23c                      | of which advanced measurement approach (AMA)                                    | 4,077            | 4,727            | 326                  |
| <b>24</b>                   | <b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b> | <b>2,032</b>     | <b>1,557</b>     | <b>163</b>           |
| <b>29</b>                   | <b>TOTAL</b>  | <b>67,598</b>    | <b>66,091</b>    | <b>5,408</b>         |

## BGL BNP PARIBAS GROUP

|                             |   | RWAs             |                  | Capital requirements |
|-----------------------------|---|------------------|------------------|----------------------|
|                             |   | 31 December 2023 | 31 December 2022 | 31 December 2023     |
| <i>In millions of euros</i> |   |                  |                  |                      |
| <b>1</b>                    | <b>Credit risk</b>  | <b>24,625</b>    | <b>24,683</b>    | <b>1,970</b>         |
| 2                           | of which standardised approach  | 17,744           | 17,374           | 1,420                |
| EU 4a                       | of which equities under the simple weighing approach                            | 618              | 535              | 49                   |
| 5                           | of which advanced IRB approach  | 6,263            | 6,774            | 501                  |
| <b>6</b>                    | <b>Counterparty credit risk</b>   | <b>21</b>        | <b>28</b>        | <b>2</b>             |
| 7                           | of which SACCR (Derivatives)  | 15               | 24               | 1                    |
| 8                           | of which internal model method (IMM)  |                  |                  |                      |
| EU 8a                       | of which exposures to CCP related to clearing activities                        |                  |                  |                      |
| EU 8b                       | of which CVA  | 3                | 3                | 0                    |
| 9                           | of which other  | 2                | 1                | 0                    |
| <b>16</b>                   | <b>Securitisation exposures in the banking book</b>                             | <b>15</b>        | <b>26</b>        | <b>1</b>             |
| 17                          | of which internal rating based approach (SEC-IRBA)                              |                  |                  |                      |
| 18                          | of which external ratings based approach (SEC-ERBA)                             | 15               | 26               | 1                    |
| 19                          | of which standardised approach  |                  |                  |                      |
| <b>20</b>                   | <b>Market risk</b>  | <b>30</b>        | <b>13</b>        | <b>2</b>             |
| 21                          | of which standardised approach  | 30               | 13               | 2                    |
| <b>23</b>                   | <b>Operational risk</b>   | <b>1,564</b>     | <b>1,495</b>     | <b>125</b>           |
| EU 23a                      | of which basic indicator approach   | 273              | 281              | 22                   |
| EU 23b                      | of which standardised approach  | 227              | 228              | 18                   |
| EU 23c                      | of which advanced measurement approach (AMA)                                    | 1,064            | 986              | 85                   |
| <b>24</b>                   | <b>Amounts below the thresholds for deduction (subject to 250% risk weight)</b> | <b>205</b>       | <b>192</b>       | <b>16</b>            |
| <b>29</b>                   | <b>TOTAL</b>  | <b>26,459</b>    | <b>26,438</b>    | <b>2,117</b>         |

# Appendix 5: Environmental, social and governance risk

## ESG ASSESSMENT (ESG-A)

---

The ESG analysis of large corporate clients has been expanded to all sectors, thanks to a new risk assessment tool: the ESG Assessment (ESG-A). This assessment aims to perform a systematic ESG analysis as part of the credit process by integrating ESG criteria within the other criteria included in the assessment of the clients' credit profile.

The ESG-A covers the environmental (climate, biodiversity), social (health and safety at work and impact on communities) and governance (business ethics) dimensions through a set of questions, supplemented by an analysis of the controversies affecting the client. The questionnaires developed in this context are specific to each sector in order to better integrate the challenges and issues specific to related activities.

Overall, ESG Assessment enables to:

- assess clients' compliance with sectoral policies;
- assess the maturity of the clients' ESG strategy and its implementation as well as their capability to monitor their ESG key material issues and publish performance indicators;
- determine whether actions plans have been undertaken;
- identify if some commitments have been taken by the clients on specific topics;
- get a sense of forward-looking ESG path of the clients.

The deployment of ESG-A, included in the credit files of all large corporates business groups whatever the business sectors, enables the RISK Function to exercise greater control over the ESG dimensions during credit committees, on a documented basis. Currently designed for large companies, this framework has been adapted and will be extended to additional customer segments (corporates with a turnover above EUR 50 million and financial institutions) starting from 2024.

This ESG-A which is being rolled-out for corporate clients covers the performance assessment of the counterparty and includes questions on the way ESG-related issues are tackled by the Bank's clients. This set of questions cover, for example, the following aspects:

- Environment:
  - existence of GHG emission reduction targets set with a clear deadline,
  - use of sectorial standard metric to measure GHG intensity,
  - existence of a Net-Zero emission target or carbon neutrality target,
  - extent of physical risk exposure and actions to mitigate it,
  - the way biodiversity matters are addressed by the company;
- Social:
  - existence of a health & safety management system,
  - ability to disclose/provide performance indicators with regards to health & safety aspects to workers relying on frequency and/or severity rates,
  - commitment to disclose or provide health & safety indicators for workers and subcontractors;
- Governance:
  - existence of a Code of conduct in place to address ethical considerations, deployment of a whistleblowing system,
  - relevant employees' compensation (such as top management variable compensation) linked to ESG performance,
  - transparency: check if company's extra-financial information (*i.e.* indicators or policies) are audited by an external third party.

As previously mentioned, the questionnaire aims at guiding the assessment and dialogue with the client, and, among other things, it enables evaluation of a counterparty's governance capability to identify and monitor ESG key material issues as well as to publish ESG performance indicators.

## RISK IDENTIFICATION & ASSESSMENT PROCESS (“RISK ID”)

BNP Paribas’ risk identification & assessment process (Risk ID) is part of the Group risk management framework. Risk ID is a fully integrated process, involving business lines, the RISK Function and the other control functions throughout the Group. It serves to maintain up-to-date the Risk Inventories, both at local and Group levels. The Risk ID process aims to identify and assess all risks to which the Group is or could be exposed in a forward-looking way.

The Risk ID process covers:

- all sets of activities and exposures, on and off-balance sheet, as well as new products and activities;
- all risk types and all geographies;
- all business lines and legal entities.

As part of the Group’s Risk ID process, all business lines are requested to keep up to date their Risk Inventory (that is ultimately contribution to the Group Risk Inventory). This inventory consists in identifying a set of elementary severe but plausible scenarios (“risk events”) corresponding to the way the risk types the Group is or might be exposed to could materialise. Each scenario is briefly described and attached to one of the 101 risk types of the Group reference risk type taxonomy, and is associated with a selection of risk factors (identified from the 115 proposed in the Group reference risk driver taxonomy) that are liable to trigger, favor or worsen the scenario. There can be up to five risk factors for a given scenario. A scenario can be linked to individual counterparties, to one (or several) specific sector(s), and all activities are covered

ESG dimensions are captured *via* risk factors. To this end, among the 115 risk factors proposed in the risk factor taxonomy, 13 pertain to ESG categories, of which:

- 9 are totally or partially related environmental concerns (columns “Climate” & “Nature” in the table below);
- 5 are totally or partially related to social concerns (column “Social”);
- 3 are totally or partially related to governance concerns (column “Governance”).

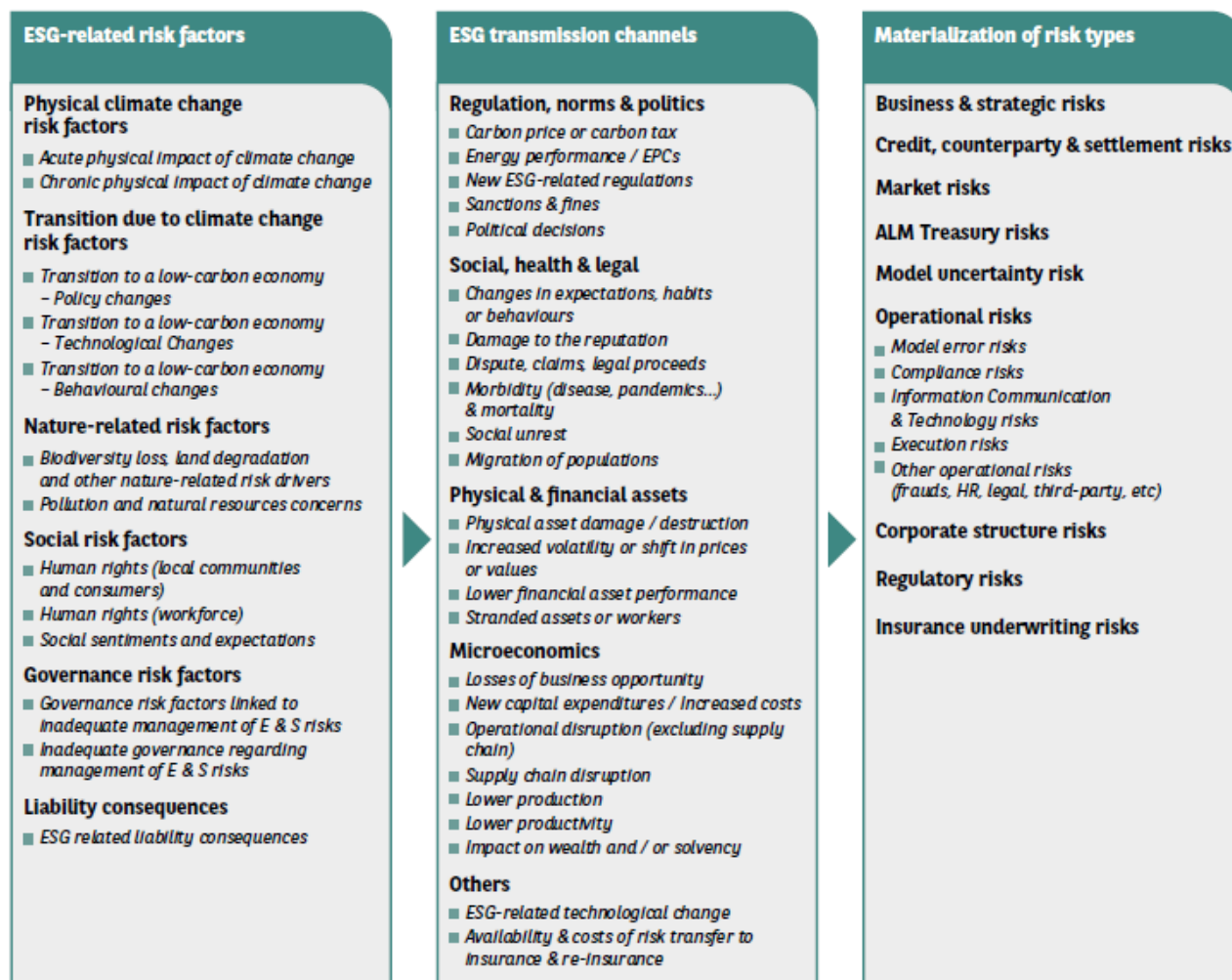
These ESG-related risk factors have been designed in line with EBA and ECB recommendations. They are used in the Risk ID process to assess, in a forward-looking way, how they could give rise to elementary scenarios, corresponding to the virtual materialisation of any kind of financial or non-financial risks.

BNP Paribas taxonomy of ESG risk factors are presented in the following table.

| Level 1 risk factor                               | Level 2 risk factor                           | Level 3 risk factor   | Climate | Nature | Social | Governance |
|---|---|---|---------|--------|--------|------------|
| Environmental, social and governance risk factors | Physical climate change risk factors          | 1 Acute physical impact of climate change                                 | ✓       |        |        |            |
|   |   | 2 Chronic physical impact of climate change                               | ✓       |        |        |            |
|   | Transition due to climate change risk factors | 3 Transition to a low-carbon eco. - Policy changes                        | ✓       |        |        |            |
|   |   | 4 Transition to a low-carbon eco. - Technological changes                 | ✓       |        |        |            |
|   |   | 5 Transition to a low-carbon eco. - Behavioural changes                   | ✓       |        |        |            |
|   | Nature-related risk factors                   | 6 Biodiversity loss, land degradation & other nature-related risk factors |         | ✓      |        |            |
|   |   | 7 Pollution and natural resources concerns                                |         | ✓      |        |            |
|   | Social risk factors                           | 8 Human rights (local communities and consumers)                          |         |        | ✓      |            |
|   |   | 9 Human rights (workforce)  |         |        | ✓      |            |
|   |   | 10 Social sentiments and expectations                                     |         |        | ✓      |            |
|   | Governance risk factors                       | 11 Inadequate governance regarding management of E & S risks              | ✓       | ✓      | ✓      | ✓          |
|   |   | 12 Non-compliance with corporate gov. frameworks or codes                 |         |        |        | ✓          |
|   | Liability                                     | 13 ESG related liability consequences                                     | ✓       | ✓      | ✓      | ✓          |

Besides, a better understanding of the transmission channels that explain how ESG risk drivers could lead to direct or indirect damage to the Group enhances the ability to seize and model the possible impacts of ESG risk drivers. Consequently, in Risk ID approach, whenever an ESG risk driver is considered as favouring, triggering and or worsening a risk event. Associated transmissions channels must be identified. They have to be selected from the first version of the BNP Paribas reference taxonomy of ESG transmission channels.

The following graph illustrates the manner BNP Paribas accounts for the fact that ESG risk drivers are likely to contribute, *via* pre-identified transmission channels, to the materialisation of, potentially, any type of risk.



Not all transmission channels are relevant to for all ESG risk factors. For each of the ESG risk factors, only a sub-set of the transmission channel ensemble is applicable and could play a role in the causal chain leading to the materialization of a financial or non-financial risk, ultimately leading to a direct or indirect damage to the Group. The following compatibility matrix illustrates this state of affairs.



## ESG RISK FACTORS

|                              |    | Physical  |   | Transition                  |                                    |                                  | Nature  |  | Social                                 |                          |                                    | Governance   |   | Liability                          |
|------------------------------|----|---|---|-----------------------------|------------------------------------|----------------------------------|---|--|--|--------------------------|------------------------------------|--|---|------------------------------------|
| ESG transmission channels    |    | Acute physical impact of climate change         | Chronic physical impact of climate change | Transition - Policy changes | Transition - Technological changes | Transition - Behavioural changes | Biodiversity loss & other nature risk drivers | Pollution & natural resources concerns | Human rights (local comm. & consumers) | Human rights (workforce) | Social sentiments and expectations | Gov. risk drivers linked to inadequate mgmt of E & S risks | Non-compl. with corp. gov. Fwks / codes | ESG related liability consequences |
| Regulation, norms & policies | 1  | Carbon price or carbon tax                      |   | ✓                           |                                    |                                  |   |  |  |                          |                                    |  |   |                                    |
|                              | 2  | Energy performance / EPCs                       |   | ✓                           |                                    |                                  |   |  |  |                          |                                    |  |   |                                    |
|                              | 3  | New regulations ESG                             | ✓   |                             | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  | ✓  | ✓                                       | ✓                                  |
|                              | 4  | Sanctions & fines                               |   | ✓                           |                                    | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  | ✓  | ✓                                       | ✓                                  |
|                              | 5  | Political decisions                             | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  | ✓  |   | ✓                                  |
| Social, health & legal       | 6  | Changes in expectations, habits or behaviours   | ✓   |                             | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  | ✓  | ✓                                       | ✓                                  |
|                              | 7  | Damage to the reputation                        | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  | ✓  | ✓                                       | ✓                                  |
|                              | 8  | Dispute, claims, legal proceeds                 | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  | ✓  | ✓                                       | ✓                                  |
|                              | 9  | Morbidity (disease, pandemics, etc) & mortality | ✓   | ✓                           |                                    |                                  | ✓   | ✓                                      |  |                          |                                    |  |   |                                    |
|                              | 10 | Social unrest                                   | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  |  |   |                                    |
|                              | 11 | Migration of populations                        | ✓   | ✓                           |                                    | ✓                                | ✓   | ✓                                      | ✓                                      |                          |                                    |  |   |                                    |

|                             |    | Physical  |   | Transition                  |                                    |                                  | Nature  |  |  | Social                   |                                    | Governance   |   | Liability                          |
|-----------------------------|----|---|---|-----------------------------|------------------------------------|----------------------------------|---|--|--|--------------------------|------------------------------------|--|---|------------------------------------|
| ESG transmission channels   |    | Acute physical impact of climate change           | Chronic physical impact of climate change | Transition - Policy changes | Transition - Technological changes | Transition - Behavioural changes | Biodiversity loss & other nature risk drivers | Pollution & natural resources concerns | Human rights (local comm. & consumers) | Human rights (workforce) | Social sentiments and expectations | Gov. risk drivers linked to inadequate mgmt of E & S risks | Non-compl. with corp. gov. Fwks / codes | ESG related liability consequences |
| Physical & financial assets | 12 | Physical asset damage / destruction               | ✓   | ✓                           |                                    |                                  | ✓   | ✓                                      |  |                          |                                    |  |   |                                    |
|                             | 13 | Increased volatility or shift in prices or values | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  | ✓  |   | ✓                                  |
|                             | 14 | Lower financial asset performance                 | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  | ✓  | ✓                                       | ✓                                  |
|                             | 15 | Stranded assets or workers                        | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      |  | ✓                        | ✓                                  |  |   | ✓                                  |
| Microeconomics              | 16 | Losses of business opportunity                    | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        | ✓                                  | ✓  | ✓                                       | ✓                                  |
|                             | 17 | New capital expenditures / Increased costs        | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      |  |                          |                                    |  |   |                                    |
|                             | 18 | Operational disruption (excluding supply chain)   | ✓   | ✓                           |                                    |                                  | ✓   | ✓                                      |  | ✓                        |                                    |  |   | ✓                                  |
|                             | 19 | Supply chain disruption                           | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      |  |                          |                                    |  |   | ✓                                  |
|                             | 20 | Lower production                                  | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      |  | ✓                        |                                    |  |   | ✓                                  |
|                             | 21 | Lower productivity                                | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      | ✓                                      | ✓                        |                                    |  |   | ✓                                  |

|                           |    | Physical  |   | Transition                  |                                    |                                  | Nature  |  | Social                                 |                          |                                    | Governance   |   | Liability                          |
|---------------------------|----|---|---|-----------------------------|------------------------------------|----------------------------------|---|--|--|--------------------------|------------------------------------|--|---|------------------------------------|
|                           |    | Acute physical impact of climate change                           | Chronic physical impact of climate change | Transition - Policy changes | Transition - Technological changes | Transition - Behavioural changes | Biodiversity loss & other nature risk drivers | Pollution & natural resources concerns | Human rights (local comm. & consumers) | Human rights (workforce) | Social sentiments and expectations | Gov. risk drivers linked to inadequate mgmt of E & S risks | Non-compl. with corp. gov. Fwks / codes | ESG related liability consequences |
| ESG transmission channels | 22 | Impact on wealth and / or solvency                                | ✓   | ✓                           | ✓                                  | ✓                                | ✓   | ✓                                      |  | ✓                        | ✓                                  | ✓  | ✓                                       | ✓                                  |
|                           | 23 | ESG-related technological change                                  | ✓   | ✓                           | ✓                                  | ✓                                |   |  |  |                          |                                    |  |   |                                    |
| Others                    | 24 | Availability & costs of risk transfer to insurance & re-insurance | ✓   | ✓                           | ✓                                  |                                  | ✓   | ✓                                      |  |                          |                                    |  |   | ✓                                  |

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# Appendix 7: Acronyms

## Acronyms

|       |  |
|-------|--|
| ABCP  | Asset-Backed Commercial Paper  |
| ABS   | Asset-Backed Securities  |
| ACPR  | <i>Autorité de contrôle prudentiel et de résolution</i>              |
| ALCo  | Asset and Liability Committee  |
| EFTA  | European Free Trade Association                                      |
| AFG   | <i>Affaires Fiscales Groupe</i> (Group Tax Department)               |
| A-IRB | Advanced internal ratings-based approach                             |
| ALM   | Asset and Liability Management                                       |
| AMA   | Advanced measurement approach  |
| AMF   | Autorité des Marchés Financiers (French Financial Markets Authority) |
| ASA   | Alternative Standardised Approach                                    |
| AVA   | Additional Valuation Adjustments                                     |
| BCBS  | Basel Committee on Banking Supervision                               |
| ECB   | European Central Bank  |
| CPBF  | Commercial & Personal Banking in France                              |
| CPBB  | Commercial & Personal Banking in Belgium                             |
| BNB   | Banque Nationale de Belgique   |
| BNL   | Banca Nazionale del Lavoro   |
| BRRD  | Bank Recovery and Resolution Directive                               |
| CCA   | Climate Change Adaptation  |
| CCDG  | Executive Management Credit Committee                                |
| CDDG  | Executive Management Receivables Committee                           |
| CCF   | Credit Conversion Factor   |
| CCIRC | Internal Control, Risk Management and Compliance Committee           |
| CCM   | Climate Change Mitigation  |
| CC    | Central Counterparty   |
| CDO   | Collateralised Debt Obligations                                      |
| CDS   | Credit Default Swap  |
| CEBS  | Committee of European Banking Supervisors                            |
| CFA   | French African Community   |
| CFP   | <i>Change Franc Pacifique</i>  |
| CGEN  | Corporate Governance, Ethics, Nominations and CSR Committee          |
| CIB   | Corporate & Institutional Banking                                    |
| HRC   | Homogeneous Risk Category  |
| CLO   | Collateralised Loan Obligations                                      |
| CMAP  | Centre for Applied Mathematics                                       |
| CMBS  | Commercial Mortgage Backed Securities                                |
| CMG   | Crisis Management Group  |
| CPBS  | Commercial, Personal Banking & Services                              |



## Acronyms

|        |  |
|--------|--|
| CRD    | Capital Requirement Directive (European directive)               |
| CRM    | Comprehensive Risk Measure                                       |
| CRR    | Capital Requirement Regulation (EU regulation amended by CRR2)   |
| SRB    | Single Resolution Board  |
| CSA    | Credit Support Annex   |
| CVA    | Credit Valuation Adjustment                                      |
| DPE    | Energy Performance Diagnosis                                     |
| D-SIBS | Domestic Systemically Important Banks                            |
| EAD    | Exposure at Default  |
| EBA    | European Banking Authority                                       |
| ECAls  | External Credit Assessment Institutions                          |
| EDTF   | Enhanced Disclosure Task Force                                   |
| EEA    | European Economic Area   |
| EEPE   | Effective Expected Positive Exposure                             |
| EHQLA  | Assets of extremely high liquidity and credit quality            |
| EPE    | Expected Positive Exposure                                       |
| EIOPA  | European Insurance and Occupational Pensions Authority           |
| EIS    | Systemically important institution                               |
| G-SII  | Global systemically important institution                        |
| EL     | Expected Loss  |
| EMIR   | European Market Infrastructure Regulation (European regulation)  |
| EMTN   | Euro Medium-Term Note  |
| EP4    | 4 <sup>th</sup> version of the Equator Principles                |
| EPC    | Energy Performance Contract                                      |
| ESG    | Environmental Social and Governance                              |
| ESG-A  | ESG Assessment   |
| ESMA   | European Securities and Markets Authority                        |
| ESRB   | European Systemic Risk Board                                     |
| FBF    | <i>Fédération Bancaire Française</i> (French Banking Federation) |
| Fed    | Federal Reserve System of the United States                      |
| FICC   | Fixed Income Credit and Commodities                              |
| FLAIR  | Forward Looking Adjustment of Internal Rating                    |
| IMF    | International Monetary Fund                                      |
| FMRC   | Financial Markets Risk Committee                                 |
| FRTB   | Fundamental review of trading book                               |
| FSB    | Financial Stability Board  |
| FSRU   | Floating Storage and Regasification Unit                         |
| GAFAM  | Google, Apple, Facebook, Amazon, Microsoft                       |
| GCM    | Global Clearing Member   |
| GHG    | Greenhouse gas emissions   |
| GHOS   | Central Bank Governors and Bank Supervisors Group                |
| GITRC  | Group IT Risk Committee  |

## Acronyms

|        |  |
|--------|--|
| GSCC   | Group Supervisory and Control Committee  |
| G-SIBs | Global systemically important banks  |
| GTS    | Growth Technology Sustainability   |
| GWWR   | General Wrong Way Risk   |
| HQLA   | High Quality Liquid Assets   |
| ICAAP  | Internal Capital Adequacy Assessment Process (under Pillar 2)                                |
| ICT    | Information, communication and technology  |
| IFRS   | International Financial Reporting Standards  |
| IMM    | Internal Model Method  |
| IPS    | Investment & Protection Services   |
| IRB    | International Retail Banking   |
| IRBA   | Internal Ratings-Based Approach (internal models)  |
| IRC    | Incremental Risk Charge  |
| ISDA   | International Swaps and Derivatives Association  |
| STIs   | Implementing Technical Standards   |
| JJ     | Overnight Rate   |
| LBO    | Leveraged Buy-Out  |
| LCR    | Liquidity Coverage Ratio   |
| LGD    | Loss Given Default   |
| KYC    | Know Your Client   |
| LTV    | Loan-to-Value  |
| MAP    | Market Parameter   |
| MFI MI | Markets and Financial Institutions - Management Information                                  |
| MLT    | Medium and long term   |
| NIM    | Net interest margin  |
| MDA    | Maximum Distributable Amount   |
| MREL   | Minimum Requirement for own funds and Eligible Liabilities                                   |
| SSM    | Single Supervisory Mechanism   |
| MTN    | Medium-Term Note   |
| NACE   | Statistical classification of economic activities in the European Community                  |
| NIST   | National Institute of Standards and Technology   |
| NFRD   | Non-Financial Reporting Directive  |
| NGFS   | Network for Greening the Financial System  |
| NPV    | Net Present Value  |
| NSFR   | Net Stable Funding Ratio   |
| NUTS3  | Classification of territorial units for statistics, level 3 corresponding to the departments |
| NZBA   | Net-Zero Banking Alliance  |
| OAT    | <i>Obligations Assimilables du Trésor</i> (10-year French government bonds)                  |
| OECD   | Organisation for Economic Cooperation and Development  |
| SDG    | Sustainable Development Goals  |
| OIS    | Overnight Indexed Swap   |
| ILO    | International Labour Organization  |

## Acronyms

|          |  |
|----------|--|
| IMO      | International Maritime Organisation                          |
| OPC      | Collective investment undertakings                           |
| ORM      | Operational Risk Management                                  |
| ORSA     | Own Risk and Solvency Assessment                             |
| OS       | Open Source (source designed to be accessible to the public) |
| OTC      | Over-the-counter   |
| P2G      | Pillar 2 Guidance  |
| P2R      | Pillar 2 Requirement (prudential requirement)                |
| bp       | Basis points   |
| PCAF     | Partnership for Carbon Accounting Financials                 |
| PD       | Probability of Default                                       |
| PFC      | Product and Financial Control Committee                      |
| PFE      | Potential Future Exposure                                    |
| GDP      | Gross Domestic Product                                       |
| PM       | Portfolio Management   |
| SME      | Small and Medium-sized Enterprise                            |
| SR       | Policyholders' Surplus Reserve                               |
| PRB      | Principles for Responsible Banking                           |
| PRI      | Principles for Responsible Investment                        |
| PVA      | Prudent Valuation Adjustment                                 |
| RAS      | Risk Appetite Statement                                      |
| RC       | Replacement cost   |
| RDPC     | Risk and Development Policy Committees                       |
| GDPR     | General Data Protection Regulation                           |
| RMBS     | Residential Mortgage-Backed Securities                       |
| CSR      | Corporate Social Responsibility                              |
| RW       | Risk weight  |
| SA-CCR   | Standardised Approach for Counterparty Credit Risk           |
| SEC-ERBA | External ratings-based approach                              |
| SEC-IRBA | Internal ratings-based approach                              |
| SEC-SA   | Standardised approach  |
| SFCR     | Solvency and Financial Condition Report                      |
| SFSC     | Sustainable Finance Strategic Committee                      |
| SFT      | Securities Financing Transaction                             |
| SREP     | Supervisory Review and Evaluation Process                    |
| STFS     | Stress Testing and Financial Simulations                     |
| STS      | Simple, transparent et standard                              |
| STSC     | Stress Testing Steering Committee                            |
| SWWR     | Specific Wrong Way Risk                                      |
| SyRB     | Systemic risk buffer   |
| TCP      | Thematic Credit Policy                                       |
| TLAC     | Total Loss Absorbing Capacity                                |

**Acronyms**

|        |  |
|--------|--|
| TLTRO  | Targeted Long-Term Refinancing Operation |
| MGR    | Minimum guaranteed rate                  |
| EIR    | Effective Interest Rate                  |
| GRR    | Global Recovery Rate                     |
| SRT    | Significant Risk Transfer                |
| TSA    | Standardised approach                    |
| TTC    | Through The Cycle                        |
| US MTN | United States Medium-Term Note           |
| V&RC   | Risk valuation and control team          |
| VaR    | Value at Risk                            |
| SVaR   | Stressed VaR                             |
| VFA    | Variable Fee Approach                    |
| VMC    | Valuation Methodology Committee          |
| VMCP   | Valuation Methodology Control Policy     |
| VRC    | Valuation Review Committee";             |

- (f) Section 6 entitled "Information on the Parent Company Financial Statements 31 December 2022" on pages 664 to 711 to shall be deleted in its entirety and replaced with the following:

# "6 INFORMATION ON THE PARENT COMPANY FINANCIAL STATEMENTS 31 DECEMBER 2023

## 6.1 BNP Paribas SA financial statements

On 1<sup>st</sup> November 2023, the retroactive merger from 1<sup>st</sup> January of Exane SA into BNP Paribas SA was completed by absorption. On that date, Exane SA was dissolved by operation of law without liquidation.

The legal disappearance of Exane led to the closure of six branches following the transfer of their assets and liabilities to BNP Paribas SA branches in each country in Europe. Thus, the 2023 financial statements are prepared taking this legal transaction into account.

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023

| <i>In millions of euros</i>   | Notes | Year to<br>31 December 2023 | Year to<br>31 December 2022 |
|---|-------|-----------------------------|-----------------------------|
| Interest income   | 2.a   | 67,392                      | 29,450                      |
| Interest expense  | 2.a   | (64,304)                    | (22,333)                    |
| Income on equities and other variable instruments                           | 2.b   | 8,211                       | 6,312                       |
| Commission income   | 2.c   | 8,545                       | 8,711                       |
| Commission expense  | 2.c   | (2,042)                     | (2,052)                     |
| Net gains on trading account securities                                     | 2.d   | 9,552                       | 6,889                       |
| Net losses on securities available for sale                                 | 2.e   | (228)                       | (1,244)                     |
| Other banking income  |       | 557                         | 327                         |
| Other banking expenses  |       | (490)                       | (351)                       |
| <b>NET BANKING INCOME</b>   |       | <b>27,193</b>               | <b>25,709</b>               |
| Salaries and employee benefit expense                                       | 5.a   | (8,765)                     | (8,116)                     |
| Other administrative expenses   |       | (6,132)                     | (6,417)                     |
| Depreciation, amortisation and impairment on tangible and intangible assets |       | (741)                       | (763)                       |
| <b>GROSS OPERATING INCOME</b>   |       | <b>11,555</b>               | <b>10,413</b>               |
| Cost of risk  | 2.f   | (748)                       | (321)                       |
| <b>OPERATING INCOME</b>   |       | <b>10,807</b>               | <b>10,092</b>               |
| Net losses on disposals of long-term investments                            | 2.g   | (538)                       | (1,115)                     |

|   |     |               |              |
|---|-----|---------------|--------------|
| Net additions to or reversals of regulated provisions |     | 34            | (1)          |
| <b>INCOME BEFORE TAX</b>                              |     | <b>10,303</b> | <b>8,976</b> |
| Income taxes  | 2.h | (683)         | (943)        |
| <b>NET INCOME</b>                                     |     | <b>9,620</b>  | <b>8,033</b> |

## BALANCE SHEET AT 31 DECEMBER 2023

| <i>In millions of euros, at</i>   | <b>Notes</b> | <b>31 December 2023</b> | <b>31 December 2022</b> |
|---|--------------|-------------------------|-------------------------|
| <b>ASSETS</b>   |              |                         |                         |
| Cash and amounts due from central banks   |              | 234,997                 | 274,886                 |
| Treasury bills and money-market instruments                                     | 3.c          | 159,168                 | 141,968                 |
| Due from credit institutions  | 3.a          | 216,239                 | 201,981                 |
| Customer items  | 3.b          | 586,322                 | 552,162                 |
| Bonds and other fixed-income securities   | 3.c          | 140,476                 | 122,130                 |
| Equities and other variable-income securities                                   | 3.c          | 2,356                   | 2,140                   |
| Investments in subsidiaries and equity securities held for long-term investment | 3.c          | 4,006                   | 3,825                   |
| Investments in affiliates   | 3.c          | 48,654                  | 61,725                  |
| Intangible assets   | 3.j          | 2,635                   | 2,994                   |
| Tangible assets   | 3.j          | 2,093                   | 2,122                   |
| Treasury shares   | 3.d          | 38                      | 38                      |
| Other assets  | 3.h          | 189,177                 | 223,274                 |
| Accrued income  | 3.i          | 126,335                 | 141,062                 |
| <b>TOTAL ASSETS</b>   |              | <b>1,712,496</b>        | <b>1,730,307</b>        |
| <b>LIABILITIES</b>  |              |                         |                         |
| Due to central banks  |              | 1,330                   | 681                     |
| Due to credit institutions  | 3.a          | 227,418                 | 233,747                 |
| Customer items  | 3.b          | 839,734                 | 832,154                 |
| Debt securities   | 3.f          | 180,433                 | 160,373                 |
| Other liabilities   | 3.h          | 230,846                 | 263,810                 |
| Accrued expenses  | 3.i          | 115,121                 | 123,744                 |
| Provisions  | 3.k          | 1,990                   | 2,013                   |
| Subordinated debt   | 3.l          | 31,882                  | 29,919                  |
| <b>TOTAL LIABILITIES</b>  |              | <b>1,628,754</b>        | <b>1,646,441</b>        |
| <b>SHAREHOLDERS' EQUITY</b>   | 6.b          |                         |                         |
| Share capital   |              | 2,295                   | 2,469                   |
| Additional paid-in capital  |              | 17,565                  | 22,374                  |
| Reserves and Retained earnings  |              | 54,262                  | 50,990                  |
| Net income for the period   |              | 9,620                   | 8,033                   |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>   |              | <b>83,742</b>           | <b>83,866</b>           |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                               |              | <b>1,712,496</b>        | <b>1,730,307</b>        |

| OFF-BALANCE SHEET               | Notes | 31 December 2023 | 31 December 2022 |
|---------------------------------|-------|------------------|------------------|
| <b>COMMITMENTS GIVEN</b>        |       |                  |                  |
| Financing commitments           | 4.a   | 447,356          | 369,872          |
| Guarantee commitments           | 4.b   | 211,773          | 231,899          |
| Commitments given on securities | 4.b   | 51,108           | 38,219           |
| <b>COMMITMENTS RECEIVED</b>     |       |                  |                  |
| Financing commitments           | 4.a   | 178,847          | 126,204          |
| Guarantee commitments           | 4.b   | 323,022          | 333,633          |
| Commitments given on securities | 4.b   | 54,234           | 42,281           |

# Notes to the parent company financial statements

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES APPLIED BY BNP PARIBAS SA

*BNP Paribas SA's financial statements have been prepared in accordance with generally accepted accounting principles applied to credit institutions in France, set out in ANC (French Accounting Standards Authority) Regulation No. 2014-07 of 26 November 2014 and its amending regulations since that date.*

### AMOUNTS DUE FROM CREDIT INSTITUTIONS AND CUSTOMERS

Amounts due from credit institutions include all subordinated and unsubordinated loans made in connection with banking transactions with credit institutions, with the exception of debt securities. They also include assets purchased under resale agreements, whatever the type of assets concerned, and receivables corresponding to securities sold under collateralised repurchase agreements. They are broken down between demand loans and deposits, and term loans and time deposits.

Amounts due from customers include loans to customers other than credit institutions, with the exception of loans represented by debt securities issued by customers, assets purchased under resale agreements, whatever the type of assets concerned, and receivables corresponding to securities sold under collateralised repurchase agreements. They are broken down between commercial loans, customer debit accounts, and other loans.

Amounts due from credit institutions and customers are recorded in the balance sheet at nominal value plus accrued interest not yet due.

Outstanding loans and confirmed credit facilities are broken down into sound loans, including sound restructured loans, and doubtful loans. The same analysis is performed for credit risks attached to forward financial instruments whose present value represents an asset for the Group.

Credit risks are monitored using BNP Paribas SA's internal credit risk rating system. This system is based on two key parameters: the probability of default by the counterparty, expressed as a rating, and the overall recovery rate determined by reference to the type of transaction. There are 12 counterparty ratings: 10 covering sound loans and two covering doubtful loans and loans classified as irrecoverable.

Doubtful loans are defined as loans where the Bank considers that there is a risk that the borrowers will be unable to honour all or part of their commitments. The definition of default is consistent with the Basel definition, which takes into account the EBA guidelines of 28 September 2016, in particular the applicable thresholds for overdue amounts and probationary periods.

Loans overdue for more than 90 days, as well as loans subject to litigation are considered as doubtful. When a loan is classified as doubtful, all other loans and commitments to the debtor are automatically assigned the same classification.

The Bank recognises an impairment for doubtful accounts on these loans, in an amount corresponding to the difference between the gross loan value and present value of the future cash flows (from principal, interest, and any realised guarantees) that are deemed recoverable, using a discount rate equal to the original effective interest rate (for fixed-rate loans), or the most recent contractual interest rate (for floating-rate loans). The guarantees considered here include mortgages and pledges on assets, as well as credit derivatives acquired by the Bank as a protection against credit losses in the loan book.



These impairments are determined on an individual or collective basis based on statistical models for loan portfolios with similar risks and not impaired individually.

If a loan is restructured because the borrower is facing financial difficulties, the Bank calculates a discount equal to the difference in present value between the old and new repayment terms. These discounts are recognised as a deduction to assets and reversed through income on an actuarial basis over the remaining term of the loan. If any instalments on a restructured loan are not paid, the loan is reclassified as doubtful or irrecoverable.

In the case of doubtful loans where the borrower has resumed making regular payments in accordance with the original repayment schedule, the loan is reclassified as sound. Similarly, doubtful loans that have been restructured, where the restructuring terms are satisfied and for which the credit risk is no longer proven, are also reclassified as sound.

Irrecoverable loans include loans to borrowers whose credit standing is such that after a reasonable time classified as doubtful loans, no reclassification as a sound loan is foreseeable, loans where an event of default has occurred, almost all restructured loans where the borrower has once again defaulted, and loans classified as doubtful for more than one year that are in default and are not secured by guarantees covering a substantial portion of the amount due.

Impairments for credit risk on doubtful loans are deducted from the carrying amount of the assets on the balance sheet. Provisions recorded under liabilities include provisions related to off-balance sheet commitments, loss provisions relating to interests in real-estate development programmes, provisions for claims and litigation, and provisions for unforeseeable industry risks.

Additions to and recoveries of provisions and impairment, losses on irrecoverable loans, recoveries on loans covered by provisions and discounts calculated on restructured loans are recorded in the profit and loss account under “Cost of risk”.

The interest received from the repayment of the carrying amount of loans that have been written-down, as well as the reversals of discounting effects and the discount on restructured loans, are recognised under “Interest income”.

## 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 for individuals 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 SA: an obligation to pay interest on the savings for an indefinite period at a rate set by the government on inception of the contract (in the case of PEL products) or at a rate reset every half-year 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 on 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).

BNP Paribas SA'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 equate to statistically probable outstanding loans and 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 outstanding loans 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 on products offered to retail 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.

When the sum of BNP Paribas SA's estimated future obligations with respect to the savings and loan phases of any generation of contracts indicates a potentially unfavourable situation for BNP Paribas SA, a provision is recognised, with no offset between generations, in the balance sheet under “Provisions”. Movements in this provision are recognised as interest income and expense in the profit and loss account.

## SECURITIES

The term “Securities” covers interbank market securities, treasury bills and negotiable certificates of deposit, bonds and other “fixed-income” securities (whether fixed- or floating-rate), equities and other variable-income securities.

Securities are classified as: “Trading securities”, “Securities available for sale”, “Equity securities available for sale in the medium term”, “Debt securities held to maturity”, “Equity securities held for long-term investment”, or “Investments in subsidiaries and affiliates”.

From 1<sup>st</sup> January 2018, trading securities acquired or disposed of under agreements whose terms require delivery of the securities within a period defined by regulation or by an agreement on the relevant market are recorded in the balance sheet on the settlement date. This change has no impact on the opening income statement or equity. Other categories of securities acquired or disposed of under the same conditions are recorded on the transaction date.

When a credit risk has occurred, fixed-income securities held in the “Available for sale” or “Held to maturity” portfolio are classified as doubtful, based on the same criteria as those applied to doubtful loans and commitments.

When securities exposed to counterparty risk are classified as doubtful and the related provision can be separately identified, the corresponding charge is included in “Cost of risk”.

### **Trading account securities**

“Trading account securities” are securities bought or sold with the intention of selling them or repurchasing them in the near future, as well as those held as a result of market-making activities. These securities are valued individually at market value if they meet the following criteria:

- they can be traded on an active market (*i.e.* a market where third parties have continuous access to market prices through a securities exchange, brokers, traders, or market-makers);
- the market prices reflect actual, regularly-occurring transactions taking place under normal competition conditions.

“Trading account securities” also include securities bought or sold for specific asset-management objectives (especially in terms of sensitivity) for trading books comprised of forward financial instruments, securities, or other financial instruments taken globally, as well as borrowed securities. When the latter are not backed by cash, they are presented in the balance sheet as a deduction from the debt representing the value of the borrowed securities. In the same way, financial instruments received as fully-owned collateral under financial guarantee contracts with the right of re-use, recorded in the balance sheet and revalued according to the rules applicable to trading securities, are presented with a deduction from the liability representing the restitution commitment.

Changes in the market value of these securities are recognised in income. “Trading account securities” cannot be reclassified into another category and must follow the valuation rules for this category until they are sold, fully redeemed, or recognised as a loss and consequently removed from the balance sheet.

In the case of exceptional market circumstances necessitating a change in investment strategy, “Trading securities” can be reclassified as “Securities available for sale” or “Debt securities held to maturity” depending on the new strategy adopted.

If fixed-income securities classified as “Trading securities” can no longer be traded on an active market, and if the Bank has the intention and ability to hold these securities for the foreseeable future or until maturity, they can be reclassified as “Securities available for sale” or “Debt securities held to maturity”.

The accounting rules for the new category would apply to reclassified securities as of the reclassification date.

If the market in which securities classified as “Trading account securities” were purchased can no longer be considered active, the securities will be valued using methods that take into account the new market conditions.

### **Securities available for sale**

The “Securities available for sale” category includes securities not classified into one of the other categories.

Bonds and other fixed-income securities are valued at the lower of cost (excluding accrued interest) or probable market prices. This is generally determined on the basis of stock market prices. Accrued interest is posted to the profit and loss account under “Interest income on bonds and other fixed-income securities”.

For fixed-income securities available for sale that have been purchased on the secondary market, any difference between cost and redemption price is recognised in income using the actuarial method over the remaining life of the securities. On the balance sheet, their carrying amount is amortised to their redemption value over their remaining life.

Equities are valued at the lower of cost or probable market prices. This is generally determined on the basis of stock market prices for listed equities, or BNP Paribas SA's share in net equity, calculated on the basis of the most recent financial statements available, for unlisted equities. Dividends received are recognised in the profit and loss account under “Income on variable-income securities” on a cash basis.

The cost of securities available for sale that have been sold is determined on a first in, first out (FIFO) basis. Disposal gains or losses, and additions to and reversals of lower of cost and market provisions are reflected in the profit and loss account under “Gains (losses) on securities available for sale”.

In the case of exceptional circumstances necessitating a change in investment strategy, or if the securities can no longer be traded on an active market, securities classified as “Securities available for sale” may be reclassified as “Debt securities held to maturity” and must be identified within this portfolio. These securities would then be recognised according to the method used for “Debt securities held to maturity”.

### **Equity securities available for sale in the medium term**

Equity securities available for sale in the medium term comprise investments made for portfolio management purposes, with the aim of realising a profit in the medium term without investing on a long-term basis in the development of the issuer's business. This category includes venture capital investments.

Equity securities available for sale in the medium term are recorded individually at the lower of historic cost and fair value. Fair value takes into account the issuer's general business outlook and the planned holding period. The fair value of listed shares is determined by reference to the average stock market price determined over a one-month period.

### **Debt securities held to maturity**

Fixed-income securities with a specified maturity (mainly bonds, interbank market securities, treasury bills, and other negotiable debt securities) are recorded under “Debt securities held to maturity” to reflect BNP Paribas SA's intention of holding them to maturity.

Bonds classified under this heading are financed by matching funds or hedged against interest-rate exposure for their remaining lives.

The difference between cost and the redemption price of these securities is recognised in income using the actuarial method over the remaining life of the securities. On the balance sheet, their carrying amount is amortised to their redemption value over their remaining life.

Interest on debt securities held to maturity is recorded in the profit and loss account under “Interest income on bonds and other fixed-income securities”.

An impairment is recognised when a decline in the credit standing of an issuer jeopardises redemption at maturity.

If a significant portion of the “Debt securities held to maturity” is sold or reclassified into a different category, the sold or reclassified securities cannot be returned to the “Debt securities held to maturity” category at any time during the current financial period or the following two financial years. All the securities classified as “Debt securities held to maturity” would then be reclassified as “Securities available for sale in the medium term”.

If exceptional market circumstances necessitate a change in investment strategy, and “Trading account securities” and “Securities available for sale” are reclassified as “Debt securities held to maturity”, the sale of any “Debt securities held to maturity” prior to the maturity date would not invoke the reclassification clauses in the above paragraph if the sale occurred because the securities had once again become tradable on an active market.

### **Equity securities held for long-term investment, investments in subsidiaries and affiliates**

Equity interests include investments in subsidiaries and affiliates in which BNP Paribas SA exercises significant influence over management and investments considered strategic to BNP Paribas SA's business development. This influence is deemed to exist when BNP Paribas SA holds an ownership interest of at least 10%.

“Equity securities held for long-term investment” are shares and related instruments that BNP Paribas SA intends to hold on a long-term basis in order to earn a satisfactory long-term rate of return without taking an active part in the management of the issuing company, but with the intention of promoting the development of lasting business relationships by creating special ties with the issuer.

Other investments in affiliates consist of shares and other variable-income securities in companies over which BNP Paribas SA has exclusive control (*i.e.* companies likely to be fully consolidated into the Group).

These types of securities are recorded individually at the lower of cost and fair value.

Fair value for each security is determined on the basis of available information, including discounted future cash flows, net revalued assets and/or multiples commonly used to assess future yields. For securities listed on an active market, the fair value is considered to be the average market price over the previous one-month period.

For simplicity, listed securities acquired for less than EUR 10 million may be valued on the basis of the average closing stock market price in the month prior to closing.

Disposals, gains or losses and provision movements are recorded in the profit and loss account under “Net gains or losses on disposals of long-term investments”.

Dividends are recognised as soon as payment has been approved by the Annual General Meeting or when they are received if the shareholders' decision is unknown. They are recorded under “Income on equities and variable-income securities”.

### **Treasury shares**

Treasury shares held by BNP Paribas SA are classified and valued as follows:

- treasury shares held, purchased under a market-making agreement or acquired in connection with index arbitrage transactions are recorded under “Trading securities” at market price;
- shares held for allocation to employees are recorded in the securities available for sale category. Shares granted to employees of BNP Paribas SA subsidiaries and branches are re-invoiced to them, in accordance with the applicable local provisions;
- treasury shares held to be granted to employees are not impaired, but a provision is recognised for these shares based on the services provided by the employees who will receive the shares;
- treasury shares that are intended to be cancelled or that are not being held for either of the above reasons are included in long term investments. Treasury shares intended to be cancelled are stated at cost. All others are stated at the lower of cost and fair value.

### **FIXED ASSETS**

Buildings and equipment are stated at acquisition cost or at the adjusted value determined in accordance with France's finance laws of 1977 and 1978. Revaluation differences on non-depreciable assets, recorded at the time of these statutory revaluations, are included in share capital.

Fixed 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 by BNP Paribas SA, that fulfils the criteria for capitalisation, is capitalised at direct development cost, which includes external costs and staff costs directly attributable to the project.

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

Fixed assets are depreciated or amortised using the straight-line method over the useful life of the asset. Depreciation and amortisation expenses are recognised in the profit and loss account under “Depreciation, amortisation, and provisions on property, plant and equipment and intangible assets”.

The portion of recognised depreciation or amortisation that exceeds the economic amount, mainly calculated on a straight-line basis, is recorded in the balance sheet as a liability under “Regulatory provisions: accelerated depreciation and amortisation”. BNP Paribas SA does not calculate the deferred tax effects of accelerated depreciation and amortisation.

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. BNP Paribas SA has adopted the component-based approach for property used in operations.

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.

Depending on its type, software is amortised over a period of no more than eight years for infrastructure developments and three years or five years in the case of software developed primarily for the purpose of providing services to customers.

Depreciable fixed 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 annually.

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 materially 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, with the exception of goodwill and residual merger premium (see below) allocated to goodwill. Impairment losses are taken into account in the profit and loss account under “Depreciation, amortisation, and provisions on property, plant and equipment and intangible assets”.

- Goodwill in the business is now presumed to have an unlimited period of use. It is therefore non-amortisable, without any required justification. However, this is a refutable presumption, meaning that if there is a limited period for use, the goodwill must be amortised over its actual or fixed period of use (10 years) if it is not possible to reliably assess this period. In addition, if goodwill is not amortised, it must now be tested for impairment annually regardless of whether there is any indication of impairment.
- The merger premium is allocated to the various assets contributed as a result of mergers and similar transactions up to the limit of identified unrealised gains. The amount is allocated in the dedicated sub-accounts of the assets concerned, according to the amortisation, depreciation and provisioning rules for these assets.
- After allocation to the different underlying assets (see above), the net balance of the residual merger premium is carried to goodwill.

Gains and losses on disposals of property, plant and equipment, and intangible assets used in operations are recognised in the profit and loss account under “Net gains or losses on disposals of long-term investments”.

## **AMOUNTS DUE TO CREDIT INSTITUTIONS AND CUSTOMERS**

Amounts due to credit institutions and customers are presented according to their initial term or type: demand accounts and time deposits for credit institutions; regulated savings accounts and other deposits for customers. These sections include securities and other assets sold under repurchase agreements depending on the type of counterparty. Accrued interest is recorded on a separate line. Savings accounts with special arrangements are presented as the centralised share with the Caisse des Dépôts et Consignations, less the savings deposits collected.

## **DEBT SECURITIES**

Debt securities are presented according to the nature of their support: savings certificates, interbank market securities, negotiable debt securities, bonds and similar securities, excluding subordinated notes classified as subordinated debt.

Accrued interest on debt securities is recorded on a separate line of the balance sheet and is debited to the profit and loss account.

Bond issue and redemption premiums are amortised using the yield-to-maturity method over the life of the bonds. Bond issuance costs are amortised using the straight-line method over the life of the bonds.

## **PROVISIONS FOR INTERNATIONAL COMMITMENTS**

Provisions for international commitments are based on the evaluation of non-transfer risk related to the future solvency of each of the countries at risk and on the systemic credit risk incurred by debtors in the event of a constant and durable deterioration in the overall situation and economies of these countries. Additions and reversals of these provisions are reflected in the profit and loss account under “Cost of risk”.

## **PROVISIONS FOR NON-BANKING TRANSACTIONS**

BNP Paribas SA records provisions for clearly identified contingencies and charges whose timing or amount is uncertain. In accordance with current regulations, these provisions for non-banking transactions may be recorded only if the Bank has an

obligation to a third party at year-end, there is a high probability of an outflow of resources to the third party, and no equivalent economic benefits are expected in return from the third party.

## **COST OF RISK**

The “Cost of risk” line item includes expenses arising from the identification of counterparty and credit risks, litigation, and fraud inherent to banking transactions conducted with third parties. Net movements in provisions that do not fall under the category of such risks are classified in the profit and loss account according to their type.

## **FORWARD FINANCIAL INSTRUMENTS**

Forward financial instruments are purchased on various markets for use as specific or general hedges of assets and liabilities, or for transaction purposes.

The Bank's commitments related to these instruments are recognised off-balance sheet at nominal value. The accounting treatment of these instruments depends on the corresponding investment strategy.

### **Derivative financial instruments held for hedging purposes**

Income and expenses related to forward derivative financial instruments held for hedging purposes and designated to one instrument or a group of homogeneous instruments are recognised in income symmetrically with the income and expenses on the underlying instrument, and under the same accounting heading.

Income and expenses related to forward financial instruments used to hedge overall interest rate risk are recognised in income on a *pro rata* basis.

### **Derivative financial instruments held for trading purposes**

Derivatives held for trading purposes can be traded on organised markets or over-the-counter.

Derivatives held within a trading book are valued at market value on the balance sheet date. The corresponding gains or losses (realised and unrealised) are recognised in income. They are recognised in the profit and loss account under “Gains (losses) on trading account securities”.

The market value is determined from either:

- the listed price, if one is available;
- a valuation method using recognised financial models and theories, with parameters calculated from transaction prices observed on active markets, or from statistical or other quantitative methods.

In both cases, BNP Paribas SA makes conservative value adjustments to account for modelling, counterparty, and liquidity risks.

Some complex derivatives, which are typically custom-made from combined instruments and highly illiquid, are valued using models where certain parameters are not observable on an active market.

The margin generated during the trading of these complex financial instruments is deferred and reversed in profit or loss over the period during which the valuation parameters are expected to be unobservable. When parameters that were originally unobservable 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.

### **Derivative financial instruments held within an isolated open position**

Depending on the nature of the instruments, gains and losses on contracts representing isolated open positions are recognised in income when the contracts are settled or on a *pro rata* basis. Derivatives are measured at market value on the balance sheet date and a provision for unrealised losses is recognised for each group of homogeneous contracts.

## **CORPORATE INCOME TAX**

A charge for corporate income tax is taken in the period in which the related taxable income and expenses are booked, regardless of the period in which the tax is actually paid. When the period in which the income and expenses are booked differs from that in which the income is taxed and expenses deducted, BNP Paribas SA recognises a deferred tax, whose amount is calculated according to the liability method, with the basis taken to be all temporary differences between the book value and tax basis of balance sheet items, and applying applicable future tax rates once these have been approved. Deferred tax assets are recognised in accordance with the likelihood of their being recovered.

Following the recommendations of Pillar 2 of the Organisation for Economic Cooperation and Development (OECD) on the reform of international taxation, on 14 December 2022, the European Union adopted Directive 2022/2523 establishing a minimum taxation of international groups with respect to corporate income tax, applicable from 1 January 2024. Following the example provided for the consolidated financial statements prepared under French rules in application of ANC Regulation 2020-01 amended by ANC Regulation 2023-02, BNP Paribas SA does not recognise deferred taxes related to the Pillar II/GloBE rules. Given the information available, the impact of the Pillar II reform would be negligible for BNP Paribas SA when it is adopted.

## EMPLOYEE PROFIT-SHARING

As required by French law, BNP Paribas SA recognises employee profit-sharing in the income statement in the year in which the employee entitlement arises. The amount is reported under “Salaries and employee benefit expenses” in the profit and loss account.

## EMPLOYEE BENEFITS

BNP Paribas SA employees receive each of the following four types of benefits:

- termination benefits, payable primarily in the case of early termination of an employment contract;
- short-term benefits, such as salary, annual leave, incentive plans, profit-sharing and additional payments;
- long-term benefits, including compensated leaves of absence, long-service awards, and other types of cash-based deferred compensation;
- post-employment benefits, consisting mainly in France of supplementary pension benefits paid by the BNP Paribas SA pension funds and end-of-career bonuses, and in other countries by pension plans, some of which are funded by pension funds.

### Termination benefits

Termination benefits are employee benefits payable as a result of a decision by BNP Paribas SA to terminate a contract of employment before the legal retirement age or by an employee to accept voluntary redundancy in exchange for a benefit. Termination benefits due more than 12 months after the balance sheet date are discounted.

### Short-term benefits

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

### Long-term benefits

Long-term benefits are benefits (other than post-employment benefits and termination benefits) which do not fall wholly due within 12 months after the end of the period in which the employee renders the associated services. The actuarial techniques used are similar to those used for defined-benefit post-employment benefits, except that actuarial gains and losses are recognised immediately, as are the effects of any plan amendments.

This category relates to compensation paid in cash and deferred for more than twelve months, which is accrued in the financial statements for the financial years during which the employee rendered the corresponding services. If this deferred variable compensation is subject to the employee's continued presence at the vesting date, the services are presumed to be 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 account of any non-fulfilment of the continued presence or performance conditions, and changes in the BNP Paribas share price, for deferred compensation indexed to the share.

If there is no continued presence condition, the deferred variable compensation is immediately provisioned in the financial statements of the year to which it refers; the liability is then revised on each reporting date until settlement, to account for any performance conditions, and for deferred compensation indexed to the BNP Paribas share price, to changes in the share price.

In France, the changes brought about by the pension reform enacted on 14 April 2023 constitute an amendment to the plan for retirement benefits for which the impact recognised in the income statement is not material.

### Post-employment benefits

The post-employment benefits provided to BNP Paribas SA employees in France include both defined-contribution plans and defined-benefit plans.

Defined-contribution plans, such as *Caisse Nationale d'Assurance Vieillesse* and supplemental national and trade union plans that pay pensions to former BNP Paribas SA employees in France, do not give rise to an obligation for BNP Paribas SA and consequently do not require a provision. The amount of the employer's contributions payable during the period is recognised as an expense.

Only defined-benefit plans, such as the retirement packages paid for by BNP Paribas SA's retirement fund, give rise to an obligation for BNP Paribas SA. 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 BNP Paribas SA 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 amount of the obligation recognised as a liability 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, tailored to the country in question, such as demographic assumptions, the probability that employees will leave before retirement age, salary inflation, a discount rate, and the general inflation rate. The value of any plan assets is deducted from the amount of the obligation. When the value of the plan assets exceeds the amount of the obligation, an asset is

only recognised if it represents a future economic benefit in the form of a reduction in future contributions or a future partial refund of amounts paid into the plan.

The amount of the obligation under a plan, and the value of the plan assets, may show significant fluctuations from one period to the next due to changes in actuarial assumptions, thereby giving rise to actuarial gains and losses. Actuarial gains and losses and the effect of limits on assets are recognised in full in profit or loss; the expected gains from investments are calculated at the discount rate of the corresponding commitments.

## **RECOGNITION OF INCOME AND EXPENSES**

Interest and fees and commissions qualified as interest are recognised on an accrual basis on a *pro rata* basis. These include the commissions charged by the Bank as part of an overall loan package (*i.e.* application fees, commitment fees, participation fees, *etc.*). The marginal transaction costs that the Bank must pay when granting or acquiring loans are also spread out over the effective life of the corresponding loan.

Fees and commissions not qualified as interest that relate to the provision of services are recognised when the services are performed or, for ongoing services, on a *pro rata* basis over the length of the service agreement.

## **FOREIGN CURRENCY TRANSACTIONS**

Foreign exchange positions are generally valued at the official year-end exchange rate. Exchange gains and losses on transactions in foreign currency carried out in the normal course of business are recognised in the profit and loss account.

Exchange differences arising from the conversion of assets held on a long-term basis, including equity securities held for long-term investment, the capital made available to branches, and other foreign equity investments denominated in foreign currencies and financed in euros, are recognised as translation adjustments for the balance sheet line items recording the assets.

Exchange differences arising from the conversion of assets held on a long-term basis, including equity securities held for long-term investment, the capital made available to branches, and other foreign equity investments, denominated and financed in foreign currencies, are recognised symmetrically as translation differences for the corresponding financing.

## **TRANSLATION OF ACCOUNTS EXPRESSED IN FOREIGN CURRENCIES**

Monetary and non-monetary foreign currency-denominated assets and liabilities of foreign branches are translated into euros at the year-end exchange rate. Translation adjustments regarding the capital made available to branches outside of France are included in "Accrued income" and "Accrued expenses".



## NOTE 2 NOTES TO THE 2023 PROFIT AND LOSS ACCOUNT

### 2.A NET INTEREST INCOME

BNP Paribas SA includes in "Interest income" and "Interest expense" all income and expenses from financial instruments measured at amortised cost according to the effective interest rate method (interest, commission and expenses) and from financial instruments measured at fair value that do not meet the definition of a derivative instrument. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under "Gains (losses) on trading account securities".

Interest income and expense on derivatives accounted for as fair value hedges are included with the revenues generated by the hedged item.

| <i>In millions of euros</i>                           | Year to 31 December 2023 |                 | Year to 31 December 2022 |                 |
|---|--------------------------|-----------------|--------------------------|-----------------|
|   | Income                   | Expenses        | Income                   | Expenses        |
| <b>Credit institutions</b>                            | <b>33,003</b>            | <b>(20,543)</b> | <b>10,442</b>            | <b>(6,240)</b>  |
| Demand accounts, loans and borrowings                 | 26,096                   | (14,253)        | 8,501                    | (4,736)         |
| Securities given/received under repurchase agreements | 6,500                    | (6,290)         | 1,672                    | (1,504)         |
| Subordinated loans                                    | 407                      |                 | 269                      |                 |
| <b>Customers</b>                                      | <b>27,708</b>            | <b>(32,942)</b> | <b>13,102</b>            | <b>(10,156)</b> |
| Demand accounts, loans, and term accounts             | 16,187                   | (18,295)        | 9,442                    | (5,987)         |
| Securities given/received under repurchase agreements | 11,516                   | (14,647)        | 3,659                    | (4,169)         |
| Subordinated loans                                    | 5                        | -               | 1                        | -               |
| <b>Finance lease</b>                                  | <b>3</b>                 | <b>-</b>        | <b>1</b>                 | <b>-</b>        |
| <b>Debt securities</b>                                | <b>217</b>               | <b>(9,258)</b>  | <b>206</b>               | <b>(5,937)</b>  |
| <b>Bonds and other fixed-income securities</b>        | <b>6,461</b>             | <b>-</b>        | <b>5,565</b>             | <b>-</b>        |
| Trading account securities                            | 1,014                    | -               | 223                      | -               |
| Securities available for sale                         | 5,243                    | -               | 5,291                    | -               |
| Debt securities held to maturity                      | 204                      | -               | 51                       | -               |
| <b>Macro-hedging instruments</b>                      | <b>-</b>                 | <b>(1,561)</b>  | <b>134</b>               | <b>-</b>        |
| <b>INTEREST INCOME AND EXPENSE</b>                    | <b>67,392</b>            | <b>(64,304)</b> | <b>29,450</b>            | <b>(22,333)</b> |

### 2.B INCOME ON EQUITIES AND OTHER VARIABLE INSTRUMENTS

| <i>In millions of euros</i>   | Year to<br>31 December 2023 | Year to<br>31 December 2022 |
|---|-----------------------------|-----------------------------|
| Securities available for sale   | 40                          | 42                          |
| Investments in subsidiaries and equity securities held for long-term investment | 355                         | 452                         |
| Investments in affiliates   | 7,816                       | 5,818                       |
| <b>INCOME ON EQUITIES AND OTHER VARIABLE INSTRUMENTS</b>                        | <b>8,211</b>                | <b>6,312</b>                |

## 2.C COMMISSIONS

| <i>In millions of euros</i>                              | Year to 31 December 2023 |                | Year to 31 December 2022 |                |
|--|--------------------------|----------------|--------------------------|----------------|
|  | Income                   | Expenses       | Income                   | Expenses       |
| <b>Commissions on banking and financing transactions</b> | <b>3,086</b>             | <b>(1,081)</b> | <b>3,425</b>             | <b>(1,072)</b> |
| Customer items   | 1,675                    | (65)           | 1,820                    | (35)           |
| Others   | 1,411                    | (1,016)        | 1,605                    | (1,037)        |
| <b>Commissions on financial services</b>                 | <b>5,459</b>             | <b>(961)</b>   | <b>5,286</b>             | <b>(980)</b>   |
| <b>COMMISSION INCOME/EXPENSE</b>                         | <b>8,545</b>             | <b>(2,042)</b> | <b>8,711</b>             | <b>(2,052)</b> |

## 2.D GAINS OR LOSSES ON TRADING ACCOUNT TRANSACTIONS

| <i>In millions of euros</i>  | Year to<br>31 December<br>2023 | Year to<br>31 December<br>2022 |
|--|--------------------------------|--------------------------------|
| Fixed-income instruments and transactions in trading account securities                    | 2,992                          | (4,427)                        |
| Currency instruments   | 6,031                          | 7,416                          |
| Credit instruments   | (1,271)                        | 2,315                          |
| Other variable income financial instruments and transactions in trading account securities | 1,800                          | 1,585                          |
| <b>NET GAINS ON TRADING ACCOUNT SECURITIES</b>   | <b>9,552</b>                   | <b>6,889</b>                   |

## 2.E GAINS OR LOSSES ON SECURITIES AVAILABLE FOR SALE

| <i>In millions of euros</i>                        | Year to 31 December 2023 |                | Year to 31 December 2022 |                |
|--|--------------------------|----------------|--------------------------|----------------|
|  | Income                   | Expenses       | Income                   | Expenses       |
| Divestments  | 256                      | (1,033)        | 369                      | (620)          |
| Provisions   | 700                      | (151)          | 159                      | (1,152)        |
| <b>TOTAL</b>                                       | <b>956</b>               | <b>(1,184)</b> | <b>528</b>               | <b>(1,772)</b> |
| <b>NET LOSSES ON SECURITIES AVAILABLE FOR SALE</b> |                          | <b>(228)</b>   |                          | <b>(1,244)</b> |

## 2.F COST OF RISK AND PROVISIONS FOR CREDIT RISKS

Cost of risk represents the net amount of impairment losses recognised with respect to credit risks inherent to BNP Paribas SA's banking intermediation activities, plus any impairment losses in the case of known counterparty risk on over-the-counter derivative financial instruments.

| <i>In millions of euros</i>  | Year to<br>31 December<br>2023 | Year to<br>31 December<br>2022 |
|--|--------------------------------|--------------------------------|
| <b>Additions to or write-backs from provisions during the period</b> | <b>(421)</b>                   | <b>(139)</b>                   |
| Customer items and credit institutions                               | (279)                          | (103)                          |
| Off-balance sheet commitment   | (55)                           | 11                             |
| Securities   | (92)                           | (45)                           |
| Doubtful loans   | 2                              | (5)                            |
| Financial instruments for market activities                          | 3                              | 3                              |
| <b>Irrecoverable loans not covered by provisions</b>                 | <b>(376)</b>                   | <b>(259)</b>                   |
| <b>Recoveries of loans written-off</b>                               | <b>49</b>                      | <b>77</b>                      |
| <b>COST OF RISK</b>  | <b>(748)</b>                   | <b>(321)</b>                   |

| <i>In millions of euros</i>                                   | Year to<br>31 December<br>2023 | Year to<br>31 December<br>2022 |
|---|--------------------------------|--------------------------------|
| <b>Balance at 1<sup>st</sup> January</b>                      | <b>6,332</b>                   | <b>7,173</b>                   |
| Additions to or write-backs from provisions during the period | 421                            | 139                            |
| Write-offs during the period covered by provisions            | (497)                          | (915)                          |
| Effect of movements in exchange rates and other               | 115                            | (65)                           |
| <b>PROVISIONS FOR CREDIT RISKS</b>                            | <b>6,371</b>                   | <b>6,332</b>                   |

The provisions break down as follows:

| <i>In millions of euros</i>                                   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| <b>Provisions deducted from assets</b>                        | <b>6,068</b>     | <b>6,086</b>     |
| For amounts due from credit institutions ( <i>note 3.a</i> )  | 162              | 151              |
| For amounts due from customers ( <i>note 3.b</i> )            | 5,371            | 5,507            |
| For securities  | 482              | 382              |
| For financial instruments for market activities               | 53               | 46               |
| <b>Provisions recognised as liabilities (<i>note 3.k</i>)</b> | <b>303</b>       | <b>246</b>       |
| For off-balance sheet commitments                             | 264              | 204              |
| For doubtful loans  | 39               | 42               |
| <b>PROVISIONS FOR CREDIT RISKS</b>                            | <b>6,371</b>     | <b>6,332</b>     |

## 2.G GAINS OR LOSSES ON DISPOSALS OF LONG-TERM INVESTMENTS

| <i>In millions of euros</i>  | Year to 31 December 2023 |                | Year to 31 December 2022 |                |
|--|--------------------------|----------------|--------------------------|----------------|
|  | Income                   | Expenses       | Income                   | Expenses       |
| <b>Investments in subsidiaries and equity securities held for long-term investment</b> | <b>153</b>               | <b>(96)</b>    | <b>165</b>               | <b>(71)</b>    |
| Divestments  | 41                       | (9)            | 150                      | (22)           |
| Provisions   | 112                      | (87)           | 15                       | (49)           |
| <b>Investments in affiliates</b>   | <b>544</b>               | <b>(1,192)</b> | <b>93</b>                | <b>(1,238)</b> |
| Divestments  | 358                      | (462)          | 6                        | (284)          |
| Provisions   | 186                      | (730)          | 87                       | (954)          |
| <b>Operating assets</b>  | <b>88</b>                | <b>(35)</b>    | <b>55</b>                | <b>(119)</b>   |
| <b>TOTAL</b>   | <b>785</b>               | <b>(1,323)</b> | <b>313</b>               | <b>(1,428)</b> |
| <b>NET LOSSES ON NON-CURRENT ASSETS</b>  |                          | <b>(538)</b>   |                          | <b>(1,115)</b> |

## 2.H INCOME TAX

| <i>In millions of euros</i> | Year to<br>31 December<br>2023 | Year to<br>31 December<br>2022 |
|-----------------------------|--------------------------------|--------------------------------|
| Current tax expense         | (1,077)                        | (674)                          |
| Deferred tax                | 394                            | (269)                          |
| <b>INCOME TAXES</b>         | <b>(683)</b>                   | <b>(943)</b>                   |

The basic tax consolidation agreements between BNP Paribas SA and the subsidiaries belonging to its tax group are designed to be tax neutral for every party. Each Group subsidiary recognises in its own books, over the full term of its consolidation, corporate income tax income or expense, additional contributions and all current or future taxes covered by the scope of tax consolidation just as they would if they were not part of a tax group. BNP Paribas SA, as the parent company, records the impact of Group tax savings from tax consolidation in France in current tax expense.

## NOTE 3 NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2023

### 3.A AMOUNTS DUE TO AND FROM CREDIT INSTITUTIONS

| <i>In millions of euros, at</i>   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| <b>Loans and receivables</b>  | <b>152,665</b>   | <b>126,977</b>   |
| Demand accounts   | 6,178            | 7,089            |
| Term accounts and loans <sup>(*)</sup>                                    | 140,790          | 112,327          |
| Subordinated loans  | 5,697            | 7,561            |
| <b>Securities received under repurchase agreements</b>                    | <b>63,736</b>    | <b>75,155</b>    |
| <b>LOANS AND ADVANCES TO CREDIT INSTITUTIONS BEFORE IMPAIRMENT</b>        | <b>216,401</b>   | <b>202,132</b>   |
| <i>of which accrued interest</i>  | 2,361            | 1,270            |
| <i>of which irrecoverable loans</i>                                       | -                | -                |
| <i>of which potentially recoverable doubtful loans</i>                    | 11               | 13               |
| <b>Impairments on receivables due from credit institutions (note 2.f)</b> | <b>(162)</b>     | <b>(151)</b>     |
| <b>LOANS AND RECEIVABLES TO CREDIT INSTITUTIONS NET OF IMPAIRMENT</b>     | <b>216,239</b>   | <b>201,981</b>   |

(\*) At 31 December 2023, interbank loans include loans with BNP Paribas Financial Markets for EUR 6.9 billion after the entity was approved as a credit and investment institution on 6 December 2023.

| <i>In millions of euros, at</i>                     | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| <b>Deposits and borrowings</b>                      | <b>147,278</b>   | <b>164,786</b>   |
| Demand deposits                                     | 20,380           | 20,594           |
| Term deposits and borrowings <sup>(*)</sup>         | 126,898          | 144,192          |
| <b>Securities given under repurchase agreements</b> | <b>80,140</b>    | <b>68,961</b>    |
| <b>DUE TO CREDIT INSTITUTIONS</b>                   | <b>227,418</b>   | <b>233,747</b>   |
| <i>of which accrued interest</i>                    | 1,203            | 292              |

(\*) Interbank borrowings include term borrowings from central banks, of which EUR 14 billion of TLTRO III at 31 December 2023, compared to EUR 33 billion at 31 December 2022.

### 3.B CUSTOMER TRANSACTIONS

*In millions of euros, at*

|  | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| <b>Loans and receivables</b>   | <b>403,526</b>   | <b>440,872</b>   |
| Commercial and industrial loans  | 10,198           | 9,232            |
| Demand accounts  | 16,643           | 17,167           |
| Short-term loans   | 133,813          | 132,990          |
| Mortgages  | 86,213           | 90,981           |
| Equipment loans  | 53,187           | 58,651           |
| Export loans   | 6,110            | 6,560            |
| Other customer loans <sup>(*)</sup>                                    | 96,524           | 124,893          |
| Subordinated loans   | 838              | 398              |
| <b>Securities received under repurchase agreements</b>                 | <b>188,167</b>   | <b>116,797</b>   |
| <b>CUSTOMER ITEMS BEFORE IMPAIRMENT – ASSETS</b>                       | <b>591,693</b>   | <b>557,669</b>   |
| <i>of which accrued interest</i>                                       | <i>3,893</i>     | <i>2,584</i>     |
| <i>of which loans eligible for refinancing by the Banque de France</i> | <i>13</i>        | <i>119</i>       |
| <i>of which potentially recoverable doubtful loans and receivables</i> | <i>5,680</i>     | <i>4,448</i>     |
| <i>of which irrecoverable loans and receivables</i>                    | <i>3,757</i>     | <i>3,769</i>     |
| <b>Impairments on receivables due from customers (note 2.f)</b>        | <b>(5,371)</b>   | <b>(5,507)</b>   |
| <b>CUSTOMER ITEMS NET OF IMPAIRMENT – ASSETS</b>                       | <b>586,322</b>   | <b>552,162</b>   |

(\*) At 31 December 2022, other customer loans included loans with BNP Paribas Financial Markets for EUR 19.5 billion before its change of status in 2023.

The following table gives the loans and receivables net of impairment due from customers by counterparty:

|  | 31 December 2023 |                         |               |                | 31 December 2022 |                         |               |                |
|--|------------------|-------------------------|---------------|----------------|------------------|-------------------------|---------------|----------------|
|  | Doubtful loans   |                         |               |                | Doubtful loans   |                         |               |                |
| <i>In millions of euros, at</i>                      | Sound loans      | Potentially recoverable | Irrecoverable | Total          | Sound loans      | Potentially recoverable | Irrecoverable | Total          |
| Financial institutions                               | 73,264           | 388                     | 11            | 73,663         | 104,776          | 92                      | 109           | 104,977        |
| Corporate exposures                                  | 237,769          | 2,571                   | 1,109         | 241,449        | 236,430          | 1,838                   | 1,067         | 239,335        |
| Entrepreneurs  | 3,724            | 2                       | 6             | 3,732          | 9,274            | 93                      | 90            | 9,457          |
| Individuals  | 70,910           | 390                     | 409           | 71,709         | 71,856           | 323                     | 346           | 72,525         |
| Other non-financial customers                        | 7,493            | 19                      | 90            | 7,602          | 9,003            | 38                      | 30            | 9,071          |
| <b>TOTAL LOANS AND RECEIVABLES NET OF IMPAIRMENT</b> | <b>393,160</b>   | <b>3,370</b>            | <b>1,625</b>  | <b>398,155</b> | <b>431,339</b>   | <b>2,384</b>            | <b>1,642</b>  | <b>435,365</b> |

*In millions of euros, at*

|   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| <b>Deposits</b>   | <b>638,697</b>   | <b>676,015</b>   |
| Demand deposits   | 340,879          | 383,412          |
| Term deposits   | 229,016          | 229,405          |
| Special savings accounts  | 68,802           | 63,198           |
| <i>of which demand special savings accounts</i>   | <i>54,556</i>    | <i>46,749</i>    |
| <i>of which share centralised with Caisse des Dépôts et Consignations<sup>(1)</sup></i> | <i>(17,874)</i>  | <i>(15,157)</i>  |
| <b>Securities given under repurchase agreements</b>                                     | <b>201,037</b>   | <b>156,139</b>   |
| <b>CUSTOMER ITEMS – LIABILITIES</b>   | <b>839,734</b>   | <b>832,154</b>   |
| <i>of which accrued interest</i>  | <i>4,201</i>     | <i>1,815</i>     |

(1) Regulation No. 2020-10 of 22 December 2020, which amends ANC Regulation No. 2014-07 allows the presentation of the centralised share with the Caisse des Dépôts et Consignations to be presented less the savings deposits collected.  
As of 31 December 2023, the amount of regulated savings centralised with the Caisse des Dépôts et Consignations amounted to EUR 17,874 million, compared to EUR 15,157 million at 31 December 2022.

### 3.C SECURITIES HELD

|  | 31 December 2023    |                | 31 December 2022    |                |
|--|---------------------|----------------|---------------------|----------------|
| <i>In millions of euros, at</i>                                | Net carrying amount | Market value   | Net carrying amount | Market value   |
| <b>Transaction</b>   | <b>82,762</b>       | <b>82,762</b>  | <b>65,855</b>       | <b>65,855</b>  |
| <b>Securities available for sale</b>                           | <b>71,643</b>       | <b>72,416</b>  | <b>72,178</b>       | <b>72,239</b>  |
| <i>of which provisions</i>                                     | <i>(370)</i>        |                | <i>(756)</i>        |                |
| <b>Investments</b>   | <b>4,763</b>        | <b>4,763</b>   | <b>3,935</b>        | <b>3,935</b>   |
| <b>TREASURY BILLS AND MONEY-MARKET INSTRUMENTS</b>             | <b>159,168</b>      | <b>159,941</b> | <b>141,968</b>      | <b>142,029</b> |
| <i>of which receivables corresponding to loaned securities</i> | <i>28,641</i>       |                | <i>44,968</i>       |                |
| <i>of which goodwill</i>                                       | <i>4,105</i>        |                | <i>5,145</i>        |                |
| <b>Transaction</b>   | <b>32,853</b>       | <b>32,853</b>  | <b>28,751</b>       | <b>28,751</b>  |
| <b>Securities available for sale</b>                           | <b>107,601</b>      | <b>108,279</b> | <b>93,363</b>       | <b>94,468</b>  |
| <i>of which provisions</i>                                     | <i>(655)</i>        |                | <i>(681)</i>        |                |
| <b>Investments</b>   | <b>22</b>           | <b>22</b>      | <b>16</b>           | <b>16</b>      |
| <b>BONDS AND OTHER FIXED-INCOME SECURITIES</b>                 | <b>140,476</b>      | <b>141,154</b> | <b>122,130</b>      | <b>123,235</b> |
| <i>of which unlisted securities</i>                            | <i>41,140</i>       | <i>41,869</i>  | <i>27,979</i>       | <i>28,558</i>  |
| <i>of which accrued interest</i>                               | <i>1,809</i>        |                | <i>427</i>          |                |
| <i>of which receivables corresponding to loaned securities</i> | <i>12,581</i>       |                | <i>14,395</i>       |                |
| <i>of which goodwill</i>                                       | <i>(405)</i>        |                | <i>46</i>           |                |

|  | 31 December 2023    |               | 31 December 2022    |               |
|--|---------------------|---------------|---------------------|---------------|
|  | Net carrying amount | Market value  | Net carrying amount | Market value  |
| <i>In millions of euros, at</i>  |                     |               |                     |               |
| <b>Transaction</b>   | <b>279</b>          | <b>279</b>    | <b>368</b>          | <b>368</b>    |
| <b>Securities available for sale and equity securities available for sale in the medium term</b> | <b>2,077</b>        | <b>2,677</b>  | <b>1,772</b>        | <b>2,433</b>  |
| <i>of which provisions</i>   | <i>(409)</i>        |               | <i>(446)</i>        |               |
| <b>EQUITIES AND OTHER VARIABLE-INCOME SECURITIES</b>   | <b>2,356</b>        | <b>2,956</b>  | <b>2,140</b>        | <b>2,801</b>  |
| <i>of which unlisted securities</i>  | <i>1,821</i>        | <i>2,396</i>  | <i>1,486</i>        | <i>1,925</i>  |
| <i>of which receivables corresponding to loaned securities</i>                                   | <i>6</i>            |               | <i>10</i>           |               |
| <b>Associated companies</b>  | <b>3,595</b>        | <b>5,729</b>  | <b>3,462</b>        | <b>6,631</b>  |
| <i>of which provisions</i>   | <i>(262)</i>        |               | <i>(171)</i>        |               |
| <b>Equity securities held for long-term investment</b>   | <b>411</b>          | <b>695</b>    | <b>363</b>          | <b>455</b>    |
| <i>of which provisions</i>   | <i>(45)</i>         |               | <i>(51)</i>         |               |
| <b>INVESTMENTS IN SUBSIDIARIES AND EQUITY SECURITIES HELD FOR LONG-TERM INVESTMENT</b>           | <b>4,006</b>        | <b>6,424</b>  | <b>3,825</b>        | <b>7,086</b>  |
| <i>of which unlisted securities</i>  | <i>1,918</i>        | <i>3,300</i>  | <i>1,841</i>        | <i>3,440</i>  |
| <b>Investments in affiliates</b>   | <b>48,654</b>       | <b>78,220</b> | <b>61,725</b>       | <b>97,493</b> |
| <i>of which provisions</i>   | <i>(9,410)</i>      |               | <i>(8,696)</i>      |               |
| <b>INVESTMENTS IN AFFILIATES</b>   | <b>48,654</b>       | <b>78,220</b> | <b>61,725</b>       | <b>97,493</b> |

Equity investments in credit institutions and investments in affiliates held by BNP Paribas SA totalled EUR 1,495 million and EUR 30,614 million respectively as at 31 December 2023, compared with EUR 1,530 million and EUR 30,576 million respectively as at 31 December 2022.

Borrowed securities held by BNP Paribas SA break down as follows:

| <i>In millions of euros, at</i>                      | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| Treasury bills and money-market instruments          | 107,951          | 106,000          |
| Bonds and other fixed-income securities              | 27,318           | 24,214           |
| Equities and other variable-income securities        | 11,265           | 14,573           |
| <b>EQUITIES AND OTHER VARIABLE-INCOME SECURITIES</b> | <b>146,534</b>   | <b>144,787</b>   |

Following Regulation No. 2020-10 of 22 December 2020, which amended Regulation ANC No. 2014-07, borrowed securities are presented as a deduction from the liabilities representing these same securities. The amount of securities borrowed represented EUR 146,534 million as at 31 December 2023, compared with EUR 144,787 million as at 31 December 2022.

### 3.D TREASURY SHARES

|                                 | 31 December 2023 |                     | 31 December 2022    |
|---------------------------------|------------------|---------------------|---------------------|
|                                 | Gross book value | Net carrying amount | Net carrying amount |
| <i>In millions of euros, at</i> |                  |                     |                     |
| <b>Transaction</b>              | <b>-</b>         | <b>-</b>            | <b>-</b>            |



|                               |           |           |           |
|-------------------------------|-----------|-----------|-----------|
| Securities available for sale | 6         | 6         | 6         |
| Investment in subsidiaries    | 32        | 32        | 32        |
| <b>TREASURY SHARES</b>        | <b>38</b> | <b>38</b> | <b>38</b> |

The fifth resolution of the Shareholders' Combined General Meeting of 16 May 2023, which replaced the fifth resolution of the Shareholders' Combined General Meeting of 17 May 2022, authorised BNP Paribas SA to buy back shares representing up to 10% of BNP Paribas SA's issued capital at a maximum purchase price of EUR 89 per share (previously EUR 88). The shares could be acquired for the following purposes: for subsequent cancellation in accordance with conditions set by the Shareholders' Combined General Meeting of 16 May 2023, to fulfil the Bank's obligations relative to the issue of shares or share equivalents, for stock option plans, for bonus share awards, or for granting or selling shares to employees under an employee profit-sharing plan, employee share ownership plan or Corporate Savings Plan and to cover any type of share award to the employees of BNP Paribas SA and companies controlled exclusively by BNP Paribas SA within the meaning of article L.233-16 of the French Commercial Code; to be held in treasury for subsequent remittance in exchange or in payment for acquisitions, mergers, spin-offs or asset transfers; within the scope of a market-making agreement compliant with the Code of Ethics recognised by the Autorité des Marchés Financiers (French Financial Markets Authority – AMF); or for asset and financial management purposes.

This authorisation was granted for a period of 18 months.

At 31 December 2023, BNP Paribas SA held 603,827 treasury shares classified as "Equity securities held for long-term investment".

BNP Paribas SA also held 118,144 treasury shares classified as "Securities available for sale" and intended to be used for free share awards to Group employees, granted or sold as part of an employee profit-sharing plan, employee share ownership plan, or Company Savings Plan.

### 3.E LONG-TERM INVESTMENTS

|  | Gross values  |   |                           |                               |               |              | Provisions  |                  |              |              | Carrying amount |               |
|--|---------------|---|---------------------------|-------------------------------|---------------|--------------|-------------|------------------|--------------|--------------|-----------------|---------------|
|  | 1 Jan. 2023   | Acquisitions and changes in share capital | Disposals and redemptions | Transfers and other movements | 31 Dec. 2023  | 1 Jan. 2023  | Write-backs | Other variations | 31 Dec. 2023 | 31 Dec. 2023 | 31 Dec. 2022    |               |
| <i>In millions of euros</i>  |               |   |                           |                               |               |              |             |                  |              |              |                 |               |
| Debt securities held to maturity (note 3.c)  | 3,951         | 1,268                                     | (390)                     | (44)                          | 4,785         | -            | -           | -                | -            | -            | 4,785           | 3,951         |
| Investments in subsidiaries and equity securities held for long-term investment (note 3.c) | 4,046         | 215                                       | (48)                      | 100                           | 4,313         | 222          | 94          | (7)              | (2)          | 307          | 4,006           | 3,825         |
| Investments in affiliates (note 3.c) <sup>(1)</sup>  | 70,420        | (8,879)                                   | (524)                     | (2,953)                       | 58,064        | 8,695        | 760         | (16)             | (29)         | 9,410        | 48,654          | 61,725        |
| <i>of which merger premium on investments in affiliates</i>                                | <i>4,575</i>  | <i>-</i>                                  | <i>-</i>                  | <i>(317)</i>                  | <i>4,258</i>  | <i>2,868</i> | <i>544</i>  | <i>-</i>         | <i>(28)</i>  | <i>3,384</i> | <i>874</i>      | <i>1,707</i>  |
| Treasury shares (note 3.d)   | 32            | -   | -                         | -                             | 32            | -            | -           | -                | -            | -            | 32              | 32            |
| <b>LONG-TERM INVESTMENTS</b>   | <b>78,449</b> | <b>(7,396)</b>                            | <b>(962)</b>              | <b>(2,897)</b>                | <b>67,194</b> | <b>8,917</b> | <b>854</b>  | <b>(23)</b>      | <b>(31)</b>  | <b>9,717</b> | <b>57,477</b>   | <b>69,533</b> |

(\*) In April 2023, following the validation by the Board of directors of BNPP USA INC of the level of sufficient reserves, a capital decrease of USD 11.4 billion was carried out.

### 3.F DEBT SECURITIES

| <i>In millions of euros, at</i>               | <b>31 December 2023</b> | <b>31 December 2022</b> |
|---|-------------------------|-------------------------|
| Negotiable debt securities                    | 157,120                 | 145,532                 |
| Bond issues ( <i>note 3.g</i> )               | 2,312                   | 2,212                   |
| Other debt securities                         | 21,001                  | 12,629                  |
| <b>DEBT SECURITIES</b>                        | <b>180,433</b>          | <b>160,373</b>          |
| <i>of which unamortised issuance premiums</i> | <i>780</i>              | <i>619</i>              |

At 31 December 2022, an allocation correction was made for EUR 79.9 billion between “Other debt securities” and “Negotiable debt securities” following a configuration error identified and corrected in 2023.

### 3.G BOND ISSUES

Maturities of bonds issued by BNP Paribas SA, according to contractual maturity:

| <i>In millions of euros</i> | <b>Outstanding<br/>at<br/>31/12/2023</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029 to<br/>2033</b> | <b>After 2033</b> |
|-----------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------------------|-------------------|
| Bond issues                 | 2,312                                    | 215         | 222         | 174         | 156         | 454         | 720                     | 371               |

| <i>In millions of euros</i> | <b>Outstanding<br/>at<br/>31/12/2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028 to<br/>2032</b> | <b>After 2032</b> |
|-----------------------------|--|-------------|-------------|-------------|-------------|-------------|-------------------------|-------------------|
| Bond issues                 | 2,212                                    | 212         | 124         | 289         | 123         | 159         | 917                     | 388               |

### 3.H OTHER ASSETS AND LIABILITIES

| <i>In millions of euros, at</i>                               | <b>31 December 2023</b> | <b>31 December 2022</b> |
|---|-------------------------|-------------------------|
| Options purchased   | 46,038                  | 47,960                  |
| Settlement accounts related to securities transactions        | 2,323                   | 3,301                   |
| Deferred taxes – assets                                       | 1,150                   | 797                     |
| Miscellaneous assets  | 139,666                 | 171,216                 |
| <b>OTHER ASSETS</b>   | <b>189,177</b>          | <b>223,274</b>          |
| Options sold  | 55,487                  | 51,064                  |
| Settlement accounts related to securities transactions        | 1,897                   | 3,379                   |
| Liabilities related to securities transactions <sup>(*)</sup> | 64,731                  | 66,562                  |
| Deferred taxes – liabilities                                  | 277                     | 293                     |
| Miscellaneous liabilities                                     | 108,454                 | 142,512                 |
| <b>OTHER LIABILITIES</b>                                      | <b>230,846</b>          | <b>263,810</b>          |

<sup>(\*)</sup> Further to Regulation No. 2020-10 of 22 December 2020, the borrowed securities are presented as a deduction from the liabilities representing these same securities (see note 3.c).

Under “Miscellaneous liabilities”, BNP Paribas SA's trade payables amount to EUR 433.1 million at 31 December 2023 and break down as follows, pursuant to article D.441-6 of the French Commercial Code.

### Invoices received, due and outstanding at the year-end

|   | 0 days<br>(indicative) | 1 to 30 days | 31 to<br>60 days | 61 to<br>90 days | 91 days and<br>over | Total (1<br>day and<br>more) |
|---|------------------------|--------------|------------------|------------------|---------------------|------------------------------|
| Total invoices concerned, including taxes <i>(in millions of euros)</i> | 152.3                  | 255.7        | 16.5             | 2.4              | 6.2                 | 280.8                        |
| Percentage of total purchases for the year, including taxes             | 2.64%                  | 4.43%        | 0.29%            | 0.04%            | 0.11%               | 4.87%                        |
| Number of invoices concerned  | 716                    |              |                  |                  |                     | 11,183                       |

Information related to invoices received and presented in the table above does not include banking and related transactions. The payment terms used are the statutory terms. Customer advances outside the scope of banking and related transactions are mainly loans to BNP Paribas Group entities. For amounts due to and from customers of BNP Paribas SA for banking and related transactions which are not shown in the table above, the remaining term of the sources and uses of funds is presented in note 6.e.

## 3.I ACCRUED INCOME AND EXPENSES

| <i>In millions of euros, at</i>                       | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| Remeasurement of currency instruments and derivatives | 104,130          | 119,167          |
| Accrued income  | 5,767            | 4,849            |
| Collection accounts                                   | 99               | 305              |
| Other accrued income                                  | 16,339           | 16,741           |
| <b>ACCRUED INCOME – ASSETS</b>                        | <b>126,335</b>   | <b>141,062</b>   |
| Remeasurement of currency instruments and derivatives | 95,676           | 103,869          |
| Accrued expenses                                      | 6,293            | 6,749            |
| Collection accounts                                   | 2,403            | 2,476            |
| Other accrued expenses                                | 10,749           | 10,650           |
| <b>ACCRUED EXPENSES – LIABILITIES</b>                 | <b>115,121</b>   | <b>123,744</b>   |

## 3.J OPERATING ASSETS

|                                   | 31 December 2023 31 December 2022 |  |              |              |
|-----------------------------------|-----------------------------------|--|--------------|--------------|
| <i>In millions of euros, at</i>   | Gross value                       | Depreciation,<br>amortisation<br>and<br>impairment | Net amount   | Net amount   |
| Software                          | 4,436                             | (3,614)  | 822          | 810          |
| Other intangible assets           | 3,431                             | (1,618)  | 1,813        | 2,184        |
| <b>INTANGIBLE ASSETS</b>          | <b>7,867</b>                      | <b>(5,232)</b>                                     | <b>2,635</b> | <b>2,994</b> |
| Land and buildings                | 2,440                             | (977)  | 1,463        | 1,376        |
| Equipment, furniture and fixtures | 2,600                             | (2,113)  | 487          | 500          |
| Other fixed assets                | 102                               | (11)   | 91           | 192          |
| Tangible assets – Merger premium  | 84                                | (32)   | 52           | 54           |

|                        |              |                |              |              |
|------------------------|--------------|----------------|--------------|--------------|
| <b>TANGIBLE ASSETS</b> | <b>5,226</b> | <b>(3,133)</b> | <b>2,093</b> | <b>2,122</b> |
|------------------------|--------------|----------------|--------------|--------------|

### 3.K PROVISIONS

| <i>In millions of euros, at</i>                    | <b>31 December 2022</b> | <b>Additions</b> | <b>Write-backs</b> | <b>Other variations</b> | <b>31 December 2023</b> |
|--|-------------------------|------------------|--------------------|-------------------------|-------------------------|
| <b>Provisions for employee benefit obligations</b> | <b>445</b>              | <b>71</b>        | <b>(57)</b>        | <b>(26)</b>             | <b>433</b>              |
| <b>Provisions for credit risks (note 2.f)</b>      | <b>42</b>               | <b>8</b>         | <b>(9)</b>         | <b>(2)</b>              | <b>39</b>               |
| <b>Provisions for commitments given (note 2.f)</b> | <b>204</b>              | <b>115</b>       | <b>(62)</b>        | <b>7</b>                | <b>264</b>              |
| <b>Other provisions</b>                            |                         |                  |                    |                         |                         |
| ▪ for banking transactions                         | 662                     | 192              | (469)              | 99                      | 484                     |
| ▪ for non-banking transactions                     | 660                     | 373              | (261)              | (2)                     | 770                     |
| <b>PROVISIONS</b>                                  | <b>2,013</b>            | <b>759</b>       | <b>(858)</b>       | <b>76</b>               | <b>1,990</b>            |

### PROVISIONS FOR RISKS ON REGULATED SAVINGS PRODUCTS

| <i>In millions of euros, at</i>  | <b>31 December 2023</b> | <b>31 December 2022</b> |
|--|-------------------------|-------------------------|
| <b>Deposits collected under home savings accounts and plans</b>        | <b>14,477</b>           | <b>16,410</b>           |
| of which for home savings plans  | 12,334                  | 14,310                  |
| ▪ aged more than 10 years  | 6,645                   | 6,287                   |
| ▪ aged between 4 and 10 years  | 4,886                   | 6,967                   |
| ▪ aged less than 4 years   | 803                     | 1,056                   |
| <b>Outstanding loans granted under home savings accounts and plans</b> | <b>7</b>                | <b>9</b>                |
| of which for home savings plans  | 2                       | 2                       |
| <b>Provisions for home savings accounts and plans</b>                  | <b>48</b>               | <b>47</b>               |
| of which discount on home savings accounts and plans                   | -                       | -                       |
| of which provisions recognised for home savings plans                  | 33                      | 42                      |
| ▪ of which provisions for plans aged more than 10 years                | 14                      | 26                      |
| ▪ of which provisions for plans aged between 4 and 10 years            | 16                      | 12                      |
| ▪ of which provisions for plans aged less than 4 years                 | 3                       | 4                       |
| of which provisions for home savings accounts                          | 15                      | 5                       |

### CHANGE IN PROVISIONS FOR REGULATED SAVINGS PRODUCTS

| <i>In millions of euros</i>          | <b>Year to 31 December 2023</b>          |   | <b>Year to 31 December 2022</b>          |   |
|--------------------------------------|--|---|--|---|
|                                      | <b>Provisions for home savings plans</b> | <b>Provisions for home savings accounts</b> | <b>Provisions for home savings plans</b> | <b>Provisions for home savings accounts</b> |
| <b>Provisions at start of period</b> | <b>42</b>                                | <b>5</b>                                    | <b>92</b>                                | <b>-</b>                                    |
| Additions to provisions              | -  | 10  | -  | 5   |

during the period

|  |           |           |           |          |
|--|-----------|-----------|-----------|----------|
| Provisions write-backs during the period | (9)       | -         | (50)      | -        |
| <b>Provisions at end of period</b>       | <b>33</b> | <b>15</b> | <b>42</b> | <b>5</b> |

### 3.L SUBORDINATED DEBT

*In millions of euros, at*

|  | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| <b>Redeemable subordinated debt</b>      | <b>15,801</b>    | <b>16,475</b>    |
| <b>Undated subordinated debt</b>         | <b>15,575</b>    | <b>12,907</b>    |
| Undated super subordinated notes         | 13,490           | 12,173           |
| Undated floating-rate subordinated notes | 1,860            | 509              |
| Undated participating subordinated notes | 225              | 225              |
| <b>Related debt</b>                      | <b>506</b>       | <b>537</b>       |
| <b>SUBORDINATED DEBT</b>                 | <b>31,882</b>    | <b>29,919</b>    |

#### Redeemable subordinated debt

The redeemable subordinated debt issued by BNP Paribas SA is in the form of medium and long-term debt securities equivalent to ordinary subordinated debt; these issues are redeemable prior to the contractual maturity date in the event of liquidation of the issuer, and rank after the other creditors but before holders of participating loans and participating subordinated notes.

These 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* a public tender or exchange offers, or (in the case of private placements) over the counter, subject to regulatory approval.

Debt issued by BNP Paribas SA *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.

In 2022, three subordinated debt issued were repaid at or before maturity. These transactions resulted in a EUR 1,107 million reduction in the amount of redeemable subordinated debt. In addition, two new subordinated debt were issued for an amount of EUR 1,583 million in 2022.

In 2023, five subordinated debt issued were repaid at or before maturity. These transactions resulted in a EUR 411 million reduction in the amount of redeemable subordinated debt.

The following table gives the maturity schedule for redeemable subordinated debt at 31 December 2023:

| <i>In millions of euros</i>  | <b>Outstanding at 31/12/2023</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028</b> | <b>2029 to 2033</b> | <b>After 2033</b> |
|------------------------------|----------------------------------|-------------|-------------|-------------|-------------|-------------|---------------------|-------------------|
| Redeemable subordinated debt | 15,801                           | 906         | 2,706       | 2,709       | 2,674       | 181         | 5,893               | 732               |

The following table gives the maturity schedule for redeemable subordinated debt at 31 December 2022:

| <i>In millions of euros</i>  | <b>Outstanding at 31/12/2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> | <b>2026</b> | <b>2027</b> | <b>2028 to 2032</b> | <b>After 2032</b> |
|------------------------------|----------------------------------|-------------|-------------|-------------|-------------|-------------|---------------------|-------------------|
| Redeemable subordinated debt | 16,475                           | -           | 935         | 2,750       | 2,748       | 2,729       | 5,206               | 2,107             |

## Undated subordinated debt

### Undated super subordinated notes

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.

On 3 January 2022, BNP Paribas SA redeemed the July 2006 issue for an amount of EUR 150 million. These notes paid a 5.45% fixed-rate coupon.

On 12 January 2022, BNP Paribas SA issued Undated super subordinated notes in the amount of USD 1,250 million. This issue pays a fixed-rate coupon of 4.625%. These notes could be redeemed at the end of a period of five years. If not redeemed in 2027, a coupon will be paid semi-annually indexed to the rate of the US Treasury bill with a constant five-year maturity (CMT rate).

On 19 February 2022, BNP Paribas SA redeemed the June 2007 issue for an amount of USD 1,100 million. These notes paid a 7.195% fixed-rate coupon.

On 14 March 2022, BNP Paribas SA redeemed the December 2016 issue, for an amount of USD 750 million. These notes paid a 6.75% fixed-rate coupon.

On 17 June 2022, BNP Paribas SA redeemed the June 2015 issue for an amount of EUR 750 million, at its first call date. These notes paid a 6.125% fixed-rate coupon.

On 16 August 2022, BNP Paribas SA issued Undated super subordinated notes in the amount of EUR 2,000 million. This issue pays a fixed-rate coupon of 7.75%. These notes could be redeemed at the end of a period of seven years. If not redeemed in 2029, a coupon will be paid semi-annually indexed to the rate of the US Treasury bill with a constant five-year maturity (CMT rate).

On 6 September 2022, BNP Paribas SA issued Undated super subordinated notes in the amount of USD 1,000 million. This issue pays a fixed-rate coupon of 6.875%. These notes could be redeemed at the end of a period of 7.25 years. If not redeemed in 2029, a coupon will be paid semi-annually indexed to the five-year European mid-swap rate.

On 17 November 2022, BNP Paribas SA issued Undated super subordinated notes in the amount of USD 1,000 million. This issue pays a fixed-rate coupon of 9.25%. These notes could be redeemed at the end of a period of five years. If not redeemed in 2027, a coupon will be paid semi-annually indexed to the rate of the US Treasury bill with a constant five-year maturity (CMT rate).

On 11 January 2023, BNP Paribas SA issued Undated super subordinated notes in the amount of EUR 1,250 million. This issue pays a fixed-rate coupon of 7.375%. These notes could be redeemed at the end of a period of seven years. If the notes are not redeemed in 2030, a mid-swap rate EUR five-year coupon will be paid half-yearly.

On 28 February 2023, BNP Paribas SA issued Undated super subordinated notes in the amount of SGD 600 million. This issue pays a fixed-rate coupon of 5.9%. These notes could be redeemed at the end of a period of five years. If not redeemed in 2028, a coupon will be paid semi-annually indexed to the rate of the Singapore Treasury bill with a constant five-year maturity (SORA rate).

The following table summarises the characteristics of these various issues:

| Issue date                              | Currency | Amount<br>in<br>original<br>currency<br>(in millions) | Coupon<br>frequency | Rate and term<br>before first call date |            | Rate after first call date     | 31 December<br>2023 | 31 December<br>2022 |
|---|----------|---|---------------------|---|------------|--------------------------------|---------------------|---------------------|
| August 2015                             | USD      | 1,500   | semi-<br>annual     | 7.375%                                  | 10 years   | USD 5-year swap +5.150%        | 1,360               | 1,402               |
| November 2017                           | USD      | 750   | semi-<br>annual     | 5.125%                                  | 10 years   | USD 5-year swap +2.838%        | 679                 | 701                 |
| August 2018                             | USD      | 750   | semi-<br>annual     | 7.000%                                  | 10 years   | USD 5-year swap +3.980%        | 679                 | 701                 |
| March 2019                              | USD      | 1,500   | semi-<br>annual     | 6.625%                                  | 5 years    | USD 5-year swap +4.149%        | 1,359               | 1,402               |
| July 2019                               | AUD      | 300   | semi-<br>annual     | 4.500%                                  | 5.5 years  | AUD 5-year swap +3.372%        | 185                 | 191                 |
| February 2020                           | USD      | 1,750   | semi-<br>annual     | 4.500%                                  | 10 years   | US CMT 5 years +2.944%         | 1,585               | 1,636               |
| February 2021                           | USD      | 1,250   | semi-<br>annual     | 4.625%                                  | 10 years   | US CMT 5 years +3.340%         | 1,132               | 1,168               |
| January 2022                            | USD      | 1,250   | semi-<br>annual     | 4.625%                                  | 5 years    | US CMT 5 years +3.196%         | 1,132               | 1,168               |
| August 2022                             | USD      | 2,000   | semi-<br>annual     | 7.750%                                  | 7 years    | US CMT 5 years +4.899%         | 1,811               | 1,869               |
| September 2022                          | EUR      | 1,000   | semi-<br>annual     | 6.875%                                  | 7.25 years | EUR 5-year mid-swap<br>+4.645% | 1,000               | 1,000               |
| November 2022                           | USD      | 1,000   | semi-<br>annual     | 9.250%                                  | 5 years    | US CMT 5 years +4.969%         | 906                 | 935                 |
| January 2023                            | EUR      | 1,250   | semi-<br>annual     | 7.375%                                  | 7 years    | EUR 5-year mid-swap<br>+4.631% | 1,250               | -                   |
| February 2023                           | SGD      | 600   | semi-<br>annual     | 5.900%                                  | 5 years    | SGD SORA 5 years<br>+2.674%    | 412                 | -                   |
| <b>UNDATED SUPER SUBORDINATED NOTES</b> |          |   |                     |   |            |                                | <b>13,490</b>       | <b>12,173</b>       |

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, this non-payment is subject to the absence of any payment on BNP Paribas SA ordinary shares or on Undated super subordinated note equivalents in the previous year. This interest must be paid when dividends are paid on BNP Paribas SA's ordinary shares.

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.

#### Undated floating-rate subordinated notes

The Undated floating-rate subordinated notes (TSDIs) and other Undated subordinated notes issued by BNP Paribas SA are redeemable on liquidation of the Bank after repayment of all other debts but ahead of Undated participating subordinated notes. They confer no rights over residual assets.

Characteristics of Undated floating-rate subordinated notes:

| Issue date                                      | Currency | Amount in original currency<br>(in millions) | Rate                  | Date of call or interest step-up | Interest rate reset | 31 December 2023 | 31 December 2022 |
|---|----------|--|-----------------------|----------------------------------|---------------------|------------------|------------------|
| October 1985                                    | EUR      | 305  | TMO – 0.25%           | -                                | -                   | 254              | 254              |
| September 1986                                  | USD      | 500  | 6-month Libor +0.075% | -                                | -                   | 248              | 255              |
| August 2023                                     | USD      | 1,500  | 8.500%                | August 2028                      | CMT<br>±4.354%      | 1,358            | -                |
| <b>UNDATED FLOATING-RATE SUBORDINATED NOTES</b> |          |  |                       |                                  |                     | <b>1,860</b>     | <b>509</b>       |

Payment of interest is obligatory on the TSDIs issued in October 1985 (representing a nominal amount of EUR 305 million), but the Board of directors may postpone interest payments if the Ordinary General Meeting of the Shareholders notes that there is no income available for distribution in the twelve months preceding the interest payment date. Interest payments are cumulative and are payable in full once dividend payments resume.

Payment of interest is obligatory on the TSDIs issued in September 1986 (representing a nominal amount of USD 500 million), but the Board of directors may postpone interest payments if the Ordinary General Meeting of shareholders approves a decision not to pay a dividend in the 12 months preceding the interest payment date. 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.

The instruments issued by BNP Paribas SA in August 2023 in the amount of USD 1,500 million are contingent convertible securities recorded for accounting purposes as TSDIs. Payment of the interest is made on a discretionary basis and may be cancelled in full or in part upon notification by the regulator based on its assessment of the issuer's financial and solvency situation. The amounts of interest on the bonds will not be cumulative once coupon payments resume.

#### Undated participating subordinated notes

Undated participating subordinated notes issued by BNP Paribas SA in July 1984 in a total amount of EUR 337 million are redeemable only in the event of the liquidation of BNP Paribas SA, but may be bought back on the terms specified in the French act of 3 January 1983. The number of notes in circulation was 1,434,092 at 31 December 2023.



## NOTE 4 FINANCING, GUARANTEE AND SECURITIES COMMITMENTS

### 4.A FINANCING COMMITMENTS

| <i>In millions of euros, at</i>       | 31 December 2023 | 31 December 2022 |
|---------------------------------------|------------------|------------------|
| <b>Credit institutions</b>            | <b>82,330</b>    | <b>64,314</b>    |
| <b>Customers</b>                      | <b>365,026</b>   | <b>305,558</b>   |
| Confirmed letters of credit           | 87,886           | 106,579          |
| Other commitments given to customers  | 277,140          | 198,979          |
| <b>FINANCING COMMITMENTS GIVEN</b>    | <b>447,356</b>   | <b>369,872</b>   |
| <b>Credit institutions</b>            | <b>124,938</b>   | <b>86,091</b>    |
| <b>Customers</b>                      | <b>53,909</b>    | <b>40,113</b>    |
| <b>FINANCING COMMITMENTS RECEIVED</b> | <b>178,847</b>   | <b>126,204</b>   |

### 4.B GUARANTEE AND SECURITIES COMMITMENTS

| <i>In millions of euros, at</i>       | 31 December 2023 | 31 December 2022 |
|---------------------------------------|------------------|------------------|
| <b>Credit institutions</b>            | <b>85,324</b>    | <b>107,858</b>   |
| <b>Customers</b>                      | <b>126,449</b>   | <b>124,041</b>   |
| <b>GUARANTEE COMMITMENTS GIVEN</b>    | <b>211,773</b>   | <b>231,899</b>   |
| <b>Credit institutions</b>            | <b>92,230</b>    | <b>93,377</b>    |
| <b>Customers</b>                      | <b>230,792</b>   | <b>240,256</b>   |
| <b>GUARANTEE COMMITMENTS RECEIVED</b> | <b>323,022</b>   | <b>333,633</b>   |

BNP Paribas SA's annual contribution to the European Union's Single Resolution Fund may be made, in part, in the form of an irrevocable payment commitment (IPC) guaranteed by a cash deposit of the same amount. When the an institution's resolution involves the fund, the latter may call on all or part of the IPC received.

The irrevocable payment commitment is qualified as a contingent liability. It gives rise to provisioning if the probability of a call by the fund becomes greater than 50%. As it is estimated to be below this threshold, no provision was recorded by BNP Paribas SA at 31 December 2023.

These commitments amounted to EUR 946 million at 31 December 2023 (*versus* EUR 724 million at 31 December 2022).

The cash paid as collateral is subject to a remuneration and is recognised as an asset at amortised cost.

| <i>In millions of euros, at</i>           | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| <b>COMMITMENTS GIVEN ON SECURITIES</b>    | <b>51,108</b>    | <b>38,219</b>    |
| <b>COMMITMENTS RECEIVED ON SECURITIES</b> | <b>54,234</b>    | <b>42,281</b>    |

## 4.C FINANCIAL INSTRUMENTS GIVEN OR RECEIVED AS COLLATERAL

### FINANCIAL INSTRUMENTS GIVEN AS COLLATERAL

| <i>In millions of euros, at</i>  | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| <b>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</b> | <b>66,096</b>    | <b>80,379</b>    |
| ▪ Used as collateral with central banks  | 14,832           | 34,368           |
| ▪ Available for refinancing transactions   | 51,264           | 46,011           |
| <b>Other financial assets pledged as collateral for transactions with credit institutions, financial customers or subscribers of covered bonds issued by the Group</b>                           | <b>271,709</b>   | <b>173,847</b>   |

As at 31 December 2023, the Bank had EUR 66,096 million of financial instruments (negotiable securities and private receivables) deposited or pledged with central banks for use at any time as collateral for refinancing transactions (vs. EUR 80,379 million as at 31 December 2022). This amount includes EUR 57,106 million deposited with the Banque de France (vs. EUR 70,683 million at 31 December 2022) under the Banque de France's Comprehensive Collateral Management system to cover Eurosystem monetary policy transactions and intraday loans. As at 31 December 2023, the Bank had EUR 14,832 million of collateral deposited with central banks (EUR 34,368 million as at 31 December 2022).

The other assets that the Bank has pledged as collateral with credit institutions and financial customers totalled EUR 41,715 million at 31 December 2023 (vs. EUR 40,500 million at 31 December 2022), included in particular financing for BNP Paribas Home Loan SFH.

### FINANCIAL INSTRUMENTS RECEIVED AS COLLATERAL

| <i>In millions of euros, at</i>   | 31 December 2023 | 31 December 2022 |
|---|------------------|------------------|
| <b>Financial instruments received as collateral (excluding repurchase agreements)</b> | <b>205,568</b>   | <b>185,576</b>   |

## NOTE 5 SALARIES AND EMPLOYEE BENEFITS

### 5.A SALARIES AND EMPLOYEE BENEFIT EXPENSE

| <i>In millions of euros</i>                          | Year to<br>31 December<br>2023 | Year to<br>31 December<br>2022 |
|--|--------------------------------|--------------------------------|
| <b>Salaries</b>                                      | <b>(6,190)</b>                 | <b>(5,830)</b>                 |
| <b>Tax and social security charges<sup>(1)</sup></b> | <b>(2,283)</b>                 | <b>(1,984)</b>                 |
| <b>Employee profit-sharing and incentive plans</b>   | <b>(292)</b>                   | <b>(302)</b>                   |
| <b>TOTAL SALARIES AND EMPLOYEE BENEFIT EXPENSES</b>  | <b>(8,765)</b>                 | <b>(8,116)</b>                 |

(1) Including the remeasurement of actuarial effects on post-employment benefits.

BNP Paribas SA's headcount breaks down as follows:

| <b>Headcount at</b>                    | 31 December 2023 | 31 December 2022 |
|--|------------------|------------------|
| <b>BNP Paribas Metropolitan France</b> | <b>36,833</b>    | <b>36,673</b>    |
| <i>of which managers</i>               | <i>30,094</i>    | <i>27,928</i>    |

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Employees outside Metropolitan France | 28,014        | 26,411        |
| <b>TOTAL BNP PARIBAS SA</b>           | <b>64,847</b> | <b>63,084</b> |

## 5.B SOCIAL COMMITMENTS

### Defined-contribution plans

In France, BNP Paribas SA pays contributions to various nationwide basic and top-up pension plans. BNP Paribas SA has 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 defined-contribution pension plans. Under these plans, the Group's obligation is essentially limited to paying a percentage of the employee's annual salary into the plan.

The amount paid into defined-contribution post-employment plans in France and other countries for the year 2023 was EUR 407 million, compared with EUR 376 million for the year 2022.

### Defined-benefit plans

Existing legacy defined-benefit plans within BNP Paribas SA are valued independently using actuarial techniques by applying the projected unit cost method in order to determine the expense arising from rights vested in employees and benefits payable to retired employees. The demographic and financial assumptions used to estimate the present value of these obligations and of plan assets take into account economic conditions specific to each country.

Provisions set up to cover obligations under defined-benefit post-employment plans totalled EUR 106 million at 31 December 2023 (against EUR 120 million at 31 December 2022), comprised of EUR 52 million for French plans and EUR 54 million for other plans.

BNP Paribas recognised EUR 508 million of retirement plan assets (recognised surplus and reimbursement rights) at 31 December 2023 as compared to EUR 561 million at 31 December 2022.

### Pension plans and other retirement benefits

#### Pension plans

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 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. These pension plans have been outsourced to insurance companies. The market value of the related plan assets in these companies' balance sheets breaks down as 77% bonds, 8% equities, 13% property assets and 2% other financial instruments.

In BNP Paribas SA's foreign branches, pension plans are based either on pensions linked to the employee's final salary and length of service (United Kingdom), or on annual vesting of rights to a capital sum expressed as a percentage of annual salary and remunerated at a predefined rate (United States).

Some plans are managed by independent fund managers. At 31 December 2023, 86% of the gross obligations under these plans related to plans in the United Kingdom, the United States and the Netherlands. The market value of the related plan assets was split as follows: 74% bonds, 12% equities, and 14% other financial instruments.

#### Other post-employment benefits

BNP Paribas SA employees also receive various other contractual post-employment benefits, such as indemnities payable on retirement. In France, the obligations for these benefits are funded through a contract held with an insurer that is independent from BNP Paribas SA.

The law of 14 April 2023 modified the age criteria and number of quarters required to liquidate pension rights. The provisions of this law were taken into account, with the impact of a decrease in the value of commitments of EUR 19 million.

#### Post-employment healthcare benefits

In France, BNP Paribas SA no longer has any obligation in relation to healthcare benefits for its retired employees.

Among BNP Paribas SA's foreign branches, there are several healthcare benefit plans for retired employees, mainly in the United States. Provisions for obligations under these plans amounted to EUR 15 million at 31 December 2023, compared to EUR 13 million at 31 December 2022.

Obligations under post-employment healthcare benefit plans are measured using the mortality tables applicable in each country and assumptions about trends in healthcare costs. They also build in assumptions about healthcare benefit costs, including forecast trends in the cost of healthcare services and in inflation, which are derived from historical data.

### Provision for voluntary departure, early retirement plans, and headcount adaptation plans

The Bank has implemented a number of voluntary redundancy plans and a headcount adaptation plan for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for when the plan is the subject of an agreement or a bilateral draft agreement.

Provisions for these plans totalled EUR 41 million at 31 December 2023 (EUR 66 million at 31 December 2022).

*In millions of euros, at*

**31 December 2023    31 December 2022**

|   |    |    |
|---|----|----|
| Provision for voluntary departure, early retirement plans, and headcount adaptation plans | 41 | 66 |
|---|----|----|

## NOTE 6    ADDITIONAL INFORMATION

### 6.A    TRANSACTIONS IN SHARE CAPITAL

Resolutions of Shareholders' Annual General Meetings that can be used during the year are presented in chapter 2 *Corporate governance* report of this amendment to the 2022 Universal Registration Document.

| Operations affecting share capital                 | Number of shares     | Par value<br>(in euros) | In euros             | Date of authorisation<br>by the Annual General Meeting | Date of decision by<br>Board of directors | Date from which<br>shares carry dividend rights |
|--|----------------------|-------------------------|----------------------|--|---|---|
| <b>NUMBER OF SHARES ISSUED AT 31 DECEMBER 2021</b> | <b>1,234,331,646</b> | <b>2</b>                | <b>2,468,663,292</b> |  |   |   |
| <b>NUMBER OF SHARES ISSUED AT 31 DECEMBER 2022</b> | <b>1,234,331,646</b> | <b>2</b>                | <b>2,468,663,292</b> |  |   |   |
| Capital reduction by cancellation of shares        | (60,914,757)         | 2                       | (121,829,514)        | (1)  | (1)                                       | 27 Sept. 23                                     |
| Capital reduction by cancellation of shares        | (6,238,000)          | 2                       | (12,476,000)         | (1)  | (1)                                       | 11 Oct. 23                                      |
| Capital reduction by cancellation of shares        | (2,491,000)          | 2                       | (4,982,000)          | (1)  | (1)                                       | 23 Oct. 23                                      |
| Capital reduction by cancellation of shares        | (3,744,000)          | 2                       | (7,488,000)          | (1)  | (1)                                       | 27 Oct. 23                                      |
| Capital reduction by cancellation of shares        | (4,333,000)          | 2                       | (8,666,000)          | (1)  | (1)                                       | 06 Nov. 23                                      |
| Capital reduction by cancellation of shares        | (4,449,000)          | 2                       | (8,898,000)          | (1)  | (1)                                       | 13 Nov. 23                                      |
| Capital reduction by cancellation of shares        | (4,684,480)          | 2                       | (9,368,960)          | (1)  | (1)                                       | 17 Nov. 23                                      |
| <b>NUMBER OF SHARES ISSUED AT 31 DECEMBER 2023</b> | <b>1,147,477,409</b> | <b>2</b>                | <b>2,294,954,818</b> |  |   |   |

(1) Various resolutions passed by the Shareholders' Annual General Meeting and decisions of the Board of directors authorising the allocation of stock options exercised during the period.

## 6.B STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY BETWEEN 31 DECEMBER 2021 AND 31 DECEMBER 2023

| <i>In millions of euros</i>                     | Share capital | Additional paid-in capital and other premiums | Net income and reserves for the period | Total shareholders' equity |
|---|---------------|---|--|----------------------------|
| <b>SHAREHOLDERS' EQUITY AT 31 DECEMBER 2021</b> | <b>2,469</b>  | <b>22,374</b>                                 | <b>55,516</b>                          | <b>80,359</b>              |
| Dividend payout for 2021                        |               |   | (4,527)                                | (4,527)                    |
| Other variations                                |               |   | (1)                                    | (1)                        |
| Accelerated depreciation                        |               |   | 2                                      | 2                          |
| Net income for 2022                             |               |   | 8,033                                  | 8,033                      |
| <b>SHAREHOLDERS' EQUITY AT 31 DECEMBER 2022</b> | <b>2,469</b>  | <b>22,374</b>                                 | <b>59,023</b>                          | <b>83,866</b>              |
| Dividend payout for 2022                        |               |   | (4,744)                                | (4,744)                    |
| Capital decrease (by cancellation of shares)    | (174)         | (4,809)                                       | (17)                                   | (5,000)                    |
| Other variations                                |               |   | 1                                      | 1                          |
| Accelerated depreciation                        |               |   | (1)                                    | (1)                        |
| Net income for 2023                             |               |   | 9,620                                  | 9,620                      |
| <b>SHAREHOLDERS' EQUITY AT 31 DECEMBER 2023</b> | <b>2,295</b>  | <b>17,565</b>                                 | <b>63,882</b>                          | <b>83,742</b>              |

## 6.C NOTIONAL AMOUNTS OF FINANCIAL INSTRUMENTS

The notional amounts of derivative financial instruments are merely an indication of the volume of BNP Paribas SA's activities in financial instrument markets, and do not reflect the market risks associated with such instruments.

### Trading portfolio

| <i>in millions of euros, at</i>                               | 31 December 2023  | 31 December 2022  |
|---|-------------------|-------------------|
| Currency derivatives  | 9,387,120         | 7,898,318         |
| Interest rate derivatives                                     | 22,922,988        | 19,339,847        |
| Equity derivatives  | 1,396,282         | 1,167,841         |
| Credit derivatives  | 864,441           | 1,020,840         |
| Other derivatives   | 205,969           | 239,812           |
| <b>FORWARD FINANCIAL INSTRUMENTS IN THE TRADING PORTFOLIO</b> | <b>34,776,800</b> | <b>29,666,658</b> |

Financial instruments traded on organised markets or admitted to clearing houses accounted for 43% of the Bank's derivatives transactions at 31 December 2023 (compared with 47% at 31 December 2022).

### Hedging strategy

The total notional amount of derivative financial instruments used for hedging purposes stood at EUR 1,057,833 million at 31 December 2023, compared with EUR 969,351 million at 31 December 2022.

Derivatives used for hedging purposes are primarily contracted on over-the-counter markets.

### Market value

The market value of the Bank's positive net position on outright transactions was EUR 263 million at 31 December 2023, compared with a positive net position of EUR 17,182 million at 31 December 2022. The market value of the Bank's net short

position on conditional transactions was valued at EUR 8,301 million at 31 December 2023, compared with a net long position of EUR 9,250 million at 31 December 2022.

## 6.D SEGMENT INFORMATION

The following table gives a regional breakdown of BNP Paribas SA's interbank transactions and customer transactions recognised on the balance sheet:

| <i>In millions of euros, at</i>               | Interbank transactions |                  | Customer items   |                  | Total by region  |                  |
|---|------------------------|------------------|------------------|------------------|------------------|------------------|
|   | 31 December 2023       | 31 December 2022 | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| France  | 421,028                | 445,515          | 342,023          | 332,190          | 763,051          | 777,705          |
| Other countries in the European Economic Area | 78,537                 | 78,841           | 92,219           | 92,882           | 170,756          | 171,723          |
| Countries in the Americas and Asia            | 109,234                | 92,852           | 149,537          | 123,222          | 258,771          | 216,074          |
| Other countries                               | 1,606                  | 1,627            | 2,543            | 3,868            | 4,149            | 5,495            |
| <b>TOTAL USES OF FUNDS</b>                    | <b>610,405</b>         | <b>618,835</b>   | <b>586,322</b>   | <b>552,162</b>   | <b>1,196,727</b> | <b>1,170,997</b> |
| France  | 156,173                | 148,586          | 378,100          | 391,492          | 534,273          | 540,078          |
| Other countries in the European Economic Area | 48,425                 | 51,853           | 208,750          | 221,912          | 257,175          | 273,765          |
| Countries in the Americas and Asia            | 23,540                 | 32,400           | 244,788          | 207,063          | 268,328          | 239,463          |
| Other countries                               | 610                    | 1,589            | 8,096            | 11,687           | 8,706            | 13,276           |
| <b>TOTAL SOURCES OF FUNDS</b>                 | <b>228,748</b>         | <b>234,428</b>   | <b>839,734</b>   | <b>832,154</b>   | <b>1,068,482</b> | <b>1,066,582</b> |

82% of BNP Paribas SA's revenues in 2023 came from counterparties in the European Economic Area (82% in 2022).

## 6.E SCHEDULE OF USES AND SOURCES OF FUNDS

|  | Demand and overnight transactions | Term remaining |                    |              |                   |                     | Total          |
|--|-----------------------------------|----------------|--------------------|--------------|-------------------|---------------------|----------------|
| <i>In millions of euros</i>                                  |                                   | Up to 3 months | 3 months to 1 year | 1 to 5 years | More than 5 years | Of which provisions |                |
| <b>Uses of funds</b>   |                                   |                |                    |              |                   |                     |                |
| Cash and amounts due from central banks and CCP              | 234,277                           | 720            | -                  | -            | -                 | -                   | <b>234,997</b> |
| Treasury bills and money-market instruments                  | 200                               | 16,271         | 13,032             | 49,480       | 80,185            | (370)               | <b>159,168</b> |
| Due from credit institutions                                 | 15,959                            | 86,703         | 47,518             | 52,060       | 13,999            | (162)               | <b>216,239</b> |
| Customer and leasing transactions                            | 44,292                            | 213,466        | 59,601             | 138,460      | 130,503           | (5,371)             | <b>586,322</b> |
| Bonds and other fixed-income securities                      | 2,148                             | 6,773          | 5,661              | 49,677       | 76,217            | (655)               | <b>140,476</b> |
| <b>Sources of funds</b>                                      |                                   |                |                    |              |                   |                     |                |
| Amounts due to credit institutions and central banks and CCP | 53,697                            | 100,459        | 9,750              | 39,541       | 25,301            | -                   | <b>228,748</b> |
| Customer items   | 433,846                           | 305,221        | 67,838             | 26,393       | 6,436             | -                   | <b>839,734</b> |

|                 |       |        |        |        |        |   |                |
|-----------------|-------|--------|--------|--------|--------|---|----------------|
| Debt securities | 1,162 | 28,218 | 29,735 | 56,854 | 64,464 | - | <b>180,433</b> |
|-----------------|-------|--------|--------|--------|--------|---|----------------|

## 6.F NON-COOPERATIVE STATES AND TERRITORIES

Authorisation from the Group's Compliance Department must be obtained through a special procedure before BNP Paribas SA or Group subsidiaries that report to BNP Paribas SA can open a location in a State considered "uncooperative" as defined by article 238-O A of the French General Tax Code and the Order issued on 3 February 2023 amending the list of non-cooperative States. In accordance with BNP Paribas' "best interests" ethics principle, and to ensure that the Group's internal control mechanisms are applied consistently, these locations are subject to the Group's regulations on Risk Management, anti-money laundering, corruption, financial embargoes, and terrorism financing.

| Company name                                  | Ownership interest (%) | Legal form          | Type of licence | Business activity |
|---|------------------------|---------------------|-----------------|-------------------|
| <b>British Virgin Islands</b>                 |                        |                     |                 |                   |
| Twenty-Three Investments Ltd – in liquidation | 100                    | Investments Limited |                 | In liquidation    |

## 6.2 Appropriation of income for the year ended 31 December 2023 and dividend distribution

At the Annual General Meeting of 14 May 2024, the Board of directors will propose an appropriation of net income for the year ended 31 December 2023 and dividend distribution under the following terms:

*In millions of euros*

|                                  |               |
|----------------------------------|---------------|
| Net income                       | 9,620         |
| Unappropriated retained earnings | 37,655        |
| <b>TOTAL TO BE APPROPRIATED</b>  | <b>47,275</b> |
| Dividend                         | 5,278         |
| Retained earnings                | 41,997        |
| <b>TOTAL APPROPRIATED INCOME</b> | <b>47,275</b> |

The total proposed dividend to be paid to BNP Paribas SA shareholders is EUR 5,278 million, which corresponds to EUR 4.60 per share (with a par value of EUR 2.00) based on the number of existing shares at 31 December 2023.

## 6.3 BNP Paribas SA five-year financial summary

|   | 2019          | 2020          | 2021          | 2022          | 2023          |
|---|---------------|---------------|---------------|---------------|---------------|
| <b>Financial position at year-end</b>   |               |               |               |               |               |
| a) Share capital ( <i>in euros</i> )  | 2,499,597,122 | 2,499,597,122 | 2,468,663,292 | 2,468,663,292 | 2,294,954,818 |
| b) Number of shares issued  | 1,249,798,561 | 1,249,798,561 | 1,234,331,646 | 1,234,331,646 | 1,147,477,409 |
| c) Number of convertible bonds in issue   | None          | None          | None          | None          | None          |
| <b>Results of operations for the year</b><br>( <i>in millions of euros</i> )  |               |               |               |               |               |
| a) Total revenues excluding VAT   | 40,100        | 32,108        | 31,884        | 50,446        | 94,079        |
| b) Earnings before tax, amortisation and impairment   | 7,611         | 7,159         | 7,769         | 11,129        | 11,207        |
| c) Income tax expense   | (325)         | (653)         | (716)         | (943)         | (683)         |
| d) Profit after tax, amortisation and impairment  | 7,490         | 4,404         | 7,307         | 8,033         | 9,620         |
| e) Total dividend payout <sup>(1)</sup>   | -             | 3,324         | 4,527         | 4,744         | 5,278         |
| <b>Earnings per share (<i>in euros</i>)</b>   |               |               |               |               |               |
| a) Profit after tax, but before amortisation and provisions   | 5.83          | 5.21          | 5.71          | 8.25          | 9.17          |
| b) Profit after tax, amortisation and provisions  | 5.99          | 3.52          | 5.92          | 6.51          | 8.38          |
| c) Dividend per share <sup>(1)</sup>  | -             | 2.66          | 3.67          | 3.90          | 4.60          |
| <b>Employee data</b>  |               |               |               |               |               |
| a) Number of employees at year-end  | 53,880        | 52,590        | 52,444        | 63,084        | 64,847        |
| b) Total payroll expense ( <i>in millions of euros</i> )  | 4,797         | 4,721         | 4,792         | 5,899         | 6,123         |
| c) Amount paid in respect of social benefits<br>(Social security, Social works, etc.) ( <i>in millions of euros</i> ) | 1,535         | 1,485         | 1,543         | 1,738         | 1,929         |

(1) For 2023, subject to approval by the Annual General Meeting of 14 May 2024.



## 6.4 Main subsidiaries and associates of BNP Paribas SA

| Name | Siren | Cur<br>rency | Share    | Rese     | Last   | NBI or             | Share   | Reserves | Last   | NBI or             | Per     | Ref. |
|------|-------|--------------|----------|----------|--------|--------------------|---------|----------|--------|--------------------|---------|------|
|      |       |              | capital  | rves and | publi  | Revenue            | capital | and      | publi  | Reve               | cent    |      |
|      |       |              | capital  | retained | shed   | excl.              |         | retained | shed   | nue                | of      |      |
|      |       |              | pro      | earnings | net    | Tax <sup>(*)</sup> |         | earnings | net    | excl.              | share   |      |
|      |       |              | priation | before   | income |                    |         | before   | income | Tax <sup>(*)</sup> | capital |      |
|      |       |              |          | income   |        |                    |         | income   |        |                    | held    |      |
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| Name  | Siren       | Cur<br>rency | In millions of foreign currency |  |  |   | In millions of euros(*) |  |  |   | in % | Ref. |
|---|-------------|--------------|---------------------------------|--|--|---|-------------------------|--|--|---|------|------|
|   |             |              | Share<br>capital                | Re-se<br>rves and<br>retained<br>earnings<br>before<br>income<br>appro<br>priation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Revenue<br>excl.<br>Tax <sup>(**)</sup> | Share<br>capital        | Reserves<br>and<br>retained<br>earnings<br>before<br>income<br>appro<br>priation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Reve<br>nue<br>excl.<br>Tax <sup>(**)</sup> |      |      |
| 1981 avenue McGill<br>College<br>H3A 2W8 Montreal<br>Canada   |             |              |                                 |  |  |   |                         |  |  |   |      |      |
| <b>BNPP Cardif</b><br>1 boulevard Haussmann<br>75009 Paris<br>France  | 382 983 922 | EUR          | 150                             | 2,108  | 416                                    | 611   | 150                     | 2,108  | 416                                    | 611   | 100% | (1)  |
| <b>BNPP China Ltd</b><br>25/F Shanghai World<br>Financial Center<br>100 Century Avenue<br>Shanghai 200120, P.R.C<br>China   |             | CNY          | 8,711                           | 2,441  | 354                                    | 1,215   | 1,116                   | 313  | 45                                     | 156   | 100% | (2)  |
| <b>BNPP Colombia<br/>Corporacion</b><br>Carrera 8A No. 99-51<br>Edificio World Trade<br>Center, Torre A, Piso 9<br>Bogotá DC<br>Colombia                                  |             | COP          | 133,721                         | 15,109   | 27,705                                 | 130,159   | 31                      | 4  | 6                                      | 30  | 94%  | (2)  |
| <b>BNPP Développement</b><br>20 rue Chauchat<br>75009 Paris<br>France   | 348 540 592 | EUR          | 136                             | 1,505  | 116                                    | 41  | 136                     | 1,505  | 116                                    | 41  | 100% | (1)  |
| <b>BNPP El Djazair</b><br>8 rue de Cirta<br>Hydra<br>16035 Algiers<br>Algeria   |             | DZD          | 20,000                          | 11,978   | 2,721                                  | 12,521  | 135                     | 81   | 18                                     | 84  | 84%  | (2)  |
| <b>BNPP Factor</b><br>46/52 rue Arago<br>92823 Puteaux<br>France  | 775 675 069 | EUR          | 6                               | 118  | 53                                     | 151   | 6                       | 118  | 53                                     | 151   | 100% | (2)  |
| <b>BNPP Fortis</b><br>3 rue Montagne du<br>Parc/Warandeborg 3<br>1000 Brussels<br>Belgium   |             | EUR          | 10,965                          | 8,882  | 2,573                                  | 5,279   | 10,965                  | 8,882  | 2,573                                  | 5,279   | 100% | (1)  |
| <b>BNPP Home Loan SFH</b><br>1 boulevard Haussmann<br>75009 Paris<br>France   | 454 084 211 | EUR          | 285                             | 287  | 8                                      | 6   | 285                     | 287  | 8                                      | 6   | 100% | (1)  |
| <b>BNPP India Holding<br/>Private Ltd</b><br>1 North Avenue –<br>BNP Paribas House<br>Maker Maxity, Bandra –<br>Kurla Complex<br>Bandra (East)<br>400 051 Mumbai<br>India |             | INR          | 2,608                           | 607  | 459                                    | 570   | 28                      | 7  | 5                                      | 6   | 100% | (2)  |

| Name  | Siren       | Cur<br>rency | Share<br>capital | Rese<br>rves and<br>retained<br>earnings<br>before<br>income<br>appro | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Revenue<br>excl.<br>Tax <sup>(*)</sup> | Share<br>capital | Reserves<br>and<br>retained<br>earnings<br>before<br>income<br>appro | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Reve<br>nue<br>excl.<br>Tax <sup>(*)</sup> | Per<br>cent<br>of<br>share<br>capital<br>held | Ref. |                         |      |  |
|---|-------------|--------------|------------------|---|--|--|------------------|--|--|--|---|------|-------------------------|------|--|
|   |             |              |                  | priation  |  |  |                  | priation   |  |  |   |      |                         |      |  |
| In millions of foreign currency                         |             |              |                  |   |  |  |                  |  |  |  |   |      | In millions of euros(*) | in % |  |
| <b>BNPP IRB Participations</b>                          |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 1 boulevard Haussmann                                   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 75009 Paris   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| France  | 433 891 983 | EUR          | 46               | 107   | 152                                    | 18   | 46               | 107  | 152                                    | 18   | 100%  | (1)  |                         |      |  |
| <b>BNPP Ireland Unlimited Co</b>                        |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 5 George's Dock   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| IFSC  |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Dublin 1  |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Ireland   |             | EUR          | 402              | 35  | 35                                     | 36   | 402              | 35   | 35                                     | 36   | 100%  | (2)  |                         |      |  |
| <b>BNPP Lease Group Leasing Solutions SPA</b>           |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 3 Piazza Lina Bo Bardi                                  |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 20124 Milan   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Italy   |             | EUR          | 65               | (6)   | (17)                                   | 4  | 65               | (6)  | (17)                                   | 4  | 74%   | (2)  |                         |      |  |
| <b>BNPP Malaysia Berhad</b>                             |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Level 48, Vista Tower                                   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| The Intermark   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 182 Jalan Tun Razak                                     |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 50400 Kuala Lumpur                                      |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Malaysia  |             | MYR          | 650              | 239   | 66                                     | 172  | 128              | 47   | 13                                     | 34   | 100%  | (2)  |                         |      |  |
| <b>BNPP Mexico</b>                                      |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Avenida Paseo de las                                    |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Palmas 11000 Ciudad de                                  |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Mexico  |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Mexico  |             | MXN          | 4,500            | -   | -                                      | -  | 240              | -  | -                                      | -  | 100%  | (2)  |                         |      |  |
| <b>BNPP Personal Finance</b>                            |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 1 boulevard Haussmann                                   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 75009 Paris   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| France  | 542 097 902 | EUR          | 584              | 6,327   | (452)                                  | 1,467  | 584              | 6,327  | (452)                                  | 1,467  | 100%  | (1)  |                         |      |  |
| <b>BNPP Prime Brokerage International Ltd</b>           |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| c/o Marsh Management                                    |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Services Limited 25/28                                  |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Adelaide Road Dublin 2                                  |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Ireland   |             | USD          | -                | 619   | 104                                    | 437  | -                | 561  | 94                                     | 396  | 100%  | (2)  |                         |      |  |
| <b>BNPP Real Estate</b>                                 |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 50 cours de l'île Seguin                                |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 92650 Boulogne-   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Billancourt Cedex                                       |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| France  | 692 012 180 | EUR          | 450              | 603   | (64)                                   | 575  | 450              | 603  | (64)                                   | 575  | 100%  | (2)  |                         |      |  |
| <b>BNPP Real Estate Investment Management Italy SPA</b> |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Via Carlo Bo 11   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 20143 Milan   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| Italy   |             | EUR          | 10               | 11  | (11)                                   | 1  | 10               | 11   | (11)                                   | 1  | 100%  | (2)  |                         |      |  |
| <b>BNPP Réunion</b>                                     |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 1 boulevard Haussmann                                   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
| 75009 Paris   |             |              |                  |   |  |  |                  |  |  |  |   |      |                         |      |  |
|   | 428 633 408 | EUR          | 25               | 12  | 13                                     | 47   | 25               | 12   | 13                                     | 47   | 100%  | (2)  |                         |      |  |

| Name                     | Siren | Cur<br>rency | In millions of foreign currency |  |  |  | In millions of euros(*) |   |  |  | in % | Ref. |
|--------------------------|-------|--------------|---------------------------------|--|--|--|-------------------------|---|--|--|------|------|
|                          |       |              | Share<br>capital                | Rese<br>rves and<br>retained<br>earnings<br>before<br>income<br>appro<br>piation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Revenue<br>excl.<br>Tax (**) | Share<br>capital        | Reserves<br>and<br>retained<br>earnings<br>before<br>income<br>appro<br>piation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Reve<br>nue<br>excl.<br>Tax (**) |      |      |
| France                   |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| <b>BNPP SB Re</b>        |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| 16 rue Edward Steichen   |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| L – 2540 Luxembourg      |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| Luxembourg               |       | EUR          | 250                             | 117  | 49                                     | 68                                     | 250                     | 117   | 49                                     | 68   | 100% | (2)  |
| <b>BNPP Securities</b>   |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| <b>Asia Ltd</b>          |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| 59-63/F II International |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| Finance Centre           |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| 8 Finance Street Central |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| Hong Kong                |       | HKD          | 3,879                           | (2,275)  | (189)                                  | 291                                    | 450                     | (264)   | (22)                                   | 34   | 100% | (2)  |
| <b>BNPP Securities</b>   |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| <b>Japan Ltd</b>         |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| GranTokyo North Tower    |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| 1-9-1 Marunouchi,        |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| Chiyoda-ku               |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| 100-6740 Tokyo           |       |              |                                 |  |  |  |                         |   |  |  |      |      |
| Japan                    |       | JPY          | 156,050                         | 51,547   | 30,065                                 | 65,488                                 | 1,002                   | 331   | 193                                    | 421  | 100% | (2)  |

| Name  | Siren | Cur<br>rency | Share<br>capital | Rese<br>rves and<br>retained<br>earnings<br>before<br>income<br>appro<br>p<br>riation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Revenue<br>excl.<br>Tax <sup>(**)</sup> | Share<br>capital | Reserves<br>and<br>retained<br>earnings<br>before<br>income<br>appro<br>p<br>riation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Reve<br>nue<br>excl.<br>Tax <sup>(**)</sup> | Per<br>cent<br>of<br>share<br>capital<br>held | Ref. |
|---|-------|--------------|------------------|---|--|---|------------------|--|--|---|---|------|
|   |       |              |                  | In millions of foreign currency   |  |   |                  | In millions of euros(*)  |  |   |   |      |
| <b>BNPP Securities Korea Co Ltd</b>   |       |              |                  |   |  |   |                  |  |  |   |   |      |
| 24, 25FL, State Tower<br>Namsan, 100, Toegyero, Jung-gu<br>Seoul 100-052<br>Rep. of Korea             |       |              |                  |   |  |   |                  |  |  |   |   |      |
|   |       | KRW          | 250,000          | (1,795)   | (6,229)                                | 17,975  | 176              | (1)  | (4)                                    | 13  | 100%  | (2)  |
| <b>BNPP Suisse SA</b>   |       |              |                  |   |  |   |                  |  |  |   |   |      |
| 2 place de Hollande<br>1211 Geneva 11<br>Switzerland  |       |              |                  |   |  |   |                  |  |  |   |   |      |
|   |       | CHF          | 320              | 962   | (12)                                   | 299   | 345              | 1,036  | (13)                                   | 322   | 100%  | (2)  |
| <b>BNPP USA Inc</b>   |       |              |                  |   |  |   |                  |  |  |   |   |      |
| 787 Seventh Avenue<br>NY 10019 New York<br>United States of America                                   |       |              |                  |   |  |   |                  |  |  |   |   |      |
|   |       | USD          | 3,674            | 2,694   | (381)                                  | 371   | 3,328            | 2,440  | (345)                                  | 336   | 100%  | (2)  |
| <b>BNPP Wealth Management Monaco</b>  |       |              |                  |   |  |   |                  |  |  |   |   |      |
| 5/17 Avenue d'Ostende<br>98000 Monaco<br>Monaco   |       |              |                  |   |  |   |                  |  |  |   |   |      |
|   |       | EUR          | 13               | 20  | 13                                     | 49  | 13               | 20   | 13                                     | 49  | 100%  | (2)  |
| <b>BNPP Yatirimlar Holding AS</b>   |       |              |                  |   |  |   |                  |  |  |   |   |      |
| Ankara caddesi,<br>Büyük Kelkit Han n° 243,<br>Kat 5<br>Sirkeci, Eminönü/Fatih<br>İstanbul<br>Türkiye |       |              |                  |   |  |   |                  |  |  |   |   |      |
|   |       | TRY          | 1,032            | (129)   | 388                                    | 428   | 32               | (4)  | 12                                     | 13  | 100%  | (2)  |
| <b>Cetelem América Ltda.</b>  |       |              |                  |   |  |   |                  |  |  |   |   |      |
| na Alameda Rio Negro,<br>n° 161, 18° andar<br>Alphaville Industrial<br>Barueri<br>Sao Paulo<br>Brazil |       |              |                  |   |  |   |                  |  |  |   |   |      |
|   |       | BRL          | 1,540            | (186)   | (580)                                  | -   | 287              | (35)   | (108)                                  | -   | 100%  | (3)  |
| <b>Compagnie Financière Ottomane SA</b>   |       |              |                  |   |  |   |                  |  |  |   |   |      |
| 44 avenue JF Kennedy<br>L-1855 Luxembourg<br>Luxembourg   |       |              |                  |   |  |   |                  |  |  |   |   |      |
|   |       | EUR          | 9                | 461   | -                                      | -   | 9                | 461  | -                                      | -   | 97%   | (2)  |
| <b>Expo Atlantico EAI Investimentos Imobiliarios SA</b>   |       |              |                  |   |  |   |                  |  |  |   |   |      |
| Torre Ocidente, Rua<br>Galileu Galilei, n°2 1500-<br>392 Lisbon<br>Portugal                           |       |              |                  |   |  |   |                  |  |  |   |   |      |
|   |       | EUR          | 1                | 36  | -                                      | -   | 1                | 36   | -                                      | -   | 74%   | (2)  |

| Name                          | Siren | Cur<br>rency | Share<br>capital | Rese<br>rves and<br>retained<br>earnings<br>before<br>income<br>appro<br>piation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Revenue<br>excl.<br>Tax <sup>(**)</sup> | Share<br>capital | Reserves<br>and<br>retained<br>earnings<br>before<br>income<br>appro<br>piation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Reve<br>nue<br>excl.<br>Tax <sup>(**)</sup> | Per<br>cent<br>of<br>share<br>capital<br>held | Ref. |
|-------------------------------|-------|--------------|------------------|--|--|---|------------------|---|--|---|---|------|
|                               |       |              |                  | In millions of foreign currency  |  |   |                  | In millions of euros(*)   |  |   |   |      |
| <b>Expo Indico</b>            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>EIII Investimentos</b>     |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Imobiliarios SA</b>        |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Torre Ocidente, Rua           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Galileu Galilei, n°2 1500-    |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 392 Lisbon                    |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Portugal                      |       |              |                  |  |  |   |                  |   |  |   |   |      |
| EUR                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 1                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 36                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 1                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 36                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 74%                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (2)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Financière des</b>         |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Paielements</b>            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Électroniques</b>          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 18 avenue Winston             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Churchill 94220               |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Charenton-le-Pont             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| France                        |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 753 886 092                   |       |              |                  |  |  |   |                  |   |  |   |   |      |
| EUR                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 1                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 75                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 20                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 163                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 1                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 75                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 20                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 163                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 95%                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (2)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Financière du Marché</b>   |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Saint-Honoré</b>           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 37 place du Marché            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Saint-Honoré                  |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 75001 Paris                   |       |              |                  |  |  |   |                  |   |  |   |   |      |
| France                        |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 662 047 513                   |       |              |                  |  |  |   |                  |   |  |   |   |      |
| EUR                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 297                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 224                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (18)                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 1                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 297                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 224                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (18)                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 1                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 100%                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (1)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Floa                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Immeuble G7 – 71 rue          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Lucien Faure 33300            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Bordeaux                      |       |              |                  |  |  |   |                  |   |  |   |   |      |
| France                        |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 434 130 423                   |       |              |                  |  |  |   |                  |   |  |   |   |      |
| EUR                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 72                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 197                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (88)                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 299                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 72                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 197                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (88)                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 299                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 100%                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (2)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Harewood Helena 1 Ltd</b>  |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 10 Harewood Avenue            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| London NW1 6AA                |       |              |                  |  |  |   |                  |   |  |   |   |      |
| UK                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| USD                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 39                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 10                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 2                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 4                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 35                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 9                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 1                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 3                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 100%                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (2)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Human Value</b>            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Developers Private Ltd</b> |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Lodha iThink Techno           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Campus,                       |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 10th Flr                      |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Beta Bldg Off. JVLR,          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Opp. Kanjurmarg               |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Rly Stn, Kanjurmarg East      |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Maharashtra                   |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 400042 Mumbai                 |       |              |                  |  |  |   |                  |   |  |   |   |      |
| India                         |       |              |                  |  |  |   |                  |   |  |   |   |      |
| INR                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 2,346                         |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 1                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (7)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 26                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 100%                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (2)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>International Factors</b>  |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Italia SPA</b>             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 15 Via Vittor Pisani          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 20124 Milan                   |       |              |                  |  |  |   |                  |   |  |   |   |      |
| Italy                         |       |              |                  |  |  |   |                  |   |  |   |   |      |
| EUR                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 56                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 800                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 58                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 153                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 56                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 800                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 58                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 153                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 100%                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (2)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Kantox</b>                 |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 8 Devonshire Square           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 5th Floor                     |       |              |                  |  |  |   |                  |   |  |   |   |      |
| London EC2M 4PL               |       |              |                  |  |  |   |                  |   |  |   |   |      |
| United Kingdom                |       |              |                  |  |  |   |                  |   |  |   |   |      |
| GBP                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 58                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (2)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 22                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| -                             |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 67                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (3)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 25                            |       |              |                  |  |  |   |                  |   |  |   |   |      |
| 100%                          |       |              |                  |  |  |   |                  |   |  |   |   |      |
| (2)                           |       |              |                  |  |  |   |                  |   |  |   |   |      |

| Name  | Siren       | Cur<br>rency | Share<br>capital | Rese<br>rves and<br>retained<br>earnings<br>before<br>income<br>appro<br>piation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Revenue<br>excl.<br>Tax <sup>(**)</sup> | Share<br>capital | Reserves<br>and<br>retained<br>earnings<br>before<br>income<br>appro<br>piation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Reve<br>nue<br>excl.<br>Tax <sup>(**)</sup> | Per<br>cent<br>of<br>share<br>capital<br>held | Ref. |
|---|-------------|--------------|------------------|--|--|---|------------------|---|--|---|---|------|
|   |             |              |                  | In millions of foreign currency  |  |   |                  | In millions of euros(*)   |  |   |   |      |
| <b>Natiocredibail</b>   |             |              |                  |  |  |   |                  |   |  |   |   |      |
| 12 rue du Port<br>92000 Nanterre<br>France  | 998 630 206 | EUR          | 32               | 76   | 10                                     | 22  | 32               | 76  | 10                                     | 22  | 100%  | (2)  |
| <b>Parilease</b>  |             |              |                  |  |  |   |                  |   |  |   |   |      |
| 41 avenue de l'Opéra<br>75002 Paris<br>France   | 339 320 392 | EUR          | 129              | 247  | 12                                     | 12  | 129              | 247   | 12                                     | 12  | 100%  | (2)  |
| <b>Portzamparc</b>  |             |              |                  |  |  |   |                  |   |  |   |   |      |
| 1 boulevard Haussmann<br>75009 Paris<br>France  | 399 223 437 | EUR          | 5                | 14   | (1)                                    | 36  | 5                | 14  | (1)                                    | 36  | 100%  | (1)  |
| <b>Sagip</b>  |             |              |                  |  |  |   |                  |   |  |   |   |      |
| 3 rue Montagne du Parc<br>1000 Brussels<br>Belgium  |             | EUR          | 657              | 2,502  | 88                                     | 118   | 657              | 2,502   | 88                                     | 118   | 100%  | (2)  |
| <b>Sharekhan Ltd</b>  |             |              |                  |  |  |   |                  |   |  |   |   |      |
| Lodha iThink Techno<br>Campus, 10th Flr, Beta<br>Bldg Off. JVL R, Opp.<br>Kanjurmarg Rly Stn,<br>Kanjurmarg East<br>Maharashtra 400042<br>Mumbai<br>India |             | INR          | 587              | 15,364   | 1,792                                  | 7,853   | 6                | 167   | 20                                     | 85  | 73%   | (2)  |
| <b>SNC Taitbout<br/>Participation 3</b>   |             |              |                  |  |  |   |                  |   |  |   |   |      |
| 1 boulevard Haussmann<br>75009 Paris<br>France  | 433 912 250 | EUR          | 552              | 553  | 313                                    | -   | 552              | 553   | 313                                    | -   | 100%  | (1)  |
| <b>Société Orbaisienne de<br/>Participations</b>  |             |              |                  |  |  |   |                  |   |  |   |   |      |
| 1 boulevard Haussmann<br>75009 Paris<br>France  | 428 753 479 | EUR          | 311              | 209  | 2                                      | -   | 311              | 209   | 2                                      | -   | 100%  | (1)  |
| <b>UkrSibbank Public JSC</b>  |             |              |                  |  |  |   |                  |   |  |   |   |      |
| 7 Andreevskaya Street<br>04070 Kiev<br>Ukraine  |             | UAH          | 5,069            | 7,747  | 4,385                                  | -   | 120              | 184   | 104                                    | -   | 60%   | (2)  |
| <b>2. Associated companies (10% to 50%-owned)</b>   |             |              |                  |  |  |   |                  |   |  |   |   |      |
| <b>Bank of Nanjing</b>  |             |              |                  |  |  |   |                  |   |  |   |   |      |
| 50 Huaihai Road<br>210005 Nanjing<br>China  |             | CNY          | 10,344           | 115,170  | 18,408                                 | 44,606  | 1,325            | 14,751  | 2,358                                  | 5,713   | 16%   | (3)  |
| <b>BGL BNPP</b>   |             |              |                  |  |  |   |                  |   |  |   |   |      |
| 50 avenue J.F. Kennedy<br>2951 Luxembourg<br>Luxembourg   |             | EUR          | 713              | 6,946  | 499                                    | 954   | 713              | 6,946   | 499                                    | 954   | 16%   | (2)  |
| <b>BNPP Leasing<br/>Solutions</b>   |             |              |                  |  |  |   |                  |   |  |   |   |      |
|   |             | EUR          | 1,815            | 329  | 147                                    | 166   | 1,815            | 329   | 147                                    | 166   | 50%   | (2)  |

| Name   | Siren       | Cur<br>rency | In millions of foreign currency |   |  |   | In millions of euros(*) |  |  |   | in %  | Ref. |
|--|-------------|--------------|---------------------------------|---|--|---|-------------------------|--|--|---|---|------|
|  |             |              | Share<br>capital                | Rese<br>rves and<br>retained<br>earnings<br>before<br>income<br>appro<br>priation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Revenue<br>excl.<br>Tax <sup>(**)</sup> | Share<br>capital        | Reserves<br>and<br>retained<br>earnings<br>before<br>income<br>appro<br>priation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Reve<br>nue<br>excl.<br>Tax <sup>(**)</sup> | Per<br>cent<br>of<br>share<br>capital<br>held |      |
| 16 rue Edward Steichen<br>2540 Luxembourg<br>Luxembourg  |             |              |                                 |   |  |   |                         |  |  |   |   |      |
| <b>BON BNPP Consumer<br/>Finance Co Ltd<br/>(Formerly Sunning)</b><br>588 Changbai Street,<br>Qinhuai District,<br>Nanjing City,<br>Jiangsu Province,<br>China |             | CNY          | 5,000                           | 87  | 111                                    | 2,633   | 640                     | 11   | 14                                     | 337   | 33%   | (1)  |
| <b>Crédit Logement</b><br>50 boulevard de<br>Sébastopol<br>75003 Paris<br>France   | 302 493 275 | EUR          | 1,260                           | 165   | 120                                    | 216   | 1,260                   | 165  | 120                                    | 216   | 17%   | (3)  |
| <b>Euro Protection<br/>Surveillance</b><br>30 rue du Doubs<br>67100 Strasbourg<br>France   | 338 780 513 | EUR          | 1                               | 94  | 31                                     | 252   | 1                       | 94   | 31                                     | 252   | 12%   | (3)  |



| Name  | Siren | Cur<br>rency | Share<br>capital | Rese<br>rves and<br>retained<br>earnings<br>before<br>income<br>appro<br>piation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Revenue<br>excl.<br>Tax <sup>(**)</sup> | Share<br>capital | Reserves<br>and<br>retained<br>earnings<br>before<br>income<br>appro<br>piation | Last<br>publi<br>shed<br>net<br>income | NBI or<br>Reve<br>nue<br>excl.<br>Tax <sup>(**)</sup> | Per<br>cent<br>of<br>share<br>capital<br>held | Ref. |
|---|-------|--------------|------------------|--|--|---|------------------|---|--|---|---|------|
|   |       |              |                  | In millions of foreign currency  |  |   |                  | In millions of euros(*)   |  |   |   |      |
| <b>Geojit BNP Paribas<br/>Financial Services Ltd<br/>(Group)</b><br>34/659-P Civil Line Road<br>Padivattom<br>Kochi<br>682024 Kerala<br>India |       |              |                  |  |  |   |                  |   |  |   |   |      |
|   |       | INR          | 239              | 4,672  | 896                                    | 4,278   | 3                | 51  | 10                                     | 47  | 25%   | (5)  |
| <b>Sicovam</b><br>18 rue Lafayette<br>75009 Paris<br>France   |       |              |                  |  |  |   |                  |   |  |   |   |      |
|   |       | EUR          | 10               | 916  | 101                                    | 102   | 10               | 916   | 101                                    | 102   | 15%   | (4)  |
| <b>Union de Creditos<br/>Inmobiliarios</b><br>Calle Retama 3<br>28045 Madrid<br>Spain   |       |              |                  |  |  |   |                  |   |  |   |   |      |
|   |       | EUR          | 182              | 365  | (53)                                   | 125   | 182              | 365   | (53)                                   | 125   | 10%   | (2)  |

(\*) Converted at the price on 31/12/2023.

(\*\*) Pre-tax revenue for commercial entities and NBI for banking entities.

(1) Non-audited social contribution data at 31/12/2023.

(2) Data used in Group consolidated financial statements at 31/12/2023.

(3) Social data at 31/12/2022.

(4) Social data at 31/07/2023.

(5) Social data at 31/03/2023.

|   | Subsidiaries |         | Associated companies |         |
|---|--------------|---------|----------------------|---------|
|   | French       | Foreign | French               | Foreign |
| <i>In millions of euros</i>   |              |         |                      |         |
| <b>II – General information about all subsidiaries and associated companies</b> |              |         |                      |         |
| <b>Carrying amount of shares held</b>   |              |         |                      |         |
| Gross value   | 16,845       | 41,220  | 533                  | 3,325   |
| Carrying amount   | 15,267       | 33,388  | 526                  | 3,070   |
| Loans and advances given by BNP Paribas SA                                      | 38,468       | 23,950  | 323                  | 286     |
| Guarantees and endorsements given by BNP Paribas SA                             | 48,581       | 29,905  | -                    | 86      |
| Dividends received  | 771          | 7,046   | 56                   | 287     |

## 6.5 Disclosures of investments of BNP Paribas SA in 2023 affecting at least 5% of share capital of french companies

### Crossing threshold of more than 5% of the capital

|          |          |     |
|----------|----------|-----|
| Unlisted | 1001PACT | SAS |
| Unlisted | ECOV SAS | SAS |

### Crossing threshold of more than 10% of the capital

|          |          |    |
|----------|----------|----|
| Unlisted | EACH ONE | SA |
|----------|----------|----|

### Crossing threshold of more than 20% of the capital

|      |  |  |
|------|--|--|
| None |  |  |
|------|--|--|

### Crossing threshold of more than 33.33% of the capital

|          |                        |     |
|----------|------------------------|-----|
| Unlisted | EXANE ASSET MANAGEMENT | SAS |
|----------|------------------------|-----|

### Crossing threshold of more than 50% of the capital

|          |         |    |
|----------|---------|----|
| Unlisted | UPTEVIA | SA |
|----------|---------|----|

### Crossing threshold of more than 66.66% of the capital

|          |                  |     |
|----------|------------------|-----|
| Unlisted | SAS HANOVRE BAIL | SAS |
|----------|------------------|-----|

## 6.6 Statutory Auditors' report on the financial statements

For the year ended 31 December 2023

*This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the Shareholders,

### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of BNP Paribas SA for the year ended 31 December 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Financial Statements Committee.

### Basis for opinion

#### Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the financial statements" section of our report.

#### Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code (*Code de commerce*) and the French Code of Ethics (*Code de déontologie*) for Statutory Auditors for the period from 1 January 2023 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

### Justification of assessments – Key audit matters

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

## Identification and assessment of credit risk on customer loan portfolios

*(See Notes 1, 2.f, 3.b and 3.k to the financial statements)*

| Description of risk  | How our audit addressed this risk  |
|--|--|
| <p>As part of its banking intermediation activities, BNP Paribas is exposed to credit risk.</p> <p>It recognises impairment losses to cover known credit risks which are inherent to its operations.</p> <p>Impairment losses either take the form of individual impairment losses recognised against the related on- and off-balance sheet commitments or of collective impairment losses recognised against loan portfolios presenting similar risks which are not individually impaired. Collective provisions are determined using statistical models which require judgement at each stage of the calculation, particularly with respect to building similar portfolios and determining the inputs for the applicable risks and the obligating event of the provisions.</p> <p>Under certain circumstances, additional collective provisions for international commitments are recognised in order to take into account any risks identified by BNP Paribas which are not covered by the individual or collective provisions described above.</p> <p>At 31 December 2023, total balance sheet outstandings due from customers exposed to credit risk amounted to EUR 404 billion while total impairment losses stood at EUR 5 billion.</p> <p>In an environment still marked by considerable uncertainty relating to the macro-economic climate, we deemed the assessment of credit risk and the measurement of impairment losses to be a key audit matter insofar as management is required to exercise judgement and make estimates as regards credit granted to companies.</p> | <p>We assessed the relevance of BNP Paribas' control system and tested the manual and computerised controls for identifying and measuring impairment.</p> <p>We also examined the most significant outstandings and/or portfolios at the reporting date as well as on the credit granted to companies operating in more sensitive economic sectors or geographic regions.</p> <p>During our work, we focused on:</p> <ul style="list-style-type: none"> <li>▪ Counterparty business ratings: we assessed the risk level of a sample of outstandings under surveillance. During our work, we paid particular attention to the geographical regions and sectors impacted by the macro-economic climate, which remains uncertain;</li> <li>▪ measuring provisions recorded individually: we verified that a periodic review of the counterparties under surveillance had been carried out by BNP Paribas and, based on a sample, assessed the assumptions and data used by management to estimate impairment;</li> <li>▪ measuring collective provisions: assisted by our credit risk experts, we assessed the methods used by BNP Paribas across the various business lines, as well as the effectiveness of the data quality controls.</li> </ul> <p>In addition, we examined the disclosures in the notes to the financial statements with respect to credit risk.</p> |

## Valuation of financial instruments

(See Notes 1, 2.d, 3.c, 3.h, 3.i and 6.c to the financial statements)

| Description of risk  | How our audit addressed this risk   |
|--|---|
| <p>As part of its trading activities, BNP Paribas holds financial instruments (assets and liabilities) which are recognised in the balance sheet at market value.</p> <p>Market value is determined according to different approaches, depending on the type of instrument and its complexity: (i) using directly observable quoted prices; (ii) using valuation models whose main inputs are observable; and (iii) using valuation models whose main inputs are unobservable.</p> <p>The valuations obtained may be subject to additional value adjustments to take into account certain specific trading, liquidity or counterparty risks.</p> <p>The techniques adopted by management to measure these instruments may therefore involve significant judgement as regards the models and data used.</p> <p>At 31 December 2023, the market value of trading securities represented EUR 116 billion, the bank's negative net position on firm transactions was valued at EUR 263 million and the market value of the bank's net short position on conditional transactions was valued at EUR 8.3 billion.</p> <p>In light of the materiality of the outstandings and the judgement used to determine market value, we deemed the measurement of financial instruments to be a key audit matter, in particular the measurement of instruments requiring the use of unobservable inputs.</p> | <p>Assisted by our valuation experts, we verified that the key controls used by BNP Paribas with respect to the valuation of financial instruments function properly, in particular those relating to:</p> <ul style="list-style-type: none"> <li>▪ the approval and regular review by management of the risks of the valuation models;</li> <li>▪ the independent verification of the valuation inputs;</li> <li>▪ the determination of value adjustments.</li> </ul> <p>Based on a sample, our valuation experts:</p> <ul style="list-style-type: none"> <li>▪ analysed the relevance of the assumptions and inputs used;</li> <li>▪ analysed the results of the independent review of the inputs by BNP Paribas;</li> <li>▪ performed independent counter valuations using our own models.</li> </ul> <p>We also analysed, on a sample basis, any differences between the valuations obtained and collateral calls with counterparties.</p> <p>In addition, we examined the disclosures in the notes to the financial statements with respect to the valuation of financial instruments.</p> |

## Measurement of equity investments, other equity securities held for long-term investment and investments in subsidiaries and affiliates

(See Notes 1, 3.c and 3.e to the financial statements)

| Description of risk   | How our audit addressed this risk  |
|---|--|
| <p>Equity investments, other equity securities held for long-term investment and investments in subsidiaries and affiliates are recognised on the balance sheet at a carrying amount of EUR 53 billion.</p> <p>They are measured individually at the of lower cost or value in use.</p> <p>Value in use is determined, for each investment, using a valuation approach based on available information including discounted future cash flows, net asset value and the related multiples commonly used to assess future yields.</p> <p>When their carrying amount exceeds value in use, an impairment loss is recognised for the difference.</p> <p>Given their materiality in the balance sheet and the sensitivity of the models used to the assumptions underlying the estimated values, we deemed the measurement of these investments to be a key audit matter.</p> | <p>Our audit work consisted in:</p> <ul style="list-style-type: none"> <li>▪ assessing, using sampling techniques, the justification for the valuation methods and data used by management to estimate values in use;</li> <li>▪ testing, using sampling techniques, the accuracy of the calculation of values in use used by the company.</li> </ul> <p>Lastly, we reviewed the disclosures on equity investments, other equity securities held for long-term investment and investments in subsidiaries and affiliates in the notes to the financial statements.</p> |

## General IT controls

| Description of risk  | How our audit addressed this risk  |
|--|--|
| <p>The reliability and security of IT systems plays a key role in the preparation of BNP Paribas SA's financial statements. We thus deemed the assessment of the general IT controls of the infrastructures and applications that contribute to the preparation of accounting and financial information to be a key audit matter.</p> <p>In particular, a system for controlling access rights to IT systems and authorisation levels based on employee profiles represents a key control for limiting the risk of inappropriate changes to application settings or underlying data.</p> | <p>For the main systems used to prepare accounting and financial information, assisted by our IT specialists, our work consisted primarily in:</p> <ul style="list-style-type: none"> <li>▪ obtaining an understanding of the systems, processes and controls which underpin accounting and financial data;</li> <li>▪ assessing the general IT controls (application and data access management, application changes/developments management and IT operations management) on key systems (in particular accounting, consolidation and automatic reconciliation applications);</li> <li>▪ examining the control for the authorisation of manual accounting entries;</li> <li>▪ performing additional audit procedures, where appropriate;</li> <li>▪ taking into account the cybersecurity risk increased by the crisis in Ukraine and the widespread use of remote working.</li> </ul> |

### Specific verifications

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

#### Information given in the management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents provided to the shareholders with respect to the Company's financial position and the financial statements, with the exception of the item described below.

Concerning the fair presentation and the consistency with the financial statements of the information about payment terms referred to in article D.441-6 of the French Commercial Code, we have the following matter to report:

As indicated in the management report, this information does not include banking transactions and related transactions, as the Company has decided that such transactions do not fall within the scope of the required information.

#### Report on corporate governance

We attest that the corporate governance section of the Board of Directors' management report sets out the information required by articles L.225-37-4, L.22-10-10 and L.22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of article L.22-10-9 of the French Commercial Code relating to remuneration and benefits paid or awarded to corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by your Company from controlled companies within its scope of consolidation. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of article L.22-10-11 of the French Commercial Code relating to those items the Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

#### Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

## **Other verifications and information pursuant to legal and regulatory requirements**

### **Presentation of the financial statements to be included in the annual financial report**

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code (*Code monétaire et financier*) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

### **Appointment of the Statutory Auditors**

We were appointed Statutory Auditors of BNP Paribas SA by your Annual General Meetings held on 23 May 2006 for Deloitte & Associés, 26 May 1994 for PricewaterhouseCoopers Audit and 23 May 2000 for Mazars.

At 31 December 2023, Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars were in the eighteenth, the thirtieth and the twenty-fourth consecutive year of their engagement, respectively.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors of BNP Paribas SA.

### **Responsibilities of the Statutory Auditors relating to the audit of the financial statements**

#### **Objective and audit approach**

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these financial statements.

As specified in article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit. They also:

- identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

## **Report to the Financial Statements Committee**

We submit a report to the Financial Statements Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Financial Statements Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Financial Statements Committee.

Paris La Défense, Neuilly-sur-Seine and Courbevoie, 15 March 2024

The Statutory Auditors

**PricewaterhouseCoopers Audit**

Patrice Morot

**Deloitte & Associés**

Laurence Dubois

**Mazars**

Virginie Chauvin";



- (g) Section 7 entitled "A Committed Bank: Information Concerning the Economic, Social, Civic and Environmental Responsibility of BNP Paribas" on pages 712 to 817 to shall be deleted in its entirety and replaced with the following:

# "7 A COMMITTED BANK: INFORMATION CONCERNING THE ECONOMIC, SOCIAL, CIVIC AND ENVIRONMENTAL RESPONSIBILITY OF BNP PARIBAS

## BNP PARIBAS' COMPANY PURPOSE AND CONSIDERATION OF SOCIAL AND ENVIRONMENTAL ISSUES

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BNP Paribas' company purpose was adopted by the Board of directors at the end of 2019, and was published in early 2020.

**"We are at the service of our clients and the world we live in.**

The BNP Paribas Group was formed by banks that have been deeply embedded in the European and global economies over the last 200 years. They have adapted to the challenges of their times and helped clients and other stakeholders during moments of great change.

BNP Paribas' mission is to contribute to responsible and sustainable growth by financing the economy and advising clients according to the highest ethical standards.

We offer secure, sound and innovative financial solutions to individuals, professional clients, enterprises and institutional investors while striving to address the fundamental challenges of today with regard to the environment, local development and social inclusion.

We are engaged with our clients to create a better future.

**We are mobilising resources that have a positive impact.**

At BNP Paribas, we want to be a long-term partner for our clients. We want to support their projects, manage their investments and savings, and, through insurance, protect people, their goods and property.

Our employees aim to deliver services that have purpose and relevance for clients and the world around them. They do this most clearly through their daily mission in the Company but also through corporate volunteering.

We are working with stakeholders and have adopted social and environmental goals aligned with global standards such as the United Nations Sustainable Development Goals and those of the financial community such as the Principles for Responsible Banking and the Principles for Responsible Investment.

We ensure that ethics and our commitment to economic, social, civic and environmental responsibility are integrated into our business operations. This commitment is reflected in our organisation and the procedures and policies governing our activities.

We innovate in order to be a leader in sustainable finance.

We take action to support causes by bringing together financial solutions, stakeholder partnerships, employer and procurement initiatives, support for solidarity-based projects, philanthropy, volunteering and intrapreneurship programmes.

We are developing the tools to measure our environmental and social impact and we are focusing on actions that involve all employees.

**BNP Paribas. The bank for a changing world."**

## Summary

### HALFWAY THROUGH THE GTS 2025 STRATEGIC PLAN, 2023 CEMENTS BNP PARIBAS' POSITION AS A LEADER IN GREEN FINANCE

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**As a leading financial institution, BNP Paribas considers environmental, social and governance challenges to be a major focus of its business model and its social and environmental responsibility.**

For over a decade, BNP Paribas has integrated environmental and social criteria into its financing and investment policies to direct its business model towards the support of the energy and ecological transition, by making pioneering commitments to restrict the financing of activities that are most harmful to the environment and the climate.

The Group has participated in numerous collective efforts to structure sustainable finance in line with the 2015 Paris Climate Agreement Goals.

BNP Paribas' Social and Environmental Responsibility (CSR) strategy is based on an in-depth analysis of its environmental, social and governance (ESG) issues through a materiality matrix developed in consultation with its stakeholders<sup>1</sup>, backed by a scientific framework<sup>2</sup> and benchmark principles<sup>3</sup>. These environmental, social and governance issues are integrated at the heart of BNP Paribas' company purpose (see 7.1 *Strategy*).

This strategy allows it to consolidate a leading position in sustainable finance thanks to numerous solutions to support its clients' transition, including sustainable bonds, positive impact loans, sustainability-linked loans (SLL) and sustainability-linked bonds (SLB), socially responsible savings, inclusive financial offers, dedicated offers for energy efficiency home renovation, sustainable mobility offers, etc.

**In 2023, BNP Paribas was the world leader with USD 62.5 billion in ESG loans and bonds<sup>4</sup>.**

#### **In 2023, BNP Paribas accelerated the shift from financing fossil fuels to low-carbon energy**

At 30 September 2023, **BNP Paribas' credit exposure to low-carbon energy production stood at EUR 32 billion** (including EUR 28.8 billion for renewable energy), up EUR 3.8 billion in one year. This represents **65% of energy production-related credit exposure**, and an increase of 10 points in one year. Faced with this momentum, **the objective set in 2023 to reach at least EUR 40 billion in credit exposure to low-carbon energies representing 80% of outstanding energy production by 2030 was put forward two years, to the end of 2028. The new objective is now 90% by 2030.**

Please note that this is a stock of loans granted over a number of years which customers will repay over a number of years. The major action taken from 2023 to accelerate new low-carbon loans and the divestment of fossil fuels will make it possible to achieve the 2028 and 2030 objectives.

At the same time, the Group is continuing its trajectory of reducing financing for the sectors that emit the most greenhouse gases, with a EUR 1.4 billion decrease in its credit exposure for oil exploration-production, EUR 1 billion for gas exploration-production and EUR 3.1 billion for refining between the end of September 2022 and the end of September 2023.

**The Group has amended its oil and gas policy: it no longer grants financing for the development of new oil or gas projects, regardless of the financing terms, nor to non-diversified players in oil exploration and production.**

<sup>1</sup> See 7.6 EFPS and 7.7 Vigilance plan.

<sup>2</sup> Based primarily on publications by the IPCC (Intergovernmental Panel on Climate Change), the IPBES (Intergovernmental Science and Policy Platform on Biodiversity and Ecosystems) and the IEA (International Energy Agency).

<sup>3</sup> Based primarily on the United Nations Sustainable Development Goals and Guiding Principles on Business and Human Rights, and on the fundamental conventions of the ILO (International Labour Organization).

<sup>4</sup> Source: Dealogic.

Also in 2023, BNP Paribas modified **its mining policy to exclude any project financing related to the extraction of metallurgical coal**, in addition to its commitment to phase out thermal coal.

BNP Paribas Asset Management and BNP Paribas Cardif have also set decarbonisation targets for their investment portfolios and updated their environmental footprint measurement this year. Within the framework of their activities, they are engaging in dialogue on ESG issues with the corporate clients in which they invest, in order to preserve and improve the medium- and long-term value of investments made on behalf of third parties, and encourage the transition. BNP Paribas Asset Management encourages these corporate clients to make robust ESG commitments through their voting rights policies.

Through all of these actions, the Group is continuing its focus on the immense transformation effort that the entire economy must make.

## BNP PARIBAS IS ON TRACK TO ACHIEVE ITS SUSTAINABILITY OBJECTIVES UNDER THE GTS 2025 PLAN

Aware of the necessity to integrate its CSR strategy into its business model in order to achieve its ambitious environmental, social and governance targets, in 2022, the Group launched its 2025 strategic plan entitled GTS (*Growth, Technology, Sustainability*). The Sustainability component is built around three strategic areas to serve its clients and society:

- aligning the Group's portfolios with trajectories compatible with collective carbon neutrality by 2050: BNP Paribas has published **financed targets to reduce its emissions by 2030 for three new industrial sectors (steel, aluminium, cement) in its climate report<sup>1</sup>**. These are added to the objectives of the first three sectors (energy production, oil and gas, automotive). The 2023 results for a reduction in the intensities of financed greenhouse gas emissions are in line with the intermediate alignment objectives of the loan portfolio, which are part of a Net-Zero emissions trajectory for 2050;
- supporting clients in the transition to a sustainable and low-carbon economy is enabled by the ever-widening range of sustainable finance products. For the second consecutive year, **in 2023 BNP Paribas was the world leader in green bonds at USD 25.6 billion<sup>2</sup>**. This was made possible thanks to the expertise of its employees and in particular the 200 specialist bankers of the Low-Carbon Transition Group;
- strengthening an ESG culture, with a particular emphasis on the **ESG Assessment** roll-out for almost all of the Group's 3,000 largest corporate clients, and on increasing ESG knowledge in the Group thanks to the *Sustainability Academy*, which enabled more than 86,000 employees to take training courses on these topics in 2023.



## THE OBJECTIVES OF THE GTS 2025 PLAN ARE ROLLED OUT THROUGH QUANTITATIVE INDICATORS WITH OBJECTIVES FOR 2025

BNP Paribas has set its own specific targets in terms of sustainable finance that can be found within the 10 indicators of the Group's CSR dashboard. The monitoring of this CSR dashboard is carried out on an annual basis by the Group's Executive Committee and Board of directors. At the end of 2023, the Group can highlight results that are in line with its objectives (see 7.1 *Strategy*).

## A LEADER IN GREEN FINANCE, ENERGY AND THE ECOLOGICAL TRANSITION

In 2023, BNP Paribas consolidated its **leading position in ecological transition financing**. Examples include the following:

- in terms of the energy transition, BNP Paribas was a major player in the Baltic Power project in Poland. The loan of more than EUR 4.4 billion is enabling the construction of the first offshore wind farm in Polish waters: it includes 76 wind turbines that will provide renewable energy to more than 1.5 million households from 2026. This was the largest offshore wind project in Europe in 2023;

<sup>1</sup> [https://cdn-group.bnpparibas.com/uploads/file/bnp\\_paribas\\_2022\\_climate\\_report.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnp_paribas_2022_climate_report.pdf).

<sup>2</sup> Source: Dealogic.

- in terms of mobility, BNP Paribas participated in the financing of AESC (Automotive Energy Supply Corporation), a Japanese company and world leader in the design and production of batteries, for the construction of a gigafactory in France costing more than EUR 800 million. The plan is for 9 GWh of batteries to power 200,000 Renault electric vehicles per year from 2025;
- in terms of the circular economy, CPBF financed a foundry sand regeneration installation project reaching EUR 3.3 million. This innovative project will enable La Fonte Ardennaise, a major player in the foundry industry worldwide, to recycle 90% of black moulding sand, and thus save natural resources, stop the landfilling of sand waste and reduce CO<sub>2</sub> emissions by 20,000 t/year;
- the BNP Paribas Climate Impact Infrastructure Debt is a fund launched in 2023 which aims to raise EUR 500-750 million from institutional investors. With an initial investment from BNP Paribas Cardif, it will support projects working for the energy transition in Europe focused on renewable energy, clean mobility and the circular economy, including new sectors such as batteries, hydrogen and carbon capture.

## Financing of innovative solutions and research

BNP Paribas supports innovation in areas related to the ecological transition. Through its Ecological Transition Capital investment line, **at the end of 2023, BNP Paribas had already invested EUR 87.2 million in 12 innovative companies**, including CarbonWorks in France (CO<sub>2</sub> capture and recovery using microalgae) and Protix in the Netherlands (manufacturing for insect-based animal feed), and in eight funds.

In addition, the BNP Paribas Solar Impulse Venture fund invested in four innovative companies in 2023, including Hello Watt, which helps individuals reduce their carbon footprint through home renovations for energy efficiency.

BNP Paribas Asset Management acquired a majority stake in IWC (International Woodland Company), based in Denmark, which specialises in investment and advisory services for sustainable forestry, agriculture and natural ecosystems, as well as carbon credits and conservation projects.

At the end of 2023, a multi-year partnership was launched with the Naturalis Biodiversity Center, marking a new chapter in BNP Paribas' approach to protecting and restoring biodiversity. Bringing together more than 150 scientists, this institution is one of the main biodiversity knowledge and research centres in the world.

## COMMITMENT TO SOCIETY AT THE HEART OF BNP PARIBAS' OBJECTIVES

Three years after launching the very first impact bonds in France and in the European Union, BNP Paribas is crossing a second milestone with the BNP Paribas European Impact Bonds Fund 2, managed by BNP Paribas Asset Management and with a target size of EUR 70 million. Nine new impact bonds were launched in 2023 for a total amount of EUR 28 million, in which the fund invested EUR 13 million. These include the EUR 2.9 million impact bond operated by Andes, which aims to combat food waste and food insecurity on a large scale by recovering unsold food which does not meet standards.

With regard to impact investments, through its own budget of EUR 200 million or funds on behalf of third parties, the Group opts for direct equity investments in companies with a strong social and/or environmental impact. The 16 new investments (excluding reinvestments) made in 2023, for a total of nearly EUR 56 million, included the following:

- Ecov, a shared mobility operator in areas where public transport is limited or non-existent;
- Urbilog, an iconic player in digital accessibility for people with disabilities (visual, auditory, motor, specific cognitive disorders, etc.).

**2023 also marks the 30<sup>th</sup> year of the partnership between BNP Paribas and Adie** (Association for the Right to Economic Initiative), which was renewed for three years. Since 1993, EUR 192 million in cumulative financing has been granted by CPBF to its partner, supporting nearly 40,000 entrepreneurs, (of which 22% do not have a diploma, 32% are under 30 years old and 46% are women) with more than 47,000 micro-loans granted by Adie.

In addition, BNP Paribas **co-developed the first ISLF+** (inclusive & sustainability-linked financing) with its historical partners: Adie in France, PerMicro in Italy and *Banco da Família* in Brazil. In particular, they provide dedicated technical support and/or subsidised rates to these microfinance players, depending on the achievement of social, environmental and/or just transition objectives.

Attentive to the societal challenges of the countries in which it operates, and to disadvantaged populations in particular, BNP Paribas has continued its efforts in terms of financial inclusion. Nickel, a Group subsidiary present in five European countries, offers opening a bank account with an IBAN and a payment card. It allows everyone, including people without access to traditional banking services, to pay and be paid. **In 2023, Nickel reached nearly 3.7 million accounts**, and of the people helped: 77% have an income of less than EUR 1,500 per month; 30% are unemployed, without regular income or living on benefits; and 30% do not have their own address.

Lastly, the BNP Paribas Foundation has also reinforced its actions, notably with a budget of EUR 20 million from the funds supporting the share buyback programme operated by the Group. This amount was paid to more than 90 organisations working in three current priority areas: the fight against extreme poverty and violence against women, integrating disadvantaged people into society (supporting refugees, equal opportunities, integration into the workplace) and climate and biodiversity. For example, there has been support for *Les Restos du Cœur* in France and its German equivalent *Tafel*, for food banks in France and Belgium, for the Abbé Pierre Foundation, for the *Fédération nationale Solidarité Femmes* and expanding support to associations for disadvantaged neighborhoods from France into Italy, as well as support for the IUCN and The Transition Institute 1.5°.

## SUPPORTING OUR EMPLOYEES BY OFFERING THEM AN ENVIRONMENT AND PATHWAYS ADAPTED TO THEIR EXPECTATIONS

In 2023, against a complex economic and geopolitical backdrop, the Group continued its actions to:

- protect its employees by providing assistance wherever they may need it (Ukraine, Türkiye, Morocco, Middle East), and by deploying its prevention, health and well-being at work offer throughout the world through the *We Care* programme;
- widely promote its diversity and inclusion policy in all its areas, particularly during its *Inclusion Days*, which provided an opportunity to raise employee awareness on equal opportunities, prejudice, disability and financial inclusion, and measure employees' perception of these issues as part of the general *Conduct & Inclusion* survey re-run in 2023;
- reach the ambitious target in terms of gender equality of 37% women in senior management<sup>1</sup> in 2023;
- develop the skills of its employees, particularly in IT, Data, Digital, and Sustainable Finance jobs, while offering them career development opportunities within the Group notably during the *Career Days*.

The Group employee engagement score<sup>2</sup> measured around the themes of pride in belonging to the Group, adherence to the strategy and involvement in work reached a high level of nearly 85 out of 100 in 2023.

## THE GROUP'S CSR ACTIONS AND RESULTS ARE RATED POSITIVELY

The relevance, ambition and comprehensive nature of its CSR strategy have earned BNP Paribas several awards recognising its ambition and achievements:

- Euromoney **Best Bank for Sustainable Finance** in 2023;
- one of the best financial institutions in all extra-financial rating agency rankings, and an A rating from CDP for the first time in 2023. BNP Paribas is the only large diversified bank to be awarded this top rating (see 7.1 *Strategy*);
- **member of the Global 100 most sustainable companies in the world** prepared by Corporate Knights, for the 10<sup>th</sup> year running;
- **recognised for its commitments to combat deforestation** in the Forest500 2023 ranking by the NGO Global Canopy.

<sup>1</sup> The Group's Senior Management Position (SMP) population is composed of employees holding approximately 3,000 positions considered to have the most significant impact from a strategic, commercial, functional and expertise point of view.

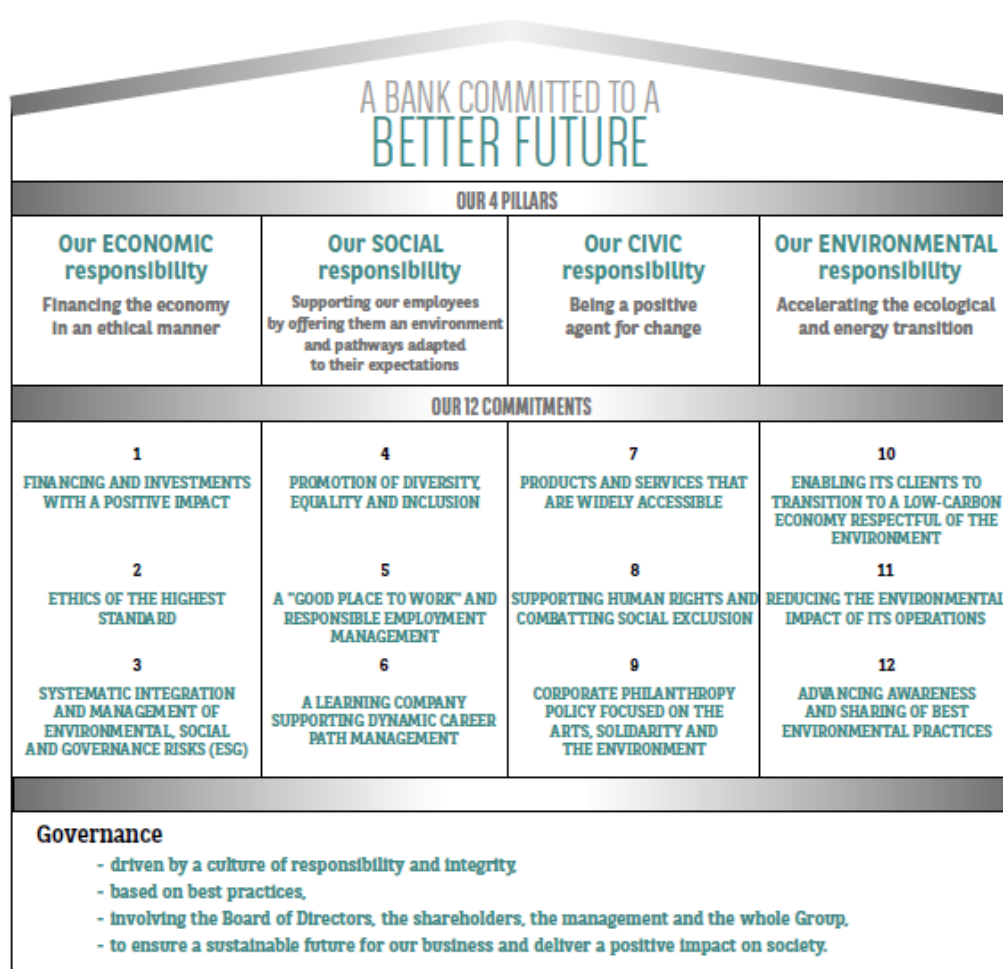
<sup>2</sup> Measured from surveys carried out during 2023 by the Group's various business lines and entities, covering 86% of the Group's workforce at 31/12/2023, and for which 69% of the employees questioned responded.

# 7.1 Strategy

## THE CORPORATE SOCIAL RESPONSIBILITY (CSR) STRATEGY

The Group's CSR strategy, in line with the 17 United Nations Sustainable Development Goals, consists of supporting all clients, individuals, companies and institutions in their transition to a carbon-neutral economy that makes reasonable use of the planet's resources, allows the inclusion of the most vulnerable and respects human rights.

It is structured around four pillars and 12 commitments that reflect the Bank's CSR challenges, as well as its concrete achievements. This strategy, which is part of a process of continuous improvement, aims to contribute to building a more sustainable world while ensuring the Group's stability and performance. This ambition is reflected in the GTS 2025 strategic plan (*Growth, Technology, Sustainability*), of which Sustainability issues are one of the pillars. Its deployment involves all of the Group's business lines, networks, subsidiaries and countries, under the aegis of governance organised at the highest level of the Bank.



## THE CSR POLICY MANAGEMENT DASHBOARD

The GTS 2025 strategic plan defines quantified CSR objectives. The indicators were renewed at the beginning of the plan (2022) in order to reflect a higher ambition and cover broad areas: the energy transition, biodiversity, social inclusion, employee training, etc. which correspond to the four pillars of the aforementioned strategy. The scope of consolidated financial reporting and extra-financial reporting is the same.

The achievement of these CSR objectives determines the payment of 20% of the amount of the loyalty plan awarded in 2023 to more than 8,200 key Group employees (see *A competitive compensation policy*, Commitment 5). The achievement of the CSR objectives is also included for one third in the calculation of 15% of the variable compensation awarded for 2023 to the Group's corporate officers. These CSR objectives taken into account for corporate officers are those that correspond to the loyalty plan payments to the Group's key employees during the year (see chapter 2, *Compensation and benefits awarded to the Group's directors and corporate officers*).

| Pillar                           | Indicator  | 2022 Results                 | 2023 Results                 | 2025 Objectives |
|----------------------------------|--|------------------------------|------------------------------|-----------------|
| Our economic responsibility      | 1 Amount of sustainable loans (in billions of euros)   | 87                           | 117                          | 150             |
|                                  | 2 Amount of sustainable bonds (in billions of euros)   | 32                           | 67                           | 200             |
|                                  | 3 Amount of assets under management in open-ended funds distributed in Europe under article 8 & 9 according to the SFDR (in billions of euros) | 223                          | 254                          | 300             |
| Our social responsibility        | 4 Share of women among the SMP population ( <i>Senior Management Position</i> )  | 35.2%                        | 37.1%                        | 40%             |
|                                  | 5 Number of solidarity hours performed by employees over two rolling years (#1MillionHours2Help)   | 1,126,142 (in 2021 and 2022) | 1,268,515 (in 2022 and 2023) | 1,000,000       |
|                                  | 6 Share of employees who completed at least four training courses during the year  | 97.4%                        | 98.2%                        | 90%             |
| Our civic responsibility         | 7 Number of beneficiaries of products and services supporting financial inclusion (in millions)  | 3.3                          | 3.9                          | 6               |
| Our environmental responsibility | 8 Amount of the support enabling our clients to transition to a low-carbon economy (in billions of euros)                                      | 44                           | 104                          | 200             |
|                                  | 9 Amount of financing to companies contributing to protecting terrestrial and marine biodiversity (in billions of euros)                       | 1.8                          | 4.3                          | 4               |
|                                  | 10 Greenhouse gas emissions in teqCO2/FTE  | 1.65                         | 1.56                         | 1.85            |

### Dashboard definitions

**Amount of sustainable loans:** amount of loans at the end of 2023, drawn and undrawn, identified as sustainable by an internal classification system, granted by BNP Paribas to its clients. The Group's transaction classification principles are based on external market standards such as those of the Loan Market Association and the European Taxonomy in Europe.

**Amount of sustainable bonds:** cumulative amount at the end of the year of all types of bonds identified as sustainable according to the guidelines of the ICMA (International Capital Market Association) issued by corporate clients, financial institutions and sovereign clients, and arranged by BNP Paribas (total amount divided by the number of bookrunners).

**Amount of assets under management at year-end in open-ended funds distributed in Europe under articles 8 and 9, according to SFDR.** These are BNP Paribas Asset Management funds.

**Share of women among the SMP population:** the Group's Senior Management Position population is composed of employees holding approximately 3,000 positions considered to have the most significant impact from a strategic, commercial, functional and expertise point of view. The percentage is calculated on the basis of SMP positions occupied.

**Number of solidarity hours performed by employees:** as part of the #1MillionHours2Help programme including the long-term corporate volunteering set up under the Diversity and Inclusion Agreement in France.

**Share of employees who completed at least four training courses during the year,** including mandatory training such as compliance.



**Number of beneficiaries of products and services promoting financial inclusion:** number of Nickel accounts opened since the creation and number of beneficiaries of microloans distributed by microfinance institutions financed by the Group (*pro rata* of the financing) at the end of the year.

**Amount of support for our clients in the transition to a low-carbon economy:** cumulative amount at year-end of financial support identified as contributing to the transition to a low-carbon economy, according to an internal classification system. This amount covers part of the amounts of indicators 1 (sustainable loans) and 2 (sustainable bonds), as well as the financial support provided in some cases in the form of private placements, financial advice and IPOs.

**Amount of financing to corporate clients contributing to the protection of terrestrial and marine biodiversity:** cumulative amount at the end of the year of financial products and services (loans, bonds, *etc.*) that help protect terrestrial and marine biodiversity. The contribution to the protection of biodiversity is identified by an internal classification system<sup>1</sup>. This amount covers part of the amounts of indicators 1 (sustainable loans) and 2 (sustainable bonds).

**Greenhouse gas emissions in  $\text{teqCO}_2/\text{FTE}$  (kWh buildings and business travel):** greenhouse gas emissions for scope 1 (direct emissions from the combustion of fossil fuels), scope 2 (indirect emissions from the purchase of energy) and, for a part of scope 3 (emissions related to employee business travel), in proportion to the number of Group employees (FTE).

## 2023 RESULTS

2023 was once again marked by geopolitical and economic events that negatively impacted economic activity. Despite this difficult backdrop, BNP Paribas is pursuing its ambitious economic, social, civic and environmental objectives, and is moving towards achieving the objectives of its CSR dashboard for 2022-2025, primarily due to its position as a leader in sustainable finance.

In a sustainable lending market (particularly sustainability-linked loans) which is down by around 30% year-over-year according to Dealogic, BNP Paribas is resilient and has maintained its 5<sup>th</sup> position worldwide for SLL according to (Dealogic). It has also succeeded in achieving strong growth in its specialised business lines, and home renovations for energy efficiency (indicator No. 1).

Despite the bond issue market suffering a sharp decline in 2022, and remaining low in volume in 2023, BNP Paribas confirmed its position as global and EMEA leader in sustainable bonds in 2023 according to Dealogic (indicator No. 2).

Thanks to positive inflows, the amount of assets under management in BNP Paribas Asset Management's open-ended funds distributed in Europe and classified under articles 8 and 9 of the SFDR regulation (indicator No. 3) increased by 14%, with 21 new funds launched in 2023.

On the three social objectives, the Group is perfectly in line with its 2025 objectives. The number of women in management is increasing, and has reached 37% of the SMP population (indicator No. 4). The million solidarity hours was exceeded by more than 25% thanks to employee engagement (indicator No. 5). Finally, the number of training courses completed exceeded the target and was even higher than last year, with 98% of employees having completed four training sessions (indicator No. 6).

The growth of Nickel, whose services are now available in Germany, meant that the large increase in the number of beneficiaries of products and services promoting financial inclusion was able to continue (indicator No. 7), with more than 700,000 new accounts opened. The number of microfinance institutions financed by the Group remains stable.

The indicator relating to support for clients in the transition to a low-carbon economy (indicator No. 8) has seen significant growth this year, given that the sector is dynamic and that a number of Group entities are better able to pinpoint energy transition projects. It continues to be fed by the work of the 200 specialised bankers in the Low-Carbon Transition Group.

The indicator relating to biodiversity (indicator No. 9) increased significantly this year thanks to better identification of biodiversity issues and associated indicators, in a year in which biodiversity became a focal point. For example, BNP Paribas has participated in SLLs with objectives relating to the protection of biodiversity, and participated in bond issues including the financing of actions aimed at preserving the quality of natural environments (see details in Commitment 10).

Lastly, the level of greenhouse gas emissions per employee in BNP Paribas' operating scope (indicator No. 10) improved following the sale of Bank of the West, which was one of the Group's highest-emitting entities. On a like-for-like basis, this indicator is stable, reflecting the Group's efforts to continue to reduce its energy consumption (-15% on a like-for-like basis worldwide), despite a strong recovery in business travel.

<sup>1</sup> Examples: implementation of more biodiversity-friendly practices in the upstream supply chains of agricultural commodities, increase in the share of agricultural commodities that do not contribute to deforestation, rehabilitation of quarries after use, *etc.*

## RESULTS ACKNOWLEDGED BY EXTRA-FINANCIAL RATING AGENCIES AND EXTERNAL STAKEHOLDERS

The following table displays the most recent evaluations from the main extra-financial rating agencies and the inclusion of BNP Paribas in the related extra-financial indexes. In 2023, the Group maintained its leading position in ratings, with scores well above the average for the banking sector.

| Rating agencies   | Rating (year of latest rating)    | Comments/Related indices  |
|---|-----------------------------------|---|
| FTSE Russell  | 4.4/5 (2023)                      | In the top 11% of the banking industry <i>FTSE4Good Global Index Series</i>   |
| Moody's ESG   | 70/100 (2023)                     | Above-average for the sector and 2 <sup>nd</sup> in the Diversified banks category <i>Euronext-Vigeo Eiris: World 120, Europe 120, Euro 120 and France 20</i> |
| S&P Global ( <i>Corporate Sustainability Assessment</i> ) | 73/100 (2023)                     | In the top 4% of the banking industry (1% for the environment) <i>DJSI World – DJSI Europe</i>  |
| MSCI  | AA (2023)                         | Above average for financial institutions<br>Leader in the environmental sector (10/10 compared to 5/10 for the sector average)                                |
| Sustainalytics  | Medium risk – 24.6/40 (Feb. 2024) | Above-average performance for the Banks sector and Diversified banks sub-sector   |
| ISS   | C + (2023)                        | Prime status, in the top 10% of Commercial Banks & Capital Market   |
| CDP   | A (2023)                          | On the A-list which covers the top 1.5% of companies according to the climate questionnaire rating  |

More specifically, BNP Paribas' social responsibility actions are also recognised by extra-financial rating agencies, where the Group has obtained:

- a score of 74/100 on the social component of the Corporate Sustainability Assessment ranking by Standard & Poor's, placing it in the top 5%;
- a score of 70/100 on the social component of the Moody's ESG Solutions evaluation, in particular thanks to its anti-discrimination measures and the health and safety policies it has implemented. This rating places it among the best players in the European diversified banking industry, well above the sector average of 57/100;
- a score of 84/100 in the Workforce Disclosure Initiative (WDI) ranking, which places BNP Paribas well above the average for the Financials category (64/100).

Finally, since 2022, BNP Paribas has held the "Alliance" label, awarded in France by Afnor<sup>1</sup>. The Group is the first and only bank in France to have obtained this label, demonstrating its long-term commitment to gender equality and the fight against discrimination.

Other entities and specialised magazines have acknowledged the Group's improved CSR performance. Indeed, BNP Paribas:

- was named "Best bank for sustainable finance" in the world in 2023 for the third year running, by Euromoney, the leading finance magazine<sup>2</sup>, and "ESG Financing House" by the Institutional Financing Review (IFR)<sup>3</sup>;
- is the only French bank in the 2024 ranking of the "Global 100 most sustainable companies" by the Canadian magazine Corporate Knights<sup>4</sup> where it appears for the 10<sup>th</sup> consecutive year;
- was used as an example by the NGO ShareAction in its 2023 report on green finance for having defined a renewable energy target in the production portfolio of the International Energy Agency (IEA), and an electric vehicle target for its automotive portfolio<sup>5</sup>;
- was recognised for its commitments to fight against deforestation by the NGO Global Canopy, which ranked BNP Paribas at the top of 150 financial institutions in its Forest500 ranking for 2023<sup>6</sup>.

<sup>1</sup> Association française de normalisation (French Standardisation Organisation).

<sup>2</sup> <https://www.euromoney.com/article/2bpje7xcxrnilt4ivixa9/awards/awards-for-excellence/the-worlds-best-bank-for-sustainable-finance-2023-bnp-paribas>.

<sup>3</sup> <https://www.ifre.com/story/4287643/esg-financing-house-bnp-paribas-vrzs73qgg>.

<sup>4</sup> <https://www.corporateknights.com/rankings/global-100-rankings/2024-global-100-rankings/the-20th-annual-global-100/>.

<sup>5</sup> <https://cdn2.assets-servd.host/shareaction-api/production/resources/reports/Green-Ambitions-Grey-Realities.pdf>.

<sup>6</sup> [https://forest500.org/sites/default/files/forest\\_500-2023\\_annual\\_report.pdf](https://forest500.org/sites/default/files/forest_500-2023_annual_report.pdf).

# A CSR STRATEGY IMPLEMENTED BY REINFORCED GOVERNANCE AND STRONG PUBLIC COMMITMENTS

## CSR TAKEN TO THE HIGHEST LEVEL IN THE ORGANISATION

Thanks to the involvement of its 182,656 employees at the end of 2023 (in FTE) and its GTS 2025 strategic plan, for which one of the three pillars (S: Sustainability) is dedicated to incorporating environmental and social issues into all of the Group's activities, CSR continues to be a high priority for BNP Paribas.

### A strategy driven by management bodies

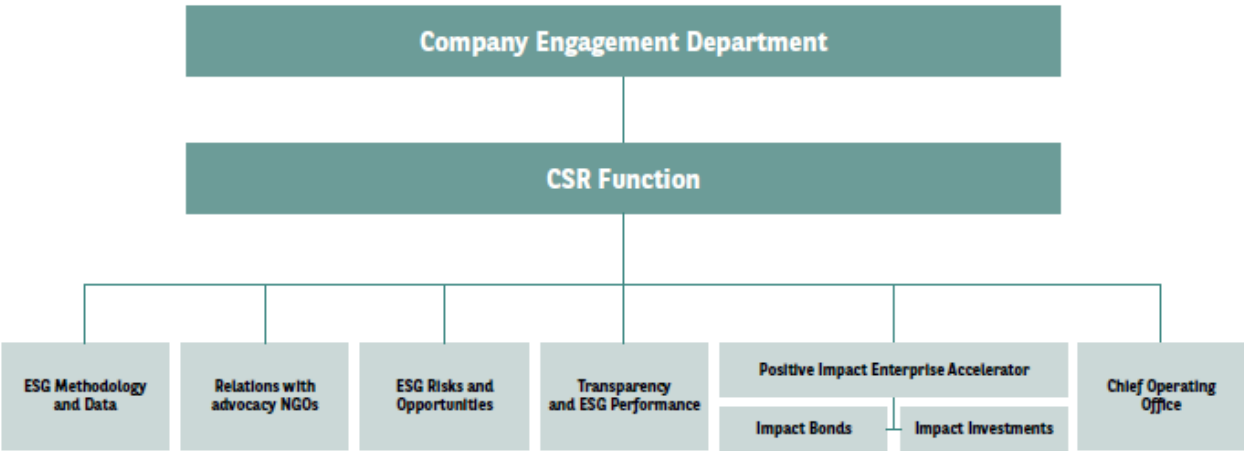
The Board of directors determines BNP Paribas' business orientations and supervises their implementation by the Executive Management, taking the social and environmental challenges of BNP Paribas' activities into consideration. In particular, one of its committees, the Governance, Ethics, Nominations and CSR Committee (CGEN), specifically ensures the Group's contribution to sustainable and responsible economic development, primarily by financing the economy in an ethical manner, by promoting the development and commitment of employees, by protecting the environment and by combating climate change, and through the Group's positive commitment to society. In addition, the Internal Control, Risk and Compliance Committee (CCIRC) examines the main guidelines of the Group's risk policy, including those of a social and environmental nature, based on the ESG risk measurements it receives. As such, the Board is regularly informed of the progress made in the implementation of the Group's CSR strategy. In 2023, it addressed ESG topics on 29 occasions, including the financing of the energy transition and BNP Paribas' net-zero trajectory, as well as the preliminary analyses of the corporate loan portfolio with regard to ESG risk factors.

Since 2021, three high-level sustainable finance committees have been working to strengthen the integration of these issues into the Group's strategy and within each entity:

- the Strategic Committee, under the direction of the Director and Chief Operating Officer, met five times in 2023 and made decisions on the Group's commitments to the alignment of loan portfolios for new sectors, and on updating of the Risk Appetite Statement or information on ESG pillar 3. A number of small, *ad hoc* meetings were also organised to discuss key issues such as NZBA targets and CSRD reporting changes;
- the Infrastructure Committee, under the direction of the Group Chief Operating Officer, met nine times to monitor the deployment of processes and reports related to sustainable finance, such as for example the ESG Assessment, at the methodological, normative and operational levels;
- the Regulatory Committee, chaired by the Group General Counsel and by the director of Corporate Engagement, met three times in 2023 to inform its members about the main regulations. In particular, the concept of sustainable investment was addressed in the context of the SFDR regulation<sup>1</sup> and the French and European legal frameworks on the duty of care (CS3D<sup>2</sup>).

### A strategy supported and rolled out by a cross-functional CSR division

A dedicated department is responsible for managing the Group's CSR commitments, reporting to the Company Engagement Department and represented in the Group Executive Committee. At the Head Office, the CSR Department is structured as follows:



<sup>1</sup> SFDR: Sustainable Finance Disclosure Regulation.

<sup>2</sup> Corporate Sustainability Due Diligence Directive.

The CSR Department is based on a network which operates in the divisions, business lines, retail networks, departments and subsidiaries in order to facilitate the roll-out of the CSR policy across the entire Group. In total, more than 220 employees spend all or a majority of their time on CSR matters.

There are communities of ESG expertise within the Group and its entities to accelerate, streamline and industrialise the consideration of sustainable finance issues in BNP Paribas' activities. For example, the Low-Carbon Transition Group, formed in 2021, is composed of more than 200 fully dedicated bankers (target of 250 in 2025) bringing together several areas of expertise and specialists in the financing of the energy transition, whose mission is to support corporate clients in their decarbonisation. The BNP Paribas Asset Management Sustainability Center brings together 37 ESG specialists.

## BNP PARIBAS' PUBLIC POSITIONS

BNP Paribas' approach to corporate social responsibility (CSR) is framed by the thematic and sector-specific public positions it has adopted. With a presence in 63 countries, the Group acts within numerous working groups and platforms, in compliance with and for the operational implementation of numerous commitments. Thus, for example, BNP Paribas' actions follow the framework of the 10 principles for sustainable business transformation, as defined by the United Nations Global Compact.

### Sustainable finance initiatives

The Group actively participates in designing and implementing long-term social and environmental solutions within the framework of:

- the Principles for Responsible Banking (PRB);
- the Principles for Responsible Investment (PRI), for BNP Paribas Asset Management, BNP Paribas Real Estate Investment Management, BNP Paribas Cardif;
- the Equator Principles.

### Environmental and climate initiatives and commitments

Amongst BNP Paribas' environmental commitments:

- the Net-Zero Banking Alliance, Net-Zero Asset Owner Alliance (BNP Paribas Cardif) and Net-Zero Asset Managers Initiative (BNP Paribas Asset Management);
- the Institutional Investors Group on Climate Change (IIGCC);
- the Roundtable on Sustainable Palm Oil (RSPO);
- the act4nature initiative;
- the Poseidon Principles;
- the Sustainable Markets Initiative (SMI) Financial Services Task Force (FSTF).

**BNP Paribas is also involved in flagship social initiatives, including:**

- the *Collectif des entreprises pour une économie plus inclusive en France* (Business collective for a more inclusive economy in France);
- Business for Inclusive Growth (B4IG).

### Voluntary commitments defined by BNP Paribas

BNP Paribas has been committed for several years to going further in terms of CSR in several major sensitive sectors by setting itself additional obligations, through:

- its financing and investment policies in the following sectors: agriculture, defence, nuclear energy, coal energy, mining, palm oil, paper pulp, oil and gas<sup>1</sup>;
- its positions on ocean protection, the preservation of biodiversity and carbon credits;
- an exclusion list of specific goods and activities that the Group is unwilling to finance, such as tobacco, driftnets for fishing, asbestos fibre production, products containing polychlorinated biphenyls or trade in any species regulated by the CITES convention without the necessary permit<sup>2</sup>;
- monitoring and restriction lists grouping businesses which do not meet the Group's CSR requirements;
- a Declaration on Human Rights;
- an Anti-Corruption Policy;
- a Responsible Business Relations Charter;
- a charter for responsible representation with respect to the public authorities;
- a Responsible Purchasing Charter;
- a Tax Code of conduct.

<sup>1</sup> These policies can be found online: <https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>.

<sup>2</sup> Convention on International Trade in Endangered Species of Wild Fauna and Flora.

## Think tanks

Several members of BNP Paribas' General Management as well as Group experts play an active role in strategic active marketplace coalitions on CSR topics, for example:

- Laurence Pessez, CSR Director at BNP Paribas Group, sits on the Banking Board of the Principles for Responsible Banking of the UNEP FI (PRB) and is also Vice-President of the European think tank, *Institut du développement durable et des relations internationales* (IDDRI);
- Jane Ambachtsheer, Head of Sustainability at BNP Paribas Asset Management, is a member of the Taskforce on Climate-related Financial Disclosure (TCFD);
- Sébastien Soleille, Head of Energy Transition and Environment, is a member of the Taskforce on Nature-related Financial Disclosures (TNFD).

## FOSTERING DIALOGUE WITH STAKEHOLDERS

Dialogue with stakeholders is at the heart of BNP Paribas' actions to promote social and environmental responsibility. This dialogue has a three-fold objective: anticipating change in our businesses developments and improving our products and services, optimising risk management, and finding innovative solutions which positively impact society.

- Dialogue with the employees or employee representatives is described in the social pillar of this document (see *Strong Focus on Employees* and *High Quality Social Dialogue*, Commitment 5). Employees and external third parties may use the Company's whistleblowing system (see *The whistleblowing system*, Commitment 2).
- Individual and small business clients of all of BNP Paribas' Commercial Banking entities have access to a complaint management system (see *Protecting customer interests*, Commitment 2). Numerous entities provide their clients with the opportunity to use an independent ombudsman.
- In the framework of its asset management activities, BNP Paribas Asset Management engages with companies in which it invests on ESG topics in order to preserve, or even enhance, the medium and long-term value of the investments made on behalf of its clients. BNP Paribas Asset Management supports the ESG commitments of these companies through its voting rights policy (see *Integrating ESG criteria into assets management*, Commitment 3).
- BNP Paribas regularly talks to its main suppliers primarily through business reviews, annual "Partners for Strategic Sourcing" events dedicated to the Group's key suppliers, and satisfaction surveys (SME Pact Barometer). The Group also offers them a redress procedure in case of difficulties (see *Ethics at the heart of supplier relations*, Commitment 2).
- BNP Paribas presents its CSR strategy to investors several times a year and regularly keeps extra-financial analysts informed. The CSR Department talked about ESG topics 96 times with 77 different investors in 2023.
- The Group pursues a policy and a management process for its relations with advocacy NGOs, in order to ensure a constructive dialogue with them. In 2023, BNP Paribas had 183 different exchanges with these NGOs throughout the world.
- With regard to regulatory organisations, governments and parliamentarians, BNP Paribas adopted a "charter for responsible representation with respect to the public authorities" in 2012. This was completed in 2022 with a commitment to ensure that its public commitments relating to the environment and climate change are consistent, in particular its support for the Paris Agreement goals. The Bank is also registered in the digital register of lobbyists managed by the *Haute Autorité pour la transparence de la vie publique* (HATVP, High Authority for Transparency in Public Life), on the EU transparency register and now in Germany on the new *Bundestag Lobbyregister*. It is also registered in the United States with the Senate and the House of Representatives under the Lobbying Disclosure Act. Lastly, the Group follows the principles of the Transparency International France Joint Declaration on Transparency in Lobbying, signed in February 2014, and its revised version of May 2019, which takes into account the provisions of the Sapin 2 law on the representation of interests. The Group's main public positions on banking and financial regulations and its responsible representation practices are also available on the corporate website<sup>1</sup>.
- The stakeholder mapping and BNP Paribas dialogue initiatives with each stakeholder are described in detail in the document "How BNP Paribas listens to and takes into account the expectations of its stakeholders"<sup>2</sup>, available on the corporate website. A materiality matrix presenting the most important issues for the Group's internal and external stakeholders is also available (see *Vigilance plan*, section 7.7).

## CHANGES IN OUR EXTRA-FINANCIAL REPORTING INFORMATION

Section 5.11 *Environmental, social and governance risk* meets the regulatory requirements of Pillar 3 of the European Banking Authority.

In addition, the Green Asset Ratio (GAR) has been published for the first time this year, in section 7.9 *Aligned activities under the meaning of the European taxonomy* of this chapter.

<sup>1</sup> <https://group.bnpparibas/en/key-public-positions-banking-financial-regulation>.

<sup>2</sup> [https://cdn-group.bnpparibas.com/uploads/file/bnp\\_paribas\\_csr\\_dialogue\\_with\\_stakeholders\\_2024.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnp_paribas_csr_dialogue_with_stakeholders_2024.pdf).

## 7.2 Our economic responsibility: financing the economy in an ethical manner

BNP Paribas' primary mission is to meet its clients' needs, in particular by financing in a responsible manner the projects of individual clients and businesses, drivers of economic development and jobs' creation. Given its leading positions in financial services in the 63 countries in which it operates, the Group's financing capacity and the way it conducts its business can have a direct impact on local economies. Thus, aware of its economic responsibility, BNP Paribas acts in coherence with its three commitments:

- **Commitment 1:** Financing and investments with a positive impact;
- **Commitment 2:** Ethics of the highest standard;
- **Commitment 3:** Systematic integration and management of environmental, social and governance risks (ESG).

### COMMITMENT 1: FINANCING AND INVESTMENTS WITH A POSITIVE IMPACT

#### OFFERING A WIDE RANGE OF SUSTAINABLE PRODUCTS

For several years, BNP Paribas has been developing a wide range of sustainable products linked to extra-financial indicators, intended for all its corporate clients, financial institutions and sovereigns such as:

- sustainability-linked loans (SLL), and impact loans for which the interest rate is subsidised according to the achievement of CSR objectives. BNP Paribas was the world's fifth-largest SLL provider in 2023 at USD 16.2 billion<sup>1</sup>;
- sustainability-linked bonds;
- sustainable deposits and cross-currency sustainability linked swaps;
- ISLF+ (inclusive and sustainability-linked financing), sustainable inclusive financing based on the SLL model (see *Continued support for microfinance institutions*, Commitment 7).

The Group also supports its clients with sustainable bond issues, which include social bonds and green bonds, for which BNP Paribas is the world leader for the second year running with USD 25.6 billion in 2023<sup>(1)</sup>. Examples of green bonds are detailed in Commitment 10, *Supporting corporate clients in their energy and ecological transition*.

#### Examples of sustainable transactions in 2023

BNP Paribas Fortis acted as co-sustainability coordinator when negotiating a sustainability-linked loan of EUR 400 million for Renewi, a waste recycling and recovery company. The interest margin on the loan will depend on whether Renewi achieves the objectives it has set itself, namely, to recycle 75% of its waste by 2025 and to reduce its scopes 1 and 2 carbon emissions.

In 2023, the Republic of Slovenia issued its largest sustainable bond in the amount of EUR 1.25 billion. BNP Paribas took on the role of sole structuring advisor and joint lead manager for this transaction. In addition to green projects, funds will be allocated to social projects for access to essential services in education, healthcare and social inclusion.

In 2023, BNP Paribas co-developed the first ISLF+ (inclusive & sustainability-linked financing). They specifically enable microfinance players to receive dedicated technical support and subsidised rates based on the achievement of social, environmental and/or just transition objectives. The first three ISLF+ were signed with some of the Group's long-standing partners: Adie in France, PerMicro in Italy and Banco da Familia in Brazil.

Launched in 2023, BNP Paribas Climate Impact Infrastructure Debt is a fund classified under article 9 of the SFDR which includes an initial investment by BNP Paribas Cardif. It aims to raise between EUR 500 and EUR 750 million from institutional investors. It will support projects working for the energy transition in Europe focused on renewable energy, clean mobility and the circular economy, including new sectors such as batteries, hydrogen and carbon capture.

These operations contribute to the objectives set out in the CSR dashboard as part of the GTS plan (Growth, Technology, Sustainability) 2025 (see 7.1 *Strategy*), and specifically:

- **EUR 150 billion in sustainable loans (EUR 117 billion at the end of 2023);**
- **EUR 200 billion in sustainable bonds (EUR 67 billion at the end of 2023);**
- **EUR 300 billion in assets under management in open-ended funds distributed in Europe, articles 8 and 9 of the SFDR (EUR 254 billion at the end of 2023).**

BNP Paribas Personal Finance is a major player in the financing of individuals in Europe, operating in around 20 countries,

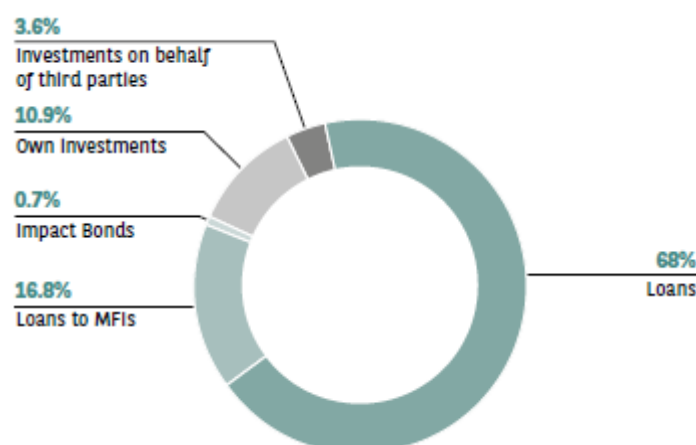
<sup>1</sup> Source: Dealogic.

under several trademarks including Cetelem, Findomestic, AlphaCredit and Cpay and covering nearly 23 million customers. At the end of 2023, sustainable finance (financial inclusion, the energy transition of housing, sustainable mobility and the circular economy) outstandings reached EUR 8.9 billion, *i.e.* 8% of its total outstandings. This includes financing of the energy transition of housing for the amount of EUR 4 billion.

## FINANCING IMPACT ENTREPRENEURSHIP

Thanks to their hybrid business model, impact enterprises aim to generate a strong positive social and/or environmental impact, while seeking economic sustainability. They may be start-ups or SMEs, associations, cooperatives or microfinance institutions (MFIs, see *Continued support for microfinance institutions*, Commitment 7), and work on various themes such as the circular economy, access to healthcare, child protection, professional integration and equal opportunities. Primarily in France, through the "Act For Impact" initiative, the Group supports impact entrepreneurship through bank financing at subsidised rates, impact bonds and capital investments.

### THE GROUP'S COMMITMENT TO SUPPORT ENTREPRENEURSHIP FOR IMPACT AMOUNTS TO EUR 2 BILLION



The Group's support for impact entrepreneurship was stable overall compared to the previous year at an amount of EUR 2 billion, including support for the microfinance sector for EUR 345 million. The number of impact enterprises that have benefited from the Group's support continues to increase, from 3,170 in 2022 to 3,450 in 2023.

### Development of the Impact Bond activity

Impact Bonds are a financing tool based on a unique model of collaboration between the public, private and social and solidarity economy (SSE) sectors. They provide positive solutions for society or the environment that promote innovation in public policies with a limited cost for the State. In 2023, BNP Paribas continued the development and thematic diversification of Impact Bonds as an arranger and investor.

Three years after launching the very first Impact Bonds fund in France and the European Union, BNP Paribas launched a second edition, the BNP Paribas European Impact Bonds Fund 2, managed by BNP Paribas Asset Management. Three strategic investors have already committed to the creation of this fund alongside BNP Paribas: Banque des Territoires of the Caisse des Dépôts Group, the European Investment Fund and BNP Paribas Cardif. With a target size of EUR 70 million, this fund aims to change the scale of the Impact Bonds market in the European Union.

Nine new Impact Bonds were launched in 2023 for a total amount of EUR 28 million, in which the fund invested EUR 13 million. These include the EUR 2.9 million Impact Bond operated by Andes, which aims to combat food waste and food insecurity on a large scale by adding value to food that would otherwise go unsold and helping to diversify and improve the diet of food aid beneficiaries.

Since 2016, BNP Paribas has supported (as arranger or investor, often both) 24 Impact Bonds for a total amount of EUR 82 million, of which 18 are still active.

### Impact investments

This is a medium- or long-term investment strategy with the objective of financing concrete solutions that meet barely or poorly targeted social or environmental needs and generate a positive and quantifiable impact, with a financial return that may be lower than the market rate. This impact investments complies with the following criteria:

- intentionality: the explicit search for a positive social or environmental impact;
- additionality: the investor's commitment and contribution (financial or extra-financial) enable the financed company to maximise its positive impact;

- measurability: the measurement of the impact is based on the implementation of social or environmental objectives, the monitoring of results and a continuous assessment process.



In 2023, the Group continued to deploy its impact investments, via its own budget of EUR 200 million or its funds on behalf of third parties (such as the FCP BNP Paribas Social Business Impact France), by favouring direct equity investments in corporate clients with a strong social and/or environmental impact. 16 new investments (excluding reinvestments) were made for a total of EUR 56 million, including:

- Ecov, a shared mobility operator in areas where public transport is limited or absent, to promote mobility that is accessible to as many people as possible while avoiding CO<sub>2</sub> emissions;
- Urbilog, an iconic player in digital accessibility for people with disabilities (visual, auditory, motor, dys disorders, etc.).

## DESIGNING AND PROMOTING FUNDS WHICH INCLUDE SUSTAINABILITY CRITERIA








As part of the GTS 2025 strategic plan, BNP Paribas Asset Management aims to reach at least 90% of its assets under management in open-ended funds classified in categories 8 or 9 of the SFDR (Sustainable Finance Disclosure Regulation), i.e. EUR 300 billion. At the end of 2023, this proportion of 90% had been reached for assets of EUR 254 billion.

For several years, BNP Paribas Asset Management has broadened its range of investment solutions by focusing on corporate clients making a positive contribution to the transition to a more sustainable economy. Its sustainability-focused product offering is structured around two main ranges covering the main listed and unlisted asset classes. Solutions include:

- **labelled funds:** products that adhere to one or more European sustainability labels such as general labels (SRI in France or Towards Sustainability in Belgium), green label (Greenfin) or solidarity label (Finansol). The labelling processes are certified, which guarantees compliance with their specifications. In 2023, the SRI label was obtained for the ETF BNP Paribas Easy ECPI Circular Economy Leaders fund, and the Towards Sustainability label for BNP Paribas Emerging Climate Solutions and BNP Paribas Global Climate Solutions funds, created in 2022. Also in 2023, as the specifications of the Towards Sustainability and SRI labels have evolved, BNP Paribas Asset Management has acted to implement the new criteria as soon as they come into force (2024), in particular the one on the exclusion of fossil fuels.

In total, BNP Paribas Asset Management's labelled funds represented EUR 139.5 billion at the end of December 2023, i.e. nearly 26% of total assets under management;

- **thematic sustainability solutions:** see *Enabling its clients to transition to a low-carbon economy*, Commitment 10.

|                         | SRI label   | Greenfin  | Finansol  | Towards<br>Sustainability   | FNG   | LuxFLAG<br>ESG   | LuxFLAG<br>Environment  | Funds<br>with at<br>least<br>one label | TOTAL<br>LABELLED<br>ASSETS<br>(in millions<br>of euros) |
|-------------------------|---|---|---|---|---|--|---|--|--|
|                         |  |  |  |  |  |  |  |  |  |
| Shares                  | 63  |   |   | 60  | 9   | 3  |   | 94                                     | 51,537   |
| Bonds                   | 16  | 2   | 2   | 36  | 4   |  |   | 36                                     | 22,036   |
| Monetary                | 3   |   |   | 2   |   |  |   | 3                                      | 33,229   |
| Real<br>estate<br>funds | 1   |   |   | 2   |   |  |   | 2                                      | 191  |
| Diversified             | 2   |   | 6   | 27  |   | 1  | 2   | 36                                     | 32,469   |
|                         |   |   |   |   |   |  |   |  | <b>139,462</b>   |

## TAILORED ADVICE AND SUPPORT: START-UPS AND INNOVATIVE COMPANIES

BNP Paribas channels all of the Bank's expert knowledge into serving innovative companies through strategic partnerships, raising of funds and adapted financing solutions.

In France, BNP Paribas has for several years developed recognised expertise and a strong commitment to the innovation ecosystem. Under the "We Are Innovation" WAI label, 100 specialised account managers advise innovative companies of all sizes and provide them with financing, equity capitalisation, global fund-raising, IPOs or direct investment solutions through BNP Paribas Développement subsidiary. The vast majority of innovative companies are supported by BNP Paribas teams, i.e. 85% of the companies in the Next40, 78% of companies in the FrenchTech120 and 75% in the FrenchTech 2030.

## COMMITMENT 2: ETHICS OF THE HIGHEST STANDARD

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The respect of the most rigorous ethical standards is a prerequisite at BNP Paribas. All Group employees are required to strictly respect all laws, rules and regulations in effect in all domains, as well as all professional standards that apply to their activities. In the event of conflict between the laws of a country and BNP Paribas' ethical rules, employees are required to respect local legislation while at the same time looking for ways to apply and respect internal ethical rules.

### ETHICS OF THE HIGHEST STANDARD

#### Code of conduct

The BNP Paribas Code of conduct, published in 2016 and enhanced in 2022, is translated into 20 languages and is published on the Group's website<sup>1</sup>. It covers the following topics:

- customer's interest;
- financial security;
- market integrity;
- conflicts of interests;
- professional ethics;
- respect for colleagues;
- protection of the Group;
- commitment to society;
- the fight against corruption and influence peddling.

A training course on all the topics of the Code of conduct (Conduct Journey) is mandatory for new employees in the Group, and every two years for all employees (see chapter 2 *Internal control*).

#### The whistleblowing system

All employees have the right to signal an alert.

Alert subjects include, but are not limited to:

- acts of corruption, influence peddling or any other infringement pertaining to probity;
- acts of fraud;
- professional behaviour contrary to the provisions on respect for persons;
- breaches of the rules of professional ethics;
- financial security breaches;
- anti-competitive practices;
- breaches of market integrity;
- breaches of the rules for the protection of customer interests;
- unauthorised disclosure of confidential information, theft or leaking of data;
- violations of human rights and fundamental freedoms, personal health and safety or the environment, committed by a Group entity, by a supplier or the subcontractor of a supplier, under a commercial relationship established with the Group or one of its entities;
- violations of the Group's policies regarding suppliers;
- violations of the Group's policies regarding the use of social media.

Deployed in all BNP Paribas entities, the whistleblowing system<sup>2</sup> is based on dedicated channels under the responsibility of "Compliance alert referents" and "Conduct HR referents, Respect for colleagues", who ensure that alerts are processed in compliance with confidentiality rules.

Initially open to the Group's employees, it has now been extended to certain external players and in particular to former Group employees, its suppliers and their subcontractors since December 2022, and can be accessed *via* the Group's website<sup>3</sup>.

The protection of whistleblowers against the risk of retaliation has been strengthened by the French law No.2022-401 of 21 March 2022. Any person that needs to know of an alert during its processing is formally committed to respecting the confidentiality of the information relating to the whistleblowers and any person involved. In addition, the Group guarantees the protection of whistleblowers against the risk of retaliation, and any person considering themselves the victim of retaliation may issue an alert that will be dealt with according to the standards defined by the Human Resources Department. This protection applies regardless of the channel used by the whistleblower.

<sup>1</sup> [https://cdn-group.bnpparibas.com/uploads/file/220204\\_bnpb\\_compliance\\_codeofconduct\\_2022\\_eng.pdf](https://cdn-group.bnpparibas.com/uploads/file/220204_bnpb_compliance_codeofconduct_2022_eng.pdf).

<sup>2</sup> Summary of the system – BNP Paribas' whistleblowing procedure. ([https://cdn-group.bnpparibas.com/uploads/file/summary\\_of\\_bnp\\_paribas\\_wb\\_framework\\_eng\\_june\\_2022.pdf](https://cdn-group.bnpparibas.com/uploads/file/summary_of_bnp_paribas_wb_framework_eng_june_2022.pdf)).

<sup>3</sup> Whistleblowing framework (<https://group.bnpparibas/en/direct-access/whistleblowing>).

The whistleblowing system is presented in the mandatory Code of conduct training course. Executive Management and the Board of directors are regularly informed of its use.

| Alerts                    | 2021 | 2022 | 2023 |
|---------------------------|------|------|------|
| Number of alerts received | 296  | 313  | 333  |

## The fight against corruption, money laundering and the financing of terrorism

In all of its entities, BNP Paribas maintains mechanisms for detecting money laundering and terrorist financing operations, which are based on a set of standards and controls, on employee vigilance, maintained through mandatory training programmes, and on constantly evolving computerised tools. A strengthened system for the prevention and detection of corruption has also been generalised (see section *Compliance activity in 2023*, chapter 2).

## The fight against tax evasion

Compliance with all tax obligations is one of the Group's commitments in terms of economic and civic responsibility. The tax compliance of operations intended to meet its needs or those of its clients is thus a major objective of its governance. To this end, principles and procedures have been defined and are applicable to all operations in which the Group is involved. These items are included in the BNP Paribas Tax Code of conduct<sup>1</sup> the last updated version of which was published in June 2023.

The Group's fiscally responsible behaviour is reflected in the fair contribution it makes to the revenues of the countries or territories in which it operates.

Each year, the Group is fully transparent by publishing a table presenting, country by country, net banking revenue, workforce and income, as well as corporate income tax paid (see section 8.6 *Information on locations and businesses for 2023*).

### The Group's tax principles

The decisions taken by BNP Paribas are guided by the will to meet the needs of the real economy, and not by tax considerations.

The choice of location results from the Group's will to provide its customers with the best possible service. BNP Paribas entities have real economic substance.

In all the jurisdictions in which it operates, the Group undertakes to comply not only with the letter but also with the spirit of the tax laws and fiscal regulations in force. The Group ensures compliance with tax rules pursuant to treaties, laws and regulations, as well as the payment of all corresponding taxes whatsoever.

The transfer pricing policy applicable to intra-group cross-border transactions excludes any search for tax optimisation.

All around the world, BNP Paribas seeks to establish and maintain a cooperative relationship with tax authorities.

The Group takes the greatest care in ensuring the tax compliance of its clients.

BNP Paribas ensures the proper application of all provisions governing withholding taxes as well as the transfer of these funds to the budgets of the countries or territories concerned.

The Group also ensures the quality and completeness of information it transmits automatically, on request, or spontaneously, to public authorities.

## Amount of taxes and levies paid by BNP Paribas

Globally, the amount of taxes and levies owed by BNP Paribas reached EUR 6.8 billion in 2023. In France, the Group paid taxes and levies of EUR 2.1 billion in respect of the same year.

## PROTECTING CLIENT'S INTERESTS

Protecting clients' interests is a major concern for the Group. For this reason, it has chosen to place this issue at the heart of its Code of conduct and has set up a dedicated expert group within Compliance Function.

### A global Group-wide policy

The clients' interest protection policy defines the rules of organisation and conduct that must be applied throughout the relationship with the client and at all stages of the product and service life cycle, in order to ensure that:

- products and services offered to clients meet their needs and situation;
- information provided to clients is clear and honest, and enables them to make informed decisions;
- conflicts of interest are managed in such a way as to favour the interests of the clients and not those of the Group, its employees or its partners;

<sup>1</sup> <https://invest.bnpparibas/en/document/code-of-tax-conduct>

- complaints are handled promptly and rigorously.

The protection of clients' interests is the subject of trainings for the employees concerned, in particular the teams in charge of customer relations and management.

Compliance with the Code of conduct and the clients' interest protection policy is verified by all internal control players: the business lines as the first line of defence, Compliance and General Inspection as the second and third lines respectively.

These rules are translated into concrete practices deployed in all Group business lines and entities, depending on their specific characteristics:

- dialogue with consumer associations and other stakeholders is encouraged to gather their opinions on new ways to improve the protection of clients' interests;
- approval procedures for new products and services include the protection of clients' interests;
- questionnaires to identify needs and the situation of clients are gradually being enriched with environmental, social and governance (ESG) criteria, in order to integrate their preferences in the context of advice and portfolio management;
- compensation of sales teams is structured so as not to encourage operations that would be contrary to clients' interests.

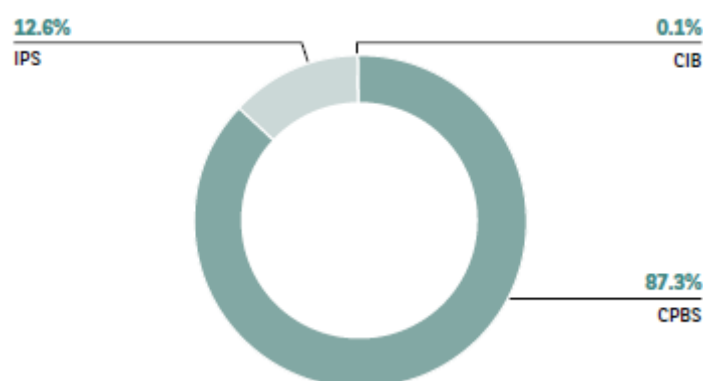
For Commercial & Personal Banking in France (CPBF), for example, the variable compensation system for sales teams is structured around four aspects of its job, illustrating the performance that is expected from the employee: the quality of the customer relationship, commercial development, the management of risks and compliance, as well as management (for the employees concerned). In Belgium, part of the collective variable compensation is linked to the achievement of several objectives, including client satisfaction (NPS – Net Promoter Score).

## Complaints management and mediation

The processing of complaints is a key element of the client interest protection policy, and is subject to specific operational procedures. The complaints statistics are an indicator monitored at Group level.

|  | 2021  | 2022  | 2023 |
|--|-------|-------|------|
| Number of complaints received (in thousands) | 1,161 | 1,150 | 975  |

## BREAKDOWN OF COMPLAINTS (2023)



The nature of the activity is the dominant factor and explains the preponderance of retail activities in these statistics.

- BNP Paribas Personal Finance deploys a system for handling customer complaints in all its entities with a specific governance that brings together all the players concerned in order to implement the necessary corrective actions, and qualitative analyses to identify the causes. Thus, the entire "Termination" process, for example, has been revised from pre-sale to litigation, to better meet customers' expectations.
- At BNP Paribas Cardif in France, complaints analysis is used to prepare a formal document. This is presented to the "Complaints and Customer Voice" committee, which meets at least once a year. It aims to share quantitative and qualitative analyses of complaints and how they have evolved. In addition, an annual document entitled "Claims report", listing the volumes, complaints, causes and action plans by major product range, is distributed annually within the Company.

Many Group entities offer the services of independent mediators who can be used by customers. In France, Italy and Belgium, customers contact the national ombudsman services organised by the relevant regulatory bodies.

- BNP Paribas Personal Finance uses external ombudsmen in most countries. In France, an independent ombudsman studies the requests and provides proposed responses.
- Since 2022, BNP Paribas Cardif in France has strengthened its relationship with the Insurance Ombudsman in order to take into account the mediator's perspective on the cases that customers submit to it. In 2023, the continuous improvement of this system continued by identifying the causes of each complaint in the database.

## Monitoring customer satisfaction to better meet customer needs and interests

Measuring customer satisfaction enables product and service offerings to be adapted to their requests, in order to always best serve their interests by analysing their complaints and areas of dissatisfaction. At CPBF, a centre of expertise called Voices provides continuous improvement to serve both customers and employees. The cross-functional missions of Voices are to promote the methodology of the NPS and NPE (Net Promoter Employee) standards, as well as the methodology for redefining priority pathways. A team of experts listens to and analyses feedback from both customers and employees in order to detect the main causes of dissatisfaction. Another team of experts supports the business lines and redefines pathways as well as defining and deploying continuous improvement loops. In 2023, Voices collected more than 1.2 million customer feedback items (Retail Banking, Private Banking and corporate), and more than 4,000 employee feedback items. 15 priority pathways have also been redefined since 2022, including 8 in 2023, and 14 continuous improvement loops active at the end of 2023.

## The Advocacy programme and the Net Promoter System

At the level of the BNP Paribas Group, monitoring of customer satisfaction is part of the Advocacy programme, rolled out since 2017, in order to listen to the voice of customers and employees throughout the relationship with them and improve their experience. Thus, customer expectations and perceptions are better understood and the Group's decisions are guided at all levels (strategy, offering, distribution, customer experience, etc.).

The programme is adapted to any types of customers, and is rolled out by the "Client & Employee Advocacy" teams through the Net Promoter Score (NPS) methodology, which measures the level of recommendation of BNP Paribas customers and compares it with competitors each year.

The Group's objective is to ensure that these entities improve their rankings year-on-year in comparison with their competitors in the countries in which they are based. The NPS covers all domestic and EM (Europe-Mediterranean) markets within the CPBS division, as well as all the business lines and countries of the IPS division.

In 2023, in the four Domestic Markets (France, Belgium, Italy and Luxembourg), 7 million e-mail surveys were sent to customers to collect their feedback, with a return rate of 8%. In addition, nearly 800,000 feedback items were collected *via* live surveys on digital channels (pop-in, pop-up).

Regarding the Group's market positioning:

- of the Group's 26 banking entities, 65% had an NPS score at or above the average for their market in 2023 (vs 50% in 2018). This year's progress is mainly based on business clients:
  - CPBF consolidated its evident progress with business clients (+39 points since 2018) and more specifically with SME clients (+18 points since 2018) and large companies (+16 points since 2018); TEB (Türk Ekonomi Bankası) is one of the leading banks with business clients; BNL (Banca Nazionale del Lavoro) has become a leader among SMEs and large corporate clients (with respectively +19 points and +34 points since 2018),
  - in Commercial & Personal Banking: Hello bank! returned to its highest level (+15 points since 2017) and TEB retained its third place in Türkiye. In addition, it has become easier to contact an advisor at CPBF (call acceptance rate: +7 points in one year) and at BNP Paribas Fortis (+9 points in one year),
  - in Private Banking: BNP Paribas Fortis Wealth Management is the leader among private banks in Belgium for the fourth consecutive year;
- BNP Paribas Personal Finance has ensured that the Customer voice and service excellence is prioritised in operational excellence and strategy. The CES (Customer Effort Score) is now equal to the NPS (Net Promoter Score) as a key performance indicator to improve the customer journey. A shared reference framework called the Experience System has been set up to help countries define strategic challenges in terms of customer experience. Areas for improvement include better consideration of "relationship" paths, more emotion in interactions or even more efficient digital technology;
- BNP Paribas Cardif has included a customer NPS target in its 2025 strategic plan for all the countries in which it operates. Systematic listening and in-depth analysis of customer needs and expectations are thus deployed at the service of the continuous improvement of insurance solutions and the customer journey. With this in mind, BNP Paribas Cardif in France deployed a Close The Loop system in 2023, which involves making further contact with customers who responded to a satisfaction survey, with their prior agreement, to directly gain a more in-depth understanding of which factors are causes of customer satisfaction and dissatisfaction.

## ETHICS AT THE HEART OF SUPPLIER RELATIONS

In 2023, the Group's purchases amounted to around EUR 10 billion excluding tax in expenditure globally. BNP Paribas strives to develop balanced relationships with its suppliers, a desire reflected in its Sustainable Sourcing Charter<sup>1</sup> which details the commitments applicable to both the Group and its suppliers. In addition, the Group holds the label "*Relations fournisseurs et achats responsables*" (the Responsible Supplier Relations and Procurement label), the first and only label awarded by the French public authorities. It recognises French companies or public entities that have demonstrated sustainable and balanced relationships with their suppliers.

<sup>1</sup> [https://cdn-group.bnpparibas.com/uploads/file/sustainable\\_sourcing\\_charter\\_eng.pdf](https://cdn-group.bnpparibas.com/uploads/file/sustainable_sourcing_charter_eng.pdf).

In addition, the Procurement division abides by strict ethical principles, in order to manage the risks of mutual dependency, adapt its practices to allow small and medium-size suppliers to compete in its call for tenders and implement processes for faster payment of supplier invoices.

The Group offers its suppliers a remedy for any problems. In France, an internal ombudsman, appointed in accordance with the commitments of the BNP Paribas Sustainable Sourcing Charter and independent of the Procurement & Performance (P&P) function, can be contacted by any supplier in the event of a dispute with a view to resolving it (contact details can be found online on BNP Paribas' website). 10 referrals were recorded in 2023.

Finally, in France, under its Diversity & Inclusion policy, the Group undertakes a committed policy to develop its business relations with suppliers working with vulnerable and disabled employees and those isolated from work (STPA)<sup>1</sup> and SIAE<sup>2</sup>. BNP Paribas SA's agreement in France on the employment, professional integration and retention of people with disabilities includes the objective of reaching EUR 2 million in revenue excluding tax by 2025 with the STPA. This agreement was renewed for a period of three years (2023-2025), and approved by the French Ministry of Labour. This commitment to diversity in procurement is gradually being extended to the entire social entrepreneurship sector. The BNP Paribas Group, part of the *Collectif d'Entreprises pour une économie plus inclusive* (Business collective for a more inclusive economy)<sup>3</sup>, aims to increase its inclusive purchases in France by 30% by 2025 (from STPAs and SIAEs), compared to 2022.

## COMMITMENT 3: SYSTEMATIC INTEGRATION AND MANAGEMENT OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS (ESG)

### A COMPREHENSIVE ESG RISK MANAGEMENT APPROACH

BNP Paribas is continually strengthening its system for managing ESG risks that may affect its business activities. Initially, this system focused on the most sensitive sectors from an ESG point of view, by developing sectoral policies. It is now more comprehensive, covering all sectors of the economy in which the Group has customers and clients, in particular through the development of sectoral ESG Assessment questionnaires.

#### Binding financing and investment policies

As part of the implementation of its strategy to combat climate change and align its activities with an objective to contribute to carbon neutrality by 2050, BNP Paribas has developed ESG policies covering, currently, eight major sectors<sup>4</sup>, both at the level of projects and corporate clients. They also address fundamental issues such as human rights and biodiversity, and apply to all of the Group's activities. Sectoral policies are regularly adapted to better take into account the new challenges of the sectors covered by being more ambitious.

The Group ensures that the companies and projects it finances comply with the criteria set out in its policies throughout the year. Sectoral policies are monitored, in the same way as all Group policies, as part of the three lines of defence structure (see section 2.4 *Internal control*): the implementation and first-level controls are the responsibility of the business lines, the second-level permanent control is the responsibility of the control functions, and the RISK Function in particular (when it comes to credit processes), and periodic control is the responsibility of the Audit Function and the General Inspection, as a third line of defence.

#### Respect of the Equator Principles in project financing

As a signatory to the Equator Principles alongside 135 other financial institutions worldwide, and in its role as a financial service provider and advisor, BNP Paribas works with its clients to identify, assess, and manage the risks and environmental and social impacts linked with major industrial and infrastructure projects. According to these principles, the negative impacts of these projects on communities, ecosystems or the climate must be avoided or minimised, mitigated and/or offset. Projects graded A present significant risks and systematically involve an external review; those graded B present more limited risks; and those graded C present minimal or no risks.

|  | 2021 | 2022 | 2023 |
|--|------|------|------|
| Number of transactions concerned in the year | 17   | 15   | 29   |
| Number of grade A transactions in the year   | 3    | 2    | 6    |
| Number of grade B transactions in the year   | 13   | 11   | 23   |
| Number of grade C transactions in the year   | 1    | 2    | 0    |

<sup>1</sup> Sheltered and adapted work sector.

<sup>2</sup> Integration through economic activity sector.

<sup>3</sup> <https://www.collectif-economie-plus-inclusive.fr>.

<sup>4</sup> <https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>.

## **An internal ESG performance and risk assessment tool: ESG Assessment**

Gradually developed and then rolled out since 2021, the ESG Assessment has become the preferred tool for monitoring the ESG performance and associated risks of the Group's corporate clients. The ESG Assessment covers the environmental (climate and biodiversity), social (health and safety at work and impact on communities) and governance (business ethics) dimensions through numerous questions divided according to these five themes. It is supplemented by an analysis of controversies affecting clients. The assessment is a systematic ESG analysis that applies as part of the credit process, and is being rolled out in the KYC (Know Your Customer) system. Thus, like other criteria (financial, strategic), ESG criteria are taken into account in the assessment of the counterparty's credit profile. The ESG Assessment, therefore, enables BNP Paribas to deepen and document its ESG knowledge of clients. The ESG Assessment also assesses clients' compliance with the Bank's sectoral policies, as well as the maturity of their ESG strategy and its implementation.

The questionnaires developed in this context are specific to each sector in order to better integrate the challenges and issues specific to related activities. Aware that ESG issues are changing rapidly, the Group plans to adjust these questionnaires, as necessary, taking into account regulatory changes and feedback from clients and relationship managers (RMs), the RISK and CSR teams.

19 sectoral questionnaires (with several sub-sectors) were rolled out in 2023, to assess the maturity of its corporate clients in terms of ESG risks. More than 3,000 analyses of very large and large corporate clients were carried out at the end of 2023, covering almost all of our clients in these segments.

This assessment tool has been adapted for medium-sized corporate customers (companies with revenue in excess of EUR 50 million) and financial institutions, with a target of covering customers in these segments by the end of 2024.

## **IMPLEMENTATION OF FINANCING AND INVESTMENT POLICIES**

### **Restriction of activity lists**

In order to identify the companies presenting the highest environmental and social risks, in addition to financing and investment policies, the Group manages activity restriction lists according to the level of ESG risks observed. At end 2023, these lists included 1,718 companies, including 86 under monitoring and 1,432 under restrictions. Those under monitoring are subject to engagement measures by the Group, in order to monitor that they make lasting changes to their practices and reduce their ESG risks, and that they are aligned with the Group's policies and objectives. The Group prohibits any financing or investment with companies subject to restrictions.

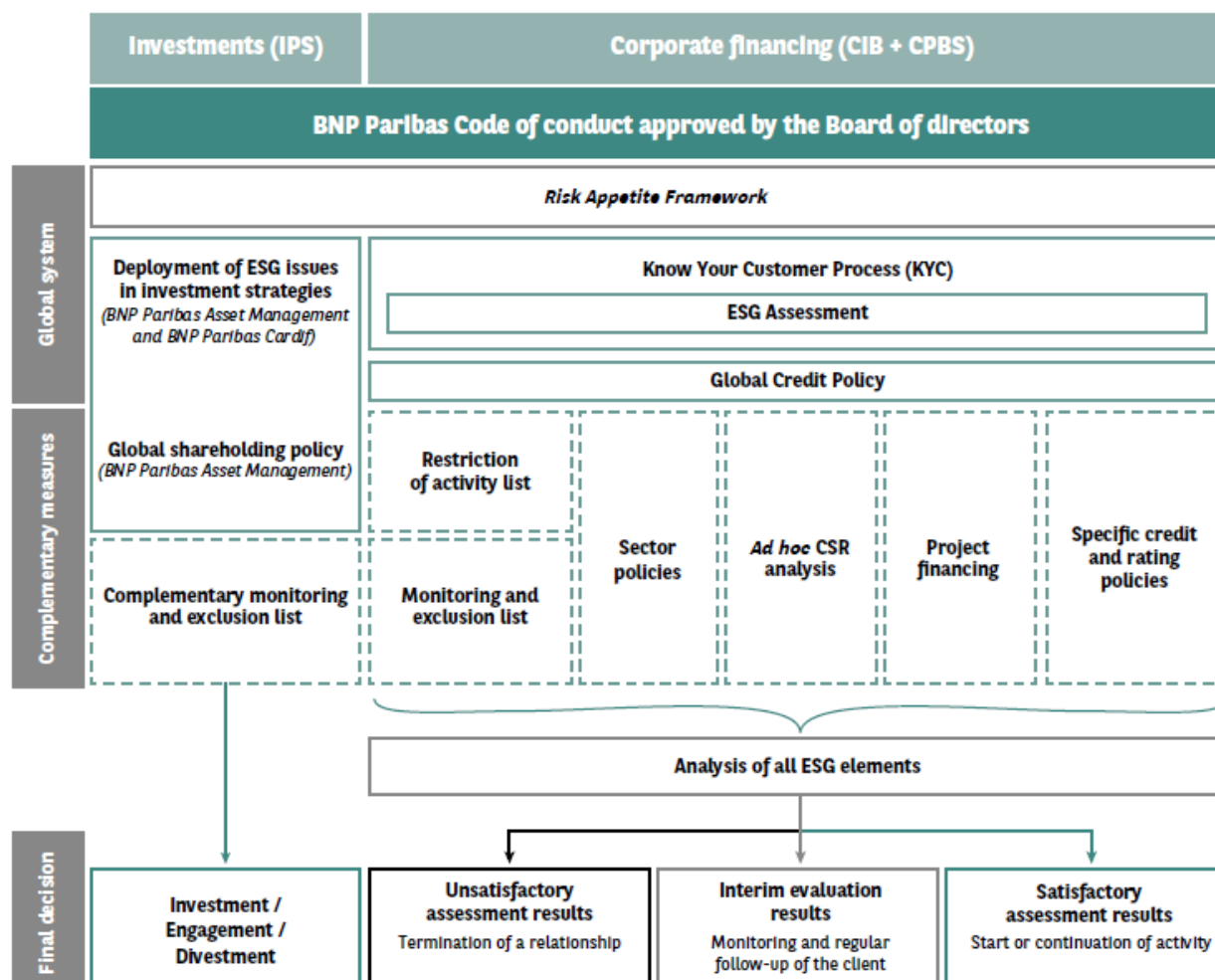
BNP Paribas has also drawn up an exclusion list<sup>1</sup> for certain goods and activities that the Group does not wish to finance, such as tobacco, driftnets, the production of asbestos fibres, products containing PCBs (polychlorinated biphenyls), or trade in any species regulated by the CITES convention.

These lists, implemented at the level of legal entities and groups, are periodically updated using data supplied by clients and external sources, and by analysing the key controversies involving corporate clients accused of serious violations of respect for the environment or human rights. The implementation of clients' exit strategies or amounts invested is regularly monitored internally.

<sup>1</sup> [https://cdn-group.bnpparibas.com/uploads/file/bnpparibas\\_csr\\_exclusion\\_list.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_exclusion_list.pdf).



The overall ESG Risk Management system is therefore evolving and can be represented as follows:



The detail of this table appears in the Group Vigilance plan (see 7.7 *Vigilance plan*).

## Quantitative information and vision of the ESG risk portfolio according to European regulations

Information on the portfolios is published in accordance with the rules prescribed by the European Banking Authority (EBA). This information is detailed in section 5.11 *Environmental, social and governance risk* and in section 7.9 *Aligned activities within the meaning of the European taxonomy*.

## OTHER ESG RISK MANAGEMENT TOOLS

### Integration of ESG criteria into supply chain management

The Group expects its suppliers to conduct their activities in compliance with its environmental, social and governance requirements (see *Ethics at the heart of relationship with suppliers*, Commitment 2). Within its scope of operations, the Procurement & Performance (P&P) business line applies ESG criteria at several different levels:

- at the central level, with the inclusion of a central ESG risk mapping relating to the products or services purchased. This mapping helps identify high-risk purchasing categories according to 13 issues related to ethics (corruption, data protection, etc.), environmental (pollution, biodiversity, greenhouse gases, etc.) and social issues (human rights, working conditions, discrimination, etc.);
- through ESG assessments of suppliers, carried out through onboarding processes and in the context of calls for tenders. Internal purchasing standards provide for a minimum 15% weighting of CSR criteria during calls for tenders. In France, this system was enhanced in 2023 by using information from the Ecovadis platform for the ESG assessment of suppliers.

Finally, a significant effort was also devoted to employee training (475 people worldwide trained in CSR criteria, and more than 150 in inclusive purchasing).

In total, at the end of 2023, 5,312 supplier ESG assessments had been carried out, and 1,287 suppliers had signed the Group's Sustainable Sourcing Charter<sup>1</sup>.

## Integrating ESG criteria into asset management

BNP Paribas Asset Management strengthened its commitment to the Paris Agreement by signing the Net Zero Asset Manager (NZAM) initiative<sup>2</sup>. Its net zero roadmap covers investment activities, voting and engagement activities, and operations and is based on 10 commitments including:

- reducing the carbon footprint of its investments;
- aligning investments with the objective of carbon neutrality;
- increasing sector-specific investments in environmental and climate solutions;
- voting in favour of climate action by corporate clients at Annual General Meetings and engaging in dialogue with corporate clients on carbon neutrality;
- reducing the operational carbon footprint.

As part of its membership of the Net Zero Asset Owner Alliance (NZAOA), BNP Paribas Cardif has made commitments that meet the four pillars identified by the alliance<sup>3</sup>:

- measure the alignment of investment portfolios with the Paris Agreement and reduce its carbon footprint;
- set decarbonisation targets for the sectors that emit the most greenhouse gases;
- develop investments related to the climate transition;
- talk to companies and asset managers to encourage them to implement a climate strategy consistent with the Paris Agreement.

BNP Paribas Asset Management and BNP Paribas Cardif implement their ESG strategies, which include, among other things, the application of the Group's sector policies. Thus:

- BNP Paribas Asset Management's Global Sustainability strategy, launched in 2019 and updated at the beginning of 2024<sup>4</sup>, details the way in which ESG issues are deployed in investment strategies. It is based on the exclusion of certain sectors, engagement and dialogue with invested companies (stewardship) as well as responsible business conduct and a long-term perspective;
- in 2023, 95% of BNP Paribas Cardif's general assets in euros in France were subject to an ESG analysis.

In order to promote best ESG practices within the companies in which the asset management company and its clients have invested, BNP Paribas Asset Management systematically exercises its voting rights as a shareholder, voting this year at 1,931 Annual General Meetings. BNP Paribas Asset Management abstained or opposed about 36% of these resolutions (33% in 2022). It supported 88% of shareholder proposals on climate change and 96% of shareholder proposals on social issues. In 2023, BNP Paribas Asset Management objected to 1,521 resolutions proposed by 271 companies due to environmental or biodiversity-related considerations. Finally, BNP Paribas Asset Management ranked second in Point of No Returns 2023<sup>5</sup> ShareAction on the responsible investment practices of the 77 largest asset managers in the world.

BNP Paribas Asset Management and BNP Paribas Cardif use collaborative dialogue (working groups or coalitions whose members cooperate to act jointly with companies) to encourage improvements in practices. For example, these two entities are members of the Climate Action 100+ Initiative<sup>6</sup> and, as such, regularly engage in dialogue with companies ranked among the world's top greenhouse gas emitters to improve their climate change governance and strategy. BNP Paribas Asset Management is also a founding member of Nature Action 100<sup>7</sup>.

## Operational control plan

In order to verify the strict application of ESG risk management tools, BNP Paribas has rolled out a CSR operational control plan which establishes a continuous improvement process. This control plan, linked to the application of sectoral policies, exclusion and monitoring lists, and questionnaires on the duty of care, is applied to the business lines and functions (see *Our systems' controls* in section 7.7 *Vigilance plan*).

<sup>1</sup> Number of suppliers in the portfolio that have signed the BNP Paribas Sustainable Sourcing Charter. New indicator defined in 2023.

It is based on the number of suppliers in the priority monitoring quadrant of the supplier portfolio, i.e. the sensitive suppliers list that had signed up to the BNP Paribas Sustainable Sourcing Charter at the end of 2023.

This list is composed of "Active suppliers with a level of risk that could have a negative impact on BNP Paribas in the following categories":

- suppliers of sensitive outsourcing services;
- sensitive external suppliers;
- high-risk suppliers from a Compliance perspective;
- sensitive suppliers identified for onboarding;
- suppliers for whom a risk triggering event occurs during the contract life cycle.

<sup>2</sup> <https://viewpoint.bnpparibas-am.com/10-commitments-to-net-zero/>.

<sup>3</sup> [www.bnpparibascardif.com/en/article/-/article/net-zero-asset-owner-alliance-bnp-paribas-cardif-pursues-and-expands-its-commitments](http://www.bnpparibascardif.com/en/article/-/article/net-zero-asset-owner-alliance-bnp-paribas-cardif-pursues-and-expands-its-commitments).

<sup>4</sup> <https://mediaroom-fr.bnpparibas-am.com/download-pdf/659ed788fd25cc0c0b051cc6>.

<sup>5</sup> [https://cdn2.assets-servd.host/shareaction-api/production/resources/reports/Point-of-No>Returns-2023-General-Findings\\_2023-03-01-115320\\_https.pdf](https://cdn2.assets-servd.host/shareaction-api/production/resources/reports/Point-of-No>Returns-2023-General-Findings_2023-03-01-115320_https.pdf).

<sup>6</sup> <https://www.climateaction100.org>.

<sup>7</sup> <https://www.natureaction100.org>.

## ALIGNMENT OF THE LOAN PORTFOLIO WITH THE OBJECTIVE OF A NET ZERO WORLD BY 2025

### A strong acceleration in the switch to low-carbon energy sources

In 2020, BNP Paribas announced its total exit from the thermal coal value chain by 2030 in the European Union and OECD (Organisation for Economic Cooperation and Development) countries, and by 2040 in the rest of the world. In 2023, aware of the impact of metallurgical coal on CO<sub>2</sub> emissions, the Group amended its mining policy to exclude any project financing related to its extraction.

In addition, BNP Paribas decided to massively reduce its financing to the oil and gas sector. For several years now, it no longer finances projects related to unconventional oil and gas, and oil and gas activities located in areas that are particularly sensitive in terms of biodiversity (the Arctic and the Amazon). In addition, **BNP Paribas no longer grants financing for the development of new oil or gas projects, regardless of the financing terms**, and terminates, on a scheduled basis, the financing granted to independent oil companies intended to support oil production (loans granted to companies or financing of reserve based lending), thus drastically reducing its exposure to fossil fuels.

**In 2028, at least 80% of BNP Paribas' credit exposure to energy production will be focused on low-carbon energies, and at least 90% in 2030.** At the end of September 2023, credit exposure to low-carbon energy represented EUR 32 billion, *i.e.* 65% of financing for energy production.

### Partnerships and loan portfolio measurement and alignment methodologies

BNP Paribas has committed to aligning its activities with the objectives of the Paris Agreement, then financing a carbon neutral world by 2050. In this context, the Group has joined various initiatives and coalitions, including the Net Zero Banking Alliance (NZBA), through which the Group has committed to applying its alignment strategy to the sectors that emit the most greenhouse gases.

In 2023, BNP Paribas published its Climate report<sup>1</sup> in which the stages of the loan portfolio alignment are presented in detail. In particular, this report explains what data is used, details of the calculation methodologies, including the calculation of the alignment trajectory and the strategy implemented by the Group, and specifies the methods for managing the portfolio. It also covers an update of the three sectors published in 2022 in the report Climate Analytics and Alignment<sup>2</sup> (power generation, oil and gas, and automotive) as well as three new sectors: steel, aluminium and cement.

Given the relative weight of each sector in the Group's credit exposure, on average the results at the end of 2023 are in line with BNP Paribas' ambition to finance a carbon neutral economy by 2050.

### Power generation: a loan portfolio aligned with the netzero 2050 objectives

The electricity mix is representative of the Group's client base as 99% of credit exposures to electricity producer clients are taken into account in this calculation. It shows a less carbon-intensive loan portfolio, that is more oriented towards renewable energies both in 2023 and by 2025 when compared to the IEA's Net Zero 2050 scenario.

### ELECTRICITY MIX CALCULATED BY CAPACITY

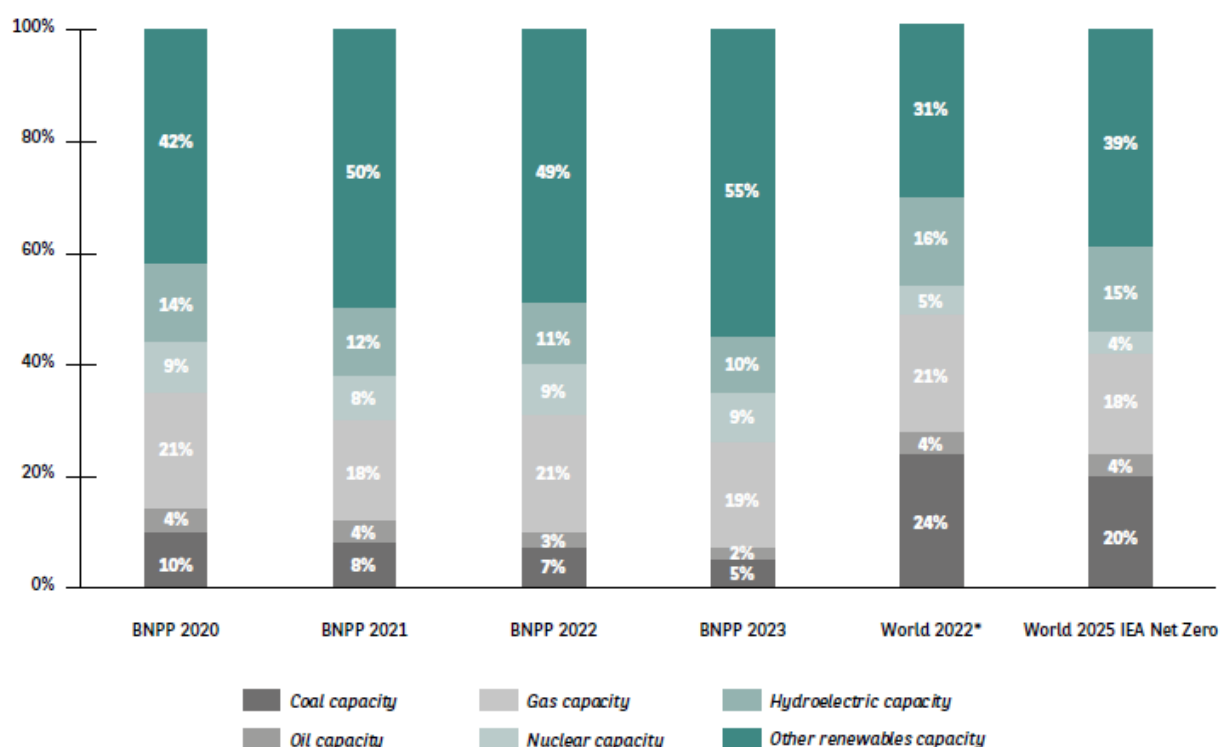
|                     | 2020 | 2021 | 2022 | 2023 | 2025 Objectives |
|---------------------|------|------|------|------|-----------------|
| Share of renewables | 57%  | 62%  | 60%  | 65%  | > 66%           |
| Share of coal       | 10%  | 8%   | 7%   | 5%   | < 5%            |

At 31 December 2023, low-carbon capacities (*i.e.* renewable and nuclear) increased compared to 2022 (from 69% to 74%), while coal and oil capacities were collectively down by three points (10% to 7%). This reduction is notably linked to the implementation of the Group's commitment to fully exit the coal value chain by 2030 for Europe and the OECD countries and 2040 for the rest of the world, and to our clients' investments in renewable capacity.

<sup>1</sup> [https://group.bnpparibas/uploads/file/bnp\\_paribas\\_2022\\_climate\\_report.pdf](https://group.bnpparibas/uploads/file/bnp_paribas_2022_climate_report.pdf).

<sup>2</sup> [https://group.bnpparibas/uploads/file/bnpp\\_climateanalytics\\_alignmentreport\\_final.pdf](https://group.bnpparibas/uploads/file/bnpp_climateanalytics_alignmentreport_final.pdf).

## BNP PARIBAS' ELECTRICITY MIX BY CAPACITY COMPARED TO GLOBAL ELECTRICITY MIX



\* Published in the IEA World Energy Outlook (WEO) 2023.

At 31 December 2023, the emission intensity of electricity portfolio amounted to 148 gCO<sub>2</sub>/kWh compared to 179 gCO<sub>2</sub>/kWh at 31 December 2022. This reduction is due to a decrease in the share of coal and oil in the electricity mix of our clients (these two energy sources being the highest CO<sub>2</sub> emitters), the growth in the financing of renewable projects and the updating of client data. The CO<sub>2</sub> intensity of the portfolio at 31 December 2023 and projected in 2025 is significantly lower than the global average and the IEA's Net Zero 2050 scenario by 2025.

### PORTFOLIO EMISSIONS INTENSITY FOR ELECTRICITY PRODUCTION

| Emission intensity in gCO <sub>2</sub> / kWh        | 2020 | 2021 | 2022 | 2023 | 2025  |
|---|------|------|------|------|-------|
| BNP Paribas   | 208  | 182  | 179  | 148  | ≤ 146 |
| Global Average and Net Zero IEA projection for 2025 | 518  | 512  | 507  | 471  | 397   |

### The fossil fuel extraction sector

At 31 December 2023, BNP Paribas has significantly exceeded its initial 2025 targets (compared to the end of 2020) for reducing its credit exposure to oil and gas exploration and production activities.

### CREDIT EXPOSURE TO OIL AND GAS EXPLORATION-PRODUCTION

|   | At<br>31 December<br>2022 | At<br>31 December<br>2023 | At<br>31 December<br>2025 |
|---|---------------------------|---------------------------|---------------------------|
| Credit exposure, oil exploration and production         | -15%                      | -43%                      | Target of -25%            |
| Credit exposure, oil and gas exploration and production | -12%                      | -37%                      | Target of -12%            |

These objectives were strengthened in January 2023 to aim for an 80% reduction in financing for oil exploration-production by the end of 2030 (compared to 30 September 2022) and a 30% reduction in gas exploration-production over the same period.

The Group is on track to reach them with a total 37% drop in oil and gas credit exposure between 30 September 2022 and 31 December 2023.

## CREDIT EXPOSURE TO OIL AND GAS EXPLORATION-PRODUCTION

| <i>In billions of euros</i>                     | At<br>30 September<br>2022 | At<br>31 December<br>2022 | At<br>30 September<br>2023 | At<br>31 December<br>2023 | Change |
|---|----------------------------|---------------------------|----------------------------|---------------------------|--------|
| Credit exposure, oil exploration and production | 5.0                        | 4.4                       | 3.6                        | 3                         | -40%   |
| Credit exposure, gas exploration and production | 5.3                        | 4.6                       | 4.3                        | 3.5                       | -34%   |

The carbon intensity of the oil and gas portfolio, calculated by combining exploration-production, refining and final use, was 67 gCO<sub>2</sub>eq/MJ at the end of December 2023, a very slight improvement year-on-year (-0.4 gCO<sub>2</sub>eq/MJ).

## LOAN PORTFOLIO EMISSIONS INTENSITY FOR OIL AND GAS

|   | 2020 | 2022 | 2023 | 2025<br>Objectives |
|---|------|------|------|--------------------|
| Emissions intensity in gCO <sub>2</sub> eq/MJ | 68   | 67   | 67   | ≤ 61               |

More broadly, the transition to a low-carbon economy also relies on the development of low-carbon energy financing (see the box at the beginning of this section).

### The automotive sector

Since 2022, BNP Paribas has calculated each year the share of electrified vehicles<sup>1</sup> for its portfolio and the emission intensity measured in grams of CO<sub>2</sub> per kilometre in WLTP standard<sup>2</sup>, focusing on “tank-to-wheel” emissions. Financing related to this activity includes all financing dedicated to automotive manufacturers and their financing captives, for light vehicles only.

## LOAN PORTFOLIO EMISSIONS INTENSITY FOR AUTOMOTIVE

|  | 2020 | 2021 | 2022 | 2023 | 2025<br>Objectives |
|--|------|------|------|------|--------------------|
| Share of electrified vehicles                      | 4%   | 7%   | 14%  | 15%  | ≥ 25%              |
| Emissions intensity in gCO <sub>2</sub> /km (WLTP) | 183  | 176  | 167  | 151  | ≤ 137              |

The share of electric vehicles continues to grow, albeit at a slower pace due to slower growth in demand, while emissions intensity is decreasing thanks to the combined effect of the increase in the rate of electric vehicles and the reduction in average emissions from internal combustion engine cars.

### The steel sector

Since 2023, BNP Paribas has calculated the intensity of its clients' emissions in the (crude) steel sector annually for its loan portfolio, measured in tonnes of CO<sub>2</sub> per tonne of primary crude steel (made from iron ore) and secondary crude steel (made from recycled steel). The measure includes direct emissions (scope 1), energy purchases (scope 2) and purchases of partially processed raw materials (partial scope 3) for non-fully-integrated players. The preparation of commodities and the manufacture of cast iron and steel are also taken into account in the value chain. Upstream activities (iron extraction) and downstream activities (finishing, for example) are excluded.

## PORTFOLIO EMISSIONS INTENSITY FOR STEEL

|  | 2022 | 2023 | 2030 |
|--|------|------|------|
|--|------|------|------|

<sup>1</sup> Electrified vehicles: plug-in hybrid vehicles, battery electric vehicles, vehicles equipped with fuel cells.

<sup>2</sup> WLTP: Worldwide Harmonized Light Vehicle Test Procedures defined by the United Nations Economic Commission for Europe.

## Objectives

|   |     |     |       |
|---|-----|-----|-------|
| Emissions intensity in tonnes of CO <sub>2</sub> per tonne of steel | 1.6 | 1.5 | ≤ 1.2 |
|---|-----|-----|-------|

The results at the end of 2023 show that the BNP Paribas portfolio is in line with the target set, and the IEA's NZE 2050 scenario of 1.2 tCO<sub>2</sub>/tonne of steel by 2030.

### The aluminium sector

Since 2023, BNP Paribas has been calculating its clients' emission intensity in the aluminium sector annually, measured in tonnes of CO<sub>2</sub> equivalent per tonne of primary aluminium (made from bauxite). The measurement includes direct emissions (Scope 1) and emissions from purchased (Scope 2) for the manufacture of aluminium (electrolysis). Upstream activities (bauxite extraction), alumina manufacturing and downstream activities (e.g. extrusion) are excluded.

### LOAN PORTFOLIO EMISSIONS INTENSITY FOR ALUMINIUM

|  | 2022 | 2023 | 2030 Objectives |
|--|------|------|-----------------|
| Emissions intensity in tonnes of CO <sub>2</sub> eq per tonne of aluminium | 6.2  | 5.8  | ≤ 5.6           |

The results at the end of 2023 show that the BNP Paribas portfolio is in line with the defined objective and displays an intensity significantly lower than the 1.5°C 2050 scenario of the IAI<sup>1</sup> based on the IEA NZE 2050 scenario, with 8.9 tCO<sub>2</sub>eq/tonne of aluminium in 2030.

### The cement sector

Since 2023, BNP Paribas has been calculating its loan portfolio emissions intensity for its clients in the cement sector annually, measured in tonnes of CO<sub>2</sub> per tonne of cementitious product. The measurement includes gross direct emissions (scope 1) and purchased energy emissions (Scope 2). The gross direct emissions include emissions of alternative fuels and exclude those related to biomass. The segment of the value chain under consideration is cement production. Upstream activities (extraction of raw materials) and downstream activities (e.g. concrete production) are excluded. Based on latest available client data, the portfolio's emission intensity at the end of 2022 was 0.64 tCO<sub>2</sub>/tonne of cementitious product, in line with the defined target. The data are available later than for the other sectors because they are taken from client's annual reports.

### LOAN PORTFOLIO EMISSIONS INTENSITY FOR CEMENT

|  | 2021 | 2022 | 2030 Objectives |
|--|------|------|-----------------|
| Emissions intensity in tonnes of CO <sub>2</sub> per tonne of cementitious product | 0.67 | 0.64 | ≤ 0.51          |

### Maritime transport

BNP Paribas has measured the carbon intensity of its portfolio in the field of maritime transport for the fourth year running, according to the Poseidon Principles<sup>2</sup>. The new strategy of the International Maritime Organization (IMO) announced in July 2023 provides for "minimum" objectives as well as more ambitious or "striving" objectives, thus implying two possible trajectories. At 31 December 2022, the alignment score for the maritime transport loan portfolio was:

- 3.6% above the alignment score according to the initial trajectory (before revision in 2023);
- 27.2% above the IMO Minimum Trajectory;
- 32% above the IMO Striving Trajectory.

<sup>1</sup> IAI: International Aluminium Institute.

<sup>2</sup> <https://www.poseidonprinciples.org/finance/>

## 7.3 Our social responsibility: supporting our employees by offering them an environment and pathways adapted to their expectations

As part of the *Growth, Technology, Sustainability 2025* (GTS) strategic plan presented by the Group in February 2022, which places people at the heart of its priorities, in 2023 Human Resources continued to implement the ambitions of the *People Strategy* within the Group's business lines and functions, around three pillars: **Ethics and Inclusion, Employee Experience, and Human Capital**.

Faced with the current major societal, environmental and technological challenges, BNP Paribas has a greater responsibility than ever to support its clients in their transitions towards solutions that are both sustainable and practical. Meeting these challenges requires the commitment of all employees in all of the Group's business lines and functions.

To this end, the Human Resources function plays a key role in rolling out people-focused ambitions.

The Group Human Resources Director leads the Company's social responsibility towards its employees, in particular in terms of:

- working conditions (health and safety at work, organisation of work, social dialogue and collective agreements, freedom of association, social protection and work-life balance);
- fair treatment and opportunity for all (equal treatment, fair and equitable compensation, diversity and inclusion, training and skills development, anti-harassment and discrimination);
- respect for labour rights.

She is a member of the Group Executive Committee. She reports regularly on the *People Strategy* and its implementation to the Governance, Ethics, Nominations and CSR Committee (CGEN) and the Board of directors. She also sits on the Board of directors' Remuneration Committee.

With more than 4,000 employees worldwide, the Human Resources function uses its structure and governance (including the bimonthly Executive Committee meeting with the Group managers of the function and the HR managers of the main business lines and territories) to disseminate and deploy its *People Strategy*, while listening to employees and partnering with the business lines in order to ensure that their own strategy is implemented. The *People Strategy* continues to be deployed in line with the objectives set for 2025.

In 2023, against a complex economic and geopolitical backdrop, the Group continued its actions to:

- protect its employees by providing assistance wherever they may need it (Ukraine, Türkiye, Morocco, Middle East), and by deploying its prevention, health and well-being at work offer throughout the world through the *We Care* programme;
- widely promote its diversity and inclusion policy in all its areas, particularly during its *Inclusion Days*, which provided an opportunity to raise employee awareness on equal opportunities, prejudice, disability and financial inclusion, and measure employees' perception of these issues as part of the general *Conduct & Inclusion* survey re-run in 2023;
- reach the ambitious target in terms of gender equality of 37% women in senior management<sup>1</sup> in 2023;
- develop the skills of its employees, particularly in IT, Data, Digital, and Sustainable Finance jobs, while offering them career development opportunities within the Group notably during the *Career Days*.

This enabled the Group to be recognised as Top Employer Europe in 2023 for the tenth year running. In addition, employees themselves helped to promote the Group as an employer during the #UnexpectedJobs campaign. BNP Paribas continues to rank first in the banking and insurance sector in France, according to the 2023 Ranking of preferred companies for students and young graduates produced by Epoka/Harris Interactive.

BNP Paribas' actions in terms of social responsibility are also recognised by extra-financial rating agencies (see chapter 7.1 *Strategy*).

Finally, since 2022, BNP Paribas renewed its "Diversity" and "Professional equality" labels brought together under an "Alliance" label awarded in France by Afnor (*Association Française de Normalisation* – French standardisation organisation). The Group is the first and only bank in France to have obtained this double label for the past four years, demonstrating its long-term commitment to gender equality and the fight against discrimination.

<sup>1</sup> The Group's Senior Management Position (SMP) population is composed of employees holding approximately 3,000 positions considered to have the most significant impact from a strategic, commercial, functional and expertise point of view.

## OUR EMPLOYEES AROUND THE WORLD

### CHANGES IN GROUP WORKFORCE

|  | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total<br>2022  | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total<br>2023  | Change<br>2023/2022 |
|--|--------------------|----------------------|----------------|--------------------|----------------------|----------------|---------------------|
| <b>Workforce (physical headcounts)</b>         | <b>94,678</b>      | <b>102,422</b>       | <b>197,157</b> | <b>90,873</b>      | <b>95,289</b>        | <b>186,162</b> | <b>-6%</b>          |
| Of which PTC <sup>(2)</sup>                    | 92,710             | 99,331               | 192,096        | 89,146             | 92,653               | 181,799        | -5%                 |
| Of which FTC <sup>(3)</sup>                    | 1,968              | 3,091                | 5,061          | 1,727              | 2,636                | 4,363          | -14%                |
| <b>Workforce (FTE)<sup>(4)</sup></b>           | <b>93,969</b>      | <b>99,090</b>        | <b>193,122</b> | <b>90,241</b>      | <b>92,415</b>        | <b>182,656</b> | <b>-5%</b>          |
| Of which PTC <sup>(2)</sup>                    | 92,037             | 96,047               | 188,144        | 88,541             | 89,820               | 178,360        | -5%                 |
| Of which FTC <sup>(3)</sup>                    | 1,933              | 3,043                | 4,977          | 1,700              | 2,596                | 4,296          | -14%                |
| <b>Workforce (financial FTE)<sup>(5)</sup></b> | <b>91,090</b>      | <b>94,195</b>        | <b>185,467</b> | <b>87,624</b>      | <b>87,755</b>        | <b>175,498</b> | <b>-5%</b>          |

(1) This breakdown takes into account employees whose gender has been completed in the HR tools.

(2) Permanent-term contract.

(3) Fixed-term contract.

(4) Full-time equivalent workforce of entities for which the Group holds an HR management mandate: workforce pro-rated to their contractual working time, with all figures rounded to the nearest whole number.

(5) Full-time equivalent workforce of fully consolidated entities (see chapter 8 Income statement items and workforce by country).

At the end of 2023, the Group was established in 63<sup>1</sup> countries (65 countries in 2022). The 5.4% decrease in workforce (in FTE) compared to 2022 is mainly due to the sales of Bank of the West in the United States, the BNP Paribas Personal Finance business line in Bulgaria and the Europe-Mediterranean entities in Ivory Coast and Senegal. The workforce remains stable on a like-for-like basis (-0.1% compared to 2022).

### WORKFORCE IN FTE BY GEOGRAPHICAL AREA AND GENDER AT 31/12/2023

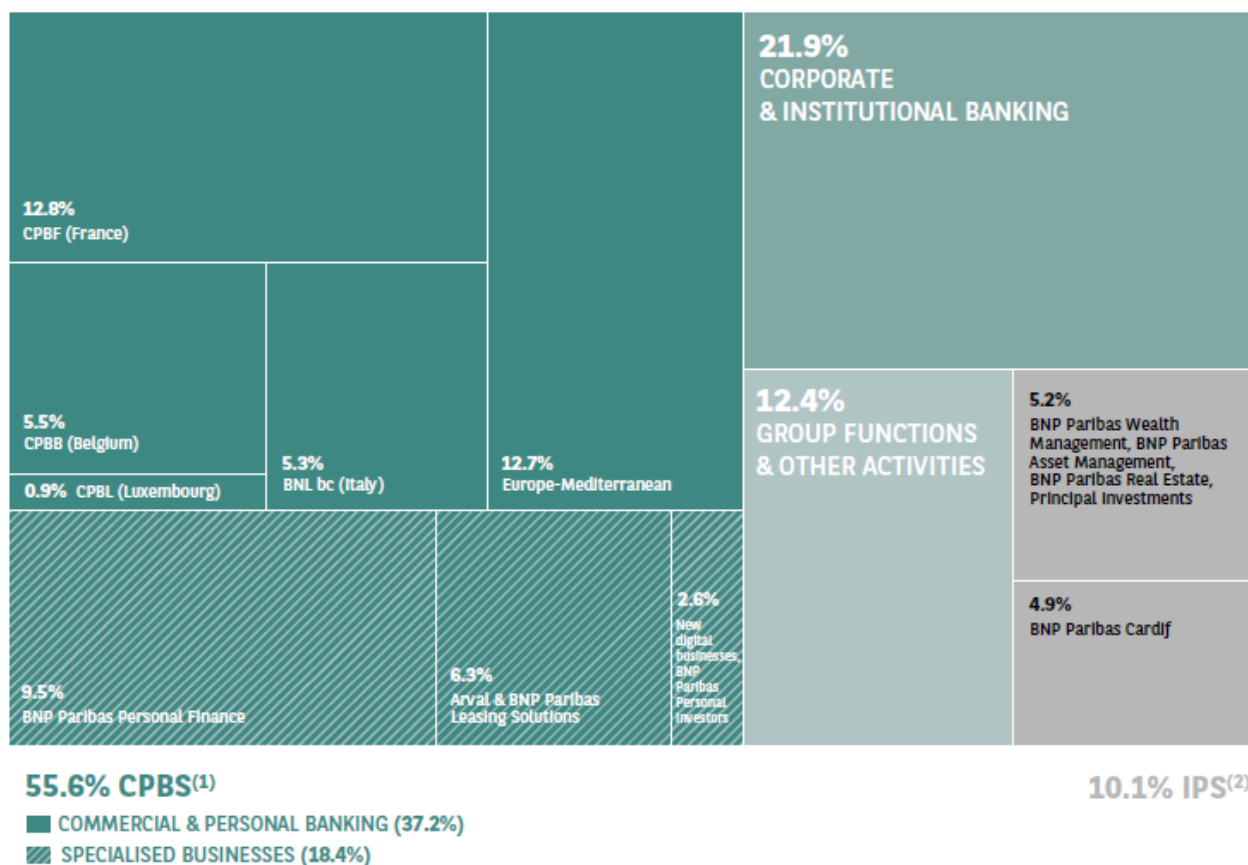
|                                     | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2022     | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2023     |
|-------------------------------------|--------------------|----------------------|----------------|--------------------|----------------------|----------------|
| France                              | 25,600             | 30,536               | 56,136         | 25,596             | 30,114               | 55,710         |
| Italy                               | 8,104              | 7,998                | 16,102         | 8,008              | 7,923                | 15,931         |
| Belgium                             | 6,437              | 6,410                | 12,847         | 6,363              | 6,369                | 12,732         |
| Luxembourg                          | 1,905              | 1,668                | 3,573          | 1,881              | 1,671                | 3,552          |
| <b>Total domestic markets</b>       | <b>42,047</b>      | <b>46,612</b>        | <b>88,659</b>  | <b>41,849</b>      | <b>46,076</b>        | <b>87,924</b>  |
| Europe (excluding domestic markets) | 27,215             | 31,274               | 58,490         | 27,516             | 30,610               | 58,127         |
| <b>Total Europe</b>                 | <b>69,261</b>      | <b>77,886</b>        | <b>147,149</b> | <b>69,365</b>      | <b>76,686</b>        | <b>146,051</b> |
| Asia-Pacific                        | 12,263             | 7,960                | 20,263         | 12,894             | 8,454                | 21,348         |
| Africa                              | 2,892              | 4,053                | 6,952          | 2,272              | 3,388                | 5,661          |
| North America                       | 6,728              | 6,859                | 13,598         | 3,104              | 1,742                | 4,846          |
| South America                       | 2,500              | 2,153                | 4,656          | 2,281              | 1,982                | 4,263          |
| Middle East                         | 325                | 179                  | 504            | 325                | 163                  | 488            |
| <b>Rest of the world</b>            | <b>24,708</b>      | <b>21,203</b>        | <b>45,973</b>  | <b>20,876</b>      | <b>15,729</b>        | <b>36,605</b>  |
| <b>TOTAL</b>                        | <b>93,969</b>      | <b>99,090</b>        | <b>193,122</b> | <b>90,241</b>      | <b>92,415</b>        | <b>182,656</b> |

<sup>1</sup> The Group left Senegal and Ivory Coast.



(1) This breakdown takes into account employees whose gender has been completed in the HR tools.

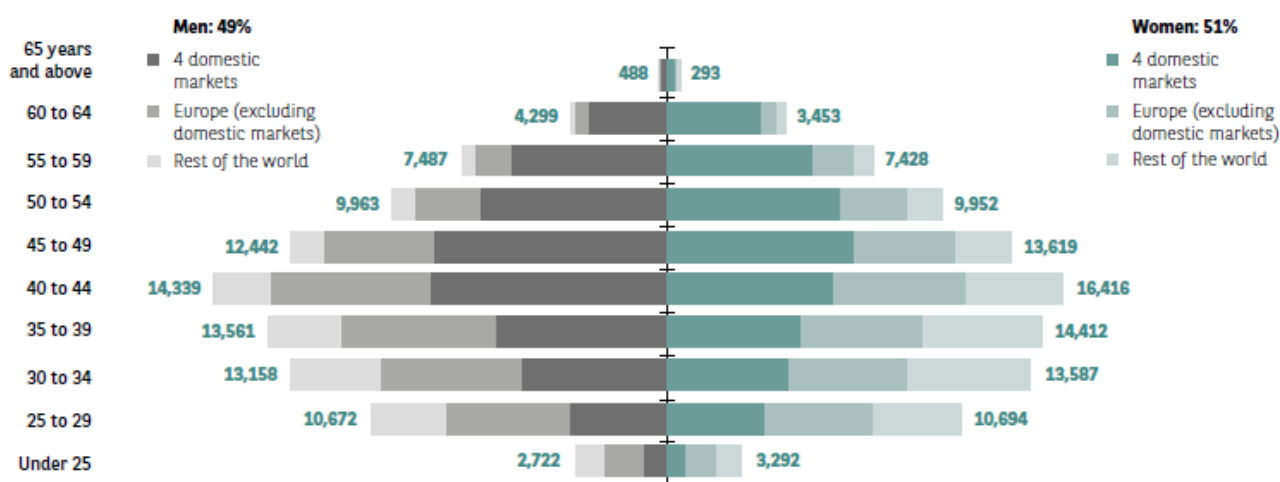
## WORKFORCE IN FTE BY BUSINESS LINE AT 31/12/2023



(1) CPBS: Commercial, Personal Banking & Services.

(2) IPS: Investment & Protection Services.

## WORKFORCE (PHYSICAL HEADCOUNTS) BY AGE, GENDER AND GEOGRAPHICAL AREA AT 31/12/2023



This breakdown takes into account 98% of the Group workforce (permanent + fixed-term contracts) whose age and gender are completed in the HR tools and which is composed of a total of 186,162 employees in physical headcounts.

In 2023, the overall average age is 41.8 years (41.7 in 2022): 42 years for men and 41.7 years for women. In 2023, the average seniority in the Group is 12.1 years (11.7 in 2022): 11.4 years for men and 12.6 years for women.

## PART-TIME WORKFORCE (PHYSICAL HEADCOUNTS) BY GENDER

|                                    | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2022 | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2023 |
|------------------------------------|--------------------|----------------------|------------|--------------------|----------------------|------------|
| Number of part-time employees      | 1,950              | 13,017               | 14,970     | 1,748              | 11,366               | 13,114     |
| Of which part-time at 80% or more  | 1,222              | 8,803                | 10,026     | 1,194              | 7,892                | 9,086      |
| % by gender of part-time employees | 13%                | 87%                  |            | 13%                | 87%                  |            |

(1) Physical workforce taking into account 98% of the Group's workforce, for which the gender and part-time status have been completed in the HR tools.

In 2023, 13,114 employees worked part-time, representing 7% of the Group's workforce (8% in 2022). 69% of them work part-time at 80% or more (67% in 2022). Globally, 2% of men and 12% of women work part-time.

## Changes in workforce

### RECRUITMENTS (PERMANENT CONTRACTS) BY GENDER AND GEOGRAPHICAL AREA

|                                     | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2022    | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2023                  |
|-------------------------------------|--------------------|----------------------|---------------|--------------------|----------------------|-----------------------------|
| France                              | 2,724              | 2,624                | 5,348         | 2,196              | 1,930                | 4,126                       |
| Domestic markets (excluding France) | 1,193              | 872                  | 2,065         | 928                | 765                  | 1,693                       |
| Europe (excluding domestic markets) | 4,942              | 5,280                | 10,223        | 4,000              | 4,697                | 8,698                       |
| Rest of the world                   | 6,169              | 4,969                | 11,256        | 3,600              | 2,727                | 6,327                       |
| <b>TOTAL</b>                        | <b>15,028</b>      | <b>13,745</b>        | <b>28,892</b> | <b>10,724</b>      | <b>10,119</b>        | <b>20,844<sup>(2)</sup></b> |

(1) This breakdown (in physical headcounts) takes into account employees whose gender has been completed in the HR tools.

(2) Recruitments (permanent contracts) in FTE: 20,774.

In 2023, the Group recruited 20,844 employees on permanent contracts worldwide (-27.9% compared to 2022, stable compared to 2021), including 4,126 in France. With 70% of the hires in Europe (61% in 2022), BNP Paribas reaffirms its status as a leading European bank. For the sixth year running, France is the leading recruiting country with 19.8% of the total, followed by India (15.7%), Portugal (9.1%), Türkiye (8.7%) and United Kingdom (5.3%).

### DEPARTURES (PERMANENT CONTRACTS) BY GENDER AND REASON

|  | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2022    | Men <sup>(1)</sup> | Women <sup>(1)</sup> | Total 2023                  |
|--|--------------------|----------------------|---------------|--------------------|----------------------|-----------------------------|
| Retirement/early retirement                      | 902                | 943                  | 1,845         | 1,114              | 1,182                | 2,296                       |
| Resignation                                      | 8,741              | 7,797                | 16,549        | 5,588              | 5,093                | 10,681                      |
| Dismissals                                       | 773                | 791                  | 1,564         | 715                | 627                  | 1,342                       |
| Mutually agreed departures                       | 651                | 1,083                | 1,734         | 500                | 821                  | 1,321                       |
| Assisted departure plans                         | 314                | 433                  | 747           | 265                | 265                  | 530                         |
| Other ends of permanent contracts <sup>(2)</sup> | 1,592              | 1,433                | 3,028         | 1,728              | 1,633                | 3,402                       |
| <b>TOTAL</b>                                     | <b>12,973</b>      | <b>12,480</b>        | <b>25,467</b> | <b>9,910</b>       | <b>9,621</b>         | <b>19,572<sup>(3)</sup></b> |

(1) This breakdown (in physical headcounts) takes into account employees whose gender has been completed in the HR tools.

(2) Of which end of trial period, death, unspecified.

(3) Departures from permanent contracts in FTE: 19,291.

The fall in departures in 2023 (-23%) is mainly due to a general decrease in resignations, particularly in India, slightly offset by an increase in retirement mainly in Türkiye due to a change in local legislation. Of the 19,572 departures in 2023, more than 5,600 were in the domestic markets (6,700 in 2022), including more than 3,800 in France (nearly 4,500 in 2022), more than 8,300 in the rest of Europe (9,000 in 2022) and more than 5,600 in the rest of the world (nearly 9,700 in 2022).

## DEPARTURE RATE BY GENDER

|   | Men          | Women        | Total 2022   | Men          | Women        | Total 2023   |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Departure rate (physical headcounts)<sup>(1)</sup></b> | <b>13.7%</b> | <b>12.1%</b> | <b>12.9%</b> | <b>11.1%</b> | <b>10.3%</b> | <b>10.7%</b> |
| <b>Departure rate (FTE)</b>                               | <b>13.7%</b> | <b>12.3%</b> | <b>13.0%</b> | <b>11.1%</b> | <b>10.4%</b> | <b>10.8%</b> |
| <b>Voluntary departure rate (FTE)<sup>(2)</sup></b>       | <b>9.8%</b>  | <b>8.6%</b>  | <b>9.2%</b>  | <b>6.8%</b>  | <b>6.4%</b>  | <b>6.6%</b>  |
| France  | 5.1%         | 4.0%         | 4.5%         | 3.7%         | 2.6%         | 3.1%         |
| Domestic markets (excluding France)                       | 4.3%         | 3.6%         | 3.9%         | 4.1%         | 2.9%         | 3.5%         |
| Europe (excluding domestic markets)                       | 10.9%        | 12.1%        | 11.5%        | 8.1%         | 10.0%        | 9.1%         |
| Rest of the world   | 18.8%        | 16.3%        | 17.7%        | 11.2%        | 10.9%        | 11.1%        |

(1) Departure rate, based on permanent contracts: (Number of departures in year N)/(Average number of employees in year N).

(2) Voluntary departure rate, based on permanent contracts: (Number of resignations in year N + Number of mutually agreed departures in year N)/(Average number of employees in year N).

The fall in the departure rate, calculated on a like-for-like basis, is mainly due to the decrease in voluntary departures, particularly in India.

## INTERNAL MOBILITIES BY GENDER AND GEOGRAPHICAL AREA<sup>1</sup>

|                                     | Men <sup>(2)</sup> | Women <sup>(2)</sup> | Total 2022    | Men <sup>(2)</sup> | Women <sup>(2)</sup> | Total 2023    |
|-------------------------------------|--------------------|----------------------|---------------|--------------------|----------------------|---------------|
| France                              | 4,275              | 6,177                | 10,452        | 3,538              | 4,736                | 8,274         |
| Domestic markets (excluding France) | 2,207              | 2,217                | 4,424         | 2,738              | 2,417                | 5,155         |
| Europe (excluding domestic markets) | 2,778              | 3,135                | 5,913         | 2,627              | 2,902                | 5,529         |
| Rest of the world                   | 2,232              | 1,890                | 4,122         | 1,860              | 1,423                | 3,283         |
| <b>TOTAL</b>                        | <b>11,492</b>      | <b>13,419</b>        | <b>24,911</b> | <b>10,763</b>      | <b>11,478</b>        | <b>22,241</b> |

(1) Changes in the assignment and/or standard position of employees on permanent contracts. Changes related to reorganisations are not considered as mobilities.

(2) This breakdown (in physical headcounts) takes into account employees whose gender has been completed in the HR tools.

## Absenteeism

The Group's absenteeism rate<sup>(1)</sup> is calculated for 61 countries<sup>2</sup> and includes illness, work-related accidents and occupational illness, excluding commuting accidents and other authorised absences.

|                                     | 2022             |  | 2023             |  |
|-------------------------------------|------------------|--|------------------|--|
|                                     | Absenteeism rate | Maternity, Paternity, Adoption, Parental leave | Absenteeism rate | Maternity, Paternity, Adoption, Parental leave |
| France                              | 5.0%             | 1.9%   | 4.6%             | 1.6%   |
| Domestic markets (excluding France) | 5.5%             | 1.3%   | 4.9%             | 1.3%   |
| Europe (excluding domestic markets) | 2.7%             | 3.8%   | 2.6%             | 3.2%   |

<sup>1</sup> The absenteeism rate is based on the number of days of absence (paid and unpaid) calculated according to the local method used by each entity. The days of absence, all reported on a number of calendar days, are consolidated on a Group common basis, and the calculated rate depends on the average number of employees (paid and unpaid).

<sup>2</sup> The Group HR teams manage a social reporting process with entities in 61 countries (the "Social Reporting Entities") to collect data not available in the information systems, representing 93% of the workforce in FTE managed at 31/12/2023, hereinafter referred to as the "Social Reporting Workforce".

|                   |                           |             |                           |             |
|-------------------|---------------------------|-------------|---------------------------|-------------|
| Rest of the world | 1.4%                      | 1.2%        | 1.1%                      | 1.3%        |
| <b>TOTAL</b>      | <b>3.6%<sup>(1)</sup></b> | <b>2.2%</b> | <b>3.4%<sup>(1)</sup></b> | <b>2.0%</b> |

(1) 99% of the absenteeism rate is related to illness in 2022 and 2023.

## Work-related accidents

|                                     | 2022           |            |                            | 2023           |            |                            |
|-------------------------------------|----------------|------------|----------------------------|----------------|------------|----------------------------|
|                                     | Work - related | Commuting  | Total                      | Work - related | Commuting  | Total                      |
| France                              | 251            | 333        | 584                        | 266            | 311        | 577                        |
| Domestic markets (excluding France) | 150            | 175        | 325                        | 70             | 198        | 268                        |
| Europe (excluding domestic markets) | 112            | 102        | 214                        | 158            | 134        | 292                        |
| Rest of the world                   | 85             | 56         | 141                        | 70             | 63         | 133                        |
| <b>TOTAL</b>                        | <b>598</b>     | <b>666</b> | <b>1,264<sup>(1)</sup></b> | <b>564</b>     | <b>706</b> | <b>1,270<sup>(1)</sup></b> |

(1) Including one fatal accident in 2022 and three fatal accidents in 2023.

The frequency rate<sup>1</sup> for work-related accidents amounts to 1.07 and increases to 2.41 if commuting accidents are added (2.3 in 2022). The severity rate<sup>2</sup> is 0.05 excluding commuting accidents, and 0.09 if days lost due to commuting accidents are added (0.08 in 2022).

## COMMITMENT 4: PROMOTION OF DIVERSITY, EQUALITY AND INCLUSION

Commitment 4 is at the heart of the “Ethics and Inclusion” pillar of the *People Strategy*, the purpose of which is to ensure that our teams are united around a shared culture of ethics and inclusion, and to encourage respect, non-discrimination and exemplarity in our actions. This commitment is monitored through various channels, of which **the Group CSR dashboard indicator which is the share of women in Senior Management Positions** (see 7.1 *Strategy*).

### A SOLID FRAMEWORK, A MULTI-ACTOR COMMITMENT

#### Effective and cross-functional Diversity & Inclusion governance with a constant commitment of Executive Management

The Group Head of Diversity, Equality and Inclusion reports to the Group Head of Human Resources, and is a member of the HR Executive Committee and of the Executive Committee for Company Engagement. The Global Diversity and Inclusion Committee is made up of 40 members from throughout the Group. It meets twice a year and is rolled out at the country, business line and function levels. In 2023, this community was extended to Nickel and the Consulting & Transformation function.

Promoting diversity and inclusion also requires the mobilisation and active support of Executive Management. The personal commitment of the Group Chief Executive Officer is also regularly recognised with regard to the gender balance in jobs, the greater representation of women on governing bodies, and the inclusion of LGBT+ people (Lesbian, Gay, Bisexual and Transgender).

#### An inclusive framework, all over the world

Since the signature of the first Diversity Agreement within BNP Paribas SA in 2004, the mechanisms have been enhanced with each renegotiation to cover all stages of employees' career paths.

After coming into force on 1 October 2020 for four years, the 5<sup>th</sup> Diversity and Inclusion Agreement within BNP Paribas SA in France remains valid.

The Group's companies in France take the same proactive approach to defining initiatives to promote diversity as part of social dialogue. Agreements have been signed in this area: professional gender equality, integration and job retention of employees with disabilities, employment of seniors, and the situation of employees holding employee representative mandates in the

<sup>1</sup> The frequency rate corresponds to the number of accidents per one million hours.

<sup>2</sup> The severity rate corresponds to the number of days lost per 1,000 hours.

context of negotiations on trade union rights. This negotiated approach is periodically renewed in order to track progress, as well as updating and setting new quantified targets.

The 2014 European Agreement on gender equality includes all the key elements of the Group's policy in this area.

These agreements are supplemented by the signing of numerous commitments such as the United Nations Women's Empowerment Principles (WEP) (2011), the charter of the International Labour Organization and Disability Network (2016) and the United Nations LGBT Standards (2017).

## **Diverse and active employee networks, constantly growing and promoting social well-being**

Internal employee networks offering a space for cross-functional (multi-entity, multi-country, etc.) and informal discussions are key players in promoting diversity, inclusion and social well-being. They are both a source of information and a source of innovation. They are continuing to grow and develop synergies. For the past three years, a "World Networks Day" has been held during the *Inclusion Days* (see below).

Thousands of employees took part in events organised throughout 2023 in 32 countries<sup>1</sup> around themes as varied as gender equality, sexual orientation, generational inclusion, parenting, ethnocultural origins and disability. In addition, the Group's web of networks continues to expand: in 2023, the Pride Poland network was created, marking the presence of Pride in more than 30 countries across the Group, and Mixcity networks were created in the Nordic countries, Colombia and Morocco, increasing the number of Mixcity networks to 27.

## **PROMOTING AN INCLUSIVE CULTURE**

### **Training and developing**

All entities<sup>(1)</sup> offer training and awareness-raising actions on the fight against discrimination and the promotion of diversity and inclusion. Some countries and entities systematically include diversity awareness modules in their manager training courses, such as at CPBF, BNP Paribas Fortis, CIB Asia-Pacific and the Group IT function. In addition, the HR teams deploy specific training to the teams responsible for recruitment and to hiring managers.

Moreover, several inclusive personal development and leadership programmes focus on women's career paths<sup>2</sup>.

Three markers show that all employees are concerned by inclusion:

- in order to raise awareness among all Group employees, mandatory *Conduct Journey* training was enhanced in 2023 through a module entitled "Diversity, Equality & Inclusion" dedicated to non-discrimination, addressing unconscious bias and stereotypes through practical cases of situations that may affect colleagues or candidates during the recruitment process. The Group provides awareness-raising programmes on stereotypes and unconscious bias for 96% of employees<sup>(1)</sup> in the Group;
- as a result of the Group's work on promoting inclusion culture, more than 3,000 employees (*i.e.* three times more than in 2022) spontaneously checked the "Diversity, Equity & Inclusion" skill in their *About Me* profile, which is included in the Group skills catalogue;
- as a responsible employer, since 2014, BNP Paribas has been using the structured interview method, which is a more objective and reliable recruitment method. All French recruitment teams and managers are also trained on bias and stereotypes.

### **Communicating and raising awareness among employees and managers**

Awareness-raising campaigns are continuing and are based on a wide range of formats (interactive conferences, round tables, podcasts and screenings) in order to attract more employees either face-to-face, online, or through replays.

In 2023, Diversity and Inclusion Week was reinvented to become *Inclusion Days*. For more than two weeks, the HR Diversity, Volunteering, BNP Paribas Foundation, Engagement teams and employee networks highlighted the following themes: gender equality, prejudices & stereotypes, role models, equal opportunities, mentoring, disability and financial inclusion.

The first edition of this new format in around 30 countries, including France, was a great success with more than 200 solidarity events and actions organised, bringing together nearly 17,000 employees.

Four new episodes were added to the "In My Shoes" podcast series on the theme of Diversity and Inclusion, which has now been listened to more than 22,500 times.

### **The *Conduct & Inclusion* 2023 survey: maintaining broad employee support for the Group's Diversity & Inclusion policy**

After an initial survey conducted in 2021, the 2023 edition of this consultation with all Group employees remains very positive, with stable results and an overall favourable opinion rate of 83% on the Inclusion component of the survey. Employees were keen to get involved with this second edition: out of the 175,000 employees surveyed<sup>3</sup>, more than 90,000 responded, *i.e.* a

<sup>1</sup> Of the social reporting campaign.

<sup>2</sup> For example: "She Leads" (Portugal), "Women Leadership Program" (Canada and Switzerland), "Women Up" (Poland), "Mentoring Program" (BNP Paribas Fortis), "ALL Equal" (BNP Paribas Cardiff), "Boost Her Career" (CPBF), "Women's Impact Programme" (Germany) and "Women in Action" (Arval).

<sup>3</sup> Employees on permanent contracts for more than three months.

participation rate of 52% (compared to 43% in 2021). More than 60,000 *verbatim* statements were collected, including more than 25,000 on the Inclusion component.

Two factors show that inclusion is now fully embedded into the Group's culture:

- 87% of respondents agreed with "being able to be yourself at work without worrying about how you will be accepted";
- the vast majority of respondents state that they represent one or more diversity groups, and they are the most positive about the actions carried out by the Group. This option offered to respondents is considered an innovative practice in France and in several countries.

On the Conduct component, the results show a high level of employee approval of the values and behaviours defined in the Code of conduct. In addition, 93% of respondents state that they have "a good knowledge" of the channels which they can use to report alerts.

The main lessons of this survey were shared with the Governance, Ethics, Nominations and CSR Committee (CGEN), and the results will be subject to an in-depth analysis, in order to adapt action plans locally if needed.

## OUTSTANDING ACTIONS IN THE AREA OF PROFESSIONAL EQUALITY

### Gender equality targets at all levels: strong ambitions for 2025

The Group has set itself ambitious gender equality targets: by 2025, 40% women on the Group Executive Committee (ExCo), G100<sup>1</sup>, Leaders for Change<sup>2</sup> and Senior Management Positions<sup>3</sup> (SMP), as well as 50% women among the Leaders for Tomorrow ("Talents"<sup>4</sup>).

Significant progress has already been noted in 2023. By way of illustration, among the 92 members of the G100, the Group has 35 women in management positions in the Group's strategic business lines such as CPBF in France, BNL in Italy, BNP Paribas Cardif, BNP Paribas Personal Finance, BNP Paribas Leasing Solutions, in country management (Spain, United Kingdom, Switzerland, Canada, Australia) and in the Executive Management of BGL BNP Paribas in Luxembourg. Women are also Heads of the Human Resources, Compliance, CSR and Communication Departments. Six women are also members of the Group Executive Committee.

In 2023, the ambitious level of 37% women in Senior Management Positions was achieved thanks to the actions of Executive Committee members and the active involvement of HR teams through eight cross-functional projects<sup>5</sup>.

In addition, nearly 40% of the Group's managers are women, and around one-third of managers of managers (middle management) are women.

### PERCENTAGE OF WOMEN AT ALL LEVELS OF THE ORGANISATION

|                                    | 31/12/2022  | 31/12/2023  | 2025 Objectives |
|------------------------------------|---|---|-----------------|
| Board of directors                 | 8 women out of 15 members, including one elected by employees and one representing employee shareholders <sup>(1)</sup> | 6 women out of 13 members, including one elected by employees and one representing employee shareholders <sup>(1)</sup> |                 |
| Executive Committee                | 33% (6/18)  | 33% (6/18)  | 40%             |
| G100                               | 37%   | 38%   | 40%             |
| Leadership for Change (Top 500)    | 32%   | 34%   | 40%             |
| <b>Senior Management Positions</b> | <b>35%<sup>(2)</sup></b>  | <b>37%<sup>(2)</sup></b>  | <b>40%</b>      |
| Talents – Leaders for Tomorrow     | 50%   | 52%   | 50%             |
| Top                                | 46%   | 51%   | 50%             |
| Advanced                           | 48%   | 50%   | 50%             |

<sup>1</sup> The G100 represents around a hundred people, corporate officers and senior managers holding key responsibilities within the Group. The members of the G100 include, among others, the Heads of the operating divisions, of the major business lines, of Commercial Banking networks, of Group Functions, of geographical areas and of strategic countries in which the Group is present.

<sup>2</sup> The Leaders for Change (Lfc) population is composed of the members of the main Group-level cross-functional Executive Committees considered as making a major contribution to its operations and its development.

<sup>3</sup> This rate is calculated based on the number of women holding SMP positions as a proportion of the total number of SMP positions filled at 31/12/2023 (based on 100% of the Group's SMP workforce).

<sup>4</sup> The Leaders for Tomorrow (Lft) programme includes women and men who have a unique combination of skills, experiences, motivations and personal attributes ("Leadership Profile"), which the Group considers necessary to drive transformation in the future.

<sup>5</sup> In particular, a quarterly dashboard shared within the Group Executive Committee and awareness-raising actions dedicated to managers of SMP: "Being an inclusive leader".

| Emerging  | 52% | 53% | 50% |
|---|-----|-----|-----|
| <hr/>   |     |     |     |
| <p>(1) 50% in 2022 and 40% in 2023 according to the rules of the Copé-Zimmermann law. This ratio is calculated by excluding the three directors representing the employees or the employee shareholders. This information complies with the requirements of article L.22-10-10 2° of the French Commercial Code relating to the balanced representation of women and men on the committee established, where appropriate, by Executive Management to assist it regularly in the performance of its general duties and on the results in terms of gender diversity in the top 10% of positions with the highest responsibilities.</p> <p>(2) Indicator monitored in the Group's CSR dashboard.</p> |     |     |     |

In France, the “Rixain” law of 24 December 2021 includes several measures to improve gender equality in companies, by requiring gender-balanced representation among senior managers and members of the governing bodies of large companies. The objectives set by law are to be achieved gradually: 30% by 1 March 2026 and 40% by 1 March 2029. BNP Paribas SA published the following overview<sup>1</sup> of women and men for 2023:

- population of senior executives corresponding to BNP Paribas SA's G100: 43% women and 57% men;
- members of the governing bodies corresponding to the BNP Paribas Group Executive Committee: 33% women and 67% men.

## New Group commitments as part of the Generation Equality Forum

In order to accelerate this movement towards gender balance at all levels of the company, BNP Paribas is continuing and expanding its actions by partnering with the Generation Equality Forum, the global assembly for gender equality, organised by UN Women.

Since 2021, by becoming a member of the two coalitions below, by 2026, the Group has committed to the following:

- “gender-based violence”: to develop, strengthen and internationalise its actions and systems for its employees who are victims, to work alongside the members of the OneInThreeWomen network to convince at least 50 private sector organisations to get involved and better support their customers who are victims of economic abuse, in particular by raising awareness among its advisors and building on its Nickel services;
- “technology and innovation for gender equality”: to be among the champions in the recruitment and percentage of women in IT professions, to help associations supporting women in technology and innovation and to continue its financial commitment and advocacy for the Agrifed programme<sup>2</sup>.

## Developing and spotlighting women's career paths

In line with the GTS 2025 plan and in accordance with the Group's desire to promote the career paths of women, BNP Paribas is committed to gender diversity in structurally unbalanced business lines, particularly in terms of recruitment and retention.

With regard to capital markets activities within Corporate and Investment Banking, the action plan focuses on pre-recruitment and recruitment, on specific groups and their succession, and on development programmes.

With regard to the IT business lines, the Group aims to be among the champions in recruitment and boosting the percentage of women in this sector. Since 2020, the Group has continued to develop its global diversity programme for IT professions, entitled Women in IT.

The ambition of Women in IT is based on the following quantitative objectives for 2025 within the Group IT function: to achieve 32% women, through hires and departures of women in these roles,, and to achieve 50% women in LfT populations.

2023 was marked by new actions, with:

- increased action by IT Departments and the appointment of operational points of contact within the activity;
- the continuation and expansion of training programmes and reskilling developed by the Group for women (see *A learning company supporting dynamic career path management*, Commitment 6);
- close links with the Women & Girls in Tech initiative, to strengthen ties and the presence of women in all Tech business lines and proactive sourcing actions to broaden the female recruitment pool;
- the effective implementation of partnerships with eight associations benefiting from the budget of EUR 1.1 million over three years.

Thus, at the end of 2023, the Group's IT function has nearly 30.3% women.

A pioneer among CAC 40 companies and the financial sector by signing the *#JamaisSansElles* Charter in 2019, BNP Paribas continues to strengthen its action, and now has more than 700 signatories (of which 70% men), from management bodies in 24 countries that undertake not to participate in public events or panels with at least three speakers that do not include the presence of at least one woman. In June 2023, BNP Paribas Leasing Solutions' senior management team joined the community of signatories. BNP Paribas remains the company with the largest number of signatories of *#JamaisSansElles* in France and around the world.

## Fight against gender-based violence and its impacts at work

BNP Paribas has been a member of OneInThreeWomen, the first European network of companies committed to combatting violence against women, since 2018, and joined the network's Executive Committee on 1 January 2021. Domestic violence inevitably impacts professional life, and is a factor of inequality at work and an obstacle to gender equality. The OneInThreeWomen network aims to equip employers to raise awareness and better support female employees who have been victims. The network continues to strengthen its awareness-raising system (e-learning available in eight languages, podcast series, etc.) and in 2023, it welcomed 15 new companies as signatories to the OneInThreeWomen Charter.

<sup>1</sup> Percentage based on attendance during the year in question.

<sup>2</sup> Since 2018, the Group has been associated with the Agrifed programme in line with the UN Sustainable Development Goals, whose aim is to promote and strengthen food security in Senegal by promoting female entrepreneurship.



After the launch of the intranet page accessible to all employees worldwide (bringing together resources, testimonials from female victims and key contacts on the subject of violence), on 25 November 2023, the International Day for the Elimination of Violence Against Women, the Group strengthened its commitment to the fight against domestic economic abuse.

In France, BNP Paribas joined the #StOpE (Stop everyday sexism in the workplace) initiative from its creation in 2018, by signing an undertaking comprising eight principles. This collective now includes 199 member organisations.

The fight against sexism is the subject of numerous actions within the Group. BNP Paribas took part in the second edition of the survey on everyday sexism in the workplace, alongside 14 other member organisations of #StOpE. As in the first edition in 2021, nearly 12,000 employees based in France responded to the 2023 questionnaire. While sexism is still a reality in the eyes of different generations, it is beginning to recede and the company's action is widely recognised. At the same time, the awareness-raising e-learning module on "Preventing and combatting everyday sexism in the workplace", available to all Group employees, has been taken by more than 9,800 employees in France since its launch.

## 360° parenting and work-life balance

The Group implements numerous actions to promote gender equality around 360° parenting. The 11<sup>th</sup> Parenthood Week event in France was attended by more than 2,200 employees, and organised around thematic events such as adolescence, early childhood, family and intergenerational solidarity, and carers.

In addition, business lines and countries are developing their own systems. For example: BNP Paribas Cardif supports both carers and young parents; BNL is rolling out workshops for new parents; in Germany and Austria, the Group has gained its first certification following the "Work and Family" audit, highlighting the robustness and effectiveness of its systems in terms of work-life balance and supporting parenthood. At the same time, childcare assistance, either in the form of financial assistance or childcare, is offered by entities covering nearly 80% of the workforce<sup>1</sup>. In addition, more than 85% of the entities<sup>(1)</sup> grant adopting couples and/or same-sex couples parental leave rights similar to maternity and paternity leave. Nearly three quarters of entities<sup>(1)</sup> encourage their employees to take their paternity leave (second parent) through communication and awareness-raising actions.

In addition, in July 2023, BNP Paribas signed an agreement with the French Ministry of the Armed Forces in France reaffirming its commitment to employees who are in the operational reserve. In addition to the legal provisions, BNP Paribas maintains full pay for reservists for up to 10 working days per calendar year, so that they can fully commit to their civic duty.

## CONSTANT PROGRESS, PIONEERING INITIATIVES FOR GREATER DIVERSITY

### Promoting the employment and insertion of people with disabilities

#### NUMBER OF EMPLOYEES RECOGNISED AS HAVING A DISABILITY<sup>(1)</sup>

|                                     | Employees with disabilities |                      | Of which hires |            |
|-------------------------------------|-----------------------------|----------------------|----------------|------------|
|                                     | 2022                        | 2023                 | 2022           | 2023       |
| France                              | 2,882 <sup>(2)</sup>        | 3,106 <sup>(3)</sup> | 73             | 74         |
| Domestic markets (excluding France) | 828                         | 907                  | 24             | 40         |
| Europe (excluding domestic markets) | 976                         | 978                  | 59             | 69         |
| Rest of the world                   | 265                         | 119                  | 34             | 52         |
| <b>TOTAL</b>                        | <b>4,951<sup>(4)</sup></b>  | <b>5,110</b>         | <b>190</b>     | <b>235</b> |

(1) Workforce (physical headcounts) out of 93% of the Group's workforce (permanent + fixed-term contracts).

(2) The definitive results for 2022 known in June 2023 for France amount to 2,882 compared to 2,876 declared in February 2023.

(3) As the annual declaration is postponed to March 2024, the data communicated for France in 2023 are not definitive.

(4) 4,571 Full-Time Equivalents worldwide.

At 31 December 2023, there were 5,110 employees with disabilities in 28 countries, representing a Group employment rate of employees with disabilities of 2.7% compared to the total workforce<sup>2</sup>, up compared to the previous year (2.5% in 2022).

In France, as part of the renewal of the Disability Agreement for three years (2023-2025), BNP Paribas SA has recruited 57 disabled candidates. More than 2,000 job retention and nearly 200 awareness-raising actions were also carried out in 2023. The direct employment rate of employees with disabilities rose to 5.3% in 2022<sup>3</sup>, from 5.4% in 2021.

<sup>1</sup> Of the social reporting campaign.

<sup>2</sup> In 2023, the employment rate in entities that report that they specifically monitor the number of employees with disabilities in their workforce is approximately 3%.

<sup>3</sup> The 2023 rate will only be available in 2024.

In accordance with the International Labour Organisation's Business and Disability Charter, BNP Paribas carries out numerous actions, notably in Germany with the My Ability programme that offers coaching and training to facilitate access to employment. Several other business lines also stand out for their systems promoting better inclusion of people with disabilities in the workplace, such as BNP Paribas Cardif and BNP Paribas Canada.

In addition, to better reconcile long-term illness and work, BNP Paribas Fortis is launching a dedicated coaching programme, and BNP Paribas Personal Finance is a signatory of the Cancer@work Charter.

Designed by a Group employee affected by a hidden disability and with the support in 2022 of People'sLab4Good<sup>1</sup>, the immersive game "Disability Strikes Back" is part of the disability awareness programme, which primarily raises awareness of hidden disabilities<sup>2</sup>. It was rolled out across the Group throughout 2023 to help people with disabilities to cope, and to raise awareness among people who do not consider themselves as concerned. In 2023, this innovative approach impacted nearly 3,500 employees based in 11 countries.

Finally, in France, the first edition of the public-speaking contest dedicated to the theme of disability received 139 applications across the business lines.

### **Diversity of social and ethnocultural origins: strong and targeted actions**

With 168 nationalities present within the Group, including 15<sup>3</sup> within the G100, BNP Paribas has been working for several years to promote diversity of origins and gender equity.

In March 2023, the Group continued its partnership with the International Day for the Elimination of Racial Discrimination. This year, employees were able to take part in an unprecedented conference in the presence of Makaziwe Mandela, daughter of Nelson Mandela and Chairperson of the "House of Mandela".

In France, following the Diversity and Inclusion Index experiment in 2022, BNP Paribas SA commissioned a consulting firm to conduct a qualitative survey in the form of 60 individual, confidential and anonymous interviews on the subject of actual or perceived ethnocultural origin. This survey was also carried out by BNP Paribas Personal Finance.

In addition, around 15 internal professional networks (including HOLA, Latamigos and CulturALL) have developed and actively contributed to raising awareness and promoting diversity of origins in several countries (Brazil, United States of America, Canada, France, Belgium, United Kingdom, Portugal and the Nordics).

### **LGBT+: international engagement and reach, pioneering initiatives**

During the 5<sup>th</sup> edition of the "LGBT+ role models and allies at work" initiative organised by L'Autre Cercle in France in 2023, with its English counterpart OUTstanding, the Group once again distinguished itself this year with two employees being nominated for awards in the categories of "LGBT+ Leaders Role Models" and "Ally Leaders Role Models".

On the International Day Against Homophobia, Transphobia and Biphobia<sup>4</sup>, the Group reiterated its commitments to the inclusion of LGBT+ people, with a focus on gender identity and transidentity. At its conference jointly organised with Pride France on the theme of "Sexual orientation and gender identity: why is it a corporate issue", Nickel was able to highlight its "True name" feature, allowing the account holder to choose their first name, surname and title.

More broadly, many initiatives were held to mark this day. During *Inclusion Days* in India, support for LGBT+ people was illustrated this year by organising a pride walk bringing together more than 1,200 employees, as well as an awareness-raising session and group workshops producing posters in LGBT+ colours.

### **Age diversity, to promote generational inclusion**

Intergenerational issues are also the subject of conferences and workshops every year, notably during the *Inclusion Days*.

In France, the Group is stepping up its actions in favour of generational inclusion, and in 2022 signed a Commitment Act. It has since been joined by nearly 50 signatory organisations. This act is broken down into 10 key commitments around recruitment, training, job retention, support for career development, well-being at work, retirement and raising awareness of age-related stereotypes. An action plan based on these 10 commitments was drawn up in 2023, and will be rolled out in 2024.

Within the Group, mainly in Europe, innovative inclusive programmes and initiatives are being developed. In Italy, at BNL, the Senior Experts Network project enables an effective transfer of knowledge between generations, while promoting the skills and knowledge of the most experienced employees. In Portugal, the Build to Shift development programme is dedicated to employees with more than 15 years of experience, to create a common platform of knowledge shaping the banking sector and the associated working environment.

Within BNP Paribas SA in France, the Diversity and Inclusion agreement allows 150 employees to benefit from the end-of-career corporate volunteering scheme, while broadening the circle of partner associations (see *Corporate volunteering and other solidarity activities*, Commitment 5).

<sup>1</sup> Group intrapreneurship programme.

<sup>2</sup> 80% of disabilities are hidden disabilities.

<sup>3</sup> Including French.

<sup>4</sup> IDAHOT: International Day Against HOMophobia, Biphobia, and Transphobia.

## RESPECT FOR HUMAN RIGHTS AND CODE OF CONDUCT

### Promoting and respecting human rights

In its Code of conduct, the Group has, in particular, committed itself to promoting the respect for human rights in its sphere of influence and to treat all employees in a dignified manner. Forced labour is prohibited within the Group.

BNP Paribas carries out an annual review of countries that are classed as very high-risk in terms of human rights<sup>1</sup> (see chapter 7.7 *Vigilance plan*). The Group did not identify any employees under the age of 18 at 31/12/2023.

### “Respect for People” policy: preventing discrimination, harassment and violence at work and dealing with inappropriate behaviour

In order to strengthen the culture of compliance, a target relating to compliance with the Code of conduct, rules and regulations was assigned to all Group employees in early 2023. Any breach of these principles, including respect for people, must be formalised by the manager as part of the employee’s annual performance review.

In addition, the Group’s “Respect for People” policy was strengthened and fully rolled out worldwide in 2023:

- the entities have implemented the rules defined at Group level locally in terms of respect for people. The principles defined for the entire Group are directly applicable and may therefore be more protective than local regulations;
- approximately 150 employees were appointed as HR Conduct “Respect for People” Contacts. As they are responsible for handling alerts relating to behaviour which breaches the policy, they were trained in their new roles, which involve a high level of expertise and impartiality;
- workshops were held to raise awareness among managers and HR teams on the importance of respect for people, the detection of worrying signs in teams, and reporting and formalising alerts;
- in order to facilitate the collection and handling of alerts, a common tool for all Group entities has been selected, which will be rolled out to all employees in 2024.

Thus, at Group level, 347 “respect for people” alerts were recorded in 2022, and 587 in 2023. As soon as the analysis of the alert and the investigations carried out, if necessary, established inappropriate behaviour or situations requiring action, appropriate measures were taken, mainly individual, including disciplinary measures and/or support measures. In the event of disciplinary measures, the entire range of sanctions in force in the relevant setting is used. The vast majority of alerts resulted in measures, including 74 sanctions in 2022 (including 23 dismissals) and 101 in 2023 (including 22 dismissals).

## COMMITMENT 5: “A GOOD PLACE TO WORK” AND RESPONSIBLE EMPLOYMENT MANAGEMENT

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Commitment 5 is included in the “Employee Experience” pillar of the *People Strategy*, the objective of which is to strengthen the attention paid to employees by offering them an experience adapted to their expectations, in particular through new ways of working in an agile environment. **The Group CSR dashboard indicator on this commitment is the number of solidarity hours performed by employees (#1MillionHours2Help)** (see section 7.1 *Strategy*).

### STRONG FOCUS ON EMPLOYEES

#### A solid framework for people safety and strong mobilisation in crisis situations

All Group employees as well as anyone else who is present at a Group site (subcontractors, clients, customers, visitors, etc.) benefit from a reference corpus on the safety of people and property, which was subject to an external audit in 2021. It establishes the fundamental principles of security (with regard to risks related to intentional or malicious acts likely to harm people or the Group’s assets and activities), safety (with regard to natural and climatic events, or related to the technological environments of our sites likely to harm people or the Group’s assets and activities), business continuity and crisis management. This framework, approved by the Group’s Executive Management, is rolled out country by country by local management.

The functions within the Group in charge of safety and security organise the basic measures intended to protect the integrity of BNP Paribas’ activities, resources and interests against safety and security measures affecting the Group, through a constant risk analysis approach. Health and safety conditions at each site comply with the regulations applicable in the various countries. Given the nature of the Group’s activities, the risks related to the Group’s health and safety are relatively low (see *Work-related accidents, Our employees around the world*). However, each entity may implement specific provisions locally in line with local HR policies.

Employees receive assistance with their business travels. In France, they receive 24/7 telephone support with an external service provider following traumatic events (attacks, climate events).

In 2023, the Group and the HR function continued to take action to help employees in all crisis situations.

<sup>1</sup> Source: Verisk Maplecroft (Human Rights Risk Index) identifies 22 very high-risk countries and 90 high-risk countries.

HR teams pursued strong support for Ukraine in 2023, notably through the continued provision of housing and the payment of housing allowance, as well as the allocation of substantial catering subsidies. HR also continued to support Ukrsibbank employees with their internal mobilities (61 international transfers were completed). Employees continue to receive psychological support from a company specialising in psycho-social risks.

Following the earthquake in Türkiye in February 2023, the TEB Crisis Committee was called upon to prioritise help for those affected. 587 employees and members of their families were evacuated and relocated, and a psychological support platform was immediately set up with 239 consultations led by psychologists experienced in managing post-traumatic stress. Survival equipment was delivered to the affected regions.

The Group provided widespread psychological support to its employees *via* a dedicated crisis line in regions and countries experiencing crisis situations, in particular in Türkiye, in Morocco following the powerful earthquake that struck in September 2023, and following events in the Middle East. It has also either provided donations directly or collected around the world *via* the Rescue & Recover Fund, for the benefit of NGO partners or associations in support of local people affected (see chapter 7.4 *Our civic responsibility: being a positive agent for change*).

### **Continuation and reinforcement of the *We Care* programme**

In 2022, the BNP Paribas Group launched a global programme – *We Care* – dealing with health and well-being at work. This programme is supported by a regular global governance under the sponsorship of the Group Human Resources Director, and a community of 30 ambassadors in the Group's regions and entities.

The *We Care* programme offers workplace health and well-being based around three pillars:

1. basic social benefits and insurance for all employees in the Group, including life insurance, incapacity insurance, disability insurance and health insurance, minimum maternity and paternity leaves;
2. health priorities defined at Group level and directly in line with the banking activity: combatting psycho-social risks and combatting the risks associated with a sedentary lifestyle;
3. a package of support with social, emotional, physical and financial well-being.

### **Employee benefits relating to social protection as a common base**

In addition to the legal and contractual arrangements, according to the regulations and practices of the countries in which the Group operates, employees may benefit from supplementary social protection and/or health insurance.

In accordance with the Global agreement, at the end of 2023, all of the Group's employees receive social protection in terms of health expenses coverage, incapacity/disability and life insurance, as well as social protection in terms of maternity leave, paternity leave and flexible days.

Depending on the situation, this coverage comes either from a government plan, an insurance plan, or a combination of both. Particularly attentive to the protection of employee health, in accordance with its regulatory environment, each business/country determines what coverage is provided, the specific applicability conditions and the terms of financing.

In France, the Group offers comprehensive supplementary social protection coverage through mandatory employee health insurance schemes, incapacity/disability protection insurance, and life insurance, enabling employees to adapt their level of protection to their personal situation.

Furthermore, flexible employee benefits enable employees to select, to a certain extent, their level of coverage from a range of benefits offered aiming at long-term employability and offering sustainable choices. These benefits are available in particular at BNL in Italy, at BNP Paribas Fortis in Belgium and at BNP Paribas in the United Kingdom.

The Group ensures that employees have access to information relating to employee benefits, offers and other schemes provided to them by the Group's various entities.

### **A solid occupational health framework, focusing on mental health and combatting sedentary lifestyle**

In line with the *We Care* programme, 84% of Group employees<sup>1</sup> are covered by an Employee Assistance Programme enabling them to better manage their mental health on a daily basis and in the case of traumatic events (attacks, climate events, *etc.*). In France, the Occupational Health and Prevention Service supports the HR line and managers by opening an external psychological assistance hotline in the case of serious events within a team (death of an employee, assault, robbery, *etc.*).

The European agreement on preventing stress in the workplace, signed in January 2017, outlines the principles and common framework and also stipulates the means to be implemented (information, awareness-raising, evaluation, training, support, communication).

Worldwide, almost all employees benefit from training initiatives related to the prevention of stress at work, some specifically dedicated to managers, others accessible to all employees.

In France and Luxembourg, regular training is offered to employees and managers to help them with their mental health and with improving their stress management. The employee engagement rate is measured each year in Pulse surveys. This rate is analysed by entity and country and is the subject of action plans.

In France, BNP Paribas measures the level of stress and well-being of its employees, through a regular survey. The rates measured in 2023, which are an improvement on the previous two years, show the positive impact of the action plans put in place (training, transparent sharing of organisational changes, professional development opportunities, *etc.*).

In line with the health priority related to the risk of a sedentary lifestyle:

- ergonomic advice and measures to improve the working environment, prevent occupational risks or musculoskeletal disorders are offered to almost all employees<sup>2</sup>;
- entities covering 93% of the workforce<sup>(2)</sup> also offer health awareness campaigns, which include information and prevention actions on various topics such as nutrition, sleep, addictions, women's health and physical activities.

<sup>1</sup> Based on reporting covering 91% of the Group's workforce.

<sup>2</sup> Of the social reporting campaign.

Finally, BNP Paribas signed up to the “Working with cancer” commitment in early 2023, with the aim of being more open when talking about cancer, and providing empathetic and caring support for employees and teams affected by the disease.

## **An offer focused on social, emotional, physical and financial well-being**

Well-being is the final pillar of the *We Care* programme, and has been defined around four main areas: social, emotional, physical and financial well-being.

There are a number of initiatives throughout the Group, and the inventories launched in 2022 are now being analysed. Action in the Asia-Pacific region intended for Singapore employees under the Energise banner aims to improve health and well-being around four pillars: physical well-being, social well-being, mental well-being and financial well-being.

Some programmes even include certifications as is the case in Germany with the *Beruf & Family* audit accreditation or in the UK with the Well-being certification.

With regard to the provisions planned at Group level, in particular for carers, the Global agreement provides for the possibility for employees to take up to five flexible days per year for personal convenience. Nearly two-thirds of the workforce<sup>1</sup> are covered by a specific policy for carers. In addition there are other highly innovative initiatives, such as the Tilia mobile app (developed in intrapreneurship), offered by certain Group entities which provides personal support, features and a useful information space for carers and those receiving care.

In France, in the BNP Paribas SA entity, the Group has implemented a set of measures to support employees who are carers, in particular an agreement on the donation of days of leave to employees helping a seriously ill child or spouse, awareness-raising actions (communication, regular group events, practical guides, group discussions with a psychologist), as well as training and partnerships with experts and discussion groups.

The *We Care* programme is reflected in HR processes with the implementation of a Health and Well-being component in performance reviews, and guides offered to managers and HR to support them and propose language elements to address these topics with their teams.

Regular communications are made to all Group employees on topics as varied as disconnecting from work before the summer, Pink October, walking challenges and solidarity runs.

In France, all employees are monitored by an Occupational Health and Prevention Service (OHPS) and benefit from a social assistance service. This service has implemented numerous occupational health prevention actions: Covid and flu vaccination campaigns, diabetes and cardiovascular risk screening workshops, consultations for sleep-related conditions, smoking cessation consultations, diet consultations, workshops on first aid in the event of a life-threatening emergency and breast cancer screening workshops.

To protect the mental health of Group employees in France, a psychological assistance system gives employees access to permanent listening and psychological support in the event of professional or personal difficulties. In addition, an occupational psychologist has been recruited to support employees individually and in groups, and HR staff, particularly in the event of transformation of entities. All these measures have been supported by communication materials, particularly on hybrid work, on the use of digital tools and on mental health in companies.

## **TRANSFORMING WORKING PRACTICES AND MAINTAINING THE STRONG CORPORATE CULTURE**

### ***Smart Working* and team project**

BNP Paribas aims to continue to develop its working methods based on a model of trust, autonomy and collaboration. This is evidenced by the Group France Agreement on remote working signed in July 2021, and supplemented by an amendment in May 2023 covering more than 90% of the Group's workforce in France, as well as the European Remote Working Charter, which covers all countries within the scope of the European Works Council (22 countries). Developed on the basis of the experience acquired during the health crisis, the analysis of market practices and above all, feedback from employees and managers, *Smart Working* integrates four dimensions:

- working methods: the Group continued its discussions on new ways of working<sup>2</sup> in order to better respond to the challenges of employee attractiveness, retention and engagement, while maintaining a sense of community and a sense of belonging to the company. The locations, eligibility, equipment and compensation conditions have been extended. The working hours and remote working arrangements have been opened up to ensure the development of remote working, taking into account the diversity of activities and employee expectations. At the end of December 2023, 72% of employees in France were working remotely (on average two days a week) and around 75% of employees in Europe (on average two days a week);
- workspaces: the hybrid organisation of the teams, the emphasis on collaborative work and its real estate strategy have led the Group to change the configuration of its office spaces to give more meaning to work on site;
- digital tools: the constant development and adaptation of collaborative tools, applications or IT equipment allowing flexible and hybrid collaborative work;
- *People care*: the Group continues to support its employees towards a hybrid way of working by adapting managerial practices (“Managing in a hybrid environment” module available in French, and in English from the start of 2024) and developing

<sup>1</sup> Of the social reporting campaign.

<sup>2</sup> Balance between remote working and on-site presence, with a maximum of 50% remote working per employee for activities that allow it.

preventive actions around employee health and well-being (maintaining social link, combatting physical inactivity and digital fatigue with a disconnection alert message after 10.5 hours of remote connection within Europe, work-life balance).

### **Agile transformation at scale, progress report**

In order to respond more effectively to the challenges of our environment, since 2020, the Group has chosen Agile at scale as a priority driver to meet three major challenges: “Faster” - delivering value to the clients and customers as soon as possible; “Better” - meeting the needs of the clients, customers and users through quality products and services and innovative experiences; “Happier” - enabling employees to develop and perform in a respectful and positive work environment.



The Group is continuing to deploy the agile culture by communicating the 5 BNP Paribas agile values<sup>1</sup>, and training which aims to foster understanding this new working approach. In 2023, CPBS (Commercial, Personal Banking & Services) entities continued their journey of agile transformation at scale with nearly 108 Tribes<sup>2</sup> rolled out as well as 43 new Tribes in other functions (Risk, Compliance, HRM) and IPS (Investment & Protection Services) entities such as Wealth Management and Asset Management.

The “Agile Essentials” training module continues to be rolled out to all Group employees, providing widespread training on agile culture. Nearly 11,000 employees have completed or are in the process of completing the training module since it was created in 2021. In 2023, three new training courses were created to enable employees to strengthen their skills in key roles within the organisation, including Product Owner, Scrum Master and Agile Coach.

New agile job titles have been created (UX Designer and Product Manager) to complete the positioning offer and bring consistency to the administrative description of employees within Group systems.

## The employee journey inspired by the customer experience

In order to promote the Group’s attractiveness, employee engagement and the retention of Talents, the Group has launched an initiative to improve the employee experience, mirroring the approach deployed to clients and customers over a number of years. HR teams have worked to produce a global reference framework for employee career paths, by listening to more than 300 employees around the world. This reference framework brings together 27 employee pathways structured around six macro-needs (including: onboarding, working environment and career management). The Group aims to improve the pathways that have the greatest impact on the experience and satisfaction of its employees.

## Corporate volunteering and other solidarity activities

The #1MillionHours2Help programme embodies the Group’s ambition to do more for civil society (NGOs, associations) by promoting the skills of employees. Through this initiative, BNP Paribas aims to foster more sustainable, shared growth by allowing all employees to use working time to help charitable organisations build a more inclusive, eco-friendly world. In 2023, a total of 651,972 hours either during working hours or outside of working hours with compensatory leave<sup>3</sup> were carried out for solidarity actions in favour of civil society as part of the **#1MillionHours2Help programme, i.e. a total of more than 1.26 million hours<sup>4</sup> over two rolling years**, far exceeding the target of one million hours set by the Group.

Now integrated into the BNP Paribas SA Diversity and Inclusion Agreement in France, the corporate volunteering system was renewed for four years from 1 October 2020. The French subsidiaries BNP Paribas Personal Finance, BNP Paribas Leasing Solutions, BNP Paribas Cardif, BNP Paribas Asset Management, BNP Paribas Arbitrage (now BNP Paribas Financial Markets) and Arval have implemented similar systems since 2017. In 2023, 315 employees<sup>5</sup> (of whom 133 started during the year) were able to participate in work with general interest or public utility non-profit associations lasting 6 to 24 months.

## HIGH-QUALITY SOCIAL DIALOGUE

In 2023, 1,758 official meetings (2,167 in 2022) took place, including 1,105 in France, illustrating the richness of social dialogue. These meetings led to the signature, in 2023, of 306 corporate collective agreements within the Group (287 in 2022), of which 111 in France, 188 in the rest of Europe and 7 in the rest of the world, reflecting the high quality of collective bargaining.

### Global agreement

The BNP Paribas Global agreement, signed in 2018 with UNI Global Union<sup>6</sup>, was extended until 30 June 2024, with the aim of broadening the provisions of this global framework, particularly in terms of health and quality of life at work (see 7.7 *Vigilance plan*). An overall assessment of its implementation was presented on 10 October 2023 to the monitoring committee, composed of UNI Global Union representatives and Management representatives.

This assessment highlighted the strengthening of the global social framework: 100% of the workforce<sup>7</sup> can claim paid maternity leave for a minimum period of 14 weeks, incapacity/disability and life insurance, and healthcare coverage. Following the recommendations of the Global agreement, 53 countries covering 80% of the workforce<sup>(7)</sup> offer paid paternity leave of at least six days.

### European Works Council and European social dialogue

At the end of 2023, the European Works Council<sup>8</sup> (EWC) covered 22 countries and around 72% of the total workforce.

<sup>1</sup> 5 fundamental BNP Paribas agile values: customer focus, openness, responsiveness, discipline and courage.

<sup>2</sup> A tribe is a grouping of autonomous multidisciplinary teams that work on one or more products and services, to maximise the value delivered to its customers.

<sup>3</sup> Number of hours declared in HR tools as part of the #1MillionHours2Help programme including the long-term corporate volunteering in application of the Diversity and Inclusion Agreement in France (permanent and fixed-term employees).

<sup>4</sup> Indicator monitored in the Group’s CSR dashboard.

<sup>5</sup> On a like-for-like basis (long-term volunteering in the middle and end of their career) in 2022, 313 employees were able to get involved in these missions.

<sup>6</sup> Defining the fundamental rights and the global social foundation which applies to all Group employees.

<sup>7</sup> Of the social reporting campaign.

<sup>8</sup> European Works Council comprising the employee representatives from entities based in all countries within the European Economic Area, excluding entities that are not majority-owned.

In 2023, the implementation of the GTS 2025 plan and the *People Strategy* were presented to the European Works Council. The Group's Diversity, Equality and Inclusion policy was also included on the agenda of the European Works Council meetings. The European Works Council contributes significantly to the implementation of the European Social Charter, including the European agreements on employment management (2012), gender equality (2014) and on stress prevention (2017), supplemented in 2021 by the Remote Working Charter.

The Remote Working Charter defines a common framework for the deployment and strengthening of remote working in the 22 countries covered by the BNP Paribas EWC for activities where this form of work organisation is possible. This framework may be supplemented, where appropriate, by agreements specific to Group companies in order to meet specific requirements.

## **Social dialogue in France**

In 2023, 111 collective agreements were signed (including amendments) within the BNP Paribas Group in France, including two Group-level agreements relating to remote working and Group-level negotiation procedures. 109 collective agreements were signed at Group company level, including 48 agreements related to compensation, employee savings and retirement savings. It should be noted that the Group's entities in France all renewed their SECs in 2023, excluding BNP Paribas Leasing Solutions and GAM, which had held their professional elections in 2022, given the expected duration of their term of office. In this respect, 33 agreements relating to professional elections were signed at Group company level. Finally, most of the mandatory annual negotiation meetings within the Group's entities in France, specifically covering compensation for 2024, began earlier than the schedules of previous years and ended at the end of November 2023.

## **Corporate social responsibility taken to the highest level in the organisation**

BNP Paribas SA's Central Social and Economic Committee (CSEC) and the SECs of the Group's French subsidiaries are regularly informed of the Group's CSR commitments.

In 2023, the Group's Head of Company Engagement confirmed to BNP Paribas SA's CSEC, in line with the presentation made in 2022 on the GTS 2025 plan, that we would accelerate our commitments to respond to the climate crisis.

## **Employment management**

BNP Paribas practises responsible employment management by anticipating changes necessary to maintain its economic performance, its capacity for development and therefore employment over time. It relies on dynamic internal mobility, a source of skills enhancement, supported by significant investments in training.

Employment is managed under collective agreements concluded at different levels: Global, European and French. In France, in 2022, the new Agreement signed on the management of employment and career paths was renewed, and strengthened the commitments made by the Group until 2026. In this context, the Group in France does not carry out any forced redundancies, favouring internal mobility and voluntary solutions for its projects impacting employment. In the other countries around the world, redundancies are exceptional, in line with the commitments of the European Agreement on employment management of 2012 (renewed by tacit agreement every three years) and with the "Employment management" section of the Global agreement of 2018.

In France, the Group's workforce also remained stable with a change in FTE of -0.8% (-0.4% excluding scope effect).

In Belgium, 2023 was marked by the implementation of the New Commercial Organisation plan from 1 January 2023, with this plan impacting the work content and/or positions in the organisation of nearly 4,500 employees. For the employees concerned, this approach enriches their career paths as well as providing new learning opportunities through training and change management. Following the merger with Bpost bank in January 2024, nearly 250 employees will join BNP Paribas Fortis. Their integration was prepared in detail, in consultation with employee representative bodies. This merger is one of the key elements of the GTS 2025 plan in Belgium.

In Poland, an agreement was signed with the trade unions concerning a social plan providing for the loss of a maximum of 800 jobs over the 2021-2023 period, aimed at supporting the company's industrial plan. This agreement integrates support measures including the reinforcement of internal mobility, the increase in benefits, the introduction of social protection guarantees and a voluntary departure plan. Within this framework, there were 86 departures in 2021, 262 in 2022 and 91 in 2023.

In Italy, BNL has set up two IT and back-office partnerships. These partnerships involve staff movements involving 820 positions, the terms of which are currently being set out.

In France, the BNP Paribas Personal Finance subsidiary has set up a plan to strengthen internal mobility and voluntary departures to support its transformation plan, which is necessary to restore its competitiveness regarding to the economic, regulatory and competitive backdrop. In this context, it plans to lose 950 roles, *i.e.* approximately 17% of the workforce by the end of 2024. Negotiations with the BNP Paribas Personal Finance trade unions led to the signing of a unanimous agreement in June 2023. They provide for support measures dedicated to voluntary departures from the company (maximum 691) and internal mobility in conjunction with the teams responsible for recruitment and internal mobility for France.

In addition, as part of its transformation plan, BNP Paribas Personal Finance initiated the disposal/run -off, depending on the entities, of four branches and one subsidiary in Eastern Europe, in compliance with the European Agreement on employment management. Measures dedicated to supporting employees have been rolled out, including mobility assistance within the Group in the country and region in question, outplacement for certain types of positions, departure conditions that are better than those

provided for by the legislation of each country concerned, measures to support change and stress management, and health insurance extension periods where applicable.

## A COMPETITIVE COMPENSATION POLICY

BNP Paribas' compensation policy is founded upon principles of fairness, notably with regard to gender, and transparency, which are notably supported by a single annual compensation review process for all employees. The principles on the composition of compensation and its evolution are common throughout the Group and consistent with the objectives of risk management.

### A compensation policy that complies with regulations

The Group's compensation policy, which applies to all entities, aims to ensure consistency between the behaviours of employees whose professional activities have a significant impact on the Group's risk profile, and its long-term objectives in terms of risk management in accordance with CRD regulatory provision<sup>1</sup>. Since 2009, the implementation of this policy has helped to improve governance, identify employees that are Material Risk Takers (MRT), and to apply provisions on the award and terms of payment applicable to their variable compensation. The compensation policy and principles of employees identified as MRTs are published annually in a report posted on the BNP Paribas website<sup>2</sup>.

The compensation policy complies with laws, regulations (in particular European prudential regulations) and the requirements of regulators (ECB, FED, *etc.*), both at local and consolidated level, including in terms of minimum wages where they exist locally.

### A socially responsible, fair and competitive compensation policy

In the majority of the countries in which it operates, BNP Paribas applies a salary grid upon hiring as part of its recruitment process, as well as a market compensation review during the annual review process. The Group ensures that proposed salary levels are salaries appropriate with regard to the local standard of living and are consistent with local market practices (particularly with regard to local benchmarks).

This salary level is supplemented by a set of social benefits to which all Group employees have access according to the Global agreement.

Faced with the economic context, the Group endeavours to integrate specific local factors into the framework of the budgets allocated in terms of compensation, taking into account local government measures for each country/entity. The annual compensation review process has incorporated these elements, with particular attention paid to the first salary levels that may be most impacted by the current economic context. In France, following discussions within the framework of BNP Paribas SA's mandatory annual negotiations, a certain number of decisions were taken, in particular in terms of collective increases and exceptional bonuses.

Since 2019, BNP Paribas SA and its various entities in France have published their Gender Equality Index. The scores earned by the banking and insurance entities<sup>3</sup>, which represent more than 48,000 employees, are above the statutory minimum, demonstrating the Group's long-term commitment to gender equality. All Group entities in the United Kingdom also publish their gender pay gap report<sup>4</sup>. BNP Paribas is continuing to increase its attention to equal treatment for all, particularly when it comes to gender equality. Since 2016, the consistent allocation of compensation between women and men has been monitored by indicators included in the annual compensation review process, for all the Group's business lines and functions, under the supervision of Executive Management.

For a number of years, measures are taken locally to reduce any pay gap between men and women. As part of 2022 mandatory annual negotiations of BNP Paribas SA in France, a budget of EUR 10 million to be divided equally in 2023 and 2024 was dedicated to the company's actions to promote gender equality in career paths and the promotion of women and to correct any discrepancies in annual compensation. Each year, the Group's other entities also have the option of requesting dedicated budgets as part of the budget discussions on the annual compensation review process. It should be noted that in 2023, more than 5% of women were promoted (change in classification) compared to less than 5% for men.

In addition, in 2023, the Group awarded more than 8,200 key employees<sup>5</sup> a loyalty plan (expiring in June 2026) called the Group Sustainability and Incentive Scheme (GSIS) the payment of which is subject to 20% of the initial award on achieving the objectives of the CSR criteria<sup>6</sup>, the rest is indexed to the Group's operating performance<sup>7</sup>.

<sup>1</sup> European Directive CRD 5 of 20 May 2019, amending European Directive CRD 4 of 26 June 2013, as transposed into French law in the French Monetary and Financial Code, as well as Delegated Regulation 2021/923 on the criteria for identifying Material Risk Takers (MRTs) and the European Banking Authority guidelines on prudent compensation policies of 2 July 2021.

<sup>2</sup> <https://invest.bnpparibas/en/search/reports/documents/regulated-information> Publication date: before the Shareholders' Annual General Meeting.

<sup>3</sup> Gender equality index of the Group in France: [https://group.bnpparibas/uploads/file/index\\_eqlite\\_hf\\_022023.pdf](https://group.bnpparibas/uploads/file/index_eqlite_hf_022023.pdf). Scope: Entities with more than 1,000 employees.

<sup>4</sup> UK Gender Pay Gap Reports: <https://www.bnpparibas.co.uk/en/bnp-paribas-in-the-uk/legal-notice/gender-pay-gap-reports/>.

<sup>5</sup> Key employees: SMP, Talents or key local resources.

<sup>6</sup> For the 2020 plan, payable in 2023, the achievement of six out of the nine CSR criteria defined when the plan was allocated, triggered the payment of the amount initially allocated for CSR performance to the plan beneficiaries, in accordance with the plan's regulations.

<sup>7</sup> For employees subject to special regulatory frameworks, this loyalty scheme is adjusted in accordance with the CRD European Directive.

## **Social benefits relating to retirement and savings**

The BNP Paribas Group has set up employee pension plans, the characteristics of which are defined according to local legislation as well as the HR practices and policies defined locally. These plans, set up and financed by the Group, supplement the mandatory and legal plans which the entities contribute to for employees. They can be of two different types (defined-benefit plans or defined-contribution plans), as presented in chapter 4 *Financial statements – Salaries and employee benefits*.

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

In France, employees benefit from defined-contribution retirement savings schemes under the conditions set out in chapter 4 *Financial statements – Salaries and employee benefits*. Several other countries have set up defined-contribution pension plans (Belgium, Switzerland, Italy, *etc.*). In the United Kingdom and the United States, defined-benefit pension plans, closed to new entrants, co-exist with defined-contribution plans.

In France, employees are involved in the Group's performance through profit-sharing and incentive schemes.

In respect of the 2023 financial year, EUR 212.6 million will be distributed to the 63,668 beneficiaries of entities that are members of the Group profit-sharing agreement in France (compared with EUR 201 million to 63,264 beneficiaries in 2022). This amount, calculated on the basis of a special formula, is nearly 10 times higher than the legal formula.

With regard to incentive schemes, almost all Group employees in France (nearly 99%) were covered by an incentive agreement at the end of 2023. The incentive agreement between BNP Paribas SA and BNP Paribas Financial Markets (formerly BNP Paribas Arbitrage) links employees with the financial objectives defined as part of the GTS 2025 plan.

The amount distributed is based on three components:

- gross operating income based equally on that of the Group and that of CPBF;
- dividends and share buybacks for the purpose of redistributing earnings;
- a component based on two CSR criteria<sup>1</sup>.

It should be noted that the dividend component integrated from 2013 makes it possible to link employees to results in the same way as shareholders. Since its introduction more than ten years ago, a cumulative amount of EUR 440 million has been paid in respect of the dividend component in the calculation of incentive schemes, which is equivalent to nearly three years of incentives.

Under this agreement, an amount of EUR 164 million will be divided between 46,606 beneficiaries for 2023 (exactly the same amount as was distributed to 46,314 beneficiaries in 2022).

Elsewhere in the world, similar schemes exist. At BNP Paribas Fortis in Belgium, part of the so-called "collective" variable compensation is linked to the achievement of CSR objectives. The 2023 objectives were met, thus a total of EUR 23.3 million was paid to all employees. Similarly, in Luxembourg, in 2023, the Group's entities paid non-managerial employees an incentive bonus with respect to 2022, which amounted to nearly EUR 3.3 million.

In terms of collective savings, in France, the management offering to employees in the Group's savings schemes (PEE, PERECO and PERO) changed in early 2023. The expansion of the financial management offering negotiated with the representative trade unions has made it possible to introduce new investment vehicles incorporating ESG criteria, including SRI-certified funds<sup>2</sup>. This change also makes it possible to cover the different investor profiles, investment horizons, more risk levels, and to diversify the geographical areas of investment beyond the euro zone.

In addition, most of the Group's companies in France support employees' voluntary savings efforts through savings plans (PEE and PERECO) with a matching cumulative contribution of EUR 69 million paid in 2023.

## COMMITMENT 6: A LEARNING COMPANY SUPPORTING DYNAMIC CAREER PATH MANAGEMENT

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Commitment 6 is included in the "Human Capital" pillar of the *People Strategy* whose objective is to anticipate and constantly adapt resources by continuing to recruit, promoting the mobility of talents and strengthening the development of their skills. The Group CSR dashboard indicator on Commitment 6 is the **share of employees who completed at least four training courses** (see 7.1 *Strategy*).

### ATTRACTING CANDIDATES AND RETAINING EMPLOYEES

#### In 2023, BNP Paribas is still seen as a top employer

For more than 25 years, the Top Employers Institute has certified the quality of candidate companies' Human Resources practices. To do this, it carries out an audit covering 20 topics. For the tenth consecutive year, BNP Paribas was awarded the "Top Employer Europe 2023" label by the Top Employers Institute with an overall score of 88.75%<sup>3</sup> thanks to the certification of nine of the Group's European countries<sup>4</sup>. Other Group countries and entities<sup>5</sup> also benefit from the "Top Employer" certification.

France, for its part, has renewed its Happy Trainees survey of students who have had professional experience at BNP Paribas. 89% among them recommend the Group.

#### Changing the perception of our jobs through the #UnexpectedJobs campaign

The unprecedented and innovative #UnexpectedJobs campaign launched by the Group in 2023 aims to break down the clichés about banking jobs in order to strengthen our attractiveness as an employer, as well as employee engagement and pride in

<sup>1</sup> An environmental criterion for the annual reduction of greenhouse gas emissions per employee and a societal criterion linked to the number of solidarity hours completed by employees.

<sup>2</sup> SRI: Socially responsible investment.

<sup>3</sup> The score of 88.75% obtained by BNP Paribas means that the Group applies at least 88.75% of best practices in the field of Human Resources.

<sup>4</sup> Belgium, France, Italy, Luxembourg, Poland, Türkiye, Spain, Portugal and Germany, which is certified Top Employer for the first year. It should be noted that Ukraine did not participate this year.

<sup>5</sup> Latin America (Argentina, Brazil, Colombia, Mexico), BNP Paribas Personal Finance (United Kingdom, Italy, Belgium, Spain, Portugal and South Africa and the Netherlands for the first year), Algeria as well as BNP Paribas Real Estate France.

belonging. Thousands of employees from all BNP Paribas countries and activities have become ambassadors by showcasing their profession in an exciting and creative way. They have chosen job titles presented in an original way on LinkedIn, while explaining how these unusual titles reflect, in their opinion, the way in which they make a useful contribution to the Group's transformation, serving all of its clients and customers.

In terms of results, this campaign had a major positive impact, with:

- more than 5,400 spontaneous posts viewed 14.7 million times;
- a quarter of French people between the ages of 18 and 55 said they had seen the campaign;
- a strong increase in views of the Group's job offers (+54% compared to 2022).

#UnexpectedJobs has since been nominated for the 2023 Digital HR Awards, Innovation category.

The second wave was launched in September 2023 in 10 countries, and many other local initiatives are being rolled out, such as the creation of an “#UnexpectedJobs generator” launched at Vivattech, and an #UnexpectedDay in Paris, at which 80 bankers were recruited in a single day.

## Several initiatives to attract the best candidates

To reinforce its attractiveness to candidates and employees, BNP Paribas is committed to a process of constantly improving its employer brand:

- the Employer Promise, updated in 2022 and structured around BNP Paribas' purpose as a leader in sustainable finance, promotes three main pillars: Sustainability & Impact, Development & Career Perspectives and a Good place to work. In 2023, it was rolled out in many countries and Group entities to bring consistency and clarity to the way in which BNP Paribas is positioned as an employer throughout the world;
- in conjunction with Universum, the Group renewed a study to measure the perception and effectiveness of its Employer Promise among more than 27,000 students from business schools in five major markets (France, Italy, Germany, Spain, and for the first year India). Although their priority expectations still relate to compensation, the benchmark for a future job and training, in 2023 the study noted a significant increase in expectations around work-life balance and job security. The Universum study allows to adjust the employer brand strategy at the level of the Group and the participating countries.

In France in 2023, the Group maintained its commitments to training and integrating young people by recruiting more than 2,500 new work-study students and more than 1,500 interns, along with nearly 300 on International Volunteer Programme (VIE) missions. Moreover, two-thirds of the offers offered on permanent contracts are accessible to young people entering the job market. In 2023, more than 19,000 employees under the age of 30, including all contract types, were recruited by the Group worldwide, of which 10,444 were under 25 (permanent, fixed-term contracts, work-study students, interns).

In September 2023, B-School by BNP Paribas completed its third start of the academic year scheme with 220 students preparing for their certifying training programmes in Paris, Lyon, Marseille, Bordeaux and Lille. Its range of certifications has been extended to those dedicated to business development with a BTS and Master's in addition to the Bachelor's. The school also welcomed its first class of students in Bac+5 Master's level 2 in IT Development, 52% of which were women.

In 2023, a new Graduate Programme marketing offer was created in order to capitalise on existing programmes and offer business school students a consistent global offer across the Group. This integrated offer is structured around three main themes in line with the Group's strategic priorities: (i) Investment and financing jobs, (ii) Tech & Transformation, and (iii) Jobs.

It proposes nine common principles specific to the Group's Graduate Programmes<sup>1</sup>. This offer clarifying the programmes, will help external candidates to better understand the specific nature of a Graduate Programme and what is involved.

## Sustainable finance at the heart of the employee journey

In line with the GTS 2025 plan, BNP Paribas is continuing its change management plan, with the aim of embedding and disseminating the sustainable finance culture throughout its employees' career journeys. This plan is based on the key moments of this journey, including recruitment, onboarding, performance assessments, mobility and training.

Particular attention is paid at the time of recruitment, *via* awareness-raising actions on the sustainable finance culture offered to employees responsible for recruitment.

The Group has also enhanced its skills catalogue with the sustainable finance theme, and a new professional Sustainability family was created to support the Group in its transformation.

In addition, employees have the opportunity to train and acquire new skills through the *Sustainability Academy*. At the end of 2023, more than 4,500 employees had declared a skill related to sustainable finance.

Finally, BNP Paribas has also updated the Management Principles common to the entire Group, by reaffirming the pivotal role of the manager as a relay for its sustainability strategy. During the 2023 annual performance review process, managers were encouraged to promote any employees' sustainability initiative.

## A company that listens to its employees (Voice of Employees)

In 2023, 71 relationship “Pulse” surveys were carried out in 57 of the Group's countries, with increasingly high participation rates of 71% on average. Nearly 176,000 Group employees were surveyed during this period. The Engagement/Management/Well-being and Cooperation/Operational Efficiency themes are those which occur most often now, and the sustainable finance theme is starting to appear more often.

<sup>1</sup> (i) type of contract, (ii) length, (iii) years of experience, (iv) number of promotions per year, (v) desired turnover, (vi) networking opportunities, (vii) training opportunities, (viii) recruitment process and (ix) career management.

The vast majority of surveys launched in 2023 by the Group's various business lines and entities<sup>1</sup> incorporated three common questions related to employee engagement, in particular pride in belonging to the Group, adherence to the strategy and involvement in work. The overall engagement score, based on a consolidation of all local engagement scores, reached a high level of 85 out of 100.

## DEVELOPING SKILLS AND IMPROVING EMPLOYABILITY

### Skills management

The work that BNP Paribas does on defining, identifying and developing skills is an essential foundation for all of our actions, to develop each person's potential and commitment.

In 2023, 13 new business skills were created jointly with the entities, particularly in the Data, Risk, Finance and Budget and Insurance families.

In addition, since this year, employees, managers and HR have access to a new tool to identify the skills acquired and those that need to be developed. This tool now enables Group HR to measure soft skills and two families of business skills: sustainable finance and data. Thus, all employees can take ownership of their skills development and employability. Finally, they have the option of declaring their skills in the *About Me* Group tool, which allows HR teams to gain an in-depth knowledge of each employee's skills in real time. This mapping process has enabled us to fulfil our goal of creating a real employee journey by focusing on development, mobility and strengthening commitment.

### Anticipating the skills needs of the future

The skills anticipation exercise, also called Strategic Workforce Planning (SWP) is a joint approach between Human Resources and the business lines. Its aim is to identify, in advance, the skills needs required for the different business lines over the next three years in order to offer employees appropriate career paths (upskilling or reskilling), particularly towards the jobs with a shortage of workers and the skills of tomorrow.

More than 30 business lines and functions have been involved in this process. The work consists of interviewing members of the Executive Committees within the Group to understand their vision of the change or transformation of their scope/business. Translating this vision into skills makes it possible to create the jobs of the future or develop current jobs.

It then remains to compare the skills required over the next three years with those declared by employees in the same scope, in order to understand the skills gap. The results of the exercise thus give each business line and HR manager a clear view of the so-called sought-after jobs. Members of the Executive Committee have the necessary data to implement an action plan in order to reduce these gaps (mobility, employee development and retention of rare profiles).

In order to take account of the impact of artificial intelligence (AI) on our activities, an exercise was carried out in 2022 on the Data and AI jobs, and a second exercise is planned for 2024.

The report, entitled "The Evident AI Talent"<sup>2</sup> places BNP Paribas Group as the number 1 bank in Europe and 6<sup>th</sup> worldwide in terms of AI. Currently, 700 employees have a job fully dedicated to AI, and 5,744 employees have declared AI skills.

Skills anticipation exercises have also made it possible to create a new offer: "Internal Work-study contracts" for employees. This system allows employees to be promoted to a sought-after role by taking up their duties immediately, combined with work-study training in their new job. The first promotions were implemented in 2023 for IT and Human Resources positions.

### On-the-job development: the importance of discussions between employees and managers

At the heart of career management and at the service of employees, managers and HR, the *About Me* platform aims to:

- identify the skills of all employees: in December 2023, approximately 134,000 employees at Group level (of which approximately 53% were women) declared their skills;
- help employees implement their development plan and pursue their professional development;
- streamline interactions between employees, managers and HR, thus promoting cross-functional mobility;
- carry out the annual performance review process.

The performance review process, which is systematic for all employees, is digitised and simplified in *About Me*: it starts at the beginning of the year with the definition of individual, collective and/or cross-functional objectives. These objectives must be clear, achievable, defined over time, measurable and relevant to the nature of the activity and the responsibility of the position. Feedback is provided over the course of the year to identify skills development needs and to enhance the Personal Development Plan.

The annual performance review is an important time for discussion between the employee and their manager: it enables them to assess the past year, to define development opportunities and to look ahead to the coming year. 96.6% of the Group's eligible employees receive a performance assessment in the *About Me* tool for 2023.

<sup>1</sup> Covering 86% of all Group employees at 31/12/2023.

<sup>2</sup> The Evident AI Talent Report June 2023, ([evidentinsights.com](https://evidentinsights.com)).



## Mobility: one of the major issues for the strategic plan, essential for employability and skills development

Mobility is embedded in the culture of BNP Paribas. It is an essential vector for developing on-the-job skills.

In total, the Group counted 22,241 mobilities in 2023 (down 11% compared to 2022) including 21% cross-functional mobilities<sup>1</sup> (stable compared to 2022). In France, 8,274 mobilities were made (down 21% compared to 2022), of which 25% were cross-functional mobilities (stable compared to 2022). Internal mobility is managed through an internal job market management tool covering almost all employees in the Group. Thus, in 2023, more than 25,000 ads were published in the Group tool, and more than 10,500 positions were filled through these advertisements.

In order to better meet the needs of the business lines/functions and the Group's transformation challenges, pooled centres of expertise in France, Portugal and India manage all of the Group's internal and external recruitments for all types of contracts. Thanks to their proximity to the business lines and their global and cross-functional vision of the internal job market, these teams strive to optimise the candidate mobility experience.

### Career Days: a key event dedicated to professional development

After nine editions of the *Mobility Days*, and with a view to creating a 360° career event, in 2023, the Group launched the first edition of the *Career Days* for one month in 45 countries. This event, rolled out at Group level, provided an opportunity for each employee to gain a better understanding of the Group, its strategic challenges and opportunities for development. It also allowed them to take stock of their skills, training and development needs, to work on their career projects, and for those who wish to go ahead, to start the mobility process with their manager. The hybrid or digital formats brought together more than 26,200 participants at more than 400 events around agile, data, tech, sustainable finance, diversity and inclusion. The enthusiasm of countries to offer international events (20 in 2023) as well as the centralised coordination system (20 conferences) led to a very high level of participant satisfaction.

### Training offer

#### TRAINING COURSES ATTENDED: AVERAGE RATE AND NUMBER OF HOURS<sup>(1)</sup>

|   | 2022         | 2023                       |
|---|--------------|----------------------------|
| Share of employees who completed at least one training course (including mandatory training courses)          | 98.4%        | 98.8%                      |
| <b>Share of employees who completed at least four training courses (including mandatory training courses)</b> | <b>97.4%</b> | <b>98.2%<sup>(2)</sup></b> |
| Average number of hours per employee  | 21.8h        | 24.2h                      |
| Average number of hours per employee (excluding mandatory training courses)                                   | 18.6h        | 19.8h                      |

(1) Only those training courses mentioned as "terminated" in 2023 are counted in the Group's My Development tool.

(2) Of which 51% are women, and nearly 24% are employees over the age of 50, demonstrating fair access to training regardless of gender or age.

Indicator monitored in the Group's CSR dashboard.

#### TRAINING: OVERVIEW BY CONTENT<sup>(1)</sup>

|   | 2022 | 2023               |
|---|------|--------------------|
| Hard skills   | 52%  | 48% <sup>(2)</sup> |
| Risks & compliance  | 28%  | 35% <sup>(3)</sup> |
| Culture & awareness of the Group                                | 14%  | 13%                |
| Soft skills (including cross-functional and behavioural skills) | 6%   | 4%                 |

(1) Percentage of training actions by content out of all training courses attended in the Group (including mandatory training courses). An employee may attend several training sessions.

(2) Of which 20% on technology.

(3) Of which 80% mandatory training courses.

<sup>1</sup> Internal Group inter-entity and inter-business mobilities.

## Forging a culture of continuous development

The training strategy is based on two major pillars to support the GTS plan and the *People Strategy*: strengthening the learning culture and improving the training experience, in order to allow everyone to quickly and easily access the right resource at the right time.

Many entities have organised their own Learning festival to promote available offers (Corporate & Institutional Banking, BNP Paribas Personal Finance, Compliance, BNP Paribas Leasing Solutions and Arval) and some were linked to the Group major Learning moment, “Learn & Grow“, during the *Career Days*. This first edition of a Group-level career event was organised based on a system that enabled entities and regions to deploy their own local promotion organisation. The common thread was the GTS plan, and more than 3,000 unique participants from 54 countries connected to one or more of the 19 sessions and conferences offered.

## A development model by the academies to support the GTS 2025 plan

The GTS 2025 plan has positioned *Technology* and *Sustainability* as pillars of the strategy.

Regarding *Technology*, the Group offers numerous training courses:

- the Digital, Data & Agile Academy (DDAA) continues to offer training courses to support skills development associated with the key roles of Digital, Data and Agile. 2023 was the opportunity to review the offer to incorporate the results and guidelines of the skills anticipation exercises, in particular on Data. Two new roles were created with the associated pathways, including those of Machine Learning Engineers and AI/ML Model Reviewer. The methods are also evolving, with the introduction of cohorts of learners or internal work-study programmes in order to best help employees work towards new target positions. The internal work-study programme associated with the Reskilling Business Analyst training programme facilitated the mobility of 15 employees in 2023, 80% of whom were women.

The DDAA includes 42 upskilling courses, 17 reskilling courses and 38 reskilling boost courses. In 2023, there were 1,454 registrations for the DDAA programme, corresponding to 1,368 registered employees, of which 42% were women (the share of women among learners was 26% at the launch in 2018);

- the IT Academy is a portal launched by the Group IT function in early 2023, which centralises all training content on technologies open to all Group employees. It had nearly 41,000 visits in 2023;
- Data City is a collaborative platform launched in February 2023 around Data. It aims to meet the needs of the business lines by improving collaboration and simplifying access to content and tools. Since its launch, there were 13,700 unique users;
- the transformation hub *Bivwak!* also offers thematic packages and workshops in the fields of Data and new technologies;
- the sixth “Artificial Intelligence Summer School” permitted to bring together the Data Scientists, ML engineers, Analytics and IT Group communities for two full days of presentations, demonstrations and discussions on the latest progresses in Artificial Intelligence. The event was attended by more than 2,000 employees around the world;
- in Agile, three career paths to take new positions were created in 2023 (see *Agile transformation at scale, progress report, Commitment 5*).

To measure its technology skills development, the Group monitors these two indicators: the number of Group employees having completed at least 7 hours of training in the technological field reaches 9,948 in 2023 (16,546 in 2022), and the number of Group employees having completed at least 35 hours of training in the technological field reaches 1,385 in 2023 (1,088 in 2022).

Regarding *Sustainability*, the *Sustainability Academy*, launched at the end of 2022, materialises the Group’s ambition to equip all its employees with the knowledge and skills necessary to achieve its objectives in terms of sustainable development and finance. Whatever their job, function or type of business activity, each employee can take ownership of the challenges of Sustainable Development and Finance and understand the Group’s role and commitments on the five themes<sup>1</sup> of the “*Sustainability*” Pillar of the GTS 2025 plan, using the “Common Base” area. A “Specific Content” area provides access to the knowledge and techniques required for each scope of the Group’s activity, to support the transition of its clients and customers. In 2023, more than 86,000 employees completed at least one *Sustainability Academy* training course, with an average of 1.7 hour of training per person.

The Group also supports the deployment of “fresks”<sup>2</sup>, which are collaborative workshops facilitating the transition to action. The fresks have raised awareness on climate and biodiversity issues among employees in more than 20 countries, the Executive Committees of entities and countries as well as shareholders. In 2023, more than 15,770 employees took part in these workshops.

## Dedicated programmes strengthening the Group’s culture at the highest level of the organisation

As Group leaders (Top Executives (LfC), Senior Managers, Talents) are key to contributing to the success of the GTS 2025 plan, a global training offer is provided, particularly on sustainability topics.

The Leadership Corner is the space dedicated to this community built as an academy of rich and varied resources to strengthen the leadership culture, which includes:

- a webinar series *Preparing for Tomorrow*, observing, from a leadership perspective, future trends in positive innovation technology and business development with positive impact;
- certification programmes: digital programmes co-built with Harvard in the field of *Smart Working*/hybrid management and new technologies and programmes with some major universities recognised around the world, in the field of transformation management;
- programmes to accelerate understanding of BNP Paribas’ challenges and ambitions in terms of sustainable finance, adapted to each level of leadership.

To meet the ambitions of the GTS 2025 plan on the Sustainability component, the certifying training course on *Positive Impact Business* co-created by BNP Paribas and the University of Cambridge has again met with great success this year with the pioneers of positive impact. Over the past five years, it has provided hybrid training and certification to 500 pioneers in sustainable development, so that they can incorporate it into their customer discussions and solutions.

<sup>1</sup> Circular economy, Transition to carbon neutrality, Biodiversity conservation, Social inclusion and the Development of sustainable savings, finance and investment.

<sup>2</sup> Climate, Biodiversity, Circular Economy and Mobility Fresks, and 2 tonnes workshop.

In addition, the *Shape The Future* programme launched in 2022 has continued to strengthen in 2023. The *Mastering Sustainable Finance* certification programme was built, launched and completed with a first cohort of 130 Top Executives. A second cohort of 150 Top Executives was launched in September 2023. At the same time, discussion and action workshops dedicated to the Executive Committees have been built and implemented, in partnership with Insead, with the aim of integrating positive impact into the business lines' revenue strategies.

#### **News from the Talents programme “Leaders for Tomorrow”**

At the end of 2015, the Group launched the “Leaders for Tomorrow” initiative, aimed at identifying, developing and promoting high-potential employees in order to ensure the succession of the members of the Group's cross-functional Executive Committees for business, functions and regions (LfC).

These “Leadership Talents” are selected according to a rigorous Group process by their managers and HR managers on the basis of their skills, experience, sources of motivation and personal predisposition to become leaders. At the end of 2023, the programme brought together nearly 7,000 Leadership Talents belonging to the three levels (Emerging, Advanced or Top) through different business lines, functions and geography. More than 4,500 Leadership Talents of some 40 nationalities from all business lines/functions have benefited from dedicated support and development systems. In addition to Group offers grouped by theme (My Positive Impact, Me and Change, Me with my Team), initiatives are proposed locally by the business line or function.

## **7.4 Our civic responsibility: being a positive agent for change**

BNP Paribas' commitment to society is divided into three objectives:

- **Commitment 7:** Products and services that are widely accessible;
- **Commitment 8:** Supporting human rights and combatting social exclusion;
- **Commitment 9:** Corporate philanthropy policy focused on the arts, solidarity and the environment.

### **COMMITMENT 7: PRODUCTS AND SERVICES THAT ARE WIDELY ACCESSIBLE**

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#### **THE GROUP'S ACTION TO PROMOTE THE INCLUSION AND FINANCIAL HEALTH OF ITS CLIENTS**

**The Group has set a target to serve by 2025 6 million beneficiaries of products and services promoting financial inclusion** (see section 7.1 *CSR policy management dashboard*), combining the number of Nickel accounts opened since its creation and the number of beneficiaries of microloans distributed by the microfinance institutions financed by the Group (*pro rata* to the financing). The strong development of the Nickel inclusive offer enabled the Group to **exceed 3.9 million inclusive product beneficiaries at the end of 2023**.

#### **Continued support for microfinance institutions: EUR 345 million in 2023**

For almost 35 years, BNP Paribas has been committed to inclusive finance by directly financing 86 microfinance institutions (MFIs) in 35 countries, for a cumulative amount of EUR 1.5 billion, through various initiatives including: direct financing to MFIs, investment in financial inclusion funds and the distribution of savings products dedicated to microfinance. BNP Paribas' support for microfinance has historically benefited nearly three million people since 1989, of which 84% are women.

At the end of 2023, this support reached EUR 345 million (up by EUR 13 million compared to last year), thereby directly financing 21 MFIs in 13 countries and indirectly more than 100 MFIs around the world, by investing in 14 dedicated funds benefiting nearly 260,000 people. New credit commitments were made to these institutions in 2023, particularly in countries where the Group has a significant presence, such as Morocco, India, Indonesia and Brazil.

The Group is very attentive to the social performance of its MFIs portfolio, which obtained a score of 78% when assessed by the SPI5 tool (Social Performance Indicator 5) of Cerise (a NGO), placing it well above the global average score of 61%.

### 30 years of partnership with Adie to promote Entrepreneurship in France

2023 marks the 30<sup>th</sup> year of the partnership established between BNP Paribas and Adie (*Association pour le droit à l'initiative économique* – Association for the Right to Economic Initiative), which was renewed for three years.

This partnership helped to finance Adie's micro-loan portfolio and develop financial innovation with a strong social impact, including the first Impact Bond and the first ISLF+ (Inclusive Sustainability Linked Financing). The Group is proud to support ADIE whose beneficiaries for 50% have income below the poverty line, for 22% have no qualifications, for 32% are under the age of 30 and 46% are women.

Since 1993, CPBF has granted its partner EUR 192 million in total financing to support nearly 40,000 small businesses and refinance more than 47,000 Adie micro-loans.

### Nickel, a powerful tool for financial inclusion

Nickel is a Group subsidiary present in five European countries. It allows everyone, including people who have been banned from banking, to unconditionally open an account with an IBAN and a payment card, and thus to pay and to be paid freely. In 2023, Nickel reached nearly 3.7 million customers, up by more than 700,000 in a year, of which 77% have an income of less than EUR 1,500 per month, 30% are unemployed, without regular income or living on benefits and 30% do not have a personal address. Nickel's first impact report – published in 2023 – shows convincing results achieved in terms of financial inclusion: 28% of its customers have opened their first current account. Of these newcomers to banking, 24% went on to find a job and 18% a home.

Since it was created, Nickel has collaborated with charitable organisations such as the French Red Cross, *Crésus* and Action Against Hunger. Nickel distributes its products through a network of more than 10,000 newsagents and points of sale in France, Belgium, Portugal, Spain and Germany.

### Support for vulnerable customers

The Group considers that the role of a responsible bank is to support its customers both financially and personally, even in the most difficult times. By way of example, CPBF systematically identifies its financially vulnerable customers and offers them a special banking offer, the Account Package (*Forfait de Compte*), to help them manage their expenses. These customers may also be supported by advisors trained in budgeting solutions to help with account management. Nearly 20% of those customers have signed up to this offer, and 40% of the customers monitored have not exceeded their agreed banking limits, as a consequence.

In early 2024, AXELLE, the CPBF's platform for vulnerable customers, was updated. It is now easier for them to find the help, advice and opportunities offered by partner associations, social enterprises and companies members of the French *Collectif des Entreprises pour une Economie plus Inclusive* (Business collective for a more inclusive economy), to better manage their budget. AXELLE is 100% free and anonymous.

Finally, financial education has proven to be effective in combatting over-indebtedness, promoting economic development and improving financial health. Hence, several Group entities are rolling out training programmes on this topic:

- BNP Paribas Personal Finance's "Responsible Budget" online platform is dedicated to young people, helping them to learn about key concepts of budget management, savings, loans and banking. In 2023, more than 59,000 young people received financial education through this platform, partnerships and webinars;
- in Italy, the tenth edition of BNP Paribas Personal Finance's Findomestic Camp was held in May 2023, closing the PerCorsi Young financial education programme, delivered this year to more than 46,000 students.

### TAKING CUSTOMERS' SPECIFIC NEEDS INTO ACCOUNT

BNP Paribas' role is to welcome its customers by providing them with structures, teams, products and services adapted to their specific situation. Whether supporting women-led small businesses, being accessible to people with disabilities or offering products adapted to a pivotal moment in life (childcare, studies, retirement, illness, etc.), each year the Group extends its customer support system in order to best meet their specific needs.

### Accelerating female entrepreneurship

The role of women in economic and social development is a major issue, which is why BNP Paribas has been involved in supporting female entrepreneurship and small women-led businesses for several years:

- in France, the ConnectHers programme helps women entrepreneurs to create and develop their projects, through the mobilization of a network of 300 referents, access to an ecosystem of partners, networking workshops and events (200 in 2023), acceleration and support programmes (70 women entrepreneurs supported in 2023). This programme was also rolled out by BGL BNP Paribas in Luxembourg in 2023 with workshops that hosted more than 200 people;

- in Ukraine, in 2023, UkrSibbank launched the Smart Lady programme, a commercial offer dedicated to female entrepreneurs by exempting them from payment and cash handling fees. In addition, and for the fifth consecutive year, a series of seminars offered mentoring sessions to help women to set up and grow their businesses, even in war time.

## A range of offers tailored to various audiences

In order to best support its customers in their life projects, the Group's entities have developed offers adapted to each individual's specific needs.

Since 2019, BNL has developed a range of products dedicated to supporting families and young people, at preferential rates and without fees. They include: *Adottami* and *Nuovi Nati* to help new parents, *Futuriamo* and *Scuola Piu* to help students to continue their studies regardless of the cost, thanks to loans with a maximum term of 10 years, and *Arte & Cultura che passione* to allow more people to become art students, with loans from EUR 500 to EUR 5,000 over two years.

In 2023, BNP Paribas Personal Finance in France offered a long-term lease option to single-parent families, giving them easier access to cleaner vehicles (Crit'Air 0 or 1). While their temporary status prevents temporary workers from accessing traditional bank loans, BNP Paribas Personal Finance and the FASTT (*Fonds d'Action Sociale du Travail Temporaire* – Temporary Work Social Action Fund) have signed a partnership to give them access to a range of loan products designed especially for them, such as personal loans, loan repurchase solutions and adapted insurance pricing.

In France, in conjunction with associations hosted by *L'Ascenseur*, such as Article 1, BNP Paribas renewed its student loan without a guarantor scheme to facilitate access to higher education for scholarship holders. Between March 2021 and December 2023, nearly 1,800 students had benefited from this offer, for a total amount of EUR 19 million in loans.

In order to provide appropriate support for its senior customers, since 2021 BNL offers *Futuro Pensione* (Future Pension), for customers wishing to buy back three-month periods they spent studying, in military/civilian service or in professional training in order to bring forward their retirement, due to a job loss or a desire for early retirement.

## Improved accessibility for people with disabilities

BNP Paribas takes action to improve the accessibility of its products, services, documents and branches open to the public in all of its entities around the world. Thus, a regularly updated public accessibility register of CPBF branches is distributed to the branch network in order to accommodate people with disabilities under the best possible conditions.

In Italy, BNL since 2019 has a team of hearing-impaired advisors to support its hearing-impaired customers. Meanwhile, BNP Paribas Polska has launched a sign language translation service in all its customer centres, and has made its call-centers accessible to hearing-impaired people. Since the launch of this service in 2020, more than 1,500 calls assisted by an interpreter have been conducted.

In Belgium, 53% of BNP Paribas Fortis branches are accessible to people with reduced mobility. People with partial or complete blindness can receive all their account statements in Braille language free of charge and use ATMs equipped with voice recognition system. Hearing-impaired people have the possibility of being accompanied by sign language interpreters for all their appointments.

TEB has also improved the accessibility of its services for visually impaired or with reduced mobility customers, increasing the number of ATMs adapted for the visually impaired to 205, and those adapted for people with reduced mobility to 1,103 in 2023.

## Support for victims of financial domestic abuse

Active for several years in the fight against gender-based violence, BNP Paribas chose in 2023 to strengthen its approach regarding financial domestic abuse, a term designating acts aimed at maintaining dependency on household members or withholding their financial resources. The Group is committed to strengthening its support for customers affected by financial abuse, primarily by training its advisors to listen to and guide victims. In addition, BNP Paribas Personal Finance took part in a coalition along with associations (*Solidarité Femmes*, *la Fondation des Femmes*, *Samusocial*, etc.) and public authorities to collaborate on the creation of awareness-raising videos on this topic.

## Support for sick patients

BNP Paribas Cardif promotes access to insurance in the event of aggravated health risks, and is continually boosting its offer to make it more inclusive. In France, adapted and specific pricing exists for people with certain conditions such as gestational diabetes, psychological disorders or Parkinson's disease. In 2023, this approach was extended to chronic inflammatory bowel diseases (IBD). BNP Paribas Cardif takes into account medical research and the improvement of treatment strategies to offer insurance coverage and pricing better suited to the situation of patients. In 2023, 99% of home loan insurance applications were accepted, thanks to the cover offered in the "Atout Emprunteur" (Borrower Insurance) policy marketed in BNP Paribas branches.

Finally, BNP Paribas Cardif France decided to supporting its most vulnerable customers by creating a social action fund. It aims to offer complementary financial assistance to customers who are in a vulnerable situation due to a serious health problem or an accident. This help is separate to policy cover and governed by a legal regulation that defines the eligibility conditions.

## COMMITMENT 8: SUPPORTING HUMAN RIGHTS AND COMBATTING SOCIAL EXCLUSION

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### BNP PARIBAS IS COMMITTED TO RESPECTING HUMAN RIGHTS

#### Commitment at the highest level

BNP Paribas adheres to internationally-recognised human rights standards. This commitment is expressed at the highest level in the BNP Paribas Declaration on Human Rights<sup>1</sup>, signed by the Group's Executive Management and promoting the respect of these rights within BNP Paribas' sphere of influence. The Chairman of the Board of directors and the Group Chief Executive Officer also co-sign the statement on modern slavery and human trafficking that BNP Paribas publishes annually.

The Group supports the United Nations Guiding Principles on Business and Human Rights, as well as the OECD's Guidelines for Multinational Enterprises, in accordance with the "Protect, Respect and Remedy" framework. It has chosen to follow the recommendations of the United Nations Guiding Principles reporting framework.

BNP Paribas takes part in the annual meetings of several initiatives, associations and working groups dedicated to human rights, including *Entreprises pour les Droits de l'Homme* (EDH) and the Human Rights Working Group of the French network of the Global Compact. In addition, BNP Paribas Asset Management is a member of the PRI (Principles for Responsible Investment) Advance initiative, bringing together investors committed to the advancement of human rights through their stewardship policy. Finally, in 2023, BNP Paribas Asset Management joined the Investors Against Slavery and Trafficking initiative, and is tackling modern slavery through this initiative in the Asia-Pacific region.

#### Awareness-raising and training

The Group focuses on employee training and awareness-raising, which are important components of its human rights risks management process. A "Human Rights and Business" training module, established in collaboration with EDH and available in eight languages, has been assigned since 2016 to Group employees tackling human rights issues as part of their professional missions.

Since 2016, more than 22,000 employees have completed this training. Lastly, a Business & Human Rights newsletter is sent monthly to Group employees working on human rights issues.

#### Management of "salient"<sup>2</sup> risks as part of the distribution of products and services

BNP Paribas has identified two "salient" risks in the distribution of its products and services:

- non-discrimination in access to financial services;
- right to privacy (protection of clients' personal data).

#### Non-discrimination in access to financial services

The Group believes that sustainable economic development promotes wider access to fundamental rights, which is why it strives to contribute to the accessibility of financial services in the communities where it operates (see *Products and services that are widely accessible*, Commitment 7).

#### The right to privacy

The protection of privacy remains an ethical priority for the Group, as evidenced by its inclusion in the Code of conduct. In 2023, BNP Paribas continued to reinforce and develop its global network of data protection specialists, integrated into all Group's territories and businesses. Worldwide, job assignments to apply the principles of data confidentiality and increase personal data protection knowledge occupy more than 100 full-time equivalents (2<sup>nd</sup> line of defence).

Created in 2018 and reporting to the RISK Function, the Group Data Protection Office (GDPO) support, advise and supervise data protection activities, including the implementation of continuous development programmes for Data Protection project managers and correspondents, and to identify and deploy good practices.

During 2023, improved procedures and guidance were created. The tools developed by the Group have also been updated to reflect these improvements (see *Management of risks related to personal data protection* in 2.4 Internal Control).

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<sup>1</sup> Statement of BNP Paribas on Human Rights [https://cdn-group.bnpparibas.com/uploads/file/uk\\_declaration\\_bnp\\_sur\\_droit\\_de\\_l\\_homme.pdf](https://cdn-group.bnpparibas.com/uploads/file/uk_declaration_bnp_sur_droit_de_l_homme.pdf).

<sup>2</sup> "Salient" is the term used by the drafters of the United Nations Guiding Principles Reporting Framework.

## Key tools

Available to all employees, they cover:

- data protection risk assessment to identify and address data processing risks;
- reporting personal data breaches. Each employee can report any suspicious personal data breach for investigation<sup>1</sup>;
- the recording of personal data processing activities;
- evaluating the impact of data sharing.

These tools provide a single view on how the Group manages and assesses personal data protection.

In 2023, a Personal Data Protection Awareness module was completed by 96% of employees, boosting understanding of the Group's commitment to data privacy, and their own data protection responsibilities. This e-learning module is taken by newcomers. All external teams with assignments for BNP Paribas and third parties are required to complete a training module which covers data privacy standards and obligations. These trainings were completed by awareness campaigns during the year.

## Management of “salient” risks of breaches in human rights in the Group’s financing and investment activities

The activities of corporate clients may pose a risk to human rights, particularly in the area of workers’ rights, and have an impact on local communities.

The Group endeavours to identify, assess (due diligence process), monitor and encourage the improvement of the current and future performance of its clients operating in sensitive sectors, through the application of its investment and financing policies (see *Systematic integration and management of Environmental, social and governance risks (ESG)*, Commitment 3). The implementation of the ESG Assessment, an internal tool for assessing the maturity of the Group’s clients on five major ESG issues, including respect for human rights, continued in 2023. At the end of the year, all of the Group’s strategic clients had been covered by an ESG Assessment, and the rollout to other major corporate clients is ongoing.

To ensure that the existing system meets the requirements of the French Duty of Care, BNP Paribas set up a risk mapping of its clients taking into account both their business sectors and the countries they operate in. This tool covers human rights issues through the analysis of several criteria, such as child labour, forced labour, human trafficking and failure to respect the rights of local communities. These issues are weighted based on the sector and location. This mapping thus strengthens the ability of the business lines and functions concerned to implement the most appropriate in-depth vigilance measures (see section 7.7 *Vigilance plan*).

### Workers’ rights

The human rights criteria of financing and investment policies in sensitive sectors deal with issues related to workers’ rights in particular. In addition to child labour and forced labour, workers’ health and safety as well as freedom of association are assessed. These themes are also taken into account in the analysis of projects covered by the Equator Principles (see *Systematic integration and management of Environmental, social and governance risks (ESG)*, Commitment 3).

### Rights of local communities

Identified as another “salient” issue, the rights of local communities are at the heart of most controversies related to large industrial projects. Therefore, for its project finance activities, BNP Paribas encourages its clients to obtain the Free, Prior and Informed Consent (FPIC) of the local communities impacted by their projects. In addition, in the event that a project results in the relocation of neighbouring communities, a Relocation Action Plan (RAP) must be drawn up by the client in order to compensate the people affected.

As a signatory of the Equator Principles (EP) since 2008, BNP Paribas ensures that negative environmental and social impacts are avoided, and where applicable, remedied in its project financing activities. The application of the 4<sup>th</sup> version of the EP (2020), results in a better recognition of the United Nations Guiding Principles and an expanded use of certain standards recognised by the Equator Principles, such as the systematic use of FPIC in “designated countries”, whereas previously it was only optional.

### Due diligences and dialogue

In the event of suspected or identified serious abuses of human rights by a BNP Paribas customer or a company in its portfolio, the Group conducts in-depth due diligences and discusses the matter with the company concerned (see *Systematic integration and management of Environmental, social and governance risks*, Commitment 3).

For example, in 2023, the construction of a road in Africa displaced local communities from their homes. One of the conditions for the financing was the elaboration and execution of a RAP, integrated with a Stakeholder Engagement Plan to ensure the involvement of the people affected in the discussions concerning the resettlement. BNP Paribas, with other lenders involved in the transaction, required an independent consultant to review and monitor the RAP implementation, which include site visits. Regular meetings are organized with the independent consultant and if needed with the client to discuss the implementation of the plan.

<sup>1</sup> In accordance with the General Data Protection Regulation (GDPR), customers can exercise their rights in order to control the use made of their personal data. See page Data protection at the corporate site (<https://group.bnpparibas/en/data-protection>)



## COMBATTING SOCIAL EXCLUSION

As a committed and responsible organization, the fight against social exclusion is a priority for BNP Paribas, with two main areas of intervention: the integration of young people and support for local regions. The majority of these actions are carried by the Group's Foundation and described in Commitment 9 (*Corporate philanthropy policy focused on the arts, solidarity and the environment*).

The Group's active participation in the *Collectif d'entreprises pour une économie plus inclusive* (Group of Companies for a More Inclusive Economy) and Business for Inclusive Growth (B4IG) coalition also contributes to this. In addition to these actions, BNP Paribas supports employee's skills-based volunteering to non-profit organisations involved in tackling social inclusion (see *A Good place to work and responsible employment management*, Commitment 5).

In France, the Group contributes to several major programmes that have a positive impact on the professional integration of young people excluded from employment due to their social, geographical or ethnocultural origins, and in this respect supports nearly 280 associations committed to this cause. In addition, BNP Paribas joined the government "One young person, one solution" (*Un jeune, une solution*) plan as soon as it was launched.

In addition, through the solidarity funds offered in its collective savings schemes (PEE, PERECO, PERO), BNP Paribas allows its employees to use their company savings to support 30 Social and Solidarity Economy organisations working in favor of vulnerable groups.

### **Projet Banlieues (Neighbourhoods Project) supports those working on the ground in France, and is being extended to Italy**

The *Projet Banlieues* aims to support associations operating in the priority city neighbourhoods (QPV), which work in multiple areas such as education, social and professional integration and strengthening social bonds among communities. Since 2006, EUR 32 million has been raised, including EUR 9.1 million dedicated to 1,200 local associations benefiting 1.2 million people in the priority neighbourhoods, and the the rest to Adie, Afev, *Proximité* and *Entreprendre pour Apprendre*.

In 2023, *Projet Banlieues* supported 443 local associations spread over a large part of the territories covered by the CPBF branch network, including 153 new associations providing help to approximately 177,000 vulnerable people. Determined to take very concrete action in favour of social inclusion, in 2023, BNL launched an initiative mirroring *Projet Banlieues* in Italy, known as Progetto IncluCity. In close collaboration with local associations, it aims to create professional and cultural opportunities for young people from disadvantaged neighbourhoods in Milan, Padua, Prato, Rome and Naples.

## COMMITMENT 9: CORPORATE PHILANTHROPY POLICY FOCUSED ON THE ARTS, SOLIDARITY AND THE ENVIRONMENT

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The BNP Paribas Foundation has been major and expert player in corporate philanthropy since 1984. It structures and coordinates the international development of the BNP Paribas Group's philanthropy everywhere the latter is present, as well as its 11 foundations and endowment funds around the world. Its focus is towards projects promoting solidarity, culture, and the environment.

In 2023, the BNP Paribas Group's philanthropy allocated more than EUR 90 million to public interest activities, of which more than EUR 30 million coming from exceptional donations:

- more than EUR 12 million allocated by TEB to support the victims of the earthquake that struck Türkiye;
- nearly EUR 3 million allocated by BMCI to help victims of the earthquake that hit Morocco;
- EUR 20 million stemming from the share buyback programme were paid to more than 90 organisations working in three current priority areas<sup>1</sup>: the fight against extreme poverty and violence against women, integrating disadvantaged people into society (looking after refugees' welcome, equal opportunities, professional integration), the climate and biodiversity.

The remaining EUR 60 million (figure estimated at 1 February 2024), excluding exceptional support for extreme poverty, was divided into the following three areas of action: solidarity, culture and the environment.

## SOLIDARITY

### **Responding to emergencies**

#### **Combatting extreme poverty**

While the global economy is experiencing inflation that affects the most vulnerable groups, the Group's commitment to combatting extreme poverty amounts to nearly EUR 10 million worldwide over three years, primarily thanks to its share buyback programme in 2023. In France, EUR 3.5 million was dedicated to supporting people in food and housing emergencies with the help provided to the Group's partner associations, including *Restos du Cœur*, *Habitat & Humanisme* and Food Banks, amongst others.

<sup>1</sup> List can be consulted on the Group's website: <https://group.bnpparibas/en/news/more-than-30-million-euros-in-exceptional-donations-in-2023-to-address-urgent-needs>

## Responding to natural and humanitarian disasters

The Rescue & Recover Fund makes it possible to react quickly and effectively worldwide in the event of a humanitarian or environmental disaster. The Fund collects donations from employees, CPBF customers and retirees who are members of the *Amicale des retraités* (Retired Employees Circle). The Group generally doubles the amount, or even triples it in exceptional cases, in order to finance the projects of four partner NGO: Doctors Without Borders, CARE, the French Red Cross and the International Fund for Animal Welfare (IFAW). In 11 years, more than EUR 15 million (including EUR 5 million for Ukraine in 2023) has been used to finance tangible actions on the ground benefiting more than 6 million people. Since it was created, the Rescue & Recover Fund has been associated with 45 campaigns in more than 30 countries around the world.

In 2023, the Rescue & Recover Fund took action to support two crises caused by destructive earthquakes: in Türkiye and Syria in February, and in Morocco in September. The annual Rescue & Recover Fund campaign also supported women, the first victims of poverty and violence, through a number of international development projects with our partner NGO. These projects received a total of nearly EUR 2.5 million from the Fund in 2023.

In 2023, the BNP Paribas Foundation and the Group received the *Grand Prix de la Philanthropie* awarded by the Ficade Group, in the “Emergency” category, thus recognising the importance of action within the Group and the variety of initiatives launched during severe humanitarian crises.

## Accelerating social inclusion

### Refugee Programme: helping the integration of refugees

In 2023, BNP Paribas continued its sponsorship programme to promote the integration of refugees in Europe with the same objective: to enable refugees, minors as well as adults, to learn the language of the host country in order to better integrate, find professional training, resume studies, gain autonomy and find a job. To contribute to this, in 2023, the global philanthropy programme managed by the BNP Paribas Foundation provided nearly EUR 1.8 million to the programmes of 30 associations in 12 European countries<sup>1</sup>. In total, since 2015, EUR 17.3 million has been allocated to the aid and integration of refugees in Europe<sup>2</sup>.

### Help2Help: Supporting employee engagement

Since 2003, the BNP Paribas Foundation has supported projects carried out by the Group's employees in France that are members of solidarity organizations on their personal time. In 2023, this Help2Help programme, rolled out in around 20 countries, supported projects from over 185 associations.

### Whitaker Peace & Development Initiative: A first in France

Since 2018, BNP Paribas has supported the Whitaker Peace & Development Initiative NGO in its actions in South Africa, enabling young women and men from disadvantaged neighbourhoods to become ambassadors for peace and entrepreneurs in their communities, and improving access to information and communication technologies by giving them access to vocational training and scholarships.

In 2023, the Group supported the launch of the NGO's activity in France. A training centre was opened in Aubervilliers in a facility provided by BNP Paribas.

## Encouraging equal opportunities through mentoring and other actions

Declared a major national cause in 2023, mentoring was already at the heart of the Group's and the Foundation's youth support actions, through various partnerships with pioneering associations which have specialised in supporting young people for the past 15 years. In 2023, more than 1,000 Group employees were mentors, making BNP Paribas the leading French company in terms of the number of mentors.

## Supporting young people and vulnerable women

Taking stock of the issue of poverty amongst young people, the BNP Paribas Foundation continued its actions in this area around three main topics: access to education, poverty, and psychological trauma. It has thus supported partners and associations that work on the ground with the most vulnerable groups.

In 2023, the BNP Paribas Foundation reaffirmed its support for women, by partnering associations whose solidarity and awareness-raising actions help to combat gender-induced hardships, through access to healthcare, housing and basic necessities.

## CULTURE

Contemporary creation is at the heart of the BNP Paribas Foundation's cultural philanthropy programme. Engaged alongside many artists and the institutions hosting and featuring their works, the Foundation in particular supports contemporary dance, jazz and new circus arts. Its actions foster cultural transmission and thus resonate with the social programmes the Foundation also supports.

<sup>1</sup> Germany, Austria, Belgium, Spain, France, Greece, Italy, Luxembourg, Poland, Portugal, Switzerland, United Kingdom.

<sup>2</sup> And excluding emergency donations for Ukraine.

## Cultural transmission and access to it for all: a new commitment focus

Passing down, sharing an artistic heritage and musical knowhow are all levers that enable younger generations to succeed and move towards excellence while being supported and guided. The BNP Paribas Foundation has forged new partnerships in this area, for example with the hip-hop section of the Turgot high school. This class offers academic and artistic excellence unique in Europe, and is the only free training of this type within a public institution. It aims to integrate students from lower-income neighbourhoods, and break the spiral of academic failure through dance. Furthermore, the sale of fine art furniture from the BNP Paribas collection made it possible to support around 15 additional associations.

## Contemporary creation is at the heart of the BNP Paribas Foundation's cultural philanthropy programme

Committed to many artists and institutions, the Foundation continues its support for creativity by supporting new artists like the drummer, composer and producer Arnaud Dolmen, and the vocalist and musician Leïla Martial. Both are symbolic choices, demonstrating the new direction of the BNP Paribas Foundation's cultural philanthropy, which aims to promote younger generations and female artists.

## THE ENVIRONMENT

See *Advancing awareness and sharing of best environmental practices*, Commitment 12.

# 7.5 Our environmental responsibility: accelerating the ecological and energy transition

The Group deploys its environmental responsibility in three priority areas:

- **Commitment 10:** Enabling its clients to transition to a low-carbon economy respectful of the environment;
- **Commitment 11:** Reducing the environmental impacts of its operations;
- **Commitment 12:** Advancing awareness and sharing of best environmental practices.

## COMMITMENT 10: ENABLING ITS CLIENTS TO TRANSITION TO A LOW-CARBON ECONOMY RESPECTFUL OF THE ENVIRONMENT

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### A STRONG AMBITION FOR THE TRANSITION TO A LOW-CARBON ECONOMY

As set out in Commitment 1 (*Financing and investments with a positive impact*), the Group supports its clients in the transition to a more sustainable economy. It has an **ambitious target for 2025: EUR 200 billion to support its clients in the transition to a low-carbon economy** (see section 7.1 *The CSR Policy Management Dashboard*). **The amount at the end of 2023 was EUR 104 billion.**

In terms of energy, BNP Paribas makes the following distinction:

- renewable energy, including wind and marine energy, photovoltaic solar energy, concentrated solar energy, hydroelectricity, geothermal energy, bioenergy (including biofuels except for first generation<sup>1</sup>);
- low-carbon energy, including renewable and nuclear energy sources.

The scope of low-carbon energy could evolve according to technological progress to gradually go beyond the production of energy and include other steps in the value chain such as transport, storage or distribution of low-carbon energy.

<sup>1</sup> In the presentation of our energy exposures, this distinction is not made to date, which is why the amount of our exposure to biofuels is isolated.

### In 2023, BNP Paribas accelerated its financing to low-carbon energy.

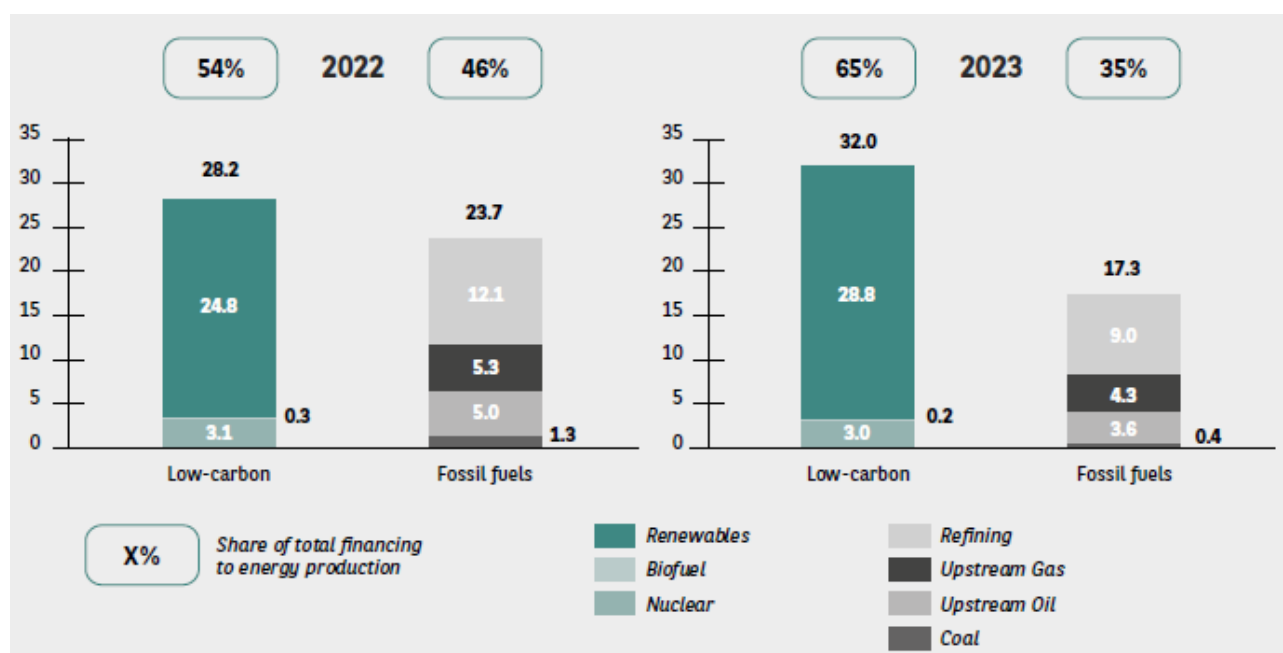
In January 2023, BNP Paribas set a 2030 target of EUR 40 billion of credit exposure to low-carbon energy, representing at least 80% of its credit exposure to energy production. It was nearly 55% at 30 September 2022.

At 30 September 2023, BNP Paribas' credit exposure to low-carbon energy production already represented EUR 32 billion (including EUR 28.8 billion for renewable energy sources), i.e. 65% of the Group's financing for energy production. Thus, in one year, BNP Paribas increased its credit exposure to renewable energy by EUR 3.8 billion, and its share of low-carbon energy in total energy financing is up by more than 10 points.

The commitment to achieve EUR 40 billion in credit exposure and 80% low-carbon energy in the Group's energy production financing has been brought forward to the end of 2028. The target for 2030 is now 90%.

### EXPOSURE TO LOW-CARBON ENERGY AND FOSSIL FUELS

Credit facilities + contingent liabilities + securities on balance sheet, in billions of euros, at 30 September 2022 and 30 September 2023



Please note that this is a stock of loans granted over the years, and which clients still repay over a number of years. The major action taken over the past few years to accelerate new low-carbon loans and the fossil fuel divestment makes it possible to achieve the 2028 and 2030 objectives.

### SUPPORTING CORPORATE CLIENTS IN THEIR ENERGY AND ECOLOGICAL TRANSITION

Climate change, circular economy and preserving biodiversity have become systemic challenges for companies. The Group offers its clients support throughout their energy and ecological transition strategy, which may cover efforts to reduce their energy consumption, decarbonise it, reduce their greenhouse gas emissions, develop more circular business models and minimise their impact on biodiversity.

#### The Low-Carbon Transition Group

In 2021, BNP Paribas created the Low-Carbon Transition Group, a strong platform made up of 200 bankers at end-2023 (with a target of 250 specialist bankers by end-2025) dedicated to supporting international clients, companies and institutional investors in accelerating their transition to a sustainable and low-carbon economy. A continuum of banking and non-banking solutions, is therefore provided for the decarbonisation of the economy, and particularly the energy, mobility and industry sectors. In addition to renewable energy and the battery sector, this platform is particularly attentive to future technology projects, specifically green hydrogen.

In addition, the Low-Carbon Transition for SMEs & MidCaps initiative supports SMEs and mid-sized companies in the transition to Net-Zero emissions<sup>1</sup> in the Group's five main Domestic Markets (France, Belgium, Italy, Luxembourg and Poland).

<sup>1</sup> SMEs: small and medium-sized enterprises.

## Increased support for renewable energy

BNP Paribas is strongly committed to increasing its financing for renewable energy. Among the concrete achievements in the renewable energy sector in 2023 worldwide, BNP Paribas jointly arranged financing for the renovation of three wind farms located in Hauts-de-France covering a total of 35 MW, operated by Kallista Energie, an independent renewable energy producer. The entire electricity production of these three wind farms, *i.e.* around 100 GWh per year, will be purchased by Groupement Les Mousquetaires, via its subsidiary Bonacieux Energies, over a period of 20 years. This is the second Corporate Power Purchase Agreement, following that of Lhyfe, one of the world leaders in green hydrogen.

In Poland, BNP Paribas was a major player in the Baltic Power project led by Orlen and Northland Power. The loan of more than EUR 4.4 billion will enable the construction of the first offshore wind farm in Polish waters. This farm comprises 76 wind turbines that will provide renewable energy to more than 1.5 million households from 2026. This was the largest offshore wind project in Europe in 2023.

The Abu Dhabi company, Masdar, developer and operator of public utility renewable energy infrastructure, active in 40 countries and with a portfolio with a total capacity of 20 GW, issued USD 750 million in green bonds to finance the development of new renewable energy infrastructure around the world. It plans to expand its capacity to 100 GW of renewable energy by 2030. BNP Paribas acted as joint ESG structuring advisor on Masdar's Green Finance Framework, and as joint lead manager on this issue.

BNP Paribas was coordinating lead arranger and bookrunner for a USD 2.5 billion financing to support renewable energy generation projects from AES Corporation, an American company specialised in the energy sector. This credit facility will finance more than 3 GW of new clean energy construction (solar, wind and energy storage) in the United States over a 12-month period.

ReNew Power, a major Indian player in renewable electricity production, obtained a loan of USD 1 billion to finance a portfolio of wind and solar projects of 1.3 GW, backed up by batteries to provide an uninterrupted energy supply. It is the most significant financing for a round-the-clock renewable energy project in India. The energy produced will be sold to the Solar Energy Corporation of India (SECI). BNP Paribas played the role of lead arranger and hedge bank in this transaction. Hybrid projects of this nature, combining wind, solar and energy storage, make it possible to optimise land resources and grid infrastructure, while generating a reliable electricity supply day and night. The purpose of such projects is to play a key role in India's energy transition.

## Development of more sustainable mobility

In 2023, the "BNP Paribas Mobility" brought together all of the Group's mobility expertise to support its partners and serve its customers through infrastructure financing, support for players in the automotive sector, and the development of adapted offers for new players with large vehicle fleets, the creation of new mobility offers and services for companies and individual customers. To this end, BNP Paribas Mobility launched the integrated "Mobility4you" platform for individuals, which incorporates the carbon footprint and promotes soft mobility.

BNP Paribas played the key role of joint sustainability structuring coordinator during the successful placement of the first EUR 1.25 billion green bond for Stellantis, whose funds will be mainly dedicated to the design, development and manufacture of 100% electric vehicles and electric vehicles fuel cells.

AESC (Automotive Energy Supply Corporation), the world's leading Japanese company in the design and production of batteries, was financed for an amount of more than EUR 800 million for the planned construction of a gigafactory in France. During the first phase of this large-scale project, it is expected that 9 GWh of batteries will power 200,000 electric vehicles produced each year from 2025 by the manufacturer Renault. Through its role as mandated lead arranger, BNP Paribas is therefore helping accelerate the development of the sector in Europe.

ChargePoint, a major player in electric vehicle charging networks, has signed an international agreement with Arval to accelerate the transition to electric mobility for international companies, SMEs and individuals. This agreement will support fleet managers with a complete portfolio of e-mobility services (smart charging stations, digitisation, payment, assistance, *etc.*).

At the same time, Arval has set itself a target of 350,000 electric vehicles in 2025 and more generally of 700,000 electrified vehicles in its rental fleet, contributing to its target of reducing average CO<sub>2</sub> emissions per leased vehicle by 35% compared to 2020. In 2023, its fleet included more than 166,000 electric vehicles, an increase of 85% in one year, and 438,000 electrified vehicles.

In addition, around the world, Arval had nearly 20,000 users of alternative mobility solutions to private cars, such as car-sharing, mobility cards and bicycle rentals.

## Deployment of circular economy

In order to reduce the consumption of non-renewable raw materials and waste production, BNP Paribas continues to support the development of circular economy, which resulted in various achievements in 2023.

CPBF financed a foundry sand regeneration installation project for an amount of EUR 3.3 million, an innovative project enabling La Fonte Ardennaise, a major player in the foundry industry worldwide, to recycle 90% of black moulding sand, and thus save natural resources, stop the landfill of sand waste and reduce CO<sub>2</sub> emissions by 20,000 tonnes per year.

Brambles, a company in the logistics sector and a pioneer in the field of circular economy thanks to its model of sharing and reuse of goods, issued a green bond of EUR 500 million in March 2023 for which BNP Paribas was joint bookrunner. This is the first green bond issued by an Australian company exclusively dedicated to financing circular economy. It will reduce the use of natural resources, the production of waste and supply chain carbon emissions.

On the investment side, BNP Paribas Asset Management offers investors the BNP Paribas Easy ECPI Circular Economy Leaders fund, whose assets amounted to more than EUR 900 million at the end of 2023, demonstrating the strong appeal of this area for both individual and professional investors.

Circular economy also plays a role in the transport sector: “Arval car sharing” offers a digital solution for the reservation and pooled use of service vehicles between employees within their company, thus maximising the fleet usage rate, and optimising the number of vehicles actually needed and therefore their cost, with a reduction of up to 20% in the road fleet.

## **Responsible real estate for companies**

BNP Paribas was the advisor to Covivio, a French real estate management company, for the implementation of its Sustainable Bond Framework which enabled the issuance of green bonds or bonds backed by sustainable performance indicators. This framework enabled the successful placement of EUR 500 million in green bonds.

60% of a building’s carbon footprint is related to construction materials. By forging a partnership with Materrup, a young French company that produces low-carbon construction materials based on uncalcined clay, BNP Paribas Real Estate has an additional solution to achieve its carbon footprint reduction targets. In this context, five pilot programmes were launched in France representing 81,800 m<sup>2</sup> of floor space, or 700 housing units.

## **Promoting high-quality voluntary carbon credit markets**

BNP Paribas actively supports its customers and corporate clients in its investment portfolio in their carbon neutrality approach, by offering them products and services for energy efficiency and the decarbonisation of their activity, as well as carbon offsetting. To this end, the Group published its position on voluntary carbon credits in 2023<sup>1</sup>, in which it defines the general principles according to which BNP Paribas uses, supports, advises or sells voluntary carbon credits for its own use or that of its customers.

The robust and rigorous development of voluntary carbon credits has a role to play in the global transition to carbon neutrality, with a specific attention to several sensitive aspects: emission reduction actions should always be a priority over using carbon credits; the greenhouse gas reductions linked to these voluntary carbon credits should be effective and permanent; the projects generating carbon credits should also have positive impacts on biodiversity and local populations.

## **SUPPORTING ITS INDIVIDUAL CUSTOMERS IN REDUCING THEIR CARBON FOOTPRINT AND PARTICIPATING IN THE ENERGY TRANSITION**

### **Support for energy-efficiency home renovation**

The energy footprint of housing is a major issue in the ecological transition. At the European level, in France, Belgium, Luxembourg, Italy and Poland, BNP Paribas is accelerating by offering dedicated solutions to its individual customers. These new “beyond banking” offers help decarbonise the residential real estate loan portfolio.

Thus, CPBF offers its customers “Energibio” for the financing of energy renovation. In Belgium, BNP Paribas Fortis offers energy loans and renovation loans to finance insulation work, and launched “HappyNest”, which offers to rent a new energy-efficient building and then buy it a few years later. In Italy, BNL launched “Mutuo Green”, a new green mortgage product with preferential interest rates for residential buildings of energy classes A and B.

Domofinance, created in 2003 at the initiative of EDF and BNP Paribas Personal Finance, is the only financial institution fully dedicated to financing energy renovation and home improvement works. Between 2004 and 2023, Domofinance financed nearly 800,000 loan applications. Since 2013, it has also financed the renovation of shared housing. Domofinance has outstanding loans of EUR 1.7 billion for energy renovation projects, including personal loans, loan with a professional and shared property loans.

The EIB Group (European Investment Bank and European Investment Fund) signed its first securitisation transaction with BNP Paribas Personal Finance. This enables the latter to free up equity for financing, over a three-year period, of EUR 627 million for home energy renovation and renewable energy projects for private individuals in France.

### **Support for the purchase of less polluting vehicles and sustainable mobility**

BNP Paribas Personal Finance and Arval signed a pan-European partnership agreement with the automotive manufacturer ZEEKR, a subsidiary of the Geely group, to deploy a full range of services. The partnership will enable ZEEKR’s end customers to access financing, leasing and insurance services covering all aspects of mobility.

In Germany, Arval is stepping up its cooperation with MG Motor by launching in 2023 a joint car subscription offer called “MG Auto Abo Powered by Arval”. This offer allows individuals to benefit from a more flexible lease term with all the benefits of long-term lease with services (reduction of the financial risks associated with owning a vehicle, including services, insurance, etc.).

<sup>1</sup> [https://cdn-group.bnpparibas.com/uploads/file/bnpparibas\\_csr\\_voluntary\\_carbon\\_credits\\_position.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_voluntary_carbon_credits_position.pdf).

In France, to meet the expansion of bicycle use, BNP Paribas Personal Finance launched a new long-term rental offer for electric bicycles. The service is provided as a monthly subscription, with different cost levels depending on the bike, the options chosen and the length of the contract. Users can use a high-quality bike for a period of 24 or 36 months, which is covered by insurance (breakage, theft, etc.) and serviced annually by a professional.

## CONTRIBUTING TO PROTECTING BIODIVERSITY

“Natural capital and biodiversity” is one of the five priority areas of the Sustainability pillar in BNP Paribas’ GTS 2025 strategic plan. One of the CSR Policy Management Dashboard indicators (see section 7.1 *CSR Policy Management Dashboard*) measures **the amount of financing to companies contributing to the protection of terrestrial and marine biodiversity, with a target of EUR 4 billion by the end of 2025. The amount at the end of 2023 already exceeds the target with EUR 4.3 billion.**

This year, BNP Paribas took part in SLLs with objectives relating to the protection of biodiversity, in particular with agrifood companies seeking to increase the traceability of their supply chain and the share of agricultural commodities not linked to deforestation (for example, through criteria on the quantity of imported soybeans not linked to deforestation). The Group has also participated in bond issues including the financing of actions aimed at preserving the quality of natural environments (maintaining 100% of primary forests, improving the quality of surface and groundwater, etc.).

### Financing and investment policies to limit impacts on biodiversity

Since 2012, BNP Paribas has set up financing and investment policies<sup>1</sup> governing its activities in sectors considered sensitive from a biodiversity point of view, including agriculture (including livestock and forestry), palm oil, paper pulp, mining, oil and gas. In 2021, the Group strengthened its contribution to the fight against deforestation in the Amazon and Cerrado, by adopting new criteria for the beef and soybean sectors. In addition, in 2022, BNP Paribas announced that it would not finance any greenfield or brownfield oil and gas projects, nor any associated infrastructure, in the Amazon region or in the Arctic region.

In addition to these policies, in order to assess and contribute to reducing the impact of its customers on biodiversity, the Group includes questions relating to biodiversity in the sectoral questionnaires of the ESG Assessment (see *Systematic integration and management of Environmental, Social and Governance risks*, Commitment 3).

Moreover, BNP Paribas Asset Management is making progress in implementing its biodiversity roadmap<sup>2</sup>, in accordance with its new Global Sustainability Strategy 2023-2025<sup>3</sup>. In 2023, BNP Paribas Asset Management re-analysed the impact of its investments on biodiversity<sup>4</sup>, helping to identify commitment targets for its stewardship and asset management activities.

The analysis of the biodiversity footprint of investment portfolios (shares and corporate bonds) of BNP Paribas Cardif was published for the first time in 2022, renewed in 2023 and supplemented by a second measurement, using a complementary methodology<sup>5</sup>. The results show that the average dependency of portfolios on all ecosystem services is low.

### Positive actions for biodiversity

In parallel with these measures to manage the potential impacts of its activities on biodiversity, BNP Paribas incorporates the sustainable management of nature into its commercial activities. BNP Paribas Asset Management is thus expanding its sustainable investment offering, for example with the acquisition of a majority stake in the International Woodland Company (IWC), thus meeting the needs of investors who are increasingly diversifying in this market segment. Based in Denmark, IWC specialises in investment and advisory services for sustainable forestry, agriculture and natural ecosystems, as well as carbon credits and conservation projects.

BNP Paribas acted as joint lead manager and bookrunner in the combined EUR 1 billion green bond and SLB issued by Stora Enso, a Finnish company and one of the largest private forest owners in the world. Thanks to this green bond, the company has committed to more sustainable management of forests, energy, water and waste, as well as to increased pollution control.

### Support for the transition to more sustainable agriculture

In addition to its sectoral policy of responsible financing of the agricultural sector<sup>6</sup>, the Group is committed to developing products and services to promote the transition to more sustainable agriculture. Thus, the Group benefits from a centre of expertise for the agrifood sector known as BNP Paribas International Food & Agri, an entity of BNP Paribas Bank Polska, which all Group entities can use. The centre has developed the “Agronomist.pl” platform, a toolbox for producers and agrifood companies, to support the agroecological transition with experts, including bankers and analysts, specialised in cooperation with agricultural producers and agrifood stakeholders. The aim is to develop and promote a harmonised set of measures for sustainable agriculture.

<sup>1</sup> <https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>

<sup>2</sup> <https://docfinder.bnpparibas-am.com/api/files/940B42EF-AFFF-4C89-8C32-D9BFBA72BF24>

<sup>3</sup> <https://docfinder.bnpparibas-am.com/api/files/2818EAAE-D3CF-4482-A3BA-A2EA898AFD0D>

<sup>4</sup> <https://docfinder.bnpparibas-am.com/api/files/3F133AE1-6792-438F-8786-2D3C39D04D35>

<sup>5</sup> For its legal entities Cardif Assurance Vie and Cardif Retraite:

[https://www.bnpparibascardif.com/documents/348001/348117/Rapport29LEC\\_Cardif\\_Retraite\\_300623\\_EN.pdf/3bd08dd6-80e5-851c-9bcf-4033032f7b7a?t=1699438282616](https://www.bnpparibascardif.com/documents/348001/348117/Rapport29LEC_Cardif_Retraite_300623_EN.pdf/3bd08dd6-80e5-851c-9bcf-4033032f7b7a?t=1699438282616) and [https://www.bnpparibascardif.com/documents/348001/348117/Rapport29LEC\\_Cardif\\_Ass\\_Vie\\_300623\\_EN.pdf/46b6556b-b0ad-2e3d-5c9f-946e29b7de2b?t=1699438281806](https://www.bnpparibascardif.com/documents/348001/348117/Rapport29LEC_Cardif_Ass_Vie_300623_EN.pdf/46b6556b-b0ad-2e3d-5c9f-946e29b7de2b?t=1699438281806)

<sup>6</sup> [https://cdn-group.bnpparibas.com/uploads/file/bnpparibas\\_csr\\_sector\\_policy\\_agriculture.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_sector_policy_agriculture.pdf)

## ASSET MANAGEMENT FOR THE ENERGY AND ECOLOGICAL TRANSITION

### Funds to direct financial flows towards the energy and ecological transition

For several years, BNP Paribas Asset Management has broadened its range of investment solutions by focusing on corporate clients making a positive contribution to the transition to a more sustainable economy. Its sustainability-focused product offering is structured around two main ranges covering the main listed and unlisted asset classes. Solutions include certified funds (see *Designing and promoting funds which include sustainability criteria*, Commitment 1) and thematic solutions.

These thematic solutions enable private and institutional investors to access specific ecological transition themes (such as the energy transition, biodiversity and the circular economy), by focusing their investments on a universe of companies or projects whose products, services and/or transactions make a positive contribution. For example, BNP Paribas Energy Transition fund, launched in 2019 with assets of EUR 1.5 billion at the end of 2023, invests in companies that are committed to the energy transition, such as the production of renewable energy or energy technology and infrastructure. A large part of these themes is found in the range of BNP Paribas Asset Management Article 9 funds (within the meaning of the SFDR directive) representing EUR 20.1 billion in assets at the end of 2023.

### Exercising of voting rights and shareholder dialogue for the energy and ecological transition

BNP Paribas Asset Management strengthened its ESG voting guidelines<sup>1</sup>, with particular attention given to the climate and biodiversity. It now opposes the major resolutions of large companies in the sectors that emit the most greenhouse gases, which have not set themselves a carbon neutrality target by 2050. In terms of biodiversity, companies, and in particular those in sectors with a high potential impact on biodiversity, must now assess and report on their main impacts and dependencies on nature, particularly in terms of deforestation and water issues.

## FINANCING INNOVATIVE START-UPS TO ACCELERATE THE ECOLOGICAL TRANSITION

BNP Paribas has been supporting innovation in the areas of ecological transition by committing a total of EUR 250 million of equity since 2016 to support start-ups. At the end of 2023, through its Ecological Transition Capital investment line, BNP Paribas had already invested EUR 87.2 million in 12 innovative companies, including CarbonWorks in France (CO<sub>2</sub> capture and recovery using microalgae) and Protix in the Netherlands (insect factory for animal feed), and in eight funds, including Shift4Good, Clay Capital and Seaya Andromeda.

Within this same investment line, the SFDR Article 9 fund BNP Paribas Solar Impulse Venture, to which BNP Paribas committed EUR 75 million, completed a closing of EUR 131.2 million at the end of 2023. In 2023, this fund invested in Hello Watt, which helps individuals reduce their carbon footprint through the energy renovation of their homes.

The Bank also supports start-ups by partnering with them on projects with high added value. TEB, a subsidiary of the Group in Türkiye, has joined forces with the German start-up Plan A to calculate CO<sub>2</sub> emissions for its clients in the Turkish textile and automotive sectors. In Poland, BNP Paribas Bank Polska invested in the start-up Envirly to offer their solution to the bank's MidCap customers in order to calculate their CO<sub>2</sub> emissions. Finally, BNP Paribas advised ChargePoly, a specialist in ultra-fast charging solutions for electric vehicles, on its raising of EUR 15 million in equity. BNP Paribas Leasing Solutions signed a partnership in France to develop its sales through adapted financing solutions.

## COMMITMENT 11: REDUCING THE ENVIRONMENTAL IMPACTS OF ITS OPERATIONS

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The Group has set itself a target to reduce greenhouse gas emissions in its operational scope (scopes 1, 2 and business travel) to below 1.85 tonnes of CO<sub>2</sub> equivalent per FTE by 2025, down 25% compared to 2018. To achieve this, BNP Paribas strives first and foremost to reduce its greenhouse gas emissions by reducing energy consumption and using low-carbon energy. In addition, actions are carried out on impacts beyond greenhouse gas emissions including waste management and recycling, water consumption, mobility, responsible paper, etc. Finally, BNP Paribas also offsets its residual emissions by purchasing voluntary carbon credits. To deploy its commitment to reduce the environmental footprint related to its own operations, the Group uses the Green Company For Employees scheme, which puts employees at the heart of action.

### GREEN COMPANY FOR EMPLOYEES (GC4E): EMPLOYEE ENGAGEMENT WORLDWIDE

The Green Company for Employees programme accelerates the reduction of all of BNP Paribas' direct impacts on the environment, by assigning a central role to the participation of all employees. The priorities include the promotion of soft mobility by encouraging the sharing of journeys (carpooling) and vehicles (car-sharing, bicycle-sharing), monitoring digital footprints, the fight against single-use plastic, as well as the proposal for more sustainable food (responsible sourcing, food waste reduction, waste recovery). Particular emphasis is placed on raising the awareness of all Group employees, via dedicated thematic actions such as digital cleaning weeks, as well as training in environmental and climate issues.

<sup>1</sup> <https://www.bnpparibas-am.com/en/sustainability-bnpp-am/stewardship-future-maker-in-action/>.



With regard to IT management, the Group has set up the Sustainable IT programme. In this context, an internal “responsible digital” charter, built around 10 fundamental principles, was distributed to the entire IT sector worldwide and published in the Group’s Procedures database which is accessible to all employees.

## STRENGTHENED EFFORTS TO REDUCE THE ENERGY CONSUMPTION OF OPERATIONS

The Group continued its efforts to continue to reduce its energy consumption, comply with the government’s sobriety plan launched in France in 2022, deploy these principles internationally and to perpetuate this reduction over time. Thus, for the second consecutive year, very significant reduction in energy consumption was recorded, with a decrease of 26% in 2023 for the entire Group in absolute terms, which represent a decrease of 15% without taking into account the scope effect.

### Robust and multi-use environmental indicators

The indicators monitored each year as part of environmental reporting allow the Group to accurately measure the change in its direct environmental impacts, to ensure effective management by reporting detailed data to the business lines and regions, and to implement appropriate policies and actions to further reduce BNP Paribas’ operational environmental footprint.

The data required to calculate these indicators is collected annually for the Group’s main regions in terms of number of employees (20 countries in 2023 covering more than 85% of full-time equivalents - FTE). The results obtained for this scope are then extrapolated to cover all of BNP Paribas. The period taken into account for the data collected covers 12 months from October (year-1) to September (year 0). The number of FTEs is officially determined by Group HR at 31 December of the year in question.

The measurement of the CO<sub>2</sub> emissions for the Group’s operating scope is based on the reference methodology of the GHG Protocol. The following are taken into account: energy consumed (electricity, gas, fuel oil, district heating and cooling) in the buildings occupied by the Group, and the energy consumed in the means of transport used by employees for their business travel (excluding commuting) by car, train or plane. Only the combustion of fossil fuels is taken into account; the extraction and transportation of fuels are excluded from this calculation.

### MAIN ENVIRONMENTAL INDICATORS AT 31 DECEMBER 2023

| Indicators  | 2019 | 2020 | 2021 | 2022 | 2023  | 2025 Objectives                          |
|---|------|------|------|------|-------|--|
| Greenhouse gas emissions – scopes 1 and 2 and business travel (teqCO <sub>2</sub> /FTE) | 2.32 | 1.85 | 1.50 | 1.65 | 1.56  | ≤ 1.85                                   |
| Water consumption (m <sup>3</sup> /FTE)   | 21.8 | 15.8 | 18.2 | 10.7 | 10.39 | Qualitative improvement of the indicator |
| Paper consumption (kg paper/FTE)  | 86   | 58   | 49   | 44   | 39    | ≤ 70                                     |
| Share of sustainable paper (in %)   | 71.3 | 74.6 | 78.7 | 74.9 | 86.7  | ≥ 90                                     |
| Waste production (kg/FTE)   | 171  | 109  | 87   | 92.3 | 84    | Qualitative improvement of the indicator |

### MAIN CONSUMPTION SITUATION AT 31 DECEMBER 2023

| Total consumption/production           | 2019      | 2020      | 2021      | 2022      | 2023      |
|--|-----------|-----------|-----------|-----------|-----------|
| Energy consumption (in GWh)            | 1,399     | 1,209     | 1,171     | 1,123     | 830       |
| Water consumption (in m <sup>3</sup> ) | 4,339,270 | 3,058,462 | 3,453,976 | 2,072,981 | 1,897,531 |
| Paper consumption (in tonnes)          | 17,018    | 11,162    | 9,363     | 8,428     | 7,153     |
| Waste production (in tonnes)           | 33,905    | 21,085    | 16,451    | 17,771    | 15,260    |
| Share of recycled waste (in %)         | 21        | 31        | 34        | 26        | 39        |

Note: through its activities, the Group is not a significant source of noise pollution or any other specific industrial pollution.

## Use of low-carbon electricity

To continue reducing its environmental impact, the Group has been increasing its share of low-carbon electricity for several years. In 2023, low-carbon electricity represented 79% of total electricity consumption. The share of renewable electricity represented 34.8%. This electricity came either from the purchase of renewable electricity certificates, or from the direct consumption of renewable energy produced by the Group's buildings. Renewable energy consumption accounted for 27.3% of total energy consumption (830 GWh in 2023).

This commitment is strengthened with the introduction of exclusively renewable electricity purchase contracts (Power Purchase Agreements or PPAs). After signing PPA contracts in Poland to cover 100% of its electricity supply and in the United Kingdom, France also signed a contract in 2023, which will eventually provide at least 25% of its electricity supply from photovoltaic sources.

These systems are allowing the Group to limit CO<sub>2</sub> emissions associated with its electricity consumption, a reduction recognised in the market-based approach<sup>1</sup>. Based on this approach, the CO<sub>2</sub> emissions amounted to 214,859 teqCO<sub>2</sub> in 2023, *i.e.* a reduction of 70,464 teqCO<sub>2</sub> over the year compared to the location-based calculation<sup>2</sup>.

## Numerous environmental and commitment certifications

In 2023, 15 ISO 14001 environmental certifications were in progress at BNP Paribas, covering nearly 75,000 employees, *i.e.* 40% of its workforce, demonstrating the renewed commitment of the building management business lines (France, Belgium in particular), IT assets (France, Belgium, Italy and the United Kingdom), leasing (France), automotive (France, Germany, Belgium, Spain, Italy, Poland, Romania, Slovakia and the United Kingdom), housing and private finance.

In 2023, the Group is also ISO 50001 certified for its data centres in France, as well as for two BGL BNP Paribas buildings in Luxembourg. In addition, several Group entities also hold the Responsible Digital Label (*Agence Lucie*), while the purchasing department holds the Supplier Relations and Responsible Purchasing label (Corporate Mediation).

## GREENHOUSE GAS EMISSIONS IN THE OPERATIONAL SCOPE

In 2023, the Group's total emissions in its operational scope (direct emissions (Scope 1), indirect emissions related to energy purchases (Scope 2) and indirect emissions related to business travel) amounted to 285,323 teqCO<sub>2</sub> (based on the location-based approach) down by 10% compared to 2022 (representing a reduction of 33,166 teqCO<sub>2</sub>), and 38% compared to 2019, the pre-Covid reference year. **They represent 1.56 teqCO<sub>2</sub> per FTE**, *i.e.* below the maximum target for 2025 which is set to 1.85 teqCO<sub>2</sub> per FTE. This indicator has benefited from the sale of Bank of the West, which was one of the Group's highest emitting entities.

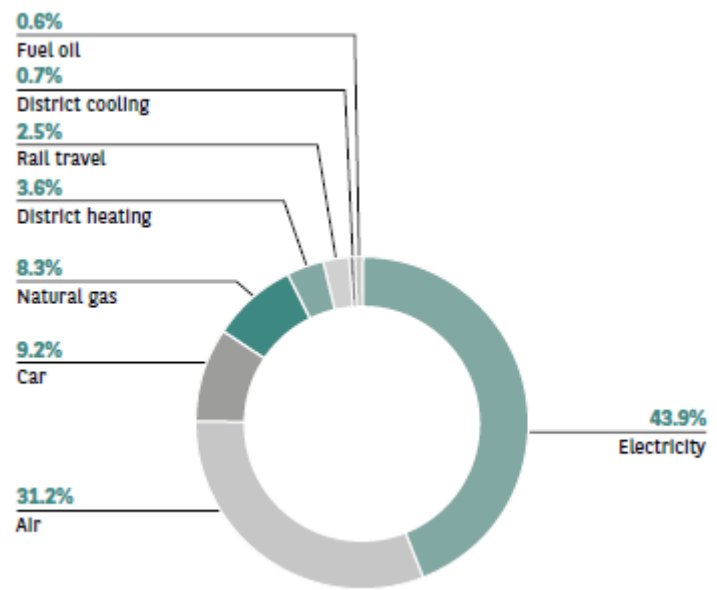
The results of the energy sobriety and building occupancy rationalisation plans contributed to a significant decrease in the share of buildings in the overall emissions, while at the same time, the share of travel continued to increase in 2023 following the resumption of travel after the health crisis.

<sup>1</sup> The Market-based approach quantifies Scope 2 greenhouse gas emissions based on the GHG emissions emitted by the producers from which the Group purchases the electricity it consumes. This makes it possible to take into account the Group's efforts to decarbonise its electricity via renewable energy purchase certificates or contracts. The Group uses it to calculate the quantity of tonnes of residual GHG emissions to offset with voluntary carbon credits.

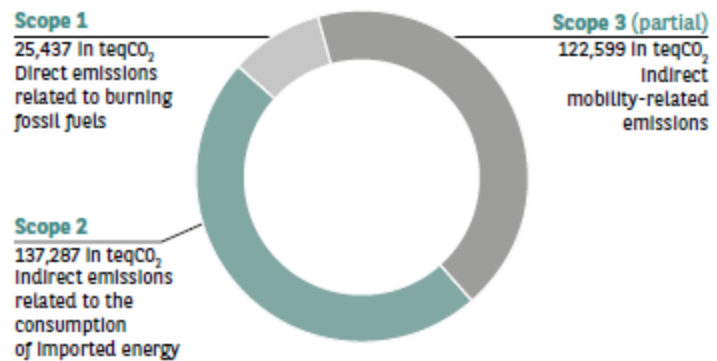
<sup>2</sup> The Location-based approach quantifies Scope 2 greenhouse gas emissions by taking into account the emission factors of the average mix of each country. The emissions factors used are taken from the International Energy Agency. The Group uses it to report tonnes of GHG emissions annually and to define the reduction target.

57% of these emissions come from the energy consumption of buildings, and 43% from business trips. In more detail, the breakdown of the Group's greenhouse gas emissions in 2023 is as follows:

**BREAKDOWN BY TYPE OF GREENHOUSE GAS EMISSIONS**



**BREAKDOWN OF THESE EMISSIONS BY SCOPE OF GHG/ISO PROTOCOL IN TEQCO<sub>2</sub>**



**RESPONSIBLE REAL ESTATE INITIATIVES**

**The Green Buildings programme of the Real Estate Department**

The Group real estate operating function (IMEX) is a key player in reducing the environmental footprint of BNP Paribas' operating scope. As such, the Green Buildings programme implements a process to improve the operation and maintenance of its sites, thereby reducing the Group's environmental impact on a long-term basis. Programmes are also deployed to encourage waste sorting and recycling, the circular economy, water management, facilitate sustainable mobility and promote the purchase of sustainable and less energy-consuming equipment.

**The plan to reduce the carbon footprint of the real estate portfolio**

This plan is broken down into three levers involving the business lines, the Group's employees and IMEX. The first lever involves the continuous improvement of the energy performance of buildings *via* a monitoring tool that centralises energy consumption data for 90% of the portfolio, enabling the monitoring of optimisation plans. The second lever is based on work and investment plans to modernise and improve the efficiency of facilities (heat pumps, LED lighting, façade insulation, roof repairs, *etc.*). Finally, raising employees' day-to-day awareness of how buildings are used (offices, bank branches, data centres) is one of the plan's major focuses.

These efforts have been rewarded each year in which BNP Paribas has taken part in the Cube competition organised by the IFPEB (French Institute for Building Performance) under the high patronage of the French Ministry of Ecological Transition. This competition rewards users of commercial buildings who have saved the most energy over a year. In 2023, the Group registered 18 sites, including 15 in France.

## RESPONSIBLE CONSUMPTION

### Initiatives with our operational subcontractors

In France, the BPG (Business Partners Group) Department builds and operates shared service centres with its subcontractors for the various Group entities: logistics and transport platforms, vehicle fleet management, mobile telephony, document management (for example, industrial desktop publishing, etc.), management of banking AT (Automated Teller Machines). Operational efficiency, including the search for a reduction in environmental impacts, has made it possible to obtain the following results in 2023:

- the development of ATM recycling (47% of banknotes recycled) has made it possible to reduce the cash transport journey by 15% to 20% and therefore reduce the related CO<sub>2</sub> emissions;
- the complete overhaul of the road network, now 98% shared, has produced a cumulative fall in transport-related CO<sub>2</sub> emissions of 70%, *i.e.* a reduction of 130 tonnes of CO<sub>2</sub> emissions per month;
- BPG recovered nearly 5,000 phones at the end of the usage period (+50% compared to 2022). These phones are passed on to BNP Paribas 3 Step IT to be reconditioned or recycled;
- in 2023, the first declaration of greening the vehicle fleet was carried out for the Group in France. The result (27%) significantly exceeded the legal requirement for 2022 (10%). Ambitious objectives have also been defined to green the car fleet (50% low-emissions vehicles by 2025).

### Mandatory use of responsible paper since 2022

In order to contribute to the protection of forest ecosystems and biodiversity, the Group has been committed for many years to responsible paper purchasing (from recycled or sustainably managed forests, *i.e.* more than 50% recycled or PEFC or FSC certified). Since 2022, the purchase of responsible paper has become an obligation for all of the Group's business lines, except in the event of technical impossibility. This has made it possible to set an ambitious overall target for 2025 of 90% of responsible paper and 95% for the regions that consume the most paper. In 2023, 86.7% of the paper consumed by the Group met the responsible criteria detailed above.

## OFFSETTING RESIDUAL GREENHOUSE GAS EMISSIONS

Since 2017, BNP Paribas has purchased voluntary carbon credits annually for an amount equivalent to the residual greenhouse gas emissions emitted the previous year within its operating scope. These emissions amounted to 241,855 t<sub>eq</sub>CO<sub>2</sub> in 2022 (market-based approach). The carbon credits purchased in 2023 come from four projects:

- the Kasigau project in Kenya, supported by the Group since 2017, is a programme to protect and restore 200,000 hectares of forest. Led by the NGO Wildlife Works, it also finances access to healthcare, water and education for local populations;
- in India, the project is based on a ten-year voluntary carbon offset programme as part of a partnership between BNP Paribas and the GoodPlanet Foundation, *via* the construction of 13,000 biodigesters. They provide four hours of gas daily, thus avoiding cooking over a wood fire and deforestation, as well as improving the living conditions of nearly 70,000 people;
- in Guatemala, hundreds of landowners including local communities have come together to protect nearly 60,000 hectares of forest by developing sustainable livelihoods, which restore rather than degrade the forest and create better living conditions for its inhabitants;
- the Qori Q'oncha programme in Peru is deploying improved wood-burning stoves in several regions of the country, which reduces the amount of wood used and reduces carbon emissions while removing noxious smoke from homes.

## COMMITMENT 12: ADVANCING AWARENESS AND SHARING OF BEST ENVIRONMENTAL PRACTICES

### SUPPORTING RESEARCH AND DEVELOPMENT ON CLIMATE CHANGE AND BIODIVERSITY

The purpose of this support is to better know and understand the interaction between climate change and the erosion of biodiversity, in order to identify the most appropriate solutions. Two BNP Paribas Foundation philanthropy programmes are working in this field:

- by 2025, the Climate & Biodiversity Initiative, launched in 2010, will already have supported 35 research projects, with more than 500 researchers, for an amount of EUR 24 million. Since 2022, eight new research projects, ranging from the study of underwater animal forests to the impacts of climate change in the African savannah or on coastal ecosystems, have been supported until 2025 with a dedicated budget of EUR 6 million;
- the One Planet Fellowship programme is operated by AWARD<sup>1</sup> and supported by the BNP Paribas and Bill & Melinda Gates Foundations, the European Commission and the International Development Research Centre (IDRC, Canada). Endowed with USD 20 million over five years, its ambition is to support African women in research, and create a community of African and European researchers working on climate change adaptation in the agricultural sector in Africa. To date, 270 scientists have benefited from the mentoring programme.

In 2023, the Group also strengthened its support for some of its partners such as the International Union for Conservation of Nature (IUCN), or by providing assistance to new entities such as The Transition Institute 1.5 launched by Mines Paris, Naturalis in the Netherlands (see box), or Business for Nature, within the framework of budgets accompanying its share buyback programme (see *Corporate philanthropy policy focused on the arts, solidarity and the environment*, Commitment 9).

At the end of 2023, a multi-year partnership was launched with the Naturalis Biodiversity Center, marking a new chapter in BNP Paribas' approach to protecting and restoring biodiversity. Bringing together more than 150 scientists, this institution is one of the main biodiversity knowledge and research centres in the world. This partnership has four objectives: education and awareness, research and data, financial innovation by accelerating the development of tools to direct more capital towards protecting and restoring biodiversity, and scientific measurement to guide project financing decisions.

### RAISING AWARENESS AMONG INTERNAL AND EXTERNAL STAKEHOLDERS

#### A network of internal experts and employee awareness

In order to accelerate the environmental and social transition, BNP Paribas launched the NEST (Network of Experts in Sustainability Transitions) at the end of 2021. This network is now composed of more than 700 experts from all BNP Paribas entities in areas such as the energy transition, the circular economy, biodiversity, social inclusion and sustainable finance. The objective of this international network is to strengthen and share expertise, by developing knowledge, supporting the Group's various entities and promoting internal ecosystems, in order to accelerate the transition of its employees, customers and clients. In 2023, NEST organized 25 internal webinars attended by more than 3,000 participants.

In addition, in November 2023, the Company Engagement Department and the RISK Department organised "48 Hours of Biodiversity". These two days of conferences and internal discussions highlighted the Group's major initiatives, common challenges, the words of external experts as well as training offers, and enabled participants to understand how BNP Paribas' business lines and functions incorporate biodiversity into their daily activities.

#### The creation of informative content dedicated to the ecological transition

BNP Paribas regularly publishes information dedicated to the ecological transition for its employees and external stakeholders. Thus, in 2023, NEST distributed four newsletters (entitled "Perspectives") capitalising on the knowledge of more than 100 internal and external experts, with a special edition on the just transition based on a study conducted on 10,000 Europeans, which analyses the drivers of the energy transition as well as its social repercussions. In addition, since 2022 the Group has published a monthly newsletter on LinkedIn dedicated to the challenges of sustainable finance "Sustainable Finance at Scale" which is followed by nearly 420,000 subscribers. In 2023, the topics covered include the financial inclusion, the energy transition, the TNFD and the carbon credits.

#### Raising client awareness through high-level presentations

In addition to communications dedicated to ESG, BNP Paribas also organises targeted events with its clients on the theme of the energy and ecological transition. In 2023, the Group offered its clients and customers a forum dedicated to ESG experts, which was an opportunity to discuss the challenges of Net-Zero emissions, ESG regulations, biodiversity and the circular economy. In addition, throughout September 2023, BNP Paribas organised the 8<sup>th</sup> edition of the Sustainable Future Forum (SFF), with events in more than 17 countries around the theme "The transition compass: going in the right direction?".

<sup>1</sup> African Women in Agricultural Research and Development.

## Awareness-raising efforts for students and the general public

The second cohort of the ESSEC Business School “Talents for the Ecological Transition” chair was certified in 2023. Supported by BNP Paribas, this chair focuses on the themes of climate change and biodiversity, but also other themes essential to the ecological transition such as managing resources (water, air) and waste, energy and food, new forms of mobility, the regional transition and the impact of digital technology.

## The BNP Paribas Foundation and raising awareness among internal and external audiences

Alongside its support for research on climate change and the erosion of biodiversity, the BNP Paribas Foundation works to disseminate knowledge in various forms, including conferences (four conferences per year for employees), the creation of content for the general public (articles in *The Conversation* or *We Demain*) or by supporting exhibitions related to the theme, such as the *Bio-Inspirée* exhibition at the *Cité des sciences et de l'industrie*. All these actions carried out since 2010 have raised awareness among nearly one million people.

## TAKING AN ACTIVE PART IN PARTNERSHIPS AND COLLECTIVE INITIATIVES

In order to maximise the impact of the Group's actions for a massive and rapid transition, it is important that a large number of financial institutions engage in this movement. That is why BNP Paribas has chosen to initiate or play a leading role in coalitions that work to promote the United Nations sustainable development goals and the transition to a low-carbon economy.

### An active contribution to the Taskforce on Nature-related Financial Disclosures (TNFD)

Since 2020, BNP Paribas has been part of the initial design work of the TNFD with the co-Chairmanship of Antoine Sire, Head of Company Engagement, on the informal working group. Since its official launch in October 2021, BNP Paribas has been represented among the 40 members of the working group, by two experts from the Group. In 2023, the TNFD published its final recommendations on the reporting framework, thus taking a major step forward in the fight against biodiversity loss by creating a common language for companies, financial institutions and enabling better analysis, management and communication of nature-related dependencies, impacts, risks and opportunities.

### Working to accelerate renewable energy within the *Cercle de Giverny*

As a partner of the *Cercle de Giverny* since 2020, BNP Paribas co-chaired the working group on renewable energy to increase their development in France for the benefit of regions, populations and companies. These discussions produced six very concrete proposals, which were reflected in an opinion co-signed with Boralex and presented primarily to the Ministry of Ecological Transition.

### Participation in the work of Entreprises pour l'Environnement (EpE)

Member of the committee and former Chairman of the EpE (*Entreprises pour l'Environnement*) association, Jean-Laurent Bonnafé, Director and Chief Executive Officer of BNP Paribas, helped to highlight and promote the actions and reports from the EpE association while public positions were being adopted. In 2023, EpE completed an ambitious study identifying the main 2030 challenges for achieving the carbon neutrality objective in France by 2050, and the priority actions to be taken to overcome these challenges.

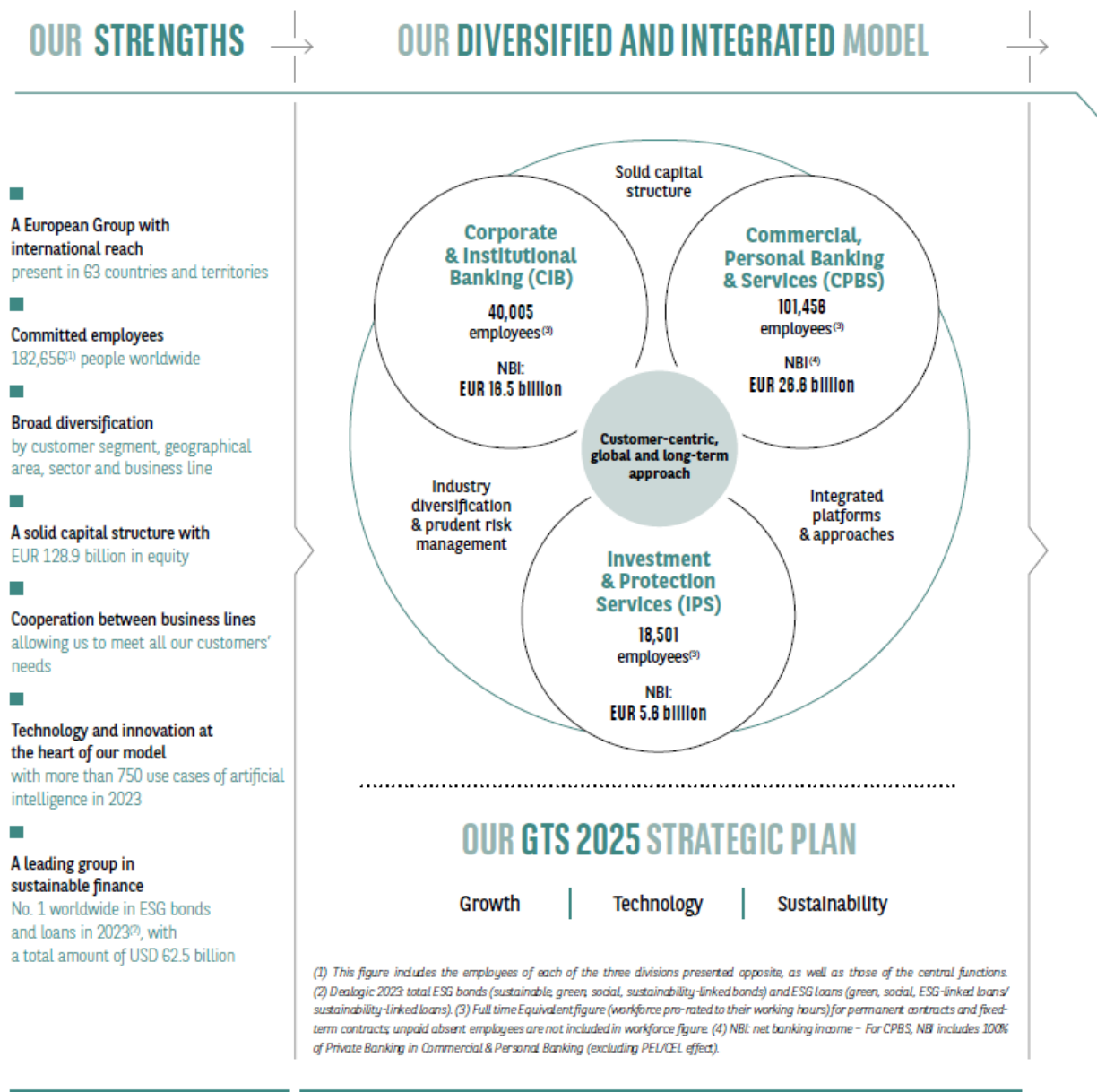
### Other global and local partnerships

BNP Paribas has also partnered with various stakeholders to raise awareness and promote solutions to climate and environmental challenges, including:

- being a founding member, with BNP Paribas Asset Management, of Nature Action 100 launched on the sidelines of the Montreal COP 15 on biodiversity, the first global investor engagement initiative calling on key companies to take urgent and necessary measures to protect and restore nature and ecosystems, and thus mitigate financial risks;
- actively contributing to the Hydrogen Council, which brings together nearly 150 international companies convinced that low-carbon hydrogen can be a key resource for the decarbonisation of industry and the energy system;
- being part of the Low-Carbon Building Initiative (LCBI), which brings together major European real estate players, and which in 2023 revealed the methodology for the first version of the LCBI label, based on life cycle analysis, and the first Pan-European low-carbon label. The challenge is to adopt common practices and standards in Europe to measure the carbon footprint of buildings throughout their life cycle, and reduce it by half;
- participating in the Ambition4Circularity initiative, a platform that brings together the commitments made by member companies of the *Association française des entreprises privées – AFEP* (French Association of Private Companies) to promote circular economy.

## 7.6 Extra-financial performance statement

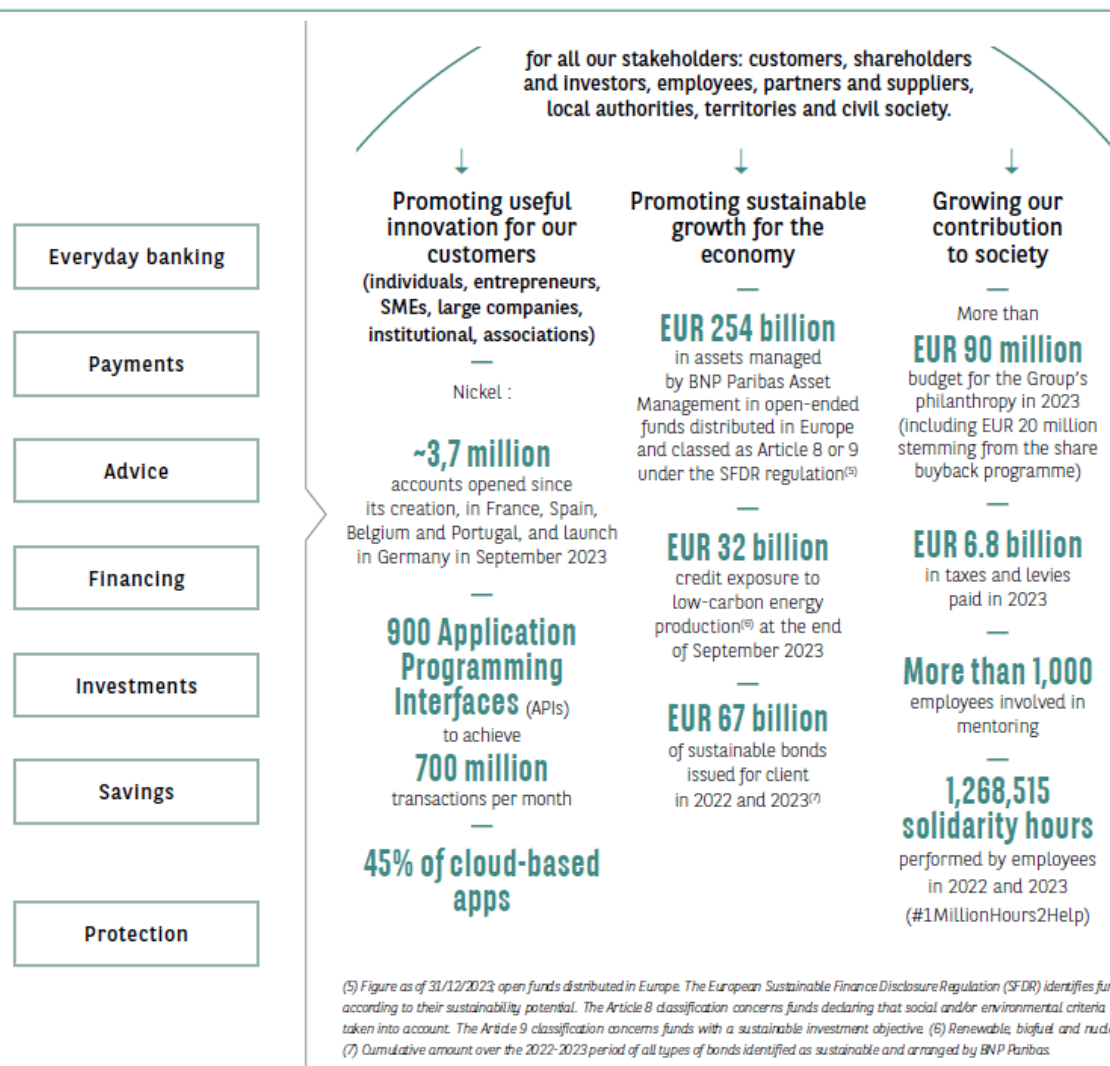
### A DIVERSIFIED AND INTEGRATED MODEL, CREATING VALUE



Thanks to the Group's solidity and the strength of its diversified and integrated model, BNP Paribas supports its clients, customers and society as a whole through its teams, resources and expertise. Its long-term commitment to them covers all phases of the economic cycle. By leveraging its leading business platforms and its unique position as a European leader, the Group creates value and supports the development of a sustainable economy.

## OUR SOLUTIONS

## CREATING VALUE





## ANALYSIS OF ISSUES, RISKS AND OPPORTUNITIES

Information requested pursuant to article R.225-105-1 of the French Commercial Code and Ordinance No. 2017-1180 relating to the publication of extra-financial information. The processes and responsibilities relating to the analysis, review and validation of non-financial risks are described in Commitment 3 *Systematic integration and management of Environmental, social and governance risks*. They are also described in the dedicated sections of chapter 5 *Risks and capital adequacy – Pillar 3*, which also deals with operational risks, including regulatory compliance risk.

BNP Paribas' business model is included in the preceding pages. In order to complete its materiality matrix, described by a graph<sup>1</sup>, BNP Paribas relied on an assessment of materiality criteria to classify approximatively one hundred extra-financial subjects brought together in 21 themed issues based on their relevance to the Group's external and internal stakeholders. Carried out for the first time in 2018, this analysis was repeated in 2021 using a very similar methodology. It is based on an assessment of the importance for BNP Paribas of these 21 extra-financial issues from two points of view: on the one hand, that of BNP Paribas employees, on the other hand, that of its external stakeholders. The internal perception is established by a survey to which more than 1,200 top management employees responded, while the external point of view is assessed by the importance of these issues in several databases: publications of ten of our main peers, more than 2,500 regulations applicable to our activities and locations, more than 20,000 industry press articles and more than 450 million tweets on social networks. The results of this study, presented in the graph indicated above, make it possible to distinguish three groups of issues: important, major and crucial. As part of the implementation of the Corporate Sustainability Reporting Directive, starting in 2024, the Group has begun to analyse and update its materiality issues.

As in 2018, data privacy and security, climate change and energy transition, and ethics and compliance, were categorized as crucial issues. Three other issues joined this category of crucial issues in 2021: human rights, responsible investments and financing, and business continuity. Together with the eight major challenges identified in the materiality matrix, they form the 14 most important challenges for BNP Paribas and are listed in the table below. The indicators, policies and associated due diligence are then further developed in the relevant chapters.

| Domain | Issue                        | Paragraph   | Policy  | Risks/Opportunities<br>Description pages  | Indicator   | Pages<br>(Paragraph;<br>Indicator) |
|--------|------------------------------|---|---|---|---|------------------------------------|
| Social | Fair and inclusive workplace | Outstanding actions in the area of professional equality                | Global agreement  | Discrimination risks – 668  | Share of women among the SMP population ( <i>Senior Management Position</i> )                   | 639                                |
|        | Employment practices         | Our employees around the world  | Global agreement<br>Code of conduct   | Risks of employee demotivation and increased absenteeism, psychosocial risks – 670        | Percentage of employees on permanent contracts within the Group                                 | 660                                |
|        | Talent management            | Developing skills and improving employability                           | Global agreement  | Loss of talent risk – 676   | Share of employees who completed at least four training courses during the year                 | 639                                |
| Civic  | Transparent practices        | Protecting clients' interests   | Code of conduct,<br>Group Policy on Protecting the Interests of clients and customers | Risks of discrimination for some customers and lack of sales information – 649            | Number of alerts received by the Group via the whistleblowing channel                           | 648                                |
|        | Data privacy & security      | Cyber security and technological risk<br>Ethics of the highest standard | Code of conduct   | Legal risk, Reputational and operational risks: leaking, alteration or loss of data – 327 | Percentage of employees who completed the training on <i>Personal Data Protection Awareness</i> | 684                                |

<sup>1</sup> See 7.7 Duty of care.

| Domain  | Issue                                 | Paragraph   | Policy   | Risks/Opportunities<br>Description pages  | Indicator  | Pages<br>(Paragraph;<br>Indicator) |
|---|---------------------------------------|---|--|---|--|------------------------------------|
| <b>Social/Environment</b>                       | Responsible investing and financing   | Financing and investments with a positive impact  | Engagement manifesto   | Reputational risk and opportunity to limit societal and environmental risks – 327   | Amount of sustainable bonds  | 639                                |
| <b>Environment</b>                              | Climate change & energy transition    | Systematic integration and management of Environmental, Social and Governance risks<br>Enabling its clients to transition to a low-carbon economy respectful of the environment | Engagement manifesto, Commitments by BNP Paribas to the Environment    | Transition, physical, pollution, biodiversity, reputational, legal liability risks – 327, 652, 687                                | Amount of the support enabling our clients to transition to a low-carbon economy | 639                                |
| <b>Economic</b>                                 | Customer expectations                 | The Advocacy programme and the Net Promoter System  | Group policy on protecting clients' interests                          | Operational risk – 515  | Response rates to surveys sent to clients in Domestic Markets                    | 650                                |
|   | Digital transformation and Innovation | Cyber security and technological risk<br>Domestic Markets   | Plan 2025  | Cyber security and technological risk – 327   | Number of customers active on mobile applications in Domestic Markets            | 699                                |
|   | Corporate economic value              | Resilience of results in a context marked by the health crisis – Scissor effect (positive)  | Plan 2025  | Operational risk – 515  | Return on Tangible Equity (ROTE)   | 5                                  |
| <b>Human rights</b>                             | Human rights                          | BNP Paribas is committed to respecting Human Rights   | BNP Paribas statement on Human Rights, Responsible Business Principles | Risks of violations of human rights and fundamental freedoms, and of harm to human health and safety and to the environment – 683 | Number of employees who completed the e-learning on “Business & Human Rights”    | 683                                |
| <b>Fight against corruption and tax evasion</b> | Ethics and compliance                 | Ethics of the highest standard  | Code of conduct  | Financial risk – 321  | Percentage of employees who completed ethics or conduct <i>training</i>          | 118                                |
| <b>Governance</b>                               | Governance                            | Composition of the Board of directors<br>Independence of directors  | Report on Corporate governance   | Legal, operational and reputational risks – 319   | Number of independent members of the Board of directors                          | 53                                 |
|   | Business continuity                   | Cyber security and technology   | Policy and requirements in terms of business continuity                | Operational risk – 515  | Percentage of coverage of the Group's business plans                             | 519                                |



## DEFINITIONS OF INDICATORS FOR CSR ISSUES<sup>1</sup>

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The definitions of the 10 indicators of the CSR policy dashboard are described in section 7.1 *Strategy*.

### PERCENTAGE OF EMPLOYEES ON PERMANENT CONTRACTS WITHIN THE GROUP IN 2023

The “Percentage of employees on permanent contracts” corresponds to the percentage of employees on permanent contracts as of 31/12/2023, among the workforce managed by the Group on a full-time equivalent basis. The Group’s managed workforce includes employees on permanent and fixed-term contracts. A permanent employment contract, unlike a fixed-term contract, does not specify the date on which it ends.

### NUMBER OF ALERTS RECEIVED BY THE GROUP VIA THE WHISTLEBLOWING CHANNEL

Number of alerts received by the Compliance Function through the BNP Paribas Group whistleblowing system in 2023 (from 1 January to 31 December 2023). Employees can send a report either through Compliance Alert channels (by email, post, orally or in a dedicated system such as in the United States and the United Kingdom), or to a manager who will send it through a compliance alert reporting channel. External third parties can also send a report to the compliance alert channels (by email). Reports are treated confidentially by the Compliance officers.

### PERCENTAGE OF EMPLOYEES WHO FOLLOWED THE “PERSONAL DATA PROTECTION AWARENESS” TRAINING

This indicator measures the percentage of employees who completed the Personal Data Protection Awareness module during the year (on a scope of 98% of the workforce monitored in the Mydevelopment tool), compared to the total number of Group employees on permanent + fixed-term contracts at 31/12/2023 (as indicated in the HR systems).

### RESPONSE RATES TO SURVEYS SENT TO CUSTOMERS IN DOMESTIC MARKETS

The four Domestic Markets are France, Luxembourg, Belgium and Italy. The surveys are sent to customers by email, SMS or telephone. Time scope: 2023 calendar year.

### NUMBER OF CUSTOMERS ACTIVE ON MOBILE APPLICATIONS IN DOMESTIC MARKETS

Number of connections from individual, professional and Private Banking customers of commercial banking and digital banks, Nickel and BNP Paribas Personal Finance (monthly average).

### RETURN ON TANGIBLE EQUITY (ROTE)

Indicator that measures the BNP Paribas Group’s return on tangible equity. The ROTE divides the net income attributable to owners of the parent restated for the remuneration net of tax on Undated super subordinated notes and the foreign exchange effect by the average of tangible permanent non-revalued equity. The average of tangible permanent non-revalued equity is defined as the average between the beginning of the year and the end of the period of tangible permanent equity. Tangible permanent equity is equal to accounting equity attributable to the owners of the parent, restated for changes in assets and liabilities recognised directly in equity, the assumption of dividend payments, intangible assets and goodwill.

### NUMBER OF EMPLOYEES WHO COMPLETED THE E-LEARNING MODULE ON “BUSINESS & HUMAN RIGHTS”

This indicator measures the number of Group employees who completed the “Human Rights into Business” training at the end of year n, cumulatively since the module was rolled out in 2016.

### PERCENTAGE OF EMPLOYEES WHO COMPLETED TRAINING ON ETHICS OR CONDUCT

This indicator measures the percentage of employees who have completed the second part of the Conduct Journey training course, assigned in 2023 to all Group employees (on a scope of 98% of the workforce monitored in the Mydevelopment tool), compared to the total number of Group employees on permanent + fixed-term contracts at 31/12/2023 (as indicated in the HR systems). The Conduct Journey comprises 11 modules, covering the topics addressed in the BNP Paribas Code of conduct (protection of clients’ interests; respect for colleagues; engagement with society; conflicts of interest; confidential information relating to financial markets; fight against corruption; financial security; competition law; cybersecurity; data protection; responsible communication).

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<sup>1</sup> The definitions of the indicators Share of women among the SMP population, Share of employees who completed at least four training courses during the year, Amount of sustainable bonds and Amount of the support enabling our clients to transition to a low-carbon economy are given under the CSR Dashboard, p. 639.

## NUMBER OF INDEPENDENT MEMBERS OF THE BOARD OF DIRECTORS

This indicator compares the number of independent directors, within the meaning of the Afep-MEDEF Governance Code, out of the total number of directors on the Board of directors of a company. Directors are independent when they have no relationship of any kind whatsoever with the Company, its Group or its management that could compromise the exercise of their freedom of judgment.

## PERCENTAGE OF COVERAGE OF THE GROUP'S BUSINESS CONTINUITY PLANS

It measures the number of entities with a business continuity plan that have been approved in the last 12 months by the Business Continuity Committee. In accordance with the Group's requirements, this plan must include:

- the description of the roles and responsibilities of the various stakeholders in the process, whether internal or external to the Group;
- organisational and functional procedures enabling the activation of business continuity and return-to-normal solutions. They provide for the organisation of remote work and critical activities requiring specific equipment on a dedicated fallback site;
- contact lists.

In accordance with article L.225-102-1 of the French Commercial Code, amended by article 29 of Law No. 2023-703 of 1 August 2023, BNP Paribas has included information on the actions carried in the following areas in its Annual Reporting.

| Information   | Section/Paragraph   | Pages    |
|---|---|----------|
| Consequences of the Company's business activities and of the use of goods and services that it produces, on climate change                      | Alignment of the loan portfolio with the net-zero by 2050 objective (Eng. 3)<br>Strengthened efforts to reduce the energy consumption of operations (Eng. 11) | 655, 692 |
| Societal commitments to:<br>▪ sustainable development;  | Offering a wide range of sustainable products (Eng. 1)  | 645      |
| ▪ the circular economy;   | Deployment of the circular economy (Eng. 10)  | 689      |
| ▪ combatting food waste;  | Development of Impact Bonds (Eng. 1)<br><i>Green Company For Employees</i> (GC4E): employee engagement worldwide (Eng. 11)                                    | 646, 692 |
| ▪ combatting food insecurity;   | Combatting extreme poverty (Eng. 9)   | 686      |
| ▪ respect for animal welfare;   | Vigilance plan  | 704      |
| ▪ responsible, fair and sustainable food.   | <i>Green Company For Employees</i> (GC4E): employee engagement worldwide (Eng. 11)  | 692      |
| Collective agreements made within the Company and their impact on the Company's economic performance and on the working conditions of employees | Global agreement; European Works Council and European social dialogue; Social dialogue in France (Eng. 5)   | 673-674  |
| Actions to fight against discrimination and promote diversity   | Promotion of diversity, equality and inclusion (Eng. 4)   | 664      |
| Actions to promote the nation-army bond and support engagement in the reserves  | 360° parenting and work-life balance (Eng. 4)   | 668      |
| Actions to promote physical and sporting activities   | An offer focused on social, emotional, physical and financial well-being (Eng. 5)   | 672      |
| Measures taken to support people with disabilities  | Promoting the employment and integration of people with disabilities (Eng. 4)   | 668      |

# 7.7 Vigilance plan

## FRAMEWORK AND GOVERNANCE

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### REGULATORY FRAMEWORK

Law No. 2017-399 of 27 March 2017 on the Duty of Care of parent companies and of companies using subcontractors applies to the Group as a whole and requires a vigilance plan to be established and implemented to identify and prevent the risk of serious violations of human rights and fundamental freedoms, and of harm to human health and safety and to the environment. The law also requires the preparation of an Annual Report on the effective implementation of the Group's vigilance plan.

BNP Paribas' vigilance plan applies to all subsidiaries controlled by the Group and is published in its universal registration document. BNP Paribas updates its vigilance plan each year, in particular by drawing on best practices in this area, and reports on its framework for monitoring the measures implemented and assessing their effectiveness in section 5 of this chapter.

### ELABORATION OF THE VIGILANCE PLAN

#### Internal and external contributions to the BNP Paribas' vigilance plan

BNP Paribas' vigilance plan is prepared taking into account the Group's business model, the specificities of its activities and geographical locations, as well as the information and requests of its stakeholders. The vigilance plan is therefore updated on an annual basis, fed by these elements and an ongoing dialogue, in particular with its employees and representative bodies, its investors and its clients and customers, as well as with civil society, including NGOs (see section 4.1 *Whistleblowing system*).

In order to enhance its roadmap, BNP Paribas has developed tools that enable it to be aware of its stakeholders' expectations. In particular, the Group has produced a materiality matrix to classify about a hundred extra-financial topics, grouped into 21 thematic issues according to their relevance for the Group's internal and external stakeholders, considered crucial, major or important (see section 1.1.1 *Materiality matrix*).

#### Drafting and approval process

BNP Paribas' vigilance plan is drafted under the lead of the CSR Department, with contributions from:

- the Human Resources Department (HR) with regard to the Group's employees;
- the Technology & Operational Performance (TOP) Department, including the Procurement & Performance (P&P) department for BNP Paribas suppliers and subcontractors;
- the main business lines within BNP Paribas' three divisions (Commercial, Personal Banking & Services - CPBS, Investment & Protection Services - IPS, and Corporate and Institutional Banking - CIB) for the distribution of financial products and services to individuals and for financing, investment and business advisory activities;
- the Finance, Compliance, RISK and LEGAL Departments, which contribute to overseeing the Group's Environmental, Social and Governance (ESG) issues.

The Corporate Governance, Ethics, Nominations and CSR Committee (CGEN) reviews BNP Paribas' vigilance plan and issues recommendations to the Group's Board of directors. Among other duties, the CGEN is responsible for monitoring CSR issues and for the integration of the CSR issues into the fulfilment of the Group's missions.

The Group's Board of directors, which has a specific role with regard to CSR, is responsible for approving the BNP Paribas' vigilance plan.

## STRATEGY & GOVERNANCE

### Purpose and Strategic Plan

Contributing to a more sustainable and responsible economy is at the heart of BNP Paribas' purpose. In early 2022, BNP Paribas launched its 2025 Strategic Plan entitled GTS (*Growth, Technology, Sustainability*), one of whose three pillars is to accelerate and mobilise all of the Group's business lines around the challenges of sustainable finance. The Group has set itself ambitious objectives in terms of energy transition, biodiversity, social inclusion and sustainable savings, investments and financing by 2025 (see section 5.1 *The CSR Policy Management Dashboard*). 2023 was a year of a major shift of BNP Paribas' financing from the energy sector to low-carbon, mainly renewable energies, which already accounted for 65% of its total credit exposure to the energy production sector at 30 September 2023. By 2030, the Group's new objective is for this share to reach 90%.

## CSR Policy and Governance

The Group as a whole is involved in monitoring ESG issues.

A sustainable finance strategic committee meets every two months, chaired by the director and Chief Executive Officer of BNP Paribas, validates the overall sustainable finance strategy and decides on the commitments made by the Group. This committee met five times in 2023. The CSR policy is managed by the CSR Department, reporting to the Company Engagement Department, and represented on the Group Executive Committee, which regularly decides on CSR issues.

BNP Paribas' Board of directors determines BNP Paribas's business orientations and supervises their implementation by the Executive Management, taking the social and environmental challenges of BNP Paribas' activities into consideration. CSR-related topics were specifically addressed 48 times during Boards and committees in 2023, in particular during meetings of the Board of directors, the Governance, Ethics, Appointments and CSR Committee (CGEN) and the Internal Control, Risk Management and Compliance Committee (CCIRC).

## SUSTAINABLE FINANCE COMMITMENTS

Convinced of the importance of collective action, the Group is a member of Principles for Responsible Banking (PRB),<sup>1</sup> the United Nations Principles for Responsible Investment (PRI) for the environment (UNEP FI) and the United Nations Global Compact through its subsidiaries BNP Paribas Asset Management, BNP Paribas Real Estate Investment Management and BNP Paribas Cardif, the OECD guidelines for multinational companies (internationally accepted), and the Equator Principles.

## ENVIRONMENTAL COMMITMENTS

For more than 10 years, BNP Paribas has been committed to the fight against climate change. Since 2015, the Group has committed to aligning its activities with the objectives of the Paris Agreement. To do this, it has continuously reduced its support for fossil fuels and at the same time accelerated its financing for low-carbon technologies. BNP Paribas is a founding member (2021) of the Net-Zero Banking Alliance (NZBA)<sup>2</sup>, thus making a very active contribution to the development of alignment methodologies, practical guides and open-source software. Group entities, BNP Paribas Asset Management and BNP Paribas Cardif, have respectively joined the Net-Zero Asset Managers initiative (NZAMi) and the Net-Zero Asset Owners Alliance (NZAOA). BNP Paribas' objective is not only to meet its climate commitments, but also to share its approach to make it more effective and powerful.

For several years, BNP Paribas has been committed to preserving biodiversity through its financing and investment policies, a constructive dialogue with its clients, the coalitions in which it participates, philanthropy and support for research. The Group published a Biodiversity Position<sup>3</sup> in order to clarify issues on this topic.

## SOCIAL COMMITMENTS

Respect for human rights is one of the pillars on which BNP Paribas' CSR strategy is based. The Group is committed to respecting the principles and standards that form the foundation of its activities, including the 10 principles of the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, human rights standards (internationally accepted as defined in the International Bill of Human Rights) and the core labour standards (as defined by the International Labour Organization).

Among the major voluntary commitments made by BNP Paribas to address the many issues surrounding human rights are its Code of conduct<sup>4</sup> (which covers client/customer interests, financial security, market integrity, conflicts of interest, professional ethics, respect for colleagues, protection of the Group, commitment to society and combatting corruption and influence peddling), its Human Rights Statement<sup>5</sup> and its Fundamental Rights and Workplace Social Foundation Agreement (Global Agreement<sup>6</sup>) signed in 2018 with UNI Global Union and renewed until 30 June 2024.

<sup>1</sup> [https://cdn-group.bnpparibas.com/uploads/file/bnp\\_paribas\\_2023\\_prb\\_reporting.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnp_paribas_2023_prb_reporting.pdf).

<sup>2</sup> <https://group.bnpparibas/en/press-release/bnp-paribas-joins-net-zero-banking-alliance-launched-uneq>.

<sup>3</sup> [https://group.bnpparibas/uploads/file/biodiversity\\_position\\_2021.pdf](https://group.bnpparibas/uploads/file/biodiversity_position_2021.pdf).

<sup>4</sup> [https://group.bnpparibas/uploads/file/220131\\_bnpp\\_compliance\\_codeofconduct\\_2022\\_fr.pdf](https://group.bnpparibas/uploads/file/220131_bnpp_compliance_codeofconduct_2022_fr.pdf).

<sup>5</sup> [https://group.bnpparibas/uploads/file/uk\\_declaration\\_bnp\\_sur\\_droit\\_de\\_l\\_homme.pdf](https://group.bnpparibas/uploads/file/uk_declaration_bnp_sur_droit_de_l_homme.pdf).

<sup>6</sup> [https://group.bnpparibas/uploads/file/accord\\_monde\\_18\\_09\\_2018\\_qb.pdf](https://group.bnpparibas/uploads/file/accord_monde_18_09_2018_qb.pdf).

# OUR VIGILANCE APPROACH

As part of the preparation of its vigilance plan, BNP Paribas conducted, in line with its commitments, risk mapping and a review of its existing risk assessment and control process and tools, on a scope consistent with the text of the law.

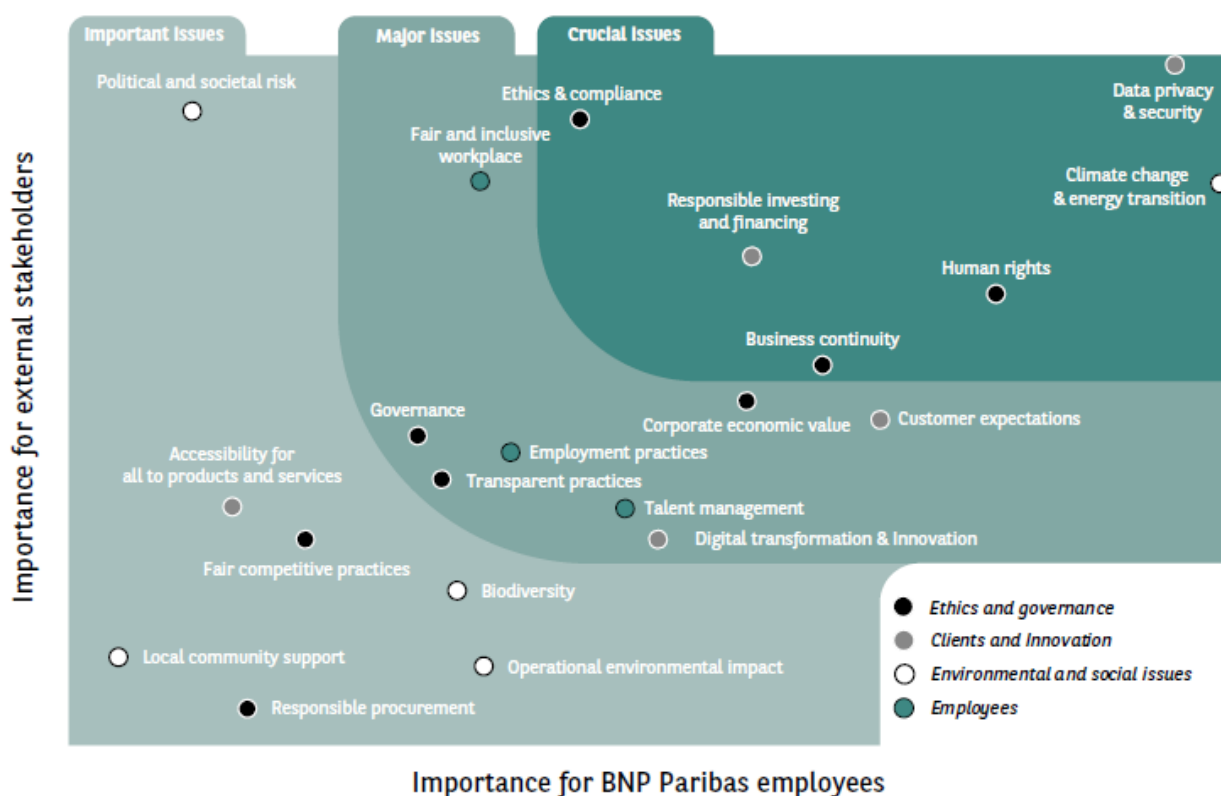
## 1 RISK MAPPING

### 1.1 Environmental, social and governance risks (ESG) taken into account by BNP Paribas

#### 1.1.1 Materiality matrix with regard to internal and external stakeholders' expectations

BNP Paribas produced a materiality matrix to classify about a hundred extra-financial topics, grouped into 21 thematic issues, according to their relevance for the Group's internal and external stakeholders. Internal perception is established by a survey to which more than 1,200 top management employees responded, while the external point of view is assessed by the weighting given to these issues in several of databases: publications of the Group's main peers, more than 2,500 regulations applicable to our activities and locations, more than 20,000 industry press articles and more than 450 million tweets on social networks. The results of this study, presented below, make it possible to classify issues into three main groups: important, major and crucial; the crucial issues being:

- human rights (which are included in all the mappings detailed in sections 1.3 to 1.7 inclusive);
- climate change and the energy transition (which are included in the mapping related to the Group's suppliers – see section 1.4, and in the mapping related to the business sectors and countries of operation of BNP Paribas' corporate clients – see section 1.7);
- data privacy and security (identified as one of the main issues related to the distribution of financial products and services to individuals – see section 1.5);
- ethics & compliance as well as business continuity (which are directly linked to the Group's cross-functional governance);
- responsible investments and financing (which are one of the major priorities of BNP Paribas' GTS 2025 Strategic Plan).





### 1.1.2 Risks taken into account in the development of different mapping exercises

In line with its CSR commitments, the Group has included in its vigilance approach the risks of serious violations of human rights and fundamental freedoms, and of harm to human health and safety and to the environment, and the following issues in particular:

- **Issues related to human rights and fundamental freedoms:** child labour; forced labour and human trafficking; use of violence, torture, cruel treatment and failure to respect the right to life; protection of the rights of migrant workers; self-determination rights of people; non-respect of the rights of local communities, the right to property, the right to privacy, the freedom of association and collective bargaining, the freedom to exercise the right to strike; discrimination; harassment; inadequate housing standards; over-indebtedness; failure to respect the right to an adequate standard of living; unfair compensation methods; excessive working hours; lack of respect for diversity (social and ethnocultural origins), (professional) equality and inclusion;
- **Issues related to individual health and safety:** health and safety at work for employees and consumers; industrial accidents; respect for work-life balance (remote working);
- **Environmental issues:** climate, physical and transition risks; GHG emissions (CO<sub>2</sub>, methane, etc.); pollution and water scarcity; air pollution; soil quality (pollution, erosion and depletion); scarcity and depletion of commodities; excessive waste production; damage of ecosystems and biodiversity; environmental impacts related to the use of products and their end of life.

To take these issues into account, BNP Paribas:

- builds on benchmark scientific work, such as that of the IPCC (Intergovernmental Panel on Climate Change) and IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services);
- builds on forward-looking scenarios compatible with the objective of collective carbon neutrality in 2050, such as the IEA (International Energy Agency)'s Zero Net Emissions by 2050 Scenario.

Risk mappings were, among others, carried out with regard to Group employees, purchase categories for BNP Paribas' suppliers and subcontractors, as well as business sectors and operating countries for BNP Paribas' banking and financial activities.

### 1.2 Mapping with regard to Group employees

In 2023, the Group is present in 63 countries. With regard to all the human rights risks that could impact its employees, the Group has relied on indicators based on reference sources provided by Verisk Maplecroft, enabling it to determine a level of criticality by risk type (arithmetic average of each theme by country, updated annually):

- risks related to freedom of association and collective bargaining, including freedom of association and trade union negotiations, and freedom of assembly;
- risks of discrimination, inequality and exclusion, including workplace discrimination, minority rights, gender minorities, and women's rights;
- occupational health and safety risks;
- risks related to working conditions, including living wages, decent working hours, child labour and forced labour.

At the end of 2023, the breakdown of BNP Paribas' workforce by social risk category and the level of criticality in the countries in which the Group operates is as follows:

| Criticality  | Freedom of association and collective bargaining | Discrimination, inequality and exclusion | Occupational health and safety | Working conditions |
|--------------|--|--|--------------------------------|--------------------|
| Very high    | 0%   | 0%                                       | 0%                             | 0%                 |
| High         | 0.7%   | 13.2%                                    | 8.0%                           | 0.3%               |
| Average      | 25.6%  | 26.9%                                    | 16.8%                          | 26.9%              |
| Low          | 73.7%  | 59.9%                                    | 75.2%                          | 72.8%              |
| <b>TOTAL</b> | <b>100%</b>                                      | <b>100%</b>                              | <b>100%</b>                    | <b>100%</b>        |

On the basis of these analyses, more than 85% of the Group's workforce is located in countries with a low or medium criticality on all the social risk themes selected.

In the Discrimination, Inequality and Exclusion category, the "high" level of criticality mainly relates to two countries, which represent 12.5% of the Group's workforce. In the Occupational Health and Safety category, the "high" level of criticality relates mainly to two countries, which represent 7.7% of the Group's workforce.

### 1.3 Mapping of BNP Paribas' suppliers and subcontractors

An ESG risk mapping on purchasing categories, covering 13 ESG issues enables the identification of those that carry a significant level of environmental and social risk. This mapping is the result of a market initiative led by AFNOR in 2018, which resulted in four levels of criticality being assigned to the categories and subcategories of BNP Paribas' purchases, such as air transport, databases, data centres, office supplies, etc. In 2023, the Group refined its purchasing subcategory coverage and therefore covers 105 additional purchasing subcategories compared to 2022. The issues taken into account are as follows:

- fair practices and ethics: fraud and corruption, protection of personal data, property rights and patents;
- human rights and social conditions: child labour, forced labour and modern slavery, discrimination, health and safety, working conditions and freedom of association;
- environment: climate change and greenhouse gases, damage to biodiversity, depletion of natural resources, pollution (water, air, soil), waste and end-of-life management.

The breakdown of BNP Paribas' purchasing subcategories (covering 99% of total expenses for 2023,) by level of criticality is as follows at the end of 2023:

| Criticality  | Purchasing subcategories | % of total  | Corresponding amount | % of total  |
|--------------|--------------------------|-------------|----------------------|-------------|
| Very high    | 15                       | 6%          | €0.3 bn              | 3%          |
| High         | 44                       | 19%         | €1.0 bn              | 10%         |
| Medium       | 133                      | 57%         | €7.7 bn              | 78%         |
| Low          | 42                       | 18%         | €0.9 bn              | 9%          |
| <b>TOTAL</b> | <b>234</b>               | <b>100%</b> | <b>€9.9 bn</b>       | <b>100%</b> |

### 1.4 Mapping of the distribution of financial products and services to individuals

The Group has identified two main risks in the distribution of its products and services for individuals: non-discrimination in access to financial services, and the right to privacy.

### 1.5 ESG risk mapping related to BNP Paribas' financing, investment and corporate client advisory activities

Since 2011, BNP Paribas has gradually deepened and broadened its framework to manage the ESG risks that may affect its activities. Initially focused on the most sensitive sectors from an ESG point of view (with the development of sectoral policies), the system now covers all sectors of the economy in which the Group has clients. Sectoral policies are regularly adapted to better take into account the new challenges of the sectors covered by increasing the level of ambition. BNP Paribas has eight sectoral policies<sup>1</sup>, covering: Agriculture, Palm oil, Paper pulp, Energy production from coal, Mining industry, Oil and Gas, Nuclear energy and Defence.

#### 1.5.1 Mapping of environmental and social risk levels in the countries of operation of the Group's corporate clients

A level of environmental and social risk (E&S) was defined for each country in which the corporate clients of the Group operate on the basis of reference sources provided by Verisk Maplecroft and Reporters Without Borders, and issued by recognised international organisations and NGOs, such as the International Labour Organization, the World Bank, the United Nations Environment Programme, Human Rights Watch, Transparency International and the World Resources Institute.

15 indicators cover the following topics: child labour; forced labour; rights to land, property and housing; freedom of association and collective bargaining; living wages; decent working time; migrant workers; occupational health and safety; environmental regulatory framework; biodiversity and protected areas; deforestation; waste management; water quality; water stress; freedom of the press.

<sup>1</sup> <https://group.bnpparibas/en/our-commitments/transitions/financing-and-investment-policies>.

The 15 indicators are weighted, which gives the breakdown of the countries of operation of the Group's corporate clients according to the following four levels of environmental and social risk (data from May 2023):

| <b>Level of environmental and social risk</b> | <b>Countries of operation of corporate clients</b> | <b>% of total</b> |
|---|--|-------------------|
| Very high                                     | 7  | 5%                |
| High  | 26   | 19%               |
| Average                                       | 48   | 36%               |
| Low   | 53   | 40%               |
| <b>TOTAL</b>                                  | <b>134</b>   | <b>100%</b>       |

### 1.5.2 Mapping of the salient E&S risks of the Group's business sectors

For each business sector, BNP Paribas analysed the ones that had salient risks related to human rights and fundamental freedoms, individual health and safety and the environment. These risks were defined according to a methodology for rating the level of severity and occurrence of each risk, which is based on the United Nations Guiding Principles reporting reference framework. The level of risk inherent in each business sector was then determined based on the presence of salient risks.

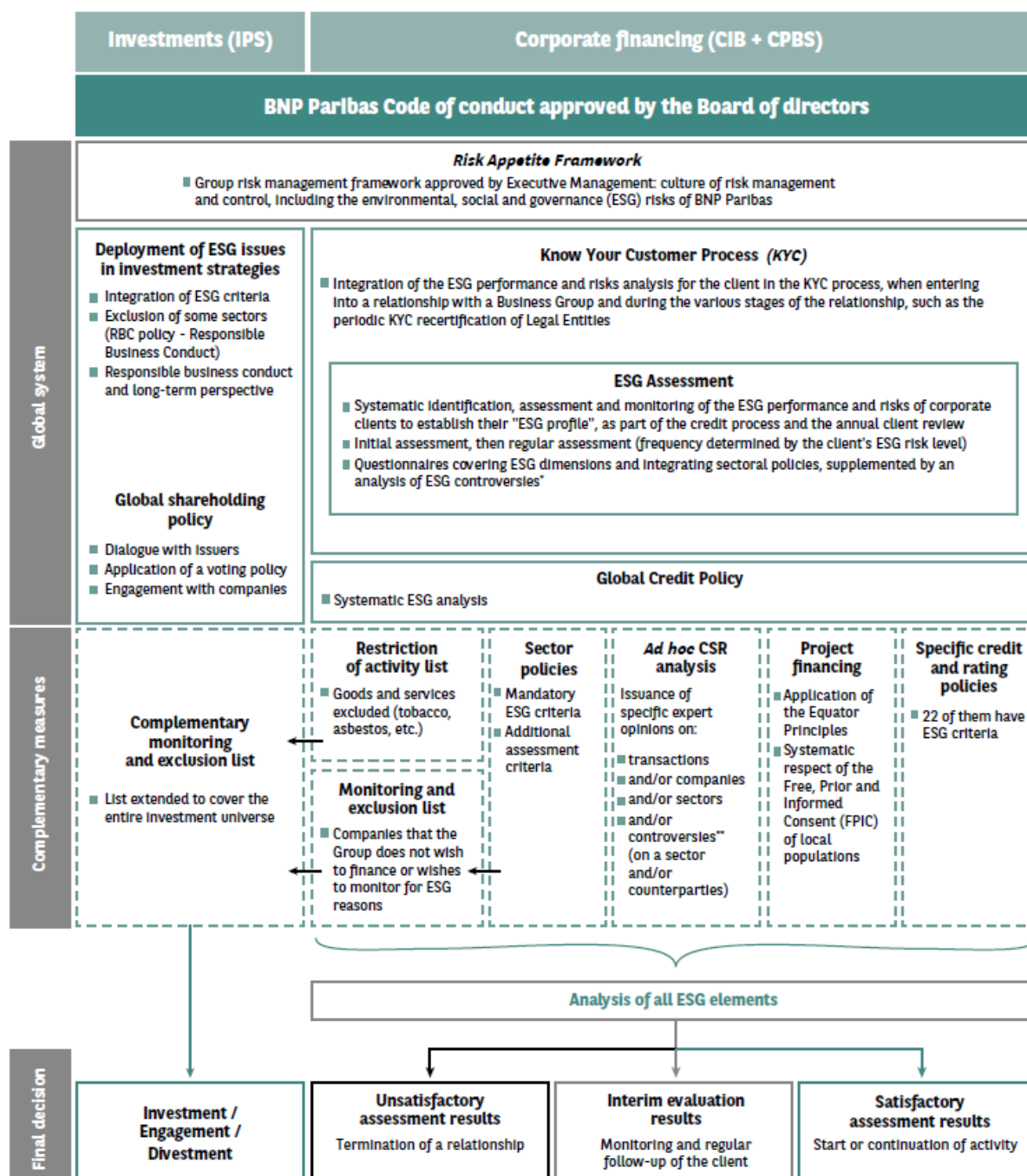
All business sectors of the Group's corporate clients are covered, including those that do not present intrinsic salient environmental and social risks, such as finance or insurance. Those with at least one risk are detailed below according to the number of salient environmental and social risks:

| <b>Business segments of corporate clients</b> | <b>Human rights and fundamental freedoms</b> | <b>Consumer health and safety</b> | <b>Environment</b> | <b>Total</b> |
|---|--|-----------------------------------|--------------------|--------------|
| Agriculture, food, tobacco                    | 7  | 1                                 | 6                  | 14           |
| Materials and minerals                        | 6  | 1                                 | 6                  | 13           |
| Energy excluding electricity                  | 4  | 1                                 | 6                  | 11           |
| Transport & storage                           | 6  | 1                                 | 4                  | 11           |
| Suppliers (electricity, gas, water, etc.)     | 3  | 1                                 | 6                  | 10           |
| Equipment excluding IT                        | 5  | 1                                 | 4                  | 10           |
| Chemicals excluding pharmaceuticals           | 3  | 2                                 | 3                  | 8            |
| Construction & public works                   | 6  | 1                                 | 1                  | 8            |
| Information Technology (IT)                   | 6  | 0                                 | 1                  | 7            |
| Consumer goods                                | 4  | 0                                 | 2                  | 6            |
| Healthcare & pharmaceutical industry          | 2  | 2                                 | 1                  | 5            |
| Hotels, tourism, leisure                      | 3  | 1                                 | 1                  | 5            |
| Automotive                                    | 0  | 1                                 | 1                  | 2            |
| <b>TOTAL</b>                                  | <b>55</b>                                    | <b>13</b>                         | <b>42</b>          | <b>110</b>   |

It should be noted that the same risk may exist for different sectors, such as the risk related to water pollution or the risk of child labour. These mappings make it possible:

- on the one hand, to provide a more specific framework for the business sectors of the Group's corporate clients that carry salient environmental and social risks;
- on the other hand, to develop financing and investments in activities with a positive impact.

## 1.6 Representation of the overall ESG Risk Management system



Sources: \* external ESG data providers (Reprisk, Moody's ESG Solutions, Sustainalytics), as well as \*\* media, NGOs, customers.

## 2 PROCEDURES FOR REGULAR ASSESSMENT OF THE SITUATION OF SUBSIDIARIES, SUBCONTRACTORS OR SUPPLIERS, WITH REGARD TO RISK MAPPINGS

### 2.1 Systems used to manage these risks

The Group has made an inventory of its existing systems, and compared them against the elements required for the preparation of the vigilance plan and its risk mappings, ensuring that these existing systems fully cover the main risks for employees, the main suppliers and banking and financial activities.

BNP Paribas' risk identification & assessment process (Risk ID) is part of the Group risk management framework. Risk ID is a fully integrated process, involving business lines, the RISK Function and the other control functions throughout the Group. It serves to maintain up-to-date Risk Inventories (both at local and Group levels). The Risk ID process aims to identify and assess all the risks the Group is, or might be exposed to in the future.

BNP Paribas' Risks ID process covers:

- all sets of activities and exposures, on and off-balance sheet, as well as new products and activities;
- all risk types and all geographies;
- all business lines and legal entities.

ESG dimensions are taken into account as risk factors, *i.e.* likely to trigger, promote or exacerbate the occurrence of a risk, whether financial or extra-financial (see section 5 *Risks and capital adequacy – Pillar 3* of this amendment to the 2022 Universal Registration Document, Appendix 5: *Environmental, social and governance risk*).

### 2.2 The system concerning Group employees

In order to assess and prevent the risks that could impact its employees, the Group relies on Group-level Human Resources (HR) policies, which apply up to the Group's highest level and to all its companies, and on agreements negotiated with employee representative bodies, in particular on the BNP Paribas Global Agreement which covers all employees, as well as Group-level or regional-level charters:

- freedom of association and collective bargaining: the Global Agreement specifically includes the Group's commitments in terms of freedom of association and the fundamental right to collective bargaining; social dialogue is particularly developed within the scope of the European Works Council (covering more than 70% of the Group's workforce);
- discrimination, inequality and exclusion: issues related to the fight against discrimination, diversity, inclusion and equality are at the heart of the Group's Code of conduct, with in particular the chapter "Respect for people" which aims to combat inappropriate behaviour. These issues are also integrated into recruitment and career management processes. Finally, gender equality issues are well reflected in the content of the Global Agreement;
- occupational health and safety:
  - under the Global Agreement, all Group employees are covered in terms of health, death and disability insurance and receive a minimum period of maternity leave. The *We Care* occupational health and well-being programme has boosted the Group's actions, particularly in the prevention of psychosocial risks, employee mental health and risks related to a sedentary lifestyle. Crisis units are also set up during major events, such as crises related to health or geopolitical situations,
  - in terms of occupational safety, all Group employees benefit from a reference corpus for the safety of people and property, which establishes fundamental principles in terms of security (with regard to the risks related to voluntary or malicious acts likely to harm people or Group assets and activities), and safety (with respect to natural and climatic events, or related to the technological environments of our sites likely to harm people or Group assets and activities);
- working conditions: forced labour is prohibited within the Group, and BNP Paribas had no employees under the age of 18 at the end of December 2023. Employment is managed under collective agreements. In addition, respect for work-life balance is incorporated in the European Remote Working Charter.

The policies and actions already undertaken by Group HR will continue to be implemented and monitored over time.

### 2.3 The system concerning BNP Paribas suppliers and subcontractors

Dedicated teams in the Procurement & Performance (P&P) Department deal with supplier- and subcontractor-related ESG risks.

In accordance with the deployment of the law on the duty of care, BNP Paribas' ESG Risk Management system for its suppliers and subcontractors is based on the following elements, in line with the ESG risk mapping for purchasing categories:

- ESG questionnaire templates used to assess ESG risks when entering into relationships with external suppliers and subcontractors representing a contract value of more than EUR 200,000, including taxes (from the first euro for suppliers of outsourced services), and during calls for tenders. ESG performance is assessed with a minimum weighting of 15% of ESG criteria (measured in 2023 compared to a minimum of 5% in 2022);
- supplier monitoring rules, targeting certain ESG criteria used during the selection process and completed by the thematic regulatory watches;
- training of Procurement Function employees.

In addition to this system, in France, BNP Paribas as a signatory of the Responsible Supplier Relations Charter promoted by the Business Mediation body of the French Ministry of Economy and Finance, has an internal procurement ombudsman which is independent from the P&P Department, whose contact details are provided on the Group's institutional website, to offer advice in the event of a dispute.

The use of ESG evaluation questionnaires in calls for tenders and the inclusion of their results in the overall evaluation of the supplier form part of the Procurement control plan.

## **2.4 The system related to the distribution of financial products and services to individuals**

The Group has identified two main issues in the distribution of its products and services for individuals: non-discrimination in the access to financial services and the right to privacy (protection of customers' personal data).

Non-discrimination in access to financial services is included in the internal Clients' Interests Protection (CIP) policy. This subject is at the top of the BNP Paribas Code of conduct and is a specific area of expertise within the Compliance teams, which monitor these issues. The CIP policy defines the rules of organisation and conduct that must be applied by the Group throughout the relationship with the customer, and at all stages of the product and service life cycle.

In addition, BNP Paribas is committed to being exemplary in the protection of their personal data. With the development of the global digital economy, regulators and data protection authorities around the world have considered that rapid technological change requires appropriate laws and regulations for data protection and their privacy. Data protection laws are being strengthened globally, some of which are applicable to a large number of Group entities (e.g. GDPR) and compliance with data protection rules has a paramount importance for BNP Paribas. The Group has strict internal procedures governed by the RISK Department to oversee the processing of personal data and implement best practices in this area.

## **2.5 The system related to corporate financing activities**

The activities of BNP Paribas' corporate clients may involve risks in relation to human rights and fundamental freedoms, human health and safety, and the environment. The Group has published its Responsible Business Principles Charter<sup>1</sup> for its corporate clients, thus reaffirming BNP Paribas' will to engage with clients whose business practices demonstrate a high level of governance and responsibility with respect to human rights, fundamental freedoms, human health and safety and the environment.

ESG risks related to corporate financing and investment activities are managed under the lead of the Group's Risk Appetite Framework, a Group Risk Management framework validated by Executive Management, which includes ESG risks (see section 1.5.1). The general credit policy includes a systematic ESG analysis, while 22 specific credit and rating policies include ESG criteria.

Considering the ESG aspect to be one of the Group's major challenges and a fundamental component of Know Your Client, the Group has generalised the integration of ESG assessment criteria into the client life cycle (Know Your Client – KYC process): in the process of entering into a relationship and during the various stages of the relationship, such as the KYC recertification, the Credit Committee or the annual review. The analysis of the client's ESG profile (enabled, among other things, by the ESG Assessment) will be integrated as a step of the KYC process, according to a deployment by client typology.

Gradually implemented since 2021, the ESG Assessment has become the preferred tool for monitoring the ESG performance and associated risks of the Group's corporate clients. The ESG Assessment covers the environmental (climate and biodiversity), social (health and safety at work and impact on communities) and governance (business ethics) dimensions through several questions split within these five themes. It is supplemented by an analysis of controversies affecting clients. The Assessment consists of a systematic ESG analysis that is applied as part of the credit process. Like other criteria (financial, strategic), ESG criteria are taken into account in the assessment of the counterparty's credit profile. The ESG Assessment, therefore, enables BNP Paribas to deepen and document its ESG knowledge of clients. The ESG Assessment also assesses clients' compliance with the Group's sectoral policies, as well as the maturity of their ESG strategy and its implementation.

The deployment of the ESG Assessment, included in the credit files for all business sectors and business groups, will enable the RISK Function to exercise greater control over the ESG dimensions during Credit Committees, on a documented basis. Initially designed for the Group's large corporate clients, for which roll-out was almost completed at the end of 2023, the ESG Assessment has been adapted for corporate clients with revenue of over EUR 50 million, and for financial institutions. In 2024, the objective is to cover all clients in these client segments.

Until the deployment of the ESG Assessment has been completed for all of the Group's corporate clients, additional ESG risk assessment tools remain, such as questionnaires related to the law on the duty of care, which apply to corporate clients operating in countries with very high or high environmental and social risk and in business sectors with salient risks, as defined by the mapping related to the Group's banking and financial activities (see sections 1.5.1 and 1.5.2).

## **2.6 The system related to investment activities**

The Group's asset management subsidiary, BNP Paribas Asset Management, and the Group's insurance subsidiary, BNP Paribas Cardif, implement their ESG strategies, which include, among other things, the application of the Group's sectoral policies (see section 1.5 *Mapping of ESG risks related to BNP Paribas' financing, investment and corporate client advisory activities*).

<sup>1</sup> [https://group.bnpparibas/uploads/file/bnpp\\_responsible\\_business\\_principles\\_ven.pdf](https://group.bnpparibas/uploads/file/bnpp_responsible_business_principles_ven.pdf).

BNP Paribas Asset Management's Global Sustainability strategy, launched in 2019 and updated at the start of 2024, details the way in which ESG issues are deployed in investment strategies. It is based on the exclusion of certain sectors, engagement and dialogue (stewardship) as well as responsible business conduct and a long-term perspective. In order to promote ESG best practices within the companies in which the asset management company and its clients have invested, BNP Paribas exercises its voting rights as a shareholder at Annual General Meetings.

In addition, BNP Paribas Asset Management and BNP Paribas Cardif use collaborative dialogue (working groups or coalitions whose members cooperate to act jointly with companies) to encourage improvements in practices. For example, these two entities are members of the Climate Action 100+ initiative and, as such, regularly engage in dialogue with companies ranked among the world's top greenhouse gas emitters to improve their climate change governance and strategy. BNP Paribas Asset Management is also a founding member of the initiative Nature Action 100.

### **3 APPROPRIATE ACTIONS TO MITIGATE RISKS OR PREVENT SERIOUS HARM**

#### **3.1 Concerning the Group's employees**

In order to reduce the risks of discrimination and promote respect for people, the Group has:

- in early 2023 set an objective relating to compliance with its Code of conduct, rules and regulations for all Group employees, in order to strengthen the culture of compliance, specifically including respect for people;
- strengthened and fully rolled-out worldwide in 2023 its policy: BNP Paribas entities have applied the principles defined at Group level locally;
- widely promoted its policy on inclusion in all its dimensions, particularly during the 2023 *Inclusion Days*, which raised employee awareness on equal opportunities, prejudice, disability and financial inclusion;
- set up specific training on human rights.

In order to promote professional equality, the Group:

- has set itself ambitious gender equality targets at all levels of the organisation by 2025, including 40% of women on the Group's Executive Committee and in Senior Management Positions (SMP). In 2023, the ambitious level of 37% of women in the SMP population was achieved thanks to the actions of the Executive Committee members and the strong commitment of all Human Resources teams in all business lines and regions;
- has continued its actions based on the development of employee skills, particularly in roles that are structurally unbalanced in terms of gender such as IT, Data, Digital, market activities within CIB and sustainable finance;
- for several years now, has introduced specific equal pay measures as part of the mandatory annual negotiations.

In terms of work-life balance, the Group:

- is continuing its preventive actions around the health and well-being at work of its employees while adapting its managerial practices;
- is setting up programmes related to the prevention of psychosocial risks and stress at work.

#### **3.2 Concerning BNP Paribas' suppliers and subcontractors**

In addition to the assessment system described above (see section 2.3 *The system concerning BNP Paribas suppliers and subcontractors*), BNP Paribas:

- published a "Sustainable Sourcing Charter", setting out the reciprocal commitments of the Group and its suppliers and subcontractors from an ethical, environmental and social standpoint;
- integrated standard contractual clauses covering requirements in order to meet environmental and social criteria. Since 2018, they have also included the option of ending contracts if suppliers do not comply with the Group's ESG requirements.

#### **3.3 Concerning the distribution of financial products and services to individuals**

In order to reduce the risk of discrimination in access to financial services, the Group:

- optimises the sale of products and services adapted to the needs and situation of customers, according to the rules defined by the internal policy for the protection of clients' interests (CIP);
- ensures that the information provided is clear and enables customers to make informed decisions;
- ensures the accuracy of information relating to the environmental or social characteristics of the products offered;
- prioritises the interests of customers rather than those of the Group or its employees;
- trains all employees concerned (particularly Front Office and Management) to protect customer interests;
- manages customer complaints;
- implements a financial inclusion approach, by supporting microfinance through financing and services provided to specialised institutions, by improving access to credit and insurance, and by supporting customers facing difficulties because of their disability or their financial situation.

BNP Paribas acts both to facilitate access to credit and to prevent over-indebtedness. It considers that the role of a responsible bank is to support its customers, even in the most difficult times.

- It is in this spirit that Commercial & Personal Banking in France (CPBF) launched the AXELLE platform in 2019 as part of its commitment to banking inclusion, updated in early 2024. The platform allows customers to find help, advice and tips offered by partner associations, social enterprises and member companies of the *Collectif des entreprises pour une économie plus inclusive en France* (Business collective for a more inclusive economy in France), to help them to manage their budget. AXELLE is 100% free and anonymous, and is aimed at all those on low incomes;
- In terms of financial education, BNP Paribas Personal Finance's online platform, Budget Responsible is dedicated to helping young people learn the key concepts of budget management, savings, loans and banking. In Italy, the Findomestic Camp by BNP Paribas Personal Finance also aims to raise awareness of financial education among young people.



In addition to the regulatory requirements related to the duty of care, the Group has developed several initiatives that fall within its civic responsibility, such as:

- the Nickel offering, currently marketed in five European countries (launched in Germany in 2023), which offers an unconditional account open to all, including sort code, account number and a payment card;
- support for microfinance, with microloans benefiting people in 11 countries, including many new emerging countries;
- training in financial issues, such as financial education;
- the offer by BNL, the Group's subsidiary in Italy, for seniors wishing to bridge the gap with their pensions (loss of employment less than 36 months before retirement or early retirement up to four years in advance).

In order to reduce the risk of non-compliance with personal data protection, BNP Paribas has set up a training course entitled "Personal Data Protection Awareness" for all of its employees, in order to raise their awareness of personal data protection and help them understand data protection requirements as well as data privacy laws. The training focuses on understanding key data protection principles and the implementation of personal data protection within the Group.

### 3.4 Concerning financing, investment and corporate client advisory activities

The risk mitigation and serious harm prevention system is based on the results of the application of the Group's eight sectoral policies. These are regularly updated and added to by internal application guides. For example, the oil and gas policy was amended in 2023 to include conventional oil and gas resources.

In addition, the Group's risk mitigation and serious harm prevention system also relies on specific actions implemented with regard to risk mapping, such as the management of controversies concerning environmental, social and governance issues.

#### 3.4.1 Activity restriction according to the severity of the environmental and social impacts

BNP Paribas has defined strict ESG criteria in many sectors, compliance with which determines the activity with its corporate clients, whether at the level of a client (which does not comply with the prohibitive criteria of a sectoral policy), a sub-sector (unconventional hydrocarbons), or a sector as a whole (such as tobacco).

In order to identify the companies presenting the highest environmental and social risks, the Group defines and applies sectoral policies, while managing activity restriction lists according to the level of ESG risks observed, *i.e.* a list of excluded companies and a list of companies placed under monitoring. Companies placed on the monitoring list are subject to an engagement by the Group to make lasting changes to their practices and reduce their ESG risks. For excluded companies, the Group prohibits any financing or investment relationship. Lastly, BNP Paribas has compiled an exclusion list<sup>1</sup> of specific goods and activities that the Group is unwilling to finance, such as tobacco. These lists are periodically updated using data supplied by clients and external sources, and by analysing the key controversies involving corporate clients accused of serious violations of environmental standards or human rights.

With regard to the drastic reduction in support for fossil fuels:

- in 2017, the Bank stopped supporting companies and infrastructure whose primary business is exploration, production and export of gas/oil from shale, oil from tar sands or gas/oil production in the Arctic. In 2022, BNP Paribas decided to no longer provide products and services to companies where more than 10% of the activity is related to tar sands and shale oil and gas;
- in 2020, BNP Paribas announced a strategy for a complete exit from the thermal coal value chain by 2030 in the European Union and OECD countries, and by 2040 in the rest of the world. Sectoral policies covering the mining and dedicated infrastructure sectors were also reviewed;
- 2023 was a year of a major shift of BNP Paribas' financing from the energy sector to low-carbon, mainly renewable energy sources, which already accounted for 65% of the Group's total credit exposure to the energy production sector on 30 September 2023. BNP Paribas is accelerating its transition strategy, with the aim of low-carbon making up 80% of the Group's credit exposure to energy production by 2028, and 90% by 2030. Please note that this is a stock of loans granted over the years, which clients will repay over a number of years. The major action taken from 2023 to accelerate new low-carbon loans and the divestment of fossil fuels will make it possible to achieve the 2028 and 2030 objectives.

With regard to combatting deforestation:

- in early 2021, BNP Paribas strengthened its commitment to combatting deforestation through its policy on Agriculture<sup>2</sup>, the scope of which includes all financial products and services provided by the Group, including participation in the issuance of bonds;
- in accordance with its agriculture sectoral policy, BNP Paribas asks all its clients producing or purchasing beef or soybeans in the Amazon and Cerrado in Brazil, to be zero legal and illegal deforestation by 2025 and to have full traceability of their direct and indirect value chain in the Amazon and Cerrado. This requirement applies to the entire direct and indirect value chain of the Group's clients;
- since 2021, an analysis of the portfolio of producers, meat packers and traders involved in the value chain of beef from Brazil has been carried out in order to assess their progress and engage in a dialogue;
- in addition, in 2022, BNP Paribas announced that it would not finance any greenfield or brownfield oil and gas projects, nor any associated infrastructure in the Amazon region or the Arctic region.

<sup>1</sup> [https://cdn-group.bnpparibas.com/uploads/file/bnpparibas\\_csr\\_exclusion\\_list.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_exclusion_list.pdf).

<sup>2</sup> [https://cdn-group.bnpparibas.com/uploads/file/bnpparibas\\_csr\\_sector\\_policy\\_agriculture.pdf](https://cdn-group.bnpparibas.com/uploads/file/bnpparibas_csr_sector_policy_agriculture.pdf).

### 3.4.2 Project financing

For all of its project financing activities, BNP Paribas encourages its clients to obtain the Free, Prior and Informed Consent (FPIC) of the local communities impacted by their projects.

Specific restrictions concerning protected areas (such as those listed by the IUCN) are also included in the Group's financing and investment policies.

The Group has been a signatory of the Equator Principles since 2008. These aim to avoid, reduce, mitigate or offset the negative impacts of major industrial or infrastructure projects on communities, ecosystems and the climate, with additional measures in certain countries.

### 3.4.3 Controversy management

The Group monitors controversies targeting its clients, with sources such as NGOs, the media, and alerts generated as part of the ESG Assessment (controversies identified by RepRisk and Sustainalytics). These controversies can be raised by the business lines, the CSR managers of the business lines, or the Group CSR.

When a controversy arises in relation to one of its clients, the Group first approaches risks according to the geography and criticality of the subject (such as a violation of human rights). An internal analysis combines the available information, in connection with the business line hierarchy and the Group's CSR, in order to estimate the severity of the controversy and to determine the list of questions that the client must answer. After contact with the latter, its additional responses and any action plan (taking into account the time horizon) are analysed in order to reach a final decision: continue the activity if everything is deemed satisfactory; suspend operations if doubts remain (with request for the implementation of a remediation plan and monitoring until satisfaction); exclusion if the situation cannot be remedied.

BNP Paribas also deepens its sector analyses on controversies affecting an entire sector. The Group then issues internal recommendations as to the criteria to be monitored, and specific issues are included in the assessment system for clients in these sectors.

## 3.5 Alignment of the loan and investment portfolio with the Net-Zero in 2050 objective

Continuing its commitments to combat global warming, BNP Paribas signed up to the Net-Zero Banking Alliance (NZBA) from its launch on 21 April 2021, committing to finance a carbon neutral economy by 2050, which corresponds to a temperature increase limited to 1.5°C compared to the pre-industrial era.

Other Net-Zero initiatives are grouped within the Glasgow Financial Alliance for Net-Zero (GFANZ). The Net Zero Asset Owner Alliance (NZAOA) signed by BNP Paribas Cardif in September 2021 and the Net-Zero Asset Managers initiative (NZAMi) signed by BNP Paribas Asset Management in November 2021 are examples. The two entities are committed to supporting the goal of zero net greenhouse gas emissions by 2050.

### 3.5.1 Significant resources for applying the Group's climate vigilance

BNP Paribas has dedicated a large number of employees from several teams to help to implement the Group's alignment strategy:

- the Climate Analytics & Alignment (C2A) Data Analytics team, co-managed by the CSR Department and CIB Global Banking EMEA, which is responsible for:
  - developing and deploying sectoral alignment methodologies (including modeling of missing data, analysis of different methodological options, testing of different climate change scenarios, *etc.*) in coordination with business teams and sectoral specialists,
  - calculating Group-scope portfolio-level metrics for external reporting,
  - calculating client-level metrics for portfolio management and client engagement;
- the Low-Carbon Transition Group, an internal organisation of 200 specialist bankers at the end of 2023 (with a target of 250 by the end of 2025), which is dedicated to supporting international clients, companies and institutional investors in accelerating their transition to a sustainable and low-carbon economy, with a particular focus on projects of the future, such as green hydrogen;
- the CSR network, which operates in the divisions, business lines, branch networks, functions and subsidiaries to facilitate the deployment of the CSR policy throughout the Group, with more than 220 employees devoting all or most of their time to managing CSR issues;
- the RISK Function, which continuously performs a second-line control over credit and counterparty risks, market risk, interest rate and foreign exchange rate risks on the banking book, liquidity risks, insurance risks, and operational risk, including technological and cybersecurity risks, data protection risks, modeling risks and environmental and social risk factors, as well as the associated governance risks;
- the Finance, RISK and ALM Treasury functions have created a shared team called Stress Testing & Financial Simulations (STFS), responsible for rolling out stress testing activities, ICAAP (Internal Capital Adequacy Assessment Process) tests and internal capital tests together with financial planning across the Group's entities and activities. Stress test methodologies are tailored to the main categories of risk and subject to independent review.

### 3.5.2 Objectives for six of the highest-emitting sectors

In its climate report<sup>1</sup>, published in 2023, BNP Paribas presents in detail the stages of the alignment of its loan and investment portfolio. In particular, this report explains what data is used, details of the calculation methodologies, including the calculation of the alignment trajectory and the strategy implemented by the Group, and specifies the methods for managing the portfolio. The climate report details the progress in achieving the objectives of the three business sectors published in 2022, and presents the targets for the reduction of financed greenhouse gas (GHG) emissions that have been set for three new sectors. These six sectors, which are all among the highest emitters, are as follows:

- Electricity production, for which the Group has undertaken to:
  - increase the share of renewable energies in the energy mix that it finances to reach more than 66% in 2025 and reduce the share of coal in the energy mix that it finances to less than 5% in 2025,
  - reduce the CO<sub>2</sub> intensity of its financing by at least 30% in 2025 compared to 2020;
- Oil and gas, for which the Group has undertaken to:
  - reduce its credit exposure to oil exploration and production activities by 80% between September 2022 and 2030,
  - reduce its credit exposure to oil & gas production activities by 12% in 2025 compared to 2020,
  - reduce its credit exposure to gas exploration and production activities by 30% between September 2022 and 2030,
  - reduce the intensity of GHG emissions of its financing by at least 10% in 2025 compared to 2020;
- Automotive sector, for which the Group has undertaken to:
  - increase the share of electrified vehicles in the automotive mix that it finances to reach more than 25% by 2025,
  - reduce the CO<sub>2</sub> intensity of its financing by at least 25% in 2025 compared to 2020;
- Steel, for which the Group has undertaken to:
  - reduce the CO<sub>2</sub> intensity of its financing by at least 25% in 2030 compared to 2022;
- Aluminium, for which the Group has undertaken to:
  - reduce the intensity of GHG emissions of its financing by at least 10% in 2030 compared to 2022;
- Cement, for which the Group has undertaken to:
  - reduce the CO<sub>2</sub> intensity of its financing by at least 24% in 2030 compared to 2021.

In 2022, BNP Paribas Asset Management and BNP Paribas Cardif published their “Net-Zero” commitments:

- regarding BNP Paribas Asset Management’s investments, these commitments are as follows:
  - reduce the carbon footprint (scopes 1 and 2) of the investments concerned (around 50% of assets under management to date, with the objective of reaching 100% over time), by 30% by 2025 and by 50% by 2030 (vs. 2019),
  - align the relevant investments (also around 50% of assets under management to date) with the “Net-Zero” principle: by 60% by 2030 (meeting, aligned or in the process of aligning with the “Net-Zero” objective) and by 100% by 2040,
  - substantially increase investment solutions in climate and environmental issues,
  - dialogue with clients on their “Net-Zero” transition;
- regarding BNP Paribas Cardif’s investments, these commitments are as follows:
  - reduce the carbon footprint of directly held equity and corporate bond portfolios by at least 23% by 2024 (vs. 2020),
  - reduce the carbon intensity of directly owned office buildings by at least 12% by 2030 (vs. 2020),
  - allocate at least EUR 800 million per year to environment-themed investments;
- regarding shareholder engagement or stewardship, these commitments are as follows:
  - vote for climate action (in favour of the most relevant climate initiatives or shareholder proposals),
  - foster dialogue with companies on the “Net-Zero” principle,
  - advocate for a climate policy aligned with the “Net-Zero” principle.

### 3.6 Investment and financing activities with a positive impact

The Group’s CSR strategy has long been structured to contribute to achieving the United Nations’ 17 Sustainable Development Goals (SDG). This strategy involves supporting all customers, individuals, companies and institutions, in their transition to a low-carbon economy, respectful of the planet’s resources and allowing the inclusion of the most vulnerable as well as respect for human rights.

To this end, the Group continues to expand the range of products and services to support or even accelerate this transition including:

- support for impact enterprises (including microfinance institutions):
  - through banking services or investment,
  - through financing, in particular with impact bonds, which enable the financing of innovative projects led by associations or impact enterprises, with a payment for results model dependent on social, environmental and development indicators, or the circular economy;

<sup>1</sup> [https://group.bnpparibas/uploads/file/bnp\\_paribas\\_2022\\_climate\\_report.pdf](https://group.bnpparibas/uploads/file/bnp_paribas_2022_climate_report.pdf).

- sustainable investment funds, which make it possible to direct investments towards assets incorporating ESG criteria, in other words funds classified as articles 8 and 9 according to the Sustainable Finance Disclosure Regulation (SFDR), whether they promote environmental or social characteristics (article 8), or have a sustainable investment objective (article 9);
- sustainable bonds, including green bonds and social bonds;
- sustainable loans, including sustainability linked loans (SLL), *i.e.* loans whose rate is adjusted according to the achievement of environmental and/or social objectives by the borrower;
- financing renewable energy: the Group has set a target of EUR 40 billion in credit exposures for low-carbon energy production by 2028.

## 4 ALERT MECHANISM (WHISTLEBLOWING)

### 4.1 Whistleblowing framework

BNP Paribas Group pays particular attention to the concerns of customers, employees, shareholders, suppliers and society as a whole. The Group is committed to listening, understanding and seeking to respond to the concerns raised by its stakeholders in a fair and effective manner.

BNP Paribas employees are required to report any effective or suspected breach of the Code of conduct, Group policies and procedures, or regulations. Employees can report issues to their line manager or another manager for issues relating to Respect for People, or to a Compliance alert channel.

Any suspicion by a BNP Paribas employee of a serious or potentially serious violation of human rights and fundamental freedoms, the health and safety of people, and the environment may be reported according to this whistleblowing system, except when specified otherwise by local regulations or procedures.

Initially open to Group employees only, the whistleblowing system is now also open to external third parties. The alert form to be completed is freely accessible on the BNP Paribas institutional website<sup>1</sup>.

The protection of whistleblowers against the risk of retaliation was strengthened in 2022, in line with the transposition of the European Directive 2019-1937. Any person that needs to know of an alert during its processing is formally committed to respecting the confidentiality of the information relating to the whistle-blower and any person involved. In addition, the Group guarantees the protection of whistleblowers against the risk of retaliation, and any person considering themselves the victim of retaliation may issue an alert that will be dealt with according to the standards defined by the Human Resources Department. This protection applies regardless of the channel used by the whistle-blower.

The whistleblowing system is presented in the mandatory Code of conduct training course.

In addition, alerts are analysed and processed, with 333 alerts reported in 2023.

### 4.2 Dialogue with external stakeholders

Dialogue with stakeholders is at the heart of BNP Paribas' social and environmental responsibility and is a key lever for achieving its corporate social responsibility (CSR) objectives. The Group maintains an open and constructive dialogue with its stakeholders, which involves listening to them, understanding them and aiming to meet their expectations, in line with BNP Paribas' CSR strategy. This dialogue has three main challenges: anticipating changes in the business lines and improving products and services by better understanding expectations; optimising risk management by listening, and having a positive impact on society.

BNP Paribas has four groups of contractual stakeholders: its clients and customers (individuals, professionals, corporate customers and institutions); its employees and employee representative bodies; its shareholders (individual and institutional investors) and its suppliers. The Group has also identified other strategic stakeholders, in particular: candidates, companies in which BNP Paribas invests on behalf of third parties and on its own behalf, regulatory bodies and public authorities, financial and extra-financial rating agencies, networks and think tanks, civil society and its organisations (local communities, NGOs, consumer associations, charities, *etc.*), the media and opinion leaders.

Each of the Group's stakeholders has identified contacts within BNP Paribas. These dialogue channels are adapted and deployed according to the objectives and expectations of the stakeholders. The Group endeavours to analyse the views and interests of its key stakeholders, in relation to its strategy and business model. Its Executive Management and Board of directors receive regular updates.

The main dialogue channels by stakeholder type are as follows:

- for BNP Paribas clients and customers, exchanges are based on the close relationship they may have with the Group's subsidiaries and business lines, supplemented by independent ombudsman services (organised by the regulatory bodies) in many Group entities, such as the Commercial & Personal Banking networks in France, Belgium, Italy, Morocco and Poland. Specialist expert teams also provide dedicated support to clients/customers or sectors (large companies, financial institutions, SMEs and mid-sized companies, small businesses, associations, *etc.*);
- for employees and employee representative bodies, the Group's Human Resources are responsible for social dialogue. For candidates, there are dedicated recruitment teams;

<sup>1</sup> <https://group.bnpparibas/en/direct-access/whistleblowing>.

- for shareholders (individual and institutional investors) and financial and extra-financial rating agencies, the main contacts are Investor Relations and Financial Information (IRFI) and Group CSR;
- for BNP Paribas suppliers and subcontractors, in addition to the P&P Department, BNP Paribas also has an independent internal ombudsman, whose contact details are published on the Group's institutional website, offering a means of appeal in the event of a dispute;
- companies in which BNP Paribas invests on behalf of third parties are in contact with investment teams, such as those of BNP Paribas Asset Management;
- the Institutional Affairs Department is responsible for relations with regulatory bodies and public authorities;
- networks, think tanks, civil society and its organisations (local communities, civil NGOs, advocacy NGOs, consumer associations, charities) are in contact with the Company Engagement, CSR, Communication and business lines teams;
- the Group Communication Department is the main contact for the media and opinion leaders.

## 5 SYSTEM FOR MONITORING THE MEASURES IMPLEMENTED AND ASSESSING THEIR EFFECTIVENESS

### 5.1 The CSR Policy Management Dashboard

BNP Paribas has set up a dashboard comprising 10 CSR indicators to guide its strategy in this area. The monitoring of the CSR Policy Management Dashboard is carried out on an annual basis by the Group's Executive Committee and Board of directors.

The achievement of the CSR objectives govern the payment of 20% of the amount of the loyalty plan awarded in 2023 to more than 8,200 key Group employees (see *A competitive compensation policy*, Commitment 5). The achievement of the CSR objectives is also included for one third in the calculation of the 15% of the variable compensation awarded for 2023 to the Group's corporate officers. These CSR objectives are those corresponding to the loyalty plan paid during the year to the Group's key employees (see chapter 2, *Compensation and benefits awarded to the Group's corporate officers*).

These indicators include our results for:

- our employees (indicator 4 on gender equality; indicators 5 and 6 on solidarity hours and training performed by employees);
- our distribution of financial products and services to individuals (indicator 7);
- our corporate financing and investment activity (indicators 1, 2, 3, 8 and 9 on supporting our clients in the transition to a sustainable and low-carbon economy);
- our own activity (indicator 10).

| Pillar                           | Indicator  | 2022 Results                 | 2023 Results                 | 2025 Objectives                    |
|----------------------------------|--|------------------------------|------------------------------|------------------------------------|
| Our economic responsibility      | 1 Amount of sustainable loans (in billions of euros)   | 87                           | 117                          | 150                                |
|                                  | 2 Amount of sustainable bonds (in billions of euros)   | 32                           | 67                           | 200                                |
|                                  | 3 Amount of assets under management in open-ended funds distributed in Europe under article 8 & 9 according to the SFDR (in billions of euros) | 223                          | 254                          | 300                                |
| Our social responsibility        | 4 Share of women among the SMP population ( <i>Senior Management Position</i> )  | 35.2%                        | 37.1%                        | 40%                                |
|                                  | 5 Number of solidarity hours performed by employees over two rolling years (#1MillionHours2Help)   | 1,126,142 (in 2021 and 2022) | 1,268,515 (in 2022 and 2023) | 1,000,000 (over two rolling years) |
|                                  | 6 Share of employees who completed at least four training courses during the year  | 97.4%                        | 98.2%                        | 90%                                |
| Our civic responsibility         | 7 Number of beneficiaries of products and services supporting financial inclusion (in millions)  | 3.3                          | 3.9                          | 6                                  |
| Our environmental responsibility | 8 Amount of the support enabling our clients to transition to a low-carbon economy (in billions of euros)                                      | 44                           | 104                          | 200                                |
|                                  | 9 Amount of financing to companies contributing to protecting terrestrial and marine biodiversity (in billions of euros)                       | 1.8                          | 4.3                          | 4                                  |
|                                  | 10 Greenhouse gas emissions in teqCO <sub>2</sub> /FTE   | 1.65                         | 1.56                         | 1.85                               |

## 5.2 Our employees

In addition to the three indicators relating to the Group's social responsibility included in the CSR dashboard (see section 5.1 *Our CSR Policy Management Dashboard*), the Group monitors other objectives with regard to its employees.

As part of the Global Agreement, a joint monitoring committee responsible for the implementation of the Agreement meets once a year to assess the progress made under the agreement and to take stock of the past year on the basis of a grid of indicators by country and geographical area.

In terms of gender pay equality, the Group set a dedicated budget of EUR 10 million for BNP Paribas SA over two years in 2022.

BNP Paribas remains attentive to its employees through Pulse surveys, with 71 surveys carried out in 57 countries, with increasingly high participation rates within the Group. In 2023, it was a 71% participation rate on average among nearly 176,000 employees surveyed.

The vast majority of surveys launched in 2023 by the Group's various business lines and entities incorporated three common questions related to employee engagement, in particular pride in belonging to the Group, adherence to the strategy and involvement in work. The overall engagement score based on the consolidation of all local engagement scores<sup>1</sup> reached a high level of nearly 85 out of 100.

One of the indicators that the Group tracks is the percentage of employees contributing directly to the promotion of human rights who have received specific human rights training. Since 2016, more than 22,000 BNP Paribas employees have completed this training.

## 5.3 Our suppliers and subcontractors

The number of ESG assessments of suppliers and sub-contractors that are conducted as part of calls for tender, in particular those relating to categories of at-risk purchases, is a metric of BNP Paribas monitoring actions towards this type of stakeholder.

At the end of 2023, 5,312 ESG assessments had been carried out (compared to 5,188 in 2022), and 1,287 BNP Paribas suppliers had signed up to the Group's Sustainable Sourcing Charter.

## 5.4 Our distribution of financial products and services to individuals

In 2023, BNP Paribas made a training course entitled "Personal Data Protection Awareness" mandatory for all its employees. The training was completed by 95% of Group employees.

## 5.5 Our financing, investment and corporate advisory activities

At the end of 2023, our system for our corporate financing and investment activities as well as the restriction of activity according to the severity of the environmental and social impacts produced the following results:

- more than 3,000 ESG Assessment questionnaires were carried out with the Group's very large and large corporate clients in 2023 (compared to 1,500 in 2022), covering almost all clients in these segments;
- at the end of 2023, the restriction of activity lists included 1,718 companies (compared to 1,490 in 2022, *i.e.* +15%), of which 1,432 companies were excluded and 86 monitored;
- in 2023, BNP Paribas Asset Management voted at 1,931 General Meetings, abstaining or opposing around 36% of these resolutions (compared to 33% in 2022), and supporting 88% of shareholder proposals on climate change and 96% of those on social topics. In 2023, BNP Paribas Asset Management opposed 1,521 resolutions proposed by 271 companies, primarily due to environmental or biodiversity-related considerations;
- BNP Paribas Asset Management ranked second in ShareAction Point of No Returns 2023 on the responsible investment practices of the 77 largest asset managers in the world;
- in 2023, 95% of BNP Paribas Cardif's general assets in euros in France were subject to an ESG analysis.

With regard to our positive impact financing and investing activities, the results are as follows (also see section 5.1 *Our CSR Policy Management Dashboard*):

- support for impact enterprises (including microfinance institutions), which reached EUR 2 billion at end-2023, with support for more than 3,450 impact enterprises;
- sustainable investment funds, which make it possible to direct investments towards assets incorporating ESG criteria, in other words funds classified as articles 8 and 9 according to the Sustainable Finance Disclosure Regulation (SFDR), either promote environmental or social characteristics (article 8), or have a sustainable investment objective (article 9). Assets under management under articles 8 and 9 of the SFDR in BNP Paribas Asset Management's distributed open-ended funds reached EUR 254 billion at the end of 2023;
- sustainable bonds, for which BNP Paribas was number one worldwide at the end of 2023 according to Dealogic, with USD 38.7 billion as bookrunner for its clients, including USD 25.6 billion for green bonds at the end of 2023;
- sustainable loans of EUR 117 billion at the end of 2023, including sustainability-linked loans (SLL), loans whose rate is modulated according to the achievement of environmental and/or social targets by the borrower;

<sup>1</sup> Covering 86% of all Group employees at 31/12/2023.

- financing for the production of low-carbon, mainly renewable energy: at the end of 2023, this financing represented EUR 32 billion, of which EUR 28.8 billion for renewable energy sources, *i.e.* 65% of the Group's energy production financing. At the end of 2022, this financing represented EUR 28.2 billion, of which EUR 24.8 billion for renewable energy sources, *i.e.* nearly 55% of the Group's energy production financing.

With regard to the alignment of our credit portfolio, given the relative weighting of each sector in the Group's credit exposure, the average results for end-2023 in the six business sectors for which the Group has set intermediate targets are in line with BNP Paribas' ambition to finance a carbon neutral economy by 2050 (see section 3.5 *Alignment of the loan and investment portfolio with the Net-Zero in 2050 objective*):

- Electricity production:
  - 148 gCO<sub>2</sub>/kWh at end-2023 (179 in 2022),
  - 65% renewable in the Group's electricity mix at end-2023 (60% in 2022),
  - 5% coal in the Group's electricity mix at end-2023 (7% in 2022);
- Oil and gas:
  - 67 gCO<sub>2</sub>eq/MJ at the end of 2023 (67 in 2022),
  - EUR 3 billion in credit exposure to oil extraction and production at the end of 2023 (EUR 5 billion at the end of 2022),
  - EUR 3.5 billion in credit exposure to gas extraction and production at the end of 2023 (EUR 5.3 billion at the end of 2022);
- Automotive sector:
  - 151 gCO<sub>2</sub>/km travelled at end-2023 (167 in 2022),
  - 15% electrified vehicles at the end of 2023 (14% in 2022),
- Steel: 1.5 tCO<sub>2</sub>/tonne of steel at the end of 2023 (1.6 in 2022),
- Aluminium: 5.8 tCO<sub>2</sub>eq/tonne of aluminium at the end of 2023 (6.2 in 2022),
- Cement: 0.64 tCO<sub>2</sub>/tonne of cement product at the end of 2022 (0.67 in 2021).

BNP Paribas has measured the carbon intensity of its portfolio in the maritime sector, for the fourth year running, according to the Poseidon Principles. It should be noted that in July 2023, the International Maritime Organization (IMO) announced a more ambitious reference trajectory, now aiming for carbon neutrality in 2050. At 31 December 2022, the alignment score of the loan portfolio dedicated to maritime transport was:

- 3.6% above the alignment score according to the initial trajectory (before revision in 2023);
- 27.2% above the IMO Minimum Trajectory;
- 32% above the IMO Striving Trajectory.

In addition to our investments, our asset management subsidiary BNP Paribas Asset Management analysed the impact of its investment portfolio on biodiversity for the second year in 2023<sup>1</sup>, in order to identify commitment targets for the voting team and for the managers.

The analysis of BNP Paribas Cardif's investment portfolios (shares and corporate bonds) was published for the first time in 2022, repeated in 2023 and supplemented by a second measurement, using an additional methodology<sup>2</sup>. The results show a low average dependency of portfolios on all ecosystem services.

## 5.6 Our own activity

Every year, BNP Paribas measures its environmental footprint of its own operations "scopes 1 and 2" which includes, among other things, the electricity and heating of the Group's buildings, as well as employee travel.

At the end of 2023, the Group's greenhouse gas emissions (expressed in tonnes of CO<sub>2</sub> equivalent per Full-Time Equivalent – FTE) amounted to 1.56 teqCO<sub>2</sub> per FTE (compared to 1.65 teqCO<sub>2</sub> per FTE at the end of 2022).

## 5.7 Our interactions with the Group's external stakeholders

Interactions with our stakeholders are key for the Group. The number of stakeholders is constantly changing, with in particular:

- 183 interactions with advocacy NGOs in 2023, up 51% since 2022 and 76% since 2020, on topics such as climate, fossil fuels and human rights;
- 96 interactions with investors in 2023, up 30% since 2022 and 43% since 2020, on various topics such as ESG risk management, portfolio alignment, social inclusion and sectoral policies.

<sup>1</sup> <https://docfinder.bnpparibas-am.com/api/files/0E35D6C1-0B41-43E0-9E0C-5CE342951719>.

<sup>2</sup> [https://www.bnpparibascardif.com/documents/348001/348117/Rentreprise29LEC\\_Cardif\\_Retraite\\_300623\\_VF\\_.pdf/f125d4c9-3dfc-b0d3-2a55-57d150205f83?t=1699438283685&...](https://www.bnpparibascardif.com/documents/348001/348117/Rentreprise29LEC_Cardif_Retraite_300623_VF_.pdf/f125d4c9-3dfc-b0d3-2a55-57d150205f83?t=1699438283685&...)

## 5.8 Our systems' controls

Risk management is central to the banking business and is one of the cornerstones of operations for BNP Paribas. The Group has an internal control system covering all types of risks to which it may be exposed, including environmental and social risks, organised around three lines of defence (see section 2 *Corporate governance and internal control* of this amendment to the 2022 Universal Registration Document, chapter 2.4 *Internal control*):

- as the first line of defence, internal control is the business of every employee, and the Heads of the operational activities are responsible for establishing and running a system for identifying, assessing and managing risks according to the standards defined by the functions exercising an independent control in respect of the second line of defence;
- BNP Paribas' second line of defence is handled by the Compliance, RISK and LEGAL Departments. Their managers report directly to the Director and Chief Executive Officer and report on the performance of their duties to the Board of directors, primarily through its specialised committees;
- General Inspection provides a third line of defence responsible for periodic control.

In addition, BNP Paribas' consolidated extra-financial performance statement is audited by an independent third party.

In order to verify the strict application of ESG risk management tools, BNP Paribas has rolled out a CSR operational control plan which establishes a continuous improvement process. This control plan, linked to the application of sectoral policies, exclusion and monitoring lists, and questionnaires on the duty of care, is applied to the Group's business lines and functions.

## OUR COMMITMENT TO CONTINUOUS IMPROVEMENT

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BNP Paribas' vigilance approach is part of a drive for continuous improvement. As such, the Group will complete, where necessary, its identification, control and management tools for identified risks, and will report on them each year in its universal registration document.

# 7.8 Statement on modern slavery and human trafficking

## INTRODUCTION

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This Statement outlines the steps that BNP Paribas has taken to ensure that human trafficking<sup>1</sup> and modern slavery<sup>2</sup> are not taking place in its business or in any of its supply chains. It also refers to the risk management processes that the Group has put in place in the context of its financing and investment activities, which govern the potential cases of human rights violations that may affect the activities of its clients.

This Statement is for the financial year ended 31 December 2023. The Board and the Director and Chief Executive Officer attest annually that the Group complies with this Statement through the information provided by the respective departments of Corporate Social Responsibility (CSR), Procurement & Performance, and Human Resources (HR).

This Statement applies to all companies within the BNP Paribas Group that are required to have a slavery and modern trafficking statement. Those who have chosen to prepare their own declaration are not concerned.

## THE BNP PARIBAS GROUP

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BNP Paribas is Europe's leading provider of banking and financial services. It operates in 63 countries and employs 182,656 full-time equivalent workforce. It holds key positions in its three main areas of activity: Corporate and Institutional Banking (personalised solutions for our corporate and institutional customers), Commercial, Personal Banking & Services (network of commercial & personal banks in the Eurozone and the Europe-Mediterranean zone, as well as some of the Group's specialised business lines<sup>3</sup>), and Investment & Protection Services (expertise in savings, investment and protection solutions). More information on BNP Paribas operations can be found in section 1.4 *Presentation of operating divisions and business lines*. The Group purchases over EUR 10 billion of expenditures worldwide broken down into nine categories: Real Estate, Market Data,

<sup>1</sup> The expression "human trafficking" means: "Recruitment, transportation, transfer, harbouring or receipt of persons, by means of the threat or use of force or other forms of coercion, of abduction, of fraud, of deception, of the abuse of power or of a position of vulnerability or of the giving or receiving of payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation", United Nations Convention against Transnational Organized Crime.

<sup>2</sup> "Slavery is the status or condition of a person over whom any or all of the powers attaching to the right of ownership are exercised." United Nations Convention on Slavery.

<sup>3</sup> Arval, BNP Paribas Leasing Solutions, BNP Paribas Personal Finance, BNP Paribas Investors, new digital business lines (Nickel, Floa).



## RISKS OF MODERN SLAVERY & HUMAN TRAFFICKING

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Academic studies, field investigations and recent news coverage have all clearly demonstrated that all sectors, industries and areas may be affected, to varying degrees, by these types of serious infringements to human rights.

In this regard, risk assessment policies devoted to the matter of modern slavery practices need to be multi-factorial (with complementary thematic screenings performed, on sector & industry, products & services, geographical and entity level) and regularly updated, in order to tackle this complex issue as fully and efficiently as possible. The risk-assessment process BNP Paribas implements to address the risks of modern slavery and human trafficking takes into account the vastly different situations of its stakeholders and is complemented by the *ad hoc* monitoring and regular discussions performed by Group teams on this subject.

### WORKFORCE'S INHERENT RISKS

Risks of modern slavery and human trafficking have been deemed low in business operations as, to the best of our knowledge, no publicly available study has categorised the banking sector and its employees, most of them being highly skilled professionals, as particularly exposed to these practices.

### SUPPLIERS' INHERENT RISKS

As a bank, BNP Paribas' supply chains are mainly focused on indirect procurements and expenditure (consulting services, IT services, security, IT equipment, office furniture, promotional items, cleaning and catering services). Depending on the procurement categories, supply chains may be simple or very complex, with human rights related risks being higher, and more difficult to monitor, where supply chain arrangements are complex. Based on the risk mapping tool developed by BNP Paribas, less than 20% (in spending) of the Group procurement categories are at high or very high risk in terms of human rights and labour conditions (including modern slavery and child labour).

### FINANCING AND INVESTMENT ACTIVITIES' INHERENT RISKS

BNP Paribas meets the needs of millions of individual and professional customers, entrepreneurs, small, medium and large companies in business sectors facing multiple environmental, social and governance (ESG) challenges. The Group also operates in countries where legal and governance systems are at diverse levels of development. This diversity of context calls for structured, comprehensive and expert-driven review and analysis processes, in order to identify potential risks of modern slavery and human trafficking in BNP Paribas clients' activities, or in the activities of the entities in which BNP Paribas invests on the behalf of its clients.

## BNP PARIBAS POLICY ON MODERN SLAVERY AND HUMAN TRAFFICKING

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Respect for human rights is one of the pillars on which BNP Paribas' CSR strategy is based. The Group has committed itself to the promotion of the following principles and standards that form the basis of its activities:

- the United Nations Sustainable Development Goals;
- the Ten Principles of the United Nations Global Compact;
- the United Nations Guiding Principles on Business and Human Rights (United Nations Guiding Principles);
- the internationally-accepted OECD Guidelines for multinational enterprises;
- the internationally-accepted standards of human rights, as defined in the International Bill of Human Rights;
- the core labor standards set out by the International Labor Organization.

These public commitments are backed by internal policies implemented at Group level, with the goal of handling the many subjects revolving around social, environmental and governance matters, including human rights. These policies include:

- BNP Paribas Group Code of conduct;
- the BNP Paribas Statement on Human Rights;
- the BNP Paribas Sustainable Sourcing Charter;
- the BNP Paribas Asset Management Business Conduct Policy;
- the BNP Paribas Responsible Business Principles.

Early and efficient identification of modern slavery risks is the first step towards its prevention, alleviation and remediation, and calls for specific policies and practices. In this regard, BNP Paribas has taken the following steps and actions in order to exert its duty of care with all due seriousness.

## TOWARDS ITS EMPLOYEES

BNP Paribas is committed to providing a working environment in which all employees are treated fairly. In particular, the Group focuses on respect and the need to apply the most stringent norms of professional behaviour and rejects all forms of discrimination. BNP Paribas' policies and procedures notably include an annual review of high-risk countries in terms of human rights, as well as a monitoring of employees under the age of 18 (the Group did not have any in 2023).

Furthermore, the existing policies and procedures within the Group, including notably a diversity and inclusion policy as well as compensation principles are in line with the principles of non-discrimination in the recruitment process and career management of employees. The BNP Paribas Code of conduct, which applies to all employees, reaffirms the Group's commitment to changing behaviour and combatting disrespectful behaviour towards people, including harassment and discrimination. The Group's "Respect for People" policy aims to combat inappropriate behaviour, in particular, harassment and discrimination. In line with these policies and principles, all employees of the Group are required to treat all people with respect, make sure their interactions are professional and efficient, and be receptive of their contributions, even if they express different views from their own.

The Global agreement, signed on 18 September 2018 and extended to 30 June 2024, has set up an ambitious plan to contribute to improving quality of life and working conditions of employees, and thus achieve greater diversity, equality and inclusive growth.

## AWARENESS AND TRAINING

BNP Paribas took part in the development of an awareness-raising e-learning module called "Human Rights into Business", co-created with the other members of the French association *Entreprises pour les Droits de l'Homme* (Businesses for Human Rights – EDH). This e-learning module is mandatory for all employees who directly contribute to the promotion of human rights. It is available in eight languages and freely accessible to all Group employees.

## RAISING CONCERNS

BNP Paribas Group pays particular attention to the concerns of customers, employees, shareholders, suppliers and society as a whole. The Group is committed to listening, understanding and seeking to respond to the concerns raised by its stakeholders in a fair and effective manner.

BNP Paribas employees are required to report any effective or suspected breach of the Code of conduct, Group policies and procedures, or regulations.

Employees can report issues to their line manager or another manager, or to Human Resources for issues relating to respect for people, or to a Compliance alert channel.

Any violation or suspected violation of human rights in the context of the Group's activities or its suppliers may be reported in the Group's whistleblowing system, except if local regulations or procedures prevent this.

Pursuant to the Sapin II law, amended by the Wasserman law, the Group's whistleblowing system is now open to certain external third parties (depending on local regulations, but at least for suppliers and former employees). The alert form to be completed is freely accessible on the BNP Paribas institutional website<sup>1</sup>.

The whistleblowing policy guarantees employees exercising their right to raise an alert protection against reprisal for having raised an internal alert in accordance with the terms of the policy.

A summary note<sup>2</sup> on whistleblowing is available on the BNP Paribas Group website.

## TOWARDS ITS SUPPLIERS

Within the Procurement & Performance Function, dedicated teams address ESG risks linked to suppliers and subcontractors. BNP Paribas ESG risk management related to its suppliers and subcontractors hinges around the following elements:

- a responsible purchasing policy that aligns the Function's objectives with the Group's CSR objectives, as expressed in the Group purpose;
- the definition by the Function of a normative reference framework. This framework includes:
  - an ESG risk mapping tool encompassing 13 themes, including modern slavery and child labour, allowing the identification of procurement categories at high environmental or social risk,
  - a 'Sustainable Sourcing Charter', setting out the reciprocal commitments of the Group and its suppliers and subcontractors from an environmental and social standpoint,
  - contractual clauses requiring compliance with the ILO conventions in supplier contract standard templates in all countries where suppliers are located, allowing contract termination in case of non-compliance by the suppliers of the Group ESG requirements;

<sup>1</sup> BNP Paribas whistleblowing framework (<https://group.bnpparibas/en/direct-access/whistleblowing>).

<sup>2</sup> Summary of the system – BNP Paribas' whistleblowing procedure ([https://cdn-group.bnpparibas.com/uploads/file/summary\\_of\\_bnp\\_paribas\\_wb\\_framework\\_enq\\_june\\_2022.pdf](https://cdn-group.bnpparibas.com/uploads/file/summary_of_bnp_paribas_wb_framework_enq_june_2022.pdf)).

- ESG questionnaire models, used during the onboarding of new suppliers and during calls for tenders, and including environment, ethics and human rights targeted questions. BNP Paribas Procurement Norms set a minimum weight of 15% for CSR-related criteria in calls for tenders.
- supplier monitoring rules, targeting ESG criteria used during the selection process and completed by the thematic regulatory watches, and
- training for Procurement & Performance employees<sup>1</sup>.

## **TOWARDS ITS CLIENTS (FINANCING AND INVESTMENT ACTIVITIES)**

BNP Paribas strives to reduce potential violation of social and environmental rights, including human rights, from its financing and investment activities (see *Systematic integration and management of Environmental , Social and Governance risks*, Commitment 3).

These provisions are based on:

- the development of financing and investment policies managing the Group's activities in sectors with significant ESG issues;
- the respect of the United Nations Guiding Principles in the financing and investment activities;
- the respect of the Equator Principles for major industrial and infrastructure projects;
- the integration of ESG criteria in the Know Your Customer (KYC) process;
- the progressive integration of ESG criteria in lending and rating policies;
- the development and use of management and monitoring tools for these risks, including specific questionnaires for activities with salient environmental and social risks;
- the training of financing and investing business lines and control functions on the ESG risk framework;
- an operational control plan.

In addition to the tools described above, a new ESG Assessment framework was deployed in June 2021. It enables the identification, assessment and monitoring of the performance and ESG risks of corporate customers, in a sector-specific manner, with a common approach within the Group for a given customer segment. The ESG Assessment covers five major extra financial topics, including respect for human rights.

At the end of 2023, all large corporate clients of the Group had had an ESG Assessment, and the tool has been adapted for medium-sized clients (companies with turnover of more than EUR 50 million) and financial institutions, with a target of covering all our clients in these segments by the end of 2024.

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<sup>1</sup> In the process of being rolled out for the Australian Purchasing function.

## ASSESSING EFFECTIVENESS

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Acknowledging the challenges of assessing and addressing modern slavery and human trafficking issues, BNP Paribas remains committed to the review and enhancement of its own processes and policies, in order to continually improve their range and effectiveness.

### FOR EMPLOYEE-TARGETED POLICIES

BNP Paribas tracks the effectiveness of its actions in this field through the percentage of employees contributing directly to the promotion of human rights who have received specific training. Since 2016, more than 22,000 employees of the Group have completed this training.

### FOR SUPPLIER-TARGETED POLICIES

The number of ESG assessments of suppliers and sub-contractors that are conducted as part of calls for tender, in particular those relating to categories of at-risk purchases, is a metric of BNP Paribas monitoring actions towards this type of stakeholder. In 2023, 5,312 ESG assessments were completed (compared with 5,188 in 2022) and 1,287 suppliers signed BNP Paribas Sustainable Sourcing Charter (compared with 1,519 in 2022)<sup>1</sup>.

### FOR FINANCING AND INVESTMENT ACTIVITIES

The opening and maintenance of a high-quality dialogue between the Group and the entities it finances or in which it invests, plays an important role in monitoring and remedying certain issues, including those relating to human rights. The changes in exclusion and monitoring lists (*i.e.*, the companies with which the Group does not wish to maintain commercial relations or invest in, or which are subject to increased monitoring, which may result from serious violations of human rights) is another indicator monitored by BNP Paribas. At the end of 2023, these lists numbered 1,718 legal entities (1,432 under exclusion and 286 under monitoring), against 1,490 at the end of 2022.

## PROCESS OF CONSULTATION FOR PREPARING THIS STATEMENT

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The information on this statement has been prepared thanks to the work and collaboration of relevant subject matter specialists, as well as members of the BNP Paribas CSR network, reaching through all functions, business lines and countries of the Group, where applicable (see *CSR taken to the highest level in the organisation*). The Group CSR and Group LEGAL Functions have coordinated this collaborative process over the past year, and in particular have consulted the designated contacts and experts for the United Kingdom and Australia.

## CONCLUSION

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This statement has been used by BNP Paribas to establish the annual statements required by the Modern Slavery Act 2015 of the United Kingdom and Modern Slavery Act 2018 (Cth) of Australia. The annual statement can be found on the *Publications* page of the Group website<sup>2</sup> (<https://group.bnpparibas/en/group/publications>).

This statement for the Group was approved by the Board of BNP Paribas SA as the parent entity on 27 February 2024.

Jean-Laurent BONNAFÉ  
Director and Chief Executive Officer

Jean LEMIERRE  
Chairman of the Board of directors

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<sup>1</sup> Number of suppliers in the portfolio who signed the BNP Paribas Sustainable Sourcing Charter. A new indicator has been defined in 2023, tracking the number of suppliers in the priority monitoring segment of the supplier portfolio (Sensitive Suppliers List, SSL) that endorsed the BNP Paribas Sustainable Sourcing Charter at the end of 2023. Suppliers are placed on the SSL if they belong to following categories:

1. Providers of sensitive outsourced services;
2. Sensitive external suppliers;
3. Suppliers deemed at high risk in terms of Compliance;
4. Sensitive suppliers identified as such during the onboarding;
5. Suppliers having triggered a risk event during the contract life cycle.

<sup>2</sup> BNP Paribas also publishes its statement on modern slavery and human trafficking on the Modern slavery statement registry, a platform run by the British government.

## 7.9 Aligned activities within the meaning of the European taxonomy

### REMINDER OF THE REGULATORY FRAMEWORK AND REPORTING OBLIGATIONS FOR FINANCIAL INSTITUTIONS

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The European Taxonomy (hereinafter referred to as the Taxonomy) is a system for classifying economic activities according to their contribution to the six environmental objectives defined by the European Commission in the various Regulations and Delegated Acts published between June 2020 and November 2023<sup>1</sup>.

The Taxonomy is based on two central concepts that are associated with the economic activities of companies subject to the NFRD<sup>2</sup> (and the CSRD when it comes into force<sup>3</sup>):

- eligibility, if the activity is described in one of the Delegated Regulations of the Taxonomy because of its high potential to contribute to any one of the six environmental objectives;
- alignment, which confirms the significant contribution of an eligible activity to one of the six environmental objectives, based on measurable criteria. An aligned activity is defined<sup>4</sup> as an activity that makes a substantial contribution to one of the environmental objectives without causing harm to the other objectives, *i.e.* that firstly satisfies all the technical screening criteria described in one of the delegated regulations, and secondly that meets the minimum guarantees.

European financial companies must publish their alignment indicators for the first time for the 2023 financial year, in addition to the eligibility indicators published in the previous two years.

The main alignment indicator is the ratio of green assets, or Green Asset Ratio (GAR), which concerns financing instruments (loans and advances, debt securities, equity instruments and repossessed collaterals) carried on the institution's balance sheet. This disclosure of the GAR is accompanied by the green ratio for financial guarantees and the green ratio for assets under management.

### SCOPE OF FINANCIAL ASSETS SUBJECT TO THE ELIGIBILITY ANALYSIS

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Each indicator is calculated based on the prudential scope of consolidation as presented in chapter 5 *Risks and capital adequacy – Pillar 3*, in accordance with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.

#### GREEN ASSET RATIO (GAR)

The measurement of financial assets covered by the taxonomy regulation is based on the gross carrying amount, *i.e.* before taking into account any provisions.

The ratio numerator measures the amounts of financial assets corresponding to aligned activities within the meaning of the taxonomy. Its scope of analysis covers the following financial assets (in the form of loans and advances, debt securities, equity instruments of listed counterparties and repossessed collaterals):

- outstandings on European companies subject to the NFRD;
- outstandings on European households in the three loan categories covered by the regulations (home loans; energy renovation loans; car loans granted since 1 January 2022);
- outstandings on local authorities for financing of public housing and other specialised financing, *i.e.* for which the allocation of funds is known;
- the carrying amount of repossessed property collateral.

<sup>1</sup> Regulation (EU) 2020/852 of 18 June 2020, Delegated Regulation (EU) 2021/2139 of 4 June 2021, Delegated Regulation (EU) 2022/1214 of 9 March 2022, Delegated Regulation (EU) 2023/2486 of 27 June 2023, Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139.

<sup>2</sup> Non-Financial Reporting Directive 2014/95/EU of 22 October 2014.

<sup>3</sup> Corporate Sustainability Reporting Directive EU 2022/2464 of 14 December 2022.

<sup>4</sup> EU Regulation No. 2020/852 of 18 June 2020.

The ratio denominator includes the following asset categories (in addition to the financial assets subject to alignment analysis for the calculation of the numerator):

- interbank current accounts;
- outstandings on hedging derivatives;
- outstandings to European companies not subject to the NFRD and outstandings with non-European counterparties;
- outstandings on households that do not fall within the three loan categories covered by the GAR (which are housing loans, energy renovation loans and car loans);
- cash on hand;
- other assets (e.g. property, plant and equipment, intangible assets, deferred tax assets).

The inclusion of assets excluded from numerator alignment analysis in the asset denominator (22.6% of total balance sheet assets, in gross carrying amount) causes a structural imbalance of the indicator. Consequently, this ratio cannot be a representative measurement indicator for alignment.

Exposures to central governments, central banks or supranational issuers are not covered by the regulations.

Details of the assets excluded by the regulations, which represent 49.4% of total balance sheet assets in gross carrying amount, are available in section 5.11 *Environmental, Social and Governance Risk*.

## RATIOS OF GREEN OFF-BALANCE SHEET ASSETS

Concerning the green ratio of financial guarantees, the scope of analysis for aligning guarantees, used to calculate the ratio numerator, covers financial guarantees whose counterparties are European companies subject to the NFRD. The denominator includes all financial guarantees granted to companies regardless of whether they are covered by the regulation. Yet again, a structural imbalance of the ratio must be considered, and consequently this ratio cannot be a representative measurement indicator for alignment.

Concerning the green ratio of assets under management, the scope of alignment covers instruments invested in European companies subject to the NFRD and investments in real estate assets. This covers both the asset management activities carried out by the Group, and the discretionary management of client portfolios in respect of investment funds, equity instruments, debt securities and investments in real estate assets. The same structural imbalance is observed, as the denominator includes all instruments regardless of whether they are covered by the regulations. Consequently, this ratio cannot be a representative measurement indicator for alignment.

Exposures to central governments, central banks or supranational issuers are also excluded from the off-balance sheet indicators.

## METHODOLOGY FOR ALIGNMENT QUALIFICATION UNDER THE EUROPEAN TAXONOMY

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The analysis of the eligibility and alignment of financial assets with the taxonomy is based on differentiated approaches according to the categories of counterparties: companies subject to the NFRD, local governments, European households and investment funds.

For counterparties subject to the NFRD, if the financial instrument funds are not allocated, the Group collects, *via* data providers, the share of alignment published by the counterparties, measured firstly based on their turnover and secondly based on their capital expenditure (CapEx). Within this category, given that financial companies will only publish their alignment indicators for the first time in 2024, the aligned share of financial instruments for these counterparties is zero by default for this disclosure. This treatment applies to the three ratios: the Green Asset Ratio – GAR, the green ratio for financial guarantees and the green ratio for assets under management.

In the GAR, the assets of the Group's specific entities, Cardif and Arval, recognised in the prudential balance sheet using the equity method, were treated similarly, respectively taking into account Cardif's investment indicators and Arval's turnover and CapEx.

Where the use of funds is known, the alignment measure should be based on information collected from the counterparty. The European Commission's draft communication published on 21 December 2023<sup>1</sup> on the interpretation of certain provisions of Delegated Regulation (EU) 2021/2178 specifies that banking institutions must collect evidence of alignment for each of the technical criteria on contribution to the climate objectives, but also document the justification for the absence of impact causing harm to the other four environmental objectives. Compliance with each of these criteria must also be certified by an independent third party. The level of collection of supporting documents required by the Commission's draft communication since December 2023 is not fully achievable, as the criteria required are neither subject to a professional standard in most cases, nor subject to a disclosure obligation. There can therefore be no valid certification. This is why no financial instrument whose use of funds is known has been reported in the GAR numerator, whether with respect to companies or local governments.

<sup>1</sup> [https://ec.europa.eu/finance/docs/law/231221-draft-commission-notice-eu-taxonomy-reporting-financials\\_en.pdf](https://ec.europa.eu/finance/docs/law/231221-draft-commission-notice-eu-taxonomy-reporting-financials_en.pdf).

With regard to households, a similar approach should be conducted to assess the alignment of housing loans, energy renovation loans and car loans, with the collection of evidence justifying each of the criteria for both key energy or low-carbon performance criteria, as well as for other criteria justifying the absence of negative impacts on the other four environmental objectives. With regard to the latter, no professional standard is currently available. The Group collects evidence from households for key energy or low-carbon performance criteria, such as energy performance certificates or vehicle registration numbers. It is not able to collect evidence for each of the other criteria, which is why the GAR numerator does not include any outstanding loans to households.

With regard to the investment funds covered by the green ratio of assets under management, and in particular those included in the portfolios under management mandate, the Group faces the problem of a lack of eligibility indicators and the alignment of funds. This lack of alignment indicators is specific to this year, since the first disclosures of the fund alignment indicators must take place no later than June 2024, in accordance with the EU Sustainable Finance Disclosure Regulation (SFDR) 2019/2088. The asset amounts for these funds are therefore currently considered as non-eligible and non-aligned.

## ALIGNMENT INDICATOR AMOUNTS AT 31 DECEMBER 2023

On the basis of the methodological elements presented above, the main alignment ratios required by the regulations are presented in the table below as of 31 December 2023:

### SUMMARY OF KEY PERFORMANCE INDICATORS (KPIs) TO BE PUBLISHED BY CREDIT INSTITUTIONS IN ACCORDANCE WITH ARTICLE 8 OF REGULATION (EU) 2020/852

|                      |                               |   |  |                |             |                                | % of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V) | % of assets excluded from the denominator of the GAR (Article 7 (1)) and Section 1.2.4 of Annex V) |
|----------------------|-------------------------------|---|--|----------------|-------------|--------------------------------|--|--|
|                      |                               | Total environmentally sustainable assets (turnover) | Total environmentally sustainable assets (CapEx) | KPI (turnover) | KPI (CapEx) | % coverage (over total assets) |  |  |
| in millions of euros |                               |   |  |                |             |                                |  |  |
| Main KPI             | Green asset ratio (GAR) stock | 9,254   | 19,793   | 0.78%          | 1.66%       | 28.06%                         | 22.57%   | 49.36%   |

| <i>in millions of euros</i> |                         | Total environmentally sustainable assets (turnover) | Total environmentally sustainable assets (CapEx) | KPI (turnover) | KPI (CapEx) |
|-----------------------------|-------------------------|---|--|----------------|-------------|
| Additional KPIs             | Financial guarantees    | 5,751   | 9,492  | 4.65%          | 7.68%       |
|                             | Assets under management | 8,659   | 14,456   | 1.98%          | 3.31%       |

Details of the other tables<sup>1</sup> are presented in the ESG regulatory indicators document on the Group's investor relations website<sup>2</sup>. The detailed calculation of the green asset ratio is presented in section 5.11 *Environmental, Social and Governance Risk*, in accordance with the disclosure requirements under ESG Pillar 3. The Group's green asset ratio, measured from counterparty revenue, was 0.8% of hedged assets at the end of December 2023. Eligible and non-aligned assets represent 22.5% of these same assets.

<sup>1</sup> The Group has interpreted that the date on which the flow indicators are first applied (for the GAR, for the ratio of financial guarantees and for assets under management) is 2025, for the year 2024.

<sup>2</sup> <https://invest.bnpparibas/document/aligned-activities-under-the-meaning-of-the-european-taxonomy>.

## **LIMITS OF THE REGULATORY RATIOS FOR ALIGNMENT WITH THE EUROPEAN TAXONOMY**

The ratio of green assets and the other indicators of alignment with the taxonomy applicable to banks, due to their methodological imbalances and their operational complexity, cannot reflect all of the Group's financing of the transition to a low-carbon economy.

Firstly, the analysis of the alignment with the European taxonomy only concerns companies subject to the NFRD, European households and specialised financing granted to European local governments. The regulations exclude the financing of SMEs and non-European companies. Specifically, they exclude from the analysis the financing of projects housed in dedicated vehicles, not subject to the NFRD regulation, even if they concern the financing of low-carbon infrastructure in Europe. Finally, the scope of the ratio limited to large companies subject to the NFRD regulation is very restrictive, given the Group's diversified business model.

Consequently, the imbalance between the assets falling within the scope of analysis of alignment under the numerator and the total assets covered by the denominator sets a structural ceiling for each of the Group's ratios, which was 55.4% in 2023. This cap is lower the more the business model is diversified in terms of clients and customers, products and locations.



The taxonomy alignment criteria are ambitious by definition, since they correspond to thresholds scientifically compatible with the European Union's carbon neutrality objective by 2050. However, by proposing only aligned or non-aligned results, the transition trajectory is not taken into account, even though it is the subject of a long-term effort already undertaken by the Group and its clients.

Finally, the climate performance criteria are accompanied by multiple additional conditions, aimed at ensuring that the activity does not cause significant harm to one of the Taxonomy's other five environmental objectives. The assessment of these conditions is complex, including issues of both interpretation of legislation and access to information. Most of the information to be collected by banks from their clients is not yet standardised or available. The need to take into account these final criteria significantly reduces the share of activities aligned by companies, especially since banks' collection of information for each of the criteria is currently not feasible.

This last finding has even more impact on loans to households, for which asset alignment would require the collection of data not related to climate performance, which individual customers are unable to collect. Also, by default, their efforts to contribute to a low-carbon economy are made invisible in the green asset ratios, even though outstanding home loans, renovations and car loans constitute a very significant portion of eligible assets.

These regulatory alignment indicators do not reflect the share of the Group's assets contributing to alignment with the European climate change mitigation and adaptation objectives, nor the efforts made by the Group to steer its business model towards a low-carbon economy, in particular through the alignment commitments of its loan portfolio and its assets under management (see Commitment 3, section 7.2).

Also, given the restrictive nature of these indicators, and in accordance with regulations, the Group aims to build and monitor an additional indicator comprising what it knows to be aligned elements of its portfolio which are not included in the regulatory calculations to date. This will enable the Group to measure the share of its assets financing activities which are aligned with European carbon neutrality objectives in all eligible activities. It better represents the efforts undertaken by a large international bank such as BNP Paribas, with a very diversified business model.

## PERCENTAGE OF ASSETS ALIGNED WITH THE PERFORMANCE CRITERIA IN ELIGIBLE ASSETS

The Group's proposed ratio of assets aligned with the climate performance criteria for all eligible assets enables trends to be monitored in financing granted by the Bank to assets contributing to Europe's carbon neutrality objectives.

At 31 December 2023, outstandings aligned with the Taxonomy's key performance criteria represented 11.6% of the Group's eligible outstandings.

This ratio covers the financing of European Union companies subject to the NFRD, whether or not the use of the funds is allocated, specialised financing granted to European local governments, and loans to European households which are covered by the Taxonomy, namely home loans, energy renovation loans and car loans.

The alignment measurement uses a simplified approach, based solely on compliance with the technical climate performance criteria, based on the following categories:

- For financing to companies subject to the NFRD whose use of funds is allocated, the alignment amount is identified based on a certificate of alignment with the Taxonomy collected from the client, which shows the percentage of alignment of the financed asset or project, and the environmental objective to which it contributes;
- For loans to households, alignment is assessed on the basis of a simplified approach<sup>1</sup>, based on the criteria of substantial contribution to the climate change mitigation objective (for example, for housing loans, verifying the energy performance certificate collected to ensure that the asset meets the energy performance criteria defined by the Taxonomy).

For financing to companies subject to the NFRD whose use of funds is not allocated, the measurement of the alignment is based on the key performance indicators disclosed by the counterparties, according to the methodology described previously in the section on methodology for alignment qualification under the European Taxonomy.

This ratio reflects the European market for the Group's strategy in favour of low-carbon energy financing, and the policy of supporting households with low-carbon housing, renovation and mobility solutions. The strategy for aligning its loan portfolio, applied to all its markets, is detailed in section 7.2, Commitment 3.

**31 December 2023**

| <i>in millions of euros</i>                     | <b>Total assets<br/>eligible for the<br/>Taxonomy</b> | <b>Total assets<br/>potentially aligned<br/>with the<br/>Taxonomy*</b> | <b>Share of assets<br/>aligned* with all<br/>eligible assets</b> |
|---|---|--|--|
| Exposures to counterparties subject to the NFRD | 49,513  | 10,836   | 21.9%  |
| Exposure to households                          | 227,656   | 21,266   | 9.3%   |

<sup>1</sup> As described in Annex 2 of the Implementing Regulation (EU) 2022/2453 of 30 November 2022, Template 7 – Mitigating actions: Assets for the calculation of GAR.

|                        |                |               |              |
|------------------------|----------------|---------------|--------------|
| <b>TOTAL EXPOSURES</b> | <b>277,169</b> | <b>32,101</b> | <b>11.6%</b> |
|------------------------|----------------|---------------|--------------|

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\* According to the simplified approach as described in the paragraph above, and on the basis of the turnover performance indicators

The following tables are also available at: <https://invest.bnpparibas/document/aligned-activities-under-the-meaning-of-the-european-taxonomy>.

## 1. ASSETS FOR THE CALCULATION OF GAR (GAR MEASURE BASED ON TURNOVER)

31 December 2023

|                      |   | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |                       |                   |       |  |                   |                          |                   |  |                   |  |                   |  |                   |  |                   |                          |                       |                   |       |       |       |
|----------------------|---|--|-----------------------|-------------------|-------|--|-------------------|--------------------------|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--------------------------|-----------------------|-------------------|-------|-------|-------|
|                      |   | Climate Change Mitigation (CCM)                                |                       |                   |       | Climate Change Adaptation (CCA)                                |                   |                          |                   | Water and marine resources (WTR)                               |                   | Circular economy (CE)  |                   | Pollution (PPC)  |                   | Biodiversity and Ecosystems (BIO)                              |                   |                          |                       |                   |       |       |       |
|                      |   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   |                          |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   |                          |                       |                   |       |       |       |
|                      |   | of which environmentally sustainable (Taxonomy-aligned)        |                       |                   |       | of which environmentally sustainable (Taxonomy-aligned)        |                   |                          |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   |                          |                       |                   |       |       |       |
|                      |   | of which Use of Proceeds                                       | of which transitional | of which enabling |       | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds | of which transitional | of which enabling |       |       |       |
| in millions of euros |   | Total [gross] carrying amount                                  |                       |                   |       |  |                   |                          |                   |  |                   |  |                   |  |                   |  |                   |                          |                       |                   |       |       |       |
|                      | GAR - Covered assets in both numerator and denominator  | 660,050  | 276,571               | 9,137             | 5,808 | 2,631  | 598               | 117                      |                   |  |                   |  |                   |  |                   |  |                   |                          |                       | 277,169           | 9,254 | 5,808 | 2,631 |
| 1                    | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 659,823  | 276,571               | 9,137             | 5,808 | 2,631  | 598               | 117                      |                   |  |                   |  |                   |  |                   |  |                   |                          |                       | 277,169           | 9,254 | 5,808 | 2,631 |
| 2                    | Financial undertakings  | 82,051   | 6,803                 | 546               | 495   | 403  | 34                | 4                        |                   |  |                   |  |                   |  |                   |  |                   |                          |                       | 6,837             | 550   | 495   | 403   |
| 3                    | Credit institutions   | 12,674   | 978                   |                   |       |  |                   |                          |                   |  |                   |  |                   |  |                   |  |                   |                          |                       | 978               |       |       |       |
| 4                    | Loans and advances  | 1,356  | 253                   |                   |       |  |                   |                          |                   |  |                   |  |                   |  |                   |  |                   |                          |                       | 253               |       |       |       |

|                      |                               | Climate Change Mitigation (CCM)                                |       |                       |  |                   |    |  | Climate Change Adaptation (CCA) |  |  | Water and marine resources (WTR)                               |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)                              |       | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) |     |                   |       |     |     |     |
|----------------------|-------------------------------|--|-------|-----------------------|--|-------------------|----|--|---------------------------------|--|--|--|--|--|--|--|--|--|-------|--|-----|-------------------|-------|-----|-----|-----|
|                      |                               | of which towards taxonomy relevant sectors (Taxonomy-eligible) |       |                       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   |    | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                                 | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |       |  |     |                   |       |     |     |     |
|                      |                               | of which environmentally sustainable (Taxonomy-aligned)        |       |                       | of which environmentally sustainable (Taxonomy-aligned)        |                   |    | of which environmentally sustainable (Taxonomy-aligned)        |                                 | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |       |  |     |                   |       |     |     |     |
|                      |                               | of which Use of Proceeds                                       |       | of which transitional |  | of which enabling |    | of which Use of Proceeds                                       |                                 | of which enabling  |  | of which Use of Proceeds                                       |  | of which enabling  |  | of which Use of Proceeds                                       |  | of which enabling  |       | of which Use of Proceeds                 |     | of which enabling |       |     |     |     |
| in millions of euros |                               | Total [gross] carrying amount                                  |       |                       |  |                   |    |  |                                 |  |  |  |  |  |  |  |  |  |       |  |     |                   |       |     |     |     |
| 5                    | Debt securities               | 6,137  | 725   |                       |  |                   |    |  |                                 |  |  |  |  |  |  |  |  |  |       |  |     | 725               |       |     |     |     |
| 6                    | Equity instruments            | 5,181  |       |                       |  |                   |    |  |                                 |  |  |  |  |  |  |  |  |  |       |  |     |                   |       |     |     |     |
| 7                    | Other financial corporations  | 69,377   | 5,825 | 546                   | 495  | 403               | 34 | 4  |                                 |  |  |  |  |  |  |  |  |  |       |  |     |                   | 5,859 | 550 | 495 | 403 |
| 8                    | of which investment firms     | 47,567   | 3,108 | 323                   | 323  | 231               | 21 | 3  |                                 |  |  |  |  |  |  |  |  |  |       |  |     |                   | 3,128 | 326 | 323 | 231 |
| 9                    | Loans and advances            | 31,470   | 1,799 | 221                   | 221  | 130               | 21 | 3  |                                 |  |  |  |  |  |  |  |  |  |       |  |     |                   | 1,820 | 224 | 221 | 130 |
| 10                   | Debt securities               | 11,305   | 1,309 | 102                   | 102  | 102               |    |  |                                 |  |  |  |  |  |  |  |  |  | 1,309 | 102                                      | 102 | 102               |       |     |     |     |
| 11                   | Equity instruments            | 4,792  |       |                       |  |                   |    |  |                                 |  |  |  |  |  |  |  |  |  |       |  |     |                   |       |     |     |     |
| 12                   | of which management companies | 8,039  | 2,231 | 172                   | 172  | 171               | 13 | 1  |                                 |  |  |  |  |  |  |  |  |  |       |  |     |                   | 2,244 | 173 | 172 | 171 |

|                      |                    | Climate Change Mitigation (CCM)                                |                       |                   | Climate Change Adaptation (CCA)                                |                   |    | Water and marine resources (WTR)                               |                   | Circular economy (CE)  |                   | Pollution (PPC)  |                   | Biodiversity and Ecosystems (BIO)                              |                   | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |
|----------------------|--------------------|--|-----------------------|-------------------|--|-------------------|----|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|
|                      |                    | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   |    | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |
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|                      |                    | of which Use of Proceeds                                       | of which transitional | of which enabling | of which Use of Proceeds                                       | of which enabling |    | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       |
| in millions of euros |                    | Total [gross] carrying amount                                  |                       |                   |  |                   |    |  |                   |  |                   |  |                   |  |                   |  |
| 13                   | Loans and advances | 6,424  | 2,219                 | 172               | 172  | 171               | 13 | 1  |                   |  |                   |  |                   |  |                   | 17   |
|                      |                    |  |                       |                   |  |                   |    |  |                   |  |                   |  |                   |  |                   | 3  |
|                      |                    |  |                       |                   |  |                   |    |  |                   |  |                   |  |                   |  |                   | 2  |
|                      |                    |  |                       |                   |  |                   |    |  |                   |  |                   |  |                   |  |                   | 1  |
| 14                   | Debt securities    | 752  | 12                    |                   |  |                   |    |  |                   |  |                   |  |                   |  |                   |  |
|                      |                    |  |                       |                   |  |                   |    |  |                   |  |                   |  |                   |  |                   |  |
| 15                   | Equity instruments | 863  |                       |                   |  |                   |    |  |                   |  |                   |  |                   |  |                   |  |
|                      |                    |  |                       |                   |  |                   |    |  |                   |  |                   |  |                   |  |                   |  |

|                      |                                 | Climate Change Mitigation (CCM)                                |        |       | Climate Change Adaptation (CCA)                                |       |     | Water and marine resources (WTR)                               |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)                              |  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |       |       |       |
|----------------------|---------------------------------|--|--------|-------|--|-------|-----|--|--|--|--|--|--|--|--|--|-------|-------|-------|
|                      |                                 | of which towards taxonomy relevant sectors (Taxonomy-eligible) |        |       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |       |     | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |       |       |       |
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|                      |                                 | of which Use of Proceeds                                       |        |       | of which Use of Proceeds                                       |       |     | of which Use of Proceeds                                       |  | of which Use of Proceeds                                       |  | of which Use of Proceeds                                       |  | of which Use of Proceeds                                       |  | of which Use of Proceeds                                       |       |       |       |
|                      |                                 | of which transitional  |        |       | of which transitional  |       |     | of which transitional  |  | of which transitional  |  | of which transitional  |  | of which transitional  |  | of which transitional  |       |       |       |
|                      |                                 | of which enabling  |        |       | of which enabling  |       |     | of which enabling  |  | of which enabling  |  | of which enabling  |  | of which enabling  |  | of which enabling  |       |       |       |
| in millions of euros |                                 | Total [gross] carrying amount                                  |        |       |  |       |     |  |  |  |  |  |  |  |  |  |       |       |       |
| 16                   | of which insurance undertakings | 13,771   | 487    | 51    | 0  | 0     |     |  |  |  |  |  |  |  |  | 487  | 51    | 0     | 0     |
| 17                   | Loans and advances              | 5,727  | 48     | 0     | 0  | 0     |     |  |  |  |  |  |  |  |  | 48   | 0     | 0     | 0     |
| 18                   | Debt securities                 | 3,445  | 8      |       |  |       |     |  |  |  |  |  |  |  |  | 8  |       |       |       |
| 19                   | Equity instruments              | 4,599  | 431    | 51    |  |       |     |  |  |  |  |  |  |  |  | 431  | 51    |       |       |
| 20                   | Non-financial undertakings      | 258,850  | 42,107 | 8,590 | 5,313  | 2,228 | 564 | 113  |  |  |  |  |  |  |  | 42,672   | 8,704 | 5,313 | 2,228 |
| 21                   | Loans and advances              | 250,750  | 37,862 | 7,585 | 4,769  | 1,935 | 564 | 113  |  |  |  |  |  |  |  | 38,427   | 7,698 | 4,769 | 1,935 |
| 22                   | Debt securities                 | 2,045  | 1,137  | 534   | 534  | 290   |     |  |  |  |  |  |  |  |  | 1,137  | 534   | 290   |       |
| 23                   | Equity instruments              | 6,055  | 3,108  | 471   | 9  | 3     |     |  |  |  |  |  |  |  |  | 3,108  | 471   | 9     | 3     |

|                      |            | Climate Change Mitigation (CCM)                                |                       |                   | Climate Change Adaptation (CCA)                                |                   | Water and marine resources (WTR)                               |                   | Circular economy (CE)  |                   | Pollution (PPC)  |                   | Biodiversity and Ecosystems (BIO)                              |                   | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |                       |                   |
|----------------------|------------|--|-----------------------|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-----------------------|-------------------|
|                      |            | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |
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|                      |            | of which Use of Proceeds                                       | of which transitional | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which transitional | of which enabling |
| in millions of euros |            | Total [gross] carrying amount                                  |                       |                   |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |
| 24                   | Households | 307,637  | 227,656               |                   |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       | 227,656           |

|    |   | Total<br>[gross]<br>carrying<br>amount |                       | Climate Change Mitigation (CCM)                                |                          |                   |                          | Climate Change Adaptation (CCA)                                |                          | Water and marine resources (WTR)                               |                          | Circular economy (CE)  |                          | Pollution (PPC)  |                          | Biodiversity and Ecosystems (BIO)                              |                          | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |                   |   |
|----|---|--|-----------------------|--|--------------------------|-------------------|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|-------------------|---|
|    |   |  |                       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          |                   |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   |   |
|    |   |  |                       |  |                          |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |  |                   |   |
|    |   |  |                       | in millions of euros   |                          |                   |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned) |
|    |   |  |                       |  |                          |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |  |                   |   |
|    |   | of which Use of Proceeds               | of which transitional | of which enabling  | of which Use of Proceeds | of which enabling | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which transitional  | of which enabling |   |
| 25 | of which loans collateralised by residential immovable property | 208,499                                | 208,499               |  |                          |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          | 208,499  |                   |   |
| 26 | of which building renovation loans                              | 4,617                                  | 4,617                 |  |                          |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          | 4,617  |                   |   |
| 27 | of which motor vehicle loans                                    | 14,540                                 | 14,540                |  |                          |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          | 14,540   |                   |   |
| 28 | Local governments financing                                     | 11,286                                 | 4                     |  |                          |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          | 4  |                   |   |
| 29 | Housing financing   |  |                       |  |                          |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |  |                   |   |
| 30 | Other local government financing                                | 11,286                                 | 4                     |  |                          |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          | 4  |                   |   |
| 31 | Collateral obtained   | 227                                    |                       |  |                          |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |  |                   |   |





|  |  | Taxonomy-eligible, Taxonomy-aligned and enabling activities    |                       |                   |  |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |
|--|--|--|-----------------------|-------------------|--|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-----------------------|-------------------|
|  |  | Climate Change Mitigation (CCM)                                |                       |                   |  | Climate Change Adaptation (CCA)                                |                   | Water and marine resources (WTR)                               |                   | Circular economy (CE)  |                   | Pollution (PPC)  |                   | Biodiversity and Ecosystems (BIO)                              |                   | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) |                       |                   |
|  |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   |  |                       |                   |
|  |  | of which environmentally sustainable (Taxonomy-aligned)        |                       |                   |  | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   |  |                       |                   |
|  |  | of which Use of Proceeds                                       | of which transitional | of which enabling |  | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                 | of which transitional | of which enabling |
| in millions of euros   |  | Total [gross] carrying amount                                  |                       |                   |  |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |
| advances   |  |  |                       |                   |  |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |
| of which loans collateralised by commercial immovable property |  | 24,358   |                       |                   |  |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |
| 36   |  |  |                       |                   |  |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |

|                      |  |         | Climate Change Mitigation (CCM)                                |                       |                   | Climate Change Adaptation (CCA)                                |                   |                          | Water and marine resources (WTR)                               |                          | Circular economy (CE)  |                          | Pollution (PPC)  |                          | Biodiversity and Ecosystems (BIO)                              |                          | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |                          |                       |                   |
|----------------------|--|---------|--|-----------------------|-------------------|--|-------------------|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|-----------------------|-------------------|
|                      |  |         | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          |                       |                   |
|                      |  |         | of which environmentally sustainable (Taxonomy-aligned)        |                       |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        |                          |                       |                   |
|                      |  |         | of which Use of Proceeds                                       | of which transitional | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which transitional | of which enabling |
| in millions of euros |  |         | Total [gross] carrying amount                                  |                       |                   |  |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |                       |                   |
| 37                   | of which building renovation loans                                       | 0       |  |                       |                   |  |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |                       |                   |
| 38                   | Debt securities  | 177     |  |                       |                   |  |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |                       |                   |
| 39                   | Equity instruments   | 1,058   |  |                       |                   |  |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |                       |                   |
| 40                   | Non-EU country counterparties not subject to NFRD disclosure obligations | 129,776 |  |                       |                   |  |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |                       |                   |
| 41                   | Loans and advances   | 125,265 |  |                       |                   |  |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |                       |                   |
| 42                   | Debt securities  | 4,207   |  |                       |                   |  |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |                       |                   |
| 43                   | Equity instruments   | 305     |  |                       |                   |  |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |                       |                   |
| 44                   | Derivatives  | 21,814  |  |                       |                   |  |                   |                          |  |                          |  |                          |  |                          |  |                          |  |                          |                       |                   |

|                      |  |           | Climate Change Mitigation (CCM)                                |  |  | Climate Change Adaptation (CCA)                                |                       | Water and marine resources (WTR)                               |                          | Circular economy (CE)  |                          | Pollution (PPC)  |                          | Biodiversity and Ecosystems (BIO)                              |                          | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |                          |                   |
|----------------------|--|-----------|--|--|--|--|-----------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|-------------------|
|                      |  |           | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          |                   |
|                      |  |           |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |
|                      |  |           | Total [gross] carrying amount                                  |  |  | of which Use of Proceeds                                       | of which transitional | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling |
| in millions of euros |  |           |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |
| 45                   | On demand interbank loans                                    | 7,139     |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |
| 46                   | Cash and cash-related assets                                 | 2,694     |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |
| 47                   | Other categories of assets (e.g. Goodwill, commodities etc.) | 308,610   |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |
| 48                   | Total GAR assets   | 1,191,002 |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |
| 49                   | Assets not covered for GAR calculation                       | 1,161,082 |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |
| 50                   | Central governments and Supranational issuers                | 141,256   |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |
| 51                   | Central banks exposures                                      | 300,225   |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |
| 52                   | Assets Held for Trading                                      | 719,602   |  |  |  |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |                   |

|   |                             | Climate Change Mitigation (CCM)                                |        |  |       | Climate Change Adaptation (CCA)                                |       |  |  | Water and marine resources (WTR)                               |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO) |  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) |  |                          |  |                       |  |                   |  |        |       |       |       |
|---|-----------------------------|--|--------|--|-------|--|-------|--|--|--|--|--|--|--|--|-----------------------------------|--|--|--|--------------------------|--|-----------------------|--|-------------------|--|--------|-------|-------|-------|
|   |                             |  |        |  |       |  |       |  |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  |        |       |       |       |
|   |                             | of which towards taxonomy relevant sectors (Taxonomy-eligible) |        | of which towards taxonomy relevant sectors (Taxonomy-eligible) |       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  |                                   |  |  |  |                          |  |                       |  |                   |  |        |       |       |       |
|   |                             |  |        |  |       |  |       |  |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  |        |       |       |       |
| Total [gross] carrying amount   |                             | of which Use of Proceeds                                       |        | of which transitional  |       | of which enabling  |       | of which Use of Proceeds                                       |  | of which enabling  |  | of which Use of Proceeds                                       |  | of which enabling  |  | of which Use of Proceeds          |  | of which enabling                        |  | of which Use of Proceeds |  | of which transitional |  | of which enabling |  |        |       |       |       |
|   |                             |  |        |  |       |  |       |  |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  |        |       |       |       |
| in millions of euros  |                             |  |        |  |       |  |       |  |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  |        |       |       |       |
| 53  | Total assets                | 2,352,085  |        |  |       |  |       |  |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  |        |       |       |       |
| Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations |                             |  |        |  |       |  |       |  |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  |        |       |       |       |
| 54  | Financial guarantees        | 126,240  | 13,654 | 5,691  | 5,735 | 3,545  | 144   | 60   |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  | 13,798 | 5,751 | 5,735 | 3,545 |
| 55  | Assets under management     | 294,086  | 72,010 | 8,512  | 626   | 3,897  | 1,246 | 147  |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  | 73,256 | 8,659 | 626   | 3,897 |
| 56  | of which debt securities    | 153,372  | 31,553 | 4,949  | 487   | 2,152  | 328   | 51   |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  | 31,881 | 5,001 | 487   | 2,152 |
| 57  | of which equity instruments | 65,146   | 11,781 | 2,891  | 139   | 1,756  | 388   | 95   |  |  |  |  |  |  |  |                                   |  |  |  |                          |  |                       |  |                   |  | 12,169 | 2,987 | 139   | 1,756 |

## 2. GAR SECTOR INFORMATION (GAR MEASURE BASED ON TURNOVER)

31 December 2023

| Breakdown by sector<br>in millions of euros            | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|  | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| 1 A - Agriculture, forestry and fishing                | 25   | -  |  |  |  |  |  |  |  |  |  |  | 25   | -  |
| 2 B - Mining and quarrying                             | 120  | 22   | 1  | -  |  |  |  |  |  |  |  |  | 121  | 22   |
| 3 B.05 - Mining of coal and lignite                    |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 4 B.06 - Extraction of crude petroleum and natural gas | 89   | 11   |  |  |  |  |  |  |  |  |  |  | 89   | 11   |
| 5 B.07 - Mining of metal ores                          | 2  | 1  |  |  |  |  |  |  |  |  |  |  | 2  | 1  |
| 6 B.08 - Other mining and quarrying                    | 15   | 3  | -  | -  |  |  |  |  |  |  |  |  | 15   | 4  |
| 7 B.09 - Mining support service activities             | 15   | 7  | -  | -  |  |  |  |  |  |  |  |  | 15   | 7  |
| 8 C - Manufacturing                                    | 5,081  | 1,115  | 303  | 62   |  |  |  |  |  |  |  |  | 5,383  | 1,177  |
| 9 C.10 - Manufacture of food products                  | 106  | 1  | 2  | -  |  |  |  |  |  |  |  |  | 108  | 1  |

|   |  | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   |  | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   |  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
| Breakdown by sector<br>in millions of euros |  | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| 10  | C.11 - Manufacture of beverages                              | 12   |  |  |  |  |  |  |  |  |  |  |  | 12   |  |
| 11  | C.12 - Manufacture of tobacco products                       | 0  |  |  |  |  |  |  |  |  |  |  |  | -  |  |
| 12  | C.13 - Manufacture of textiles                               | 3  |  |  |  |  |  |  |  |  |  |  |  | 3  |  |
| 13  | C.14 - Manufacture of wearing apparel                        | 0  |  |  |  |  |  |  |  |  |  |  |  | -  |  |
| 14  | C.15 - Manufacture of leather and related products           | 1  |  |  |  |  |  |  |  |  |  |  |  | 1  |  |
| 15  | C.16 - Manufacture of wood and of products of wood and cork, | 13   | 5  |  | 1  | -  |  |  |  |  |  |  |  | 15   | 5  |
| 16  | C.17 - Manufacture of paper and paper products               | 2  | -  |  | 87   | 19   |  |  |  |  |  |  |  | 89   | 19   |
| 17  | C.18 - Printing and reproduction of recorded media           | 4  | -  |  |  |  |  |  |  |  |  |  |  | 4  | -  |
| 18  | C.19 - Manufacture of coke and refined petroleum             | 47   | 17   |  |  |  |  |  |  |  |  |  |  | 47   | 17   |

|   |   | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|---|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   |   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   |   | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|   |   | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| Breakdown by sector<br>in millions of euros |   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| products                                    |   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 19  | C.20 - Manufacture of chemicals and chemical products                               | 386  | 25   | 12   | 1  |  |  |  |  |  |  |  |  | 398  | 26   |
| 20  | C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations | 3  |  |  |  |  |  |  |  |  |  |  |  | 3  |  |
| 21  | C.22 - Manufacture of rubber products   | 69   | 1  | 61   | 1  |  |  |  |  |  |  |  |  | 130  | 2  |
| 22  | C.23 - Manufacture of other non-metallic mineral products                           | 101  | 29   | 36   | 11   |  |  |  |  |  |  |  |  | 137  | 40   |
| 23  | C.24 - Manufacture of basic metals  | 572  | 164  | 16   | 5  |  |  |  |  |  |  |  |  | 587  | 168  |
| 24  | C.25 - Manufacture of fabricated metal products, except machinery and equipment     | 125  | 17   | 4  | -  |  |  |  |  |  |  |  |  | 129  | 18   |
| 25  | C.26 - Manufacture of computer, electronic and                                      | 114  | 15   | 1  | -  |  |  |  |  |  |  |  |  | 115  | 15   |



|   |  | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   |  | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   |  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|   |  | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| <b>Breakdown by sector</b><br><i>in millions of euros</i> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <i>optical products</i>                                   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 26  | C.27 - Manufacture of electrical equipment                       | 599  | 245  | -  | -  |  |  |  |  |  |  |  |  | 599  | 245  |
| 27  | C.28 - Manufacture of machinery and equipment n.e.c.             | 309  | 67   | 1  | -  |  |  |  |  |  |  |  |  | 310  | 67   |
| 28  | C.29 - Manufacture of motor vehicles, trailers and semi-trailers | 1,294  | 60   | 81   | 25   |  |  |  |  |  |  |  |  | 1,374  | 85   |
| 29  | C.30 - Manufacture of other transport equipment                  | 966  | 372  |  |  |  |  |  |  |  |  |  |  | 966  | 372  |
| 30  | C.31 - Manufacture of furniture                                  | 6  | -  |  |  |  |  |  |  |  |  |  |  | 6  | -  |
| 31  | C.32 - Other manufacturing                                       | 6  | 3  |  |  |  |  |  |  |  |  |  |  | 6  | 3  |
| 32  | C.33 - Repair and installation of machinery and equipment        | 343  | 94   | 1  | -  |  |  |  |  |  |  |  |  | 344  | 94   |
| 33  | D - Electricity, gas, steam and air conditioning supply          | 4,635  | 1,339  |  |  |  |  |  |  |  |  |  |  | 4,635  | 1,339  |

|   |   | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|---|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   |   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   |   | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
| Breakdown by sector<br>in millions of euros |   | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| 34  | D35.1 - Electric power generation, transmission and distribution        | 4,452  | 1,323  |  |  |  |  |  |  |  |  |  |  | 4,452  | 1,323  |
| 35  | D35.11 - Production of electricity                                      | 3,695  | 824  |  |  |  |  |  |  |  |  |  |  | 3,695  | 824  |
| 36  | D35.2 - Manufacture of gas; distribution of gaseous fuels through mains | 80   | 13   |  |  |  |  |  |  |  |  |  |  | 80   | 13   |
| 37  | D35.3 - Steam and air conditioning supply                               | 104  | 3  |  |  |  |  |  |  |  |  |  |  | 104  | 3  |

| Breakdown by sector<br>in millions of euros                                 | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|   | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| 38 E - Water supply; sewerage, waste management and remediation activities  | 209  | 89   | 3  | 1  |  |  |  |  |  |  |  |  | 213  | 91   |
| 39 F - Construction   | 1,768  | 374  | 16   | 2  |  |  |  |  |  |  |  |  | 1,785  | 377  |
| 40 F.41 - Construction of buildings   | 1,214  | 134  | 13   | 1  |  |  |  |  |  |  |  |  | 1,227  | 135  |
| 41 F.42 - Civil engineering   | 297  | 70   | 3  | 1  |  |  |  |  |  |  |  |  | 301  | 70   |
| 42 F.43 - Specialised construction activities                               | 257  | 171  | 0  | 0  |  |  |  |  |  |  |  |  | 257  | 171  |
| 43 G - Wholesale and retail trade; repair of motor vehicles and motorcycles | 1,927  | 654  | 67   | 23   |  |  |  |  |  |  |  |  | 1,994  | 677  |
| 44 H - Transportation and storage   | 1,303  | 311  | 11   | 3  |  |  |  |  |  |  |  |  | 1,314  | 314  |
| 45 H.49 - Land transport and transport via pipelines                        | 428  | 93   | 3  | 1  |  |  |  |  |  |  |  |  | 430  | 93   |
| 46 H.50 - Water transport   | 162  | 6  |  |  |  |  |  |  |  |  |  |  | 162  | 6  |
| 47 H.51 - Air transport   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

| Breakdown by sector<br>in millions of euros                     | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|   | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| 48 H.52 - Warehousing and support activities for transportation | 712  | 212  | 9  | 3  |  |  |  |  |  |  |  |  | 720  | 214  |
| 49 H.53 - Postal and courier activities                         | 2  | -  |  |  |  |  |  |  |  |  |  |  | 2  | -  |
| 50 I - Accommodation and food service activities                | 25   | 1  | -  | -  |  |  |  |  |  |  |  |  | 25   | 1  |
| 51 L - Real estate activities                                   | 2,410  | 212  | 51   | 5  |  |  |  |  |  |  |  |  | 2,461  | 217  |
| 52 K - Financial and insurance activities                       | 3,892  | 454  | 67   | 9  |  |  |  |  |  |  |  |  | 3,959  | 462  |
| 53 Exposures to other sectors (NACE codes J, M - U)             | 20,712   | 4,019  | 45   | 8  |  |  |  |  |  |  |  |  | 20,757   | 4,027  |

### 3. GAR KPI STOCK (GAR MEASURE BASED ON TURNOVER)

31 December 2023

|  |   | Climate Change Mitigation (CCM)  |                       |                   |                          | Climate Change Adaptation (CCA)  |                          | Water and marine resources (WTR)   |                          | Circular economy (CE)  |                          | Pollution (PPC)  |                          | Biodiversity and Ecosystems (BIO)  |                          | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                   |                                    |        |
|--|---|--|-----------------------|-------------------|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|-------------------|------------------------------------|--------|
|  |   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   |                                    |        |
|  |   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   |                                    |        |
|  |   | of which Use of Proceeds   | of which transitional | of which enabling | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which transitional  | of which enabling | Proportion of total assets covered |        |
| GAR - Covered assets in both numerator and denominator |   | 23.22%   | 0.77%                 | 0.49%             | 0.22%                    | 0.05%  | 0.01%                    |  |                          |  |                          |  |                          |  | 23.27%                   | 0.78%  | 0.49%             | 0.22%                              | 28.06% |
| 1  | Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation | 23.22%   | 0.77%                 | 0.49%             | 0.22%                    | 0.05%  | 0.01%                    |  |                          |  |                          |  |                          |  | 23.27%                   | 0.78%  | 0.49%             | 0.22%                              | 28.05% |
| 2  | Financial undertakings  | 0.57%  | 0.05%                 | 0.04%             | 0.03%                    |  |                          |  |                          |  |                          |  |                          |  | 0.57%                    | 0.05%  | 0.04%             | 0.03%                              | 3.49%  |
| 3  | Credit institutions   | 0.08%  |                       |                   |                          |  |                          |  |                          |  |                          |  |                          |  | 0.08%                    |  |                   |                                    | 0.54%  |
| 4  | Loans and advances  | 0.02%  |                       |                   |                          |  |                          |  |                          |  |                          |  |                          |  | 0.02%                    |  |                   |                                    | 0.06%  |
| 5  | Debt securities   | 0.06%  |                       |                   |                          |  |                          |  |                          |  |                          |  |                          |  | 0.06%                    |  |                   |                                    | 0.26%  |

% (compared to total covered assets in the denominator)

| Climate Change Mitigation (CCM)  |  |  |  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |  |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  |  |  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  |  |
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  |  |  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  |  |
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% (compared to total covered assets in the denominator)

|    |                                 | Climate Change Mitigation (CCM)  |                       | Climate Change Adaptation (CCA)   |                          | Water and marine resources (WTR)   |                          | Circular economy (CE)   |                          | Pollution (PPC)  |                          | Biodiversity and Ecosystems (BIO)   |                          | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)  |                          |                       |                   |                                    |  |  |
|----|---------------------------------|--|-----------------------|---|--------------------------|--|--------------------------|---|--------------------------|--|--------------------------|---|--------------------------|---|--------------------------|-----------------------|-------------------|------------------------------------|--|--|
|    |                                 | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) |                          |                       |                   |                                    |  |  |
|    |                                 | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) |                          |                       |                   |                                    |  |  |
|    |                                 | of which Use of Proceeds   | of which transitional | of which enabling   | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling   | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling   | of which Use of Proceeds | of which enabling   | of which Use of Proceeds | of which transitional | of which enabling | Proportion of total assets covered |  |  |
| 15 | Equity instruments              |  |                       |   |                          |  |                          |   |                          |  |                          |   |                          |   |                          |                       |                   | 0.04%                              |  |  |
| 16 | of which insurance undertakings | 0.04%  | 0.00%                 |   |                          |  |                          |   |                          |  |                          |   |                          | 0.04%   |                          |                       |                   | 0.59%                              |  |  |
| 17 | Loans and advances              | 0.00%  | 0.00%                 |   |                          |  |                          |   |                          |  |                          |   |                          |   |                          |                       |                   | 0.24%                              |  |  |
| 18 | Debt securities                 | 0.00%  |                       |   |                          |  |                          |   |                          |  |                          |   |                          |   |                          |                       |                   | 0.15%                              |  |  |
| 19 | Equity instruments              | 0.04%  |                       |   |                          |  |                          |   |                          |  |                          |   |                          | 0.04%   |                          |                       |                   | 0.20%                              |  |  |
| 20 | Non-financial undertakings      | 3.54%  | 0.72%                 | 0.45%   | 0.19%                    | 0.05%  | 0.01%                    |   |                          |  |                          |   |                          | 3.58%   | 0.73%                    | 0.45%                 | 0.19%             | 11.01%                             |  |  |
| 21 | Loans and advances              | 3.18%  | 0.64%                 | 0.40%   | 0.16%                    | 0.05%  | 0.01%                    |   |                          |  |                          |   |                          | 3.23%   | 0.65%                    | 0.40%                 | 0.16%             | 10.66%                             |  |  |
| 22 | Debt securities                 | 0.10%  | 0.04%                 | 0.04%   | 0.02%                    |  |                          |   |                          |  |                          |   |                          | 0.10%   | 0.04%                    | 0.04%                 | 0.02%             | 0.09%                              |  |  |
| 23 | Equity instruments              | 0.26%  | 0.04%                 |   |                          |  |                          |   |                          |  |                          |   |                          | 0.26%   | 0.04%                    |                       |                   | 0.26%                              |  |  |

|    |   | Climate Change Mitigation (CCM)  | Climate Change Adaptation (CCA)  | Water and marine resources (WTR)   | Circular economy (CE)  | Pollution (PPC)  | Biodiversity and Ecosystems (BIO)  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                          |                       |                   |                                    |
|----|---|--|--|--|--|--|--|--|--------------------------|-----------------------|-------------------|------------------------------------|
|    |   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          |                       |                   |                                    |
|    |   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          |                       |                   |                                    |
|    |   | of which Use of Proceeds   | of which transitional  | of which enabling  | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds | of which transitional | of which enabling | Proportion of total assets covered |
| 24 | Households  | 19.11%   |  |  |  |  |  |  | 19.11%                   |                       |                   | 13.08%                             |
| 25 | of which loans collateralised by residential immovable property                           | 17.51%   |  |  |  |  |  |  | 17.51%                   |                       |                   | 8.86%                              |
| 26 | of which building renovation loans  | 0.39%  |  |  |  |  |  |  | 0.39%                    |                       |                   | 0.20%                              |
| 27 | of which motor vehicle loans  | 1.22%  |  |  |  |  |  |  | 1.22%                    |                       |                   | 0.62%                              |
| 28 | Local governments financing   |  |  |  |  |  |  |  |                          |                       |                   | 0.48%                              |
| 29 | Housing financing   |  |  |  |  |  |  |  |                          |                       |                   |                                    |
| 30 | Other local government financing  |  |  |  |  |  |  |  |                          |                       |                   | 0.48%                              |
| 31 | Collateral obtained by taking possession: residential and commercial immovable properties |  |  |  |  |  |  |  |                          |                       |                   |                                    |



| Climate Change Mitigation (CCM)  |                       |                   | Climate Change Adaptation (CCA)  | Water and marine resources (WTR)   | Circular economy (CE)  | Pollution (PPC)  | Biodiversity and Ecosystems (BIO)  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                          |                       |                   |                                    |
|--|-----------------------|-------------------|--|--|--|--|--|--|--------------------------|-----------------------|-------------------|------------------------------------|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          |                       |                   |                                    |
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          |                       |                   |                                    |
| of which Use of Proceeds   | of which transitional | of which enabling | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds | of which transitional | of which enabling | Proportion of total assets covered |
| 32 Total GAR assets  |                       |                   |  |  |  |  |  |  |                          |                       |                   |                                    |

% (compared to total covered assets in the denominator)

## 5. KPI OFF-BALANCE SHEET EXPOSURES (GAR MEASURE BASED ON TURNOVER)

31 December 2023

|   |                                    | Climate Change   |       |  |       |  |       |  |       | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO) |       |       |       |       |
|---|------------------------------------|--|-------|--|-------|--|-------|--|-------|--|--|--|--|--|--|--|--|--|-------|-------|-------|-------|
|   |                                    | Climate Change Mitigation (CCM)  |       |  |       | Climate Change Adaptation (CCA)  |       |  |       |  |  |  |  |  |  |  |  |  |       |       |       |       |
|   |                                    | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |       |  |       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |       |  |       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  |  |       |       |       |       |
|   |                                    | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |       |  |       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |       |  |       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  |  |       |       |       |       |
|   |                                    | of which Use of Proceeds of which transitional of which enabling                         |       | of which Use of Proceeds of which enabling |       | of which Use of Proceeds of which enabling   |       | of which Use of Proceeds of which enabling |       | of which Use of Proceeds of which enabling   |  | of which Use of Proceeds of which enabling   |  | of which Use of Proceeds of which enabling   |  | of which Use of Proceeds of which transitional of which enabling                         |  |  |       |       |       |       |
| 1 | Financial guarantees (FinGuar KPI) | 11.04%   | 4.60% | 4.64%                                      | 2.87% | 0.12%  | 0.05% | 0.00%                                      | 0.00% |  |  |  |  |  |  |  |  | 11.16%                                   | 4.65% | 0.00% | 4.64% | 2.87% |
| 2 | Assets under management (AuM KPI)  | 16.49%   | 1.95% | 0.14%                                      | 0.89% | 0.29%  | 0.03% | 0.00%                                      | 0.00% |  |  |  |  |  |  |  |  | 16.77%                                   | 1.98% | 0.00% | 0.14% | 0.89% |

% (compared to total eligible off-balance sheet assets)

The following tables are also available at: <https://invest.bnpparibas/document/aligned-activities-under-the-meaning-of-the-european-taxonomy>.

## 1. ASSETS FOR THE CALCULATION OF GAR (GAR MEASURE BASED ON CAPEX)

31 December 2023

|                      |   | Climate Change Mitigation (CCM)                                |         |        | Climate Change Adaptation (CCA)                                |       |       | Water and marine resources (WTR)                               |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)                              |  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |        |        |       |
|----------------------|---|--|---------|--------|--|-------|-------|--|--|--|--|--|--|--|--|--|--------|--------|-------|
|                      |   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |         |        | of which towards taxonomy relevant sectors (Taxonomy-eligible) |       |       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |        |        |       |
|                      |   | of which environmentally sustainable (Taxonomy-aligned)        |         |        | of which environmentally sustainable (Taxonomy-aligned)        |       |       | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |        |        |       |
|                      |   | of which Use of Proceeds                                       |         |        | of which Use of Proceeds                                       |       |       | of which Use of Proceeds                                       |  | of which Use of Proceeds                                       |  | of which Use of Proceeds                                       |  | of which Use of Proceeds                                       |  | of which Use of Proceeds                                       |        |        |       |
|                      |   | of which transitional  |         |        | of which transitional  |       |       | of which transitional  |  | of which transitional  |  | of which transitional  |  | of which transitional  |  | of which transitional  |        |        |       |
|                      |   | of which enabling  |         |        | of which enabling  |       |       | of which enabling  |  | of which enabling  |  | of which enabling  |  | of which enabling  |  | of which enabling  |        |        |       |
| in millions of euros |   | Total [gross] carrying amount                                  |         |        |  |       |       |  |  |  |  |  |  |  |  |  |        |        |       |
|                      | GAR - Covered assets in both numerator and denominator  | 660,050  | 290,828 | 19,383 | 10,111   | 4,561 | 1,332 | 410  |  |  |  |  |  |  |  | 292,159  | 19,793 | 10,111 | 4,561 |
| 1                    | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 659,823  | 290,828 | 19,383 | 10,111   | 4,561 | 1,332 | 410  |  |  |  |  |  |  |  | 292,159  | 19,793 | 10,111 | 4,561 |
| 2                    | Financial undertakings  | 82,051   | 7,248   | 1,207  | 1,116  | 928   | 48    | 8  |  |  |  |  |  |  |  | 7,296  | 1,215  | 1,116  | 928   |
| 3                    | Credit institutions   | 12,674   | 978     | 0      | 0  | 0     |       |  |  |  |  |  |  |  |  | 978  | 0      | 0      | 0     |

|                      |                              |                               |       |       | Climate Change Mitigation (CCM)                                |                       | Climate Change Adaptation (CCA)                                |                          | Water and marine resources (WTR)                               | Circular economy (CE)  | Pollution (PPC)  | Biodiversity and Ecosystems (BIO)                              | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |                          |                       |                   |
|----------------------|------------------------------|-------------------------------|-------|-------|--|-----------------------|--|--------------------------|--|--|--|--|--|--------------------------|-----------------------|-------------------|
|                      |                              |                               |       |       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          |                       |                   |
|                      |                              |                               |       |       | of which environmentally sustainable (Taxonomy-aligned)        |                       | of which environmentally sustainable (Taxonomy-aligned)        |                          | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        |                          |                       |                   |
|                      |                              |                               |       |       | of which Use of Proceeds                                       | of which transitional | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds                                       | of which enabling  | of which Use of Proceeds                                       | of which enabling  | of which Use of Proceeds | of which transitional | of which enabling |
| in millions of euros |                              | Total [gross] carrying amount |       |       |  |                       |  |                          |  |  |  |  |  |                          |                       |                   |
| 4                    | Loans and advances           | 1,356                         | 253   | 0     |  | 0                     | 0  |                          |  |  |  |  |  | 253                      | 0                     | 0                 |
| 5                    | Debt securities              | 6,137                         | 725   |       |  |                       |  |                          |  |  |  |  |  | 725                      |                       |                   |
| 6                    | Equity instruments           | 5,181                         | 0     |       |  |                       |  |                          |  |  |  |  |  |                          |                       |                   |
| 7                    | Other financial corporations | 69,377                        | 6,270 | 1,207 |  | 1,116                 | 928  | 48                       | 8  |  |  |  |  | 6,318                    | 1,215                 | 928               |
| 8                    | of which investment firms    | 47,567                        | 3,550 | 613   |  | 613                   | 457  | 34                       | 4  |  |  |  |  | 3,584                    | 618                   | 457               |
| 9                    | Loans and advances           | 31,470                        | 2,181 | 283   |  | 283                   | 135  | 34                       | 4  |  |  |  |  | 2,215                    | 287                   | 135               |
| 10                   | Debt securities              | 11,305                        | 1,368 | 330   |  | 330                   | 322  |                          |  |  |  |  |  | 1,368                    | 330                   | 322               |
| 11                   | Equity instruments           | 4,792                         |       |       |  |                       |  |                          |  |  |  |  |  |                          |                       |                   |





|                      |                                    |                               |        | Climate Change Mitigation (CCM)                                | Climate Change Adaptation (CCA)                                | Water and marine resources (WTR)                               | Circular economy (CE)  | Pollution (PPC)  | Biodiversity and Ecosystems (BIO)                              | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |                       |                   |
|----------------------|------------------------------------|-------------------------------|--------|--|--|--|--|--|--|--|-----------------------|-------------------|
|                      |                                    |                               |        | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |
|                      |                                    |                               |        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        |                       |                   |
|                      |                                    |                               |        | of which Use of Proceeds                                       | of which transitional  | of which enabling  | of which Use of Proceeds                                       | of which transitional  | of which enabling  | of which Use of Proceeds                                       | of which transitional | of which enabling |
| in millions of euros |                                    | Total [gross] carrying amount |        |  |  |  |  |  |  |  |                       |                   |
| 26                   | of which building renovation loans | 4,617                         | 4,617  |  |  |  |  |  |  |  | 4,617                 |                   |
| 27                   | of which motor vehicle loans       | 14,540                        | 14,540 |  |  |  |  |  |  |  | 14,540                |                   |
| 28                   | Local governments financing        | 11,286                        | 4      |  |  |  |  |  |  |  | 4                     |                   |
| 29                   | Housing financing                  |                               |        |  |  |  |  |  |  |  |                       |                   |
| 30                   | Other local government financing   | 11,286                        | 4      |  |  |  |  |  |  |  | 4                     |                   |





|                      |  |        | Climate Change Mitigation (CCM)                                | Climate Change Adaptation (CCA)                                | Water and marine resources (WTR)                               | Circular economy (CE)  | Pollution (PPC)  | Biodiversity and Ecosystems (BIO)                              | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |                       |                   |  |
|----------------------|--|--------|--|--|--|--|--|--|--|-----------------------|-------------------|--|
|                      |  |        | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |  |
|                      |  |        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        |                       |                   |  |
|                      |  |        | of which Use of Proceeds                                       | of which transitional  | of which enabling  | of which Use of Proceeds                                       | of which transitional  | of which enabling  | of which Use of Proceeds                                       | of which transitional | of which enabling |  |
| in millions of euros |  |        | Total [gross] carrying amount                                  |  |  |  |  |  |  |                       |                   |  |
|                      | NFRD disclosure obligations                                    |        |  |  |  |  |  |  |  |                       |                   |  |
| 35                   | Loans and advances   | 59,684 |  |  |  |  |  |  |  |                       |                   |  |
| 36                   | of which loans collateralised by commercial immovable property | 24,358 |  |  |  |  |  |  |  |                       |                   |  |
| 37                   | of which building renovation loans                             |        |  |  |  |  |  |  |  |                       |                   |  |
| 38                   | Debt securities  | 177    |  |  |  |  |  |  |  |                       |                   |  |

|                      |  |         | Climate Change Mitigation (CCM)                                |  |  | Climate Change Adaptation (CCA)                                |  | Water and marine resources (WTR)                               |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)                              |  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |  |                          |  |                       |  |                   |  |
|----------------------|--|---------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--------------------------|--|-----------------------|--|-------------------|--|
|                      |  |         | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) |  |                          |  |                       |  |                   |  |
|                      |  |         | of which environmentally sustainable (Taxonomy-aligned)        |  |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  | of which environmentally sustainable (Taxonomy-aligned)        |  |                          |  |                       |  |                   |  |
|                      |  |         |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                          |  |                       |  |                   |  |
| in millions of euros |  |         | Total [gross] carrying amount                                  |  |  | of which Use of Proceeds                                       |  | of which transitional  |  | of which enabling  |  | of which Use of Proceeds                                       |  | of which transitional  |  | of which enabling  |  | of which Use of Proceeds |  | of which transitional |  | of which enabling |  |
| 39                   | Equity instruments   | 1,058   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                          |  |                       |  |                   |  |
| 40                   | Non-EU country counterparties not subject to NFRD disclosure obligations | 129,776 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                          |  |                       |  |                   |  |
| 41                   | Loans and advances   | 125,265 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                          |  |                       |  |                   |  |
| 42                   | Debt securities  | 4,207   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                          |  |                       |  |                   |  |
| 43                   | Equity instruments   | 305     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                          |  |                       |  |                   |  |
| 44                   | Derivatives  | 21,814  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                          |  |                       |  |                   |  |
| 45                   | On demand  | 7,139   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |                          |  |                       |  |                   |  |

|                      |  | Climate Change Mitigation (CCM)                                | Climate Change Adaptation (CCA)                                | Water and marine resources (WTR)                               | Circular economy (CE)  | Pollution (PPC)  | Biodiversity and Ecosystems (BIO)                              | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |
|----------------------|--|--|--|--|--|--|--|--|
|                      |  | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) | of which towards taxonomy relevant sectors (Taxonomy-eligible) |
|                      |  | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        | of which environmentally sustainable (Taxonomy-aligned)        |
|                      |  | of which Use of Proceeds                                       | of which transitional  | of which enabling  | of which Use of Proceeds                                       | of which enabling  | of which Use of Proceeds                                       | of which enabling  |
| in millions of euros |  | Total [gross] carrying amount                                  |  |  |  |  |  |  |
|                      | interbank loans  |  |  |  |  |  |  |  |
| 46                   | Cash and cash-related assets                                 | 2,694  |  |  |  |  |  |  |
| 47                   | Other categories of assets (e.g. Goodwill, commodities etc.) | 308,610  |  |  |  |  |  |  |
| 48                   | Total GAR assets   | 1,191,002  |  |  |  |  |  |  |
| 49                   | Assets not covered for GAR calculation                       | 1,161,082  |  |  |  |  |  |  |
| 50                   | Central governments and Supranational issuers                | 141,256  |  |  |  |  |  |  |
| 51                   | Central banks  | 300,225  |  |  |  |  |  |  |

|   |                             |           | Climate Change Mitigation (CCM)                                |                          |                       |                   | Climate Change Adaptation (CCA)                                |                   |                          |                   | Water and marine resources (WTR)                               |                   | Circular economy (CE)  |                   | Pollution (PPC)  |                   | Biodiversity and Ecosystems (BIO)                              |                   | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)                       |                       |                   |       |
|---|-----------------------------|-----------|--|--------------------------|-----------------------|-------------------|--|-------------------|--------------------------|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-----------------------|-------------------|-------|
|   |                             |           | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                          |                       |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   |                          |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                   | of which towards taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |       |
|   |                             |           |  |                          |                       |                   |  |                   |                          |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |       |
|   |                             |           | of which environmentally sustainable (Taxonomy-aligned)        |                          |                       |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   |                          |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                   | of which environmentally sustainable (Taxonomy-aligned)        |                       |                   |       |
| in millions of euros  |                             |           | Total [gross] carrying amount                                  | of which Use of Proceeds | of which transitional | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which enabling | of which Use of Proceeds                                       | of which transitional | of which enabling |       |
| exposures   |                             |           |  |                          |                       |                   |  |                   |                          |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |       |
| 52  | Trading book                | 719,602   |  |                          |                       |                   |  |                   |                          |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |       |
| 53  | Total assets                | 2,352,085 |  |                          |                       |                   |  |                   |                          |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |       |
| Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations |                             |           |  |                          |                       |                   |  |                   |                          |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |       |
| 54  | Financial guarantees        | 126,240   | 18,184   | 9,368                    | 5,735                 | 3,545             | 241  | 124               |                          |                   |  |                   |  |                   |  |                   |  |                   | 18,425   | 9,492                 | 5,735             | 3,545 |
| 55  | Assets under management     | 294,086   | 82,902   | 14,130                   | 1,029                 | 6,260             | 1,237  | 326               |                          |                   |  |                   |  |                   |  |                   |  |                   | 84,139   | 14,456                | 1,029             | 6,260 |
| 56  | of which debt securities    | 153,372   | 37,045   | 8,764                    | 823                   | 4,029             | 495  | 117               |                          |                   |  |                   |  |                   |  |                   |  |                   | 37,540   | 8,881                 | 823               | 4,029 |
| 57  | of which equity instruments | 65,146    | 16,640   | 4,685                    | 205                   | 2,228             | 742  | 209               |                          |                   |  |                   |  |                   |  |                   |  |                   | 17,382   | 4,894                 | 205               | 2,228 |

## 2. GAR SECTOR INFORMATION (GAR MEASURE BASED ON CAPEX)

31 December 2023

| Breakdown by sector<br>in millions of euros            | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|  | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| 1 A - Agriculture, forestry and fishing                | 24   | 0  |  |  |  |  |  |  |  |  |  |  | 24   | -  |
| 2 B - Mining and quarrying                             | 231  | 152  | 2  | 0  |  |  |  |  |  |  |  |  | 232  | 152  |
| 3 B.05 - Mining of coal and lignite                    | 0  | 0  |  |  |  |  |  |  |  |  |  |  | -  | -  |
| 4 B.06 - Extraction of crude petroleum and natural gas | 192  | 144  |  |  |  |  |  |  |  |  |  |  | 192  | 144  |
| 5 B.07 - Mining of metal ores                          | 6  | 0  |  |  |  |  |  |  |  |  |  |  | 6  | -  |
| 6 B.08 - Other mining and quarrying                    | 13   | 2  | 1  | 0  |  |  |  |  |  |  |  |  | 13   | 2  |
| 7 B.09 - Mining support service activities             | 20   | 6  | 1  | 0  |  |  |  |  |  |  |  |  | 21   | 6  |
| 8 C - Manufacturing                                    | 6 174  | 1 511  | 201  | 140  |  |  |  |  |  |  |  |  | 6 375  | 1 651  |

| Breakdown by sector<br>in millions of euros |                                     | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|---|-------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   |                                     | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   |                                     | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|   |                                     | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
|   |                                     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 9   | C.10 - Manufacture of food products | 143  | 4  | 1  | 0  |  |  |  |  |  |  |  |  | 143  | 4  |

| Breakdown by sector<br><i>in millions of euros</i> |  | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|  |  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|  |  | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| 10   | C.11 - Manufacture of beverages                              | 117  | 31   |  |  |  |  |  |  |  |  |  |  | 117  | 31   |
| 11   | C.12 - Manufacture of tobacco products                       | 0  | -  |  |  |  |  |  |  |  |  |  |  | 0  | -  |
| 12   | C.13 - Manufacture of textiles                               | 1  | 0  | 4  | 1  |  |  |  |  |  |  |  |  | 4  | 1  |
| 13   | C.14 - Manufacture of wearing apparel                        | 7  | 0  |  |  |  |  |  |  |  |  |  |  | 7  | 0  |
| 14   | C.15 - Manufacture of leather and related products           | 7  | 2  |  |  |  |  |  |  |  |  |  |  | 7  | 2  |
| 15   | C.16 - Manufacture of wood and of products of wood and cork, | 18   | 4  |  |  |  |  |  |  |  |  |  |  | 18   | 4  |
| 16   | C.17 - Manufacture of paper and paper products               | 63   | 1  | 31   | 23   |  |  |  |  |  |  |  |  | 95   | 24   |

| Breakdown by sector<br><i>in millions of euros</i> |   | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|--|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|  |   | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|  |   | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
|  |   |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 17   | C.18 - Printing and reproduction of recorded media                                  | 19   | 2  |  |  |  |  |  |  |  |  |  |  | 19   | 2  |
| 18   | C.19 - Manufacture of coke and refined petroleum products                           | 139  | 67   | 1  | 0  |  |  |  |  |  |  |  |  | 140  | 68   |
| 19   | C.20 - Manufacture of chemicals and chemical products                               | 502  | 98   | 9  | 2  |  |  |  |  |  |  |  |  | 511  | 99   |
| 20   | C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations | 130  | 8  | 0  | 0  |  |  |  |  |  |  |  |  | 131  | 8  |
| 21   | C.22 - Manufacture of rubber products   | 156  | 4  | 16   | 2  |  |  |  |  |  |  |  |  | 172  | 5  |
| 22   | C.23 - Manufacture of   | 154  | 48   | 26   | 22   |  |  |  |  |  |  |  |  | 180  | 70   |



| Breakdown by sector<br>in millions of euros |  | 31 December 2023   |  |  |  |  |  |  |  |  |  |  |  |  |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   |  | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|   |  | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   |  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|   |  | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| other non-metallic mineral products         |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| C.24 - Manufacture of basic metals          |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 23  |  | 523  | 129  | 16   | 9  |  |  |  |  |  |  |  |  | 539  | 138  |

| Breakdown by sector<br><i>in millions of euros</i> |   | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|--|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|  |   | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|  |   | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| 24   | C.25 - Manufacture of fabricated metal products, except machinery and equipment | 124  | 20   | 3  | 1  |  |  |  |  |  |  |  |  | 127  | 21   |
| 25   | C.26 - Manufacture of computer, electronic and optical products                 | 126  | 19   | 1  | 0  |  |  |  |  |  |  |  |  | 127  | 19   |
| 26   | C.27 - Manufacture of electrical equipment                                      | 724  | 263  | 0  | 0  |  |  |  |  |  |  |  |  | 724  | 263  |
| 27   | C.28 - Manufacture of machinery and equipment n.e.c.                            | 317  | 73   | 5  | 1  |  |  |  |  |  |  |  |  | 322  | 74   |
| 28   | C.29 - Manufacture of motor vehicles, trailers and semi-trailers                | 1,417  | 263  | 87   | 79   |  |  |  |  |  |  |  |  | 1,503  | 342  |
| 29   | C.30 - Manufacture of   | 1,022  | 357  | -  | -  |  |  |  |  |  |  |  |  | 1,022  | 357  |

| Breakdown by sector<br>in millions of euros |  | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   |  | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   |  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|   |  | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
|   | other transport equipment  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 30  | C.31 - Manufacture of furniture                                  | 6  | 0  |  |  |  |  |  |  |  |  |  |  | 6  | 0  |
| 31  | C.32 - Other manufacturing                                       | 58   | 3  | 1  | 0  |  |  |  |  |  |  |  |  | 59   | 3  |
| 32  | C.33 - Repair and installation of machinery and equipment        | 400  | 114  | 1  | 0  |  |  |  |  |  |  |  |  | 400  | 114  |
| 33  | D - Electricity, gas, steam and air conditioning supply          | 5,556  | 2,520  |  |  |  |  |  |  |  |  |  |  | 5,556  | 2,520  |
| 34  | D35.1 - Electric power generation, transmission and distribution | 5,284  | 2,443  |  |  |  |  |  |  |  |  |  |  | 5,284  | 2,443  |
| 35  | D35.11 - Production of electricity                               | 4,296  | 1,572  |  |  |  |  |  |  |  |  |  |  | 4,296  | 1,572  |
| 36  | D35.2 - Manufacture of gas; distribution of                      | 144  | 72   |  |  |  |  |  |  |  |  |  |  | 144  | 72   |

| Breakdown by sector<br><i>in millions of euros</i> |  | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|  |  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|  |  | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
|  | <i>gaseous fuels through mains</i>                                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 37   | <i>D35.3 - Steam and air conditioning supply</i>                         | 128  | 5  |  |  |  |  |  |  |  |  |  |  | 128  | 5  |
| 38   | E - Water supply; sewerage, waste management and remediation activities  | 234  | 117  | 2  | 1  |  |  |  |  |  |  |  |  | 236  | 118  |
| 39   | F - Construction   | 1,364  | 437  | 2  | 1  |  |  |  |  |  |  |  |  | 1,366  | 438  |
| 40   | <i>F.41 - Construction of buildings</i>                                  | 824  | 225  | 1  | 0  |  |  |  |  |  |  |  |  | 825  | 225  |
| 41   | <i>F.42 - Civil engineering</i>  | 270  | 50   | 3  | 1  |  |  |  |  |  |  |  |  | 273  | 51   |
| 42   | <i>F.43 - Specialised construction activities</i>                        | 268  | 162  | 0  | 0  |  |  |  |  |  |  |  |  | 268  | 162  |
| 43   | G - Wholesale and retail trade; repair of motor vehicles and motorcycles | 3,507  | 1,228  | 169  | 59   |  |  |  |  |  |  |  |  | 3,677  | 1,287  |

| Breakdown by sector<br><i>in millions of euros</i>              | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|---|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|   | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
|   | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
| 44 H - Transportation and storage                               | 1,457  | 432  | 10   | 3  |  |  |  |  |  |  |  |  | 1,467  | 435  |
| 45 H.49 - Land transport and transport via pipelines            | 465  | 97   | 3  | 1  |  |  |  |  |  |  |  |  | 468  | 98   |
| 46 H.50 - Water transport                                       | 208  | 36   |  |  |  |  |  |  |  |  |  |  | 208  | 36   |
| 47 H.51 - Air transport   | 16   | 3  |  |  |  |  |  |  |  |  |  |  | 16   | 3  |
| 48 H.52 - Warehousing and support activities for transportation | 765  | 294  | 7  | 2  |  |  |  |  |  |  |  |  | 772  | 297  |
| 49 H.53 - Postal and courier activities                         | 3  | 1  |  |  |  |  |  |  |  |  |  |  | 3  | 1  |
| 50 I - Accommodation and food service activities                | 58   | 1  | 6  | 0  |  |  |  |  |  |  |  |  | 63   | 1  |
| 51 L - Real estate activities                                   | 1,647  | 338  | 770  | 158  |  |  |  |  |  |  |  |  | 2,417  | 496  |
| 52 K - Financial and insurance                                  | 6,113  | 2,226  | 25   | 9  |  |  |  |  |  |  |  |  | 6,138  | 2,235  |

|  |  | Climate Change Mitigation (CCM)  |  | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WMR + CE + P + BE)                                    |  |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
|  |  | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   | Non-Financial corporates (Subject to NFRD)                               | SMEs and other NFC not subject to NFRD                                   |
|  |  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  | [Gross] carrying amount  |
| Breakdown by sector<br><i>in millions of euros</i> |  | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable | Exposures eligible for the taxonomy of which environmentally sustainable |
|  | activities                                       |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | Exposures to other sectors (NACE codes J, M - U) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 53   |  | 29,555   | 9,215  | 96   | 31   |  |  |  |  |  |  |  |  | 29,651   | 9,245  |

### 3. GAR KPI STOCK (GAR MEASURE BASED ON CAPEX)

31 December 2023

|   | Climate Change Mitigation (CCM)   |                       |                   | Climate Change Adaptation (CCA)  |                   | Water and marine resources (WTR)   |                   | Circular economy (CE)  |                   | Pollution (PPC)  |                   | Biodiversity and Ecosystems (BIO)  |                   | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                       |                   |                                    |        |
|---|---|-----------------------|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-----------------------|-------------------|------------------------------------|--------|
|   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)        |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |                                    |        |
|   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)         |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   |                                    |        |
|   | of which Use of Proceeds  | of which transitional | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which transitional | of which enabling | Proportion of total assets covered |        |
|   |   |                       |                   |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |                                    |        |
| % (compared to total covered assets in the denominator) |   |                       |                   |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |                                    |        |
| GAR - Covered assets in both numerator and denominator  |   | 24.42%                | 1.63%             | 0.85%  | 0.38%             | 0.11%  | 0.03%             |  |                   |  |                   |  |                   | 24.53%   | 1.66%                 | 0.85%             | 0.38%                              | 28.06% |
| 1   | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 24.42%                | 1.63%             | 0.85%  | 0.38%             | 0.11%  | 0.03%             |  |                   |  |                   |  |                   | 24.53%   | 1.66%                 | 0.85%             | 0.38%                              | 28.05% |
| 2   | Financial undertakings  | 0.61%                 | 0.10%             | 0.09%  | 0.08%             |  |                   |  |                   |  |                   |  |                   | 0.61%  | 0.10%                 | 0.09%             | 0.08%                              | 3.49%  |
| 3   | Credit institutions   | 0.08%                 |                   |  |                   |  |                   |  |                   |  |                   |  |                   | 0.08%  |                       |                   |                                    | 0.54%  |
| 4   | Loans and advances  | 0.02%                 |                   |  |                   |  |                   |  |                   |  |                   |  |                   | 0.02%  |                       |                   |                                    | 0.06%  |

31 December 2023

|   |                    | Climate Change Mitigation (CCM)  |                       |                   | Climate Change Adaptation (CCA)  |                   | Water and marine resources (WTR)   |                   | Circular economy (CE)  |                   | Pollution (PPC)  |                   | Biodiversity and Ecosystems (BIO)  |                   | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                       |                   |                                    |
|---|--------------------|--|-----------------------|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-----------------------|-------------------|------------------------------------|
|   |                    | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |                                    |
|   |                    | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   |                                    |
|   |                    | of which Use of Proceeds   | of which transitional | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which transitional | of which enabling | Proportion of total assets covered |
| 5 | Debt securities    | 0.06%  |                       |                   |  |                   |  |                   |  |                   |  |                   |  | 0.06%             |  |                       | 0.26%             |                                    |
| 6 | Equity instruments | 0.00%  |                       |                   |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       | 0.22%             |                                    |

% (compared to total covered assets in the denominator)



|   |                               | Climate Change Mitigation (CCM)  |       |                       |       | Climate Change Adaptation (CCA)  |  | Water and marine resources (WTR)   |  | Circular economy (CE)  |  | Pollution (PPC)  |  | Biodiversity and Ecosystems (BIO)  |  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |       |                       |       | Proportion of total assets covered |  |
|---|-------------------------------|--|-------|-----------------------|-------|--|--|--|--|--|--|--|--|--|--|--|-------|-----------------------|-------|------------------------------------|--|
|   |                               | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |       |                       |       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |       |                       |       |                                    |  |
|   |                               |  |       |                       |       |  |  |  |  |  |  |  |  |  |  |  |       |                       |       |                                    |  |
|   |                               | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |       |                       |       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |       |                       |       |                                    |  |
| % (compared to total covered assets in the denominator) |                               | of which Use of Proceeds   |       | of which transitional |       | of which enabling  |  | of which Use of Proceeds   |  | of which enabling  |  | of which Use of Proceeds   |  | of which enabling  |  | of which Use of Proceeds   |       | of which transitional |       | of which enabling                  |  |
| 7   | Other financial corporations  | 0.53%  | 0.10% | 0.09%                 | 0.08% |  |  |  |  |  |  |  |  |  |  | 0.53%  | 0.10% | 0.09%                 | 0.08% | 2.95%                              |  |
| 8   | of which investment firms     | 0.30%  | 0.05% | 0.05%                 | 0.04% |  |  |  |  |  |  |  |  |  |  | 0.30%  | 0.05% | 0.05%                 | 0.04% | 2.02%                              |  |
| 9   | Loans and advances            | 0.18%  | 0.02% | 0.02%                 | 0.01% |  |  |  |  |  |  |  |  |  |  | 0.19%  | 0.02% | 0.02%                 | 0.01% | 1.34%                              |  |
| 10  | Debt securities               | 0.11%  | 0.03% | 0.03%                 | 0.03% |  |  |  |  |  |  |  |  |  |  | 0.11%  | 0.03% | 0.03%                 | 0.03% | 0.48%                              |  |
| 11  | Equity instruments            |  |       |                       |       |  |  |  |  |  |  |  |  |  |  |  |       |                       |       | 0.20%                              |  |
| 12  | of which management companies | 0.19%  | 0.04% | 0.04%                 | 0.04% |  |  |  |  |  |  |  |  |  |  | 0.19%  | 0.04% | 0.04%                 | 0.04% | 0.34%                              |  |
| 13  | Loans and advances            | 0.19%  | 0.04% | 0.04%                 | 0.04% |  |  |  |  |  |  |  |  |  |  | 0.19%  | 0.04% | 0.04%                 | 0.04% | 0.27%                              |  |
| 14  | Debt securities               |  |       |                       |       |  |  |  |  |  |  |  |  |  |  | 0.00%  |       |                       |       | 0.03%                              |  |

% (compared to total covered assets in the denominator)

31 December 2023

| Climate Change Mitigation (CCM)  |                       |                   | Climate Change Adaptation (CCA)  | Water and marine resources (WTR)   | Circular economy (CE)  | Pollution (PPC)  | Biodiversity and Ecosystems (BIO)  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                          |                       |                   |                                    |
|--|-----------------------|-------------------|--|--|--|--|--|--|--------------------------|-----------------------|-------------------|------------------------------------|
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          |                       |                   |                                    |
| Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          |                       |                   |                                    |
| of which Use of Proceeds   | of which transitional | of which enabling | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds | of which transitional | of which enabling | Proportion of total assets covered |
| % (compared to total covered assets in the denominator)                                  |                       |                   |  |  |  |  |  |  |                          |                       |                   |                                    |
| 15   |                       |                   | Equity instruments   |  |  |  |  |  | 0.04%                    |                       |                   |                                    |

% (compared to total covered assets in the denominator)

31 December 2023

|    |                                 | Climate Change Mitigation (CCM)  |                       | Climate Change Adaptation (CCA)  |                          | Water and marine resources (WTR)   |                          | Circular economy (CE)  |                          | Pollution (PPC)  |                          | Biodiversity and Ecosystems (BIO)  |                          | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                                    |
|----|---------------------------------|--|-----------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|--------------------------|--|------------------------------------|
|    |                                 | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                                    |
|    |                                 | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                                    |
|    |                                 | of which Use of Proceeds   | of which transitional | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | of which Use of Proceeds | of which enabling  | Proportion of total assets covered |
| 16 | of which insurance undertakings | 0.04%  | 0.01%                 |  |                          |  |                          |  |                          |  |                          |  | 0.04%                    | 0.01%  | 0.59%                              |
| 17 | Loans and advances              |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |  | 0.24%                              |
| 18 | Debt securities                 |  |                       |  |                          |  |                          |  |                          |  |                          |  |                          |  | 0.15%                              |
| 19 | Equity instruments              | 0.04%  | 0.01%                 |  |                          |  |                          |  |                          |  |                          |  | 0.04%                    | 0.01%  | 0.20%                              |
| 20 | Non-financial undertakings      | 4.70%  | 1.53%                 | 0.76%  | 0.31%                    | 0.11%  | 0.03%                    |  |                          |  |                          |  | 4.80%                    | 1.56%  | 11.01%                             |
| 21 | Loans and advances              | 4.22%  | 1.32%                 | 0.66%  | 0.26%                    | 0.11%  | 0.03%                    |  |                          |  |                          |  | 4.32%                    | 1.35%  | 10.66%                             |
| 22 | Debt securities                 | 0.12%  | 0.09%                 | 0.09%  | 0.04%                    |  |                          |  |                          |  |                          |  | 0.12%                    | 0.09%  | 0.09%                              |
| 23 | Equity instruments              | 0.36%  | 0.11%                 | 0.00%  | 0.00%                    |  |                          |  |                          |  |                          |  | 0.36%                    | 0.11%  | 0.26%                              |

% (compared to total covered assets in the denominator)

31 December 2023

|   |            | Climate Change Mitigation (CCM)  |                       |                   | Climate Change Adaptation (CCA)  |                   | Water and marine resources (WTR)   |                   | Circular economy (CE)  |                   | Pollution (PPC)  |                   | Biodiversity and Ecosystems (BIO)  |                   | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                       |                   |  |
|---|------------|--|-----------------------|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-----------------------|-------------------|--|
|   |            | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |  |
|   |            | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   |  |
|   |            | of which Use of Proceeds   | of which transitional | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which transitional | of which enabling |  |
| % (compared to total covered assets in the denominator) |            |  |                       |                   |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |  |
| 24  | Households | 19.11%   |                       |                   |  |                   |  |                   |  |                   |  |                   |  | 19.11%            |  |                       | 13.08%            |  |

% (compared to total covered assets in the denominator)

31 December 2023

|   |   | Climate Change Mitigation (CCM)  | Climate Change Adaptation (CCA)  | Water and marine resources (WTR)   | Circular economy (CE)  | Pollution (PPC)  | Biodiversity and Ecosystems (BIO)  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                          |                       |                   |                                    |
|---|---|--|--|--|--|--|--|--|--------------------------|-----------------------|-------------------|------------------------------------|
|   |   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                          |                       |                   |                                    |
|   |   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                          |                       |                   |                                    |
|   |   | of which Use of Proceeds   | of which transitional  | of which enabling  | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds   | of which enabling  | of which Use of Proceeds | of which transitional | of which enabling | Proportion of total assets covered |
| % (compared to total covered assets in the denominator) |   |  |  |  |  |  |  |  |                          |                       |                   |                                    |
| 25  | of which loans collateralised by residential immovable property | 17.51%   |  |  |  |  |  |  |                          | 17.51%                |                   | 8.86%                              |
| 26  | of which building renovation loans                              | 0.39%  |  |  |  |  |  |  |                          | 0.39%                 |                   | 0.20%                              |
| 27  | of which motor vehicle loans                                    | 1.22%  |  |  |  |  |  |  |                          | 1.22%                 |                   | 0.62%                              |
| 28  | Local governments financing                                     |  |  |  |  |  |  |  |                          |                       |                   | 0.48%                              |
| 29  | Housing financing   |  |  |  |  |  |  |  |                          |                       |                   |                                    |
| 30  | Other local government financing                                |  |  |  |  |  |  |  |                          |                       |                   | 0.48%                              |
| 31  | Collateral obtained by taking possession:                       |  |  |  |  |  |  |  |                          |                       |                   |                                    |

31 December 2023

|   | Climate Change Mitigation (CCM)  |                       |                   | Climate Change Adaptation (CCA)  |                   | Water and marine resources (WTR)   |                   | Circular economy (CE)  |                   | Pollution (PPC)  |                   | Biodiversity and Ecosystems (BIO)  |                   | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)   |                       |                   |                                    |
|---|--|-----------------------|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-------------------|--|-----------------------|-------------------|------------------------------------|
|   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |                       |                   |                                    |
|   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                   | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)  |                       |                   |                                    |
|   | of which Use of Proceeds   | of which transitional | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which enabling | of which Use of Proceeds   | of which transitional | of which enabling | Proportion of total assets covered |
| % (compared to total covered assets in the denominator) |  |                       |                   |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |                                    |
| residential and commercial immovable properties         |  |                       |                   |  |                   |  |                   |  |                   |  |                   |  |                   |  |                       |                   |                                    |

32 Total GAR assets

## 5. KPI OFF-BALANCE SHEET EXPOSURES (GAR MEASURE BASED ON CAPEX)

31 December 2023

|  | Climate Change Mitigation (CCM)                       |  |  | Climate Change Adaptation (CCA)                       |  | Water and marine resources (WTR)                      |  | Circular economy (CE)                                 |  | Pollution (PPC)                                       |  | Biodiversity and Ecosystems (BIO)                     |  | TOTAL (CCM + CCA + WTR + CE + PPC + BIO)              |  |  |
|--|---|--|--|---|--|---|--|---|--|---|--|---|--|---|--|--|
|  | Proportion of total eligible off-balance sheet assets |  |  | Proportion of total eligible off-balance sheet assets |  | Proportion of total eligible off-balance sheet assets |  | Proportion of total eligible off-balance sheet assets |  | Proportion of total eligible off-balance sheet assets |  | Proportion of total eligible off-balance sheet assets |  | Proportion of total eligible off-balance sheet assets |  |  |



The table below meets the transparency requirements of the Delegated Act of July 2022 on the financing of activities related to nuclear energy and fossil gas

**TEMPLATE 1: NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES**

**31 December 2023**

| <b>Nuclear energy related activities</b> |  |     |
|--|--|-----|
| 1  | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.  | YES |
| 2  | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | YES |
| 3  | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.                          | YES |
| <b>Fossil gas related activities</b>     |  |     |
| 4  | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.   | YES |
| 5  | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.  | YES |
| 6  | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.  | YES |



**TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (GAR MEASURE BASED ON TURNOVER)**

| 31 December 2023  |                    |              |                                       |              |                                       |              |
|---|--------------------|--------------|---------------------------------------|--------------|---------------------------------------|--------------|
| <i>Economic activities</i><br><i>in millions of euros</i>   | TOTAL<br>CCM + CCA |              | Climate change<br>mitigation<br>(CCM) |              | Climate change<br>adaptation<br>(CCA) |              |
|   | Amount             | %            | Amount                                | %            | Amount                                | %            |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated                          |                    |              |                                       |              |                                       |              |
| 1. Regulation 2021/2139 in the denominator of the applicable KPI  |                    | 0.00%        |                                       | 0.00%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated                          |                    |              |                                       |              |                                       |              |
| 2. Regulation 2021/2139 in the denominator of the applicable KPI  |                    | 0.00%        |                                       | 0.00%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated                          |                    |              |                                       |              |                                       |              |
| 3. Regulation 2021/2139 in the denominator of the applicable KPI  | 241                | 0.02%        | 241                                   | 0.02%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated                          |                    |              |                                       |              |                                       |              |
| 4. Regulation 2021/2139 in the denominator of the applicable KPI  |                    | 0.00%        |                                       | 0.00%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated                          |                    |              |                                       |              |                                       |              |
| 5. Regulation 2021/2139 in the denominator of the applicable KPI  | 9                  | 0.00%        | 9                                     | 0.00%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated                          |                    |              |                                       |              |                                       |              |
| 6. Regulation 2021/2139 in the denominator of the applicable KPI  |                    | 0.00%        |                                       | 0.00%        |                                       | 0.00%        |
| Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI | 9,005              | 0.76%        | 8,888                                 | 0.75%        | 117                                   | 0.01%        |
| <b>8 TOTAL APPLICABLE KPI</b>   | <b>9,254</b>       | <b>0.78%</b> | <b>9,137</b>                          | <b>0.77%</b> | <b>117</b>                            | <b>0.01%</b> |

**TEMPLATE 3: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (GAR MEASURE BASED ON TURNOVER)**

|  |   | 31 December 2023   |             |                                       |             |                                       |             |
|--|---|--------------------|-------------|---------------------------------------|-------------|---------------------------------------|-------------|
|  |   | TOTAL<br>CCM + CCA |             | Climate change<br>mitigation<br>(CCM) |             | Climate change<br>adaptation<br>(CCA) |             |
| <i>Economic activities</i><br><i>in millions of euros</i>  |   | Amount             | %           | Amount                                | %           | Amount                                | %           |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated         |   |                    |             |                                       |             |                                       |             |
| 1.   | Regulation 2021/2139 in the numerator of the applicable KPI   |                    | 0.00%       |                                       | 0.00%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated         |   |                    |             |                                       |             |                                       |             |
| 2.   | Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%       |                                       | 0.00%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated         |   |                    |             |                                       |             |                                       |             |
| 3.   | Regulation 2021/2139 in the denominator of the applicable KPI | 241                | 2.60%       | 241                                   | 2.63%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated         |   |                    |             |                                       |             |                                       |             |
| 4.   | Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%       |                                       | 0.00%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated         |   |                    |             |                                       |             |                                       |             |
| 5.   | Regulation 2021/2139 in the denominator of the applicable KPI | 9                  | 0.09%       | 9                                     | 0.09%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated         |   |                    |             |                                       |             |                                       |             |
| 6.   | Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%       |                                       | 0.00%       |                                       | 0.00%       |
| Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the |   |                    |             |                                       |             |                                       |             |
| 7.   | applicable KPI  | 9,005              | 97.31%      | 8,888                                 | 97.27%      | 117                                   | 100.00%     |
| <b>TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE</b>                               |   |                    |             |                                       |             |                                       |             |
| <b>8</b>   | <b>APPLICABLE KPI</b>   | <b>9,254</b>       | <b>100%</b> | <b>9,137</b>                          | <b>100%</b> | <b>117</b>                            | <b>100%</b> |

**TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (GAR MEASURE BASED ON TURNOVER)**

|   |  | 31 December 2023   |               |                                       |               |                                       |              |
|---|--|--------------------|---------------|---------------------------------------|---------------|---------------------------------------|--------------|
|   |  | TOTAL<br>CCM + CCA |               | Climate change<br>mitigation<br>(CCM) |               | Climate change<br>adaptation<br>(CCA) |              |
| <i>Economic activities</i><br><i>in millions of euros</i> |  | Amount             | %             | Amount                                | %             | Amount                                | %            |
| 1.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%         |                                       | 0.00%         |                                       | 0.00%        |
| 2.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%         |                                       | 0.00%         |                                       | 0.00%        |
| 3.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 86                 | 0.01%         | 86                                    | 0.01%         |                                       | 0.00%        |
| 4.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 85                 | 0.01%         | 85                                    | 0.01%         |                                       | 0.00%        |
| 5.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 5                  | 0.00%         | 5                                     | 0.00%         |                                       | 0.00%        |
| 6.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%         |                                       | 0.00%         |                                       | 0.00%        |
| 7.  | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI                                      | 267,740            | 22.48%        | 267,258                               | 22.44%        | 481                                   | 0.04%        |
| 8.  | <b>TOTAL AMOUNT AND PROPORTION OF TAXONOMY ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DENOMINATOR</b>  | <b>267,915</b>     | <b>22.49%</b> | <b>267,434</b>                        | <b>22.45%</b> | <b>481</b>                            | <b>0.04%</b> |

**TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES (GAR MEASURE BASED ON TURNOVER)**

|   |  | 31 December 2023 |               |
|---|--|------------------|---------------|
|   |  | TOTAL            |               |
| <i>Economic activities</i><br><i>in millions of euros</i> |  | Amount           | %             |
| 1.  | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                  | 0.00%         |
| 2.  | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                  | 0.00%         |
| 3.  | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 70               | 0.01%         |
| 4.  | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                  | 0.00%         |
| 5.  | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                  | 0.00%         |
| 6.  | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                  | 0.00%         |
| 7.  | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI   | 382,811          | 32.14%        |
| 8   | <b>TOTAL AMOUNT AND PROPORTION OF TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI</b>   | <b>382,881</b>   | <b>32.15%</b> |

**TEMPLATE 2: TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR) (GAR MEASURE BASED ON CAPEX)**

|   |   | 31 December 2023   |              |                                       |              |                                       |              |
|---|---|--------------------|--------------|---------------------------------------|--------------|---------------------------------------|--------------|
|   |   | TOTAL<br>CCM + CCA |              | Climate change<br>mitigation<br>(CCM) |              | Climate change<br>adaptation<br>(CCA) |              |
| <i>Economic activities</i><br><i>in millions of euros</i>   |   | Amount             | %            | Amount                                | %            | Amount                                | %            |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated                          |   |                    |              |                                       |              |                                       |              |
| 1.  | Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%        |                                       | 0.00%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated                          |   |                    |              |                                       |              |                                       |              |
| 2.  | Regulation 2021/2139 in the denominator of the applicable KPI | 51                 | 0.00%        | 51                                    | 0.00%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated                          |   |                    |              |                                       |              |                                       |              |
| 3.  | Regulation 2021/2139 in the denominator of the applicable KPI | 400                | 0.03%        | 400                                   | 0.03%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated                          |   |                    |              |                                       |              |                                       |              |
| 4.  | Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%        |                                       | 0.00%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated                          |   |                    |              |                                       |              |                                       |              |
| 5.  | Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%        |                                       | 0.00%        |                                       | 0.00%        |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated                          |   |                    |              |                                       |              |                                       |              |
| 6.  | Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%        |                                       | 0.00%        |                                       | 0.00%        |
| Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI |   |                    |              |                                       |              |                                       |              |
| 7.  |   | 19,341             | 1.62%        | 18,931                                | 1.59%        | 410                                   | 0.03%        |
| <b>8</b>  | <b>TOTAL APPLICABLE KPI</b>                                   | <b>19,793</b>      | <b>1.66%</b> | <b>19,383</b>                         | <b>1.63%</b> | <b>410</b>                            | <b>0.03%</b> |

**TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR) (GAR MEASURE BASED ON CAPEX)**

| 31 December 2023   |                    |             |                                       |             |                                       |             |
|--|--------------------|-------------|---------------------------------------|-------------|---------------------------------------|-------------|
| <i>Economic activities</i><br><i>in millions of euros</i>  | TOTAL<br>CCM + CCA |             | Climate change<br>mitigation<br>(CCM) |             | Climate change<br>adaptation<br>(CCA) |             |
|  | Amount             | %           | Amount                                | %           | Amount                                | %           |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated         |                    |             |                                       |             |                                       |             |
| 1. Regulation 2021/2139 in the numerator of the applicable KPI   |                    | 0.00%       |                                       | 0.00%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated         |                    |             |                                       |             |                                       |             |
| 2. Regulation 2021/2139 in the numerator of the applicable KPI   | 51                 | 0.26%       | 51                                    | 0.27%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated         |                    |             |                                       |             |                                       |             |
| 3. Regulation 2021/2139 in the numerator of the applicable KPI   | 400                | 2.02%       | 400                                   | 2.06%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated         |                    |             |                                       |             |                                       |             |
| 4. Regulation 2021/2139 in the numerator of the applicable KPI   | 0                  | 0.00%       | 0                                     | 0.00%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated         |                    |             |                                       |             |                                       |             |
| 5. Regulation 2021/2139 in the numerator of the applicable KPI   |                    | 0.00%       |                                       | 0.00%       |                                       | 0.00%       |
| Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated         |                    |             |                                       |             |                                       |             |
| 6. Regulation 2021/2139 in the numerator of the applicable KPI   |                    | 0.00%       |                                       | 0.00%       |                                       | 0.00%       |
| Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the |                    |             |                                       |             |                                       |             |
| 7. applicable KPI  | 19,341             | 97.72%      | 18,931                                | 97.67%      | 410                                   | 100.00%     |
| <b>TOTAL AMOUNT AND PROPORTION OF TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE NUMERATOR OF THE</b>                               |                    |             |                                       |             |                                       |             |
| <b>8 APPLICABLE KPI</b>  | <b>19,793</b>      | <b>100%</b> | <b>19,383</b>                         | <b>100%</b> | <b>410</b>                            | <b>100%</b> |

**TEMPLATE 4: TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (GAR MEASURE BASED ON CAPEX)**

|   |  | 31 December 2023   |               |                                       |               |                                       |              |
|---|--|--------------------|---------------|---------------------------------------|---------------|---------------------------------------|--------------|
|   |  | TOTAL<br>CCM + CCA |               | Climate change<br>mitigation<br>(CCM) |               | Climate change<br>adaptation<br>(CCA) |              |
| <i>Economic activities</i><br><i>in millions of euros</i> |  | Amount             | %             | Amount                                | %             | Amount                                | %            |
| 1.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%         |                                       | 0.00%         |                                       | 0.00%        |
| 2.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%         |                                       | 0.00%         |                                       | 0.00%        |
| 3.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 52                 | 0.00%         | 52                                    | 0.00%         |                                       | 0.00%        |
| 4.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 26                 | 0.00%         | 26                                    | 0.00%         |                                       | 0.00%        |
| 5.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%         |                                       | 0.00%         |                                       | 0.00%        |
| 6.  | Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                    | 0.00%         |                                       | 0.00%         |                                       | 0.00%        |
| 7.  | Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI                                      | 272,289            | 22.86%        | 271,367                               | 22.78%        | 922                                   | 0.08%        |
| 8.  | <b>TOTAL AMOUNT AND PROPORTION OF TAXONOMY ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES IN THE DENOMINATOR</b>  | <b>272,367</b>     | <b>22.87%</b> | <b>271 445</b>                        | <b>22.79%</b> | <b>922</b>                            | <b>0.08%</b> |

**TEMPLATE 5: TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES (GAR MEASURE BASED ON CAPEX)**

|                             |  | 31 December 2023 |               |
|-----------------------------|--|------------------|---------------|
|                             |  | TOTAL            |               |
| <i>Economic activities</i>  |  |                  |               |
| <i>in millions of euros</i> |  | Amount           | %             |
| 1.                          | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                  | 0.00%         |
| 2.                          | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 378              | 0.03%         |
| 3.                          | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 39               | 0.00%         |
| 4.                          | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                  | 0.00%         |
| 5.                          | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0                | 0.00%         |
| 6.                          | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI |                  | 0.00%         |
| 7.                          | Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI   | 382,464          | 32.11%        |
| 8                           | <b>TOTAL AMOUNT AND PROPORTION OF TAXONOMY-NON-ELIGIBLE ECONOMIC ACTIVITIES IN THE DENOMINATOR OF THE APPLICABLE KPI</b>   | <b>382,881</b>   | <b>32.15%</b> |



## 7.10 Cross-reference tables

Cross-reference table GRI, ISO 26000, Global Compact, Sustainable Development Goals, Principles for Responsible Banking and Taskforce on Climate-related Financial Disclosures

| Fourth amendment to the 2022 Universal Registration Document                             | Pages     | Global Reporting Initiative <sup>(*)</sup>       | ISO 26000                              | Principles of the United Nations Global Compact | Sustainable Development Goals (SDG) | Principles for Responsible Banking | TCFD <sup>(**)</sup> |
|--|-----------|--|--|---|-------------------------------------|------------------------------------|----------------------|
| <b>BNP Paribas' company purpose and consideration of social and environmental issues</b> | 729 - 730 | D2-6, D2-9, D2-22                                | 5.2.2, 5.2.3, 6.2.3                    | 1 – 10  | 1 – 17                              | 1 – 6                              | S. a)                |
| <b>Summary</b>   | 730 - 733 | D2-14, D2-22, D3-2, D405-1                       | 5.2.1, 5.2.2, 6.6.3, 6.6.4, 6.6.6      | 1 – 10  | 1 – 17                              | 1 – 6                              | MT c)                |
| <b>The Corporate Social Responsibility (CSR) Strategy</b>                                |           |  |  |   |                                     |                                    |                      |
| A bank committed to a better future (4 pillars 12 commitments)                           | 734       | D2-14, D2-22, D3-2, D405-1                       | 5.2.1, 5.2.2, 6.6.3, 6.6.4, 6.6.6      | 1 – 10  | 1 – 17                              | 1 – 6                              | MT c)                |
| The CSR Policy Management Dashboard  | 735 - 736 |  | 4.3, 7.7.2, 7.7.3                      | 1, 6, 7, 8                                      | 1 – 17                              | 5, 6                               | MT.a), MTb), MTc)    |
| Results acknowledged by extra-financial rating agencies and external stakeholders        | 737       | D413-1   | 7.6.2                                  |   |                                     |                                    |                      |
| CSR taken to the highest level in the organisation                                       | 738 - 739 | D2-9, D2-12, D2-13                               | 6.2.2                                  |   |                                     | 5                                  | G. a), G. b)         |
| BNP Paribas' public positions  | 739 - 740 | D2-28  | 6.8.9, 7.3.3                           | 1, 3, 6, 8, 10                                  | 1 – 17                              | 3, 4, 6                            |                      |
| Fostering dialogue with stakeholders   | 740       | D2-29  | 5.3.2, 5.3.3, 7.5.4                    | 1, 3, 9   | 17                                  | 4                                  |                      |
| <b>OUR ECONOMIC RESPONSIBILITY: FINANCING THE ECONOMY IN AN ETHICAL MANNER</b>           |           |  |  |   |                                     |                                    |                      |
| <b>Commitment 1: Financing and investments with a positive impact</b>                    |           |  |  |   |                                     |                                    |                      |
| Offering a wide range of sustainable products  | 741 - 742 | D2-24  | 6.8.2                                  | 1 – 10  | 17                                  | 1                                  | MT.c)                |
| Financing impact entrepreneurship  | 742 - 743 | D203-1   | 6.8.7, 6.7.9, 7.3.1                    | 1, 4, 6   | 8, 10, 11, 17                       | 2, 4                               |                      |
| Designing and promoting funds incorporating sustainability criteria                      | 744       | D2-24, D203-1                                    | 6.7.3, 6.7.9                           | 1, 9  | 6, 7, 10, 11, 13, 14, 15, 17        | 1 – 3                              | MT.a), MT.c)         |
| Tailored advice and support: start-ups and innovative companies                          | 744       | D203-1   | 6.3.7, 6.7.3, 6.7.9                    | 6   | 5, 8, 9                             | 3, 4                               |                      |
| <b>Commitment 2: Ethics of the highest standard</b>                                      |           |  |  |   |                                     |                                    |                      |
| Ethics of the highest standard   | 745 - 746 | D2-23, D2-24, D205-2, D207-1, D207-2, D3-2, D3-3 | 4.7, 6.6.3, 6.6.4, 6.6.6, 6.6.7, 6.8.7 | 10  | 10, 16                              | 1, 2, 5, 6                         |                      |

| <b>Fourth amendment to the<br/>2022 Universal<br/>Registration Document</b> | <b>Pages</b> | <b>Global<br/>Reporting<br/>Initiative<sup>(*)</sup></b> | <b>ISO 26000</b>                                | <b>Principles<br/>of the<br/>United<br/>Nations<br/>Global<br/>Compact</b> | <b>Sustainable<br/>Development<br/>Goals (SDG)</b> | <b>Principles<br/>for<br/>Responsible<br/>Banking</b> | <b>TCFD<sup>(**)</sup></b> |
|---|--------------|--|---|--|--|---|----------------------------|
| Protecting clients' interests   | 746 - 749    | D2-23, D2-24, D3-2, D3-3                                 | 5.3.3, 6.6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.7 | 10   | 5, 8, 10   | 3, 4, 5   |                            |
| Ethics at the heart of supplier relations                                   | 749 - 750    | D2-23, D308-1, D414-1                                    | 5.2.1, 6.6.3, 6.7.3                             | 2 – 8  | 12, 16   | 4, 5  |                            |

| Fourth amendment to the<br>2022 Universal<br>Registration Document  | Pages     | Global<br>Reporting<br>Initiative <sup>(*)</sup> | ISO 26000  | Principles<br>of the<br>United<br>Nations<br>Global<br>Compact | Sustainable<br>Development<br>Goals (SDG) | Principles<br>for<br>Responsible<br>Banking | TCFD <sup>(**)</sup>    |
|---|-----------|--|--|--|---|---|-------------------------|
| <b>Commitment 3: Systematic integration and management of environmental, social and governance risks (ESG)</b>                        |           |  |  |  |   |   |                         |
| A comprehensive ESG risk management approach  | 750       | D2-17, D2-23, D2-24, D3-1, D101-1                | 4.4, 4.6, 6.2, 6.3.4, 6.3.5, 6.5.5, 6.5.6, 6.6.3, 6.6.7, 6.8.7 | 1 – 10   | 3, 5, 6, 7, 8, 9, 13, 14, 15, 16          | 1 – 6                                       | R.a), R.b), R.c), MT.c) |
| An internal ESG performance and risk assessment tool: ESG Assessment  | 751 - 752 | D2-23, D2-24                                     | 6.3.5, 6.4.7, 6.7.4, 6.7.5                                     | 1 – 10   | 5, 10, 11, 12, 13, 14, 15, 16             | 1, 2, 3, 5, 6                               | R.a), R.b), R.c)        |
| Implementation of financing and investment policies   | 751       | D2-24, D203-1                                    |  | 1 – 10   | 5, 10, 11, 12, 13, 14, 15, 16             | 1–6   | R.a), R.b), R.c)        |
| Other ESG risk management tools   | 752 - 753 | D2-24, D3-1                                      |  | 1 – 10   | 5, 10, 11, 12, 13, 14, 15, 16             | 3, 4, 5                                     | R.a), R.b), R.c)        |
| Alignment of the loan portfolio with the net zero by 2050 objective   | 754 - 757 | D2-24, D201-2                                    | 6.5.5, 6.7.5   | 7, 8, 9  | 7, 9, 12, 13, 14, 15                      | 1 – 6                                       | S.a), S.b)              |
| <b>OUR SOCIAL RESPONSIBILITY: SUPPORTING OUR EMPLOYEES BY OFFERING THEM AN ENVIRONMENT AND PATHWAYS ADAPTED TO THEIR EXPECTATIONS</b> |           |  |  |  |   |   |                         |
| Our employees around the world  | 759 - 761 | D2-7, D401-1, D401-3, D405-1                     | 6.4.3  |  | 5, 8                                      | 6   |                         |
| Changes in workforce (recruitments, departures and mobility)  | 761 - 762 |  | 6.4.3, 6.4.4   |  | 5, 8                                      | 6   |                         |
| Absenteeism and Work-related accidents  | 762 - 763 | D403   | 6.4.3, 6.4.4, 6.4.6  | 6  | 3, 5, 8                                   | 1, 5, 6                                     |                         |
| <b>Commitment 4: Promotion of diversity, equality and inclusion</b>   |           |  |  |  |   |   |                         |
| A solid framework, a multi-actor commitment   | 763 - 764 | D3-2, D3-3                                       | 6.3.7, 6.4.3, 6.4.7  | 1, 6   | 5, 8, 10                                  | 5   |                         |
| Promoting an inclusive culture  | 764 - 765 | D3-2, D3-3                                       | 5.3.3, 6.6.6   | 1, 6   | 5, 8, 10, 16                              | 4, 5  |                         |
| Outstanding actions in the area of professional equality  | 765 - 768 | D3-2, D3-3                                       | 6.3.7, 6.3.10, 6.4.3, 6.6.6                                    | 1, 6   | 5, 8, 10, 16                              | 5, 6  |                         |
| Constant progress, pioneering initiatives for greater diversity   | 768 - 770 | D3-2, D3-3                                       | 5.3.3  | 1, 6   | 5, 8, 10, 17                              | 5, 6  |                         |
| Respect for human rights and code of conduct  | 771       | D3-2, D3-3                                       | 6.3.3, 6.3.5   | 1, 2, 6  | 5, 8, 10, 17                              | 5, 6  |                         |
| <b>Commitment 5: “A good place to work” and responsible employment management</b>   |           |  |  |  |   |   |                         |
| Strong focus on employees (health and safety, risk prevention, context of health crisis and conflict in Ukraine)                      | 771 - 774 | D403-1, D403-4, D403-6                           | 6.4.3, 6.4.4, 6.4.6  | 6  | 3, 5, 8                                   | 1, 5, 6                                     |                         |
| Transforming working practices and maintaining the strong corporate culture   | 774 - 776 |  | 6.4.3  |  | 4, 8                                      | 4, 5  | R. c), MT. c)           |
| High-quality social dialogue  | 776 - 778 | D2-30  | 5.3.3, 6.4.3, 6.3.10, 6.4.5                                    | 3  | 3, 5, 8, 17                               | 1, 4, 5                                     |                         |

| <b>Fourth amendment to the<br/>2022 Universal<br/>Registration Document</b> | <b>Pages</b> | <b>Global<br/>Reporting<br/>Initiative<sup>(*)</sup></b> | <b>ISO 26000</b> | <b>Principles<br/>of the<br/>United<br/>Nations<br/>Global<br/>Compact</b> | <b>Sustainable<br/>Development<br/>Goals (SDG)</b> | <b>Principles<br/>for<br/>Responsible<br/>Banking</b> | <b>TCFD<sup>(**)</sup></b> |
|---|--------------|--|------------------|--|--|---|----------------------------|
| A competitive compensation<br>policy  | 778 - 780    | D2-20  | 6.4.3, 6.4.4     | 6  | 5, 8   | 4, 6  |                            |

| Fourth amendment to the<br>2022 Universal<br>Registration Document   | Pages     | Global<br>Reporting<br>Initiative <sup>(*)</sup> | ISO 26000                               | Principles<br>of the<br>United<br>Nations<br>Global<br>Compact | Sustainable<br>Development<br>Goals (SDG) | Principles<br>for<br>Responsible<br>Banking | TCFD <sup>(**)</sup> |
|--|-----------|--|---|--|---|---|----------------------|
| <b>Commitment 6: A learning company supporting dynamic career path management</b>  |           |  |   |  |   |   |                      |
| Attracting candidates and<br>retaining employees   | 780 - 783 |  | 6.4.7                                   | 6  | 4, 5, 8, 10                               | 1, 4  |                      |
| Developing skills and improving<br>employability – training, skills  | 783 – 787 | D404-2,<br>D404-3                                | 6.4.7, 6.8.5                            | 1, 8   | 4, 5, 8, 17                               | 1, 4  | R. c), MT.<br>c)     |
| <b>OUR CIVIC RESPONSIBILITY: BEING A POSITIVE AGENT FOR CHANGE</b>   |           |  |   |  |   |   |                      |
| <b>Commitment 7: Products and services that are widely accessible</b>  |           |  |   |  |   |   |                      |
| The Group's action to promote<br>the inclusion and financial health<br>of its clients                                      | 787 - 788 | D3-2, D3-3                                       | 6.8.3, 6.8.9                            | 6, 8, 9  | 1, 8, 10, 17                              | 1 – 3                                       |                      |
| Taking customers' specific<br>needs into account   | 788 – 789 | D3-2, D3-3                                       | 6.7.4, 6.7.8,<br>6.8.6                  | 6  | 8, 10                                     | 1 – 3                                       |                      |
| <b>Commitment 8: Supporting human rights and combatting social exclusion</b>   |           |  |   |  |   |   |                      |
| BNP Paribas is committed to<br>respecting human rights   | 790 - 791 | D3-2, D3-3                                       | 6.3.3, 6.3.4,<br>6.3.5, 6.3.7,<br>6.7.7 | 1 – 6  | 1, 2, 8, 16                               | 1 – 6                                       |                      |
| Combatting social exclusion  | 792       | D3-2, D3-3                                       | 6.8.3, 6.8.4,<br>6.8.5                  | 6  | 8, 10, 11                                 | 1, 2  |                      |
| <b>Commitment 9: Corporate philanthropy policy focused on the arts, solidarity and the environment</b>                     |           |  |   |  |   |   |                      |
| Solidarity   | 792 – 793 | D3-2, D3-3                                       | 6.4.7, 6.8.3                            | 1, 6   | 3, 4, 6, 7, 8, 13,<br>14, 15              | 1, 2, 4                                     |                      |
| Culture  | 793 - 794 |  | 6.8.4                                   |  | 11  | 4   |                      |
| <b>OUR ENVIRONMENTAL RESPONSIBILITY: ACCELERATING THE ECOLOGICAL AND ENERGY TRANSITION</b>                                 |           |  |   |  |   |   |                      |
| <b>Commitment 10: Enabling its clients to transition to a low-carbon economy respectful of the environment</b>             |           |  |   |  |   |   |                      |
| A strong ambition for the<br>transition to a low-carbon<br>economy   | 794 - 795 | D3-2, D3-3,<br>D302-5                            | 6.5.3, 6.5.4,<br>6.5.5,<br>6.6.6, 6.7.5 | 7 – 9  | 7, 9, 11, 13                              | 1 – 6                                       | MT.a),<br>MT.c)      |
| Supporting corporate clients in<br>their energy and ecological<br>transition   | 795 - 797 | D3-2, D3-3,<br>D302-5                            | 6.5.3, 6.5.4,<br>6.5.5, 6.6.6,<br>6.7.5 | 7 – 9  | 7, 9, 11, 12, 13                          | 1, 3, 4                                     | MT.a),<br>MT.c)      |
| Supporting its individual<br>customers in reducing their<br>carbon footprint and participating<br>in the energy transition | 797 - 798 | D3-2, D3-3,<br>D302-5                            | 6.5.3, 6.5.4,<br>6.5.5, 6.6.6,<br>6.7.5 | 7 – 9  | 7, 11, 13                                 | 1, 3, 4                                     | MT.a),<br>MT.c)      |
| Contributing to protecting<br>biodiversity   | 798       | D101-1,<br>D101-2,<br>D101-4                     | 6.5.4, 6.5.6,<br>6.7.5                  | 7 – 9  | 5, 9, 11, 12, 14,<br>15, 17               | 1, 2, 4, 5                                  |                      |
| Asset management to support<br>the energy and ecological<br>transition   | 799       |  | 6.5.4, 6.5.5,<br>6.6.6, 6.7.5           | 7 – 9  | 6, 7, 8, 9, 11,<br>13, 14, 15             | 1, 2, 3, 4, 5                               | R. c),<br>MT.a)      |
| Financing innovative start-ups as<br>an accelerator of the ecological<br>transition  | 799       | D3-2, D3-3,<br>D302-5                            | 6.5.3, 6.5.4,<br>6.5.5, 6.6.6,<br>6.7.5 | 7 – 9  | 7, 9, 11, 12, 13                          | 1, 3, 4                                     | MT.a),<br>MT.c)      |

| Fourth amendment to the<br>2022 Universal<br>Registration Document   | Pages     | Global<br>Reporting<br>Initiative <sup>(*)</sup> | ISO 26000   | Principles<br>of the<br>United<br>Nations<br>Global<br>Compact | Sustainable<br>Development<br>Goals (SDG) | Principles<br>for<br>Responsible<br>Banking | TCFD <sup>(**)</sup> |
|--|-----------|--|---|--|---|---|----------------------|
| <b>Commitment 11: Reducing the environmental impact of its operations</b>  |           |  |   |  |   |   |                      |
| Green company for employees<br>(GC4E): employee engagement<br>worldwide  | 799 - 800 |  | 6.5.3, 6.5.4,<br>6.5.5, 6.7.5   | 7, 9   | 12, 13                                    | 1, 5, 6                                     |                      |
| Strengthened efforts to reduce<br>the energy consumption of<br>operations  | 800 - 802 | D302-1,<br>D305-1,<br>D305-4,<br>D305-5          | 6.5.3, 6.5.4,<br>6.5.5, 6.7.5   | 7, 8, 9  | 9, 11, 12, 13                             | 1, 5, 6                                     | MT.b)                |
| Responsible real estate<br>initiatives   | 802       |  | 6.5.3, 6.5.4,<br>6.5.5, 6.7.5   | 9  | 9, 11, 12                                 | 2, 6  | MT.c)                |
| Responsible consumption  | 803       | D302-2   | 6.5.3, 6.5.4,<br>6.5.5, 6.7.5   | 9  | 12  | 2, 6  | MT.c)                |
| <b>Commitment 12: Advancing awareness and sharing of best environmental practices</b>                            |           |  |   |  |   |   |                      |
| Supporting research and<br>development on climate change<br>and biodiversity                                     | 804       | D101-1   | 6.5.5, 6.6.6,<br>6.8.6, 6.8.9   | 8, 9   | 13, 14, 17                                | 4, 5  | S.b)                 |
| Raising awareness among<br>internal and external<br>stakeholders   | 804 - 805 | D2-23,<br>D413-1                                 | 6.5.5, 6.6.6,<br>6.8.6, 6.8.9   | 9  | 17  | 4, 5  | S.b)                 |
| Taking an active part in<br>partnerships and collective<br>initiatives   | 805       | D2-23,<br>D413-1                                 | 6.5.5, 6.6.6,<br>6.8.6, 6.8.9   | 9  | 17  | 4, 5  | S.b)                 |
| <b>EXTRA-FINANCIAL PERFORMANCE STATEMENT, VIGILANCE PLAN, AND MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT</b> |           |  |   |  |   |   |                      |
| <b>Extra-financial performance<br/>statement</b>   | 806-807   | D2-23, D3-<br>1, D3-2, D3-<br>3                  | 5.2.2, 5.3.3,<br>6.3.3, 6.3.4,<br>6.3.5, 6.3.7,<br>6.3.8, 6.3.9,<br>6.3.10, 6.4.3,<br>6.4.4, 6.4.5,<br>6.4.6, 6.5.3,<br>6.5.5, 6.5.6,<br>6.6.7, 6.7.7 | 1 – 7  | 3, 4, 5, 6, 8, 13,<br>15, 16, 17          | G.b), R.a),<br>1 – 6 R.b), MTa)             |                      |
| <b>Vigilance plan</b>  |           |  |   |  |   |   |                      |
| Risk mapping   | 815 - 819 | D2-24, D3-1                                      | 5.3.3   | 2, 7, 10   |   | G. b), S.<br>1, 5 a), R.a)                  |                      |
| Appropriate actions to mitigate<br>risks or prevent serious harm   | 822 - 827 | D3-3   | 6.3.6   | 1 – 10   | 3, 5, 6, 8, 10,<br>12, 13, 14, 15,<br>16  | 2, 4, 6                                     | R. b)                |
| Alert mechanism<br>(Whistleblowing)  | 827 - 828 | D2-26  | 6.3.3, 7.5.3  | 2 – 8, 10  |   | 4, 5  | R. b)                |
| System for monitoring the<br>measures implemented and<br>assessing their effectiveness                           | 828 -831  | D3-3   | 7.7.3, 7.7.4,<br>7.7.5  | 2, 7, 10   |   | 5, 6  | R. b), MT.<br>a)     |
| <b>Statement on modern slavery<br/>and human trafficking</b>   | 831 - 835 | D408-1,<br>D409-1                                | 5.2.2, 5.2.3,<br>6.3.3, 6.3.4,  | 1,2, 4, 5, 6   | 5, 8, 10, 16, 17                          | 2, 4, 6                                     |                      |

| Fourth amendment to the 2022 Universal Registration Document  | Pages     | Global Reporting Initiative <sup>(*)</sup> | ISO 26000                   | Principles of the United Nations Global Compact | Sustainable Development Goals (SDG) | Principles for Responsible Banking | TCFD <sup>(**)</sup> |
|---|-----------|--|-----------------------------|---|-------------------------------------|------------------------------------|----------------------|
|   |           |  | 6.3.5, 6.3.6, 6.3.10, 6.4.7 |   |                                     |                                    |                      |
| Aligned activities under the meaning of the European Taxonomy | 836 - 883 | D3-1, D4-2                                 | 7.6.2                       |   | 17                                  | 6                                  |                      |

(\*) "GRI Universal Standards" published in 2021 and applicable in 2023.

(\*\*) Task force on Climate related Financial Disclosures - G: Governance, S: Strategy, R: Risk Management, MT: Metrics and Targets

The table below takes into account the codified standards of the Sustainability Accounting Standards Board (SASB) for the "Commercial Banking" category. It should be noted that the SASB standards present, at this stage, a "United States"-oriented approach to defining the criteria. This table best represents the information and data mapping according to the SASB indicators for Commercial & Personal Banking. Note that this mapping has not been audited.

| Domain  | SASB indicator  | SASB code of the indicator | References of information and data available in this amendment to the 2022 Universal Registration Document and the 2023 Annual financial report  |
|---|---|----------------------------|--|
| Data security                                   | Description of the approach to identify and address data security risks   | FN-CB-230a.2               | Chapter 2.4 Internal control: p112 to 121, in particular p119-120 "Management of risks related to information and communication technologies" and "Management of risks related to the protection of personal data"<br>Chapter 5.9 Operational risk: p518-519 "Cybersecurity and technology"  |
| Financial inclusion and capacity building       | (1) Number and (2) amount of outstanding loans eligible for programmes to promote the development of small businesses and local authorities                 | FN-CB-240a.1               | Chapter 7.2 Our economic responsibility: p645-647 "Commitment 1: financing and investments with a positive impact", p646 "Financing impact entrepreneurship"<br>Chapter 5.4 Credit risk: p372 table 25 "Gross credit risk exposure by asset class and approach"<br>Chapter 7.4 Our civic responsibility: p681 "Commitment 7: products and services that are widely accessible" |
|   | (1) Number and (2) amount of past due loans or loans with unrecognised interest eligible for programmes to promote small business and community development | FN-CB-240a.2               | Chapter 5.4 Credit risk: p372 table 25 "Gross credit risk exposure by asset class and approach type"   |
|   | Number of fee-free bank accounts opened for previously unbanked or under-banked individual customers  | FN-CB-240a.3               | Chapter 7.4 Our civic responsibility: p681: "Commitment 7: products and services that are widely accessible"   |
|   | Number of participants in financial education initiatives for unbanked, underbanked or underserved customers  | FN-CB-240a.4               |  |
| Incorporation of ESG factors in credit analysis | Commercial and industrial credit exposure by industry   | FN-CB-410a.1               | Chapter 5.4 Credit risk: p381 table 28 "Credit risk exposure by asset class and approach type"   |
|   | Description of the approach for integrating environmental, social and governance (ESG) factors into the credit analysis                                     | FN-CB-410a.2               | Chapter 5.4 Credit risk: p376 "Credit risk management system - Consideration of social and environmental responsibility (CSR)"<br>Chapter 5.11 Environmental, Social and Governance risk<br>Chapter 7.2 Our economic responsibility: p652 to 658 "Commitment 3: Systematic integration and management of environmental, social and governance (ESG) risks"                     |

| Domain              | SASB indicator  | SASB<br>code of<br>the<br>indicator | References of information and data available in this<br>amendment to the 2022 Universal Registration<br>Document and the 2023 Annual financial report  |
|---------------------|---|-------------------------------------|--|
|                     |   |                                     | Chapter 7.5 Our environmental responsibility: p687 to 692<br>"Commitment 10: enabling our clients to transition to a low-carbon<br>economy respectful of the environment"  |
| Corporate<br>ethics | Total amount of monetary losses<br>resulting from legal proceedings<br>related to fraud, insider trading,<br>antitrust practices, anti-competitive<br>behaviour, market manipulation,<br>abusive practices or other financial<br>industry laws or regulations | FN-CB-<br>510a.1                    | Chapter 4.6 Notes to the financial statements prepared in<br>accordance with IFRS as adopted by the European Union: p279-<br>280 Note 9.c "Legal and arbitration proceedings"<br>Chapter 2.4 Internal control: p112 to 121, in particular p117-118<br>"Compliance", p118-119 "Legal", p119-120 "Risk and Permanent<br>Control" and p120-121 "Periodic control" |
|                     | Description of whistleblower policies<br>and procedures   | FN-CB-<br>510a.2                    | Chapter 7.2 Our economic responsibility: p648 "Commitment 2: the<br>highest ethical standards"   |



| Domain                 | SASB indicator  | SASB code of the indicator | References of information and data available in this amendment to the 2022 Universal Registration Document and the 2023 Annual financial report   |
|------------------------|---|----------------------------|---|
| Risk management system | Global Systemically Important Bank (G-SIB) score, by category   | FN-CB-550a.1               | Chapter 5.2 "Capital management and capital adequacy": p350-351 "Requirements related to banking regulations and banking supervision"<br><a href="https://invest.bnpparibas/en/document/notification-by-the-ecb-of-the-2023-srep">https://invest.bnpparibas/en/document/notification-by-the-ecb-of-the-2023-srep</a><br>Chapter 5 Appendix 3: counter-cyclical capital buffer and G-SIB buffer p564                         |
|                        | Description of the approach for integrating the results of mandatory and internal stress tests into capital adequacy planning, long-term organisational strategy and other operational activities | FN-CB-550a.2               | Chapter 5.2 "Capital management and capital adequacy"<br>Chapter 5.3 Risk management: p363 to p371 in particular "Stress tests"<br>Chapter 5.4 Credit risk: p379 "Stress tests - credit risk"<br>Chapter 5.6 Counterparty risk: p467 "Stress tests and adverse correlation risk"<br>Chapter 5.7 Market risk: p491 "Stress tests - market risk"<br>Chapter 5.8 Liquidity risk: p501-502 "Stress tests and liquidity reserve" |
| Activity metrics       | (1) Number and value (2) of loans by segment: a) retail customers and b) small businesses   | FN-CB-000.A                | Chapter 1.4 Presentation of operating divisions and business lines: p7 to p19<br>Chapter 6 Notes to the parent company financial statements: p596-597 note 3.b "Customer transactions"  |
|                        | (1) Number and value (2) of loans by segment: a) retail customers, b) small business and c) corporate clients   | FN-CB-000.B                | Chapter 5.4 Credit risk: p428-429 table 48 "Performing and non-performing exposures and corresponding provisions (EU CR1)"  |

## 7.11 Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated non-financial performance statement

*This is a free English translation of the report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.*

Year ended December 31, 2023

To the Shareholders' Meeting,

In our capacity as Statutory Auditor of BNP Paribas SA (hereinafter the "Company"), appointed as independent third party ("third party") and accredited by the French Accreditation Committee (Cofrac), under number 3-1886 (Cofrac Inspection Accreditation, scope available at [www.cofrac.fr](http://www.cofrac.fr)), we have conducted procedures to express a limited assurance conclusion on the historical information (observed or extrapolated) in the consolidated non-financial performance statement, prepared in accordance with the Company's procedures (hereinafter the "Guidelines"), for the year ended December 31, 2023 (hereinafter the "Information" and the "Statement", respectively), presented in the Group management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*code de commerce*).

### Conclusion

Based on our procedures as described in the section "Nature and scope of procedures" and the evidence we have obtained, no material misstatements have come to our attention that cause us to believe that the non-financial performance statement does not comply with the applicable regulatory provisions and that the Information, taken as a whole, is not fairly presented in accordance with the Guidelines.

### Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used reference framework or established practices on which to base the assessment and measurement of the Information enables the use of different but acceptable measurement techniques that may impact comparability between entities and over time.

Accordingly, the Information must be read and interpreted with reference to the Guidelines, summarised in the Statement and available on the Company's website or on request from its headquarters.

### Limits inherent in the preparation of the information relating to the Statement

The Information may be subject to uncertainty inherent to the state of scientific and economic knowledge and the quality of external data used. Some information is sensitive to the choice of methodology and the assumptions or estimates used for its preparation and presented in the Statement.

## RESPONSIBILITY OF THE COMPANY

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Management is responsible for:

- selecting or determining the appropriate criteria for the preparation of the Information;
- preparing a Statement pursuant to legal and regulatory provisions, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies implemented with respect to these risks as well as the outcomes of these policies, including key performance indicators and the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- implementing such internal control as it determines is necessary to enable the preparation of Information that is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by applying the Company's Guidelines as referred to above.

## RESPONSIBILITY OF THE STATUTORY AUDITOR APPOINTED AS INDEPENDENT THIRD PARTY

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Based on our work, our responsibility is to express a limited assurance conclusion on:

- the compliance of the Statement with the requirements of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to part 3 of sections I and II of Article R. 225-105 of the French Commercial Code, i.e. the outcomes of policies, including key performance indicators, and measures relating to the main risks, hereinafter the "Information."

As it is our responsibility to issue an independent conclusion on the information prepared by management, we are not authorised to participate in the preparation of the Information, as this could compromise our independence.

It is not our responsibility to provide a conclusion on:

- the Company's compliance with other applicable legal and regulatory provisions (particularly with regard to the information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy), the fight against corruption and tax evasion;
- the fairness of information set-out in Article 8 of Regulation (EU) 2020/852 (Green taxonomy);
- the compliance of products and services with the applicable regulations.

### Applicable regulatory provisions and professional guidance

We performed the work described below in accordance with our audit verification programme in application of Articles A. 225-1 et seq. of the French Commercial Code, the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement and with the international standard ISAE 3000 (revised - Assurance engagements other than audits or reviews of historical financial information).

### Independence and quality control

Our independence is defined by Article L. 821-28 of the French Commercial Code and French Code of Ethics for Statutory Auditors (*Code de déontologie*). In addition, we have implemented a system of quality control including documented policies and procedures aimed at ensuring compliance with applicable legal and regulatory requirements, ethical requirements and the professional guidance issued by the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement.

### Means and resources

Our work engaged the skills of five people between December 2023 and March 2024 and took a total of twelve weeks.

To assist us in conducting our work, we referred to our corporate social responsibility and sustainable development experts. We conducted around fifteen interviews with people responsible for preparing the Statement.

This work involved the use of information and communication technologies allowing the work and interviews to be carried out remotely, without hindering the good execution of the verification process.

### Nature and scope of procedures

We planned and performed our work taking account of the risk of material misstatement of the Information.

We consider that the procedures conducted in exercising our professional judgement enable us to express a limited assurance conclusion:

- We familiarized ourselves with the activities of all companies in the consolidation scope and the description of the principal risks.
- We assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, neutrality and clarity, taking into account, where appropriate, best practices within the sector.
- We verified that the Statement covers each category of information stipulated in section III of Article L. 225-102-1 governing social and environmental affairs, respect for human rights and the fight against corruption and tax evasion.
- We verified that the Statement provides the information required under Article R.225-105 II of the French Commercial Code where relevant with respect to the principal risks, and includes, where applicable, an explanation for the absence of the information required under Article L.225-102-1 III, paragraph 2 of the French Commercial Code.
- We verified that the Statement presents the business model and a description of the principal risks associated with the activities of all the consolidated entities, including where relevant and proportionate, the risks associated with their business relationships, their products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators associated to the principal risks.
- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the principal risks as well as the consistency of the outcomes, including the key performance indicators used, with respect to the principal risks and the policies presented; and
  - corroborate the qualitative information (measures and outcomes) that we considered to be the most important<sup>1</sup> ; for certain information, our work was carried out on the consolidating entity, while for other risks, our work was carried out on the consolidating entity and on a selection of entities.
- We verified that the Statement covers the consolidated scope, i.e. all companies within the consolidation scope in accordance with Article L. 233-16, with the limits specified in the Statement.
- We obtained an understanding of internal control and risk management procedures implemented by the Company and assessed the data collection process aimed at ensuring the completeness and fairness of the Information.
- For the key performance indicators and other quantitative outcomes<sup>2</sup> that we considered to be the most important, we implemented:
  - analytical procedures that consisted in verifying the correct consolidation of collected data as well as the consistency of changes thereto;
  - substantive tests, on a sample basis and using other selection methods, that consisted in verifying the proper application of definitions and procedures and reconciling data with supporting documents. These procedures were conducted for a selection of contributing entities<sup>3</sup> and covered between 20% and 100% of the consolidated data selected for these tests.
- We assessed the overall consistency of the Statement in relation to our knowledge of the entire Company.

The procedures conducted in a limited assurance review are substantially less in scope than those required to issue a reasonable assurance opinion in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*); a higher level of assurance would have required us to carry out more extensive procedures.

Paris-La Défense, March 15, 2024

One of the Statutory Auditors,

**Deloitte & Associés**

Laurence Dubois

Partner, Audit

Julien Rivals

Partner, Sustainability Services";

<sup>1</sup> Presence of implemented methodologies and/or processes with regard to the following themes, mentioned in the Statement : binding financing and investment policies, contributing to protecting biodiversity, integrating ESG criteria into asset management, BNP Paribas policy on modern slavery and human trafficking – towards its clients, alignment of the loan portfolio with the net-zero in 2050 objective.

<sup>2</sup> Total workforce, by gender ; workforce movements, breakdown by reason for departure; share of women among the SMP population (Senior Management Position) (4) ; number of solidarity hours performed by employees (#1MillionHours2Help) (5) ; share of employees who completed at least four training courses during the previous 12 months (6) ; greenhouse gas emissions in tons of CO<sub>2</sub> equivalent (teq CO<sub>2</sub>)/full-time employees of the Group (10) ; paper consumption ; amount of sustainable loans (2) ; assets under management of SFDR Article 8 and 9 open funds distributed in Europe (3) ; number of beneficiaries of products and services supporting financial inclusion (7) ; amount of the support enabling our clients to transition to a low-carbon economy (8); amount of financing to companies contributing to protect terrestrial and marine biodiversity (9). The parenthesized numbers are labelled in order of appearance within the 2023 CSR Dashboard.

<sup>3</sup> BNP Paribas France (social and environmental data, including KPI 4, 5, 6 and 10), BNP Paribas UK (environmental data, including KPI 10), BNP Paribas CIB, CPBS (including ARVAL and CPBB/Fortis, KPI 1) BNP Paribas CIB (KPI 2, 8 and 9) BNP Paribas Asset Management (KPI 3), Nickel (KPI 7).

- (h) Section 8 entitled "General Information" on pages 818 to 846 to shall be deleted in its entirety and replaced with the following:

# "8 GENERAL INFORMATION

## 8.1 Documents on display

This document is available on the BNP Paribas website, <https://rates-globalmarkets.bnpparibas.com/gm/Public/LegalDocs.aspx>, and the National Storage Mechanism (NSM) website, <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Any person wishing to receive additional information about the BNP Paribas Group can request documents, without commitment, as follows:

- **by writing to:**

BNP Paribas – Finance & Strategy  
Investor Relations and Financial Information  
Palais du Hanovre  
16 rue de Hanovre – CAT03B2  
75002 Paris  
FRANCE

- **by calling:** +33 (0)1 40 14 63 58

BNP Paribas' regulatory information can be viewed at: <https://invest.bnpparibas.com/en/regulated-information>.

Head office: 16, boulevard des Italiens, 75009 Paris, France

Legal form: BNP Paribas is a limited company authorised as a bank under the provisions of the French Monetary and Financial Code (Book V, Title 1) on banking institutions.

Legal identity identifier: R0MUWSFPU8MPRO8K5P83

Law governing its activities: BNP Paribas is a company incorporated under French law and operates in many countries, both in Europe and outside Europe. Many foreign regulations can therefore govern its activities.

Country of origin: France

## 8.2 Material contracts

To date, BNP Paribas has not entered into any material contracts – other than those entered into during the normal course of business – that create an obligation or commitment for the entire Group.

## 8.3 Dependence on external parties

To date, BNP Paribas is not dependent on external parties.

## 8.4 Significant changes

Save as disclosed herein, there has been no significant change in the Group's financial position or financial performance since 31 March 2024 and no material adverse change in the prospects of BNPP since the end of the last financial period for which audited financial information has been published.

To the best of the Group's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of BNPP's solvency since 31 March 2024.

## 8.5 Investments

Investments since 1 January 2021 that are individually valued at over EUR 500 million and considered material at Group level are as follows:

| Country                              | Announcement date  | Transaction   | Transaction amount | Comments  |
|--------------------------------------|--|---|--------------------|---|
| Canada                               | 16 December 2022   | Participation of BNP Paribas SA in a capital increase organised <i>via</i> a private placement by Bank of Montreal, in the amount of CAD 750 million for a price of CAD 118.60 per share.   | CAD 750 M          | In connection with the acquisition of Bank of the West by BMO Financial Group |
| Germany<br>Austria<br>United Kingdom | 17 December 2021<br>(non-binding agreement signed on 16 December 2021) | Reorganisation of the partnership between BNP Paribas Personal Finance and Stellantis: BNP Paribas would become the exclusive partner of Stellantis captive for Financing activities of all its brands in three strategic markets: Germany, Austria and the United Kingdom. | Not public         | Subject to customary approvals  |

## 8.6 Information on locations and businesses in 2023

In accordance with article L.511-45 of the French Monetary and Financial Code and Decree No. 2014-1657 of 29 December 2014, credit institutions, financial holding companies, mixed financial holding companies and investment firms are obliged to disclose information about their locations and activities, included in their scope of consolidation, in each State or territory.

### I. LOCATIONS BY COUNTRY

| Locations   | Business  |
|---|---|
| <b>1. European Union member states</b>                                |   |
| <b>Austria</b>  |   |
| Arval Austria GmbH  | Arval   |
| BNPP Asset Management France (Austria branch)                         | Asset Management  |
| BNPP Leasing Solutions GmbH (Ex- All In One Vermietung)               | Leasing Solutions   |
| BNPP Personal Finance (Austria branch)                                | Personal Finance  |
| BNPP SA (Austria branch)  | Corporate and Institutional Banking                         |
| Cardif Assurance Vie (Austria branch)                                 | Insurance   |
| Cardif Assurances Risques Divers (Austria branch)                     | Insurance   |
| CNH Industrial Capital Europe GmbH                                    | Leasing Solutions   |
| Stellantis Bank SA (Austria branch) (Ex- Opel Bank (Austria branch))  | Personal Finance  |
| <b>Belgium</b>  |   |
| AG Insurance  | Insurance   |
| Alpha Crédit SA   | Personal Finance  |
| Arval Belgium NV SA   | Arval   |
| Astridplaza   | Insurance   |
| Axepta BNPP Benelux   | Retail Banking  |
| Bancontact Paytoniq Company   | Retail Banking  |
| BASS Master Issuer NV   | Retail Banking  |
| Batopin   | Retail Banking  |
| Belgian Mobile ID   | Retail Banking  |
| BNPP 3 Step IT (Belgium branch)                                       | Leasing Solutions   |
| BNPP Asset Management Be Holding                                      | Asset Management  |
| BNPP Asset Management France (Belgium branch)                         | Asset Management  |
| BNPP B Institutional II   | Asset Management  |
| BNPP Fortis   | Retail Banking  |
| BNPP Fortis Factor NV   | Retail Banking  |
| BNPP Fortis Film Finance  | Retail Banking  |
| BNPP FPE Belgium  | Retail Banking  |
| BNPP FPE Expansion  | Retail Banking  |
| BNPP FPE Management   | Retail Banking  |
| BNPP Lease Group Belgium  | Leasing Solutions   |
| BNPP Partners for Innovation Belgium                                  | Property Companies (Property used in operations) and Others |
| BNPP Real Estate Belgium SA (Ex- BNPP Real Estate Holding Benelux SA) | Real Estate Services  |
| BNPP Real Estate Investment Management Belgium                        | Real Estate Services  |
| BNPP SA (Belgium branch)  | Corporate and Institutional Banking                         |
| Bpost Banque  | Retail Banking  |
| Cardif Assurances Risques Divers (Belgium branch)                     | Insurance   |
| Cardif Assurance Vie (Belgium branch)                                 | Insurance   |
| CNH Industrial Capital Europe (Belgium branch)                        | Leasing Solutions   |
| Credissimo  | Retail Banking  |
| Credissimo Hainaut SA   | Retail Banking  |
| Crédit pour Habitations Sociales                                      | Retail Banking  |
| Demetris NV   | Retail Banking  |
| Eos Aremas Belgium SA NV  | Personal Finance  |



| Locations   | Business  |
|---|---|
| Epimede   | Retail Banking  |
| ES Finance  | Leasing Solutions   |
| Esmee Master Issuer                                     | Retail Banking  |
| Financière des Paiements Electroniques (Belgium branch) | New Digital Businesses                                      |
| FL Zeebrugge  | Leasing Solutions   |
| Fortis Lease Belgium                                    | Leasing Solutions   |
| FScholen  | Corporate and Institutional Banking                         |
| Gambit Financial Solutions                              | Asset Management  |
| Immobilière Sauveniere SA                               | Retail Banking  |
| Investissement Private Equity (a)                       | Retail Banking  |
| Isabel SA NV  | Retail Banking  |
| Locadif   | Arval   |
| Microstart  | Retail Banking  |
| Sagip   | Retail Banking  |
| Sowo Invest SA NV                                       | Retail Banking  |
| Terberg Leasing Justlease Belgium BV                    | Arval   |
| <b>Bulgaria</b>   |   |
| BNPP SA (Bulgaria branch)                               | Corporate and Institutional Banking                         |
| Cardif Assurance Vie (Bulgaria branch)                  | Insurance   |
| Cardif Assurances Risques Divers (Bulgaria branch)      | Insurance   |
| <b>Czech Republic</b>                                   |   |
| Arval CZ SRO  | Arval   |
| BNPP Cardif Pojistovna AS                               | Insurance   |
| BNPP Cardif Services SRO                                | Insurance   |
| BNPP Personal Finance (Czech Republic branch)           | Personal Finance  |
| BNPP SA (Czech Republic branch)                         | Corporate and Institutional Banking                         |
| <b>Denmark</b>  |   |
| Arval AS  | Arval   |
| BNPP Cardif Livforsakring AB (Denmark branch)           | Insurance   |
| BNPP Factor AS  | Retail Banking  |
| BNPP Leasing Solutions AS                               | Leasing Solutions   |
| BNPP SA (Denmark branch)                                | Corporate and Institutional Banking                         |
| Cardif Forsakring AB (Denmark branch)                   | Insurance   |
| Ekspres Bank AS   | Personal Finance  |
| <b>Finland</b>  |   |
| Arval OY  | Arval   |
| BNPP SA (Finland branch)                                | Corporate and Institutional Banking                         |
| <b>France</b>   |   |
| 2SF - Société des Services Fiduciaires                  | Retail Banking  |
| AEW Immocommercial                                      | Insurance   |
| Agathe Retail France                                    | Insurance   |
| Antin Participation 5                                   | Property Companies (Property used in operations) and Others |
| Aprolis Finance   | Leasing Solutions   |
| Artegy  | Leasing Solutions   |
| Artel   | Arval   |
| Arval Fleet Services                                    | Arval   |
| Arval Service Lease                                     | Arval   |
| Arval Trading   | Arval   |
| Auguste Thouard Expertise                               | Real Estate Services  |
| Autonor 2019  | Personal Finance  |
| Autonor DE 2023   | Personal Finance  |
| Axa Banque Financement                                  | Personal Finance  |
| Banque de Wallis et Futuna                              | Retail Banking  |
| Becquerel   | Insurance   |
| BNP Paribas SA  | Banking   |
| BNPP 3 Step IT  | Leasing Solutions   |

| Locations   | Business  |
|---|---|
| BNPP Actions Croissance                                     | Insurance   |
| BNPP Actions Euro   | Insurance   |
| BNPP Actions Monde  | Insurance   |
| BNPP Actions PME ETI  | Insurance   |
| BNPP Agility Fund Equity SLP                                | Asset Management  |
| BNPP Agility Fund Private Debt SLP                          | Asset Management  |
| BNPP AM International Hedged Strategies                     | Asset Management  |
| BNPP Antilles Guyane  | Retail Banking  |
| BNPP Aqua   | Insurance   |
| BNPP Asset Management France                                | Asset Management  |
| BNPP Asset Management Holding                               | Asset Management  |
| BNPP Best Selection Actions Euro                            | Insurance   |
| BNPP Cardif   | Insurance   |
| BNPP Convictions  | Insurance   |
| BNPP CP Cardif Private Debt                                 | Insurance   |
| BNPP CP Infrastructure Investments Fund                     | Insurance   |
| BNPP Dealing Services                                       | Asset Management  |
| BNPP Développement  | Retail Banking  |
| BNPP Développement Humain                                   | Insurance   |
| BNPP Développement Oblig                                    | Retail Banking  |
| BNPP Diversiflex  | Insurance   |
| BNPP Diversipierre  | Insurance   |
| BNPP Factor   | Retail Banking  |
| BNPP Financial Markets (Ex- BNPP Arbitrage)                 | Corporate and Institutional Banking                         |
| BNPP France Crédit  | Insurance   |
| BNPP Global Senior Corporate Loans                          | Insurance   |
| BNPP Home Loan SFH  | Property Companies (Property used in operations) and Others |
| BNPP Immobilier Promotion (Ex- BNPP Immobilier Résidentiel) | Property Companies (Property used in operations) and Others |
| BNPP Immobilier Résidences Services                         | Real Estate Services  |
| BNPP Indice Amerique du Nord                                | Insurance   |
| BNPP IRB Participations                                     | Europe-Mediterranean  |
| BNPP Lease Group  | Leasing Solutions   |
| BNPP Multistratégies Protection 80                          | Insurance   |
| BNPP Nouvelle Calédonie                                     | Retail Banking  |
| BNPP Partners for Innovation                                | Property Companies (Property used in operations) and Others |
| BNPP Personal Finance                                       | Personal Finance  |
| BNPP Procurement Tech                                       | Property Companies (Property used in operations) and Others |
| BNPP Public Sector SA                                       | Property Companies (Property used in operations) and Others |
| BNPP Real Estate  | Real Estate Services  |
| BNPP Real Estate Conseil Habitation & Hospitality           | Real Estate Services  |
| BNPP Real Estate Consult France                             | Real Estate Services  |
| BNPP Real Estate Financial Partner                          | Real Estate Services  |
| BNPP Real Estate Investment Management France               | Real Estate Services  |
| BNPP Real Estate Property Management France SAS             | Real Estate Services  |
| BNPP Real Estate Transaction France                         | Real Estate Services  |
| BNPP Real Estate Valuation France                           | Real Estate Services  |
| BNPP Réunion  | Retail Banking  |
| BNPP Sélection Dynamique Monde                              | Insurance   |
| BNPP Smallcap Euroland                                      | Insurance   |
| BNPP Social Business France                                 | Insurance   |
| C Santé   | Insurance   |
| Cafineo   | Personal Finance  |
| Capital France Hotel  | Insurance   |
| Cardif Alternatives Part I                                  | Insurance   |
| Cardif Assurance Vie  | Insurance   |
| Cardif Assurances Risques Divers                            | Insurance   |
| Cardif BNPP AM Emerging Bond                                | Insurance   |

| Locations  | Business  |
|--|---|
| Cardif BNPP AM Euro Paris Climate Aligned (Ex-Natio Fonds Collines Investissement N 3) | Insurance   |
| Cardif BNPP AM Global Environmental Equity (Ex- Natio Fonds Colline International)     | Insurance   |
| Cardif BNPP AM Sustainable Euro Equity (Ex- Natio Fonds Collines Investissement N 1)   | Insurance   |
| Cardif BNPP AM Sustainable Europe Equity (Ex- Natio Fonds Athenes Investissement N 5)  | Insurance   |
| Cardif BNPP IP Signatures  | Insurance   |
| Cardif BNPP IP Smid Cap Euro   | Insurance   |
| Cardif CPR Global Return   | Insurance   |
| Cardif Edrim Signatures  | Insurance   |
| Cardif IARD  | Insurance   |
| Cardif Retraite  | Insurance   |
| Cardimmo   | Insurance   |
| Carma Grand Horizon SARL   | Insurance   |
| Carrefour Banque   | Personal Finance  |
| Cedrus Carbon Initiative Trends  | Insurance   |
| Cent ASL   | Arval   |
| Centre Commercial Francilia  | Insurance   |
| CFH Bercy  | Insurance   |
| CFH Bercy Hotel  | Insurance   |
| CFH Bercy Intermédiaire  | Insurance   |
| CFH Boulogne   | Insurance   |
| CFH Cap d'Ail  | Insurance   |
| CFH Montmartre   | Insurance   |
| CFH Montparnasse   | Insurance   |
| Claas Financial Services   | Leasing Solutions   |
| CNH Industrial Capital Europe  | Leasing Solutions   |
| Cofica Bail  | Personal Finance  |
| Cofiparc   | Arval   |
| Cofiplan   | Personal Finance  |
| Compagnie pour le Financement des Loisirs  | Retail Banking  |
| Construction-Sale Companies (c)  | Real Estate Services  |
| Copartis   | Retail Banking  |
| Corosa   | Insurance   |
| Crédit Moderne Antilles Guyane   | Personal Finance  |
| Crédit Moderne Océan Indien  | Personal Finance  |
| Défense CB3 SAS  | Insurance   |
| Diversipierre DVP 1  | Insurance   |
| Domofinance  | Personal Finance  |
| DVP European Channel   | Insurance   |
| DVP Green Clover   | Insurance   |
| DVP Haussmann  | Insurance   |
| DVP Heron  | Insurance   |
| EP L   | Insurance   |
| EP1 Grands Moulins   | Insurance   |
| Eurotitrisation  | Corporate and Institutional Banking                         |
| Evollis  | Personal Finance  |
| Exane Asset Management   | Corporate and Institutional Banking                         |
| Exane Finance  | Corporate and Institutional Banking                         |
| FCT Juice  | Corporate and Institutional Banking                         |
| FCT Lafayette 2021   | Property Companies (Property used in operations) and Others |
| FCT Laffitte 2021  | Property Companies (Property used in operations) and Others |
| FCT Opera 2023   | Property Companies (Property used in operations) and Others |
| FCT Pulse France 2022  | Arval   |
| FCT Pyramides 2022   | Property Companies (Property used in operations) and Others |
| FDI Poncelet   | Insurance   |
| Financière des Paiements Electroniques   | New Digital Businesses                                      |
| Financière du Marché Saint Honoré  | Corporate and Institutional Banking                         |
| Fleur SAS  | Insurance   |

| Locations   | Business  |
|---|---|
| Floa  | New Digital Businesses                                      |
| Foncière Partenaires  | Insurance   |
| Fonds d'Investissements Immobiliers pour le Commerce et la Distribution | Insurance   |
| Fortis Lease  | Leasing Solutions   |
| FP Cardif Convex Fund USD   | Insurance   |
| GIE BNPP Cardif   | Insurance   |
| GIE BNPP Real Estate  | Real Estate Services  |
| GIE Groupement Auxiliaire de Moyens                                     | Property Companies (Property used in operations) and Others |
| GIE Groupement d'Etudes et de Prestations                               | Property Companies (Property used in operations) and Others |
| GIE Ocean   | Retail Banking  |
| GPinvest 10   | Insurance   |
| Harmony Prime   | Insurance   |
| Hemisphere Holding  | Insurance   |
| Hibernia France   | Insurance   |
| Icare   | Insurance   |
| Icare Assurance   | Insurance   |
| JCB Finance   | Leasing Solutions   |
| Jivago Holding  | Retail Banking  |
| Karapass Courtage   | Insurance   |
| Korian et Partenaires Immobilier 1                                      | Insurance   |
| Korian et Partenaires Immobilier 2                                      | Insurance   |
| Loisirs Finance   | Personal Finance  |
| Louveo  | Arval   |
| Lyf SA  | Leasing Solutions   |
| Lyf SAS   | Leasing Solutions   |
| MGF   | Leasing Solutions   |
| Nanterre Arboretum  | Real Estate Services  |
| Natio Assurance   | Insurance   |
| Natio Energie 2   | Leasing Solutions   |
| Natio Fonds Ampère 1  | Insurance   |
| Natiocredibail  | Leasing Solutions   |
| Neuilly Contentieux   | Personal Finance  |
| New Alpha Cardif Incubator Fund   | Insurance   |
| Noria 2021  | Personal Finance  |
| Noria 2023  | Personal Finance  |
| Opéra Rendement   | Insurance   |
| Parilease   | Corporate and Institutional Banking                         |
| Partecis  | Retail Banking  |
| Partner's & Services  | Real Estate Services  |
| Paylib Services   | Retail Banking  |
| Permal Cardif Co Investment Fund  | Insurance   |
| Personal Finance Location   | Personal Finance  |
| Pixel 2021  | Leasing Solutions   |
| Portzamparc   | Retail Banking  |
| Preim Healthcare SAS  | Insurance   |
| Public Location Longue Durée  | Arval   |
| PWH   | Insurance   |
| Reumal Investissements  | Insurance   |
| Rueil Ariane  | Insurance   |
| Same Deutz Fahr Finance   | Leasing Solutions   |
| SAS HVP   | Insurance   |
| SCI 68/70 rue de Lagny - Montreuil                                      | Insurance   |
| SCI Alpha Park  | Insurance   |
| SCI Batipart Chadesrent   | Insurance   |
| SCI Biv Malakoff  | Insurance   |
| SCI BNPP Pierre I   | Insurance   |
| SCI BNPP Pierre II  | Insurance   |

| Locations                                     | Business                            |
|---|-------------------------------------|
| SCI Bobigny Jean Rostand                      | Insurance                           |
| SCI Bouleragny                                | Insurance                           |
| SCI Cardiff Logement                          | Insurance                           |
| SCI Citylight Boulogne                        | Insurance                           |
| SCI Clichy Nuovo                              | Insurance                           |
| SCI Défense Etoile                            | Insurance                           |
| SCI Défense Vendôme                           | Insurance                           |
| SCI Etoile du Nord                            | Insurance                           |
| SCI Fontenay Plaisance                        | Insurance                           |
| SCI Imefa Velizy                              | Insurance                           |
| SCI Le Mans Gare                              | Insurance                           |
| SCI Nanterre Guillaumes                       | Insurance                           |
| SCI Nantes Carnot                             | Insurance                           |
| SCI Odyssée                                   | Insurance                           |
| SCI Pantin Les Moulins                        | Insurance                           |
| SCI Paris Batignolles                         | Insurance                           |
| SCI Paris Cours de Vincennes                  | Insurance                           |
| SCI Paris Grande Armée                        | Insurance                           |
| SCI Paris Turenne                             | Insurance                           |
| SCI Portes de Claye                           | Insurance                           |
| SCI Rue Moussorgski                           | Insurance                           |
| SCI Rueil Caudron                             | Insurance                           |
| SCI Saint Denis Landy                         | Insurance                           |
| SCI Saint Denis Mitterrand                    | Insurance                           |
| SCI Saint-Denis Jade                          | Insurance                           |
| SCI SCOO                                      | Insurance                           |
| SCI Vendôme Athènes                           | Insurance                           |
| SCI Villeurbanne Stalingrad                   | Insurance                           |
| Secar   | Insurance                           |
| Services Epargne Entreprise                   | Insurance                           |
| Services Logiciels d'Intégration Boursière    | Securities Services                 |
| SNC Batipart Mermoz                           | Insurance                           |
| SNC Batipart Poncelet                         | Insurance                           |
| SNC Naticredimurs                             | Leasing Solutions                   |
| SNC Taitbout Participation 3                  | Corporate and Institutional Banking |
| Société Française d'Assurances sur la Vie     | Insurance                           |
| Société Orbaisienne de Participations         | Corporate and Institutional Banking |
| Stellantis Bank SA (Ex- Opel Bank)            | Personal Finance                    |
| Theam Quant Europe Climate Carbon Offset Plan | Insurance                           |
| Tikehau Cardiff Loan Europe                   | Insurance                           |
| United Partnership                            | Personal Finance                    |
| Uptevia SA                                    | Corporate and Institutional Banking |
| Valeur Pierre Epargne                         | Insurance                           |
| Valtires FCP                                  | Insurance                           |
| Velizy Holding                                | Insurance                           |
| <b>Germany</b>                                |                                     |
| Arval Deutschland GmbH                        | Arval                               |
| AssetMetrix                                   | Securities Services                 |
| BGL BNPP (Germany branch)                     | Retail Banking                      |
| BNPP 3 Step IT (Germany branch)               | Leasing Solutions                   |
| BNPP Asset Management France (Germany branch) | Asset Management                    |
| BNPP Emissions Und Handels GmbH               | Corporate and Institutional Banking |
| BNPP Factor GmbH                              | Retail Banking                      |
| BNPP Lease Group (Germany branch)             | Leasing Solutions                   |
| BNPP Real Estate Consult GmbH                 | Real Estate Services                |
| BNPP Real Estate GmbH                         | Real Estate Services                |
| BNPP Real Estate Holding GmbH                 | Real Estate Services                |

| Locations  | Business                            |
|--|-------------------------------------|
| BNPP Real Estate Investment Management Germany GmbH                  | Real Estate Services                |
| BNPP Real Estate Property Development & Services GmbH                | Real Estate Services                |
| BNPP Real Estate Property Management GmbH                            | Real Estate Services                |
| BNPP SA (Germany branch)   | Corporate and Institutional Banking |
| Cardif Assurance Vie (Germany branch)                                | Insurance                           |
| Cardif Assurances Risques Divers (Germany branch)                    | Insurance                           |
| CFH Berlin GP GmbH   | Insurance                           |
| Claas Financial Services (Germany branch)                            | Leasing Solutions                   |
| CNH Industrial Capital Europe (Germany branch)                       | Leasing Solutions                   |
| Diversipierre Germany GmbH   | Insurance                           |
| Financière des Paiements Electroniques (Germany branch)              | New Digital Businesses              |
| Horizon Development GmbH   | Insurance                           |
| ID Cologne A1 GmbH   | Insurance                           |
| ID Cologne A2 GmbH   | Insurance                           |
| JCB Finance (Germany branch)   | Leasing Solutions                   |
| MGF (Germany branch)   | Leasing Solutions                   |
| OC Health Real Estate GmbH   | Insurance                           |
| PF Services GmbH   | Personal Finance                    |
| Seniorenzentren Reinbeck Oberursel München Objekt GmbH               | Insurance                           |
| Seniorenzentrum Butzbach Objekt GmbH                                 | Insurance                           |
| Seniorenzentrum Heilbronn Objekt GmbH                                | Insurance                           |
| Seniorenzentrum Kassel Objekt GmbH                                   | Insurance                           |
| Seniorenzentrum Wolfratshausen Objekt GmbH                           | Insurance                           |
| Stellantis Bank SA (Germany branch) (Ex- Opel Bank (Germany branch)) | Personal Finance                    |
| <b>Greece</b>  |                                     |
| Arval Hellas Car Rental SA   | Arval                               |
| BNPP SA (Greece branch)  | Corporate and Institutional Banking |
| <b>Hungary</b>   |                                     |
| Arval Magyarorszag KFT   | Arval                               |
| BNPP SA (Hungary branch)   | Corporate and Institutional Banking |
| Cardif Biztosito Magyarorszag ZRT                                    | Insurance                           |
| Magyar Cetelem Bank ZRT  | Personal Finance                    |
| <b>Ireland</b>   |                                     |
| Aries Capital DAC  | Corporate and Institutional Banking |
| BGZ Poland ABS1 DAC  | Europe-Mediterranean                |
| BNPP Fund Administration Services Ireland Ltd                        | Securities Services                 |
| BNPP Ireland Unlimited Co  | Corporate and Institutional Banking |
| BNPP Prime Brokerage International Ltd                               | Corporate and Institutional Banking |
| BNPP Real Estate Advisory and Property Management Ireland Ltd        | Real Estate Services                |
| BNPP SA (Ireland branch)   | Corporate and Institutional Banking |
| BNPP Vartry Reinsurance DAC  | Corporate and Institutional Banking |
| Darnell DAC  | Insurance                           |
| Greenval Insurance DAC   | Arval                               |
| Madison Arbor Ltd  | Corporate and Institutional Banking |
| Matchpoint Finance PLC   | Corporate and Institutional Banking |
| SME Alternative Financing DAC  | Asset Management                    |
| <b>Italy</b>   |                                     |
| Artigiancassa SPA  | Retail Banking                      |
| Arval Service Lease Italia SPA                                       | Arval                               |
| AutoFlorence 1 SRL   | Personal Finance                    |
| AutoFlorence 2 SRL   | Personal Finance                    |
| AutoFlorence 3 SRL   | Personal Finance                    |
| Banca Nazionale Del Lavoro SPA                                       | Retail Banking                      |
| BNL Leasing SPA  | Leasing Solutions                   |
| BNPP 3 Step IT (Italy branch)  | Leasing Solutions                   |
| BNPP Asset Management France (Italy branch)                          | Asset Management                    |
| BNPP Cardif Vita Compagnia di Assicurazione E Riassicurazione SPA    | Insurance                           |

| Locations   | Business  |
|---|---|
| BNPP Lease Group (Italy branch)                                     | Leasing Solutions   |
| BNPP Lease Group Leasing Solutions SPA                              | Leasing Solutions   |
| BNPP Partners for Innovation Italia SRL                             | Property Companies (Property used in operations) and Others |
| BNPP Real Estate Advisory Italy SPA                                 | Real Estate Services  |
| BNPP Real Estate Investment Management Germany GmbH (Italy branch)  | Real Estate Services  |
| BNPP Real Estate Investment Management Italy SPA                    | Real Estate Services  |
| BNPP Real Estate Investment Management Luxembourg SA (Italy branch) | Real Estate Services  |
| BNPP Real Estate Property Management Italy SRL                      | Real Estate Services  |
| BNPP Rental Solutions SPA   | Leasing Solutions   |
| BNPP SA (Italy branch)  | Corporate and Institutional Banking                         |
| Cardif Assurance Vie (Italy branch)                                 | Insurance   |
| Cardif Assurances Risques Divers (Italy branch)                     | Insurance   |
| CFH Algonquin Management Partners France Italia                     | Insurance   |
| CFH Milan Holdco SRL  | Insurance   |
| Claas Financial Services (Italy branch)                             | Leasing Solutions   |
| CNH Industrial Capital Europe (Italy branch)                        | Leasing Solutions   |
| Diamante Re SRL   | Corporate and Institutional Banking                         |
| EMF IT 2008 1 SRL   | Retail Banking  |
| Era Uno SRL   | Retail Banking  |
| Eutimm SRL  | Retail Banking  |
| Financit SPA  | Retail Banking  |
| Findomestic Banca SPA   | Personal Finance  |
| Florence Real Estate Developments SPA                               | Personal Finance  |
| Florence SPV SRL  | Personal Finance  |
| Fundamenta  | Insurance   |
| Horti Milano SRL  | Real Estate Services  |
| Immera SRL  | Retail Banking  |
| International Factors Italia SPA                                    | Retail Banking  |
| JCB Finance (Italy branch)  | Leasing Solutions   |
| MGF (Italy branch)  | Leasing Solutions   |
| Permico SPA   | Retail Banking  |
| Servizio Italia SPA   | Retail Banking  |
| Sviluppo HQ Tiburtina SRL   | Retail Banking  |
| Sviluppo Residenziale Italia SRL                                    | Real Estate Services  |
| Tierre Securitisation SRL   | Retail Banking  |
| Vela OBG SRL  | Retail Banking  |
| Worldline Merchant Services Italia SPA                              | Retail Banking  |
| <b>Luxembourg</b>   |   |
| AM Select   | Insurance   |
| Arval Luxembourg SA   | Arval   |
| Batipart Participations SAS   | Insurance   |
| BGL BNPP  | Retail Banking  |
| BNPP Asset Management Luxembourg                                    | Asset Management  |
| BNPP Easy   | Asset Management  |
| BNPP Flexi I  | Asset Management  |
| BNPP Fortis Funding SA  | Retail Banking  |
| BNPP Funds  | Asset Management  |
| BNPP Lease Group Luxembourg SA                                      | Retail Banking  |
| BNPP Leasing Solutions  | Leasing Solutions   |
| BNPP Real Estate Advisory & Property Management Luxembourg SA       | Real Estate Services  |
| BNPP Real Estate Investment Management Luxembourg SA                | Real Estate Services  |
| BNPP SA (Luxembourg branch)   | Corporate and Institutional Banking                         |
| BNPP SB Re  | Retail Banking  |
| Cardif Lux Vie  | Insurance   |
| CFH Alexanderplatz Hotel SARL                                       | Insurance   |
| CFH Berlin Holdco SARL  | Insurance   |
| CFH Hostel Berlin SARL  | Insurance   |

| Locations   | Business                            |
|---|-------------------------------------|
| CFH Hotel Project SARL                                | Insurance                           |
| Compagnie Financière Ottomane SA                      | Retail Banking                      |
| Exane Solutions Luxembourg SA                         | Corporate and Institutional Banking |
| Greenstars BNPP                                       | Corporate and Institutional Banking |
| Le Sphinx Assurances Luxembourg SA                    | Retail Banking                      |
| Luxhub SA   | Retail Banking                      |
| PBD Germany Auto Lease Master SA                      | Personal Finance                    |
| Rubin SARL  | Insurance                           |
| Schroder European Operating Hotels Fund 1             | Insurance                           |
| Securasset SA   | Corporate and Institutional Banking |
| Seniorenzentren Deutschland Holding SARL              | Insurance                           |
| Single Platform Investment Repackaging Entity SA      | Corporate and Institutional Banking |
| Société Immobilière du Royal Building SA              | Insurance                           |
| Theam Quant   | Asset Management                    |
| Visalux   | Retail Banking                      |
| <b>Netherlands</b>                                    |                                     |
| Arval BV  | Arval                               |
| BNPP 3 Step IT (Netherlands branch)                   | Leasing Solutions                   |
| BNPP Asset Management France (Netherlands branch)     | Asset Management                    |
| BNPP Cardif BV  | Insurance                           |
| BNPP Factoring Support                                | Retail Banking                      |
| BNPP Islamic Issuance BV                              | Corporate and Institutional Banking |
| BNPP Issuance BV                                      | Corporate and Institutional Banking |
| BNPP Leasing Solutions NV                             | Leasing Solutions                   |
| BNPP Personal Finance BV                              | Personal Finance                    |
| BNPP Real Estate Advisory Netherlands BV              | Real Estate Services                |
| BNPP SA (Netherlands branch)                          | Corporate and Institutional Banking |
| Cardif Assurance Vie (Netherlands branch)             | Insurance                           |
| Cardif Assurances Risques Divers (Netherlands branch) | Insurance                           |
| CNH Industrial Capital Europe BV                      | Leasing Solutions                   |
| Dynamic Credit Group BV                               | Asset Management                    |
| Fortis Vastgoedlease BV                               | Leasing Solutions                   |
| Heffiq Heftruck Verhuur BV                            | Leasing Solutions                   |
| Phedina Hypotheken 2010 BV                            | Personal Finance                    |
| <b>Poland</b>   |                                     |
| Arval Service Lease Polska SP ZOO                     | Arval                               |
| BNPP Bank Polska SA                                   | Europe-Mediterranean                |
| BNPP Faktoring Spolka ZOO                             | Europe-Mediterranean                |
| BNPP Group Service Center SA                          | Europe-Mediterranean                |
| BNPP Lease Group SP ZOO                               | Leasing Solutions                   |
| BNPP Leasing Services                                 | Leasing Solutions                   |
| BNPP Real Estate Poland SP ZOO                        | Real Estate Services                |
| BNPP SA (Poland branch)                               | Corporate and Institutional Banking |
| Cardif Assurances Risques Divers (Poland branch)      | Insurance                           |
| Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA     | Insurance                           |
| Claas Financial Services (Poland branch)              | Leasing Solutions                   |
| CNH Industrial Capital Europe (Poland branch)         | Leasing Solutions                   |



| Locations  | Business                            |
|--|-------------------------------------|
| <b>Portugal</b>  |                                     |
| Arval Service Lease Aluger Operational Automoveis SA                             | Arval                               |
| BNPP Factor (Portugal branch)  | Retail Banking                      |
| BNPP Lease Group (Portugal branch)   | Leasing Solutions                   |
| BNPP Personal Finance (Portugal branch)  | Personal Finance                    |
| BNPP Real Estate Investment Management Germany GmbH Lisbon Representative Office | Real Estate Services                |
| BNPP Real Estate Portugal Unipersonal LDA  | Real Estate Services                |
| BNPP SA (Portugal branch)  | Corporate and Institutional Banking |
| Cardif Assurance Vie (Portugal branch)   | Insurance                           |
| Cardif Assurances Risques Divers (Portugal branch)                               | Insurance                           |
| Cardif Services AEIE   | Insurance                           |
| Cardif Support Unipessoal Lda  | Insurance                           |
| Exeo Aura & Echo Offices Lda   | Real Estate Services                |
| Expo Atlantico EAll Investimentos Imobiliarios SA                                | Corporate and Institutional Banking |
| Expo Indico EIII Investimentos Imobiliarios SA                                   | Corporate and Institutional Banking |
| Financière des Paiements Electroniques (Portugal branch)                         | Leasing Solutions                   |
| Services Logiciels d'Intégration Boursière (Portugal branch)                     | Securities Services                 |
| <b>Romania</b>   |                                     |
| Arval Service Lease Romania SRL  | Arval                               |
| BNPP Leasing Solutions IFN SA  | Leasing Solutions                   |
| BNPP Personal Finance (Romania branch)   | Personal Finance                    |
| BNPP SA (Romania branch)   | Corporate and Institutional Banking |
| Cardif Assurance Vie (Romania branch)  | Insurance                           |
| Cardif Assurances Risques Divers (Romania branch)                                | Insurance                           |
| Central Europe Technologies SRL  | Personal Finance                    |
| <b>Slovakia</b>  |                                     |
| Arval Slovakia SRO   | Arval                               |
| BNPP Personal Finance (Slovakia branch)  | Personal Finance                    |
| Poistovna Cardif Slovakia AS   | Insurance                           |
| <b>Spain</b>   |                                     |
| Arval Service Lease SA   | Arval                               |
| Autonoría Spain 2019   | Personal Finance                    |
| Autonoría Spain 2021 FT  | Personal Finance                    |
| Autonoría Spain 2022 FT  | Personal Finance                    |
| Autonoría Spain 2023 FT  | Personal Finance                    |
| Banco Cetelem SA   | Personal Finance                    |
| BNPP 3 Step IT (Spain branch)  | Leasing Solutions                   |
| BNPP Factor (Spain branch)   | Retail Banking                      |
| BNPP Fortis (Spain branch)   | Corporate and Institutional Banking |
| BNPP Lease Group (Spain branch)  | Leasing Solutions                   |
| BNPP Real Estate Investment Management Germany GmbH (Spain branch)               | Real Estate Services                |
| BNPP Real Estate Investment Management Spain SA                                  | Real Estate Services                |
| BNPP Real Estate Spain SA  | Real Estate Services                |
| BNPP SA (Spain branch)   | Corporate and Institutional Banking |
| Cardif Assurance Vie (Spain branch)  | Insurance                           |
| Cardif Assurances Risques Divers (Spain branch)                                  | Insurance                           |
| Cariboo Development SL   | Real Estate Services                |
| Cetelem Gestion AIE  | Personal Finance                    |
| Cetelem Servicios Informaticos AIE   | Personal Finance                    |
| Claas Financial Services (Spain branch)  | Leasing Solutions                   |
| CNH Industrial Capital Europe (Spain branch)                                     | Leasing Solutions                   |
| Financière des Paiements Electroniques (Spain branch)                            | New Digital Businesses              |
| GCC Consumo Establecimiento Financiero de Credito SA                             | Personal Finance                    |
| International Development Resources AS Services SA                               | Personal Finance                    |
| Kantox European Union SL   | Corporate and Institutional Banking |
| Noria Spain 2020 FT  | Personal Finance                    |
| Ribera Del Loira Arbitrage   | Corporate and Institutional Banking |

| Locations                                   | Business             |
|---|----------------------|
| Securitisation funds UCI and RMBS Prado (b) | Personal Finance     |
| Servicios Financieros Carrefour EFC SA      | Personal Finance     |
| Union de Creditos Inmobiliarios SA          | Personal Finance     |
| Wapiti Development SL                       | Real Estate Services |
| XFERA Consumer Finance EFC SA               | Personal Finance     |

| Locations   | Business                            |
|---|-------------------------------------|
| <b>Sweden</b>   |                                     |
| Alfred Berg Kapitalförvaltning AS (Sweden branch)     | Asset Management                    |
| Arval AB  | Arval                               |
| BNPP Cardif Livförsäkring AB                          | Insurance                           |
| BNPP Leasing Solutions AB                             | Leasing Solutions                   |
| BNPP SA (Sweden branch)                               | Corporate and Institutional Banking |
| Cardif Försäkring AB                                  | Insurance                           |
| Cardif Nordic AB                                      | Insurance                           |
| Dreams Sustainable AB                                 | Europe-Mediterranean                |
| Ekspress Bank AS (Sweden branch)                      | Personal Finance                    |
| <b>2. Other European countries</b>                    |                                     |
| <b>Guernsey</b>                                       |                                     |
| BNPP SA (Guernsey branch)                             | Corporate and Institutional Banking |
| BNPP Suisse SA (Guernsey branch)                      | Corporate and Institutional Banking |
| <b>Jersey</b>   |                                     |
| BNPP SA (Jersey branch)                               | Corporate and Institutional Banking |
| <b>Kosovo</b>   |                                     |
| TEB SH A  | Europe-Mediterranean                |
| <b>Monaco</b>   |                                     |
| BNPP SA (Monaco branch)                               | Corporate and Institutional Banking |
| BNPP Wealth Management Monaco                         | Wealth Management                   |
| <b>Norway</b>   |                                     |
| Alfred Berg Kapitalförvaltning AS                     | Asset Management                    |
| Arval AS Norway                                       | Arval                               |
| BNPP Cardif Livförsäkring AB (Norway branch)          | Insurance                           |
| BNPP Leasing Solution AS                              | Leasing Solutions                   |
| BNPP SA (Norway branch)                               | Corporate and Institutional Banking |
| Cardif Försäkring AB (Norway branch)                  | Insurance                           |
| Drypnr AS   | Asset Management                    |
| Ekspress Bank AS (Norway branch)                      | Personal Finance                    |
| <b>Russia</b>   |                                     |
| Arval LLC   | Arval                               |
| BNPP Bank JSC   | Corporate and Institutional Banking |
| BNPP Technology LLC                                   | Corporate and Institutional Banking |
| <b>Switzerland</b>                                    |                                     |
| Arval Schweiz AG                                      | Arval                               |
| BNPP Leasing Solutions Suisse SA                      | Leasing Solutions                   |
| BNPP SA (Switzerland branch)                          | Corporate and Institutional Banking |
| BNPP Suisse SA  | Corporate and Institutional Banking |
| Cardif Assurance Vie (Switzerland branch)             | Insurance                           |
| Cardif Assurances Risques Divers (Switzerland branch) | Insurance                           |
| Opel Finance SA                                       | Personal Finance                    |
| <b>United Kingdom</b>                                 |                                     |
| Allfunds Group PLC                                    | Securities Services                 |
| Arval UK Group Ltd                                    | Arval                               |
| Arval UK Leasing Services Ltd                         | Arval                               |
| Arval UK Ltd  | Arval                               |
| Auto ABS UK Loans PLC                                 | Personal Finance                    |
| BNP PUK Holding Ltd                                   | Corporate and Institutional Banking |
| BNPP 3 Step IT (United Kingdom branch)                | Leasing Solutions                   |
| BNPP Asset Management UK Ltd                          | Asset Management                    |
| BNPP Commercial Finance Ltd                           | Retail Banking                      |
| BNPP Fleet Holdings Ltd                               | Arval                               |
| BNPP Lease Group PLC                                  | Leasing Solutions                   |
| BNPP Leasing Solutions Ltd                            | Leasing Solutions                   |
| BNPP Net Ltd  | Corporate and Institutional Banking |

| Locations  | Business                            |
|--|-------------------------------------|
| BNPP Real Estate Advisory & Property Management UK Ltd                     | Real Estate Services                |
| BNPP Real Estate Facilities Management Ltd                                 | Real Estate Services                |
| BNPP Real Estate Investment Management Ltd                                 | Real Estate Services                |
| BNPP Real Estate Investment Management UK Ltd                              | Real Estate Services                |
| BNPP Real Estate Property Development UK Ltd                               | Real Estate Services                |
| BNPP SA (United Kingdom branch)  | Corporate and Institutional Banking |
| BNPP Trust Corp UK Ltd   | Securities Services                 |
| Cardif Insurance Holdings PLC (Ex- Cardif Pinnacle Insurance Holdings PLC) | Insurance                           |
| Claas Financial Services Ltd   | Leasing Solutions                   |
| CNH Industrial Capital Europe Ltd  | Leasing Solutions                   |
| Creation Consumer Finance Ltd  | Personal Finance                    |
| Creation Financial Services Ltd  | Personal Finance                    |
| E Carat 12 PLC   | Personal Finance                    |
| Fortis Lease UK Ltd  | Leasing Solutions                   |
| Harewood Helena 1 Ltd  | Asset Management                    |
| Harewood Helena 2 Ltd  | Insurance                           |
| Impax Asset Management Group PLC   | Asset Management                    |
| JCB Finance Holdings Ltd   | Leasing Solutions                   |
| Kantox Holding Ltd   | Corporate and Institutional Banking |
| Kantox Ltd   | Corporate and Institutional Banking |
| Manitou Finance Ltd  | Leasing Solutions                   |
| Parker Tower Ltd   | Real Estate Services                |
| Pinnacle Pet Holding Ltd   | Insurance                           |
| REPD Parker Ltd  | Real Estate Services                |
| Stellantis Financial Services UK Ltd                                       | Personal Finance                    |
| Vauxhall Finance Ltd (Ex- Vauxhall Finance PLC)                            | Personal Finance                    |
| <b>Ukraine</b>   |                                     |
| Joint Stock Company Ukrsibbank   | Europe-Mediterranean                |
| <b>3.Africa &amp; Mediterranean basin</b>                                  |                                     |
| <b>Algeria</b>   |                                     |
| BNPP El Djazair  | Europe-Mediterranean                |
| Cardif El Djazair  | Insurance                           |
| <b>Bahrain</b>   |                                     |
| BNPP SA (Bahrain branch)   | Corporate and Institutional Banking |
| <b>Botswana</b>  |                                     |
| RCS Botswana Pty Ltd   | Personal Finance                    |
| <b>Kuwait</b>  |                                     |
| BNPP SA (Kuwait branch)  | Corporate and Institutional Banking |
| <b>Morocco</b>   |                                     |
| Arval Maroc SA   | Arval                               |
| Banque Marocaine pour le Commerce et l'Industrie                           | Europe-Mediterranean                |
| Banque Marocaine pour le Commerce et l'Industrie Banque Offshore           | Europe-Mediterranean                |
| BDSI   | Europe-Mediterranean                |
| BMCi Leasing   | Europe-Mediterranean                |
| <b>Namibia</b>   |                                     |
| RCS Investment Holdings Namibia Pty Ltd                                    | Personal Finance                    |
| <b>Qatar</b>   |                                     |
| BNPP SA (Qatar branch)   | Corporate and Institutional Banking |
| <b>Saudi Arabia</b>  |                                     |
| BNPP Investment Co KSA   | Corporate and Institutional Banking |
| BNPP SA (Saudi Arabia branch)  | Corporate and Institutional Banking |
| <b>South Africa</b>  |                                     |
| BNPP Personal Finance South Africa Ltd                                     | Personal Finance                    |
| BNPP SA (South Africa branch)  | Corporate and Institutional Banking |
| RCS Cards Pty Ltd  | Personal Finance                    |
| <b>Türkiye</b>   |                                     |
| Bantas Nakit AS  | Europe-Mediterranean                |

| Locations   | Business                            |
|---|-------------------------------------|
| BNPP Cardif Emeklilik AS                                | Insurance                           |
| BNPP Cardif Hayat Sigorta AS                            | Insurance                           |
| BNPP Cardif Sigorta AS                                  | Insurance                           |
| BNPP Finansal Kiralama AS                               | Leasing Solutions                   |
| BNPP Fortis Yatirimlar Holding AS                       | Europe-Mediterranean                |
| BNPP Yatirimlar Holding AS                              | Europe-Mediterranean                |
| TEB ARF Teknoloji Anonim Sirketi                        | Europe-Mediterranean                |
| TEB Arval Arac Filo Kiralama AS                         | Arval                               |
| TEB Faktoring AS  | Europe-Mediterranean                |
| TEB Finansman AS  | Europe-Mediterranean                |
| TEB Holding AS  | Europe-Mediterranean                |
| TEB Yatirim Menkul Degerler AS                          | Europe-Mediterranean                |
| Turk Ekonomi Bankasi AS                                 | Europe-Mediterranean                |
| <b>United Arab Emirates</b>                             |                                     |
| BNPP Real Estate (United Arab Emirates branch)          | Real Estate Services                |
| BNPP SA (United Arab Emirates branch)                   | Corporate and Institutional Banking |
| <b>4.Americas</b>                                       |                                     |
| <b>Argentina</b>  |                                     |
| BNPP SA (Argentina branch)                              | Corporate and Institutional Banking |
| <b>Bermuda</b>  |                                     |
| Decart Re Ltd   | Corporate and Institutional Banking |
| <b>Brazil</b>   |                                     |
| Arval Brasil Ltda                                       | Arval                               |
| Banco BNPP Brasil SA                                    | Corporate and Institutional Banking |
| BGN Mercantil E Servicos Ltda                           | Personal Finance                    |
| BNPP Asset Management Brasil Ltda                       | Asset Management                    |
| BNPP EQD Brazil Fund Fundo de Investimento Multimercado | Corporate and Institutional Banking |
| BNPP Proprietario Fundo de Investimento Multimercado    | Corporate and Institutional Banking |
| Cardif do Brasil Seguros e Garantias SA                 | Insurance                           |
| Cardif do Brasil Vida e Previdencia SA                  | Insurance                           |
| Cardif Ltda   | Insurance                           |
| Cetelem America Ltda                                    | Personal Finance                    |
| Cetelem Servicos Ltda                                   | Personal Finance                    |
| Luizaseg Seguros SA (Ex- Luizaseg)                      | Insurance                           |
| NCVP Participacoes Societarias SA                       | Insurance                           |
| <b>Canada</b>   |                                     |
| BNPP Canada Corp  | Corporate and Institutional Banking |
| BNPP IT Solutions Canada Inc                            | Corporate and Institutional Banking |
| BNPP SA (Canada branch)                                 | Corporate and Institutional Banking |
| <b>Chile</b>  |                                     |
| Arval Relsa SPA   | Arval                               |
| Bancoestado Administradora General de Fondos SA         | Asset Management                    |
| BNPP Cardif Seguros de Vida SA                          | Insurance                           |
| BNPP Cardif Seguros Generales SA                        | Insurance                           |
| BNPP Cardif Servicios y Asistencia Ltda                 | Insurance                           |
| Comercializadora de Vehiculos SA                        | Arval                               |
| Rentaequipos Leasing SA                                 | Arval                               |
| <b>Colombia</b>   |                                     |
| Arval Relsa Colombia SAS                                | Arval                               |
| BNPP Colombia Corporacion Financiera SA                 | Corporate and Institutional Banking |
| Cardif Colombia Seguros Generales SA                    | Insurance                           |
| <b>Mexico</b>   |                                     |
| BNPP Mexico Holding                                     | Corporate and Institutional Banking |
| BNPP Mexico SA Institucion de Banca Multiple            | Corporate and Institutional Banking |
| Cardif Mexico Seguros de Vida SA de CV                  | Insurance                           |
| Cardif Mexico Seguros Generales SA de CV                | Insurance                           |

| Locations  | Business                            |
|--|-------------------------------------|
| Cetelem SA de CV                                     | Personal Finance                    |
| <b>Peru</b>  |                                     |
| BNPP Cardif Compania de Seguros y Reaseguros SA      | Insurance                           |
| Cardif Servicios SAC                                 | Insurance                           |
| Rentaequipos Leasing Peru SA                         | Arval                               |
| <b>USA</b>   |                                     |
| BNPP Asset Management USA Holdings Inc               | Asset Management                    |
| BNPP Asset Management USA Inc                        | Asset Management                    |
| BNPP Capital Services Inc                            | Corporate and Institutional Banking |
| BNPP Financial Services LLC                          | Securities Services                 |
| BNPP Fortis (United States branch)                   | Corporate and Institutional Banking |
| BNPP FS LLC  | Corporate and Institutional Banking |
| BNPP RCC Inc   | Corporate and Institutional Banking |
| BNPP SA (United States branch)                       | Corporate and Institutional Banking |
| BNPP Securities Corp                                 | Corporate and Institutional Banking |
| BNPP US Investments Inc                              | Corporate and Institutional Banking |
| BNPP US Wholesale Holdings Corp                      | Corporate and Institutional Banking |
| BNPP USA Inc   | Corporate and Institutional Banking |
| BNPP VPG Brookline Cre LLC                           | Corporate and Institutional Banking |
| BNPP VPG EDMC Holdings LLC                           | Corporate and Institutional Banking |
| BNPP VPG Express LLC                                 | Corporate and Institutional Banking |
| BNPP VPG I LLC                                       | Corporate and Institutional Banking |
| BNPP VPG II LLC                                      | Corporate and Institutional Banking |
| BNPP VPG III LLC                                     | Corporate and Institutional Banking |
| BNPP VPG IV LLC                                      | Corporate and Institutional Banking |
| BNPP VPG Master LLC                                  | Corporate and Institutional Banking |
| FSI Holdings Inc                                     | Corporate and Institutional Banking |
| Starbird Funding Corp                                | Corporate and Institutional Banking |
| <b>5.Asia &amp; Pacific</b>                          |                                     |
| <b>Australia</b>                                     |                                     |
| BNPP Fund Services Australasia Pty Ltd               | Securities Services                 |
| BNPP SA (Australia branch)                           | Corporate and Institutional Banking |
| <b>China</b>   |                                     |
| Bank of Nanjing                                      | Europe-Mediterranean                |
| BNPP ABC Wealth Management Co Ltd                    | Asset Management                    |
| BNPP China Ltd                                       | Corporate and Institutional Banking |
| BOB Cardif Life Insurance Co Ltd                     | Insurance                           |
| BON BNPP Consumer Finance Co Ltd                     | Personal Finance                    |
| Cetelem Business Consulting Shanghai Co Ltd          | Personal Finance                    |
| Genius Auto Finance Co Ltd                           | Personal Finance                    |
| Haitong Fortis Private Equity Fund Management Co Ltd | Asset Management                    |
| HFT Investment Management Co Ltd                     | Asset Management                    |
| Securitisation funds Genius (d)                      | Personal Finance                    |
| Securitisation funds Wisdom (e)                      | Personal Finance                    |
| Zhejiang Wisdom Puhua Financial Leasing Co Ltd       | Personal Finance                    |
| <b>Hong Kong</b>                                     |                                     |
| BNPP Arbitrage Hong Kong Ltd                         | Corporate and Institutional Banking |
| BNPP Asset Management Asia Ltd                       | Asset Management                    |
| BNPP Finance Hong Kong Ltd                           | Corporate and Institutional Banking |
| BNPP SA (Hong Kong branch)                           | Corporate and Institutional Banking |
| BNPP Securities Asia Ltd                             | Corporate and Institutional Banking |
| <b>India</b>   |                                     |
| Baroda BNPP AMC Private Ltd                          | Asset Management                    |
| BNPP India Holding Private Ltd                       | Corporate and Institutional Banking |
| BNPP India Solutions Private Ltd                     | Corporate and Institutional Banking |
| BNPP SA (India branch)                               | Corporate and Institutional Banking |

| Locations   | Business                            |
|---|-------------------------------------|
| BNPP Securities India Private Ltd                           | Corporate and Institutional Banking |
| Espresso Financial Services Private Ltd                     | Personal Investors                  |
| Geojit Technologies Private Ltd                             | Personal Investors                  |
| Human Value Developers Private Ltd                          | Personal Investors                  |
| Sharekhan BNPP Financial Services Ltd                       | Personal Investors                  |
| Sharekhan Ltd   | Personal Investors                  |
| <b>Indonesia</b>  |                                     |
| Andalan Multi Guna Pt                                       | Corporate and Institutional Banking |
| Bank BNPP Indonesia Pt                                      | Corporate and Institutional Banking |
| BNPP Asset Management Pt                                    | Asset Management                    |
| BNPP Sekuritas Indonesia Pt                                 | Corporate and Institutional Banking |
| <b>Japan</b>  |                                     |
| BNPP Asset Management Japan Ltd                             | Asset Management                    |
| BNPP SA (Japan branch)                                      | Corporate and Institutional Banking |
| BNPP Securities Japan Ltd                                   | Corporate and Institutional Banking |
| Cardif Life Insurance Japan                                 | Insurance                           |
| Cardif Non Life Insurance Japan                             | Insurance                           |
| <b>Malaysia</b>   |                                     |
| BNPP Malaysia Berhad  | Corporate and Institutional Banking |
| BNPP SA (Malaysia branch)                                   | Corporate and Institutional Banking |
| <b>New Zealand</b>  |                                     |
| BNPP Fund Services Australasia Pty Ltd (New Zealand branch) | Securities Services                 |
| <b>Philippines</b>  |                                     |
| BNPP SA (Philippines branch)                                | Corporate and Institutional Banking |
| <b>Rep. of Korea</b>  |                                     |
| BNPP SA (Republic of Korea branch)                          | Corporate and Institutional Banking |
| BNPP Securities Korea Co Ltd                                | Corporate and Institutional Banking |
| Cardif Life Insurance Co Ltd                                | Insurance                           |
| <b>Singapore</b>  |                                     |
| BNPP Real Estate Singapore Pte Ltd                          | Real Estate Services                |
| BNPP SA (Singapore branch)                                  | Corporate and Institutional Banking |
| BPP Holdings Pte Ltd  | Corporate and Institutional Banking |
| <b>Taiwan</b>   |                                     |
| BNPP Asset Management Taiwan Co Ltd                         | Asset Management                    |
| BNPP Cardif TCB Life Insurance Co Ltd                       | Insurance                           |
| BNPP SA (Taiwan branch)                                     | Corporate and Institutional Banking |
| BNPP Securities Taiwan Co Ltd                               | Corporate and Institutional Banking |
| Cardif Assurance Vie (Taiwan branch)                        | Insurance                           |
| Cardif Assurance Risque Divers (Taiwan branch)              | Insurance                           |
| Paris Management Consultant Co Ltd                          | Insurance                           |
| <b>Thailand</b>   |                                     |
| BNPP SA (Thailand branch)                                   | Corporate and Institutional Banking |
| <b>Viet Nam</b>   |                                     |
| BNPP SA (Viet Nam branch)                                   | Corporate and Institutional Banking |

- (a) At 31 December 2023, 14 Private Equity investment entities versus 14 Private Equity investment entities at 31 December 2022.
- (b) At 31 December 2023, the securitisation funds UCI and RMBS Prado include 13 funds (FCC UCI 11, 12, 14 to 17, RMBS Prado VII to XI, Green Belem I and RMBS Belem No 2) versus 14 funds (FCC UCI 11, 12, 14 to 17, RMBS Prado V to X, Green Belem I and RMBS Belem No 2) at 31 December 2022.
- (c) At 31 December 2023, 117 Construction-sale companies (82 Full and 35 Equity) versus 125 Construction-sale companies (91 Full and 34 Equity) at 31 December 2022.
- (d) At 31 December 2023, the Genius Securitization Mutual Funds comprised 11 funds (Generation 2021-4 Retail Auto Mortgage Loan Securitization, Generation 2022-1 to 5 Retail Auto Mortgage Loan Securitization, Generation 2023-1 to 5 Retail Auto Mortgage Loan Securitization).
- (e) At 31 December 2023, the Wisdom Securitization Funds include 13 funds (Wisdom Puhua Leasing 2021-2 & 3 Asset-Backed Securities, Wisdom Puhua Leasing 2022-1 Asset-Backed Notes, Wisdom Puhua Leasing 2022-1 to 3 Asset-Backed Securities, Wisdom Puhua Leasing 2023-1 & 2 Asset-Backed Notes, Wisdom Puhua Leasing 2023-1 & 2 Asset-Backed securities, Wisdom Puhua Leasing Zhixing 2023-1 & 2 Asset-Backed Notes, Wisdom Puhua Leasing Xinghe 2023-1 Asset-Backed Securities)...

## II. PROFIT AND LOSS ACCOUNT ITEMS AND HEADCOUNT BY COUNTRY

|                              | FY 2023 <sup>(1)</sup> (in millions of euros) |                           |                   |                     |              |                      | Financial headcount <sup>(2)</sup> as at 31 December 2023 |
|------------------------------|---|---------------------------|-------------------|---------------------|--------------|----------------------|---|
|                              | Revenues                                      | Public subsidies received | Income before Tax | Current tax expense | Deferred tax | Corporate income tax |   |
| European Union member states |   |                           |                   |                     |              |                      |   |
| Austria                      | 70  | 0                         | 5                 | 1                   | (7)          | (6)                  | 206   |
| Belgium                      | 5,036   | 0                         | 1,848             | (353)               | (161)        | (514)                | 12,663  |
| Bulgaria                     | 54  | 0                         | 60                | (5)                 | 0            | (5)                  | 91  |
| Czech Republic               | 116   | 0                         | 26                | (8)                 | (5)          | (13)                 | 374   |
| Denmark                      | 121   | 0                         | 6                 | (10)                | 2            | (8)                  | 319   |
| Finland                      | 11  | 0                         | 5                 | 0                   | 0            | 0                    | 44  |
| France                       | 11,272  | 0                         | (1,527)           | 191                 | 169          | 360                  | 55,068  |
| Germany                      | 2,606   | 0                         | 1,039             | (312)               | (28)         | (340)                | 6,060   |
| Greece                       | 12  | 0                         | 1                 | 0                   | (3)          | (3)                  | 86  |
| Hungary                      | 53  | 0                         | 14                | (2)                 | (1)          | (3)                  | 452   |
| Ireland                      | 342   | 0                         | 211               | (28)                | 1            | (27)                 | 524   |
| Italy                        | 5,090   | 0                         | 1,573             | 46                  | (553)        | (507)                | 15,779  |
| Luxemburg                    | 1,612   | 0                         | 885               | (152)               | (49)         | (201)                | 3,511   |
| Netherlands                  | 609   | 0                         | 327               | (81)                | (25)         | (106)                | 1,208   |
| Poland                       | 1,792   | 0                         | 501               | (187)               | (10)         | (197)                | 9,642   |
| Portugal                     | 185   | 0                         | 86                | (26)                | (1)          | (27)                 | 8,743   |
| Romania                      | 96  | 0                         | 45                | (6)                 | (2)          | (8)                  | 608   |
| Spain                        | 1,208   | 0                         | 532               | (81)                | (69)         | (150)                | 4,563   |
| Slovakia                     | 23  | 0                         | (22)              | 0                   | (2)          | (2)                  | 447   |
| Sweden                       | 137   | 0                         | (12)              | (7)                 | (7)          | (14)                 | 393   |
| Other European countries     |   |                           |                   |                     |              |                      |   |
| Guernsey                     | 12  | 0                         | 4                 | 0                   | 0            | 0                    | 27  |
| Jersey                       | 30  | 0                         | (1)               | 0                   | 0            | 0                    | 238   |
| Kosovo                       | 50  | 0                         | 25                | (3)                 | 0            | (3)                  | 599   |
| Monaco                       | 169   | 0                         | 109               | (4)                 | 0            | (4)                  | 70  |
| Norway                       | 63  | 0                         | 2                 | (3)                 | 1            | (2)                  | 181   |
| Russia                       | 123   | 0                         | 115               | (22)                | (3)          | (25)                 | 111   |
| Switzerland                  | 390   | 0                         | 30                | (12)                | (2)          | (14)                 | 982   |
| Ukraine <sup>(1)</sup>       | 0   | 0                         | 0                 | 0                   | 0            | 0                    | 0   |
| United Kingdom               | 4,011   | 0                         | 1,557             | (385)               | (50)         | (435)                | 7,675   |
| Africa & Mediterranean basin |   |                           |                   |                     |              |                      |   |
| Algeria                      | 90  | 0                         | 35                | (11)                | (1)          | (12)                 | 1,200   |
| Bahrain                      | 27  | 0                         | (55)              | 0                   | 0            | 0                    | 261   |
| Botswana                     | 2   | 0                         | 1                 | (1)                 | 0            | (1)                  | 7   |
| Ivory Coast <sup>(2)</sup>   | 9   | 0                         | 3                 | 0                   | 0            | 0                    | 0   |
| Kuwait                       | 5   | 0                         | (1)               | (1)                 | 0            | (1)                  | 4   |
| Morocco                      | 325   | 0                         | 48                | (49)                | 18           | (31)                 | 2,932   |
| Namibia                      | 1   | 0                         | 0                 | 0                   | 0            | 0                    | 10  |
| Qatar                        | 36  | 0                         | 23                | (3)                 | 0            | (3)                  | 22  |
| Saudi Arabia                 | 46  | 0                         | 29                | (5)                 | 0            | (5)                  | 54  |
| Senegal <sup>(2)</sup>       | 17  | 0                         | 3                 | 0                   | 1            | 1                    | 0   |
| South Africa                 | 164   | 0                         | 39                | (10)                | (3)          | (13)                 | 1,408   |



|  | FY 2023 <sup>(*)</sup> (in millions of euros) |                           |                   |                     |              |                      | Financial headcount <sup>(**)</sup> as at 31 December 2023 |
|--|---|---------------------------|-------------------|---------------------|--------------|----------------------|--|
|  | Revenues                                      | Public subsidies received | Income before Tax | Current tax expense | Deferred tax | Corporate income tax |  |
| Türkiye  | 1,058   | 0                         | 291               | (190)               | (101)        | (291)                | 9,281  |
| United Arab Emirates                                   | 108   | 0                         | 62                | (11)                | (1)          | (12)                 | 137  |
| <b>Americas</b>  |   |                           |                   |                     |              |                      |  |
| Argentina  | 94  | 0                         | 59                | (5)                 | 0            | (5)                  | 77   |
| Bermuda  | 0   | 0                         | 0                 | 0                   | 0            | 0                    | 0  |
| Brazil   | 331   | 0                         | (19)              | (22)                | 32           | 10                   | 1,446  |
| Canada   | 56  | 0                         | 46                | (17)                | 1            | (16)                 | 1,170  |
| Chile  | 113   | 0                         | 80                | (15)                | 1            | (14)                 | 538  |
| Colombia   | 88  | 0                         | 52                | (23)                | 2            | (21)                 | 501  |
| Mexico   | 158   | 0                         | 63                | (26)                | 10           | (16)                 | 931  |
| Peru   | 16  | 0                         | 11                | (4)                 | 1            | (3)                  | 68   |
| United States of America                               | 4,073   | 0                         | 5,156             | (1,399)             | 363          | (1,036)              | 3,675  |
| <b>Asia &amp; Pacific</b>                              |   |                           |                   |                     |              |                      |  |
| Australia  | 234   | 0                         | 85                | (32)                | (3)          | (35)                 | 500  |
| China  | 160   | 0                         | 45                | (10)                | 11           | 1                    | 526  |
| Hong Kong  | 993   | 0                         | 77                | (10)                | 80           | 70                   | 2,377  |
| India  | 324   | 0                         | 232               | (91)                | 7            | (84)                 | 13,646   |
| Indonesia  | 58  | 0                         | 21                | (10)                | 4            | (6)                  | 159  |
| Japan  | 706   | 0                         | 465               | (156)               | 30           | (126)                | 671  |
| Malaysia   | 38  | 0                         | 20                | (4)                 | (1)          | (5)                  | 95   |
| New Zealand  | 17  | 0                         | 6                 | (2)                 | 0            | (2)                  | 54   |
| Philippines  | 0   | 0                         | 0                 | 0                   | 0            | 0                    | 0  |
| Republic of Korea                                      | 133   | 0                         | 56                | (80)                | 67           | (13)                 | 318  |
| Singapore  | 826   | 0                         | 277               | (30)                | (1)          | (31)                 | 1,867  |
| Taiwan   | 183   | 0                         | 75                | (23)                | 14           | (9)                  | 716  |
| Thailand   | 43  | 0                         | 29                | (6)                 | 0            | (6)                  | 83   |
| Viet Nam   | 49  | 0                         | 32                | (7)                 | 0            | (7)                  | 102  |
| <b>GROUP TOTAL</b>                                     | <b>45,874</b>                                 | <b>0</b>                  | <b>14,790</b>     | <b>(3,702)</b>      | <b>(274)</b> | <b>(3,976)</b>       | <b>175,498</b>   |
| Reclassification of discontinued activities (note 9.e) | 0   | 0                         | (3,658)           | 639                 | 71           | 710                  |  |
| <b>Total continuing activities</b>                     | <b>45,874</b>                                 | <b>0</b>                  | <b>11,132</b>     | <b>(3,063)</b>      | <b>(203)</b> | <b>(3,266)</b>       | <b>175,498</b>   |

(\*) The financial data correspond to the contribution income of fully consolidated entities under exclusive control.

(\*\*) Financial headcount: Full-Time Equivalents (FTE) at 31 December 2023 in wholly controlled, fully consolidated entities.

(1) Ukrsibbank is accounted for by the equity method since 1 march 2022.

(2) The entities of this country were sold during the year.

## 8.7 Founding documents and Articles of Association

### SECTION I

#### FORM – NAME – REGISTERED OFFICE – CORPORATE PURPOSE

##### Article 1

BNP PARIBAS is a French Public Limited Company (*société anonyme*) licensed to conduct banking operations under the French Monetary and Financial Code, Book V, Section 1 (*Code Monétaire et Financier, Livre V, Titre 1<sup>er</sup>*) governing banking sector institutions.

The Company was founded pursuant to a decree dated 26 May 1966. Its legal life has been extended to 99 years with effect from 17 September 1993.

Apart from the specific rules relating to its status as an establishment in the banking sector (Book V, Section 1 of the French Monetary and Financial Code - *Code Monétaire et Financier, Livre V, Titre 1<sup>er</sup>*), BNP PARIBAS shall be governed by the provisions of the French Commercial Code (*Code de Commerce*) concerning commercial companies, as well as by these Articles of Association.

##### Article 2

The registered office of BNP PARIBAS shall be located in Paris (*9<sup>th</sup> arrondissement*), at 16, Boulevard des Italiens (France).

##### Article 3

The purpose of BNP PARIBAS shall be to provide and carry out the following services with any individual or legal entity, in France and abroad, subject to compliance with the French laws and regulations applicable to credit institutions licensed by the Credit Institutions and Investment Firms Committee (*Comité des Etablissements de Crédit et des Entreprises d'Investissement*):

- any and all investment services,
- any and all services related to investment services,
- any and all banking transactions,
- any and all services related to banking transactions,
- any and all equity investments,

as defined in the French Monetary and Financial Code Book III – Section 1 (*Code Monétaire et Financier, Livre III, Titre 1<sup>er</sup>*) governing banking transactions and Section II (*Titre II*) governing investment services and related services.

On a regular basis, BNP PARIBAS may also conduct any and all other activities and any and all transactions in addition to those listed above, in particular any and all arbitrage, brokerage and commission transactions, subject to compliance with the regulations applicable to banks.

In general, BNP PARIBAS may, on its own behalf, and on behalf of third parties or jointly therewith, perform any and all financial, commercial, industrial or agricultural, personal property or real estate transactions directly or indirectly related to the activities set out above or which further the accomplishment thereof.

### SECTION II

#### SHARE CAPITAL - SHARES

##### Article 4

The share capital of BNP PARIBAS shall stand at 2,294,954,818 euros divided into 1,147,477,409 fully paid-up shares with a nominal value of 2 euros each.

##### Article 5

The fully paid-up shares shall be held in registered or bearer form at the shareholder's discretion, subject to the French laws and regulations in force.

The shares shall be registered in an account in accordance with the terms and conditions set out in the applicable French laws and regulations in force. They shall be assigned by transfer from one account to another.

The Company may request disclosure of information concerning the ownership of its shares in accordance with the provisions of article L. 228-2 of the French Commercial Code (*Code de Commerce*).

Without prejudice to the legal thresholds set in article L. 233-7, paragraph 1 of the French Commercial Code (*Code de Commerce*), any shareholder, whether acting alone or in concert, who comes to directly or indirectly hold at least 0.5% of the share capital or voting rights of BNP PARIBAS, or any multiple of that percentage less than 5%, shall be required to notify BNP PARIBAS by registered letter with return receipt within the timeframe set out in article L. 233-7 of the French Commercial Code (*Code de Commerce*).

Above 5%, the disclosure obligation provided for in the previous paragraph shall apply to 1% increments of the share capital or voting rights.

The disclosures described in the previous two paragraphs shall also apply when the shareholding falls below the above-mentioned thresholds.

Failure to report either legal or statutory thresholds shall result in the loss of voting rights as provided for by article L. 233-14 of the French Commercial Code (*Code de Commerce*) at the request of one or more shareholders jointly holding at least 2% of the Company's share capital or voting rights.

## **Article 6**

Each share shall grant a right to a part of ownership of the Company's assets and any liquidation surplus that is equal to the proportion of share capital that it represents.

In cases where it is necessary to hold several shares in order to exercise certain rights, and in particular where shares are exchanged, combined or allocated, or following an increase or reduction in share capital, regardless of the terms and conditions thereof, or subsequent to a merger or any other transaction, it shall be the responsibility of those shareholders owning less than the number of shares required to exercise those rights to combine their shares or, if necessary, to purchase or sell the number of shares or voting rights leading to ownership of the required percentage of shares.

## **SECTION III**

### **GOVERNANCE**

#### **Article 7**

The Company shall be governed by a Board of Directors composed of:

##### **1/ Directors appointed by the Ordinary General Shareholders' Meeting**

There shall be at least nine and no more than eighteen Directors. Directors representing employees as well as Directors representing employee shareholders shall not be included when calculating the minimum and maximum number of Directors.

They shall be appointed for a three-year term.

When a Director is appointed to replace another Director, in accordance with applicable French laws and regulations in force, the new Director's term of office shall be limited to the remainder of the predecessor's term.

A Director's term of office shall end at the close of the Ordinary General Shareholders' Meeting convened to deliberate on the financial statements for the previous financial year and held in the year during which the Director's term of office expires.

Directors may be re-appointed, subject to the provisions of French law, in particular with regard to their age.

Each Director, with the exception of Directors representing employees and Directors representing employee shareholders, must own at least 10 Company shares.

##### **2/ Directors elected by BNP PARIBAS SA employees**

The status of these Directors and the related election procedures shall be governed by Articles L. 225-27 to L. 225-34 of the French Commercial Code (*Code de Commerce*) as well as by the provisions of these Articles of Association.

There shall be two such Directors – one representing executive staff and the other representing non-executive staff.

They shall be elected by BNP PARIBAS SA employees.

They shall be elected for a three-year term.

Elections shall be organised by the Executive Management. The timetable and terms and conditions for elections shall be drawn up by the Executive Management in consultation with the national trade union representatives within the Company such that the second round of elections shall be held no later than fifteen days before the end of the term of office of the outgoing Directors.

Each candidate shall be elected on a majority basis after two rounds held in each of the electoral colleges.

Each application submitted during the first round of elections shall include both the candidate's name and the name of a substitute, if any.

Applications may not be amended during the second round of elections.

The candidates shall belong to the electoral college where they stand for election.

Applications other than those presented by a trade union representative within the Company must be submitted together with a document including the names and signatures of one hundred electors belonging to the electoral college where the candidate is running for election.

### **3/ Director representing employee shareholders**

Where the report presented by the Board of Directors at the Annual General Meeting, in accordance with article L. 225-102 of the French Commercial Code, establishes that shares held by company employees or by employees of related companies within the meaning of article L. 225-180 of said Code, account for over 3% of the Company's share capital, a Director representing the employee shareholders is appointed by the Ordinary Shareholders' Meeting in accordance with the procedures set out in current regulations as well as by these Articles of association.

Candidates for election to the office of Director representing employee shareholders are selected on the following basis:

- when the voting right attached to the shares held by the employees, and former employees, referred to in article L. 225-102 of the French Commercial Code is exercised by the Supervisory Board, or Boards, of one, or more, mutual funds (FCPE), the Board, or Boards, of the FCPE or FCPEs, jointly selects two candidates;
- when the voting right attached to the shares, held directly or via an FCPE by the employees, and where applicable, former employees, as referred to in article L. 225-102 of the French Commercial Code, is exercised directly by said employees, they appoint two candidates, given that each employee shareholder will have the same number of votes as the number of shares that they directly, or indirectly, hold. The two employees with the most votes are appointed as candidates.

Only employee shareholders or employees who are members of the Supervisory Board of an FCPE holding company shares may be selected as candidates.

Each candidate must be presented together with a replacement who meets the same requirements as the said candidate.

The Board of Directors presents the candidates to the Annual General Meeting under separate resolutions and, where applicable, approves the resolution relating to its preferred candidate. The Ordinary General Meeting of Shareholders decides, under the conditions of quorum and majority applicable to the appointment of any member of the Board of Directors, on the appointment of the Director representing the employee shareholders. Out of the candidates referred to above, the one who has received the most votes from shareholders present, or represented, at the Ordinary General Meeting of Shareholders, will be appointed as Director representing employee shareholders.

This Director's term and the conditions under which the term of office is exercised are exactly the same as for Directors appointed by the Annual General Meeting.

Should the Director cease to be an employee, or in the event of a vacancy arising due to death or resignation of office, the term of office of the Director representing employee shareholders ends automatically.

Under these circumstances, the Director representing the employee shareholders shall be replaced at the next Ordinary Annual General Meeting.

Should the next Annual General Meeting be held within four months of the date on which the term of office is expected to end, the replacement is appointed at the next Annual General Meeting.

The new Director is appointed by the Annual General Meeting for the remainder of his/her predecessor's term of office.

Should the Director cease to be an employee, or in the event of a vacancy arising due to death or resignation from office, the replacement's term of office automatically ends and new candidates must be selected as described above. The candidates selected by this process shall be voted on by shareholders at the next Annual General Meeting. The new Director is appointed by the Annual General Meeting as described above. This Director's term of office and the conditions under which the directorship is exercised are identical to those of Directors appointed by the Annual General Meeting. Should the next Annual General Meeting be held within six months of the date on which the replacement's term of office is due to end, the replacement is appointed at the next Annual General Meeting.

Under the different circumstances mentioned above, the Board of Directors may meet and validly deliberate until the date on which the Director representing the employee shareholders is replaced.

The provisions of the first paragraph of 3/ shall cease to apply when, at year-end, the percentage of capital owned by Company employees and employees of related companies under the aforementioned article L. 225-102, accounts for less than 3% of the share capital, given that the term of office of any Director appointed in accordance with this article shall end on its expiry date.

Detailed procedures relating to the organisation and holding of the vote by all the shareholders referred to in the aforementioned article L. 225-102, particularly with regard to the timetable for the selection of candidates, are approved by the Executive Management directly, or by delegation.

### **Article 8**

The Chairman of the Board of Directors shall be appointed from among the members of the Board of Directors.

Upon proposal from the Chairman, the Board of Directors may appoint one or more Vice-Chairmen.

### **Article 9**

The Board of Directors shall meet as often as necessary in the best interests of the Company. Board meetings shall be convened by the Chairman. Where requested by at least one-third of the Directors, the Chairman may convene a Board meeting with respect to a specific agenda, even if the last Board meeting was held less than two months before. The Chief Executive Officer (CEO) may also request that the Chairman convene a Board meeting to discuss a specific agenda.

Board meetings shall be held either at the Company's registered office, or at any other location specified in the notice of meeting.

Notices of meetings may be communicated by any means, including verbally.

The Board of Directors may meet and make valid decisions at any time, even if no notice of meeting has been communicated, provided all its members are present or represented.

#### **Article 10**

Board meetings shall be chaired by the Chairman, by a Director recommended by the Chairman for such purpose or, failing this, by the oldest Director present.

Any Director may attend a Board meeting and take part in its deliberations by videoconference (*visioconférence*) or all telecommunications and remote transmission means, including Internet, subject to compliance with the conditions set out in applicable legislation at the time of its use.

Decisions within the remit of the Board of Directors referred to by article L. 225-37 French Commercial Code (*Code de Commerce*) may be taken by means of written consultation.

Any Director who is unable to attend a Board meeting may ask to be represented by a fellow Director, by granting a written proxy, valid for only one specific meeting of the Board. Each Director may represent only one other Director.

At least half of the Board members must be present for decisions taken at Board meetings to be valid.

Should one or both of the offices of Director elected by employees remain vacant, for whatever reason, without the possibility of a replacement as provided for in article L. 225-34 of the French Commercial Code (*Code de Commerce*), the Board of Directors shall be validly composed of the members elected by the General Shareholders' Meeting and may validly meet and vote.

Members of the Company's Executive Management may, at the request of the Chairman, attend Board meetings in an advisory capacity.

A permanent member of the Company's Central Social and Economic Committee, appointed by said Committee, shall attend Board meetings in an advisory capacity, subject to compliance with the provisions of French laws in force.

Decisions shall be made by a majority of Directors present or represented. In the event of a split decision, the Chairman of the meeting shall have the casting vote, except as regards the proposed appointment of the Chairman of the Board of Directors.

The Board of Directors' deliberations shall be recorded in minutes entered in a special register prepared in accordance with French laws in force and signed by the Chairman of the meeting and one of the Directors who attended the meeting.

The Chairman of the meeting shall appoint the Secretary to the Board, who may be chosen from outside the Board's members.

Copies or excerpts of Board minutes may be signed by the Chairman, the Chief Executive Officer, the Chief Operating Officers (COOs) or any representative specifically authorised for such purpose.

#### **Article 11**

The Ordinary General Shareholders' Meeting may grant Directors' remuneration under the conditions provided for by French law.

The Board of Directors shall split these fees among its members.

The Board of Directors may grant exceptional compensation for specific assignments or duties performed by the Directors under the conditions applicable to agreements subject to approval, in accordance with the provisions of Articles L. 225-38 to L. 225-43 of the French Commercial Code (*Code de Commerce*). The Board may also authorise the reimbursement of travel and business expenses and any other expenses incurred by the Directors in the interests of the Company.

### **SECTION IV**

#### **DUTIES OF THE BOARD OF DIRECTORS, THE CHAIRMAN, THE EXECUTIVE MANAGEMENT AND THE NON-VOTING DIRECTORS (CENSEURS)**

#### **Article 12**

The Board of Directors shall determine the business strategy of BNP PARIBAS and supervise the implementation thereof. Subject to the powers expressly conferred on the Shareholders' Meetings and within the limit of the corporate purpose, the Board shall handle any issue concerning the smooth running of BNP PARIBAS and settle matters concerning the Company pursuant to its deliberations. The Board of Directors shall receive from the Chairman or the Chief Executive Officer all of the documents and information required to fulfil its duties.

The Board of Directors' decisions shall be carried out either by the Chairman, the Chief Executive Officer or the Chief Operating Officers, or by any special representative appointed by the Board.

Upon proposal from the Chairman, the Board of Directors may decide to set up committees responsible for performing specific tasks.

### **Article 13**

The Chairman shall organise and manage the work of the Board of Directors and report thereon to the General Shareholders' Meeting. The Chairman shall also oversee the smooth running of BNP PARIBAS's management bodies and ensure, in particular, that the Directors are in a position to fulfil their duties.

The remuneration of the Chairman of the Board shall be freely determined by the Board of Directors.

### **Article 14**

The Board of Directors shall decide how to organise the Executive Management of the Company: the Executive Management of the Company shall be conducted, under his responsibility, either by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors and who shall have the title of Chief Executive Officer.

Shareholders and third parties shall be informed of this choice in accordance with the regulatory provisions in force.

The Board of Directors shall have the right to decide that this choice be for a fixed term.

Once the Board of Directors has decided to dissociate the functions of Chairman and Chief Executive Officer, the Chairman shall be deemed to have automatically resigned at the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches seventy-five years of age. However, the Board may decide to extend the term of office of the Chairman of the Board until the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches seventy-six years of age. The Chief Executive Officer shall be deemed to have automatically resigned at the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-five years of age. However, the Board may decide to extend the term of office of the Chief Executive Officer until the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-six years of age.

In the event that the Board of Directors decides that the Executive Management shall be conducted by the Chairman of the Board, the provisions of these Articles of Association concerning the Chief Executive Officer shall apply to the Chairman of the Board of Directors who will in such case have the title of Chairman and Chief Executive Officer. He shall be deemed to have automatically resigned at the close of the General Shareholders' Meeting held to approve the financial statements for the year in which he reaches sixty-five years of age.

### **Article 15**

The Chief Executive Officer shall be vested with the broadest powers to act in all circumstances in the name of BNP PARIBAS. He shall exercise these powers within the limit of the corporate purpose and subject to those powers expressly granted by French law to Shareholders' Meetings and the Board of Directors.

He shall represent BNP PARIBAS in its dealings with third parties. BNP PARIBAS shall be bound by the actions of the Chief Executive Officer even if such actions are outside the scope of the corporate purpose, unless BNP PARIBAS can prove that the third party knew that the relevant action was outside the scope of the corporate purpose or had constructive knowledge thereof in view of the circumstances. The publication of the Company's Articles of Association alone shall not constitute such proof.

The Chief Executive Officer shall be responsible for the organisation and procedures of internal control and for all information required by French law regarding the internal control report.

The Board of Directors may limit the powers of the Chief Executive Officer, but such limits shall not be binding as against third parties.

The Chief Executive Officer may delegate partial powers, on a temporary or permanent basis, to as many persons as he sees fit, with or without the option of redelegation.

The remuneration of the Chief Executive Officer shall be freely determined by the Board of Directors.

The Chief Executive Officer may be removed from office by the Board of Directors at any time. Damages may be payable to the Chief Executive Officer if he is removed from office without a valid reason, except where the Chief Executive Officer is also the Chairman of the Board of Directors.

In the event that the Chief Executive Officer is a Director, the term of his office as Chief Executive Officer shall not exceed that of his term of office as a Director.

### **Article 16**

Upon proposal from the Chief Executive Officer, the Board of Directors may, within the limits of French law, appoint one or more individuals, who shall have the title of Chief Operating Officer, responsible for assisting the Chief Executive Officer.

In agreement with the Chief Executive Officer, the Board of Directors shall determine the scope and term of the powers granted to the Chief Operating Officers. However, as far as third parties are concerned, the Chief Operating Officers shall have the same powers as the Chief Executive Officer.

When the Chief Executive Officer ceases to perform his duties or is prevented from doing so, the Chief Operating Officers shall, unless the Board of Directors decides otherwise, retain their functions and responsibilities until a new Chief Executive Officer is appointed.

The remuneration of the Chief Operating Officers shall be freely determined by the Board of Directors, at the proposal of the Chief Executive Officer.

The Chief Operating Officers may be removed from office by the Board of Directors at any time, at the proposal of the Chief Executive Officer. Damages may be payable to the Chief Operating Officers if they are removed from office without a valid reason.

Where a Chief Operating Officer is a Director, the term of his office as Chief Operating Officer may not exceed that of his term of office as a Director.

The term of office of the Chief Operating Officers shall expire at the latest at the close of the General Shareholders' Meeting convened to approve the financial statements for the year in which the Chief Operating Officers reach sixty-five years of age. However, the Board may decide to extend the term of office of the Chief Operating Officers until the close of the General Shareholders' Meeting held to approve the financial statements for the year in which they reach sixty-six years of age.

#### **Article 17**

Upon proposal from the Chairman, the Board of Directors may appoint one or two non-voting Directors (*censeurs*).

Non-voting Directors shall be convened to and take part in Board meetings in an advisory capacity.

They shall be appointed for six years and may be reappointed for further terms. They may also be removed at any time under similar conditions.

They shall be selected from among the Company's shareholders and may receive a remuneration determined by the Board of Directors.

### **SECTION V**

#### **SHAREHOLDERS' MEETINGS**

##### **Article 18**

General Shareholders' Meetings shall be composed of all shareholders.

General Shareholders' Meetings shall be convened and deliberate subject to compliance with the provisions of the French Commercial Code (*Code de Commerce*).

As an exception to the last paragraph of article L. 225-123 of the French Commercial Code (*Code de Commerce*), each share carries one voting right, and no double voting rights are conferred.

They shall be held either at the registered office or at any other location specified in the notice of meeting.

They shall be chaired by the Chairman of the Board of Directors, or, in his absence, by a Director appointed for this purpose by the Shareholders' Meeting.

Any shareholder may, subject to providing proof of identity, attend a General Shareholders' Meeting, either in person, or by returning a postal vote or by designating a proxy.

Taking part in the meeting is subject to the shares having been entered either in the BNP PARIBAS' registered share accounts in the name of the shareholder, or in the bearer share accounts held by the authorised intermediary, within the timeframes and under the conditions provided for by the French regulations in force. In the case of bearer shares, the authorised intermediary shall provide a certificate of participation for the shareholders concerned.

The deadline for returning postal votes shall be determined by the Board of Directors and stated in the notice of meeting published in the French Bulletin of Compulsory Legal Announcements (*Bulletin des Annonces Légales Obligatoires* – BALO).

At all General Shareholders' Meetings, the voting right attached to the shares bearing beneficial rights shall be exercised by the beneficial owner.

If the Board of Directors so decides at the time that the General Shareholders' Meeting is convened, the public broadcasting of the entire General Shareholders' Meeting by videoconference (*visioconférence*) or all telecommunications and remote transmission means, including Internet, shall be authorised. Where applicable, this decision shall be communicated in the notice of meeting published in the French Bulletin of Compulsory Legal Announcements (*Bulletin des Annonces Légales Obligatoires* – BALO).

Any shareholder may also, if the Board of Directors so decides at the time of convening the General Shareholders' Meeting, take part in the vote by videoconference (*visioconférence*) or all telecommunications and remote transmission means, including Internet, subject to compliance with the conditions set out in the applicable laws at the time of its use. If an electronic voting form is used, the shareholder's signature may be in the form of a secured digital signature or a reliable identification process safeguarding the link with the document to which it is attached and may consist, in particular, of a user identifier and a password. Where applicable, this decision shall be communicated in the notice of meeting published in the French Bulletin of Compulsory Legal Announcements (*Bulletin des Annonces Légales Obligatoires* – BALO).



## **SECTION VI**

### **STATUTORY AUDITORS**

#### **Article 19**

At least two principal auditors shall be appointed by the General Shareholders' Meeting for a term of six financial years. Their term of office shall expire after approval of the financial statements for the sixth financial year.

## **SECTION VII**

### **ANNUAL FINANCIAL STATEMENTS**

#### **Article 20**

The Company's financial year shall start on 1<sup>st</sup> January and end on 31<sup>st</sup> December.

At the end of each financial year, the Board of Directors shall draw up annual financial statements and write a management report on the Company's financial position and its business activities during the previous year.

#### **Article 21**

Net income for the year is composed of income for the year minus costs, depreciation, amortizations and impairment.

The distributable profit is made up of the year's profit, minus previous losses as well as the sums to be allocated to the reserves in accordance with French law, plus the profit carried forward.

The General Shareholders' Meeting is entitled to levy all sums from the distributable profit to allocate them to all optional, ordinary or extraordinary reserves or to carry them forward.

The General Shareholders' Meeting may also decide to distribute sums levied from the reserves at its disposal.

However, except in the event of a capital reduction, no amounts may be distributed to the shareholders if the shareholders' equity is, or would become following such distribution, lower than the amount of capital plus the reserves which is not open to distribution pursuant to French law or these Articles of Association.

In accordance with the provisions of article L. 232-18 of the French Commercial Code (*Code de Commerce*), a General Shareholders' Meeting may offer to the shareholders an option for the payment, in whole or in part, of dividends or interim dividends through the issuance of new shares in the Company.

## **SECTION VIII**

### **DISSOLUTION**

#### **Article 22**

Should BNP PARIBAS be dissolved, the shareholders shall determine the form of liquidation, appoint the liquidators at the proposal of the Board of Directors and, in general, take on all of the duties of the General Shareholders' Meeting of a French Public Limited Company (*société anonyme*) during the liquidation and until such time as it has been completed.

## **SECTION IX**

### **DISPUTES**

#### **Article 23**

Any and all disputes that may arise during the life of BNP PARIBAS or during its liquidation, either between the shareholders themselves or between the shareholders and BNP PARIBAS, pursuant to these Articles of Association, shall be ruled on in accordance with French law and submitted to the courts having jurisdiction.

## 8.8 Statutory Auditors' special report on related party agreements

Annual General Meeting for the approval of the financial statements for the year ended 31 December 2023.

*This is a free translation into English of the Statutory Auditors' special report on related party agreements issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

To the General Assembly of the company,

In our capacity as Statutory Auditors of BNP Paribas SA, we hereby report to you on related party agreements.

It is our responsibility to report to shareholders, based on the information provided to us, on the main terms and conditions of agreements that have been disclosed to us or that we may have identified as part of our engagement, as well as the reasons given as to why they are beneficial for the Company, without commenting on their relevance or substance or identifying any undisclosed agreements. Under the provisions of article R. 225-31 of the French Commercial Code (*Code de commerce*), it is the responsibility of shareholders to determine whether the agreements are appropriate and should be approved.

Where applicable, it is also our responsibility to provide shareholders with the information required by article R. 225-31 of the French Commercial Code in relation to the implementation during the year of agreements already approved by the Annual General Meeting.

We performed the procedures that we deemed necessary in accordance with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information given to us is consistent with the underlying documents.

### AGREEMENTS TO BE SUBMITTED FOR THE APPROVAL OF THE ANNUAL GENERAL MEETING

We were not informed of any agreement authorised and entered into during the year to be submitted for approval at the Annual General Meeting in accordance with article L. 225-38 of the French Commercial Code.

### AGREEMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

#### Agreements approved in previous years

In accordance with article R. 225-30 of the French Commercial Code, we were informed that the following agreement, previously approved by the Annual General Meeting on 26 May 2016, was implemented during the year.

***Non-compete agreement between BNP Paribas and Jean-Laurent Bonnafé (authorised by the Board of Directors on 25 February 2016)***

*Director concerned:*

Jean-Laurent Bonnafé, Director

Chief Executive Officer of BNP Paribas

At its meeting on 25 February 2016, the Board of Directors of BNP Paribas authorised the implementation of a non-compete agreement between BNP Paribas and Jean-Laurent Bonnafé.

Under this agreement, in the event that Jean-Laurent Bonnafé ceases to hold a position with BNP Paribas or carry out any work on its behalf, he undertakes not to exercise, directly or indirectly, any professional activity for a period of 12 months on behalf of a banking, investment or insurance firm whose shares are traded on a regulated market in France or abroad, or on behalf of a banking, investment or insurance firm in France whose shares are not traded on a regulated market. As consideration for this non-compete obligation, Jean-Laurent Bonnafé will receive a payment equal to 1.2 times the total of the fixed and variable remuneration (excluding multi-annual variable remuneration) he received during the year preceding his departure. One-twelfth of the indemnity would be paid each month.

This agreement was concluded to protect the interests of BNP Paribas and its shareholders in the event of Jean-Laurent Bonnafé's departure.

Paris La Défense, Neuilly-sur-Seine and Courbevoie, 15 March 2024

The Statutory Auditors

**Deloitte & Associés**

Laurence Dubois

**PricewaterhouseCoopers Audit**

Patrice Morot

**Mazars**

Virginie Chauvin";

- (j) Section 10 entitled "Quarterly Financial Information" on pages 845 to 895 to shall be deleted in its entirety and replaced with the following:

# **"10 QUARTERLY FINANCIAL INFORMATION**

# FIRST QUARTER 2024 RESULTS

## PRESS RELEASE

Paris, 25 April 2024

### 1ST QUARTER 2024

## BNP Paribas reports very good 1<sup>st</sup> quarter 2024 performances and confirms its 2024 trajectory

- **Stable revenues** (€12,483m) driven by very solid business performances within each operating division
- **Positive jaws effect** (+1.1 point)
- **Cost of risk<sup>1</sup>** (29 bps) **still low**, due to the quality of the loan portfolio
- **Pre-tax income** up sharply (+7.4% vs. 1Q23 distributable<sup>3</sup>) to €4,363m
- **Very high Net Income** of €3,103m<sup>2</sup> (-2.2% vs. 1Q23 distributable<sup>3</sup>), driven by operating performances
- €1.05bn **share buyback** finalised on 23 April 2024, and €4.60 **dividend** subject to General Meeting approval on 14 May 2024
- **Earnings Per Share<sup>4</sup>** (€2.51) up sharply
- **Financial structure** very solid (CET1 ratio of 13.1%)
- **Active management of capital** including the divestment of Personal Finance businesses in Mexico and ongoing redeployment of capital from the Bank of the West divestment

On the strength of its 1<sup>st</sup> quarter 2024 results, BNP Paribas confirms its 2024 trajectory – revenues more than 2% higher than 2023 distributable revenues<sup>3</sup> (€46.9bn), a positive jaws effect<sup>5</sup>, a cost of risk below 40 bps, and Net Income higher than 2023 distributable Net Income<sup>3</sup> (€11.2bn).



**BNP PARIBAS**

The bank  
for a changing  
world

The figures included in this press release are unaudited.

As a reminder, on 29 February 2024 BNP Paribas reported restated quarterly series for 2023 to reflect, in particular, the end of the build-up of the Single Resolution Fund (SRF), effective 1 January 2024, and the assumption of a similar contribution to local bank taxes at a level estimated at about 200 million euros annually beginning in 2024, as well as an accounting heading separated from cost of risk and entitled "Other net losses for risks on financial instruments", beginning in the fourth quarter 2023. This press release reflects this restatement.

This press release 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, 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. Consequently, actual results may differ from those projected or implied in these forward-looking statements due to a variety of factors. These factors include among others: i) BNP Paribas's ability to achieve its objectives, ii) the impacts from central bank interest rate policies, whether due to continued elevated interest rates or potential significant reductions in interest rates, iii) changes in regulatory capital and liquidity rules, iv) continued elevated levels of, or any resurgence in, inflation and its impacts, v) the various geopolitical uncertainties and impacts related notably to the invasion of Ukraine and the conflict in the Middle East, or vi) the precautionary statements included in this press release.

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 press release 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 percentage changes stated for indicators in the first quarter 2024 profit-and-loss statement have been calculated with reference to the profit-and-loss statement on a distributable base for the first quarter of 2023, using the restatement of quarterly series reported on 29 February 2024. The 2023 distributable result serves as a basis for calculating the distribution in 2023 and reflects the Group's intrinsic performance post impact of the Bank of the West sale and post ramp-up of the Single Resolution Fund (SRF) excluding extraordinary items.

BNP Paribas' financial disclosures of the first quarter 2024 consists of this press release, the attached presentation, and quarterly series. The quarterly series are available at the following address: <https://invest.bnpparibas/document/1q24-quarterly-series>.

All legally required disclosures, including the Universal Registration document, are available online at <https://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 et seq. of the French Financial Markets Authority General Regulations.



The Board of Directors of BNP Paribas met on 24 April 2024. The meeting was chaired by Jean Lemierre, and the Board examined the Group's results for the first quarter 2024.

Jean-Laurent Bonnafé, Chief Executive Officer, stated at the end of the meeting:

*"On the strength of its diversified and integrated model, the Group achieved good performances in the first quarter 2024, thanks to business momentum in the operating divisions. BNP Paribas continues to demonstrate its ability to generate value and confirms its 2024 trajectory, with revenue growth expected to surpass 2% compared to 2023 and Net Income above the 2023 distributable result. We continue to focus on expanding our market shares, supporting our clients, and rolling out our strategic initiatives. BNP Paribas is well positioned for the new phase of the economic cycle. I thank the teams for their mobilisation."*

## SOLID RESULTS

**First-quarter revenues** were stable (-0.4%), driven by very solid business performances within each operating division, offsetting a high base effect at Global Markets. Excluding this impact, revenues were up by about 3%<sup>6</sup>. **Operating expenses** decreased (-1.5%). The Group thus generated a **positive jaws effect**<sup>5</sup> of 1.1 point. The effects of additional operating efficiency measures (400 million euros) are expected to begin showing up in the second quarter 2024.

**Net Income** (3,103 million euros) was driven by operating performances. Earnings per share<sup>4</sup> amounted to 2.51 euros.

The Group finalised its 1.05-billion-euro **share buyback** programme on 23 April 2024. The Board of Directors will propose a 4.60-euro **dividend** to shareholders at the General Meeting of 14 May 2024.

**The financial structure** is very solid, with a common equity Tier 1 ratio at 13.1%, and capital is managed actively, particularly with the divestment of Personal Finance in Mexico.

On the strength of its 1st quarter 2024 results, BNP Paribas confirms its **2024 trajectory** – revenues more than 2% higher than 2023 distributable revenues (€46.9bn), a positive jaws effect, a cost of risk below 40 bps, and Net Income higher than 2023 distributable Net Income (€11.2bn).

This growth trajectory is based mainly on the strengthening of efficiency initiatives (2024 pre-tax impact of +400 million euros), the quality of the loan portfolio throughout the cycle, the redeployment of 55 basis points of capital freed up by the Bank of the West divestment before the end of the first half of 2024 (return on invested capital<sup>7</sup> in 2025e>16%), the strategic repositioning at Personal Finance, and market share gains at CIB, while keeping capital allocation well-balanced. This trajectory reflects the impact of headwinds, including decisions by public authorities (2024 after-tax impact of -500 million euros) and the normalisation of used-car sale prices at Arval.

**Revenues** came to 12,483 million euros, down by 0.4% in comparison with the high base of revenues in the first quarter 2023 on a distributable basis, at 12,534 million euros.



Revenues decreased by 4.0% at **Corporate & Institutional Banking (CIB)**, as strong growth in revenues at Global Banking (+6.1%) and Securities Services (+6.8%) partly offset the 11.9% decline in Global Markets revenues.

Revenues at **Commercial, Personal Banking & Services (CPBS)**<sup>8</sup> were stable at +0.4%, driven by growth at Commercial & Personal Banking (+1.0%), whose fees were up by 4.4% and net interest revenues by +4.9% excluding the impact of headwinds (Belgian government bond, ECB mandatory reserves, and inflation hedges in the amount of about 150 million euros). Revenues at Specialised Businesses decreased only slightly, by 0.7%, thanks to the increase at Personal Finance (+0.7%) which was driven by higher volumes and the ongoing improvement in margins at production. At Arval, used-car prices normalised at a high level. New Digital Businesses fared very well (+21.0%).

At **Investment & Protection Services (IPS)** revenues rose by 0.8%, driven by good business momentum at Wealth Management (+5.2%), Insurance (+4.2%) and Asset Management (+2.6%<sup>9</sup>). Excluding the contribution of Real Estate and Principal Investments, IPS revenues were up by +4.2%.

**Group operating expenses** came to 7,937 million euros (8,058 million euros in the first quarter 2023 on a distributable basis), down by 1.5%. CIB operating expenses decreased by 4.9%, particularly at Global Markets (-8.2%). The jaws effect was very positive at Global Banking (+6.5 points) and Securities Services (+7.8 points).

CPBS<sup>8</sup> kept close control over operating expenses on the whole (+3.1%), up by 3.9% in Commercial & Personal Banking, due in particular to the impact of Belgian bank levies. The jaws effect was positive at BNL and CPBL. Specialised Businesses' operating expenses rose by 1.2%, in support of their growth and transformation. The jaws effect was positive at Personal Finance, Leasing Solutions and Personal Investors.

At IPS, operating expenses were stable (-0.1%), decreasing at Wealth Management (-0.4%), Asset Management (-0.1%<sup>9</sup>) and Real Estate (-3.9%). The jaws effect was positive at IPS on the whole (+0.9 point) and strongly positive (+3.9 points) when excluding the contribution of Real Estate and Principal Investments.

**Group gross operating income** thus amounted to 4,546 million euros (4,476 million euros in the first quarter 2023 on a distributable basis).

At 640 million euros<sup>1</sup> (592 million in the first quarter 2023 on a distributable basis), the Group's **cost of risk** stood at 29 basis points of customer loans outstanding, a low level, due to the quality of the loan portfolio. It reflects releases of provisions on performing loans (stages 1 and 2) of 123 million euros and provisions for non-performing loans (stage 3) of 763 million euros. The Group confirms its 2025 target of keeping cost of risk below 40 basis points each year.

**Group operating income** amounted to 3,901 million euros. In the first quarter 2023 it came to 3,884 million euros on a distributable basis.

**Group non-operating items** came to 462 million euros. They reflected the reconsolidation of activities in Ukraine<sup>10</sup> (+226 million euros) and a capital gain on the divestment of Personal Finance in Mexico (+118 million euros).

**Group pre-tax income** came to 4,363 million euros (4,062 million euros in the first quarter 2023 on a distributable basis).



The average corporate tax rate stood at 29.8%. It reflects the first-quarter recognition of full-year taxes and contributions in accordance with IFRIC 21, a significant portion of which is not deductible.

**Net Income, Group share** thus came to 3,103 million euros in the first quarter 2024, close to its level of the first quarter 2023 at 3,173 million euros on a distributable basis.

**Return on non-revaluated tangible equity** stood at 12.4%.

**As of 31 March 2024, the common equity Tier 1 ratio** stood at 13.1% and **the Liquidity Coverage Ratio**<sup>11</sup> (end-of-period) at 134% (148% as of 31 December 2023). The Group's immediately available liquidity reserve<sup>12</sup> amounted to 446 billion euros, or more than one year to manoeuvre in terms of wholesale funding. The leverage ratio<sup>13</sup> stood at 4.4%.

BNP Paribas continued to stand out in the first quarter 2024 in its commitment to **ESG** issues, as recognised by extra-financial ratings agencies and illustrated by its top-tier leadership in recent rankings. Several innovative solutions dedicated to each type of client were launched this quarter. For example, at CPBS, BNP Paribas Mobility launched an Arval and Leasing Solutions offering in Europe for combined leasing of electric vehicles and recharging stations, in order to facilitate the transition towards sustainable mobility. At IPS, BNP Paribas Asset Management launched its first global equities fund dedicated to the net-zero transition. The strategy is based on decarbonation and overweighted in sustainable investments.

The "Cease and Desist Order" of 30 June 2014, pertaining to violations of US laws and regulations governing economic sanctions, issued jointly by the Prudential Control and Resolution Authority (ACPR) in France and the Board of Governors of the Federal Reserve Board (FRB) in the United States, has been lifted, thus confirming the Group's accomplishment of its obligations under the remediation plan.



## CORPORATE AND INSTITUTIONAL BANKING (CIB)

CIB results were driven this quarter by very good performances by Global Banking and Securities Services and by a lower cost of risk.

**CIB revenues**, at 4,677 million euros, declined by 4.0% compared to the first quarter 2023. They were driven by strong growth at Global Banking (+6.1%) and Securities Services (+6.8%) partly neutralising the decrease at Global Markets' (-11.9%) due to the base effect arising from activity on the rates, currencies, and commodities markets. Activity on those markets had risen sharply in 2023 but suffered in the first quarter 2024 from a market environment marked by very low volatility in Europe.

### CIB – Global Banking

**Global Banking revenues**, at 1,543 million euros, achieved a record quarter, up by 6.1%. They rose in EMEA and the Americas.

Revenues were up very sharply on the **Capital Markets** platform, particularly in the Americas (+29.8%<sup>14</sup>) and EMEA (+18.9%<sup>14</sup>).

They achieved a strong increase in **Transaction Banking**, especially in EMEA (+10.5%<sup>14</sup>), with deposits in cash management almost stable during the quarter.

In **financings**, business momentum was very good in EMEA on the bond markets (market up by 26%<sup>15</sup> compared to the first quarter 2023) and syndicated loans (market up by 14%<sup>15</sup> compared to the first quarter 2023). **Loans**, at 178 billion euros, fell by 1.4%<sup>14</sup> compared to the first quarter 2023 but were up by 0.4%<sup>14</sup> compared to the fourth quarter 2023. **Deposits**, at 217 billion euros, continued to grow (+1.0%<sup>14</sup>).

In **rankings**, Global Banking confirmed its first-tier status as a leader<sup>15</sup> in EMEA in syndicated loans and bond issuance, a leader<sup>16</sup> in European Large Corporate Transaction Banking (Trade finance and Cash Management), and the European and global leader<sup>17</sup> in sustainable financing.

### CIB – Global Markets

At 2,435 million euros, **Global Markets revenues** fell by 11.9%.

At 830 million euros, **Equity & Prime Services revenues** rose by 11.0%, a good performance driven particularly by Prime Brokerage activities (revenues up by 44%).

At 1,604 million euros, **FICC revenues** were down by 20.4% compared to a high base in the first quarter 2023. EMEA, the region in which FICC generated about 60% of its 2023 revenues, is also the region that was hit hardest by the normalisation on the rates, forex, and commodities markets after a period of very strong client activity in 2022 and in the first quarter of 2023. This normalisation was marked in particular by very low volatility, especially in January and February 2024, causing less sustained client activity compared to the high volumes in the first quarter 2023. However, in the first quarter 2024, overall credit market activity was up sharply, particularly on EMEA primary markets and in the Americas.

In terms of **rankings**, Global Markets confirmed its leadership on multi-dealer electronic platforms.



Average 99% 1-day interval **Var**, which measures the level of market risks, stood at 36 million euros, up by €7m vs. the fourth quarter 2023, due mainly to changes in interest-rate activity on the perimeter of developed markets.

#### **CIB – Securities Services**

At 699 million euros, **Securities Services revenues** rose by 6.8%, driven by the favourable impact of the interest-rate environment and the impact of the 9.9% increase in outstandings at the end of the period compared to the first quarter 2023. Transactions volumes decreased by 4.8% compared to the first quarter 2023, due mainly to lower market volatility.

Business activity was strong, marked by new mandates, particularly a mandate for custody of securities in the United States, amounting to 60 billion dollars in assets. Meanwhile, Private Capital activities continue to be developed.

**CIB operating expenses**, at 2,741 million euros, were down by 4.9%. The jaws effect was positive by 0.9 point.

**CIB gross operating income** thus decreased by 2.7%, to 1,936 million euros.

**CIB cost of risk** had 95 million euros in releases and stood at -16 basis points of customer loans outstanding. It reflects releases on provisions on performing loans (stages 1 and 2) and non-performing loans (stage 3).

CIB thus achieved **pre-tax income** of 2,033 million euros, up by 2.4%.



## COMMERCIAL, PERSONAL BANKING & SERVICES (CPBS)

CPBS's performances this quarter featured good business momentum, which neutralised headwinds.

At 6,692 million euros, **revenues**<sup>18</sup> were up by 0.4% compared to the first quarter 2023. CPBS revenues were therefore stable compared to the first quarter 2023 when taking into account the impact of headwinds. They include inflation hedges in France (-54 million euros), the issuance of Belgian government bonds (-52 million euros), the ECB's halt to remuneration of mandatory reserves (-45 million euros) and the normalisation of used-car prices at a high level at Arval.

**Revenues at Commercial & Personal Banking** at 4,196 million euros, rose (+1.0%). Net interest revenues were up by 4.9% excluding the impact of headwinds<sup>19</sup>, driven by growth of margins on deposits. Fees were up by 4.4%, driven mainly by good performances in France and at Europe-Mediterranean. Commercial banking activities in Ukraine, which continue in support of the local economy, were reconsolidated.

**Revenues at Specialised Businesses** decreased by 0.7%, to 2,496 million euros. Arval achieved an increase in its financial margin and margin on services, driven by higher volumes. Personal Finance was up (+0.7% compared to the first quarter 2023), driven by higher volumes and the ongoing improvement in margins on production by continuing its geographical refocusing (divestment of its business in Mexico). Nickel continued to expand its business and its customer base.

The increase in **operating expenses**<sup>18</sup> was contained (+3.1%) at 4,482 million euros. It reflected the impact of inflation, particularly in Türkiye and Poland, the consolidation of commercial banking operations in Ukraine and the Belgian bank levies, partly offset by savings, particularly at CPBF and at Personal Finance.

**Gross operating income**<sup>18</sup> thus came to 2,210 million euros, down by 4.7%.

**Cost of risk**<sup>18</sup> stood at 726 million euros (600 million euros in the first quarter 2023), an increase with a base effect at Europe-Mediterranean and CPBF (release of stage 1 and 2 provisions in the first quarter 2023).

As a result, after allocating one third of Private Banking's Net Income to Wealth Management (IPS division), **CPBS achieved pre-tax income**<sup>20</sup> of 1,517 million euros, down by -13.5%, due to the change in cost of risk.



## CPBS – Commercial & Personal Banking in France (CPBF)

In an environment in the process of normalising, CPBF business was resilient.

**Loans outstanding** were down by 1.7% compared to the first quarter 2023, and volumes stabilised compared to the fourth quarter 2023 (-0.8%). Pricing continues to be adjusted across all customer segments. **Deposits** were down by 5.0% compared to the first quarter 2023, with a stabilisation of individual customer deposits. Off-balance-sheet savings rose by 4.0% compared to 31 March 2023, and net asset inflows into life insurance was high (+0.9 billion euros in the first quarter 2024).

Customer acquisition continues at **Hello bank!** (~+65K clients, +32.0% compared to the first quarter 2023), boosted by the start of integration of Orange Bank customers. Private Banking achieved good net asset inflows of 1.5 billion euros.

**Revenues**<sup>18</sup> came to 1,638 million euros, down by 1.9%. Net interest revenues were down by 8.0%. Margins rose but were offset by the impact of inflation hedges (-54 million euros, in the process of normalising) and the non-remuneration of mandatory reserves (-20 million euros). Excluding these two effects, net interest revenues were stable. Fees rose (+5.1% compared to the first quarter 2023), driven by financial fees (cross-selling with BNP Paribas Cardif). **Cash Management** was up.

At 1,171 million euros, **operating expenses**<sup>18</sup>, decreased by 0.8%. They were kept under control despite inflation, due to the ongoing impact of savings measures.

**Gross operating income**<sup>18</sup> came to 467 million euros, down by 4.7%.

**Cost of risk**<sup>18</sup> stood at 116 million euros (75 million euros in the first quarter 2023), or 20 basis points of customer loans outstanding – a low level (21 basis points in 2023).

As a result, after allocating one third of Private Banking's Net Income to Wealth Management (IPS division), CPBF achieved **pre-tax income**<sup>20</sup> of 301 million euros, down by 19.8%.

## CPBS – BNL banca commerciale (BNL bc)

BNL bc revenues rose sharply, the jaws effect was very positive and the cost of risk continued to decrease.

**Loans outstanding** were down by 7.1% compared to the first quarter 2023 and down by 5.8% on the perimeter excluding non-performing loans. Loans to individual were resilient, while corporate loans were down. Management of margins was disciplined in a competitive environment. **Deposits** were up by 8.1% compared to the first quarter 2023, with an increase in corporate and Private Banking deposits offset partially by a decline in individual customer deposits. Margins continued to improve. Off-balance-sheet savings were down by 5.2% compared to 31 March 2023. Net asset inflows into Private Banking were very good (1.4 billion euros).

**Revenues**<sup>21</sup> rose sharply, by 7.9% to 729 million euros. Net interest revenues rose very steeply, by 13.7%, driven by the margin on deposits and capital gains on disposals of securities, partly offset by the decrease in volumes and tightening on loan margins. Fees were stable compared to the first



quarter 2023, in connection with strong increase in financial fees offset by the decrease in banking fees.

At 440 million euros, **operating expenses**<sup>21</sup> were up by 2.2%, showing a contained increase. The jaws effect was very positive (+5.8 points).

**Gross operating income**<sup>21</sup> rose by 18.2%, to 288 million euros.

At 72 million euros, **cost of risk**<sup>21</sup> receded, with releases of provisions on performing loans (stages 1 and 2) and a decrease of provisions on non-performing loans (stage 3). 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 to Wealth Management (IPS division), BNL bc achieved **pre-tax income**<sup>22</sup> of 209 million euros, up sharply, by 50.3%.

### CPBS – Commercial & Personal Banking in Belgium (CPBB)

CPBB confirmed a good resilience of the business, with the first quarter 2024 featuring the successful integration of bpost bank into BNP Paribas Fortis.

**Loans outstanding** rose by 1.7% compared to the first quarter 2023, driven by the increase in mortgage and corporate loans. **Deposits** fell by 4.7% compared to the first quarter 2023 (-0.3% excluding the impact of the issuance of Belgian government bonds maturing in September 2024). Corporate customer deposits rose by +2.7% compared to the first quarter 2023. Off-balance sheet savings rose sharply, by 5.7% compared to 31 March 2023, driven by mutual funds. Private Banking achieved net asset inflows of 0.8 billion euros this quarter.

**Revenues**<sup>21</sup> were down by 8.6% at 929 million euros. Net interest revenues<sup>21</sup> were down by 11.0% (-1.7% compared to the first quarter 2023, excluding the impact of the non-remuneration of mandatory reserves and Belgian government bonds (-68 million euros)). Margins on corporate deposits rose, offset by tightening loan margins in a highly competitive environment. Fees<sup>21</sup> decreased by 2.5%, due to the decline in banking fees, including consumer finance, offset by the increase in financial fees, particularly in Private Banking.

At 955 million euros, **operating expenses**<sup>21</sup> were up by 4.9%, in connection with inflation and the bank levies (+2.6% compared to the first quarter 2023 excluding the IFRIC impact).

**Gross operating income**<sup>21</sup> amounted to -27 million euros.

At 28 million euros (8 million in the first quarter 2023), **cost of risk**<sup>21</sup> is still low and stood at 8 basis points of customer loans outstanding.

As a result, after allocating one third of Private Banking's Net Income to Wealth Management (IPS division), CPBB achieved **pre-tax income**<sup>22</sup> of -61 million euros.



## CPBS – Commercial & Personal Banking in Luxembourg (CPBL)

CPBL results were up sharply.

**Loans outstanding** were down by 2.8%, and **deposits** decreased by 1.6% compared to the first quarter 2023.

**Revenues**<sup>21</sup> rose by 6.8% to 155 million euros. Net interest revenues<sup>21</sup> were up sharply, by 9.0%, in connection with good resiliency in margins on deposits, particularly in corporate deposits and capital gains on divestments of securities. CPBL achieved a good level of fees. They decreased by 3.6%<sup>21</sup> compared to the first quarter 2023.

At 81 million euros, **operating expenses**<sup>21</sup> rose by 1.4%. The jaws effect was quite positive (+5.4 points).

**Gross operating income**<sup>21</sup> rose sharply, by 13.4%, to 74 million euros.

At 1 million euros, **cost of risk**<sup>21</sup> is still at a very low level.

After allocating one third of Private Banking's Net Income to Wealth Management (IPS division), CPBL achieved **pre-tax income**<sup>22</sup> of 72 million euros, up sharply by 14.7%.

## CPBS – Europe-Mediterranean

Europe-Mediterranean confirmed good business momentum in Poland, a normalisation of the environment in Türkiye, and the reconsolidation of businesses in Ukraine.

**Loans outstanding** were up by 3.7%<sup>14</sup> compared to the first quarter 2023. Origination was prudent in individual customers in Poland, and production momentum recovered in Türkiye across all customer segments. Deposits rose by 8.7%<sup>14</sup> compared to the first quarter 2023, driven by Türkiye and Poland.

**Revenues**<sup>21</sup>, at 745 million euros, were up by 3.1%<sup>23</sup>, driven mainly by good growth in net interest revenues in Poland and increased fees in Türkiye.

**Operating expenses**<sup>21</sup>, at 503 million euros, rose by 10.3%<sup>23</sup>, due to high inflation.

**Gross operating income**<sup>21</sup>, at 242 million euros, decreased by 10.8%<sup>23</sup>.

**Cost of risk**<sup>21</sup> stood at 40 million euros (1 million euros in the first quarter 2023), or 45 basis points of customer loans outstanding. It increased from a low first quarter 2023 base (releases of stage 1 and 2 provisions).

The hyperinflation situation in Türkiye<sup>24</sup> caused a decrease in "Other non-operating items" of 76 million euros.

After allocating one third of Private Banking's Net Income to Wealth Management (IPS division), Europe-Mediterranean thus achieved **pre-tax income**<sup>22</sup> of 184 million euros, up sharply by 49.2%<sup>23</sup>.



## CPBS – Specialised Businesses – Personal Finance

In the first quarter 2024, Personal Finance continues to implement the geographical refocusing of its activities and the reorganisation of its operating model. Ten entities were divested or placed into run-off, particularly in Central Europe and Mexico. Business drive was good, and the jaws effect was positive.

**Loans outstanding** were up by 10.9% compared to the first quarter 2023, driven mainly by an increase in mobility. Selectivity in granting loans increased. Margins on production rose constantly, despite continued pressure.

The impacts of the implementation of **partnerships in auto loans** continued and contributed to the expansion in volumes and the structural improvement in the risk profile (+ 6 points in the share of auto loans compared to the first quarter 2023).

**Revenues**, at 1,296 million euros, rose by 0.7% driven by the effect of higher volumes, partly offset by pressure on margins and higher financing costs.

**Operating expenses**, at 753 million euros, decreased by 1.5%, thanks to cost-saving measures. The jaws effect was positive (+2.1 points).

**Gross operating income** rose by 3.8% to 543 million euros.

**Cost of risk** stood at 394 million euros (358 million euros in the first quarter 2023), or 143 basis points of customer loans outstanding, stable compared to the first quarter 2023 (145 basis points) and down compared to the fourth quarter 2023 (179 basis points), supported by the structural improvement in the risk profile.

**Pre-tax income thus came to 278 million euros**, up by 65.2%, thanks to the positive impact of the capital gain on divestment of businesses in Mexico.

## CPBS – Specialised Businesses – Arval & Leasing Solutions

The first quarter 2024 was characterised by the gradual normalisation of used-car prices at a high level. The volume impact was favourable on vehicle sales, in relation to shorter delivery times (109,000 vehicles sold in the first quarter 2024). With more than 1.7 million financed vehicles<sup>25</sup>, the expansion in the Arval **financed fleet** remains strong (+6.7% compared to 31 March 2023). Outstandings rose (+24.4%<sup>26</sup> compared to the first quarter 2023). Business drive is strong, featuring a new partnership with the Chinese automaker BYD<sup>27</sup> (the world's largest maker of electric vehicles) in Spain, Germany, Italy, and Brazil.

At 23.8 billion euros, **Leasing Solutions outstandings** rose by 2.8% compared to the first quarter 2023. Business drive was good, with production volumes up by 11.0% compared to the first quarter 2023 on equipment markets and a good margin level.

**Revenues**, at 942 million euros, decreased by 4.0%. Arval's revenues decreased this quarter (-5.8% compared to the first quarter 2023), due to the gradual normalisation of used-car prices at a high level. This impact was partly offset by the volume-driven increase in Leasing Solutions revenues.



**Operating expenses**, at 393 million euros, rose by 3.7%, driven by inflation and business development.

**Pre-tax income at Arval and Leasing Solutions** decreased by 9.5% to 489 million euros.

### **CPBS – Specialised Businesses – New Digital Businesses and Personal Investors**

**Business was robust this quarter.** Nickel instituted new pricing and rolled out new financial services, including a home insurance offering for renters in partnership with BNP Paribas Cardif and Lemonade. The number of points of sale rose (+20.5% compared to 31 March 2023), and Nickel is already the largest distribution network of current accounts in France.

Regarding **Floa**, the number of active partnerships rose very sharply (x 2.3 compared to the first quarter 2023) and the level of production is good with a tightening of credit standards.

**Personal Investors** achieved good growth in assets under management (+12.9% compared to 31 March 2023) and kept the number of transactions at a high level, driven by financial market trends.

**Revenues**<sup>28</sup>, at 258 million euros, rose by 6.0%. Momentum continues, and Personal Investors revenues stabilised at a high level.

**Operating expenses**<sup>28</sup>, at 185 million euros, rose by 7.9%, due to the business development strategy.

**Gross operating income**<sup>28</sup> amounted to 72 million euros (+1.3% compared to the first quarter 2023).

**Cost of risk**<sup>28</sup> stood at 24 million euros (23 million euros in the first quarter 2023).

**Pre-tax income**<sup>29</sup> at New Digital Businesses and Personal Investors, after allocating one third of Private Banking's Net Income in Germany to Wealth Management (IPS division), was stable, at 46 million euros.

### **New ambitions for the Payments & Flow initiative out to 2025**

On the strength of their first-tier leadership in cash management in Europe (No.1 with large corporates, according to the 2023 Greenwich Leaders survey), CPBS and CIB are targeting €800m in increased revenue for their joint Payments & Flows initiative by 2025, compared to an initial €600m target, which was already reached late last year. These additional revenues will be derived from the Group's Cash Management, Trade Finance, and Factoring platforms, as well as electronic payments segments for individuals (PSP issuing and acquiring).



## INVESTMENT & PROTECTION SERVICES (IPS)

Insurance, Wealth Management and Asset Management had a very good first quarter 2024.

As of 31 March 2024, **assets under management**<sup>30</sup> amounted to 1,283 billion euros (+3.8% compared to 31 December 2023). They were driven by the impact of net asset inflows (+17.7 billion euros), the market performance effect (+27.3 billion euros) and the exchange rate effect (+2.2 billion euros). Net asset inflows were strong in all business lines, driven by the diversity of distribution networks. **Wealth Management** achieved very strong inflows, particularly in Commercial & Personal Banking. **Asset Management** achieved strong asset inflows, driven mainly by asset inflows into money-market funds and medium- and long-term vehicles. **Insurance** received strong asset inflows into Savings, especially in France. As at 31 March 2024, assets under management<sup>30</sup> broke down as follows: 588 billion euros at Asset Management and Real Estate<sup>31</sup>, 432 billion euros at Wealth Management, and 262 billion euros at Insurance.

**Revenues** rose by 0.8% (+4.2% excluding the contribution of Real Estate and Principal Investments). They were driven by strong momentum at Wealth Management (+5.2%), Insurance (+4.2%) and Asset Management (+2.6% excluding the contribution of Real Estate and Principal Investments).

At 883 million euros, **operating expenses** were down by 0.1%, kept under control with investments in targeted projects. The jaws effect was positive (+0.9 point) and very positive excluding Real Estate and Principal Investments (+3.9 points).

**Gross operating income** rose by +2.2% to 537 million euros.

At 573 million euros, **pre-tax income** decreased by 3.2% (+5.6% excluding the contribution of Real Estate and Principal Investments), reflecting the decrease in the contribution of associates.

### IPS – Insurance

**Savings** (47% of Insurance revenues) performed very well both in France and internationally, with gross inflows of 8.3 billion euros, up sharply (+34% compared to the first quarter 2023). Net asset inflows rose markedly, driven by very robust business drive in France.

**Protection** (53% of Insurance revenues) gross written premiums rose by 6% compared to the first quarter 2023 in all geographies. It continued to perform well in France, particularly in affinity insurance and property & casualty. Business expanded internationally in all geographies, driven by the deployment of new and existing partnerships.

**Revenues rose by 4.2%** to 546 million euros, driven particularly by the strong performance in France. **Operating expenses**, at 205 million euros, rose only moderately, by 1.7%, driven by ongoing targeted projects. **The jaws effect** was very positive (+2.5 points).

At 385 million euros, **pre-tax income** at Insurance was up by 1.0%, including the decline in contributions of associates due to first quarter 2023 base effects.



## IPS – Wealth and Asset Management<sup>32</sup>

**Wealth Management** achieved good net asset inflows (8 billion euros in the first quarter 2024), particularly in Commercial & Personal Banking and with high-net-worth clients, and assets under management increased with a positive market performance impact.

**Asset Management<sup>9</sup>** inflows were sustained (7.2 billion euros in the first quarter 2024), driven by money-market funds and passively managed funds. Two new bond ETFs with an active ESG approach were launched this quarter. Revenues fell sharply at Real Estate, due to a very sluggish real-estate market.

**Wealth Management revenues**, at 431 million euros, rose by +5.2%, driven by increased fees. **Asset Management<sup>9</sup> revenues** rose by +2.6%, driven by the increase in assets under management. Revenues decreased due to a high base effect at Principal Investments and to lower revenues at Real Estate.

**Operating expenses** were down by -0.6%, at 678 million euros. **The jaws effect** was very positive (+4.5 points) excluding the current downturn impact at Real Estate and Principal Investments.

**Pre-tax income** of Wealth and Asset Management thus came to 188 million euros, down by -10.7%.

## CORPORATE CENTRE

Since 1 January 2023, Corporate Centre includes two restatements related to the application of IFRS 17, alongside the implementation of IFRS 9 for insurance activities.

The main effects are as follows:

- Operating expenses deemed “attributable to insurance activities” are recognised in deduction of Revenues and no longer booked in operating expenses. The impact of these entries for internal distributors is presented in Corporate Centre. These entries have no impact on gross operating income.
  - The impact of volatility generated by the fair value accounting of assets through profit and loss (IFRS 9) is presented in Corporate Centre and therefore has no impact on Insurance revenues.
- Effective 1 January 2023, Corporate Centre thus includes restatements, which, for a better readability, are reported separately each quarter.

**Revenues of restatements related to insurance at Corporate Centre** came to -274 million euros (-266 million euros in the first quarter 2023).

**Operating expenses** of restatements related to insurance at Corporate Centre came to 267 million euros (250 million euros in the first quarter 2023).

**Pre-tax income of restatements** related to insurance at Corporate Centre thus came to -7 million euros (-16 million euros in the first quarter 2023).



**Corporate Centre's revenues excluding restatements related to insurance** amounted to 153 million euros. They thus reflect the revaluation of proprietary credit risk included in derivatives (DVA) of -26 million euros (-54 million euros in the first quarter 2023).

**Corporate Centre's operating expenses excluding restatements related to insurance** came to 208 million euros. They include the impact of 29 million euros of restructuring and adaptation costs (30 million in the first quarter 2023) and 74 million euros of IT reinforcement costs (95 million euros in the first quarter 2023).

**Cost of risk of Corporate Centre excluding restatements related to insurance** came to 10 million euros (release of 6 million euros in the first quarter 2023).

**Corporate Centre's non-operating items excluding restatements related to insurance** amounted to 309 million euros. They reflect the reconsolidation of commercial banking activities in Ukraine (+226 million euros) in "Other non-operating items" and the contribution of associates.

**Pre-tax income of Corporate Centre excluding restatements related to insurance** thus came to 244 million euros.

## FINANCIAL STRUCTURE

The Group has a solid financial structure.

**Its common equity Tier 1 ratio stood at 13.1% as of 31 March 2024**, down by 10 basis points compared to 31 December 2023, resulting mainly from the combined impact of the organic capital generation net of changes in risk-weighted assets in the 1st quarter 2024 (+30 basis points), the distribution of the first quarter 2024 result (-20 basis points), the redeployment of capital from the Bank of the West divestment (-5 basis points) and a decrease due to the updating of models and other items (-15 basis points).

**The leverage ratio<sup>13</sup>** stood at 4.4% as of 31 March 2024.

The **liquidity coverage ratio<sup>33</sup>** (end-of-period) stood at a high level of 134% as of 31 March 2024 (148% as of 31 December 2023).

**Immediately available liquidity reserves<sup>34</sup>** amounted to 446 billion euros as of 31 March 2024, equivalent to more than one year to manoeuvre compared to market resources.



## CONSOLIDATED PROFIT & LOSS ACCOUNT – GROUP

| €m   | 1Q24          | 1Q23          | 1Q24 /         | 4Q23          | 1Q24 /         |
|--|---------------|---------------|----------------|---------------|----------------|
|  |               | Dist.         | 1Q23           | Dist.         | 4Q23           |
| <b>Group</b>                                       |               |               |                |               |                |
| <b>Revenues</b>                                    | <b>12,483</b> | <b>12,534</b> | <b>-0.4%</b>   | <b>10,953</b> | <b>+14.0%</b>  |
| Operating Expenses and Dep.                        | -7,937        | -8,058        | -1.5%          | -7,545        | +5.2%          |
| <b>Gross Operating Income</b>                      | <b>4,546</b>  | <b>4,476</b>  | <b>+1.6%</b>   | <b>3,408</b>  | <b>+33.4%</b>  |
| Cost of Risk                                       | -640          | -592          | +8.1%          | -972          | -34.2%         |
| Other net losses for risk on financial instruments | -5            | 0             | n.s.           | 0             | n.s.           |
| <b>Operating Income</b>                            | <b>3,901</b>  | <b>3,884</b>  | <b>+0.4%</b>   | <b>2,436</b>  | <b>+60.1%</b>  |
| Share of Earnings of Equity-Method Entities        | 221           | 178           | +24.2%         | 73            | n.s.           |
| Other Non Operating Items                          | 241           | 0             | n.s.           | -95           | n.s.           |
| <b>Pre-Tax Income</b>                              | <b>4,363</b>  | <b>4,062</b>  | <b>+7.4%</b>   | <b>2,414</b>  | <b>+80.7%</b>  |
| Corporate Income Tax                               | -1,166        | -791          | +47.4%         | -337          | n.s.           |
| Net Income Attributable to Minority Interests      | -94           | -98           | -4.1%          | -70           | +34.3%         |
| Net Income from discontinued activities            | 0             | 0             | n.s.           | 0             | n.s.           |
| <b>Net Income Attributable to Equity Holders</b>   | <b>3,103</b>  | <b>3,173</b>  | <b>-2.2%</b>   | <b>2,007</b>  | <b>+54.6%</b>  |
| <b>Cost/income</b>                                 | <b>63.6%</b>  | <b>64.3%</b>  | <b>-0.7 pt</b> | <b>68.9%</b>  | <b>-5.3 pt</b> |



## BALANCE SHEET AS OF 31 MARCH 2024

| In millions of euros   | 31/03/2024       | 31/12/2023       |
|--|------------------|------------------|
| <b>ASSETS</b>  |                  |                  |
| Cash and balances at central banks   | 199,600          | 288,259          |
| Financial instruments at fair value through profit or loss   |                  |                  |
| Securities   | 305,670          | 211,634          |
| Loans and repurchase agreements  | 290,479          | 227,175          |
| Derivative financial Instruments   | 282,436          | 292,079          |
| Derivatives used for hedging purposes  | 25,071           | 21,692           |
| Financial assets at fair value through equity  |                  |                  |
| Debt securities  | 55,438           | 50,274           |
| Equity securities  | 1,715            | 2,275            |
| Financial assets at amortised cost   |                  |                  |
| Loans and advances to credit institutions  | 50,118           | 24,335           |
| Loans and advances to customers  | 859,213          | 859,200          |
| Debt securities  | 131,218          | 121,161          |
| Remeasurement adjustment on interest-rate risk hedged portfolios                                   | (3,871)          | (2,661)          |
| Investments and other assets related to insurance activities                                       | 263,015          | 257,098          |
| Current and deferred tax assets  | 6,487            | 6,556            |
| Accrued income and other assets  | 169,904          | 170,758          |
| Equity-method investments  | 7,326            | 6,751            |
| Property, plant and equipment and investment property  | 46,568           | 45,222           |
| Intangible assets  | 4,149            | 4,142            |
| Goodwill   | 5,506            | 5,549            |
| <b>TOTAL ASSETS</b>  | <b>2,700,042</b> | <b>2,591,499</b> |
| <b>LIABILITIES</b>   |                  |                  |
| Deposits from central banks  | 3,326            | 3,374            |
| Financial instruments at fair value through profit or loss   |                  |                  |
| Securities   | 115,885          | 104,910          |
| Deposits and repurchase agreements   | 355,590          | 273,614          |
| Issued debt securities   | 90,992           | 83,763           |
| Derivative financial instruments   | 267,792          | 278,892          |
| Derivatives used for hedging purposes  | 39,556           | 38,011           |
| Financial liabilities at amortised cost  |                  |                  |
| Deposits from credit institutions  | 99,041           | 95,175           |
| Deposits from customers  | 973,165          | 988,549          |
| Debt securities  | 207,675          | 191,482          |
| Subordinated debt  | 26,646           | 24,743           |
| Remeasurement adjustment on interest-rate risk hedged portfolios                                   | (14,207)         | (14,175)         |
| Current and deferred tax liabilities   | 4,026            | 3,821            |
| Accrued expenses and other liabilities   | 148,685          | 143,673          |
| Liabilities related to insurance contracts   | 222,784          | 218,043          |
| Financial liabilities related to insurance activities  | 18,311           | 18,239           |
| Provisions for contingencies and charges   | 10,130           | 10,518           |
| <b>TOTAL LIABILITIES</b>   | <b>2,569,397</b> | <b>2,462,632</b> |
| <b>EQUITY</b>  |                  |                  |
| Share capital, additional paid-in capital and retained earnings                                    | 124,965          | 115,809          |
| Net income for the period attributable to shareholders   | 3,103            | 10,975           |
| <b>Total capital, retained earnings and net income for the period attributable to shareholders</b> | <b>128,068</b>   | <b>126,784</b>   |
| Changes in assets and liabilities recognised directly in equity                                    | (3,056)          | (3,042)          |
| <b>Shareholders' equity</b>  | <b>125,011</b>   | <b>123,742</b>   |
| <b>Minority interests</b>  | <b>5,634</b>     | <b>5,125</b>     |
| <b>TOTAL EQUITY</b>  | <b>130,645</b>   | <b>128,867</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>  | <b>2,700,042</b> | <b>2,591,499</b> |



## ALTERNATIVE PERFORMANCE MEASURES

### ARTICLE 223-1 OF AMF GENERAL REGULATIONS

| Alternative performance measures   | Definition   | Reason for use   |
|--|--|--|
| <b>Insurance P&amp;L aggregates</b><br>(Revenues, Operating expenses, Gross operating income, Operating income, Pre-tax income)              | <p>Insurance P&amp;L aggregates (Revenues, Gross operating income, Operating income, Pre-tax income) excluding the volatility generated by the fair value accounting of certain assets through profit and loss (IFRS 9) transferred to Corporate Centre; Gains or losses realised in the event of divestments, as well as potential long-term depreciations are included in the Insurance income profit and loss account.</p> <p>A reconciliation with Group P&amp;L aggregates is provided in the tables "Quarterly Series."</p>  | Presentation of the Insurance result reflecting operational and intrinsic performance (technical and financial)  |
| <b>Corporate Centre P&amp;L aggregates</b>   | <p>P&amp;L aggregates of Corporate Centre, including restatement of the volatility (IFRS 9) and attributable costs (internal distributors) related to Insurance activities", following the application from 01.01.23 of IFRS 17 "insurance contracts" in conjunction with the application of IFRS 9 for insurance activities, including:</p> <ul style="list-style-type: none"> <li>Restatement in Corporate Centre revenues of the volatility to the financial result generated by the IFRS 9 fair value recognition of certain Insurance assets;</li> <li>Operating expenses deemed "attributable to insurance activities," net of internal margin, are recognized in deduction from revenues and no longer booked as operating expenses. These accounting entries relate exclusively to the Insurance business and Group entities (excluding the Insurance business) that distribute insurance contracts (known as internal distributors) and have no effect on gross operating income. The impact of entries related to internal distribution contracts is borne by the "Corporate Centre."</li> </ul> <p>A reconciliation with Group P&amp;L aggregates is provided in the "Quarterly Series" tables.</p> | Transfer to Corporate Centre of the impact of operating expenses "attributable to insurance activities" on internal distribution contracts in order not to disrupt readability of the financial performance of the various business lines. |
| <b>Operating division profit and loss account aggregates</b><br>(Revenues, Net interest revenue, Operating expenses, Gross operating income, | <p>Sum of CPBS' profit and loss account aggregates (with Commercial &amp; Personal Banking' profit and loss account aggregates, including 2/3 of private banking in France, Italy, Belgium, Luxembourg, Germany, Poland and in Türkiye), IPS and CIB.</p> <p>BNP Paribas Group profit and loss account aggregates = Operating division profit and loss account aggregates + Corporate Centre profit and loss account aggregates.</p>   | Representative measure of the BNP Paribas Group's operating performance  |





| Alternative performance measures   | Definition   | Reason for use  |
|--|--|---|
| Operating income, Pre-tax income)  | <p>Reconciliation with Group profit and loss account aggregates is provided in the tables "Results by Core businesses."</p> <p>Net interest revenue mentioned in Commercial &amp; Personal Banking includes the net interest margin (as defined in Note 3.a of the financial statements), as well as, to a lesser extent, other revenues (as defined in Notes 3.c, 3.d and 3.e of the financial statements), excluding fees (Note 3.b of the financial statements). P&amp;L aggregates of Commercial &amp; Personal Banking or Specialized Businesses distributing insurance contracts exclude the impact of the application of IFRS 17 on the accounting presentation of operating expenses deemed "attributable to insurance activities" in deduction of revenues and no longer operating expenses, with the impact carried by Corporate Centre.</p> |   |
| Profit and loss account aggregates of Commercial & Personal Banking activity with 100% of Private Banking                          | <p>Profit and loss account aggregate of a Commercial &amp; Personal Banking activity including the whole profit and loss account of Private Banking</p> <p>Reconciliation with Group profit and loss account aggregates is provided in the "Quarterly series" tables.</p>  | Representative measure of the performance of Commercial & Personal 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 Commercial & Personal Banking (2/3) and Wealth Management business (1/3)) |
| Profit and loss account aggregates, excluding PEL/CEL effects (Revenues, Gross operating income, Operating income, Pre-tax income) | <p>Profit and loss account aggregates, excluding PEL/CEL effects.</p> <p>Reconciliation with Group profit and loss account aggregates is provided in the "Quarterly series" tables.</p>  | Representative measure of the aggregates of the period excluding changes in the provision that accounts for the risk generated by PEL and CEL accounts throughout their lifetime.   |
| Cost-income ratio  | Ratio of costs to income   | Measure of operating efficiency in the banking sector   |
| Cost of risk/customer loans outstanding at the beginning of the period (in basis points)   | <p>Ratio of cost of risk (in €m) to customer loans outstanding at the beginning of the period</p> <p>Cost of risk does not include "Other net losses for risk on financial instruments."</p>   | Measure of the risk level by business in percentage of the volume of loans outstanding  |
| Change in operating expenses   | Change in operating expenses excluding taxes and contributions subject to IFRIC 21   | Representative measure of the change in operating expenses excluding taxes and contributions subject to IFRIC 21  |



| Alternative performance measures                    | Definition  | Reason for use  |
|---|---|---|
| excluding IFRIC 21 impact                           |   | booked almost entirely in the 1st half of the year, given in order to avoid any confusion compared to other quarters  |
| 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  |
| Distributable Net Income, Group share               | <p>P&amp;L aggregates up to Net Income adjusted in accordance with the announcements made in February 2023 to reflect the Group's intrinsic performance in 2023, pivotal year, after the sale of Bank of the West on 01.02.2023 but also as the last expected year of the ramp up of the Single Resolution Fund, marked by extraordinary items. Adjustments are detailed in the 2023 results' presentation:</p> <ul style="list-style-type: none"> <li>- include the effect of the anticipation of the end of the ramp-up of the Single Resolution Fund in 2023</li> <li>- exclude the Net Income of entities intended to be sold (application of IFRS 5) (notably the capital gain on the sale of Bank of the West) and additional items related to the sale of Bank of the West</li> <li>- exclude extraordinary items such as the extraordinary negative impact of the hedging adjustment related to changes in the TLTRO terms decided by the ECB in the fourth quarter 2022 and extraordinary provisions for litigation</li> </ul> <p>The distributable Net Income is used to calculate the ordinary distribution in 2023 as well as to monitor the Group's performance in 2023.</p> | Measure of BNP Paribas Group's Net Income reflecting the Group's intrinsic performance in 2023, pivotal year, post-impact of the sale of Bank of the West and the last expected year of the contribution to the ramp-up of the Single Resolution Fund, marked by extraordinary items. |
| Net Income, Group share excluding exceptional items | <p>Net Income attributable to equity holders excluding exceptional items.</p> <p>Details of exceptional items are disclosed in the slide "Main Exceptional Items" of the results' presentation.</p>   | 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.                                      |
| Coverage ratio of non-performing loans              | 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)   | Measure of provisioning of non-performing loans   |



#### 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 cases 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 cases of divested entities, the entity's results are excluded symmetrically for the prior year for quarters when the entity was not owned.

In cases 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 (analysed 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, amortisation and impairment of property, plant, and equipment. Throughout the document, the terms "operating expenses" and "costs" may be used indifferently.

There are three operating divisions:

- **Corporate and Institutional Banking (CIB)** including Global Banking, Global Markets, and Securities Services.
- **Commercial, Personal Banking and Services (CPBS)** including:
  - Commercial & Personal Banking in France, in Belgium, in Italy, in Luxembourg, in Europe-Mediterranean;
  - Specialised Businesses, with Arval & Leasing Solutions; BNP Paribas Personal Finance; New Digital Businesses (including Nickel, Lyf...) & Personal Investors;
- **Investment & Protection Services (IPS)** including Insurance, Wealth and Asset Management, which includes Wealth Management, Asset Management, Real Estate and Principal Investments



## END NOTES

- <sup>1</sup> Cost of risk does not include "Other net losses for risk on financial instruments".
- <sup>2</sup> Net Income, Group share
- <sup>3</sup> Restatement of quarterly series reported on 29 February 2024. Results serving as a basis for calculating the 2023 distribution reflecting the Group's intrinsic performance post impact of the Bank of the West divestment and post contribution to the build-up of the Single Resolution Fund (SRF), excluding extraordinary items
- <sup>4</sup> Earnings per share at end of period calculated on the basis of Net Income excluding the remuneration of undated super subordinated notes in the first quarter 2024 and the average number of shares outstanding during the quarter
- <sup>5</sup> Increase in Group revenues between 2023 (distributable) and 2024 minus the increase in Group operating expenses between 2023 (distributable) and 2024
- <sup>6</sup> Internal estimate, assuming FICC revenues stable in 1Q24 vs. 1Q23
- <sup>7</sup> Return on Invested Capital: estimated 2025 net income generated by capital redeployed since 2022, compared to allocated capital (CET1)
- <sup>8</sup> Including 100% of Private Banking (excluding PEL/CEL effects in France)
- <sup>9</sup> Excluding Real Estate and Principal Investments
- <sup>10</sup> 60% stake in Ukrsibbank, the remaining 40% being held by the European Bank for Reconstruction and Development
- <sup>11</sup> End-of-period LCR calculated in accordance with Regulation (CRR) 575/2013, Art. 451a
- <sup>12</sup> 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
- <sup>13</sup> Calculated in accordance with Regulation (EU) n°2019/876
- <sup>14</sup> At constant scope and exchange rates
- <sup>15</sup> Source: Dealogic Quarterly Rankings Debt Capital Markets 1Q24 and Dealogic Quarterly Rankings Syndicated Loans 1Q24, bookrunner rankings in volume
- <sup>16</sup> Coalition Greenwich 2024 Share Leaders in European Large Corporate Cash Management, February 2024 and 2023 Share Leaders in European Large Corporate Trade Finance, October 2023
- <sup>17</sup> Source: Dealogic – All ESG Fixed Income, Global & EMEA Sustainable Financing (ESG Bonds and Loans), bookrunner rankings in volume, 1Q24
- <sup>18</sup> Including 100% of Private Banking (excluding PEL/CEL effects in France)
- <sup>19</sup> Issuance of Belgian government bonds, inflation hedges in France and non-remuneration of mandatory reserves
- <sup>20</sup> Including 2/3 of Private Banking (excluding PEL/CEL effects in France)
- <sup>21</sup> Including 100% of Private Banking. Regarding the comment on cost of risk, the 726 million euros include "Other net losses for risk on financial instruments" (5 million euros) for the first quarter 2024
- <sup>22</sup> Including 2/3 of Private Banking
- <sup>23</sup> At constant scope and exchange rates excluding Türkiye (at historical exchange rates in accordance with IAS 29)
- <sup>24</sup> Impact of the implementation of IAS 29 and taking into account the efficiency of the hedge in Türkiye (CPI linkers), the TRY / EUR depreciation (-6.8%), and the 15% increase in the CPI on the quarter
- <sup>25</sup> Increase in fleet at end of period
- <sup>26</sup> Average outstandings
- <sup>27</sup> *Build your dreams.*
- <sup>28</sup> Including 100% of Private Banking in Germany
- <sup>29</sup> Including 2/3 of Private Banking in Germany
- <sup>30</sup> Including distributed assets
- <sup>31</sup> Real Estate assets under management: €26bn
- <sup>32</sup> Asset Management, Wealth Management, Real Estate and Principal Investments
- <sup>33</sup> Calculated in accordance with Regulation (CRR) 575/2013, Art. 451a.
- <sup>34</sup> 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.



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# FIRST QUARTER 2024 RESULTS

25 APRIL 2024



**BNP PARIBAS**

**The bank for a changing world**

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## DISCLAIMER

The figures included in this presentation are unaudited.

As a reminder, on 29 February 2024 BNP Paribas reported restated quarterly series for 2023 to reflect, in particular, the end of the build-up of the Single Resolution Fund (SRF), effective 1 January 2024, and the assumption of a similar contribution to local bank taxes at a level estimated at about 200 million euros annually beginning in 2024, as well as an accounting heading separated from cost of risk and entitled "Other net losses for risks on financial instruments", beginning in the fourth quarter 2023. This presentation reflects this restatement.

This presentation 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, 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.

Consequently, actual results may differ from those projected or implied in these forward-looking statements due to a variety of factors. These factors include among others: i) BNP Paribas's ability to achieve its objectives, ii) the impacts from central bank interest rate policies, whether due to continued elevated interest rates or potential significant reductions in interest rates, iii) changes in regulatory capital and liquidity rules, iv) continued elevated levels of, or any resurgence in, inflation and its impacts, v) the various geopolitical uncertainties and impacts related notably to the invasion of Ukraine and the conflict in the Middle East, or vi) the precautionary statements included in 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 presentation 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 alternative performance measures are defined in the press release published jointly with this presentation.



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| 1 <sup>ST</sup> QUARTER 2024   BNP Paribas achieves very high Net Income of €3.1bn  |                                   | 1Q24 (€m) | Chg. vs. 1Q23 <sup>3</sup><br>distributable |
|---|-----------------------------------|-----------|---|
| <ul style="list-style-type: none"> <li>• <b>Stable revenues</b> driven by very solid business performances within each operating division, offsetting a high 1Q23 base effect at Global Markets. Excluding this effect, revenues rose by ~ 3%.<sup>2</sup></li> </ul> | — Revenues                        | 12,483    | -0.4%                                       |
| <ul style="list-style-type: none"> <li>• <b>Positive jaws effect</b> (+1.1 pt). Effects of additional operating efficiency measures (€400m) expected, starting in 2Q24</li> </ul>   | — Operating expenses              | 7,937     | -1.5%                                       |
| <ul style="list-style-type: none"> <li>• <b>Cost of risk<sup>3</sup> still low</b>, due to the quality of the loan portfolio</li> </ul>   | — Cost of risk <sup>3</sup>       | 29 bps    |   |
| <ul style="list-style-type: none"> <li>• <b>Pre-tax income</b> up sharply</li> </ul>  | — Pre-tax income                  | 4,363     | +7.4%                                       |
| <ul style="list-style-type: none"> <li>• <b>Very high Net Income<sup>4</sup></b>, driven by operational performances</li> </ul>   | — Net Income <sup>4</sup>         | 3,103     | -2.2%                                       |
| <ul style="list-style-type: none"> <li>• €1.05bn <b>share buyback</b> finalised on 23 April 2024, and a €4.6 <b>dividend</b> subject to AGM approval on 14 May 2024</li> </ul>  | — Earnings Per Share <sup>5</sup> | €2.51     |   |
| <ul style="list-style-type: none"> <li>• <b>Very solid financial structure</b></li> </ul>   | — CET1                            | 13.1%     |   |
| <ul style="list-style-type: none"> <li>• <b>Active management of capital</b>, including the divestment of Personal Finance in Mexico</li> </ul>   |                                   |           |   |
| <ul style="list-style-type: none"> <li>• Ongoing redeployment of capital from the Bank of the West divestment</li> </ul>  |                                   |           |   |





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| 2024 GUIDANCE   On the strength of its 1Q24 results, BNP Paribas confirms its 2024 trajectory   |   |
|---|---|
| 1   | 2024 Revenues   |
|   | Growth > +2%<br>vs. 2023 distributable Revenues <sup>3</sup><br>(€46.9bn) |
| 2   | 2024 Jaws effect <sup>1</sup>   |
|   | Positive  |
| 3   | 2024 Cost of risk   |
|   | < 40 bps  |
| 4   | 2024 Net Income <sup>2</sup>  |
|   | ><br>2023 distributable Net Income <sup>3</sup><br>(€11.2bn)              |
| <div> <div> — 2024 headwinds  <ul style="list-style-type: none"> <li>• Decisions from public authorities (2024 after-tax impact: -€500m)</li> <li>• Normalisation of used-car sale prices (Arval)</li> </ul> </div> <div> — 2024 tailwinds  <ul style="list-style-type: none"> <li>• Strengthened efficiency initiatives (2024 pre-tax impact: +€400m)</li> <li>• Quality of loan portfolio / cost of risk over the cycle</li> <li>• Capital redeployed before H1 2024: 55 bps (2025* Return on Invested Capital<sup>4</sup> &gt;16%)</li> <li>• Short-term rate cuts, beginning in H2 2024</li> <li>• New Personal Finance: a positive impact on pre-tax income as early as 2024</li> <li>• CIB market share gains while retaining a balanced allocation of capital</li> </ul> </div> </div> |   |



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# SECTION 1

## 1Q24 Group results



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### P&L STATEMENT | Very solid operating performances

| (€m)  | 1Q24          | 1Q23<br>(distributable) <sup>1</sup> | 1Q23          | Chg. vs. 1Q23<br>distributable |
|---|---------------|--------------------------------------|---------------|--------------------------------|
| <b>Net Banking Income (NBI)</b>                                 | <b>12,483</b> | <b>12,534</b>                        | <b>12,032</b> | <b>-0.4%</b>                   |
| Operating expenses  | -7,937        | -8,058                               | -9,191        | -1.5%                          |
| o/w IFRIC21 taxes   | -688          | -779                                 | -1,601        | -11.7%                         |
| <b>Gross Operating Income</b>                                   | <b>4,546</b>  | <b>4,476</b>                         | <b>2,841</b>  | <b>+1.6%</b>                   |
| Cost of risk  | -640          | -592                                 | -592          | +8.1%                          |
| Other net losses for risk on financial instruments <sup>2</sup> | -5            | 0                                    | -50           | n.s.                           |
| <b>Operating Income</b>   | <b>3,901</b>  | <b>3,884</b>                         | <b>2,199</b>  | <b>+0.4%</b>                   |
| Non-operating items   | 462           | 178                                  | 178           | n.s.                           |
| <b>Pre-tax Income</b>   | <b>4,363</b>  | <b>4,062</b>                         | <b>2,377</b>  | <b>+7.4%</b>                   |
| Tax   | -1,166        | -791                                 | -791          | +47.4%                         |
| Capital gain on Bank of the West divestment                     |               |                                      | 2,947         |                                |
| <b>Net Income attributable to equity holders</b>                | <b>3,103</b>  | <b>3,173</b>                         | <b>4,435</b>  | <b>-2.2%</b>                   |

1Q24 EPS<sup>3</sup>: €2.51



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## EXCEPTIONAL ITEMS | Active portfolio management and impacts of the hyperinflation situation in Türkiye

| (€m)  | 1Q24        | 1Q23<br>(distributable) <sup>1</sup> |
|---|-------------|--------------------------------------|
| Restructuring costs and adaptation costs (Corporate Centre)               | -29         | -30                                  |
| IT reinforcement costs (Corporate Centre)                                 | -74         | -95                                  |
| <b>Total exceptional operating expenses</b>                               | <b>-103</b> | <b>-125</b>                          |
| Reconsolidation of activities in Ukraine <sup>2</sup> (Corporate Centre)  | 226         | -                                    |
| Capital gain on the sale of Personal Finance in Mexico (Personal Finance) | 118         | -                                    |
| <b>Total other non-operating items</b>                                    | <b>344</b>  | <b>-</b>                             |
| <b>Total exceptional items (pre-tax)</b>                                  | <b>241</b>  | <b>-125</b>                          |
| <b>Total exceptional items (after tax)</b>                                | <b>265</b>  | <b>-92</b>                           |
| <b>Effects of the hyperinflation situation in Türkiye<sup>3</sup></b>     |             |                                      |
| Impact on pre-tax income  | -107        | -29                                  |
| Impact on Net Income, Group share   | -106        | -72                                  |



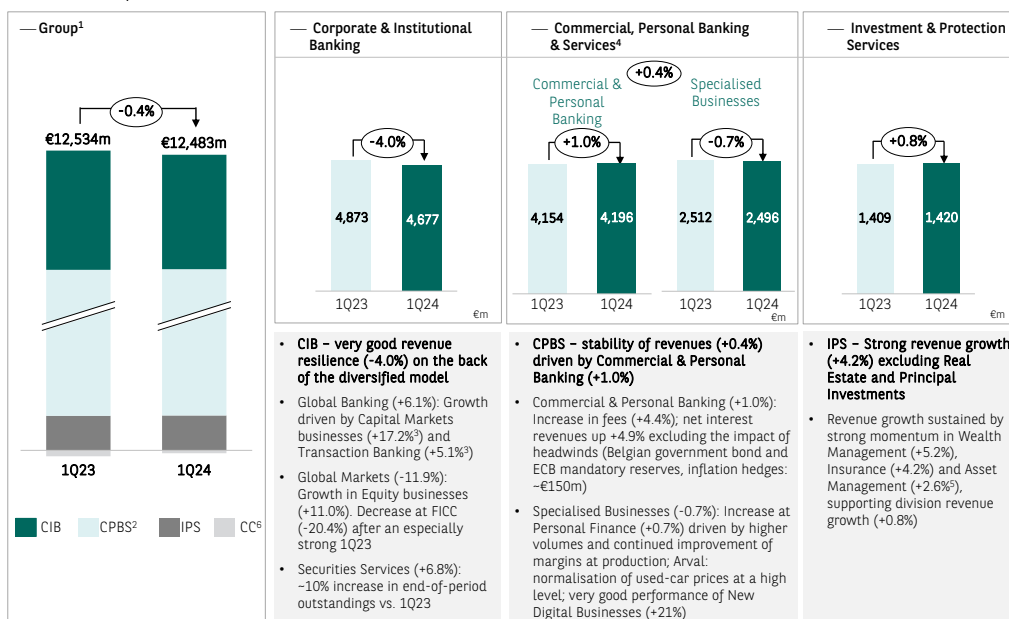
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## REVENUES | 1Q24 illustrates the business performances and strength of the diversified model

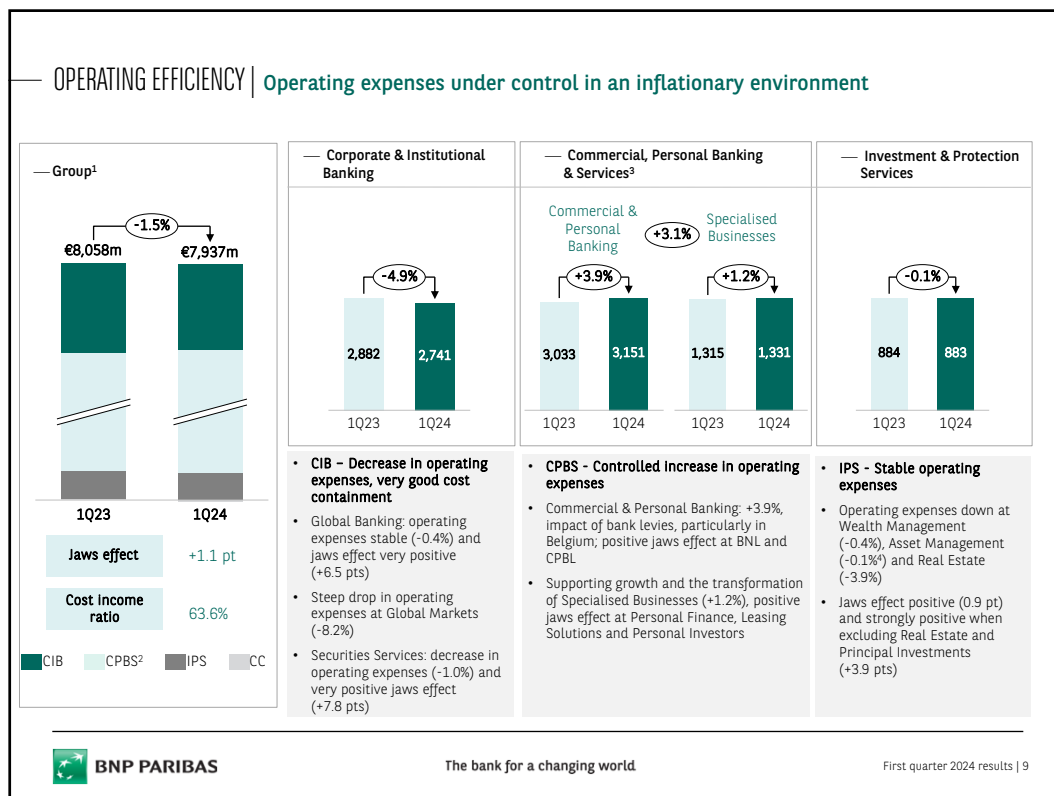


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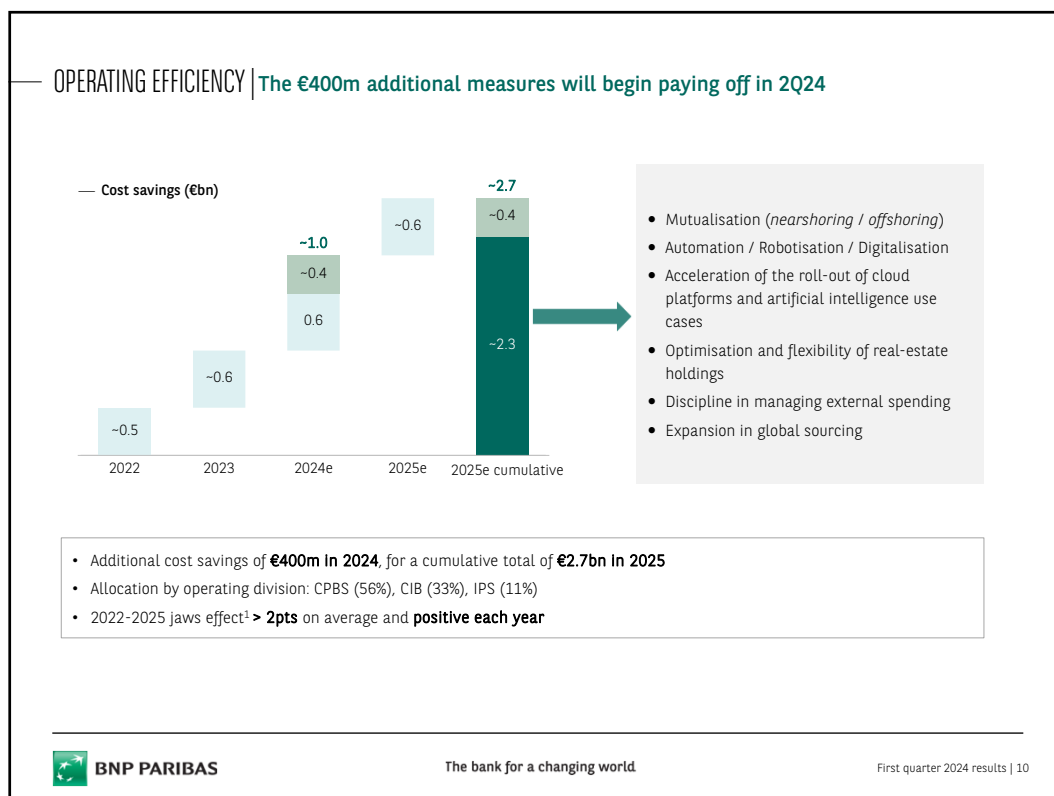
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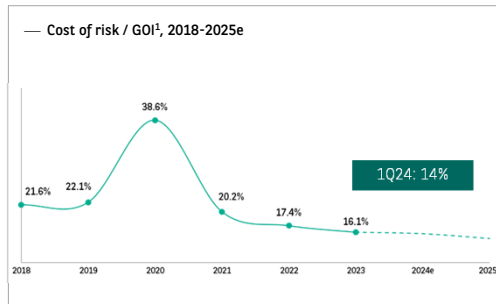


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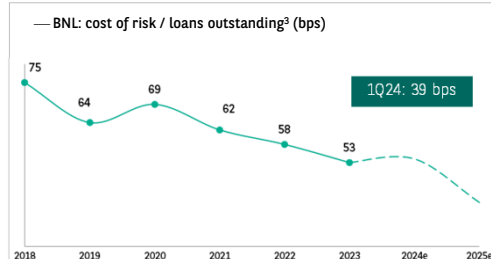
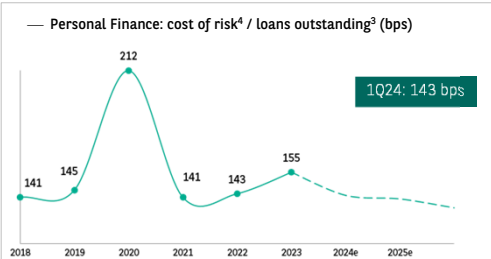


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## COST OF RISK | The level of risk remains low throughout the cycle (1/2)



- Cost of risk<sup>2</sup> / 1Q24 loans outstanding<sup>3</sup>: 29 bps
- Cost of risk still low and below 40 bps
  - Cost of risk<sup>2</sup>: €640m (€592m in 1Q23)
  - Release of provisions on performing loans (stages 1 & 2): €123m
  - Provisions on non-performing loans (stage 3): €763m
  - High stock of stage 1 & 2 provisions: €4,818m
  - Commercial real estate exposure: 3.8% of total Group's EAD<sup>5</sup> as of 31.12.23; very limited exposure in the United States (0.09%)
- 2025 objective confirmed: cost of risk < 40 bps each year



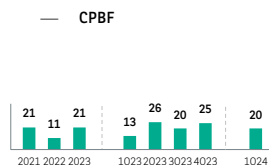
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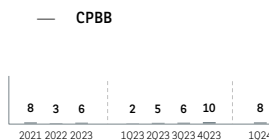
11

## COST OF RISK | The level of risk remains low throughout the cycle (2/2)

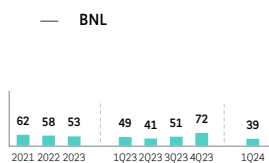
Cost of risk<sup>1</sup> / Customer loans outstanding at the beginning of the period (in bps)



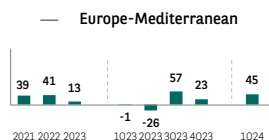
- €116m (+€41m vs. 1Q23), stable vs. 2023 in bps
- Release of provisions on performing loans (stages 1 & 2) down from the high level of 1Q23



- €28m (+€20m vs. 1Q23)
- Release of provisions on performing loans (stages 1 & 2)
- Reminder: release of stage 3 provisions in 1Q23



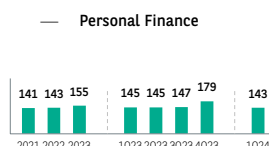
- €72m (-€26m vs. 1Q23)
- Release of provisions on performing loans (stages 1 & 2) and decrease of provisions on non-performing loans (stage 3)



- €40m (+€41m vs. 1Q23)
- Reminder: large amount of stage 1 & 2 provisions released in 1Q23



- €87m (-€85m vs. 1Q23)
- Release of provisions on performing loans (stages 1 & 2) and non-performing loans (stage 3)



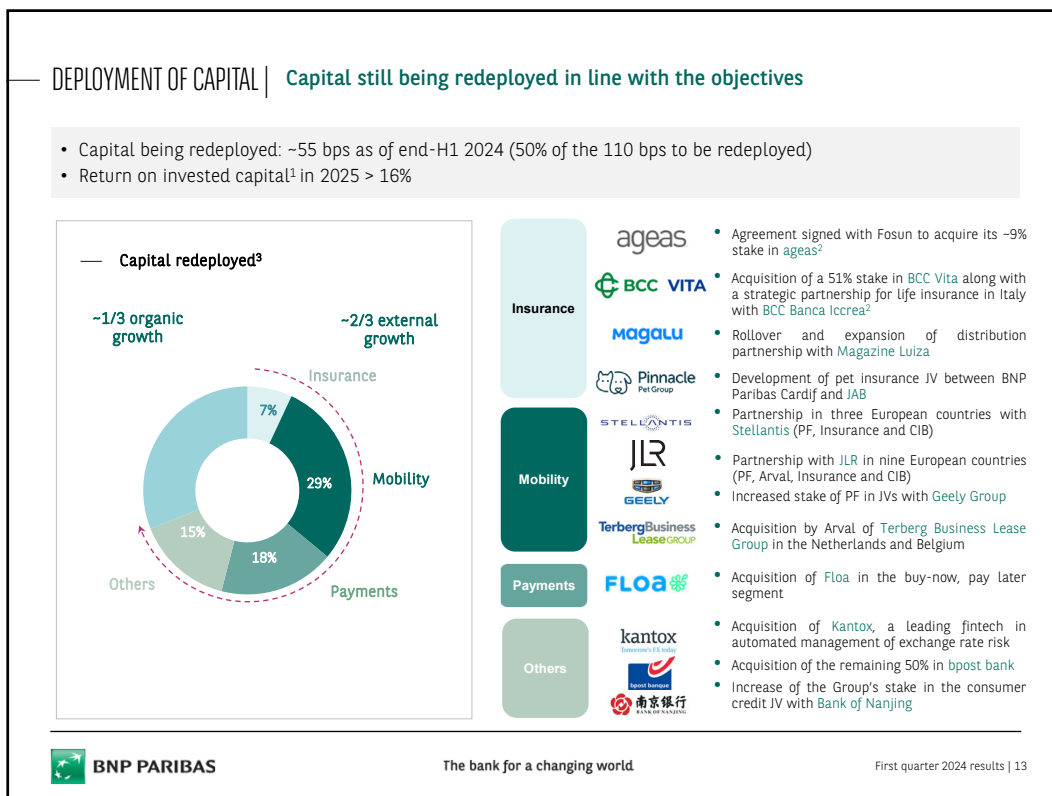
- €394m (+€37m vs. 1Q23; -€88m vs. 4Q23)
- Lower cost of risk compared to 4Q23



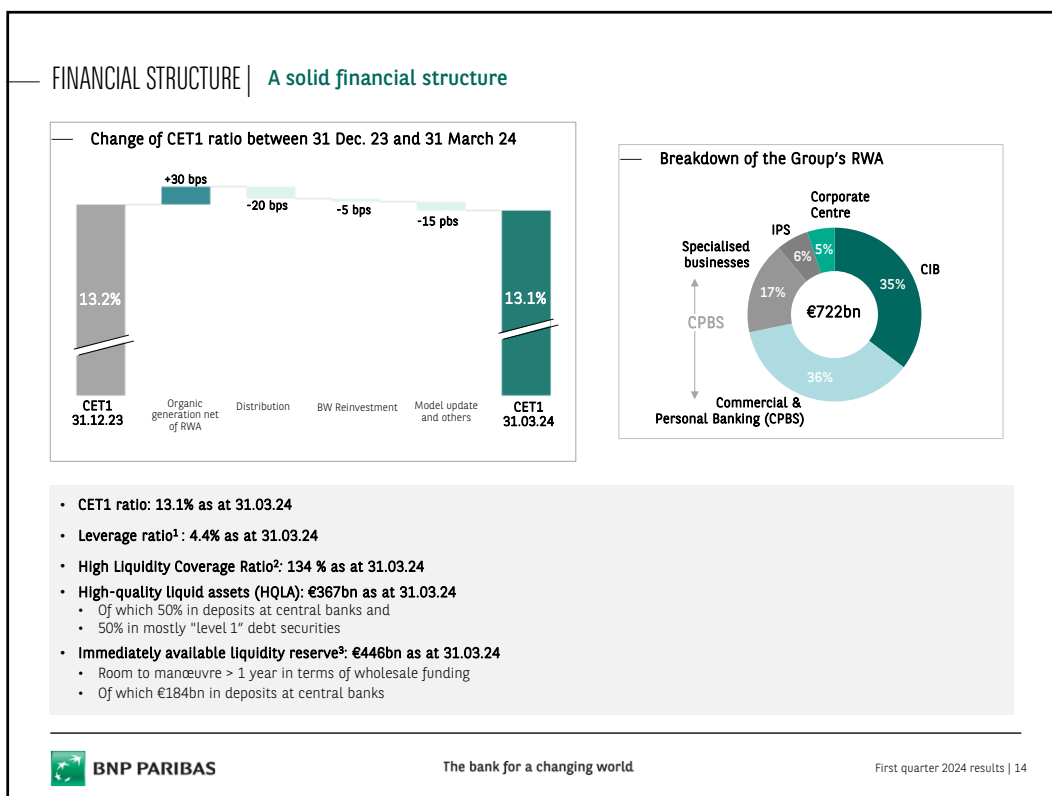
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ESG | 1Q24 marks BNP Paribas' ongoing engagement, which is recognised in ratings and rankings

1Q24: Examples of innovative solutions dedicated to each type of client

CIB

- Exclusive financial advisory for ACC's 4.4 billion euro debt raising to finance the construction of electric vehicle battery factories





CPBS

- BNP Paribas Mobility launches an Arval and Leasing Solutions offering in Europe for combined rental of electric vehicles and recharging stations, in order to facilitate the transition towards sustainable mobility


IPS

- BNP Paribas Asset Management launches its first global equity fund dedicated to the net-zero transition: strategy based on decarbonation and overweighted with sustainable investments


Strong recognition by extra-financial ratings agencies

| Agency <sup>1</sup>  | Rating | Ranking   |
|--|--------|---|
|  CDP  | A      | On the A-list (the 1.5% top-rated companies based on a climate questionnaire) |
|  Moody's ESG Solutions                                | 70/100 | 2 <sup>nd</sup> in the category "Diversified banks Europe"                    |
|  S&P Global Corporate Sustainability Assessment (CSA) | 65/100 | In the top 7% in the banking industry (the top 1% for the environment)        |
|  MSCI   | AA     | A leading position in the environmental component                             |


A leading position in recent rankings




- 2023 "World's Best Bank" and "World's Best Bank for Sustainable Finance"



- 2024 "World's Best" in Sustainability for BNP Paribas Wealth Management



- 2024 "Global 100 Most Sustainable Corporations" for the 10<sup>th</sup> consecutive year – Corporate Knights


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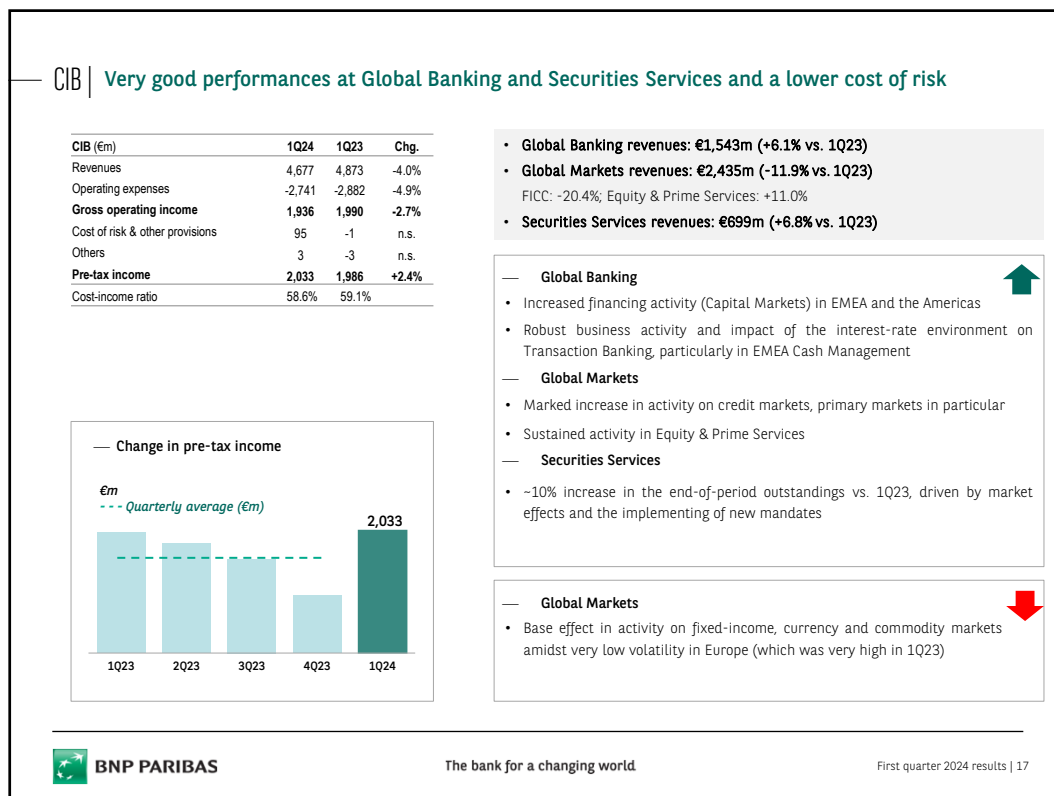
SECTION 2

OPERATING DIVISIONS

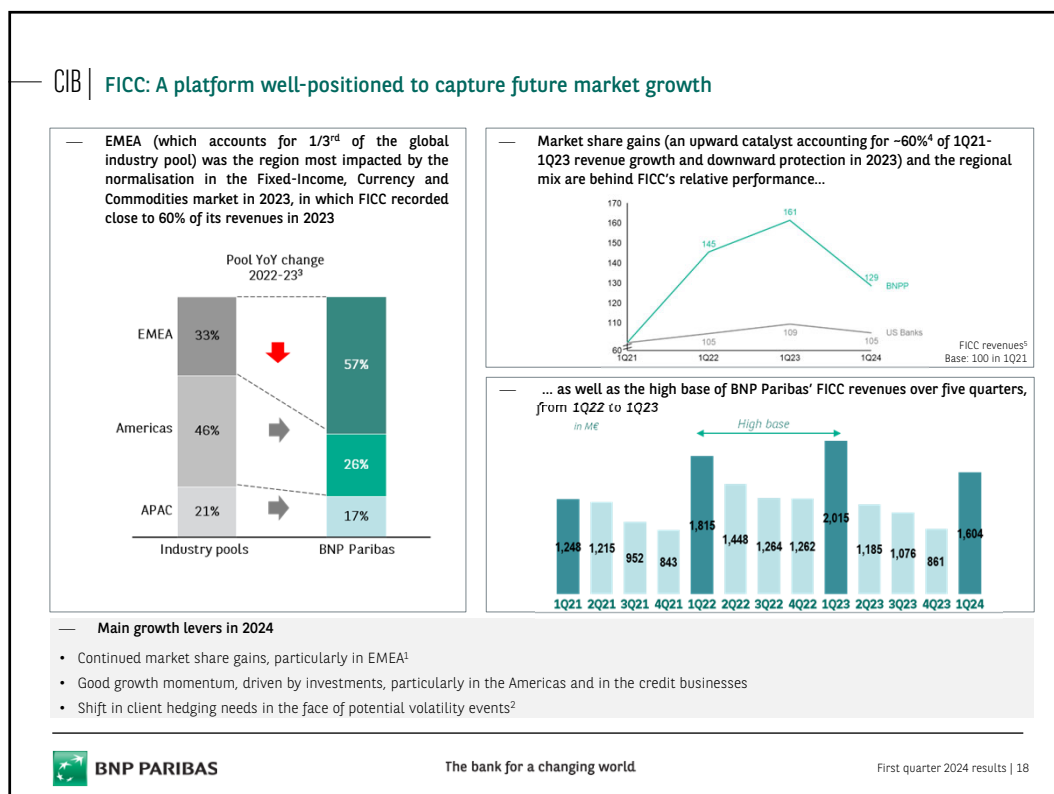
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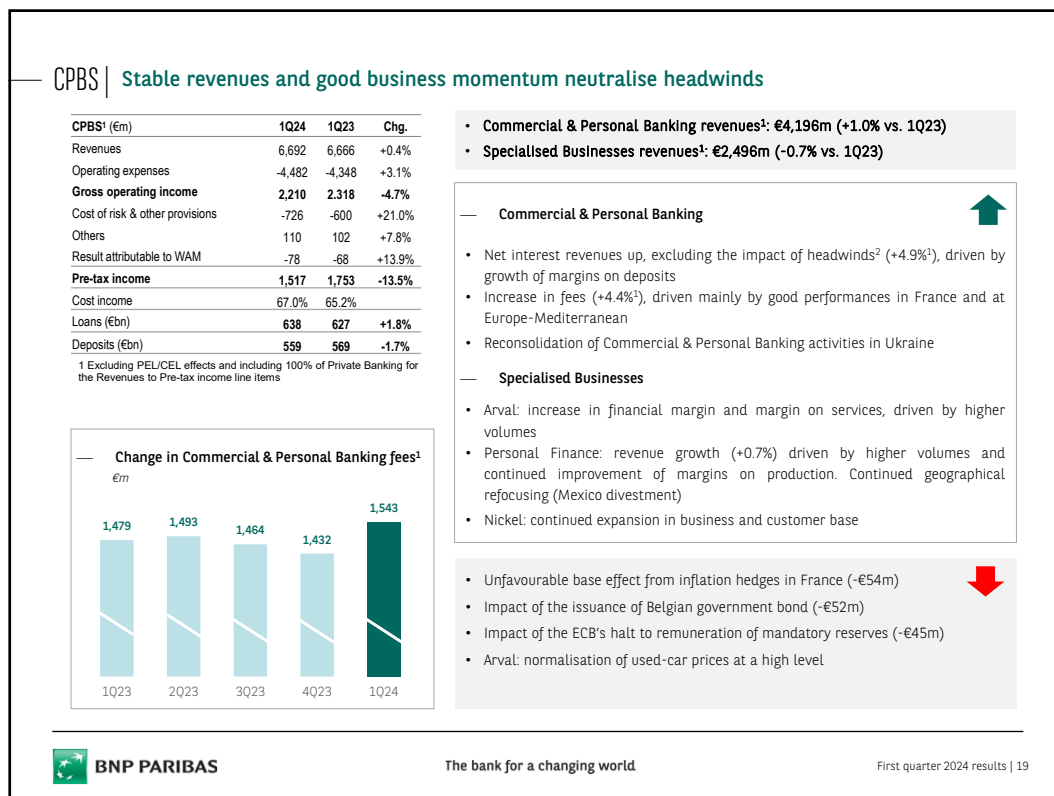
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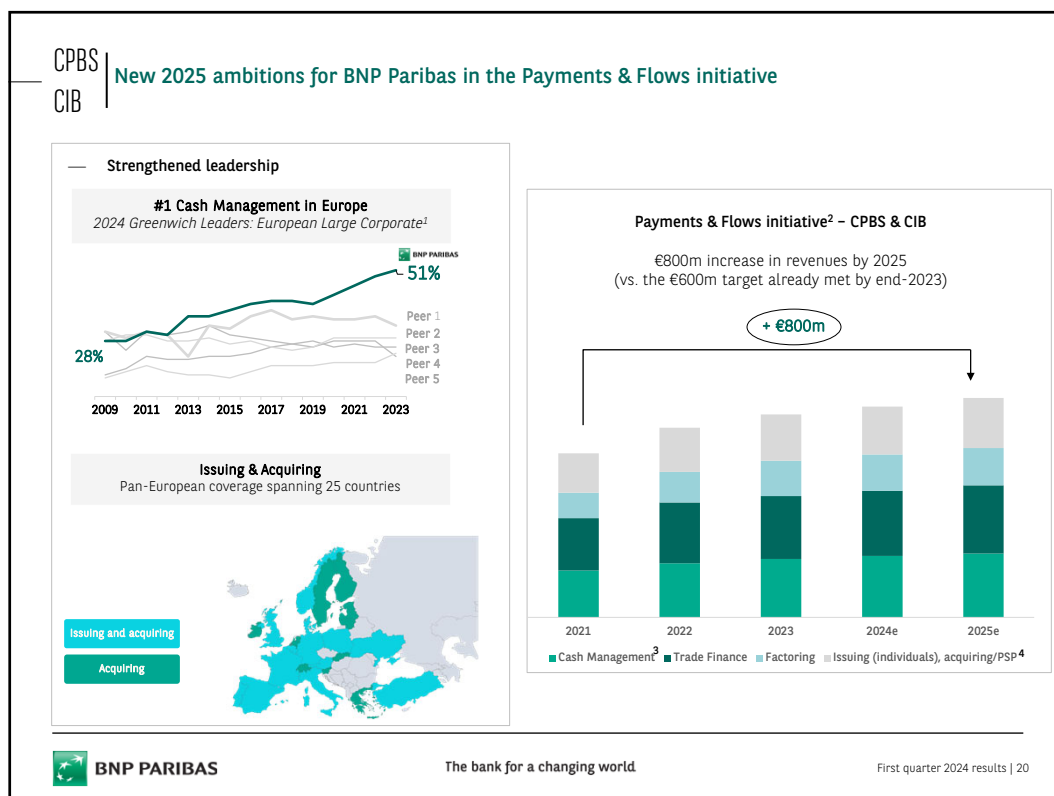
17



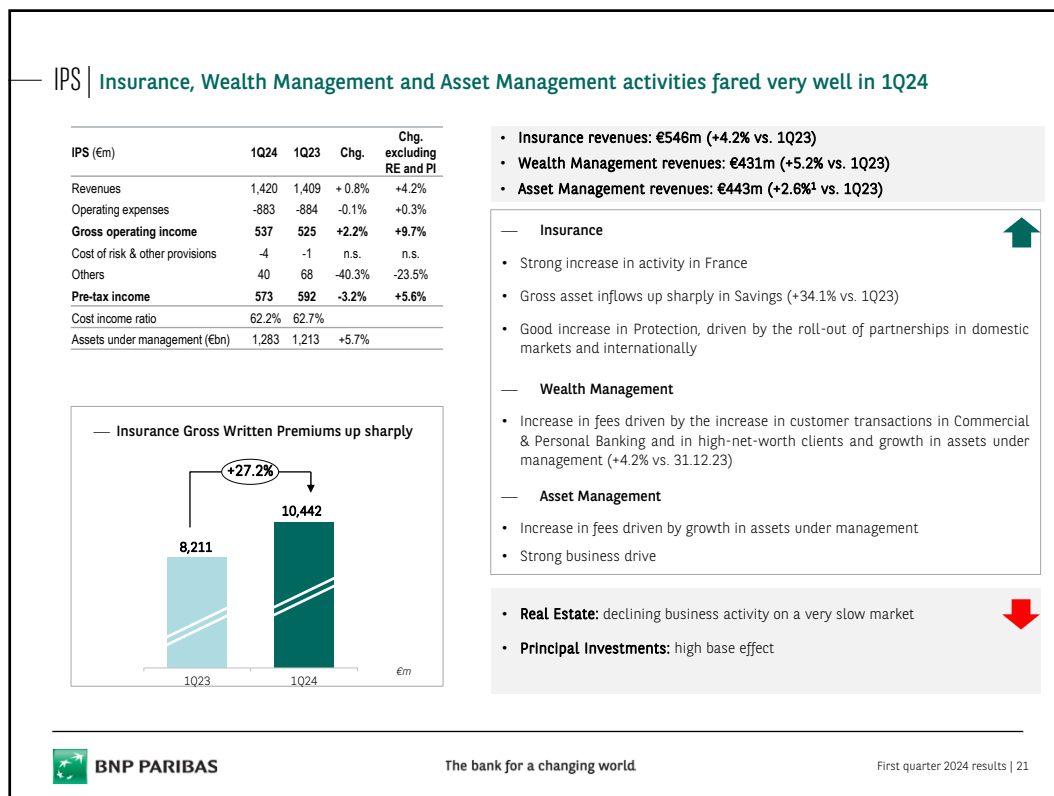
18



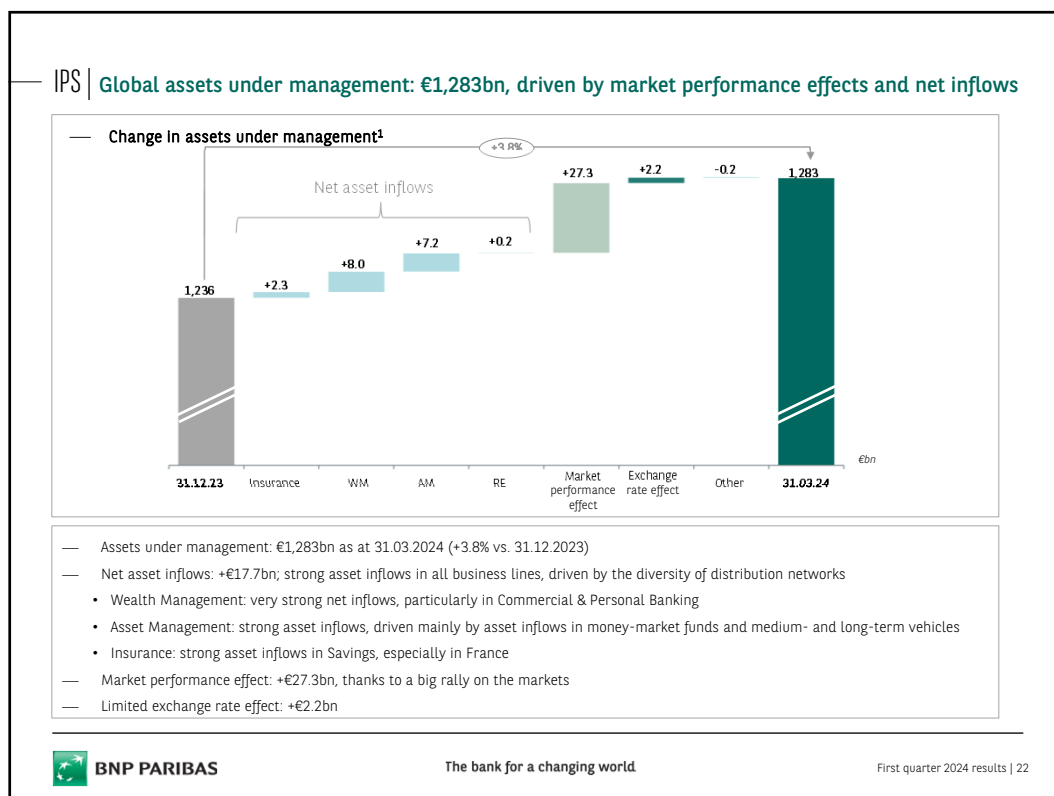
19



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## 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.)
  - Group-level steering with regular reporting to monitoring and supervisory bodies
- **Ongoing reinforcement of set-up for complying with international financial sanctions:**
  - Thorough and diligent implementation of measures necessary for enforcing international sanctions as soon as they have been published
  - 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 for all employees on financial security (Sanctions & Embargos, Combating Money Laundering & Terrorism Financing and on Combating Corruption), protecting clients' interests, market integrity, and all topics dealt in the Group's Code of Conduct.
- **Ongoing regular missions of the General Inspection dedicated to ensuring 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 five cycles achieved a steady improvement in processing and audit mechanisms. The trend was confirmed during the sixth cycle, which was completed in December 2023.
- The "Cease and Desist Order" order of 30 June 2014, pertaining to violations of US laws and regulations governing economic sanctions, issued jointly by the Prudential Control and Resolution Authority (ACPR) in France and the Board of Governors of the Federal Reserve Board (FRB) in the United States, has been lifted, thus confirming the Group's full accomplishment of its obligations under the remediation plan.



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## CONCLUSION



On the strength of its diversified, integrated and at-scale model,  
BNP Paribas achieved a very good first quarter 2024,  
driven by a solid operational performance

The 2024 trajectory is confirmed

ESG rankings and ratings confirm BNP Paribas' ongoing commitment to the  
energy transition

Thanks to its teams' firm commitment to serving clients,  
BNP Paribas is solid and well placed for the new phase of the economic  
cycle



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## NOTES (1/2)

### Slide 3

1. Restatement of quarterly series reported on 29 February 2024. Results serving as a basis for calculating the distribution in 2023 and reflecting the Group's intrinsic performance post impact of the Bank of the West sale and post ramp-up of the Single Resolution Fund (SRF) excluding extraordinary items
2. Excluding the base effect on FICC in 1Q23, see Appendix
3. Cost of risk does not include "Other net losses for risk on financial instruments"
4. Net Income, Group Share
5. Earnings per share at end of period calculated on the basis of Net Income excluding the remuneration of undated super subordinated notes in the first quarter 2024 and the average number of shares outstanding during the quarter, see Appendix.

### Slide 4

1. Change of Group revenues between 2023 (distributable) and 2024 minus change of Group operating expenses between 2023 (distributable) and 2024
2. Group share
3. Restatement of quarterly series reported on 29 February 2024. Results serving as a basis for calculating the distribution in 2023 and reflecting the Group's intrinsic performance post impact of the Bank of the West sale and post ramp-up of the Single Resolution Fund (SRF) excluding extraordinary items
4. Return on Invested Capital: estimated 2025 net income generated by capital redeployed since 2022, compared to allocated capital (CET1)

### Slide 6

1. Restatement of quarterly series reported on 29 February 2024. Results serving as a basis for calculating the distribution in 2023 reflecting the Group's intrinsic performance post impact of the Bank of the West sale and post contribution to the build-up of the Single Resolution Fund (SRF) excluding extraordinary items
2. Charges related to risk of invalidation or non-enforceability of financial instruments granted
3. EPS: Earnings per share calculated on the basis of the 1<sup>st</sup> quarter 2024 Net Income and the average number of shares outstanding during the period; see Appendix

### Slide 7

1. Restatement of quarterly series reported on 29 February 2024. Results serving as a basis for calculating the distribution in 2023 reflecting the Group's intrinsic performance post impact of the Bank of the West sale and post contribution to the build-up of the Single Resolution Fund (SRF) excluding extraordinary items
2. 60% stake in Ukrsibbank. The remaining 40% is held by the European Bank for Reconstruction and Development
3. Impact of the implementation of IAS 29 and taking into account the efficiency of the hedge in Türkiye (CPI linkers)

### Slide 8

1. Distributable base for 1Q23
2. Including 2/3 of Private Banking (excluding PEL/CEL effects in France)
3. At constant scope and exchange rates
4. Including 100% of Private Banking (excluding PEL/CEL effects in France)
5. Excluding Real Estate and Principal Investments
6. Corporate Centre

### Slide 9

1. Distributable base for 1Q23
2. Including 2/3 of Private Banking (excluding PEL/CEL effects in France)
3. Including 100% of Private Banking (excluding PEL/CEL effects in France)
4. Excluding Real Estate and Principal Investments

### Slide 10

1. 2022-2025 CAGR of Group Revenues less 2022-2025 CAGR of Group operating expenses, excluding Bank of the West



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## NOTES (2/2)

### Slide 11

1. GOI: Excluding exceptional items, excluding contribution of Bank of the West and 2023 distributable base to reflect the Group's intrinsic performance post impact of the divestment of Bank of the West and post SRF build-up; application of IFRS 17 and IFRS 5 effective 2022
2. Cost of risk excluding "Other net losses for risk on financial instruments"
3. Customer loans outstandings at start of period
4. Personal Finance: Cost of risk / loans outstanding. 2024e and 2025e data only include strategic Personal Finance activities
5. Group's Exposure at Default (EAD)

### Slide 12

1. Cost of risk excluding "Other net losses for risk on financial instruments"

### Slide 13

1. Return on Invested Capital: Estimated 2025 Net Income generated by capital redeployed since 2022, compared to allocated capital (CET1)
2. Subject to necessary regulatory authorisations
3. 2025 projection of capital based on capital redeployed as of 31.12.2023

### Slide 14

1. Calculated in accordance with Regulation (EU) 2019/876
2. LCR at the end of the period calculated in accordance with Regulation (CRR) 575/2013 Art. 451a
3. 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

### Slide 15

1. According to rating agencies reports, (MSCI, March 2024; Moody's, Sept. 2023; CDP, 2023; S&P DGSJ, April 2024)

### Slide 18

1. FICC gained market shares in 2023 in EMEA
2. Elections, Central banks decisions in particular
3. Source: revenue pools based on Coalition Greenwich FY23 Competitor Analytics. Geographical mix based on internal revenues and taxonomy of BNP Paribas, FICC refers to Global Macro and Global Credit businesses, excluding Fixed Income Prime Brokerage
4. Source: Group's internal estimates based on available market data
5. Based on published revenues, including XVA. US banks: Citi, MS, GS, JPM, BoA. BNP Paribas revenues include DCM and DEC Commodities in 2021, 2022, 2023 and 2024

### Slide 19

1. Including 100% of Private Banking excluding PEL/CEL effects
2. Issuance of Belgian government bonds, inflation hedges in France and non-remuneration of mandatory reserves

### Slide 20

1. Source: Coalition Greenwich yearly Cash Management European Survey - market penetration TIER - 1 Corporates (€2bn + turnover)
2. Cash Management: corporate segment, excluding sight deposit remuneration, individuals issuing: cards excluding corporate segment; CPBF, CPBB, BNL, CPBL, BNPP Consors, Nickel France, PF core countries, BNPP Polska
3. Corporate segment, excluding remuneration on sight deposits
4. Cards issuing excluding corporate segment; CPBF, CPBB, BNL, CPBL, BNPP Consors, Nickel FR, BNPP PF core countries, BNPP Polska

### Slide 21

1. Excluding Real Estate and Principal Investments

### Slide 22

1. Including distributed assets



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### Details by division

#### — CIB

- Global Banking
- Global Markets
- Securities Services

#### — CPBS

##### Commercial & Personal Banking

- Commercial & Personal Banking in France (CPBF)
- BNL banca commerciale
- Commercial & Personal Banking in Belgium (CPBB)
- Commercial & Personal Banking in Luxembourg (CPBL)
- Europe-Mediterranean

##### Specialised Businesses

- Personal Finance
- Arval / Leasing Solutions
- New Digital Businesses and Personal Investors

#### — IPS

- Insurance
- Wealth and Asset Management

### Other items

- Corporate Centre
- IFRIC 21
- Number of shares and Earnings Per Share
- Net assets per share
- Return on Equity and Permanent Shareholders' Equity
- Doubtful loans / gross outstanding and coverage ratio
- Common Equity Tier 1 ratio: Calculation details
- Medium- / long-term regulatory funding
- MREL ratio
- TLAC ratio
- Distance to MDA
- Basel 3 risk-weighted assets
- Liquidity



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## CONTACTS AND UPCOMING EVENTS

### — Investor Relations and Financial Information

Bénédicte Thibord, Head of Investor Relations and Financial Information

#### Equity

Raphaëlle Bouvier-Flory  
Lisa Bugat  
Didier Leblanc  
Olivier Parenty

#### Debt & Rating agencies

Didier Leblanc  
Olivier Parenty

#### Retail and ESG

Patrice Menard  
Antoine Labarsouque

Investor.relations@bnpparibas.com

### — Upcoming events in 2024

|            |   |
|------------|---|
| 14 May     | 2024 General Meeting                                      |
| 23 May     | Payment of dividend (subject to General Meeting approval) |
| 9 July     | Quiet period begins                                       |
| 24 July    | 2Q24 earnings reporting date                              |
| 16 October | Quiet period begins                                       |
| 31 October | 3Q24 earnings reporting date                              |



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# FIRST QUARTER 2024 RESULTS

## APPENDICES

25 APRIL 2024



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### DISCLAIMER

The figures included in this presentation are unaudited.

As a reminder, on 29 February 2024 BNP Paribas reported restated quarterly series for 2023 to reflect, in particular, the end of the build-up of the Single Resolution Fund (SRF), effective 1 January 2024, and the assumption of a similar contribution to local bank taxes at a level estimated at about 200 million euros annually beginning in 2024, as well as an accounting heading separated from cost of risk and entitled "Other net losses for risks on financial instruments", beginning in the fourth quarter 2023. This presentation reflects this restatement.

This presentation 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, 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.

Consequently, actual results may differ from those projected or implied in these forward-looking statements due to a variety of factors. These factors include among others: i) BNP Paribas's ability to achieve its objectives, ii) the impacts from central bank interest rate policies, whether due to continued elevated interest rates or potential significant reductions in interest rates, iii) changes in regulatory capital and liquidity rules, iv) continued elevated levels of, or any resurgence in, inflation and its impacts, v) the various geopolitical uncertainties and impacts related notably to the invasion of Ukraine and the conflict in the Middle East, or vi) the precautionary statements included in 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.

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The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding. The alternative performance measures are defined in the press release published jointly with this presentation.



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## GROUP | 1Q24 Simplified profit & loss statement

| €m   | 1Q24          | 1Q23                 | 1Q24 /<br>1Q23 Distr. | 1Q23          | 1Q24 /<br>1Q23  |
|--|---------------|----------------------|-----------------------|---------------|-----------------|
| <b>Group</b>                                       |               | <b>Distributable</b> |                       |               |                 |
| <b>Revenues</b>                                    | <b>12,483</b> | <b>12,534</b>        | <b>-0.4%</b>          | <b>12,032</b> | <b>+3.7%</b>    |
| Operating Expenses and Dep.                        | -7,937        | -8,058               | -1.5%                 | -9,191        | -13.6%          |
| <b>Gross Operating Income</b>                      | <b>4,546</b>  | <b>4,476</b>         | <b>+1.6%</b>          | <b>2,841</b>  | <b>+60.0%</b>   |
| Cost of Risk                                       | -640          | -592                 | +8.1%                 | -592          | +8.1%           |
| Other net losses for risk on financial instruments | -5            | 0                    | n.s.                  | -50           | -90.0%          |
| <b>Operating Income</b>                            | <b>3,901</b>  | <b>3,884</b>         | <b>+0.4%</b>          | <b>2,199</b>  | <b>+77.4%</b>   |
| Share of Earnings of Equity-Method Entities        | 221           | 178                  | +24.2%                | 178           | +24.2%          |
| Other Non Operating Items                          | 241           | 0                    | n.s.                  | 0             | n.s.            |
| <b>Pre-Tax Income</b>                              | <b>4,363</b>  | <b>4,062</b>         | <b>+7.4%</b>          | <b>2,377</b>  | <b>+83.5%</b>   |
| Corporate Income Tax                               | -1,166        | -791                 | +47.4%                | -791          | +47.4%          |
| Net Income Attributable to Minority Interests      | -94           | -98                  | -4.1%                 | -98           | -4.1%           |
| Net Income from discontinued activities            | 0             | 0                    | n.s.                  | 2,947         | n.s.            |
| <b>Net Income Attributable to Equity Holders</b>   | <b>3,103</b>  | <b>3,173</b>         | <b>-2.2%</b>          | <b>4,435</b>  | <b>-30.0%</b>   |
| <b>Cost/Income</b>                                 | <b>63.6%</b>  | <b>64.3%</b>         | <b>-0.7 pt</b>        | <b>76.4%</b>  | <b>-12.8 pt</b> |

Allocated equity available in quarterly series

- Based on the restatement of quarterly series reported on 29 February 2024. 2023 distributable result serving as a basis for calculating the distribution in 2023 and reflecting the Group's intrinsic performance post impact of the Bank of the West sale and post ramp-up of the Single Resolution Fund (SRF) excluding extraordinary items



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CIB

SECTION 3

## Details by business lines

1Q24 results



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## CIB | 1Q24 Simplified profit & loss statement

| €m  | 1Q24         | 1Q23         | 1Q24 / 1Q23    |
|---|--------------|--------------|----------------|
| <b>Corporate and Institutional Banking</b>  |              |              |                |
| Revenues                                    | 4,677        | 4,873        | -4.0%          |
| Operating Expenses and Dep.                 | -2,741       | -2,882       | -4.9%          |
| <b>Gross Operating Income</b>               | <b>1,936</b> | <b>1,990</b> | <b>-2.7%</b>   |
| Cost of Risk and others                     | 95           | -1           | n.s.           |
| <b>Operating Income</b>                     | <b>2,031</b> | <b>1,990</b> | <b>+2.1%</b>   |
| Share of Earnings of Equity-Method Entities | 3            | 3            | -7.6%          |
| Other Non Operating Items                   | 0            | -6           | -95.6%         |
| <b>Pre-Tax Income</b>                       | <b>2,033</b> | <b>1,986</b> | <b>+2.4%</b>   |
| <b>Cost/Income</b>                          | <b>58.6%</b> | <b>59.1%</b> | <b>-0.5 pt</b> |

*Allocated equity available in quarterly series*

### — Operating expenses: -4.9% vs. 1Q23 (-4.7% at constant scope and exchange rates)

- Decrease in operating expenses in part due to the base effect with respect to local banking taxes similar to the contributions to the Single Resolution Fund
- Positive jaws effect of 0.9 pt (1.2 pts at constant scope and exchange rates)

### — Net provision releases of €95m, including in Stage 3

### — Pre-tax income: +2.4% vs. 1Q23 (+2.9% at constant scope and exchange rates)



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## CIB | Global Banking – Very strong performance and lower cost of risk

### — Very strong business drive

- In **financing**, very good business momentum in EMEA in bond markets (market up by 26%<sup>1</sup> vs. 1Q23) and syndicated loans (market up by 14%<sup>1</sup> vs. 1Q23)
- **Transaction Banking**: very good activity in EMEA and the Americas, particularly in Cash Management
- **Loans** (€178bn, -1.4%<sup>2</sup> vs. 1Q23): loans up by 0.4%<sup>2</sup> vs. 4Q23
- **Deposits** (€217bn, +1.0%<sup>2</sup> vs. 1Q23): further growth in deposits

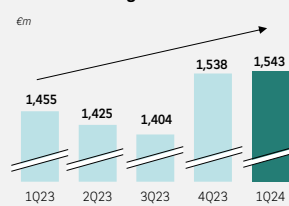
### — Confirmed leadership

- Leader<sup>1</sup> in EMEA in syndicated loans and bond issuance
- Leader<sup>3</sup> in European Large Corporate Transaction Banking (trade finance and Cash Management)
- Global and EMEA leader<sup>4</sup> in sustainable financing

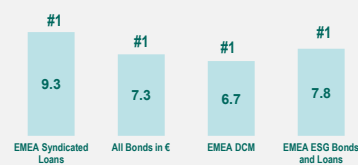
### — Record revenues this quarter, up by 6.1% vs. 1Q23

- Increase in EMEA and the Americas
- Very strong increase in the Capital Markets platform in the Americas (+30%<sup>5</sup> vs. 1Q23) and EMEA (+19%<sup>5</sup> vs. 1Q23)
- Strong increase in Transaction Banking, particularly in EMEA (+11%<sup>5</sup> vs. 1Q23) with deposits in Cash Management almost stable during the quarter

### — Continued revenue growth



### — Rankings and market share in volume (%), 1Q24<sup>1,4</sup>



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## CIB | Global Banking – 1Q24 Simplified profit & loss statement

| €m  | 1Q24         | 1Q23         | 1Q24 / 1Q23    |
|---|--------------|--------------|----------------|
| <b>Global Banking</b>                       |              |              |                |
| Revenues                                    | 1,543        | 1,455        | +6.1%          |
| Operating Expenses and Dep.                 | -730         | -733         | -0.4%          |
| <b>Gross Operating Income</b>               | <b>813</b>   | <b>721</b>   | <b>+12.7%</b>  |
| Cost of Risk and others                     | 87           | 1            | n.s.           |
| <b>Operating Income</b>                     | <b>900</b>   | <b>723</b>   | <b>+24.5%</b>  |
| Share of Earnings of Equity-Method Entities | 1            | 1            | +45.7%         |
| Other Non Operating Items                   | 0            | 0            | n.s.           |
| <b>Pre-Tax Income</b>                       | <b>901</b>   | <b>724</b>   | <b>+24.5%</b>  |
| <b>Cost/Income</b>                          | <b>47.3%</b> | <b>50.4%</b> | <b>-3.1 pt</b> |

*Allocated equity available in quarterly series*

- Operating expenses: -0.4% vs. 1Q23
  - Very positive jaws effect (+6.5 pts)
- Net provision releases of €87m, including in Stage 3
- Pre-tax income: +24.5% vs. 1Q23 (+25.7% at constant scope and exchange rates)



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## CIB | Global Markets – Sustained activity on credit and equity markets

### — Credit markets:

- Overall activity up sharply, particularly in primary markets in the Americas

### — Equity markets:

- Sustained activity, in particular in prime brokerage

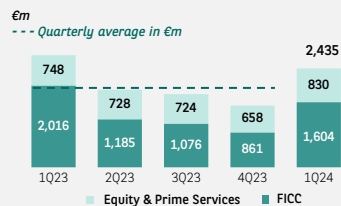
### — Fixed income, currencies and commodities markets:

- Market normalised in 1Q24 with very low volatility, particularly in the first two months, which led to less robust activity compared to the high volumes of 1Q23, with demand picking up, however, in March
- Confirmation of leadership on multi-dealer electronic platforms

### • Revenues: - 11.9% vs. 1Q23

- **Equity & Prime Services** (+11.0% vs. 1Q23): good performance driven particularly by prime brokerage activities (revenues up by 44% with an increase in balances). Steep increase in APAC.
- **FICC** (-20.4% vs. 1Q23): very good performance in credit activities offset by the normalisation in EMEA vs. a high base in 1Q23 in rates, foreign exchange and commodities markets

### — Trend in revenues



### — Rankings on multi-dealer electronic platforms

- Currency markets #1 in global volumes<sup>1</sup>
- Fixed-income markets #1 in € government bonds<sup>2</sup>  
#1 on local market swaps<sup>3</sup>
- Credit markets #2 on iTraxx CDS indexes in €<sup>4</sup>



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## CIB | Global Markets – 1Q24 Simplified profit & loss statement

| €m  | 1Q24         | 1Q23         | 1Q24 / 1Q23    |
|---|--------------|--------------|----------------|
| <b>Global Markets</b>                       |              |              |                |
| <b>Revenues</b>                             | <b>2,435</b> | <b>2,764</b> | <b>-11.9%</b>  |
| incl. FICC                                  | 1,604        | 2,016        | -20.4%         |
| incl. Equity & Prime Services               | 830          | 748          | +11.0%         |
| Operating Expenses and Dep.                 | -1,486       | -1,619       | -8.2%          |
| <b>Gross Operating Income</b>               | <b>948</b>   | <b>1,144</b> | <b>-17.1%</b>  |
| Cost of Risk and others                     | 9            | -4           | n.s.           |
| <b>Operating Income</b>                     | <b>957</b>   | <b>1,141</b> | <b>-16.1%</b>  |
| Share of Earnings of Equity-Method Entities | 1            | 2            | -68.0%         |
| Other Non Operating Items                   | 0            | -7           | n.s.           |
| <b>Pre-Tax Income</b>                       | <b>958</b>   | <b>1,136</b> | <b>-15.7%</b>  |
| <b>Cost/Income</b>                          | <b>61.1%</b> | <b>58.6%</b> | <b>+2.5 pt</b> |

Allocated equity available in quarterly series

- Operating expenses: -8.2% vs. 1Q23

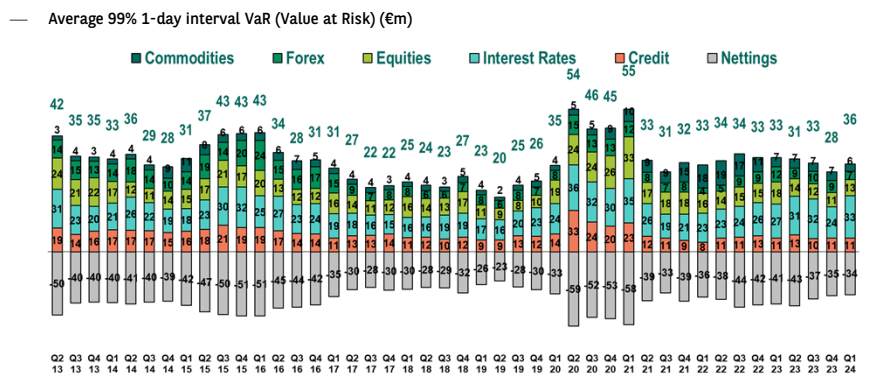


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## CIB | Market risks – 1Q24



Average VaR<sup>1</sup> higher, due mainly to changes in the interest rates activity on the developed markets perimeter

- The Group's 1Q24 VaR averaged €36m, up by €7m vs. 4Q23, due mainly to changes in interest-rate exposure in the US and EU perimeters.
- No theoretical back-testing event has occurred in the past 12 months

1. VaR calculated to monitor market limits



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## CIB | Securities Services – Outstandings sharply up and good business drive

### — Good business drive

#### • New mandates in 1Q24, including:

- Indeval, the Mexican central securities depository: a mandate as local custodian for the US market, amounting to USD60bn in assets
- La Mutuelle Générale, a major player in health and protection insurance in France: mandate with Manaos, a BNP Paribas data management platform, for its ESG data collection and reporting needs
- Further sustained development in private capital

#### • Increase in end-of-period outstandings of 9.9% vs. 1Q23, due mainly to the market rebound and the implementation of new mandates

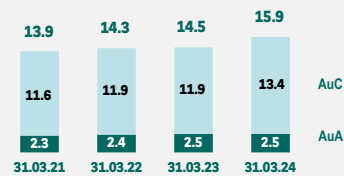
#### • Transactions volumes down by 4.8% vs. 1Q23, due mainly to less volatility on the markets

### — Record revenues this quarter, up by 6.8% vs. 1Q23

- Favourable impact of the interest-rate environment and effect of higher average outstandings
- Effect of the decrease in transaction volumes due to more moderate volatility

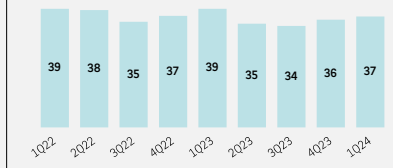
### — Assets under custody (AuC) and under administration (AuA)

End-of-period outstandings in €000bn



### — Transaction volumes

Settlement & delivery transactions in millions



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## CIB | Securities Services – 1Q24 Simplified profit & loss statement

| €m  | 1Q24  | 1Q23  | 1Q24 / 1Q23 |
|---|-------|-------|-------------|
| <b>Securities Services</b>                  |       |       |             |
| Revenues                                    | 699   | 655   | +6.8%       |
| Operating Expenses and Dep.                 | -524  | -530  | -1.0%       |
| Gross Operating Income                      | 174   | 125   | +39.7%      |
| Cost of Risk and others                     | -1    | 1     | n.s.        |
| Operating Income                            | 174   | 126   | +37.7%      |
| Share of Earnings of Equity-Method Entities | 1     | 0     | n.s.        |
| Other Non Operating Items                   | 0     | 0     | n.s.        |
| Pre-Tax Income                              | 174   | 126   | +38.2%      |
| Cost/Income                                 | 75.0% | 80.9% | -5.9 pt     |

Allocated equity available in quarterly series

- Operating expenses: -1.0% vs. 1Q23
- Very positive jaws effect (+7.8 pts)
- Pre-tax income: +38.2% vs. 1Q23



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SECTION 3

CPBS

## Details by business lines

1Q24 results

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CPBS |

1Q24 Simplified profit & loss statement

| €m   | 1Q24   | 1Q23   | 1Q24 /<br>1Q23 |
|--|--------|--------|----------------|
| <b>Commercial, Personal Banking &amp; Services<sup>1</sup></b>       |        |        |                |
| <b>Revenues</b>  | 6,692  | 6,666  | +0.4%          |
| Operating Expenses and Dep.  | -4,482 | -4,348 | +3.1%          |
| <b>Gross Operating Income</b>  | 2,210  | 2,318  | -4.7%          |
| Cost of Risk and others  | -726   | -600   | +21.0%         |
| <b>Operating Income</b>  | 1,484  | 1,718  | -13.6%         |
| Share of Earnings of Equity-Method Entities                          | 96     | 95     | +1.8%          |
| Other Non Operating Items  | 14     | 8      | +83.4%         |
| <b>Pre-Tax Income</b>  | 1,594  | 1,821  | -12.4%         |
| Income Attributable to Wealth and Asset Management                   | -78    | -68    | +13.9%         |
| <b>Pre-Tax Income of Commercial, Personal Banking &amp; Services</b> | 1,517  | 1,753  | -13.5%         |
| <b>Cost/Income</b>   | 67.0%  | 65.2%  | +1.8 pt        |

<sup>1</sup> Excluding PEL/CEL effects and including 100% of Private Banking for the Revenues to Pre-tax income line items - Allocated equity available in quarterly series

— **Revenues<sup>1</sup>: +0.4% vs. 1Q23**

- Increase in Commercial & Personal Banking revenues (+1.0%), driven by the increase in net interest revenues (+4.9%), excluding the negative impacts of the non-remuneration of ECB mandatory reserves, inflation hedges, and the Belgian government bond, and good resiliency in fees (+4.4%)
- Decrease in revenues at Specialised Businesses (-0.7%) related to the normalisation of used-car prices at Arval
- Increase in Personal Finance revenues (+0.7%), driven by volume growth (Stellantis)
- Nickel: continued expansion in business and customer base

— **Operating expenses<sup>1</sup>: +3.1% vs. 1Q23**

- Impacts of inflation, particularly in Türkiye and Poland, the reconsolidation of Ukraine, and the Belgian bank levies, partly offset by savings, particularly in France and at Personal Finance with the geographical refocusing
- Positive jaws effects: BNL, CPBL, Personal Finance, Leasing Solutions and Personal Investors

— **Cost of risk<sup>1</sup>: increase** due in particular to the base effect at Europe-Mediterranean and CPBF (stage 1 and 2 releases in 1Q23)

— **Pre-tax income<sup>2</sup>: -13.5% vs. 1Q23**, related to the change in cost of risk

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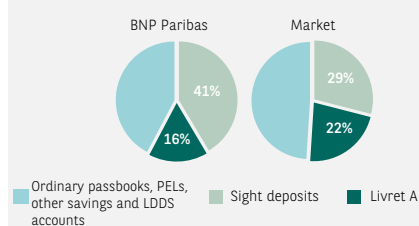
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## Commercial & Personal Banking in France – Good business resilience in a normalizing environment

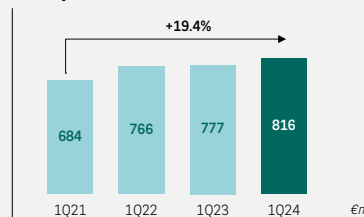
- **Loans: -1.7% vs. 1Q23**, stable volumes vs. 4Q23 (-0.8%) and continued adjustment in pricing across all customer segments
- **Deposits: -5.0% vs. 1Q23**, stabilisation in 1Q24 of individual customer deposits
- **Increase in off-balance-sheet savings (+4.0% vs. 31.03.23)** and high net inflows in life insurance (+€0.9bn in 1Q24)
- **Ongoing customer acquisition at Hello bank!**: ~+65K customers (+32.0% vs. 1Q23), boosted by the start of integration of Orange Bank customers
- **Leader in Tech**: 26 of the 29 French unicorns are CPBF clients
- Good net inflows in **Private Banking** of €1.5bn

- **Revenues<sup>2</sup>: -1.9% vs. 1Q23**
- **Net interest revenues<sup>2</sup>: -8.0% vs. 1Q23**, increase in margins offset by the impact of inflation hedges (-€54m, in the process of normalising) and the non-remuneration of mandatory reserves (-€20m); stable when excluding these two effects
- **Fees<sup>2</sup>: +5.1% vs. 1Q23**, driven by financial fees (cross-selling with BNP Paribas Cardif); an increase in Cash Management
- **Operating expenses<sup>2</sup>: -0.8% vs. 1Q23**, under control despite inflation, with the ongoing impact of savings measures
- **Cost of risk<sup>2</sup>: 20bps**, a low level (21bps in 2023)

### Favourably positioned | Individual customer deposits<sup>1</sup>



### Increase in fees<sup>2</sup>



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## Commercial & Personal Banking in France – 1Q24 Simplified profit & loss statement and volumes

| €m   | 1Q24         | 1Q23         | 1Q24 / 1Q23    |
|--|--------------|--------------|----------------|
| <b>CPBF<sup>1</sup></b>                            |              |              |                |
| <b>Revenues</b>                                    | <b>1,638</b> | <b>1,670</b> | <b>-1.9%</b>   |
| incl. net interest revenue                         | 821          | 893          | -8.0%          |
| incl. fees   | 816          | 777          | +5.1%          |
| Operating Expenses and Dep.                        | -1,171       | -1,180       | -0.8%          |
| <b>Gross Operating Income</b>                      | <b>467</b>   | <b>490</b>   | <b>-4.7%</b>   |
| Cost of Risk and others                            | -116         | -75          | +54.3%         |
| <b>Operating Income</b>                            | <b>351</b>   | <b>414</b>   | <b>-15.4%</b>  |
| Share of Earnings of Equity-Method Entities        | 0            | 0            | n.s.           |
| Other Non Operating Items                          | 0            | 0            | n.s.           |
| <b>Pre-Tax Income</b>                              | <b>351</b>   | <b>415</b>   | <b>-15.4%</b>  |
| Income Attributable to Wealth and Asset Management | -49          | -39          | +26.3%         |
| <b>Pre-Tax Income of CPBF</b>                      | <b>301</b>   | <b>376</b>   | <b>-19.8%</b>  |
| <b>Cost/Income</b>                                 | <b>71.5%</b> | <b>70.7%</b> | <b>+0.8 pt</b> |

<sup>1</sup> Excluding PEL/CEL effects and including 100% of Private Banking for the Revenues to Pre-tax income line items - Allocated equity available in quarterly series

| Average outstandings (€bn)  |  |  |  | 1Q24         | %Var/1Q23    | %Var/4Q23    |
|-----------------------------|--|--|--|--------------|--------------|--------------|
| <b>LOANS</b>                |  |  |  | <b>208.9</b> | <b>-1.7%</b> | <b>-0.8%</b> |
| Individual Customers        |  |  |  | 110.0        | -1.5%        | -0.7%        |
| Incl. Mortgages             |  |  |  | 98.3         | -1.7%        | -0.7%        |
| Incl. Consumer Lending      |  |  |  | 11.8         | +0.1%        | -1.0%        |
| Corporates                  |  |  |  | 98.9         | -1.8%        | -0.9%        |
| <b>DEPOSITS AND SAVINGS</b> |  |  |  | <b>230.2</b> | <b>-5.0%</b> | <b>-1.7%</b> |
| Current Accounts            |  |  |  | 119.4        | -17.4%       | -4.8%        |
| Savings Accounts            |  |  |  | 67.3         | -1.2%        | +1.0%        |
| Market Rate Deposits        |  |  |  | 43.5         | +47.2%       | +3.1%        |

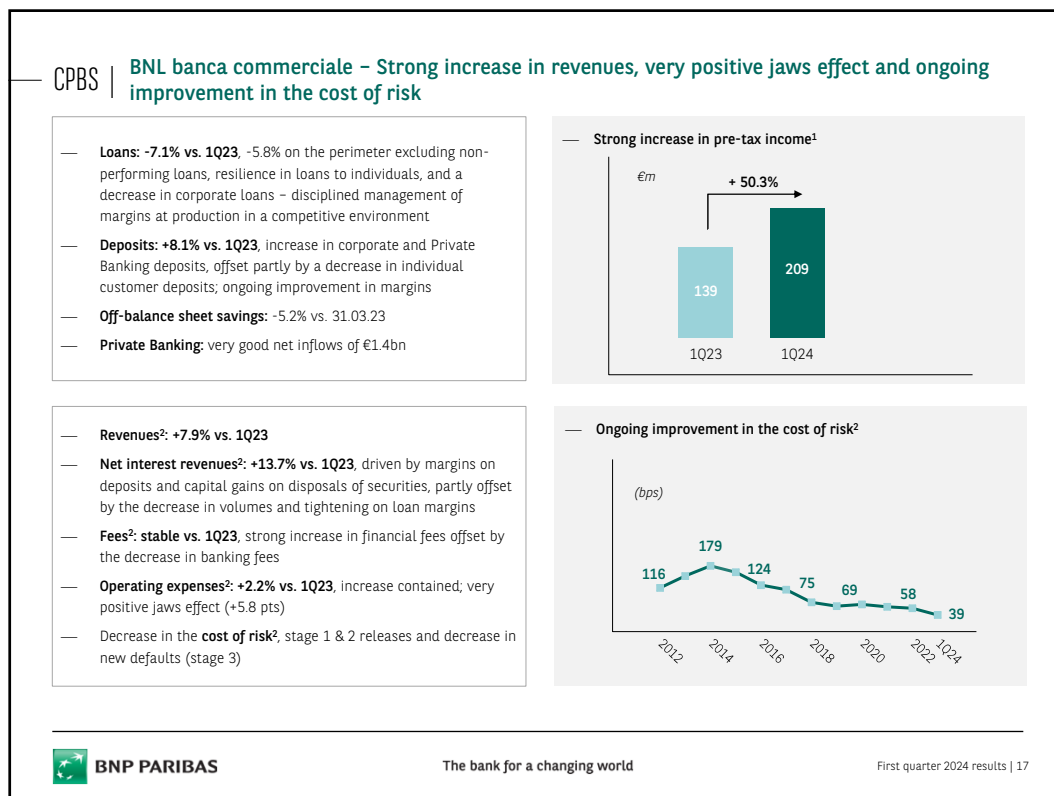
| €bn                              | 31.03.24 | %Var/ 31.03.23 | %Var/ 31.12.23 |
|----------------------------------|----------|----------------|----------------|
| <b>OFF BALANCE SHEET SAVINGS</b> |          |                |                |
| Life Insurance                   | 109.8    | +6.2%          | +2.6%          |
| Mutual Funds                     | 42.3     | -1.1%          | +1.9%          |



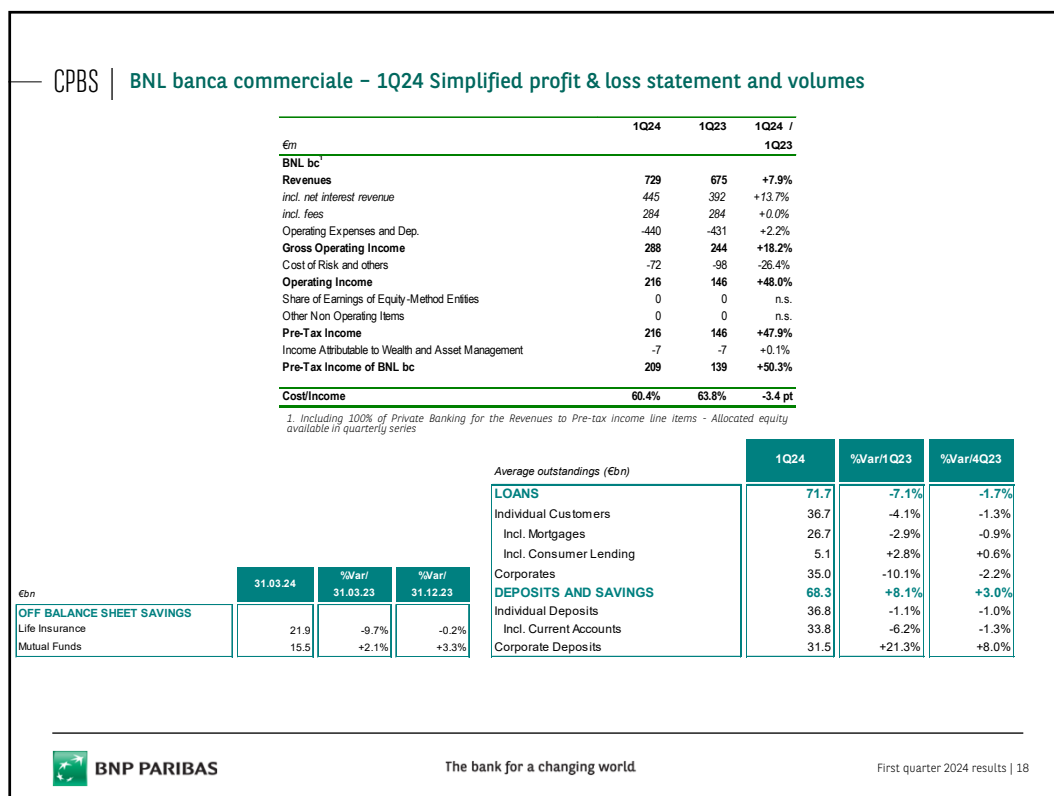
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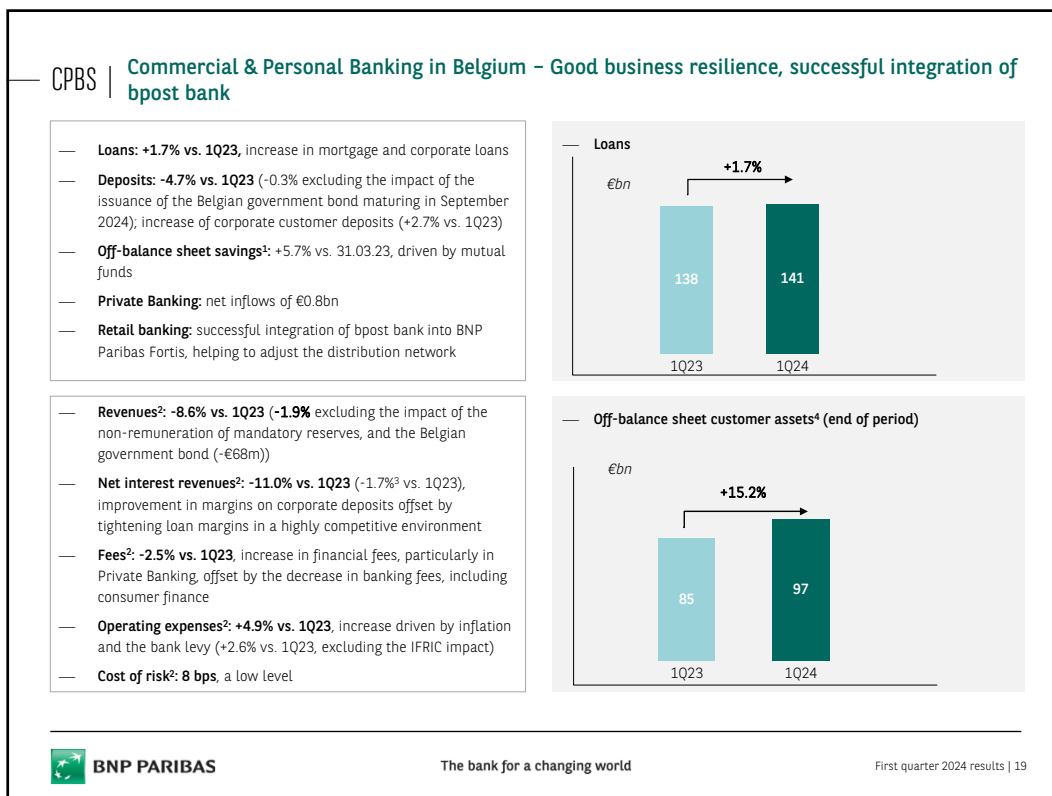
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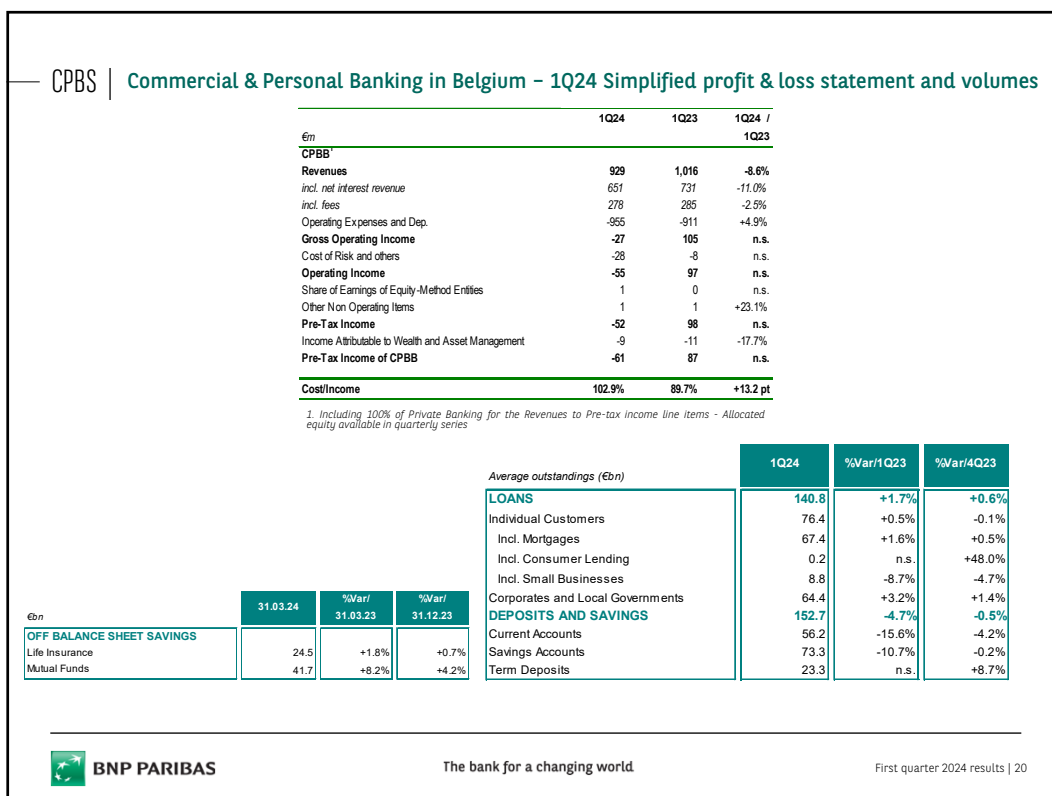
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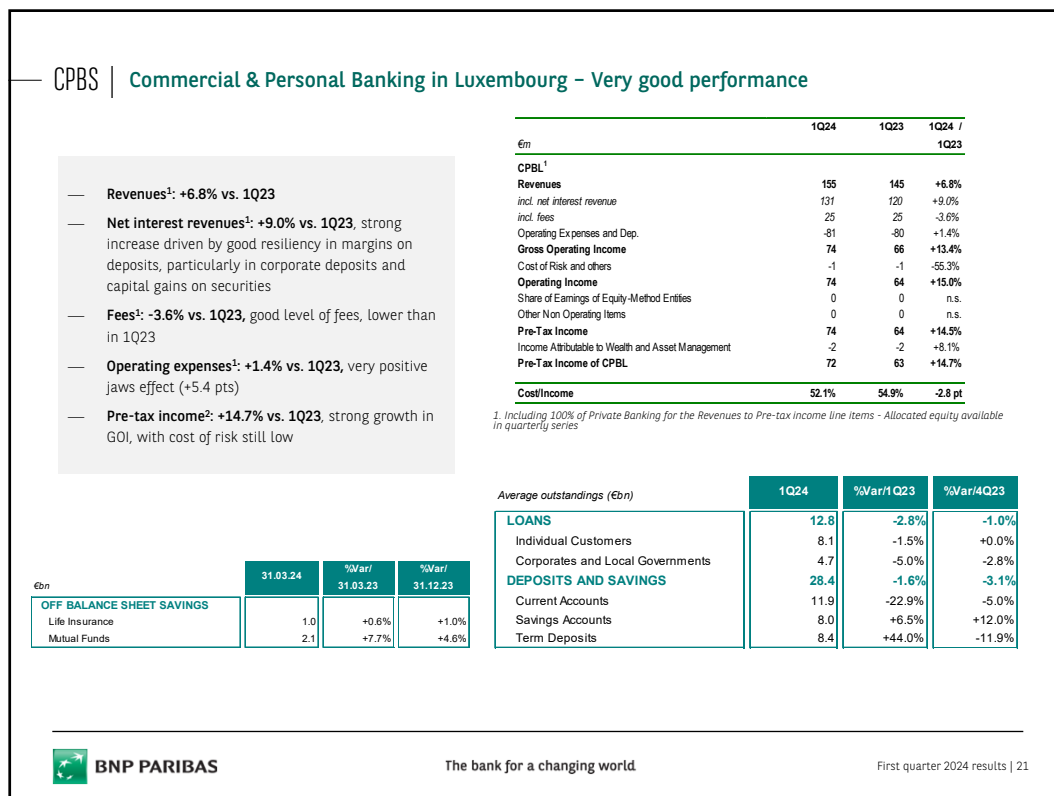
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## CPBS | Europe-Mediterranean – 1Q24 Simplified profit & loss statement

| €m   | 1Q24         | 1Q23         | 1Q24 / 1Q23    |
|--|--------------|--------------|----------------|
| <b>Europe-Mediterranean<sup>1</sup></b>            |              |              |                |
| <b>Revenues</b>                                    | <b>745</b>   | <b>648</b>   | <b>+15.1%</b>  |
| incl. net interest revenue                         | 604          | 540          | +12.0%         |
| incl. fees   | 141          | 108          | +30.3%         |
| Operating Expenses and Dep.                        | -503         | -432         | +16.6%         |
| <b>Gross Operating Income</b>                      | <b>242</b>   | <b>216</b>   | <b>+12.0%</b>  |
| Cost of Risk                                       | -40          | 1            | n.s.           |
| Other net losses for risk on financial instruments | -5           | 0            | n.s.           |
| <b>Operating Income</b>                            | <b>198</b>   | <b>217</b>   | <b>-9.2%</b>   |
| Share of Earnings of Equity-Method Entities        | 85           | 87           | -3.1%          |
| Other Non Operating Items                          | -89          | 37           | n.s.           |
| <b>Pre-Tax Income</b>                              | <b>193</b>   | <b>342</b>   | <b>-43.6%</b>  |
| Income Attributable to Wealth and Asset Management | -9           | -8           | +14.0%         |
| <b>Pre-Tax Income of Europe-Mediterranean</b>      | <b>184</b>   | <b>334</b>   | <b>-45.0%</b>  |
| <b>Cost/Income</b>                                 | <b>67.5%</b> | <b>66.6%</b> | <b>+0.9 pt</b> |

1. Including 100% of Private Banking for the Revenues to Pre-tax income line items - Allocated equity available in quarterly series

— FX impact: appreciation of the zloty vs. the euro and steep depreciation of the Turkish Lira vs. the euro

- TRY/EUR<sup>1</sup>: -40.5% vs. 1Q23, -6.8% vs. 4Q23
- PLN/EUR<sup>2</sup>: +8.7% vs. 1Q23, +1.9% vs. 4Q23



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## CPBS | Europe-Mediterranean – Volumes and cost of risk in 1Q24

| Average outstandings (€bn) | 1Q24        | %Var/1Q23     |                                      | %Var/4Q23    |                                      |
|----------------------------|-------------|---------------|--------------------------------------|--------------|--------------------------------------|
|                            |             | historical    | at constant scope and exchange rates | historical   | at constant scope and exchange rates |
| <b>LOANS</b>               | <b>33.4</b> | <b>-1.3%</b>  | <b>+3.7%</b>                         | <b>+1.7%</b> | <b>+0.8%</b>                         |
| <b>DEPOSITS</b>            | <b>46.1</b> | <b>+10.2%</b> | <b>+8.7%</b>                         | <b>+8.0%</b> | <b>+1.1%</b>                         |

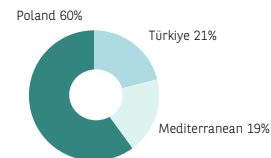
  

| Annualised cost of risk / outstandings as at beginning of period | 1Q23          | 2Q23          | 3Q23         | 4Q23         | 1Q24         |
|--|---------------|---------------|--------------|--------------|--------------|
|  |               |               |              |              |              |
| Türkiye  | -0.30%        | 0.07%         | -0.06%       | 0.10%        | 0.96%        |
| Poland   | -0.25%        | -0.69%        | 0.51%        | 0.13%        | 0.30%        |
| Others   | 0.91%         | 0.53%         | 1.53%        | 0.65%        | 0.34%        |
| <b>Europe-Mediterranean</b>                                      | <b>-0.01%</b> | <b>-0.26%</b> | <b>0.57%</b> | <b>0.23%</b> | <b>0.45%</b> |

— **TEB: a solid and well capitalised bank**

- Context: normalisation of monetary policy and gradual adaptation of the regulatory framework in Türkiye (remuneration of regulatory reserves beginning 1Q24, subject to conditions)
- Solvency ratio<sup>1</sup> of 17.67% as of 31.03.24
- Very largely self-financed

— Geographical breakdown in loans outstanding in 1Q24<sup>2</sup>



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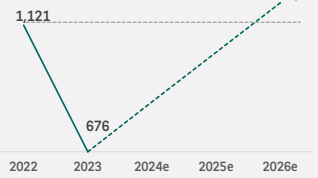
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## CPBS | Personal Finance – Good business momentum and positive jaws effect

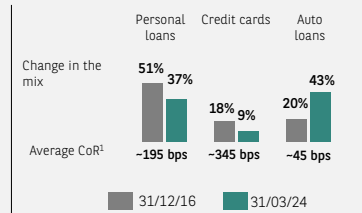
- **Loans:** +10.9% vs. 1Q23, increase particularly in mobility; increased selectivity at origination; ongoing improvement in margins at production despite continued pressure
- **Ongoing impacts of the implementation of partnerships in auto loans** on the increase in volumes and the structural improvement in the risk profile (+6pts in the share of auto loans vs. 1Q23)
- **Smooth implementation of the geographical refocusing** of activities and reorganisation of the operating model – disposals and run-off of businesses in 10 countries, particularly in Central Europe and Mexico

- **Revenues:** +0.7% vs. 1Q23, driven by the effect of higher volumes, partly offset by pressure on margins and higher financing costs
- **Lower operating expenses** (-1.5% vs. 1Q23), driven by the impact of cost-savings measures; positive jaws effect (+2.1 pts)
- **Increase in cost of risk due to the current downturn** despite the structural improvement in the risk profile
- **Pre-tax income:** +65.2% vs. 1Q23, positive impact of the capital gain on divestment of its business in Mexico

### Change in pre-tax income, 2022-2026 (in €m)



### Structural improvement of cost of risk with the change in the product mix



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## CPBS | Personal Finance – 1Q24 Simplified profit & loss statement and volumes

### At constant scope and exchange rates vs. 1Q23

- **Revenues:** +1.2%
- **Operating expenses:** -1.4%
- **Pre-tax income:** -0.6%

|   | 1Q24         | 1Q23         | 1Q24 / 1Q23    |
|---|--------------|--------------|----------------|
| €m  |              |              |                |
| <b>Personal Finance</b>                     |              |              |                |
| Revenues                                    | 1,296        | 1,288        | +0.7%          |
| Operating Expenses and Dep.                 | -753         | -764         | -1.5%          |
| <b>Gross Operating Income</b>               | <b>543</b>   | <b>524</b>   | <b>+3.8%</b>   |
| Cost of Risk and others                     | -394         | -358         | +10.2%         |
| <b>Operating Income</b>                     | <b>149</b>   | <b>166</b>   | <b>-10.1%</b>  |
| Share of Earnings of Equity-Method Entities | 12           | 9            | +34.2%         |
| Other Non Operating Items                   | 116          | -7           | n.s.           |
| <b>Pre-Tax Income</b>                       | <b>278</b>   | <b>168</b>   | <b>+65.2%</b>  |
| <b>Cost/Income</b>                          | <b>58.1%</b> | <b>59.3%</b> | <b>-1.2 pt</b> |

Allocated equity available in quarterly series

|   | 1Q24  | %Var/1Q23 historical | at constant scope and exchange rates | %Var/4Q23 historical | at constant scope and exchange rates | Annualized cost of risk / outstandings as at beginning of period | 1Q23         | 2Q23         | 3Q23         | 4Q23         | 1Q24         |
|---|-------|----------------------|--------------------------------------|----------------------|--------------------------------------|--|--------------|--------------|--------------|--------------|--------------|
| Average outstandings (€bn)              |       |                      |                                      |                      |                                      |  |              |              |              |              |              |
| TOTAL CONSOLIDATED OUTSTANDINGS         | 107.6 | +10.9%               | +11.9%                               | +0.5%                | +0.3%                                | France   | 1.40%        | 1.50%        | 1.50%        | 2.11%        | 1.50%        |
| TOTAL OUTSTANDINGS UNDER MANAGEMENT (1) | 127.6 | +13.0%               | +14.2%                               | +1.1%                | +0.9%                                | Italy  | 1.57%        | 2.32%        | 1.80%        | 1.72%        | 1.81%        |
|   |       |                      |                                      |                      |                                      | Spain  | 1.75%        | 0.49%        | 1.68%        | 2.58%        | 1.85%        |
|   |       |                      |                                      |                      |                                      | Other Western Europe   | 1.16%        | 0.74%        | 1.18%        | 1.58%        | 1.09%        |
|   |       |                      |                                      |                      |                                      | Eastern Europe   | 1.05%        | 1.07%        | 0.67%        | -0.04%       | 0.06%        |
|   |       |                      |                                      |                      |                                      | Brazil   | 4.24%        | 4.77%        | 3.10%        | 3.08%        | 0.82%        |
|   |       |                      |                                      |                      |                                      | Others   | 1.95%        | 1.70%        | 1.75%        | 1.85%        | 2.07%        |
|   |       |                      |                                      |                      |                                      | <b>Personal Finance</b>  | <b>1.40%</b> | <b>1.46%</b> | <b>1.47%</b> | <b>1.79%</b> | <b>1.43%</b> |

(1) Including 100% of outstandings of subsidiaries not fully owned as well as of all partnerships

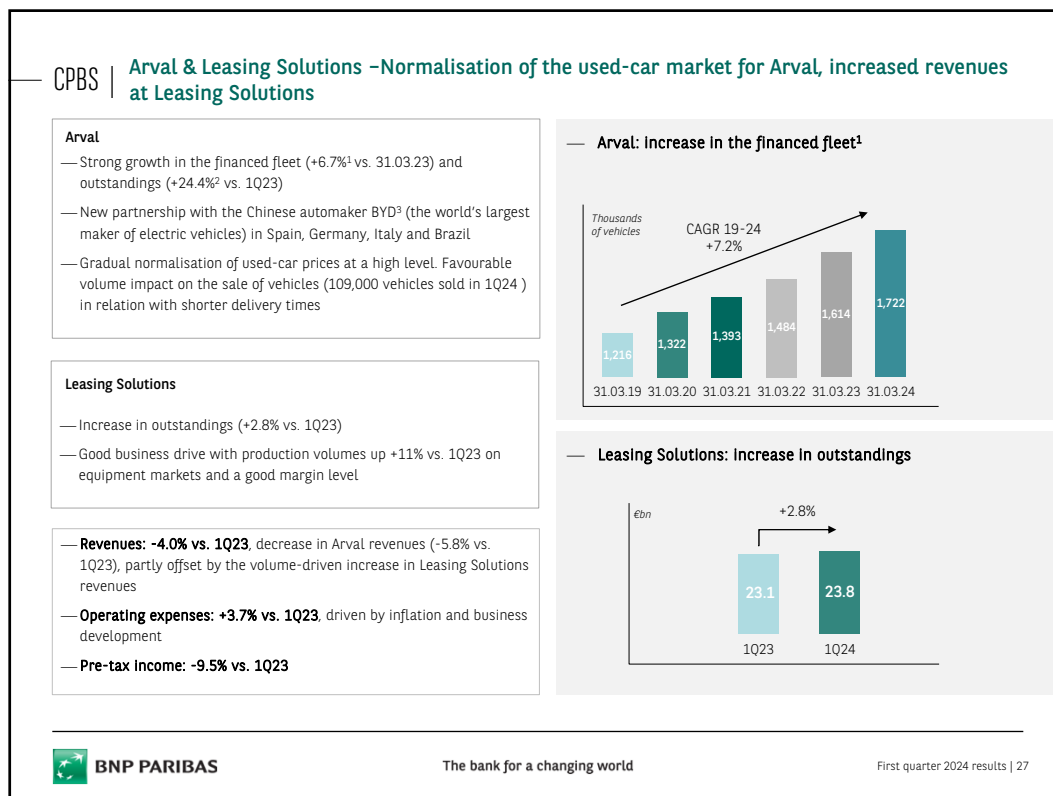


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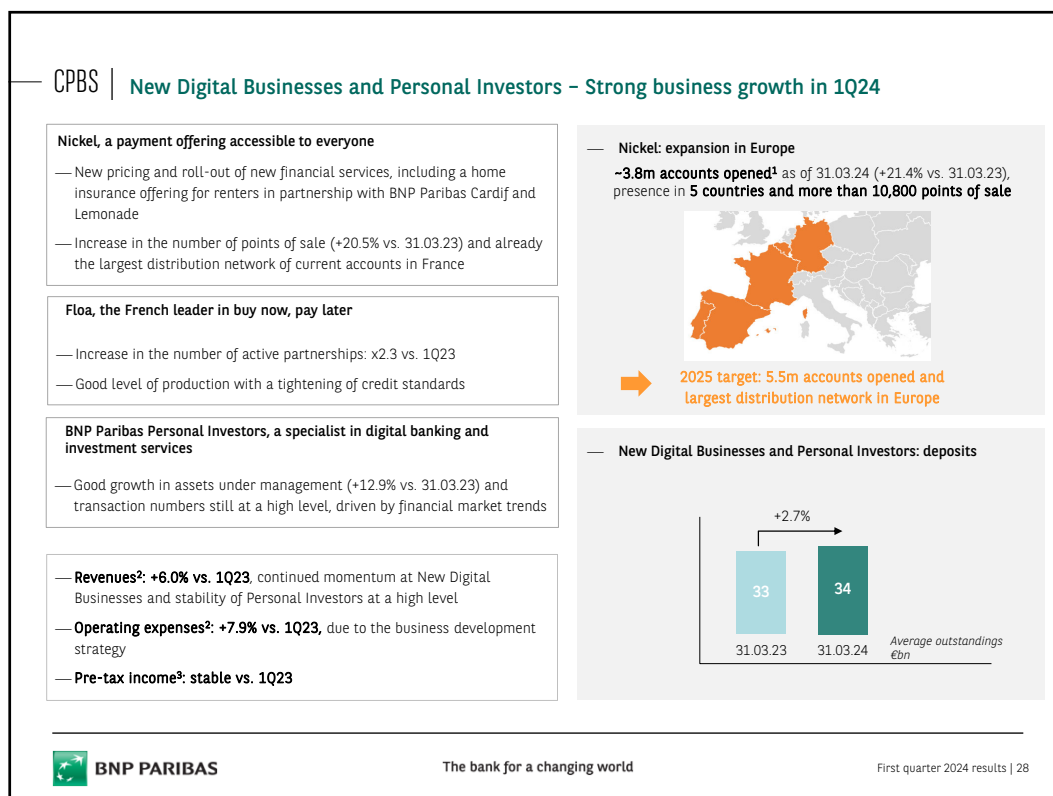


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## Arval &amp; Leasing Solutions – New Digital Businesses &amp; Personal Investors – 1Q24 Simplified profit &amp; loss statement

|   | 1Q24         | 1Q23         | 1Q24 / 1Q23    |
|---|--------------|--------------|----------------|
| €m  |              |              |                |
| <b>Arval &amp; Leasing Solutions</b>        |              |              |                |
| Revenues                                    | 942          | 982          | -4.0%          |
| Operating Expenses and Dep.                 | -393         | -379         | +3.7%          |
| <b>Gross Operating Income</b>               | <b>549</b>   | <b>603</b>   | <b>-8.9%</b>   |
| Cost of Risk and others                     | -46          | -38          | +21.0%         |
| <b>Operating Income</b>                     | <b>503</b>   | <b>564</b>   | <b>-10.9%</b>  |
| Share of Earnings of Equity-Method Entities | 0            | 0            | n.s.           |
| Other Non Operating Items                   | -14          | -24          | -41.8%         |
| <b>Pre-Tax Income</b>                       | <b>489</b>   | <b>541</b>   | <b>-9.5%</b>   |
| <b>Cost/Income</b>                          | <b>41.7%</b> | <b>38.6%</b> | <b>+3.1 pt</b> |

Allocated equity available in quarterly series

|  | 1Q24         | 1Q23         | 1Q24 / 1Q23    |
|--|--------------|--------------|----------------|
| €m   |              |              |                |
| <b>New Digital Businesses &amp; Personal Investors<sup>1</sup></b> |              |              |                |
| Revenues   | 258          | 243          | +6.0%          |
| Operating Expenses and Dep.  | -185         | -172         | +7.9%          |
| <b>Gross Operating Income</b>                                      | <b>72</b>    | <b>72</b>    | <b>+1.3%</b>   |
| Cost of Risk and others  | -24          | -23          | +4.9%          |
| <b>Operating Income</b>  | <b>49</b>    | <b>49</b>    | <b>-0.4%</b>   |
| Share of Earnings of Equity-Method Entities                        | -2           | -2           | -17.5%         |
| Other Non Operating Items  | 0            | 0            | n.s.           |
| <b>Pre-Tax Income</b>  | <b>47</b>    | <b>47</b>    | <b>-0.1%</b>   |
| Income Attributable to Wealth and Asset Management                 | -1           | -1           | -2.3%          |
| <b>Pre-Tax Income of NDB &amp; PI</b>                              | <b>46</b>    | <b>46</b>    | <b>-0.0%</b>   |
| <b>Cost/Income</b>   | <b>71.9%</b> | <b>70.6%</b> | <b>+1.3 pt</b> |

<sup>1</sup> Including 100% of Private Banking for the Revenues to Pre-tax income line items - Allocated equity available in quarterly series



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## Arval &amp; Leasing Solutions – New Digital Businesses &amp; Personal Investors – 1Q24 Volumes

## Arval

|                                      | 1Q24  | %Var/1Q23  |                                      | %Var/4Q23  |                                      |
|--------------------------------------|-------|------------|--------------------------------------|------------|--------------------------------------|
| Average outstandings (€bn)           |       | historical | at constant scope and exchange rates | historical | at constant scope and exchange rates |
| Consolidated Outstandings            | 37.1  | +24.4%     | +24.4%                               | +5.6%      | +5.5%                                |
| Financed vehicles ('000 of vehicles) | 1,722 | +6.7%      | +6.7%                                | +1.2%      | +1.2%                                |

## Leasing Solutions

|                            | 1Q24 | %Var/1Q23  |                                      | %Var/4Q23  |                                      |
|----------------------------|------|------------|--------------------------------------|------------|--------------------------------------|
| Average outstandings (€bn) |      | historical | at constant scope and exchange rates | historical | at constant scope and exchange rates |
| Consolidated Outstandings  | 23.8 | +2.8%      | +2.8%                                | +0.5%      | +0.4%                                |

## New Digital Businesses &amp; Personal Investors

| €bn                                 | 31.03.24 | %Var/ 31.03.23 | %Var/ 31.12.23 | Average outstandings (€bn) | 1Q24 | %Var/ 1Q23 | %Var/ 4Q23 |
|-------------------------------------|----------|----------------|----------------|----------------------------|------|------------|------------|
| ASSETS UNDER MANAGEMENT             | 177.5    | +12.9%         | +5.5%          | LOANS                      | 1.8  | +4.8%      | +2.5%      |
| European Customer Orders (millions) | 9.2      | -8.1%          | +4.4%          | DEPOSITS                   | 33.8 | +2.7%      | +1.8%      |



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## Details by business lines

1Q24 results



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### IPS | 1Q24 Simplified profit & loss statement

| €m  | 1Q24  | 1Q23  | 1Q24 / 1Q23 |
|---|-------|-------|-------------|
| <b>Investment &amp; Protection Services</b> |       |       |             |
| Revenues                                    | 1,420 | 1,409 | +0.8%       |
| Operating Expenses and Dep.                 | -883  | -884  | -0.1%       |
| Gross Operating Income                      | 537   | 525   | +2.2%       |
| Cost of Risk and others                     | -4    | -1    | n.s.        |
| Operating Income                            | 533   | 524   | +1.6%       |
| Share of Earnings of Equity-Method Entities | 40    | 68    | -41.8%      |
| Other Non Operating Items                   | 1     | 0     | n.s.        |
| Pre-Tax Income                              | 573   | 592   | -3.2%       |
| Cost/Income                                 | 62.2% | 62.7% | -0.5 pt     |

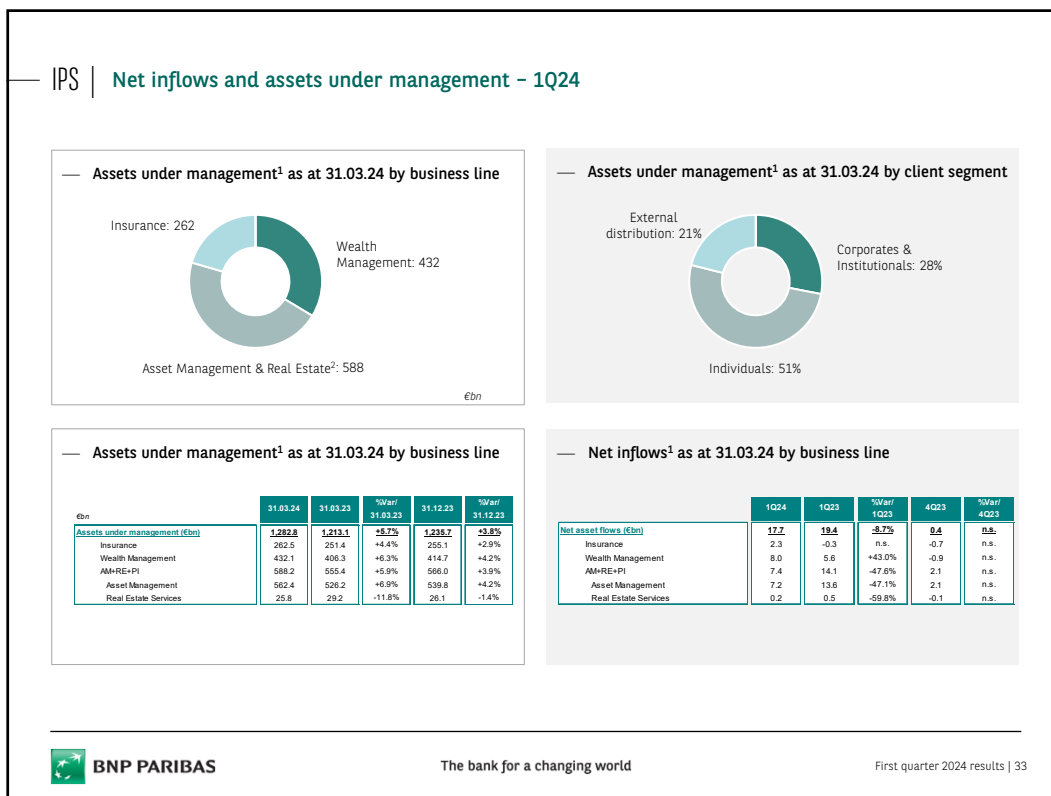
- **Revenues: +0.8% vs. 1Q23 (+4.2% excluding Real Estate and Principal Investments)**
  - Increase in revenues driven by growth at Wealth Management, Insurance and Asset Management
  - Decrease in revenues due to a high base effect at Principal Investments and lower revenues at Real Estate
- **Operating expenses: -0.1% vs. 1Q23, (+0.3% excluding Real Estate and Principal Investments)**
  - Good control of operating expenses
  - Investments in targeted projects
  - Jaws effect positive (0.9pt) and very positive excluding Real Estate and Principal Investments (+3.9pts)
- **Pre-tax income: -3.2% vs. 1Q23 (+5.6% excluding Real Estate and Principal Investments)**
  - Decrease in contributions from associates



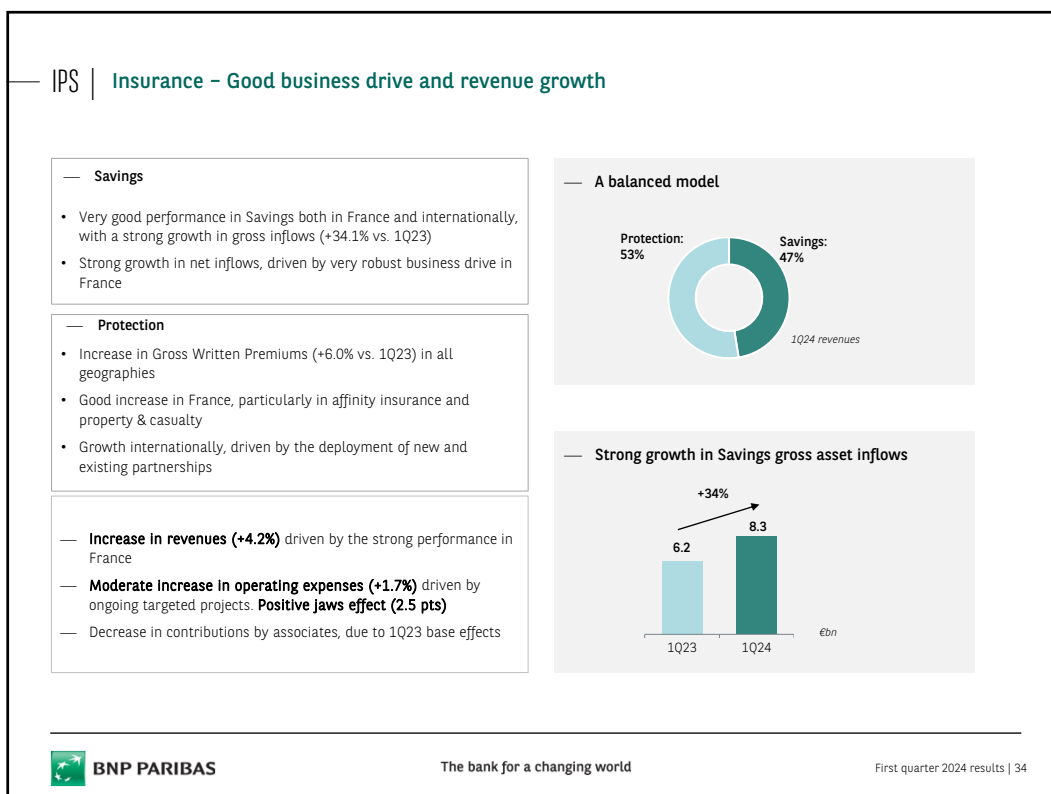
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|   |       |       |             |
|---|-------|-------|-------------|
| IPS   Insurance – 1Q24 Simplified profit & loss statement |       |       |             |
|   | 1Q24  | 1Q23  | 1Q24 / 1Q23 |
| €m  |       |       |             |
| Insurance   |       |       |             |
| Revenues  | 546   | 524   | +4.2%       |
| Operating Expenses and Dep.                               | -205  | -202  | +1.7%       |
| Gross Operating Income                                    | 341   | 322   | +5.8%       |
| Cost of Risk and others                                   | 0     | 0     | n.s.        |
| Operating Income  | 341   | 322   | +5.8%       |
| Share of Earnings of Equity-Method Entities               | 43    | 59    | -27.5%      |
| Other Non Operating Items                                 | 1     | 0     | n.s.        |
| Pre-Tax Income  | 385   | 381   | +1.0%       |
| Cost/Income   | 37.8% | 38.5% | -0.9 pt     |

Allocated equity available in quarterly series

- IFRS 17 "Insurance contracts" has replaced IFRS 4 "Insurance contracts" since 01.01.23. IFRS 17 entered into force at the same time as the implementation of IFRS 9 for insurance activities.
- The impact of volatility generated by the fair value accounting of assets through profit and loss (IFRS 9) is presented in Corporate Centre and therefore has no impact on Insurance revenues.


| IPS   Wealth and Asset Management <sup>1</sup> – Dynamic business activity and revenue growth at Wealth Management and Asset Management <sup>2</sup>   |  |          |            |       |     |             |     |          |     |                         |    |              |     |
|--|--|----------|------------|-------|-----|-------------|-----|----------|-----|-------------------------|----|--------------|-----|
| <ul style="list-style-type: none"> <li><b>Wealth Management</b> <ul style="list-style-type: none"> <li>Good net asset inflows (€8bn in 1Q24) especially in Commercial &amp; Personal Banking and with high-net-worth clients and increase in assets under management with a positive market performance impact</li> </ul> </li> <li><b>Asset Management<sup>2</sup>:</b> <ul style="list-style-type: none"> <li>Sustained net inflows (€7.2bn in 1Q24), driven by net inflows into money-market funds and passively managed funds</li> <li>Launch of two new bond ETFs with an active ESG approach</li> </ul> </li> <li><b>Real Estate:</b> Strong decline in revenues, due to the slowdown in the real-estate market</li> </ul> | <ul style="list-style-type: none"> <li><b>Wealth Management: Acknowledged leadership</b> <div> <div> <p><b>28 Euromoney<sup>3</sup> awards, including:</b></p> </div> <div> <p>Western Europe's Best Regional Private Bank</p> <p>Asia's Best for Discretionary Portfolio Management</p> </div> </div> <div> <p><b>Asian Private Banker<sup>4</sup></b></p> <p>Best Private Bank, Next Generation Services</p> <p>Best International Private Bank, Discretionary Portfolio Management</p> <p>Best Private Bank, Investment Advisory</p> </div> </li> <li><b>Asset Management: €562bn of AuM<sup>5</sup> as at 31.03.24</b> <div> <table border="1"> <caption>Asset Management Portfolio Distribution (as at 31.03.24)</caption> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Bonds</td> <td>26%</td> </tr> <tr> <td>Diversified</td> <td>23%</td> </tr> <tr> <td>Equities</td> <td>22%</td> </tr> <tr> <td>Alternatives and others</td> <td>8%</td> </tr> <tr> <td>Money-market</td> <td>22%</td> </tr> </tbody> </table> </div> </li> </ul> | Category | Percentage | Bonds | 26% | Diversified | 23% | Equities | 22% | Alternatives and others | 8% | Money-market | 22% |
| Category   | Percentage   |          |            |       |     |             |     |          |     |                         |    |              |     |
| Bonds  | 26%  |          |            |       |     |             |     |          |     |                         |    |              |     |
| Diversified  | 23%  |          |            |       |     |             |     |          |     |                         |    |              |     |
| Equities   | 22%  |          |            |       |     |             |     |          |     |                         |    |              |     |
| Alternatives and others  | 8%   |          |            |       |     |             |     |          |     |                         |    |              |     |
| Money-market   | 22%  |          |            |       |     |             |     |          |     |                         |    |              |     |

IPS

Wealth and Asset Management – 1Q24 Simplified profit & loss statement

| €m  | 1Q24         | 1Q23         | 1Q24 / 1Q23    |
|---|--------------|--------------|----------------|
| <b>Wealth and Asset Management</b>          |              |              |                |
| Revenues                                    | 874          | 885          | -1.3%          |
| Operating Expenses and Dep.                 | -678         | -682         | -0.6%          |
| <b>Gross Operating Income</b>               | <b>196</b>   | <b>203</b>   | <b>-3.3%</b>   |
| Cost of Risk and others                     | -4           | -1           | n.s.           |
| <b>Operating Income</b>                     | <b>192</b>   | <b>202</b>   | <b>-5.0%</b>   |
| Share of Earnings of Equity-Method Entities | -3           | 9            | n.s.           |
| Other Non Operating Items                   | 0            | 0            | n.s.           |
| <b>Pre-Tax Income</b>                       | <b>188</b>   | <b>211</b>   | <b>-10.7%</b>  |
| <b>Cost/Income</b>                          | <b>77.5%</b> | <b>77.1%</b> | <b>+0.5 pt</b> |

*Allocated equity available in quarterly series*


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SECTION 4

Other items

1Q24 results


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## CORPORATE CENTRE | Restatements of the volatility and attributable operating expenses related to insurance activities

| €m  | 1Q24 | 1Q23 | 1Q24 / 1Q23 |
|---|------|------|-------------|
| Corporate Center : restatement related to insurance activities of the volatility (IFRS9) and attributable costs (internal distributors) |      |      |             |
| Revenues  | -274 | -266 | +3.2%       |
| Incl. Restatement of the volatility (Insurance business)  | -7   | -16  | -59.3%      |
| Incl. Restatement of attributable costs (Internal Distributors)   | -267 | -250 | +7.2%       |
| Operating Expenses and Dep.   | 267  | 250  | +7.2%       |
| Incl. Restatement of attributable costs (Internal Distributors)   | 267  | 250  | +7.2%       |
| Gross Operating Income  | -7   | -16  | -59.3%      |
| Operating Income  | -7   | -16  | -59.3%      |
| Pre-Tax Income  | -7   | -16  | -59.3%      |

Allocated equity available in quarterly series

- As of 01.01.23, Corporate Centre includes two restatements related to the application of IFRS 17, alongside the implementation of IFRS 9 for Insurance activities. For a better readability, these restatements will be reported separately each quarter.
- Operating expenses deemed "attributable to insurance activities" are recognised in deduction of Revenues and no longer booked in operating expenses. The impact of these entries for internal distributors is presented in Corporate Centre. These entries have no impact on gross operating income
- The impact of volatility generated by the fair value accounting of assets through profit and loss (IFRS 9) is presented in Corporate Centre and therefore has no impact on Insurance revenues.



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## CORPORATE CENTRE | Excluding the restatements related to insurance activities

| €m  | 1Q24 | 1Q23 | 1Q24 / 1Q23 | 1Q23 Dist |
|---|------|------|-------------|-----------|
| Corporate Center excl. restatement related to insurance activities of the volatility (IFRS9) and attributable costs (internal distributors) |      |      |             |           |
| Revenues  | 153  | 24   | n.s.        | -478      |
| Operating Expenses and Dep.   | -208 | -297 | -30.2%      | -1,430    |
| Incl. Restructuring, IT Reinforcement and Adaptation Costs  | -103 | -125 | -17.6%      | -361      |
| Gross Operating Income  | -54  | -273 | -80.1%      | -1,909    |
| Cost of Risk  | -10  | 6    | n.s.        | 6         |
| Other net losses for risk on financial instruments  | 0    | 0    | n.s.        | -50       |
| Operating Income  | -64  | -267 | -75.8%      | -1,952    |
| Share of Earnings of Equity-Method Entities   | 82   | 12   | n.s.        | 12        |
| Other Non Operating Items   | 227  | -1   | n.s.        | -1        |
| Pre-Tax Income  | 244  | -256 | n.s.        | -1,941    |

Allocated equity available in quarterly series

- Revenues**
  - Revaluation of proprietary credit risk included in derivatives (DVA): -€26m (-€54m in 1Q23)
  - A favourable interest-rate environment
- Operating expenses**
  - Restructuring and adaptation costs: -€29m (-€30m in 1Q23)
  - IT reinforcement costs: -€74m (-€95m in 1Q23)
- Other non-operating expenses:**
  - Reconsolidation of commercial banking activities in Ukraine: +€226m
  - Contribution of associates
- 1Q24 pre-tax income: +€244m**



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## IFRIC 21 | Breakdown of taxes and contributions subject to IFRIC 21 – 1Q24

| m€   | 1Q24        | 1Q23<br>distributable | 1Q23<br>restated |
|--|-------------|-----------------------|------------------|
| <b>CIB</b>   | <b>-71</b>  | <b>-194</b>           | <b>-194</b>      |
| Global Banking   | -28         | -52                   | -52              |
| Global Markets   | -37         | -128                  | -128             |
| Securities Services  | -6          | -13                   | -13              |
| <b>Commercial, Personal Banking and Services</b>                 | <b>-538</b> | <b>-522</b>           | <b>-522</b>      |
| <b>Commercial &amp; Personal banking in the Euro Zone</b>        | <b>-442</b> | <b>-430</b>           | <b>-430</b>      |
| Commercial & Personal Banking in France <sup>1</sup>             | -68         | -73                   | -73              |
| BNL bc <sup>1</sup>  | -7          | -15                   | -15              |
| Commercial & Personal Banking in Belgium <sup>1</sup>            | -359        | -331                  | -331             |
| Commercial & Personal Banking in Luxembourg <sup>1</sup>         | -8          | -11                   | -11              |
| <b>Commercial &amp; Personal Banking outside the Euro Zone</b>   | <b>-34</b>  | <b>-30</b>            | <b>-30</b>       |
| Europe-Mediterranean <sup>1</sup>                                | -34         | -30                   | -30              |
| <b>Specialised Businesses</b>                                    | <b>-61</b>  | <b>-63</b>            | <b>-63</b>       |
| Personal Finance   | -46         | -46                   | -46              |
| Arval & Leasing Solutions  | -10         | -16                   | -16              |
| New Digital Businesses & Personal Investors <sup>1</sup>         | -5          | -1                    | -1               |
| <b>Investment &amp; Protection Services</b>                      | <b>-27</b>  | <b>-27</b>            | <b>-27</b>       |
| Insurance  | -1          | -3                    | -3               |
| Wealth Management  | -22         | -21                   | -21              |
| Asset Management (including Real Estate & Principal Investments) | -4          | -3                    | -3               |
| <b>Corporate Centre</b>  | <b>-52</b>  | <b>-36</b>            | <b>-858</b>      |
| <b>TOTAL</b>   | <b>-688</b> | <b>-779</b>           | <b>-1,601</b>    |

— Reminder: end of the build-up of the Single Resolution Fund (SRF) starting in 2024

— €1,002m contribution to SRF paid in 2023 (including €797m in 1Q23)

— Reminder: 29 February 2024 restatement reflecting the end of the build-up of the SRF and the assumption of a similar contribution to local banking taxes at a level estimated at €200m, allocated to divisions and business lines

<sup>1</sup>Including 2/3 of Private Banking



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## NUMBER OF SHARES AND EARNINGS PER SHARE

### Number of Shares

| in millions  | 31-Mar-24 | 31-Mar-23 |
|--|-----------|-----------|
| Number of Shares (end of period)                               | 1,147     | 1,234     |
| Number of Shares excluding Treasury Shares (end of period)     | 1,137     | 1,232     |
| Average number of Shares outstanding excluding Treasury Shares | 1,145     | 1,233     |

Reminder: 16,666,738 shares acquired between 4 March 2024 and 23 April 2024 under 2024 BNP Paribas' share buyback programme, of which 8,222,191 shares as at 29 March 2024

### Earnings Per Share (EPS)

| in millions   | 31-Mar-24    |
|---|--------------|
| Net income attributable to equity holders   | 3,103        |
| Remuneration net of tax of Undated Super Subordinated Notes   | -167         |
| Exchange rate effect on reimbursed Undated Super Subordinated Notes   | -58          |
| <b>Net income attributable to equity holders, after remuneration and exchange rate effect on Undated Super Subordinated Notes</b> | <b>2,878</b> |
| Average number of Shares outstanding excluding Treasury Shares  | 1,145        |
| <b>Net Earnings per Share (EPS) in euros</b>  | <b>2.51</b>  |



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## BOOK VALUE PER SHARE

| <i>in millions of euros</i>  | 31-Mar-24      | 31-Mar-23      |             |
|--|----------------|----------------|-------------|
| <b>Shareholders' Equity Group share</b>  | <b>125,011</b> | <b>127,145</b> | (1)         |
| of which Changes in assets and liabilities recognised directly in equity (valuation reserve) | -3,057         | -3,199         | (2)         |
| of which Undated Super Subordinated Notes  | 12,143         | 13,471         | (2)         |
| of which Remuneration net of tax payable to holders of Undated Super Subordinated Notes      | 141            | 113            | (3)         |
| <b>Net Book Value (a)</b>  | <b>112,727</b> | <b>113,561</b> | (1)-(2)-(3) |
| Goodwill and intangibles   | 9,600          | 9,119          |             |
| <b>Tangible Net Book Value (a)</b>   | <b>103,127</b> | <b>104,442</b> |             |
| <b>Number of Shares excluding Treasury Shares (end of period) in millions</b>                | <b>1,137</b>   | <b>1,232</b>   |             |
| <b>Book Value per Share (euros)</b>  | <b>99.1</b>    | <b>92.2</b>    |             |
| of which book value per share excluding valuation reserve (euros)                            | 101.8          | 94.8           |             |
| <b>Net Tangible Book Value per Share (euros)</b>   | <b>90.7</b>    | <b>84.8</b>    |             |

(a) Excluding Undated Super Subordinated Notes and remuneration net of tax payable to holders of Undated Super Subordinated Notes

## RETURN ON EQUITY AND PERMANENT SHAREHOLDERS' EQUITY (1/2)

— Permanent Shareholders' Equity Group share, not revaluated, used for the calculation of ROE and ROTE (based on reported results)

| <i>in millions of euros</i>   | 31-Mar-24      | 31-Mar-23      |                             |
|---|----------------|----------------|-----------------------------|
| <b>Net Book Value</b>   | <b>112,727</b> | <b>113,561</b> | (1)                         |
| of which changes in assets and liabilities recognised directly in equity (valuation reserve)              | -3,057         | -3,199         | (2)                         |
| of which 2022 dividend distribution project   |                | 5,773          | (3)                         |
| of which 2023 dividend distribution project   | 5,790          | 7,909          | (4)                         |
| of which assumption of distribution of 2024 net income  | 7,450          |                | (5)                         |
| Annualisation of restated result (a)  | 10,104         | 10,227         | (6)                         |
| Restatement of remuneration of Undated Super Subordinated Notes for the annualised calculation            | -565           | -463           | (7)                         |
| <b>Permanent shareholders' equity, not revaluated, used for the calculation of ROE (b)</b>                | <b>112,083</b> | <b>112,842</b> | (1)-(2)-(3)-(4)-(5)+(6)+(7) |
| Goodwill and intangibles  | 9,600          | 9,119          |                             |
| <b>Tangible permanent shareholders' equity, not revaluated, used for the calculation of ROTE (b)</b>      | <b>102,483</b> | <b>103,723</b> |                             |
| <b>Average permanent shareholders' equity, not revaluated, used for the ROE calculation (c)</b>           | <b>109,430</b> | <b>109,971</b> |                             |
| <b>Average tangible permanent shareholders' equity, not revaluated, used for the ROTE calculation (d)</b> | <b>99,802</b>  | <b>99,416</b>  |                             |

a) 3 \* 1Q24 Net Income Group share excluding exceptional items but including IT reinforcement, adaptation and restructuring costs and excluding contribution to levies after tax (see details on IFRIC 21 slide)

(b) Excluding Undated Super Subordinated Notes, remuneration net of tax payable to holders of Undated Super Subordinated Notes, and including the assumptions of distribution of net income

(c) Average Permanent shareholders' equity: average between beginning of the year and end of the period including in particular annualised net income as at 31 March 2024 with exceptional items and contribution to taxes not annualised (Permanent Shareholders' equity = Shareholders' equity attributable to shareholders - changes in assets and liabilities recognised directly in equity - Undated Super Subordinated Notes - remuneration net of tax payable to holders of Undated Super Subordinated Notes - dividend distribution assumption)

(d) Average Tangible permanent shareholders' equity: average between beginning of the year and end of the period including in particular annualised net income as at 31 March 2024 with exceptional items and contribution to taxes not annualised (Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)

## RETURN ON EQUITY AND PERMANENT SHAREHOLDERS' EQUITY (2/2)

### Calculation of Return on Equity

|   |                  |                  |     |
|---|------------------|------------------|-----|
| <i>in millions of euros</i>   |                  |                  |     |
| <b>Net income Group share</b>   | <b>31-Mar-24</b> | <b>31-Mar-23</b> | (1) |
|   | <b>3,103</b>     | <b>4,435</b>     |     |
| Exceptional items (after tax) (a)   | 265              | 2,383            | (2) |
|   |                  |                  | (3) |
|   |                  |                  | (4) |
|   |                  |                  | (5) |
| Contribution to the Single Resolution Fund (SRF) and levies after tax   | -599             | -1,444           | (6) |
| <b>Net income Group share, not revaluated (exceptional items, contribution to SRF and taxes not annualised) (b)</b> | <b>13,483</b>    | <b>15,009</b>    |     |
| Remuneration net of tax of Undated Super Subordinated Notes and exchange effect                                     | -790             | -610             |     |
| Impact of annualised IT reinforcement and restructuring costs   | -276             | -348             |     |
| <b>Net income Group share used for the calculation of ROE/ROTE (c)</b>  | <b>12,417</b>    | <b>14,052</b>    |     |
| <b>Average permanent shareholders' equity, not revaluated, used for the ROE calculation (d)</b>                     | <b>109,430</b>   | <b>109,971</b>   |     |
| <b>Return on Equity (ROE)</b>   | <b>11.3%</b>     | <b>12.8%</b>     |     |
| <b>Average tangible permanent shareholders' equity, not revaluated, used for the ROTe calculation (e)</b>           | <b>99,802</b>    | <b>99,416</b>    |     |
| <b>Return on Tangible Equity (ROTE)</b>   | <b>12.4%</b>     | <b>14.1%</b>     |     |

(a) See slide 7

(b) Based on annualised reported 1Q24 Net Income, Group share, (6)-4\*[(1)-(2)-(5)]+(3)+(5)

(c) Based on annualised reported 1Q24 Net Income, Group share

(d) Average Permanent shareholders' equity: average between beginning of the year and end of the period including in particular 1Q24 annualised reported Net Income with exceptional items and taxes not annualised (Permanent Shareholders' equity = Shareholders' equity attributable to shareholders - changes in assets and liabilities recognised directly in equity - Undated Super Subordinated Notes - remuneration net of tax payable to holders of Undated Super Subordinated Notes - dividend distribution assumption)

(e) Average Tangible permanent shareholders' equity: average between beginning of the year and end of the period including in particular annualised reported 1Q24 Net Income with exceptional items and taxes not annualised (Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)



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## DOUBTFUL LOANS / GROSS OUTSTANDING AND COVERAGE RATIO

### Doubtful loans/gross outstandings

|                                       |                  |                  |
|---------------------------------------|------------------|------------------|
|                                       | <b>31-Mar-24</b> | <b>31-Mar-23</b> |
| <b>Doubtful loans (a) / Loans (b)</b> | <b>1.7%</b>      | <b>1.7%</b>      |

(a) Impaired loans (stage 3) to customers and credit institutions, net of guarantees, including on-balance sheet and off-balance sheet and debt securities measured at amortized costs or at fair value through shareholders' equity

(b) Gross outstanding loans to customers and credit institutions, on-balance sheet and off-balance sheet and including debt securities measured at amortized costs or at fair value through shareholders' equity (excluding insurance)

### Coverage ratio

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| <i>€bn</i>                           | <b>31-Mar-24</b> | <b>31-Mar-23</b> |
| <b>Allowance for loan losses (a)</b> | <b>13.7</b>      | <b>14.0</b>      |
| <b>Doubtful loans (b)</b>            | <b>19.6</b>      | <b>19.4</b>      |
| <b>Stage 3 coverage ratio</b>        | <b>69.8%</b>     | <b>72.2%</b>     |

(a) Stage 3 provisions

(b) Impaired loans (stage 3) to customers and credit institutions, on-balance sheet and off-balance sheet, net of guarantees received, including debt securities measured at amortized costs or at fair value through shareholders' equity (excluding insurance)



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## COMMON EQUITY TIER 1 RATIO

— **Basel 3 Common Equity Tier 1 ratio<sup>1</sup>**  
(Accounting capital to prudential capital reconciliation)

| €bn  | 31-Mar-24    | 31-Dec-23    |
|--|--------------|--------------|
| <b>Consolidated Equity</b>                                   | <b>130.6</b> | <b>128.9</b> |
| Undated super subordinated notes                             | -12.1        | -13.5        |
| 2023 net income distribution project <sup>2</sup> (dividend) | -5.2         | -5.3         |
| 2024 net income distribution project (dividend)              | -1.7         |              |
| Share buyback project  |              | -1.1         |
| Regulatory adjustments on equity <sup>3</sup>                | -2.0         | -1.8         |
| Regulatory adjustments on minority interests                 | -3.6         | -3.0         |
| Goodwill and intangible assets                               | -7.7         | -8.0         |
| Deferred tax assets related to tax loss carry forwards       | -0.3         | -0.3         |
| Other regulatory adjustments                                 | -2.1         | -1.5         |
| Deduction of irrevocable payments commitments                | -1.5         | -1.5         |
| <b>Common Equity Tier One capital</b>                        | <b>94.4</b>  | <b>92.9</b>  |
| <b>Risk-weighted assets</b>                                  | <b>722</b>   | <b>704</b>   |
| <b>Common Equity Tier 1 Ratio</b>                            | <b>13.1%</b> | <b>13.2%</b> |

1. CRD5; 2. Subject to the approval of the General Meeting of 14 May 2024; 3. Including Prudent Valuation Adjustment

— **Capital ratios**

|                                       | 31-Mar-24    | 31-Dec-23    |
|---------------------------------------|--------------|--------------|
| <b>Total Capital Ratio (a)</b>        | <b>17.1%</b> | <b>17.3%</b> |
| <b>Tier 1 Ratio (a)</b>               | <b>15.1%</b> | <b>15.3%</b> |
| <b>Common equity Tier 1 ratio (a)</b> | <b>13.1%</b> | <b>13.2%</b> |

(a) CRD5, on risk-weighted assets of €722bn as at 31.03.24 and €704bn as at 31.12.23



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## MEDIUM/LONG TERM REGULATORY FUNDING | Continued presence in debt markets

— **2024 MLT regulatory issuance plan €23.0bn<sup>1</sup>**

Around 52% of the regulatory issuance plan realised as of 2 April 2024

**Capital instruments: €4.5bn<sup>1</sup>**

- **AT1: €2.5bn<sup>1</sup>, ~€1.4bn already issued<sup>2</sup> Including**
  - \$1.5bn, PerpNC7.5<sup>3</sup>, 8.00% coupon (sa, 30/360) equiv. US Treasury+372.7 bps
- **Tier 2: €2.0bn<sup>1</sup>, ~€0.4bn already issued<sup>2</sup> Including**
  - SGD550m, 10NC5<sup>4</sup>, 4.75% coupon (sa, act/365) equiv. mid-swap SORA-OIS+190.1 bps

**Senior debt: €18.5bn<sup>1</sup>**

- **Non-Preferred: ~€5.6bn already issued<sup>2</sup> Including**
  - €750m, 8NC7<sup>5</sup>, mid-swap€+160 bps
  - €1.5bn, 10y bullet, mid-swap€+140 bps
  - \$1.75bn, 6.25NC5,25<sup>6</sup>, US Treasury+138 bps
  - \$1.5bn, 11NC10<sup>7</sup>, US Treasuries+158 bps
- **Preferred: ~€4.6bn already issued<sup>2</sup> Including**
  - \$2.0bn 11NC10<sup>7</sup>, US Treasury+155 bps (issued in December 2023)
  - \$1.75bn, 6NC5<sup>8</sup>, US Treasury+125 bps
  - CHF210m, 8y bullet, CHF mid-swap SARON+94 bps
  - A\$1.2bn (fixed/FRN), 5y bullet, BBSW+137 bps

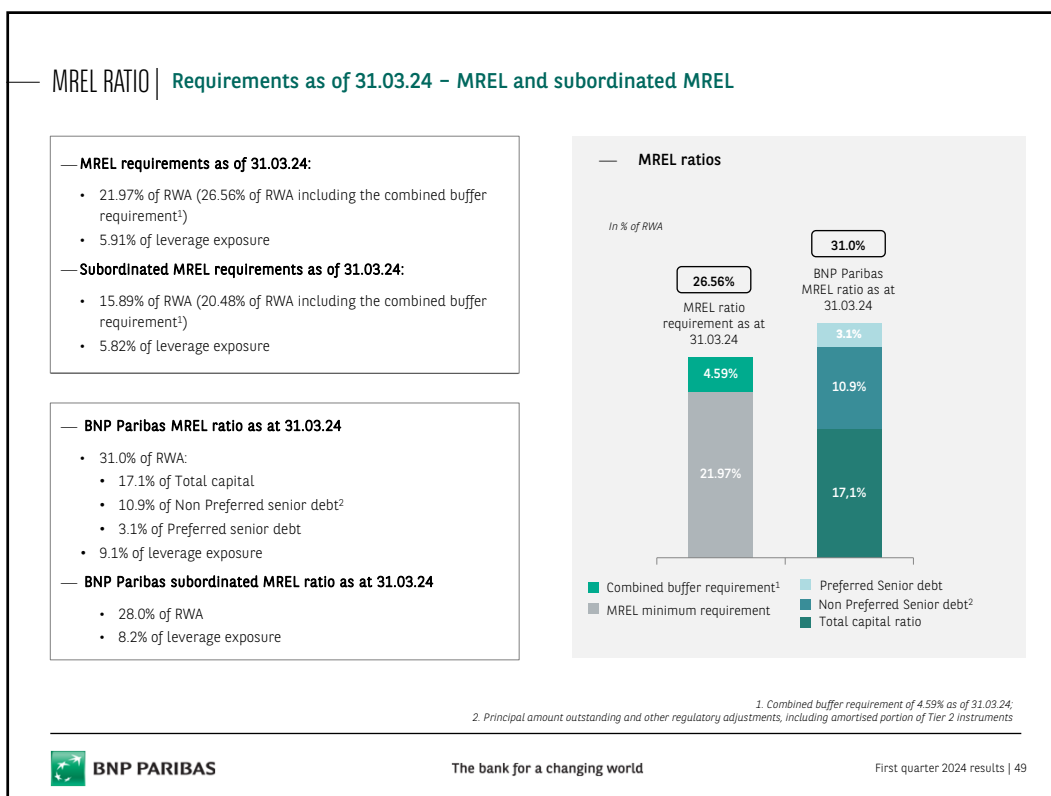
1. Please refer to the Fixed Income presentation as of 29 December 2023, subject to market conditions, indicative amounts; 2. Valuation in € based on historical FX rates for cross-currency swapped issuances and on trade date for others; 3. Perpetual, callable on year 7.5, and every 5 year thereafter; 4. 10-year maturity callable on year 5 only; 5. 8-year maturity callable on year 7 only; 6. 6.25-year maturity callable on year 5.25 only; 7. 11-year maturity callable on year 10 only; 8. 6-year maturity callable on year 5 only.



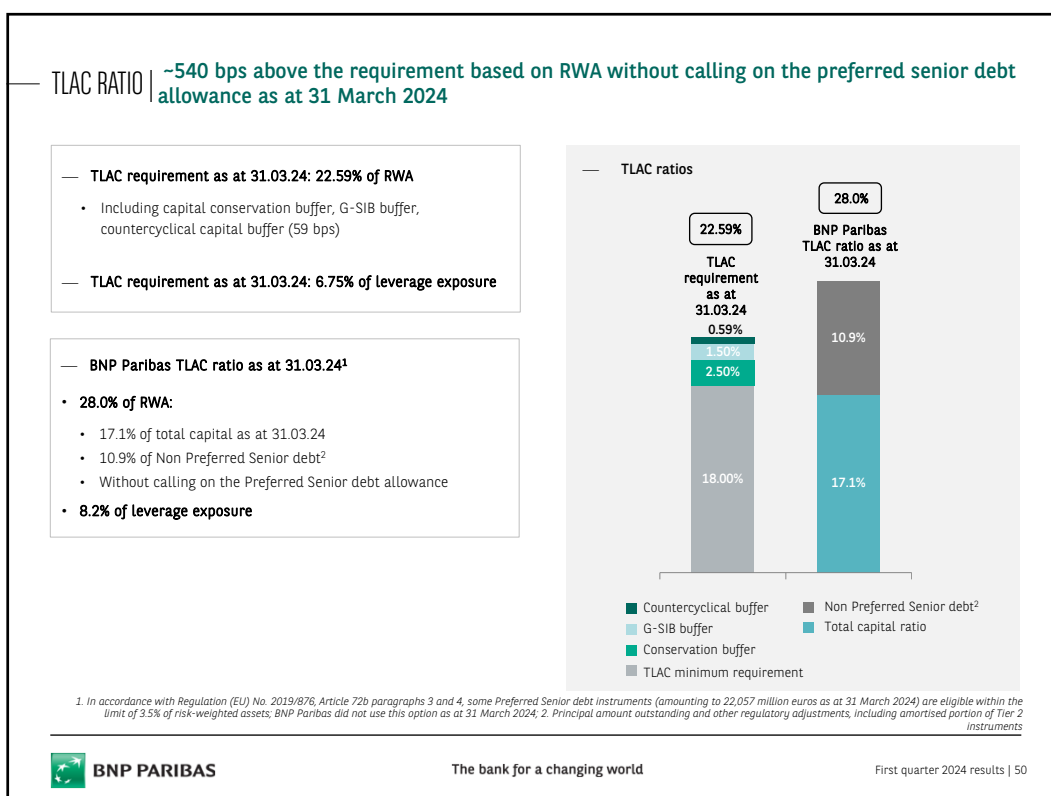
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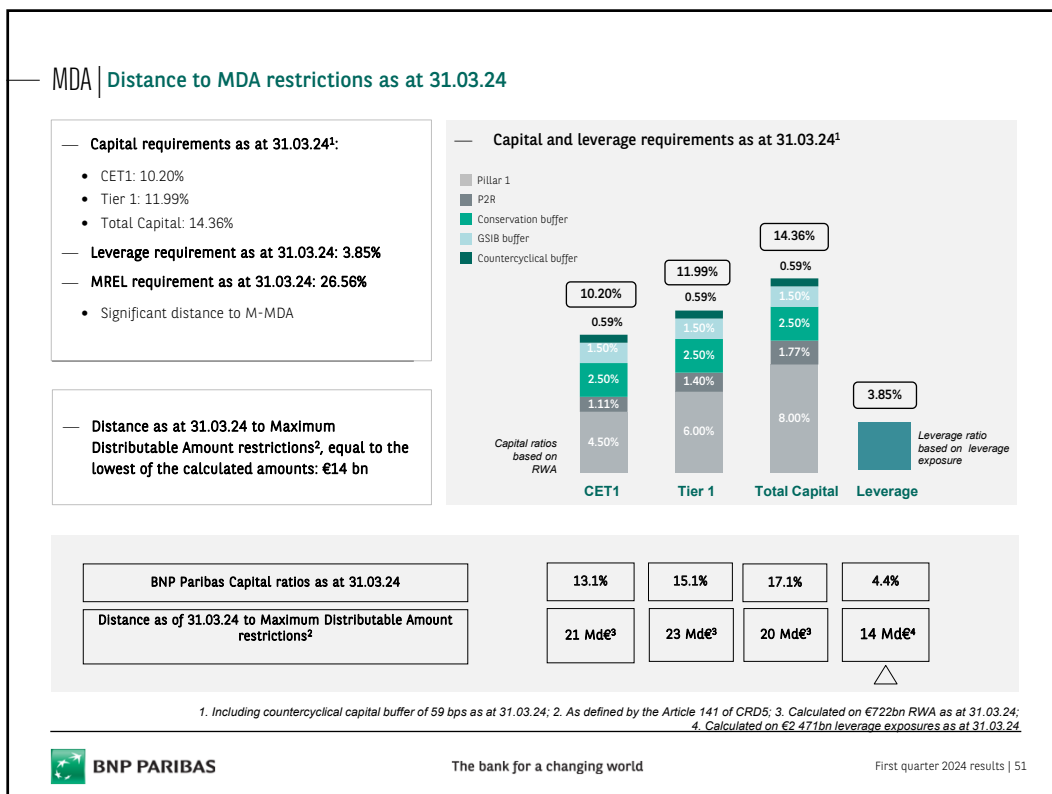
48



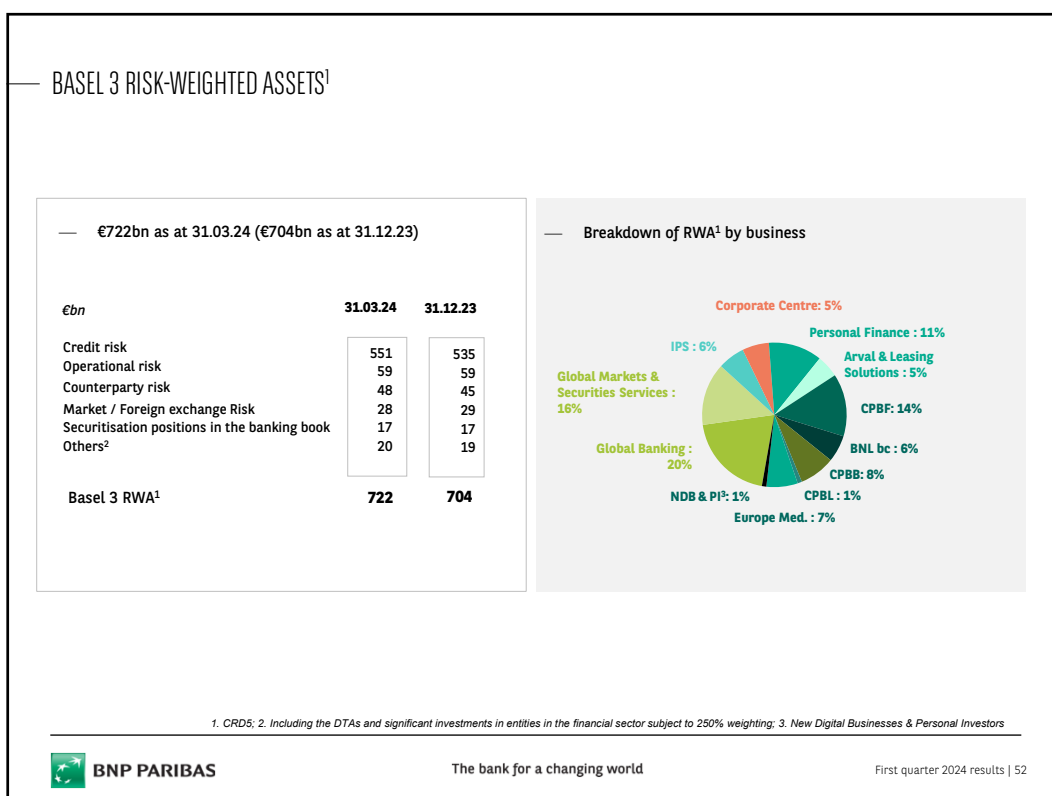
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LIQUIDITY

A diversified base of deposits and disciplined, prudent and proactive management

Favourable positioning and integrated & diversified model supporting stability of resources

Base of deposits supported by the Group's diversification, its long-term approach to clients, and its leading positions in flows

- #1 European in cash management - #1 in Securities Services in EMEA - #1 Private Bank in the Eurozone
- Deposits diversified by geographies, entities and currencies: CPBF (25%), CPBB (17%), other Commercial & Personal Banking (20%), Global Banking (23%), Securities Services (11%) and IPS (5%)
- Deposits diversified by client segment: 46% from retail deposits, of which ~2/3 insured, 42% from corporates, of which 20% operational, and 12% from financial clients<sup>1</sup>, of which 81% operational

Prudent and proactive management

- Measures and monitoring done at various levels (consolidated, sub-consolidated and by entity): by currencies, on horizons from 1 day to 20+ years, using internal and regulatory metrics, and based on normal and stressed conditions
- Indicators integrated into the operating management of business lines (budgetary process, customer follow-up, origination, pricing, etc.)

Change in HQLA

| Period   | Change in HQLA (€bn) |
|----------|----------------------|
| 31.12.19 | 276                  |
| 31.12.20 | 425                  |
| 31.12.21 | 446                  |
| 31.12.22 | 419                  |
| 31.12.23 | 403                  |
| 31.03.24 | 367                  |

Change in immediately available liquidity reserve<sup>2</sup>

| Period   | Change in immediately available liquidity reserve (€bn) |
|----------|---|
| 31.12.19 | 309   |
| 31.12.20 | 432   |
| 31.12.21 | 452   |
| 31.12.22 | 461   |
| 31.12.23 | 474   |
| 31.03.24 | 446   |

1. Excluding non-operational deposits under one month; 2. 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

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ENDNOTES (1/2)

Slide 6

- Source: Dealogic Quarterly Rankings Debt Capital Markets 1Q24, and Dealogic Quarterly Rankings Syndicated Loans 1Q24, bookrunner rankings in volume
- Average outstandings at constant scope and exchange rates
- Source: Coalition Greenwich 2024 Share Leaders in European Large Corporate Cash Management, February 2024; and 2023 Share Leaders in European Large Corporate Trade Finance, October 2023
- Source: Dealogic - All ESG Fixed Income, Global & EMEA Sustainable Financings (ESG Bonds and Loans), bookrunner rankings in volume, 1Q24
- At constant scope and exchange rates

Slide 8

- Bloomberg and FXall, 1Q24
- Bloomberg and Tradeweb, 1Q24
- Tradeweb, 1Q24
- Bloomberg, 1Q24

Slide 10

- VaR calculated to monitor market limits

Slide 14

- Including 100% of Private Banking
- Including 2/3 of Private Banking

Slide 15

- Source: Banque de France, February 2024: sight deposits, Livret A, ordinary passbook accounts, PELs, other savings accounts, LDDS accounts
- Including 100% of Private Banking excluding PEL/CEL effects (NBI impacts: +€2.3m in 1Q24; +€3.2m in 1Q23)

Slide 17

- Including 2/3 of Private Banking
- Including 100% of Private Banking

Slide 19

- Life insurance and mutual funds
- Including 100% of Private Banking
- Excluding the impact of the non-remuneration of mandatory reserves, and the Belgian government bonds (-€68m)
- Life insurance and mutual funds and securities accounts (including the Belgian government bonds)

Slide 21

- Including 100% of Private Banking
- Including 2/3 of Private Banking

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## ENDNOTES (2/2)

### Slide 22

1. At constant scope and exchange rates
2. Impact of the implementation of IAS 29 and taking into account the efficiency of the hedge in Türkiye (CPI linkers), the TRY / EUR depreciation (-6.8%), and the 15% increase in the CPI on the quarter
3. 40% stake held by the European Bank for Reconstruction and Development
4. Including 100% of Private Banking
5. At constant scope and exchange rates excluding Türkiye (at historical exchange rates in accordance with IAS 29)
6. Including 2/3 of Private Banking

### Slide 23

1. End-of-period exchange rate in Türkiye, in accordance with IAS 29
2. Average exchange rate

### Slide 24

1. Capital Adequacy ratio (CAR)
2. At constant scope and exchange rates

### Slide 25

1. 2019-1Q24 average calculated on the basis of management figures and average outstandings, excluding Floa

### Slide 27

1. Increase in the fleet as at the end of the period
2. Average outstandings
3. Build your dreams

### Slide 28

1. Accounts opened since inception, total for all countries
2. Including 100% of Private Banking in Germany
3. Including 2/3 of Private Banking in Germany

### Slide 33

1. Including distributed assets
2. Assets under management of Real Estate Investment Management: €26bn; Assets under management of Principal Investments included in Asset Management following the creation of the Private Assets franchise

### Slide 36

1. Asset Management, Wealth Management, Real Estate and Principal Investments
2. Excluding Real Estate and Principal Investments
3. Euromoney Private Banking Awards 2024
4. Asian Private Banker Awards for Distinction 2023
5. Including Principal Investments



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"; and



- (k) Section 11 entitled "Documents Incorporated by Reference" on pages 896 to 900 to shall be deleted in its entirety and replaced with the following:

# "11 DOCUMENTS INCORPORATED BY REFERENCE

Pursuant to Annex I of Commission Delegated Regulation (EU) No 2019/980 of 14 March 2019 as it forms part of UK domestic law by virtue of the EUWA and regulations made thereunder, the following items are incorporated by reference:

- The sections set out below from the Registration Document No. 23-0143 filed with the AMF on 24 March 2023 (which is available via the following link: <https://invest.bnpparibas/en/document/universal-registration-document-2022>);
  - The consolidated financial statements for the year ended 31 December 2022 ▪ Pages 173-296
  - The Statutory Auditors' report on the consolidated financial statements at 31 December 2022 ▪ Pages 291-296
- The sections set out below from the Registration Document No. D.22-0098 filed with the AMF on 15 March 2022 (which is available via the following link: <https://invest.bnpparibas/en/document/universal-registration-document-and-annual-financial-report-2021>):
  - The consolidated financial statements for the year ended 31 December 2021 ▪ Pages 177-290
  - The Statutory Auditors' report on the consolidated financial statements at 31 December 2021 ▪ Pages 291-296
- The sections set out below from the Registration Document No. D.21-0886 filed with the AMF on 2 March 2021 (which is available via the following link: <https://invest.bnpparibas/en/document/universal-registration-document-and-annual-financial-report-2020>):
  - The consolidated financial statements for the year ended 31 December 2020 ▪ Pages 161-271
  - The Statutory Auditors' report on the consolidated financial statements at 31 December 2020 ▪ Pages 272-277

Any information included in the documents incorporated by reference that is not included in each cross reference lists above is not incorporated by reference and the non-incorporated parts are either not relevant for the investor or covered elsewhere in this amendment to the 2022 Universal Registration Document.

In order to assist readers of the annual financial report, the following table cross-references the information required by article L.451-1-2 of the French Monetary and Financial Code.

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| <b>Statement by the person responsible for the universal registration document filed with the Autorité des Marchés Financiers on 22 March 2024</b> | <b>787</b>  |

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#### **Management report**

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The cross-reference table below makes it possible to identify in the universal registration document filed with the Autorité des Marchés Financiers on 22 March 2024 the information that constitutes the management report of the Company (including the report on Corporate Governance) and the consolidated management report, as required by legal and regulatory provisions.

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## I. Company and Group Business and Situation<sup>1</sup>

| Information (reference texts)  | Page                           |
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| ▪ Company and Group position over the past year (L.232-1 II and L.233-26 of the French Commercial Code)  | 4-5; 128-157; 174-296; 584-624 |
| ▪ Objective and comprehensive analysis of business performance, results and the financial position of the Company and Group (L.22-10-35 and L.225-100-1 I of the French Commercial Code) | 128-157; 174-296; 584-624      |
| ▪ Key financial and extra-financial performance indicators for the Company and Group (L.22-10-35 and L.225-100-1 I of the French Commercial Code)  | 128-170; 639-640               |
| ▪ Foreseeable developments of the Company and Group (L.232-1 II and L.233-26 of the French Commercial Code)  | 153-156                        |
| ▪ Key events occurring since the financial year-end and the preparation date of the management report (L.232-1 II and L.233-26 of the French Commercial Code)                            | 771                            |
| ▪ Company and Group research and development activities (L.232-1 II and L.233-26 of the French Commercial Code) <sup>2</sup>   | 595; 218                       |
| ▪ Equity investments in, or takeovers of, companies that have their head office in France (L.233-6 and L.247-1 I of the French Commercial Code)  | 624                            |
| ▪ Business and results for the Company as a whole, Company subsidiaries and companies it controls by branch of activity (L.233-6 and L.247-1 I of the French Commercial Code)            | 7-19; 128-153                  |
| ▪ Existing Company branches (L.232-1 II of the French Commercial Code)   | 772-778                        |
| ▪ Information on Company locations and businesses (L.511-45 and R.511-16-4 of the French Monetary and Financial Code)  | 287-295; 772-778               |

## II. Risk factors and characteristics of internal control procedures

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| ▪ Description of the main risks and contingencies faced by the Company and Group (L.22-10-35 and L.225-100-1 I of the French Commercial Code)  | 311-328      |
| ▪ Information on the financial risks related to the effects of climate change and measures taken by the Company and Group to reduce these through a low-carbon strategy applicable to all aspects of their business (L.22-10-35 of the French Commercial Code) | 120; 529-556 |
| ▪ Objectives and policy for hedging each main transaction category by the Company and Group (L.22-10-35 and L.225-100-1 I of the French Commercial Code)   | 492-496      |
| ▪ Exposure to price, credit, liquidity and cash flow risks of the Company and Group (L.22-10-35 and L.225-100-1 I of the French Commercial Code)   | 365-515      |
| ▪ Main features of internal control and risk management procedures set up by the Company and Group relating to the preparation and processing of accounting and financial information (L.22-10-35 of the French Commercial Code)                               | 122-126      |

<sup>1</sup> Information on events after the Board of directors' meeting of 31 January 2024 is not included in the management report.

<sup>2</sup> Some of the corresponding activities and investments fall within the scope of the research tax credit base accounted in the section entitled INCOME TAX (cf. respectively note 2.h page 595 for the Company and note 3.j page 218 for the Group).

### III. Information on share capital

| Information (reference texts)  | Page              |
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| ▪ Name of individuals or legal entities holding directly or indirectly more than 5% of capital or voting rights and changes arising during the year (L.233-13 of the French Commercial Code)   | 20-21             |
| ▪ Name of companies controlled and share of the Company's share capital held by them (L.233-13 of the French Commercial Code)  | 287-295           |
| ▪ Employee share ownership status (L.225-102 of the French Commercial Code)  | 20-21             |
| ▪ Share disposals made to regularise cross-shareholdings (L.233-29 and R.233-19 of the French Commercial Code)   | N/A               |
| ▪ Information on share buyback transactions undertaken by the Company (L.225-211 of the French Commercial Code)  | 107-110; 274; 599 |
| ▪ Any adjustments made to securities giving access to share capital (L.225-181, L.228-99, R.225-137, R.228-91 of the French Commercial Code)   | N/A               |
| ▪ Summary of transactions carried out by corporate officers, executives, certain company managers and persons with close connections to them during the past year and which have been the subject of a declaration (223-26 of the AMF General Regulation, L.621-18-2 and R.621-43-1 of the French Monetary and Financial Code) | 106               |

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| ▪ Information on payment terms (L.441-14 and D.441-6 of the French Commercial Code)  | 601  |
| ▪ Amount of dividends distributed for the prior three years and revenue distributed eligible for the 40% tax reduction (243 <i>bis</i> of the French General Tax Code)   | 24   |
| ▪ Injunctions or fines for anti-competitive practices (L.464-2 of the French Commercial Code)  | 765  |
| ▪ Information on financial instruments with an agricultural commodity as their underlying and measures taken by the Company to prevent this having a significant impact on agricultural commodity prices (L.511-4-2 of the French Monetary and Financial Code) | N/A  |
| ▪ Amount and features of loans financed or distributed by the Company or that they distribute as defined in III of Article 80 of the Planning Act for Social Cohesion Law No. 2005-32 of 18 January 2005   |      |
| ▪ and hence covered by public guarantees (L.511-4-1 of the French Monetary and Financial Code)   | N/A  |
| ▪ Return on Company assets (R.511-16-1 of the French Monetary and Financial Code)  | 360  |

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| ▪ Information on the effects of the Company's activity with respect for Human Rights and the fight against corruption and tax evasion (L.22-10-36 and R.225-105 of the French Commercial Code)   | 704-719   |
| ▪ Information on the Company, subsidiaries and controlled companies, relating to: <ul style="list-style-type: none"><li>▪ the consequences of climate change on business and use of goods and services</li><li>▪ social commitments to promote sustainable development, the circular economy, the fight against food waste and food poverty, respect for animal welfare and responsible, fair and sustainable food</li><li>▪ actions to fight against discrimination and promote diversity</li><li>▪ measures taken in favour of people with disabilities</li><li>▪ actions to promote the nation-army bond and support engagement in the reserves (L.22-10-36, L.225-102-1 and R.225-105 of the French Commercial Code)</li></ul> | 703       |
| ▪ Collective agreements agreed in the Company, subsidiaries and controlled companies and their impacts on the economic performance of the Company, subsidiaries and controlled companies as well as on employee working conditions (L.22-10-36, L.225-102-1 and R.225-105 of the French Commercial Code)   | 673-674   |
| ▪ Information for companies operating at least one facility listed under article L.515-36 of the French Environmental Code (L.225-102-2 of the French Commercial Code)   | N/A       |
| ▪ Company's business plan (R.225-105 I of the French Commercial Code)  | 698-699   |
| ▪ Social, environmental and civic information relevant to the main risks and policies of the company, its subsidiaries and controlled companies (R.225-105 II of the French Commercial Code)   | 698 - 703 |
| ▪ Taxonomy information / Article 8 of Regulation (EU) 2020/852 "Taxonomy"  | 724-760   |
| ▪ Vigilance plan (L.225-102-4 of the French Commercial Code)   | 704-719   |

## VI. Report on Corporate Governance

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| ▪ Information on the remuneration and benefits in kind of the directors and corporate officers  | 87-99   |
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| ▪ Conditions for exercising and holding options granted to directors and corporate officers (L.225-185 of the French Commercial Code)   | N/A     |
| ▪ List of all directorships and positions held in any company by each director and corporate officer during the year (L.22-10-10 and L.225-37-4 1° of the French Commercial Code) | 35-48   |
| ▪ Agreements entered into by one of the Company's directors or corporate officers and a subsidiary of the Company (L.22-10-10 and L.225-37-4 2° of the French Commercial Code)    | 49      |
| ▪ Summary table of capital increase delegations (L.22-10-10 and L.225-37-4 3° of the French Commercial Code)  | 107-110 |

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| ▪ Arrangements for exercising General Management (L.22-10-10 and L.225-37-4 4° of the French Commercial Code)   | 51-52               |
| ▪ Composition, and conditions governing the preparation and organisation of the work, of the Board of directors (L.22-10-10 1° of the French Commercial Code)   | 35-47; 50-51, 56-64 |
| ▪ Description of the diversity policy applied to the members of the Board of directors, as well as the objectives, how the policy was implemented and results obtained during the past financial year (L.22-10-10 2° of the French Commercial Code) | 52-54; 73-78        |
| ▪ Information on the way to ensure balanced representation of men and women in Management bodies and gender balance results in the top 10% of positions of higher levels of responsibility (L.22-10-10 2° of the French Commercial Code)            | 55; 666-667; 710    |
| ▪ Any limits to the powers of the Chief Executive Officer imposed by the Board of directors (L.22-10-10 3° of the French Commercial Code)   | 52                  |
| ▪ Corporate Governance Code prepared by corporate representative organisations to which the Company refers (L.22-10-10 4° of the French Commercial Code)  | 49                  |
| ▪ Arrangements for shareholder participation at the General Shareholders' Meeting (L.22-10-10 5° of the French Commercial Code)   | 28-31               |
| ▪ Description of the procedure relating to current agreements concluded under normal conditions put in place by the Company and its implementation (L.22-10-10 6° and L.22-10-12 of the French Commercial Code)                                     | 78                  |
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| ▪ Report of one of the Statutory Auditors, appointed as independent third party, on the verification of the consolidated statement of extra-financial performance (L.22-10-36, L.225-102-1, R.225-105-2 and L.823-10 of the French Commercial Code) | 766-768     |
| ▪ Statutory Auditors' report on the Board of directors' report on Corporate Governance (L.22-10-71 of the French Commercial Code)   | 111         |

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## **2. PERSON(S) RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT**

### **PERSON(S) RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND ITS AMENDMENTS**

The Issuer and Mr. Jean-Laurent BONNAFÉ, Chief Executive Officer of BNP Paribas

### **STATEMENT BY THE PERSON(S) RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND ITS AMENDMENTS**

The Issuer and Mr. Jean-Laurent Bonnafé hereby declare that, to the best of their knowledge, the information contained this amendment to the 2022 Universal Registration Document filed with the FCA is in accordance with the facts and contains no omission likely to affect its import.