# Consolidated financial statements - year ended 31 December 2020

## Balance sheet at 31 December 2020

| *In millions of euros* | 31 December 2020 | 31 December 2019 |
|---|---|---|
| **ASSETS** | | |
| Cash and balances at central banks | 308,703 | 155,135 |
| Financial instruments at fair value through profit or loss | | |
| Securities | 167,927 | 131,935 |
| Loans and repurchase agreements | 244,878 | 196,927 |
| Derivative financial instruments | 276,779 | 247,287 |
| Derivatives used for hedging purposes | 15,600 | 12,452 |
| Financial assets at fair value through equity | | |
| Debt securities | 55,981 | 50,403 |
| Equity securities | 2,209 | 2,266 |
| Financial assets at amortised cost | | |
| Loans and advances to credit institutions | 18,982 | 21,692 |
| Loans and advances to customers | 809,533 | 805,777 |
| Debt securities | 118,316 | 108,454 |
| Remeasurement adjustment on interest-rate risk hedged portfolios | 5,477 | 4,303 |
| Financial investments of insurance activities | 265,356 | 257,818 |
| Current and deferred tax assets | 6,559 | 6,813 |
| Accrued income and other assets | 140,904 | 113,535 |
| Equity-method investments | 6,396 | 5,952 |
| Property, plant and equipment and investment property | 33,499 | 32,295 |
| Intangible assets | 3,899 | 3,852 |
| Goodwill | 7,493 | 7,817 |
| **TOTAL ASSETS** | **2,488,491** | **2,164,713** |
| **LIABILITIES** | | |
| Deposits from central banks | 1,594 | 2,985 |
| Financial instruments at fair value through profit or loss | | |
| Securities | 94,263 | 65,490 |
| Deposits and repurchase agreements | 288,595 | 215,093 |
| Issued debt securities | 64,048 | 63,758 |
| Derivative financial instruments | 282,608 | 237,885 |
| Derivatives used for hedging purposes | 13,320 | 14,116 |
| Financial liabilities at amortised cost | | |
| Deposits from credit institutions | 147,657 | 84,566 |
| Deposits from customers | 940,991 | 834,667 |
| Debt securities | 148,303 | 157,578 |
| Subordinated debt | 22,474 | 20,003 |
| Remeasurement adjustment on interest-rate risk hedged portfolios | 6,153 | 3,989 |
| Current and deferred tax liabilities | 3,001 | 3,566 |
| Accrued expenses and other liabilities | 107,846 | 102,749 |
| Technical reserves and other insurance liabilities | 240,741 | 236,937 |
| Provisions for contingencies and charges | 9,548 | 9,486 |
| **TOTAL LIABILITIES** | **2,371,142** | **2,052,868** |
| **EQUITY** | | |
| *Share capital, additional paid-in capital and retained earnings* | *106,228* | *97,135* |
| *Net income for the period attributable to shareholders* | *7,067* | *8,173* |
| **Total capital, retained earnings and net income for the period attributable to shareholders** | **113,295** | **105,308** |
| Changes in assets and liabilities recognised directly in equity | (496) | 2,145 |
| **Shareholders' equity** | **112,799** | **107,453** |
| **Minority interests** | **4,550** | **4,392** |
| **TOTAL EQUITY** | **117,349** | **111,845** |
| **TOTAL LIABILITIES AND EQUITY** | **2,488,491** | **2,164,713** |

## Profit and loss account for the year ended 31 December 2020

| *In millions of euros* | Year to 31 December 2020 | Year to 31 December 2019 |
|---|---|---|
| Interest income | 33,589 | 37,327 |
| Interest expense | (12,277) | (16,200) |
| Commission income | 13,599 | 13,265 |
| Commission expense | (3,737) | (3,900) |
| Net gain on financial instruments at fair value through profit or loss | 6,861 | 7,111 |
| Net gain on financial instruments at fair value through equity | 249 | 350 |
| Net gain on derecognised financial assets at amortised cost | 36 | 3 |
| Net income from insurance activities | 4,114 | 4,437 |
| Income from other activities | 13,194 | 13,502 |
| Expense on other activities | (11,353) | (11,298) |
| **REVENUES** | **44,275** | **44,597** |
| Salary and employee benefit expense | (16,946) | (17,553) |
| Other operating expenses | (10,809) | (11,339) |
| Depreciation, amortisation and impairment of property, plant and equipment and intangible assets | (2,439) | (2,445) |
| **GROSS OPERATING INCOME** | **14,081** | **13,260** |
| Cost of risk | (5,717) | (3,203) |
| **OPERATING INCOME** | **8,364** | **10,057** |
| Share of earnings of equity-method entities | 423 | 586 |
| Net gain on non-current assets | 1,030 | 1,569 |
| Goodwill | 5 | (818) |
| **PRE-TAX INCOME** | **9,822** | **11,394** |
| Corporate income tax | (2,407) | (2,811) |
| **NET INCOME** | **7,415** | **8,583** |
| Net income attributable to minority interests | 348 | 410 |
| **NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS** | **7,067** | **8,173** |
| Basic earnings per share | 5.31 | 6.21 |
| Diluted earnings per share | 5.31 | 6.21 |

## Board of Directors

**Chairman**
Jean LEMIERRE

Jean-Laurent BONNAFÉ
Jacques ASCHENBROICH
Pierre André de CHALENDAR
Monique COHEN
Wouter DE PLOEY
Hugues EPAILLARD
Rajna GIBSON-BRANDON

Marion GUILLOU
Denis KESSLER
Daniela SCHWARZER
Michel TILMANT
Sandrine VERRIER
Fields WICKER-MIURIN

## Capital Ratios

### REGULATORY RATIOS

The Group's balance sheet is very solid. The CET1 ratio stands at 12.8% as at 31 December 2020, with an increase of 70 basis point compared to 31 December 2019. This is explained by:

- the placing into reserves of 2020 net income after taking into account a 50% dividend pay-out ratio (+50 bp);
- the organic increase of risk-weighted assets at constant exchange rates (-50 bp);
- the impact of placing the 2019 dividend into reserves (+60 bp);
- the impact of other effects (of which prudential treatment of software) (+10 bp).

The Group's CET1 ratio is significantly higher than the requirement notified by the European Central Bank at 9.22% at 31 December 2020 and above the 2020 plan objective (12.0%).

Since 31 March 2020, the Group has applied the transitional measures relating to the introduction of IFRS 9 in accordance with the recommendations of the European Central Bank[1].

### CAPITAL RATIOS

| *In millions of euros* | **31 December 2020(*)** | **31 December 2019(**)** |
|---|---|---|
| **COMMON EQUITY TIER 1 (CET1) CAPITAL** | **88,767** | **81,204** |
| **TIER 1 CAPITAL** | **98,806** | **89,962** |
| **TOTAL CAPITAL** | **113,830** | **103,716** |
| **RISK-WEIGHTED ASSETS** | **695,523** | **668,828** |
| **RATIOS** | | |
| **Common Equity Tier 1 (CET1) capital** | **12.8%** | **12.1%** |
| **Tier 1 capital** | **14.2%** | **13.5%** |
| **Total capital** | **16.4%** | **15.5%** |

(*) *In accordance with the transitional arrangements on the introduction of the IFRS 9 accounting standards (article 473a of Regulation (EU) No. 2017/2395 and Regulation (EU) No. 2020/873).*

(**) *Data as at 31 December 2019 take into account in deduction of regulatory capital the dividend distribution initially anticipated in relation to 2019 income, eventually retained in reserves in 2020.*

Regulatory capital and capital ratios take into account a 50% pay-out ratio of 2020 net income. The Board of directors will propose to the shareholders' Annual General Meeting to pay-out a dividend of EUR 1.11 per share in May 2021 in cash[2], equivalent to 21% of 2020 net income, maximum amount based on the European Central Bank recommendation of 15 December 2020[3]. The additional restitution of 29% of the 2020 results is intended after the end of September 2021 in the form of a share buy-backs[4] or distribution of reserves[5] as soon as the European Central Bank repeals its recommendation, which it is expected to do by the end of September 2021 "in the absence of clearly unfavourable changes".

(1) *The impact of these transitional measures on regulatory capital and regulatory ratios is presented under "Regulatory capital" in the section "Capital management and capital adequacy".*

(2) *Subject to the approval of the Annual General Meeting on 18 May 2021: detached on 24 May 2021 and paid out on 26 May 2021.*

(3) *"[...] Until 30 September 2021 […] the ECB expects dividends and share buy-backs to remain below 15% of the cumulated profit for 2019-2020 and not higher than 20 basis points of the CET1 ratio".*

(4) *Subject to the European Central Bank approval.*

(5) *Subject to the European Central Bank and the Annual General Meeting approval.*

## Capital Ratios

### TLAC RATIO

| *In millions of euros* | 31 December 2020(*) | 31 December 2019(**) |
|---|---|---|
| Total capital and eligible liabilities(***) | 167,390 | 143,639 |
| Risk-weighted assets | 695,523 | 668,828 |
| **TLAC RATIO (in percentage of risk-weighted assets)** | **24.1%** | **21.5%** |
| Leverage ratio total exposure measure | 1,998,414 | 1,955,211 |
| **TLAC RATIO (in percentage of leverage ratio total exposure measure)** | **8.4%** | **7.3%** |

(*) *In accordance with the transitional arrangements on the introduction of the IFRS 9 accounting standard (article 473a of Regulation (EU) No. 2017/2395 and Regulation (EU) No. 2020/873).*

(**) *Data as at 31 December 2019 take into account in deduction of regulatory capital the dividend distribution initially anticipated in relation to 2019 income, eventually retained in reserves in 2020.*

(***) *In accordance with Regulation (EU) No. 2019/876, article 72b paragraphs 3 and 4, some preferred senior debt instruments (amounting to EUR 16,336 million at 31 December 2020) are eligible within the limit of 2.5% of risk-weighted assets. The Group did not use this option as at 31 December 2020.*

At 31 December 2020, the Group's TLAC ratio is 24.1% of risk-weighted assets, without using eligible senior preferred debt up to a limit of 2.5% of risk-weighted assets. It stands at 8.4% of leverage exposures taking into account the effect of temporary exemption for deposits with Eurosystem central banks[1].

## Statutory Auditors' report on the consolidated financial statements


| Deloitte & Associés | PricewaterhouseCoopers Audit | Mazars |
|---|---|---|
| 6, place de la Pyramide<br>92908 Paris La Défense Cedex<br>France | 63, rue de Villiers<br>92208 Neuilly-sur-Seine Cedex<br>France | 61, rue Henri Regnault<br>92400 Courbevoie<br>France |


For the year ended 31 December 2020

*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,
BNP Paribas SA
16 boulevard des Italiens
75009 Paris
France

### 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 2020.

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 2020 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.

#### 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 2020 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

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of articles L.823-9 and R. 823-7 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.e.5, 1.e.6, 1.o, 2.h, 4.e, 4.f and 4.p to the consolidated financial statements)*

### Description of risk

BNP Paribas recognises impairment losses to hedge the credit risks inherent to its banking intermediation activities.

The Covid-19 pandemic has caused a health and economic crisis affecting the repayment ability of borrowers, companies and individuals, with contrasting situations across geographical regions and industries.

In response to this crisis, extended periods of governmental measures were introduced, specific to each country, including the furlough scheme, various benefit schemes, State-guaranteed loans, and moratoriums. Certain regulators have also adapted their prudential framework to facilitate the support given by banks to businesses.

In this environment marked by considerable uncertainty relating to the evolving context of the pandemic, 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:

- assess the significant deterioration in credit risk to classify outstandings in stage 1, stage 2, or stage 3 according to geographical region and industry;
- prepare macro-economic projections which are integrated into both the criteria for recognising deterioration and in the measurement of expected losses;
- estimate the amount of expected losses according to the different stages, considering the support measures and the absence of any comparable historical situation.

At 31 December 2020, total outstanding customer loans exposed to credit risk amounted to EUR 831 billion, while total impairment losses stood at EUR 21 billion.

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 the uncertainty linked to the pandemic and its effects on the actual default level of businesses in the years to come.

### How our audit addressed this risk

We concentrated our work on the most significant outstandings and/or customer loan portfolios at the reporting date as well as on the credit granted to companies operating in economic sectors or geographic regions most impacted by the change in risks and in particular by the Covid-19 pandemic.

We assessed the relevance of BNP Paribas' internal control system, particularly its adaptation to the Covid-19 context, and tested the manual and computerised controls for assessing credit risk and measuring expected losses.

Our work was stepped up to take into account the change of risks and greater level of uncertainty and focused in particular on:

- 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, particularly the rating of corporate counterparties. We paid particular attention to the geographical regions and the sectors impacted by the Covid-19 crisis as well as counterparties having benefited from support measures.
- measurement of expected losses (stages 1, 2 and 3):
  - 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; we paid particular attention to the adjustments made during the year to the models to factor in, based on available information, the effects of the Covid-19 crisis on the sectors at risk and the prospective macro-economic projections;
  - 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 larger sample due to the context, we assessed the assumptions and data used by management to estimate impairment;
  - lastly, we verified that the measures granted to clients in the context of the crisis (moratoriums, State-guaranteed loans, etc.) had been duly factored into the risk assessment.

In addition, we examined the disclosures in the notes to the consolidated financial statements with respect to credit risk in the evolving context of the pandemic and particularly the disclosures required by IFRS 9 regarding credit risk.

**Valuation of financial instruments**

*(See Notes 1.e.7, 1.e.10, 1.o, 2.a, 2.c, 4.a and 4.d to the consolidated financial statements)*

**Description of risk**

As part of its trading activities, BNP Paribas holds financial instruments (assets and liabilities) which are recognised in the balance sheet at market value.

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).

The valuations obtained may be subject to additional value adjustments to take into account certain specific trading, liquidity or counterparty risks.

The techniques adopted by management to measure these instruments may therefore involve significant judgement as regards the models and data used.

At 31 December 2020, financial instruments represented EUR 681.3 billion (of which EUR 5.1 billion for level 3 instruments) under assets and EUR 663.6 billion (of which EUR 11.3 billion for level 3 instruments) under liabilities.

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.

**How our audit addressed this risk**

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:

- the approval and regular review by management of the risks of the valuation models;
- the independent verification of the valuation inputs;
- the determination of value adjustments.

Based on a sample, our valuation experts:

- analysed the relevance of the assumptions and inputs used;
- analysed the results of the independent verification of the inputs by BNP Paribas;
- performed independent counter valuations using our own models.

We also analysed on a sample basis any differences between the valuations obtained and collateral calls with counterparties.

In addition, we examined the disclosures in the notes to the consolidated financial statements with respect to the valuation of financial instruments.

**Goodwill impairment**

*(See Notes 1.b.4, 1.o and 4.o to the consolidated financial statements)*

**Description of risk**

When recognising acquisitions, BNP Paribas records goodwill under assets, corresponding to the excess of the acquisition price of the shares of acquired companies over the value of the Group's interest. At 31 December 2020, goodwill amounted to EUR 7.5 billion.

Goodwill is tested for impairment at least once a year or more frequently if there is an indication of impairment. Comparing the carrying amount of the cash-generating units to which goodwill is allocated with their recoverable amount is a key step in the process of determining if an impairment charge should be recorded.

We deemed goodwill impairment to be a key audit matter because management is required to exercise judgement in order to determine assumptions of future earnings of acquirees and to measure the recoverable amount of the cash-generating units, particularly in the context of the Covid-19 pandemic.

**How our audit addressed this risk**

Our audit approach consisted in assessing the procedures implemented within BNP Paribas to test goodwill for impairment as well as the controls designed to identify indications of goodwill impairment.

Assisted by our valuation experts, our work on the goodwill balances at 31 December 2020 consisted primarily in:

- analysing the methods adopted by BNP Paribas;
- critically assessing the provisional business plans approved by Executive Management to ensure the reasonableness of the future cash flow estimates set out therein (in particular when projections do not match past performance). We paid particular attention to the impacts of the Covid-19 crisis included in these provisional plans;
- critically analysing the main assumptions and inputs used (growth rate, cost of capital and discount rate) with respect to available external information;
- assessing the analyses of the sensitivity of estimates to key inputs (in particular when the recoverable amount approximates the carrying amount).

Lastly, we verified the appropriateness of the disclosures in the notes to the consolidated financial statements with respect to the results of impairment and sensitivity tests.

## General IT controls

### Description of risk

The reliability and security of IT systems plays a key role in the preparation of BNP Paribas' consolidated 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.

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.

### How our audit addressed this risk

For the main systems used to prepare accounting and financial information, assisted by our IT specialists, our work consisted primarily in:

- obtaining an understanding of the systems, processes and controls which underpin accounting and financial data;
- 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);
- examining the control for the authorisation of manual accounting entries;
- performing additional audit procedures, where appropriate.

## Analysis of legal risk with respect to regulatory and administrative investigations and to class actions

*(See Notes 1.o, 2.h, 4.p and 7.b to the consolidated financial statements)*

### Description of risk

In each of the countries where it is present, BNP Paribas is subject to the regulations applicable to the sectors in which it operates. If the Group does not comply with the applicable laws and regulations, it may be exposed to significant fines and other administrative and criminal sanctions. It may also incur losses as a result of private legal disputes in connection with or unrelated to these sanctions.

Any provision recognised to cover the consequences of investigations into non compliance with certain regulations requires judgement due to the difficulty in estimating the outcome of regulatory procedures.

Any provisions recognised with respect to class actions or other private legal disputes also requires management to exercise judgement.

In light of the increase in regulatory and administrative investigations and class actions brought against financial establishments in recent years and of the significant judgement exercised by management to estimate the amount of provisions recognised, we deemed this risk to be a key audit matter.

### How our audit addressed this risk

We familiarised ourselves with the procedure for identifying and assessing legal risk with respect to regulatory and administrative investigations and to class actions, in particular through quarterly interviews with BNP Paribas' legal functions.

Our work consisted primarily in:

- obtaining an understanding of the analyses prepared by the financial and legal departments at the end of each quarterly accounting period;
- interviewing the specialised law firms with which BNP Paribas works when subject to legal disputes.

**Technical reserves of insurance companies**

*(See Notes 1.f.3, 1.o and 4.j to the consolidated financial statements)*

**Description of risk**

At the year-end, a liability adequacy test is performed for BNP Paribas' insurance activities.

The purpose of this test is to ensure that liabilities in respect of insurance contracts and investment contracts with discretionary profit-sharing are adequate in light of current estimates of the future cash flows to be generated by those contracts.

If the test indicates that the carrying amount of insurance liabilities is inadequate in relation to the estimated future cash flows, the total amount of the potential losses is recognised in profit or loss.

At 31 December 2020, total technical insurance reserves and other liabilities amounted to EUR 241 billion.

The test performed at 31 December 2020 confirmed that the carrying amount of the reserves was sufficient.

We deemed the implementation of the liability adequacy test for the Savings business to be a key audit matter because it is based on actuarial models, modelling options and guarantees which are specific to BNP Paribas and requires management to exercise judgement to determine certain key assumptions (e.g., discount rate, return on assets, surrender rate or fees). This test's sensitivity to estimates, which have been particularly high in past years due to low rates, is accentuated by the Covid-19 crisis, which has created strong volatility in share value and contributed to pushing rates down.

**How our audit addressed this risk**

Based on a sample, we assessed the amount of net future cash flows used in the calculation, in particular by:

- assessing the validity of the data on asset portfolios and contracts used as a starting point for the modelling exercise;
- identifying the main changes made to the actuarial models, assessing the relevance of said changes and obtaining an understanding of their impact on the result of the test;
- analysing differences in the models' results between 2019 and 2020 based on analyses prepared by BNP Paribas. We verified that the most material differences were justified by changes in the portfolio, the assumptions or the models;
- examining the results of the sensitivity analyses performed by BNP Paribas, notably those concerning rate assumptions and their consistency with market rates since the start of the Covid-19 crisis.

In addition, we examined the disclosures in the notes to the financial statements with respect to insurance liabilities.

**Specific verifications**

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we have also verified 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 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**

Pursuant to paragraph III of article 222-3 of the AMF's General Regulations, the Company's management informed us of its decision to postpone the application of the single electronic reporting format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018, to reporting periods beginning on or after 1 January 2021. Accordingly, this report does not contain a conclusion on the compliance of the presentation of the consolidated 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) with this format.

## 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 2020, Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars were in the fifteenth, the twenty-seventh and the twenty-first 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.823-10-1 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.822-10 to L.822-14 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, 2 March 2021

The Statutory Auditors

| **Deloitte & Associés** | **PricewaterhouseCoopers Audit** | **Mazars** |
|---|---|---|
| Laurence Dubois | Patrice Morot | Virginie Chauvin |

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Notes to these Accounts which form an integral part of the Financial Statements and the list of Subsidiary Companies can be found in the Annual Report, a copy which is obtainable upon request from the Singapore Branch.

BNP Paribas is a member of the deposit guarantee scheme established in accordance with the French legislation transposing Directive 2014/49/EU. The French legislation confers a first priority ranking, among ordinary, unsecured and non-preferred creditors to depositors of the bank's EU and EEA branches for deposits and amounts eligible to the French deposit guarantee scheme, in the event of a winding up of the Bank ordered by the court. Deposits held in non-EU (or non-EEA) branches of the bank do not benefit of the French deposit guarantee scheme and will therefore be conferred (up to the amounts guaranteed by the scheme) lower priority vis-a-vis depositors who do benefit of the scheme.