



BNP PARIBAS

SECOND AMENDMENT TO THE 2022 UNIVERSAL REGISTRATION DOCUMENT

FILED WITH THE AMF ON JULY 27, 2023

Universal Registration document and annual financial report 2022 filed with the AMF (Autorité des Marchés Financiers) on March 24, 2023 under No. D. 23-0143

First amendment to Universal Registration document and annual financial report 2022 filed with the AMF (Autorité des Marchés Financiers) on May 3, 2023 under No. D. 23-0143-A01

This is a translation into English of the Universal registration document of BNP Paribas issued in French and it is available on the website of the issuer.

Société anonyme (Public Limited Company) with capital of 2,468,663,292 euros
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This second amendment to the 2022 Universal Registration Document has been filed with the AMF on 27 July 2023 as competent authority under Regulation (EU) 2017/1129 without prior approval pursuant to Article 9 of Regulation (EU) 2017/1129;

The universal registration document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if approved by the AMF together with any amendments, if applicable, and a securities note and summary approved in accordance with Regulation (EU) 2017/1129.

This Universal Registration Document may form part of a prospectus of the Issuer consisting of separate documents within the meaning of the Prospectus Regulation.

1. HALF YEAR MANAGEMENT

1.1 First half 2023 results

SOLID RESULTS

BNP Paribas' diversified and integrated model and its ability to accompany clients and the economy in a comprehensive way by mobilising its teams, resources and capabilities, continued to drive growth in activity and results in the first half 2023.

Driven by the strength of the diversified model, revenues rose by 4.1% and operating expenses by 1.4% compared to the first half 2022, excluding exceptional items¹. Operating expenses were well contained, and the Group achieved a positive jaws effect on this basis. Thanks to a long-term approach and prudent and proactive risk management, the cost of risk remained low and below 40 basis points, which is the guidance of the GTS 2025 plan.

The Group achieved a 22.5% increase in its net income compared to the first half 2022², excluding exceptional items¹. The Group's organic growth in the first half of 2023 offset the effects of the Bank of the West sale.

Distributable net income³, which serves as a basis for calculating the distribution amount to shareholders, came to 6,105 million euros in the first half 2023, or a net income per share of 4.72 euros in the first half 2023, up by 16.8% compared to the first half 2022.

These results reflect the Group's robust intrinsic performance and constitute a solid base for achieving the objectives of the GTS 2025 plan.

The Group has stepped up its policy of engaging with society. It deploys a comprehensive approach and, alongside its clients, is committed to transitioning towards a sustainable and low-carbon economy with clear ambitions and objectives contributing to the advent of a carbon-neutral economy by 2050. In particular, the Group released its Climate Report in May 2023 detailing measures it has taken to align its loan portfolios with the International Energy Agency's "Net Zero by 2050" scenario for the sectors with the highest emissions⁴, in accordance with its goal of achieving carbon neutrality in its portfolio. The Group's mobilisation has been acknowledged. For example, BNP Paribas was the global leader in green bond issuance and the global leader in sustainable financing in the first half of 2023⁵. BNP Paribas has also been recognised as the "World's Best Bank for Sustainable Finance" by *Euromoney* magazine for the third consecutive year.

For the first half of the year, revenues, at 23,395 million euros, were stable compared to the first half 2022 (23,404 million euros), despite the extraordinary negative impact of -833 million euros related to changes in TLTRO terms and conditions decided by the European Central Bank in the fourth quarter 2022 and the exceptional impact of -125 million euros of provisions for litigation. Without these impacts, revenues rose by 4.1% compared to the first half 2022.

¹ Exceptional items of which extraordinary items; see slide 42 of the 2Q23 results presentation

² Excluding net income from discontinued activities (sale of Bank of the West on 01.02.23) (€2,947m in 1H23, €365m in 1H22, in accordance with IFRS 5)

³ Distributable net income, adjusted in accordance with announcements made in February 2023; see slide 45 of the 2Q23 results presentation

⁴ See Group Climate Report, released in May 2023

⁵ Source: Dealogic – All ESG Fixed Income, Global & EMEA Sustainable Financing (ESG Bonds and Loans), bookrunner by volume, 1S23

In the operating divisions, revenues rose by 2.6% compared to the first half 2022. They rose by 1.1% (+1.8% at constant scope and exchange rates) at CIB, supported by the very strong increase in revenues at Global Banking (+15.3%) and the increase at Securities Services (+3.1%). Global Markets revenues were down by 6.6%, due to more normalised client activity. CPBS revenues¹ were up by 4.6% (+4.8% at constant scope and exchange rates), supported by growth in Commercial & Personal Banking (+4.2%¹) and increased revenues at Specialised Businesses (+5.1%¹). IPS revenues were up by 0.5% (+0.5% at constant scope and exchange rates), driven by strong revenue growth at Insurance (+7.8%) and Wealth Management (+8.6%), offset by the impact of a lacklustre environment in Real Estate.

The Group's operating expenses, at 16,080 million euros, were up by 3.5% compared to the first half 2022. They included in the first half 2023 the exceptional impact of overall adaptation costs at Personal Finance (236 million euros), restructuring and adaptation costs (87 million euros) and IT reinforcement costs (188 million euros) for a total of 512 million euros (177 million euros in the first half 2022). Without these exceptional impacts², operating expenses rose by 1.4%. On this basis, the Group achieved a very positive jaws effect of 2.7 points.

Operating expenses reflected, in the amount of 1,638 million euros, the accounting of taxes and contributions for the year, in accordance with IFRIC 21 "Taxes" (1,818 million euros in the first half 2022).

In the operating divisions, operating expenses increased by 2.2% compared to the first half 2022 (+2.7% at constant scope and exchange rates). The jaws effect was positive. Operating expenses at CIB increased by 1.4% (+2.2% at constant scope and exchange rates), with a decrease in operating expenses at Global Markets and a very positive jaws effect at Global Banking. Operating expenses¹ were up by 2.6% at CPBS (+2.9% at constant scope and exchange rates¹). The jaws effect was very positive (+1.9 points¹). Operating expenses were up by 1.0% in Commercial & Personal Banking¹ with a very positive jaws effect (+3.2 points¹) and by 6.3%¹ in Specialised Businesses, due to business development and targeted projects. Lastly, at IPS, operating expenses increased by 3.7% (+3.6% at constant scope and exchange rates).

The Group's gross operating income thus came to 7,315 million euros. It had amounted to 7,871 million euros in the first half 2022. Without the impact of exceptional items², it increased by 9.2%.

The Group's cost of risk came to 1,331 million euros (1,409 million euros in the first half 2022). In the first half 2023, this included the exceptional impact of provisions in Poland (130 million euros). It stood at 30 basis points of customer loans outstanding. It is still at a low level. It reflects the releases of provisions on performing loans of 190 million euros in the first half 2023.

The Group's operating income came to 5,984 million euros. In the first half 2022, it had come to 6 462 million euros. Without the impact of exceptional items², it increased by 14.2%.

The Group's non-operating items amounted to 451 million euros (363 million euros in the first half 2022). In the first half 2022, they included the positive impact of a negative goodwill related to bpost bank amounting to +244 million euros and a capital gain of +204 million euros, offset by the -159 million euro impairment of Ukrsibbank shares and the negative -274 million euro impact of the reclassification to profit-and-loss of exchange differences.

The Group's pre-tax income came to 6,435 million euros. In the first half 2022, it had come to 6,825 million euros. Without the impact of exceptional items², it increased by 15.0%.

The average corporate income tax rate stood at 30.6% (33.2% in the first half 2022), due particularly to the first-quarter recognition of taxes and contributions for the year in accordance with IFRIC 21 "Taxes", a large portion of which is not deductible.

¹ Including 100% of Private Banking (excluding PEL/CEL effects in France)

² Including extraordinary items

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 discontinued activities amounted to 2,947 million euros in the first half 2023 reflecting the capital gain on the sale of Bank of the West, treated as an extraordinary item. This result had come to 365 million euros in the first half 2022.

Net income, Group share thus came to 7,245 million euros in the first half 2023 (4,298 million euros excluding the results of discontinued activities). In the first half 2022, it had come to 4,933 million euros (4,568 million euros excluding the results of activities held for sale). Without the impact of exceptional items¹ and excluding the results of discontinued activities, net income, Group share increased by 22.5% compared to the first half 2022.

In accordance with announcements made in February 2023, net income, Group share in the first half 2023 has been adjusted to calculate distributable net income. It thus reflects the Group's solid intrinsic performance following the sale of Bank of the West and following the end of the contribution to ramping up the Single Resolution Fund. Distributable net income thus came to 6,105 million euros in the first half 2023.

Annualised return on non-revaluated tangible equity came to 13.6%. This reflects the BNP Paribas Group's solid performance, thanks to the strength of its diversified and integrated model.

As at 30 June 2023, the common equity Tier 1 ratio stood at 13.6%². the Liquidity Coverage Ratio (end of period) amounted to 143% as at 30 June 2023. The Group's immediately available liquidity reserve amounted to 473 billion euros, equivalent to more than one year of room to manoeuvre compared to market resources. The leverage ratio³ stood at 4.5%.

Net tangible book value⁴ per share came to 83.8 euros, equivalent to a compound annual growth rate of 6.9% since 31 December 2008, illustrating steady value creation throughout economic cycles.

¹ Including extraordinary items

² CRD5, including IFRS 9 transitional arrangements

³ Calculated in accordance with Regulation (UE) n°2019/876

⁴ Revaluated

CORPORATE AND INSTITUTIONAL BANKING (CIB)

CIB's business drive was very strong overall. Client activity in the financing businesses was very robust. The environment was more normalised on the rates and foreign exchange markets compared to a high first half 2022 base. Demand rose very sharply on credit markets. Activity in equities was less buoyant in the second quarter 2023. Securities Services continued to achieve strong business drive.

For the first half of the year, CIB's revenues, at 8,871 million euros, rose by 1.1% (+1.8% at constant scope and exchange rates) compared to the first half 2022, driven by the increase at Global Banking (+15.3%) and Securities Services (+3.1%). Global Markets revenues were down by 6.6% compared to a high first half 2022 base.

Revenues at Global Banking, at 2,879 million euros, rose by 15.3% compared to the first half 2022, with a very strong increase in Transaction Banking, particularly in EMEA, and in Capital Markets. Global Banking continued to win market share, particularly in EMEA.

At 4,676 million euros, Global Markets revenues were down by 6.6% compared to a very high first half 2022 base. At 3,032 million euros, FICC¹ revenues decreased by 3.1%, due to a more normalised market context in the second quarter 2023, particularly in rates and foreign-exchange products and in commodity derivatives. At 1,644 million euros, Equity & Prime Services revenues decreased by 12.4% on a lacklustre equity market, especially in the first quarter 2023.

At 1,315 million euros, Securities Services revenues were up by 3.1% compared to the first half 2022, driven by the favourable impact of higher interest rates, partially offset by the impact of lower transaction volumes and average assets than in the first half 2022.

CIB's operating expenses, at 5,715 million euros, were up by 1.4% (+2.2% at constant scope and exchange rates) compared to the first half 2022, in support of business development, particularly in the first quarter 2023. Operating expenses at Global Markets decreased in a context of normalisation of activity. Lastly, Global Banking achieved a very positive jaws effect.

CIB's gross operating income thus rose by 0.5% compared to the first half 2022 (+1.0% at constant scope and exchange rates), to 3,156 million euros.

CIB released 77 million euros in provisions (provision of 78 million euros in the first half 2022). Global Banking released 86 million euros in provisions, driven by releases of provisions on performing loans (stages 1 and 2) and a very low cost of risk on non-performing loans (stage 3). It stood at -10 basis points of customer loans outstanding.

CIB thus achieved pre-tax income of 3,235 million euros, up by 5.1% compared to the first half 2022 (+5.9% at constant scope and exchange rates).

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¹ Fixed Income, Currency, and Commodities

COMMERCIAL, PERSONAL BANKING & SERVICES (CPBS)

CPBS achieved a high level of results and a very positive jaws effect. Loans outstanding rose by 4.0% compared to the first half 2022. Arval's financed fleet expanded robustly (+9.5% compared to 30 June 2022¹). Deposits were down by 0.1% compared to the first half 2022. Lastly, Private Banking achieved very strong net asset inflows of almost 9.6 billion euros in the first half 2023.

For the first half of the year, revenues², at 13,448 million euros, were up by 4.6% compared to the first half 2022, driven by the very good performance by Commercial & Personal Banking and very strong growth at Arval.

Operating expenses² increased by 2.6% compared to the first half 2022, at 8,361 million euros, contained by cost-saving measures. The jaws effect was very positive (+1.9 points) supported by the jaws effect at Commercial & Personal Banking (+3.2 points). Gross operating income² thus came to 5,087 million euros and increased sharply by 7.9% compared to the first half 2022.

Cost of risk² stood at 1,383 million euros (1,210 million euros in the first half 2022).

As a result, after allocating one third of Private Banking's net income to Wealth Management (IPS division), CPBS achieved pre-tax income³ of 3,751 million euros, up by 2.6% compared to the first half 2022. This recognised the negative effect of 99 million euros of the impact of the hyperinflationary situation⁴ in Türkiye in the first half 2023.

¹ Increase in the fleet at the end of the period in thousands of vehicles

² Including 100% of Private Banking (excluding PEL/CEL effects in France)

³ Including 2/3 of Private Banking (excluding PEL/CEL effects in France)

⁴ Effects of the implementation of IAS 29 and the efficiency of the hedge in Türkiye

Commercial & Personal Banking in France (CPBF)

CPBF achieved a good level of performance and a positive jaws effect. Business drive was supported by favourable commercial positioning. Loans outstanding rose by 3.2% compared to the first half 2022 and were up across all customer segments. The adjustment of interest rates continued, and the selectivity in mortgage loans is maintained. Deposits were down by 0.5% compared to the first half 2022. Off-balance sheet savings increased by 7.1% compared to 30 June 2022. Private Banking achieved very good net asset inflows of 4 billion euros in the first half of the year.

For the first half of the year, revenues¹ amounted to 3,386 million euros, up by 2.1% compared to the first half 2022. Net interest revenue¹ was up by 4.0%, due to margins that held up well and the contribution of inflation hedges, despite the increase in refinancing costs. Fees¹ were stable. The increase of banking fees, relating particularly to fees on payment means and cash management, was offset by the decrease of financial fees.

Operating expenses¹, at 2,390 million euros, were up by 1.5% compared to the first half 2022, and were contained by the effect of cost-saving measures. The jaws effect was positive (+0.6 point).

Gross operating income¹ amounted to 996 million euros, up by 3.6% compared to the first half 2022.

Cost of risk¹ stood at 226 million euros (157 million euros in the first half 2022) and was low at 20 basis points of customer loans outstanding.

As a result, after allocating one third of Private Banking's net income to Wealth Management (IPS division), CPBF achieved pre-tax income² of 688 million euros, down by 9.0% compared to the first half 2022, due to a high base of "non-operating items" in the second quarter 2022 and to a higher cost of risk in connection with a specific file.

¹ Including 100% of Private Banking (excluding PEL/CEL effects in France) ((-€3m in 2Q23, +€14m in 2Q22, €0m in 1H23, +€25m in 1H22)

² Including 2/3 of Private Banking (excluding PEL/CEL effects in France)

BNL banca commerciale (BNL bc)

BNL bc's results were up and its risk profile continued to improve. Loans outstanding were down by 2% compared to the first half 2022. Growth in medium- and long-term loans was offset by the decrease in short-term corporate loans. Deposits were stable compared to the first half of 2022. Savings accounts and term deposit accounts improved, with margins that held up well. Net asset inflows into Private Banking were good in the first half (2 billion euros).

For the first half of the year, revenues¹ were up by 2.8% compared to the first half 2022 and came to 1,362 million euros. Net interest revenue¹ was up by 4.6%, driven mainly by the positive impact of the interest-rate environment and of margins that held up well on deposits. Revenue growth that was more marked in corporate clients due to support provided to corporate clients for the energy transition. Fees¹ were almost unchanged (+0.2%), supported by the increase in banking fees.

At 892 million euros, operating expenses¹ were up by 2.5%, contained by the effect of operating efficiency measures that partially offset the impact of inflation. The jaws effect was positive (+0.2 point).

Gross operating income¹ rose by 3.2%, to 470 million euros.

At 178 million euros, cost of risk¹ improved by 59 million euros. It stood at a low level of 45 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 income² of 277 million euros, up very sharply by 35.5% compared to the first half 2022.

¹ Including 100% of Private Banking

² Including 2/3 of Private Banking

Commercial & Personal Banking in Belgium (CPBB)

CPBB's results grew, while generating a positive jaws effect. Business drive was good. Loans outstanding rose by 4.8% compared to the first half 2022, driven by the increase in loans across all customer segments, particularly individual clients. Deposits decreased slightly (-0.5% compared to the first half 2022). The increase in term deposits offset the decline in demand deposits, and margins held up well. Off-balance sheet savings rose by 0.9% compared to 30 June 2022, driven by mutual funds. Net asset inflows into Private Banking amounted to 2.6 billion euros in the first half of 2023).

For the first half of the year, revenues¹ rose by 6.4% compared to the first half 2022, to 2,022 million euros. Net interest revenue¹ was up strongly by 9.7%, thanks to margins that held up well. Fees¹ were down by 1.0%. The increase of financial fees was offset by the decrease of banking fees, compared to a high first half 2022 base.

At 1,514 million euros, operating expenses¹ were up (+3.8% compared to the first half 2022), contained by cost-saving measures that partly offset the impact of inflation. The jaws effect was very positive (+2.6 points).

Gross operating income¹ rose sharply by 15.0%, to 508 million euros. At 28 million euros, cost of risk¹ remained low. There were releases of 1 million euros in provisions in the first half 2022.

Cost of risk¹ stood at 4 basis points of customer loans outstanding.

As a result, after allocating one third of Private Banking's net income in Belgium to Wealth Management (IPS division), CPBB achieved pre-tax income² of 446 million euros, up strongly by 5.9% compared to the first half 2022.

¹ Including 100% of Private Banking

² Including 2/3 of Private Banking

Commercial & Personal Banking in Luxembourg (CPBL)

CPBL's results were up very sharply. Loans outstanding rose by 2.6% compared to the first half 2022. Deposits decreased by 3.5% compared to the first half 2022.

For the first half of the year, revenues¹ rose very strongly, by 27.0% compared to the first half 2022 to 290 million euros. Net interest revenue¹ was up very sharply by 35.7% compared to the first half 2022, driven by the increase in loans outstanding and margins on deposits that held up well, particularly in corporate clients. Fees¹ were down by 3.8% compared to the first half 2022.

At 157 million euros, operating expenses¹ increased by 7.6% compared to the first half 2022. The jaws effect was very positive (+19.4 points).

At 2 million euros, cost of risk¹ was very low (release of 8 million euros in the first half 2022).

After allocating one third of Private Banking's net income to Wealth Management (IPS division), CPBL thus achieved pre-tax income² of 128 million euros (89 million in the first half 2022), up very sharply, by 43.4% compared to the first half 2022.

Europe-Mediterranean

Europe-Mediterranean confirmed its good business resilience. Loans outstanding increased by 3.7%³ compared to the first half 2022. Deposits rose by 10.1%³ compared to the first half 2022.

For the first half of the year, revenues¹, at 1,251 million euros, were up by 9.2%³ compared to the first half 2022, driven by the strong increase of net interest revenue, particularly in Poland, offset partly by the impact of the depreciation of the Turkish lira.

Operating expenses¹, at 780 million euros, were down by 1.8%³ compared to a high base in the first half with the temporary increase in contributions.

Gross operating income¹ increased by 110 million euros compared to the first half 2022, to 471 million euros.

Cost of risk¹ rose to 105 million euros in the first half 2023 (87 million euros in the first half 2022) or 58 basis points of customer loans outstanding. In this first half of 2023, this included the exceptional impact of a cost-of-risk provision in Poland of 130 million euros.

After allocating one third of Private Banking's net income in Türkiye and Poland to Wealth Management (IPS division), Europe-Mediterranean thus achieved pre-tax income² of 513 million euros, up sharply by 10.5%³ compared to the first half 2022, despite the effects of the increased cost of risk, the lower contribution of associates, and the impact of the hyperinflationary situation in Türkiye⁴ (-63 million euros in pre-tax income in the first half of 2023).

¹ Including 100% of Private Banking

² Including 2/3 of Private Banking

³ At constant scope and exchange rates excluding Türkiye at historical exchange rates, in accordance with the application of IAS 29

⁴ Effects of the implementation of IAS 29 and the efficiency of the hedge in Türkiye

Specialised Businesses – Personal Finance

Personal Finance is implementing its transformation. The geographical refocusing of activities and the reorganisation of the operating model are progressing smoothly. Partnerships are being set up and are contributing to the increase in auto loan volumes and to the structural improvement in the risk profile. Loans outstanding were up by 8.6% compared to the first half 2022.

For the first half of the year, revenues, at 2,615 million euros, were down by 4.7%¹ compared to the first half 2022, with the impact of pressure on margins despite the effect of higher volumes.

Operating expenses, at 1,544 million euros, increased by 3.7%¹ compared to the first half 2022, due to targeted projects.

Gross operating income decreased by 14.6%¹ compared to the first half 2022, to 1,071 million euros.

Cost of risk stood at 721 million euros (624 million euros in the first half 2022), or 145 basis points of customer loans outstanding.

Pre-tax income at Personal Finance thus came to 412 million euros, down by 38.7%¹ compared to the first half 2022, driven by the decrease in gross operating income and the increase in cost of risk from a low base in the first half 2022. In the second quarter 2023, it included the positive impact of a non-recurring item in “Other non-operating items”.

Specialised Businesses – Arval & Leasing Solutions

Arval and Leasing Solutions once again achieved a very good performance this half and a positive jaws effect.

With 1.6 million financed vehicles², Arval's financed fleet expanded by 9.5% compared to the first half 2022. Used car prices are still at a high level.

For the first half of the year, revenues, at 2,028 million euros, rose very strongly by 18.9% compared to the first half 2022, driven by Arval's very good performance and by stable revenues at Leasing Solutions.

Operating expenses, at 761 million euros increased by 7.6% compared to the first half 2022. The jaws effect was very positive (+11.3 points).

Pre-tax income at Arval and Leasing Solutions rose sharply, by 21.8% compared to the first half 2022, to 1,175 million euros. It includes the impact of the hyperinflationary situation³ in Türkiye in “Other non-operating items.”

¹ At constant scope and exchange rates

² Fleet at the end of the period

³ Effects of the implementation of IAS 29 and the efficiency of the hedge in Türkiye

Specialised Businesses – New Digital Businesses and Personal Investors

New Digital Businesses and Personal Investors performed very well and are engines for acquiring new clients. Nickel continued to roll out in Europe, initiating a launch in Germany and maintaining a very high pace of account openings at about 3.4 million¹ as at 30 June 2023, up by 25.1% compared to 30 June 2022.

Floa had 3.8 million clients as at 30 June 2023 and doubled in one year² the number of active partnerships with an acceleration internationally. Floa's loan production rose strongly and came with a tightening in lending criteria. Lastly, Personal Investors achieved a very strong increase in assets under management of 10.0% compared to 30 June 2022 in connection with the 5.7% increase in client numbers compared to 30 June 2022 and gains by the financial markets.

For the first half of the year, revenues³, at 495 million euros, rose steeply by 17.3% compared to the first half 2022, driven by the very strong increase of revenues at Personal Investors and New Digital Businesses.

Operating expenses³, at 324 million euros, increased by 19.4% compared to the first half 2022, in connection with the strategy for developing the business lines.

Gross operating income³ rose strongly by 13.4% compared to the first half 2022, to 171 million euros.

Cost of risk³ stood at 52 million euros (35 million euros in the first half 2022).

After allocating one third of Private Banking's net income in Germany to Wealth Management (IPS division), pre-tax income⁴ of New Digital Businesses and Personal Investors rose by 2.1% compared to the first half 2022, to 112 million euros.

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¹ Since inception, total in all countries

² Between May 2022 and May 2023

³ Including 100% of Private Banking in Germany

⁴ Including 2/3 of Private Banking in Germany

INVESTMENT & PROTECTION SERVICES (IPS)

Supported by net asset inflows, IPS's business drive was good overall, despite a contrasted environment. IPS's asset inflows were good, especially in Wealth Management and Asset Management. The increase was very good at Insurance, supported by Savings and Protection activities, with a higher technical result. The environment was less favourable in Real Estate and Principal Investments.

For the first half of the year, revenues increased by 0.5%, compared to the first half 2022, driven by the increase in revenues at Wealth Management and Insurance. They reflected a steep decrease in revenues at Real Estate and Principal Investments, due to a base effect and lacklustre environments. Asset Management revenues held up well.

At 1,776 million euros, operating expenses were up by 3.7% compared to the first half 2022, an increase contained mainly by cost-saving measures.

Gross operating income came to 1,063 million euros, down by 4.5% compared to the first half 2022.

At 1,186 million euros, IPS's pre-tax income decreased by 4.3% compared to the first half of 2022. It reflected the higher contribution from associates. It reflected in the first half 2022, capital gains on sales at Insurance and the impact of the creation of a joint venture at Asset Management.

Asset inflows and assets under management

As at 30 June 2023, assets under management¹ came to 1,218 billion euros. They reflected the market performance effect of +34.0 billion euros and the effect of very good net asset inflows of +23.4 billion euros, offset partly by an unfavourable foreign-exchange impact of -8.7 billion euros. Very good net asset inflows were driven mainly by inflows into money-market funds at Asset Management and very good asset inflows at Wealth Management. Assets under management¹ were up by 3.3% compared to 30 June 2022.

As at 30 June 2023, assets under management¹ broke down to 558 billion euros in Asset Management and Real Estate, 410 billion euros in Wealth Management and 250 billion euros in Insurance.

Insurance

Insurance results were up sharply. Savings achieved gross asset inflows of 11.7 billion euros in the first half 2023, with positive net asset inflows in France, supported by asset inflows into unit-linked products. Protection continued to fare well in affinity insurance and in property & casualty in France. Internationally, activity improved particularly in Latin America.

As a reminder, IFRS 17 "Insurance contracts" came into effect on 1 January 2023, replacing IFRS 4 "Insurance contracts". IFRS 17 came into effect at the same time as IFRS 9 for insurance activities.

For the first half of the year, revenues were up by 7.8% compared to the first half 2022, to 1,081 million euros, driven by the good performance by Savings and the increase at Protection, with an increase in the technical result.

¹ Including distributed assets

Operating expenses, at 405 million euros, were up by 2.0% compared to the first half 2022, driven by ongoing targeted projects.

At 781 million euros, pre-tax income of Insurance was up sharply by 16.4% compared to the first half 2022. It included an increased contribution of associates, particularly in Latin America and Europe.

Wealth and Asset Management (WAM)

Asset inflows in Wealth and Asset Management¹ businesses were good in contrasted environments, with a good increase in the Wealth and Asset Management business lines. Performances at Real Estate and Principal Investments were affected by a base effect and lacklustre environments. Wealth Management activity improved with good net asset inflows.

For the first half of the year, revenues declined by 3.6% compared to the first half 2022, to 1,758 million euros, supported by the very good performance of Wealth Management. Revenues decreased sharply at Real Estate and Principal Investments and held up well at Asset Management.

Operating expenses rose by 4.2% compared to the first half 2022, to 1,371 million euros, due to the increase in targeted projects. The increase was contained by cost-saving measures.

Pre-tax income of Wealth and Asset Management thus amounted to 405 million euros, down by 28.7% compared to the first half 2022. This compares to a high first half 2022 base, which included the impact of the capital gain in relation to the creation of a joint venture in Asset Management in the first quarter 2022.

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¹ Wealth Management, Asset Management, Real Estate and Principal Investments

CORPORATE CENTRE

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 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 disrupt 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 01.01.23, Corporate Centre thus includes restatements, which for a better readability will be reported separately each quarter.

Corporate Centre restatements related to insurance activities

For the first half of the year, revenues on restatements related to insurance activities in Corporate Centre came to -570 million euros in the first half 2023 (-776 million euros in the first half 2022). This included -521 million euros from the impact of restating “attributable” operating expenses of internal distributors (-510 million euros in the first half 2022) and -49 million euros from the impact of volatility generated by the fair value accounting of assets through profit and loss (IFRS 9) (-266 million euros in the first half 2022).

Operating expenses from restatements related to insurance activities in Corporate Centre came to -521 million euros in the first half 2023 (-510 million euros in the first half 2022). They included -521 million euros from the restatement of “attributable” operating expenses of internal distributors (-510 million euros in the first half 2022).

Corporate Centre’s pre-tax income from restatements related to insurance activities thus came to -49 million euros vs. -266 million euros in the first half 2022.

Corporate Centre excluding restatements related to insurance activities

For the first half of the year, Corporate Centre’s revenues excluding restatements related to insurance activities came to -839 million euros (9 million euros in the first half 2022). In the first half 2023 it included the extraordinary impact of the adjustment in hedges related to changes in TLTRO terms and conditions decided by the European Central Bank in the fourth quarter 2022 (-833 million euros) and provisions for litigation (-125 million euros). It also included the negative impact of 32 million euros from the revaluation of proprietary credit risk included in derivatives (DVA) (+108 million euros in the first half 2022 offset by the impact of a negative non-recurring item).

Corporate Centre’s operating expenses excluding restatements related to insurance activities came to 942 million euros (730 million euros in the first half 2022). This reflected the decline in taxes subject to IFRIC 21¹ and particularly the decrease in the contribution to the Single Resolution Fund. They included the exceptional impact of overall adaptation costs at Personal Finance in the first quarter 2023 (236 million euros), restructuring costs and adaptation costs for 87 million euros (54 million euros in the first half 2022) and 188 million euros (123 million euros in the first half 2022) in IT reinforcement costs.

¹ Booking in 1Q of almost all taxes and contributions due on the year in accordance with IFRIC 21 “Taxes”, including the estimated contribution to the Single Resolution Fund

Corporate Centre's cost of risk excluding restatements related to insurance activities stood at 27 million euros (118 million euros in the first half 2022). Other non-operating items at Corporate Centre excluding restatements related to insurance activities came to 121 million euros (-67 million euros in the first half 2022). They included the positive impact of capital gains on sales. In the first half 2022 they included the negative impact of the impairment of Ukrsibbank shares and of the reclassification to profit-and-loss of exchange differences¹ (-433 million euros), offset partly by the positive impact of negative goodwill related to bpost bank amounting to +244 million euros and a capital gain of +204 million euros.

Corporate Centre's pre-tax income excluding restatements related to insurance activities thus came to -1,687 million euros (-905 million euros in the first half 2022).

¹ Previously recorded in Consolidated Equity

FINANCIAL STRUCTURE

The Group has a solid financial structure.

The common equity Tier 1 ratio stood at 13.6%¹ as at 30 June 2023, up by 130 basis points compared to 31 December 2022, due mainly to:

- the closing of the sale of Bank of the West on 01.02.23 (+170 bps)
- the placing of the first half 2023 results into reserves after taking a 60% pay-out ratio into account, net of organic growth in risk-weighted assets (+10 bps),
- the effect of the adjustment of distributable net income in the first quarter 2023 (-10 bps)
- the launch of the 1st tranche of the share buyback (-20 bps)
- the impact related to the implementation of IFRS 17, to the updating of models and to regulations (-10 bps)
- and impacts related to setting up partnerships at Personal Finance (-10 bps).

The impact of other effects on the ratio were limited overall.

The leverage ratio² amounted to 4.5% au 30 June 2023.

The Liquidity Coverage Ratio³ (end of period) stood at the high level of 143% as at 30 June 2023 (129% as at 31 December 2023).

The immediately available liquidity reserve⁴ amounted to 473 billion euros as at 30 June 2023 equivalent to more than one year of room to manoeuvre compared to market resources.

*

* *

¹ CRD5, including IFRS 9 transitional arrangements

² Calculated in accordance with Regulation (EU) n°2019/876

³ Calculated in accordance with Regulation (CRR) 575/2013, Art. 451a

⁴ 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



SECOND QUARTER 2023 RESULTS

27 July 2023



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Disclaimer

The figures included in this presentation are unaudited.

On 2 May 2023, BNP Paribas reported restated quarterly series for 2022 to reflect for each quarter: (i) the application of IFRS 5 relating to disposal 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 quarterly series for 2022 have been restated for these effects as if they had occurred on 1 January 2022. This presentation includes these quarterly series for 2022 as restated.

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. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation.

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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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Second quarter 2023 results | 2

2Q23: Strong organic growth

Revenue growth supported by the strength of the diversified model

Unfavourable forex impact and high negative exceptional items this quarter

- Corporate & Institutional Banking (-0.7%¹)
- Commercial, Personal Banking & Services (+3.5%¹)
- Investment & Protection Services (+0.8%¹)

Positive jaws effect² with a good containment of operating expenses

Cost of risk at a low level

Solid financial structure

Strong increase in earnings and EPS³

2Q23 organic growth offsetting the impact of the Bank of the West sale, as in 1Q23⁴

2Q23 reported Net Income: €2,810m with a high level of total negative exceptional items in 2Q23 (-€723m)

Authorisation for the 2nd €2.5bn tranche of the share buyback programme received - Launch of the execution beginning of August

Revenues: +3.3% vs. 2Q22

Operating expenses: +1.0% vs. 2Q22
excl. exceptional items²

Cost of risk: 31 bps

CET1: 13.6%

2Q23 Net Income: +16.4% vs. 2Q22
excl. exceptional items²

2Q23 distributable Net Income⁵:
€3,260m

1H23 EPS (distributable)³: €4.72
(+16.8% vs. 1H22)

Confirmation of the growth trajectory in distributable Net Income in 2023

1. At constant scope and exchange rates and including 100% of Private Banking for CPBS (excl. RELUCEL in France). 2. Excl. exceptional items (o/w extraordinary ones see slide 4) and excl. net income from discontinued activities (Bank of the West sold 01.02.23) (+136m€ in 2Q22 according to IFRS 5 norm). 3. Earnings per share calculated on the basis of 1H23 distributable net income; see slide 74. 4. See slide 6. 5. Result serving as a basis for calculating the ordinary distribution in 2023 – See calculation on slide 45



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Second quarter 2023 results | 3

Main exceptional items (o/w extraordinary ones) – 2Q23

High negative level weighing on 2Q23 results

	2Q23	2Q22
Exceptional items (excl. extraordinary ones)		
Revenues		
• Provisions for litigation (Corporate Centre)	-€125m	
Total exceptional revenues (excl. extraordinary ones)	-€125m	
Operating expenses		
• Restructuring costs and adaptation costs (Corporate Centre)	-€57m	-€28m
• IT reinforcement costs (Corporate Centre)	-€94m	-€78m
Total exceptional operating expenses	-€151m	-€106m
Cost of risk		
• Provisions in Poland (Europe-Mediterranean)	-€80m	
Total cost of risk of exceptional items	-€80m	
Extraordinary item (excluded from distributable income)		
Revenues		
• Adjustment of hedges in 2Q23 related to changes in TLTRO terms and conditions decided by the ECB in 4Q22 (Corporate centre)	-€430m	
Total exceptional items (incl. extraordinary ones) (pre-tax)	-€786m	-€106m
Total exceptional items (incl. extraordinary ones) (after-tax)¹	-€723m	-€78m

1. Group share



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2Q23 – Consolidated Groupe

Solid results reflecting the Group’s strong intrinsic performance

	2Q23	Adjustments to distributable result ²	2Q23 (distributable ³)	2Q22	2Q23 (distributable) vs. 2Q22	2Q23 vs. 2Q22 (excl. exceptionals ³)
Revenues <i>Note: adjustment (+€445m) related in particular to changes in TLTRO’s terms and conditions in 4Q22</i>	€11,363m	+ €445m	€11,808m	€11,536m	+ 2.4%	+ 3.3%
Operating expenses <i>Note: adjustment (+€5m) linked to the SRF in 2Q23</i>	- €6,889m	+ €5m	- €6,884m	- €6,779m	+1.5%	+ 1.0%
Gross operating income	€4,474m		€4,924m	€4,757m	+3.5%	+6.5%
Cost of risk	-€689m		- €689m	-€758m	-9.1%	-19.7%
Operating income	€3,785m		€4,235m	€3,999m	+5.9%	+11.3%
Non-operating items	€273m		€273m	€201m	+35.8%	+35.8%
Pre-tax income	€4,058m		€4,508m	€4,200m	+7.3%	+12.5%
Net income, Group share¹	€2,810m		€3,260m	€2,957m	+10.2%	+16.4%

Return on tangible equity (ROTE)⁴: 13.6%

1. Excl. results from discontinued activities (IFRS 5) (note: sale of Bank of the West, effective 1 February 2023); 2. Result serving as a basis for calculating the ordinary distribution in 2023 - See calculation on slide 45; 3. Exceptional items (o/w extraordinary ones) – See Slide 4; 4. Not revalued; see details of calculation on slide 76

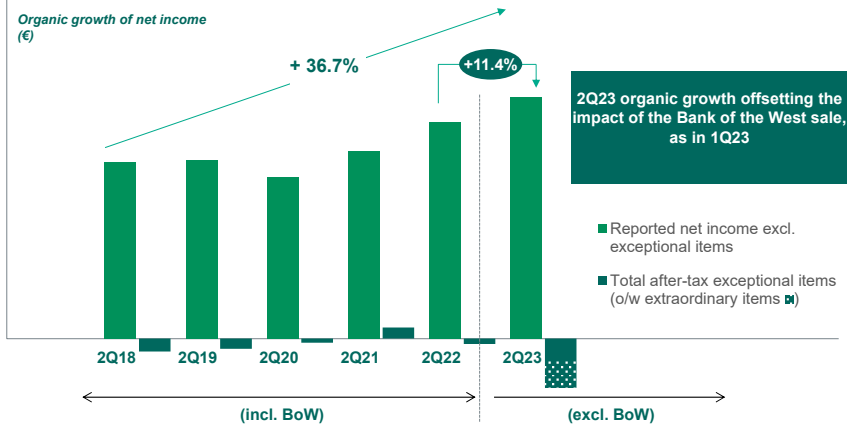


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A European leader uniquely positioned to generate solid growth in all environments



Note: Exceptional items include extraordinary items in 2Q23 – See Slide 4 – 2Q22 Net income restated including net income from discontinued activities in application of IFRS 5 (Note: Bank of the West sold 01.02.23)



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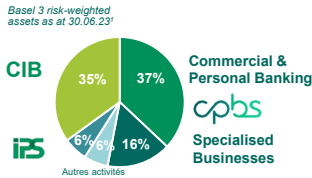
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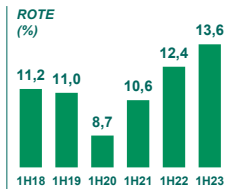
A balanced and diversified model that supports long-term performance

Disciplined growth and long-term vision

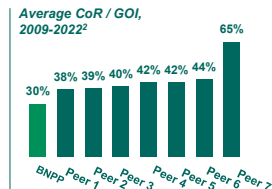
Capital allocation supporting the diversified and integrated model



Enhanced profitability



Prudent risk profile



Gradual redeployment of capital released by the sale of Bank of the West supporting the growth trajectory (~€7.6bn in CET1 released, ~+110 bps): +€3bn in additional revenues generated by 2025 (calculated on the basis of a 12% targeted ROTE by 2025)

1. CRDS; 2. Source: Releases of Eurozone banks: BBVA, Crédit Agricole SA, Deutsche Bank, Intesa SP, Santander, Société Générale, Unicredit



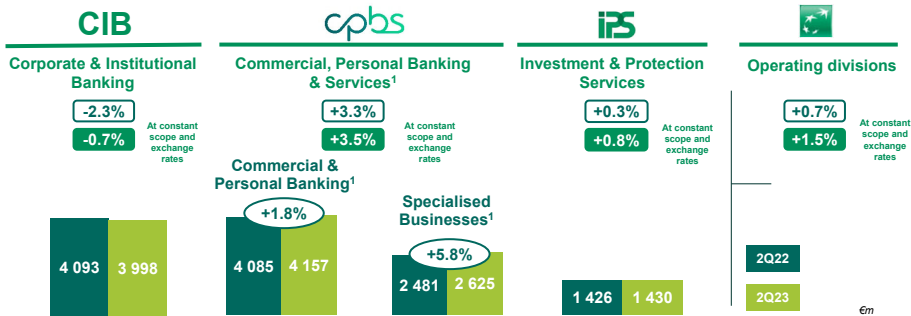
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2Q23 – Revenues

Continued revenue growth of the operating divisions



- **CIB:** performance driven by the diversification of the model with a very strong increase in Global Banking (+17.5%²), the increase in Securities Services revenues (+1.6%²), and a decrease in Global Markets revenues (-11.7%² vs. 2Q22, +32.2% vs. 2Q18), due to more normalised client activity
- **CPBS:** increase driven by the continued strong performance of Arval & Leasing Solutions (+17.1%, +6.6% vs. 1Q23) and growth in Commercial & Personal Banking in the Eurozone (+2.6%, +1.4% vs. 1Q23) – context less favourable at Europe-Mediterranean and Personal Finance (-1.9%², +3.0% vs. 1Q23)
- **IPS:** increase driven by strong growth in revenues in Insurance (+9.9%²) and Wealth Management (+6.7%²), offset by an unfavourable environment in Real Estate

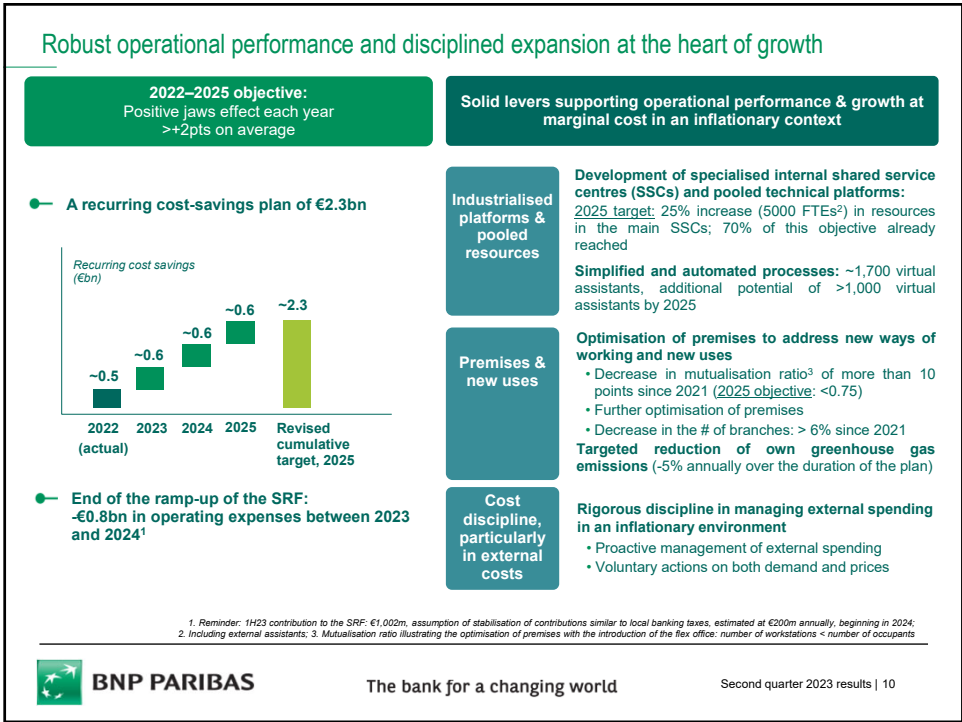
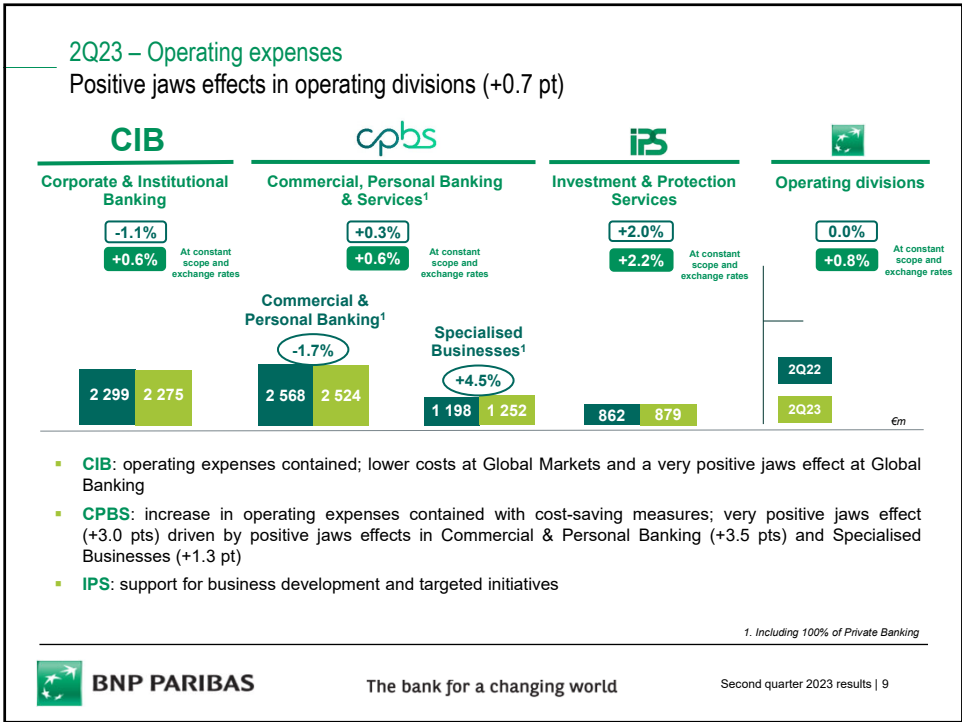
1. Including 100% of Private Banking (excluding PEL/CEL effects in France); 2. At constant scope and exchange rates



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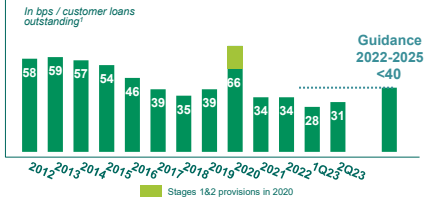
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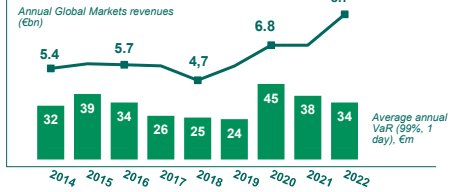


A prudent and diversified risk profile

Proactive and long-term management reflected in a low cost of risk



Prudent growth of market activities: stable VaR (a measure of market risk)



- Cost of risk: €689m (+€47m vs. 1Q23; -€69m vs. 2Q22)
 - Cost of risk still at a low level
 - Provisions on non-performing loans (stage 3) at a low level (€390m excl. Personal Finance)
 - Moderate release of provisions on performing loans (stages 1 & 2): -€114m
- ➔ **A high level of cover and prudence**
 High stock of stage 1 & 2 provisions: €5.2bn (2.1x 2022 CoR on non-performing loans (stage 3))
 70% of coverage ratio of non-performing loans (stage 3)

¹. Scope excluding Bank of the West since 1Q22



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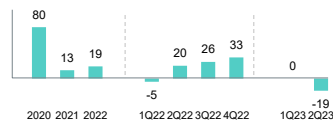
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Cost of risk – 2Q23 (1/2)

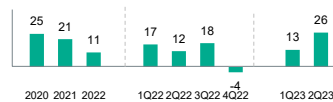
Cost of risk / Customer loans outstanding at the beginning of the period (in bps)

CIB – Global Banking



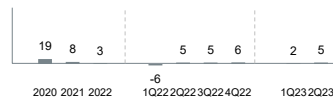
- Cost of risk: -€85m (-€83m vs. 1Q23; -€170m vs. 2Q22)
- Release of provisions on performing loans (stages 1 & 2) and a very low cost of risk on non-performing loans (stage 3)

CPBF¹



- Cost of risk: +€151m (+€75m vs. 1Q23; +€87m vs. 2Q22)
- Cost of risk at a low level excluding the impact of a specific file; release of provisions on performing loans (stages 1 & 2)

CPBB¹



- Cost of risk: +€19m (+€11m vs. 1Q23; +€3m vs. 2Q22)
- Cost of risk at a very low level

¹. Including 100% of Private Banking



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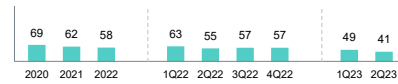
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Cost of risk – 2Q23 (2/2)

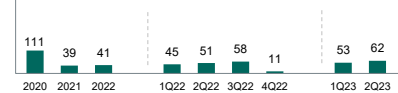
Cost of risk / Customer loans outstanding at the beginning of the period (in bps)

BNL bc¹



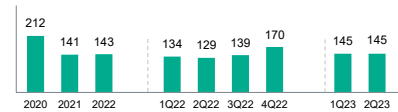
- Cost of risk: €80m (-€18m vs. 1Q23; -€29m vs. 2Q22)
- Cost of risk at a historically low level
- Decrease in provisions on non-performing loans (stage 3) and moderate release of provisions on performing loans (stages 1 & 2)

Europe-Mediterranean¹



- Cost of risk: €56m (+€8m vs. 1Q23; +€9m vs. 2Q22)
- Very low cost of risk on non-performing loans – provisions on performing loans (stages 1 & 2), particularly in Poland

Personal Finance



- Cost of risk: €363m (+€6m vs. 1Q23; +€54m vs. 2Q22)
- Cost of risk stable vs. 1Q23; moderate release of provisions on performing loans (stages 1 & 2)

¹. Including 100% of Private Banking



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2Q23 – Solid financial structure

CET1 ratio: 13.6%¹ as at 30.06.23

- 2Q23 results after taking into account a 60% payout ratio, net of changes in risk-weighted assets: +10 bp
- Impact from the implementation of partnerships at Personal Finance: -10 bps
- Overall limited impact of other effects on the ratio

Leverage ratio²: 4.5% as at 30.06.23

High Liquidity Coverage Ratio³: 143% as at 30.06.23 (139% as at 31.03.23)

High-quality liquid assets (HQLA): €404bn as at 30.06.23 (€426bn as at 31.03.23)

- ~70% in deposits at central banks
 - ~30% in mostly "level 1" debt securities
- Repayment of TLTRO of ~€44bn in June 2023; outstandings as at 30.06.23: €20.5bn

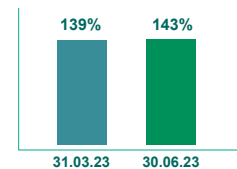
Immediately available liquidity reserve⁴: €473bn as at 30.06.23

- Room to manoeuvre >1 year in terms of wholesale funding
- Of which €286bn in deposits at central banks

CET1 ratio¹



Liquidity Coverage Ratio (end of period)



¹. CRD5, including IFRS9 transitional arrangements; see slide 79; ². Calculated in accordance with Regulation (EU) 2019/876; ³. LCR at the end of the period calculated in accordance with Regulation (CRR) 575/2013, Art. 451a; ⁴. 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

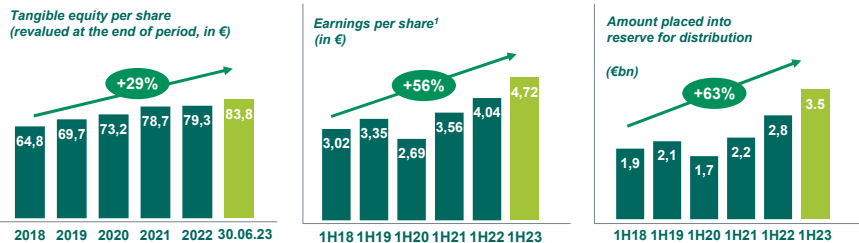


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A unique value-creating model



- Ordinary payout ratio of 60%²
- Steady growth in the dividend (minimum 50% of distributable income in cash) amplified by share buyback programmes
- €5bn share buyback programme (or ~7% of market capitalisation³) in 2023
 - First €2.5bn tranche completed in July 2023
 - Authorisation for the second €2.5bn tranche of the share buyback programme (~3.5% of market capitalisation³) received - Launch of the execution beginning of August

1. Calculated on the basis of 2023 distributable income; 2. Applied to distributable income after TSSDI (undated super subordinated notes); 3. Market capitalisation as at 30.06.23 (source: Bloomberg)



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Second quarter 2023 results | 15

Technology at the heart of the GTS 2025 plan

Disciplined investments at the service of technological performance

<p>Artificial intelligence</p>	<p>+ than 700 use cases in production, in line with the doubling target</p>		<p>~100 use cases identified for a generative AI experiment with an LLM¹ on a secured platform</p> <p>2025 annual value-creation target: >+€500m (impacts on revenues, costs or cost of risk)</p>
<p>APIs & IT Marketplace</p>	<p>800 APIs +21% vs. 2022 620m transactions/month²</p>	<p>46% of APIs exposed externally</p>	<p>IT marketplace: +280 available IT products, ~800k visits in 1H23 (+73% vs.1H22)</p>
<p>Cloud</p>	<p>42% of applications use the cloud</p>		<p>2025 target: >60% ~14,500 certifications obtained by employees</p>
<p>Attractiveness</p>	<p>1st</p>	<p>AI profiles: 1st European bank and 6th worldwide hiring company in the banking industry³</p> <p>IT profiles: most attractive bank and 10th-most attractive company for engineering students in France⁴</p>	<p>200 +200 partnerships with start-ups</p>

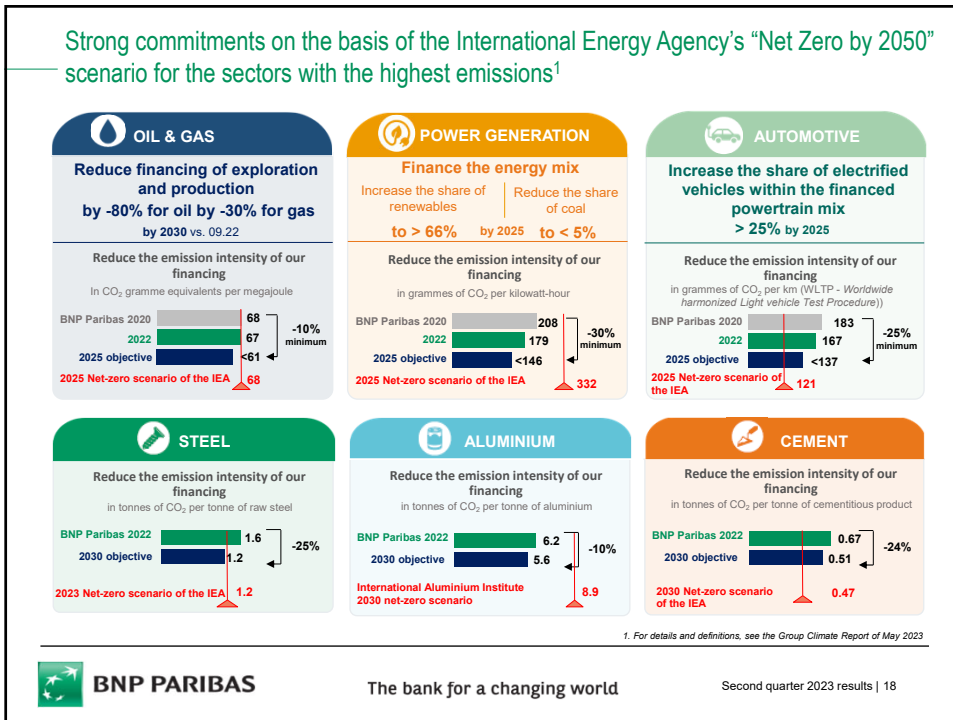
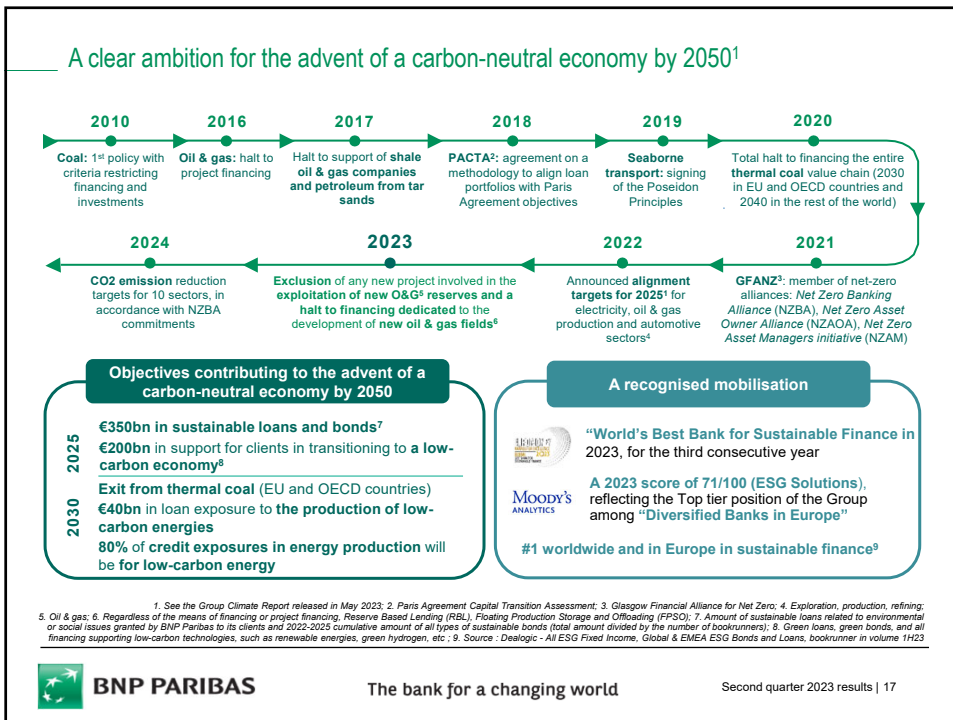
1. Large Language Model, an artificial intelligence technology; 2. On the Group's API platforms; 3. Source: "The Evident AI Talent Report"— Evident Insights, June 2023 rankings of the global financial sector; 4. Source: "EXCLUSIVE: Here are the companies that students dream about the most in 2023"—Start, Les Echos, ranking in France



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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 missions of the General Inspection dedicated to insuring financial security within entities generating USD flows.** These successive missions have been conducted since the start of 2015 in the form of 18-month cycles. The first five cycles achieved a steady improvement in processing and audit mechanisms. The sixth cycle was begun in August 2022 on the same timeframe and will be completed in December 2023.
- **The remediation plan agreed as part of the June 2014 comprehensive settlement with the US authorities is now mostly completed**



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DIVISION RESULTS

CONCLUSION

1H23 & 2Q23 DETAILED RESULTS

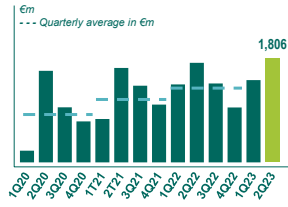
APPENDICES

Corporate & Institutional Banking – 2Q23

Very good level of results supported by diversification and a lower cost of risk

- Good business drive, leveraging a diversified and integrated model**
 - Financing:** very good business activity with clients in all three regions
 - Markets:** more normalised environment on the rates and foreign exchange markets; demand up sharply on credit markets; reduced activity on the equity markets this quarter
 - Securities Services:** continued good business drive
- CIB in the top 3 in EMEA with global market share gains of +26% (2022 vs. 2018)¹**
- Leadership and market share gains²**
 - European leader in syndicated loans and bond issues, as well as in Transaction Banking
 - Global and European leader in sustainable financing
 - Leadership positions on multi-dealer electronic platforms

Change in pre-tax income



Acknowledged leadership



Revenues: €3,998m (-2.3% vs. 2Q22)

- 0.7% at constant scope & exchange rates
- Very strong increase in Global Banking (+17.5%³)
- Good resiliency at Global Markets (-11.7%³ vs. a very high 2Q22 base)
- Good performance at Securities Services (+1.6%³)

Operating expenses: €2,275m (-1.1% vs. 2Q22)

- +0.6% at constant scope and exchange rates
- Decrease in Global Markets costs against a context of normalisation of the activity
- Very positive jaws effect at Global Banking

Pre-tax income: €1,806m (+4.7% vs. 2Q22)

1. Source: BNP Paribas revenues as reported; Coalition Greenwich Competitor Analytics based on BNP Paribas product scope. Market share calculated as BNP Paribas revenues (as reported) divided by industry pools; ranking based on Top 12 Coalition Index banks. EMEA: Europe, Middle-East, Africa. 2. Source: see details on the slides devoted to each business line. 3. At constant scope and exchange rates



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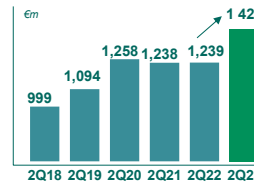
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CIB – Global Banking – 2Q23

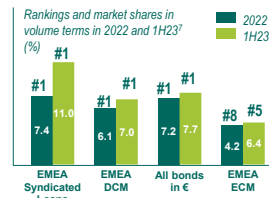
Very good business momentum and very strong increase in revenues

- Sustained level of activity**
 - Very good business momentum, in particular in **EMEA bond markets** (+98%¹ increase in volumes led vs. 2Q22)
 - Transaction Banking:** very good activity in all three regions
 - Loans** (€179bn, +2.2%² vs. 2Q22): further increase in loans outstanding
 - Deposits** (€209bn, +6.3%² vs. 2Q22): further growth in deposits
- Gains in GB's worldwide market share: +19% (2022 vs. 2018)³**
 - Further market share gains in financing and leadership positions in syndicated loans and bond issues in EMEA⁴
 - Leader in **Transaction Banking**⁵ in Europe
 - Global and European leader in **sustainable financing**⁶

Growth in revenues



A European leader with growing market shares



Revenues: €1,425m (+15.0% vs. 2Q22 and +42.6% vs. 2Q18)

- +17.5% at constant scope and exchange rates
- Increases in all three regions
- Very strong increase in Transaction Banking, particularly in EMEA (+75.6%)
- Very strong increase in the Capital Markets platform, particularly in the Americas and EMEA

1. Source: Dealogic DCM bookrunner in volume; 2Q23/2Q22 change in issuance volume led by BNP Paribas in EMEA; 2. Average outstandings, change at constant scope and exchange rates; 3. See note 1 slide 21; 4. Source: Dealogic as at 30.06.23 – bookrunner ranking by volume; 5. Source: Coalition Greenwich Share Leader 2022 Europe Large Corporate Trade Finance; 2022 Europe Large Corporate Cash Management; 6. Source: Dealogic – All ESG Fixed Income, Global & EMEA sustainable financing (ESG Bonds and Loans), bookrunner by volume in 1H23; 7. Source: Dealogic as at 30.06.23 and as at 31.12.22, bookrunner market share by volume



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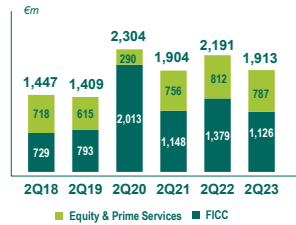
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CIB – Global Markets – 2Q23

Continued market share gains in a less buoyant environment

- Client activity with more normalised levels on the whole**
 - Credit markets:** overall activity up sharply, in particular in EMEA; market share gains and consolidation of global leadership in euro bond issuance¹ and in green bond issuance¹
 - Fixed income, currencies & commodities:** slower activity, particularly in rates and foreign-exchange products, from a high base
 - Equity markets:** lower client activity this quarter
- Gains in GM's worldwide market share: +28% (2022 vs. 2018)²**
- Ongoing digitalisation**
 - An enriched offering:** closing of the acquisition of **Kantox**, an automated platform for foreign-exchange risk management, in July 2023
 - Confirmed leadership on **multi-dealer electronic platforms**

Revenues trend



Rankings on multi-dealer electronic platforms

- Currency markets** #1 in NDFs and swaps³
- Fixed-income markets** #1 in LM swaps⁴
#2 in € government bonds⁵
- Credit markets** #2 in iTraxx indices in CDS in €⁶
- Equity markets** #1 in Stoxx600 ESG and Eurostoxx50 ESG index futures⁷
#1 in EMEA and #2 worldwide in DEC⁸

Revenues: €1,913m
(-12.7% vs. 2Q22 and +32.2% vs. 2Q18)

- 11.7% at constant scope and exchange rates
- FICC (-18.4%): very good performance in credit activities offset by fixed-income, currency and commodities activities that were more normalised from a very high base in 2Q22
- Equity & Prime Services (-3.0%): good resiliency on the back of less sustained client activity

1. Source: Dealogic as at 30.06.23; bookrunner in volume; 2. See note 1 slide 21; 3. Bloomberg in 1H23; 4. Tradeweb in 1H23; 5. Tradeweb in 2Q23; 6. Bloomberg in 1H23; 7. Eurex in 1H23; 8. In 2Q23



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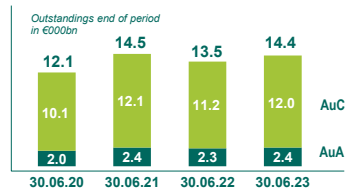
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CIB – Securities Services – 2Q23

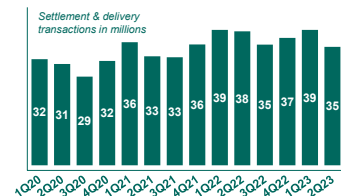
Good business drive

- Business drive supported by the diversified model**
 - Sustained sales & marketing development, in particular in Private Capital with new first-tier mandates
 - Transaction volumes down by 8.4% vs. a high base in 2Q22
- Increased assets**
 - Average assets up by 2.8% vs. 2Q22
 - Increase in assets late in the period, due to the market rebound
- Innovation and operational efficiency**
 - Launch of a next-generation virtual assistant, NOA (NextGen Online Assistant) using artificial intelligence on NeoLink, the client service portal
 - Launch of an innovative portfolio-review solution based on a broad selection of regulatory and CSR (Contractual Investment Compliance) criteria

Assets under custody (AuC) and under administration (AuA)



Transaction volumes



Revenues: €661m
(-0.3% vs. 2Q22)

- Continued favourable effect of the interest-rate environment and increase in assets offset by the impacts of lower transaction volumes in a lacklustre market context and of the unfavourable exchange rates effect
- +1.6% at constant scope and exchange rates



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Commercial, Personal Banking & Services – 2Q23

High level of results and very positive jaws effect

Further growth in activity

- **Loans:** +3.6% vs. 2Q22 (+10.4% vs. 2Q21), increase in Commercial & Personal Banking in the Eurozone and in Specialised Businesses
- **Arval:** strong increase in the financed fleet (+9.5%¹ vs. 30.06.22)
- **Deposits:** -1.4% vs. 2Q22 (+6.0% vs. 2Q21), almost stable in Eurozone Commercial & Personal Banking vs. 1Q23
- **Private Banking:** very strong net asset inflows (€5.1bn)

Very robust sales & marketing drive

- Negotiation of an exclusive referral partnership with **Orange Bank**
- **Development of customer acquisition with Hello bank**²: 3.4m customers as at 30.06.23, i.e., 99,700 new customers (+49.1% vs. 2Q22)
- **Strong increase in payment activity:** increase in transaction volumes in the acquiring business (+15% vs. 1H22) and strong acceleration to come with new mandates won in 2023

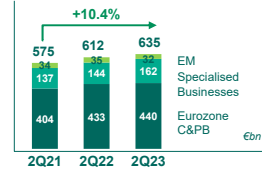
Revenues³: €6,782m
(+3.3% vs. 2Q22)

- Increase in Commercial & Personal Banking in the Eurozone (+2.6%) with an increase in net interest revenue (+4.7%)
- Growth in Specialised Businesses (+5.8%; +16.9% excluding Personal Finance)

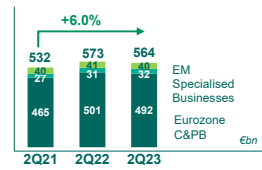
Operating expenses³: €3,776m
(+0.3% vs. 2Q22)

- Very positive jaws effect (+3.0 pts) driven by Commercial & Personal Banking (+3.5 pts) and Arval & Leasing Solutions (+12.1 pts)

Loans⁵



Deposits⁵



Pre-tax income⁴: €2,283m
(-0.4% vs. 2Q22)

- +0.7% at constant scope & exchange rates

1. Increase in the fleet at the end of the period in thousands of vehicles. +6.7% excluding the acquisition of Terberg Business Lease and BCR; 2. Excluding Austria and Italy; 3. Including 100% of Private Banking while excluding PEL/CEL effects; 4. Including 2/3 of Private Banking while excluding PEL/CEL effects; 5. At constant scope and exchange rates (excluding Bank of the West sold on 01.02.23)



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CPBS – Commercial & Personal Banking in France – 2Q23

Good level of performance, positive jaws effect

Business driven by a favourable sales & marketing positioning

- **Loans:** +1.8% vs. 2Q22, increase in outstandings across all customer segments; ongoing adjustment in interest rates and selectivity maintained in mortgage loans
- **Deposits:** -2.1% vs. 2Q22, margins holding up well, increase in term deposits, and increase in deposits late in the quarter (+0.5% vs. 31.03.23)
- **Off-balance sheet savings:** +7.1% vs. 30.06.22, increase in life insurance (+3.7% vs. 30.06.22)
- **Private Banking:** very good net asset inflows of €2.7bn

Improvement in operational efficiency and customer journeys

- **Streamlined processing of securities back-office operations:** ~10% reduction in costs¹
- **Enhanced digital features** for managing trading operations

Revenues³: €1,716m
(+0.1% vs. 2Q22)

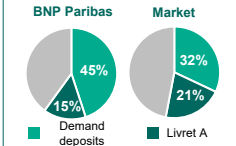
- Net interest revenue: +1.3%, increase driven by margins that held up well and the contribution of inflation hedges, despite the increase in refinancing costs
- Fees: -1.3%, stable banking fees driven by payment means and cash management

Operating expenses³: €1,114m
(-0.2% vs. 2Q22)

- Lower operating expenses as cost-saving measures offset the effects of inflation
- Positive jaws effect (+0.3 pt)

Deposits of individual customers

As a % of total deposits²



Strong and distinctive franchises

- **#1 in Corporate Banking⁴**
- **#1 in Cash Management⁴**
- **#1 in Private Banking & Wealth Management⁵**
- ~30% of retail clients are mass affluent¹

Pre-tax income⁶: €406m
(-21.5% vs. 2Q22)

- Increase in the cost of risk related to a specific file

1. Source: management figures; 2. Source: Banque de France, April 2023 demand deposits, Livret A, ordinary passbooks accounts, PEL other savings accounts, LDDS; 3. Including 100% of Private Banking excluding PEL/CEL effects (-€3m in 2Q23 + €14m in 2Q22); 4. Source: Coalition Greenwich 2023 Share Leaders; 5. Source: Ranking based on internal data and analysis of a sample of Private Banking and Wealth Management peers – 1st Private Bank of the Eurozone based on AUM as reported by the main euro zone banks; 6. Including 2/3 of Private Banking while excluding PEL/CEL effects



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CPBS – BNL banca commerciale – 2Q23

Increase in results and constant improvement in the risk profile

Good business activity

- **Loans:** -2.2% vs. 2Q22, -0.5% on the perimeter excluding non-performing loans; growth in mid- and long-term loans offset by the decrease in short-term loans to corporate clients
- **Deposits:** -1.0% vs. 2Q22, increase in deposits vs. 1Q23 (+2.4%) - increase in savings and term-deposit accounts with good control of margins
- **Private Banking:** net asset inflows of €0.8 bn supported by synergies with the corporate segment

Constant improvement in the risk profile

- **A historically low level:** 41 bps in 2Q23 (55 bps in 2Q22)
- Decrease in the cost of risk, along with a decrease in the cost of risk on non-performing loans

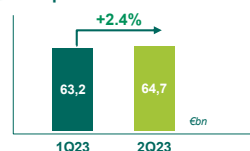
Revenues¹: €687m
(+2.3% vs. 2Q22)

- Net interest revenue: +6.2%, increase supported by the ongoing adjustment in interest rates and margins that held up well on deposits
- Fees: -2.9%, due in particular to the decrease in financial fees

Operating expenses¹: €428m
(+2.8% vs. 2Q22)

- Increase contained by the impact of cost-saving measures

Deposits



Cost of risk



Pre-tax income²: €171m
(+22.6% vs. 2Q22)

- Decrease in the cost of risk

1. Including 100% of Private Banking; 2. Including 2/3 of Private Banking



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CPBS – Commercial & Personal Banking in Belgium – 2Q23

Increase in results and positive jaws effect

Good business drive

- **Loans:** +3.7% vs. 2Q22, increase in loans across all customer segments, particularly to corporate clients
- **Deposits:** -0.5% vs. 2Q22 (+0.4% vs. 1Q23), increase in deposits by individual and professional customers, strong increase of term deposits from corporate clients, margins holding up well
- **Off-balance sheet savings:** +0.9% / 30.06.22, driven by mutual funds
- **Private Banking:** good net asset inflows of €1.2bn

- **Strong growth in payment means,** 17% increase vs. 1H22 in the number of transactions in acquiring

- **Acceleration in digitalisation,** 2 million active customers on mobile apps¹ in 2Q23 (+6.9% vs. 2Q22)

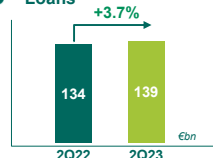
Revenues²: €1,006m
(+4.2% vs. 2Q22)

- Net interest revenue: +4.2%, increase driven by margins that held up well, despite higher refinancing costs
- Fees: +4.2%, increase supported by financial fees

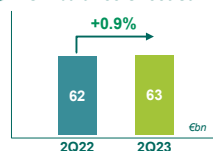
Operating expenses²: €568m
(+2.7% vs. 2Q22)

- Positive jaws effect (+1.5 pts)
- Good control with the effect of cost-saving initiatives offsetting partly the impact of inflation

Loans



Off-balance sheet savings



Pre-tax income³: €394m
(+3.9% vs. 2Q22)

- Very low cost of risk

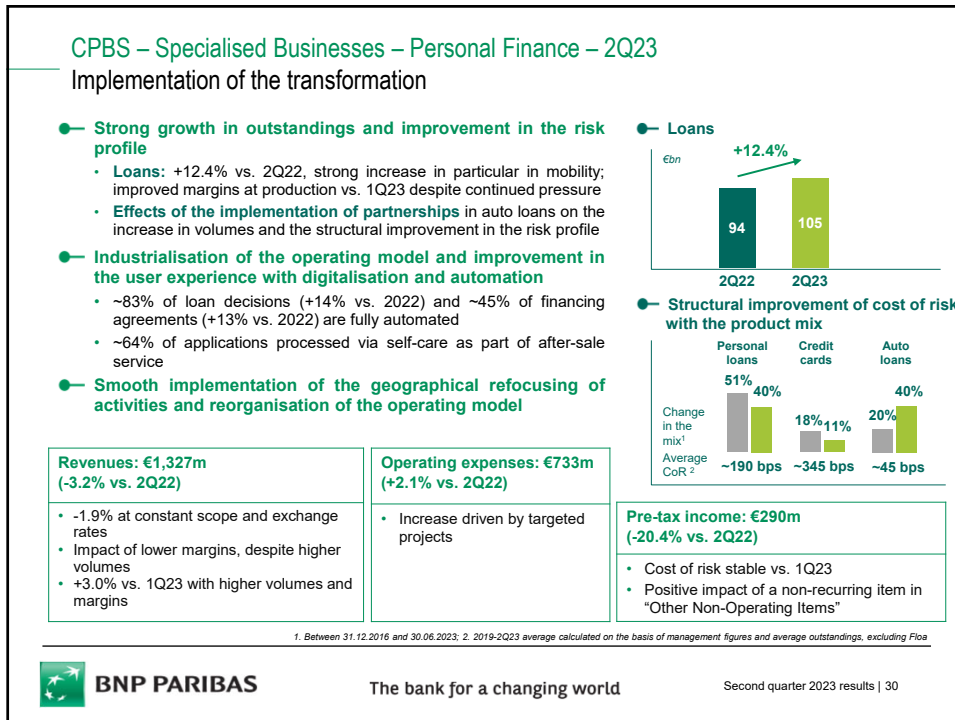
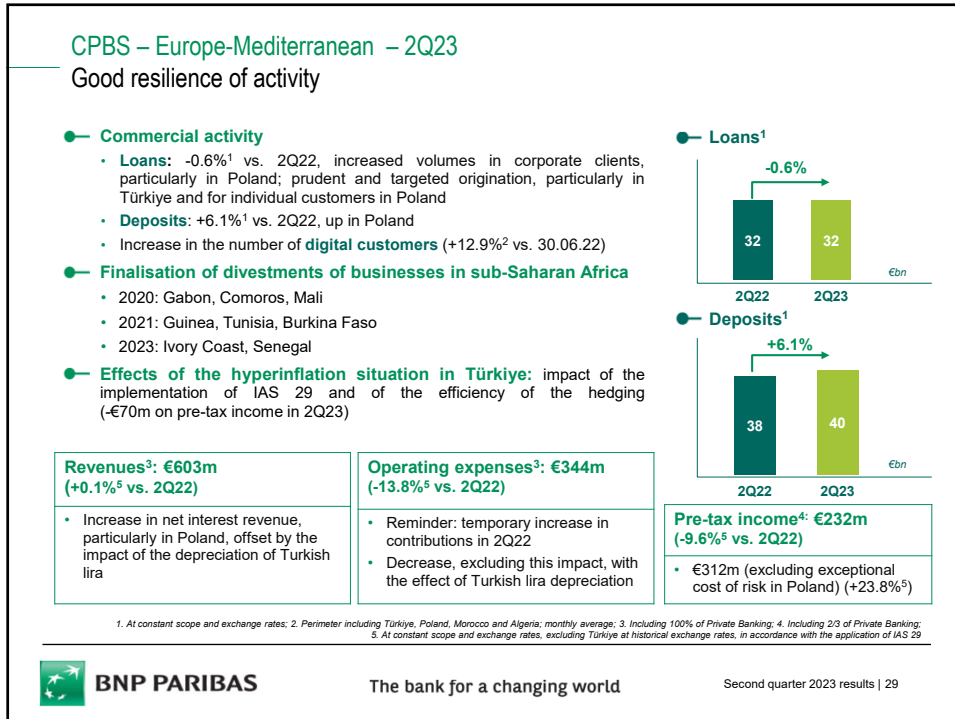
1. Customers logging onto the mobile app at least once per month (on average in 2Q), perimeter: individual, professional and private banking clients; 2. Including 100% of Private Banking; 3. Including 2/3 of Private Banking



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CPBS – Specialised Businesses – Arval & Leasing Solutions – 2Q23

Very strong performance and positive jaws effect

Arval

- **Very good growth in the financed fleet** (+9.5%¹ vs. 30.06.22) and **continued high used car prices**
- **Expansion in the global Element-Arval alliance**: signing of a trilateral agreement by Arval, Element and Sumitomo Mitsui Auto Service, expanding the Alliance-managed fleet to 4.4m vehicles in 56 countries
- **Acceleration of the transition to electric mobility**: signing of an international agreement with Chargepoint providing access to a network of more than 485,000 charging stations throughout Europe

Leasing Solutions

- **Increase in outstandings** (+6.3%³ vs. 2Q22) and new energy transition partnerships
- **Maintaining of business drive** particularly in Technology & Lifecycle Solutions

- **Arval & Leasing Solutions**: launch of joint solutions in financing for electric vehicles and related charging infrastructures

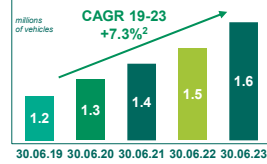
Revenues: €1,046m
(+17.1% vs. 2Q22)

- Very good performance at Arval (continued high used car prices)
- Good resiliency at Leasing Solutions

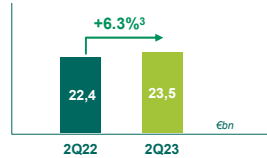
Operating expenses: €358m
(+5.0% vs. 2Q22)

- Very positive jaws effect (+12.1 pts)

Arval: growth in the financed fleet²



Leasing Solutions: increase in outstandings



Pre-tax income: €658m
(+25.4% vs. 2Q22)

1. Increase in the fleet as at the end of the period in thousands of vehicles; +6.7% excluding the acquisition of Terberg Business Lease and BCR; 2. Fleet at the end of the period; 3. At constant scope and exchange rates



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CPBS – Specialised Businesses – New Digital Businesses & Personal Investors – 2Q23

Client acquisition engines

NICKEL, a payment offering accessible to everyone

- Continued roll-out in Europe with the launch planned in Germany
- Continued very high pace of account openings (~57,000 per month in 2Q23, ~50,000 per month in 2Q22)¹
- ~3.4m accounts opened² as at 30.06.23 (+25.1% vs. 30.06.22) in more than 9,600 points of sale² (+27.4% vs. 30.06.22)

FLOA, the French leader in Buy Now Pay Later

- 3.8m customers as at 30.06.23, doubling in one year³ of the number of active partnerships (>500) with an acceleration internationally
- Continued good level of production with a tightening in credit standards

BNP PARIBAS PERSONAL INVESTORS, a specialist in digital banking and investment services

- A strong increase in AuM (+10.0% vs. 30.06.22), driven by the increase in the number of clients (+5.7% vs. 30.06.22) and the performance of the financial markets

Revenues⁴: €252m
(+16.2% vs. 2Q22)

- Increase in New Digital Businesses, driven by business development
- Strong increase supported by the interest-rate environment at Personal Investors

Operating expenses⁴: €160m
(+15.1% vs. 2Q22)

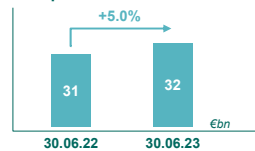
- In connection with the New Digital Businesses development strategy
- Positive jaws effect (+1.1 pt)

Nickel: expansion in Europe

~3.4m accounts opened² as at 30.06.23 (~+679k vs. 30.06.22)



Personal Investors: average deposits



Pre-tax income⁵: €59m
(+12.2% vs. 2Q22)

1. On average on the quarter in all countries; 2. Since inception; total for all countries; 3. Between May 2022 and May 2023; 4. Including 100% of Private Banking in Germany; 5. Including 2/3 of Private Banking in Germany



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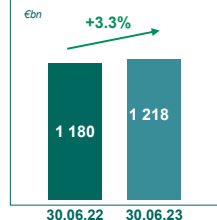
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Investment & Protection Services – 2Q23

Good business momentum in a contrasted environment

- Business drive sustained in particular by net asset inflows**
 - Insurance:** very good growth supported by Savings and Protection, with a higher technical result
 - Wealth and Asset Management:** good performance and net asset inflows (+€6.8bn¹ in 2Q23)
 - Real Estate and Principal Investments:** base effect and lacklustre environments
- Development of platforms for partners and customers**
 - Insurance:** development and renewal of partnerships, particularly in Latin America
 - Asset Management:** new ETF platform opened in Ireland, launch of the first index ETF on the S&P 500 ESG
 - Wealth Management:** roll-out of the Private Assets Portal platform

Assets under management²



Revenues: €1,430m (+0.3% vs. 2Q22)	Operating expenses: €879m (+2.0% vs. 2Q22)	Pre-tax income: €607m (-1.5% vs. 2Q22)
<ul style="list-style-type: none"> Strong increase in revenues at Insurance (+8.7%) and Wealth Management (+6.6%) Increase in Asset Management revenues offset by the strong decrease of Real Estate and Principal Investments revenues 	<ul style="list-style-type: none"> Good control of operating expenses with the impact of cost-savings measures 	<ul style="list-style-type: none"> Reminder: high base effect in "Other non-operating items" in 2Q22

1. Excluding the impact of a portfolio divestment in Spain; 2. Including distributed assets.



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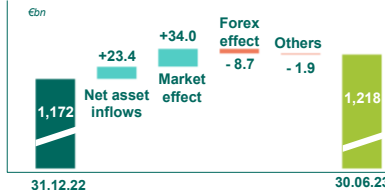
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IPS – Asset inflows and AuM – 1H23

Strong net asset inflows, particularly in money-market funds

- Assets under management: €1,218bn as at 30.06.23**
 - Market performance effect: +€34.0bn**
 - Net asset inflows: +€23.4bn**, very good asset inflows, driven in particular by inflows into money-market funds at Asset Management and very good inflows at Wealth Management
 - Foreign exchange effect: -€8.7bn**
 - Others: -€1.9bn**
 - +3.3% vs. 30.06.22

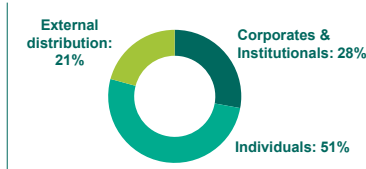
Change in assets under management¹



Assets under management² as at 30.06.23, by business line



Assets under management¹ as at 30.06.23, by client segment



1. Including distributed assets; 2. Assets under management of Real Estate Investment Management: €29bn; Assets under management of Principal Investments included in Asset Management following the creation of the Private Assets franchise



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IPS – Insurance – 2Q23

Growth in results

Business activity

- **Savings:** gross asset inflows of €11.7bn in 1H23 with positive net asset inflows in France, sustained by asset inflows into unit-linked policies
- **Protection:** good momentum in affinity insurance and in property & casualty in France and internationally; growth in particular in Latin America

Development and extension of digital partnerships

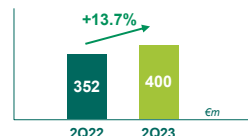
- **Rollover of the insurance distribution partnership with Magazine Luiza** (a multi-channel retail sales platform in Brazil, with more than 13m insured customers and 70% online sales)
- **New digital partnerships:** *Lemonade* (home insurance) and *Assurancevie.com* in France

Reminder¹: IFRS 17 came into effect on 01.01.2023

A balanced model



Strong growth in pre-tax income



Revenues: €557m
(+8.7% vs. 2Q22)

- Increase driven by the high level of revenues from Savings and Protection with a higher technical result

Operating expenses: €203m
(+1.4% vs. 2Q22)

- Support of business development and targeted projects
- Positive jaws effect

Pre-tax income: €400m
(+13.7% vs. 2Q22)

- Increase in the contribution by associates
- Reminder: capital gains on sales in 2Q22

1. Document detailing the 2022 recomposition available at <https://invest.bnpparibas/>



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IPS – Wealth & Asset Management¹ – 2Q23

Contrasted environments

- Good increase at **Wealth** and **Asset Management**, base effect and less favourable environment at **Real Estate** and **Principal Investments**

Wealth Management

- Good net asset inflows (€5.9bn² in 2Q23) especially in Europe in Commercial & Personal Banking and internationally with high-net-worth clients
- Strong increase in revenues driven by margins holding up well and growth in deposits (+1.9% vs. 2Q22)

Asset Management

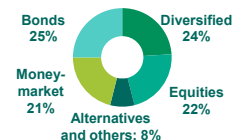
- Net asset inflows (+€0.9bn) driven by growth in money-market funds
- Increase in revenues, driven by net asset inflows and management performance effect

- **Real Estate:** good performance by Property Management but slowdown in advisory and property development activities

Private Banking: acknowledged leadership

Western Europe's Best Bank for Wealth Management³
Best Bank Impact Offering (Global Reach)⁴

Asset Management: €529bn of AuM as at 30.06.23⁵



Revenues: €873m
(-4.5% vs. 2Q22)

- Wealth Management: increase (+6.6%) driven by growth in net interest revenue
- Increase in revenues at Asset Management offset by the strong decrease in Real Estate and Principal Investments revenues

Operating expenses: €675m
(+2.2% vs. 2Q22)

- Increase in operating expenses contained by cost-saving measures

Pre-tax income: €207m
(-21.7% vs. 2Q22)

- Contribution by associates decreased from a high 2Q22 base


1. Asset Management, Wealth Management, Real Estate and Principal Investments; 2. Excluding the impact of a portfolio divestment in Spain; 3. Euromoney Awards for Excellence 2023; 4. WealthBriefing Wealth for Good Awards 2023; 5. Including Principal Investments.



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DIVISION RESULTS
CONCLUSION
1H23 & 2Q23 DETAILED RESULTS
APPENDICES

Conclusion



- A solid intrinsic performance reflected in distributable net income**
Distributable net income¹: €3,260m
Distributable EPS²: €4.72 (+16.8%)
- Confirmation of the growth trajectory in distributable net income in 2023**
Authorisation for the second €2.5bn tranche of the share buyback programme received - Launch of the execution beginning of August
- Leadership affirmed in favour of the energy transition**
- Mobilisation and strong employee commitment to serving clients**

1. Result serving as a basis for calculating the ordinary distribution in 2023 – See calculation on Slide 45; 2. Earnings per share calculated on the basis of 1H23 distributable net income

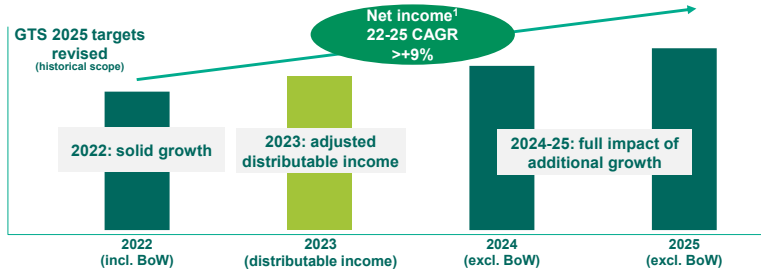


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Reminder of GTS 2025 plan objectives

Strong and steady growth in distributable income



2025 ambitions confirmed

- EPS: 22-25 CAGR >+12%, or 40% over the period¹
- 2025 ROTC: ~12%
- Positive jaws effect each year > 2 pts on average
- Cost of risk <40bps each year

1. Calculated on the basis of reported 2022 results (IFRS 4 incl. Bank of the West)



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Acknowledged leadership

Euromoney Awards for Excellence 2023



Global Best Bank



Global Best Bank for Sustainable Finance

- #### Additional Awards for Excellence 2023
- Western Europe's Best Bank
 - Western Europe's Best Bank for Sustainable Finance
 - Western Europe's Best Investment Bank
 - Western Europe's Best Bank for Wealth Management
 - Latin America's Best Bank for Sustainable Finance
 - Best Bank in France
 - Best Bank in Luxembourg
 - Best Investment Bank in Belgium
 - Best Investment Bank in France
 - Best Investment Bank in Portugal



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DIVISION RESULTS
CONCLUSION
1H23 & 2Q23 DETAILED RESULTS
APPENDICES

Main exceptional items – 1H23

	1H23	1H22
● Exceptional items		
Revenues		
• Provisions for litigation (Corporate Centre)	-€125m	
<i>Total exceptional revenues (excl. extraordinary ones)</i>	-€125m	
Operating expenses		
• Overall adaptation costs related to Personal Finance (Corporate Centre)	-€236m	
• Restructuring costs and adaptation costs (Corporate Centre)	-€87m	-€54m
• IT reinforcement costs (Corporate Centre)	-€188m	-€123m
<i>Total exceptional operating expenses</i>	-€512m	-€177m
Cost of risk		
• Provisions in Poland (Europe-Mediterranean)	-€130m	
<i>Total cost of risk of exceptional items</i>	-€130m	
Other non-operating items		
• Negative goodwill (bpost bank) (Corporate Centre)		+€244m
• Capital gain on the sale of a stake (Corporate Centre)		+€204m
• Impairment and reclassification to profit-and-loss of exchange differences ¹ (Ukrsibbank) (Corporate Centre)		-€433m
<i>Total exceptional other non-operating items</i>		+€15m
Total exceptional items (excl. extraordinary ones) (pre-tax)	-€767m	-€162m
Total exceptional items (excl. extraordinary ones) (after-tax) ²	-€612m	-€118m
● Extraordinary items (excluded from distributable income)		
Revenues		
• Adjustment of hedges in 1H23 related to changes in the TLTRO terms and conditions decided by the ECB in 4Q22 (Corporate Centre)	-€833m	
Net income from discontinued activities, in accordance with IFRS 5		
• Capital gain on the sale of Bank of the West, closed on 01.02.23	+€2,947m	

1. Previously recorded in Consolidated Equity; 2. Group share



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2Q23 – BNP Paribas Group

€m	Distributable		2Q23 distributable / 2Q22	2Q23 / 2Q22		2Q23 / 2Q22		2Q23 / 2Q22	
	2Q23	2Q22		2Q23	2Q22	2Q23	2Q22		
	(excl. exceptional & extraordinary items ¹)								
Group									
Revenues	11,808	11,536	+2.4%	11,363	11,536	-1.5%	11,918	11,536	+3.3%
Operating Expenses and Dep.	-6,884	-6,779	+1.5%	-6,889	-6,779	+1.6%	-6,738	-6,673	+1.0%
Gross Operating Income	4,924	4,757	+3.5%	4,474	4,757	-5.9%	5,180	4,863	+6.5%
Cost of Risk	-689	-758	-9.1%	-689	-758	-9.1%	-609	-758	-19.7%
Operating Income	4,235	3,999	+5.9%	3,785	3,999	-5.4%	4,571	4,105	+11.3%
Non Operating Items	273	201	+35.8%	273	201	+35.8%	273	201	+35.8%
Pre-Tax Income	4,508	4,200	+7.3%	4,058	4,200	-3.4%	4,844	4,306	+12.5%
Corporate Income Tax	-1,078	-1,131	-4.7%	-1,078	-1,131	-4.7%	-1,141	-1,159	-1.6%
Net Income Attributable to Minority Interests	-170	-112	+52.2%	-170	-112	+52.2%	-170	-112	+52.2%
Net Income excl. discontinued activities	3,260	2,957	+10.2%	2,810	2,957	-5.0%	3,533	3,035	+16.4%
Net Income from discontinued activities	0	136	n.s.	0	136	n.s.	0	136	n.s.
Net Income Attributable to Equity Holders	3,260	3,093	+5.4%	2,810	3,093	-9.2%	3,533	3,171	+11.4%
Cost/Income	58.3%	58.8%	-0.5 pt	60.6%	58.8%	+1.8 pt	56.5%	57.8%	-1.3 pt

Corporate income tax: an average rate of 27.6% (28.6% in 2Q22)

¹ See slide 4 – Note: with no other adjustment



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1H23 – BNP Paribas Group

€m	Distributable		1S23 distributable / 1S22	1S23 / 1S22		1S23 / 1S22		1S23 / 1S22	
	1S23	1S22		1S23	1S22	1S23	1S22		
	(excl. exceptional & extraordinary items ¹)								
Group									
Revenues	24,300	23,404	+3.8%	23,395	23,404	-0.0%	24,353	23,404	+4.1%
Operating Expenses and Dep.	-15,178	-15,533	-2.3%	-16,080	-15,533	+3.5%	-15,568	-15,356	+1.4%
Gross Operating Income	9,122	7,871	+15.9%	7,315	7,871	-7.1%	8,785	8,048	+9.2%
Cost of Risk	-1,331	-1,409	-5.5%	-1,331	-1,409	-5.5%	-1,201	-1,409	-14.8%
Operating Income	7,791	6,462	+20.6%	5,984	6,462	-7.4%	7,584	6,639	+14.2%
Non Operating Items	451	363	+24.2%	451	363	+24.2%	451	348	+29.5%
Pre-Tax Income	8,242	6,825	+20.8%	6,435	6,825	-5.7%	8,035	6,987	+15.0%
Corporate Income Tax	-1,869	-2,050	-8.8%	-1,869	-2,050	-8.8%	-2,024	-2,095	-3.4%
Net Income Attributable to Minority Interests	-268	-207	+29.7%	-268	-207	+29.7%	-268	-207	+29.7%
Net Income excl. discontinued activities	6,105	4,568	+33.6%	4,298	4,568	-5.9%	5,743	4,686	+22.5%
Net Income from discontinued activities	0	365	n.s.	2,947	365	n.s.	0	365	n.s.
Net Income Attributable to Equity Holders	6,105	4,933	+23.7%	7,245	4,933	+46.9%	5,743	5,051	+13.7%
Cost/Income	62.5%	66.4%	-3.9 pt	68.7%	66.4%	+2.3 pt	63.9%	65.6%	-1.7 pt

Corporate income tax: an average rate of 30.6% (33.2% in 1H22), impact of the booking in the first quarter of taxes and contributions for the year based on the application of IFRIC 21 "Taxes", of which a large part is not deductible

¹ See slide 42 – Note: with no other adjustment



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Calculation of distributable Net Income – 2Q23

- Offsetting of the extraordinary negative impact of adjustment of hedges related to the changes in the TLTRO terms and conditions decided by the ECB in 4Q22: +€430m in 2Q23
- Complementary contribution related in particular to the sale of Bank of the West: €15m
- Effect of the anticipation of the end of the SRF ramp-up (+€5m)

Revenues

- Impact the adjustment of hedges
- Complementary contribution¹

+€430m

+€15m

Operating expenses

- Effect of the anticipation of the end of the ramp-up of the SRF

+€5m

Total adjustments to 2Q23 net income, Group share

+€450m

Reminder: Total adjustments to 1Q23 net income (excluding capital gain on sale of BoW)

+€1,357m

Reminder: Capital gain on the sale of BoW (excluding distributable revenues in 1Q23)

+€2,947m

1Q23 distributable net income

+ €2,845m

2Q23 distributable net income

+ €3,260m

1H23 distributable Net Income

+ €6,105m

¹. Related in particular to the closing of the sale of Bank of the West



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2Q23 – Groupe BNP Paribas

Organic growth supported by the performance of the operating divisions

Total adjustments to 2Q23 net income, Group share

M€

Net Income, Group share 2Q23 reported	2 810
Exceptional items (excl. extraordinary ones)	-293
Adjustment of hedges related to changes in the TLTRO's terms & conditions (extraordinary item)	-430
Net Income, Group share 2Q23 reported (excl. extraordinary & exceptional items ¹ and excl. BoW)	3 533
Net Income, Group share 2Q22 reported (excl. exceptional items ¹ and incl. BoW)	3 258

Organic growth supported by the good performance of the operating divisions

(1H23 vs. 1H22)	At historical scope & exchange rates		At constant scope & exchange rates		(2Q23 vs. 2Q22)	At historical scope & exchange rates		At constant scope & exchange rates	
Revenues	+2.6%	+3.0%	+0.7%	+1.5%	Revenues	+0.7%	+1.5%	+0.7%	+1.5%
Operating expenses	+2.2%	+2.7%	+0.0%	+0.8%	Operating expenses	+0.0%	+0.8%	+0.0%	+0.8%
Gross Operating Income	+3.3%	+3.5%	+1.8%	+2.4%	Gross Operating Income	+1.8%	+2.4%	+1.8%	+2.4%
Cost of Risk	+1.0%	+1.3%	-5.5%	-4.0%	Cost of Risk	-5.5%	-4.0%	-5.5%	-4.0%
Operating Income	+3.6%	+3.9%	+2.9%	+3.4%	Operating Income	+2.9%	+3.4%	+2.9%	+3.4%
Pre-Tax income	+2.2%	+3.0%	+0.9%	+2.6%	Pre-Tax income	+0.9%	+2.6%	+0.9%	+2.6%

¹. See slide 4 – Note, with no other adjustment



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Growth driven by high-performance and complementary business lines (1/2)

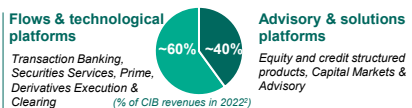
● **CIB: change of scale and client-driven approach** that supports performance and market share gains

Disciplined and above-market growth

(Global market share as a %¹)



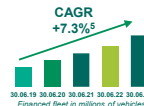
A diversified model at the service of clients



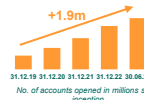
● **CPBS – Specialised businesses: acceleration in profitable growth**

Arval:

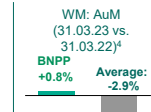
- Strong growth in the fleet
- Very gradual effect of normalisation of used car prices at a high level



Nickel: a continued high pace of account openings and roll-out of the offering in Europe



● **IPS: platforms at the heart of the integrated model and positioned to grow**



Insurance: strong development & rollover of major partnerships and bolt-on acquisitions

1 Source: BNP Paribas revenues as reported, Coalition Greenwich Competitor Analytics based on BNP Paribas product scope. Market share calculated as BNP Paribas revenues (as reported) divided by industry pools; ranking based on Top 12 Coalition Index banks. EMEA: Europe, Middle-East, Africa. 2. Source: management data. 3. Source: Morningstar; Scope: funds domiciled in Europe, 6M23 vs. 2022 – Annual (incl. CPR AM and Lyxor), Axa, Crédit Suisse, DWS (incl. Xtrackers), Natixis (incl. Ecofi), UBS (incl. L&AM). 4. Change in assets under management as reported by the main market participants. 1Q23 vs. 1Q22 – Bank of America, Citigroup, Deutsche Bank, Goldman Sachs, JP Morgan, Morgan Stanley, UBS. 5. Increase in the fleet as at the end of the period in thousands of vehicles



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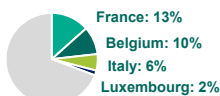
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Growth driven by high-performance and complementary business lines (2/2)

● **CPBS – Commercial & Personal Banking: a balanced model leveraging leadership positions**

Diversified European coverage

GOI of Eurozone Commercial & Personal Banking as a % of Group GOI as at 2Q23)



Optimised and segmented client coverage

(as a % of GOI of Eurozone Commercial & Personal Banking in 1H23)



Increase in fees (39% of C&PB revenues³) sustained in particular by market share gains in payments and leadership in flow businesses (**#1 in cash management in Europe**) (market share gains: ~+6 pts increase in penetration rate since 2020¹)

Steady increase in net interest revenues (61% of C&PB revenues³, +7.4% vs. 1H22) sustained by the evolution of rates

- ➔ Gradual impact of swap rate trends on assets at fixed rates
- ➔ Adapted sales & marketing policy (margins & volumes)
- ➔ Evolution in the structure of deposits according to market specificities



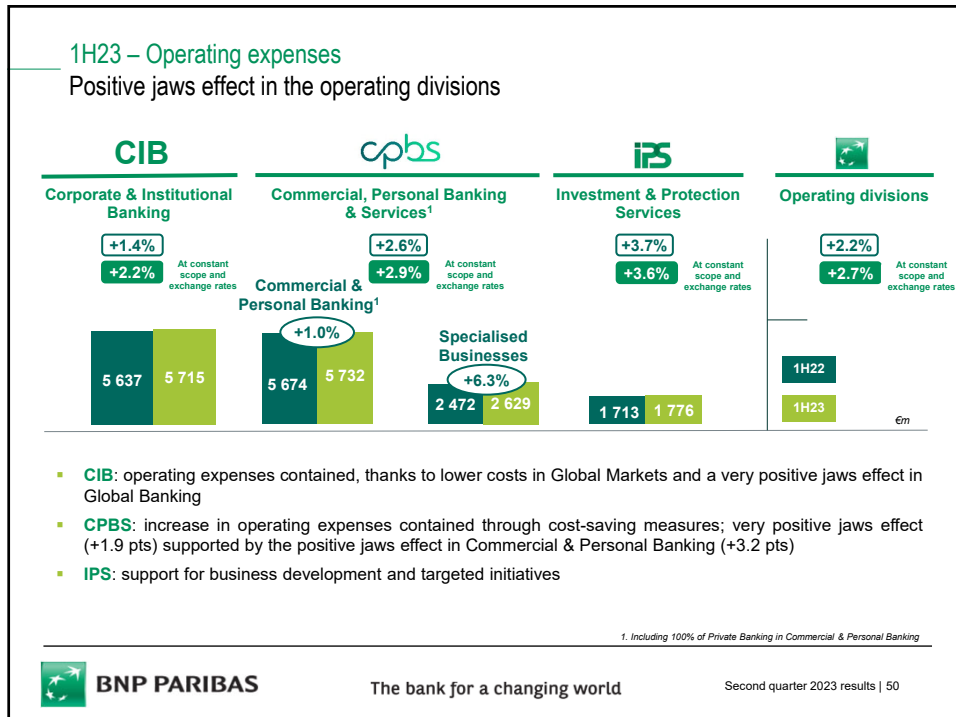
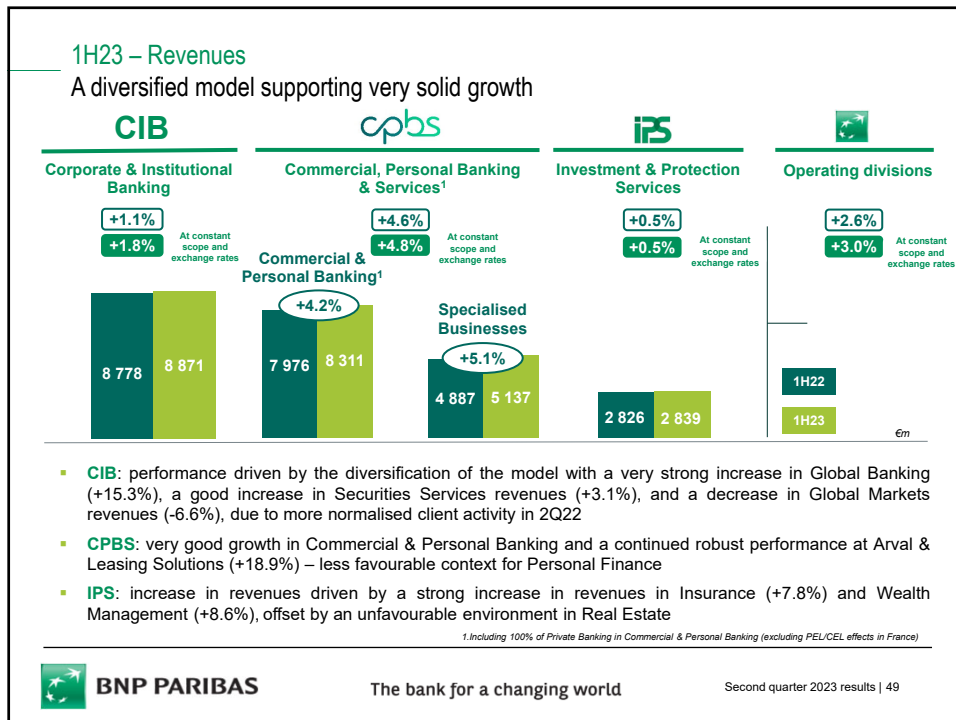
1. Source: Coalition Greenwich Share Leader 2022; 2. Source: ranking based on AuM figures as reported by the main Eurozone banks; 3. In the Eurozone



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Corporate and Institutional Banking – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Corporate and Institutional Banking						
Revenues	3,998	4,093	-2.3%	8,871	8,778	+1.1%
Operating Expenses and Dep.	-2,275	-2,299	-1.1%	-5,715	-5,637	+1.4%
Gross Operating Income	1,723	1,794	-3.9%	3,156	3,141	+0.5%
Cost of Risk	78	-76	n.s.	77	-78	n.s.
Operating Income	1,801	1,717	+4.9%	3,233	3,063	+5.6%
Share of Earnings of Equity-Method Entities	3	9	-66.1%	6	13	-53.7%
Other Non Operating Items	2	-1	n.s.	-5	0	n.s.
Pre-Tax Income	1,806	1,726	+4.7%	3,235	3,077	+5.1%
Cost/Income	56.9%	56.2%	+0.7 pt	64.4%	64.2%	+0.2 pt

Allocated equity available in quarterly series

- **Revenues: +1.1% vs. 1H22** (+1.8% at constant scope and exchange rates)
 - Increase at Global Banking (+15.3%) and Securities Services (+3.1%), decrease at Global Markets (-6.6% from a high 1H22 base)
- **Operating expenses: +1.4% vs. 1H22** (+2.2% at constant scope and exchange rates)
 - In support of business development, in particular in 1Q23
 - Very positive jaws effect at Global Banking and decrease in operating expenses at Global Markets
- **Cost of risk:** release of provisions, releases of provisions on performing loans (stages 1 & 2) and provisions on non-performing loans (stage 3) at a low level



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Corporate and Institutional Banking

Global Banking – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Global Banking						
Revenues	1,425	1,239	+15.0%	2,879	2,497	+15.3%
Operating Expenses and Dep.	-655	-648	+1.1%	-1,504	-1,453	+3.5%
Gross Operating Income	770	591	+30.3%	1,375	1,043	+31.7%
Cost of Risk	85	-85	n.s.	86	-65	n.s.
Operating Income	855	505	+69.0%	1,461	978	+49.4%
Share of Earnings of Equity-Method Entities	1	1	+88.8%	3	2	+39.3%
Other Non Operating Items	0	0	n.s.	0	0	-60.0%
Pre-Tax Income	856	506	+69.0%	1,464	980	+49.3%
Cost/Income	46.0%	52.3%	-6.3 pt	52.3%	58.2%	-5.9 pt

Allocated equity available in quarterly series

- **Revenues: +15.3% vs. 1H22** (+16.2% at constant scope and exchange rates)
 - Very strong increase in Transaction Banking, in particular in EMEA, and Capital Markets platform
 - Continued market share gains, in particular in EMEA
- **Operating expenses: +3.5% vs. 1H22** (+4.0% at constant scope and exchange rates)
 - Increase in connection with activity
 - Very positive jaws effect (+11.8 pts)
- **Cost of risk:** release of provisions, releases of provisions on performing loans (stages 1 & 2) and provisions on non-performing loans (stage 3) at a low level



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Corporate and Institutional Banking
Global Markets – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Global Markets						
Revenues	1,913	2,191	-12.7%	4,676	5,005	-6.6%
incl. FICC	1,126	1,379	-18.4%	3,032	3,129	-3.1%
incl. Equity & Prime Services	787	812	-3.0%	1,644	1,877	-12.4%
Operating Expenses and Dep.	-1,116	-1,152	-3.1%	-3,132	-3,146	-0.5%
Gross Operating Income	796	1,040	-23.4%	1,544	1,859	-16.9%
Cost of Risk	-6	8	n.s.	-9	-13	-27.2%
Operating Income	790	1,048	-24.6%	1,535	1,846	-16.9%
Share of Earnings of Equity-Method Entities	0	8	-95.8%	2	10	-75.8%
Other Non Operating Items	2	-1	n.s.	-5	0	n.s.
Pre-Tax Income	793	1,055	-24.9%	1,532	1,856	-17.4%
Cost/Income	58.4%	52.6%	+5.8 pt	67.0%	62.9%	+4.1 pt

Allocated equity available in quarterly series

- **Revenues: -6.6% vs. 1H22** (-6.1% at constant scope and exchange rates)
 - A very high base in 1H22
 - Decrease in FICC revenues, due to the 2Q23 normalisation of the activity in a less buoyant environment, particularly in fixed-income and currency products and commodity derivatives
 - Overall decrease in equity market revenues in a lacklustre environment in particular in 2Q23
- **Operating expenses: -0.5% vs. 1H22** (+0.5% at constant scope and exchange rates)
 - Decrease in connection with the slowdown in activity in 2Q23



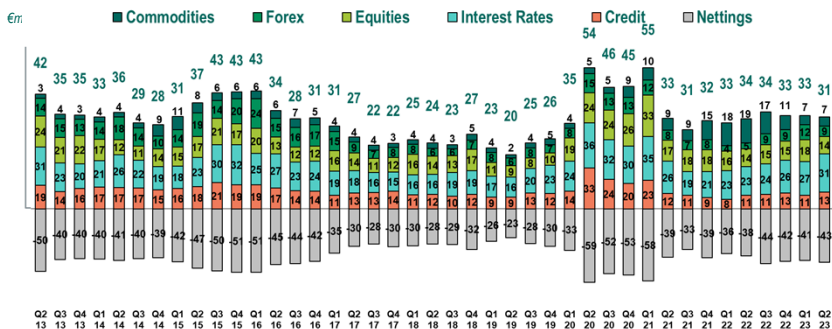
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Corporate and Institutional Banking
Market risks – 2Q23

● Average 99% 1-day interval VaR (Value at Risk)



● Average VaR was stable at a low level and decreased during the quarter¹

- Even lower than in 1Q23
- No theoretical back-testing event this quarter
- 3 theoretical back-testing events over the past 12 months and just 21 since 01.04.2013, a little more than two per year over a long period, including crises, in line with the internal (1 day, 99%) VaR calculation model

¹. VaR calculated to monitor market limits



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Corporate and Institutional Banking

Securities Services – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Securities Services						
Revenues	661	663	-0,3%	1 315	1 276	+3,1%
Operating Expenses and Dep.	-504	-499	+0,9%	-1 079	-1 037	-4,0%
Gross Operating Income	157	164	-3,9%	237	239	-0,9%
Cost of Risk	-1	0	n.s.	1	0	+92,7%
Operating Income	156	164	-4,5%	237	239	-0,7%
Share of Earnings of Equity-Method Entities	1	0	n.s.	1	2	-20,9%
Other Non Operating Items	0	0	n.s.	0	0	n.s.
Pre-Tax Income	158	164	-3,9%	239	241	-0,9%
Cost/Income	76,2%	75,3%	+0,9 pt	82,0%	81,3%	+0,7 pt

Allocated equity available in quarterly series

- **Revenues: +3.1% vs. 1H22** (+4.3% at constant scope and exchange rates), favourable impact of the rise in interest rates offset partly by the decrease in transaction volumes and average assets vs. 1H22
- **Operating expenses: +4.0% vs. 1H22** (+4.9% at constant scope and exchange rates), in connection with business development

	30.06.23	30.06.22	%Var/ 30.06.22	31.03.23	%Var/ 31.03.23
Securities Services					
Assets under custody (€bn)	12 015	11 214	+7,1%	11 941	+0,6%
Assets under administration (€bn)	2 408	2 256	+6,8%	2 520	-4,4%
	2Q23	2Q22	2Q23/2Q22	1Q23	2Q23/1Q23
Number of transactions (in million)	35,0	38,3	-8,4%	38,6	-9,2%



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Commercial, Personal Banking & Services – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Commercial, Personal Banking & Services¹						
Revenues	6,782	6,566	+3,3%	13,448	12,862	+4,6%
Operating Expenses and Dep.	-3,776	-3,766	+0,3%	-8,361	-8,146	-2,6%
Gross Operating Income	3,006	2,800	+7,4%	5,087	4,716	+7,9%
Cost of Risk	-733	-614	+19,4%	-1,363	-1,210	+14,3%
Operating Income	2,273	2,186	+4,0%	3,704	3,506	+5,7%
Share of Earnings of Equity-Method Entities	71	157	-54,6%	166	243	-31,8%
Other Non Operating Items	30	26	+15,6%	37	36	+2,8%
Pre-Tax Income	2,374	2,369	+0,2%	3,907	3,786	+3,2%
Income Attributable to Wealth and Asset Management	-90	-76	+19,6%	-156	-130	+20,3%
Pre-Tax Income of CPBS	2,283	2,293	-0,4%	3,751	3,655	+2,6%
Cost/Income	55,7%	57,4%	-1,7 pt	62,2%	63,3%	-1,1 pt

¹ Excluding PEL/CEL and including 100% of Private Banking for the Revenues to Pre-tax income line items – Allocated equity available in quarterly series

- **Revenues¹: +4.6% vs. 1H22**
 - Very good performance of Commercial & Personal Banking
 - Increase at Specialised Businesses with very strong growth at Arval
- **Operating expenses¹: +2.6% vs. 1H22**, increase in cost contained by the effect of cost-saving measures - very positive jaws effect (+1.9 pts) sustained by positive jaws effect at Commercial & Personal Banking (+3.2 pts)
- **Pre-tax income²: +2.6% vs. 1H22**
 - Increase in GOI (+7.9%), impact of effects incurred by the hyperinflation situation in Türkiye³ (-€99m in 1H23)

¹ Including 100% of Private Banking (excluding PEL/CEL effect in France); ² Including 2/3 of Private Banking (excluding PEL/CEL effect in France); ³ Impact of the implementation of IAS 29 and of the efficiency of the hedge in Türkiye



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CPBS – Commercial & Personal Banking in France – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Commercial & Personal Banking in France¹						
Revenues	1 716	1 714	+0.1%	3 386	3 316	+2.1%
incl. net interest revenue	917	905	+1.3%	1 810	1 741	+4.0%
incl. fees	799	809	-1.3%	1 576	1 575	+0.0%
Operating Expenses and Dep.	-1 114	-1 117	-0.2%	-2 390	-2 356	+1.5%
Gross Operating Income	602	598	+0.7%	996	961	+3.6%
Cost of Risk	-151	-64	n.s.	-226	-157	+44.2%
Operating Income	451	534	-15.5%	770	804	-4.3%
Share of Earnings of Equity-Method Entities	0	1	n.s.	0	1	n.s.
Other Non Operating Items	0	25	-99.8%	0	25	-99.8%
Pre-Tax Income	451	560	-19.4%	770	830	-7.3%
Income Attributable to Wealth & Asset Management	-45	-42	+5.8%	-81	-74	+10.4%
Pre-Tax Income of CPBF	406	517	-21.5%	688	756	-9.0%
Cost/Income	64.9%	65.1%	-0.2 pt	70.6%	71.0%	-0.4 pt

1. Excluding PEL/CEL and including 100% of Private Banking for the Revenues to Pre-tax income line items – Allocated equity available in quarterly series

- **Revenues¹: +2.1% vs. 1H22**
 - Net interest revenue: +4.0%, increase supported by solid margins and the contribution of inflation hedges, despite the increase in refinancing costs
 - Fees: stable, increase in banking fees in relation mainly with payment means and cash management offset by the decrease in financial fees
- **Operating expenses¹: +1.5% vs. 1H22**, increase contained by the impact of cost-saving measures; positive jaws effect (+0.6 pt)
- **Pre-tax income²: -9.0% vs. 1H22**, high 2Q22 base of "non-operating items" in 2Q22 and increase in the cost of risk due to a specific file

1. Including 100% of Private Banking (excluding PEL/CEL effect in France, 25m€ in 1H22, 0m€ in 1H23); 2. Including 2/3 of Private Banking (excluding PEL/CEL effect in France)



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Average outstandings (€bn)	2Q23	%Var/2Q22	%Var/1Q23	1H23	%Var/1H22
LOANS	211.5	+1.8%	-0.4%	212.0	+3.2%
Individual Customers	111.4	+1.2%	-0.3%	111.8	+2.2%
Incl. Mortgages	99.6	+1.0%	-0.4%	99.8	+1.9%
Incl. Consumer Lending	11.9	+3.5%	+0.9%	11.8	+4.9%
Corporates	100.1	+2.5%	-0.7%	100.4	+4.4%
DEPOSITS AND SAVINGS	238.7	-2.1%	-1.5%	240.5	-0.5%
Current Accounts	136.3	-19.8%	-5.7%	140.5	-16.3%
Savings Accounts	67.8	-0.0%	-0.5%	68.0	+0.5%
Market Rate Deposits	34.5	n.a.	+16.7%	32.0	n.s.
€bn	30.06.23	%Var/30.06.22	%Var/31.03.23		
OFF BALANCE SHEET SAVINGS					
Life Insurance	104.7	+3.7%	+1.2%		
Mutual Funds	40.9	+17.0%	-4.3%		

CPBS – BNL banca commerciale – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
BNL bc¹						
Revenues	687	671	+2.3%	1 362	1 326	+2.8%
incl. net interest revenue	411	387	+6.2%	803	768	+4.6%
incl. fees	276	284	-2.9%	559	558	+0.2%
Operating Expenses and Dep.	-428	-416	+2.8%	-892	-870	+2.5%
Gross Operating Income	259	255	+1.6%	470	456	+3.2%
Cost of Risk	-80	-110	-26.7%	-178	-237	-24.9%
Operating Income	179	146	+22.8%	292	219	+33.7%
Share of Earnings of Equity-Method Entities	0	0	n.s.	0	0	n.s.
Other Non Operating Items	-3	2	n.s.	-3	2	n.s.
Pre-Tax Income	176	148	+19.1%	289	220	+31.1%
Income Attributable to Wealth & Asset Management	-5	-8	-41.4%	-12	-16	-25.2%
Pre-Tax Income of BNL bc	171	139	+22.6%	277	205	+35.5%
Cost/Income	62.3%	62.0%	+0.3 pt	65.5%	65.6%	-0.1 pt

1. Including 100% of Private Banking for the Revenues to Pre-tax income line items – Allocated equity available in quarterly series

- **Revenues¹: +2.8% vs. 1H22**
 - Net interest revenue: +4.6%, increase driven mainly by the positive impact of the interest-rate environment and the strength of margins on deposits, along with more significant revenue growth in corporate clients from support provided for the energy transition
 - Fees: +0.2%, stability supported by the increase in banking fees
- **Operating expenses¹: +2.5% vs. 1H22**
 - Operating efficiency measures partially offsetting the impact of inflation
 - Positive jaws effect (+0.2 pt)
- **Pre-tax income²: +35.5% vs. 1H22**, increase amplified by the decrease in the cost of risk

1. Including 100% of Private Banking; 2. Including 2/3 of Private Banking



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CPBS – Commercial & Personal Banking in Belgium – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Commercial & Personal Banking in Belgium¹						
Revenues	1 006	965	+4.2%	2 022	1 900	+6.4%
<i>incl. net interest revenue</i>	706	677	+4.2%	1 437	1 309	+9.7%
<i>incl. fees</i>	300	289	+4.2%	585	591	-1.0%
Operating Expenses and Dep.	-568	-554	+2.7%	-1 514	-1 459	+3.8%
Gross Operating Income	438	412	+6.3%	508	442	+15.0%
Cost of Risk	-19	-16	+19.4%	-28	1	n.s.
Operating Income	418	396	+5.7%	481	443	+8.5%
Share of Earnings of Equity-Method Entities	0	1	-51.1%	1	0	+20.3%
Other Non Operating Items	3	3	+0.5%	4	7	-43.2%
Pre-Tax Income	422	399	+5.6%	485	451	+7.7%
Income Attributable to Wealth & Asset Management	-28	-20	+38.8%	-40	-30	+33.3%
Pre-Tax Income of CPPB	394	379	+3.9%	446	421	+5.9%
Cost/Income	56.5%	57.3%	-0.8 pt	74.9%	76.8%	-1.9 pt

1. Including 100% of Private Banking for the Revenues to Pre-tax income
line items – Allocated equity available in quarterly series

- **Revenues¹: +6.4% vs. 1H22**
 - Net interest revenue: +9.7%, strong growth driven by margins that held up well
 - Fees: -1.0%, increase in financial fees offset by the decrease in banking fees (high base effect in 1H22)
- **Operating expenses¹: +3.8% vs. 1H22**, increase contained by cost-saving measures offsetting the impact of inflation; very positive jaws effect (+2.6 pts)
- **Pre-tax income²: +5.9% vs. 1H22**, strong GOI growth and impact of cost of risk compared to a low 1H22 base (write-back of provisions in 1H22)

1. Including 100% of Private Banking; 2. Including 2/3 of Private Banking



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CPBS – Commercial & Personal Banking in Luxembourg – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Commercial & Personal Banking in Luxembourg¹						
Revenues	145	114	+27.4%	290	228	+27.0%
<i>incl. net interest revenue</i>	122	90	+35.1%	242	178	+35.7%
<i>incl. fees</i>	23	24	-2.1%	49	50	-3.8%
Operating Expenses and Dep.	-69	-66	+5.5%	-157	-146	+7.8%
Gross Operating Income	75	48	+57.3%	133	83	+61.2%
Cost of Risk	-1	3	n.s.	-2	8	n.s.
Operating Income	75	51	+47.5%	131	91	+44.3%
Share of Earnings of Equity-Method Entities	0	0	+0.2%	0	0	+21.1%
Other Non Operating Items	0	0	-70.6%	0	2	-81.3%
Pre-Tax Income	75	51	+47.4%	131	92	+42.1%
Income Attributable to Wealth & Asset Management	-2	-2	+12.9%	-4	-3	+6.0%
Pre-Tax Income of CPBL	73	49	+48.5%	128	89	+43.4%
Cost/Income	47.8%	57.6%	-10.0 pt	54.1%	63.8%	-9.7 pt

1. Including 100% of Private Banking for the Revenues to Pre-tax income
line items – Allocated equity available in quarterly series

- **Revenues¹: +27.4% vs. 2Q22; +27.0% vs. 1H22**
 - Net interest revenue: +35.1% vs. 2Q22; +35.7% vs. 1H22, very strong increase driven by the increase in loans outstanding and margins on deposits that held up well, in particular from corporate clients
 - Fees: -2.1% vs. 2Q22; -3.8% vs. 1H22, a good level of fees, but lower than in 2Q22
- **Operating expenses¹: +5.5% vs. 2Q22; +7.6% vs. 1H22**, very positive jaws effect (+19.4 pts vs. 1H22)
- **Pre-tax income²: +48.5% vs. 2Q22; +43.4% vs. 1H22**

1. Including 100% of Private Banking; 2. Including 2/3 of Private Banking



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CPBS – Europe-Mediterranean – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Europe-Mediterranean¹						
Revenues	603	620	-2.7%	1 251	1 205	+3.8%
incl. net interest revenue	509	508	+0.1%	1 048	974	+7.7%
incl. fees	95	112	-15.3%	203	231	-12.4%
Operating Expenses and Dep.	-344	-416	-17.2%	-780	-844	-7.6%
Gross Operating Income	259	204	+26.7%	471	361	+30.6%
Cost of Risk	-56	-47	+20.3%	-105	-87	+19.9%
Operating Income	203	158	+28.5%	367	273	+34.0%
Share of Earnings of Equity-Method Entities	64	132	-51.7%	151	202	-25.2%
Other Non Operating Items	-24	-20	+19.8%	13	-29	n.s.
Pre-Tax Income	242	270	-10.1%	531	446	+18.9%
Income Attributable to Wealth and Asset Management	-10	-3	n.s.	-18	-6	n.s.
Pre-Tax Income of Europe-Mediterranean	232	267	-12.9%	513	440	+16.5%
Cost/Income	57.1%	67.0%	-9.9 pt	62.3%	70.1%	-7.8 pt

1. Including 100% of Private Banking for the Revenues to Pre-tax income line items – Allocated equity available in quarterly series

- **FX impact: strong appreciation of the euro vs. the Turkish lira and depreciation of the euro vs. the zloty**
 - TRY/EUR²: -38.5% vs. 2Q22, -26.7% vs. 1Q23, -38.5% vs. 1H22
 - PLN/EUR³: +2.4% vs. 2Q22, +3.7% vs. 1Q23, +0.2% vs. 1H22
- **At constant scope and exchange rates vs. 1H22**
 - **Revenues⁴**: +9.2%, increase in revenues particularly in Poland, offset partly by the devaluation of the Turkish lira
 - **Operating expenses⁴**: -1.8%; reminder: high 2Q22 basis of comparison due to the temporary increase in contributions in Poland in 2Q22 and effect of the depreciation of the Turkish lira
 - **Pre-tax income⁵**: +10.5%, effects of the increased cost of risk (exceptional provision in Poland for 130m€ in 1S23) (note: impact of the hyperinflation situation in Türkiye⁶ of -€63m on 1H23 pre-tax income)

2. End-of-period exchange rates based on the application in Türkiye of IAS 29; 3. Average exchange rates; 4. Including 100% of Private Banking; 5. Including 2/3 of Private Banking; 6. Impact of the implementation of IAS 29 and of the efficiency of the hedging in Türkiye



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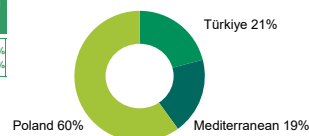
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CPBS – Europe-Mediterranean

Volumes and risks

Average outstandings (€bn)	2Q23	%Warr/2Q22		%Warr/1Q23		1H23	%Warr/1H22	
		historical	at constant scope and exchange rates	historical	at constant scope and exchange rates		historical	at constant scope and exchange rates
LOANS	32.1	-9.0%	-0.6%	-5.2%	-2.3%	33.0	-4.7%	+3.7%
DEPOSITS	39.9	-2.2%	+6.1%	-4.5%	-2.4%	40.9	+1.5%	+10.1%

● Geographical breakdown in loans outstanding in 2Q23¹

● Cost of risk / loans outstanding

Annualised cost of risk / outstandings as at beginning of period	2Q22	3Q22	4Q22	1Q23	2Q23
Türkiye	0.16%	1.05%	1.12%	-0.30%	0.07%
Poland	0.63%	0.31%	0.01%	0.75%	0.92%
Others	0.64%	0.69%	-0.85%	0.91%	0.53%
Europe-Mediterranean	0.51%	0.58%	0.11%	0.53%	0.62%

- Note 2Q23: -26 bps excluding exceptional provisions in Poland

● TEB: a solid and well capitalised bank

- Solvency ratio² of 19.49% as at 30.06.23
- Very largely self-financed
- 0.9% of the Group's loans outstanding as at 30.06.23

1. Based on the perimeter as at 30.06.23, excluding Ivory Coast and Senegal; 2. Capital Adequacy Ratio (CAR)



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CPBS – Specialised Businesses – Personal Finance – 1H23

	2023	2022	2023 / 2022	1S23	1S22	1S23 / 1S22
<i>€m</i>						
Personal Finance						
Revenues	1 327	1 371	-3,2%	2 615	2 759	-5,2%
Operating Expenses and Dep.	-733	-718	+2,1%	-1 544	-1 494	-3,3%
Gross Operating Income	593	653	-9,1%	1 071	1 266	-15,4%
Cost of Risk	-363	-309	+17,6%	-721	-624	+15,5%
Operating Income	230	344	-33,1%	350	642	-45,4%
Share of Earnings of Equity-Method Entities	10	26	-62,5%	19	40	-52,8%
Other Non Operating Items	50	-6	n.s.	43	-12	n.s.
Pre-Tax Income	290	365	-20,4%	412	670	-38,4%
Cost/Income	55,3%	52,4%	+2,9 pt	59,0%	54,1%	+4,9 pt

Allocated equity available in quarterly series

At constant scope and exchange rates vs. 1H22

- **Revenues:** -4.7%, driven by the effect of pressures on margins, despite higher volumes
- **Operating expenses:** +3.7%, increase driven by targeted projects
- **Pre-tax income:** -38.7%, driven mainly by the decrease in GOI and the increase in the cost of risk (note: positive impact of a non-recurring 2Q23 item on "Other Non-Operating Items")

Average outstandings (€bn)	2Q23	%var/2022 at constant scope and exchange rates		%var/1H23 at constant scope and exchange rates		1H23	%var/H22 at constant scope and exchange rates		Annualised cost of risk / outstandings as at beginning of period	2022					2023				
		historical	+12,4%	+13,1%	+8,6%		+8,4%	historical		+8,6%	+9,0%	2022	3Q22	4Q22	1Q23	2Q23	2022	3Q22	4Q22
TOTAL CONSOLIDATED OUTSTANDINGS	105,4					101,2			France	1,70%	2,11%	0,81%	1,40%	1,92%					
TOTAL OUTSTANDINGS UNDER MANAGEMENT (1)	122,5					117,8			Italy	1,56%	1,22%	1,03%	1,57%	2,32%					
									Spain	1,56%	1,64%	2,58%	1,75%	0,46%					
									Other Western Europe	0,77%	0,72%	1,92%	1,16%	0,74%					
									Eastern Europe	-0,35%	1,40%	1,57%	1,05%	1,07%					
									Brazil	6,11%	6,42%	13,60%	4,24%	4,77%					
									Others	0,75%	1,28%	1,57%	1,95%	1,70%					
									Personal Finance	1,29%	1,39%	1,70%	1,45%	1,45%					

(1) Including 100% of outstandings of subsidiaries not fully owned as well as of all partnerships



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CPBS – Specialised Businesses – 1H23
Arval & Leasing Solutions – New Digital Businesses

	2Q23	2Q22	2023 / 2022	1S23	1S22	1S23 / 1S22		2023	2022	2023 / 2022	1S23	1S22	1S23 / 1S22
<i>€m</i>							<i>€m</i>						
Arval & Leasing Solutions							New Digital Businesses & Personal Investors						
Revenues	1 046	893	+17,1%	2 028	1 705	+18,9%	Revenues	252	217	+16,2%	495	422	+17,3%
Operating Expenses and Dep.	-358	-341	+5,0%	-761	-707	+7,6%	Operating Expenses and Dep.	-160	-139	+15,1%	-324	-271	+19,4%
Gross Operating Income	688	553	+24,5%	1 267	998	+26,9%	Gross Operating Income	91	77	+18,2%	171	150	+13,4%
Cost of Risk	-33	-49	-31,8%	-72	-79	-9,1%	Cost of Risk	-30	-23	-29,4%	-52	-35	+48,4%
Operating Income	655	504	+30,0%	1 196	920	+30,0%	Operating Income	62	54	+13,4%	118	115	+2,8%
Share of Earnings of Equity-Method Entities	0	1	n.s.	0	5	n.s.	Share of Earnings of Equity-Method Entities	-2	-2	-4,1%	-4	-5	-7,6%
Other Non Operating Items	3	20	-83,5%	-21	40	n.s.	Other Non Operating Items	0	1	-65,1%	0	1	-55,5%
Pre-Tax Income	658	525	+25,4%	1 175	965	+21,8%	Pre-Tax Income	60	53	+13,4%	114	111	+2,9%
Cost/Income	34,2%	38,2%	-4,0 pt	37,5%	41,5%	-4,0 pt	Income Attributable to Wealth & Asset Management	-1	0	n.s.	-2	-1	+86,5%
							Pre-Tax Income of NDB & PI	59	52	+12,2%	112	110	+2,1%
							Cost/Income	63,7%	64,3%	-0,6 pt	63,3%	64,3%	-1,2 pt

Allocated equity available in quarterly series

1. Including 100% of Private Banking for the Revenues to Pre-tax income line items – Allocated equity available in quarterly series

- **Revenues:** +18.9% vs. 1H22, very good performance of Arval, stable revenues at Leasing Solutions
- **Operating expenses:** +7.6% vs. 1H22, very positive jaws effect (+11.3 pts)
- **Pre-tax income:** +21.8% vs. 1H22, impact of the hyperinflation situation¹ in Türkiye on "Other Non-Operating Items"
- **Revenues:** +17.3% vs. 1H22, very strong increase in revenues at Personal Investors and New Digital Businesses
- **Operating expenses:** +19.4% vs. 1H22, in connection with the development strategy of the business lines
- **Pre-tax income:** +2.1% vs. 1H22

1. Impacts of the implementation of IAS 29 and of the efficiency of the hedging in Türkiye



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CPBS – Specialised Businesses – 1H23

Arval & Leasing Solutions and Personal Investors

● Arval

	2Q23	%Var/2Q22		%Var/1Q23		1H23	%Var/1H22	
		historical	at constant scope and exchange rates	historical	at constant scope and exchange rates		historical	at constant scope and exchange rates
Average outstandings (€bn)								
Consolidated Outstandings	31.4	+20.2%	+17.8%	+5.3%	+5.4%	30.7	+18.6%	+16.1%
Financed vehicles (000 of vehicles)	1,643	+9.5%	+6.7%	+1.8%	+1.8%	1,628	+9.1%	+6.3%

● Leasing Solutions

	2Q23	%Var/2Q22		%Var/1Q23		1H23	%Var/1H22	
		historical	at constant scope and exchange rates	historical	at constant scope and exchange rates		historical	at constant scope and exchange rates
Average outstandings (€bn)								
Consolidated Outstandings	23.5	+5.1%	+6.3%	+1.6%	+1.8%	23.3	+4.8%	+6.1%

● Personal Investors

	2Q23	%Var/2Q22	%Var/1Q23	1H23	%Var/1H22
Average outstandings (€bn)					
LOANS	0.5	-16.6%	-4.0%	0.5	-6.1%
DEPOSITS	32.1	+5.0%	-0.1%	32.2	+5.6%

€bn	30.06.23	%Var/30.06.22	%Var/31.03.23
ASSETS UNDER MANAGEMENT	162.0	+10.0%	+3.0%
European Customer Orders (millions)	9.0	-11.3%	-10.7%



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Investment & Protection Services – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Investment & Protection Services						
Revenues	1430	1426	+0.3%	2839	2826	+0.5%
Operating Expenses and Dep.	-879	-862	+2.0%	-1776	-1713	+3.7%
Gross Operating Income	551	564	-2.3%	1063	1113	-4.5%
Cost of Risk	-2	-5	-69.0%	-3	-12	-77.5%
Operating Income	550	559	-1.7%	1060	1102	-3.7%
Share of Earnings of Equity Method Entities	58	41	+39.6%	126	86	+45.5%
Other Non Operating Items	0	16	n.s.	0	51	n.s.
Pre-Tax Income	607	617	-1.5%	1186	1239	-4.3%
Cost/Income	61.4%	60.4%	+1.0 pt	62.6%	60.6%	+2.0 pt

Allocated equity available in quarterly series

€bn	30.06.23	30.06.22	%Var/30.06.22	31.03.23	%Var/31.03.23
Assets under management (€bn)					
Insurance	250.2	255.2	-1.9%	251.4	-0.5%
Wealth Management	410.5	383.7	+4.3%	408.3	+1.0%
AM+RE+PI	557.7	531.0	+5.0%	555.4	+0.4%
Asset Management	529.1	500.6	+5.7%	526.2	+0.5%
Real Estate Services	28.7	30.4	-5.6%	29.2	-1.7%

€bn	2Q23	2Q22	%Var/2Q22	1Q23	%Var/1Q23
Net asset flows (€bn)					
Insurance	4.1	8.8	-54.1%	18.4	-78.1%
Wealth Management	-0.8	1.7	-53.5%	-0.3	-43.3%
AM+RE+PI	1.1	0.7	+47.3%	14.1	-92.4%
Asset Management	0.9	0.4	+125.0%	13.6	-93.6%
Real Estate Services	0.2	0.3	-34.4%	0.5	-62.5%

Note : Impact of the divestment of a portfolio in Spain (Wealth Management)

● Revenues: +0.5% vs. 1H22

- Good increase in revenues at Wealth Management and Insurance
- Good resilience in revenues at Asset Management
- Strong decrease in revenues at Real Estate and Principal Investments due to base effect and lacklustre environments

● Operating expenses: +3.7% vs. 1H22, increase contained in particular by cost-saving measures

- Pre-tax income: -4.3% vs. 1H22, increase in the contribution by associates. Reminder : high base in 1H22 with capital gains on sales in relation to divestments in Insurance and the creation of a joint-venture in Asset Management



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IPS – Insurance – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Insurance						
Revenues	557	512	+8.7%	1,081	1,002	+7.8%
Operating Expenses and Dep.	-203	-201	+1.4%	-405	-397	+2.0%
Gross Operating Income	353	311	+13.5%	676	605	+11.7%
Cost of Risk	0	0	n.s.	0	0	n.s.
Operating Income	353	311	+13.5%	676	605	+11.7%
Share of Earnings of Equity-Method Entities	47	24	+97.6%	106	53	n.s.
Other Non Operating Items	0	17	n.s.	0	14	n.s.
Pre-Tax Income	400	352	+13.7%	781	671	+16.4%
Cost/Income	36.5%	38.2%	-2.7 pt	37.5%	38.6%	-2.1 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 the Corporate Centre¹ and therefore has no impact on Insurance revenues.

- **Technical provisions: -0.5% vs. 1H22**
- **Revenues: +7.8% vs. 1H22**, good performance in Savings and increase in Protection, and a higher technical result
- **Operating expenses: +2.0% vs. 1H22**, increase driven by ongoing targeted projects
- **Pre-tax income: +16.4% vs. 1H22**, increase in the contribution by associates, in particular in Latin America and Europe

1. See Slide 69 for the impacts on Corporate Centre



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IPS – Wealth & Asset Management – 1H23

€m	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
Wealth and Asset Management						
Revenues	873	914	-4.5%	1,758	1,824	-3.6%
Operating Expenses and Dep.	-675	-661	+2.2%	-1,371	-1,316	+4.2%
Gross Operating Income	198	253	-21.8%	387	508	-23.8%
Cost of Risk	-2	-5	-69.0%	-3	-12	-77.5%
Operating Income	196	248	-20.9%	385	497	-22.5%
Share of Earnings of Equity-Method Entities	11	18	-37.6%	20	34	-40.5%
Other Non Operating Items	0	-1	-97.2%	0	37	n.s.
Pre-Tax Income	207	265	-21.7%	405	568	-28.7%
Cost/Income	77.3%	72.3%	+5.0 pt	78.0%	72.1%	+5.9 pt

Allocated equity available in quarterly series

- **Revenues: -3.6% vs. 1H22**
 - Very good performance by Wealth Management
 - Good resilience of revenues at Asset Management
 - Strong decline in revenues by Real Estate and Principal Investments
- **Operating expenses: +4.2% vs. 1H22**
 - Increase driven by ongoing targeted projects
 - Increase in operating expenses contained by cost-saving measures
- **Pre-tax income: -28.7% vs. 1H22**, due to a high 1H22 base, including a capital gain on the creation of an Asset Management JV in 1Q22



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2Q23 / 1H23 – Corporate Centre

Restatements of the volatility and attributable operating expenses related to insurance

- 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 activities¹. For a better readability, these restatements will be reported separately each quarter.

	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
€m						
Corporate Center : restatement related to insurance activities of the volatility (IFRS9) and attributable costs (internal distributors)						
Revenues	-305	-359	-15.2%	-570	-776	-26.5%
Restatement of the volatility (Insurance business)	-33	-108	-69.3%	-49	-266	-81.3%
Restatement of attributable costs (Internal Distributors),	-271	-252	+7.9%	-521	-510	+2.1%
Operating Expenses and Dep.	271	252	+7.9%	521	510	+2.1%
Restatement of attributable costs (Internal Distributors),	271	252	+7.9%	521	510	+2.1%
Gross Operating Income	-33	-108	-69.3%	-49	-266	-81.5%
Operating Income	-33	-108	-69.3%	-49	-266	-81.5%
Pre-Tax Income	-33	-108	-69.3%	-49	-266	-81.5%

Allocated equity available in quarterly series

- 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 the 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 business line revenues

¹. See Slide 67 for the impacts on the insurance business line



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Corporate Centre – 2Q23

Excluding the restatements related to insurance activities

	2Q23	2Q22	2Q23 / 2Q22	1S23	1S22	1S23 / 1S22
€m						
Corporate Center excl. restatement related to insurance activities of the volatility (IFRS 9) and attributable costs (internal distribution)						
Revenues	-361	-43	n.s.	-839	9	n.s.
Operating Expenses and Dep.	-318	-187	+69.9%	-942	-730	+29.2%
Incl. Restructuring, IT Reinforcement and Adaptation Costs	-151	-106	+42.7%	-512	-177	+0.0%
Gross Operating Income	-679	-230	n.s.	-1 781	-721	n.s.
Cost of Risk	-33	-64	-47.8%	-27	-118	-77.1%
Operating Income	-712	-294	n.s.	-1 808	-838	n.s.
Share of Earnings of Equity-Method Entities	17	19	-11.5%	29	41	-30.3%
Other Non Operating Items	93	-66	n.s.	92	-108	n.s.
Pre-Tax Income	-603	-342	+76.3%	-1 687	-905	+86.3%

Allocated equity available in quarterly series

- Revenues**
 - Revaluation of proprietary credit risk included in derivatives (DVA): €21m
 - Favourable impact of the interest-rate and foreign-exchange environment
 - Adjustment in 2Q23 of hedges related to changes in TLTRO terms & conditions decided by the ECB in 4Q22: -€430m
 - Provisions for litigation: -€125m
- Operating expenses**
 - Restructuring and adaptation costs: €57m (€28m in 2Q22)
 - IT reinforcement costs: €94m (€78m in 2Q22)
- Other non-operating items**
 - Positive impact of capital gains on sales in 2Q23
 - 2Q22 reminder: provisions for impairments (€57m)
- Pre-tax income:** strong decrease relating in particular to the extraordinary impact of adjustment to hedges in 2Q23 related to changes in the TLTRO terms and conditions (-€430m)



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Corporate Centre – 1H23

Excluding the restatements related to insurance activities

Revenues

- Revaluation of proprietary credit risk included in derivatives (DVA) : -€32m (+€108m in 1H22, offset by negative non-recurring item)
- Adjustment in 1H23 of hedges related to changes in TLTRO's terms & conditions decided by the ECB in 4Q22: -€833m
- Provisions for litigation in 2Q23 : -€125m

Operating expenses

- Decrease of IFRIC 21 taxes and in particular the contribution to the Single Resolution Fund
- Overall adaptation costs in Personal Finance in 1Q23: €236m
- Restructuring and adaptation costs: €87m (€54m in 1H22)
- IT reinforcement costs: €188m (€123m in 1H22)

Other non-operating items

- Positive impact of capital gains on sales in 2Q23
- 2Q22 reminder: negative goodwill (bpost bank) (+€244m); capital gain on the sale of a stake (+€204m); impairment and reclassification to profit and loss of exchange differences (Ukrsibbank)¹ (-€433m)

- **Pre-tax income**: steep decrease in GOI related in particular to the 1H23 extraordinary impact of adjustment of hedges related to changes in the TLTRO's terms and conditions decided by the ECB in 4Q22 (-€833m) and overall adaptation costs relating to Personal Finance (-€236m)

¹ Previously recorded in Consolidated Equity



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Breakdown in Contribution to the Single Resolution Fund – 1H23

In millions of euros	1H23
Corporate & Institutional Banking	-697
Global Banking	-146
Global Markets	-495
Securities Services	-57
Commercial, Personal Banking and Services	-294
Commercial & Personal Banking in the Euro Zone	-212
Commercial & Personal Banking in France ¹	-117
BNL bc ¹	-41
Commercial & Personal Banking in Belgium ¹	-44
Commercial & Personal Banking in Luxembourg ¹	-10
Commercial & Personal Banking outside the Euro Zone	-5
Europe-Mediterranean ¹	-5
Specialised Businesses	-78
Personal Finance	-58
Avail & Leasing Solutions	-30
New Digital Businesses & Personal Investors ¹	10
Investment & Protection Services	-17
Insurance	-15
Wealth Management	-15
Asset Management (including Real Estate & Principal Investments)	-1
Corporate Centre	6
TOTAL	-1,002

¹ Including 2/3 of Private Banking



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DIVISION RESULTS
CONCLUSION
1H23 & 2Q23 DETAILED RESULTS
APPENDICES

Number of Shares and Earnings per Share

● Number of Shares

<i>in millions</i>	30-Jun-23	30-Jun-22
Number of Shares (end of period)	1,234	1,234
Number of Shares excluding Treasury Shares (end of period)	1,197	1,232
Average number of Shares outstanding excluding Treasury Shares	1,228	1,233

Reminder: 41,920,114 shares acquired under BNP Paribas' share buyback between 1 April 2023 and 21 July 2023

● Earnings Per Share¹

<i>in millions</i>	30-Jun-23	30-Jun-22 ³
Average number of Shares outstanding excluding Treasury Shares	1,228	1,233
Net income attributable to equity holders ²	6,105	5,285
Remuneration net of tax of Undated Super Subordinated Notes	-316	-183
Exchange rate effect on reimbursed Undated Super Subordinated Notes	0	-123
Net income attributable to equity holders², after remuneration and exchange rate effect on Undated Super Subordinated Notes	5,789	4,979
Net Earnings per Share (EPS)¹ in euros	4.72	4.04

1. Calculated on the basis of distributable net income in 2023; 2. Distributable net income in 2023; 3. As reported as at 30 June 2022



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Book value per Share

● Book value per Share

<i>in millions of euros</i>	30-Jun-23	30-Jun-22	
Shareholders' Equity Group share	123,301	115,945	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	-3,283	-594	(2)
of which Undated Super Subordinated Notes	13,453	7,853	(2)
of which remuneration net of tax payable to holders of Undated Super Subordinated Notes	170	101	(3)
Net Book Value (a)	109,678	107,991	(1)-(2)-(3)
Goodwill and intangibles	9,436	11,926	
Tangible Net Book Value (a)	100,242	96,065	
Number of Shares excluding Treasury Shares (end of period) in millions	1,197	1,232	
Book Value per Share (euros)	91.7	87.6	
<i>of which book value per share excluding valuation reserve (euros)</i>	<i>94.4</i>	<i>88.1</i>	
Net Tangible Book Value per Share (euros)	83.8	78.0	

(a) Excluding Undated Super Subordinated Notes and remuneration net of tax payable to holders of Undated Super Subordinated Notes



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Return on Equity and Permanent Shareholders' Equity (1/2)

● Permanent Shareholders' Equity Group share, not revaluated, used for the calculation of ROE / ROTE (based on reported results)

<i>in millions of euros</i>	30-Jun-23	30-Jun-22	
Net Book Value	109 678	107 991	(1)
of which changes in assets and liabilities recognised directly in equity (valuation reserve)	-3 283	-594	(2)
of which 2022 net income distribution project		6 581	(3)
of which 2023 net income distribution project	7 598		(4)
Annualisation of restated result (a)	6 834	6 911	(5)
Restatement of remuneration of Undated Super Subordinated Notes for the annualised calculation	-330	-199	(6)
Permanent shareholders' equity, not revaluated, used for the calculation of ROE (b)	111 867	108 716	(1)-(2)-(3)-(4)-(5)+(6)
Goodwill and intangibles	9 436	11 926	
Tangible permanent shareholders' equity, not revaluated, used for the calculation of ROTE (b)	102 431	96 790	
Average permanent shareholders' equity, not revaluated, used for the ROE calculation (c)	109 483	106 270	
Average tangible permanent shareholders' equity, not revaluated, used for the ROTE calculation (d)	98 770	94 533	

- (a) 1H23 Net Income Group share excluding exceptional items but including IT reinforcement, adaptation and restructuring costs and excluding contribution to SRF and levies after tax
- (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 of beginning of the year and end of the period including in particular annualised reported net income as at 30 June 2023 with exceptional and extraordinary items and contribution to SRF 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)
- (d) Average Tangible permanent shareholders' equity: average of beginning of the year and end of the period including in particular annualised net income as at 30 June 2023 with exceptional items and contribution to SRF and taxes not annualised (Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)

Note: The payout ratio and the portion of Net Income, Group share taken into account for the ordinary distribution are always calculated on a basis adjusted for the remuneration of the Undated Super Subordinated Notes. In 2023, the distribution is applied to distributable Net Income, Group share, adjusted for the remuneration of the Undated Super Subordinated Notes.



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Return on Equity and Permanent Shareholders' Equity (2/2)

● Calculation of Return on Equity

(based on reported results)

<i>in millions of euros</i>	30-Jun-23	30-Jun-22	
Net income Group share	7,245	5,285	(1)
Exceptional and extraordinary items (after tax) (a)	1,725	-124	(2)
<i>of which exceptional and extraordinary items (not annualised)</i>	1,907	11	(3)
<i>of which IT reinforcement and restructuring costs (annualised)</i>	-182	-135	(4)
Contribution to the Single Resolution Fund (SRF) and levies after tax	-1,496	-1,637	(5)
Net income Group share, not revaluated (exceptional items, contribution to SRF and taxes not annualised) (b)	14,443	12,466	(6)
Remuneration net of tax of Undated Super Subordinated Notes and exchange effect	-646	-505	
Impact of annualised IT reinforcement and restructuring costs	-364	-270	
Net income Group share used for the calculation of ROE/ROTE (c)	13,433	11,691	
Average permanent shareholders' equity, not revaluated, used for the ROE calculation (d)	109,483	106,270	
Return on Equity (ROE)	12.3%	11.0%	
Average tangible permanent shareholders' equity, not revaluated, used for the ROTE calculation (e)	98,770	94,533	
Return on Tangible Equity (ROTE)	13.6%	12.4%	

(a) See slide 42

(b) Based on annualised reported Net Income Group share as at 30 June 2023, (6)=2*[(1)-(2)-(5)]+(3)+(5)

(c) Based on annualised reported Net Income, Group share as at 30 June 2023

(d) Average Permanent shareholders' equity: average of beginning of the year and end of the period including in particular annualised reported Net Income as at 30 June 2023 with exceptional and extraordinary items and contribution to SRF 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 of beginning of the year and end of the period including in particular annualised reported Net Income as at 30 June 2023 with exceptional and extraordinary items and contribution to SRF and taxes not annualised (Tangible permanent shareholders' equity = permanent shareholders' equity - intangible assets - goodwill)



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A Solid Financial Structure

● Doubtful loans/gross outstandings

	30-Jun-23	30-Jun-22
Doubtful loans (a) / Loans (b)	1.7%	1.8%

(a) Impaired loans (stage 3) to customers and credit institutions, not netted 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 loans outstanding 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

€tn	30-Jun-23	30-Jun-22
Allowance for loan losses (a)	13.9	15.1
Doubtful loans (b)	20.0	20.7
Stage 3 coverage ratio	69.6%	73.2%

(a) Stage 3 provisions; (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 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 ratio¹

(Accounting capital to prudential capital reconciliation)

€bn	30-Jun-23	31-Mar-23
Consolidated Equity	128.3	132.0
Undated super subordinated notes	-13.5	-13.5
2022 net income distribution project		-5.8
2023 net income distribution project	-3.5	-1.6
Regulatory adjustments on equity ²	-2.5	-3.2
Regulatory adjustments on minority interests	-2.9	-3.1
Goodwill and intangible assets	-8.0	-7.9
Deferred tax assets related to tax loss carry forwards	-0.1	-0.2
Other regulatory adjustments	-1.4	-1.2
Deduction of irrevocable payments commitments	-1.4	-1.4
Common Equity Tier One capital	95.0	94.1
Risk-weighted assets	698	694
Common Equity Tier 1 Ratio	13.6%	13.6%

Impacts as at 31.03.23 of the 1st tranche of the share buyback programme (€2.5bn) authorised on 31.03.23:

- €0.96bn in the form of ordinary distribution of 2022 net income, included in '2022 net income distribution project' as at 31.03.23;
- €1.54bn to offset the dilution resulting from the sale of Bank of the West, included in 'regulatory adjustments on equity' as at 31.03.23.

Impacts as at 30.06.23 of the remaining portion of the 1st tranche of the share buyback programme to be executed as at 30.06.23:

- €2.10bn for the already executed portion of the 1st tranche of the share buyback, which has already been deducted from shareholders' equity as at 30.06.23;
- €0.40bn for the non-executed portion of the 1st tranche of the share buyback, included in 'regulatory adjustments on equity' as at 31.03.23.

Reminder: the €2.5bn corresponding to the 2nd tranche of the share buyback to offset the dilution resulting from the Bank of the West sale will be deducted from CET1 as soon as authorisation has been received from the ECB and will be booked based on the same principles.

● Capital ratios

	30-Jun-23	31-Dec-22	30-Jun-22
Total Capital Ratio (a)	17.8%	16.2%	15.7%
Tier 1 Ratio (a)	15.5%	13.9%	13.2%
Common equity Tier 1 ratio (a)	13.6%	12.3%	12.2%

(a) CRD5, on risk-weighted assets of €698bn as at 30.06.23, €745bn as at 31.12.22 and €756bn as at 30.06.22; refer to slide 83

1. CRD5; 2. Including Prudent Valuation Adjustment



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Medium/Long Term Regulatory Funding

Continued presence in debt markets

Around 80% of the regulatory issuance plan realised as at 19 July 2023

2023 MLT regulatory issuance plan¹: €18.5bn

Capital instruments: €3.5bn¹; AT1 €2.6bn already issued²

AT1:

- \$1bn (dealt in 2022, as pre-funding for the 2023 plan), PerpNC5³, at 9.25% (sa, 30/360); equiv. 5Y US Treasuries+496.9 bps
- €1.25bn, PerpNC7.4⁴, at 7.375% (sa, Act/Act); equiv. mid-swap€+463.1 bps
- SGD600m, PerpNC5³, at 5.9% (sa, Act,365); equiv. 5Y mid-swap SORA-OIS+267.4 bps

Senior Debt: €15bn¹:

Non-Preferred: €3.8bn already issued²

- £850m, 9.4Y bullet, UK Gilt+215 bps
- €1bn, 6NC5⁵, « Green », mid-swap€+145 bps
- €1bn, 8NC7⁶, « Green », mid-swap€+137 bps

Preferred: €8.3bn already issued²

- €1.25bn, 8NC7⁶, mid-swap€+92 bps
- CHF335m, 5Y bullet, CHF mid-swap+75 bps
- \$1.75bn, 6NC5⁵, US Treasuries+145 bps
- €1bn, 6NC5⁵, mid-swap€+78 bps
- €1.25bn, 10Y bullet, mid-swap€+118 bps
- CHF225m, 6Y bullet, CHF mid-swap+80 bps
- A\$300m, 6NC5⁵ (Fixed/Frm), BBSW+170 bps
- \$1.50bn, 6NC5⁵, US Treasuries+150 bps

Other Secured Debt:

Covered bonds: €3.5bn¹; €2.5bn already issued:

- €1bn, 7Y bullet mid-swap€+22 bps
- €1.5bn, 5Y bullet mid-swap€+15 bps

Securizations: €3.1bn¹; €1.3bn already issued

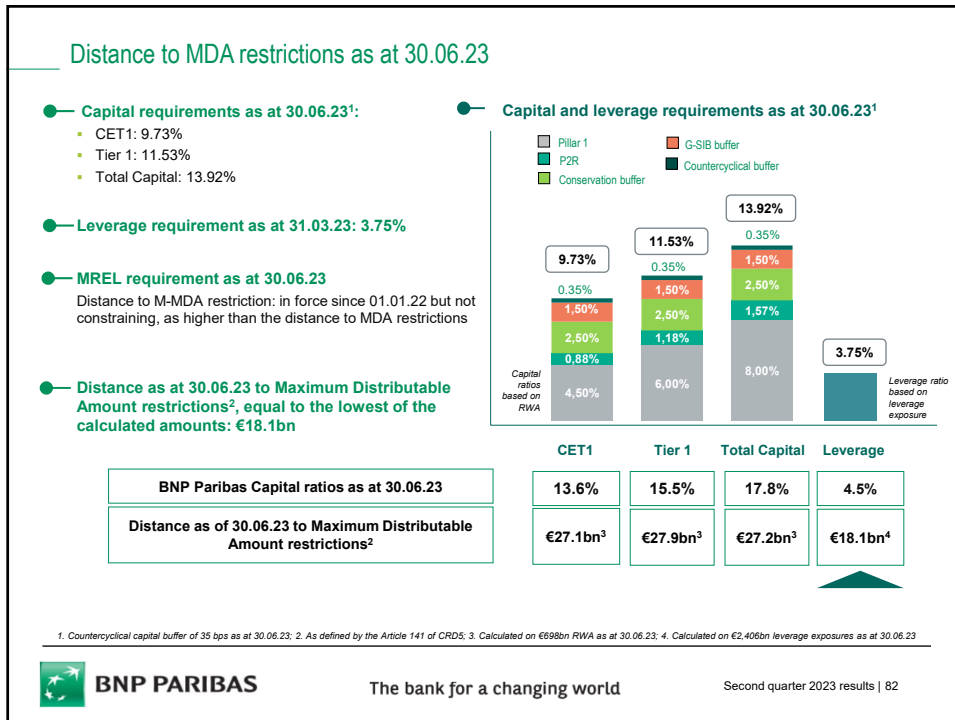
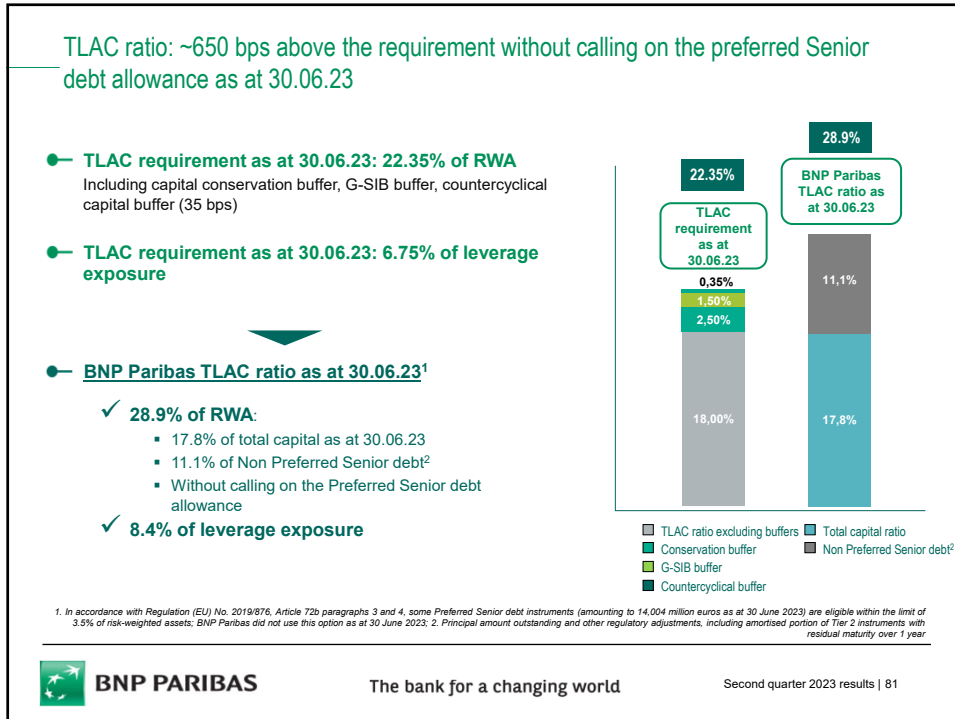
1. Subject to market conditions, indicative amounts; 2. € valuation based on historical FX rates for cross-currency swapped issuances and on 30.06.23 for others; 3. Perpetual, callable on year 5, and every 5 year thereafter; 4. Perpetual, callable on year 7.4, and every 5 year thereafter; 5. 6-year maturity callable on year 5 only; 6. 8-year maturity callable on year 7 only

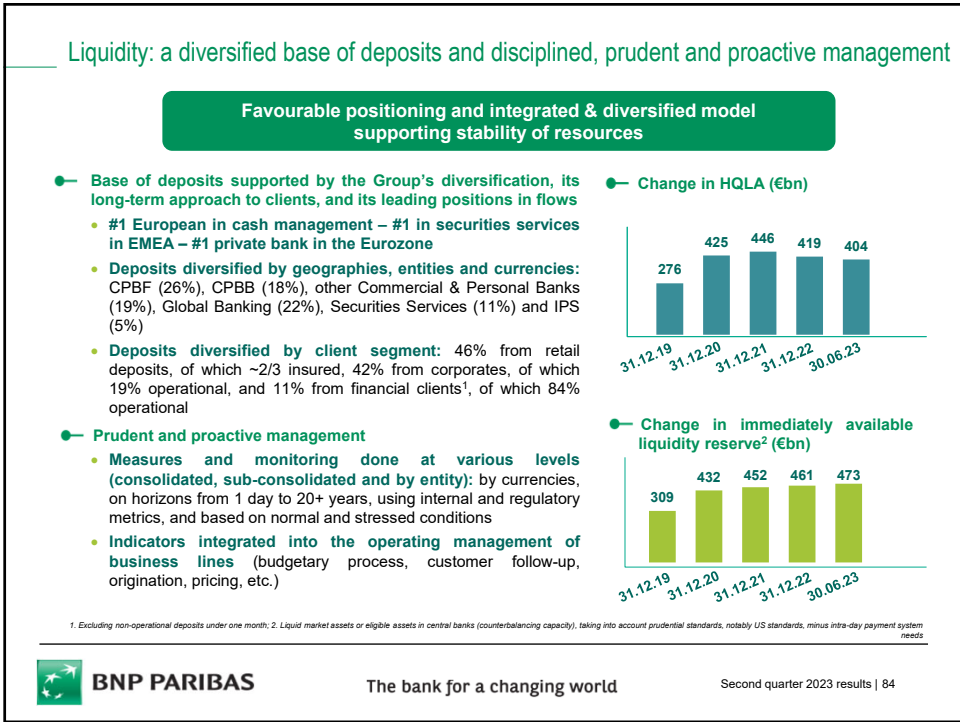
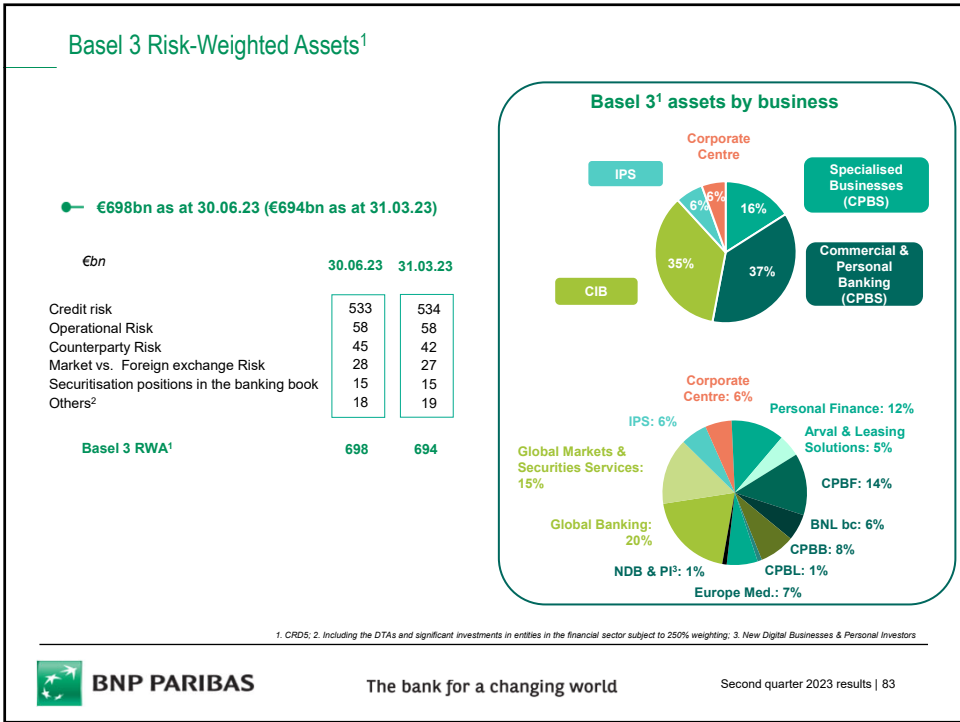


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CONSOLIDATED PROFIT AND LOSS ACCOUNT

€m	2Q23	2Q22	2Q23 / 2Q22	1H23	1H22	1H23 / 1H22
Group						
Revenues	11,363	11,536	-1.5%	23,395	23,404	-0.0%
Operating Expenses and Dep.	-6,889	-6,779	+1.6%	-16,080	-15,533	+3.5%
Gross Operating Income	4,474	4,757	-5.9%	7,315	7,871	-7.1%
Cost of Risk	-689	-758	-9.1%	-1,331	-1,409	-5.5%
Operating Income	3,785	3,999	-5.4%	5,984	6,462	-7.4%
Share of Earnings of Equity-Method Entities	149	227	-34.3%	327	385	-15.0%
Other Non Operating Items	124	-26	n.s.	124	-22	n.s.
Pre-Tax Income	4,058	4,200	-3.4%	6,435	6,825	-5.7%
Corporate Income Tax	-1,078	-1,131	-4.7%	-1,869	-2,050	-8.8%
Net Income Attributable to Minority Interests	-170	-112	+52.2%	-268	-207	+29.7%
Net Income from discontinued activities	0	136	n.s.	2,947	365	n.s.
Net Income Attributable to Equity Holders	2,810	3,093	-9.2%	7,245	4,933	+46.9%
Cost/income	60.6%	58.8%	+1.8 pt	68.7%	66.4%	+2.3 pt

BNP Paribas' financial disclosures for the second quarter 2023 are contained in this press release and in the presentation attached herewith.

On 2 May 2023, BNP Paribas reported restated quarterly series for 2022 to reflect for each quarter: (i) the application of IFRS 5 relating to disposal 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 quarterly series for 2022 have been restated for these effects as if they had occurred on 1 January 2022. This presentation includes these quarterly series for 2022 as restated.

All legally required disclosures, including the Universal Registration document, are available online at <http://invest.bnpparibas.com> in the "Results" section and are made public by BNP Paribas pursuant to the requirements under Article L.451-1-2 of the French Monetary and Financial Code and Articles 222-1 and seq. of the Autorité des Marchés Financiers' general rules.

2Q23 – RESULTS BY CORE BUSINESSES

	Commercial, Personal Banking & Services (2/3 of Private Banking)	Investment & Protection Services	CIB	Operating Divisions	Corporate Center	Group
€m						
Revenues	6,600	1,430	3,998	12,028	-665	11,363
	%Change2Q22	+2.8%	+0.3%	-2.3%	+0.7%	+65.3%
	%Change1Q23	+1.6%	+1.5%	-1.0%	-5.9%	-10.6%
Operating Expenses and Dep.	-3,689	-879	-2,275	-6,842	-47	-6,889
	%Change2Q22	+0.2%	+2.0%	-1.1%	-0.0%	n.s.
	%Change1Q23	-17.6%	-2.1%	-33.9%	-22.4%	-87.5%
Gross Operating Income	2,911	551	1,723	5,186	-712	4,474
	%Change2Q22	+6.4%	-2.3%	-3.9%	+18%	n.s.
	%Change1Q23	+44.5%	+7.7%	+20.3%	+31.0%	+57.5%
Cost of Risk	-732	-2	78	-656	-33	-689
	%Change2Q22	+19.5%	-69.0%	n.s.	-5.5%	-47.8%
	%Change1Q23	+13.3%	+46.9%	n.s.	+1.1%	n.s.
Operating Income	2,179	550	1,801	4,530	-745	3,785
	%Change2Q22	+2.6%	-17%	+4.9%	+2.9%	+85.4%
	%Change1Q23	+59.2%	+7.6%	+25.8%	+36.8%	+72.1%
Share of Earnings of Equity-Method Entities	71	58	3	132	17	149
Other Non Operating Items	29	0	2	31	93	124
Pre-Tax Income	2,280	607	1,806	4,694	-636	4,058
	%Change2Q22	-12%	-15%	+4.7%	+0.9%	+414%
	%Change1Q23	+55.0%	+5.0%	+26.4%	+35.0%	+70.7%

	Commercial, Personal Banking & Services (2/3 of Private Banking)	Investment & Protection Services	CIB	Operating Divisions	Corporate Center	Group
€m						
Revenues	6,600	1,430	3,998	12,028	-665	11,363
	2Q22	6,420	1,426	4,093	11,939	-402
	1Q23	6,494	1,409	4,873	12,776	-744
Operating Expenses and Dep.	-3,689	-879	-2,275	-6,842	-47	-6,889
	2Q22	-3,683	-862	-2,299	-6,843	64
	1Q23	-4,479	-897	-3,440	-8,816	-375
Gross Operating Income	2,911	551	1,723	5,186	-712	4,474
	2Q22	2,737	564	1,794	5,095	-338
	1Q23	2,015	512	1,433	3,959	-1,118
Cost of Risk	-732	-2	78	-656	-33	-689
	2Q22	-613	-5	-76	-694	-64
	1Q23	-646	-1	-1	-648	6
Operating Income	2,179	550	1,801	4,530	-745	3,785
	2Q22	2,124	559	1,717	4,401	-402
	1Q23	1,369	511	1,432	3,311	-1,112
Share of Earnings of Equity-Method Entities	71	58	3	132	17	149
	2Q22	57	41	9	208	19
	1Q23	95	68	3	166	12
Other Non Operating Items	29	0	2	31	93	124
	2Q22	26	16	-1	41	-66
	1Q23	8	0	-6	1	-1
Pre-Tax Income	2,280	607	1,806	4,694	-636	4,058
	2Q22	2,307	617	1,726	4,649	-449
	1Q23	1,471	578	1,428	3,478	-1,101
Corporate Income Tax						-1,078
Net Income Attributable to Minority Interests						-170
Net Income from discontinued activities						0
Net Income Attributable to Equity Holders						2,810

1H23 – RESULTS BY CORE BUSINESSES

		Commercial, Personal Banking & Services (2/3 of Private Banking)	Investment & Protection Services	CIB	Operating Divisions	Corporate Center	Group
<i>€m</i>							
Revenues		13,094	2,839	8,871	24,804	-1,409	23,395
	%Change 1H22	+4.2%	+0.5%	+1.1%	+2.6%	+83.7%	-0.0%
Operating Expenses and Dep.		-8,168	-1,776	-5,715	-15,659	-421	-16,080
	%Change 1H22	+2.6%	+3.7%	+14%	+2.2%	+92.3%	+3.5%
Gross Operating Income		4,927	1,063	3,156	9,145	-1,830	7,315
	%Change 1H22	+7.0%	-4.5%	+0.5%	+3.3%	+85.6%	-7.1%
Cost of Risk		-1,379	-3	77	-1,304	-27	-1,331
	%Change 1H22	+14.8%	-77.5%	n.s.	+10%	-77.1%	-5.5%
Operating Income		3,548	1,060	3,233	7,841	-1,857	5,984
	%Change 1H22	+4.3%	-3.7%	+5.6%	+3.6%	+68.2%	-7.4%
Share of Earnings of Equity-Method Entities		166	126	6	298	29	327
Other Non Operating Items		37	0	-5	32	92	124
Pre-Tax Income		3,751	1,186	3,235	8,171	-1,736	6,435
	%Change 1H22	+19%	-4.3%	+5.1%	+2.2%	+48.3%	-5.7%
Corporate Income Tax							-1,869
Net Income Attributable to Minority Interests							-268
Net Income from discontinued activities							0
Net Income Attributable to Equity Holders							7,245

QUARTERLY SERIES

€m	Distributable						
	2Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Group							
Revenues	11,808	11,363	12,032	10,885	11,141	11,536	11,868
Operating Expenses and Dep.	-6,884	-6,889	-9,191	-7,471	-6,860	-6,779	-8,754
Gross Operating Income	4,924	4,474	2,841	3,414	4,281	4,757	3,114
Cost of Risk	-689	-689	-642	-697	-897	-758	-651
Operating Income	4,235	3,785	2,199	2,717	3,384	3,999	2,463
Share of Earnings of Equity-Method Entities	149	149	178	94	176	227	158
Other Non Operating Items	124	124	0	-22	39	-26	4
Pre-Tax Income	4,508	4,058	2,377	2,790	3,599	4,200	2,625
Corporate Income Tax	-1,078	-1,078	-791	-732	-871	-1,131	-919
Net Income Attributable to Minority Interests	-170	-170	-98	-102	-92	-112	-95
Net Income Attributable to Equity Holders excluding discontinued activities	3,260	2,810	1,488	1,957	2,637	2,957	1,611
Net Income from discontinued activities	0	0	2,947	185	136	136	229
Net Income Attributable to Equity Holders	3,260	2,810	4,435	2,142	2,773	3,093	1,840
Cost/income	58.3%	60.6%	76.4%	68.6%	61.6%	58.8%	73.8%
Average loan outstandings (€bn)		820.8	815.9	823.1	816.8	796.9	776.8
Average deposits (€bn)		773.5	784.5	794.1	789.9	770.4	752.2
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)		898.8	901.2	927.2	907.1	890.2	853.3
Cost of risk (in annualised bp)		31	28	30	40	34	31

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Corporate and Institutional Banking						
Revenues	3,998	4,873	3,842	3,783	4,093	4,685
Operating Expenses and Dep.	-2,275	-3,440	-2,727	-2,327	-2,299	-3,338
Gross Operating Income	1,723	1,433	1,115	1,456	1,794	1,347
Cost of Risk	78	-1	-157	-90	-76	-2
Operating Income	1,801	1,432	958	1,366	1,717	1,346
Share of Earnings of Equity-Method Entities	3	3	2	5	9	4
Other Non Operating Items	2	-6	-8	-3	-1	1
Pre-Tax Income	1,806	1,428	952	1,369	1,726	1,351
Cost/Income	56.9%	70.6%	71.0%	61.5%	56.2%	71.2%
Allocated Equity (€bn, year to date)	29.0	28.8	29.9	29.6	28.9	27.4
RWA (€bn)	243.3	244.6	244.0	266.5	260.7	256.2
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Global Banking						
Revenues	1,425	1,455	1,513	1,171	1,239	1,258
Operating Expenses and Dep.	-655	-849	-734	-654	-648	-805
Gross Operating Income	770	605	779	518	591	453
Cost of Risk	85	1	-155	-116	-85	20
Operating Income	855	607	624	402	505	473
Share of Earnings of Equity-Method Entities	1	1	1	1	1	1
Other Non Operating Items	0	0	0	0	0	0
Pre-Tax Income	856	608	626	403	506	474
Cost/Income	46.0%	58.4%	48.5%	55.8%	52.3%	64.0%
Average loan outstandings (€bn)	179	182	188	187	176	168
Loan outstandings at the beginning of the quarter (€bn) (used for cost of risk in bp)	176	177	189	179	170	163
Average deposits (€bn)	209	216	219	209	198	190
Cost of risk (in annualised bp)	-19	0	33	26	20	-5
Allocated Equity (€bn, year to date)	16.5	16.5	16.5	16.4	16.0	15.2
RWA (€bn)	140.6	146.1	146.3	155.5	149.0	145.3
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Global Markets						
Revenues	1,913	2,764	1,651	1,980	2,191	2,814
<i>incl. FICC</i>	<i>1,126</i>	<i>1,906</i>	<i>1,152</i>	<i>1,156</i>	<i>1,379</i>	<i>1,749</i>
<i>incl. Equity & Prime Services</i>	<i>787</i>	<i>857</i>	<i>499</i>	<i>824</i>	<i>812</i>	<i>1,065</i>
Operating Expenses and Dep.	-1,116	-2,016	-1,474	-1,161	-1,152	-1,994
Gross Operating Income	796	748	177	819	1,040	819
Cost of Risk	-6	-4	-3	28	8	-21
Operating Income	790	744	174	847	1,048	798
Share of Earnings of Equity-Method Entities	0	2	1	3	8	2
Other Non Operating Items	2	-7	-9	-1	-1	1
Pre-Tax Income	793	740	166	848	1,055	801
Cost/Income	58.4%	72.9%	89.3%	58.6%	52.6%	70.9%
Allocated Equity (€bn, year to date)	11.3	11.2	12.0	11.8	11.5	10.9
RWA (€bn)	92.7	88.3	87.7	99.4	98.5	96.3
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Securities Services						
Revenues	661	655	679	632	663	613
Operating Expenses and Dep.	-504	-575	-520	-513	-499	-538
Gross Operating Income	157	79	159	119	164	75
Cost of Risk	-1	1	1	-2	0	0
Operating Income	156	81	160	118	164	75
Share of Earnings of Equity-Method Entities	1	0	-1	1	0	1
Other Non Operating Items	0	0	1	-1	0	0
Pre-Tax Income	158	81	161	118	164	77
Cost/Income	76.2%	87.9%	76.6%	81.1%	75.3%	87.8%
Assets under custody (€bn)	12,015	11,941	11,133	10,798	11,214	11,907
Assets under administration (€bn)	2,408	2,520	2,303	2,262	2,256	2,426
Number of transactions (in million)	35.0	38.6	36.9	35.5	38.3	38.6
Allocated Equity (€bn, year to date)	1.2	1.1	1.4	1.4	1.4	1.3
RWA (€bn)	10.0	10.2	9.9	11.6	13.2	14.6

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial, Personal Banking & Services (including 100% of Private Banking)¹						
Revenues	6,778	6,670	6,306	6,377	6,580	6,308
Operating Expenses and Dep.	-3,776	-4,585	-3,964	-3,767	-3,766	-4,380
Gross Operating Income	3,003	2,084	2,342	2,610	2,814	1,927
Cost of Risk	-733	-650	-600	-681	-614	-596
Operating Income	2,269	1,435	1,742	1,929	2,200	1,331
Share of Earnings of Equity-Method Entities	71	95	69	120	157	86
Other Non Operating Items	30	8	-62	3	26	11
Pre-Tax Income	2,370	1,537	1,750	2,052	2,383	1,428
Income Attributable to Wealth and Asset Management	-90	-66	-87	-65	-76	-54
Pre-Tax Income of Commercial, Personal Banking & Services	2,280	1,471	1,663	1,987	2,307	1,374
Cost/Income	55.7%	68.7%	62.9%	59.1%	57.2%	69.4%
Average loan outstandings (€bn)	635	627	627	622	612	600
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	628	629	624	620	607	593
Average deposits (€bn)	564	568	575	581	573	562
Cost of risk (in annualised bp)	47	41	38	44	40	40
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	43.4	43.6	41.7	41.5	41.0	39.7
RWA (€bn)	376.1	374.9	375.1	376.9	374.4	374.0
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial, Personal Banking & Services - excl. PEL/CEL (including 100% of Private Banking)¹						
Revenues	6,782	6,666	6,298	6,364	6,566	6,296
Operating Expenses and Dep.	-3,776	-4,585	-3,964	-3,767	-3,766	-4,380
Gross Operating Income	3,006	2,081	2,335	2,597	2,800	1,916
Cost of Risk	-733	-650	-600	-681	-614	-596
Operating Income	2,273	1,431	1,735	1,916	2,186	1,320
Share of Earnings of Equity-Method Entities	71	95	69	120	157	86
Other Non Operating Items	30	8	-62	3	26	11
Pre-Tax Income	2,374	1,534	1,742	2,039	2,369	1,417
Income Attributable to Wealth and Asset Management	-90	-66	-87	-65	-76	-54
Pre-Tax Income of Commercial, Personal Banking & Services	2,283	1,468	1,655	1,974	2,293	1,362
Cost/Income	55.7%	68.8%	62.9%	59.2%	57.4%	69.6%
Average loan outstandings (€bn)	635	627	627	622	612	600
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	628	629	624	620	607	593
Average deposits (€bn)	564	568	575	581	573	562
Cost of risk (in annualised bp)	47	41	38	44	40	40
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	43.4	43.6	41.7	41.5	41.0	39.7
RWA (€bn)	376.1	374.9	375.1	376.9	374.4	374.0
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial, Personal Banking & Services (including 2/3 of Private Banking)						
Revenues	6,600	6,494	6,141	6,223	6,420	6,147
Operating Expenses and Dep.	-3,689	-4,479	-3,872	-3,677	-3,683	-4,281
Gross Operating Income	2,911	2,015	2,269	2,545	2,737	1,866
Cost of Risk	-732	-646	-613	-682	-613	-589
Operating Income	2,179	1,369	1,656	1,863	2,124	1,277
Share of Earnings of Equity-Method Entities	71	95	69	120	157	86
Other Non Operating Items	29	8	-62	3	26	11
Pre-Tax Income	2,280	1,471	1,663	1,987	2,307	1,374
Cost/Income	55.9%	69.0%	63.0%	59.1%	57.4%	69.6%
Allocated Equity (€bn, year to date)	43.4	43.6	41.7	41.5	41.0	39.7
RWA (€bn)	371.9	370.8	370.9	372.6	370.3	369.9
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial, Personal Banking & Services - excl. PEL/CEL (including 2/3 of Private Banking)						
Revenues	6,604	6,491	6,134	6,210	6,406	6,136
Operating Expenses and Dep.	-3,689	-4,479	-3,872	-3,677	-3,683	-4,281
Gross Operating Income	2,915	2,012	2,262	2,533	2,723	1,855
Cost of Risk	-732	-646	-613	-682	-613	-589
Operating Income	2,182	1,365	1,648	1,851	2,110	1,266
Share of Earnings of Equity-Method Entities	71	95	69	120	157	86
Other Non Operating Items	29	8	-62	3	26	11
Pre-Tax Income	2,283	1,468	1,655	1,974	2,293	1,362
Cost/Income	55.9%	69.0%	63.1%	59.2%	57.5%	69.8%
Allocated Equity (€bn, year to date)	43.4	43.6	41.7	41.5	41.0	39.7
RWA (€bn)	371.9	370.8	370.9	372.6	370.3	369.9

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking (including 100% of Private Banking)¹						
Revenues	4,154	4,157	3,937	3,960	4,099	3,902
<i>incl. net interest revenue</i>	2,661	2,678	2,483	2,499	2,582	2,413
<i>incl. fees</i>	1,493	1,479	1,454	1,461	1,517	1,490
Operating Expenses and Dep.	-2,524	-3,208	-2,720	-2,588	-2,568	-3,106
Gross Operating Income	1,630	949	1,218	1,372	1,531	796
Cost of Risk	-307	-231	-115	-285	-234	-239
Operating Income	1,323	717	1,103	1,087	1,297	557
Share of Earnings of Equity-Method Entities	64	88	75	100	133	70
Other Non Operating Items	-24	39	-54	0	10	-3
Pre-Tax Income	1,362	844	1,123	1,187	1,441	625
Income Attributable to Wealth and Asset Management	-89	-65	-86	-65	-75	-54
Pre-Tax Income of Commercial & Personal Banking	1,273	778	1,037	1,122	1,366	571
Cost/Income	60.8%	77.2%	69.1%	65.3%	62.6%	79.6%
Average loan outstandings (€bn)	473	475	479	476	468	459
Loan outstandings at the beginning of the quarter (€bn) (used for cost of risk in bp)	501	504	501	497	485	474
Average deposits (€bn)	532	536	545	550	542	532
Cost of risk (in annualised bp)	25	18	9	23	19	20
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	30.0	30.5	29.6	29.5	29.2	28.3
RWA (€bn)	256.8	259.0	263.5	267.9	265.8	267.2
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking - excl. PEL/CEL (including 100% of Private Banking)¹						
Revenues	4,157	4,154	3,929	3,948	4,085	3,891
<i>incl. net interest revenue</i>	2,664	2,675	2,475	2,487	2,568	2,401
<i>incl. fees</i>	1,493	1,479	1,454	1,461	1,517	1,490
Operating Expenses and Dep.	-2,524	-3,208	-2,720	-2,588	-2,568	-3,106
Gross Operating Income	1,633	946	1,210	1,360	1,517	785
Cost of Risk	-307	-231	-115	-285	-234	-239
Operating Income	1,326	714	1,095	1,075	1,283	546
Share of Earnings of Equity-Method Entities	64	88	75	100	133	70
Other Non Operating Items	-24	39	-54	0	10	-3
Pre-Tax Income	1,366	840	1,115	1,174	1,427	613
Income Attributable to Wealth and Asset Management	-89	-65	-86	-65	-75	-54
Pre-Tax Income of Commercial & Personal Banking	1,276	775	1,029	1,110	1,352	560
Cost/Income	60.7%	77.2%	69.2%	65.6%	62.9%	79.8%
Average loan outstandings (€bn)	473	475	479	476	468	459
Loan outstandings at the beginning of the quarter (€bn) (used for cost of risk in bp)	501	504	501	497	485	474
Average deposits (€bn)	532	536	545	550	542	532
Cost of risk (in annualised bp)	25	18	9	23	19	20
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	30.0	30.5	29.6	29.5	29.2	28.3
RWA (€bn)	256.8	259.0	263.5	267.9	265.8	267.2
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking (including 2/3 of Private Banking)						
Revenues	3,979	3,984	3,775	3,809	3,941	3,744
Operating Expenses and Dep.	-2,439	-3,104	-2,630	-2,501	-2,486	-3,009
Gross Operating Income	1,540	880	1,145	1,308	1,455	735
Cost of Risk	-306	-228	-129	-285	-232	-231
Operating Income	1,233	652	1,017	1,023	1,222	504
Share of Earnings of Equity-Method Entities	64	88	75	100	133	70
Other Non Operating Items	-24	39	-54	0	10	-3
Pre-Tax Income	1,273	778	1,037	1,122	1,366	571
Cost/Income	61.3%	77.9%	69.7%	65.7%	63.1%	80.4%
Allocated Equity (€bn, year to date)	30.0	30.5	29.6	29.5	29.2	28.3
RWA (€bn)	252.7	254.9	259.3	263.7	261.7	263.1

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking - excl. PEL/CEL (including 2/3 of Private Banking)						
Revenues	3,982	3,981	3,768	3,796	3,927	3,733
Operating Expenses and Dep.	-2,439	-3,104	-2,630	-2,501	-2,486	-3,009
Gross Operating Income	1,543	877	1,138	1,295	1,440	724
Cost of Risk	-306	-228	-129	-285	-232	-231
Operating Income	1,237	649	1,009	1,010	1,208	492
Share of Earnings of Equity-Method Entities	64	88	75	100	133	70
Other Non Operating Items	-24	39	-54	0	10	-3
Pre-Tax Income	1,276	775	1,029	1,110	1,352	560
Cost/Income	61.3%	78.0%	69.8%	65.9%	63.3%	80.6%
Allocated Equity (€bn, year to date)	30.0	30.5	29.6	29.5	29.2	28.3
RWA (€bn)	252.7	254.9	259.3	263.7	261.7	263.1
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in the Eurozone (including 100% of Private Banking)¹						
Revenues	3,550	3,509	3,403	3,354	3,479	3,317
<i>incl. net interest revenue</i>	<i>2,152</i>	<i>2,139</i>	<i>2,050</i>	<i>2,011</i>	<i>2,074</i>	<i>1,947</i>
<i>incl. fees</i>	<i>1,398</i>	<i>1,371</i>	<i>1,353</i>	<i>1,343</i>	<i>1,405</i>	<i>1,370</i>
Operating Expenses and Dep.	-2,180	-2,773	-2,301	-2,193	-2,152	-2,678
Gross Operating Income	1,371	736	1,102	1,161	1,327	640
Cost of Risk	-251	-183	-105	-230	-187	-198
Operating Income	1,120	553	997	931	1,140	442
Share of Earnings of Equity-Method Entities	0	0	0	0	1	0
Other Non Operating Items	0	1	-1	5	31	6
Pre-Tax Income	1,120	555	996	936	1,171	448
Income Attributable to Wealth and Asset Management	-79	-57	-80	-61	-72	-50
Pre-Tax Income of Commercial & Personal Banking in the Eurozone	1,041	498	917	875	1,099	397
Cost/Income	61.4%	79.0%	67.6%	65.4%	61.9%	80.7%
Average loan outstandings (€bn)	440	441	444	441	433	425
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	465	467	463	460	449	437
Average deposits (€bn)	492	494	502	508	501	492
Cost of risk (in annualised bp)	22	16	9	20	17	18
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	24.5	24.9	24.1	24.1	24.0	23.2
RWA (€bn)	210.2	209.5	213.0	215.8	214.0	218.8
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in the Eurozone - excl. PEL/CEL (including 100% of Private Banking)¹						
Revenues	3,554	3,506	3,395	3,341	3,465	3,306
<i>incl. net interest revenue</i>	<i>2,156</i>	<i>2,136</i>	<i>2,042</i>	<i>1,998</i>	<i>2,060</i>	<i>1,936</i>
<i>incl. fees</i>	<i>1,398</i>	<i>1,371</i>	<i>1,353</i>	<i>1,343</i>	<i>1,405</i>	<i>1,370</i>
Operating Expenses and Dep.	-2,180	-2,773	-2,301	-2,193	-2,152	-2,678
Gross Operating Income	1,374	733	1,094	1,148	1,313	628
Cost of Risk	-251	-183	-105	-230	-187	-198
Operating Income	1,123	550	989	918	1,126	430
Share of Earnings of Equity-Method Entities	0	0	0	0	1	0
Other Non Operating Items	0	1	-1	5	31	6
Pre-Tax Income	1,123	552	989	923	1,157	436
Income Attributable to Wealth and Asset Management	-79	-57	-80	-61	-72	-50
Pre-Tax Income of Commercial & Personal Banking in the Eurozone	1,044	495	909	862	1,085	386
Cost/Income	61.3%	79.1%	67.8%	65.6%	62.1%	81.0%
Average loan outstandings (€bn)	440	441	444	441	433	425
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	465	467	463	460	449	437
Average deposits (€bn)	492	494	502	508	501	492
Cost of risk (in annualised bp)	22	16	9	20	17	18
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	24.5	24.9	24.1	24.1	24.0	23.2
RWA (€bn)	210.2	209.5	213.0	215.8	214.0	218.8
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in the Eurozone (including 2/3 of Private Banking)						
Revenues	3,387	3,347	3,249	3,208	3,326	3,164
Operating Expenses and Dep.	-2,097	-2,671	-2,213	-2,108	-2,073	-2,583
Gross Operating Income	1,291	676	1,036	1,100	1,254	582
Cost of Risk	-250	-179	-119	-230	-186	-191
Operating Income	1,041	496	918	870	1,068	391
Share of Earnings of Equity-Method Entities	0	0	0	0	1	0
Other Non Operating Items	0	1	-1	5	31	6
Pre-Tax Income	1,041	498	917	875	1,099	397
Cost/Income	61.9%	79.8%	68.1%	65.7%	62.3%	81.6%
Allocated Equity (€bn, year to date)	24.5	24.9	24.1	24.1	24.0	23.2
RWA (€bn)	206.1	205.4	208.8	211.6	209.9	214.7

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in the Eurozone - excl. PEL/CEL (including 2/3 of Private Banking)						
Revenues	3,391	3,344	3,242	3,195	3,312	3,153
Operating Expenses and Dep.	-2,097	-2,671	-2,213	-2,108	-2,073	-2,583
Gross Operating Income	1,294	673	1,029	1,087	1,240	571
Cost of Risk	-250	-179	-119	-230	-186	-191
Operating Income	1,044	493	910	857	1,053	380
Share of Earnings of Equity-Method Entities	0	0	0	0	1	0
Other Non Operating Items	0	1	-1	5	31	6
Pre-Tax Income	1,044	495	909	862	1,085	386
Cost/Income	61.8%	79.9%	68.3%	66.0%	62.6%	81.9%
Allocated Equity (€bn, year to date)	24.5	24.9	24.1	24.1	24.0	23.2
RWA (€bn)	206.1	205.4	208.8	211.6	209.9	214.7
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in France (including 100% of Private Banking)¹						
Revenues	1,712	1,673	1,670	1,669	1,728	1,613
<i>incl. net interest revenue</i>	914	896	902	899	919	847
<i>incl. fees</i>	799	777	768	769	809	766
Operating Expenses and Dep.	-1,114	-1,276	-1,210	-1,133	-1,117	-1,239
Gross Operating Income	598	397	460	536	612	374
Cost of Risk	-151	-75	21	-102	-64	-93
Operating Income	448	322	481	434	548	281
Share of Earnings of Equity-Method Entities	0	0	0	0	1	0
Other Non Operating Items	0	0	-1	1	25	0
Pre-Tax Income	448	322	481	434	574	282
Income Attributable to Wealth and Asset Management	-45	-37	-48	-36	-42	-31
Pre-Tax Income of Commercial & Personal Banking in France	403	285	433	398	531	250
Cost/Income	65.1%	76.3%	72.4%	67.9%	64.6%	76.8%
Average loan outstandings (€bn)	211	212	213	212	208	203
Loan outstandings at the beginning of the quarter (€bn) (used for cost of risk in bp)	231	232	228	227	221	218
Average deposits (€bn)	239	242	247	249	244	240
Cost of risk (in annualised bp)	26	13	-4	18	12	17
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	11.5	11.5	11.3	11.1	11.0	10.6
RWA (€bn)	103.5	102.7	103.4	105.2	102.8	103.2
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in France - excl. PEL/CEL (including 100% of Private Banking)¹						
Revenues	1,716	1,670	1,662	1,656	1,714	1,602
<i>incl. net interest revenue</i>	917	893	894	887	905	836
<i>incl. fees</i>	799	777	768	769	809	766
Operating Expenses and Dep.	-1,114	-1,276	-1,210	-1,133	-1,117	-1,239
Gross Operating Income	602	394	453	523	598	363
Cost of Risk	-151	-75	21	-102	-64	-93
Operating Income	451	318	474	421	534	270
Share of Earnings of Equity-Method Entities	0	0	0	0	1	0
Other Non Operating Items	0	0	-1	1	25	0
Pre-Tax Income	451	318	473	422	560	270
Income Attributable to Wealth and Asset Management	-45	-37	-48	-36	-42	-31
Pre-Tax Income of Commercial & Personal Banking in France	406	282	425	385	517	239
Cost/Income	64.9%	76.4%	72.8%	68.4%	65.1%	77.3%
Average loan outstandings (€bn)	211	212	213	212	208	203
Loan outstandings at the beginning of the quarter (€bn) (used for cost of risk in bp)	231	232	228	227	221	218
Average deposits (€bn)	239	242	247	249	244	240
Cost of risk (in annualised bp)	26	13	-4	18	12	17
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	11.5	11.5	11.3	11.1	11.0	10.6
RWA (€bn)	103.5	102.7	103.4	105.2	102.8	103.2
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
PEL/CEL effects 100% of Private Banking in France						
	-3	3	8	13	14	11
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in France (including 2/3 of Private Banking)						
Revenues	1,627	1,587	1,592	1,592	1,647	1,531
Operating Expenses and Dep.	-1,074	-1,230	-1,166	-1,092	-1,078	-1,195
Gross Operating Income	553	357	426	500	569	336
Cost of Risk	-150	-72	8	-103	-64	-86
Operating Income	403	285	434	397	505	250
Non Operating Items	0	0	-1	1	26	0
Pre-Tax Income	403	285	433	398	531	250
Cost/Income	66.0%	77.5%	73.2%	68.6%	65.4%	78.0%
Allocated Equity (€bn, year to date)	11.5	11.5	11.3	11.1	11.0	10.6
RWA (€bn)	100.7	99.8	100.5	102.3	100.0	100.4

Reminder on PEL/CEL provision: this provision, accounted in the CPBF's revenues, takes into account the risk generated by Plans Epargne Logement (PEL) and Comptes Epargne Logement (CEL) during their whole lifetime

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
PEL/CEL effects 100% of Private Banking in France						
	-3	3	8	13	14	11
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in France (including 2/3 of Private Banking)						
Revenues	1,627	1,587	1,592	1,592	1,647	1,531
Operating Expenses and Dep.	-1,074	-1,230	-1,166	-1,092	-1,078	-1,195
Gross Operating Income	553	357	426	500	569	336
Cost of Risk	-150	-72	8	-103	-64	-86
Operating Income	403	285	434	397	505	250
Non Operating Items	0	0	-1	1	26	0
Pre-Tax Income	403	285	433	398	531	250
Cost/Income	66.0%	77.5%	73.2%	68.6%	65.4%	78.0%
Allocated Equity (€bn, year to date)	11.5	11.5	11.3	11.1	11.0	10.6
RWA (€bn)	100.7	99.8	100.5	102.3	100.0	100.4

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in France - excl. PEL/CEL (including 2/3 of Private Banking)						
Revenues	1,630	1,584	1,584	1,579	1,633	1,520
Operating Expenses and Dep.	-1,074	-1,230	-1,166	-1,092	-1,078	-1,195
Gross Operating Income	556	354	418	487	555	325
Cost of Risk	-150	-72	8	-103	-64	-86
Operating Income	406	282	426	385	491	239
Non Operating Items	0	0	-1	1	26	0
Pre-Tax Income	406	282	425	385	517	239
Cost/Income	65.9%	77.6%	73.6%	69.1%	66.0%	78.6%
Allocated Equity (€bn, year to date)	11.5	11.5	11.3	11.1	11.0	10.6
RWA (€bn)	100.7	99.8	100.5	102.3	100.0	100.4
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
BNL bc (including 100% of Private Banking)¹						
Revenues	687	675	656	652	671	654
<i>incl. net interest revenue</i>	411	392	369	382	387	380
<i>incl. fees</i>	276	284	286	271	284	274
Operating Expenses and Dep.	-428	-464	-426	-440	-416	-454
Gross Operating Income	259	211	230	213	255	201
Cost of Risk	-80	-98	-114	-114	-110	-128
Operating Income	179	113	116	99	146	73
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	-3	0	0	0	2	0
Pre-Tax Income	176	113	116	99	148	73
Income Attributable to Wealth and Asset Management	-5	-7	-5	-4	-8	-8
Pre-Tax Income of BNL bc	171	106	111	95	139	65
Cost/Income	62.3%	68.7%	64.9%	67.4%	62.0%	69.3%
Average loan outstandings (€bn)	76	77	79	79	78	79
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	79	80	80	80	79	82
Average deposits (€bn)	65	63	64	65	65	63
Cost of risk (in annualised bp)	41	49	57	57	55	63
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	5.9	5.9	6.0	6.0	6.0	5.9
RWA (€bn)	45.1	46.4	47.6	48.7	49.3	49.8
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
BNL bc (including 2/3 of Private Banking)						
Revenues	667	654	635	631	649	633
Operating Expenses and Dep.	-413	-450	-411	-423	-403	-440
Gross Operating Income	255	204	224	208	246	193
Cost of Risk	-80	-98	-114	-114	-109	-128
Operating Income	174	106	110	95	138	65
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	-3	0	0	0	2	0
Pre-Tax Income	171	106	111	95	139	65
Cost/Income	61.9%	68.8%	64.7%	67.0%	62.0%	69.5%
Allocated Equity (€bn, year to date)	5.9	5.9	6.0	6.0	6.0	5.9
RWA (€bn)	44.7	46.0	47.1	48.2	48.8	49.3
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in Belgium (including 100% of Private Banking)¹						
Revenues	1,006	1,016	947	917	965	935
<i>incl. net interest revenue</i>	706	731	673	636	677	632
<i>incl. fees</i>	300	285	274	281	288	303
Operating Expenses and Dep.	-568	-945	-598	-558	-554	-905
Gross Operating Income	438	70	348	359	412	30
Cost of Risk	-19	-8	-20	-17	-16	17
Operating Income	418	62	328	342	396	47
Share of Earnings of Equity-Method Entities	0	0	0	0	1	0
Other Non Operating Items	3	1	-1	3	3	4
Pre-Tax Income	422	64	327	345	399	52
Income Attributable to Wealth and Asset Management	-28	-12	-25	-19	-20	-10
Pre-Tax Income of Commercial & Personal Banking in Belgium	394	52	303	326	379	42
Cost/Income	56.5%	93.1%	63.2%	60.9%	57.3%	96.8%
Average loan outstandings (€bn)	139	138	138	137	134	131
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	142	142	141	140	136	125
Average deposits (€bn)	161	160	161	162	162	161
Cost of risk (in annualised bp)	5	2	6	5	5	-6
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	6.3	6.7	6.1	6.1	6.2	5.9
RWA (€bn)	54.4	53.2	54.5	54.2	54.2	58.4

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in Belgium (including 2/3 of Private Banking)						
Revenues	952	964	896	871	920	890
Operating Expenses and Dep.	-543	-906	-571	-532	-529	-870
Gross Operating Income	410	58	324	339	392	20
Cost of Risk	-19	-8	-21	-17	-16	18
Operating Income	391	51	303	323	376	38
Share of Earnings of Equity-Method Entities	0	0	0	0	1	0
Other Non Operating Items	3	1	-1	3	3	4
Pre-Tax Income	394	52	303	326	379	42
Cost/Income	57.0%	94.0%	63.8%	61.1%	57.4%	97.8%
Allocated Equity (€bn, year to date)	6.3	6.7	6.1	6.1	6.2	5.9
RWA (€bn)	53.6	52.4	53.9	53.4	53.5	57.6
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in Luxembourg (including 100% of Private Banking)¹						
Revenues	145	145	130	116	114	115
<i>incl. net interest revenue</i>	122	120	105	94	90	88
<i>incl. fees</i>	23	25	25	22	24	27
Operating Expenses and Dep.	-69	-88	-67	-62	-66	-80
Gross Operating Income	75	58	63	54	48	35
Cost of Risk	-1	-1	9	3	3	5
Operating Income	75	56	72	56	51	40
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	0	0	0	1	0	2
Pre-Tax Income	75	57	72	58	51	42
Income Attributable to Wealth and Asset Management	-2	-2	-2	-1	-2	-2
Pre-Tax Income of Commercial & Personal Banking	73	55	70	56	49	40
Cost/Income	47.8%	60.3%	51.3%	53.8%	57.8%	69.8%
Average loan outstandings (€bn)	13	13	13	13	13	13
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	13	14	13	13	13	13
Average deposits (€bn)	28	29	30	31	30	29
Cost of risk (in annualised bp)	2	4	-25	-8	-9	-17
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	0.8	0.8	0.8	0.8	0.8	0.8
RWA (€bn)	7.2	7.3	7.4	7.8	7.6	7.5
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in Luxembourg (including 2/3 of Private Banking)						
Revenues	141	142	127	113	110	111
Operating Expenses and Dep.	-67	-86	-65	-61	-64	-78
Gross Operating Income	74	56	62	52	46	33
Cost of Risk	-1	-1	8	3	3	5
Operating Income	73	54	70	55	49	38
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	0	0	0	1	0	2
Pre-Tax Income	73	55	70	56	49	40
Cost/Income	47.7%	60.5%	51.3%	53.7%	57.9%	70.4%
Allocated Equity (€bn, year to date)	0.8	0.8	0.8	0.8	0.8	0.8
RWA (€bn)	7.0	7.1	7.3	7.7	7.5	7.4
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in the rest of the world (including 100% of Private Banking)¹-Europe Mediterranean						
Revenues	603	648	534	607	620	585
<i>incl. net interest revenue</i>	509	540	433	488	508	465
<i>incl. fees</i>	95	108	101	118	112	120
Operating Expenses and Dep.	-344	-435	-419	-395	-416	-428
Gross Operating Income	259	212	115	212	204	156
Cost of Risk	-56	-49	-10	-55	-47	-41
Operating Income	203	164	105	156	158	116
Share of Earnings of Equity-Method Entities	64	87	74	100	132	70
Other Non Operating Items	-24	37	-53	-5	-20	-9
Pre-Tax Income	242	288	126	251	270	177
Income Attributable to Wealth and Asset Management	-10	-8	-6	-3	-3	-3
Pre-Tax Income of Commercial & Personal Banking in the rest of the world-Europe Mediterranean	232	280	120	248	267	174
Cost/Income	57.1%	67.2%	78.4%	65.1%	67.0%	73.3%
Average loan outstandings (€bn)	32	34	35	35	35	34
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	36	37	38	38	37	37
Average deposits (€bn)	40	42	43	43	41	40
Cost of risk (in annualised bp)	62	53	11	58	51	45
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	5.5	5.6	5.5	5.4	5.2	5.1
RWA (€bn, year to date)	46.6	49.5	50.5	52.0	51.8	48.4

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Commercial & Personal Banking in the rest of the world (including 2/3 of Private Banking)-Europe Mediterranean						
Revenues	591	638	526	601	615	580
Operating Expenses and Dep.	-342	-433	-417	-393	-414	-427
Gross Operating Income	249	204	109	208	201	153
Cost of Risk	-56	-49	-10	-55	-46	-41
Operating Income	193	156	99	153	155	112
Share of Earnings of Equity-Method Entities	64	87	74	100	132	70
Other Non Operating Items	-24	37	-53	-5	-20	-9
Pre-Tax Income	232	280	120	248	267	174
Cost/Income	57.9%	67.9%	79.2%	65.4%	67.3%	73.6%
Allocated Equity (€bn, year to date)	5.5	5.6	5.5	5.4	5.2	5.1
RWA (€bn)	46.6	49.5	50.5	52.0	51.8	48.4
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Specialised businesses (Personal Finance, Arval & Leasing Solutions, New Digital Businesses & Personal Investors including 100% of Private Banking)¹						
Revenues	2,625	2,512	2,369	2,416	2,481	2,405
Operating Expenses and Dep.	-1,252	-1,377	-1,244	-1,179	-1,198	-1,274
Gross Operating Income	1,373	1,136	1,125	1,238	1,283	1,131
Cost of Risk	-426	-418	-485	-396	-380	-357
Operating Income	947	717	640	841	902	774
Share of Earnings of Equity-Method Entities	7	7	-5	21	24	16
Other Non Operating Items	54	-31	-8	3	15	13
Pre-Tax Income	1,008	693	627	865	942	804
Income Attributable to Wealth and Asset Management	-1	-1	-1	0	0	-1
Pre-Tax Income of the specialised businesses	1,007	692	626	865	941	803
Cost/Income	47.7%	54.8%	52.5%	48.8%	48.3%	53.0%
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	127	125	123	123	121	118
Cost of risk (in annualised bp)	134	134	157	129	125	121
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	13.4	13.1	12.1	12.0	11.8	11.4
RWA (€bn)	119.3	115.9	111.6	109.0	108.6	106.8
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Personal Finance						
Revenues	1,327	1,288	1,283	1,345	1,371	1,388
Operating Expenses and Dep.	-733	-810	-739	-689	-718	-776
Gross Operating Income	593	477	544	656	653	613
Cost of Risk	-363	-358	-413	-336	-309	-315
Operating Income	230	120	131	320	344	297
Share of Earnings of Equity-Method Entities	10	9	-5	22	26	14
Other Non Operating Items	50	-7	-15	-2	-6	-7
Pre-Tax Income	290	122	111	340	365	305
Cost/Income	55.3%	62.9%	57.6%	51.2%	52.4%	55.9%
Average Total consolidated outstandings (€bn)	105	97	96	94	94	93
Loan outstandings at the beginning of the quarter (used for cost of risk in bp)	100	98	97	97	96	94
Cost of risk (in annualised bp)	145	145	170	139	129	134
Allocated Equity (€bn, year to date)	8.8	8.6	8.1	8.1	8.0	7.7
RWA (€bn)	82.7	77.7	74.8	73.0	73.1	72.4
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Arval & Leasing Solutions						
Revenues	1,046	982	858	874	893	812
Operating Expenses and Dep.	-358	-403	-347	-341	-341	-366
Gross Operating Income	688	579	511	534	553	446
Cost of Risk	-33	-38	-30	-38	-49	-30
Operating Income	655	541	482	496	504	416
Share of Earnings of Equity-Method Entities	0	0	2	1	1	4
Other Non Operating Items	3	-24	7	5	20	20
Pre-Tax Income	658	517	491	502	525	440
Cost/Income	34.2%	41.0%	40.4%	39.0%	38.2%	45.1%
Allocated Equity (€bn, year to date)	3.8	3.7	3.5	3.4	3.3	3.3
RWA (€bn)	32.0	33.5	32.0	31.2	30.7	29.5
Total consolidated outstandings (€bn)	55	53	51	49	49	48
Financed fleet ('000 of vehicles)	1,643	1,614	1,592	1,520	1,501	1,484

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
New Digital Businesses & Personal Investors (including 100% of Private Banking)¹						
Revenues	252	243	228	197	217	205
Operating Expenses and Dep.	-160	-164	-158	-149	-139	-132
Gross Operating Income	91	79	70	48	77	73
Cost of Risk	-30	-23	-42	-23	-23	-12
Operating Income	62	57	28	25	54	61
Share of Earnings of Equity-Method Entities	-2	-2	-2	-2	-2	-3
Other Non Operating Items	0	0	0	0	1	0
Pre-Tax Income	60	55	25	23	53	58
Income Attributable to Wealth and Asset Management	-1	-1	-1	0	0	-1
Pre-Tax Income of New Digital Businesses & Personal Investors	59	54	25	22	52	58
Cost/Income	63.7%	67.4%	69.4%	75.7%	64.3%	64.4%
Allocated Equity (€bn, year to date; including 2/3 of Private Banking)	0.8	0.8	0.5	0.5	0.5	0.4
RWA (€bn)	4.5	4.7	4.8	4.9	4.8	4.9
Average Loans personal Investors (€bn)	2	2	2	2	2	1
Average deposits personal Investors (€bn)	32	32	30	31	31	30
AUM Personal Investors (€bn)	162	157	150	150	147	162
European Customer Orders (millions) of Personal Investors	9.0	10.0	9.2	10.1	10.1	13.0
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
New Digital Businesses and Personal Investors (including 2/3 of Private Banking)						
Revenues	248	240	225	195	214	203
Operating Expenses and Dep.	-158	-162	-156	-147	-137	-130
Gross Operating Income	90	78	69	48	77	72
Cost of Risk	-30	-23	-42	-23	-23	-12
Operating Income	61	56	27	25	54	60
Share of Earnings of Equity-Method Entities	-2	-2	-2	-2	-2	-3
Other Non Operating Items	0	0	0	0	1	0
Pre-Tax Income	59	54	25	22	52	58
Cost/Income	63.7%	67.4%	69.4%	75.5%	64.1%	64.3%
Allocated Equity (€bn, year to date)	0.8	0.8	0.5	0.5	0.5	0.4
RWA (€bn)	4.5	4.7	4.8	4.9	4.8	4.9

1. Including 100% of Private Banking for the Revenues to Pre-tax income items

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Investment & Protection Services						
Revenues	1,430	1,409	1,529	1,458	1,426	1,400
Operating Expenses and Dep.	-879	-897	-956	-883	-862	-851
Gross Operating Income	551	512	572	575	564	549
Cost of Risk	-2	-1	14	2	-5	-7
Operating Income	550	511	586	577	559	542
Share of Earnings of Equity-Method Entities	58	68	61	31	41	45
Other Non Operating Items	0	0	-4	41	16	35
Pre-Tax Income	607	578	643	650	617	622
Cost/Income	61.4%	63.7%	62.6%	60.5%	60.4%	60.8%
Asset Under Management (€bn) with 100% of Private Banking	1,213	1,213	1,172	1,157	1,180	1,227
Allocated Equity (€bn, year to date)	10.4	10.6	10.0	10.0	10.0	9.9
RWA (€bn)	40.1	40.6	40.6	43.2	44.7	48.7
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Insurance						
Revenues	557	524	500	514	512	490
Operating Expenses and Dep.	-203	-202	-198	-199	-201	-197
Gross Operating Income	353	322	302	315	311	294
Cost of Risk	0	0	0	0	0	0
Operating Income	353	322	302	315	311	294
Share of Earnings of Equity-Method Entities	47	59	32	20	24	29
Other Non Operating Items	0	0	-2	1	17	-3
Pre-Tax Income	400	381	332	336	352	319
Cost/Income	36.5%	38.5%	39.5%	38.7%	39.2%	40.1%
Asset Under Management (€bn)	251	251	247	248	255	270
Allocated Equity (€bn, year to date)	7.1	7.3	7.1	7.1	7.2	7.2
RWA (€bn)	14.5	14.6	14.8	16.5	18.2	23.2
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Wealth and Asset Management						
Revenues	873	885	1,029	944	914	910
Operating Expenses and Dep.	-675	-695	-759	-684	-661	-655
Gross Operating Income	198	190	270	260	253	255
Cost of Risk	-2	-1	14	2	-5	-7
Operating Income	196	189	284	262	248	249
Share of Earnings of Equity-Method Entities	11	9	29	11	18	16
Other Non Operating Items	0	0	-2	40	-1	38
Pre-Tax Income	207	198	311	313	265	303
Cost/Income	77.3%	78.6%	73.8%	72.4%	72.3%	72.0%
Asset Under Management (€bn) with 100% of Private Banking	962	962	925	908	925	956
Allocated Equity (€bn, year to date)	3.4	3.3	2.9	2.9	2.8	2.8
RWA (€bn)	25.6	26.0	25.8	26.7	26.5	25.5
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Wealth Management						
Revenues	395	409	392	379	371	370
Operating Expenses and Dep.	-285	-318	-317	-294	-273	-299
Gross Operating Income	110	91	76	85	97	71
Cost of Risk	-1	-1	13	1	-3	-7
Operating Income	109	91	89	86	94	64
Share of Earnings of Equity-Method Entities	0	0	0	0	0	0
Other Non Operating Items	0	0	-1	40	0	0
Pre-Tax Income	109	91	87	126	94	64
Cost/Income	72.1%	77.7%	80.7%	77.5%	73.7%	80.8%
Asset Under Management (€bn) with 100% of Private Banking	406	406	393	389	394	403
Allocated Equity (€bn, year to date)	1.3	1.3	1.4	1.4	1.3	1.3
RWA (€bn)	11.3	11.8	12.0	13.1	13.3	12.3
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Asset Management (including Real Estate & IPS Investment)						
Revenues	478	476	636	565	543	540
Operating Expenses and Dep.	-390	-377	-442	-390	-387	-356
Gross Operating Income	87	98	194	175	156	184
Cost of Risk	0	0	1	1	-2	1
Operating Income	87	98	195	176	154	185
Share of Earnings of Equity-Method Entities	11	9	29	11	18	16
Other Non Operating Items	0	0	0	0	-1	38
Pre-Tax Income	98	107	224	187	171	239
Cost/Income	81.7%	79.3%	69.5%	69.0%	71.3%	65.9%
Asset Under Management (€bn)	555	555	532	519	531	553
Allocated Equity (€bn, year to date)	2.0	2.0	1.5	1.5	1.5	1.5
RWA (€bn)	14.3	14.2	13.8	13.6	13.2	13.2

€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Corporate Center : restatement related to insurance activities of the volatility (IFRS9) and attributable costs (internal distributors)						
Revenues	-305	-266	-384	-280	-359	-417
<i>Restatement of the volatility (Insurance business)</i>	-33	-16	-87	-31	-108	-158
<i>Restatement of attributable costs (Internal Distributors)</i>	-271	-250	-296	-249	-252	-259
Operating Expenses and Dep.	271	250	296	249	252	259
<i>Incl. Restructuring, IT Reinforcement and Adaptation Costs</i>	0	0	0	0	0	0
<i>Restatement of attributable costs (Internal Distributors)</i>	271	250	296	249	252	259
Gross Operating Income	-33	-16	-87	-31	-108	-158
Cost of Risk						
Operating Income	-33	-16	-87	-31	-108	-158
Share of Earnings of Equity-Method Entities						
Other Non Operating Items						
Pre-Tax Income	-33	-16	-87	-31	-108	-158
<hr/>						
€m	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Corporate Center excl. restatement related to insurance activities of the volatility (IFRS 9) and attributable costs (internal distributors)						
Revenues	-361	-478	-244	-43	-43	52
<i>Restatement of the volatility (Insurance business)</i>	0	0	0	0	0	0
<i>Restatement of attributable costs (Internal Distributors)</i>	0	0	0	0	0	0
Operating Expenses and Dep.	-318	-624	-211	-222	-187	-542
<i>Incl. Restructuring, IT Reinforcement and Adaptation Costs</i>	-151	-361	-188	-125	-106	-72
<i>Restatement of attributable costs (Internal Distributors)</i>	0	0	0	0	0	0
Gross Operating Income	-679	-1,102	-455	-265	-230	-490
Cost of Risk	-33	6	59	-126	-64	-54
Operating Income	-712	-1,096	-396	-391	-294	-544
Share of Earnings of Equity-Method Entities	17	12	-38	19	19	23
Other Non Operating Items	93	-1	51	-2	-66	-42
Pre-Tax Income	-603	-1,085	-382	-374	-342	-564

ALTERNATIVE PERFORMANCE MEASURES (APM) ARTICLE 223-1 OF THE AMF'S GENERAL REGULATION

Alternative Performance Measures	Definition	Reason for use
Operating division profit and loss account aggregates (revenues, net interest revenue, operating expenses, gross operating income, operating income, pre-tax income)	<p>Sum of CPBS' profit and loss account aggregates (with Commercial & 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 businesses".</p> <p>Net interest revenue mentioned in Commercial & Personal Banking includes the net interest margin (as defined in Note 3.a of the financial statements), as well as, to a later 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&L aggregates of Commercial & 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>	<p>Representative measure of the BNP Paribas Group's operating performance</p>
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>	<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 during their lifetime</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 & 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 tables "Quarterly series".</p>	<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))</p>
Evolution of operating expenses excluding IFRIC 21	<p>Change in operating expenses excluding taxes and contributions subject to IFRIC 21.</p>	<p>Representative measure of the change in operating expenses' excluding the taxes and contributions subject to IFRIC 21 booked almost entirely in the 1st half of the year, given in order to avoid any confusion compared to other quarters</p>
Cost/income ratio	<p>Costs to income ratio</p>	<p>Measure of operational efficiency in the banking sector</p>
Cost of risk/Customer loans at the beginning of the period (in basis points)	<p>Cost of risk (in €m) divided by customer loans at the beginning of the period</p> <p>Details of the calculation are disclosed in the Appendix "Cost of risk on Outstandings" of the Results' presentation</p>	<p>Measure of the risk level by business in percentage of the volume of outstanding loans</p>
Doubtful loans' coverage ratio	<p>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)</p>	<p>Measure of provisioning for doubtful loans</p>
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>	<p>Measure of BNP Paribas Group's net income excluding non-recurring items of a significant amount or items that do not reflect the</p>

Alternative Performance Measures	Definition	Reason for use
		underlying operating performance, notably restructuring, adaptation, IT reinforcement and transformation costs.
Return on Equity (ROE)	Details of the ROE calculation are disclosed in the Appendix “Return on Equity and Permanent Shareholders’ Equity” of the results’ presentation	Measure of the BNP Paribas Group’s return on equity
Return on Tangible Equity (ROTE)	Details of the ROTE calculation are disclosed in the Appendix “Return on Equity and Permanent Shareholders’ Equity” of the results’ presentation	Measure of the BNP Paribas Group’s return on tangible equity
Insurance P&L aggregates (Revenues, Operating expenses, Gross operating income, Operating income, Pre-tax income)	<p>Insurance P&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&L aggregates is provided in the tables “Quarterly Series”.</p>	Presentation of the Insurance result reflecting operational and intrinsic performance (technical and financial)
Corporate Centre P&L aggregates	<p>P&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> <p>Restatement in Corporate Centre revenues of the volatility to the financial result generated by the IFRS 9 fair value recognition of certain Insurance assets</p> <p>Operating expenses deemed “attributable to insurance activities” 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”</p> <p>A reconciliation with Group P&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 disrupt readability of the financial performance of the various business lines

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

Operating expenses: sum of salary and employee benefit expenses, other operating expenses and depreciation, amortisation and impairment of property, plant and equipment. In the whole document, the terms operating expenses or costs can be used indifferently.

Operating divisions: they consist of 3 divisions:

- **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, that includes Wealth Management, Asset Management, Real Estate and Principal Investments

1.2 Long term credit ratings

Long Term/Short Term Rating	S&P	Fitch	Moody's	DBRS
As at 24 March 2023	A+/A-1 (stable outlook)	AA-/F1+ (stable outlook)	Aa3/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
As at 3 May 2023	A+/A-1 (stable outlook)	AA-/F1+ (stable outlook)	Aa3/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
As at 27 July 2023	A+/A-1 (stable outlook)	AA-/F1+ (stable outlook)	Aa3/Prime-1 (stable outlook)	AA (low)/R-1 (middle) (stable outlook)
Date of last review	24 April 2023	3 July 2023	5 July 2022	21 June 2023

2. CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2023



CONSOLIDATED FINANCIAL STATEMENTS

First half 2023

Unaudited figures

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CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with IFRS as adopted by the European Union

The Board of directors of BNP Paribas approved the Group consolidated financial statements on 26 July 2023.

The consolidated financial statements of the BNP Paribas Group are presented for the first halves 2023 and 2022. In accordance with Annex I of European Delegated Regulation (EU) 2019/980, the consolidated financial statements for the first half 2021 are provided in the updated, registered on 29 July 2022 under number D22-0156-A03, Universal registration document filed with the Autorité des Marchés Financiers on 25 March 2022 under number D.22-0156.

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 8.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.

PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 2023

In millions of euros	Notes	First half 2023	First half 2022 restated according to IFRS 17 and 9
Interest income	3.a	36,135	16,915
Interest expense	3.a	(27,079)	(6,571)
Commission income	3.b	7,400	7,274
Commission expense	3.b	(2,474)	(2,169)
Net gain on financial instruments at fair value through profit or loss	3.c	5,898	5,573
Net gain on financial instruments at fair value through equity	3.d	119	110
Net gain on derecognised financial assets at amortised cost		54	(5)
Net income from insurance activities	6.a	1,184	835
Income from other activities	3.e	8,949	7,682
Expense on other activities	3.e	(6,791)	(6,240)
REVENUES FROM CONTINUING ACTIVITIES		23,395	23,404
Operating expenses	3.f	(14,967)	(14,386)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		(1,113)	(1,147)
GROSS OPERATING INCOME FROM CONTINUING ACTIVITIES		7,315	7,871
Cost of risk	3.g	(1,331)	(1,409)
OPERATING INCOME FROM CONTINUING ACTIVITIES		5,984	6,462
Share of earnings of equity-method entities		327	385
Net gain on non-current assets	3.h	124	(280)
Goodwill	5.j	-	258
PRE-TAX INCOME FROM CONTINUING ACTIVITIES		6,435	6,825
Corporate income tax from continuing activities	3.i	(1,869)	(2,050)
NET INCOME FROM CONTINUING ACTIVITIES		4,566	4,775
Net income from discontinued activities	8.e	2,947	365
NET INCOME		7,513	5,140
Net income attributable to minority interests		268	207
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		7,245	4,933
Basic earnings per share	8.a	5.64	3.75
Diluted earnings per share	8.a	5.64	3.75

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

In millions of euros	First half 2023	First half 2022 <i>Restated according to IFRS 17 and 9</i>
Net income for the period	7,513	5,140
Changes in assets and liabilities recognised directly in equity	420	408
Items that are or may be reclassified to profit or loss	(26)	(325)
- Changes in exchange differences	(84)	1,589
- Changes in fair value of financial assets at fair value through equity		
<i>Changes in fair value recognised in equity</i>	290	(558)
<i>Changes in fair value reported in net income</i>	3	(109)
- Changes in fair value of investments of insurance activities		
<i>Changes in fair value recognised in equity</i>	1,144	(14,022)
<i>Changes in fair value reported in net income</i>	215	(234)
- Changes in fair value of contracts of insurance activities	(991)	13,024
- Changes in fair value of hedging instruments		
<i>Changes in fair value recognised in equity</i>	(142)	(818)
<i>Changes in fair value reported in net income</i>	(1)	(11)
- Income tax	(168)	665
- Changes in equity-method investments, after tax	(124)	370
- Changes in discontinued activities, after tax	(168)	(221)
Items that will not be reclassified to profit or loss	446	733
- Changes in fair value of equity instruments designated as at fair value through equity	28	(87)
- Debt remeasurement effect arising from BNP Paribas Group issuer risk	249	584
- Remeasurement gains (losses) related to post-employment benefit plans	40	515
- Income tax	(92)	(252)
- Changes in equity-method investments, after tax	102	(39)
- Changes in discontinued activities, after tax	119	12
Total	7,933	5,548
- Attributable to equity shareholders	7,605	5,263
- Attributable to minority interests	328	285

BALANCE SHEET AT 30 JUNE 2023

In millions of euros	Notes	30 June 2023	31 December 2022 <i>restated according to IFRS 17 and 9</i>	1 January 2022 <i>IAS 29, IFRS 17 and 9</i>
ASSETS				
Cash and balances at central banks		302,749	318,560	347,883
Financial instruments at fair value through profit or loss				
Securities	5.a	244,849	166,077	191,507
Loans and repurchase agreements	5.a	261,844	191,125	249,808
Derivative financial instruments	5.a	312,894	327,932	240,423
Derivatives used for hedging purposes		23,793	25,401	8,680
Financial assets at fair value through equity				
Debt securities	5.b	42,188	35,878	38,915
Equity securities	5.b	2,097	2,188	2,558
Financial assets at amortised cost				
Loans and advances to credit institutions	5.d	37,602	32,616	21,751
Loans and advances to customers	5.d	852,649	857,020	814,000
Debt securities	5.d	114,612	114,014	108,612
Remeasurement adjustment on interest-rate risk hedged portfolios		(6,831)	(7,477)	3,005
Investments and other assets related to insurance activities	6.c	250,766	245,475	282,288
Current and deferred tax assets	5.h	5,270	5,932	5,954
Accrued income and other assets	5.i	169,140	208,543	177,176
Equity-method investments		6,210	6,073	5,468
Property, plant and equipment and investment property		41,803	38,468	35,191
Intangible assets		4,067	3,790	3,659
Goodwill	5.j	5,479	5,294	5,121
Assets held for sale	8.e	-	86,839	91,267
TOTAL ASSETS		2,671,181	2,663,748	2,633,266
LIABILITIES				
Deposits from central banks		5,805	3,054	1,244
Financial instruments at fair value through profit or loss				
Securities	5.a	122,725	99,155	112,338
Deposits and repurchase agreements	5.a	308,312	234,076	292,160
Issued debt securities	5.a	73,697	65,578	64,197
Derivative financial instruments	5.a	291,358	300,121	237,635
Derivatives used for hedging purposes		39,012	40,001	10,076
Financial liabilities at amortised cost				
Deposits from credit institutions	5.f	132,408	124,718	165,698
Deposits from customers	5.f	977,676	1,008,056	957,684
Debt securities	5.g	189,226	155,359	150,822
Subordinated debt	5.g	23,734	24,160	24,720
Remeasurement adjustment on interest-rate risk hedged portfolios		(17,386)	(20,201)	1,367
Current and deferred tax liabilities	5.h	3,628	2,979	3,016
Accrued expenses and other liabilities	5.i	151,578	185,010	146,520
Liabilities related to insurance contracts	6.d	213,153	209,772	240,118
Financial liabilities related to insurance activities	6.c	18,629	18,858	20,041
Provisions for contingencies and charges	5.k	9,322	10,040	10,187
Liabilities associated with assets held for sale	8.e	-	77,002	74,366
TOTAL LIABILITIES		2,542,877	2,537,738	2,512,189
EQUITY				
Share capital, additional paid-in capital and retained earnings		119,339	115,008	107,938
Net income for the period attributable to shareholders		7,245	9,848	9,488
Total capital, retained earnings and net income for the period attributable to shareholders		126,584	124,856	117,426
Changes in assets and liabilities recognised directly in equity		(3,283)	(3,619)	(1,021)
Shareholders' equity		123,301	121,237	116,405
Minority interests	8.b	5,003	4,773	4,672
TOTAL EQUITY		128,304	126,010	121,077
TOTAL LIABILITIES AND EQUITY		2,671,181	2,663,748	2,633,266

CASH FLOW STATEMENT FOR THE FIRST HALF OF 2023

In millions of euros	Notes	First half 2023	First half 2022 <i>restated according to IFRS 17 and 9</i>
Pre-tax income from continuing activities		6,435	6,825
Pre-tax income from discontinued activities		3,666	533
Non-monetary items included in pre-tax net income and other adjustments		6,895	8,988
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		2,999	3,285
Impairment of goodwill and other non-current assets		(18)	57
Net addition to provisions		993	485
Variation of assets/liabilities related to insurance contracts		(2,627)	2,640
Share of earnings of equity-method entities		(327)	(385)
Net income (expense) from investing activities		(3,634)	283
Net expense (income) from financing activities		94	(1,442)
Other movements		9,415	4,065
Net decrease related to assets and liabilities generated by operating activities		(39,819)	(28,914)
Net increase related to transactions with customers and credit institutions		9,556	20,782
Net decrease related to transactions involving other financial assets and liabilities		(41,007)	(44,045)
Net decrease related to transactions involving non-financial assets and liabilities		(6,948)	(4,682)
Taxes paid		(1,420)	(969)
NET DECREASE IN CASH AND CASH EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		(22,823)	(12,568)
Net increase related to acquisitions and disposals of consolidated entities		9,874	887
Net decrease related to property, plant and equipment and intangible assets		(1,193)	(1,164)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS RELATED TO INVESTING ACTIVITIES		8,681	(277)
Decrease in cash and cash equivalents related to transactions with shareholders		(5,445)	(6,323)
Increase in cash and cash equivalents generated by other financing activities		1,577	10,818
NET DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS RELATED TO FINANCING ACTIVITIES		(3,868)	4,495
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		(4,386)	401
NET DECREASE IN CASH AND CASH EQUIVALENTS		(22,396)	(7,949)
of which net increase (decrease) in cash and cash equivalents from discontinued activities		9,909	(9,409)
Balance of cash and cash equivalent accounts at the start of the period		317,698	362,418
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.f	(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
Balance of cash and cash equivalent accounts at the end of the period		295,302	354,469
Cash and amounts due from central banks		302,769	352,441
Due to central banks		(5,805)	(3,250)
On demand deposits with credit institutions		11,233	12,889
On demand loans from credit institutions	5.f	(13,262)	(13,560)
Deduction of receivables and accrued interest on cash and cash equivalents		367	804
Cash and cash equivalent accounts classified as "Assets held for sale"		-	5,145
NET DECREASE IN CASH AND CASH EQUIVALENTS		(22,396)	(7,949)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital and retained earnings				Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss				
	Share capital and additional paid-in-capital	Undated Super Subordinated Notes	Non-distributed reserves	Total	Financial assets designated as at fair value through equity	Own-credit valuation adjustment of debt securities designated as at fair value through profit or loss	Remeasurement gains (losses) related to post-employment benefit plans	Discontinued activities	Total
In millions of euros									
Balance at 31 December 2021	26,347	9,207	82,110	117,664	840	(267)	549	(125)	997
Impacts of IAS 29 1st application in Türkiye			(39)	(39)					
Impacts of the transition to IFRS 17 (note 2)			(2,619)	(2,619)					
Impacts of the transition to IFRS 9 (note 2)			2,420	2,420	258				258
Balance at 1st January 2022	26,347	9,207	81,872	117,426	1,098	(267)	549	(125)	1,255
Appropriation of net income for 2021			(4,527)	(4,527)					
Increases in capital and issues		1,092		1,092					
Reduction or redemption of capital		(2,430)	(123)	(2,553)					
Movements in own equity instruments	(207)	(16)	(192)	(415)					
Remuneration on undated super subordinated notes			(188)	(188)					
Movements in consolidation scope impacting minority shareholders (note 8.b)				-					
Change in commitments to repurchase minority shareholders' interests			3	3					
Other movements			7	7					
Realised gains or losses reclassified to retained earnings			280	280	(284)	4			(280)
Changes in assets and liabilities recognised directly in equity				-	(172)	432	447	12	719
Net income of first half 2022			4,933	4,933					
Balance at 30 June 2022	26,140	7,853	82,065	116,058	642	169	996	(113)	1,694
Appropriation of net income for 2021				-					
Increases in capital and issues		3,932	(4)	3,928					
Movements in own equity instruments	50	15	41	106					
Remuneration on undated super subordinated notes			(186)	(186)					
Impact of internal transactions on minority shareholders (note 8.b)			1	1					
Change in commitments to repurchase minority shareholders' interests			(5)	(5)					
Other movements			(3)	(3)					
Realised gains or losses reclassified to retained earnings			42	42	(42)	(1)	1		(42)
Changes in assets and liabilities recognised directly in equity				-	(15)	(49)	(457)	(6)	(527)
Net income of second half 2022			4,915	4,915					
Balance at 31 December 2022	26,190	11,800	86,866	124,856	585	119	540	(119)	1,125
Appropriation of net income for 2022			(4,744)	(4,744)					
Increases in capital and issues		1,670	(2)	1,668					
Movements in own equity instruments	(2,092)	(17)	117	(1,992)					
Remuneration on undated super subordinated notes			(329)	(329)					
Impact of internal transactions on minority shareholders (note 8.b)			(21)	(21)					
Movements in consolidation scope impacting minority shareholders (note 8.b)			(119)	(119)					
Change in commitments to repurchase minority shareholders' interests			(5)	(5)					
Other movements			1	1					
Realised gains or losses reclassified to retained earnings			24	24	(20)	(4)			(24)
Changes in assets and liabilities recognised directly in equity				-	115	186	29	119	449
Net income of first half 2023			7,245	7,245					
Balance at 30 June 2023	24,098	13,453	89,033	126,584	680	301	569		1,550

BETWEEN 1 JANUARY 2022 AND 30 JUNE 2023

Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss						Total shareholders' equity	Minority interests (note 8.b)	Total equity
Exchange differences	Financial assets at fair value through equity	Financial investments of insurance activities	Derivatives used for hedging purposes	Discontinued activities	Total			
(4,335)	122	1,811	1,019	608	(775)	117,886	4,621	122,507
165					165	126	48	174
		533			533	(2,086)	12	(2,074)
		(2,199)			(2,199)	479	(9)	470
(4,170)	122	145	1,019	608	(2,276)	116,405	4,672	121,077
					-	(4,527)	(122)	(4,649)
					-	1,092	23	1,115
					-	(2,553)		(2,553)
					-	(415)		(415)
					-	(188)		(188)
					-	-	(136)	(136)
					-	3	(126)	(123)
					-	7	(1)	6
					-	-		-
1,801	(468)	(1,091)	(410)	(221)	(389)	330	78	408
					-	4,933	207	5,140
(2,369)	(346)	(946)	609	387	(2,665)	115,087	4,595	119,682
					-		(11)	(11)
					-	3,928	11	3,939
					-	106		106
					-	(186)		(186)
					-	1	2	3
					-	(5)	(31)	(36)
					-	(3)	(1)	(4)
					-	-		-
(821)	(165)	(516)	(358)	(219)	(2,079)	(2,606)	15	(2,591)
					-	4,915	193	5,108
(3,190)	(511)	(1,462)	251	168	(4,744)	121,237	4,773	126,010
					-	(4,744)	(179)	(4,923)
					-	1,668	298	1,966
					-	(1,992)		(1,992)
					-	(329)		(329)
					-	(21)	21	-
					-	(119)	(91)	(210)
					-	(5)	(147)	(152)
					-	1		1
					-	-		-
(270)	171	335	(157)	(168)	(89)	360	60	420
					-	7,245	268	7,513
(3,460)	(340)	(1,127)	94		(4,833)	123,301	5,003	128,304

NOTES TO THE FINANCIAL STATEMENTS

Prepared in accordance with IFRS as adopted by the European Union

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

1.a 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 Union¹. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded.

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting”. Some information on the nature and extent of risks relating to financial instruments as required by IFRS 7 “Financial Instruments: Disclosures” will be presented in the update A03 of the Universal Registration Document. This information provides 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.

This information is an integral part of the notes to the BNP Paribas Group’s consolidated financial statements at 30 June 2023.

- 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, therefore they 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 used 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.

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

The 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.

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 has been 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 fees 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 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.

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

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.

The announcements by public authorities in the United Kingdom and the United States and by the Libor rates administrator (ICE BA) in late November 2020 changed the transition phase, which was initially scheduled to be completed by the end of 2021. For GBP and JPY Libor, synthetic Libor were published beyond the end of 2021 for use in certain contracts known as “tough legacy” contracts, i.e. contracts that have not switched from Libor to a replacement index. 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.

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

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

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

In September 2019, the IASB published “Phase 1” amendments to IAS 39 and IFRS 7, amending the hedge accounting requirements so that hedges affected by the benchmark interest rate reform 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. The measures introduced in this framework also include:

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

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

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

- 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 not adopted by the European Union by the 30 June 2023 closing date. Pending this adoption, the Group nonetheless chose not to book deferred taxes in connection with this additional taxation, as a mandatory and temporary exception is provided by amendments to IAS 12.

Based on the available information, the impact of the Pillar II reform will be non-material for the Group once adopted.

- 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 for the period.

The introduction of other standards, amendments and interpretations that are mandatory as from 1 January 2022 had no effect on the Group’s financial statements at 30 June 2023.

The Group did not early adopt any of the new standards, amendments, and interpretations adopted by the European Union, when the application in 2022 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 and available-for-sale assets 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 COMBINATION AND MEASUREMENT OF GOODWILL

- **Business combinations**

Business combinations are accounted for using the purchase method.

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

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

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

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

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

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

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

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

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

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

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 units² 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.

⁽²⁾ As defined by IAS 36.

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 liabilities³ expressed in foreign currencies**

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

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

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

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

1.d 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 Groupe 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.

³ Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.

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

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

Commission

The Group records commission income and expense in profit or loss either:

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

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

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

Income from other activities

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

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

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

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

1.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 does not expose to risks or volatility in the contractual cash flows that would be inconsistent with those of a basic lending arrangement (example: loans granted in the context of *Livret A* savings accounts).

Some contractual clauses may change the timing or the amount of cash flows. Early redemption options do not call into question the cash flow criterion if the prepayment amount substantially represents the principal amount outstanding and the interest thereon, which may include 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 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 the 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 are hybrid instruments that may contain a debt component and an equity component, determined upon initial recognition of the transaction.

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 a debt only, to the extent that the discretionary coupons paid on these bonds relate to a host contract representative of a debt. This treatment (with coupon recognition in the profit and loss account) differs from that applied to the Undated Super Subordinated Notes classified as equity instruments, mentioned below.

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 are managed on the basis of a net exposure, in accordance with the documented risk management strategy.

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

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

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

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

1.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 and operating 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 issued) 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, capitalized 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.

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 fulfilment 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 fulfilment 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.

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 present 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 portfolios 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.h.2) are presented by the lessee within fixed assets in the same category as similar assets held.

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

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

Investment property is recognised at cost, 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 hypothesis used by the Group for the measurement of rights of use and lease liabilities are the following:

- the lease term corresponds to the non-cancellable period of the contract, together with periods covered by an extension option if the Group is reasonably certain to exercise this option. In France, the standard commercial lease contract is the so-called “three, six, nine” contract for which the maximum period of use is nine years, with a first non-cancellable period of three years followed by two optional extension periods of three years each; hence, depending on the assessment, the lease term can be of three, six or nine years. When investments like fittings or fixtures are performed under the contract, the lease term is aligned with their useful lives. For tacitly renewable contracts, with or without an enforceable period, related right of use and lease liabilities are recognised based on an estimate of the reasonably foreseeable economic life of the contracts, minimal occupation period included.
- the discount rate used to measure the right of use and the lease liability is assessed for each contract as the interest rate implicit in the lease, if that rate can be readily determined, or more generally based on the incremental borrowing rate of the lessee at the date of signature. The incremental borrowing rate is determined considering the average term (duration) of the contract.
- when the contract is modified, a new assessment of the lease liability is made taking into account the new residual term of the contract, and therefore a new assessment of the right of use and the lease liability is established.

1.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 in one of four following categories:

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

- **Short-term benefits**

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

- **Long-term benefits**

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

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

- **Termination benefits**

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

- **Post-employment benefits**

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

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

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

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

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

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

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

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

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

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

1.1 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.o 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.

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

In millions of euros	31 December 2022	IFRS 17 and 9 1 st time application impacts	31 December 2022 restated according to IFRS 17 and 9
ASSETS			
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) ^{(a)(c)(d)}	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
TOTAL ASSETS	2,666,376	(2,628)	2,663,748
LIABILITIES			
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) ^{(e)(c)}	65,578
Derivative financial instruments	300,121		300,121
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 ^(c)	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) ^{(a)(e)}	
Liabilities related to insurance contracts		209,772 ^(b)	209,772
Financial liabilities related to insurance activities		18,858 ^(e)	18,858
Provisions for contingencies and charges	10,040		10,040
Liabilities associated with assets held for sale	77,002		77,002
TOTAL LIABILITIES	2,539,821	(2,083)	2,537,738
EQUITY			
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
Total capital, retained earnings and net income for the period attributable to shareholders	125,345	(489)	124,856
Changes in assets and liabilities recognised directly in equity	(3,553)	(66)	(3,619)
Shareholders' equity	121,792	(555)^(f)	121,237
Minority interests	4,763	10	4,773
TOTAL EQUITY	126,555	(545)	126,010
TOTAL LIABILITIES AND EQUITY	2,666,376	(2,629)	2,663,748

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.

• **IFRS 9 and IFRS 17 first time application impacts on “Investments and other assets related to insurance activities”**

In millions of euros	31 December 2022 (IAS 39/IFRS 4)	Reclassifications					Total reclassifications to IFRS 9 categories	IFRS 9 impacts (insurance entities)		IFRS 17, IAS 16 and IAS 40 impacts	31 December 2022 restated according to IFRS 17 and 9
		Available-for-sale financial assets at fair		Held-to-maturity financial assets at amortised cost		Other reclassifications		Remeasurement (phase 1)	Impairment adjustments (phase 2)		
		Debt securities	Equity securities	Debt securities	Loans and receivables						
Financial instruments at fair value through profit and 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).

The tables below show movements in carrying amounts of insurance contracts and do not include reinsurance contracts.

- Movements in carrying amounts of insurance contracts - remaining coverage and incurred claims**

Insurance contracts issued, excluding reinsurance contracts In millions of euros	Remaining coverage excluding loss component	Remaining coverage: loss component	Incurred claims	Total net liabilities
Net (assets) or liabilities at 1 January 2022 ⁽¹⁾	236,471	93	3,354	239,918
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	(29,773)		(172)	(29,945)
Total changes in profit and loss and in equity	(54,192)	60	21,621	(32,511)
Premiums received for insurance contracts issued	25,895			25,895
Insurance acquisition cash flows	(2,186)			(2,186)
Claims and other service expenses paid (including investment components)			(21,997)	(21,997)
Total cash flows	23,709	-	(21,997)	1,712
Other movements	(551)	(1)	984	432
Net (assets) or liabilities at 31 December 2022 ⁽¹⁾	205,437	152	3,962	209,551

⁽¹⁾ Including receivables and liabilities attributable to insurance contracts for a net asset of EUR 501 million at 31 December 2022 compared to a net asset of EUR 1,248 million at 1 January 2022.

- Movements in carrying amounts of insurance contracts not measured under the premium allocation approach – analysis by measurement component**

Insurance contracts issued not measured under the premium allocation approach In millions of euros	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Net (assets) or liabilities at 1 January 2022 ⁽¹⁾	217,803	1,260	18,598	237,661
Insurance service result: (income) or expenses	(372)	(172)	(1,493)	(2,037)
<i>of which changes related to future services - new contracts</i>	(1,587)	99	1,551	63
<i>of which changes related to future services - change in estimation</i>	1,387	(160)	(1,217)	10
<i>of which changes related to current service</i>	(34)	(77)	(1,827)	(1,938)
<i>of which changes related to past service</i>	(138)	(34)		(172)
Net finance (income) or expenses from insurance contracts	(29,882)	(39)	36	(29,885)
Total changes in profit and loss and in equity	(30,254)	(211)	(1,457)	(31,922)
Premiums received for insurance contracts issued	22,690			22,690
Insurance acquisition cash flows	(911)			(911)
Claims and other service expenses paid (including investment components)	(20,557)			(20,557)
Total cash flows	1,222	-	-	1,222
Other movements	651	(1)	(76)	574
Net (assets) or liabilities at 31 December 2022 ⁽¹⁾	189,422	1,048	17,065	207,535

⁽¹⁾ Including receivables and liabilities attributable to insurance contracts for a net asset of EUR 504 million at 31 December 2022 compared to a net asset of EUR 1,267 million at 1 January 2022.

3. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE FIRST HALF OF 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.

In millions of euros	First half 2023			First half 2022 <i>restated according to IFRS 17 and 9</i>		
	Income	Expense	Net	Income	Expense	Net
Financial instruments at amortised cost	29,770	(21,158)	8,612	13,655	(4,471)	9,184
Deposits, loans and borrowings	26,480	(16,115)	10,365	12,163	(3,183)	8,980
Repurchase agreements	246	(448)	(202)	115	(8)	107
Finance leases	1,068	(49)	1,019	860	(50)	810
Debt securities	1,976		1,976	517		517
Issued debt securities and subordinated debt		(4,546)	(4,546)		(1,230)	(1,230)
Financial instruments at fair value through equity	925	-	925	425	-	425
Financial instruments at fair value through profit or loss (Trading securities excluded)	126	(631)	(505)	20	(70)	(50)
Cash flow hedge instruments	2,094	(863)	1,231	1,271	(718)	553
Interest rate portfolio hedge instruments	3,220	(4,395)	(1,175)	1,544	(1,290)	254
Lease liabilities	-	(32)	(32)	-	(22)	(22)
Total interest income/(expense)	36,135	(27,079)	9,056	16,915	(6,571)	10,344

Net interest income notably includes an expense of EUR 833 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 161 million for the first half 2023, compared to EUR 145 million for the first half of 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 4.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 2.55% (1.64% until 31 December 2022 and 2.75% for the first half 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

In millions of euros	First half 2023			First half 2022 according to IFRS 17 and 9		
	Income	Expense	Net	Income	Expense	Net
Customer transactions	2,422	(581)	1,841	2,325	(554)	1,771
Securities and derivatives transactions	1,227	(923)	304	1,034	(800)	234
Financing and guarantee commitments	568	(88)	480	585	(41)	544
Asset management and other services	2,581	(176)	2,405	2,732	(148)	2,584
Others	602	(706)	(104)	598	(626)	(28)
Commission income and expense	7,400	(2,474)	4,926	7,274	(2,169)	5,105
- 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	1,618	(273)	1,345	1,675	(149)	1,526
- of which commission income and expense on financial instruments not measured at fair value through profit or loss	1,572	(226)	1,346	1,534	(165)	1,369

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).

In millions of euros	First half 2023	First half 2022 restated according to IFRS 17 and 9
Financial instruments held for trading	7,600	(5,851)
Interest rate and credit instruments	1,188	(5,854)
Equity financial instruments	3,945	(6,042)
Foreign exchange financial instruments	3,624	4,388
Loans and repurchase agreements	(2,031)	(58)
Other financial instruments	874	1,715
Financial instruments designated as at fair value through profit or loss	(2,047)	11,140
Other financial instruments at fair value through profit or loss	236	311
Impact of hedge accounting	109	(27)
Fair value hedging derivatives	1,320	(7,377)
Hedged items in fair value hedge	(1,211)	7,350
Net gain on financial instruments at fair value through profit or loss	5,898	5,573

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 during the first halves of 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 rates 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 during the first half of 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

In millions of euros	First half 2023	First half 2022 restated according to IFRS 17 and 9
Net gain on debt instruments	48	-
Dividend income on equity instruments	71	110
Net gain on financial instruments at fair value through equity	119	110

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

In millions of euros	First half 2023			First half 2022 restated according to IFRS 17 and 9		
	Income	Expense	Net	Income	Expense	Net
Net income from investment property	30	(13)	17	36	(21)	15
Net income from assets held under operating leases	7,514	(5,639)	1,875	6,545	(5,213)	1,332
Net income from property development activities	266	(242)	24	299	(238)	61
Other net income	1,139	(897)	242	802	(768)	34
Total net income from other activities	8,949	(6,791)	2,158	7,682	(6,240)	1,442

3.f OPERATING EXPENSES

In millions of euros	First half 2023	First half 2022 restated according to IFRS 17 and 9
Salary and employee benefit expense for banking activities	(8,942)	(8,412)
Other operating expenses for banking activities	(6,166)	(6,129)
<i>of which external services and other operating expenses</i>	<i>(4,276)</i>	<i>(4,057)</i>
<i>of which taxes and contributions ⁽¹⁾</i>	<i>(1,890)</i>	<i>(2,072)</i>
Insurance activities non attributable costs (note 6.b)	(380)	(355)
Reclassification of expenses incurred by internal distributors attributable to insurance contracts	521	510
Operating expenses	(14,967)	(14,386)

⁽¹⁾ Contributions to European resolution fund, including exceptional contributions, amount to EUR 1,002 million for the first half of 2023 compared with EUR 1,256 million for the first half of 2022.

Taxes and contributions, including those related to insurance activities, amounted to EUR 1,949 million in the first half of 2023 (compared to EUR 2,137 million in the first half of 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 potentially regularised payment incident during the last 12 months 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 Rating downgrade ≥ 6 notches	One year probability of default > 10%
	Small and Medium Enterprises	Rating ≤ 4 -	Rating downgrade ≥ 6 notches	Rating $\geq 9+$
	Large Corporates		Rating downgrade ≥ 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 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).

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 for the period.

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 severely adverse 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, since 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 ECL.

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 to the favourable scenario within the same range from 10% to 40%; the severe component represents 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 increase in 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 consists in simulating the impact of rate hikes on their financial ratios and the effect of decreases in real estate prices for commercial property transactions from the second quarter of 2023.

In addition, post-model adjustments are considered to take into account, where applicable, the consequences of climatic events on expected credit losses.

Baseline scenario

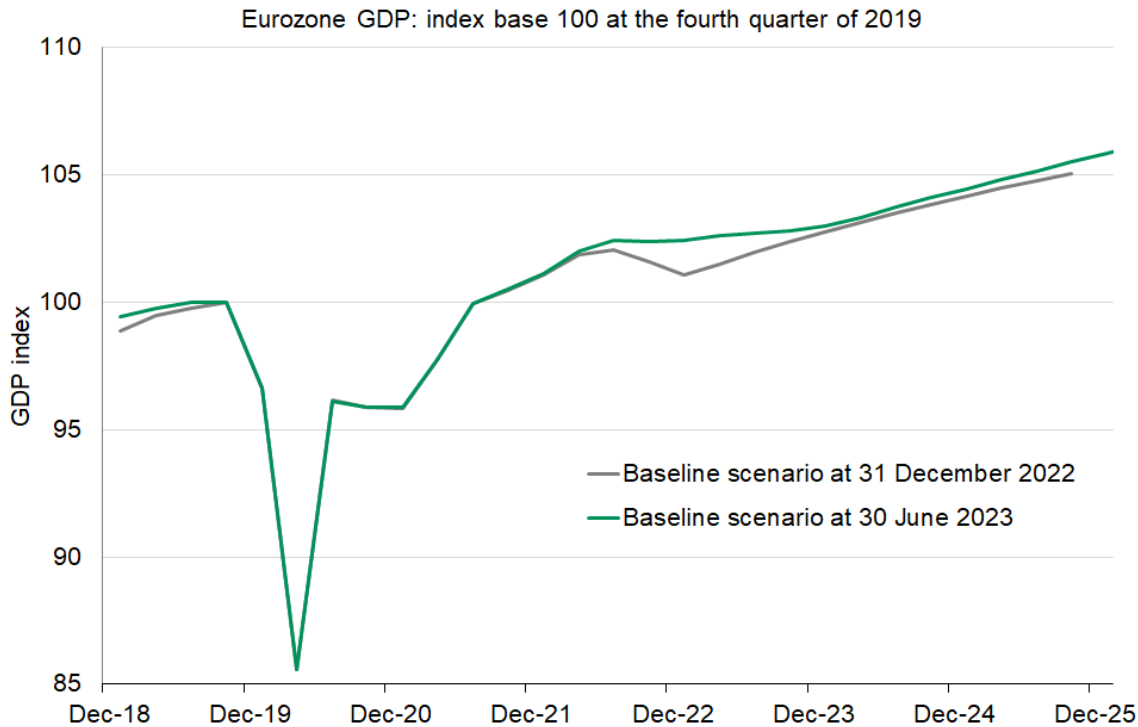
Global activity has slowed down significantly in late 2022 and early 2023, due notably to very high inflation and tighter financial conditions. However, the deterioration in activity has been less pronounced than initially anticipated thanks to several developments. In Europe, the energy crisis was less severe than expected, partly thanks to mild weather conditions in the winter. The reopening of the Chinese economy and the easing of supply chain tensions also had positive implications for global activity. Additionally, consumer demand proved resilient, notably thanks to government's fiscal support and households using their savings.

Short-term activity prospects are still expected to be affected by high inflation and tighter lending conditions. In this context, activity is projected to grow at a moderate pace on average in 2023, in the eurozone (+0.7%) as well as in the United States (+0.9%) (while, at 31 December 2022, GDP was expected to stagnate in both regions). Growth would then strengthen gradually from 2024 onwards, in the presence of less adverse inflation and interest rate developments.

After reaching very high levels in late 2022, inflation has moderated in early 2023, mainly thanks to a marked decline in the contribution from energy prices. This downward trend is expected to continue, on the back of more moderate contributions from energy and food inflation and much reduced supply chain tensions. However, in annual average terms, inflation will remain very high in 2023 in many countries, significantly exceeding central bank targets in most cases (notably in the eurozone and in the United States). Inflation is expected to come down to more usual levels by the end of 2024 in both the eurozone and the United States.

The main central banks (European central bank, US Federal Reserve) continued to tighten monetary policy to fight inflationary pressures in the first half of 2023. However, the end of the tightening cycles seems very close in both the United States and the eurozone. Key short-term and long-term interest rates are therefore expected to peak in 2023, before moderating in 2024 and 2025 (when central banks are expected to lower policy rates in line with more moderate inflation).

The graph below presents a comparison of eurozone GDP projections used in the baseline scenario for the calculation of ECLs at 31 December 2022 and 30 June 2023.



- **Macroeconomic variables, baseline scenario at 30 June 2023**

<i>(annual averages)</i>	2022	2023	2024	2025
GDP growth rate				
Eurozone	3.5%	0.7%	0.9%	1.4%
France	2.6%	0.6%	0.9%	1.4%
Italy	3.8%	0.9%	0.9%	1.1%
Belgium	3.1%	0.9%	0.9%	1.3%
United States	2.1%	0.9%	0.6%	1.9%
Unemployment rate				
Eurozone	6.7%	6.8%	7.1%	7.0%
France	7.3%	7.1%	7.4%	7.3%
Italy	8.1%	8.0%	8.2%	8.0%
Belgium	5.6%	6.1%	6.5%	6.5%
United States	3.7%	3.9%	4.7%	4.5%
Inflation rate				
Eurozone	8.4%	5.8%	2.3%	2.0%
France	5.9%	6.1%	2.3%	2.0%
Italy	8.7%	6.3%	2.2%	2.0%
Belgium	10.3%	2.8%	1.7%	1.6%
United States	8.0%	4.1%	2.3%	2.2%
10-year sovereign bond yields				
Germany	1.17%	2.46%	2.29%	2.25%
France	1.71%	3.03%	2.89%	2.85%
Italy	3.05%	4.43%	4.39%	4.35%
Belgium	1.71%	3.06%	2.89%	2.85%
United States	2.95%	3.45%	3.25%	3.25%

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.** Geopolitical strains have increased consistently in recent years and have contributed to a fracturing of the global economy. These developments raise the risks related to commodity prices and supply chain disruptions. The growing use of international sanctions also increases the possible magnitude of consequences. 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 (for some time) and weaker activity, further complicating the tasks of central banks.
- **A higher interest rate impact than assumed.** Due to the peak in inflation, central banks have tightened monetary policy markedly, leading to much higher short-term and long-term interest rates than before. This has already weighed on activity, notably through weaker developments in most interest rate sensitive sectors, in particular the real estate sector. The impact of higher interest rates could yet increase significantly in coming quarters, 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 spending and residential and commercial real estate prices, and lead to higher default rates.
- **More fragile public finances.** The fact that public debt-to-GDP ratios are high increases risks related to public finances in a high interest rate and weak growth environment. These combined developments could give rise in some countries to market tensions (widening sovereign bond spreads) and affect activity through several channels (higher interest rates, lower government spending, higher taxes).

The adverse and severely adverse scenarios assume the materialisation of these identified latent risks from the third quarter of 2023.

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 the 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 10.8% 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 15.8% 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 30 June 2023, the weight of the favourable scenario considered by the Group was 33%, and 12% for the adverse scenario and 5% for the severely adverse scenario. At 31 December 2022, the weight of the favourable scenario was 34% and 16% for the adverse scenario (the severely adverse scenario was introduced in 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 main scenarios:

- an increase in ECL of 25%, or EUR 1,300 million according to the adverse scenario (22% at 31 December 2022);
- a decrease in ECL of 13%, or EUR 700 million according to the favourable scenario (7% at 31 December 2022).

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 was 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 unusual 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. Most of these adjustments were integrated into the models in 2022 and in the first half of 2023, leading to a decrease in the amount of post-model adjustments.

All of these adjustments represent 4.7% of the total amount of expected credit losses at 30 June 2023, compared to 6.1% at 31 December 2022.

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

In millions of euros	First half 2023	First half 2022 <i>restated according to IFRS 17 and 9</i>
Net allowances to impairment	(1,052)	(1,318)
Recoveries on loans and receivables previously written off	113	185
Losses on irrecoverable loans	(262)	(276)
Losses on mortgages loans in Poland	(130)	
Total cost of risk for the period	(1,331)	(1,409)

Expenses relating to legal risks that question the validity or enforceability of financial instruments granted have been presented under “Cost of risk” since 1 January 2023 (see note 5.k). Expected losses thus recognised under cost of risk in the first half of 2023 on mortgage loans in Poland amounted to EUR 130 million (EUR 48 million recognised in “Revenues” in the first half of 2022).

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

In millions of euros	First half 2023	First half 2022 <i>restated according to IFRS 17 and 9</i>
Cash and balances at central banks	(4)	(5)
Financial instruments at fair value through profit or loss	(11)	(1)
Financial assets at fair value through equity	4	5
Financial assets at amortised cost	(1,381)	(1,409)
<i>Loans and receivables</i>	(1,396)	(1,406)
<i>Debt securities</i>	15	(3)
Other assets	(7)	(11)
Financing and guarantee commitments and other items	68	12
Total cost of risk for the period	(1,331)	(1,409)
<i>Cost of risk on unimpaired assets and commitments</i>	190	(309)
<i>of which stage 1</i>	(131)	(65)
<i>of which stage 2</i>	321	(244)
<i>Cost of risk on impaired assets and commitments - stage 3</i>	(1,521)	(1,100)

- **Credit risk impairment**

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

In millions of euros	31 December 2022 <i>restated according to IFRS 17 and 9</i>	Net allowance to impairment	Impairment provisions used	Changes in scope, exchange rates and other items	30 June 2023
Assets impairment					
Amounts due from central banks	21	4		(5)	20
Financial instruments at fair value through profit or loss	108	10		(2)	116
Financial assets at fair value through equity	130	(4)		(5)	121
Financial assets at amortised cost	18,511	1,116	(1,374)	(203)	18,050
<i>Loans and receivables</i>	18,381	1,131	(1,374)	(193)	17,945
<i>Debt securities</i>	130	(15)		(10)	105
Other assets	43	6	(13)	3	39
Total impairment of financial assets	18,813	1,132	(1,387)	(212)	18,346
<i>of which stage 1</i>	2,074	34	(1)	(52)	2,055
<i>of which stage 2</i>	2,881	(296)	(1)	(48)	2,536
<i>of which stage 3</i>	13,858	1,394	(1,385)	(112)	13,755
Provisions recognised as liabilities					
Provisions for commitments	980	(89)	(1)	(20)	870
Other provisions	450	9	(24)	(30)	405
Total provisions recognised for credit commitments	1,430	(80)	(25)	(50)	1,275
<i>of which stage 1</i>	326	(32)		3	297
<i>of which stage 2</i>	338	(27)		(12)	299
<i>of which stage 3</i>	766	(21)	(25)	(41)	679
Total impairment and provisions	20,243	1,052	(1,412)	(262)	19,621

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

In millions of euros	31 December 2021	Net allowance to impairment	Impairment provisions used	Changes in scope, exchange rates and other items	30 June 2022 restated according to IFRS 17 and 9
Assets impairment					
Amounts due from central banks	18	5		(1)	22
Financial instruments at fair value through profit or loss	121	1		(28)	94
Financial assets at fair value through equity	140	(5)		5	140
Financial assets at amortised cost	20,196	1,344	(2,128)	273	19,685
<i>Loans and receivables</i>	20,028	1,342	(2,055)	278	19,593
<i>Debt securities</i>	168	2	(73)	(5)	92
Other assets	59	(6)	(1)	(6)	46
Total impairment of financial assets	20,534	1,339	(2,129)	243	19,987
<i>of which stage 1</i>	1,891	26	(9)	2	1,910
<i>of which stage 2</i>	2,748	290	(4)	92	3,126
<i>of which stage 3</i>	15,895	1,023	(2,116)	149	14,951
Provisions recognised as liabilities					
Provisions for commitments	958	(25)	(10)	16	939
Other provisions	467	4	(32)		439
Total provisions recognised for credit commitments	1,425	(21)	(42)	16	1,378
<i>of which stage 1</i>	230	45		(2)	273
<i>of which stage 2</i>	374	(45)		11	340
<i>of which stage 3</i>	821	(21)	(42)	7	765
Total impairment and provisions	21,959	1,318	(2,171)	259	21,365

Changes in impairment of financial assets at amortised cost during the period

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 31 December 2022 <i>restated according to IFRS 17 and 9</i>	2,035	2,860	13,616	18,511
Net allowance to impairment	32	(291)	1,375	1,116
Financial assets purchased or originated during the period	309	104		413
Financial assets derecognised during the period ⁽¹⁾	(157)	(180)	(316)	(653)
Transfer to stage 2	(136)	1,095	(111)	848
Transfer to stage 3	(18)	(498)	1,124	608
Transfer to stage 1	141	(509)	(31)	(399)
Other allowances / reversals without stage transfer ⁽²⁾	(107)	(303)	709	299
Impairment provisions used	(1)	(2)	(1,371)	(1,374)
Changes in exchange rates	(12)	(19)	(46)	(77)
Changes in scope of consolidation and other items	(30)	(30)	(66)	(126)
At 30 June 2023	2,024	2,518	13,508	18,050

⁽¹⁾ including disposals⁽²⁾ including amortisation

Changes in impairment of financial assets at amortised cost during the previous period

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 31 December 2021	1,867	2,714	15,615	20,196
Net allowance to impairment	16	291	1,037	1,344
Financial assets purchased or originated during the period	332	106		438
Financial assets derecognised during the period ⁽¹⁾	(176)	(166)	(392)	(734)
Transfer to stage 2	(128)	1,088	(117)	843
Transfer to stage 3	(10)	(316)	822	496
Transfer to stage 1	64	(364)	(18)	(318)
Other allowances / reversals without stage transfer ⁽²⁾	(66)	(57)	742	619
Impairment provisions used	(8)	(5)	(2,115)	(2,128)
Changes in exchange rates	(1)	26	183	208
Changes in scope of consolidation and other items	1	65	(1)	65
At 30 June 2022 restated according to IFRS 17 and 9	1,875	3,091	14,719	19,685

⁽¹⁾ including disposals⁽²⁾ including amortisation**3.h NET GAIN ON NON-CURRENT ASSETS**

In millions of euros	First half 2023	First half 2022 restated according to IFRS 17 and 9
Gain or loss on investments in consolidated undertakings (note 8.d)	118	(243)
Gain or loss on tangible and intangible assets	85	(29)
Results from net monetary position	(79)	(8)
Net gain on non-current assets	124	(280)

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 208 million) and on accrued income from the Turkish government bonds portfolio indexed to inflation and held by Turk Ekonomi Bankasi AS (+ EUR 129 million, reclassified from interest margin) during the first half 2023 (respectively - EUR 299 million and + EUR 310 million during the first half of 2022).

3.i CORPORATE INCOME TAX

In millions of euros	First half 2023	First Half 2022 restated according to IFRS 17 and 9
Net current tax expense	(1,189)	(1,268)
Net deferred tax expense	(680)	(782)
Corporate income tax expense	(1,869)	(2,050)

4. SEGMENT INFORMATION

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 business lines 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 first half of 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:
 - o 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;
 - o 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;
 - o 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 the analytical breakdown.

• **Income by business segment**

In millions of euros	First half 2023						First half 2022 restated according to IFRS 17 and 9					
	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expenses	Cost of risk	Operating income	Non-operating items	Pre-tax income
Corporate & Institutional Banking	8,871	(5,715)	77	3,233	2	3,235	8,778	(5,637)	(78)	3,063	13	3,077
Global Banking	2,879	(1,504)	86	1,461	3	1,464	2,497	(1,453)	(65)	978	2	980
Global Markets	4,676	(3,132)	(9)	1,535	(2)	1,532	5,005	(3,146)	(13)	1,846	10	1,856
Securities Services	1,315	(1,079)	1	237	1	239	1,276	(1,037)		239	2	241
Commercial, Personal Banking & Services	13,094	(8,168)	(1,379)	3,548	203	3,751	12,567	(7,964)	(1,202)	3,401	280	3,681
Commercial & Personal Banking in the eurozone	6,734	(4,768)	(429)	1,537	2	1,539	6,491	(4,655)	(377)	1,459	37	1,496
Commercial & Personal Banking in France ⁽¹⁾	3,214	(2,304)	(222)	688		688	3,178	(2,272)	(150)	755	26	782
BNL banca commerciale ⁽¹⁾	1,321	(863)	(178)	280	(3)	277	1,281	(842)	(237)	203	2	205
Commercial & Personal Banking in Belgium ⁽¹⁾	1,916	(1,449)	(27)	441	5	446	1,810	(1,399)	2	413	8	421
Commercial & Personal Banking in Luxembourg ⁽¹⁾	283	(153)	(2)	128		128	222	(142)	8	87	2	89
Commercial & Personal Banking in the rest of the world	1,229	(776)	(105)	348	164	513	1,194	(840)	(87)	267	173	440
Europe-Mediterranean ⁽¹⁾	1,229	(776)	(105)	348	164	513	1,194	(840)	(87)	267	173	440
Specialised businesses	5,131	(2,624)	(845)	1,662	37	1,699	4,882	(2,469)	(738)	1,675	69	1,744
Personal Finance	2,615	(1,544)	(721)	350	62	412	2,759	(1,494)	(624)	642	28	670
Arval & Leasing Solutions	2,028	(761)	(72)	1,196	(21)	1,175	1,705	(707)	(79)	920	45	965
New Digital Businesses & Personal Investors ⁽¹⁾	489	(320)	(52)	117	(4)	112	417	(268)	(35)	114	(4)	110
Investment & Protections Services	2,839	(1,776)	(3)	1,060	125	1,186	2,826	(1,713)	(12)	1,102	137	1,239
Insurance	1,081	(405)		676	105	781	1,002	(397)		605	66	671
Wealth Management	805	(603)	(2)	200		200	741	(572)	(10)	158		158
Asset Management ⁽²⁾	953	(768)	(1)	185	20	205	1,083	(743)	(1)	339	71	410
Other Activities - excl. restatement related to insurance activities	(839)	(942)	(27)	(1,808)	121	(1,687)	9	(730)	(118)	(838)	(67)	(905)
Other Activities - restatement related to insurance activities	(570)	521		(49)		(49)	(776)	510		(266)		(266)
of which volatility	(49)			(49)		(49)	(266)			(266)		(266)
of which attributable costs to internal distributors	(521)	521					(510)	510				
Total continuing activities⁽³⁾	23,395	(16,080)	(1,331)	5,984	451	6,435	23,404	(15,533)	(1,409)	6,462	363	6,825

⁽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.

- **Net commission income by business segment**

In millions of euros	First half 2023	First half 2022 <i>restated according to IFRS 17 and 9</i>
Corporate & Institutional Banking	1,004	1,072
Global Banking	732	994
Global Markets	(491)	(702)
Securities Services	763	780
Commercial, Personal Banking & Services	3,392	3,440
Commercial & Personal Banking in the eurozone	2,562	2,559
Commercial & Personal Banking in France ⁽¹⁾	1,462	1,462
BNL banca commerciale ⁽¹⁾	526	523
Commercial & Personal Banking in Belgium ⁽¹⁾	530	529
Commercial & Personal Banking in Luxembourg ⁽¹⁾	44	45
Commercial & Personal Banking in the rest of the world	201	230
Europe-Mediterranean ⁽¹⁾	201	230
Specialised businesses	629	651
Personal Finance	366	368
Arval & Leasing Solutions	34	19
New Digital Businesses & Personal Investors ⁽¹⁾	229	264
Investment & Protections Services	906	1,031
Insurance	(191)	(160)
Wealth Management	374	411
Asset Management ⁽²⁾	723	780
Other activities - excl. restatement related to insurance activities	145	72
Other activities - restatement related to insurance activities	(521)	(510)
Total Group	4,926	5,105

⁽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.

5. NOTES TO THE BALANCE SHEET AT 30 JUNE 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.

In millions of euros	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</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	233,927	2,140	8,782	244,849	157,138	1,273	7,666	166,077
Loans and repurchase agreements	258,937		2,907	261,844	186,968		4,157	191,125
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	492,864	2,140	11,689	506,693	344,106	1,273	11,823	357,202
Securities	122,725			122,725	99,155			99,155
Deposits and repurchase agreements	306,354	1,958		308,312	232,351	1,725		234,076
Issued debt securities (note 5.g)		73,697		73,697		65,578		65,578
<i>of which subordinated debt</i>		728		728		675		675
<i>of which non subordinated debt</i>		72,969		72,969		64,903		64,903
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	429,079	75,655		504,734	331,506	67,303		398,809

Detail of these assets and liabilities is provided in note 5.c.

- **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 30 June 2023 was EUR 77,414 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.

In millions of euros	30 June 2023		31 December 2022 <i>restated according to IFRS 17 and 9</i>	
	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	155,483	132,352	150,122	125,215
Foreign exchange derivatives	119,720	112,386	134,382	129,274
Credit derivatives	7,380	7,810	7,294	7,731
Equity derivatives	22,871	32,991	22,602	27,291
Other derivatives	7,440	5,819	13,532	10,610
Derivative financial instruments	312,894	291,358	327,932	300,121

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.

In millions of euros	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total	Exchange-traded	Over-the-counter, cleared through central clearing houses	Over-the-counter	Total
Interest rate derivatives	1,370,212	15,430,833	6,457,695	23,258,740	1,442,663	12,349,668	5,254,166	19,046,497
Foreign exchange derivatives	39,162	148,266	9,293,172	9,480,600	40,292	130,148	7,610,392	7,780,832
Credit derivatives		347,764	502,836	850,600		464,228	518,926	983,154
Equity derivatives	1,076,870		626,870	1,703,740	1,177,728		535,465	1,713,193
Other derivatives	149,304		87,089	236,393	133,820		95,722	229,542
Derivative financial instruments	2,635,548	15,926,863	16,967,662	35,530,073	2,794,503	12,944,044	14,014,671	29,753,218

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 1,224 billion at 30 June 2023 (EUR 1,187 billion at 31 December 2022).

5.b FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

In millions of euros	30 June 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
Debt securities	42,188	(562)	35,878	(866)
Governments	22,232	(226)	18,682	(350)
Other public administrations	12,312	(90)	9,921	(197)
Credit institutions	5,731	(239)	3,816	(302)
Others	1,913	(7)	3,459	(17)
Equity securities	2,097	579	2,188	623
Total financial assets at fair value through equity	44,285	17	38,066	(243)

Debt securities at fair value through equity include EUR 115 million classified as stage 3 at 30 June 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 99 million at 30 June 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 first half of 2023, the Group sold several of these investments and an unrealised gain of EUR 20 million was transferred to “retained earnings” (EUR 284 million during the first half of 2022).

5.C 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 classified in Level 3 that require dynamic hedging throughout their lifetime leading to additional bid/offer costs. Calculation methods capture these expected costs in particular based on the optimal hedging frequency.

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

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

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

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

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

Thus, the carrying value of debt securities designated as at fair value through profit or loss is decreased by EUR 406 million at 30 June 2023, compared with a decrease in value of EUR 160 million at 31 December 2022, i.e. a + EUR 246 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.

In millions of euros	30 June 2023											
	Financial instruments held for trading				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	207,607	25,485	835	233,927	3,044	1,425	6,453	10,922	37,863	5,735	687	44,285
Governments	112,714	8,488	6	121,208	1,583			1,583	19,297	2,935		22,232
Other debt securities	23,732	16,276	680	40,688	441	441	340	1,222	17,170	2,587	199	19,956
Equities and other equity securities	71,161	721	149	72,031	1,020	984	6,113	8,117	1,396	213	488	2,097
Loans and repurchase agreements	-	258,027	910	258,937	-	434	2,473	2,907	-	-	-	-
Loans		7,010	3	7,013		434	2,473	2,907				
Repurchase agreements		251,017	907	251,924				-				
FINANCIAL ASSETS AT FAIR VALUE	207,607	283,512	1,745	492,864	3,044	1,859	8,926	13,829	37,863	5,735	687	44,285
Securities	120,971	1,702	52	122,725	-	-	-	-				
Governments	82,706	95	1	82,802				-				
Other debt securities	14,054	1,517	50	15,621				-				
Equities and other equity securities	24,211	90	1	24,302				-				
Borrowings and repurchase agreements	-	305,065	1,289	306,354	-	1,814	144	1,958				
Borrowings		4,351		4,351		1,814	144	1,958				
Repurchase agreements		300,714	1,289	302,003				-				
Issued debt securities (note 5.g)	-	-	-	-	21	51,573	22,103	73,697				
Subordinated debt (note 5.g)				-		728		728				
Non subordinated debt (note 5.g)				-	21	50,845	22,103	72,969				
FINANCIAL LIABILITIES AT FAIR VALUE	120,971	306,767	1,341	429,079	21	53,387	22,247	75,655				

In millions of euros	31 December 2022 <i>restated according to IFRS 17 and 9</i>											
	Financial instruments held for trading				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	130,589	25,744	805	157,138	1,643	1,495	5,801	8,939	32,727	4,395	944	38,066
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 securities	54,275	913	147	55,335	491	995	5,468	6,954	1,446	213	529	2,188
Loans and repurchase agreements	-	186,170	798	186,968	-	1,274	2,883	4,157	-	-	-	-
Loans		6,428	5	6,433		1,274	2,883	4,157				
Repurchase agreements		179,742	793	180,535				-				
FINANCIAL ASSETS AT FAIR VALUE	130,589	211,914	1,603	344,106	1,643	2,769	8,684	13,096	32,727	4,395	944	38,066
Securities	97,367	1,716	72	99,155	-	-	-	-				
Governments	57,949	92	16	58,057				-				
Other debt securities	13,183	1,581	47	14,811				-				
Equities and other equity securities	26,235	43	9	26,287				-				
Borrowings and repurchase agreements	-	230,303	2,048	232,351	-	1,472	253	1,725				
Borrowings		6,952		6,952		1,472	253	1,725				
Repurchase agreements		223,351	2,048	225,399				-				
Issued debt securities (note 5.g)	-	-	-	-	4	46,628	18,946	65,578				
Subordinated debt (note 5.g)				-		675		675				
Non subordinated debt (note 5.g)				-	4	45,953	18,946	64,903				
FINANCIAL LIABILITIES AT FAIR VALUE	97,367	232,019	2,120	331,506	4	48,100	19,199	67,303				

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.

30 June 2023								
In millions of euros	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	1,068	152,822	1,593	155,483	994	129,049	2,309	132,352
Foreign exchange derivatives	85	118,164	1,471	119,720	78	111,769	539	112,386
Credit derivatives		6,638	742	7,380		6,660	1,150	7,810
Equity derivatives	18	20,626	2,227	22,871	162	26,547	6,282	32,991
Other derivatives	590	6,646	204	7,440	906	4,777	136	5,819
Derivative financial instruments not used for hedging purposes	1,761	304,896	6,237	312,894	2,140	278,802	10,416	291,358
Derivative financial instruments used for hedging purposes	-	23,793	-	23,793	-	38,926	86	39,012

31 December 2022 <i>restated according to IFRS 17 and 9</i>								
In millions of euros	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
Derivative financial instruments not used for hedging purposes	8,961	313,533	5,438	327,932	10,558	281,604	7,959	300,121
Derivative financial instruments used for hedging purposes	-	25,401	-	25,401	-	40,001	-	40,001

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 first half of 2023, transfers between Level 1 and Level 2 were not significant.

DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

The following section provides a description of the instruments in each level in the hierarchy. It describes notably instruments classified in Level 3 and the associated valuation methodologies.

For main trading book instruments and derivatives classified in Level 3, further quantitative information is provided about the inputs used to derive fair value.

Level 1

This level encompasses all derivatives and securities that are 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 and loss, are classified in the same level as the one that would apply to the embedded derivative taken individually. The issuance spread is considered observable.

Derivatives classified in Level 2 comprise mainly the following instruments:

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

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

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

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

Level 3

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

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

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

Repurchase agreements mainly long-term or structured repurchase agreements on corporate bonds and ABSs: the valuation of these transactions requires proprietary methodologies given the bespoke nature of the transactions and the lack of activity and price discovery in the long-term repo market. The curves used in the valuation are corroborated using available data such as 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 (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	907	1,289	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 96 bp	18 bp (a)
			Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	-10% to 52%	14% (a)
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	7% to 21%	14%
Interest rate derivatives	1,593	2,309	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	1.5% to 11.8%	(b)
			Forward Volatility products such as volatility swaps, mainly in euros	Interest rates option pricing model	Forward volatility of interest rates	0.5% to 2.9%	(b)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools	Prepayment modelling Discounted cash flows	Constant prepayment rates	0% to 18%	1% (a)
			Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	31% to 94%	(b)
					Recovery rate variance for single name underlyings	0% to 25%	(b)
Credit derivatives	742	1,150	N-to-default baskets	Credit default model	Default correlation	48% to 53%	49% (a)
			Single name Credit Default Swaps (other than CDS on ABSs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	N.A.	100 bp
					Illiquid credit default spread curves (across main tenors)	0% to 165% (1)	1% (c)
Equity derivatives	2,227	6,282	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	0% to 122% (2)	31% (d)
					Unobservable equity correlation	11% to 100%	66% (c)

(1) The upper bound of the range relates to distribution, consumer and transportation sector issuers that represent an insignificant portion of the balance sheet (CDSs with illiquid underlying instruments).

(2) The upper part of the range relates to 6 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 266%.

(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 first half of 2023:

In millions of euros	Financial assets				Financial liabilities		
	Financial instruments at fair value through profit or loss held for trading	Financial instruments at fair value through profit or loss not held for trading	Financial assets at fair value through equity	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
At 31 December 2022 <i>restated according to IFRS 17 and 9</i>	7,041	8,684	944	16,669	(10,079)	(19,199)	(29,278)
Purchases	473	606	80	1,159			-
Issues				-		(3,423)	(3,423)
Sales	(440)	(357)	(62)	(859)	(16)		(16)
Settlements ⁽¹⁾	(2,403)	(231)	(158)	(2,792)	908	977	1,885
Transfers to Level 3	2,322	23	5	2,350	(2,207)	(501)	(2,708)
Transfers from Level 3	(1,572)		(74)	(1,646)	1,537	362	1,899
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	2,030	249	(15)	2,264	(5,108)	(460)	(5,568)
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	529	(3)		526	3,211	(3)	3,208
Changes in fair value of assets and liabilities recognised directly in equity							
- Items related to exchange rate movements	2	(45)	(21)	(64)	(3)		(3)
- Changes in fair value of assets and liabilities recognised in equity			(12)	(12)			-
At 30 June 2023	7,982	8,926	687	17,595	(11,757)	(22,247)	(34,004)

⁽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 portion of the valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require twice the amount of valuation adjustments considered by BNP Paribas for entering into a transaction.

In millions of euros	30 June 2023		31 December 2022 <i>restated according to IFRS 17 and 9</i>	
	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Debt securities	+/-7	+/-2	+/-8	+/-3
Equities and other equity securities	+/-62	+/-5	+/-56	+/-5
Loans and repurchase agreements	+/-29		+/-42	
Derivative financial instruments	+/-567		+/-576	
<i>Interest rate and foreign exchange derivatives</i>	+/-203		+/-227	
<i>Credit derivatives</i>	+/-101		+/-98	
<i>Equity derivatives</i>	+/-258		+/-245	
<i>Other derivatives</i>	+/-5		+/-6	
Sensitivity of Level 3 financial instruments	+/-665	+/-7	+/-682	+/-8

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.

In millions of euros	Deferred margin at 31 December 2022 <i>restated according to IFRS 17 and 9</i>	Deferred margin on transactions during the period	Margin taken to the profit and loss account during the period	Deferred margin at 30 June 2023
Interest rate and foreign exchange derivatives	194	56	(69)	181
Credit derivatives	174	66	(54)	186
Equity derivatives	426	166	(180)	412
Other instruments	10	140	(136)	14
Financial instruments	804	428	(439)	793

5.d FINANCIAL ASSETS AT AMORTISED COST

- Detail of loans and advances by nature

In millions of euros	30 June 2023			31 December 2022 <i>restated according to IFRS 17 and 9</i>		
	Gross value	Impairment (note 3.g)	Carrying amount	Gross value	Impairment (note 3.g)	Carrying amount
Loans and advances to credit institutions	37,711	(109)	37,602	32,716	(100)	32,616
On demand accounts	10,220	(7)	10,213	11,000	(8)	10,992
Loans ⁽¹⁾	14,418	(102)	14,316	15,767	(92)	15,675
Repurchase agreements	13,073		13,073	5,949		5,949
Loans and advances to customers	870,485	(17,836)	852,649	875,301	(18,281)	857,020
On demand accounts	41,340	(2,823)	38,517	42,963	(2,844)	40,119
Loans to customers	780,878	(13,903)	766,975	788,971	(14,354)	774,617
Finance leases	47,753	(1,110)	46,643	42,574	(1,083)	41,491
Repurchase agreements	514		514	793		793
Total loans and advances at amortised cost	908,196	(17,945)	890,251	908,017	(18,381)	889,636

⁽¹⁾ Loans and advances to credit institutions include term deposits made with central banks.

- Detail of debt securities by type of issuer

In millions of euros	30 June 2023			31 December 2022 <i>restated according to IFRS 17 and 9</i>		
	Gross value	Impairment (note 3.g)	Carrying amount	Gross value	Impairment (note 3.g)	Carrying amount
Governments	58,906	(11)	58,895	59,961	(23)	59,938
Other public administration	15,244	(5)	15,239	15,686	(2)	15,684
Credit institutions	9,986	(2)	9,984	9,062	(2)	9,060
Others	30,581	(87)	30,494	29,435	(103)	29,332
Total debt securities at amortised cost	114,717	(105)	114,612	114,144	(130)	114,014

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

In millions of euros	30 June 2023			31 December 2022 <i>restated according to IFRS 17 and 9</i>		
	Gross Value	Impairment (note 3.g)	Carrying amount	Gross Value	Impairment (note 3.g)	Carrying amount
Loans and advances to credit institutions	37,711	(109)	37,602	32,716	(100)	32,616
Stage 1	37,487	(20)	37,467	32,439	(11)	32,428
Stage 2	139	(12)	127	191	(10)	181
Stage 3	85	(77)	8	86	(79)	7
Loans and advances to customers	870,485	(17,836)	852,649	875,301	(18,281)	857,020
Stage 1	772,863	(1,991)	770,872	761,930	(1,998)	759,932
Stage 2	71,784	(2,496)	69,288	88,095	(2,839)	85,256
Stage 3	25,838	(13,349)	12,489	25,276	(13,444)	11,832
Debt securities	114,717	(105)	114,612	114,144	(130)	114,014
Stage 1	114,374	(14)	114,360	113,602	(27)	113,575
Stage 2	220	(9)	211	387	(10)	377
Stage 3	123	(82)	41	155	(93)	62
Total financial assets at amortised cost	1,022,913	(18,050)	1,004,863	1,022,161	(18,511)	1,003,650

5.e IMPAIRED FINANCIAL ASSETS (STAGE 3)

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

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

In millions of euros	30 June 2023			
	Impaired financial assets (Stage 3)			Collateral received
	Gross value	Impairment	Net	
Loans and advances to credit institutions (note 5.d)	85	(77)	8	
Loans and advances to customers (note 5.d)	25,838	(13,349)	12,489	7,724
Debt securities at amortised cost (note 5.d)	123	(82)	41	
Total amortised-cost impaired assets (stage 3)	26,046	(13,508)	12,538	7,724
Financing commitments given	1,085	(50)	1,035	264
Guarantee commitments given	872	(224)	648	173
Total off-balance sheet impaired commitments (stage 3)	1,957	(274)	1,683	437

In millions of euros	31 December 2022 <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.d)	86	(79)	7	1
Loans and advances to customers (note 5.d)	25,276	(13,444)	11,832	7,651
Debt securities at amortised cost (note 5.d)	155	(93)	62	14
Total amortised-cost impaired assets (stage 3)	25,517	(13,616)	11,901	7,666
Financing commitments given	898	(73)	825	198
Guarantee commitments given	820	(243)	577	135
Total off-balance sheet impaired commitments (stage 3)	1,718	(316)	1,402	333

The following table presents the changes in gross exposures of stage 3 assets (EU CR2):

Gross value In millions of euros	First half 2023	First half 2022 <i>restated according to IFRS 17 and 9</i>
Impaired exposures (Stage 3) at opening balance	25,517	28,165
Transfer to stage 3	4,547	2,758
Transfer to stage 1 or stage 2	(965)	(935)
Assets written off	(1,618)	(2,307)
Other changes	(1,435)	(874)
Impaired exposures (Stage 3) at closing balance	26,046	26,807

5.f FINANCIAL LIABILITIES AT AMORTISED COST DUE TO CREDIT INSTITUTIONS AND CUSTOMERS

In millions of euros	30 June 2023	31 December 2022 <i>restated according to IFRS 17 and 9</i>
Deposits from credit institutions	132,408	124,718
On demand accounts	13,262	12,538
Interbank borrowings ⁽¹⁾	65,039	104,135
Repurchase agreements	54,107	8,045

Deposits from customers	977,676	1,008,056
On demand deposits	536,057	592,269
Savings accounts	161,499	162,354
Term accounts and short-term notes	277,666	253,210
Repurchase agreements	2,454	223

⁽¹⁾Interbank borrowings from credit institutions include term borrowings from central banks, of which EUR 20 billion of TLTRO III at 30 June 2023 compared to EUR 67 billion at 31 December 2022 (see note 3.a Net Interest Income).

5.g 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)**

Issuer / Issue date In millions of euros	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment ⁽¹⁾	30 June 2023	31 December 2022
Debt securities							72,969	64,902
Subordinated debt							728	676
- Redeemable subordinated debt			(2)				16	16
- Perpetual subordinated debt							712	660
BNP Paribas Fortis Dec. 2007 ⁽³⁾	EUR	3 000	Dec.-14	3-month Euribor +200 bp		A	712	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	Currency	Original amount in foreign currency (millions)	Date of call or interest step-up	Interest rate	Interest step-up	Conditions precedent for coupon payment ⁽¹⁾	30 June 2023	31 December 2022
In millions of euros								
Debt securities							189,226	155,359
- Debt securities in issue with an initial maturity of less than one year							81,224	58,342
Negotiable debt securities							81,224	58,342
- Debt securities in issue with an initial maturity of more than one year							108,002	97,017
Negotiable debt securities							25,456	18,503
Bonds							82,546	78,514
Subordinated debt							23,734	24,160
- Redeemable subordinated debt							21,973	22,419
- Undated subordinated notes							1,505	1,509
BNP Paribas SA Oct. 85	EUR	305	-	TMO - 0.25%	-	B	254	254
BNP Paribas SA Sept. 86	USD	500	-	6 month-Libor + 0.075%	-	C	251	255
BNP Paribas Cardiff Nov. 14	EUR	1,000	Nov. - 25	4.032%	3-month Euribor + 393 bp	D	1,000	1,000
- Participating notes							225	225
BNP Paribas SA July 84 ⁽³⁾	EUR	337	-	⁽⁴⁾	-		219	219
Others							6	6
- Expenses and commission, related debt							31	7

⁽¹⁾ Conditions precedent for coupon payment

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

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

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

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

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

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

5.h CURRENT AND DEFERRED TAXES

In millions of euros	30 June 2023	31 December 2021 restated according to IFRS 17 and 9
Current taxes	1,922	1,685
Deferred taxes	3,348	4,247
Current and deferred tax assets	5,270	5,932
Current taxes	2,393	2,042
Deferred taxes	1,235	937
Current and deferred tax liabilities	3,628	2,979

5.i ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

In millions of euros	30 June 2023	31 December 2022 restated according to IFRS 17 and 9
Guarantee deposits and bank guarantees paid	120,006	156,077
Collection accounts	236	282
Accrued income and prepaid expenses	4,908	6,839
Other debtors and miscellaneous assets	43,990	45,345
Total accrued income and other assets	169,140	208,543
Guarantee deposits received	94,950	124,055
Collection accounts	3,433	2,907
Accrued expense and deferred income	7,705	10,849
Lease liabilities	3,019	3,075
Other creditors and miscellaneous liabilities	42,471	44,124
Total accrued expense and other liabilities	151,578	185,010

5.j GOODWILL

In millions of euros	30 June 2023
Carrying amount at start of period	5,294
Acquisitions	179
Divestments	(7)
Impairment recognised during the period	-
Exchange rate adjustments	13
Carrying amount at end of period	5,479
Gross value	8,591
Accumulated impairment recognised at the end of period	(3,112)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Recognised impairment during the first half 2023	Acquisitions during the first half 2023
	30 June 2023	31 December 2022 <i>restated according to IFRS 17 and 9</i>		
Corporate & Institutional Banking	1,216	1,215		
<i>Global Banking</i>	278	279		
<i>Global Markets</i>	486	490		
<i>Securities Services</i>	452	446		
Commercial, Personal Banking & Services	3,069	2,894	-	170
<i>Arval</i>	641	608		27
<i>Leasing Solutions</i>	146	148		
<i>Personal Finance</i>	1,434	1,291		143
<i>Personal Investors</i>	564	564		
<i>New Digital Businesses</i>	220	220		
<i>Other</i>	64	63		
Investment & Protection Services	1,191	1,182	-	9
<i>Asset Management</i>	198	190		9
<i>Insurance</i>	281	281		
<i>Real Estate</i>	403	402		
<i>Wealth Management</i>	309	309		
Other Activities	3	3		
Total goodwill	5,479	5,294	-	179
Negative goodwill				
Change in value of goodwill recognised in the profit and loss account			-	

5.k PROVISIONS FOR CONTINGENCIES AND CHARGES

- Provisions for contingencies and charges by type

In millions of euros	31 December 2022 <i>restated according to IFRS 17 and 9</i>	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	30 June 2023
Provisions for employee benefits	6,117	341	(500)	(26)	(39)	5,893
Provisions for home savings accounts and plans	47		-		-	47
Provisions for credit commitments (<i>note 3.g</i>)	1,430	(80)	(25)		(50)	1,275
Provisions for litigations	1,172	354	(208)		(397)	921
Other provisions for contingencies and charges	1,274	20	(83)		(25)	1,186
Total provisions for contingencies and charges	10,040	635	(816)	(26)	(511)	9,322

In 2023, the Group amended its accounting policy for legal risks that question the validity or enforceability of financial instruments granted.

The effect on expected cash flows due to these legal risks is now considered as part of the contractual cash flows, according to IFRS 9 B5.4.6, and recorded as a decrease in the asset gross value. It was previously recognised separately in accordance with IAS 37 in "Provisions for contingencies and charges".

Expected losses relating to financial instruments that have been derecognised, as is the case when loans have been repaid, continue to be recognised in accordance with IAS 37.

This is consistent with the practice observed for mortgage loans in Poland.

As a result, EUR 447 million previously presented in "Provisions for litigations" were deducted from "Financial assets at amortised cost".

5.1 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.

In millions of euros, at 30 June 2023	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Securities	244,849		244,849			244,849
Loans and repurchase agreements	452,329	(190,485)	261,844	(46,521)	(199,542)	15,781
Derivative financial instruments (including derivatives used for hedging purposes)	962,960	(626,274)	336,687	(230,267)	(58,542)	47,878
Financial assets at amortised cost	1,004,906	(43)	1,004,863	(2,414)	(10,353)	992,096
<i>of which repurchase agreements</i>	13,630	(43)	13,587	(2,414)	(10,353)	820
Accrued income and other assets	169,140		169,140		(43,079)	126,061
<i>of which guarantee deposits paid</i>	120,006		120,006		(43,079)	76,927
Other assets not subject to offsetting	653,798		653,798			653,798
TOTAL ASSETS	3,487,982	(816,802)	2,671,181	(279,202)	(311,516)	2,080,463

In millions of euros, at 30 June 2023	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Securities	122,725		122,725			122,725
Deposits and repurchase agreements	498,797	(190,485)	308,312	(41,349)	(252,311)	14,652
Issued debt securities	73,697		73,697			73,697
Derivative financial instruments (including derivatives used for hedging purposes)	956,644	(626,274)	330,370	(230,267)	(45,699)	54,404
Financial liabilities at amortised cost	1,110,127	(43)	1,110,084	(7,586)	(46,286)	1,056,212
<i>of which repurchase agreements</i>	56,604	(43)	56,561	(7,586)	(46,286)	2,689
Accrued expense and other liabilities	151,578		151,578		(52,047)	99,531
<i>of which guarantee deposits received</i>	94,950		94,950		(52,047)	42,903
Other liabilities not subject to offsetting	446,111		446,111			446,111
TOTAL LIABILITIES	3,359,679	(816,802)	2,542,877	(279,202)	(396,343)	1,867,332

In millions of euros, at 31 December 2022 <i>restated according to IFRS 17 and 9</i>	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Securities	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 (including derivatives used for 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>	6,742		6,742	(966)	(5,198)	578
Accrued income and other assets	208,543		208,543		(44,982)	163,561
<i>of which guarantee deposits paid</i>	156,078		156,078		(44,982)	111,096
Other assets not subject to offsetting	741,020		741,020			741,020
TOTAL ASSETS	3,433,853	(770,105)	2,663,748	(256,722)	(262,528)	2,144,498

In millions of euros, at 31 December 2022 <i>restated according to IFRS 17 and 9</i>	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Securities	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 (including derivatives used for 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>	8,268		8,268	(967)	(6,500)	801
Accrued expense and other liabilities	185,010		185,010		(57,443)	127,567
<i>of which guarantee deposits received</i>	124,055		124,055		(57,443)	66,612
Other liabilities not subject to offsetting	481,023		481,023			481,023
TOTAL LIABILITIES	3,307,843	(770,105)	2,537,738	(256,722)	(292,291)	1,988,725

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 service, amortisation of acquisition costs, and the loss component for onerous contracts;
- “Investment return”;
- “Net finance income or expenses on insurance contracts” include change the carrying amount of insurance contracts resulting from the effect of the unwinding of the discount and the financial risk including changes in financial assumptions.

In millions of euros	First half 2023	First half 2022 <i>restated according to IFRS 17 and 9</i>
Insurance revenue	4,379	4,323
Insurance service expenses ⁽¹⁾	(3,297)	(3,237)
Investment return	6,102	(12,629)
Net finance income or expenses on insurance contracts	(6,000)	12,378
Net income from insurance activities	1,184	835

⁽¹⁾ Insurance service expenses include attributable expenses which amounted to - EUR 1,822 million for the first half of 2023, compared to - EUR 1,770 million for the first half of 2022 (see note 6.b).

- **Insurance service result**

“Insurance service result” includes:

- “Insurance revenue”: release of fulfilment insurance contracts cash flows over the period (excluding changes in the non-itemised investment components and the amount allocated to the loss item), change in the adjustment related to non-financial risks, amortisation of the contractual service margin for services rendered, the amount allocated for the amortisation of acquisition cost, adjustments arising from premiums received. The amortisation of the margin on contractual services is determined after adjusting the difference between the observed financial return and the risk-neutral projection;
- “Insurance service expenses” include incurred claims expenses (excluding repayments of investment components) 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. Lastly, this line also includes the operating expenses and depreciation and amortisation attributable to insurance contracts.

In millions of euros	First half 2023	First half 2022 restated according to IFRS 17 and 9
Contracts not measured under the premium allocation approach	2,711	2,657
Changes in the liability for remaining coverage	1,088	1,049
Change in the risk adjustment	53	48
Contractual service margin	893	896
Recovery of insurance acquisition cash flows	677	664
Contracts measured under the premium allocation approach	1,668	1,666
Insurance revenue	4,379	4,323
Incurring claims and expenses	(1,834)	(1,827)
Amortisation of insurance acquisition cash flows	(1,320)	(1,289)
Changes that relate to past service	12	93
Loss component recognised in profit or loss	(65)	(39)
Net expenses from reinsurance contracts held	(90)	(175)
Insurance service expenses	(3,297)	(3,237)
INSURANCE SERVICE RESULT	1,082	1,086

- Financial result**

“Financial Result” includes “Investment return” and “Net finance income or expenses from insurance contracts.”

“Investment return” includes net income from financial investments and investment property. It includes in particular capital gains and losses and changes in the fair value of financial investments recognised at fair value through profit or loss or at fair value through equity.

In millions of euros	First half 2023	First half 2022 restated according to IFRS 17 and 9
Net interest income	1,205	1,363
Net gain on financial instruments at fair value through equity	(187)	(159)
<i>Net gain on debt instruments</i>	(194)	(166)
<i>Dividend income on equity instruments</i>	8	7
Net gain on financial instruments at fair value through profit and loss	5,101	(13,876)
Cost of risk	25	11
Investment property income	(7)	57
Share of earnings of equity-method investments	(3)	-
Other expenses	(32)	(25)
Investment return	6,102	(12,629)
Changes in fair value of underlying items of direct participation contracts	(5,999)	12,376
Other insurance financial income or expenses	(1)	2
Net finance income or expenses from insurance contracts	(6,000)	12,378
FINANCIAL RESULT	102	(251)

“Changes in fair value of underlying items of direct participation contracts” notably reflects the changes in value of underlying investments, except those adjusting the contract service margin for the amount which was not recognised directly in equity.

6.b RECONCILIATION OF EXPENSES BY TYPE AND BY FUNCTION

In millions of euros	First half 2023	First half 2022 restated according to IFRS 17 and 9
Commissions and other expenses	(1,115)	(1,130)
Expenses incurred by internal distributors (see note 3.f)	(521)	(510)
Salary and employee benefit expense	(399)	(364)
Taxes and contributions	(63)	(69)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(20)	(41)
Total expenses by type	(2,118)	(2,114)
Acquisition cash flows incurred over the period	1,237	1,280
Amortisation of acquisition cash flows	(1,321)	(1,291)
Total expenses by type adjusted for acquisition cash flows amortisation effect	(2,202)	(2,125)
- Insurance contracts attributable expenses (see note 6.a)	(1,822)	(1,770)
- Insurance activities non attributable costs (see note 3.f)	(380)	(355)

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

In millions of euros	30 June 2023	31 December 2022 restated according to IFRS 17 and 9
Derivative financial instruments	1,679	1,728
Derivatives used for hedging purposes	4	-
Financial assets at fair value through profit or loss	155,054	143,985
Financial assets at fair value through equity	83,827	89,025
Financial assets at amortised cost	1,209	1,153
Investment properties	8,521	8,819
Equity-method investments	114	114
Assets related to insurance activities (note 6.d)	358	651
Investments and other assets related to insurance activities	250,766	245,475

• Financial liabilities related to insurance activities

In millions of euros	30 June 2023	31 December 2022 restated according to IFRS 17 and 9
Derivative financial instruments	1,198	1,503
Derivatives used for hedging purposes	263	348
Deposit at fair value through profit or loss	1,098	1,148
Debt representative of shares of consolidated funds held by third parties	5,969	5,676
Debts arising out of insurance operations	8,936	8,253
Other debts	1,165	1,930
Financial liabilities related to insurance activities	18,629	18,858

- **Financial assets at fair value through equity**

In millions of euros	30 June 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
Debt securities	83,456	(8,867)	88,815	(10,261)
Equity securities	371	50	210	11
Total financial assets at fair value through equity	83,827	(8,817)	89,025	(10,250)

- **Measurement of the Fair Value of Financial Instruments**

In millions of euros	30 June 2023			
	Level 1	Level 2	Level 3	Total
Financial assets designated as at fair value through profit or loss	89,582	51,635	13,837	155,054
Equity instruments	83,628	38,150	13,754	135,532
Debt securities	5,954	12,675	24	18,653
Loans	-	810	59	869
Financial assets at fair value through equity	74,412	9,396	19	83,827
Equity instruments	371	-	-	371
Debt securities	74,041	9,396	19	83,456
FINANCIAL ASSETS MEASURED AT FAIR VALUE	163,994	61,031	13,856	238,881

In millions of euros	31 December 2022 restated according to IFRS 17 and 9			
	Level 1	Level 2	Level 3	Total
Financial assets designated as at fair value through profit or loss	83,905	46,913	13,167	143,985
Equity instruments	77,484	34,083	13,127	124,693
Debt securities	6,421	12,317	24	18,763
Loans	-	513	16	529
Financial assets at fair value through equity	80,167	8,663	195	89,025
Equity instruments	210	-	-	210
Debt securities	79,957	8,663	195	88,815
FINANCIAL ASSETS MEASURED AT FAIR VALUE	164,072	55,576	13,362	233,010

6.c 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 or the premium allocation approach for contracts with a duration of at most one year;
- life or savings contracts consist of 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.

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 on a euro fund and multi-fund contracts invested on unit-linked assets and on 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 and liabilities side of the balance sheet according to the overall position of the portfolios to which they belong.

In millions of euros	30 June 2023			31 December 2022 restated according to IFRS 17 and 9		
	Assets	Liabilities	Net (Assets) or Liabilities	Assets	Liabilities	Net (Assets) or Liabilities
Insurance contracts not measured under the Premium Allocation approach	(147)	211,094	211,241	8	207,543	207,535
Insurance contracts measured under the Premium Allocation approach	136	2,173	2,037	126	2,142	2,016
Reinsurance contracts held	369	(114)	(483)	517	87	(430)
Assets and liabilities related to insurance contracts	358	213,153	212,795	651	209,772	209,121

Tables below show movements in carrying amounts of insurance contracts and do not include reinsurance contracts.

- Movements in carrying amounts of insurance contracts - remaining coverage and incurred claims**

Insurance contracts issued, excluding reinsurance contracts In millions of euros	Remaining coverage excluding loss component	Remaining coverage: loss component	Incurred claims	Total net liabilities
Net (assets) or liabilities at 31 December 2022 ⁽¹⁾	205,437	152	3,962	209,551
Insurance service result: (income) or expenses	(15,298)	41	14,085	(1,172)
<i>of which insurance revenue</i>	(4,380)			(4,380)
<i>of which insurance service expenses</i>	1,177	41	1,990	3,208
<i>of which investment component</i>	(12,095)		12,095	-
Net finance (income) or expenses from insurance contracts	6,984	1	14	6,999
Total changes recognised in profit and loss and in equity	(8,314)	42	14,099	5,827
Premiums received for insurance contracts issued	13,347			13,347
Insurance acquisition cash flows	(1,094)			(1,094)
Claims and other service expenses paid (including investment components)			(13,728)	(13,728)
Total cash flows	12,253	-	(13,728)	(1,475)
Other movements	(570)	(26)	(29)	(625)
Net (assets) or liabilities at 30 June 2023 ⁽¹⁾	208,806	168	4,304	213,278

⁽¹⁾ Including receivables and liabilities attributable to insurance contracts for a net asset of EUR 812 million at 30 June 2023 compared to a net asset of EUR 501 million at 31 December 2022.

- Movements in carrying amounts of insurance contracts not measured under the premium allocation approach – analysis by measurement component**

Insurance contracts issued not measured under the premium allocation approach In millions of euros	Present value of future cash flows	Risk adjustment	Contractual service margin	Total
Net (assets) or liabilities at 31 December 2022 ⁽¹⁾	189,422	1,048	17,065	207,535
Insurance service result: (income) or expenses	(2,039)	389	694	(956)
<i>of which changes related to future services - new contracts</i>	(800)	57	759	16
<i>of which changes related to future services - change in estimation</i>	(1,183)	408	828	53
<i>of which changes related to current service</i>	15	(43)	(893)	(921)
<i>of which changes related to past service</i>	(71)	(33)		(104)
Net finance (income) or expenses from insurance contracts	6,947	11	23	6,981
Total changes recognised in profit and loss and in equity	4,908	400	717	6,025
Premiums received for insurance contracts issued	11,559			11,559
Insurance acquisition cash flows	(459)			(459)
Claims and other service expenses paid (including investment components)	(12,999)			(12,999)
Total cash flows	(1,899)	-	-	(1,899)
Other movements	(415)	(52)	(47)	(420)
Net (assets) or liabilities at 30 June 2023 ⁽¹⁾	192,016	1,396	17,829	211,241

⁽¹⁾ Including receivables and liabilities attributable to insurance contracts for a net asset of EUR 663 million at 30 June 2023 compared to a net asset of EUR 504 million at 31 December 2022.

- **Discount rates and adjustment for non-financial risks**

The table below shows the average discount rates used in the evaluation of savings and protection contracts for the main horizons of the Euro curve.

Average discount rates for Euro	30 June 2023						31 December 2022					
	1 year	5 years	10 years	15 years	20 years	40 years	1 year	5 years	10 years	15 years	20 years	40 years
Savings	4.65%	3.79%	3.54%	3.48%	3.32%	3.17%	3.64%	3.60%	3.56%	3.50%	3.29%	3.10%
Protection	3.47%	2.93%	2.85%	2.86%	2.67%		2.67%	2.92%	3.07%	3.07%	2.85%	

- For life-savings contracts measured under the variable-free approach (VFA), 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 on the basis of underlying assets to reflect the illiquidity of liabilities.

The risk adjustment is determined according to the cost of capital method, which corresponds to a level of confidence of 64% (comparable to that of 31 December 2022).

- For Protection contracts measured under the general model and 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).

7. FINANCING AND GUARANTEE COMMITMENTS

7.a FINANCING COMMITMENTS GIVEN OR RECEIVED

In millions of euros	30 June 2023	31 December 2022 restated according to IFRS 17 and 9
Financing commitments given		
- to credit institutions	3,249	4,235
- to customers	360,776	382,746
Confirmed financing commitments	325,579	347,650
Other commitments given to customers	35,197	35,096
Total financing commitments given	364,025	386,981
<i>of which stage 1</i>	345,008	343,339
<i>of which stage 2</i>	16,535	18,745
<i>of which stage 3</i>	1,085	898
<i>of which insurance activities</i>	1,397	1,477
<i>of which financing commitments given associated with assets held for sale</i>	-	22,522
Financing commitments received		
- from credit institutions	72,532	66,554
- from customers	3,756	2,221
Total financing commitments received	76,288	68,775
<i>of which financing commitments received associated with assets held for sale</i>	-	9,272

7.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros	30 June 2023	31 December 2022 restated according to IFRS 17 and 9
Guarantee commitments given		
- to credit institutions	61,531	60,357
- to customers	120,366	118,427
Property guarantees	2,375	2,285
Sureties provided to tax and other authorities, other sureties	69,514	65,294
Other guarantees	48,477	50,848
Total guarantee commitments given	181,897	178,784
<i>of which stage 1</i>	170,683	165,549
<i>of which stage 2</i>	9,896	12,120
<i>of which stage 3</i>	872	820
<i>of which insurance activities</i>	446	295
<i>of which guarantee commitments given associated with assets held for sale</i>	-	-

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:

In millions of euros	30 June 2023	31 December 2022 restated according to IFRS 17 and 9
Securities to be delivered	42,005	17,325
Securities to be received	47,916	17,263

8. ADDITIONAL INFORMATION

8.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 30 June 2023, the share capital of BNP Paribas SA amounts to EUR 2,468,663,292 and was divided into 1,234,331,646 shares. The nominal value of each share is EUR 2 (unchanged from 31 December 2022).

- **Ordinary shares issued by BNP Paribas and held by the Group**

	Proprietary transactions		Trading transactions ⁽¹⁾		Total	
	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)	Number of shares	Carrying amount (in millions of euros)
Shares held at 31 December 2021	721,971	38			721,971	38
Net movements			1,285,734	58	1,285,734	58
Shares held at 30 June 2022	721,971	38	1,285,734	58	2,007,705	96
Net movements			(1,126,064)	(50)	(1,126,064)	(50)
Shares held at 31 December 2022	721,971	38	159,670	8	881,641	46
Acquisitions	36,882,027	2,103			36,882,027	2,103
Net movements			(195,968)	(11)	(195,968)	(11)
Shares held at 30 June 2023	37,603,998	2,141	(36,298)	(3)	37,567,700	2,138

⁽¹⁾ Transactions realised in the framework of an activity of trading and arbitrage transactions on equity indices.

Throughout the second quarter of 2023, BNP Paribas SA bought back on the market 36,882,027 of its own shares in accordance with the decision made by the Board of Directors on 6 February 2023 to proceed to the share buyback of EUR 2,500 million.

At 30 June 2023, the Group holds 37,567,700 BNP Paribas shares representing an amount of EUR 2,138 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 and June 2007 issues, for EUR 150 million and USD 1,100 million respectively. These notes paid 5.45% and 7.195% 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 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 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 2027, 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 (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st 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%
Total euro-equivalent historical value at 30 June 2023		13,453⁽¹⁾				

⁽¹⁾ Net of shares held in treasury by Group entities

BNP Paribas has the option of not paying interest due on these Undated Super Subordinated Notes. Unpaid interest is not carried forward.

For 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 30 June 2023, the BNP Paribas Group held EUR 30 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.

	First half 2023	First half 2022 restated according to IFRS 17 and 9
Net profit used to calculate basic and diluted earnings per ordinary share (in millions of euros) ⁽¹⁾	6,929	4,626
Weighted average number of ordinary shares outstanding during the year	1,227,539,873	1,232,891,613
Effect of potentially dilutive ordinary shares	-	-
Weighted average number of ordinary shares used to calculate diluted earnings per share	1,227,539,873	1,232,891,613
Basic earnings per share (in euros)	5.64	3.75
of which continuing activities (in euros)	3.23	3.45
of which discontinued activities (in euros)	2.41	0.30
Diluted earnings per share (in euros)	5.64	3.75
of which continuing activities (in euros)	3.23	3.45
of which discontinued activities (in euros)	2.41	0.30

⁽¹⁾ The net profit used to calculate basic and diluted earnings per share is the net profit attributable to equity shareholders, adjusted for the remuneration on the Undated Super Subordinated Notes issued by BNP Paribas SA (treated as preferred share equivalents), which for accounting purposes is handled as dividends, as well as the related foreign exchange gain or loss impact recognised directly in shareholders' equity in case of repurchase.

The dividend per share paid in 2023 out of the 2022 net income amounted to EUR 3.90 (against EUR 3.67 out of the 2021 net income).

The proposed distribution amounted to EUR 4,744 million, against EUR 4,527 million paid in 2022.

This distribution is raised to 60% of the 2022 net income with a share buyback programme of EUR 962 million, realised during the first half 2023.

8.b MINORITY INTERESTS

In millions of euros	Capital and retained earnings	Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	Minority interests
Balance at 31 December 2021	4,712	15	(106)	4,621
Impacts of IAS 29 1st application in Türkiye	(14)	-	62	48
Impacts of the transition to IFRS 17 (note 2)	(9)	-	21	12
Impacts of the transition to IFRS 9 (note 2)	17	-	(26)	(9)
Balance at 1 January 2022	4,706	15	(49)	4,672
Appropriation of net income for 2021	(122)			(122)
Increases in capital and issues	23			23
Movements in consolidation scope impacting minority shareholders	(136)			(136)
Change in commitments to repurchase minority shareholders' interests	(126)			(126)
Other movements	(1)			(1)
Changes in assets and liabilities recognised directly in equity		14	64	78
Net income for first half of 2022	207			207
Balance at 30 June 2022	4,551	29	15	4,595
Appropriation of net income for 2021	(11)			(11)
Increases in capital and issues	11			11
Impact of internal transactions on minority shareholders	2			2
Change in commitments to repurchase minority shareholders' interests	(31)			(31)
Other movements	(1)			(1)
Changes in assets and liabilities recognised directly in equity		(8)	23	15
Net income for second half of 2022	193			193
Balance at 31 December 2022	4,714	21	38	4,773
Appropriation of net income for 2022	(179)			(179)
Increases in capital and issues	298			298
Impact of internal transactions on minority shareholders	21			21
Movements in consolidation scope impacting minority shareholders	(91)			(91)
Change in commitments to repurchase minority shareholders' interests	(147)			(147)
Other movements	-			-
Changes in assets and liabilities recognised directly in equity		(3)	63	60
Net income for first half of 2023	268			268
Balance at 30 June 2023	4,884	18	101	5,003

- **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.

	30 June 2023	First half 2023						
	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
In millions of euros								
Contribution of the entities belonging to the BGL BNP Paribas group	97,238	964	321	349	34%	101	114	137
Other minority interests						167	214	42
TOTAL						268	328	179

	31 December 2022 <i>restated according to IFRS 17 and 9</i>	First half 2022 <i>restated according to IFRS 17 and 9</i>						
	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
In millions of euros								
Contribution of the entities belonging to the BGL BNP Paribas group	95,172	868	261	127	34%	83	48	81
Other minority interests						124	237	41
TOTAL						207	285	122

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**

In millions of euros	30 June 2023	
	Attributable to shareholders	Minority interests
TEB Finansman		
Internal sale of BNPP Personal Finance to TEB Holding, raising the group interest rate at 72,5%.	(22)	22
Others	1	(1)
Total	(21)	21

- **Acquisitions of additional interests and partial sales of interests leading to changes in minority interests in the equity of subsidiaries**

No significant operation occurred during the half year 2023, nor during the half year 2022.

- **Commitments to repurchase minority shareholders’ interests**

In connection with the acquisition of certain entities, the Group granted minority shareholders put options on their holdings.

The total value of these commitments, which are recorded as a reduction in shareholders’ equity, amounts to EUR 391 million at 30 June 2023, compared with EUR 364 million at 31 December 2022.

8.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.k “Provisions for contingencies and charges”; 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 30 June 2023 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.

BNP Paribas Securities Corp. has been subject to investigation by the Commodity Futures Trading Commission (“CFTC”) and the U.S. Securities and Exchange Commission (“SEC”) concerning compliance with records preservation requirements relating to the use of unapproved electronic messaging platforms for business communications. BNP Paribas SA has been subject to investigation by the CFTC concerning the same subject matter. BNP Paribas Securities Corp. has reached proposed resolutions with the CFTC’s and SEC’s Divisions of Enforcement and BNP Paribas SA has reached a proposed resolution with the CFTC’s Division of Enforcement to resolve these investigations. The proposed resolutions are subject to finalization by the CFTC and SEC.

Like many other financial institutions in the banking, investment, mutual funds and brokerage sectors, the Bank has received or may receive requests for information from, or be subject to investigations by supervisory, governmental or self-regulatory agencies. The Bank responds to such requests and cooperates with the relevant authorities and regulators and seeks to address and remedy any issues that may arise.

On 26 February 2020, the Paris Criminal Court found BNP Paribas Personal Finance guilty of misleading commercial practice and concealment of this practice. BNP Paribas Personal Finance was ordered to pay a fine of EUR 187,500 and damages and legal fees to the civil plaintiffs. The damages award was of immediate effect. BNP Paribas Personal Finance filed an appeal on the merits on 6 March 2020. It also sought to suspend the immediate effectiveness of the judgment, which the court rejected by decision dated 25 September 2020. BNP Paribas Personal Finance paid to the civil plaintiffs the damages awarded, without prejudice to the pending appeal before the Court of Appeal of Paris and to the civil legal proceedings that are otherwise ongoing.

There are no other legal, governmental, or arbitral proceedings (including any such proceedings which are pending or threatened) that could have, or during the last twelve months have had, significant effects on the Bank's financial condition or profitability.

8.d BUSINESS COMBINATIONS AND LOSS OF CONTROL OR SIGNIFICANT INFLUENCE

Operation of the first half 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 resulted in an increase of the Group’s balance sheet of EUR 8 billion, in particular in financial assets at amortised cost, and in the recognition of a net gain on disposal of EUR 54 million and of a goodwill of EUR 143 million.

Operations of the first half 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.

8.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 8.g *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 capital gain on the disposal amounted to EUR 2.9 billion.

8.f 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 30 June 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, at 30 June 2023	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers ⁽¹⁾		98,399	717,737	816,136	843,608
Debt securities at amortised cost (note 5.d)	84,232	28,199	1,112	113,543	114,612
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		1,109,290		1,109,290	1,110,084
Debt securities (note 5.g)	73,821	114,997		188,818	189,226
Subordinated debt (note 5.g)	16,992	6,378		23,370	23,734

⁽¹⁾ Finance leases excluded

In millions of euros, at 31 December 2022 <i>restated according to IFRS 17 and 9</i>	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers ⁽¹⁾		92,635	731,555	824,190	848,145
Debt securities at amortised cost (note 5.d)	85,758	26,235	771	112,764	114,014
Assets held for sale	4,440	9,980	53,325	67,746	72,176
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		1,132,282		1,132,282	1,132,774
Debt securities (note 5.g)	64,889	90,215		155,104	155,359
Subordinated debt (note 5.g)	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.

8.g 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.

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNP Paribas SA	France	Full ⁽¹⁾	100.0%	100.0%		(1)	100.0%	100.0%	
	BNPP SA (Argentina branch)	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Australia branch)	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Austria branch)	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Bahrain branch)	Bahrain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Belgium branch)	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Canada branch)	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Czech Republic branch)	Czech Rep.	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Denmark branch)	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Finland branch)	Finland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Germany branch)	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Greece branch)	Greece	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP SA (Guernsey branch)	Guernsey	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP SA (Hong Kong branch)	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Hungary branch)	Hungary	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (India branch)	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Ireland branch)	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Italy branch)	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Japan branch)	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Jersey branch)	Jersey	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP SA (Kuwait branch)	Kuwait	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Luxembourg branch)	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Malaysia branch)	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Monaco branch)	Monaco	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Netherlands branch)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Panama branch)	Panama								S1
	BNPP SA (Philippines branch)	Philippines	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Poland branch)	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Portugal branch)	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Qatar branch)	Qatar	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Republic of Korea branch)	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Romania branch)	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Saudi Arabia branch)	Saudi Arabia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Singapore branch)	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP SA (South africa branch)	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Spain branch)	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Sweden branch)	Sweden	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Switzerland branch)	Switzerland	Full	100.0%	100.0%		Full	100.0%	100.0%	E2
	BNPP SA (Taiwan branch)	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Thailand branch)	Thailand	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (United Arab Emirates branch)	United Arab Emirates	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (United Kingdom branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (United States branch)	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Viet Nam branch)	Viet Nam	Full	100.0%	100.0%		Full	100.0%	100.0%	
CORPORATE & INSTITUTIONAL BANKING										
EMEA (Europe, Middle East, Africa)										
France										
	Atargatis ⁵	France								S4
	Austin Finance ⁵	France				S4	Full	-	-	
	BNPP Arbitrage	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	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
	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 ⁵	France								S4
	Compagnie d'Investissement Opéra ⁵	France								S4
	Ellipsis Asset Management	France								S2
	Eurotitrisation	France	Equity	21.7%	21.7%		Equity	21.7%	21.7%	
	Exane	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Exane (Germany branch)	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Exane (Italy branch)	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Exane (Spain branch)	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Exane (Sweden branch)	Sweden	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Exane (Switzerland branch)	Switzerland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Exane (United Kingdom branch)	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Exane Asset Management	France	Equity	35.0%	35.0%	V2	Equity	51.0%	51.0%	V1
	Exane Derivatives	France				S4	Full	100.0%	100.0%	
	Exane Derivatives (Italy branch)	Italy								S1
	Exane Derivatives (Switzerland branch)	Switzerland				S1	Full	100.0%	100.0%	
	Exane Derivatives (United Kingdom branch)	UK				S1	Full	100.0%	100.0%	
	Exane Derivatives Gerance	France				S4	Full	100.0%	100.0%	
	Exane Finance	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Exane Participations	France								S4
	FCT Juice ⁴	France	Full	-	-		Full	-	-	
	Financière des Italiens ⁵	France				S4	Full	-	-	
	Financière du Marché Saint Honoré	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Financière Paris Haussmann ⁵	France								S4
	Financière Taitbout ⁸	France								S4
	Mediterranea ⁵	France								S4
	Optichamps ⁹	France				S4	Full	-	-	
	Parilease	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	Participations Opéra ⁵	France				S4	Full	-	-	
	Services Logiciels d'Intégration Boursière	France	Equity ⁽³⁾	66.6%	66.6%		Equity ⁽³⁾	66.6%	66.6%	
	SNC Taitbout Participation 3	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Société Orbaisienne de Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Uplevia SA	France	Equity ⁽³⁾	50.0%	50.0%	E3				
	Verner Investissements	France								S4
	Verner Investissements NewCo1	France								S4
	Verner Investissements NewCo2	France								S4
Other European countries										
	Allfunds Group PLC	UK	Equity	12.1%	12.0%		Equity	12.1%	12.0%	V2
	Aquarius + Investments PLC ¹	Ireland								S3
	Aries Capital DAC ⁵	Ireland	Full	-	-		Full	-	-	
	AssetMetrix	Germany	Equity	20.8%	20.8%		Equity	20.8%	20.8%	V4
	Auseter Real Estate Opportunities SARL ¹	Luxembourg								S2
	BNP PUK Holding Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Bank JSC	Russia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Emissions Und Handels GmbH ⁵	Germany	Full	-	-		Full	-	-	
	BNPP Fund Administration Services Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Invest Holdings BV	Netherlands								S1
	BNPP Ireland Unlimited Co	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Islamic Issuance BV ⁵	Netherlands	Full	-	-		Full	-	-	
	BNPP Issuance BV ⁵	Netherlands	Full	-	-		Full	-	-	
	BNPP Net Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Prime Brokerage International Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Suisse SA	Switzerland	Full	100.0%	100.0%		Full	100.0%	100.0%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Suisse SA (Guernsey branch)	Guernsey	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Technology LLC	Russia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Trust Corp UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	BNPP Vartry Reinsurance DAC	Ireland	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Diamante Re SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ejesur SA	Spain				S1	Full	100.0%	100.0%	
	Ellipsis AM Suisse SARL	Switzerland								S2
	Exane Solutions Luxembourg SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Expo Atlántico EAll Investimentos Imobiliarios SA ⁵	Portugal	Full	-	-		Full	-	-	E2
	Expo Indico EIII Investimentos Imobiliarios SA ⁵	Portugal	Full	-	-		Full	-	-	E2
	FScholen	Belgium	Equity ⁽³⁾	50.0%	50.0%		Equity ⁽³⁾	50.0%	50.0%	
	Greenstars BNPP	Luxembourg	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Kantox Holding Ltd	UK	Equity	9.5%	9.5%		Equity	9.5%	9.5%	
	Madison Arbor Ltd ⁴	Ireland	Full	-	-		Full	-	-	
	Matchpoint Finance PLC ⁴	Ireland	Full	-	-		Full	-	-	
	Ribera Del Loira Arbitrage	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Securasset SA ⁶	Luxembourg	Full	-	-		Full	-	-	
	Single Platform Investment Repackaging Entity SA ⁶	Luxembourg	Full	-	-		Full	-	-	
	Utexam Logistics Ltd	Ireland				S3	Full	100.0%	100.0%	
	Utexam Solutions Ltd	Ireland				S3	Full	100.0%	100.0%	
Middle East										
	BNPP Investment Co KSA	Saudi Arabia	Full	100.0%	100.0%		Full	100.0%	100.0%	
AMERICAS										
	Banco BNPP Brasil SA	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Canada Corp	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Capital Services Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Colombia Corporacion Financiera SA	Colombia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP EQD Brazil Fund Fundo de Investimento Multimercado ⁵	Brazil	Full	-	-		Full	-	-	
	BNPP Financial Services LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP FS LLC	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP IT Solutions Canada Inc	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Mexico Holding	Mexico	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Mexico SA Institucion de Banca Multiple	Mexico	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Proprietario Fundo de Investimento Multimercado ⁵	Brazil	Full	-	-		Full	-	-	
	BNPP RCC Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP US Investments Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP US Wholesale Holdings Corp	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP VPG Brookline Cre LLC ⁵	USA	Full	-	-		Full	-	-	
	BNPP VPG EDMC Holdings LLC ⁵	USA	Full	-	-		Full	-	-	
	BNPP VPG Express LLC ⁵	USA	Full	-	-		Full	-	-	
	BNPP VPG I LLC ⁵	USA	Full	-	-		Full	-	-	
	BNPP VPG II LLC ⁵	USA	Full	-	-		Full	-	-	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP VPG III LLC ⁵	USA	Full	-	-		Full	-	-	
	BNPP VPG IV LLC ⁵	USA	Full	-	-	E2				
	BNPP VPG Master LLC ⁵	USA	Full	-	-		Full	-	-	
	Dale Bakken Partners 2012 LLC	USA	FV	4.9%	23.8%		FV	4.9%	23.8%	
	Decart Re Ltd ⁶	Bermuda	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Exane Inc	USA				S1	Full	100.0%	100.0%	
	FSI Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Starbird Funding Corp ¹	USA	Full	-	-		Full	-	-	
PACIFIC ASIA										
	Bank BNPP Indonesia PT	Indonesia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Arbitrage Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP China Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Finance Hong Kong Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fund Services Australasia Pty Ltd	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fund Services Australasia Pty Ltd (New Zealand branch)	New Zealand	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Global Securities Operations Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP India Holding Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP India Solutions Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Malaysia Berhad	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Asia Ltd	Hong Kong	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities India Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Japan Ltd	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Korea Co Ltd	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Taiwan Co Ltd	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Sekuritas Indonesia PT	Indonesia	Full	100.0%	100.0%		Full	100.0%	100.0%	V4
	BPP Holdings Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Pt Andalan Multi Guna	Indonesia	Full	100.0%	100.0%		Full	100.0%	100.0%	D1
COMMERCIAL, PERSONAL BANKING & SERVICES										
COMMERCIAL & PERSONAL BANKING IN THE EUROZONE										
Commercial & Personal Banking in France										
	2SF - Société des Services Fiduciaires	France	Equity ⁽³⁾	33.33%	33.33%		Equity ⁽³⁾	33.33%	33.33%	E2
	Banque de Wallis et Futuna	France	Full ⁽¹⁾	51.0%	51.0%		Full ⁽¹⁾	51.0%	51.0%	
	BNPP Antilles Guyane	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	BNPP Développement	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Développement Oblig	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Factor	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	BNPP Factor (Portugal branch)	Portugal	Full ⁽¹⁾	100.0%	100.0%	E2				
	BNPP Factor (Spain branch)	Spain	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	BNPP Factor Sociedade Financeira de Credito SA	Portugal				S4	Full	100.0%	100.0%	
	BNPP Nouvelle Calédonie	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	BNPP Réunion	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	Compagnie pour le Financement des Loisirs	France	Full ⁽¹⁾	100.0%	100.0%		Full	100.0%	100.0%	V1/D3
	Copartis	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Euro Securities Partners	France	Equity ⁽³⁾	50.0%	50.0%		Equity ⁽³⁾	50.0%	50.0%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	GIE Ocean	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Jivago Holding	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Partecis	France	Equity ⁽³⁾	50.0%	50.0%		Equity ⁽³⁾	50.0%	50.0%	
	Paylib Services	France	Equity	14.3%	14.3%		Equity	14.3%	14.3%	
	Portzamparc	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	Société Lainoise de Participations	France								S4
BNL banca commerciale										
	Artigiancassa SPA	Italy	Full	73.9%	73.9%		Full	73.9%	73.9%	
	Banca Nazionale Del Lavoro SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	EMF IT 2008 1 SRL [†]	Italy	Full	-	-		Full	-	-	
	Era Uno SRL [†]	Italy	Full	-	-		Full	-	-	
	Eutimm SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Financit SPA	Italy	Full	60.0%	60.0%		Full	60.0%	60.0%	
	Immera SRL [†]	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	100.0%	100.0%		Full	100.0%	100.0%	
	Sviluppo HQ Tiburtina SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Tierre Securitisation SRL [†]	Italy	Full	-	-		Full	-	-	
	Vela Home SRL [†]	Italy								S3
	Vela Mortgages SRL [†]	Italy								S3
	Vela OBG SRL [†]	Italy	Full	-	-		Full	-	-	
	Vela RMBS SRL [†]	Italy	Full	-	-		Full	-	-	
	Worldline Merchant Services Italia SPA	Italy	Equity	20.0%	20.0%		Equity	20.0%	20.0%	V2/D4
Commercial & Personal Banking in Belgium										
	Axepta BNPP Benelux	Belgium	Full	100.0%	99.9%		Full	100.0%	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 [†]	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	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor AS	Denmark	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor GmbH	Germany	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factoring Support	Netherlands	Full	100.0%	99.9%		Full	100.0%	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	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis Film Finance	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis Funding SA	Luxembourg	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Belgium	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Expansion	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Management	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Bpost Bank	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	V1/D5
	Credissimo	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Credissimo Hainaut SA	Belgium	Full	99.7%	99.7%		Full	99.7%	99.7%	
	Crédit pour Habitations Sociales	Belgium	Full	81.7%	81.6%		Full	81.7%	81.6%	
	Demétris NV	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	E1
	Epimede ⁵	Belgium	Equity	-	-		Equity	-	-	
	Esmee Master Issuer ⁴	Belgium	Full	-	-		Full	-	-	
	Immobilière Sauveniere SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Isabel SA NV	Belgium	Equity	25.3%	25.3%		Equity	25.3%	25.3%	
	Microstart	Belgium	Full	42.3%	76.8%		Full	42.3%	76.8%	
	Private Equity Investments (a)	BE/FR/LU	FV	-	-		FV	-	-	
	Sagip	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sowo Invest SA NV	Belgium	Full	87.5%	87.5%		Full	87.5%	87.5%	
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	100.0%	65.9%		Full	100.0%	65.9%	
	BNPP SB Re	Luxembourg	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cofnylux SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	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⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	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	100.0%	67.0%		Full	100.0%	67.0%	
	Bantas Nakit AS	Türkiye	Equity ⁽³⁾	33.3%	16.7%		Equity ⁽³⁾	33.3%	16.7%	
	BDSI	Morocco	Full	100.0%	96.4%		Full	100.0%	96.4%	
	BGZ Poland ABS1 DAC ¹	Ireland	Full	-	-		Full	-	-	
	BICI Bourse	Ivory Coast				S2	Full	90.0%	52.0%	
	BMCI Leasing	Morocco	Full	86.9%	58.2%		Full	86.9%	58.2%	
	BNPP Bank Polska SA	Poland	Full	87.4%	87.4%		Full	87.4%	87.4%	
	BNPP El Djazair	Algeria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Faktoring Spolka ZOO	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fortis Yatirimlar Holding AS	Türkiye	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Group Service Center SA	Poland	Full	100.0%	87.4%		Full	100.0%	87.4%	E1
	BNPP IRB Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Solutions Spolka ZOO	Poland								S3
	BNPP Yatirimlar Holding AS	Türkiye	Full	100.0%	100.0%		Full	100.0%	100.0%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	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	100.0%	72.5%		Full	100.0%	72.5%	
	TEB Faktoring AS	Türkiye	Full	100.0%	72.5%		Full	100.0%	72.5%	
	TEB Finansman AS	Türkiye	Full	100.0%	72.5%	V3	Full	100.0%	92.8%	
	TEB Holding AS	Türkiye	Full	50.0%	50.0%		Full	50.0%	50.0%	
	TEB SH A	Kosovo	Full	100.0%	50.0%		Full	100.0%	50.0%	
	TEB Yatirim Menkul Degerler AS	Türkiye	Full	100.0%	72.5%		Full	100.0%	72.5%	
	Turk Ekonomi Bankasi AS	Türkiye	Full	100.0%	72.5%		Full	100.0%	72.5%	
BancWest										
	BancWest Holding Inc	USA				S2	Full	100.0%	100.0%	D2
	BancWest Holding Inc Grantor Trust ERC Subaccount ⁸	USA				S2	Full	-	-	D2
	Bancwest Holding Inc Umbrella Trust ⁹	USA				S2	Full	-	-	D2
	BancWest Investment Services Inc	USA				S2	Full	100.0%	100.0%	D2
	Bank of the West	USA				S2	Full	100.0%	100.0%	D2
	Bank of the West Auto Trust 2018-1 ¹	USA								S1
	Bank of the West Auto Trust 2019-1 ¹	USA				S2	Full	-	-	D2
	Bank of the West Auto Trust 2019-2 ¹	USA				S2	Full	-	-	D2
	BNPP Leasing Solutions Canada Inc	Canada				S2	Full	100.0%	100.0%	D2
	BOW Auto Receivables LLC ¹	USA				S2	Full	-	-	D2
	BWC Opportunity Fund 2 Inc ¹	USA				S2	Full	-	-	D2
	BWC Opportunity Fund Inc ¹	USA				S2	Full	-	-	D2
	CFB Community Development Corp	USA				S2	Full	100.0%	100.0%	D2
	Claas Financial Services LLC	USA				S2	Full	51.0%	51.0%	D2
	Commercial Federal Affordable Housing Inc	USA				S2	Full	100.0%	100.0%	D2
	First Santa Clara Corp ⁵	USA				S2	Full	-	-	D2
	United California Bank Deferred Compensation Plan Trust ⁵	USA				S2	Full	-	-	D2
	Ursus Real Estate Inc	USA				S2	Full	100.0%	100.0%	D2
SPECIALISED BUSINESSES										
Personal Finance										
	Alpha Crédit SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Auto ABS UK Loans PLC ¹	UK	Full	-	-	E3				
	AutoFlorence 1 SRL ¹	Italy	Full	-	-		Full	-	-	
	AutoFlorence 2 SRL ¹	Italy	Full	-	-		Full	-	-	
	AutoFlorence 3 SRL ¹	Italy	Full	-	-	E2				
	Autonomia 2019 ¹	France	Full	-	-		Full	-	-	
	Autonomia DE 2023 ¹	France	Full	-	-	E2				
	Autonomia Spain 2019 ¹	Spain	Full	-	-		Full	-	-	
	Autonomia Spain 2021 FT ¹	Spain	Full	-	-		Full	-	-	
	Autonomia Spain 2022 FT ¹	Spain	Full	-	-		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	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Banco Cetelem SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BGN Mercantil E Servicios Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Austria branch)	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Czech Republic branch)	Czech Rep.	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Portugal branch)	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Romania branch)	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Slovakia branch)	Slovakia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance South Africa Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	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	100.0%	100.0%		Full	100.0%	100.0%	
	Cetelem America Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cetelem Business Consulting Shanghai Co Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	E1
	Cetelem Gestion AIE	Spain	Full	100.0%	96.0%		Full	100.0%	96.0%	
	Cetelem SA de CV	Mexico	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cetelem Servicios Informaticos AIE	Spain	Full	100.0%	81.0%		Full	100.0%	81.0%	
	Cetelem Servicios SA de CV	Mexico								S4
	Cetelem Servicios Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cofica Bail	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	Cofiplan	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	Creation Consumer Finance Ltd	UK	Full	100.0%	99.9%	V3	Full	100.0%	100.0%	
	Creation Financial Services Ltd	UK	Full	100.0%	99.9%	V3	Full	100.0%	100.0%	
	Crédit Moderne Antilles Guyane	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	Crédit Moderne Océan Indien	France	Full ⁽¹⁾	97.8%	97.8%		Full ⁽¹⁾	97.8%	97.8%	
	Domofinance	France	Full ⁽¹⁾	55.0%	55.0%		Full ⁽¹⁾	55.0%	55.0%	
	Domos 2017 ¹	France								S1
	E Carat 10 ¹	France	Full	-	-		Full	-	-	
	E Carat 10 PLC ¹	UK								S3
	E Carat 11 PLC ¹	UK	Full	-	-		Full	-	-	
	E Carat 12 PLC ¹	UK	Full	-	-		Full	-	-	
	Ekspres Bank AS	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ekspres Bank AS (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ekspres Bank AS (Sweden branch)	Sweden	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Eos Aremas Belgium SA NV	Belgium	Equity	50.0%	49.9%		Equity	50.0%	49.9%	
	Evollis	France	Equity	49.2%	49.2%	V4	Equity	41.0%	41.0%	
	Findomestic Banca SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Florence Real Estate Developments SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Florence SPV SRL ¹	Italy	Full	-	-		Full	-	-	
	GCC Consumo Establecimiento Financiero de Credito SA	Spain	Full	51.0%	51.0%		Full	51.0%	51.0%	
	Genius Auto Finance Co Ltd	China	Equity ⁽³⁾	20.0%	20.0%		Equity ⁽³⁾	20.0%	20.0%	
	International Development Resources AS Services SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	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	100.0%	100.0%		Full	100.0%	100.0%	
	Neuilly Contentieux	France	Full	95.9%	95.6%		Full	95.9%	95.6%	
	Noria 2018-1 ¹	France	Full	-	-		Full	-	-	
	Noria 2020 ³	France				S1	Full	-	-	
	Noria 2021 ¹	France	Full	-	-		Full	-	-	
	Noria Spain 2020 FT ¹	Spain	Full	-	-		Full	-	-	
	Opel Bank	France	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Bank (Austria branch)	Austria	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Bank (Germany branch)	Germany	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Bank (Italy branch)	Italy	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Bank (Spain branch)	Spain	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Opel Finance BV	Belgium								S3
	Opel Finance NV	Netherlands				S3	Full	100.0%	50.0%	
	Opel Finance SA	Switzerland	Full	100.0%	50.0%		Full	100.0%	50.0%	
	PBD Germany Auto Lease Master SA ¹	Luxembourg	Full	-	-	E3				
	PBD Germany Auto Loan 2021 UG ¹	Germany	Full	-	-	E3				
	Personal Finance Location	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	PF Services GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Phedina Hypotheken 2010 BV ⁴	Netherlands	Full	-	-		Full	-	-	
	PSA Bank Deutschland GmbH	Germany	Full	100.0%	50.0%	E3				
	PSA Bank Deutschland GmbH (Austria branch)	Austria	Full	100.0%	50.0%	E3				
	RCS Botswana Pty Ltd	Botswana	Full	100.0%	100.0%		Full	100.0%	100.0%	
	RCS Cards Pty Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	RCS Investment Holdings Namibia Pty Ltd	Namibia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Securitisation funds Genius (d) ¹	China	Equity ⁽³⁾	-	-	E3				
	Securitisation funds UCI and RMBS Prado (b) ¹	Spain	Equity ⁽³⁾	-	-		Equity ⁽³⁾	-	-	
	Securitisation funds Wisdom (e) ¹	China	Equity ⁽³⁾	-	-	E3				
	Servicios Financieros Carrefour EFC SA	Spain	Equity	37.3%	40.0%		Equity	37.3%	40.0%	
	Stellantis Financial Services UK Ltd	UK	Full	100.0%	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 PLC	UK	Full	100.0%	50.0%		Full	100.0%	50.0%	
	XFERA Consumer Finance EFC SA	Spain	Full	51.0%	51.0%		Full	51.0%	51.0%	
	Zhejiang Wisdom Puhua Financial Leasing Co Ltd	China	Equity ⁽³⁾	20.0%	20.0%		Equity ⁽³⁾	20.0%	20.0%	
Arval										
	Artel	France	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval AB	Sweden	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval AS	Denmark	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval AS Norway	Norway	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Austria GmbH	Austria	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Belgium NV SA	Belgium	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Benelux BV	Netherlands								S4

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Arval Brasil Ltda	Brazil	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval BV	Netherlands	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval CZ SRO	Czech Rep.	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Deutschland GmbH	Germany	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Fleet Services	France	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Hellas Car Rental SA	Greece	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval LLC	Russia	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Luxembourg SA	Luxembourg	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Magyarorszag KFT	Hungary	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Maroc SA	Morocco	Full ⁽²⁾	100.0%	89.0%		Full ⁽²⁾	100.0%	89.0%	
	Arval OY	Finland	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Relsa Colombia SAS	Colombie	Full ⁽²⁾	100.0%	99.9%	E3/D7				
	Arval Relsa SPA	Chile	Full ⁽²⁾	100.0%	99.9%	V1/D7	Equity	50.0%	50.0%	
	Arval Schweiz AG	Switzerland	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Service Lease	France	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Service Lease Aluger Operational Automoveis SA	Portugal	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Service Lease Italia SPA	Italy	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Service Lease Polska SP ZOO	Poland	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Service Lease Romania SRL	Romania	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Service Lease SA	Spain	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Slovakia SRO	Slovakia	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval Trading	France	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval UK Group Ltd	UK	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval UK Leasing Services Ltd	UK	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Arval UK Ltd	UK	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	BNPP Fleet Holdings Ltd	UK	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Cent ASL	France	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Cofiparc	France	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Comercializadora de Vehiculos SA	Chile	Full ⁽²⁾	100.0%	99.9%	E3/D7				
	FCT Pulse France 2022 ¹	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	E2
	Greenval Insurance DAC	Ireland	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Locadif	Belgium	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Louveo	France	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Personal Car Lease BV	Netherlands	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	E3
	Public Location Longue Durée	France	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	
	Rentaequipos Leasing Peru SA	Peru	Full ⁽²⁾	100.0%	99.9%	E3/D7				
	Rentaequipos Leasing SA	Chile	Full ⁽²⁾	100.0%	99.9%	E3/D7				
	TEB Arval Arac Filo Kiralama AS	Türkiye	Full ⁽²⁾	100.0%	75.0%		Full ⁽²⁾	100.0%	75.0%	
	Terberg Busines Lease Group BV	Netherlands	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	E3
	Terberg Leasing Justlease Belgium BV	Belgium	Full ⁽²⁾	100.0%	99.9%		Full ⁽²⁾	100.0%	99.9%	E3
Leasing Solutions										
	Aprolis Finance	France	Full	51.0%	42.3%		Full	51.0%	42.3%	
	Artegy	France	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNL Leasing SPA	Italy	Full	100.0%	95.5%		Full	100.0%	95.5%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	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	100.0%	82.5%		Full	100.0%	82.5%	
	BNPP Lease Group	France	Full ⁽¹⁾	100.0%	83.0%		Full ⁽¹⁾	100.0%	83.0%	
	BNPP Lease Group (Germany branch)	Germany	Full ⁽¹⁾	100.0%	83.0%		Full ⁽¹⁾	100.0%	83.0%	
	BNPP Lease Group (Italy branch)	Italy	Full ⁽¹⁾	100.0%	83.0%		Full ⁽¹⁾	100.0%	83.0%	
	BNPP Lease Group (Portugal branch)	Portugal	Full ⁽¹⁾	100.0%	83.0%		Full ⁽¹⁾	100.0%	83.0%	
	BNPP Lease Group (Spain branch)	Spain	Full ⁽¹⁾	100.0%	83.0%		Full ⁽¹⁾	100.0%	83.0%	
	BNPP Lease Group Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Lease Group Leasing Solutions SPA	Italy	Full	100.0%	95.5%		Full	100.0%	95.5%	
	BNPP Lease Group PLC	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Lease Group SP ZOO	Poland	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Services	Poland	Full	100.0%	87.4%		Full	100.0%	87.4%	
	BNPP Leasing Solution AS	Norway	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions	Luxembourg	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions AB	Sweden	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions AS	Denmark	Full	100.0%	83.0%		Full	100.0%	83.0%	E1
	BNPP Leasing Solutions GmbH	Austria	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions IFN SA	Romania	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions NV	Netherlands	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions Suisse SA	Switzerland	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Rental Solutions Ltd	UK				S3	Full	100.0%	83.0%	
	BNPP Rental Solutions SPA	Italy	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Claas Financial Services	France	Full ⁽¹⁾	51.0%	42.3%		Full ⁽¹⁾	51.0%	42.3%	
	Claas Financial Services (Germany branch)	Germany	Full ⁽¹⁾	51.0%	42.3%		Full ⁽¹⁾	51.0%	42.3%	
	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%	
	CNH Industrial Capital Europe (Spain branch)	Spain	Full ⁽¹⁾	50.1%	41.6%		Full ⁽¹⁾	50.1%	41.6%	
	CNH Industrial Capital Europe BV	Netherlands	Full	100.0%	41.6%		Full	100.0%	41.6%	
	CNH Industrial Capital Europe GmbH	Austria	Full	100.0%	41.6%		Full	100.0%	41.6%	
	CNH Industrial Capital Europe Ltd	UK	Full	100.0%	41.6%		Full	100.0%	41.6%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	ES Finance	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	FL Zeebrugge ⁵	Belgium	Full	-	-		Full	-	-	
	Folea Grundstücksverwaltungs und Vermietungs GmbH & Co ⁵	Germany								S1
	Fortis Lease	France	Full ⁽¹⁾	100.0%	83.0%		Full ⁽¹⁾	100.0%	83.0%	
	Fortis Lease Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Lease Deutschland GmbH	Germany				S3	Full	100.0%	83.0%	
	Fortis Lease Iberia SA	Spain	Full	100.0%	86.6%		Full	100.0%	86.6%	
	Fortis Lease Portugal	Portugal	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Lease UK Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Vastgoedlease BV	Netherlands	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Heffiq Heftruck Verhuur BV	Netherlands	Full	50.1%	41.5%		Full	50.1%	41.5%	
	JCB Finance	France	Full ⁽¹⁾	100.0%	41.6%		Full ⁽¹⁾	100.0%	41.6%	
	JCB Finance (Germany branch)	Germany	Full ⁽¹⁾	100.0%	41.6%		Full ⁽¹⁾	100.0%	41.6%	
	JCB Finance (Italy branch)	Italy	Full ⁽¹⁾	100.0%	41.6%		Full ⁽¹⁾	100.0%	41.6%	
	JCB Finance Holdings Ltd	UK	Full	50.1%	41.6%		Full	50.1%	41.6%	
	Manitou Finance Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
	MGF	France	Full ⁽¹⁾	51.0%	42.3%		Full ⁽¹⁾	51.0%	42.3%	
	MGF (Germany branch)	Germany	Full ⁽¹⁾	51.0%	42.3%		Full ⁽¹⁾	51.0%	42.3%	
	MGF (Italy branch)	Italy	Full ⁽¹⁾	51.0%	42.3%		Full ⁽¹⁾	51.0%	42.3%	
	Natio Energie 2	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Natiocredibail	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	Pixel 2021 ¹	France	Full	-	-		Full	-	-	
	Same Deutz Fahr Finance	France	Full ⁽¹⁾	100.0%	83.0%		Full ⁽¹⁾	100.0%	83.0%	
	SNC Natiocredimurs	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
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%	E2
	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	100.0%	100.0%		Full	100.0%	100.0%	E3
	Lyf SA	France	Equity ⁽³⁾	43.8%	43.8%		Equity ⁽³⁾	43.8%	43.8%	
	Lyf SAS	France	Equity ⁽³⁾	49.9%	49.9%		Equity ⁽³⁾	49.9%	49.9%	V4
Personal Investors										
	Espresso Financial Services Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Geojit Technologies Private Ltd	India	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
	Human Value Developers Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sharekhan BNPP Financial Services Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sharekhan Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
INVESTMENT & PROTECTION SERVICES										
Insurance										
	AEW Immo-commercial ⁵	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%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	AM Select	Luxembourg	Full ⁽⁴⁾	-	-	E1				
	Astridplaza	Belgium	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	Batipart Participations SAS	Luxembourg	FV	29.7%	29.7%		FV	29.7%	29.7%	
	Becqueref ⁶	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Actions Croissance ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Actions Entrepreneurs ⁵	France								S3
	BNPP Actions Euro ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Actions Monde ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Actions PME ⁵	France								S3
	BNPP Actions PME ETI ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Aqua ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Best Selection Actions Euro ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Cardif	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Cardif BV	Netherlands	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Cardif Compania de Seguros y Reaseguros SA	Peru	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Emeklilik AS	Türkiye	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Cardif General Insurance Co Ltd	Rep. of Korea								S2
	BNPP Cardif Hayat Sigorta AS	Türkiye	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Livforsakring AB	Sweden	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Cardif Livforsakring AB (Denmark branch)	Denmark	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Cardif Livforsakring AB (Norway branch)	Norway	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Cardif Pojistovna AS	Czech Rep.	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Cardif Seguros de Vida SA	Chile	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Cardif Seguros Generales SA	Chile	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Cardif Services SRO	Czech Rep.	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Servicios y Asistencia Ltda	Chile	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif Sigorta AS	Türkiye	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	BNPP Cardif TCB Life Insurance Co Ltd	Taiwan	Equity	49.0%	49.0%		Equity	49.0%	49.0%	
	BNPP Cardif Vita Compagnia di Assicurazione E Riassicurazione SPA	Italy	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Convictions ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP CP Cardif Alternative ⁵	France								S3
	BNPP CP Cardif Private Debt ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP CP Infrastructure Investments Fund ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Deep Value ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Développement Humain ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Diversiflex ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	E1
	BNPP Diversipierre ⁵	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	BNPP France Crédit ⁵	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	BNPP Global Senior Corporate Loans ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Indice Amerique du Nord ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Moderate Focus Italia ⁵	France				S3	Full ⁽⁴⁾	-	-	
	BNPP Monétaire Assurance ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Multigestion ⁵	France								S3
	BNPP Multistratégies Protection 80 ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Next Tech ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Protection Monde ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Sélection Dynamique Monde ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Sélection Flexible ⁵	France								S3
	BNPP Smallcap Euroland ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Social Business France ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BOB Cardif Life Insurance Co Ltd	China	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	C Santé ⁵	France	FV	-	-		FV	-	-	D1
	Camgestion Obliflexible ⁵	France	FV	-	-		FV	-	-	D1
	Capital France Hotel	France	Full ⁽²⁾	98.5%	98.5%		Full ⁽²⁾	98.5%	98.5%	
	Cardif Alternatives Part I ⁵	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Cardif Assurance Vie	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Austria branch)	Austria	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Belgium branch)	Belgium	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Germany branch)	Germany	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Italy branch)	Italy	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Netherlands branch)	Netherlands	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Portugal branch)	Portugal	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Romania branch)	Romania	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Spain branch)	Spain	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Switzerland branch)	Switzerland	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurance Vie (Taiwan branch)	Taiwan	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Austria branch)	Austria	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Belgium branch)	Belgium	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Germany branch)	Germany	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Italy branch)	Italy	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Netherlands branch)	Netherlands	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Poland branch)	Poland	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Romania branch)	Romania	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Spain branch)	Spain	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Switzerland branch)	Switzerland	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Assurances Risques Divers (Taiwan branch)	Taiwan	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Biztosito Magyarorszag ZRT	Hungary	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif BNPP AM Emerging Bond ⁵	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Cardif BNPP AM Global Senior Corporate Loans ⁵	France				S3	Full ⁽⁴⁾	-	-	
	Cardif BNPP AM Sustainable Euro Equity (Ex- Natio Fonds Collines Investissement N 1) ⁵	France	FV	-	-		FV	-	-	D1
	Cardif BNPP AM Sustainable Europe Equity (Ex- Natio Fonds Athenes Investissement N 5) ⁵	France	FV	-	-		FV	-	-	D1
	Cardif BNPP IP Convertibles World ⁵	France								S3
	Cardif BNPP IP Signatures ⁵	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Cardif BNPP IP Smid Cap Euro ⁵	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Cardif BNPP IP Smid Cap Europe ⁶	France								S3
	Cardif Colombia Seguros Generales SA	Colombia	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif CPR Global Return ⁶	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Cardif do Brasil Seguros e Garantias SA	Brazil	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif do Brasil Vida e Previdencia SA	Brazil	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Edrim Signatures ⁶	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Cardif El Djazair	Algeria	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Forsakring AB	Sweden	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Forsakring AB (Denmark branch)	Denmark	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Forsakring AB (Norway branch)	Norway	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif IARD	France	Full ⁽²⁾	66.0%	66.0%		Full ⁽²⁾	66.0%	66.0%	
	Cardif Insurance Co LLC	Russia				S2	Full ⁽²⁾	100.0%	100.0%	
	Cardif Life Insurance Co Ltd	Rep. of Korea	Full ⁽²⁾	85.0%	85.0%		Full ⁽²⁾	85.0%	85.0%	
	Cardif Life Insurance Japan	Japan	Full ⁽²⁾	75.0%	75.0%		Full ⁽²⁾	75.0%	75.0%	
	Cardif Ltda	Brazil	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Lux Vie	Luxembourg	Full ⁽²⁾	100.0%	88.6%		Full ⁽²⁾	100.0%	88.6%	
	Cardif Mexico Seguros de Vida SA de CV	Mexico	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Mexico Seguros Generales SA de CV	Mexico	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Non Life Insurance Japan	Japan	Full ⁽²⁾	100.0%	75.0%		Full ⁽²⁾	100.0%	75.0%	
	Cardif Nordic AB	Sweden	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Pinnacle Insurance Holdings PLC	UK	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Pinnacle Insurance Management Services PLC	UK								S2
	Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA	Poland	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Retraite	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	E1
	Cardif Seguros SA	Argentina	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Services AEIE	Portugal	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cardif Servicios SAC	Peru	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Cardif Support Unipessoal Lda	Portugal	Full ⁽²⁾	100.0%	100.0%	E1				
	Cardif Vita Convex Fund Eur ⁶	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Cardimmo	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Carma Grand Horizon SARL	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cedrus Carbon Initiative Trends ⁶	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Centre Commercial Francilia	France	FV	21.7%	21.7%		FV	21.7%	21.7%	E3
	CFH Algonquin Management Partners France Italia	Italy	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	CFH Bercy	France	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	CFH Bercy Hotel	France	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	CFH Bercy Intermédiaire	France	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	CFH Berlin Holdco SARL	Luxembourg	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	CFH Boulogne	France	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	CFH Cap d'Ail	France	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	CFH Milan Holdco SRL	Italy	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	CFH Montmartre	France	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	CFH Montparnasse	France	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	Corosa	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Darnell DAC	Ireland	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Défense CB3 SAS	France	FV	25.0%	25.0%		FV	25.0%	25.0%	
	Diversipierre DVP 1	France	Full ⁽²⁾	100.0%	89.2%	V4	Full ⁽²⁾	100.0%	88.1%	V3
	Diversipierre Germany GmbH	Germany	Equity *	100.0%	89.2%	V4	Equity *	100.0%	88.1%	V3
	DVP European Channel	France	Equity *	100.0%	89.2%	V4	Equity *	100.0%	88.1%	V3
	DVP Green Clover	France	Equity *	100.0%	89.2%	V4	Equity *	100.0%	88.1%	V3
	DVP Haussmann	France	Equity *	100.0%	89.2%	V4	Equity *	100.0%	88.1%	V3
	DVP Heron	France	Equity *	100.0%	89.2%	V4	Equity *	100.0%	88.1%	V3
	Eclair ⁸	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	EP L ⁸	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	EP1 Grands Moulins ⁸	France	Equity *	-	-		Equity *	-	-	
	FDI Poncelet	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Fleur SAS	France	FV	33.3%	33.3%		FV	33.3%	33.3%	
	Foncière Partenaires ⁸	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 ⁸	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Fundamenta ⁸	Italy	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	G C Thematic Opportunities II ⁸	Ireland	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	GIE BNPP Cardif	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	V4
	GPinvest 10	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	Harewood Helena 2 Ltd	UK	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Harmony Prime ⁸	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	E1
	Hemisphere Holding	France	Equity	20.0%	20.0%		Equity	20.0%	20.0%	
	Hibernia France	France	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	98.5%	
	Horizon Development GmbH	Germany	FV	66.7%	62.9%		FV	66.7%	62.9%	
	Icare	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Icare Assurance	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	ID Cologne A1 GmbH	Germany	Equity *	79.2%	74.1%		Equity *	79.2%	74.1%	
	ID Cologne A2 GmbH	Germany	Equity *	79.2%	74.1%		Equity *	79.2%	74.1%	
	Karapass Courtage	France	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	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	Brazil	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	Natio Assurance	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Natio Fonds Ampère 1 ⁸	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	Natio Fonds Colline International ⁸	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Natio Fonds Collines Investissement N 3 ⁸	France	FV	-	-		FV	-	-	D1
	NCVP Participacoes Societarias SA	Brazil	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	New Alpha Cardif Incubator Fund ⁸	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	OC Health Real Estate GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Opéra Rendement ⁸	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Paris Management Consultant Co Ltd	Taiwan	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Permal Cardif Co Investment Fund ⁸	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Pinnacle Insurance PLC	UK								S2

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Pinnacle Pet Holding Ltd	UK	Equity	30.0%	30.0%		Equity	30.0%	30.0%	E3
	Poistovna Cardif Slovakia AS	Slovakia	Equity *	100.0%	100.0%		Equity *	100.0%	100.0%	
	Preim Healthcare SAS ^s	France	FV	-	-		FV	-	-	
	PWH	France	FV	47.5%	47.5%		FV	47.5%	47.5%	
	Reumal Investissements	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Rubin SARL	Luxembourg	FV	50.0%	50.0%		FV	50.0%	50.0%	
	Rueil Ariane	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SAS HVP	France	Full ⁽²⁾	100.0%	98.5%		Full ⁽²⁾	100.0%	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⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI BNPP Pierre II	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Bobigny Jean Rostand	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Bouleragny	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	SCI Cardif Logement	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Citylight Boulogne	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Clichy Nuovo	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	SCI Défense Etoile	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Défense Vendôme	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Etoile du Nord	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Fontenay Plaisance	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Imefa Velizy	France	FV	21.8%	21.8%		FV	21.8%	21.8%	
	SCI Le Mans Gare	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Nanterre Guillaeries	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Nantes Carnot	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Odysée	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Pantin Les Moulins	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Paris Batignolles	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Paris Cours de Vincennes	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Paris Grande Armée	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Paris Turenne	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Portes de Claye	France	Equity	45.0%	45.0%		Equity	45.0%	45.0%	
	SCI Rue Moussorgski	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Rueil Caudron	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Saint Denis Landy	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Saint Denis Mitterrand	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI Saint-Denis Jade	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	SCI SCOO	France	FV	46.4%	46.4%		FV	46.4%	46.4%	D1
	SCI Vendôme Athènes	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	SCI Villeurbanne Stalingrad	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Secar	France	FV	55.1%	55.1%		FV	55.1%	55.1%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Seniorenzentren Deutschland Holding SARL	Luxembourg	FV	20.0%	17.7%		FV	20.0%	17.7%	
	Seniorenzentren Reinbeck Oberursel München Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Butzbach Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Heilbronn Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Kassel Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Wolfratshausen Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Services Epargne Entreprise	France	Equity	35.6%	35.6%		Equity	35.6%	35.6%	
	SNC Batipart Mermoz	France	FV	25.0%	25.0%		FV	25.0%	25.0%	
	SNC Batipart Poncelet	France	FV	25.0%	25.0%		FV	25.0%	25.0%	
	Société Française d'Assurances sur la Vie	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	Société Immobilière du Royal Building SA	Luxembourg	Full ⁽²⁾	100.0%	88.6%		Full ⁽²⁾	100.0%	88.6%	
	Theam Quant Europe Climate Carbon Offset Plan ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	E1
	Tikehau Cardif Loan Europe ⁵	France	Full ⁽²⁾	-	-		Full ⁽²⁾	-	-	
	Valeur Pierre Epargne	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Valtires FCP ⁵	France	FV	-	-		FV	-	-	D1
	Velizy Holding	France	FV	33.3%	33.3%		FV	33.3%	33.3%	
Wealth Management										
	BNPP Wealth Management DIFC Ltd	United Arab Emirates								S3
	BNPP Wealth Management Monaco	Monaco	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
Asset Management										
	Alfred Berg Kapitalforvaltning AS	Norway	Full	100.0%	73.7%	V2	Full	100.0%	98.2%	
	Alfred Berg Kapitalforvaltning AS (Sweden branch)	Sweden	Full	100.0%	73.7%	V3	Full	100.0%	98.2%	
	Bancoestado Administradora General de Fondos SA	Chile	Equity	50.0%	49.1%		Equity	50.0%	49.1%	
	Baroda BNPP AMC Private Ltd	India	Equity ⁽³⁾	49.9%	49.0%		Equity ⁽³⁾	49.9%	49.0%	V3/D6
	BNPP Agility Capital	France	Full	100.0%	98.2%	V3	Full	100.0%	100.0%	
	BNPP Agility Fund Equity SLP ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Agility Fund Private Debt SLP ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP AM International Hedged Strategies ⁵	France	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Asset Management Asia Ltd	Hong Kong	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Be Holding	Belgium	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Belgium	Belgium								S4
	BNPP Asset Management Brasil Ltda	Brazil	Full	100.0%	99.5%		Full	100.0%	99.5%	
	BNPP Asset Management France	France	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management France (Austria branch)	Austria	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management France (Belgium branch)	Belgium	Full	100.0%	98.2%		Full	100.0%	98.2%	E2
	BNPP Asset Management France (Germany branch)	Germany	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management France (Italy branch)	Italy	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management France (Netherlands branch)	Netherlands	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Holding	France	Full	99.9%	98.2%		Full	99.9%	98.2%	
	BNPP Asset Management Japan Ltd	Japan	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Luxembourg	Luxembourg	Full	99.7%	97.9%		Full	99.7%	97.9%	
	BNPP Asset Management NL Holding NV	Netherlands	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management PT	Indonesia	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management Services Grouping	France				S1	Full	100.0%	98.2%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Asset Management Taiwan Co Ltd	Taiwan	Full	100.0%	98.2%	E1				
	BNPP Asset Management UK Ltd	UK	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Asset Management USA Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Asset Management USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP B Institutional II ⁵	Belgium	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Dealing Services	France	Full	100.0%	98.2%		Full	100.0%	98.2%	
	BNPP Easy ⁶	Luxembourg	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	E1
	BNPP European SME Debt Fund 2 SCSp RALF ⁵	Luxembourg								S2
	BNPP Flexi I ⁵	Luxembourg	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	BNPP Funds ⁵	Luxembourg	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
	Drypnir AS	Norway	Full	100.0%	0.0%		Full	100.0%	0.0%	
	Dynamic Credit Group BV	Netherlands	Full	50.0%	49.1%	E3				
	EAB Group PLC	Finland								S2
	Fundquest Advisor	France								S4
	Fundquest Advisor (United Kingdom branch)	UK								S1
	Gambit Financial Solutions	Belgium	Full	100.0%	98.2%		Full	100.0%	98.2%	
	Haitong Fortis Private Equity Fund Management Co Ltd	China	Equity	33.0%	32.4%		Equity	33.0%	32.4%	
	Harewood Helena 1 Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	HFT Investment Management Co Ltd	China	Equity	49.0%	48.1%		Equity	49.0%	48.1%	
	Impax Asset Management Group PLC	UK	Equity	13.8%	13.5%		Equity	13.8%	13.5%	
	SME Alternative Financing DAC ⁵	Ireland	Full	-	-		Full	-	-	
	Theam Quant ⁶	Luxembourg	Full ⁽⁴⁾	-	-		Full ⁽⁴⁾	-	-	
Real Estate										
	Auguste Thouard Expertise	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Immobilier Promotion Immobilier d'Entreprise	France								S4
	BNPP Immobilier Résidences Services	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Immobilier Résidentiel	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Immobilier Résidentiel Service Clients	France								S4
	BNPP Real Estate	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate (United Arab Emirates branch)	United Arab Emirates	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Advisory & Property Management Luxembourg SA	Luxembourg	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Advisory & Property Management UK Ltd	UK	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Advisory and Property Management Ireland Ltd	Ireland	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Advisory Italy SPA	Italy	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Advisory Netherlands BV	Netherlands	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Conseil Habitation & Hospitality	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Consult France	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Consult GmbH	Germany	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Facilities Management Ltd	UK	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Financial Partner	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate GmbH	Germany	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Holding Benelux SA	Belgium	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Holding GmbH	Germany	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Investment Management Belgium	Belgium	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Real Estate Investment Management France	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Germany GmbH	Germany	Full	94.9%	94.9%		Full	94.9%	94.9%	
	BNPP Real Estate Investment Management Germany GmbH (Italy branch)	Italy	Full	94.9%	94.9%		Full	94.9%	94.9%	
	BNPP Real Estate Investment Management Germany GmbH (Spain branch)	Spain	Full	94.9%	94.9%		Full	94.9%	94.9%	
	BNPP Real Estate Investment Management Germany GmbH Lisbon Representative Office	Portugal	Full	94.9%	94.9%		Full	94.9%	94.9%	E1
	BNPP Real Estate Investment Management Italy SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Ltd	UK	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Investment Management Luxembourg SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Real Estate Investment Management Spain SA	Spain	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Investment Management UK Ltd	UK	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Italy SRL	Italy								S4
	BNPP Real Estate Poland SP ZOO	Poland	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Portugal Unipersonal LDA	Portugal	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Property Development & Services GmbH	Germany	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Property Development UK Ltd	UK	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Property Development Italy SPA	Italy								S4
	BNPP Real Estate Property Management France SAS	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Property Management GmbH	Germany	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Property Management Italy SRL	Italy	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Singapore Pte Ltd	Singapore	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Spain SA	Spain	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	BNPP Real Estate Transaction France	France	Full ⁽²⁾	97.3%	97.3%	V4	Full ⁽²⁾	96.8%	96.8%	V1
	BNPP Real Estate Valuation France	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Cariboo Development SL	Spain	Equity	65.0%	65.0%		Equity	65.0%	65.0%	
	Construction-Sale Companies (c)	France	Full / Equity ⁽²⁾	-	-		Full / Equity ⁽²⁾	-	-	
	Exeo Aura & Echo Offices Lda	Portugal	Equity	31.9%	31.9%	V4	Equity	31.0%	31.0%	E2
	GIE BNPP Real Estate	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Horti Milano SRL	Italy	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Nanterre Arboretum	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Parker Tower Ltd	UK	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Partner's & Services	France	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	REPD Parker Ltd	UK	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Sviluppo Residenziale Italia SRL	Italy	Full ⁽²⁾	100.0%	100.0%		Full ⁽²⁾	100.0%	100.0%	
	Wapiti Development SL	Spain	Equity	65.0%	65.0%		Equity	65.0%	65.0%	
OTHER BUSINESS UNITS										
Property Companies (Property Used In Operations) and Others										
	Antin Participation 5	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Home Loan SFH	France	Full ⁽¹⁾	100.0%	100.0%		Full ⁽¹⁾	100.0%	100.0%	
	BNPP Partners for Innovation	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Partners for Innovation Belgium	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Partners for Innovation Italia SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Procurement Tech	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Public Sector SA	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Euro Secured Notes Issuer ^s	France								S3

Business	Name	Country	30 June 2023				31 December 2022 <i>restated according to IFRS 17 and 9</i>			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	FCT Lafayette 2021 ¹	France	Full	-	-		Full	-	-	
	FCT Laffitte 2021 ¹	France	Full	-	-		Full	-	-	
	FCT Opéra 2014 ⁴	France				S1	Full	-	-	
	FCT Opera 2023 ³	France	Full	-	-	E2				
	FCT Pyramides 2022 ¹	France	Full	-	-		Full	-	-	E2
	GIE Groupement Auxiliaire de Moyens	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	GIE Groupement d'Etudes et de Prestations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Transvalor	France				S2	Equity	20.2%	20.2%	

(a) At 30 June 2023, 14 Private Equity investment entities versus 14 Private Equity investment entities at 31 December 2022

(b) At 30 June 2023, the securitisation funds UCI and RMBS Prado include 15 funds (FCC UCI 11, 12, 14 to 17, RMBS Prado V to XI, Green Belem I and RMBS Belem No 2) versus 14 funds (FCC UCI 11, 12, 14 à 17, RMBS Prado V à X, Green Belem I et RMBS Belem No 2) at 31 December 2022

(c) At 30 June 2023, 112 Construction-sale companies (78 Full and 34 Equity) versus 125 Construction-sale companies (91 Full and 34 Equity) at 31 December 2021

(d) At 30 June 2023, the securitisation funds Genius include 10 funds (Generation 2021-2 à 4 Retail Auto Mortgage Loan Securitisation, Generation 2022-1 à 5 Retail Auto Mortgage Loan Securitisation, Generation 2023-1 à 2 Retail Auto Mortgage Loan Securitisation)

(e) At 30 June 2023, the securitisation funds Wisdom include 9 funds (Wisdom Puhua Leasing 2021-1 Asset-Backed Notes, Wisdom Puhua Leasing 2022-1 Asset-Backed Notes, Wisdom Puhua Leasing 2021-1 à 3 Asset-Backed Securities, Wisdom Puhua Leasing 2022-1 à 3 Asset-Backed Securities, Wisdom Puhua Leasing 2023-1 Asset-Backed Notes)

Changes in the scope of consolidation

New entries (E) in the scope of consolidation

		D4	Following the partial disposal by the Group in 2022, Worldline Merchant Services Italia SPA was consolidated under the equity method
E1	Passing qualifying thresholds	D5	Following the additional purchase of interest by BNP Paribas Group in 2022, bpost bank was fully consolidated.
E2	Incorporation	D6	Following the partial disposal by the Group in 2022, Baroda BNPP AMC Private Ltd was consolidated under equity method
E3	Purchase, gain of control or significant influence	D7	Arval Relsa was consolidated under equity method in BNP Paribas Group until 31 December 2022. Following the additional purchase of interest by the Group, the whole entities Arval Relsa are fully consolidated.

Removals (S) from the scope of consolidation

S1	Cessation of activity (dissolution, liquidation, etc.)	Equity *	Controlled but non material entities consolidated under the equity method as associates
S2	Disposal, loss of control or loss of significant influence		
S3	Passing qualifying thresholds	FV	Joint control or investment in associates measured at fair value through profit or loss
S4	Merger, Universal transfer of assets and liabilities		
		s	Structured entities
		t	Securitisation funds

Variance (V) in voting or ownership interest

V1	Additional purchase
V2	Partial disposal
V3	Dilution
V4	Increase in %

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.
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.

3. RISK FACTORS

Unless otherwise indicated, the information and financial elements contained in these risk factors specifically include the activity of BancWest until 31 December 2022 to reflect a prudential vision. They reflect the agreement reached on December 18, 2021 by the Group and BMO Financial Group for the sale of 100% of its U.S. commercial banking activities in the United States operated fully by the BancWest group. The terms of this transaction fall within the scope of application of IFRS 5 on groups of assets and liabilities held for sale. The sale of BancWest to BMO Financial Group was completed on February 1, 2023. Unless otherwise indicated, financial items and information are therefore presented excluding the effect of the application of IFRS 5 on groups of assets and liabilities held for sale.

The main categories of risk inherent in the BNP Paribas Group's business are presented below. They may be measured through risk-weighted assets or other quantitative or qualitative indicators, to the extent risk-weighted assets are not relevant (for example, for liquidity and funding risk).

<i>In billions of euros</i>	RWA		
	30 June 2023 ¹	31 December 2022	31 December 2021
Credit risk	533	580	554
Counterparty credit risk	45	42	40
Securitisation risk in the banking book	15	16	14
Operational risk	58	62	63
Market risk	28	26	25
Amounts below the thresholds for deduction (subject to 250% risk weight)	18	20	18
TOTAL	698	745	714

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 7 main categories, in accordance with article 16 of Regulation (EU) No. 2017/1129, known as "Prospectus 3" of 14 June 2017, the provisions of which relating to risk factors came into force on 21 July 2019: 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 Excluding BancWest activity

1. CREDIT RISK, COUNTERPARTY RISK AND SECURITISATION RISK IN THE BANKING BOOK

BNP Paribas Group's credit risk is defined as the probability of a borrower or counterparty defaulting on its obligations to the BNP Paribas Group. Probability of default along with the recovery rate of the loan or debt in the event of default are essential elements in assessing credit quality. In accordance with the European Banking Authority recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities. At 31 December 2022, the BNP Paribas Group's credit risk exposure broke down as follows: corporates (42%), central governments and central banks (26%), retail customers (25%), credit institutions (4%), other items (2%) and equities (1%). At 31 December 2022, 33% of the BNP Paribas Group's credit exposure was comprised of exposures in France, 15% in Belgium and Luxembourg, 9% in Italy, 19% in other European countries, 13% 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 580 billion at 31 December 2022, or 78% of the total risk-weighted assets of the BNP Paribas Group, compared to EUR 554 billion representing 78% of the total risk-weighted assets at 31 December 2021 and at EUR 533 billion at 30 June 2023, or 76% of the total risk-weighted assets of the BNP Paribas Group.

BNP Paribas Group's counterparty risk arises from its credit risk in the specific context of market transactions, investments, and/or settlements. BNP Paribas Group's exposure to counterparty risk, excluding CVA (Credit Valuation Adjustment) risk at 31 December 2022, is comprised of: 42% to the corporate sector, 12% to governments and central banks, 13% to credit institutions and investment firms, and 33% to clearing houses. By product, BNP Paribas Group's exposure, excluding CVA ("Credit Valuation Adjustment") risk, at 31 December 2022 is comprised of: 47% in OTC derivatives, 29% in repurchase transactions and securities lending/borrowing, 17% in listed derivatives and 7% in contributions to the clearing houses' default funds. The amount of this risk varies over time, depending on fluctuations in market parameters affecting the potential future value of the covered transactions. In addition, CVA ("Credit Valuation Adjustment") 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 42 billion at 31 December 2022, or 6% of the total risk-weighted assets of the BNP Paribas Group, compared to EUR 40 billion representing 6% of the total risk-weighted assets at 31 December 2021 and at EUR 45 billion at 30 June 2023, or 6% of the total risk-weighted assets of the BNP Paribas Group.

Securitisation risk in the banking book: securitisation is a transaction or arrangement by which the credit risk associated with a liability or set of liabilities is subdivided into tranches. Any commitment made by the BNP Paribas Group under a securitisation structure (including derivatives and liquidity lines) is considered to be a securitisation. The bulk of the BNP Paribas Group's commitments are in the prudential banking portfolio. Securitised exposures are essentially those generated by the BNP Paribas Group. The securitisation positions held or acquired by the BNP Paribas Group may also be categorised by its role: of the positions as at 31 December 2022, BNP Paribas was originator of 43%, was sponsor of 34% and was investor of 23%. The risk-weighted assets subject to this type of risk amounted to EUR 16 billion at 31 December 2022, or 2% of the total risk-weighted assets of the BNP Paribas Group, compared to EUR 14 billion representing 2% of the total risk-weighted assets at 31 December 2021 and at EUR 15 billion at 30 June 2023, or 2% of the total risk-weighted assets of 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 of performing loans (Stages 1 and 2), in response to a deterioration in economic conditions or other factors, which may affect its profitability.

As a result, in connection with its lending activities, the BNP Paribas Group regularly establishes provisions, which are recorded on its income statement in the line item Cost of Risk. In 2022, these provisions amounted to EUR 2.965 billion compared to EUR 2.925 billion in 2021. This amount was due in particular to the exceptional impact of the “borrower assistance law” in Poland (see section 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*), which led to the recording of an exceptional negative impact in the third quarter of EUR 204 million. Provisions recorded on performing loans (Stages 1 and 2) amounted to 463 million euro in the year ended 31 December 2022 and related in particular to the indirect effects of the invasion of Ukraine and the rise in inflation and interest rates, partially offset by write-backs related to the health crisis and the effects of changes in methods to align with European standards for EUR 251 million in the fourth quarter of 2022.

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 increase their provisions for loan losses or sound receivables substantially 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 2022, 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 72.5%, against 2.0% and 73.6%, respectively, as at 31 December 2021.

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 28 billion at 31 December 2022, or 13% of the BNP Paribas Group's total counterparty risk exposure, and counterparty risk exposure related to clearing houses was EUR 73 billion, or 33% of the BNP Paribas Group's total counterparty risk exposure.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including 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 8.c *Legal proceedings and arbitration* to its consolidated financial statements for the year ended 30 June 2023.

Losses resulting from the risks summarised above could materially and adversely affect the BNP Paribas Group's results of operations.

2. OPERATIONAL RISK

BNP Paribas Group's operational risk is the risk of loss resulting from failed or inadequate internal processes (particularly those involving personnel and information systems) or external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks, etc.). BNP Paribas Group's operational risks cover fraud, human resources risks, legal and reputational risks, non-compliance risks, tax risks, information systems risks, risk of providing inadequate financial services (conduct risk), risk of failure of operational processes including credit processes, or from the use of a model (model risk), as well as potential financial consequences related to reputation risk management. From 2014 to 2022, BNP Paribas Group's main type of incidents involving operational risk were in "Clients, products and business practices", which represents more than half of the total financial impact, largely as a result of the BNP Paribas Group's agreement with US authorities regarding its review of certain dollar transactions concluded in June 2014. Process failures, including errors in execution or processing of transactions and external fraud are respectively the second and third types of incidents with the highest financial impact. Between 2014 and 2022, other types of risk in operational risk consisted of external fraud (14%), business disruption and systems failure (3%), employment practices and workplace safety (2%), internal fraud (1%) and damage to physical assets (1%).

The risk-weighted assets subject to this type of risk amounted to EUR 62 billion at 31 December 2022, representing 8% of the BNP Paribas Group's total risk-weighted assets, compared to EUR 63 billion representing 9% of total risk-weighted assets at 31 December 2021 and EUR 58 billion at 30 June 2023, or 8% of the total risk-weighted assets of the BNP Paribas Group.

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 or 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 data from customers 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. These operational malfunctions or interruptions accounted for an average of 3% of operational risk losses over the 2014-2022 period.

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

The BNP Paribas Group’s market risk is the risk of loss of value caused by an unfavourable trend in prices or market parameters. The parameters affecting the BNP Paribas Group’s market risk include, but are not limited to, exchange rates, prices of securities and commodities (whether the price is directly quoted or obtained by reference to a comparable asset), the price of derivatives on an established market and all benchmarks that can be derived from market quotations such as interest rates, credit spreads, volatility or implicit correlations or other similar parameters.

BNP Paribas Group is exposed to market risk mainly through trading activities carried out by the business lines of its Corporate & Institutional Banking (CIB) operating division, primarily in Global Markets, which represented 17% of the BNP Paribas Group’s revenue in 2022. 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 other than the functional currency. In measuring interest rate risk, the BNP Paribas Group defines the concepts of standard rate risk and structural rate risk as the following: the standard rate risk corresponds to the general case, namely when it is possible to define the most appropriate hedging strategy for a given transaction, and the structural rate risk is the interest rate risk for equity and non-interest-bearing current accounts. 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 26 billion at 31 December 2022, representing 3% of the BNP Paribas Group’s total risk-weighted assets, compared to EUR 25 billion representing 3% of the total risk-weighted assets at 31 December 2021 and EUR 28 billion at 30 June 2023, or 4% 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*). 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. For reference, the revenues of Global Markets accounted for 17% of the BNP Paribas Group's revenues in 2022. Severe market disruptions and extreme market volatility have occurred often in recent years (including in 2022) 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, 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 represented 21% of the BNP Paribas Group's total revenues in 2022. 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 revenues 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 2022, applying IFRS 5, 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 685 billion, EUR 25 billion and EUR 38 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 704 billion and EUR 40 billion, respectively, at 31 December 2022. 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

Liquidity risk is the risk that the BNP Paribas Group will not be able to meet its commitments or unwind or offset a position due to market or financial conditions or factors specific to it, within a given timeframe and at a reasonable cost. It reflects the risk of not being able to meet net cash outflows, including those related to collateral requirements, over all time horizons from short to long term. The Group's specific risk 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 129% at the end of 2022. The liquidity reserve was EUR 461 billion at the end of 2022.

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 adversely affected the availability and cost of funding for European banks around ten years ago. 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 recent health crisis or the invasion of Ukraine and its impact on the world economy) 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 2022) 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*).

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. 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 5 July 2022, 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 economic and financial conditions have in the past had and may in the future have an impact on the BNP Paribas Group and the markets in which it operates.

The BNP Paribas Group’s business is sensitive to changes in the financial markets and more generally to economic conditions in France (30% of the Group’s revenues at 31 December 2022), other countries in Europe (47% of the Group’s revenues at 31 December 2022) and the rest of the world (23% of the Group’s revenues at 31 December 2022, including 6% related to activities of Bank of the West in the United States, the sale of which was completed on 1 February 2023). A deterioration in economic conditions in the markets in the countries where the BNP Paribas Group operates and in the economic environment could in the future have some or all of the following impacts:

- 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 receivables, in part as a result of the deterioration of the financial capacity of companies and households;
- 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;

- macroeconomic policies adopted in response to actual or anticipated economic conditions having unintended effects, and are likely to impact 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;
- perceived favourable economic conditions generally or in specific business sectors resulting in asset price bubbles, and the corrections when conditions become less favourable;
- a significant economic disruption (such as the global financial crisis of 2008, the European sovereign debt crisis of 2011, 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) having a substantial impact on all of the BNP Paribas Group's activities, which would be exacerbated if the disruption is characterised by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all. These disruptions could also lead to, in particular, a decline in transaction commissions and consumer loans; and
- various adverse political and geopolitical events such as natural disasters, geopolitical tensions, health risks such as the Covid-19 pandemic and its aftermath, the fear or recurrence of new epidemics or pandemics, acts of terrorism, societal unrest, cyber-attacks, military conflicts or threats thereof and related risks (such as, the invasion of Ukraine, related economic sanctions and the consequential impact on energy markets affecting Europe in particular), may affect the operating environment for the BNP Paribas Group episodically or for extended periods.

A number of risk factors could particularly affect the economy and the financial markets in 2023. They are the continuation of events that occurred or trends that began in 2022. Firstly, high inflation due to a number of factors, including bottlenecks in various supply chains coming out of the Covid-19 pandemic, abundant liquidity resulting from monetary policy and public aid during the pandemic, and the consequences of the invasion of Ukraine, particularly on the energy market. Inflation has had, and may continue to have, the effect of increasing costs (raw materials and wages) for companies (the Group's clients and the Group itself) and the cost of living for individuals, and the risk of a decline in corporate margins and the quality of corporate and consumer credit. Secondly, a significant and rapid monetary tightening affecting the financial markets as well as the banking industry and the economy more generally and increasing the cost of financing for companies and individuals, potentially leading to a sharp decline in growth or even a global or regional recession. Indeed, the International Monetary Fund ("IMF") stated in April 2023 that it expected the world and Eurozone's growth to be 3.4% and 3.5% in 2022 and 2.8% and 0.8% in 2023, respectively. The IMF also stated that it expected global inflation to be 8.7% in 2022, 7.0% in 2023 and 4.9% in 2024.

Among the factors that could strongly influence the macroeconomic trajectory, including the existence, severity and duration of a recession, in 2023 are the course of the geopolitical tensions in Ukraine and of the Covid-19 pandemic. The invasion of Ukraine and the reaction of the international community (particularly the imposition of economic sanctions but also the evolution of inflation and the impact of monetary policies) have been and may continue to be a source of instability in global markets, impacting stock market indices, increasing the price of raw materials (such as electricity, oil, gas and agricultural commodities) or causing fears of shortages, thereby aggravating the disruption of supply chains and increasing production and transportation costs, as well as inflation more generally. The impact on the global energy market, particularly in Europe, is expected to continue to be felt in 2023 (and possibly beyond) with risks of further crises (shortages, price increases, cascading effects in the economy, including liquidity and margin pressures for companies, even leading to production stoppages). After having caused a global recession in 2020 and a major disruption to the global economy in 2021, the Covid-19 pandemic had less of a macro-economic effect in 2022; its impact in 2023 will depend on a number of factors, including the potential resurgence of regional outbreaks, the possible emergence of new strains, and above all, public policy reactions. Finally, the risk of various types of crises exists, including that of sovereign debt (high level of post-pandemic public indebtedness, rapid increase in (re)financing costs, exchange rate effects particularly for borrowers exposed to the US dollar, and political risks – for example, of gridlock in the US congress); the bursting of various financial bubbles fostered by the previous environment of abundant liquidity and very low interest rates followed by a rise in inflation and a change in monetary policy, including a very significant rise in interest rates (for example, the U.S. Federal Reserve raised its key rate by 4.25% in 2022 and by 0.25% in each of January 2023, March 2023 and May 2023, and the ECB raised its key rate by 2.5% in 2022, by 0.5% in January 2023 and March 2023, and by 0.25% in each of May 2023 and June 2023; and geopolitical events of various types and from various sources, in a context of increased political and societal tensions in various parts of the world.

It is difficult to predict economic or market declines or other market disruptions, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or Global Markets more generally, continue to deteriorate or become increasingly volatile, the BNP Paribas Group's operations

could be disrupted, and its business, results of operations and financial condition could be materially and adversely affected.

5.2 Significant interest rate changes, and in particular the recent rapid rise in interest rates following a prolonged period of low interest rates, could adversely affect the BNP Paribas Group's results of operations and financial condition.

Since the beginning of 2022, interest rates have been rising after 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 can create an imbalance and a reduction in net interest margin as a result of the 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 has been modifying in recent months its instruments used in recent years 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 3)); 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 could have an adverse impact on the results of the BNP Paribas Group.

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 ending of accommodative monetary policies, in particular by the US Federal Reserve and the ECB, may lead to severe 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 a prolonged low interest rates and a high liquidity environment and adversely impact the market participants. Such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility. The BNP Paribas Group's operations could as a result be significantly disrupted, and, consequently, its business, results of operations and financial condition could experience a material adverse effect.

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 is subject to country risk, meaning the risk that economic, financial, political, regulatory or social conditions in a given foreign country in which it operates could adversely affect the BNP Paribas Group's operations, or its results, or its financial condition, or its business. 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 2022, the BNP Paribas Group's loan portfolio consisted of receivables from borrowers located in France (33%), Belgium and Luxembourg (15%), Italy (9%), other European countries (19%), North America, including Bank of the West, (13%), 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 their 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 in the third quarter of 2022 of EUR 204 million. In addition, 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, a country invaded in February 2022, through its subsidiary UkrSibbank in which it holds a 60% stake alongside the European Bank for Reconstruction and Development (40%). At 31 December 2021, BNP Paribas Group's total gross on- and off-balance sheet exposures to Ukraine (which are concentrated on UkrSibbank) represented less than 0.09% of the Group's gross exposures. In the context of the conflict in Ukraine, the Group reassessed the nature of the control exercised over its subsidiary UkrSibbank and concluded that it would lose exclusive control and retain significant influence over the entity. This situation led the Group to consolidate it using the equity method as from 1 March 2022. The loss of control resulted in the recognition of a capital loss of -EUR 159 million and the reclassification to profit or loss of the cumulative changes in assets and liabilities related to exchange rates of -EUR 274 million, recorded in "Net gain on non-current assets" as described in note 7.c to the financial statements for the year ended 31 December 2022.

With regard to Russia, which is subject to severe economic sanctions imposed notably by the European Union, USA and UK, gross on- and off- balance sheet exposures represented less than 0.04% of the BNP Paribas Group's gross exposures at 31 December 2022. The amount of net residual exposures, both in Russia and Ukraine, is more limited given the way in which the Bank operates in these two markets and how it secures its activities, with guarantees and collateral. In addition, various customers or counterparties of the BNP Paribas Group, in particular financial institutions and corporates, conduct business in these countries or have exposure to borrowers in these countries or have significant suppliers in those countries and could see their financial position weakened by the conflict and its consequences, particularly due to the cessation of their business in Ukraine and/or Russia or the reduction or termination (voluntarily or involuntarily) of their supplies from these countries. 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 have been enacted in the past few years, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the measures has changed substantially the environment in which the BNP Paribas Group and other financial institutions operate.

The measures that have been adopted include:

- strengthening the powers of supervisory bodies, such as the French Prudential Supervision and Resolution Authority (the "ACPR") and the creation of new authorities, including the adoption of the Single Resolution Mechanism (the SRM) in October 2013, pursuant to which the BNP Paribas Group is under the direct supervision of the ECB;
- more stringent capital and liquidity requirements (particularly for global systemically important banks such as the BNP Paribas Group), as well as changes to the risk-weighting methodologies and the methods of using internal models that have led, could have led, or could lead to increased capital requirements;
- restrictions on certain types of activities considered as speculative undertaken by commercial banks that are prohibited or need to be ring-fenced in subsidiaries (particularly proprietary trading) and are subject to prudential requirements and autonomous funding;
- prohibitions or restrictions on fees for certain types of financial products or activities;
- enhanced recovery and resolution regimes, in particular the Bank Recovery and Resolution Directive of 15 May 2014 (the "BRRD"), as amended from time to time, which strengthens powers to prevent and resolve banking crises in order to ensure that losses are borne largely by the creditors and shareholders of the banks and in order to keep the costs incurred by taxpayers to a minimum;
- the establishment of the national resolution funds by the BRRD and the creation of the Single Resolution Board (the SRB) by the European Parliament and Council of the European Union in a resolution dated 15 July 2014 (the SRM Regulation), as amended from time to time, which can initiate resolution proceedings for banking institutions such as the BNP Paribas Group, and the Single Resolution Fund (the SRF), the financing of which by the BNP Paribas Group (up to its annual contribution) can be significant;

- the establishment of national deposit guarantee schemes and a proposed European deposit guarantee scheme or deposit insurance which will gradually cover all or part of the guarantee schemes of participating countries;
- increased internal control and reporting requirements with respect to certain activities;
- the implementation of regulatory stress tests (including in relation to climate change risk) which could lead to additional regulatory capital requirements (see *Market Risk Stress Testing Framework* in section 5.7 *Market risk*);
- greater powers granted to the relevant authorities to combat money laundering and terrorism financing, in particular through the creation of a new European anti-money laundering authority which should be established in 2023 and commence its activities between 2024 and 2026;
- more stringent governance and conduct of business rules and restrictions and increased taxes on employee compensation over specified levels;
- measures to improve the transparency, efficiency and integrity of financial markets and in particular the regulation of high frequency trading, more extensive market abuse regulations, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives);
- the taxation of financial transactions;
- enhanced protection of personal data and cybersecurity requirements;
- enhanced disclosure requirements, including through the introduction of new disclosure requirements on (i) how banking groups providing asset management services such as 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, and (ii) how and to what extent banking groups themselves finance or develop economic activities that can be considered environmentally sustainable as defined in the European Taxonomy; and
- 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.

These measures may have a significant adverse financial impact. For example, the introduction of a required contribution to the Single Resolution Fund resulted in a substantial additional expense for the BNP Paribas Group since its inception (the Group made a EUR 1,256 million contribution to the Single Resolution Fund in 2022).

Measures relating to the banking sector could be further amended, expanded or strengthened. Moreover, additional measures could be adopted in other areas. It is impossible to predict what additional measures will be adopted or what their exact content will be, and, given the complexity of the issues and the uncertainty surrounding them, to determine their impact on the BNP Paribas Group. The effect of these measures, whether already adopted or that may be adopted in the future, has been and could continue to be a decrease in the BNP Paribas Group's ability to allocate its capital and capital resources to financing, limit its ability to diversify risks, reduce the availability of certain financing and liquidity resources, increase the cost of financing, increase the cost of compliance, increase the cost or reduce the demand for the products and services offered by the BNP Paribas Group, require the BNP Paribas Group to proceed with internal reorganisations, structural changes or reallocations, affect the ability of the BNP Paribas Group to carry on certain activities or to attract and/or retain talent and, more generally, affect its competitiveness and profitability, which could have an impact on its activities, financial condition and operating results. As a recent example on 27 October 2021, the European Commission presented 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) on 7 December 2017. On 8 November 2022, the Council adopted its position on the Commission's proposals. In the impact assessment accompanying the 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 8% in its risk-weighted assets at the date of the first application announced for 1 January 2025, which implies a potential 8% 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 March 2023, the Council commenced negotiations with the European Parliament to agree on final versions of the texts. On June 27, 2023, negotiations reached a provisional agreement which still needs to be confirmed by the Council and the European Parliament before it can be formally adopted.

The BNP Paribas Group is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates. The BNP Paribas Group faces the risk of changes in legislation or regulation in all of the countries in which it operates, including, but not limited to, the following: monetary, liquidity, interest rate and other policies of central banks and regulatory authorities; changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the BNP Paribas Group operates; changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks; changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations; changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds; changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems; changes in the regulation of payment services, crowdfunding and fintech; changes in the regulation of protection of personal data and cybersecurity; changes in tax legislation or the application thereof; changes in accounting norms; changes in rules and procedures relating to internal controls, risk management and compliance; and expropriation, nationalisation, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the BNP Paribas Group and have an adverse effect on its business, financial condition and results of operations. Certain reforms not directed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect the BNP Paribas Group's business model, competitiveness and profitability, which could in turn affect its 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 exposed to regulatory compliance risk, *i.e.* the failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. 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, and 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 4.p to the consolidated financial statements for the year ending 31 December 2022 ("*Provisions for contingencies and charges*").

In this respect, on 30 June 2014 the BNP Paribas Group entered into a series of agreements with, and was the subject of several orders issued by, US federal and New York state government agencies and regulatory authorities in settlement of investigations into violations of US laws and regulations regarding economic sanctions. The fines and penalties imposed on the BNP Paribas Group as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to USD 8.97 billion (EUR 6.6 billion) and guilty pleas by BNP Paribas SA, the parent company of the BNP Paribas Group, to charges of having violated US federal criminal law and New York State criminal law. Following this settlement, the BNP Paribas Group remains subject to increased scrutiny by regulatory authorities (including *via* the presence

of an independent consultant within the BNP Paribas Group) who are monitoring its compliance with a remediation plan agreed with them.

The BNP Paribas Group is currently involved in various litigations and investigations as summarised in note 8.c *Legal proceedings and arbitration* to the financial statements for the year ended 30 June 2023. It may become involved in further such matters at any point. 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, SRM Regulation, the Ordinance of 20 August 2015 and the Ordinance of 21 December 2020, 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 are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as Tier 1 and Tier 2 (such as subordinated bonds), then by the holders of non-preferred senior debt and finally by the holders of senior preferred debt, all in accordance with the order of their claims in normal insolvency proceedings. For reference, the BNP Paribas Group's medium- to long-term wholesale financing at 31 December 2022 consisted of the following: EUR 12.5 billion in hybrid Tier 1 debt, EUR 22.4 billion in Tier 2 subordinated debt, EUR 72.2 billion in senior unsecured non-preferred debt, EUR 60.7 billion in senior unsecured preferred debt and EUR 12.7 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 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. When it published its results for the year ended 31 December 2022, the Group raised its objectives for 2025. The BNP Paribas Group's actual results could vary significantly from these trends for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section, in particular as a result of macroeconomic developments such as inflation, the invasion of Ukraine and the residual consequences of the health crisis which have had and could continue to have major repercussions on the economic outlook and cause financial market disruptions. If the BNP Paribas Group's results do not follow these trends, its financial condition and the value of its securities, as well as its financing costs, could be affected.

Additionally, 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, BNP Paribas 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 engages in acquisition and combination transactions on a regular basis. 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, finalised on 13 July 2021, and the acquisition of 100% of Floa, a subsidiary of Casino and Crédit Mutuel Alliance Fédérale (via the Banque Fédérative du Crédit Mutuel – BFCM) and one of the French leaders in innovative payments, finalised on 1 February 2022. These operational integration activities resulted, in 2022, in restructuring costs of EUR 188 million. 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 is progressively integrating the assessment of these risks into its risk management system. 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, sectors specific policies and policies excluding certain environmental, social and governance (ESG) sectors from financing have also been put in place and the BNP Paribas Group will have to adapt its activities and the selection of its counterparties appropriately 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*).

Despite the actions taken by the BNP Paribas Group to monitor risks and combat climate change, the physical, transitional or liability risks related to climate change, or any delay or failure to implement them, 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 20 billion at 31 December 2022, or 3% of the total risk-weighted assets of the BNP Paribas Group. They amounted to EUR 18 billion, representing 3% of the BNP Paribas Group's total risk-weighted assets at June 30, 2023. 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.

4. GENERAL INFORMATION

4.1 Ownership structure as at 30 June 2023

Shareholders	31/12/2022			30/06/2023		
	Number of shares (in millions)	% of share capital	% of voting rights	Number of shares (in millions)	% of share capital	% of voting rights
BlackRock Inc.	74.46 ⁽¹⁾	6.0%	6.0%	84.85 ⁽²⁾	6.9%	7.1%
SFPI ⁽³⁾	96.55 ⁽⁴⁾	7.8%	7.8%	63.22 ⁽⁵⁾	5.1%	5.3%
Amundi	74.00 ⁽⁶⁾	6.0%	6.0%	61.33 ⁽⁷⁾	5.0%	5.1%
Gd Duchy of Luxembourg	12.87	1.0%	1.0%	12.87	1.0%	1.1%
Employees	52.73	4.3%	4.3%	53.86	4.4%	4.5%
• of which Group FCPE ⁽⁸⁾	40.78	3.3%	3.3%	42.17	3.4%	3.5%
• of which direct ownership	11.95	1.0% ^(*)	1.0% ^(*)	11.69	1.0% ^(*)	1.0% ^(*)
Corporate officers	0.30	NS	NS	0.30	NS	NS
Treasury Shares ⁽⁹⁾	1.40	0.1%	-	39.42	3.2%	-
Retail shareholders ⁽¹⁰⁾	68.60	5.6%	5.6%	68.60	5.6%	5.7%
Institutional Investors ⁽¹⁰⁾	853.42	69.2%	69.3%	849.88	68.8%	71.2%
• European	464.59	37.7%	37.7%	493.06	39.9%	41.3%
• Non European	388.83	31.5%	31.6%	356.82	28.9%	29.9%
Other and unidentified ⁽¹⁰⁾	-	-	-	-	-	-
TOTAL	1,234.33	100%	100%	1,234.33	100%	100%

⁽¹⁾ According to the statement by BlackRock dated 13 September 2022.

⁽²⁾ According to the statement by BlackRock dated 19 April 2023.

⁽³⁾ Société Fédérale de Participations et d'Investissement: a public-interest limited company (société anonyme) acting on behalf of the Belgian State.

⁽⁴⁾ According to the statement by SFPI, AMF Document No. 217C1156 dated 6 June 2017.

⁽⁵⁾ According to the statement by SFPI dated 25 May 2023.

⁽⁶⁾ According to the statement by Amundi dated 16 November 2022.

⁽⁷⁾ According to the statement by Amundi dated 19 May 2023.

⁽⁸⁾ The voting rights of the FCPE (profit-sharing scheme) are exercised, after the decision is taken by the Supervisory Board, by its Chairman.

⁽⁹⁾ Excluding trading desks' inventory positions and including the shares purchased in the framework of the 2023 share buyback programme (NB : these acquired shares will be cancelled).

⁽¹⁰⁾ Based on analyses based on the SRD2 survey in 2022 and 2023- Institutional investors excluding BlackRock and Amundi (in 2022 and 2023).

^(*) 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.

4.2 Amendment to section 2.1.1 “Presentation of directors and corporate officers” of chapter 2

Following the non-reappointment as director of Ms. Fields Wicker-Miurin during the BNP Paribas Shareholders' Annual General Meeting of 16 May 2023, the Board of directors comprises the following 14 members:

- **Jean Lemierre**, principal function: Chairman of the Board of directors of BNP Paribas
- **Jean-Laurent Bonnafé**, principal function: Director and Chief Executive Officer of BNP Paribas
- **Jacques Aschenbroich**, principal function: Chairman of Orange

- **Juliette Brisac** (Director representing employee shareholders), principal function: Chief Operating Officer of BNP Paribas Group Company Engagement Department
- **Pierre-André de Chalendar**, principal function: Chairman of Compagnie de Saint-Gobain
- **Monique Cohen**, principal function: Senior Advisor of Seven2
- **Hughes Epailard** (Director elected by employees), principal function: Real estate business manager, BNP Paribas
- **Rajna Gibson Brandon**, principal function: Professor in Finance at the University of Geneva
- **Marion Guillou**, principal function: Director of companies
- **Lieve Logghe**, principal function: ad interim Chief Executive Officer and Chief Financial Officer of the Euronav Group
- **Christian Noyer**, principal function: Honorary Governor of Banque de France
- **Daniela Schwarzer**, principal function: Member of the Executive Board of the Bertelsmann Foundation
- **Michel Tilmant**, principal function: Director of companies
- **Sandrine Verrier** (Director elected by employees), principal function: Production and sales support assistant, BNP Paribas

Schedule of the terms of the directorships of company directors

At the Board of Director'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 (AGM called to approve the 2023 financial statements)	2025 (AGM called to approve the 2024 financial statements)	2026 (AGM called to approve the 2025 financial statements)
J. Lemierre			✓
J.-L. Bonnafé		✓	
J. Aschenbroich			✓
J. Brisac	✓ (i)		
P.A. de Chalendar	✓		
M. Cohen			✓
H. Epailard	✓ (ii)		
R. Gibson Brandon	✓		
M. Guillou		✓	
L. Logghe		✓	
C. Noyer	✓		
D. Schwarzer			✓
M. Tilmant		✓	
S. Verrier	✓ (iii)		

(i) Director representing employee shareholders.

(ii) Director elected by executive employees – Start and end dates of previous term: 16 February 2018 – 15 February 2021. Re-elected by executive employees in the first round of voting on 20 November 2020 (took office on 16 February 2021).

(iii) Director elected by technician employees – Start and end dates of previous term: 16 February 2018 – 15 February 2021. Re-elected by technician employees in the first round of voting on 20 November 2020 (took office on 16 February 2021).

4.3 Amendment to section 2.1.2 of chapter 2

The table on page 50 is replaced by the following table that takes into account membership changes to the specialised committees.

The Board of directors (on 16 May 2023)

Chairman: Jean Lemierre

Missions and controls in the following areas:

- Orientations and strategic operations
- Promotion of CSR
- Governance, internal control and financial statements
- Risk management oversight
- Financial communication
- Remuneration
- Preventive recovery plan
- Monitoring the application of the Code of conduct



Financial Statements Committee (CdC)

Members

Christian Noyer (C) (i)
Jacques Aschenbroich (i)
Juliette Brisac (iii)
Lieve Logghe (i)
Daniela Schwarzer (i)
Sandrine Verrier (ii)

Missions

- Monitoring the preparation of the financial information
- Monitoring of the efficiency of the internal control systems and of risk management systems concerning accounting and financial matters
- 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

Internal Control, Risk Management and Compliance Committee (CCIRC)

Members

Monique Cohen (C) (i)
Hugues Epailard (ii)
Rajna Gibson Brandon (i)
Christian Noyer (i)
Daniela Schwarzer (i)
Michel Tilmant

Missions

- Reviewing the global strategy concerning risks
- Monitoring the remuneration principles in relation to risks
- Reviewing issues relating to internal control and compliance
- Reviewing the prices of products and services in relation to the risk strategy

Corporate Governance, Ethics, Nominations and CSR Committee (CGEN)

Members

Jacques Aschenbroich (C) (i)
Pierre André de Chalendar (i)
Monique Cohen (i)
Marion Guillou (i)
Daniela Schwarzer (i)

Missions

- Oversight and monitoring of the compliance of governance principles with changes in regulations and best practice in the area of corporate governance
- Identification of, selection of, and succession plan for directors and committee members
- Assessment of the Board of directors
- Periodic review of the selection of, appointment of and succession process for corporate officers
- Monitoring the implementation by the Executive Management of the Suitability policy for Key function holders provided by EBA guidelines
- Assessment of corporate officers
- Appraising the independence of the directors
- Maintaining the general balance of the Board of directors
- Regular monitoring of updates to the Code of conduct
- Monitoring CSR issues (Group's contribution to economic, sustainable, and responsible development) and inclusion of the CSR aspect in carrying out its missions

Remuneration Committee (CR)

Members

Pierre André de Chalendar (C) (i)
Hugues Epailard (ii)
Marion Guillou (i)

Missions

- Annual review of the principles that underpin the Group's remuneration policy
- Annual review of the remuneration, allowances and benefits in kind granted to the directors and corporate officers of the Company and of the Group's major French subsidiaries
- Annual review of the remuneration of the Group's regulated staff categories
- Control of the remuneration of the Head of the risk management function and Head of Compliance



Joint sessions of the CdC and CCIRC

Chairman: Christian Noyer (i)

Missions

- Examining the mission plan of the General Inspection and the audit plan of the Statutory Auditors and preparing the work of the Board on the assessment of the risk policies and risk management measures.
- Dealing with the common issues relating to the risk policies and their financial impacts.

- (C) Chairperson
(i) Independent director according to the provisions of the Afep-MEDEF Code
(ii) Director elected by employees
(iii) Director representing employee shareholders

4.4 Documents on display

This document is available on the BNP Paribas website, www.invest.bnpparibas.com, and the Autorité des Marchés Financiers (AMF) website, www.amf-france.org.

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
- by calling: +33 (0)1 40 14 63 58
BNP Paribas' regulatory information (in French) can be viewed at:
<https://invest.bnpparibas.com/en/regulated-information>

4.5 Significant change

Save as disclosed in this Amendment to the 2022 Universal registration document, there have been no significant changes in the Group's financial situation since 30 June 2023, no material adverse change in the prospects of the Group since 27 July 2023.

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 30 June 2023.

5. STATUTORY AUDITORS

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

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

Mazars
61, rue Henri-Regnault
92400 Courbevoie

- Deloitte & Associés was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Laurence Dubois.

Deputy:

Société BEAS, 6, place de la Pyramide, Paris-La Défense Cedex (92), France, SIREN No. 315 172 445, Nanterre trade and companies register.

- PricewaterhouseCoopers audit was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Patrice Morot.

Deputy:

Jean-Baptiste Deschryver, 63, rue de Villiers, Neuilly-sur-Seine (92).

- Mazars was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Virginie Chauvin.

Deputy:

Charles de Boisriou, 61, rue Henri-Regnault, Courbevoie (92).

Deloitte & Associés, PricewaterhouseCoopers and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (*Haut Conseil du Commissariat aux Comptes*).

6. PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND ITS AMENDMENTS

Jean-Laurent BONNAFÉ, Chief Executive Officer of BNP Paribas

STATEMENT BY THE PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND ITS AMENDMENTS

I hereby declare that the information contained in the English version on the 2nd amendment to the 2022 Universal Registration Document filed with the AMF on 27th July 2023 is in accordance with the facts and contains no omission likely to affect its import.

I hereby certify that, to my knowledge, that the half-year report from page 80 to page 214 provides a fair review of the development and performance of the business, profit or loss and financial position of the Company and all the entities included in the consolidation, and that it describes the principal risks and uncertainties that they face.

Paris, 27 July 2023,

Chief Executive Officer

Jean-Laurent BONNAFÉ

7. TABLES OF CONCORDANCE

7.1 Sections of Annex I of Regulation (EU) 2017/1129

In order to assist readers of the Universal Registration Document, the following concordance cross-references the main required by the Delegated Regulation (EU) 2019/980 (Annex I), supplementing European Regulation 2017/1129 known as “Prospectus 3” and refers to the pages of the 2022 Universal registration document and its amendments where information relating to each of the headings is mentioned.

Headings as listed by Annex I of European Commission Regulation (EU) No. 2019/980	Second Amendment to the 2022 Universal Registration Document	First Amendment to the 2022 Universal Registration Document	2022 Universal Registration Document
	Page Number	Page Number	Page Number
1. PERSONS RESPONSIBLE			
1.1. Person responsible for the Universal Registration Document	238	110	744
1.2. Statement of the person responsible for the Universal Registration Document	238	110	744
1.3. Statement or report attributed to a person as an expert			
1.4. Information from a third party			
1.5. Approval from a competent authority	2	2	1
2. STATUTORY AUDITORS	237	109	742
3. RISK FACTORS	215-232		315-330
4. INFORMATION ABOUT THE ISSUER			4-6; 751-753
5. BUSINESS OVERVIEW			
5.1. Principal activities	248		7-19; 223-226; 726-732
5.2. Principal markets			7-19; 223-226; 726-732
5.3. History and development of the issuer			6
5.4. Strategy and objectives			153-156; 626-627; 686-687; 703
5.5. Possible dependency			724
5.6. Basis for any statements made by the issuer regarding its competitive position			7-19; 128-144
5.7. Investments			274-275; 612; 672-673; 725
6. ORGANISATIONAL STRUCTURE			
6.1. Brief description	248		4; 686-687
6.2. List of significant subsidiaries	192-214		287-295; 604-611; 726-731

Headings as listed by Annex I of European Commission Regulation (EU) No. 2019/980	Second Amendment to the 2022 Universal Registration Document Page Number	First Amendment to the 2022 Universal Registration Document Page Number	2022 Universal Registration Document Page Number
7. OPERATING AND FINANCIAL REVIEW			
7.1. Financial situation	3-75	3-71	156; 176; 178; 574-575
7.2. Operating results	61-75	59-71	128-144; 151-152; 159-165; 176; 224; 574
8. CAPITAL RESOURCES			
8.1. Issuer's capital resources	55-57; 85; 87-88; 180-183	50-52; 56-58; 75-82	180-181; 599
8.2. Sources and amounts of cash flows	86		179
8.3. Borrowing requirements and funding structure		16	156; 502-519
8.4. Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, the issuer's operations.			N/A
8.5. Anticipated sources of funds			N/A
9. REGULATORY ENVIRONMENT			305; 313-314
10. TREND INFORMATION			153-156; 725
10.1. Main recent trends		84	153-156; 725
10.2. Trends likely to have a material impact on the issuer's outlook		84	153-156; 725
11. PROFIT FORECASTS OR ESTIMATES			
11.1. Published earnings forecasts and estimates	N/A	N/A	N/A
11.2. Statement on the main forecast assumptions	N/A	N/A	N/A
11.3. Statement on the comparability of information	N/A	N/A	N/A
12. ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES, AND SENIOR MANAGEMENT			
12.1. Administrative and management bodies	233-235		35-48; 110
12.2. Administrative and management bodies' conflicts of interest			53-54; 67-68; 78-106
13. REMUNERATION AND BENEFITS			
13.1. Amount of remuneration paid and benefits in kind granted		86-108	78-106; 262-270; 283-284

Headings as listed by Annex I of European Commission Regulation (EU) No. 2019/980	Second Amendment to the 2022 Universal Registration Document Page Number	First Amendment to the 2022 Universal Registration Document Page Number	2022 Universal Registration Document Page Number
13.2. Total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement, or similar benefits		86-108	78-106; 262-270; 283-284
14. BOARD PRACTICES			
14.1. Date of expiry of the current terms of office	234		35-47
14.2. Information about members of the administrative bodies' service contracts with the issuer			N/A
14.3. Information about the Audit Committee and Remuneration Committee			56-63
14.4. Corporate governance regime in force in the issuer's country of incorporation			49-56
14.5. Potential material impacts on the Corporate governance			35-47
15. EMPLOYEES			
15.1. Number of employees			4; 653-654; 686
15.2. Shareholdings and stock options			78-106; 208-209; 660-661
15.3. Description of any arrangements for involving the employees in the capital of the issuer			
16. MAJOR SHAREHOLDERS			
16.1. Shareholders owning more than 5% of the issuer's capital or voting rights		234	20-21
16.2. Existence of different voting rights			20
16.3. Control of the issuer			20-21
16.4. Description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change of control of the issuer			21
17. RELATED PARTY TRANSACTIONS			78-106; 284-285; 738-739
18. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION, AND PROFITS AND LOSSES			
18.1. Historical financial information	3-75; 80-214	59-71	5; 24; 128-296; 574-612
18.2. Interim and other financial information	3-75; 80-214	59-71	N/A

Headings as listed by Annex I of European Commission Regulation (EU) No. 2019/980	Second Amendment to the 2022 Universal Registration Document	First Amendment to the 2022 Universal Registration Document	2022 Universal Registration Document
	Page Number	Page Number	Page Number
18.3. Auditing of historical annual financial information			297-302; 613-618
18.4. <i>Pro forma</i> financial information			N/A
18.5. Dividend policy	20; 26 ;37		24; 27-28; 156; 602
18.6. Legal and arbitration proceedings	186-187	84-85	273-274
18.7. Significant change in the issuer's financial or trading position	236	84	725
19. ADDITIONAL INFORMATION			
19.1. Share capital	180		20; 271-273; 593-595; 733; 760
19.2. Memorandum and Articles of association			733-738
20. MATERIAL CONTRACTS			724
21. DOCUMENTS ON DISPLAY	236	84	724

Headings as listed by Annex I of European Commission Delegated Regulation (EU) No. 2019/980

Pursuant to Annex I of Delegated Regulation (EU) 2019/980, the following items are incorporated by reference:

- the consolidated financial statements for the year ended 31 December 2021 and the Statutory Auditors' report on the consolidated financial statements at 31 December 2021, presented respectively on pages 177-290 and 291-296 of Registration Document No. D.22-0098 filed with the AMF on 15 March 2022. The information is available via the following link: <https://invest.bnpparibas/document/document-denregistrementuniversel-et-rapport-financier-annuel-2021>;
- the consolidated financial statements for the year ended 31 December 2020 and the Statutory Auditors' report on the consolidated financial statements at 31 December 2020, presented respectively on pages 161-271 and 272-277 of Registration Document No. D.21-0086 filed with the AMF on 2 March 2021. The information is available via the following link: <https://invest.bnpparibas/document/document-denregistrement-universel-et-rapport-financier-annuel-2020>;
- the consolidated financial statements for the year ended 31 December 2019 and the Statutory Auditors' report on the consolidated financial statements at 31 December 2019, presented respectively on pages 149–258 and 259-264 of Registration Document No. D.20-0097 filed with the AMF on 3 March 2020. The information is available via the following link: <https://invest.bnpparibas/document/document-denregistrement-universel-et-rapport-financier-annuel-2019>

7.2 Annual Financial Report

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.

Annual financial report	Page
Statement by the person responsible for the Universal Registration document	744

Management report

The concordance table below makes it possible to identify in the Universal Registration Document filed with the Autorité des Marchés Financiers on 24 March 2023 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.

I. Company and Group Business and Situation ¹	
Information (reference texts)	Page Number
Company and Group position over the past year (L.232-1 II and L.233-26 of the French Commercial Code)	128-156; 176-295; 574-612
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)	128-156; 176-295; 574-612
Key financial and non-financial performance indicators for the Company and Group (L.22-10-35 and L.225-100-1 I of the French Commercial Code)	128-171; 626-627; 634
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)	725

¹ Information on events after the Board of directors' meeting of 7 February 2022 is not included in the management report.

Company and Group research and development activities (L.232-1 II and L.233-26 of the French Commercial Code)	N/A
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)	612
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; 128-152
Existing Company branches (L.232-1 II of the French Commercial Code)	726-732
Information on Company locations and businesses (L.511-45 and R.511-16-4 of the French Monetary and Financial Code)	287-295; 726-732
II. Risk factors and characteristics of internal control procedures¹	
Information (reference texts)	Page Number
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)	311-330
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)	119; 534-546
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)	496-500
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)	368-519
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)	121-126
III. Information on share capital	
Information (reference texts)	Page Number
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
Securities acquired by employees under a corporate takeover transaction (L.225-102 of the French Commercial Code)	N/A
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)	106 - 109; 271; 589
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 (223-26 of the AMF General Regulation, L.621-18-2 and R.621-43-1 of the French Monetary and Financial Code)	105
IV. Other accounting, financial and legal information	

¹ The information on the invasion of Ukraine in February 2022 included in Pillar 3 subsequent to the Board of directors' approval of the financial statements is not included in the management report.

Information (reference texts)	Page Number
Information on payment terms (L.441-14 and D.441-6 of the French Commercial Code)	591
Amount of dividends distributed for the prior three years and revenue distributed eligible for the 40% tax reduction (243 bis of the French General Tax Code)	24
Injunctions or fines for anti-competitive practices (L.464-2 of the French Commercial Code)	719
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)	354
V. Extra-financial performance statement and vigilance plan	
Information (reference texts)	Page Number
Information on the labour and environmental impact relating to the Company, subsidiaries and controlled companies (L.22-10-36, L.225-102-1 III and R.225-105 of the French Commercial Code)	621-719
Information on the effects of the Company's activity with respect to 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)	635-636; 692-710
Information on the Company, subsidiaries and controlled companies, relating to the consequences of climate change on the business and the use of goods and services, 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, actions to fight against discrimination and promote diversity, measures taken in favour of people with disabilities (L.22-10-36, L.225-102-1 and R.225-105 of the French Commercial Code)	621-719
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)	646 - 667
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)	686-687
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)	Chapter 7
Taxonomic information / Article 8 of Regulation (EU) 2020/852 "Taxonomy"	711-714
Vigilance plan (L.225-102-4 of the French Commercial Code)	692-705
VI. Report on Corporate governance	
Information (reference texts)	Page Number
Information on the remuneration policy for directors and corporate officers (L.22-10-8 of the French Commercial Code)	78-86
Information on the remuneration and benefits in kind of the directors and corporate officers	86-98

Holding conditions for free shares allocated to corporate officers (L.225-197-1 of the French Commercial Code)	N/A
Conditions for exercising and holding options granted to directors and corporate officers (L.225-185 of the French Commercial Code)	99
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)	106-109
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)	35-46; 50-51; 56-63
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; 72-77
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; 649; 697
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)	77
Items that could have an impact in case of a public tender offer (L.22-10-11 ° of the French Commercial Code)	109

Annexes	Page Number
Table summarising Company results over the last 5 years (R.225-102 of the French Commercial Code)	603
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)	720-722
Statutory Auditors' report on the Board of directors' report on Corporate governance (L.22-10-71 of the French Commercial Code)	110

Financial statements	Page Number
Financial statements	574-612
Consolidated financial statements	613-618

Statutory Auditors' report on the parent company consolidated financial statements	176-296
Statutory Auditors' report on the consolidated financial statements	297-302

7.3 Appendice – Key information regarding the issuer, pursuant to Article 26.4 of European Regulation No 2017/1129

1) Who is the issuer of securities?

I. General 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

II. Main activities

BNP Paribas' organisation is based on three operating divisions: Corporate & Institutional Banking (CIB), Commercial, Personal Banking & Services (CPBS) and Investment & Protection Services (IPS):

- **Corporate and Institutional Banking (CIB)** division, combines:
 - Global Banking,
 - Global Markets, and
 - Securities Services;
- **Commercial, Personal Banking & Services** division, covers:
 - Commercial & Personal Banking in the eurozone:
 - 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 eurozone, organised around:
 - Europe-Mediterranean, covering Commercial & Personal Banking outside the eurozone, 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 & Protection Services** division, combines:
 - Insurance (BNP Paribas Cardif),
 - Wealth and Asset Management: BNP Paribas Asset Management, BNP Paribas Real Estate, BNP Paribas Principal Investments (management of the BNP Paribas Group's portfolio of unlisted and listed industrial and commercial investments) and BNP Paribas Wealth Management.

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

III. Main shareholders as at 30 June 2023

BlackRock Inc.: 6.9%¹ of share capital;

SFPI: 5.1%² of share capital;

Amundi: 5.0%³ of share capital;

Grand-Duché du Luxembourg: 1.0% of share capital.

IV. Identity of key executives

- Jean LEMIERRE: Chairman of the Board of directors of BNP Paribas;
- Jean-Laurent BONNAFÉ: Director and Chief Executive of BNP Paribas;
- Thierry LABORDE: Chief Operating Officer in charge of Corporate, Personal Banking & Services;
- Yann GÉRARDIN: Chief Operating Officer in charge of Corporate & Institutional Banking.

V. Identity of Statutory Auditors

Deloitte & Associés was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Laurence Dubois.

Deputy: Société BEAS, 6, place de la Pyramide, Paris-La Défense Cedex (92).

PricewaterhouseCoopers Audit was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Patrice Morot.

Deputy: Jean-Baptiste Deschryver, 63, rue de Villiers, Neuilly-sur-Seine (92).

Mazars was re-appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Virginie Chauvin.

Deputy: Charles de Boisriou, 61, rue Henri Regnault, Courbevoie (92).

Deloitte & Associés, PricewaterhouseCoopers and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (*Haut Conseil du Commissariat aux Comptes*).

¹ According to the statement by BlackRock dated 19 April 2023

² Société Fédérale de Participations et d'Investissement: a public limited company (société anonyme) acting on behalf of the Belgian State

³ According to the statement by Amundi dated 19 May 2023

2) What are the key financial information about the issuer?

On 2 May 2023, BNP Paribas reported restated quarterly series for 2022 to reflect for each quarter: (i) the application of IFRS 5 relating to disposal 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.

<i>In millions of euros</i>	Year 31/12/2022	Year - 1 31/12/2021	Year - 2 31/12/2020	Interim 30/06/23	Interim 30/06/22
Net interest income	N/A	19,238	21,312	9,056	10,344
Net fee and commission income	N/A	10,362	9,862	4,926	5,105
Net gain on financial instruments	N/A	7,777	7,146	6,071	5,678
Revenues	45,430	43,762	44,275	23,395	23,404
Cost of Risk	(3,003)	(2,971)	(5,717)	(1,331)	(1,409)
Operating income	12,564	11,325	8,364	5,984	6,462
Net income attributable to equity holders	9,848	9,488	7,067	7,245	4,933
Earnings per share (in euros)	7.80	7.26	5.31	4.72 ⁽¹⁾	4.04

<i>In millions of euros</i>	Year 31/12/2022	Year - 1 31/12/2021	Year - 2 31/12/2020	Interim 30/06/23	Interim 30/06/22
Total assets	2,663,748	2,634,444	2,488,491	2,671,181	2,891,007
Debt securities	220,937	220,106	212,351	262,923	229,506
<i>Of which mid long term Senior Preferred</i>	58,899 ⁽²⁾	78,845 ⁽²⁾	82,086 ⁽²⁾	N/A	N/A
Subordinated debt	24,160	25,667	23,325	23,734	25,702
Loans and receivables from customers (net)	857,020	814,000	809,533	852,649	855,044
Deposits from customers	1,008,056	957,684	940,991	977,676	1,008,661
Shareholders' equity (Group share)	121,237	117,886	112,799	123,301	115,945
Doubtful loans/gross outstandings ⁽³⁾	1.7%	2.0%	2.1%	1.7%	1.8%
Common Equity Tier 1 capital (CET1) ratio	12.3%	12.9%	12.8%	13.6%	12.2%
Total Capital Ratio	16.2%	16.4%	16.4%	17.8%	15.7%
Leverage Ratio ⁽⁴⁾	4.4%	4.1%	4.4%	4.5%	3.8%

(1) Calculated on the basis of the distributable net income in 2023

(2) Regulatory scope

(3) Impaired loans (stage 3) to customers and credit institutions, not netted of guarantees, including on-balance sheet and off-balance sheet and debt securities measured at amortised costs or at fair value through shareholders' equity reported on gross outstanding loans to customers and credit institutions, on-balance sheet and off-balance sheet and including debt securities measured at amortised costs or at fair value through shareholders' equity (excluding insurance).

(4) Without the effect of the temporary exemption related to deposits with Eurosystem central banks (calculated in accordance with Regulation (EU) No. 2020/873, Article 500b). The temporary exemption for the exclusion of deposits with Eurosystem central banks ended on 31 March 2022.

A brief description of any qualifications in the audit report relating to the historical financial information:

N/A

3) What are the specific risks of the issuer?

The presentation of the risk factors below consists of a non-exhaustive selection of the main risks specific to BNP Paribas, to be supplemented by an examination by the investor of all the risk factors contained in the prospectus.

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.
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.
3. The BNP Paribas Group may incur significant losses on its trading and investment activities due to market fluctuations and volatility.
4. 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.
5. 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.
6. Adverse economic and financial conditions have in the past had and may in the future have an impact on the BNP Paribas Group and the markets in which it operates.
7. Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the BNP Paribas Group and the financial and economic environment in which it operates.
8. 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.