Consolidated financial statements - year ended 31 December 2021

Balance sheet at 31 December 2021

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

Consolidated financial statements - year ended 31 December 2021

Profit and loss account for the year ended 31 December 2021

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

Board of Directors

Chairman
Jean LEMIERRE

Jean-Laurent BONNAFÉ
Jacques ASCHENBROICH
Juliette BRISAC
Pierre André de CHALENDAR
Monique COHEN

Wouter DE PLOEY
Hugues EPAILLARD
Rajna GIBSON-BRANDON
Marion GUILLOU
Denis KESSLER (until 18 May 2021)

Christian NOYER
Daniela SCHWARZER
Michel TILMANT
Sandrine VERRIER
Fields WICKER-MIURIN

Capital Ratios

REGULATORY RATIOS

Change in Group solvency

The Group has a solid financial structure. The CET1 ratio stands at 12.9%[1] as at 31 December 2021, with an increase of 10 basis point compared to 31 December 2020. This is explained by:

- the placing into reserves of 2021 net income after taking into account a 50% dividend pay-out ratio and the impact of the execution of the share buyback programme of EUR 900 million in Q4 2021 (+50 bps);
- the increase of risk-weighted assets at constant scope and exchange rates[2] (-25 bps);
- other impacts on the ratio, in particular due to the tapering of regulatory amendments related to the public health crisis[3] (-15 bps).

The Group's CET1 ratio is significantly higher than requirements notified by the European Central Bank, at 9.23% at 31 December 2021 and 9.27% at 1 March 2022.

As part of its Growth, Technology & Sustainability 2025 business development plan, the Group relies on a CET1 ratio enabling it to absorb the full impact of the regulatory constraints related to the finalisation of Basel III (CRR 3), estimated by the Group at 8% of risk-weighted average assets in 2025. The Group's objective is a CET1 ratio of 12.9% in 2024 according to the current regulatory framework (CRR 2) and of 12.0% in 2025 according to the finalised Basel III regulatory framework (CRR 3), taking into account average annual growth in risk-weighted assets of around 3%.

On 18 December 2021, BNP Paribas signed an agreement with BMO Financial Group for the sale of 100% of its commercial and personal banking activities in the United States operated by the BancWest Holding Inc group, for a total price consideration of USD 16.3 billion, paid in cash. This transaction is to expected formally closed during the course of 2022, subject to the usual conditions precedent, including the approval of the relevant regulatory and antitrust authorities. The expected impact of this transaction on the Group's CET1 ratio is estimated at +170 bps[4], before neutralising the effect of net earnings per share related to this transaction.

Key regulatory ratios

The capital ratio data below take into account the transitional provisions relating to the introduction of IFRS 9 (Article 473a of Regulation (EU) No. 2017/2395 and Regulation (EU) No. 2020/873). The impact of these transitional measures on regulatory capital and regulatory ratios is presented under Regulatory capital in section 5.2 Capital management and capital adequacy.

CAPITAL RATIOS

In millions of euros	31 December 2021	31 December 2020
Common Equity Tier 1 (CET1) capital	**91,976**	**88,767**
Tier 1 capital	**100,255**	**98,806**
Total capital	**117,256**	**113,830**
RISK-WEIGHTED ASSETS	**713,671**	**695,523**
CAPITAL RATIOS (as a percentage of risk-weighted assets)		
Common Equity Tier 1 ratio	**12.89%**	**12.76%**
Tier 1 ratio	**14.05%**	**14.21%**
Total capital ratio	**16.43%**	**16.37%**

(1) *CRD 4; including IFRS 9 transitional provisions.*

(2) *Including updates of models and regulations.*

(3) *IFRS 9 transitional arrangements and PVA aggregation factor (-10 bps).*

(4) *Estimate based on equity, risk-weighted assets and an effective disposal date of 18 December 2021.*

Capital Ratios

TLAC RATIO

In millions of euros	31 December 2021	31 December 2020
Total capital and other TLAC eligible liabilities	185,870	167,390
Risk-weighted assets	713,671	695,523
TLAC RATIO (in percentage of risk-weighted assets)	**26.04%**	**24.07%**
Leverage ratio total exposure measure	2,442,524	1,998,414
TLAC RATIO (in percentage of leverage ratio total exposure measure)	**7.61%**	**8.38%**

At 31 December 2021, the Group's TLAC ratio is 26.04% of risk-weighted assets, without using eligible senior preferred debt up to a limit of 2.5% of risk-weighted assets. It stands at 7.61% of leverage exposures calculated for the purpose of the leverage ratio. Memorandum item: at 31 December 2020 and 31 March 2021, TLAC ratios take into account the effect of temporary exemption for deposits with Eurosystem central banks.

At 31 December 2021, the Group's TLAC ratio exceeds the applicable requirement on the basis of risk-weighted assets (20.03%) and on the basis of leverage exposures (6%). It is also higher than the requirements applicable from 1 January 2022 (22.03% and 6.75% based on risk-weighted assets and leverage exposures respectively).

The evolution of these ratios illustrates the Group's ability to continuously adapt and the high soundness of its balance sheet.

Statutory Auditors' report on the consolidated financial statements

Deloitte & Associés
6, place de la Pyramide
92908 Paris La Défense Cedex
France

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
France

Mazars
61, rue Henri Regnault
92400 Courbevoie
France

For the year ended 31 December 2021

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 2021.

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 2021 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 2021 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 conclusion, we draw your attention to the paragraph «Employee benefits» of Note 1.j which sets out the effects on the consolidated financial statements at 31 December 2021 of the application of the IFRIC decision on the commitments to be recognised in respect of certain post-employment benefit plans.

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, 4.p and 7.d to the consolidated financial statements)

Description of risk

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

Despite the ongoing Covid-19 pandemic, the global economy recovered strongly in 2021. Uncertainties remain, however, as to the extent and sustainability of this recovery, particularly for specific economic sectors.

In this environment marked by continued high uncertainty relating to the unprecedented environment created by the Covid-19 crisis, the measurement of expected credit losses for customer loan portfolios required the BNP Paribas Group to exercise significant 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 industries that are still affected by the crisis;
- prepare macro-economic and sector-specific 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 and taking into account a medium-term perspective of economic growth;

As of December 31, 2021, the total amount of outstanding customer loans exposed to credit risk amounted to EUR 884 billion, impaired by EUR 20 billion (of which EUR 51 billion and EUR 0.5 billion euros regarding BancWest).

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, particularly in the context of the uncertainty linked to the pandemic and its effects on the default level of counterparties.

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.

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 sectors still affected by the Covid-19 crisis.
- 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 and sector-specific 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 changes in the adjustments made during the past year to the models to factor in, based on available information, the effects of the Covid-19 crisis on the sectors still 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 counterparties under surveillance had been carried out by BNP Paribas and assessed the assumptions and data used by management to estimate impairment.

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 2021, financial instruments represented EUR 669 billion (of which EUR 5.3 billion for level 3 instruments) under assets and EUR 641 billion (of which EUR 10.3 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 review 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 2021, goodwill amounted to EUR 5.1 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.

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 2021 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);
- 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.

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 by BNP Paribas for its 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 2021, total technical insurance reserves and other liabilities amounted to EUR 255 billion.

The test performed at 31 December 2021 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 2020 and 2021 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 consolidated 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 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 single European electronic reporting format, we have verified that 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) and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of December 17, 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 single European electronic reporting 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 2021, Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars were in the sixteenth, the twenty-eighth and the twenty-second 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, 15 March 2022

The Statutory Auditors

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

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.