



# **CONSOLIDATED FINANCIAL STATEMENTS**

**Year ended 31 December 2019**



**BNP PARIBAS**

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# CONSOLIDATED FINANCIAL STATEMENTS

Prepared in accordance with IFRS as adopted by the European Union

The consolidated financial statements of the BNP Paribas Group are presented for the years ended 2019 and 2018. In accordance with Article 20.1 of Annex I of European Commission Regulation (EC) 809/2004, the consolidated financial statements for the year ended 2017 are provided in the registration document filed with the Autorité des marchés financiers on 5 March 2019 under number D.19-0114.

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

| In millions of euros   | Notes | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|-------|----------------------|----------------------|
| Interest income  | 3.a   | 37,327               | 35,723               |
| Interest expense   | 3.a   | (16,200)             | (14,661)             |
| Commission income  | 3.b   | 13,265               | 12,925               |
| Commission expense   | 3.b   | (3,900)              | (3,718)              |
| Net gain on financial instruments at fair value through profit or loss                           | 3.c   | 7,111                | 5,808                |
| Net gain on financial instruments at fair value through equity                                   | 3.d   | 350                  | 315                  |
| Net gain on derecognised financial assets at amortised cost                                      |       | 3                    | (5)                  |
| Net income from insurance activities   | 3.e   | 4,437                | 4,064                |
| Income from other activities   | 3.f   | 13,502               | 12,324               |
| Expense on other activities  | 3.f   | (11,298)             | (10,259)             |
| <b>REVENUES</b>  |       | <b>44,597</b>        | <b>42,516</b>        |
| Salary and employee benefit expense  | 7.a   | (17,553)             | (16,617)             |
| Other operating expenses   | 3.g   | (11,339)             | (12,290)             |
| Depreciation, amortisation and impairment of property, plant and equipment and intangible assets | 5.n   | (2,445)              | (1,676)              |
| <b>GROSS OPERATING INCOME</b>  |       | <b>13,260</b>        | <b>11,933</b>        |
| Cost of risk   | 3.h   | (3,203)              | (2,764)              |
| <b>OPERATING INCOME</b>  |       | <b>10,057</b>        | <b>9,169</b>         |
| Share of earnings of equity-method entities  | 5.m   | 586                  | 628                  |
| Net gain on non-current assets   |       | 1,569                | 358                  |
| Goodwill   | 5.o   | (818)                | 53                   |
| <b>PRE-TAX INCOME</b>  |       | <b>11,394</b>        | <b>10,208</b>        |
| Corporate income tax   | 3.i   | (2,811)              | (2,203)              |
| <b>NET INCOME</b>  |       | <b>8,583</b>         | <b>8,005</b>         |
| Net income attributable to minority interests  |       | 410                  | 479                  |
| <b>NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS</b>   |       | <b>8,173</b>         | <b>7,526</b>         |
| Basic earnings per share   | 8.a   | 6.21                 | 5.73                 |
| Diluted earnings per share   | 8.a   | 6.21                 | 5.73                 |

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

| In millions of euros   | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| <b>Net income for the period</b>   | <b>8,583</b>         | <b>8,005</b>         |
| <b>Changes in assets and liabilities recognised directly in equity</b>                   | <b>1,630</b>         | <b>(1,315)</b>       |
| <b>Items that are or may be reclassified to profit or loss</b>                           | <b>1,565</b>         | <b>(1,404)</b>       |
| - Changes in exchange differences  | 530                  | (159)                |
| - Changes in fair value of financial assets at fair value through equity                 |                      |                      |
| <i>Changes in fair value recognised in equity</i>  | 283                  | (461)                |
| <i>Changes in fair value reported in net income</i>                                      | (191)                | (110)                |
| - Changes in fair value of investments of insurance activities                           |                      |                      |
| <i>Changes in fair value recognised in equity</i>  | 883                  | (530)                |
| <i>Changes in fair value reported in net income</i>                                      | (76)                 | (99)                 |
| - Changes in fair value of hedging instruments   |                      |                      |
| <i>Changes in fair value recognised in equity</i>  | 494                  | (406)                |
| <i>Changes in fair value reported in net income</i>                                      | (125)                | (7)                  |
| - Income tax   | (391)                | 505                  |
| - Changes in equity-method investments   | 158                  | (137)                |
| <b>Items that will not be reclassified to profit or loss</b>                             | <b>65</b>            | <b>89</b>            |
| - Changes in fair value of equity instruments designated as at fair value through equity | 114                  | (148)                |
| - Debt remeasurement effect arising from BNP Paribas Group issuer risk                   | 9                    | 195                  |
| - Remeasurement gains (losses) related to post-employment benefit plans                  | (28)                 | 137                  |
| - Income tax   | (15)                 | (96)                 |
| - Changes in equity-method investments   | (15)                 | 1                    |
| <b>Total</b>   | <b>10,213</b>        | <b>6,690</b>         |
| - Attributable to equity shareholders  | 9,796                | 6,215                |
| - Attributable to minority interests   | 417                  | 475                  |

## BALANCE SHEET AT 31 DECEMBER 2019

| In millions of euros   | Notes | 31 December 2019 | 31 December 2018 |
|--|-------|------------------|------------------|
| <b>ASSETS</b>  |       |                  |                  |
| Cash and balances at central banks   |       | 155,135          | 185,119          |
| Financial instruments at fair value through profit or loss   |       |                  |                  |
| Securities   | 5.a   | 131,935          | 121,954          |
| Loans and repurchase agreements  | 5.a   | 196,927          | 183,716          |
| Derivative financial instruments   | 5.a   | 247,287          | 232,895          |
| Derivatives used for hedging purposes  | 5.b   | 12,452           | 9,810            |
| Financial assets at fair value through equity  |       |                  |                  |
| Debt securities  | 5.c   | 50,403           | 53,838           |
| Equity securities  | 5.c   | 2,266            | 2,151            |
| Financial assets at amortised cost   |       |                  |                  |
| Loans and advances to credit institutions  | 5.e   | 21,692           | 19,556           |
| Loans and advances to customers  | 5.e   | 805,777          | 765,871          |
| Debt securities  | 5.e   | 108,454          | 75,073           |
| Remeasurement adjustment on interest-rate risk hedged portfolios                                   |       | 4,303            | 2,787            |
| Financial investments of insurance activities  | 5.i   | 257,818          | 232,308          |
| Current and deferred tax assets  | 5.k   | 6,813            | 7,220            |
| Accrued income and other assets  | 5.l   | 113,535          | 103,346          |
| Equity-method investments  | 5.m   | 5,952            | 5,772            |
| Property, plant and equipment and investment property  | 5.n   | 32,295           | 26,652           |
| Intangible assets  | 5.n   | 3,852            | 3,783            |
| Goodwill   | 5.o   | 7,817            | 8,487            |
| Non-current assets held for sale   | 8.c   |                  | 498              |
| <b>TOTAL ASSETS</b>  |       | <b>2,164,713</b> | <b>2,040,836</b> |
| <b>LIABILITIES</b>   |       |                  |                  |
| Deposits from central banks  |       | 2,985            | 1,354            |
| Financial instruments at fair value through profit or loss   |       |                  |                  |
| Securities   | 5.a   | 65,490           | 75,189           |
| Deposits and repurchase agreements   | 5.a   | 215,093          | 204,039          |
| Issued debt securities   | 5.a   | 63,758           | 54,908           |
| Derivative financial instruments   | 5.a   | 237,885          | 225,804          |
| Derivatives used for hedging purposes  |       | 14,116           | 11,677           |
| Financial liabilities at amortised cost  |       |                  |                  |
| Deposits from credit institutions  | 5.g   | 84,566           | 78,915           |
| Deposits from customers  | 5.g   | 834,667          | 796,548          |
| Debt securities  | 5.h   | 157,578          | 151,451          |
| Subordinated debt  | 5.h   | 20,003           | 17,627           |
| Remeasurement adjustment on interest-rate risk hedged portfolios                                   |       | 3,989            | 2,470            |
| Current and deferred tax liabilities   | 5.k   | 3,566            | 2,255            |
| Accrued expenses and other liabilities   | 5.l   | 102,749          | 89,562           |
| Technical reserves and other insurance liabilities   | 5.j   | 236,937          | 213,691          |
| Provisions for contingencies and charges   | 5.p   | 9,486            | 9,620            |
| <b>TOTAL LIABILITIES</b>   |       | <b>2,052,868</b> | <b>1,935,110</b> |
| <b>EQUITY</b>  |       |                  |                  |
| Share capital, additional paid-in capital and retained earnings                                    |       | 97,135           | 93,431           |
| Net income for the period attributable to shareholders   |       | 8,173            | 7,526            |
| <b>Total capital, retained earnings and net income for the period attributable to shareholders</b> |       | <b>105,308</b>   | <b>100,957</b>   |
| Changes in assets and liabilities recognised directly in equity                                    |       | 2,145            | 510              |
| <b>Shareholders' equity</b>  |       | <b>107,453</b>   | <b>101,467</b>   |
| <b>Minority interests</b>  | 8.d   | <b>4,392</b>     | <b>4,259</b>     |
| <b>TOTAL EQUITY</b>  |       | <b>111,845</b>   | <b>105,726</b>   |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |       | <b>2,164,713</b> | <b>2,040,836</b> |

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

| In millions of euros  | Notes | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|---|-------|----------------------|----------------------|
| <b>Pre-tax income</b>   |       | <b>11,394</b>        | <b>10,208</b>        |
| <b>Non-monetary items included in pre-tax net income and other adjustments</b>                  |       | <b>13,413</b>        | <b>9,713</b>         |
| Net depreciation/amortisation expense on property, plant and equipment and intangible assets    |       | 6,108                | 5,144                |
| Impairment of goodwill and other non-current assets   |       | 796                  | (133)                |
| Net addition to provisions  |       | 11,071               | 10,210               |
| Share of earnings of equity-method entities   |       | (586)                | (628)                |
| Net (income) from investing activities  |       | (1,585)              | (660)                |
| Net (income) from financing activities  |       | (830)                | (501)                |
| Other movements   |       | (1,561)              | (3,719)              |
| <b>Net decrease in cash related to assets and liabilities generated by operating activities</b> |       | <b>(75,644)</b>      | <b>(20,439)</b>      |
| Net decrease in cash related to transactions with customers and credit institutions             |       | (14,723)             | (1,104)              |
| Net decrease in cash related to transactions involving other financial assets and liabilities   |       | (51,042)             | (13,276)             |
| Net decrease in cash related to transactions involving non-financial assets and liabilities     |       | (7,945)              | (4,823)              |
| Taxes paid  |       | (1,934)              | (1,236)              |
| <b>NET DECREASE IN CASH AND EQUIVALENTS GENERATED BY OPERATING ACTIVITIES</b>                   |       | <b>(50,837)</b>      | <b>(518)</b>         |
| Net increase in cash related to acquisitions and disposals of consolidated entities             |       | 1,675                | 3,152                |
| Net decrease related to property, plant and equipment and intangible assets                     |       | (1,998)              | (1,827)              |
| <b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS RELATED TO INVESTING ACTIVITIES</b>          |       | <b>(323)</b>         | <b>1,325</b>         |
| Decrease in cash and equivalents related to transactions with shareholders                      |       | (3,987)              | (4,039)              |
| Increase in cash and equivalents generated by other financing activities                        |       | 24,128               | 9,865                |
| <b>NET INCREASE IN CASH AND EQUIVALENTS RELATED TO FINANCING ACTIVITIES</b>                     |       | <b>20,141</b>        | <b>5,826</b>         |
| <b>EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND EQUIVALENTS</b>                             |       | <b>714</b>           | <b>1,529</b>         |
| <b>NON-MONETARY IMPACTS FROM NON-CURRENT ASSETS HELD FOR SALE</b>                               |       | <b>-</b>             | <b>(700)</b>         |
| <b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>  |       | <b>(30,305)</b>      | <b>7,462</b>         |
| <b>Balance of cash and equivalent accounts at the start of the period</b>                       |       | <b>182,523</b>       | <b>175,061</b>       |
| Cash and amounts due from central banks   |       | 185,134              | 178,446              |
| Due to central banks  |       | (1,354)              | (1,471)              |
| On demand deposits with credit institutions   |       | 8,813                | 8,063                |
| On demand loans from credit institutions  | 5.g   | (10,571)             | (9,906)              |
| Deduction of receivables and accrued interest on cash and equivalents                           |       | 501                  | (71)                 |
| <b>Balance of cash and equivalent accounts at the end of the period</b>                         |       | <b>152,218</b>       | <b>182,523</b>       |
| Cash and amounts due from central banks   |       | 155,151              | 185,134              |
| Due to central banks  |       | (2,985)              | (1,354)              |
| On demand deposits with credit institutions   |       | 8,972                | 8,813                |
| On demand loans from credit institutions  | 5.g   | (9,072)              | (10,571)             |
| Deduction of receivables and accrued interest on cash and equivalents                           |       | 152                  | 501                  |
| <b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>  |       | <b>(30,305)</b>      | <b>7,462</b>         |

## 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 benefits plans | Total      |
| <b>In millions of euros</b>   |  |                                  |                          |                |   |   |  |            |
| <b>Capital and retained earnings at 1 January 2018</b>                        | <b>27,051</b>                                | <b>8,172</b>                     | <b>62,416</b>            | <b>97,639</b>  | <b>561</b>  | <b>(323)</b>  | <b>68</b>  | <b>306</b> |
| <b>Appropriation of net income for 2017</b>                                   |  |                                  | <b>(3,772)</b>           | <b>(3,772)</b> |   |   |  |            |
| Increases in capital and issues   | 49   | 660                              | (2)                      | 707            |   |   |  |            |
| Reduction or redemption of capital  |  | (600)                            |                          | (600)          |   |   |  |            |
| Movements in own equity instruments   | (64)   | (2)                              | (142)                    | (208)          |   |   |  |            |
| Share-based payment plans   |  |                                  | 2                        | 2              |   |   |  |            |
| Remuneration on preferred shares and undated super subordinated notes         |  |                                  | (356)                    | (356)          |   |   |  |            |
| Impact of internal transactions on minority shareholders                      |  |                                  | 6                        | 6              |   |   |  |            |
| Movements in consolidation scope impacting minority shareholders (note 8.d)   |  |                                  | (37)                     | (37)           |   |   | 37   | 37         |
| Acquisitions of additional interests or partial sales of interests (note 8.d) |  |                                  | 71                       | 71             |   |   | 9  | 9          |
| Change in commitments to repurchase minority shareholders' interests          |  |                                  | (6)                      | (6)            |   |   |  |            |
| Other movements   |  |                                  | (8)                      | (8)            |   |   |  |            |
| Realised gains or losses reclassified to retained earnings                    |  |                                  | (7)                      | (7)            |   | 7   |  | 7          |
| Changes in assets and liabilities recognised directly in equity               |  |                                  |                          |                | (158)   | 134   | 96   | 72         |
| <b>Net income for 2018</b>  |  |                                  | <b>7,526</b>             | <b>7,526</b>   |   |   |  |            |
| Interim dividend payments   |  |                                  |                          |                |   |   |  |            |
| <b>Capital and retained earnings at 31 December 2018</b>                      | <b>27,036</b>                                | <b>8,230</b>                     | <b>65,691</b>            | <b>100,957</b> | <b>403</b>  | <b>(182)</b>  | <b>210</b>   | <b>431</b> |
| Effect of IFRS 16 first time adoption (note 2.)                               |  |                                  | (141)                    | (141)          |   |   |  |            |
| <b>Capital and retained earnings at 1 January 2019</b>                        | <b>27,036</b>                                | <b>8,230</b>                     | <b>65,550</b>            | <b>100,816</b> | <b>403</b>  | <b>(182)</b>  | <b>210</b>   | <b>431</b> |
| <b>Appropriation of net income for 2018</b>                                   |  |                                  | <b>(3,772)</b>           | <b>(3,772)</b> |   |   |  |            |
| Increases in capital and issues   |  | 1,512                            | (2)                      | 1,510          |   |   |  |            |
| Reduction or redemption of capital  |  | (1,069)                          | (14)                     | (1,083)        |   |   |  |            |
| Movements in own equity instruments   | 34   | 16                               | 36                       | 86             |   |   |  |            |
| Share-based payment plans   |  |                                  |                          |                |   |   |  |            |
| Remuneration on preferred shares and undated super subordinated notes         |  |                                  | (401)                    | (401)          |   |   |  |            |
| Impact of internal transactions on minority shareholders (note 8.d)           |  |                                  | (1)                      | (1)            |   |   |  |            |
| Acquisitions of additional interests or partial sales of interests (note 8.d) |  |                                  | 18                       | 18             |   |   |  |            |
| Change in commitments to repurchase minority shareholders' interests          |  |                                  | (7)                      | (7)            |   |   |  |            |
| Other movements   |  |                                  | (19)                     | (19)           |   |   |  |            |
| Realised gains or losses reclassified to retained earnings                    |  |                                  | (12)                     | (12)           |   | 12  |  | 12         |
| Changes in assets and liabilities recognised directly in equity               |  |                                  |                          |                | 108   | 7   | (50)   | 65         |
| <b>Net income for 2019</b>  |  |                                  | <b>8,173</b>             | <b>8,173</b>   |   |   |  |            |
| <b>Capital and retained earnings at 31 December 2019</b>                      | <b>27,070</b>                                | <b>8,689</b>                     | <b>69,549</b>            | <b>105,308</b> | <b>511</b>  | <b>(163)</b>  | <b>160</b>   | <b>508</b> |



**BETWEEN 1 JANUARY 2018 AND 31 DECEMBER 2019**

| Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss |   |   |                                       |         | Total   | Total shareholders' equity | Minority interests (note 8.d) | Total equity |
|--|---|---|---------------------------------------|---------|---------|----------------------------|-------------------------------|--------------|
| Exchange differences   | Financial assets at fair value through equity | Financial investments of insurance activities | Derivatives used for hedging purposes |         |         |                            |                               |              |
| (2,192)  | 589   | 1,947   | 1,137                                 | 1,481   | 99,426  | 5,126                      | 104,552                       |              |
|  |   |   |                                       |         | -       | (3,772)                    | (160)                         | (3,932)      |
|  |   |   |                                       |         | -       | 707                        | 4                             | 711          |
|  |   |   |                                       |         | -       | (600)                      |                               | (600)        |
|  |   |   |                                       |         | -       | (208)                      |                               | (208)        |
|  |   |   |                                       |         | -       | 2                          |                               | 2            |
|  |   |   |                                       |         | -       | (356)                      | (2)                           | (358)        |
|  |   |   |                                       |         | -       | 6                          | (6)                           | -            |
|  |   |   |                                       |         | -       | -                          | (1,299)                       | (1,299)      |
| (29)   | 10  |   |                                       | (19)    | 61      | 307                        | 368                           |              |
|  |   |   |                                       |         | -       | (6)                        | (165)                         | (171)        |
|  |   |   |                                       |         | -       | (8)                        | 11                            | 3            |
|  |   |   |                                       |         | -       | -                          | -                             | -            |
| (252)  | (398)   | (418)   | (315)                                 | (1,383) | (1,311) | (4)                        | (1,315)                       |              |
|  |   |   |                                       |         | -       | 7,526                      | 479                           | 8,005        |
|  |   |   |                                       |         | -       | -                          | (32)                          | (32)         |
| (2,473)  | 201   | 1,529   | 822                                   | 79      | 101,467 | 4,259                      | 105,726                       |              |
|  |   |   |                                       |         | -       | (141)                      | (5)                           | (146)        |
| (2,473)  | 201   | 1,529   | 822                                   | 79      | 101,326 | 4,254                      | 105,580                       |              |
|  |   |   |                                       |         | -       | (3,772)                    | (227)                         | (3,999)      |
|  |   |   |                                       |         | -       | 1,510                      | 10                            | 1,520        |
|  |   |   |                                       |         | -       | (1,083)                    |                               | (1,083)      |
|  |   |   |                                       |         | -       | 86                         |                               | 86           |
|  |   |   |                                       |         | -       | -                          |                               | -            |
|  |   |   |                                       |         | -       | (401)                      | (1)                           | (402)        |
|  |   |   |                                       |         | -       | (1)                        | 1                             | -            |
|  |   |   |                                       |         | -       | 18                         | 1                             | 19           |
|  |   |   |                                       |         | -       | (7)                        | (64)                          | (71)         |
|  |   |   |                                       |         | -       | (19)                       | 1                             | (18)         |
|  |   |   |                                       |         | -       | -                          | -                             | -            |
| 571  | 40  | 709   | 238                                   | 1,558   | 1,623   | 7                          | 1,630                         |              |
|  |   |   |                                       |         | -       | 8,173                      | 410                           | 8,583        |
| (1,902)  | 241   | 2,238   | 1,060                                 | 1,637   | 107,453 | 4,392                      | 111,845                       |              |

# NOTES TO THE FINANCIAL STATEMENTS

Prepared in accordance with IFRS as adopted by the European Union

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLIED BY THE GROUP

### 1.a ACCOUNTING STANDARDS

#### 1.a.1 APPLICABLE ACCOUNTING STANDARDS

The consolidated financial statements of the BNP Paribas Group have been prepared in accordance with international accounting standards (International Financial Reporting Standards – IFRS), as adopted for use in the European Union<sup>1</sup>. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded, and certain recent texts have not yet undergone the approval process.

Information on the nature and extent of risks relating to financial instruments as required by IFRS 7 “Financial Instruments: Disclosures” and to insurance contracts as required by IFRS 4 “Insurance Contracts”, along with information on regulatory capital required by IAS 1 “Presentation of Financial Statements” are presented in Chapter 5 of the Universal Registration Document. This information, which is an integral part of the notes to the BNP Paribas Group’s consolidated financial statements, is covered by the opinion of the Statutory Auditors concerning the consolidated financial statements, and is identified in the Annual Report by the word “Audited”.

- Since 1 January 2019, the Group applies IFRS 16 « Leases », adopted by the European Union on 31 October 2017.

IFRS 16 supersedes IAS 17 « Leases » and the interpretations relating to the accounting of such contracts. It defines new accounting principles applicable to lease contracts for the lessee, that rely on both the identification of an asset and the control of the right to use the identified asset by the lessee.

The standard requires the recognition in the balance-sheet of the lessee of all lease contracts, 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 are amortised on a straight-line basis and the financial liabilities are amortised on an actuarial basis over the lease period. The main change induced by this new standard is related to contracts which, under IAS 17, met the definition of operating leases, and as such, did not require recognition of the leased assets in the balance sheet.

The main impact in the profit and loss account is the replacement of rental expenses previously accounted for on a linear basis in operating expenses by additional interest expenses in Net Banking Income in relation with lease liabilities, and the recognition of additional amortizing expenses in relation with rights-of-use.

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

Detailed accounting principles applicable by the Group as lessee are presented in note 1.h.2. The detail of the impacts of the first application of the standard is presented in note 2.

From the lessor's point of view, the impact is limited, as the requirements of IFRS 16 remain mostly unchanged from IAS 17.

The IFRS Interpretation Committee has been requested with a question concerning the determination of a lease term of two types of contracts cancellable or renewable:

- Contracts without no particular contractual term, cancellable at any time with notice period by either the lessee and the lessor without penalty to paid;
- Contracts concluded for an initial short period (normally 12 months), renewable indefinitely by tacit renewal for the same period, unless the lessor and the lessee gives notice to the contrary;

At the end of its meeting of 26 November last, IFRIC confirmed its reading of IFRS 16 by stating that the enforceability of the two types of contract may extend beyond the notice period if either party has an economic incentive not negligible to not terminate the lease. IFRIC also confirmed that if an entity expects to use non-removable leasehold improvement after the date on which the contract can be terminated, the existence of such improvements indicates that the entity may incur a significant economic penalty in the event of termination and in this case the contract becomes enforceable beyond the date of termination.

The application of this decision should have a non significant impact for the Group and will be applied in 2020.

- The Group has applied IFRIC 23 "Uncertainty over income tax treatment" for the preparation of its consolidated financial statements for the financial year 2019. The consequence of this standard is the reclassification in current and deferred tax liabilities of provisions for uncertainties relating to income tax.
- Since 1st January 2018, the Group has anticipated the application of amendments to IFRS 9: "Prepayment Features with Negative Compensation."
- In September 2019, the IASB issued amendments to IAS 39 and IFRS 7, modifying specific hedge accounting requirements to allow hedge accounting to continue for hedges affected by the reform during the period of uncertainty before the hedged items or hedging instruments are amended to incorporate the reformed benchmark rates. These amendments, endorsed by the European Commission on 15 January 2020 are mandatorily applicable for annual reporting periods beginning on or after 1 January 2020, however early application is possible and is the option chosen by the Group, for its existing hedge accounting relationships to continue.

Fair value and cash flow hedge relationships documented by the Group are in regard of the benchmark rates in the scope of the reform, mainly the Eonia, Euribor, and Libor rates. For these hedging relationships, hedged items and hedging derivatives will progressively be amended to incorporate the new benchmark rates. The Group considers that the amendments to IAS 39 and IFRS 7 are applicable when there is uncertainty about future cash flows. It is the case when the contractual terms of the hedged instruments or of the hedging instruments have not yet been amended (for instance with the inclusion of a fallback clause), or, if they were amended, if the terms and date of the transition to the new benchmark rates have not been clearly specified.

The Group put in place a Group-wide IBORs transition program mid-2018 involving all BNP Paribas business lines and functions.

This program is in charge of framing and implementing the transition from legacy IBOR rates (mostly LIBORs and EONIA) to the new risk-free rates in all relevant jurisdictions and currencies, whilst managing the various risks resulting from this transition, and meeting deadlines set by relevant authorities. Group representatives contribute to most industry working groups established in conjunction with the various central banks and financial regulators.

The notional amount of the hedging instruments involved in the hedging relationships impacted by the interest rate benchmark reform is the sum of notional amounts disclosed in note 5b "Derivatives used for hedging purposes".

The introduction of other standards, amendments and interpretations which are mandatory as of 1 January 2019 did not have an effect on the 2019 financial statements.

Except for the IFRS 9, IAS 39 and IFRS 7 amendments mentioned above, the Group did not anticipate the application of the new standards, amendments, and interpretations adopted by the European Union, when the application in 2019 was optional.

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

IFRS 17 “Insurance Contracts”, issued in May 2017, will replace IFRS 4 “Insurance Contracts” and will become mandatory for annual periods beginning on or after 1 January 2021<sup>2</sup>, after its adoption by the European Union for application in Europe.

The analysis of the standard and the identification of its effects are going on.

## **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.

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<sup>(2)</sup> On 26 June 2019, the IASB published an exposure draft “Amendments to IFRS 17” including in particular the deferral of the mandatory initial application of IFRS 17 to 1 January 2022.

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 shall be 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 IFRSs.

#### *Significant influence*

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

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

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

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

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

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

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

### 1.b.3 CONSOLIDATION RULES

- **Elimination of intragroup balances and transactions**

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

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

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

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

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

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

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

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

**1.b.4 BUSINESS COMBINATION AND MEASUREMENT OF GOODWILL****• Business combinations**

Business combinations are accounted for using the purchase method.

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

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

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

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

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

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

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

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

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

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

**• Measurement of goodwill**

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

**- Cash-generating units**

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

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<sup>(3)</sup> As defined by IAS 36.

- Testing cash-generating units for impairment

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

- Recoverable amount of a cash-generating unit

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

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

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

## 1.c TRANSLATION OF FOREIGN CURRENCY TRANSACTIONS

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

- **Monetary assets and liabilities<sup>4</sup> expressed in foreign currencies**

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

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

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

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".

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<sup>(4)</sup> Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.



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

### **1.d.1 NET INTEREST INCOME**

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

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

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

### **1.d.2 COMMISSIONS AND INCOME FROM OTHER ACTIVITIES**

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

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

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

#### **Commissions**

The group records commission income and expenses 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...

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...

**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...), or where the service performed does not create an asset that the entity could otherwise use and gives it enforceable right to payment for performance completed to date. This is the case for contracts such as VEFA (sale in the future state of completion) in France.
- at completion in other cases.

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

**1.e FINANCIAL ASSETS AND LIABILITIES**

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

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

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

**1.e.1 FINANCIAL ASSETS AT AMORTISED COST**

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

**Business model criterion**

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

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

**Cash flow criterion**

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

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

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

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

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

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

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

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

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

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

### **Recognition**

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

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

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

## **1.e.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH SHAREHOLDERS’ EQUITY**

### **Debt instruments**

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

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

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

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

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

### **Equity instruments**

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

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

### 1.e.3 FINANCING AND GUARANTEE COMMITMENTS

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

### 1.e.4 REGULATED SAVINGS AND LOAN CONTRACTS

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

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

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

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

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

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

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

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

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

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

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

## General model

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

- 12-month expected credit losses (“stage 1”): If at the reporting date, the credit risk of the financial instrument has not increased significantly since its initial recognition, this instrument is impaired at an amount equal to 12-month expected credit losses (resulting from the risk of default within the next 12 months).
- Lifetime expected credit losses for non-impaired assets (“stage 2”): The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk of the financial instrument has increased significantly since initial recognition, but the financial asset is not considered credit-impaired or doubtful.
- Lifetime expected credit losses for credit-impaired or doubtful financial assets (“stage 3”): the loss allowance is also measured for an amount equal to the lifetime expected credit losses.

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

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

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

## Definition of default

The definition of default is aligned with the Basel regulatory default definition, with a rebuttable presumption that the default occurs no later than 90 days past-due.

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

## Credit-impaired or doubtful financial assets

### *Definition*

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

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

### *Specific cases of purchased or originated credit-impaired assets*

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

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

**Simplified model**

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

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

**Significant increase in credit risk**

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

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

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

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

The principles applied to assess the significant increase in credit risk are detailed in note 3.h Cost of risk.

**Measurement of expected credit losses**

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

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

For exposures classified in stage 3, expected credit losses are measured as the value, discounted at the effective interest rate, of all cash shortfalls over the life of the financial instrument. Cash shortfalls represent the difference between the cash-flows that are due in accordance with the contract, and the cash-flows that are expected to be received.

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 (including prepayment, extension and similar options) over the life of the instrument are taken into account. In the rare cases where the expected life of the financial instrument cannot be estimated reliably, the residual contractual term must be used.

The standard specifies that the maximum period to consider when measuring expected credit losses is the maximum contractual period. However, for revolving credit cards and overdrafts, in accordance with the exception provided by IFRS 9 for these products, the maturity considered for expected credit losses measurement is the period over which the entity is exposed to credit risk, which may extend beyond the contractual maturity (notice period). For revolving credits and overdrafts to non retail counterparties, the contractual maturity can be taken, for example if the next review date is the contractual maturity as they are individually managed.

### *Probabilities of Default (PD)*

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

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

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

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

### *Loss Given Default (LGD)*

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

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

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

### *Exposure At Default (EAD)*

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

### *Forward looking*

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

The principles applied to take into account forward looking information when measuring expected credit losses are detailed in note 3.h Cost of risk.



**Write-offs**

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

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

**Recoveries through the repossession of the collateral**

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

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

**Restructuring of financial assets for financial difficulties**

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

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

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

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

Modifications of financial assets that are not due to the borrower's financial difficulties (i.e. commercial renegotiations) are generally analysed as the early prepayment of the former financial asset, which is then derecognised, followed by the set-up of a new financial asset at market conditions.

**1.e.6 COST OF RISK**

Cost of risk includes the following items of income:

- 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 for which there is objective evidence of impairment ('stage 3'), write-offs on irrecoverable loans and amounts recovered on loans written-off;
- Impairment gains and losses relating to fixed-income securities of insurance entities that are individually impaired (which fall under IAS 39).

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

**1.e.7 FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS****Trading portfolio and other financial assets measured at fair value through profit or loss**

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

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

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

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

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

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

**1.e.8 FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS**

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

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

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

**Debt securities and subordinated debt**

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

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

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

**Equity instruments**

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

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

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

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

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

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

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

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

### **1.e.9 HEDGE ACCOUNTING**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **1.e.10 DETERMINATION OF FAIR VALUE**

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

The Group determines the fair value of financial instruments either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (e.g. discounted cash flows, Black-Scholes model, and interpolation techniques). They maximize the use of observable inputs and minimize 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 generally the individual financial asset or financial liability but a portfolio-based measurement can be elected, subject to certain conditions. Accordingly, the Group retains this portfolio-based measurement exception to determine the fair value when some group of financial assets and financial liabilities and other contracts within the scope of the standard relating to financial instruments with substantially similar and offsetting market risks or credit risks are managed on the basis of a net exposure, in accordance with the documented risk management strategy.

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

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

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

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

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

### **Derecognition of financial assets**

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

### **Derecognition of financial liabilities**

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

### **Repurchase agreements and securities lending/borrowing**

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

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

Securities lending transactions do not result in derecognition of the lent securities, and securities borrowing transactions do not result in recognition of the borrowed securities on the balance sheet. In cases where the borrowed securities are subsequently sold by the Group, the obligation to deliver the

borrowed securities on maturity is recognised on the balance sheet under “financial liabilities at fair value through profit or loss”.

#### **1.e.12 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

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

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

## 1.f ACCOUNTING STANDARDS SPECIFIC TO INSURANCE ACTIVITIES

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

The amendment to IFRS 4 “Insurance Contracts”: “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts” adopted by the European Union on 3 November 2017 provides the option for entities that predominantly undertake insurance activities to defer the effective date of IFRS 9<sup>5</sup> until 1 January 2021 . The effect of such a deferral is that those entities may continue to report their financial statements under the existing standard IAS 39.

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

BNP Paribas Group applies this amendment to all its insurance entities, including funds related to this activity, which will apply IAS 39 “Financial instruments: Recognition and Measurement” until 31 December 2020.

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

### 1.f.1 PROFIT AND LOSS ACCOUNT

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

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

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

### 1.f.2 FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES

Investments of insurance activities mainly include:

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

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<sup>(5)</sup> On 26 June 2019, the IASB published an exposure draft “Amendments to IFRS 17” including in particular the deferral of the mandatory initial application of IFRS 17 as well as the deferral of the expiry date for the temporary exemption from IFRS 9 to 1 January 2022.



**Investments in financial instruments**

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

*- Financial assets at fair value through profit or loss*

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

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

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

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

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

Financial instruments classified in this category are initially recognised at their fair value, with transaction costs being directly recognised in the income statement.

At the closing date, they are valued at their fair value.

Changes in value compared to the last valuation, income, dividends and realised gains and losses are presented under "Net income from insurance activities" and under "Net gain on financial instruments at fair value through profit or loss".

*- Loans and advances*

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

Loans and receivables are initially recognised at their fair value or equivalent, which generally corresponds to the net amount originally paid.

Loans and receivables are subsequently measured at amortised cost using the effective interest method and net of repayments of principal and interest.

Interest is calculated using the effective interest method, which includes interest, transaction costs and commissions included in their initial value and is presented under "Net income from insurance activities" and under sub-heading "Net gain on financial instruments at amortised cost".

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

*- Held-to-maturity financial assets*

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

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

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

*- Available-for-sale financial assets*

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

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

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

### **Investment property**

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

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

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

### **Equity method investments**

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

### 1.f.3 TECHNICAL RESERVES AND OTHER INSURANCE LIABILITIES

The item “Technical reserves and other insurance liabilities” includes:

- Commitments to policyholders and beneficiaries of contracts, which include technical reserves for insurance contracts subject to significant insurance hazard (mortality, longevity, disability, incapacity...) and technical liabilities of investment contracts with a discretionary profit-sharing feature, falling within IFRS 4. The discretionary participation clause grants life insurance policyholders the right to receive, in addition to the guaranteed remuneration, a share of the financial results achieved;
- Other insurance liabilities related to unit-linked contracts that fall within the scope of IAS 39 (i.e. investment contracts with no discretionary participating features);
- Policyholders’ surplus reserve;
- Liabilities arising from insurance and reinsurance operations, including liabilities due to policyholders;
- Financial derivative instruments of insurance activities carried at fair value through profit or loss, the fair value of which is negative. Group insurance entities underwrite derivative instruments for hedging purposes.

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

#### **Insurance and reinsurance contracts and investment contracts with discretionary participating features**

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

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

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

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

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

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

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

ability and intention to hold the assets carrying the unrealised loss. The policyholders' loss reserve is recognised symmetrically with the corresponding assets and shown on the assets side of the balance sheet under the line item "Accrued income and other assets".

### **Investment contracts with no discretionary participating features**

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

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

## **1.g PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **1.h LEASES**

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

### **1.h.1 GROUP COMPANY AS LESSOR**

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

- **Finance leases**

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

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

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

- **Operating leases**

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

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

## **1.h.2 GROUP COMPANY AS LESSEE**

Lease contracts concluded by the Group, with the exception of contracts whose term is shorter than or equal to 12 months and low-value contracts, are recognized 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 are 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. For contracts with no enforceable period and which are renewable tacitly, related right of use and lease liabilities are recognised based on the termination period if this period is more than twelve months. For contracts with an initial enforceable period of at least one year, which are renewable tacitly for this enforceable period or another enforceable period as long as the notice of termination has not been given, related right of use and lease liabilities are recognised at each date of renewal of an enforceable period.
- The discount rate used to measure the right of use and the lease liability is assessed for each contract as the interest rate implicit in the lease, if that rate can be readily determined, or more generally based on the incremental borrowing rate of the lessee at the date of signature. The incremental borrowing rate is determined considering the average term (duration) of the contract.
- When the contract is modified, a new assessment of the lease liability is made taking into account the new residual term of the contract, and therefore a new assessment of the right of use and the lease liability is established.

## **1.i NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

Where the Group decides to sell non-current 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 “Non-current assets held for sale”. Any liabilities associated with these assets are also shown separately in the balance sheet, on the line “Liabilities associated with non-current 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, non-current 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 “Post-tax gain/loss on discontinued operations and assets held for sale”. This line includes the post-tax profits or losses of discontinued operations, the post-tax gain or loss arising from remeasurement at fair value less costs to sell, and the post-tax gain or loss on disposal of the operation.

## **1.j EMPLOYEE BENEFITS**

Employee benefits are classified in one of four categories:

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

### **• Short-term benefits**

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

### **• Long-term benefits**

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

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

- **Termination benefits**

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

- **Post-employment benefits**

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

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

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

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

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

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

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

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

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

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



## 1.k SHARE-BASED PAYMENTS

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

IFRS 2 requires share-based payments granted after 7 November 2002 to be recognised as an expense. The amount recognised is the value of the share-based payment granted to the employee.

The Group grants employees stock subscription option plans and deferred share-based or share price-linked cash-settled compensation plans, and also offers them the possibility to purchase specially-issued BNP Paribas shares at a discount, on condition that they retain the shares for a specified period.

- **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.

## 1.1 PROVISIONS RECORDED UNDER LIABILITIES

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

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

### 1.m CURRENT AND DEFERRED TAX

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

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

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

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

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

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

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

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

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

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

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

## **1.n CASH FLOW STATEMENT**

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

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

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

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

### **1.0 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 deferred tax assets;
- the estimation of insurance technical reserves and policyholders surplus reserves;



- the measurement of uncertainty over income tax treatments and other provisions for contingencies and charges. In particular, while investigations and litigations are ongoing, it is difficult to foresee their outcome and potential impact. Provision estimation is established by taking into account all available information at the date of the preparation of the financial statements, in particular the nature of the dispute, the underlying facts, the ongoing legal proceedings and court decisions, including those related to similar cases. The Group may also use the opinion of experts and independent legal advisers to exercise its judgement.

## 2. EFFECT OF IFRS 16 FIRST TIME ADOPTION

As of 1 January 2019, BNP Paribas Group has applied the new accounting standard IFRS 16 “Leases”. The Group decided to apply the simplified retrospective transition requirement, with the cumulative effect in equity. This impact in equity results from the difference between:

- A right of use and its amortisation as if the standard had been applied since the origination of the contract, discounted at the standard first application date;
- A lease liability discounted at the standard first application date.

The discount rate applied for the measurement of both the right of use and the lease liability is the incremental borrowing rate based on the residual maturity of each contract at the date of the initial application of the standard. The average discount rates used on 1 January 2019 is 1.96%.

The Group has applied the main simplification measures offered by the standard when applying the simplified retrospective transition method, in particular the absence of accounting for a right-of-use for contracts whose residual maturity is lower than twelve months at transition date.

As part of the set up of this standard, the Group has identified rights of use of leased assets. A good is considered to be leased if the contract confers the right for the lessee, to control the use of a particular asset for a certain period of time for a consideration. In each case, the Group assessed :

- the identifiable nature of the asset, which presupposes that the lessor has no substantial right of substitution at the date of the contract;
- the effective nature of the control on the asset, which presumes for the lessor the right to obtain substantially all of the economic benefits arising from use of the asset, as well as the ability to decide on its use.

Where the lease also contains a non-rental component such as the provision of services, only the share of the rental corresponding to the rental component is taken into account by the Group in the valuation of the Right of Use. The identification of rental or non-rental component is carried out on the basis of their individual contract price or otherwise on the basis of the observable comparable information.

For the calculation of the lease liability, the Group retains amounts, excluding value added tax of the following elements:

- fixed rents;
- variable rents dependent on an index, such as the construction index, or an interest rate;
- as well as all expected residual value guarantee payments, the exercise price of call options and termination penalties.

Rents based on usage level or performance of a good are excluded from the calculation of the lease liability.

The lease contracts identified are essentially property leases, and to a lesser extent computer and banking equipment leases and vehicles leases. Property leases encompass either commercial agencies for retail banking, or operating offices (office buildings, head offices ...) in France or abroad.

The Group made the choice not to apply the exemption to the accounting of initial deferred tax assets (DTA) and deferred liabilities (DTL) permitted by paragraphs 15 and 24 of IAS 12 “Income taxes”. Consequently, distinct deferred tax assets and deferred tax liabilities will be accounted for with regards to the balance sheet amounts of rights of use and lease liabilities of the lessee.

The main impacts on the balance-sheet are a negative effect of EUR 146 million (net of tax) in equity, an increase of fixed assets by EUR 3,357 million, the recognition of a lease liability of EUR 3,568 million and an increase of deferred tax assets by EUR 45 million (after compensation of DTA and DTL in accordance with the principles detailed in section 1.m Current and deferred tax).

The following table presents the balance-sheet accounts impacted by the first application of IFRS 16.

| In millions of euros  | 31 December 2018 | Effect of the IFRS 16 adoption | 1st January 2019 |
|---|------------------|--------------------------------|------------------|
| <b>ASSETS</b>   |                  |                                |                  |
| Current and deferred tax assets                                       | 7,220            | 45                             | 7,265            |
| Accrued income and other assets                                       | 103,346          | 7                              | 103,353          |
| Property, plant and equipment and investment property                 | 26,652           | 3,357                          | 30,009           |
| <i>Of which gross value</i>   | 42,006           | 6,639                          | 48,645           |
| <i>Of which accumulated depreciation, amortisation and impairment</i> | (15,354)         | (3,282)                        | (18,636)         |
| <b>TOTAL EFFECT ON ASSETS</b>   |                  | <b>3,409</b>                   |                  |
| <b>LIABILITIES</b>  |                  |                                |                  |
| Deposits from credit institutions                                     | 78,915           | (11)                           | 78,904           |
| Current and deferred tax liabilities                                  | 2,255            | (2)                            | 2,253            |
| Accrued expenses and other liabilities                                | 89,562           | 3,568                          | 93,130           |
| <b>Total effect on liabilities</b>                                    |                  | <b>3,555</b>                   |                  |
| <b>EQUITY</b>   |                  |                                |                  |
| Shareholders' equity  | 101,467          | (141)                          | 101,326          |
| Minority interests  | 4,259            | (5)                            | 4,254            |
| <b>Total effect on equity</b>   |                  | <b>(146)</b>                   |                  |
| <b>TOTAL EFFECT ON LIABILITIES</b>                                    |                  | <b>3,409</b>                   |                  |

### 3. NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

#### 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 millions of euros  | Year to 31 Dec. 2019 |                 |               | Year to 31 Dec. 2018 |                 |               |
|---|----------------------|-----------------|---------------|----------------------|-----------------|---------------|
|   | Income               | Expense         | Net           | Income               | Expense         | Net           |
| <b>Financial instruments at amortised cost</b>  | <b>30,715</b>        | <b>(12,278)</b> | <b>18,437</b> | <b>29,115</b>        | <b>(10,482)</b> | <b>18,633</b> |
| Deposits, loans and borrowings  | 27,790               | (9,083)         | 18,707        | 26,957               | (8,069)         | 18,888        |
| Repurchase agreements   | 186                  | (88)            | 98            | 152                  | (59)            | 93            |
| Finance leases  | 1,398                | (86)            | 1,312         | 1,312                | (73)            | 1,239         |
| Debt securities   | 1,341                |                 | 1,341         | 694                  |                 | 694           |
| Issued debt securities and subordinated debt  |                      | (3,021)         | (3,021)       |                      | (2,281)         | (2,281)       |
| <b>Financial instruments at fair value through equity</b>                                       | <b>1,076</b>         | <b>-</b>        | <b>1,076</b>  | <b>965</b>           | <b>-</b>        | <b>965</b>    |
| Debt securities   | 1,076                |                 | 1,076         | 965                  |                 | 965           |
| <b>Financial instruments at fair value through profit or loss (Trading securities excluded)</b> | <b>63</b>            | <b>(347)</b>    | <b>(284)</b>  | <b>42</b>            | <b>(442)</b>    | <b>(400)</b>  |
| <b>Cash flow hedge instruments</b>  | <b>2,746</b>         | <b>(1,159)</b>  | <b>1,587</b>  | <b>2,941</b>         | <b>(1,369)</b>  | <b>1,572</b>  |
| <b>Interest rate portfolio hedge instruments</b>  | <b>2,727</b>         | <b>(2,349)</b>  | <b>378</b>    | <b>2,660</b>         | <b>(2,368)</b>  | <b>292</b>    |
| <b>Lease liabilities</b>  | <b>-</b>             | <b>(67)</b>     | <b>(67)</b>   |                      |                 |               |
| <b>Total interest income/(expense)</b>  | <b>37,327</b>        | <b>(16,200)</b> | <b>21,127</b> | <b>35,723</b>        | <b>(14,661)</b> | <b>21,062</b> |

Interest income on individually impaired loans amounted to EUR 432 million for the year ended 31 December 2019, compared to EUR 454 million for the year ended 31 December 2018.

**3.b COMMISSION INCOME AND EXPENSE**

| In millions of euros   | Year to 31 Dec. 2019 |                |              | Year to 31 Dec. 2018 |                |              |
|--|----------------------|----------------|--------------|----------------------|----------------|--------------|
|  | Income               | Expense        | Net          | Income               | Expense        | Net          |
| Customer transactions  | 4,535                | (1,246)        | 3,289        | 4,406                | (1,157)        | 3,249        |
| Securities and derivatives transactions  | 1,751                | (1,283)        | 468          | 1,729                | (1,187)        | 542          |
| Financing and guarantee commitments  | 1,276                | (59)           | 1,217        | 1,102                | (44)           | 1,058        |
| Asset management and other services  | 4,769                | (288)          | 4,481        | 4,723                | (246)          | 4,477        |
| Others   | 934                  | (1,024)        | (90)         | 965                  | (1,084)        | (119)        |
| <b>Commission income/expense</b>   | <b>13,265</b>        | <b>(3,900)</b> | <b>9,365</b> | <b>12,925</b>        | <b>(3,718)</b> | <b>9,207</b> |
| - 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 | 2,753                | (210)          | 2,543        | 2,834                | (261)          | 2,573        |
| - of which commission income and expense on financial instruments not measured at fair value through profit or loss  | 3,105                | (490)          | 2,615        | 3,005                | (427)          | 2,578        |



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

These income items include dividends on these instruments and exclude interest income and expense from financial instruments designated as at fair value through profit or loss and instruments whose cash flows are not only repayments of principal and interest on the principal or whose business model is not to collect cash flows nor to collect cash flows and sell the assets, which are presented in “Net interest income” (note 3.a).

| In millions of euros  | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|---|----------------------|----------------------|
| <b>Financial instruments held for trading</b>                                   | 11,768               | (1,470)              |
| Interest rate and credit instruments  | 7,489                | 1,975                |
| Equity financial instruments  | 3,562                | (2,926)              |
| Foreign exchange financial instruments  | 2,203                | 1,432                |
| Loans and repurchase agreements   | (1,573)              | (1,126)              |
| Other financial instruments   | 87                   | (825)                |
| <b>Financial instruments designated as at fair value through profit or loss</b> | <b>(5,217)</b>       | <b>6,756</b>         |
| <b>Other financial instruments at fair value through profit or loss</b>         | <b>585</b>           | <b>533</b>           |
| Debt instruments  | 5                    | (38)                 |
| Equity instruments  | 580                  | 571                  |
| <b>Impact of hedge accounting</b>   | <b>(25)</b>          | <b>(11)</b>          |
| Fair value hedging derivatives  | 1,014                | 134                  |
| Hedged items in fair value hedge  | (1,039)              | (145)                |
| <b>Net gain on financial instruments at fair value through profit or loss</b>   | <b>7,111</b>         | <b>5,808</b>         |

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

Net gains on financial instruments held for trading in 2019 and 2018 include a non-material amount related to the ineffective portion of cash flow hedges.

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

Cumulated changes in fair value related to discontinued cash flow hedge relationships, previously recognised in equity and included in 2019 profit and loss account were 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  | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|---|----------------------|----------------------|
| Net gain on debt instruments <sup>(1)</sup>                           | 234                  | 213                  |
| Dividend income on equity instruments                                 | 116                  | 102                  |
| <b>Net gain on financial instruments at fair value through equity</b> | <b>350</b>           | <b>315</b>           |

<sup>(1)</sup> Interest income from debt instruments is included in "Net interest income" (note 3.a), and impairment losses related to potential issuer default are included in "Cost of risk" (note 3.h).

Unrealised gains and losses on debt securities previously recorded under "Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss" and included in the pre-tax income, amount to a gain of EUR 194 million for the year ended 31 December 2019, compared with EUR 110 million for the year ended 31 December 2018.

### 3.e NET INCOME FROM INSURANCE ACTIVITIES

| In millions of euros   | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| Premiums earned  | 24,183               | 27,026               |
| Net gain from investment contracts with discretionary participation feature and other services | 32                   | 29                   |
| Net income / (expense) from financial investments  | 14,858               | (2,133)              |
| Technical charges related to contracts   | (32,423)             | (18,487)             |
| Net charges from ceded reinsurance   | (118)                | (267)                |
| Policy benefit expenses  | (2,095)              | (2,104)              |
| <b>Net income from insurance activities</b>  | <b>4,437</b>         | <b>4,064</b>         |

| In millions of euros  | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|---|----------------------|----------------------|
| Net gain on available-for-sale financial assets                               | 3,273                | 3,501                |
| <i>Interest income and dividends</i>  | 3,040                | 3,109                |
| <i>Additions to impairment provisions</i>                                     | (160)                | (33)                 |
| <i>Net disposal gains</i>   | 393                  | 425                  |
| Net gain/(loss) on financial instruments at fair value through profit or loss | 11,278               | (6,002)              |
| Net gain on financial instruments at amortised cost                           | 106                  | 213                  |
| Investment property income  | 200                  | 155                  |
| Share of earnings of equity-method investments                                | 5                    | 7                    |
| Other expense   | (4)                  | (7)                  |
| <b>Net income / (expense) from financial investments</b>                      | <b>14,858</b>        | <b>(2,133)</b>       |

### 3.f NET INCOME FROM OTHER ACTIVITIES

| In millions of euros                               | Year to 31 Dec. 2019 |                 |              | Year to 31 Dec. 2018 |                 |              |
|--|----------------------|-----------------|--------------|----------------------|-----------------|--------------|
|  | Income               | Expense         | Net          | Income               | Expense         | Net          |
| Net income from investment property                | 155                  | (34)            | 121          | 165                  | (69)            | 96           |
| Net income from assets held under operating leases | 10,648               | (9,090)         | 1,558        | 9,845                | (8,406)         | 1,439        |
| Net income from property development activities    | 1,069                | (867)           | 202          | 898                  | (676)           | 222          |
| Other net income                                   | 1,630                | (1,307)         | 323          | 1,416                | (1,108)         | 308          |
| <b>Total net income from other activities</b>      | <b>13,502</b>        | <b>(11,298)</b> | <b>2,204</b> | <b>12,324</b>        | <b>(10,259)</b> | <b>2,065</b> |

### 3.g OTHER OPERATING EXPENSES

| In millions of euros                           | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| External services and other operating expenses | (9,495)              | (10,498)             |
| Taxes and contributions <sup>(1)</sup>         | (1,844)              | (1,792)              |
| <b>Total other operating expenses</b>          | <b>(11,339)</b>      | <b>(12,290)</b>      |

<sup>(1)</sup> Contributions to European resolution funds, including exceptional contributions, amount to EUR 646 million for the year ended 31 December 2019 compared with EUR 607 million for the year ended 31 December 2018.

### 3.h COST OF RISK

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

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

Both steps shall rely on forward looking information.

#### **Significant increase in credit risk**

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

The internal credit rating methodology used by the Group is described in chapter 5. Pillar 3 of the Universal Registration Document (section 5.4 Credit risk).

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

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

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

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

- *SME Corporates facilities and Retail*

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

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

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

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

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

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

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

### **Forward Looking Information**

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

Regarding the assessment of significant increase in credit risk, beyond the rules based on the comparison of risk parameters between initial recognition and reporting date (cf. "significant increase in credit risk" section), the determination of significant increase in credit risk is supplemented by the consideration of more systemic forward looking factors (such as macroeconomic, sectorial or geographical risk drivers) that could increase the credit risk of some exposures. These factors can lead to tighten the transfer criteria into stage 2, resulting in an increase of ECL amounts for exposures deemed vulnerable to these risk drivers.

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

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

The link between the macro-economic 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 scenario.

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

- 50% for the baseline scenario,
- the weighting of the two alternative scenarios is computed using a relationship with the position in the credit cycle. In this approach, the adverse scenario receives a higher weight when the economy is in strong expansion than in lower growth period in anticipation of a potential downturn of the economy.

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

#### *Macroeconomic scenarios:*

The three macroeconomic scenarios are defined with a 3-year 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. It is designed by Group Economic Research in collaboration with various experts within the Group. Projections are provided for key markets of the Group, through main macroeconomic variables (GDP and its components, unemployment rate, consumer prices, interest rates, foreign exchange rates, oil prices, real estate prices etc.) which are drivers for risk parameter models used downstream in the credit stress testing 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 more unfavourable economic path than in the baseline scenario. The starting point is a shock on GDP. This shock on GDP is applied with variable magnitudes, but simultaneously among economies when the crisis considered is a global contemporaneous crisis. These assumptions are broadly consistent with those proposed by the regulators. Other variables (unemployment, inflation, interest rate) are deducted on the basis of econometric relationships and expert judgment.
- a favourable scenario which reflects the impact of the materialisation of some of the upside risks for the economy, resulting in a much more favourable economic path. To achieve an unbiased estimation of provisions, the favourable scenario is designed in such a way that the probability of the shock on GDP growth (on average over the cycle) is equal to the probability of the corresponding shock in the adverse scenario. The magnitude of favourable GDP shocks generally corresponds to 80%-95% of the magnitude of adverse GDP shocks. Other variables (unemployment, inflation, interest rate) are deducted in the same way as in the adverse scenario.

The adverse scenario assumes that a number of risks for the economy materialise, leading to a much poorer economic trajectory than in the reference scenario. The assumptions used for the adverse scenario at 31 December 2019 are as follows:

- negative impact on international trade from the trade dispute between the United States and China and its consequences for financial markets;
- Brexit-related risks: uncertainty surrounding the terms of the future relationship between the United Kingdom and the European Union remains high. The United Kingdom could suffer disruption in some sectors with higher uncertainty impacting investment and consumption, weaker commercial momentum, financial tensions and negative impacts on real estate markets. The euro zone would also be affected by negative Brexit impacts;
- possible tensions in the euro zone related to public finances: high public debt ratios in some countries at a time when activity could slow;
- significant correction to some stock and real estate markets: with a slowing growth cycle, a correction could affect some markets;
- geopolitical risks: tensions in the Middle East could affect the global economy with price shocks impacting raw materials and business confidence;
- difficulties in emerging markets: some emerging markets have internal economic imbalances, owing to the strength of the US dollar, political changes at a national level and deteriorating international relations. In some cases, activity could be more affected than currently estimated;
- slowdown in China: a more pronounced slowdown in activity than anticipated or a further deterioration in public finance ratios and levels of external sales, could have an impact on financial markets at a global level, affecting global trade and the price of raw materials.

The effect of the adverse scenario on GDP growth in OECD countries is reflected in the gap vis-à-vis the central scenario after three years of between -6% and -12% according to the country and, in particular, -7% on average in terms of euro zone growth and -6% in terms of United States growth.

At 31 December 2019, the weighting of the adverse scenario is 26% for the Group (24% for the favourable scenario), reflecting a position above the average of the credit cycle, with a very favourable level in its domestic markets offset by a global economic slowdown, particularly in emerging countries.

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

| In millions of euros                                       | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| Net allowances to impairment                               | (2,649)              | (2,490)              |
| Recoveries on loans and receivables previously written off | 429                  | 483                  |
| Losses on irrecoverable loans                              | (983)                | (757)                |
| <b>Total cost of risk for the period</b>                   | <b>(3,203)</b>       | <b>(2,764)</b>       |

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

| In millions of euros   | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| Cash and balances at central banks                               | (1)                  | (5)                  |
| Financial instruments at fair value through profit or loss       | 4                    | (32)                 |
| Financial assets at fair value through equity                    |                      | (12)                 |
| Financial assets at amortised cost                               | (3,050)              | (2,690)              |
| <i>Loans and receivables</i>                                     | (3,057)              | (2,648)              |
| <i>Debt securities</i>   | 7                    | (42)                 |
| Other assets   | (4)                  | (5)                  |
| Financing and guarantee commitments and other items              | (152)                | (20)                 |
| <b>Total cost of risk for the period</b>                         | <b>(3,203)</b>       | <b>(2,764)</b>       |
| <i>Cost of risk on unimpaired assets and commitments</i>         | 37                   | 195                  |
| <i>of which stage 1</i>  | (161)                | (155)                |
| <i>of which stage 2</i>  | 198                  | 350                  |
| <i>Cost of risk on impaired assets and commitments - stage 3</i> | (3,240)              | (2,959)              |

- Credit risk impairment**

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

| In millions of euros                                       | 31 December 2018 | Net allowance to impairment | Impairment provisions used | Effect of exchange rate movements and other | 31 December 2019 |
|--|------------------|-----------------------------|----------------------------|---|------------------|
| <b>Assets impairment</b>                                   |                  |                             |                            |   |                  |
| Amounts due from central banks                             | 15               | 1                           |                            | (1)   | 15               |
| Financial instruments at fair value through profit or loss | 191              | (39)                        |                            | (3)   | 149              |
| Impairment of assets at fair value through equity          | 140              |                             |                            | 1   | 141              |
| Financial assets at amortised cost                         | 24,362           | 2,582                       | (5,560)                    | 27  | 21,411           |
| <i>Loans and receivables</i>                               | 24,232           | 2,591                       | (5,560)                    | 14  | 21,277           |
| <i>Debt securities</i>                                     | 130              | (9)                         |                            | 13  | 134              |
| Other assets   | 80               | 10                          |                            |   | 90               |
| <b>Total impairment of financial assets</b>                | <b>24,788</b>    | <b>2,554</b>                | <b>(5,560)</b>             | <b>24</b>                                   | <b>21,806</b>    |
| <i>of which stage 1</i>                                    | 1,581            | 124                         | (2)                        | (27)  | 1,676            |
| <i>of which stage 2</i>                                    | 3,325            | (210)                       | (10)                       | 40  | 3,145            |
| <i>of which stage 3</i>                                    | 19,882           | 2,640                       | (5,548)                    | 11  | 16,985           |
| <b>Provisions recognised as liabilities</b>                |                  |                             |                            |   |                  |
| Provisions for commitments                                 | 775              | 45                          |                            | (2)   | 818              |
| Other provisions   | 417              | 50                          | (32)                       | (19)  | 416              |
| <b>Total provisions recognised for credit commitments</b>  | <b>1,192</b>     | <b>95</b>                   | <b>(32)</b>                | <b>(21)</b>                                 | <b>1,234</b>     |
| <i>of which stage 1</i>                                    | 237              | 22                          |                            |   | 259              |
| <i>of which stage 2</i>                                    | 220              | 5                           |                            |   | 225              |
| <i>of which stage 3</i>                                    | 735              | 68                          | (32)                       | (21)  | 750              |
| <b>Total impairment and provisions</b>                     | <b>25,980</b>    | <b>2,649</b>                | <b>(5,592)</b>             | <b>3</b>                                    | <b>23,040</b>    |



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

| In millions of euros,                                      | 1 January 2018<br><i>IFRS 9 &amp; IFRS 15</i> | Net allowance to<br>impairment | Impairment<br>provisions used | Effect of exchange<br>rate movements and<br>other | 31 December 2018<br><i>IFRS 9 &amp; IFRS 15</i> |
|--|---|--------------------------------|-------------------------------|---|---|
| <b>Assets impairment</b>                                   |   |                                |                               |   |   |
| Amounts due from central banks                             | 13  | 5                              |                               | (3)   | 15  |
| Financial instruments at fair value through profit or loss | 190   | (41)                           |                               | 42  | 191   |
| Impairment of assets at fair value through equity          | 131   | 12                             | (1)                           | (2)   | 140   |
| Financial assets at amortised cost                         | 27,658  | 2,527                          | (5,637)                       | (186)   | 24,362  |
| <i>Loans and receivables</i>                               | 27,556  | 2,489                          | (5,626)                       | (187)   | 24,232  |
| <i>Debt securities</i>                                     | 102   | 38                             | (11)                          | 1   | 130   |
| Other assets   | 75  | 4                              | (1)                           | 2   | 80  |
| <b>Total impairment of financial assets</b>                | <b>28,067</b>                                 | <b>2,507</b>                   | <b>(5,639)</b>                | <b>(147)</b>                                      | <b>24,788</b>                                   |
| <i>of which stage 1</i>                                    | 1,477   | 145                            | (2)                           | (39)  | 1,581   |
| <i>of which stage 2</i>                                    | 3,707   | (291)                          | (12)                          | (79)  | 3,325   |
| <i>of which stage 3</i>                                    | 22,883  | 2,653                          | (5,625)                       | (29)  | 19,882  |
| <b>Provisions recognised as liabilities</b>                |   |                                |                               |   |   |
| Provisions for commitments                                 | 763   | (9)                            | (66)                          | 87  | 775   |
| Other provisions   | 514   | (8)                            | (50)                          | (39)  | 417   |
| <b>Total provisions recognised for credit commitments</b>  | <b>1,277</b>                                  | <b>(17)</b>                    | <b>(116)</b>                  | <b>48</b>   | <b>1,192</b>                                    |
| <i>of which stage 1</i>                                    | 201   | 10                             | (1)                           | 27  | 237   |
| <i>of which stage 2</i>                                    | 265   | (49)                           |                               | 4   | 220   |
| <i>of which stage 3</i>                                    | 811   | 22                             | (115)                         | 17  | 735   |
| <b>Total impairment and provisions</b>                     | <b>29,344</b>                                 | <b>2,490</b>                   | <b>(5,755)</b>                | <b>(99)</b>                                       | <b>25,980</b>                                   |

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

| In millions of euros   | Impairment on assets<br>subject to 12-month<br>Expected Credit Losses<br>(Stage 1) | Impairment on assets<br>subject to lifetime<br>Expected Credit Losses<br>(Stage 2) | Impairment on doubtful<br>assets<br>(Stage 3) | Total          |
|--|--|--|---|----------------|
| <b>At 31 December 2018</b>   | <b>1,549</b>   | <b>3,302</b>   | <b>19,511</b>                                 | <b>24,362</b>  |
| <b>Net allowance to impairment</b>                                 | <b>123</b>   | <b>(208)</b>   | <b>2,667</b>                                  | <b>2,582</b>   |
| Financial assets purchased or originated during the period         | 580  | 369  | 3   | 952            |
| Financial assets derecognised during the period <sup>(1)</sup>     | (263)  | (483)  | (809)   | (1,555)        |
| Transfer to stage 2  | (148)  | 2,130  | (476)   | 1,506          |
| Transfer to stage 3  | (17)   | (873)  | 2,267   | 1,377          |
| Transfer to stage 1  | 150  | (1,039)  | (79)  | (968)          |
| Other allowances / reversals without stage transfer <sup>(2)</sup> | (179)  | (312)  | 1,761   | 1,270          |
| <b>Impairment provisions used</b>                                  | <b>(2)</b>   | <b>(9)</b>   | <b>(5,549)</b>                                | <b>(5,560)</b> |
| <b>Effect of exchange rate movements and other items</b>           | <b>(29)</b>  | <b>38</b>  | <b>18</b>                                     | <b>27</b>      |
| <b>At 31 December 2019</b>   | <b>1,641</b>   | <b>3,123</b>   | <b>16,647</b>                                 | <b>21,411</b>  |

<sup>(1)</sup> including disposals

<sup>(2)</sup> including amortisation

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

| In millions of euros<br>IFRS 9 & IFRS 15                           | Impairment on assets<br>subject to 12-month<br>Expected Credit Losses<br>(Stage 1) | Impairment on assets<br>subject to lifetime<br>Expected Credit Losses<br>(Stage 2) | Impairment on doubtful<br>assets<br>(Stage 3) | Total          |
|--|--|--|---|----------------|
| <b>At 1 January 2018</b>   | <b>1,445</b>   | <b>3,691</b>   | <b>22,522</b>                                 | <b>27,658</b>  |
| <b>Net allowance to impairment</b>                                 | <b>142</b>   | <b>(300)</b>   | <b>2,685</b>                                  | <b>2,527</b>   |
| Financial assets purchased or originated during the period         | 578  | 348  |   | 926            |
| Financial assets derecognised during the period <sup>(1)</sup>     | (179)  | (278)  | (334)   | (791)          |
| Transfer to stage 2  | (133)  | 1,687  | (415)   | 1,139          |
| Transfer to stage 3  | (68)   | (676)  | 2,104   | 1,360          |
| Transfer to stage 1  | 111  | (667)  | (98)  | (654)          |
| Other allowances / reversals without stage transfer <sup>(2)</sup> | (167)  | (714)  | 1,428   | 547            |
| <b>Impairment provisions used</b>                                  | <b>(2)</b>   | <b>(12)</b>  | <b>(5,623)</b>                                | <b>(5,637)</b> |
| <b>Effect of exchange rate movements and other items</b>           | <b>(36)</b>  | <b>(77)</b>  | <b>(73)</b>                                   | <b>(186)</b>   |
| <b>At 31 December 2018</b>   | <b>1,549</b>   | <b>3,302</b>   | <b>19,511</b>                                 | <b>24,362</b>  |

<sup>(1)</sup> including disposals

<sup>(2)</sup> including amortisation

**3.i CORPORATE INCOME TAX**

| Reconciliation of the effective tax expense to the theoretical tax expense at standard tax rate in France | Year to 31 Dec. 2019 |              | Year to 31 Dec. 2018 |              |
|---|----------------------|--------------|----------------------|--------------|
|   | in millions of euros | tax rate     | in millions of euros | tax rate     |
| <b>Corporate income tax expense on pre-tax income at standard tax rate in France <sup>(1)</sup></b>       | <b>(4,003)</b>       | <b>34.4%</b> | <b>(3,280)</b>       | <b>34.4%</b> |
| Impact of differently taxed foreign profits   | 541                  | -4.7%        | 456                  | -4.8%        |
| Impact of changes in tax rates  | 77                   | -0.7%        |                      |              |
| Impact of the securities taxation   | 571                  | -4.9%        | 362                  | -3.8%        |
| Impact of the non-deductibility of taxes and bank levies <sup>(2)</sup>                                   | (218)                | 1.9%         | (209)                | 2.2%         |
| Impact of previously unrecognised deferred taxes (tax losses and temporary differences)                   | 76                   | -0.7%        | 86                   | -0.9%        |
| Impact of using tax losses for which no deferred tax asset was previously recognised                      | 4                    |              |                      |              |
| Other items   | 141                  | -1.1%        | 382                  | -4.0%        |
| <b>Corporate income tax expense</b>   | <b>(2,811)</b>       | <b>24.2%</b> | <b>(2,203)</b>       | <b>23.1%</b> |
| <i>Current tax expense for the year to 31 December</i>  | <i>(2,615)</i>       |              | <i>(1,691)</i>       |              |
| <i>Deferred tax expense for the year to 31 December (note 5.k)</i>  | <i>(196)</i>         |              | <i>(512)</i>         |              |

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

<sup>(2)</sup> Contribution to the Single Resolution Fund and non-deductible systemic bank levies.

## 4. SEGMENT INFORMATION

The Group is composed of two operating divisions:

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

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

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

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

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

In order to be comparable with 2019, the segment information for 2018 has been restated of the following main effects as if these had occurred on 1st January 2018.

1. Following the sale in 2018 of 43.6% of First Hawaiian Bank (FHB), the entity was no longer fully consolidated as from 1st August 2018 and was accounted according to the IFRS 5 standard as assets held for sale. It had been booked under the Corporate Centre from 1st October 2018. As a reminder, the remaining stake has been entirely sold on 25th January 2019.

FHB's contribution to Group results has been retroactively reallocated to the Corporate Centre from 1st January 2018, including the capital gain from the sale of FHB shares which was initially allocated to BancWest.

2. The internal transfer of Correspondent Banking activities has been made within CIB from Corporate Banking to Securities Services to reflect the organisational change.

These changes do not affect Group results as a whole but only the analytical breakdown of IFS (BancWest), CIB (Corporate Banking, Securities Services), and Corporate Centre.

**Income by business segment**

| In millions of euros                             | Year to 31 Dec. 2019 |                    |                |                  |                     |                | Year to 31 Dec. 2018 |                    |                |                  |                     |                |
|--|----------------------|--------------------|----------------|------------------|---------------------|----------------|----------------------|--------------------|----------------|------------------|---------------------|----------------|
|  | 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 |
| <b>Retail Banking &amp; Services</b>             |                      |                    |                |                  |                     |                |                      |                    |                |                  |                     |                |
| <b>Domestic Markets</b>                          |                      |                    |                |                  |                     |                |                      |                    |                |                  |                     |                |
| French Retail Banking <sup>(1)</sup>             | 6,050                | (4,461)            | (324)          | 1,266            | 7                   | 1,273          | 6,035                | (4,463)            | (286)          | 1,285            | (1)                 | 1,284          |
| BNL banca commerciale <sup>(1)</sup>             | 2,690                | (1,753)            | (490)          | 447              | (5)                 | 443            | 2,704                | (1,752)            | (593)          | 359              | (3)                 | 356            |
| Belgian Retail Banking <sup>(1)</sup>            | 3,353                | (2,378)            | (56)           | 919              | 10                  | 929            | 3,422                | (2,418)            | (42)           | 961              | 18                  | 980            |
| Other Domestic Markets activities <sup>(1)</sup> | 3,169                | (1,847)            | (146)          | 1,175            | (10)                | 1,165          | 2,972                | (1,768)            | (123)          | 1,081            | (17)                | 1,064          |
| <b>International Financial Services</b>          |                      |                    |                |                  |                     |                |                      |                    |                |                  |                     |                |
| Personal Finance                                 | 5,796                | (2,857)            | (1,354)        | 1,585            | 18                  | 1,602          | 5,533                | (2,764)            | (1,186)        | 1,583            | 64                  | 1,646          |
| International Retail Banking                     |                      |                    |                |                  |                     |                |                      |                    |                |                  |                     |                |
| <i>Europe-Mediterranean</i> <sup>(1)</sup>       | 2,690                | (1,794)            | (399)          | 497              | 231                 | 728            | 2,351                | (1,600)            | (308)          | 443              | 241                 | 684            |
| <i>BancWest</i> <sup>(1)</sup>                   | 2,309                | (1,674)            | (148)          | 487              | (3)                 | 484            | 2,226                | (1,647)            | (70)           | 510              | 2                   | 512            |
| Insurance  | 3,068                | (1,500)            | (3)            | 1,564            | 152                 | 1,716          | 2,680                | (1,406)            | 3              | 1,276            | 203                 | 1,479          |
| Wealth and Asset Management                      | 3,320                | (2,682)            | (6)            | 632              | 63                  | 695            | 3,286                | (2,636)            | (6)            | 644              | 37                  | 681            |
| <b>Corporate &amp; Institutional Banking</b>     |                      |                    |                |                  |                     |                |                      |                    |                |                  |                     |                |
| Corporate Banking                                | 4,312                | (2,599)            | (223)          | 1,490            | 13                  | 1,503          | 3,923                | (2,493)            | (32)           | 1,399            | 57                  | 1,456          |
| Global Markets                                   | 5,571                | (4,231)            | 2              | 1,341            | (6)                 | 1,334          | 4,727                | (3,937)            | (19)           | 771              | 1                   | 772            |
| Securities Services                              | 2,198                | (1,833)            | 4              | 369              |                     | 370            | 2,179                | (1,733)            | 8              | 453              |                     | 454            |
| <b>Other Activities</b>                          | <b>71</b>            | <b>(1,728)</b>     | <b>(58)</b>    | <b>(1,715)</b>   | <b>867</b>          | <b>(848)</b>   | <b>479</b>           | <b>(1,965)</b>     | <b>(110)</b>   | <b>(1,596)</b>   | <b>437</b>          | <b>(1,159)</b> |
| <b>Total Group</b>                               | <b>44,597</b>        | <b>(31,337)</b>    | <b>(3,203)</b> | <b>10,057</b>    | <b>1,337</b>        | <b>11,394</b>  | <b>42,516</b>        | <b>(30,583)</b>    | <b>(2,764)</b> | <b>9,169</b>     | <b>1,039</b>        | <b>10,208</b>  |

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

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

| In millions of euros                             | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| <b>Retail Banking &amp; Services</b>             |                      |                      |
| <b>Domestic Markets</b>                          |                      |                      |
| French Retail Banking <sup>(1)</sup>             | 2,558                | 2,573                |
| BNL banca commerciale <sup>(1)</sup>             | 1,025                | 1,038                |
| Belgian Retail Banking <sup>(1)</sup>            | 813                  | 801                  |
| Other Domestic Markets activities <sup>(1)</sup> | 376                  | 362                  |
| <b>International Financial Services</b>          |                      |                      |
| Personal Finance                                 | 799                  | 736                  |
| International Retail Banking                     | 880                  | 936                  |
| <i>Europe Mediterranean</i> <sup>(1)</sup>       | 578                  | 510                  |
| <i>BancWest</i> <sup>(1)</sup>                   | 302                  | 427                  |
| Insurance  | (3,448)              | (3,400)              |
| Wealth and Asset Management                      | 2,207                | 2,192                |
| <b>Corporate &amp; Institutional Banking</b>     |                      |                      |
| Corporate Banking                                | 1,545                | 1,441                |
| Global Markets                                   | (790)                | (718)                |
| Securities Services                              | 1,309                | 1,240                |
| <b>Other activities</b>                          | <b>48</b>            | <b>8</b>             |
| <b>Total Group</b>                               | <b>7,323</b>         | <b>7,208</b>         |

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

- Assets and liabilities by business segment**

| In millions of euros                       | 31 December 2019 |                  | 31 December 2018 |                  |
|--|------------------|------------------|------------------|------------------|
|  | Asset            | Liability        | Asset            | Liability        |
| <b>Retail Banking &amp; Services</b>       |                  |                  |                  |                  |
| Domestic Markets                           | 480,313          | 498,948          | 465,519          | 472,763          |
| French Retail Banking                      | 195,462          | 198,097          | 193,865          | 188,781          |
| BNL banca commerciale                      | 81,276           | 69,821           | 80,709           | 65,844           |
| Belgian Retail Banking                     | 140,127          | 173,097          | 133,540          | 162,186          |
| Other Domestic Markets activities          | 63,448           | 57,933           | 57,405           | 55,952           |
| <b>International Financial Services</b>    | <b>520,772</b>   | <b>456,074</b>   | <b>475,517</b>   | <b>420,869</b>   |
| Personal Finance                           | 93,526           | 22,133           | 86,178           | 18,675           |
| International Retail Banking               | 136,714          | 124,774          | 129,455          | 116,373          |
| Europe-Mediterranean                       | 58,901           | 53,642           | 57,674           | 51,712           |
| BancWest                                   | 77,813           | 71,132           | 71,781           | 64,661           |
| Insurance                                  | 257,818          | 240,061          | 232,308          | 222,021          |
| Wealth and Asset Management                | 32,714           | 69,106           | 27,576           | 63,800           |
| <b>Corporate and Institutional Banking</b> | <b>891,207</b>   | <b>958,488</b>   | <b>816,190</b>   | <b>907,655</b>   |
| <b>Other Activities</b>                    | <b>272,421</b>   | <b>251,203</b>   | <b>283,610</b>   | <b>239,549</b>   |
| <b>Total Group</b>                         | <b>2,164,713</b> | <b>2,164,713</b> | <b>2,040,836</b> | <b>2,040,836</b> |

Information by business segment relating to goodwill is presented in note 5.o Goodwill.

- Information by geographic area**

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

- Revenues by geographic area

| In millions of euros | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|----------------------|----------------------|----------------------|
| Europe               | 33,495               | 31,699               |
| North America        | 4,664                | 4,654                |
| Asia & Pacific       | 3,210                | 3,000                |
| Others               | 3,228                | 3,163                |
| <b>Total Group</b>   | <b>44,597</b>        | <b>42,516</b>        |

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

| In millions of euros | 31 December 2019 | 31 December 2018 |
|----------------------|------------------|------------------|
| Europe               | 1,722,658        | 1,618,039        |
| North America        | 256,269          | 246,419          |
| Asia & Pacific       | 133,403          | 126,595          |
| Others               | 52,383           | 49,783           |
| <b>Total Group</b>   | <b>2,164,713</b> | <b>2,040,836</b> |

## 5. NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2019

### 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 which characteristics prevent their accounting at amortised cost or at fair value through equity.

|   | 31 December 2019                       |  |   |                | 31 December 2018                       |  |   |                |
|---|--|--|---|----------------|--|--|---|----------------|
|   | 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          |
| In millions of euros  |  |  |   |                |  |  |   |                |
| Securities  | 124,224                                |  | 7,711   | 131,935        | 114,615                                |  | 7,339   | 121,954        |
| Loans and repurchase agreements   | 195,554                                |  | 1,373   | 196,927        | 182,463                                |  | 1,253   | 183,716        |
| <b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>                              | <b>319,778</b>                         | <b>-</b>   | <b>9,084</b>  | <b>328,862</b> | <b>297,078</b>                         | <b>-</b>   | <b>8,592</b>  | <b>305,670</b> |
| Securities  | 65,490                                 |  |   | 65,490         | 75,189                                 |  |   | 75,189         |
| Deposits and repurchase agreements  | 212,712                                | 2,381  |   | 215,093        | 201,705                                | 2,334  |   | 204,039        |
| Issued debt securities (note 5.h)   |  | 63,758   |   | 63,758         |  | 54,908   |   | 54,908         |
| <i>of which subordinated debt</i>   |  | 893  |   | 893            |  | 787  |   | 787            |
| <i>of which non subordinated debt</i>   |  | 56,636   |   | 56,636         |  | 48,964   |   | 48,964         |
| <i>of which debt representative of shares of consolidated funds held by third parties</i> |  | 6,229  |   | 6,229          |  | 5,157  |   | 5,157          |
| <b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>                         | <b>278,202</b>                         | <b>66,139</b>  |   | <b>344,341</b> | <b>276,894</b>                         | <b>57,242</b>  |   | <b>334,136</b> |

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

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

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

The redemption value of debt issued and designated as at fair value through profit or loss at 31 December 2019 was EUR 58,729 million (EUR 56,435 million at 31 December 2018).



- **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                    | 31 December 2019      |                       | 31 December 2018      |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
|   | Positive market value | Negative market value | Positive market value | Negative market value |
| Interest rate derivatives               | 148,157               | 130,411               | 116,438               | 103,452               |
| Foreign exchange derivatives            | 60,172                | 57,758                | 69,514                | 68,761                |
| Credit derivatives                      | 8,659                 | 9,242                 | 6,873                 | 7,071                 |
| Equity derivatives                      | 25,480                | 35,841                | 33,424                | 39,419                |
| Other derivatives                       | 4,819                 | 4,633                 | 6,646                 | 7,101                 |
| <b>Derivative financial instruments</b> | <b>247,287</b>        | <b>237,885</b>        | <b>232,895</b>        | <b>225,804</b>        |

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

| In millions of euros                    | 31 December 2019 |   |                   |                   | 31 December 2018 |   |                   |                   |
|---|------------------|---|-------------------|-------------------|------------------|---|-------------------|-------------------|
|   | 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               | 1,275,283        | 8,554,782   | 5,224,422         | 15,054,487        | 1,553,933        | 9,189,930   | 5,193,522         | 15,937,385        |
| Foreign exchange derivatives            | 17,125           | 71,944  | 4,989,986         | 5,079,055         | 15,547           | 52,329  | 4,782,027         | 4,849,903         |
| Credit derivatives                      |                  | 348,880   | 591,827           | 940,707           |                  | 311,726   | 561,534           | 873,260           |
| Equity derivatives                      | 788,587          |   | 592,450           | 1,381,037         | 1,132,800        | 1,789   | 577,816           | 1,712,405         |
| Other derivatives                       | 151,049          |   | 85,006            | 236,055           | 99,510           | 58,004  | 94,202            | 251,716           |
| <b>Derivative financial instruments</b> | <b>2,232,044</b> | <b>8,975,606</b>  | <b>11,483,691</b> | <b>22,691,341</b> | <b>2,801,790</b> | <b>9,613,778</b>  | <b>11,209,101</b> | <b>23,624,669</b> |

In the framework of its client clearing activity, the Group guarantees the risk of default of its clients to central counterparties.

The corresponding notional amount is EUR 936 billion as of 31 December 2019.

## 5.b DERIVATIVES USED FOR HEDGING PURPOSES

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

| In millions of euros                         | 31 December 2019 |                     |                     | 31 December 2018 |                     |                     |
|--|------------------|---------------------|---------------------|------------------|---------------------|---------------------|
|  | Notional amounts | Positive fair value | Negative fair value | Notional amounts | Positive fair value | Negative fair value |
| <b>Fair value hedges</b>                     | <b>741,647</b>   | <b>10,702</b>       | <b>13,113</b>       | <b>639,707</b>   | <b>8,079</b>        | <b>10,706</b>       |
| Interest rate derivatives                    | 732,683          | 10,583              | 12,964              | 630,993          | 7,871               | 10,526              |
| Foreign exchange derivatives                 | 8,964            | 119                 | 149                 | 8,714            | 208                 | 180                 |
| <b>Cash flow hedges</b>                      | <b>179,237</b>   | <b>1,744</b>        | <b>984</b>          | <b>184,287</b>   | <b>1,683</b>        | <b>964</b>          |
| Interest rate derivatives                    | 67,143           | 1,476               | 340                 | 58,666           | 1,233               | 358                 |
| Foreign exchange derivatives                 | 111,773          | 236                 | 613                 | 125,306          | 439                 | 496                 |
| Other derivatives                            | 321              | 32                  | 31                  | 315              | 11                  | 110                 |
| <b>Net foreign investment hedges</b>         | <b>4,863</b>     | <b>6</b>            | <b>19</b>           | <b>3,806</b>     | <b>48</b>           | <b>7</b>            |
| Foreign exchange derivatives                 | 4,863            | 6                   | 19                  | 3,806            | 48                  | 7                   |
| <b>Derivatives used for hedging purposes</b> | <b>925,747</b>   | <b>12,452</b>       | <b>14,116</b>       | <b>827,800</b>   | <b>9,810</b>        | <b>11,677</b>       |

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

The table below presents the detail of fair value hedge relationships for identified financial instruments and portfolios of financial instruments that are continuing as at 31 December 2019:

| In millions of euros,<br>as at 31 December 2019   | Hedging instruments |                     |                     |   | Hedged instruments      |   |                             |   |
|---|---------------------|---------------------|---------------------|---|-------------------------|---|-----------------------------|---|
|   | Notional amounts    | Positive fair value | Negative fair value | Cumulated changes in fair value used as the basis for recognising ineffectiveness | Carrying amount - asset | Cumulated changes in fair value - asset | Carrying amount - liability | Cumulated changes in fair value - liability |
| <b>Fair value hedges of identified instruments</b>  | <b>250,198</b>      | <b>4,249</b>        | <b>6,825</b>        | <b>(322)</b>  | <b>112,836</b>          | <b>3,442</b>                            | <b>104,315</b>              | <b>3,310</b>                                |
| <b>Interest rate derivatives hedging the interest rate risk related to</b>                          | <b>242,612</b>      | <b>4,170</b>        | <b>6,697</b>        | <b>(358)</b>  | <b>110,439</b>          | <b>3,443</b>                            | <b>98,717</b>               | <b>3,267</b>                                |
| Loans and receivables   | 24,185              | 66                  | 591                 | (601)   | 24,268                  | 602                                     | -                           | -   |
| Securities  | 91,644              | 1,116               | 5,746               | (2,940)   | 86,171                  | 2,841                                   | -                           | -   |
| Deposits  | 17,291              | 929                 | (36)                | 629   | -                       | -                                       | 17,793                      | 685   |
| Debt securities   | 109,492             | 2,059               | 396                 | 2,554   | -                       | -                                       | 80,924                      | 2,582                                       |
| <b>Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to</b> | <b>7,586</b>        | <b>79</b>           | <b>128</b>          | <b>36</b>   | <b>2,397</b>            | <b>(1)</b>                              | <b>5,598</b>                | <b>43</b>                                   |
| Loans and receivables   | 1,380               | -                   | 1                   | (2)   | 1,278                   | 1                                       | -                           | -   |
| Securities  | 1,036               | 14                  | 11                  | (3)   | 1,119                   | (2)                                     | -                           | -   |
| Deposits  | 594                 | 20                  | 35                  | (28)  | -                       | -                                       | 457                         | (27)  |
| Debt securities   | 4,576               | 45                  | 81                  | 69  | -                       | -                                       | 5,141                       | 70  |
| <b>Interest-rate risk hedged portfolios</b>   | <b>491,449</b>      | <b>6,453</b>        | <b>6,288</b>        | <b>(302)</b>  | <b>133,606</b>          | <b>4,255</b>                            | <b>170,673</b>              | <b>3,940</b>                                |
| <b>Interest rate derivatives hedging the interest rate risk related to <sup>(1)</sup></b>           | <b>490,071</b>      | <b>6,413</b>        | <b>6,267</b>        | <b>(279)</b>  | <b>132,342</b>          | <b>4,229</b>                            | <b>170,673</b>              | <b>3,940</b>                                |
| Loans and receivables   | 223,102             | 762                 | 5,326               | (4,538)   | 132,342                 | 4,229                                   | -                           | -   |
| Deposits  | 266,969             | 5,651               | 941                 | 4,259   | -                       | -                                       | 170,673                     | 3,940                                       |
| <b>Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to</b> | <b>1,378</b>        | <b>40</b>           | <b>21</b>           | <b>(23)</b>   | <b>1,264</b>            | <b>26</b>                               | <b>-</b>                    | <b>-</b>                                    |
| Loans and receivables   | 1,378               | 40                  | 21                  | (23)  | 1,264                   | 26                                      | -                           | -   |
| <b>Total fair value hedge</b>   | <b>741,647</b>      | <b>10,702</b>       | <b>13,113</b>       | <b>(624)</b>  | <b>246,442</b>          | <b>7,697</b>                            | <b>274,988</b>              | <b>7,250</b>                                |

<sup>(1)</sup>Are included in this section the notional amounts of hedging derivatives and of swaps that reverse the interest rate positions, thus reducing the hedge relationship, when the hedged item still exists, for respectively EUR 69,179 million for derivatives hedging loans and receivables and EUR 81,351 million for derivatives hedging deposits.

| In millions of euros,<br>as at 31 December 2018   | Hedging instruments |                     |                     |   | Hedged instruments      |   |                             |   |
|---|---------------------|---------------------|---------------------|---|-------------------------|---|-----------------------------|---|
|   | Notional amounts    | Positive fair value | Negative fair value | Cumulated changes in fair value used as the basis for recognising ineffectiveness | Carrying amount - asset | Cumulated changes in fair value - asset | Carrying amount - liability | Cumulated changes in fair value - liability |
| <b>Fair value hedges of identified instruments</b>  | <b>203,795</b>      | <b>3,150</b>        | <b>5,702</b>        | <b>(1,152)</b>  | <b>94,412</b>           | <b>3,131</b>                            | <b>91,100</b>               | <b>2,323</b>                                |
| <b>Interest rate derivatives hedging the interest rate risk related to</b>                          | <b>196,753</b>      | <b>3,070</b>        | <b>5,543</b>        | <b>(1,214)</b>  | <b>93,045</b>           | <b>3,116</b>                            | <b>85,948</b>               | <b>2,253</b>                                |
| Loans and receivables   | 27,345              | 82                  | 427                 | (385)   | 24,727                  | 415                                     | -                           | -   |
| Securities  | 68,129              | 765                 | 5,006               | (2,843)   | 68,318                  | 2,701                                   | -                           | -   |
| Deposits  | 16,155              | 831                 | 18                  | 823   | -                       | -                                       | 16,327                      | 820   |
| Debt securities   | 85,124              | 1,392               | 92                  | 1,191   | -                       | -                                       | 69,621                      | 1,433                                       |
| <b>Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to</b> | <b>7,042</b>        | <b>80</b>           | <b>159</b>          | <b>62</b>   | <b>1,367</b>            | <b>15</b>                               | <b>5,152</b>                | <b>70</b>                                   |
| Loans and receivables   | 1,270               | 125                 | 12                  | (6)   | 1,270                   | 12                                      | -                           | -   |
| Securities  | 100                 | 1                   | 6                   | (3)   | 97                      | 3                                       | -                           | -   |
| Deposits  | 626                 | (16)                | -                   | 20  | -                       | -                                       | 465                         | 17  |
| Debt securities   | 5,046               | (30)                | 141                 | 51  | -                       | -                                       | 4,687                       | 53  |
| <b>Interest-rate risk hedged portfolios</b>   | <b>435,912</b>      | <b>4,929</b>        | <b>5,004</b>        | <b>(419)</b>  | <b>90,299</b>           | <b>2,781</b>                            | <b>154,412</b>              | <b>2,458</b>                                |
| <b>Interest rate derivatives hedging the interest rate risk related to <sup>(1)</sup></b>           | <b>434,240</b>      | <b>4,801</b>        | <b>4,983</b>        | <b>(429)</b>  | <b>88,789</b>           | <b>2,792</b>                            | <b>154,412</b>              | <b>2,458</b>                                |
| Loans and receivables   | 188,047             | 756                 | 4,259               | (2,941)   | 88,644                  | 2,792                                   | -                           | -   |
| Securities  | 148                 | 3                   | 7                   | (2)   | 145                     | -                                       | -                           | -   |
| Deposits  | 246,045             | 4,042               | 717                 | 2,514   | -                       | -                                       | 154,412                     | 2,458                                       |
| <b>Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to</b> | <b>1,672</b>        | <b>128</b>          | <b>21</b>           | <b>10</b>   | <b>1,510</b>            | <b>(11)</b>                             | <b>-</b>                    | <b>-</b>                                    |
| Loans and receivables   | 1,672               | 128                 | 21                  | 10  | 1,510                   | (11)                                    | -                           | -   |
| <b>Total fair value hedge</b>   | <b>639,707</b>      | <b>8,079</b>        | <b>10,706</b>       | <b>(1,571)</b>  | <b>184,711</b>          | <b>5,912</b>                            | <b>245,512</b>              | <b>4,781</b>                                |

<sup>(1)</sup> Are included in this section the notional amounts of hedging derivatives and of swaps that reverse the interest rate positions, thus reducing the hedge relationship, when the hedged item still exists, for respectively EUR 75,126 million for derivatives hedging loans and receivables and EUR 61,689 million for derivatives hedging deposits.

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

As regards discontinued fair value hedge relationships where the derivative contract was terminated, the cumulated amount of hedging instruments revaluation remaining to be amortised over the residual life of the hedged instruments amounts to EUR 47 million in assets as at 31 December 2019, and to EUR 49 million in liabilities, for hedges of portfolios of financial instruments. At 31 December 2018, these amounts were EUR 6 million in assets and 12 million in liabilities.

The notional amount of cash flow hedge derivatives is EUR 179 237 million as at 31 December 2019. Changes in assets and liabilities recognised directly in equity amount to EUR 1 416 million. At 31 December 2018, the notional amount of cash flow hedge derivatives was EUR 184 287 million and the changes in assets and liabilities recognised directly in equity amount was EUR 1 073 million.

The table below presents the nominal amounts of hedging derivatives by maturity:

| In millions of euros,<br>as at 31 December 2019 | Maturity date    |                          |                |                |
|---|------------------|--------------------------|----------------|----------------|
|   | Less than 1 year | Between 1 and 5<br>years | Over 5 years   | Total          |
| <b>Fair value hedges</b>                        | <b>160,731</b>   | <b>330,600</b>           | <b>250,316</b> | <b>741,647</b> |
| Interest rate derivatives                       | 157,154          | 326,038                  | 249,491        | 732,683        |
| Foreign exchange derivatives                    | 3,577            | 4,562                    | 825            | 8,964          |
| <b>Cash flow hedges</b>                         | <b>116,676</b>   | <b>38,757</b>            | <b>23,804</b>  | <b>179,237</b> |
| Interest rate derivatives                       | 18,330           | 30,475                   | 18,338         | 67,143         |
| Foreign exchange derivatives                    | 98,205           | 8,102                    | 5,466          | 111,773        |
| Other derivatives                               | 141              | 180                      |                | 321            |
| <b>Net foreign investment hedges</b>            | <b>4,156</b>     | <b>617</b>               | <b>90</b>      | <b>4,863</b>   |
| Foreign exchange derivatives                    | 4,156            | 617                      | 90             | 4,863          |

The table below presents the nominal amounts of hedging derivatives by maturity at the previous period:

| In millions of euros,<br>as at 31 December 2018 | Maturity date    |                          |                |                |
|---|------------------|--------------------------|----------------|----------------|
|   | Less than 1 year | Between 1 and 5<br>years | Over 5 years   | Total          |
| <b>Fair value hedges</b>                        | <b>121,642</b>   | <b>327,622</b>           | <b>190,443</b> | <b>639,707</b> |
| Interest rate derivatives                       | 118,626          | 323,278                  | 189,089        | 630,993        |
| Foreign exchange derivatives                    | 3,016            | 4,344                    | 1,354          | 8,714          |
| <b>Cash flow hedges</b>                         | <b>121,760</b>   | <b>44,703</b>            | <b>17,824</b>  | <b>184,287</b> |
| Interest rate derivatives                       | 8,456            | 37,884                   | 12,326         | 58,666         |
| Foreign exchange derivatives                    | 113,165          | 6,643                    | 5,498          | 125,306        |
| Other derivatives                               | 139              | 176                      |                | 315            |
| <b>Net foreign investment hedges</b>            | <b>1,369</b>     | <b>2,437</b>             | <b>-</b>       | <b>3,806</b>   |
| Foreign exchange derivatives                    | 1,369            | 2,437                    |                | 3,806          |

**5.c FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY**

| In millions of euros                                       | 31 December 2019 |  | 31 December 2018 |  |
|--|------------------|--|------------------|--|
|  | Fair value       | of which changes in value taken directly to equity | Fair value       | of which changes in value taken directly to equity |
| <b>Debt securities</b>                                     | <b>50,403</b>    | <b>161</b>   | <b>53,838</b>    | <b>77</b>  |
| Governments  | 29,820           | 176  | 32,818           | 243  |
| Other public administrations                               | 13,782           | 68   | 14,340           | (74)   |
| Credit institutions  | 4,323            | (80)   | 4,149            | (83)   |
| Others   | 2,478            | (3)  | 2,531            | (9)  |
| <b>Equity securities</b>                                   | <b>2,266</b>     | <b>565</b>   | <b>2,151</b>     | <b>451</b>   |
| <b>Total financial assets at fair value through equity</b> | <b>52,669</b>    | <b>726</b>   | <b>55,989</b>    | <b>528</b>   |

Debt securities at fair value through equity include EUR 117 million classified as stage 3 at 31 December 2019 (EUR 114 million at 31 December 2018). For these securities, the credit impairment recognised in the profit and loss account has been charged to the negative changes in value recognized in equity for EUR 113 million at 31 December 2019 (EUR 112 million at 31 December 2018).

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

During the year ended 31 December 2019, the Group did not sell any of these investments and no unrealised gains or losses were transferred to “retained earnings”.

## 5.d MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

### VALUATION PROCESS

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

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

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

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

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

The main valuation adjustments are presented in the section below.

### VALUATION ADJUSTMENTS

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

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

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

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

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

***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 collateralized 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 increased by EUR 220 million as at 31 December 2019, compared with an increase in value of EUR 244 million as at 31 December 2018, i.e. a EUR -24 million variation recognised directly in equity that will not be reclassified to profit or loss.

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

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

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

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



| In millions of euros  | 31 December 2019                       |                |            |                |   |               |               |               |   |               |              |               |
|---|--|----------------|------------|----------------|---|---------------|---------------|---------------|---|---------------|--------------|---------------|
|   | Financial instruments held for trading |                |            |                | Instruments at fair value through profit or loss not held for trading |               |               |               | Financial assets at fair value through equity |               |              |               |
|   | Level 1                                | Level 2        | Level 3    | Total          | Level 1   | Level 2       | Level 3       | Total         | Level 1                                       | Level 2       | Level 3      | Total         |
| <b>Securities</b>   | <b>98,940</b>                          | <b>24,927</b>  | <b>357</b> | <b>124,224</b> | <b>681</b>  | <b>2,106</b>  | <b>4,924</b>  | <b>7,711</b>  | <b>32,812</b>                                 | <b>18,645</b> | <b>1,212</b> | <b>52,669</b> |
| Governments   | 46,620                                 | 11,027         | -          | 57,647         | -   | 245           | -             | 245           | 20,627  | 9,652         | -            | 30,279        |
| Other debt securities   | 12,449                                 | 13,799         | 218        | 26,466         | -   | 1,283         | 367           | 1,650         | 11,043  | 8,780         | 301          | 20,124        |
| Equities and other equity securities                                      | 39,871                                 | 101            | 139        | 40,111         | 681   | 578           | 4,557         | 5,816         | 1,142   | 213           | 911          | 2,266         |
| <b>Loans and repurchase agreements</b>                                    | <b>-</b>                               | <b>195,420</b> | <b>134</b> | <b>195,554</b> | <b>-</b>  | <b>514</b>    | <b>859</b>    | <b>1,373</b>  | <b>-</b>                                      | <b>-</b>      | <b>-</b>     | <b>-</b>      |
| Loans   | -                                      | 3,329          | -          | 3,329          | -   | 514           | 859           | 1,373         | -   | -             | -            | -             |
| Repurchase agreements   | -                                      | 192,091        | 134        | 192,225        | -   | -             | -             | -             | -   | -             | -            | -             |
| <b>FINANCIAL ASSETS AT FAIR VALUE</b>                                     | <b>98,940</b>                          | <b>220,347</b> | <b>491</b> | <b>319,778</b> | <b>681</b>  | <b>2,620</b>  | <b>5,783</b>  | <b>9,084</b>  | <b>32,812</b>                                 | <b>18,645</b> | <b>1,212</b> | <b>52,669</b> |
| <b>Securities</b>   | <b>62,581</b>                          | <b>2,800</b>   | <b>109</b> | <b>65,490</b>  | <b>-</b>  | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>                                      | <b>-</b>      | <b>-</b>     | <b>-</b>      |
| Governments   | 41,811                                 | 1,265          | -          | 43,076         | -   | -             | -             | -             | -   | -             | -            | -             |
| Other debt securities   | 6,294                                  | 1,509          | 31         | 7,834          | -   | -             | -             | -             | -   | -             | -            | -             |
| Equities and other equity securities                                      | 14,476                                 | 26             | 78         | 14,580         | -   | -             | -             | -             | -   | -             | -            | -             |
| <b>Borrowings and repurchase agreements</b>                               | <b>-</b>                               | <b>212,379</b> | <b>333</b> | <b>212,712</b> | <b>-</b>  | <b>2,202</b>  | <b>179</b>    | <b>2,381</b>  | <b>-</b>                                      | <b>-</b>      | <b>-</b>     | <b>-</b>      |
| Borrowings  | -                                      | 2,865          | -          | 2,865          | -   | 2,202         | 179           | 2,381         | -   | -             | -            | -             |
| Repurchase agreements   | -                                      | 209,514        | 333        | 209,847        | -   | -             | -             | -             | -   | -             | -            | -             |
| <b>Issued debt securities (note 5.h)</b>                                  | <b>-</b>                               | <b>-</b>       | <b>-</b>   | <b>-</b>       | <b>4,458</b>  | <b>40,661</b> | <b>18,639</b> | <b>63,758</b> | <b>-</b>                                      | <b>-</b>      | <b>-</b>     | <b>-</b>      |
| Subordinated debt (note 5.h)  | -                                      | -              | -          | -              | -   | 893           | -             | 893           | -   | -             | -            | -             |
| Non subordinated debt (note 5.h)  | -                                      | -              | -          | -              | -   | 37,997        | 18,639        | 56,636        | -   | -             | -            | -             |
| Debt representative of shares of consolidated funds held by third parties | -                                      | -              | -          | -              | 4,458   | 1,771         | -             | 6,229         | -   | -             | -            | -             |
| <b>FINANCIAL LIABILITIES AT FAIR VALUE</b>                                | <b>62,581</b>                          | <b>215,179</b> | <b>442</b> | <b>278,202</b> | <b>4,458</b>  | <b>42,863</b> | <b>18,818</b> | <b>66,139</b> | <b>-</b>                                      | <b>-</b>      | <b>-</b>     | <b>-</b>      |

| In millions of euros  | 31 December 2018                       |                |              |                |   |               |               |               |   |               |            |               |
|---|--|----------------|--------------|----------------|---|---------------|---------------|---------------|---|---------------|------------|---------------|
|   | Financial instruments held for trading |                |              |                | Instruments at fair value through profit or loss not held for trading |               |               |               | Financial assets at fair value through equity |               |            |               |
|   | Level 1                                | Level 2        | Level 3      | Total          | Level 1   | Level 2       | Level 3       | Total         | Level 1                                       | Level 2       | Level 3    | Total         |
| <b>Securities</b>   | <b>89,253</b>                          | <b>25,121</b>  | <b>241</b>   | <b>114,615</b> | <b>625</b>  | <b>1,969</b>  | <b>4,745</b>  | <b>7,339</b>  | <b>43,105</b>                                 | <b>11,927</b> | <b>957</b> | <b>55,989</b> |
| Governments   | 41,404                                 | 7,733          | -            | 49,137         | 3   | 246           | -             | 249           | 29,905  | 2,913         | -          | 32,818        |
| Other debt securities   | 12,280                                 | 15,951         | 148          | 28,379         | -   | 1,185         | 825           | 2,010         | 12,083  | 8,782         | 155        | 21,020        |
| Equities and other equity securities                                      | 35,569                                 | 1,437          | 93           | 37,099         | 622   | 538           | 3,920         | 5,080         | 1,117   | 232           | 802        | 2,151         |
| <b>Loans and repurchase agreements</b>                                    | <b>-</b>                               | <b>182,196</b> | <b>267</b>   | <b>182,463</b> | <b>-</b>  | <b>346</b>    | <b>907</b>    | <b>1,253</b>  | <b>-</b>                                      | <b>-</b>      | <b>-</b>   | <b>-</b>      |
| Loans   | -                                      | 2,861          | -            | 2,861          | -   | 145           | 907           | 1,052         | -   | -             | -          | -             |
| Repurchase agreements   | -                                      | 179,335        | 267          | 179,602        | -   | 201           | -             | 201           | -   | -             | -          | -             |
| <b>FINANCIAL ASSETS AT FAIR VALUE</b>                                     | <b>89,253</b>                          | <b>207,317</b> | <b>508</b>   | <b>297,078</b> | <b>625</b>  | <b>2,315</b>  | <b>5,652</b>  | <b>8,592</b>  | <b>43,105</b>                                 | <b>11,927</b> | <b>957</b> | <b>55,989</b> |
| <b>Securities</b>   | <b>71,828</b>                          | <b>3,346</b>   | <b>15</b>    | <b>75,189</b>  | <b>-</b>  | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>-</b>                                      | <b>-</b>      | <b>-</b>   | <b>-</b>      |
| Governments   | 48,779                                 | 631            | -            | 49,410         | -   | -             | -             | -             | -   | -             | -          | -             |
| Other debt securities   | 8,394                                  | 2,655          | 11           | 11,060         | -   | -             | -             | -             | -   | -             | -          | -             |
| Equities and other equity securities                                      | 14,655                                 | 60             | 4            | 14,719         | -   | -             | -             | -             | -   | -             | -          | -             |
| <b>Borrowings and repurchase agreements</b>                               | <b>-</b>                               | <b>199,861</b> | <b>1,844</b> | <b>201,705</b> | <b>-</b>  | <b>1,940</b>  | <b>394</b>    | <b>2,334</b>  | <b>-</b>                                      | <b>-</b>      | <b>-</b>   | <b>-</b>      |
| Borrowings  | -                                      | 5,408          | -            | 5,408          | -   | 1,940         | 394           | 2,334         | -   | -             | -          | -             |
| Repurchase agreements   | -                                      | 194,453        | 1,844        | 196,297        | -   | -             | -             | -             | -   | -             | -          | -             |
| <b>Issued debt securities (note 5.h)</b>                                  | <b>-</b>                               | <b>-</b>       | <b>-</b>     | <b>-</b>       | <b>4,049</b>  | <b>36,323</b> | <b>14,536</b> | <b>54,908</b> | <b>-</b>                                      | <b>-</b>      | <b>-</b>   | <b>-</b>      |
| Subordinated debt (note 5.h)  | -                                      | -              | -            | -              | -   | 787           | -             | 787           | -   | -             | -          | -             |
| Non subordinated debt (note 5.h)  | -                                      | -              | -            | -              | -   | 34,428        | 14,536        | 48,964        | -   | -             | -          | -             |
| Debt representative of shares of consolidated funds held by third parties | -                                      | -              | -            | -              | 4,049   | 1,108         | -             | 5,157         | -   | -             | -          | -             |
| <b>FINANCIAL LIABILITIES AT FAIR VALUE</b>                                | <b>71,828</b>                          | <b>203,207</b> | <b>1,859</b> | <b>276,894</b> | <b>4,049</b>  | <b>38,263</b> | <b>14,930</b> | <b>57,242</b> | <b>-</b>                                      | <b>-</b>      | <b>-</b>   | <b>-</b>      |

| 31 December 2019  |                       |                |              |                |                       |                |              |                |
|---|-----------------------|----------------|--------------|----------------|-----------------------|----------------|--------------|----------------|
| 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   | 139                   | 146,656        | 1,362        | 148,157        | 132                   | 128,927        | 1,352        | 130,411        |
| Foreign exchange derivatives  | 1                     | 59,948         | 223          | 60,172         | 1                     | 57,518         | 239          | 57,758         |
| Credit derivatives  |                       | 8,400          | 259          | 8,659          |                       | 8,871          | 371          | 9,242          |
| Equity derivatives  | 6,871                 | 17,235         | 1,374        | 25,480         | 7,885                 | 21,327         | 6,629        | 35,841         |
| Other derivatives   | 426                   | 4,140          | 253          | 4,819          | 319                   | 4,079          | 235          | 4,633          |
| <b>Derivative financial instruments not used for hedging purposes</b> | <b>7,437</b>          | <b>236,379</b> | <b>3,471</b> | <b>247,287</b> | <b>8,337</b>          | <b>220,722</b> | <b>8,826</b> | <b>237,885</b> |
| <b>Derivative financial instruments used for hedging purposes</b>     | <b>-</b>              | <b>12,452</b>  | <b>-</b>     | <b>12,452</b>  | <b>-</b>              | <b>14,116</b>  | <b>-</b>     | <b>14,116</b>  |

| 31 December 2018  |                       |                |              |                |                       |                |              |                |
|---|-----------------------|----------------|--------------|----------------|-----------------------|----------------|--------------|----------------|
| 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   | 158                   | 115,046        | 1,234        | 116,438        | 118                   | 101,967        | 1,367        | 103,452        |
| Foreign exchange derivatives  | 1                     | 69,182         | 331          | 69,514         | 1                     | 68,520         | 240          | 68,761         |
| Credit derivatives  |                       | 6,527          | 346          | 6,873          |                       | 6,616          | 455          | 7,071          |
| Equity derivatives  | 11,724                | 19,057         | 2,643        | 33,424         | 11,092                | 22,633         | 5,694        | 39,419         |
| Other derivatives   | 990                   | 5,468          | 188          | 6,646          | 1,133                 | 5,628          | 340          | 7,101          |
| <b>Derivative financial instruments not used for hedging purposes</b> | <b>12,873</b>         | <b>215,280</b> | <b>4,742</b> | <b>232,895</b> | <b>12,344</b>         | <b>205,364</b> | <b>8,096</b> | <b>225,804</b> |
| <b>Derivative financial instruments used for hedging purposes</b>     | <b>-</b>              | <b>9,810</b>   | <b>-</b>     | <b>9,810</b>   | <b>-</b>              | <b>11,677</b>  | <b>-</b>     | <b>11,677</b>  |

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

During the year ended 2019, transfers between Level 1 and Level 2 were not significant.

## DESCRIPTION OF MAIN INSTRUMENTS IN EACH LEVEL

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

### Level 1

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

Level 1 includes notably equity securities and liquid bonds, shortselling of these instruments, derivative instruments traded on organised markets (futures, options, ...). 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 government bonds, corporate debt securities, 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, collateral valuation and counterparty collateral valuation matching 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 such as exotic FX options, mono- and multi-underlying equity/funds derivatives, single curve exotic interest rate derivatives and derivatives based on structured rates.

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

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

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

### Level 3

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

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

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

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

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

### **Derivatives**

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

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

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

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

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

- **Structured interest rate options** are classified in Level 3 when they involve currencies where there is not sufficient observation or when they include a quanto feature where the pay-off is measured with a forex forward fixed rate (except for the main currencies). Long term structured derivatives are also classified in Level 3.
- **Hybrid FX/Interest rate products** essentially comprise a specific product family known as Power Reverse Dual Currency (PRDC). When valuation of PRDCs requires sophisticated modelling of joint behaviour of FX and interest rate, and is notably sensitive to the unobservable FX/ interest rate correlations, such products are classified as level 3. PRDCs valuations are corroborated with recent trade data and consensus data.
- **Securitisation swaps** mainly comprise fixed rate swaps, cross currency or basis swaps whose notional is indexed to the prepayment behaviour of some underlying portfolio. The estimation of the maturity profile of securitisation swaps is corroborated by statistical estimates using external historical data.
- **Forward volatility options** are generally products whose pay-off is indexed to the future variability of a rate index such as volatility swaps. These products involve material model risk as it is difficult to infer forward volatility information from the market-traded instruments. The valuation adjustment framework is calibrated to the uncertainty inherent in the product, and to the range of uncertainty from the existing external consensus data.
- **Inflation derivatives** classified in Level 3 mainly comprise swap products on inflation indices that are not associated with a liquid indexed bond market, optional products on inflation indices (such as caps and floors) and other forms of inflation indices involving optionality on the inflation indices or on the inflation annual rate. Valuation techniques used for inflation derivatives are predominantly standard market models. Proxy techniques are used for a few limited exposures. Although the valuations are corroborated through monthly consensus data, these products are classified as Level 3 due to their lack of liquidity and some uncertainties inherent in the calibration.
- The valuation of **bespoke CDOs** requires correlation of default events. This information is inferred from the active index tranche market through a proprietary projection technique and involves proprietary extrapolation and interpolation techniques. Multi-geography CDOs further require an additional correlation assumption. Finally, the bespoke CDO model also involves proprietary assumptions and parameters related to the dynamic of the recovery factor. CDO modelling, is calibrated on the observable index tranche markets, and is regularly back-tested against consensus data on standardised pools. The uncertainty arises from the model risk associated with the projection and geography mixing technique, and the uncertainty of associated parameters, together with the recovery modelling.
- **N to Default baskets** are other forms of credit correlation products, modelled through standard copula techniques. The main inputs required are the pair-wise correlations between the basket components which can be observed in the consensus and the transactions. Linear baskets are considered observable.
- **Equity and equity-hybrid correlation products** are instruments whose pay-off is dependent on the joint behaviour of a basket of equities/indices leading to a sensitivity of the fair value measurement to the correlation amongst the basket components. Hybrid versions of these instruments involve baskets that mix equity and non-equity underlyings such as commodity indices, or foreign exchange rates. Only a subset of the Equity/index correlation matrix is

regularly observable and traded, while most cross-asset correlations are not active. Therefore, classification in Level 3 depends on the composition of the basket, the maturity, and the hybrid nature of the product. The correlation input is derived from a proprietary model combining historical estimators, and other adjustment factors, that are corroborated by reference to recent trades or external data. The correlation matrix is essentially available from consensus services, and when a correlation between two underlying instruments is not available, it might be obtained from extrapolation or proxy techniques.

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

#### ***Valuation adjustments (CVA, DVA and FVA)***

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

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

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

| Risk classes                     | Balance Sheet valuation<br>(in millions of euros) |           | Main product types composing the Level 3 stock within the risk class   | Valuation technique used for the product types considered  | Main unobservable inputs for the product types considered   | Range of unobservable input across Level 3 population considered | Weighted average |
|----------------------------------|---|-----------|--|--|---|--|------------------|
|                                  | Asset   | Liability |  |  |   |  |                  |
| <b>Repurchase agreements</b>     | 134   | 333       | Long-term repo and reverse-repo agreements   | Proxy techniques, based amongst other on the funding basis of a benchmark bond pool, that is actively traded and representative of the repo underlying | Long-term repo spread on private bonds (High Yield, High Grade) and on ABSs                       | 0 pb to 77 pb  | 47 pb (b)        |
|                                  |   |           | 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 71%   | 42% (b)          |
|                                  |   |           | Hybrid inflation rates / Interest rates derivatives  | Hybrid inflation interest rate option pricing model  | Correlation between interest rates and inflation rates mainly in Europe.                          | 5% to 45%  | 39%              |
| <b>Interest rate derivatives</b> | 1,362   | 1,352     | Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation | Inflation pricing model  | Volatility of cumulative inflation  | 0.7% to 9%   | (c)              |
|                                  |   |           | Forward Volatility products such as volatility swaps, mainly in euro   | Interest rates option pricing model  | Forward volatility of interest rates  | 0.3% to 1.8%   | (c)              |
|                                  |   |           | Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly on European collateral pools                                     | Prepayment modelling<br>Discounted cash flows  | Constant prepayment rates   | 0.3% to 0.6%   | (c)              |
|                                  |   |           |  |  | Base correlation curve for bespoke portfolios   | 1.5% to 18%  | 4% (b)           |
|                                  |   |           | Collateralised Debt Obligations and index tranches for inactive index series   | Base correlation projection technique and recovery modelling   | Inter-regions default cross correlation   | 29% to 79%   | (c)              |
| <b>Credit Derivatives</b>        | 259   | 371       | N-to-default baskets   | Credit default model   | Recovery rate variance for single name underlyings  | 80% to 90%   | 90% (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)  | 0 to 25 %  | (c)              |
|                                  |   |           |  |  | Illiquid credit default spread curves (across main tenors)  | 50% to 85 %  | 60.8% (b)        |
|                                  |   |           |  |  | Credit default spreads beyond observation limit (10 years)  | 55 pb to 234 pb (1)  | 217 pb (a)       |
|                                  |   |           |  |  | Illiquid credit default spread curves (across main tenors)  | 0 pb to 2.856 bp (2)   | 110 pb (a)       |
| <b>Equity Derivatives</b>        | 1,374   | 6,629     | Simple and complex derivatives on multi-underlying baskets on stocks   | Various volatility option models   | Unobservable equity volatility  | 0% to 94% (3)  | 26% (d)          |
|                                  |   |           |  |  | Unobservable equity correlation   | 15% to 96%   | 68% (a)          |

(1) The upper part of the range relates to a significant balance sheet position on an issuer belonging to the telecommunication sector. The remaining positions relate mainly to sovereign and financial issuers.

(2) The upper bound of the range relates to a financial sector issuer that represents an insignificant portion of the balance sheet (CDSs with illiquid underlying instruments).

(3) The upper part of the range relates to one equity instrument 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 118 %.

(a) Weighting is not based on risks, but on an alternative methodology in relation with the Level 3 instruments (present value or notional)

(b) Weights based on relevant risk axis at portfolio level

(c) No weighting, since no explicit sensitivity is attributed to these inputs

(d) Simple averaging

**TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS**

For Level 3 financial instruments, the following movements occurred during the year ended 31 December 2019:

|   | 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           |
| In millions of euros  |   |   |   |               |   |  |                 |
| <b>At 31 December 2018</b>  | <b>5,250</b>  | <b>5,652</b>  | <b>957</b>                                    | <b>11,859</b> | <b>(9,955)</b>  | <b>(14,930)</b>  | <b>(24,885)</b> |
| Purchases   | 511   | 1,122   | 203   | 1,836         |   |  | -               |
| Issues  |   |   |   | -             |   | (5,915)  | (5,915)         |
| Sales   | (580)   | (905)   | (5)   | (1,490)       | (14)  |  | (14)            |
| Settlements <sup>(1)</sup>  | (1,032)   | 19  | (52)  | (1,065)       | (2,382)   | 1,889  | (493)           |
| Transfers to level 3  | 465   | 96  | 20  | 581           | (438)   | (796)  | (1,234)         |
| Transfers from level 3  | (715)   | (395)   | (1)   | (1,111)       | 2,052   | 1,137  | 3,189           |
| Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period | 1,270   | 177   |   | 1,447         | 377   | 307  | 684             |
| Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period       | (1,233)   | 4   |   | (1,229)       | 1,163   | (510)  | 653             |
| Changes in fair value of assets and liabilities recognised directly in equity                                       |   |   |   |               |   |  |                 |
| - Items related to exchange rate movements  | 26  | 13  | 2   | 41            | (71)  |  | (71)            |
| - Changes in fair value of assets and liabilities recognised in equity  |   |   | 88  | 88            |   |  | -               |
| <b>At 31 December 2019</b>  | <b>3,962</b>  | <b>5,783</b>  | <b>1,212</b>                                  | <b>10,957</b> | <b>(9,268)</b>  | <b>(18,818)</b>  | <b>(28,086)</b> |

<sup>(1)</sup> For the assets, includes redemptions of principal, interest payments as well as cash inflows and outflows relating to derivatives. For the liabilities, includes principal redemptions, interest payments as well as cash inflows and outflows relating to derivatives the fair value of which is negative.

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

Transfers into Level 3 of instruments at fair value reflect the effect of the regular update of the observability zones, among which the implementation of new quantitative tests during the period.

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                                  | 31 December 2019           |                            | 31 December 2018           |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | Potential impact on income | Potential impact on equity | Potential impact on income | Potential impact on equity |
| Debt securities                                       | +/-6                       | +/-3                       | +/-9                       | +/-2                       |
| Equities and other equity securities                  | +/-46                      | +/-9                       | +/-40                      | +/-8                       |
| Loans and repurchase agreements                       | +/-11                      |                            | +/-25                      |                            |
| Derivative financial instruments                      | +/-621                     |                            | +/-593                     |                            |
| <i>Interest rate and foreign exchange derivatives</i> | +/-394                     |                            | +/-365                     |                            |
| <i>Credit derivatives</i>                             | +/-53                      |                            | +/-59                      |                            |
| <i>Equity derivatives</i>                             | +/-171                     |                            | +/-167                     |                            |
| <i>Other derivatives</i>                              | +/-3                       |                            | +/-2                       |                            |
| <b>Sensitivity of Level 3 financial instruments</b>   | <b>+/-684</b>              | <b>+/-12</b>               | <b>+/-667</b>              | <b>+/-10</b>               |

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

Deferred margin on financial instruments (“Day One Profit”) primarily concerns the scope of financial instruments eligible for Level 3 and to a lesser extent some financial instruments eligible for level 2 where valuation adjustments for uncertainties regarding parameters or models are more than insignificant 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 2018 | Deferred margin on transactions during the year | Margin taken to the profit and loss account during the year | Deferred margin at 31 December 2019 |
|--|-------------------------------------|---|---|-------------------------------------|
| Interest rate and foreign exchange derivatives | 302                                 | 113   | (146)   | 269                                 |
| Credit derivatives                             | 92                                  | 106   | (72)  | 126                                 |
| Equity derivatives                             | 267                                 | 386   | (273)   | 380                                 |
| Other instruments                              | 13                                  | 24  | (23)  | 14                                  |
| <b>Financial instruments</b>                   | <b>674</b>                          | <b>629</b>                                      | <b>(514)</b>  | <b>789</b>                          |

## 5.e FINANCIAL ASSETS AT AMORTISED COST

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

| In millions of euros                              | 31 December 2019 |                       |                 | 31 December 2018 |                       |                 |
|---|------------------|-----------------------|-----------------|------------------|-----------------------|-----------------|
|   | Gross value      | Impairment (note 3.h) | Carrying amount | Gross value      | Impairment (note 3.h) | Carrying amount |
| <b>Loans and advances to credit institutions</b>  | <b>21,793</b>    | <b>(101)</b>          | <b>21,692</b>   | <b>19,707</b>    | <b>(151)</b>          | <b>19,556</b>   |
| On demand accounts                                | 8,002            | (13)                  | 7,989           | 7,234            | (17)                  | 7,217           |
| Loans <sup>(1)</sup>                              | 12,697           | (88)                  | 12,609          | 11,628           | (134)                 | 11,494          |
| Repurchase agreements                             | 1,094            |                       | 1,094           | 845              |                       | 845             |
| <b>Loans and advances to customers</b>            | <b>826,953</b>   | <b>(21,176)</b>       | <b>805,777</b>  | <b>789,952</b>   | <b>(24,081)</b>       | <b>765,871</b>  |
| On demand accounts                                | 38,978           | (3,187)               | 35,791          | 41,482           | (4,243)               | 37,239          |
| Loans to customers                                | 751,109          | (16,861)              | 734,248         | 714,243          | (18,681)              | 695,562         |
| Finance leases                                    | 35,653           | (1,128)               | 34,525          | 33,291           | (1,157)               | 32,134          |
| Repurchase agreements                             | 1,213            |                       | 1,213           | 936              |                       | 936             |
| <b>Total loans and advances at amortised cost</b> | <b>848,746</b>   | <b>(21,277)</b>       | <b>827,469</b>  | <b>809,659</b>   | <b>(24,232)</b>       | <b>785,427</b>  |

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

- Contractual maturities of finance leases

| In millions of euros                              | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| <b>Gross investment</b>                           | <b>37,970</b>    | <b>35,795</b>    |
| <i>Receivable within 1 year</i>                   | 10,412           | 9,525            |
| <i>Receivable after 1 year but within 5 years</i> | 22,837           | 21,346           |
| <i>Receivable beyond 5 years</i>                  | 4,721            | 4,924            |
| <b>Unearned interest income</b>                   | <b>(2,317)</b>   | <b>(2,504)</b>   |
| <b>Net investment before impairment</b>           | <b>35,653</b>    | <b>33,291</b>    |
| <i>Receivable within 1 year</i>                   | 9,655            | 8,996            |
| <i>Receivable after 1 year but within 5 years</i> | 21,685           | 19,672           |
| <i>Receivable beyond 5 years</i>                  | 4,313            | 4,623            |
| <b>Impairment provisions</b>                      | <b>(1,128)</b>   | <b>(1,157)</b>   |
| <b>Net investment after impairment</b>            | <b>34,525</b>    | <b>32,134</b>    |

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

| In millions of euros                           | 31 December 2019 |                       |                 | 31 December 2018 |                       |                 |
|--|------------------|-----------------------|-----------------|------------------|-----------------------|-----------------|
|  | Gross value      | Impairment (note 3.h) | Carrying amount | Gross value      | Impairment (note 3.h) | Carrying amount |
| Governments                                    | 57,743           | (21)                  | 57,722          | 33,254           | (16)                  | 33,238          |
| Other public administration                    | 23,794           | (3)                   | 23,791          | 18,534           | (3)                   | 18,531          |
| Credit institutions                            | 7,201            | (2)                   | 7,199           | 5,082            | (3)                   | 5,079           |
| Others   | 19,850           | (108)                 | 19,742          | 18,333           | (108)                 | 18,225          |
| <b>Total debt securities at amortised cost</b> | <b>108,588</b>   | <b>(134)</b>          | <b>108,454</b>  | <b>75,203</b>    | <b>(130)</b>          | <b>75,073</b>   |

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

| In millions of euros                             | 31 December 2019 |                       |                 | 31 December 2018 |                       |                 |
|--|------------------|-----------------------|-----------------|------------------|-----------------------|-----------------|
|  | Gross Value      | Impairment (note 3.h) | Carrying amount | Gross Value      | Impairment (note 3.h) | Carrying amount |
| <b>Loans and advances to credit institutions</b> | <b>21,793</b>    | <b>(101)</b>          | <b>21,692</b>   | <b>19,707</b>    | <b>(151)</b>          | <b>19,556</b>   |
| Stage 1  | 21,279           | (12)                  | 21,267          | 19,128           | (13)                  | 19,115          |
| Stage 2  | 418              | (5)                   | 413             | 419              | (40)                  | 379             |
| Stage 3  | 96               | (84)                  | 12              | 160              | (98)                  | 62              |
| <b>Loans and advances to customers</b>           | <b>826,953</b>   | <b>(21,176)</b>       | <b>805,777</b>  | <b>789,952</b>   | <b>(24,081)</b>       | <b>765,871</b>  |
| Stage 1  | 719,160          | (1,600)               | 717,560         | 668,667          | (1,515)               | 667,152         |
| Stage 2  | 78,005           | (3,100)               | 74,905          | 87,328           | (3,231)               | 84,097          |
| Stage 3  | 29,788           | (16,476)              | 13,312          | 33,957           | (19,335)              | 14,622          |
| <b>Debt securities</b>                           | <b>108,588</b>   | <b>(134)</b>          | <b>108,454</b>  | <b>75,203</b>    | <b>(130)</b>          | <b>75,073</b>   |
| Stage 1  | 107,630          | (30)                  | 107,600         | 74,240           | (21)                  | 74,219          |
| Stage 2  | 754              | (17)                  | 737             | 769              | (31)                  | 738             |
| Stage 3  | 204              | (87)                  | 117             | 194              | (78)                  | 116             |
| <b>Total financial assets at amortised cost</b>  | <b>957,334</b>   | <b>(21,411)</b>       | <b>935,923</b>  | <b>884,862</b>   | <b>(24,362)</b>       | <b>860,500</b>  |

## 5.f IMPAIRED FINANCIAL ASSETS (STAGE 3)

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

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

| In millions of euros  | 31 December 2019                    |                 |               |                     |
|---|-------------------------------------|-----------------|---------------|---------------------|
|   | Impaired financial assets (Stage 3) |                 |               | Collateral received |
|   | Gross value                         | Impairment      | Net           |                     |
| Loans and advances to credit institutions (note 5.e)          | 96                                  | (84)            | 12            | 115                 |
| Loans and advances to customers (note 5.e)                    | 29,788                              | (16,476)        | 13,312        | 8,821               |
| Debt securities at amortised cost (note 5.e)                  | 204                                 | (87)            | 117           | 45                  |
| <b>Total amortised-cost impaired assets (stage 3)</b>         | <b>30,088</b>                       | <b>(16,647)</b> | <b>13,441</b> | <b>8,981</b>        |
| Financing commitments given                                   | 1,094                               | (58)            | 1,036         | 306                 |
| Guarantee commitments given                                   | 1,432                               | (275)           | 1,157         | 342                 |
| <b>Total off-balance sheet impaired commitments (stage 3)</b> | <b>2,526</b>                        | <b>(333)</b>    | <b>2,193</b>  | <b>648</b>          |

| In millions of euros  | 31 December 2018                    |                 |               |                     |
|---|-------------------------------------|-----------------|---------------|---------------------|
|   | Impaired financial assets (Stage 3) |                 |               | Collateral received |
|   | Gross value                         | Impairment      | Net           |                     |
| Loans and advances to credit institutions (note 5.e)          | 160                                 | (98)            | 62            | 132                 |
| Loans and advances to customers (note 5.e)                    | 33,957                              | (19,335)        | 14,622        | 9,663               |
| Debt securities at amortised cost (note 5.e)                  | 194                                 | (78)            | 116           |                     |
| <b>Total amortised-cost impaired assets (stage 3)</b>         | <b>34,311</b>                       | <b>(19,511)</b> | <b>14,800</b> | <b>9,795</b>        |
| Financing commitments given                                   | 644                                 | (37)            | 607           | 148                 |
| Guarantee commitments given                                   | 1,285                               | (281)           | 1,004         | 250                 |
| <b>Total off-balance sheet impaired commitments (stage 3)</b> | <b>1,929</b>                        | <b>(318)</b>    | <b>1,611</b>  | <b>398</b>          |

The following table present gross exposures of stage 3 assets change:

| Gross value<br><i>In millions of euros</i> | Impaired financial assets<br>(Stage 3) |
|--|--|
| <b>At 31 December 2018</b>                 | <b>34,311</b>                          |
| Transfer to stage 3                        | 6,650                                  |
| Transfer to stage 1 or stage 2             | (2,412)                                |
| Amounts Written off                        | (6,423)                                |
| Others changes                             | (2,038)                                |
| <b>At 31 December 2019</b>                 | <b>30,088</b>                          |

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

| In millions of euros                     | 31 December 2019 | 31 December 2018 |
|--|------------------|------------------|
| <b>Deposits from credit institutions</b> | <b>84,566</b>    | <b>78,915</b>    |
| On demand accounts                       | 9,072            | 10,571           |
| Interbank borrowings <sup>(1) (2)</sup>  | 68,847           | 61,859           |
| Repurchase agreements                    | 6,647            | 6,485            |
| <b>Deposits from customers</b>           | <b>834,667</b>   | <b>796,548</b>   |
| On demand deposits                       | 516,862          | 473,968          |
| Savings accounts                         | 151,600          | 146,362          |
| Term accounts and short-term notes       | 165,031          | 175,665          |
| Repurchase agreements                    | 1,174            | 553              |

<sup>(1)</sup> Changes over the period include the effect of IFRS 16 first time adoption (see note 2).

<sup>(2)</sup> Interbank borrowings from credit institutions include term borrowings from central banks.

## 5.h DEBT SECURITIES AND SUBORDINATED DEBT

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

### DEBT SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (note 5.a)

| Issuer / Issue date<br>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 <sup>(1)</sup> | 31 December 2019 | 31 December 2018 |
|---|----------|--|----------------------------------|-------------------------|------------------|--|------------------|------------------|
| <b>Debt securities</b>                      |          |  |                                  |                         |                  |  | <b>56,636</b>    | <b>48,964</b>    |
| <b>Subordinated debt</b>                    |          |  |                                  |                         |                  |  | <b>893</b>       | <b>787</b>       |
| <b>- Redeemable subordinated debt</b>       |          |  | <sup>(2)</sup>                   |                         |                  |  | <b>120</b>       | <b>118</b>       |
| <b>- Perpetual subordinated debt</b>        |          |  |                                  |                         |                  |  | <b>773</b>       | <b>669</b>       |
| BNP Paribas Fortis Dec. 2007 <sup>(3)</sup> | EUR      | 3,000  | Dec.-14                          | 3-month Euribor +200 bp |                  | A  | 773              | 669              |

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.

The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.

As at 31 December 2019, the liability is eligible to prudential own funds for EUR 205 million.

**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 <sup>(1)</sup> | 31 December 2019 | 31 December 2018 |
|--|----------|--|----------------------------------|------------------------|--------------------------|--|------------------|------------------|
| In millions of euros   |          |  |                                  |                        |                          |  |                  |                  |
| <b>Debt securities</b>   |          |  |                                  |                        |                          |  | <b>157,578</b>   | <b>151,451</b>   |
| <b>- Debt securities in issue with an initial maturity of less than one year</b> |          |  |                                  |                        |                          |  | <b>60,905</b>    | <b>70,077</b>    |
| Negotiable debt securities   |          |  |                                  |                        |                          |  | 60,905           | 70,077           |
| <b>- Debt securities in issue with an initial maturity of more than one year</b> |          |  |                                  |                        |                          |  | <b>96,673</b>    | <b>81,374</b>    |
| Negotiable debt securities   |          |  |                                  |                        |                          |  | 45,924           | 50,809           |
| Bonds  |          |  |                                  |                        |                          |  | 50,749           | 30,565           |
| <b>Subordinated debt</b>   |          |  |                                  |                        |                          |  | <b>20,003</b>    | <b>17,627</b>    |
| <b>- Redeemable subordinated debt</b> <sup>(2)</sup>                             |          |  |                                  |                        |                          |  | <b>18,242</b>    | <b>15,876</b>    |
| <b>- Undated subordinated notes</b>  |          |  |                                  |                        |                          |  | <b>1,526</b>     | <b>1,515</b>     |
| 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  | 244              | 239              |
| BNP Paribas Cardif Nov. 14   | EUR      | 1,000  | Nov. - 25                        | 4.032%                 | 3-month Euribor + 393 bp | D  | 1,000            | 999              |
| Others   |          |  |                                  |                        |                          |  | 28               | 23               |
| <b>- Participating notes</b>   |          |  |                                  |                        |                          |  | <b>222</b>       | <b>222</b>       |
| BNP Paribas SA July 84 <sup>(3)</sup>  | EUR      | 337  | -                                | <sup>(4)</sup>         | -                        |  | 215              | 215              |
| Others   |          |  |                                  |                        |                          |  | 7                | 7                |
| <b>- Expenses and commission, related debt</b>                                   |          |  |                                  |                        |                          |  | <b>13</b>        | <b>14</b>        |

<sup>(1)</sup> 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.

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

<sup>(3)</sup> 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.

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

**5.i FINANCIAL INVESTMENTS OF INSURANCE ACTIVITIES**

|  | 31 December 2019   |  |                | 31 December 2018   |  |                |
|--|--|--|----------------|--|--|----------------|
|  | Assets not representative of unit-linked insurance contracts | Assets representative of unit-linked insurance contracts<br><i>(financial risk supported by policyholders)</i> | Total          | Assets not representative of unit-linked insurance contracts | Assets representative of unit-linked insurance contracts<br><i>(financial risk supported by policyholders)</i> | Total          |
| <i>In millions of euros</i>  |  |  |                |  |  |                |
| Financial instruments designated as at fair value through profit or loss | 44,292   | 71,043   | 115,335        | 41,154   | 61,793   | 102,947        |
| Derivative financial instruments   | 1,115  |  | 1,115          | 907  |  | 907            |
| Available-for-sale financial assets                                      | 126,596  |  | 126,596        | 112,041  |  | 112,041        |
| Held-to-maturity financial assets  | 1,914  |  | 1,914          | 3,720  |  | 3,720          |
| Loans and receivables  | 3,089  |  | 3,089          | 3,605  |  | 3,605          |
| Equity-method investments  | 359  |  | 359            | 363  |  | 363            |
| Investment property  | 3,094  | 3,464  | 6,558          | 2,982  | 2,872  | 5,854          |
| <b>Total</b>   | <b>180,459</b>   | <b>74,507</b>  | <b>254,966</b> | <b>164,772</b>   | <b>64,665</b>  | <b>229,437</b> |
| Reinsurers' share of technical reserves                                  | 2,852  |  | 2,852          | 2,871  |  | 2,871          |
| <b>Financial investments of insurance activities</b>                     | <b>183,311</b>   | <b>74,507</b>  | <b>257,818</b> | <b>167,643</b>   | <b>64,665</b>  | <b>232,308</b> |

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

The fair value of financial assets with contractual cash-flows corresponding only to payments of principal and interest on principal amounts to EUR 116.9 billion as at 31 December 2019. It amounted to EUR 107.8 billion as at 31 December 2018, which represents a variation of EUR 9.1 billion over the period.

The fair value of other financial assets amounts to EUR 138.3 billion, and corresponds to all financial instruments that do not meet the previously mentioned criteria, derivatives and financial assets managed on a market value basis. It amounted to EUR 121.7 billion as at 31 December 2018, which represents a variation of EUR +16.6 billion over the period.

The fair value of investment properties which are not representative of unit-linked insurance contracts accounted for at amortised cost amounts to EUR 4.6 billion as at 31 December 2019, compared with EUR 4.0 billion as at 31 December 2018.



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

The criteria for allocating instruments to the levels of the fair value hierarchy, the corresponding valuation methodologies and the principles of transfer between the levels of the hierarchy for insurance investments are similar to those applied for the Group's other financial instruments (note 5.d).

| In millions of euros  | 31 December 2019 |               |              |                | 31 December 2018 |               |              |                |
|---|------------------|---------------|--------------|----------------|------------------|---------------|--------------|----------------|
|   | Level 1          | Level 2       | Level 3      | Total          | Level 1          | Level 2       | Level 3      | Total          |
| <b>Available-for-sale financial assets</b>                                      | <b>103,419</b>   | <b>22,887</b> | <b>290</b>   | <b>126,596</b> | <b>95,086</b>    | <b>16,679</b> | <b>276</b>   | <b>112,041</b> |
| Equity instruments  | 6,551            | 1,179         | 248          | 7,978          | 4,741            | 1,093         | 234          | 6,068          |
| Debt securities   | 96,868           | 21,708        | 42           | 118,618        | 90,345           | 15,586        | 42           | 105,973        |
| <b>Financial instruments designated as at fair value through profit or loss</b> | <b>88,724</b>    | <b>19,296</b> | <b>7,315</b> | <b>115,335</b> | <b>80,097</b>    | <b>16,315</b> | <b>6,535</b> | <b>102,947</b> |
| Equity instruments  | 87,084           | 12,774        | 6,549        | 106,407        | 77,989           | 11,131        | 6,458        | 95,578         |
| Debt securities   | 1,640            | 6,522         | 766          | 8,928          | 2,108            | 5,184         | 77           | 7,369          |
| <b>Derivative financial instruments</b>   | <b>-</b>         | <b>859</b>    | <b>256</b>   | <b>1,115</b>   | <b>-</b>         | <b>622</b>    | <b>285</b>   | <b>907</b>     |
| <b>Financial assets measured at fair value</b>                                  | <b>192,143</b>   | <b>43,042</b> | <b>7,861</b> | <b>243,046</b> | <b>175,183</b>   | <b>33,616</b> | <b>7,096</b> | <b>215,895</b> |

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

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

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

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

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

| In millions of euros   | Financial assets                         |   |              |
|--|--|---|--------------|
|  | Available-for-sale financial instruments | Financial instruments as at fair value through profit or loss | Total        |
| <b>At 31 December 2018</b>   | <b>276</b>                               | <b>6,820</b>  | <b>7,096</b> |
| Purchases  | 54                                       | 2,941   | 2,995        |
| Sales  | (53)                                     | (2,253)   | (2,306)      |
| Settlements  | (75)                                     | (208)   | (283)        |
| Transfers to Level 3   | 84                                       | 236   | 320          |
| Transfers from Level 3   | (19)                                     | (582)   | (601)        |
| Gains recognised in profit or loss                                   | 5  | 618   | 623          |
| Items related to exchange rate movements                             | 1  | (2)   | (1)          |
| Changes in fair value of assets and liabilities recognised in equity | 17                                       |   | 17           |
| <b>At 31 December 2019</b>   | <b>290</b>                               | <b>7,571</b>  | <b>7,861</b> |

During the year ended 31 December 2019, transfers between Level 1 and Level 2 were not significant.

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

| In millions of euros                             | 31 December 2019    |                       |   | 31 December 2018    |                       |   |
|--|---------------------|-----------------------|---|---------------------|-----------------------|---|
|  | Balance sheet value | of which depreciation | of which changes in value recognised directly in equity | Balance sheet value | of which depreciation | of which changes in value recognised directly in equity |
| Debt securities                                  | 118,618             |                       | 12,729  | 105,973             |                       | 8,461   |
| Equity instruments                               | 7,978               | (417)                 | 2,009   | 6,068               | (312)                 | 668   |
| <b>Total available-for-sale financial assets</b> | <b>126,596</b>      | <b>(417)</b>          | <b>14,738</b>   | <b>112,041</b>      | <b>(312)</b>          | <b>9,129</b>  |

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

| In millions of euros              | 31 December 2019 |         |         |       |                | 31 December 2018 |         |         |       |                |
|-----------------------------------|------------------|---------|---------|-------|----------------|------------------|---------|---------|-------|----------------|
|                                   | Level 1          | Level 2 | Level 3 | Total | Carrying value | Level 1          | Level 2 | Level 3 | Total | Carrying value |
| Held-to-maturity financial assets | 2,224            |         |         | 2,224 | 1,914          | 4,116            |         |         | 4,116 | 3,720          |
| Loans and receivables             | 121              | 2,985   | 18      | 3,124 | 3,089          | 125              | 3,487   | 21      | 3,633 | 3,605          |

## 5.j TECHNICAL RESERVES AND OTHER INSURANCE LIABILITIES

| In millions of euros  | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| <b>Technical reserves - Non-Life insurance contracts</b>                                      | <b>4,768</b>     | <b>4,590</b>     |
| <b>Technical reserves - Life insurance contracts</b>  | <b>154,382</b>   | <b>143,671</b>   |
| - Insurance contracts   | 87,352           | 84,392           |
| - Unit-linked contracts   | 67,030           | 59,279           |
| <b>Technical liabilities - investment contracts</b>   | <b>48,179</b>    | <b>44,110</b>    |
| - Investments contracts with discretionary participation feature                              | 40,723           | 38,604           |
| - Investment contracts without discretionary participation feature                            | 7,456            | 5,506            |
| <b>Policyholders' surplus reserve - liability</b>   | <b>24,980</b>    | <b>17,379</b>    |
| <b>Total technical reserves and liabilities related to insurance and investment contracts</b> | <b>232,309</b>   | <b>209,750</b>   |
| Debts arising out of insurance and reinsurance operations                                     | 3,464            | 3,056            |
| Derivative financial instruments  | 1,164            | 885              |
| <b>Total technical reserves and other insurance liabilities</b>                               | <b>236,937</b>   | <b>213,691</b>   |

The policyholders' surplus reserve arises from the application of shadow accounting. It represents the interest of policyholders within French and Italian life insurance subsidiaries in unrealised gains and losses and impairment losses on assets where the benefit paid under the policy is linked to the return on those assets. It is obtained from stochastic calculations modelling the unrealised gains and losses attributable to policyholders based on economic scenarios and assumptions as regards rates paid to customers and new business inflows. For France, this resulted in an interest of 90% in 2019, unchanged from 2018.

| In millions of euros   | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| <b>Liabilities related to insurance contracts at start of period</b>   | <b>209,750</b>       | <b>206,970</b>       |
| Additions to insurance contract technical reserves and deposits taken on financial contracts related to life insurance | 30,807               | 20,371               |
| Claims and benefits paid   | (17,010)             | (15,493)             |
| Effect of changes in value of admissible investments related to unit-linked contracts                                  | 8,381                | (5,135)              |
| Effect of movements in exchange rates  | 311                  | 34                   |
| Effect of changes in the scope of consolidation  | 70                   | 3,003                |
| <b>Liabilities related to insurance contracts at end of period</b>   | <b>232,309</b>       | <b>209,750</b>       |

See note 5.i for details of reinsurers' share of technical reserves.

## 5.k CURRENT AND DEFERRED TAXES

| In millions of euros                        | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Current taxes                               | 1,857            | 1,958            |
| Deferred taxes <sup>(1)</sup>               | 4,956            | 5,262            |
| <b>Current and deferred tax assets</b>      | <b>6,813</b>     | <b>7,220</b>     |
| Current taxes <sup>(2)</sup>                | 2,103            | 1,023            |
| Deferred taxes <sup>(1)</sup>               | 1,463            | 1,232            |
| <b>Current and deferred tax liabilities</b> | <b>3,566</b>     | <b>2,255</b>     |

<sup>(1)</sup> Changes over the period include the effect of IFRS 16 first time adoption (see note 2).

<sup>(2)</sup> Changes over the period include the effect of IFRIC 23 first time adoption (see note 5.p).

Change in deferred tax by nature over the period:

| In millions of euros                        | 31 December 2018 | Changes recognised in profit or loss | Changes recognised in equity that may be reclassified to profit or loss | Changes recognised in equity that will not be reclassified to profit or loss | Effects of exchange rates, consolidation scope and other movements | 31 December 2019 |
|---|------------------|--------------------------------------|---|--|--|------------------|
| Financial instruments                       | (518)            | (106)                                | (391)   | (1)  | (25)   | (1,041)          |
| Provisions for employee benefit obligations | 826              | 80                                   | -   | (14)   | (21)   | 871              |
| Unrealised finance lease reserve            | (381)            | (82)                                 | -   | -  | (42)   | (505)            |
| Credit risk impairment                      | 3,111            | 172                                  | -   | -  | (12)   | 3,271            |
| Tax loss carryforwards                      | 1,330            | (39)                                 | -   | -  | (172)  | 1,119            |
| Other items                                 | (338)            | (221)                                | -   | -  | 337  | (222)            |
| <b>Net deferred taxes</b>                   | <b>4,030</b>     | <b>(196)</b>                         | <b>(391)</b>  | <b>(15)</b>  | <b>65</b>  | <b>3,493</b>     |
| Deferred tax assets                         | 5,262            | -                                    | -   | -  | -  | 4,956            |
| Deferred tax liabilities                    | (1,232)          | -                                    | -   | -  | -  | (1,463)          |

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

Deferred tax assets recognised on tax loss carryforwards are mainly related to BNP Paribas Fortis for EUR 824 million, with a 6-year expected recovery period (unlimited carryforward period).

Unrecognised deferred tax assets totalled EUR 1,291 million at 31 December 2019 compared with EUR 1,324 million at 31 December 2018.

## 5.1 ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

| In millions of euros   | 31 December 2019 | 31 December 2018 |
|--|------------------|------------------|
| Guarantee deposits and bank guarantees paid                  | 75,478           | 64,988           |
| Collection accounts  | 288              | 369              |
| Accrued income and prepaid expenses <sup>(1)</sup>           | 6,162            | 7,355            |
| Other debtors and miscellaneous assets <sup>(1)</sup>        | 31,607           | 30,634           |
| <b>Total accrued income and other assets</b>                 | <b>113,535</b>   | <b>103,346</b>   |
| Guarantee deposits received                                  | 58,751           | 48,308           |
| Collection accounts  | 3,026            | 2,820            |
| Accrued expense and deferred income <sup>(1)</sup>           | 8,027            | 10,122           |
| Lease liabilities <sup>(1)</sup>                             | 3,295            |                  |
| Other creditors and miscellaneous liabilities <sup>(1)</sup> | 29,650           | 28,312           |
| <b>Total accrued expense and other liabilities</b>           | <b>102,749</b>   | <b>89,562</b>    |

<sup>(1)</sup> Changes over the period include the effect of IFRS 16 first time adoption (see note 2).

## 5.m EQUITY-METHOD INVESTMENTS

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

| In millions of euros                | Year to 31 Dec. 2019 |  |   | 31 December 2019          | Year to 31 Dec. 2018 |  |   | 31 December 2018          |
|-------------------------------------|----------------------|--|---|---------------------------|----------------------|--|---|---------------------------|
|                                     | Share of net income  | Share of changes in assets and liabilities recognised directly in equity | Share of net income and changes in assets and liabilities recognised directly in equity | Equity-method investments | Share of net income  | Share of changes in assets and liabilities recognised directly in equity | Share of net income and changes in assets and liabilities recognised directly in equity | Equity-method investments |
| Joint ventures                      | 64                   | (17)   | 47  | 965                       | 63                   | (74)   | (11)  | 804                       |
| Associates <sup>(1)</sup>           | 522                  | 160  | 682   | 4,987                     | 565                  | (62)   | 503   | 4,968                     |
| <b>Total equity-method entities</b> | <b>586</b>           | <b>143</b>   | <b>729</b>  | <b>5,952</b>              | <b>628</b>           | <b>(136)</b>   | <b>492</b>  | <b>5,772</b>              |

<sup>(1)</sup>Including controlled but non material entities consolidated under the equity method.

Financing and guarantee commitments given by the Group to joint ventures are listed in the note 8.h Other related parties.

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

| In millions of euros            | Country of registration | Activity        | Interest (%) | 31 December 2019 | 31 December 2018 |
|---------------------------------|-------------------------|-----------------|--------------|------------------|------------------|
| <b>Joint ventures</b>           |                         |                 |              |                  |                  |
| Bpost banque                    | Belgium                 | Retail banking  | 50%          | 242              | 249              |
| Union de Creditos Inmobiliarios | Spain                   | Retail mortgage | 50%          | 220              | 239              |
| <b>Associates</b>               |                         |                 |              |                  |                  |
| AG Insurance                    | Belgium                 | Insurance       | 25%          | 1,747            | 1,647            |
| Bank of Nanjing                 | China                   | Retail banking  | 15%          | 1,569            | 1,372            |

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

| In millions of euros   | 31 December 2019 |   |                 | 31 December 2018 |   |                 |
|--|------------------|---|-----------------|------------------|---|-----------------|
|  | Gross value      | Accumulated depreciation, amortisation and impairment | Carrying amount | Gross value      | Accumulated depreciation, amortisation and impairment | Carrying amount |
| <b>Investment property</b>                                   | <b>894</b>       | <b>(283)</b>  | <b>611</b>      | <b>1,031</b>     | <b>(316)</b>  | <b>715</b>      |
| Land and buildings <sup>(1)</sup>                            | 13,565           | (5,703)   | 7,862           | 7,084            | (2,061)   | 5,023           |
| Equipment, furniture and fixtures <sup>(1)</sup>             | 7,494            | (5,410)   | 2,084           | 7,130            | (5,083)   | 2,047           |
| Plant and equipment leased as lessor under operating leases  | 28,126           | (7,546)   | 20,580          | 24,675           | (6,805)   | 17,870          |
| Other property, plant and equipment <sup>(1)</sup>           | 2,371            | (1,212)   | 1,159           | 2,086            | (1,089)   | 997             |
| <b>Property, plant and equipment</b>                         | <b>51,556</b>    | <b>(19,871)</b>                                       | <b>31,685</b>   | <b>40,975</b>    | <b>(15,038)</b>                                       | <b>25,937</b>   |
| <i>Of which right of use</i>                                 | 6,660            | (3,647)   | 3,013           |                  |   |                 |
| <b>Property, plant and equipment and investment property</b> | <b>52,450</b>    | <b>(20,154)</b>                                       | <b>32,296</b>   | <b>42,006</b>    | <b>(15,354)</b>                                       | <b>26,652</b>   |
| Purchased software   | 4,093            | (3,072)   | 1,021           | 3,703            | (2,724)   | 979             |
| Internally-developed software                                | 4,664            | (3,581)   | 1,083           | 4,250            | (3,236)   | 1,014           |
| Other intangible assets                                      | 2,245            | (497)   | 1,748           | 2,334            | (544)   | 1,790           |
| <b>Intangible assets</b>                                     | <b>11,002</b>    | <b>(7,150)</b>  | <b>3,852</b>    | <b>10,287</b>    | <b>(6,504)</b>  | <b>3,783</b>    |

<sup>(1)</sup> Changes over the period include the effect of IFRS 16 first time adoption (see note 2).

- **Investment property**

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

The estimated fair value of investment property accounted for at amortised cost at 31 December 2019 is EUR 719 million, compared with EUR 800 million at 31 December 2018.

- **Operating leases**

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

| In millions of euros   | 31 December 2019 | 31 December 2018 |
|--|------------------|------------------|
| <b>Future minimum lease payments receivable under non-cancellable leases</b> | <b>7,182</b>     | <b>6,483</b>     |
| <i>Payments receivable within 1 year</i>                                     | 3,064            | 2,603            |
| <i>Payments receivable after 1 year but within 5 years</i>                   | 4,076            | 3,852            |
| <i>Payments receivable beyond 5 years</i>                                    | 42               | 28               |

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

- **Intangible assets**

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

- **Amortisation and provision**

Net depreciation and amortisation expense for the year ended 31 December 2019 was EUR 2.415 million, compared with EUR 1.674 million for the year ended 31 December 2018.

The net increase in impairment on property, plant, equipment and intangible assets taken to the profit and loss account for the year ended 31 December 2019 amounted to EUR 30 million, compared with EUR 2 million for the year ended 31 December of 2018.



## 5.0 GOODWILL

| In millions of euros                                   | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| <b>Carrying amount at start of period</b>              | <b>8,487</b>         | <b>9,571</b>         |
| Acquisitions   | 55                   | 99                   |
| Divestments  |                      |                      |
| Impairment recognised during the period                | (820)                | (30)                 |
| Loss of control of First Hawaiian Inc (note 8.c)       |                      | (1,315)              |
| Exchange rate adjustments                              | 97                   | 159                  |
| Other movements  | (2)                  | 3                    |
| <b>Carrying amount at end of period</b>                | <b>7,817</b>         | <b>8,487</b>         |
| Gross value  | 11,608               | 11,462               |
| Accumulated impairment recognised at the end of period | (3,791)              | (2,975)              |

Goodwill by cash-generating unit is as follows:

| In millions of euros   | Carrying amount  |                  | Impairment recognised during the year ended 2019 |                      | Acquisitions during the year ended 2019 |                      |
|--|------------------|------------------|--|----------------------|---|----------------------|
|  | 31 December 2019 | 31 December 2018 | Year to 31 Dec. 2019                             | Year to 31 Dec. 2018 | Year to 31 Dec. 2019                    | Year to 31 Dec. 2018 |
| <b>Retail Banking &amp; Services</b>   | <b>6,602</b>     | <b>7,348</b>     | <b>(820)</b>                                     | <b>(30)</b>          | <b>(2)</b>                              | <b>69</b>            |
| <b>Domestic Markets</b>  | <b>1,440</b>     | <b>1,428</b>     | <b>-</b>   | <b>-</b>             | <b>-</b>                                | <b>17</b>            |
| <i>Arval</i>   | 515              | 503              |  |                      |   |                      |
| <i>Leasing Solutions</i>   | 151              | 151              |  |                      |   | 17                   |
| <i>New Digital Businesses</i>  | 159              | 159              |  |                      |   |                      |
| <i>Personal Investors</i>  | 609              | 609              |  |                      |   |                      |
| <i>Others</i>  | 6                | 6                |  |                      |   |                      |
| <b>International Financial Services</b>                                      | <b>5,162</b>     | <b>5,920</b>     | <b>(820)</b>                                     | <b>(30)</b>          | <b>(2)</b>                              | <b>52</b>            |
| <i>Asset Management</i>  | 187              | 185              |  |                      |   | 15                   |
| <i>Insurance</i>   | 353              | 352              |  |                      |   |                      |
| <i>BancWest</i>  | 2,571            | 3,008            | (500)  |                      |   |                      |
| <i>Personal Finance</i>  | 1,293            | 1,303            |  |                      |   |                      |
| <i>Personal Finance - partnership tested individually</i>                    |                  | 318              | (318)  | (30)                 |   |                      |
| <i>Real Estate</i>   | 407              | 404              | (2)  |                      |   | (2)                  |
| <i>Wealth Management</i>   | 314              | 313              |  |                      | (2)                                     | 39                   |
| <i>Others</i>  | 37               | 37               |  |                      |   |                      |
| <b>Corporate &amp; Institutional Banking</b>                                 | <b>1,212</b>     | <b>1,136</b>     | <b>-</b>   | <b>-</b>             | <b>57</b>                               | <b>30</b>            |
| <i>Corporate Banking</i>   | 277              | 276              |  |                      |   |                      |
| <i>Global Markets</i>  | 481              | 418              |  |                      | 57                                      |                      |
| <i>Securities Services</i>   | 454              | 442              |  |                      |   | 30                   |
| <b>Other Activities</b>  | <b>3</b>         | <b>3</b>         | <b>-</b>   | <b>-</b>             | <b>-</b>                                | <b>-</b>             |
| <b>Total goodwill</b>  | <b>7,817</b>     | <b>8,487</b>     | <b>(820)</b>                                     | <b>(30)</b>          | <b>55</b>                               | <b>99</b>            |
| Negative goodwill  |                  |                  | 2  | 83                   |   | -                    |
| <b>Change in value of goodwill recognised in the profit and loss account</b> |                  |                  | <b>(818)</b>                                     | <b>53</b>            | <b>-</b>                                | <b>-</b>             |

The homogeneous groups of businesses to which goodwill is allocated are:

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

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

**New digital businesses:** they include in particular the account management service “Nickel”, open to all, without any conditions regarding income, deposits or personal wealth, and without any overdraft or credit facility. This service, which operates in real time using the latest technology, is available through over 5,500 points of sale.

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

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

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

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

In 2019, BNP Paribas Cardif sold part of its interest in the Indian life insurer SBI Life. After this partial sale, the Group retains a 5.2% stake.

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

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

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

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

In 2018, BNP Paribas Wealth Management purchased the private banking activities of ABN Amro in Luxembourg.

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

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

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

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

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

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

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

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

Allocated capital is determined for each homogeneous group of businesses based on the “Common Equity Tier One” regulatory requirements for the legal entity to which the homogeneous group of businesses belongs, with a minimum of 7%.

The growth rate to perpetuity used is 2% for mature economies in Europe and 3% for BancWest more specific to California. For CGUs implemented in countries with high levels of inflation, a specific add-on is taken into account (calculated according to inflation rates disclosed by external sources).

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

In 2019, the downward revision of the financial perspectives for the Personal Finance partnership specifically tested led to depreciate the total goodwill (318 million euros).

The economic environment evolution, particularly in interest rates in the United States, led to partially depreciate BancWest's goodwill by 500 million euros.

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

| In millions of euros                | BancWest     | Personal Finance |
|-------------------------------------|--------------|------------------|
| <b>Cost of capital</b>              | <b>9.3%</b>  | <b>10.0%</b>     |
| Adverse change (+10 basis points)   | (108)        | (207)            |
| Positive change (- 10 basis points) | 112          | 212              |
| <b>Cost/income ratio</b>            | <b>62.3%</b> | <b>45.3%</b>     |
| Adverse change (+ 1 %)              | (199)        | (431)            |
| Positive change (-1 %)              | 199          | 431              |
| <b>Cost of risk</b>                 | <b>(127)</b> | <b>(1,999)</b>   |
| Adverse change (+ 5 %)              | (48)         | (251)            |
| Positive change (- 5 %)             | 48           | 251              |
| <b>Growth rate to perpetuity</b>    | <b>3.0%</b>  | <b>2.1%</b>      |
| Adverse change (-50 basis points)   | (200)        | (446)            |
| Positive change (+50 basis points)  | 234          | 507              |

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

## 5.p PROVISIONS FOR CONTINGENCIES AND CHARGES

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

| In millions of euros  | 31 December 2018 | Net additions to provisions | Provisions used | Changes in value recognised directly in equity | Effect of movements in exchange rates and other movements <sup>(1)</sup> | 31 December 2019 |
|---|------------------|-----------------------------|-----------------|--|--|------------------|
| <b>Provisions for employee benefits</b>   | <b>6,039</b>     | <b>1,350</b>                | <b>(992)</b>    | <b>199</b>                                     | <b>40</b>  | <b>6,636</b>     |
| of which post-employment benefits ( <i>note 7.b</i> )   | 3,998            | 250                         | (331)           | 189  | 35   | 4,141            |
| of which post-employment healthcare benefits ( <i>note 7.b</i> )  | 131              | 6                           | (4)             | 10   | 3  | 146              |
| of which provision for other long-term benefits ( <i>note 7.c</i> )   | 1,120            | 344                         | (277)           |  | 1  | 1,188            |
| of which provision for voluntary departure, early retirement plans, and headcount adaptation plan ( <i>note 7.d</i> ) | 380              | 294                         | (155)           |  | (6)  | 513              |
| of which provision for share-based payments ( <i>note 7.e</i> )   | 410              | 456                         | (225)           |  | 7  | 648              |
| <b>Provisions for home savings accounts and plans</b>   | <b>136</b>       | <b>(12)</b>                 |                 |  |  | <b>124</b>       |
| <b>Provisions for credit commitments (<i>note 3.h</i>)</b>  | <b>1,192</b>     | <b>95</b>                   | <b>(32)</b>     |  | <b>(21)</b>  | <b>1,234</b>     |
| <b>Provisions for litigations</b>   | <b>1,348</b>     | <b>173</b>                  | <b>(75)</b>     |  | <b>(848)</b>   | <b>598</b>       |
| <b>Other provisions for contingencies and charges</b>   | <b>905</b>       | <b>187</b>                  | <b>(201)</b>    |  | <b>3</b>   | <b>894</b>       |
| <b>Total provisions for contingencies and charges</b>   | <b>9,620</b>     | <b>1,793</b>                | <b>(1,300)</b>  | <b>199</b>                                     | <b>(826)</b>   | <b>9,486</b>     |

(1) Changes over the period include the effect of IFRIC 23 first time adoption (see note 5.k)

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

| In millions of euros  | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| <b>Deposits collected under home savings accounts and plans</b>               | <b>18,149</b>    | <b>18,102</b>    |
| of which deposits collected under home savings plans                          | 16,026           | 15,956           |
| <i>Aged more than 10 years</i>  | 5,231            | 3,824            |
| <i>Aged between 4 and 10 years</i>  | 8,777            | 8,471            |
| <i>Aged less than 4 years</i>   | 2,018            | 3,661            |
| <b>Outstanding loans granted under home savings accounts and plans</b>        | <b>35</b>        | <b>52</b>        |
| of which loans granted under home savings plans                               | 6                | 9                |
| <b>Provisions and discount recognised for home savings accounts and plans</b> | <b>125</b>       | <b>137</b>       |
| provisions recognised for home savings plans                                  | 123              | 133              |
| provisions recognised for home savings accounts                               | 1                | 3                |
| discount recognised for home savings accounts and plans                       | 1                | 1                |

## 5.q OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

| In millions of euros,<br>at 31 December 2019                                       | Gross<br>amounts of<br>financial<br>assets | Gross<br>amounts set<br>off on the<br>balance sheet | Net amounts<br>presented on the<br>balance sheet | Impact of<br>Master Netting<br>Agreements<br>(MNA) and<br>similar<br>agreements | Financial<br>instruments<br>received as<br>collateral | Net amounts      |
|--|--|---|--|---|---|------------------|
| <b>Assets</b>  |  |   |  |   |   |                  |
| Financial instruments at fair value through profit or loss                         |  |   |  |   |   |                  |
| Securities   | 131,935                                    |   | 131,935  |   |   | 131,935          |
| Loans and repurchase agreements  | 352,599                                    | (155,672)   | 196,927  | (45,772)  | (143,292)   | 7,863            |
| Derivative financial instruments (including derivatives used for hedging purposes) | 543,166                                    | (283,427)   | 259,739  | (179,483)   | (34,902)  | 45,354           |
| Financial assets at amortised cost   | 935,923                                    |   | 935,923  | (536)   | (1,679)   | 933,708          |
| <i>of which repurchase agreements</i>  | 2,307                                      |   | 2,307  | (536)   | (1,679)   | 92               |
| Accrued income and other assets  | 113,535                                    |   | 113,535  |   | (38,342)  | 75,193           |
| <i>of which guarantee deposits paid</i>  | 75,478                                     |   | 75,478   |   | (38,342)  | 37,136           |
| Other assets not subject to offsetting   | 526,654                                    |   | 526,654  |   |   | 526,654          |
| <b>TOTAL ASSETS</b>  | <b>2,603,812</b>                           | <b>(439,099)</b>                                    | <b>2,164,713</b>                                 | <b>(225,791)</b>  | <b>(218,215)</b>                                      | <b>1,720,707</b> |

| In millions of euros,<br>at 31 December 2019                                       | Gross<br>amounts of<br>financial<br>liabilities | Gross<br>amounts set<br>off on the<br>balance sheet | Net amounts<br>presented on the<br>balance sheet | Impact of<br>Master Netting<br>Agreements<br>(MNA) and<br>similar<br>agreements | Financial<br>instruments<br>given as<br>collateral | Net amounts      |
|--|---|---|--|---|--|------------------|
| <b>Liabilities</b>   |   |   |  |   |  |                  |
| Financial instruments at fair value through profit or loss                         |   |   |  |   |  |                  |
| Securities   | 65,490  |   | 65,490   |   |  | 65,490           |
| Deposits and repurchase agreements   | 370,765   | (155,672)   | 215,093  | (44,684)  | (163,430)  | 6,979            |
| Issued debt securities   | 63,758  |   | 63,758   |   |  | 63,758           |
| Derivative financial instruments (including derivatives used for hedging purposes) | 535,428   | (283,427)   | 252,001  | (179,483)   | (39,920)   | 32,598           |
| Financial liabilities at amortised cost  | 919,234   |   | 919,234  | (1,624)   | (5,942)  | 911,668          |
| <i>of which repurchase agreements</i>  | 7,821   |   | 7,821  | (1,624)   | (5,942)  | 255              |
| Accrued expense and other liabilities  | 102,749   |   | 102,749  |   | (30,939)   | 71,810           |
| <i>of which guarantee deposits received</i>  | 58,751  |   | 58,751   |   | (30,939)   | 27,812           |
| Other liabilities not subject to offsetting  | 434,543   |   | 434,543  |   |  | 434,543          |
| <b>TOTAL LIABILITIES</b>   | <b>2,491,967</b>                                | <b>(439,099)</b>                                    | <b>2,052,868</b>                                 | <b>(225,791)</b>  | <b>(240,231)</b>                                   | <b>1,586,846</b> |

| In millions of euros,<br>at 31 December 2018                                       | Gross<br>amounts of<br>financial<br>assets | Gross<br>amounts set<br>off on the<br>balance sheet | Net amounts<br>presented on the<br>balance sheet | Impact of<br>Master Netting<br>Agreements<br>(MNA) and<br>similar<br>agreements | Financial<br>instruments<br>received as<br>collateral | Net amounts      |
|--|--|---|--|---|---|------------------|
| <b>Assets</b>  |  |   |  |   |   |                  |
| Financial instruments at fair value through profit or loss                         |  |   |  |   |   |                  |
| Securities   | 121,954                                    |   | 121,954  |   |   | 121,954          |
| Loans and repurchase agreements  | 283,879                                    | (100,163)   | 183,716  | (37,657)  | (135,421)   | 10,638           |
| Derivative financial instruments (including derivatives used for hedging purposes) | 480,745                                    | (238,040)   | 242,705  | (177,352)   | (28,676)  | 36,677           |
| Financial assets at amortised cost   | 860,567                                    | (67)  | 860,500  | (365)   | (1,312)   | 858,823          |
| <i>of which repurchase agreements</i>  | 1,781                                      |   | 1,781  | (365)   | (1,312)   | 104              |
| Accrued income and other assets  | 103,346                                    |   | 103,346  |   | (30,813)  | 72,533           |
| <i>of which guarantee deposits paid</i>  | 64,988                                     |   | 64,988   |   | (30,813)  | 34,175           |
| Other assets not subject to offsetting   | 528,615                                    |   | 528,615  |   |   | 528,615          |
| <b>TOTAL ASSETS</b>  | <b>2,379,106</b>                           | <b>(338,270)</b>                                    | <b>2,040,836</b>                                 | <b>(215,374)</b>  | <b>(196,222)</b>                                      | <b>1,629,240</b> |

| In millions of euros,<br>at 31 December 2018                                       | Gross<br>amounts of<br>financial<br>liabilities | Gross<br>amounts set<br>off on the<br>balance sheet | Net amounts<br>presented on the<br>balance sheet | Impact of<br>Master Netting<br>Agreements<br>(MNA) and<br>similar<br>agreements | Financial<br>instruments<br>given as<br>collateral | Net amounts      |
|--|---|---|--|---|--|------------------|
| <b>Liabilities</b>   |   |   |  |   |  |                  |
| Financial instruments at fair value through profit or loss                         |   |   |  |   |  |                  |
| Securities   | 75,189  |   | 75,189   |   |  | 75,189           |
| Deposits and repurchase agreements   | 304,202   | (100,163)   | 204,039  | (36,754)  | (153,961)  | 13,324           |
| Issued debt securities   | 54,908  |   | 54,908   |   |  | 54,908           |
| Derivative financial instruments (including derivatives used for hedging purposes) | 475,521   | (238,040)   | 237,481  | (177,352)   | (31,226)   | 28,903           |
| Financial liabilities at amortised cost  | 875,530   | (67)  | 875,463  | (1,268)   | (5,311)  | 868,884          |
| <i>of which repurchase agreements</i>  | 7,038   |   | 7,038  | (1,268)   | (5,311)  | 459              |
| Accrued expense and other liabilities  | 89,562  |   | 89,562   |   | (24,764)   | 64,798           |
| <i>of which guarantee deposits received</i>  | 48,308  |   | 48,308   |   | (24,764)   | 23,544           |
| Other liabilities not subject to offsetting  | 398,468   |   | 398,468  |   |  | 398,468          |
| <b>TOTAL LIABILITIES</b>   | <b>2,273,380</b>                                | <b>(338,270)</b>                                    | <b>1,935,110</b>                                 | <b>(215,374)</b>  | <b>(215,262)</b>                                   | <b>1,504,474</b> |



## 5.r TRANSFERS OF FINANCIAL ASSETS

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

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

| In millions of euros, at                                   | 31 December 2019                      |   | 31 December 2018                      |   |
|--|---------------------------------------|---|---------------------------------------|---|
|  | Carrying amount of transferred assets | Carrying amount of associated liabilities | Carrying amount of transferred assets | Carrying amount of associated liabilities |
| <b>Securities lending operations</b>                       |                                       |   |                                       |   |
| Financial instruments at fair value through profit or loss | 13,358                                | -   | 6,838                                 | -   |
| Financial assets at amortised cost                         | 1,408                                 | -   | 801                                   | -   |
| Financial assets at fair value through equity              | 320                                   | -   | 25                                    | -   |
| <b>Repurchase agreements</b>                               |                                       |   |                                       |   |
| Financial instruments at fair value through profit or loss | 33,203                                | 33,148                                    | 34,871                                | 34,699                                    |
| Financial assets at amortised cost                         | 3,664                                 | 3,621                                     | 627                                   | 624                                       |
| Financial assets at fair value through equity              | 988                                   | 984                                       | 1,766                                 | 1,766                                     |
| Financial investments of insurance activities              | 5,844                                 | 5,921                                     | 5,979                                 | 5,855                                     |
| <b>Total</b>   | <b>58,785</b>                         | <b>43,674</b>                             | <b>50,907</b>                         | <b>42,944</b>                             |

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

| In millions of euros, at 31 December 2019                  | Carrying amount of transferred assets | Carrying amount of associated liabilities | Fair value of transferred assets | Fair value of associated liabilities | Net position |
|--|---------------------------------------|---|----------------------------------|--------------------------------------|--------------|
| <b>Securitisation</b>                                      |                                       |   |                                  |                                      |              |
| Financial instruments at fair value through profit or loss | 28                                    | 28  | 28                               | 28                                   | -            |
| Financial assets at amortised cost                         | 19,674                                | 17,431                                    | 19,035                           | 17,471                               | 1,564        |
| Financial assets at fair value through equity              | 18                                    | 18  | 17                               | 17                                   | -            |
| <b>Total</b>   | <b>19,720</b>                         | <b>17,477</b>                             | <b>19,080</b>                    | <b>17,516</b>                        | <b>1,564</b> |

| In millions of euros, at 31 December 2018                  | Carrying amount of transferred assets | Carrying amount of associated liabilities | Fair value of transferred assets | Fair value of associated liabilities | Net position |
|--|---------------------------------------|---|----------------------------------|--------------------------------------|--------------|
| <b>Securitisation</b>                                      |                                       |   |                                  |                                      |              |
| Financial instruments at fair value through profit or loss | 163                                   | 163                                       | 163                              | 163                                  | -            |
| Financial assets at amortised cost                         | 14,050                                | 12,913                                    | 14,227                           | 12,916                               | 1,311        |
| Financial assets at fair value through equity              | 21                                    | 21  | 21                               | 21                                   | -            |
| <b>Total</b>   | <b>14,234</b>                         | <b>13,097</b>                             | <b>14,411</b>                    | <b>13,100</b>                        | <b>1,311</b> |

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

## 6. FINANCING AND GUARANTEE COMMITMENTS

### 6.a FINANCING COMMITMENTS GIVEN OR RECEIVED

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

| In millions of euros                        | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| <b>Financing commitments given</b>          |                  |                  |
| - to credit institutions                    | 4,999            | 3,201            |
| - to customers                              | 324,077          | 301,447          |
| Confirmed financing commitments             | 255,975          | 231,109          |
| Other commitments given to customers        | 68,102           | 70,338           |
| <b>Total financing commitments given</b>    | <b>329,076</b>   | <b>304,648</b>   |
| <i>of which stage 1</i>                     | 317,180          | 292,425          |
| <i>of which stage 2</i>                     | 9,862            | 10,511           |
| <i>of which stage 3</i>                     | 1,094            | 644              |
| <i>of which insurance activities</i>        | 940              | 1,068            |
| <b>Financing commitments received</b>       |                  |                  |
| - from credit institutions                  | 70,725           | 72,484           |
| - from customers                            | 2,633            | 11,244           |
| <b>Total financing commitments received</b> | <b>73,358</b>    | <b>83,728</b>    |

### 6.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

| In millions of euros   | 31 December 2019 | 31 December 2018 |
|--|------------------|------------------|
| <b>Guarantee commitments given</b>                             |                  |                  |
| - to credit institutions                                       | 32,325           | 33,487           |
| - to customers   | 118,408          | 113,129          |
| Property guarantees  | 2,767            | 1,968            |
| Sureties provided to tax and other authorities, other sureties | 61,003           | 54,019           |
| Other guarantees   | 54,638           | 57,142           |
| <b>Total guarantee commitments given</b>                       | <b>150,733</b>   | <b>146,616</b>   |
| <i>of which stage 1</i>  | 142,780          | 138,615          |
| <i>of which stage 2</i>  | 6,518            | 6,713            |
| <i>of which stage 3</i>  | 1,432            | 1,285            |
| <i>of which insurance activities</i>                           | 3                | 3                |

## 6.c SECURITIES COMMITMENTS

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

| In millions of euros       | 31 December 2019 | 31 December 2018 |
|----------------------------|------------------|------------------|
| Securities to be delivered | 8,511            | 14,134           |
| Securities to be received  | 10,792           | 12,869           |

## 6.d OTHER GUARANTEE COMMITMENTS

- Financial instruments given as collateral:**

| In millions of euros   | 31 December 2019 | 31 December 2018 |
|--|------------------|------------------|
| <b>Financial instruments (negotiable securities and private receivables) lodged with central banks and eligible for use at any time as collateral for refinancing transactions after haircut</b> | <b>102,466</b>   | <b>104,804</b>   |
| - Used as collateral with central banks  | 32,659           | 35,216           |
| - Available for refinancing transactions   | 69,807           | 69,588           |
| <b>Securities sold under repurchase agreements</b>   | <b>388,683</b>   | <b>314,705</b>   |
| <b>Other financial assets pledged as collateral for transactions with credit institutions, financial customers or subscribers of covered bonds issued by the Group <sup>(1)</sup></b>            | <b>152,489</b>   | <b>124,148</b>   |

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

The fair value of financial instruments given as collateral or transferred under repurchase agreements by the Group that the beneficiary is authorised to sell or reuse as collateral amounted to EUR 486,464 million at 31 December 2019 (EUR 396,876 million at 31 December 2018).

- Financial instruments received as collateral:**

| In millions of euros   | 31 December 2019 | 31 December 2018 |
|--|------------------|------------------|
| <b>Financial instruments received as collateral (excluding repurchase agreements)</b>    | <b>181,696</b>   | <b>162,184</b>   |
| <i>of which instruments that the Group is authorised to sell and reuse as collateral</i> | <i>99,061</i>    | <i>82,543</i>    |
| <b>Securities received under repurchase agreements</b>                                   | <b>376,752</b>   | <b>287,047</b>   |

The fair value of financial instruments received as collateral or under repurchase agreements that the Group effectively sold or reused as collateral amounted to EUR 307,285 million at 31 December 2019 (compared with EUR 268,973 million at 31 December 2018).

## 7. SALARIES AND EMPLOYEE BENEFITS

### 7.a SALARY AND EMPLOYEE BENEFIT EXPENSE

| In millions of euros  | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|---|----------------------|----------------------|
| Fixed and variable remuneration, incentive bonuses and profit-sharing | 12,992               | 12,403               |
| Employee benefit expense  | 4,021                | 3,665                |
| Payroll taxes   | 540                  | 549                  |
| <b>Total salary and employee benefit expense</b>                      | <b>17,553</b>        | <b>16,617</b>        |

### 7.b POST-EMPLOYMENT BENEFITS

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

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

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

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

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

The amount paid into defined-contribution post-employment plans in the year ended 31 December 2019 was EUR 676 million, compared with EUR 612 million in the year ended 31 December 2018.

The breakdown by major contributors is determined as follows:

| Contribution amount<br>In millions of euros | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|---|----------------------|----------------------|
| France                                      | 343                  | 334                  |
| Italy                                       | 67                   | 63                   |
| UK  | 54                   | 50                   |
| USA   | 50                   | 40                   |
| Germany                                     | 5                    | 4                    |
| Turkey                                      | 32                   | 30                   |
| Others                                      | 125                  | 91                   |
| <b>TOTAL</b>                                | <b>676</b>           | <b>612</b>           |

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

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

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

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

- Defined-benefit plans

In Belgium, BNP Paribas Fortis funds a defined-benefit plan, based on final salary and number of years of service, for its management and employees who joined the bank before its pension plans were harmonised on 1 January 2002. Actuarial liabilities under this scheme are pre-funded at 93% at 31 December 2019 (compared with 92% at 31 December 2018) through AG Insurance, in which the BNP Paribas Group owns a 25% equity interest.

BNP Paribas Fortis senior managers are covered by a top-up pension plan, paying a lump sum based on the number of years of service and final salary. This plan is pre-funded at 100% as at 31 December 2019 (96% at 31 December 2018) through insurance companies.

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

In France, BNP Paribas pays a top-up banking industry pension arising from rights acquired to 31 December 1993 by retired employees and active employees in service at that date. At 31 December 2019, the Group's residual obligations for these employees were recognised on the balance sheet in full.

The defined-benefit plans previously granted to some Group senior managers have all been closed to new employees and converted into top-up type schemes. The amounts allocated to residual beneficiaries, subject to their presence within the Group at retirement, were fixed when these schemes were closed. At 31 December 2019, 109% of these pension plans were funded through insurance companies (110% at 31 December 2018).

In the United Kingdom, defined-benefit pension plans (pension funds) still exist but are closed to new employees. Under these plans, the defined pension is generally based on final salary and number of years of service. Pension schemes are managed by independent management bodies (Trustees). At 31 December 2019, obligations for all UK entities were 116% covered by financial assets, compared with 115% at 31 December 2018.

In Switzerland, liabilities relate to top-up pension plans based on the principle of defined-contribution schemes with guaranteed returns, paying an annuity under pre-defined terms. These schemes are managed by a foundation. At 31 December 2019, obligations were 91% covered by financial assets, compared with 89% at 31 December 2018.

In the United States, defined-benefit pension plans are based on annual vesting rights to a lump sum comprising a pension expressed as a percentage of annual salary and paying interest at a pre-defined rate. These plans are closed to new entrants and have offered almost no new vesting rights since 2012. At 31 December 2019, the obligation was 82% covered by financial assets, (83% at 31 December 2018).

In Germany, liabilities are mainly related to defined-benefit pension plans, closed to new employees. Under these plans, the defined pension is generally based on the number of years of service and final salary. They offer the payment of an annuity under pre-defined terms. At 31 December 2019, the obligation was 55% covered by financial assets, (59% at 31 December 2018).

In Turkey, the pension plan replaces the national pension scheme (these obligations are measured based on the terms of the eventual transfer to the Turkish State) and offers guarantees exceeding the minimal legal requirements. At the end of 2019, obligations under this plan are fully funded by financial assets held with an external foundation; these financial assets exceed the related obligations, but this surplus is not recognised as an asset by the Group.

#### - Other post-employment benefits

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

In France, the obligations for these benefits are funded through a contract held with a third-party insurer. At 31 December 2019, this obligation was 100% covered by financial assets, compared with 100% at 31 December 2018.

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

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

- Assets and liabilities recognised on the balance sheet

| In millions of euros, at 31 December 2019 | Defined-benefit obligation arising from wholly or partially funded plans | Defined-benefit obligation arising from unfunded plans | Present value of defined-benefit obligation | Fair value of plan assets | Fair value of reimbursement rights <sup>(1)</sup> | Effect of asset ceiling | Net obligation | of which asset recognised in the balance sheet for defined-benefit plans | of which net assets of defined-benefit plans | of which fair value of reimbursement rights | of which obligation recognised in the balance sheet for defined-benefit plans |
|---|--|--|---|---------------------------|---|-------------------------|----------------|--|--|---|---|
| Belgium                                   | 3,208  | 23   | 3,231                                       | (113)                     | (3,001)   |                         | 117            | (3,001)  |  | (3,001)                                     | 3,118   |
| UK  | 1,737  | 1  | 1,738                                       | (2,010)                   |   |                         | (272)          | (277)  | (277)  |   | 5   |
| France                                    | 1,189  | 95   | 1,284                                       | (1,195)                   |   |                         | 89             | (77)   | (77)   |   | 166   |
| Switzerland                               | 1,230  | 2  | 1,232                                       | (1,120)                   |   | 5                       | 117            |  |  |   | 117   |
| USA                                       | 588  | 85   | 673   | (549)                     |   |                         | 124            |  |  |   | 124   |
| Italy                                     |  | 307  | 307   |                           |   |                         | 307            |  |  |   | 307   |
| Germany                                   | 136  | 70   | 206   | (114)                     |   |                         | 92             |  |  |   | 92  |
| Turkey                                    | 146  | 29   | 175   | (397)                     |   | 250                     | 28             |  |  |   | 28  |
| Others                                    | 542  | 50   | 592   | (411)                     | (1)   |                         | 180            | (4)  | (3)  | (1)   | 184   |
| <b>TOTAL</b>                              | <b>8,776</b>   | <b>662</b>   | <b>9,438</b>                                | <b>(5,909)</b>            | <b>(3,002)</b>                                    | <b>255</b>              | <b>782</b>     | <b>(3,359)</b>   | <b>(357)</b>                                 | <b>(3,002)</b>                              | <b>4,141</b>  |

| In millions of euros, at 31 December 2018 | Defined-benefit obligation arising from wholly or partially funded plans | Defined-benefit obligation arising from unfunded plans | Present value of defined-benefit obligation | Fair value of plan assets | Fair value of reimbursement rights <sup>(1)</sup> | Effect of asset ceiling | Net obligation | of which asset recognised in the balance sheet for defined-benefit plans | of which net assets of defined-benefit plans | of which fair value of reimbursement rights | of which obligation recognised in the balance sheet for defined-benefit plans |
|---|--|--|---|---------------------------|---|-------------------------|----------------|--|--|---|---|
| Belgium                                   | 3,049  | 21   | 3,070                                       | (93)                      | (2,838)   |                         | 139            | (2,838)  |  | (2,838)                                     | 2,977   |
| UK  | 1,488  | 1  | 1,489                                       | (1,716)                   |   |                         | (227)          | (234)  | (234)  |   | 7   |
| France                                    | 1,193  | 106  | 1,299                                       | (1,201)                   |   |                         | 98             | (61)   | (61)   |   | 159   |
| Switzerland                               | 1,090  | 9  | 1,099                                       | (976)                     |   |                         | 123            |  |  |   | 123   |
| USA                                       | 538  | 77   | 615   | (510)                     |   |                         | 105            |  |  |   | 105   |
| Italy                                     |  | 357  | 357   |                           |   |                         | 357            |  |  |   | 357   |
| Germany                                   | 121  | 60   | 181   | (108)                     |   |                         | 73             |  |  |   | 73  |
| Turkey                                    | 140  | 29   | 169   | (366)                     |   | 226                     | 29             |  |  |   | 29  |
| Others                                    | 503  | 41   | 544   | (381)                     | (1)   |                         | 162            | (6)  | (5)  | (1)   | 168   |
| <b>TOTAL</b>                              | <b>8,122</b>   | <b>701</b>   | <b>8,823</b>                                | <b>(5,351)</b>            | <b>(2,839)</b>                                    | <b>226</b>              | <b>859</b>     | <b>(3,139)</b>   | <b>(300)</b>                                 | <b>(2,839)</b>                              | <b>3,998</b>  |

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

## - Change in the present value of the defined-benefit obligation

| In millions of euros   | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| <b>Present value of defined-benefit obligation at start of period</b>      | <b>8,823</b>         | <b>9,571</b>         |
| Current service cost   | 229                  | 236                  |
| Interest cost  | 158                  | 136                  |
| Past service cost  | (1)                  | (17)                 |
| Settlements  | (11)                 | (32)                 |
| Actuarial (gains)/losses on change in demographic assumptions              | (56)                 | (36)                 |
| Actuarial (gains)/losses on change in financial assumptions                | 655                  | (400)                |
| Actuarial (gains)/losses on experience gaps                                | 9                    | 50                   |
| Actual employee contributions  | 24                   | 24                   |
| Benefits paid directly by the employer                                     | (140)                | (110)                |
| Benefits paid from assets/reimbursement rights                             | (377)                | (455)                |
| Exchange rate (gains)/losses on obligation                                 | 140                  | (11)                 |
| (Gains)/losses on obligation related to changes in the consolidation scope | (15)                 | (133)                |
| <b>Present value of defined-benefit obligation at end of period</b>        | <b>9,438</b>         | <b>8,823</b>         |

## - Change in the fair value of plan assets and reimbursement rights

| In millions of euros   | Plan assets             |                         | Reimbursement rights    |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Year to 31 Dec.<br>2019 | Year to 31 Dec.<br>2018 | Year to 31 Dec.<br>2019 | Year to 31 Dec.<br>2018 |
| <b>Fair value of assets at start of period</b>                         | <b>5,351</b>            | <b>5,574</b>            | <b>2,839</b>            | <b>2,931</b>            |
| Expected return on assets  | 145                     | 103                     | 34                      | 27                      |
| Settlements  | (3)                     | (50)                    |                         |                         |
| Actuarial gains/(losses) on assets                                     | 439                     | (56)                    | 168                     | (64)                    |
| Actual employee contributions  | 14                      | 14                      | 10                      | 10                      |
| Employer contributions   | 63                      | 142                     | 115                     | 141                     |
| Benefits paid from assets  | (211)                   | (248)                   | (166)                   | (206)                   |
| Exchange rate gains/(losses) on assets                                 | 127                     | (67)                    |                         |                         |
| Gains/(losses) on assets related to changes in the consolidation scope | (16)                    | (61)                    | 2                       |                         |
| <b>Fair value of assets at end of period</b>                           | <b>5,909</b>            | <b>5,351</b>            | <b>3,002</b>            | <b>2,839</b>            |



## - Components of the cost of defined-benefit plans

| In millions of euros   | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| <b>Service costs</b>   | <b>220</b>           | <b>237</b>           |
| Current service cost   | 229                  | 236                  |
| Past service cost  | (1)                  | (17)                 |
| Settlements  | (8)                  | 18                   |
| <b>Net financial expense</b>                                   | <b>14</b>            | <b>19</b>            |
| Interest cost  | 158                  | 136                  |
| Interest income on plan asset                                  | 35                   | 13                   |
| Interest income on reimbursement rights                        | (145)                | (103)                |
| Expected return on asset ceiling                               | (34)                 | (27)                 |
| <b>Total recognised in salary and employee benefit expense</b> | <b>234</b>           | <b>256</b>           |

## - Other items recognised directly in equity

| In millions of euros  | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|---|----------------------|----------------------|
| <b>Other items recognised directly in equity</b>  | <b>(6)</b>           | <b>147</b>           |
| Actuarial (losses)/gains on plan assets or reimbursement rights                         | 607                  | (120)                |
| Actuarial (losses)/gains of demographic assumptions on the present value of obligations | 56                   | 36                   |
| Actuarial (losses)/gains of financial assumptions on the present value of obligations   | (655)                | 400                  |
| Experience (losses)/gains on obligations  | (9)                  | (50)                 |
| Variation of the effect of assets limitation  | (5)                  | (119)                |

- Main actuarial assumptions used to calculate obligations

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

The ranges of rates used are as follows:

| In %        | 31 December 2019 |   | 31 December 2018 |   |
|-------------|------------------|---|------------------|---|
|             | Discount rate    | Compensation increase rate <sup>(1)</sup> | Discount rate    | Compensation increase rate <sup>(1)</sup> |
| Belgium     | 0.10% / 1.10%    | 2.70% / 3.20%                             | 0.80% / 1.80%    | 2.90% / 3.40%                             |
| UK          | 1.30% / 2.10%    | 2.00% / 3.10%                             | 1.80% / 3.00%    | 2.00% / 3.55%                             |
| France      | 0.10% / 1.10%    | 1.60% / 2.95%                             | 0.40% / 1.80%    | 2.05% / 3.30%                             |
| Switzerland | 0.00% / 0.20%    | 1.00% / 2.50%                             | 0.00% / 0.90%    | 1.40% / 1.50%                             |
| USA         | 2.35% / 3.40%    | 4.00%                                     | 3.50% / 4.45%    | 4.00%                                     |
| Italy       | 0.20% / 0.80%    | 1.60% / 2.40%                             | 0.80% / 1.80%    | 1.80% / 3.10%                             |
| Germany     | 0.50% / 1.10%    | 2.00% / 2.50%                             | 1.40% / 1.90%    | 2.00% / 3.00%                             |
| Turkey      | 12.51%           | 7.59%                                     | 16.70%           | 12.20%                                    |

<sup>(1)</sup> Including price increases (inflation)

Observed weighted average rates are as follows:

- In the Eurozone: 0.54% at 31 December 2019 (1.30% at 31 December 2018),
- In the United Kingdom: 2.00% at 31 December 2019 (2.81% at 31 December 2018),
- In Switzerland: 0.15% at 31 December 2019 (0.89% at 31 December 2018).

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

| Change in the present value of obligations<br>In millions of euros | 31 December 2019        |                         | 31 December 2018        |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Discount rate<br>-100bp | Discount rate<br>+100bp | Discount rate<br>-100bp | Discount rate<br>+100bp |
| Belgium  | 324                     | (282)                   | 306                     | (250)                   |
| UK   | 436                     | (319)                   | 325                     | (243)                   |
| France   | 155                     | (128)                   | 144                     | (121)                   |
| Switzerland  | 197                     | (167)                   | 187                     | (145)                   |
| USA  | 84                      | (69)                    | 69                      | (57)                    |
| Italy  | 22                      | (20)                    | 26                      | (25)                    |
| Germany  | 47                      | (36)                    | 37                      | (28)                    |
| Turkey   | 12                      | (10)                    | 15                      | (12)                    |

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

| In %        | Year to 31 Dec. 2019  |                           | Year to 31 Dec. 2018  |                           |
|-------------|---|---------------------------|---|---------------------------|
|             | Range of value<br>(reflecting the existence<br>of several plans in the<br>same country) | Weighted average<br>rates | Range of value<br>(reflecting the existence<br>of several plans in the<br>same country) | Weighted average<br>rates |
| Belgium     | -0.05% / 19.10%   | 6.05%                     | -2.00% / 4.65%  | -0.43%                    |
| UK          | 3.95% / 19.00%  | 15.65%                    | -3.80% / 5.70%  | -3.05%                    |
| France      | 3.35% / 3.45%   | 3.45%                     | 3.55%   | 3.55%                     |
| Switzerland | 2.40% / 14.85%  | 10.90%                    | -2.00% / 2.80%  | -0.66%                    |
| USA         | 7.75% / 18.00%  | 13.10%                    | -4.55% / 1.50%  | -0.50%                    |
| Germany     | 1.75% / 9.75%   | 9.05%                     | -6.50% / 1.80%  | -3.23%                    |
| Turkey      | 19.25%  | 19.25%                    | 13.10%  | 13.10%                    |

## - Breakdown of plan assets

| In %                  | 31 December 2019 |                    |                        |             |                 |            | 31 December 2018 |                    |                        |             |                 |            |
|-----------------------|------------------|--------------------|------------------------|-------------|-----------------|------------|------------------|--------------------|------------------------|-------------|-----------------|------------|
|                       | Shares           | Governmental bonds | Non-Governmental bonds | Real-estate | Deposit account | Others     | Shares           | Governmental bonds | Non-Governmental bonds | Real-estate | Deposit account | Others     |
| Belgium               | 6%               | 54%                | 15%                    | 1%          | 0%              | 24%        | 6%               | 52%                | 19%                    | 1%          | 0%              | 22%        |
| UK                    | 14%              | 66%                | 8%                     | 0%          | 4%              | 8%         | 16%              | 63%                | 9%                     | 0%          | 3%              | 9%         |
| France <sup>(1)</sup> | 6%               | 69%                | 17%                    | 8%          | 0%              | 0%         | 7%               | 67%                | 18%                    | 8%          | 0%              | 0%         |
| Switzerland           | 34%              | 0%                 | 29%                    | 19%         | 5%              | 13%        | 31%              | 29%                | 4%                     | 20%         | 1%              | 15%        |
| USA                   | 26%              | 44%                | 17%                    | 0%          | 9%              | 4%         | 26%              | 44%                | 14%                    | 0%          | 11%             | 5%         |
| Germany               | 26%              | 64%                | 0%                     | 0%          | 1%              | 9%         | 28%              | 61%                | 0%                     | 0%          | 2%              | 9%         |
| Turkey                | 0%               | 0%                 | 49%                    | 4%          | 42%             | 5%         | 0%               | 0%                 | 0%                     | 5%          | 94%             | 1%         |
| Others                | 9%               | 14%                | 12%                    | 1%          | 3%              | 61%        | 10%              | 11%                | 12%                    | 1%          | 6%              | 60%        |
| <b>GROUP</b>          | <b>13%</b>       | <b>47%</b>         | <b>17%</b>             | <b>4%</b>   | <b>4%</b>       | <b>15%</b> | <b>13%</b>       | <b>49%</b>         | <b>13%</b>             | <b>4%</b>   | <b>6%</b>       | <b>15%</b> |

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

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

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

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

- **Post-employment healthcare benefits**

The Group offers some healthcare benefit plans for retired employees, mainly in the United States and Belgium. These plans are mainly closed to new entrants.

The present value of post-employment healthcare benefit obligations stood at EUR 146 million at 31 December 2019, compared with EUR 131 million at 31 December 2018, i.e. an increase of EUR 15 million in 2019, of which +EUR 10 million recognised directly in shareholders' equity.

## 7.c OTHER LONG-TERM BENEFITS

BNP Paribas offers its employees various long-term benefits, mainly long-service awards, the ability to save up paid annual leave in time savings accounts, and certain guarantees protecting them in the event they become incapacitated. The net provision amounted to EUR 448 million at 31 December 2019 (EUR 462 million at 31 December 2018).

As part of the Group's variable compensation policy, annual deferred compensation plans are set up for certain high-performing employees or pursuant to special regulatory frameworks. Under these plans, payment is deferred over time and is subject to the performance achieved by the business lines, divisions and Group.

Since 2013, BNP Paribas has introduced a Group loyalty scheme with a cash payment, at the end of a three-year vesting period, which fluctuates according to the Group's intrinsic performance. The aim of this loyalty scheme is to make different categories of managerial staff partners in the Group's development and profitability objectives. These personnels are representative of the Group's talent and the breadth of its managerial framework i.e. senior managers, managers in key positions, line managers and experts, high-potential managers, high-performing young executives with good career development prospects and key contributors to the Group's results.

The amounts allocated under this plan are linked to changes in the Group's operational performance over three years (for 80%) and to the achievement of the Group's Corporate Social Responsibility (CSR) targets (for 20%). These nine targets are in line with the four pillars on which the Group's CSR policy is based. In addition, the final payment is subject to continuous service within the Group between the grant date and the payment date, provided that the Group's operating income and pre-tax income for the year prior to payment are strictly positive. For employees subject to special regulatory frameworks, this loyalty scheme is adjusted in accordance with the CRD4 European Directive.

The net obligation related to deferred compensation plans and loyalty schemes amounts to EUR 651 million at 31 December 2019 (EUR 579 million at 31 December 2018).

| In millions of euros  | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| <b>Net provisions for other long-term benefits</b>                            | <b>1,099</b>     | <b>1,040</b>     |
| Asset recognised in the balance sheet under the other long-term benefits      | (89)             | (80)             |
| Obligation recognised in the balance sheet under the other long-term benefits | 1,188            | 1,120            |

## 7.d TERMINATION BENEFITS

BNP Paribas has implemented a number of voluntary redundancy plans and headcount adaptation plans for employees who meet certain eligibility criteria. The obligations to eligible active employees under such plans are provided for as soon as a bilateral agreement or a bilateral agreement proposal for a particular plan is made.

| In millions of euros  | 31 December 2019 | 31 December 2018 |
|---|------------------|------------------|
| Provision for voluntary departure, early retirement plans, and headcount adaptation plans | 513              | 380              |

## 7.e SHARE-BASED PAYMENTS

BNP Paribas set up a Global Share-Based Incentive Plan for some Group employees, including stock options and performance share awards. Last attributions under this plan were made in 2012.

Furthermore, some deferred compensation plans are index-linked to BNP Paribas share price especially for employees whose activities are likely to have an impact on the Group risk exposure.

- **Expense of share-based payments**

| Expense / (revenue) in millions of euros | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|--|----------------------|----------------------|
| Prior deferred compensation plans        | 84                   | (204)                |
| Deferred compensation plans for the year | 372                  | 195                  |
| <b>Total</b>                             | <b>456</b>           | <b>(9)</b>           |

- **Deferred share price-linked, cash-settled compensation plans**

As part of the Group's variable remuneration policy, deferred annual compensation plans offered to certain high-performing employees or set up pursuant to special regulatory frameworks may entitle beneficiaries to variable compensation settled in cash but linked to the share price, payable over several years.

- Variable compensation for employees, subject to special regulatory frameworks

Since the publication of the Decree by the French ministry of finance on 13 December 2010, and following the provisions of the European Directive CRD4 of 26 July 2013 transposed into the French law in the Monetary and Financial Code by the Order of 20 February 2014 as well as the Decrees and Orders of 3 November 2014 and the delegated European regulation of 4 March 2014, the variable compensation plans apply to Group employees performing activities that may have a material impact on the Group's risk profile.

Under these plans, payment is deferred over time and is contingent on the performance achieved by the business lines, core businesses and Group.

Sums will mostly be paid in cash linked to the increase or decrease in the BNP Paribas share price.

- Deferred variable compensation for other Group employees

Sums due under the annual deferred compensation plans for high-performing employees are partly paid in cash linked to the increase or decrease in the BNP Paribas share price.

- **Global Share-Based Incentive Plan (until 2012)**

- Stock option plans

On 4 March 2019, the last stock option plan expired.

| Characteristics of the plan                       |               |                    |                           |                               |                    |                                    | Options outstanding at end of period |  |
|---|---------------|--------------------|---------------------------|-------------------------------|--------------------|------------------------------------|--------------------------------------|--|
| Originating company                               | Date of grant | Number of grantees | Number of options granted | Start date of exercise period | Option expiry date | Adjusted exercise price (in euros) | Number of options                    | Remaining period until expiry of options (years) |
| BNP Paribas SA                                    | 04/03/2011    | 1,915              | 2,296,820                 | 04/03/2015                    | 04/03/2019         | 56.45                              | -                                    | -  |
| <b>Total options outstanding at end of period</b> |               |                    |                           |                               |                    |                                    | -                                    | -  |

- Movements over the past two years

|   | Year to 31 Dec. 2019 |  | Year to 31 Dec. 2018 |  |
|---|----------------------|--|----------------------|--|
|   | Number of options    | Weighted average exercise price (in euros) | Number of options    | Weighted average exercise price (in euros) |
| <b>Options outstanding at 1 January</b>   | <b>1,296,508</b>     | <b>58.25</b>                               | <b>2,277,443</b>     | <b>55.61</b>                               |
| Options exercised during the period       |                      |  | (939,175)            | 52.07                                      |
| Options expired during the period         | (1,296,508)          |  | (41,760)             |  |
| <b>Options outstanding at 31 December</b> | <b>-</b>             | <b>-</b>                                   | <b>1,296,508</b>     | <b>58.25</b>                               |
| <b>Options exercisable at 31 December</b> | <b>-</b>             | <b>-</b>                                   | <b>1,296,508</b>     | <b>58.25</b>                               |

- Performance share plans

At 31 December 2019, 206 BNP Paribas SA shares granted via performance share plans were not yet delivered to their beneficiaries.

## 8. ADDITIONAL INFORMATION

### 8.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 31 December 2019, the share capital of BNP Paribas SA amounted to EUR 2,499,597,122, and was divided into 1,249,798,561 shares. The nominal value of each share is EUR 2, unchanged from 31 December 2018.

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

|  | Proprietary transactions |  | Trading transactions <sup>(1)</sup> |  | 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) |
| <b>Shares held at 31 December 2017</b> | <b>807,742</b>           | <b>43</b>                              | <b>(158,177)</b>                    | <b>(10)</b>                            | <b>649,565</b>   | <b>33</b>                              |
| Acquisitions                           | 513,568                  | 31                                     |                                     |  | 513,568          | 31                                     |
| Disposals                              | (594,068)                | (36)                                   |                                     |  | (594,068)        | (36)                                   |
| Shares delivered to employees          | (791)                    |  |                                     |  | (791)            |  |
| Other movements                        |                          |  | 1,649,512                           | 69                                     | 1,649,512        | 69                                     |
| <b>Shares held at 31 December 2018</b> | <b>726,451</b>           | <b>38</b>                              | <b>1,491,335</b>                    | <b>59</b>                              | <b>2,217,786</b> | <b>97</b>                              |
| Net movements                          |                          |  | (1,010,265)                         | (34)                                   | (1,010,265)      | (34)                                   |
| <b>Shares held at 31 December 2019</b> | <b>726,451</b>           | <b>38</b>                              | <b>481,070</b>                      | <b>25</b>                              | <b>1,207,521</b> | <b>63</b>                              |

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

At 31 December 2019, the BNP Paribas Group was a holder of 1,207,521 BNP Paribas shares representing an amount of EUR 63 million, which was recognised as a decrease in equity.

From 1 January 2019 to 31 December 2019, no performance shares have been delivered.

- Preferred shares and Undated Super Subordinated Notes eligible as Tier 1 regulatory capital**

- Preferred shares issued by the Group's foreign subsidiaries

BNP Paribas Personal Finance made in 2004 two issues of undated non-voting preferred shares through a structured entity governed by UK law and which is exclusively controlled. Since the first call date, these preferred shares are redeemable at par at the issuer's discretion at each quarterly coupon date.

| Issuer                           | Date of issue        | Currency | Amount (in millions of euros) | Rate and term before 1st call date    | Rate after 1st call date      |
|----------------------------------|----------------------|----------|-------------------------------|---------------------------------------|-------------------------------|
| Cofinoga Funding II LP           | January and May 2004 | EUR      | 80                            | TEC 10 <sup>(1)</sup> +1.35% 10 years | TEC 10 <sup>(1)</sup> + 1.35% |
| <b>Total at 31 December 2019</b> |                      |          | <b>73<sup>(2)</sup></b>       |                                       |                               |

<sup>(1)</sup> TEC 10 is the daily long-term government bond index, corresponding to the yield-to-maturity of a fictitious 10-year Treasury note.

<sup>(2)</sup> Value at the date of acquisition of control over the LaSer group.

These issues and the related dividends are recorded under "Minority interests" in the balance sheet.

- Undated Super Subordinated Notes issued by BNP Paribas SA

BNP Paribas has issued Undated Super Subordinated Notes which pay a fixed, fixed adjustable or floating rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date or every five years. If the notes are not redeemed at the end of this period, some of these issues will pay a coupon indexed to Euribor, Libor or a swap rate or a fixed-rate coupon.

On 2 July 2018, BNP Paribas SA redeemed the June 2008 issue for a total amount of EUR 500 million, at the first call date. These notes paid a 7.781% fixed-rate coupon.

On 16 August 2018, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 750 million which pay a 7% fixed-rate coupon. These notes could be redeemed at the end of a period of 10 years. If the notes are not redeemed in 2028, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 18 September 2018, BNP Paribas SA redeemed the September 2008 issue for an amount of EUR 100 million, at the first call date. These notes paid a 7.57% fixed-rate coupon.

On 25 March 2019, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of USD 1,500 million which pay a 6.625% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years. If the notes are not redeemed in 2024, a 5-year dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 10 July 2019, BNP Paribas SA has issued Undated Super Subordinated Notes for an amount of AUD 300 million which pay a 4.5% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years and a half. If the notes are not redeemed in 2025, a 5-year Australian dollar swap rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 17 October 2019, BNP Paribas SA redeemed the October 2005 issue, for an amount of EUR 1,000 million. These notes paid a 4.875% fixed-rate coupon.

On 20 November 2019, BNP Paribas SA redeemed the October 2009 issue, for an amount of EUR 1 million, before the first call date. These notes paid a 7.384% fixed-rate coupon.

On 29 December 2019, BNP Paribas SA redeemed two December 2009 issues at the first call date, for a respective amount of EUR 17 million and EUR 2 million. These notes paid respectively a 7.028% fixed-rate coupon and a 3-month Euribor rate coupon.

On 30 December 2019, BNP Paribas SA redeemed the December 2009 issue, for an amount of USD 70 million, at the first call date. These notes paid a USD 3-month Libor rate coupon.



- The following table summarises the characteristics of these various issues:

| Date of issue   | Currency | Amount<br>(in millions of<br>currency<br>units) | Coupon<br>payment<br>date | Rate and term before 1st call date |            | Rate after 1st call date   |
|---|----------|---|---------------------------|------------------------------------|------------|----------------------------|
| October 2005  | USD      | 400   | annual                    | 6.250%                             | 6 years    | 6.250%                     |
| July 2006   | EUR      | 150   | annual                    | 5.450%                             | 20 years   | 3-month Euribor + 1.920%   |
| June 2007   | USD      | 600   | quarterly                 | 6.500%                             | 5 years    | 6.500%                     |
| June 2007   | USD      | 1,100   | semi-annual               | 7.195%                             | 30 years   | USD 3-month Libor + 1.290% |
| June 2015   | EUR      | 750   | semi-annual               | 6.125%                             | 7 years    | EUR 5-year swap + 5.230%   |
| August 2015   | USD      | 1,500   | semi-annual               | 7.375%                             | 10 years   | USD 5-year swap + 5.150%   |
| March 2016  | USD      | 1,500   | semi-annual               | 7.625%                             | 5 years    | USD 5-year swap + 6.314%   |
| December 2016   | USD      | 750   | semi-annual               | 6.750%                             | 5.25 years | USD 5-year swap +4.916%    |
| November 2017   | USD      | 750   | semi-annual               | 5.125%                             | 10 years   | USD 5-year swap +2.838%    |
| August 2018   | USD      | 750   | semi-annual               | 7.000%                             | 10 years   | USD 5-year swap + 3.980%   |
| March 2019  | USD      | 1,500   | semi-annual               | 6.625%                             | 5 years    | USD 5-year swap + 4.149%   |
| July 2019   | AUD      | 300   | semi-annual               | 4.500%                             | 5.5 years  | AUD 5-year swap + 3.372%   |
| <b>Total euro-equivalent historical value at 31 December 2019</b> |          | <b>8,689</b>                                    | <sup>(1)</sup>            |                                    |            |                            |

<sup>(1)</sup> Net of shares held in treasury by Group entities

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

For the notes issued before 2015, the absence of coupon payment is conditional on the absence of dividend payment on BNP Paribas SA ordinary shares or on Undated Super Subordinated Note equivalents during the previous year. Interest due is payable once dividend payment on BNP Paribas SA ordinary shares resumes.

The contracts relating to these Undated Super Subordinated Notes contain a loss absorption clause. Under the terms of this clause, in the event of insufficient regulatory capital, the nominal value of the notes may be reduced in order to serve as a new basis for the calculation of the related coupons until the capital deficiency is made up and the nominal value of the notes is increased to its original amount.

The proceeds from these issues are recorded in equity under "Capital and retained earnings". In accordance with IAS 21, issues denominated in foreign currencies are recognised at their historical value based on their translation into euros at the issue date. Interest on the instruments is treated in the same way as dividends.

At 31 December 2019, the BNP Paribas Group held EUR 1 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.

|   | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|---|----------------------|----------------------|
| <b>Net profit used to calculate basic and diluted earnings per ordinary share (in millions of euros) <sup>(1)</sup></b> | <b>7,745</b>         | <b>7,159</b>         |
| <b>Weighted average number of ordinary shares outstanding during the year</b>   | <b>1,247,993,812</b> | <b>1,248,334,552</b> |
| Effect of potentially dilutive ordinary shares (Performance share attribution plan)                                     | 206                  | 311                  |
| <b>Weighted average number of ordinary shares used to calculate diluted earnings per share</b>                          | <b>1,247,994,018</b> | <b>1,248,334,863</b> |
| <b>Basic earnings per share (in euros)</b>  | <b>6.21</b>          | <b>5.73</b>          |
| <b>Diluted earnings per share (in euros)</b>  | <b>6.21</b>          | <b>5.73</b>          |

<sup>(1)</sup> 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 2019 out of the 2018 net income amounted to EUR 3.02, unchanged from the dividend paid in 2018 out of the 2017 net income.

## 8.b CONTINGENT LIABILITIES : 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 activities, including inter alia in connection with its activities as market counterparty, lender, employer, investor and taxpayer. While the Bank cannot predict the ultimate outcome of all pending and threatened legal and regulatory proceedings, the Bank reasonably believes that they are either without legal merit, can be successfully defended or that the outcome of these actions is not expected to result in a significant loss for the Bank.

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC (“BLMIS”). These actions, known generally as “clawback claims”, are similar to those brought by the BLMIS Trustee against numerous institutions, and seek recovery of amounts allegedly received by the BNP Paribas entities from BLMIS or indirectly through BLMIS-related “feeder funds” in which BNP Paribas entities held interests. The BLMIS Trustee claims in these actions that the amounts which BNP Paribas entities received are avoidable and recoverable under the U.S. Bankruptcy Code and New York state law. In the aggregate, the amount initially sought to be recovered in these actions approximated USD 1.3 billion. BNP Paribas has substantial and credible defenses to these actions and is defending against them vigorously.

In two decisions dated 22 November 2016 and 3 October 2018, the Bankruptcy Court rejected most of the claims brought by the BLMIS Trustee against BNP Paribas entities. On 25 February 2019 the United States Court of Appeals for the Second Circuit reversed the Bankruptcy Court’s 22 November 2016 decision. On 8 April 2019, the defendants affected by the appeal, including the affected BNP Paribas entities, notified the Second Circuit of their intent to seek further review by the U.S. Supreme Court. The 3 October 2018 decision will be subject to appeal at the conclusion of that suit.

Various litigations and investigations are or were ongoing relating to the restructuring of the Fortis group, now Ageas, of which BNP Paribas Fortis is no longer part, and to events having occurred before BNP Paribas Fortis became part of the BNP Paribas Group. Among these are litigations brought by shareholders groups in The Netherlands and Belgium against Ageas and, among others, against BNP Paribas Fortis, in relation to its role as global coordinator of Fortis (now Ageas)’s capital increase in October 2007 to partly finance its acquisition of ABN Amro Bank N.V.. These shareholders groups mainly allege that there has been a breach in financial communication, regarding, inter alia, the disclosure on the exposure to subprime mortgages. On 13 July 2018, the Amsterdam Court of Appeal has declared binding a settlement between Ageas and representatives of certain shareholders groups who held shares between 28 February 2007 and 14 October 2008. The settlement has become final with the decision of Ageas on 20 December 2018 to waive its termination right.

BNP Paribas Fortis is one of the releasees under the Ageas Settlement. This means that each eligible shareholder who has not opted out prior to 31 December 2018 will be deemed to have fully released BNP Paribas Fortis from any claim regarding the events during this time. The number of “opt out” is limited.

Litigation was also brought in Belgium by minority shareholders of Fortis 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. BNP Paribas does not have tangible elements to assess the duration of such suspension. The Public Prosecutor has stated on 20 December 2018 that he sees no reason to request the Council’s chamber of the Court to order a referral.

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 supervisory, governmental or self-regulated agencies. The Bank responds to such requests, and cooperates with the relevant authorities and regulators and seeks to address and remedy any issues they may raise.

Regulatory and law enforcement authorities in multiple jurisdictions are conducting investigations or making inquiries of a number of financial institutions regarding trading on the foreign exchange markets. The Bank has been cooperating with the investigations and inquiries and has responded to the information requests. On 25 January 2018, BNP Paribas USA Inc. accepted to plead guilty in front of the U.S. District Court for the Southern District of New York to a single violation of the Sherman Antitrust Act. On 30 May 2018, the court imposed the sentence, as jointly recommended in the plea agreement between BNP Paribas USA Inc. and the Department of Justice (“DOJ”), consisting of (1) a fine of USD 90 million; (2) no probation, and (3) no order of restitution. In reaching the plea agreement with BNP Paribas USA Inc., the DOJ has noted the Bank’s substantial efforts relating to compliance and remediation to address and prevent the re-occurrence through its compliance and remediation program of the issues arising from its FX trading business.

The U.S. regulatory and law enforcement authorities are currently investigating or requesting information in relation to certain activities as reported in the international financial press in relation to the U.S. treasuries market and U.S. Agency bonds. The Bank, which has received some requests for information, is cooperating with investigations and is responding to requests for information. The outcome and potential impact of these investigations or requests for information is difficult to predict before their close and the subsequent discussions with the U.S. authorities. It should be noted that it has been reported that a number of financial institutions are involved in these investigations or requests for information and that it is sometimes the case that reviews carried out in connection therewith may lead to settlements including in particular the payment of fines or significant penalties depending on the circumstances specific to each situation.

On 26 February 2020, the Paris Tribunal correctionnel found BNP Paribas Personal Finance guilty of misleading commercial practice and concealment of this practice. BNP Paribas Personal Finance is ordered to pay a fine of EUR 187,500. The Court ordered the publication of the judgment in certain French newspapers . BNP Paribas Personal Finance is ordered to pay damages and attorney expenses to the victims, including three consumer associations. The damages award is effective immediately. BNP Paribas Personal Finance is considering an appeal.

## 8.c BUSINESS COMBINATIONS AND LOSS OF CONTROL OR SIGNIFICANT INFLUENCE

### • State Bank of India Life Insurance Co Ltd

During the first half of 2019, three consecutive disposals of 9.2%, 5.1% and 2.5% of the capital of State Bank of India Life Insurance Co Ltd (SBI life) took place on the Indian Market.

On 30 June 2019, the Group ceased to exercise a significant influence on SBI Life.

The residual stake of 5.2% held by BNP Paribas Cardif Holding, is henceforth recorded in the available-for-sale financial assets.

These operations generated an overall gain of EUR 1,450 million before tax, recognised in “Net gain on non-current assets”.

### • First Hawaiian Inc

On 4 August 2016, BNP Paribas Group launched an initial public offering on its First Hawaiian Inc (FHI) subsidiary on the US market.

Subsequently, five partial sales were made.

| Date                    | Transaction            | Interest sold | Residual interest held | Control / Significant influence |
|-------------------------|------------------------|---------------|------------------------|---------------------------------|
| 4 August 2016           | Initial offering       | 17.4%         | 82.6%                  | Control                         |
| 6 February 2017         | 1st secondary offering | 20.6%         | 62.0%                  | Control                         |
| 8 May 2018              | 2nd secondary offering | 13.2%         | 48.8%                  | Control                         |
| 31 July 2018            | 3rd secondary offering | 15.5%         | 33.3%                  | Significant influence           |
| 5 September 2018        | 4th secondary offering | 14.9%         | 18.4%                  | Significant influence           |
| 29 January 2019         | 5th secondary offering | 18.4%         | 0%                     | Significant influence           |
| <b>31 December 2019</b> |                        | <b>100%</b>   | <b>0%</b>              |                                 |

The first three operations resulted in an increase in the Group's retained earnings of EUR 422 million and in minority interests of EUR 1,363 million.

As at 30 June 2018, the Group considered the loss of control within one year to be highly probable and applied the provisions of IFRS 5 on groups of assets and liabilities held for sale.

The application of IFRS 5 had the effect of splitting the BancWest homogeneous group of businesses and, as a result, the related goodwill (i.e. EUR 4.3 billion) between Bank of the West (BoW) and FHI. This split was determined based on the recoverable amounts of the First Hawaiian Bank and BoW activities, and led to the allocation of a EUR 1.3 billion goodwill to FHI.

In addition, assets and liabilities have been reclassified respectively as non-current assets held for sale and liabilities related to non-current assets held for sale.

Following the sale realized on 31 July 2018, the Group ceased to exercise exclusive control over FHI but retained a significant influence. This loss of control resulted in a decrease of EUR 17.4 billion in the Group's balance sheet and a decrease in retained earnings attributable to minority shareholders of EUR -1,473 million.

This operation and the last partial sale generated an overall gain of EUR 286 million before tax, recognised in the profit and loss account.

As at 31 December 2018, the Group continues to apply the provisions of IFRS 5.

The effect of IFRS 5 is to assess the equity-method value at the balance sheet date at the lowest value between the book value and the market value. At 31 December 2018, this method resulted in the recognition of a EUR -125 million impairment.

On 29 January 2019, the Group launched a secondary offering for 24.9 million ordinary shares of FHI. As a result of this transaction, the BNP Paribas group has sold its entire 18.4% stake in FHI.

This operation generated an overall gain of EUR 82 million before tax, recognised in the profit and loss account.



- **ABN Amro Bank Luxembourg**

On 3 September 2018, BGL BNP Paribas acquired 100% of ABN Amro Bank Luxembourg (private banking activity) and its subsidiary ABN Amro Life SA (insurance activity). As a result of this transaction, the BNP Paribas Group fully consolidates these activities.

The result of this acquisition is to increase the Group's balance sheet at acquisition date by EUR 5.1 billion, including loans and advances to customers for EUR 1.6 billion and financial investments of insurance activities for EUR 2.7 billion.

The goodwill linked to this operation amounts to EUR 37 million.

As at 31 December 2018, ABN Amro Bank Luxembourg merged into BGL BNP Paribas.

- **Raiffeisen Bank Polska**

On 31 October 2018, Bank BGZ BNP Paribas bought the "Core" banking activities of Raiffeisen Bank Polska from Raiffeisen Bank International.

This acquisition resulted in an increase in the Group's balance sheet at acquisition date of EUR 9.5 billion, including loans and advances to customers for EUR 4.3 billion and amortised-cost debt securities for EUR 3.9 billion.

The negative goodwill associated with this operation amounts to EUR 68 million.

**8.d 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 |
|---|-------------------------------|---|--|--------------------|
| <b>Capital and retained earnings at 1st january 2018</b>              | <b>5,315</b>                  | <b>(27)</b>   | <b>(162)</b>   | <b>5,126</b>       |
| <b>Appropriation of net income for 2017</b>                           | <b>(160)</b>                  |   |  | <b>(160)</b>       |
| Increases in capital and issues                                       | 4                             |   |  | 4                  |
| Remuneration on preferred shares                                      | (2)                           |   |  | (2)                |
| Impact of internal transactions on minority shareholders              | (6)                           |   |  | (6)                |
| Movements in consolidation scope impacting minority shareholders      | (1,454)                       | 36  | 119  | (1,299)            |
| Acquisitions of additional interests or partial sales of interests    | 326                           | (9)   | (10)   | 307                |
| Change in commitments to repurchase minority shareholders' interests  | (165)                         |   |  | (165)              |
| Other movements   | 11                            |   |  | 11                 |
| Changes in assets and liabilities recognised directly in equity       |                               | 17  | (21)   | (4)                |
| <b>Net income for 2018</b>  | <b>479</b>                    |   |  | <b>479</b>         |
| Interim dividend payments   | (32)                          |   |  | (32)               |
| <b>Capital and retained earnings at 31 december 2018</b>              | <b>4,316</b>                  | <b>17</b>   | <b>(74)</b>  | <b>4,259</b>       |
| Effect of IFRS 16 first time adoption (note 2)                        | (5)                           |   |  | (5)                |
| <b>Capital and retained earnings at 1st january 2019</b>              | <b>4,311</b>                  | <b>17</b>   | <b>(74)</b>  | <b>4,254</b>       |
| <b>Appropriation of net income for 2018</b>                           | <b>(227)</b>                  |   |  | <b>(227)</b>       |
| Increases in capital and issues                                       | 10                            |   |  | 10                 |
| Remuneration on preferred shares and undated super subordinated notes | (1)                           |   |  | (1)                |
| Impact of internal transactions on minority shareholders              | 1                             |   |  | 1                  |
| Acquisitions of additional interests or partial sales of interests    | 1                             |   |  | 1                  |
| Change in commitments to repurchase minority shareholders' interests  | (64)                          |   |  | (64)               |
| Other movements   | 1                             |   |  | 1                  |
| Changes in assets and liabilities recognised directly in equity       |                               |   | 7  | 7                  |
| <b>Net income for 2019</b>  | <b>410</b>                    |   |  | <b>410</b>         |
| <b>Capital and retained earnings at 31 december 2019</b>              | <b>4,442</b>                  | <b>17</b>   | <b>(67)</b>  | <b>4,392</b>       |

- **Main minority interests**

The assessment of the material nature of minority interests is based on the contribution of the relevant subsidiaries to the Group balance sheet (before elimination of intra-group balances and transactions) and to the Group profit and loss account.

|  | 31 December 2019  | Year to 31 Dec. 2019 |            |  |                                     |   |   |   |
|--|---|----------------------|------------|--|-------------------------------------|---|---|---|
|  | 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   |   |                      |            |  |                                     |   |   |   |
| <b>Contribution of the entities belonging to the BGL BNP Paribas group</b> | <b>89,384</b>   | <b>1,668</b>         | <b>532</b> | <b>569</b>   | <b>34%</b>                          | <b>157</b>                                    | <b>164</b>  | <b>87</b>                               |
| <b>Other minority interests</b>  |   |                      |            |  |                                     | <b>253</b>                                    | <b>253</b>  | <b>141</b>                              |
| <b>TOTAL</b>   |   |                      |            |  |                                     | <b>410</b>                                    | <b>417</b>  | <b>228</b>                              |

|  | 31 December 2018  | Year to 31 Dec. 2018 |            |  |                                     |   |   |   |
|--|---|----------------------|------------|--|-------------------------------------|---|---|---|
|  | 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   |   |                      |            |  |                                     |   |   |   |
| <b>Contribution of the entities belonging to the BGL BNP Paribas group</b> | <b>84,655</b>   | <b>1,519</b>         | <b>451</b> | <b>397</b>   | <b>34%</b>                          | <b>145</b>                                    | <b>121</b>  | <b>61</b>                               |
| <b>Other minority interests</b>  |   |                      |            |  |                                     | <b>334</b>                                    | <b>354</b>  | <b>133</b>                              |
| <b>TOTAL</b>   |   |                      |            |  |                                     | <b>479</b>                                    | <b>475</b>  | <b>194</b>                              |

There are no particular contractual restrictions on the assets of BGL BNP Paribas Group related to the presence of the minority shareholder.



- **Internal restructuring that led to a change in minority shareholders' interest in the equity of subsidiaries**

No significant internal restructuring operation occurred in 2019, nor in 2018.

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

| In millions of euros  | Year to 31 Dec. 2019         |                    | Year to 31 Dec. 2018         |                    |
|---|------------------------------|--------------------|------------------------------|--------------------|
|   | Attributable to shareholders | Minority interests | Attributable to shareholders | Minority interests |
| <b>BNP Paribas 3 Step IT (ex Arius)</b><br>Partial disposal, reducing the Group's share to 51%  | 16                           | 4                  |                              |                    |
| <b>Bank BGZ BNP Paribas</b><br>Dilutive capital increase, reducing the Group's share to 88.75%  |                              |                    | (3)                          | 102                |
| <b>Cardif Lux Vie</b><br>Additional acquisition of 33.3% of the shares of Cardif Lux Vie  |                              |                    | (55)                         | (97)               |
| <b>Cardif Life Insurance Japan</b><br>Sale of 25% of the shares of Cardif Life Insurance Japan in the framework of entities restructuring in Japan                                    | 2                            | (2)                | 17                           | 76                 |
| <b>Austin Finance</b><br>Accretive capital decrease, bringing the Group's share to 100%   |                              |                    |                              | (82)               |
| <b>First Hawaiian Inc (note 8.c)</b><br>On 8 May 2018, third offer on First Hawaiian Inc for 12.1% of its capital, at a 28.35-dollar price per share, and a capital decrease of 1.1%. |                              |                    | 85                           | 315                |
| <b>Cardif IARD</b><br>Dilutive capital increase, which reduced the Group's interest to 66%  |                              |                    | 30                           | 20                 |
| <b>Other</b>  |                              | (1)                | (3)                          | (8)                |
| <b>Total</b>  | <b>18</b>                    | <b>1</b>           | <b>71</b>                    | <b>326</b>         |

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

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

The total value of these commitments, which are recorded as a reduction in shareholders' equity, amounts to EUR 556 million at 31 December 2019, compared with EUR 540 million at 31 December 2018.

## 8.e SIGNIFICANT RESTRICTIONS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

### **Significant restrictions related to the ability of entities to transfer cash to the Group**

The ability of entities to pay dividends or to repay loans and advances depends, *inter alia*, on local regulatory requirements for capitalisation and legal reserves, as well as the entities' financial and operating performance. During 2018 and 2019, no BNP Paribas Group entity was subject to significant restrictions other than those related to regulatory requirements.

### **Significant restrictions relative to the Group's ability to use the assets lodged in consolidated structured entities**

Access to the assets of consolidated structured entities in which third-party investors have invested is limited inasmuch as these entities' assets are reserved for the holders of units or securities. These assets total EUR 38 billion as at 31 December 2019 (EUR 31 billion as at 31 December 2018).

### **Significant restrictions related to the Group's ability to use assets pledged as collateral or under repurchase agreements**

The financial instruments pledged by the BNP Paribas Group as collateral or under repurchase agreements are presented in notes 5.r and 6.d.

### **Significant restrictions related to liquidity reserves**

Significant restrictions related to liquidity reserves correspond to the mandatory deposits placed with central banks presented in chapter 5 of the Universal Registration Document under Liquidity risk.

### **Assets representative of unit-linked insurance contracts**

Financial assets representative of unit-linked insurance contracts designated as at fair value through profit or loss, which amount to EUR 71 billion as at 31 December 2019 (compared with EUR 62 billion as at 31 December 2018), are held for the benefit of the holders of these contracts.

## 8.f STRUCTURED ENTITIES

The BNP Paribas Group is engaged in transactions with sponsored structured entities mainly through its activities of securitisation of financial assets - as either originator or sponsor -, fund management and specialised asset financing.

In addition, the BNP Paribas Group is also engaged in transactions with structured entities that it has not sponsored, notably in the form of investments in funds or securitisation vehicles.

The method for assessing control for structured entities is detailed in Note 1.b.2. "Consolidation methods".

- **Consolidated structured entities**

The main categories of consolidated structured entities are:

**ABCP (Asset-Backed Commercial Paper) conduits:** the ABCP securitisation conduits Starbird, Matchpoint and Scaldis fund securitisation transactions managed by the BNP Paribas Group on behalf of its customers. Details on how these are financed and the Group's risk exposure are presented in Chapter 5 of the Universal Registration Document under "Securitisation on behalf of clients as sponsor / Short-term refinancing".

**Proprietary securitisation:** proprietary securitisation positions originated and held by the BNP Paribas Group are detailed in Chapter 5 of the Universal Registration Document under "Proprietary securitisation (originator)".

**Funds managed by the Group:** the BNP Paribas Group structures different types of funds for which it may act as fund manager, investor, custodian or guarantor. These funds are consolidated when the Group is both the manager and a significant investor, and is therefore exposed to variable returns.

- **Unconsolidated structured entities**

The BNP Paribas Group has entered into relations with unconsolidated structured entities in the course of its business activities to meet the needs of its customers.

### **Information relative to interests in sponsored structured entities**

The main categories of unconsolidated sponsored structured entities are as follows:

**Securitisation:** the BNP Paribas Group structures securitisation vehicles for the purposes of offering customers financing solutions for their assets, either directly or through consolidated ABCP conduits. Each vehicle finances the purchase of customers' assets (receivables, bonds, etc.) primarily by issuing bonds backed by these assets and whose redemption is linked to their performance.

**Funds:** the Group structures and manages funds to offer investment opportunities to its customers. Dedicated or public funds are offered to institutional and individual customers, and are distributed and commercially monitored by the BNP Paribas Group. The entities of the BNP Paribas Group responsible for managing these funds may receive management fees and performance commission. The BNP Paribas Group may hold units in these funds, as well as units in funds dedicated to the insurance activity not managed by the BNP Paribas Group.

**Asset financing:** the BNP Paribas Group establishes and finances structured entities that acquire assets (aircraft, ships, etc.) intended for lease, and the lease payments received by the structured entity are used to repay the financing, which is guaranteed by the asset held by the structured entity. The scope of entities included in this category was refined in 2018.

**Other:** on behalf of its customers, the Group may also structure entities which invest in assets or are involved in debt restructuring.

An interest in an unconsolidated structured entity is a contractual or non-contractual link that exposes the BNP Paribas Group to variable returns from the performance of the entity.

The Group's assets and liabilities related to the interests held in sponsored structured entities are as follows:

| In millions of euros, at 31 December 2019                  | Securitisation | Funds          | Asset Financing | Others       | Total          |
|--|----------------|----------------|-----------------|--------------|----------------|
| <b>INTERESTS ON THE GROUP BALANCE SHEET</b>                |                |                |                 |              |                |
| <b>ASSETS</b>  |                |                |                 |              |                |
| Financial instruments at fair value through profit or loss | 161            | 339            | 1               | 3,129        | 3,630          |
| Derivatives used for hedging purposes                      | 93             | 680            | 88              | 38           | 899            |
| Financial instruments at fair value through equity         | 294            |                |                 |              | 294            |
| Financial assets at amortised cost                         | 15,784         | 117            | 891             | 9            | 16,801         |
| Other assets   |                | 192            | 1               | 4            | 197            |
| Financial investments of insurance activities              |                | 14,710         |                 |              | 14,710         |
| <b>TOTAL ASSETS</b>  | <b>16,332</b>  | <b>16,038</b>  | <b>981</b>      | <b>3,180</b> | <b>36,531</b>  |
| <b>LIABILITIES</b>   |                |                |                 |              |                |
| Financial instruments at fair value through profit or loss | 65             | 619            |                 | 3,787        | 4,471          |
| Derivatives used for hedging purposes                      |                |                |                 |              | -              |
| Financial liabilities at amortised cost                    | 1,255          | 9,033          | 207             | 795          | 11,290         |
| Other liabilities  | 2              | 188            | 68              | 3            | 261            |
| <b>TOTAL LIABILITIES</b>                                   | <b>1,322</b>   | <b>9,840</b>   | <b>275</b>      | <b>4,585</b> | <b>16,022</b>  |
| <b>MAXIMUM EXPOSURE TO LOSS</b>                            | <b>22,932</b>  | <b>16,630</b>  | <b>1,196</b>    | <b>3,448</b> | <b>44,206</b>  |
| <b>SIZE OF STRUCTURED ENTITIES <sup>(1)</sup></b>          | <b>150,608</b> | <b>254,702</b> | <b>2,880</b>    | <b>9,058</b> | <b>417,745</b> |

| In millions of euros, at 31 December 2018                  | Securitisation | Funds          | Asset Financing | Others        | Total          |
|--|----------------|----------------|-----------------|---------------|----------------|
| <b>INTERESTS ON THE GROUP BALANCE SHEET</b>                |                |                |                 |               |                |
| <b>ASSETS</b>  |                |                |                 |               |                |
| Financial instruments at fair value through profit or loss | 213            | 806            | 8               | 1,015         | 2,042          |
| Derivatives used for hedging purposes                      | 212            | 490            | 163             | 90            | 955            |
| Financial instruments at fair value through equity         | 149            | 24             |                 |               | 173            |
| Financial assets at amortised cost                         | 14,129         | 224            | 811             | 65            | 15,229         |
| Other assets   |                | 142            | 1               |               | 143            |
| Financial investments of insurance activities              |                | 21,978         |                 | 399           | 22,377         |
| <b>TOTAL ASSETS</b>  | <b>14,703</b>  | <b>23,664</b>  | <b>983</b>      | <b>1,569</b>  | <b>40,919</b>  |
| <b>LIABILITIES</b>   |                |                |                 |               |                |
| Financial instruments at fair value through profit or loss | 53             | 803            |                 | 1,544         | 2,400          |
| Derivatives used for hedging purposes                      |                |                |                 |               | -              |
| Financial liabilities at amortised cost                    | 738            | 14,113         | 128             | 1,079         | 16,058         |
| Other liabilities  |                | 186            | 85              | 1             | 272            |
| <b>TOTAL LIABILITIES</b>                                   | <b>791</b>     | <b>15,102</b>  | <b>213</b>      | <b>2,624</b>  | <b>18,730</b>  |
| <b>MAXIMUM EXPOSURE TO LOSS</b>                            | <b>19,641</b>  | <b>23,853</b>  | <b>1,559</b>    | <b>2,005</b>  | <b>47,058</b>  |
| <b>SIZE OF STRUCTURED ENTITIES <sup>(1)</sup></b>          | <b>99,642</b>  | <b>253,140</b> | <b>3,544</b>    | <b>13,419</b> | <b>369,745</b> |

<sup>(1)</sup> the size of sponsored structured entities equals the total assets of the structured entity for securitisation vehicles, the net asset value for funds (excluding management mandates) and the structured entity's total assets or the amount of the BNP Paribas Group's commitment for asset financing and other structures.

The BNP Paribas Group's maximum exposure to losses on sponsored structured entities is the carrying amount of the assets, excluding, for financial assets at fair value through equity, changes in value taken directly to equity, as well as the nominal amount of the financing commitments and guarantee commitments given and the notional amount of credit default swaps (CDS) sold.

### Information relative to interests in non-sponsored structured entities

The main interests held by the BNP Paribas Group when it acts solely as an investor in non-sponsored structured entities are detailed below:

- **Units in funds that are not managed by the Group, which are held by the Insurance business line:** as part of the asset allocation strategy corresponding to investments related to the premiums for unit-linked contracts or for the general fund, the Insurance business line subscribes to units of structured entities. These short- or medium-term investments are held for their financial performance and meet the risk diversification criteria inherent to the business. They amounted to EUR 34 billion as at 31 December 2019 (EUR 30 billion as at 31 December 2018). Changes in value and the majority of the risks associated with these investments are borne by policyholders in the case of assets representative of unit-linked contracts, and by the insurer in the case of assets representative of the general fund;
- **Other investments in funds not managed by the Group:** as part of its trading business, the BNP Paribas Group invests in structured entities without any involvement in either managing or structuring these entities (investments in mutual funds, securities funds or alternative funds), particularly as economic hedge for structured products sold to customers. The Group also invests in minority holdings in investment funds, in support of companies, as part of its venture capital business. These investments amounted to EUR 9 billion as at 31 December 2019 (8 billion as at 31 December 2018).

- **Investments in securitisation vehicles:** the breakdown of the Group's exposure and the nature of the securities held are presented in Chapter 5 of the Universal Registration Document in the section Securitisation as investor.

Besides, in the framework of its asset financing activity, the BNP Paribas Group provides financing to structured entities that are established by and for its clients and whose purpose is to acquire assets (aircraft, ships, etc.) intended for lease to those same clients. These financings amount to EUR 7 billion as at 31 December 2019 (EUR 9 billion as at 31 December 2018).

## 8.g COMPENSATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

The remuneration and benefits policy relating to the Group's corporate officers, as well as the detailed information on an individual basis, are presented in chapter 2 Corporate Governance of the Universal Registration Document.

- **Remuneration and benefits awarded to the Group's corporate officers**

|   | Year to 31 Dec. 2019 | Year to 31 Dec. 2018 |
|---|----------------------|----------------------|
| <b>Gross remuneration, including Directors' fees and benefits in kind</b>             |                      |                      |
| - payable for the year  | € 6,289,752          | € 6,060,688          |
| - paid during the year  | € 5,589,640          | € 9,428,032          |
| <b>Post-employment benefits</b>   |                      |                      |
| Retirement bonuses: present value of the benefit obligation (payroll taxes excluded)  | € 247,090            | € 243,028            |
| Defined contribution pension plan : contributions paid by BNP Paribas during the year | € 5,228              | € 5,124              |
| <b>Welfare benefits:</b> premiums paid by BNP Paribas during the year                 | € 12,743             | € 12,571             |
| <b>Share-based payments</b>   |                      |                      |
| Stock subscription options  |                      |                      |
| - value of stock options granted during the year                                      | Nil                  | Nil                  |
| - number of options held at 31 December   | -                    | 28,640               |
| Performance shares  |                      |                      |
| - value of shares granted during the year   | Nil                  | Nil                  |
| - number of shares held at 31 December  | Nil                  | Nil                  |
| Long-term compensation  |                      |                      |
| - fair value at grant date (*)  | € 1,013,527          | € 463,594            |

(\*) Valuation according to the method described in note 7.e.

As at 31 December 2019, no corporate officer is eligible to a contingent collective defined-benefit top-up pension plan.

- **Directors' fees paid to members of the board of directors**

The directors' fees paid in 2019 to all members of the Board of Directors amount to EUR 1,300,000 unchanged from 2018. The amount paid in 2019 to members other than corporate officers was EUR 1,179,556, compared with EUR 1,176,907 in 2018.

- **Remuneration and benefits awarded to directors representing the employees**

| In euros   | Year to<br>31 December 2019 | Year to<br>31 December 2018 |
|--|-----------------------------|-----------------------------|
| Gross remuneration paid during the year  | 111,368                     | 108,077                     |
| Directors' fees (paid to the trade unions)   | 174,219                     | 152,298                     |
| Premiums paid by BNP Paribas during the year into schemes related to Garantie Vie Professionnelle Accidents benefits and healthcare expense coverage | 1,704                       | 1,658                       |
| Contributions paid by BNP Paribas during the year into the defined-contribution plan   | 1,233                       | 1,204                       |

- **Loans, advances and guarantees granted to the Group's corporate officers**

At 31 December 2019, the total outstanding loans granted directly or indirectly to the Group's corporate officers and their spouses amounted to EUR 4,775,072 (EUR 7,094,958 at 31 December 2018). These loans representing normal transactions were carried out on an arm's length basis.

## 8.h OTHER RELATED PARTIES

Other related parties of the BNP Paribas Group comprise consolidated companies (including entities consolidated under the equity method) and entities managing post-employment benefit plans offered to Group employees (except for multi-employer and multi-industry schemes).

Transactions between the BNP Paribas Group and related parties are carried out on an arm's length basis.

### RELATIONS BETWEEN CONSOLIDATED COMPANIES

A list of companies consolidated by the BNP Paribas Group is provided in note 8.j Scope of consolidation. Transactions and outstanding balances between fully-consolidated entities are eliminated. The tables below show transactions with entities accounted for under the equity method.

- **Outstanding balances of related-party transactions:**

| In millions of euros                                   | 31 December 2019 |              | 31 December 2018 |              |
|--|------------------|--------------|------------------|--------------|
|  | Joint ventures   | Associates   | Joint ventures   | Associates   |
| <b>ASSETS</b>  |                  |              |                  |              |
| On demand accounts                                     | 3                | 139          | 2                | 171          |
| Loans  | 4,408            | 103          | 3,784            | 85           |
| Securities   | 732              | -            | 769              | -            |
| Other assets   | 58               | 133          | 56               | 76           |
| Financial investments of insurance activities          | -                | 4            | 1                | 3            |
| <b>Total</b>   | <b>5,201</b>     | <b>379</b>   | <b>4,612</b>     | <b>335</b>   |
| <b>LIABILITIES</b>                                     |                  |              |                  |              |
| On demand accounts                                     | 354              | 689          | 150              | 555          |
| Other borrowings                                       | 87               | 1,781        | 53               | 2,084        |
| Other liabilities                                      | 6                | 6            | 43               | 61           |
| Technical reserves and other insurance liabilities     | -                | 70           | -                | 2            |
| <b>Total</b>   | <b>447</b>       | <b>2,546</b> | <b>246</b>       | <b>2,702</b> |
| <b>FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS</b> |                  |              |                  |              |
| Financing commitments given                            | 114              | 651          | 132              | 671          |
| Guarantee commitments given                            | 2,545            | 37           | 2,543            | 44           |
| <b>Total</b>   | <b>2,659</b>     | <b>688</b>   | <b>2,675</b>     | <b>715</b>   |

The Group also carries out trading transactions with related parties involving derivatives (swaps, options and forwards, etc.) and financial instruments purchased or underwritten and issued by them (equities, bonds, etc.).



- **Related-party profit and loss items:**

| In millions of euros                 | Year to 31 Dec. 2019 |            | Year to 31 Dec. 2018 |            |
|--------------------------------------|----------------------|------------|----------------------|------------|
|                                      | Joint ventures       | Associates | Joint ventures       | Associates |
| Interest income                      | 29                   | 9          | 17                   | 25         |
| Interest expense                     | (6)                  | (9)        | (2)                  | (10)       |
| Commission income                    | 151                  | 279        | 188                  | 271        |
| Commission expense                   | (12)                 | (28)       | (15)                 | (18)       |
| Services provided                    | 1                    | 52         | 1                    | 16         |
| Services received                    | (2)                  | (7)        |                      |            |
| Lease income                         | 1                    |            | 1                    |            |
| Net income from insurance activities | (2)                  | (6)        | (2)                  | (1)        |
| <b>Total</b>                         | <b>160</b>           | <b>290</b> | <b>188</b>           | <b>283</b> |

#### GROUP ENTITIES MANAGING CERTAIN POST-EMPLOYMENT BENEFIT PLANS OFFERED TO GROUP EMPLOYEES

In Belgium, BNP Paribas Fortis funds a number of pension schemes managed by AG Insurance in which the BNP Paribas Group has a 25% equity interest.

In other countries, post-employment benefit plans are generally managed by independent fund managers or independent insurance companies, and occasionally by Group companies (in particular BNP Paribas Asset Management, BNP Paribas Cardif and Bank of the West). In Switzerland, a dedicated foundation manages pension plans for BNP Paribas Switzerland's employees.

At 31 December 2019, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 4,156 million (EUR 3,853 million as at 31 December 2018). Amounts received by Group companies in the year to 31 December 2019 totalled EUR 4.6 million, and were mainly composed of management and custody fees (EUR 4.7 million in 2018).

## 8.i FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- These fair values are an estimate of the value of the relevant instruments as at 31 December 2019. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;
- Most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- Estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- The fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

| In millions of euros,<br>at 31 December 2019                           | Estimated fair value |         |         |         | Carrying value |
|--|----------------------|---------|---------|---------|----------------|
|  | Level 1              | Level 2 | Level 3 | Total   |                |
| <b>FINANCIAL ASSETS</b>  |                      |         |         |         |                |
| Loans and advances to credit institutions and customers <sup>(1)</sup> |                      | 80,252  | 726,014 | 806,266 | 792,944        |
| Debt securities at amortised cost (note 5.e)                           | 75,884               | 31,168  | 3,103   | 110,155 | 108,454        |
| <b>FINANCIAL LIABILITIES</b>   |                      |         |         |         |                |
| Deposits from credit institutions and customers                        |                      | 919,995 |         | 919,995 | 919,234        |
| Debt securities (note 5.h)   | 36,465               | 122,779 |         | 159,244 | 157,578        |
| Subordinated debt (note 5.h)   | 7,858                | 12,926  |         | 20,784  | 20,003         |

<sup>(1)</sup> Finance leases excluded

| In millions of euros,<br>at 31 December 2018                           | Estimated fair value |         |         |         | Carrying value |
|--|----------------------|---------|---------|---------|----------------|
|  | Level 1              | Level 2 | Level 3 | Total   |                |
| <b>FINANCIAL ASSETS</b>  |                      |         |         |         |                |
| Loans and advances to credit institutions and customers <sup>(1)</sup> |                      | 82,358  | 681,583 | 763,941 | 753,293        |
| Debt securities at amortised cost (note 5.e)                           | 54,348               | 17,764  | 2,840   | 74,952  | 75,073         |
| <b>FINANCIAL LIABILITIES</b>   |                      |         |         |         |                |
| Deposits from credit institutions and customers                        |                      | 876,320 |         | 876,320 | 875,463        |
| Debt securities (note 5.h)   | 49,233               | 102,511 |         | 151,744 | 151,451        |
| Subordinated debt (note 5.h)   | 10,883               | 6,494   |         | 17,377  | 17,627         |

<sup>(1)</sup> 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 (note 1.e.10). In the case of loans, liabilities and debt securities at amortised cost that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to carrying amount. These instruments have been classified in Level 2, except for loans to customers, which are classified in Level 3.

**8.j SCOPE OF CONSOLIDATION**

| Business | Name                                  | Country              | 31 December 2019 |            |              |      | 31 December 2018 |            |              |      |
|----------|---------------------------------------|----------------------|------------------|------------|--------------|------|------------------|------------|--------------|------|
|          |                                       |                      | Method           | Voting (%) | Interest (%) | Ref. | Method           | Voting (%) | Interest (%) | Ref. |
|          | BNP Paribas SA                        | France               |                  |            |              |      |                  |            |              |      |
|          | BNPP SA (Argentina branch)            | Argentina            | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Australia branch)            | Australia            | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Austria branch)              | Austria              | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Bahrain branch)              | Bahrain              | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Belgium branch)              | Belgium              | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Bulgaria branch)             | Bulgaria             | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Canada branch)               | Canada               | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Cayman islands branch)       | Cayman Islands       | 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 (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%       |      |
|          | BNPP SA (Kuwait branch)               | Kuwait               | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Luxemburg branch)            | Luxemburg            | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Malaysia branch)             | Malaysia             | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Monaco branch)               | Monaco               | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Netherlands branch)          | Netherlands          | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Norway branch)               | Norway               | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Panama branch)               | Panama               | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Philippines branch)          | Philippines          | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Poland branch)               | Poland               | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Portugal branch)             | Portugal             | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Qatar branch)                | Qatar                | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Republic of Korea branch)    | Rep. of Korea        | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Romania branch)              | Romania              | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Saudi arabia branch)         | Saudi Arabia         | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Singapore branch)            | Singapore            | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (South Africa branch)         | South Africa         | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Spain branch)                | Spain                | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Sweden branch)               | Sweden               | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Taiwan branch)               | Taiwan               | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (Thailand branch)             | Thailand             | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP SA (United arab emirates branch) | United Arab Emirates | Full             | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |

| Business                             | Name   | Country     | 31 December 2019      |            |              |      | 31 December 2018      |            |              |      |
|--------------------------------------|--|-------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|------|
|                                      |  |             | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref. |
|                                      | 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%       |      |
| <b>RETAIL BANKING &amp; SERVICES</b> |  |             |                       |            |              |      |                       |            |              |      |
| <b>DOMESTIC MARKETS</b>              |  |             |                       |            |              |      |                       |            |              |      |
| <b>Retail Banking - France</b>       |  |             |                       |            |              |      |                       |            |              |      |
|                                      | Banque de Wallis et Futuna                     | France      | Full <sup>(1)</sup>   | 51.0%      | 51.0%        |      | Full <sup>(1)</sup>   | 51.0%      | 51.0%        |      |
|                                      | BNPP Antilles Guyane                           | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 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%       | E2   |
|                                      | BNPP Factor                                    | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|                                      | BNPP Factor (Spain branch)                     | Spain       | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|                                      | BNPP Factor Sociedade Financeira de Credito SA | Portugal    | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                                      | BNPP Nouvelle Calédonie                        | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|                                      | BNPP Réunion                                   | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|                                      | Compagnie pour le Financement des Loisirs      | France      | Equity                | 46.0%      | 46.0%        |      | Equity                | 46.0%      | 46.0%        | V4   |
|                                      | Copartis                                       | France      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      |
|                                      | Euro Securities Partners                       | France      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        | E1   |
|                                      | GIE Ocean                                      | France      | Full                  | 100.0%     | 100.0%       | E1   |                       |            |              |      |
|                                      | Partecis                                       | France      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        | E1   |
|                                      | Paylib Services                                | France      | Equity                | 14.3%      | 14.3%        | E1   |                       |            |              |      |
|                                      | Portzamparc (Ex- B*Capital)                    | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|                                      | Portzamparc Société de Bourse                  | France      |                       |            |              | S4   | Full <sup>(1)</sup>   | 94.9%      | 94.9%        | V1   |
|                                      | Protection 24                                  | France      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1   |
|                                      | Société Lairoise de Participations             | France      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1   |
| <b>Retail Banking - Belgium</b>      |  |             |                       |            |              |      |                       |            |              |      |
|                                      | Bancontact Paytoniq Company                    | Belgium     | Equity                | 22.5%      | 22.5%        |      | Equity                | 22.5%      | 22.5%        | E1   |
|                                      | Banking Funding Company SA                     | Belgium     | Equity                | 33.5%      | 33.5%        |      | Equity                | 33.5%      | 33.5%        |      |
|                                      | BASS Master Issuer NV <sup>(5)</sup>           | Belgium     | Full                  | -          | -            |      | Full                  | -          | -            |      |
|                                      | Belgian Mobile ID                              | Belgium     | Equity                | 15.0%      | 15.0%        |      | Equity                | 15.0%      | 15.0%        | E3   |
|                                      | BNPP Commercial Finance Ltd                    | UK          | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                      | BNPP Factor AB                                 | Sweden      | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        | E1   |
|                                      | BNPP Factor AS                                 | Denmark     | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                      | BNPP Factor Deutschland BV                     | Netherlands |                       |            |              |      |                       |            |              | S4   |
|                                      | BNPP Factor GmbH                               | Germany     | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                      | BNPP Factor NV                                 | Netherlands | 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 (Czech Republic branch)            | Czech Rep.  |                       |            |              |      |                       |            |              | S1   |
|                                      | BNPP Fortis (Denmark branch)                   | Denmark     |                       |            |              |      |                       |            |              | S1   |
|                                      | BNPP Fortis (Romania branch)                   | Romania     |                       |            |              | S1   | Full                  | 100.0%     | 99.9%        |      |

| Business                           | Name                               | Country             | 31 December 2019      |            |              |      | 31 December 2018      |            |              |      |
|------------------------------------|------------------------------------|---------------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|------|
|                                    |                                    |                     | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref. |
|                                    | BNPP Fortis (Spain branch)         | Spain               | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                    | BNPP Fortis (United states branch) | USA                 | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                    | BNPP Fortis Factor NV              | Belgium             | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                    | BNPP Fortis Film Finance           | Belgium             | Full                  | 99.0%      | 98.9%        |      | Full                  | 99.0%      | 98.9%        | E1   |
|                                    | BNPP Fortis Funding SA             | Luxemburg           | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                    | BNPP FPE Belgium                   | Belgium             | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                    | BNPP FPE Expansion                 | Belgium             | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                    | BNPP FPE Management                | Belgium             | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                    | Bpost Banque                       | Belgium             | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      |
|                                    | Credissimo                         | Belgium             | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|                                    | Credissimo Hainaut SA              | Belgium             | Full                  | 99.7%      | 99.7%        |      | Full                  | 99.7%      | 99.7%        |      |
|                                    | Crédit pour Habitations Sociales   | Belgium             | Full                  | 81.7%      | 81.6%        |      | Full                  | 81.7%      | 81.6%        |      |
|                                    | Demetris NV                        | Belgium             |                       |            |              |      |                       |            |              | S3   |
|                                    | Epimede <sup>(5)</sup>             | Belgium             | Equity                | -          | -            |      | Equity                | -          | -            | E1   |
|                                    | Esmee Master Issuer <sup>(6)</sup> | Belgium             | Full                  | -          | -            |      | Full                  | -          | -            |      |
|                                    | Favor Finance                      | Belgium             |                       |            |              |      |                       |            |              | S3   |
|                                    | Immo Beaulieu                      | Belgium             | Equity                | 25.0%      | 25.0%        |      | Equity                | 25.0%      | 25.0%        | E1   |
|                                    | Immobilière Sauveniere SA          | Belgium             | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        | D1   |
|                                    | Isabel SA NV                       | Belgium             | Equity                | 25.3%      | 25.3%        |      | Equity                | 25.3%      | 25.3%        | E1   |
|                                    | Microstart                         | Belgium             | Full                  | 96.4%      | 76.7%        | V1   | Full                  | 85.5%      | 66.2%        | E1   |
|                                    | Private Equity Investments (e)     | Belgium / Luxemburg | FV                    | -          | -            |      | FV                    | -          | -            |      |
|                                    | Sagjp                              | 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%        | E1   |
| <b>Retail Banking - Luxembourg</b> |                                    |                     |                       |            |              |      |                       |            |              |      |
|                                    | BGL BNPP                           | Luxemburg           | Full                  | 66.0%      | 65.9%        |      | Full                  | 66.0%      | 65.9%        |      |
|                                    | BGL BNPP (Germany branch)          | Germany             | Full                  | 100.0%     | 65.9%        |      | Full                  | 100.0%     | 65.9%        |      |
|                                    | BNPP Lease Group Luxembourg SA     | Luxemburg           | Full                  | 100.0%     | 65.9%        |      | Full                  | 100.0%     | 65.9%        |      |
|                                    | BNPP SB Re                         | Luxemburg           | Full <sup>(2)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(2)</sup>   | 100.0%     | 100.0%       |      |
|                                    | Cofhylux SA                        | Luxemburg           | Full                  | 100.0%     | 65.9%        |      | Full                  | 100.0%     | 65.9%        |      |
|                                    | Compagnie Financière Ottomane SA   | Luxemburg           | Full                  | 97.3%      | 97.3%        | V4   | Full                  | 97.3%      | 97.2%        |      |
|                                    | Elimmo SARL <sup>(5)</sup>         | Luxemburg           |                       |            |              | S3   | Full                  | -          | -            | E1   |
|                                    | Le Sphinx Assurances Luxembourg SA | Luxemburg           | Full <sup>(2)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(2)</sup>   | 100.0%     | 100.0%       |      |
|                                    | Lion International Investments SA  | Luxemburg           | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                                    | Plagefin SA                        | Luxemburg           |                       |            |              | S4   | Full                  | 100.0%     | 65.9%        |      |
|                                    | Visalux                            | Luxemburg           | Equity                | 25.3%      | 16.7%        | V4   | Equity                | 24.8%      | 15.7%        | E1   |
| <b>Retail Banking - Italy</b>      |                                    |                     |                       |            |              |      |                       |            |              |      |
|                                    | Artigiancassa SPA                  | Italy               | Full                  | 73.9%      | 73.9%        |      | Full                  | 73.9%      | 73.9%        |      |
|                                    | Axepta SPA                         | Italy               | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                                    | Banca Nazionale Del Lavoro SPA     | Italy               | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                                    | BNL Finance SPA                    | Italy               | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                                    | Business Partner Italia SCPA       | Italy               |                       |            |              | S4   | Full                  | 100.0%     | 100.0%       | V4   |

| Business     | Name                                     | Country     | 31 December 2019    |            |              |      | 31 December 2018      |            |              |       |
|--------------|--|-------------|---------------------|------------|--------------|------|-----------------------|------------|--------------|-------|
|              |  |             | Method              | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref.  |
|              | EMF IT 2008 1 SRL <sup>(6)</sup>         | Italy       | Full                | -          | -            |      | Full                  | -          | -            |       |
|              | Eutimm SRL                               | Italy       | Full                | 100.0%     | 100.0%       | E1   |                       |            |              |       |
|              | International Factors Italia SPA         | Italy       | Full                | 99.7%      | 99.7%        |      | Full                  | 99.7%      | 99.7%        |       |
|              | Permico SPA                              | Italy       | Equity              | 21.6%      | 21.6%        | V4   | Equity                | 20.9%      | 20.9%        | E1    |
|              | Serfactoring SPA                         | Italy       | Equity              | 27.0%      | 26.9%        |      | Equity                | 27.0%      | 26.9%        | E1    |
|              | Servizio Italia SPA                      | Italy       | Full                | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | D1    |
|              | Sviluppo HQ Tiburtina SRL                | Italy       | Full                | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|              | Tierre Securitisation SRL <sup>(6)</sup> | Italy       | Full                | -          | -            |      | Full                  | -          | -            |       |
|              | Vela ABS SRL <sup>(6)</sup>              | Italy       | Full                | -          | -            |      | Full                  | -          | -            |       |
|              | Vela Consumer 2 SRL <sup>(6)</sup>       | Italy       | Full                | -          | -            |      | Full                  | -          | -            |       |
|              | Vela Consumer SRL <sup>(6)</sup>         | Italy       | Full                | -          | -            |      | Full                  | -          | -            |       |
|              | Vela Home SRL <sup>(6)</sup>             | Italy       | Full                | -          | -            |      | Full                  | -          | -            |       |
|              | Vela Mortgages SRL <sup>(6)</sup>        | Italy       | Full                | -          | -            |      | Full                  | -          | -            |       |
|              | Vela OBG SRL <sup>(6)</sup>              | Italy       | Full                | -          | -            |      | Full                  | -          | -            |       |
|              | Vela RMBS SRL <sup>(6)</sup>             | Italy       | Full                | -          | -            |      | Full                  | -          | -            |       |
| <b>Arval</b> |  |             |                     |            |              |      |                       |            |              |       |
|              | Annuo Jiuotong                           | China       |                     |            |              |      |                       |            |              | V2/S2 |
|              | Artel                                    | France      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        | D1    |
|              | Arval AB                                 | Sweden      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        | D1    |
|              | Arval AS                                 | Denmark     | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval AS Norway                          | Norway      | Full <sup>(2)</sup> | 100.0%     | 99.9%        | E1   |                       |            |              |       |
|              | Arval Austria GmbH                       | Austria     | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval Belgium NV SA                      | Belgium     | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval Benelux BV                         | Netherlands | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval Brasil Ltda                        | Brazil      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval BV                                 | Netherlands | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval CZ SRO                             | Czech Rep.  | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval Deutschland GmbH                   | Germany     | Full                | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval Fleet Services                     | France      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval Hellas Car Rental SA               | Greece      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        | D1    |
|              | Arval India Private Ltd                  | India       | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        | D1    |
|              | Arval LLC                                | Russia      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval Luxembourg SA                      | Luxemburg   | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval Magyarorszag KFT                   | Hungary     | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        | D1    |
|              | Arval Maroc SA                           | Morocco     | Full <sup>(2)</sup> | 100.0%     | 89.0%        |      | Full                  | 100.0%     | 89.0%        | D1    |
|              | Arval OY                                 | Finland     | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |       |
|              | Arval Relsa SPA                          | Chile       | Equity              | 50.0%      | 50.0%        |      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        | E1    |

| Business                 | Name   | Country     | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|--------------------------|--|-------------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|                          |  |             | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|                          | Arval Schweiz AG                                     | Switzerland | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Arval Service Lease                                  | France      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Arval Service Lease Aluger Operational Automoveis SA | Portugal    | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        | D1   |
|                          | Arval Service Lease Italia SPA                       | Italy       | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Arval Service Lease Polska SP ZOO                    | Poland      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Arval Service Lease Romania SRL                      | Romania     | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        | D1   |
|                          | Arval Service Lease SA                               | Spain       | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Arval Slovakia SRO                                   | Slovakia    | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Arval Trading  | France      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Arval UK Group Ltd                                   | UK          | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Arval UK Leasing Services Ltd                        | UK          | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Arval UK Ltd   | UK          | Full                | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | BNPP Fleet Holdings Ltd                              | UK          | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Cetelem Renting                                      | France      |                     |            |              | S4   | Full                | 100.0%     | 99.9%        | E1   |
|                          | Cofiparc   | France      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Greenval Insurance DAC                               | Ireland     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|                          | Locadif  | Belgium     | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | Louveo   | France      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        | E1   |
|                          | Public Location Longue Durée                         | France      | Full <sup>(2)</sup> | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                          | TEB Arval Arac Filo Kiralama AS                      | Turkey      | Full <sup>(2)</sup> | 100.0%     | 75.0%        |      | Full                | 100.0%     | 75.0%        |      |
| <b>Leasing Solutions</b> |  |             |                     |            |              |      |                     |            |              |      |
|                          | Albury Asset Rentals Ltd                             | UK          |                     |            |              |      |                     |            |              | S1   |
|                          | All In One Vermietung GmbH                           | Austria     | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        | E1   |
|                          | 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%        | E1   |                     |            |              |      |
|                          | BNPP 3 Step IT (Ex- Arius)                           | France      | Full                | 51.0%      | 42.3%        | V2   | Full                | 100.0%     | 83.0%        |      |
|                          | BNPP 3 Step IT (Belgium branch)                      | Belgium     | Full                | 100.0%     | 42.3%        | E2   |                     |            |              |      |
|                          | BNPP 3 Step IT (Germany branch)                      | Germany     | Full                | 100.0%     | 42.3%        | E2   |                     |            |              |      |
|                          | BNPP 3 Step IT (Italy branch)                        | Italy       | Full                | 100.0%     | 42.3%        | E2   |                     |            |              |      |
|                          | BNPP 3 Step IT (Netherlands branch)                  | Netherlands | Full                | 100.0%     | 42.3%        | E2   |                     |            |              |      |
|                          | BNPP 3 Step IT (United kingdom branch)               | UK          | Full                | 100.0%     | 42.3%        | E2   |                     |            |              |      |
|                          | BNPP B Institutional II Treasury 17 <sup>(5)</sup>   | Belgium     |                     |            |              |      |                     |            |              | S3   |
|                          | BNPP Finansal Kiralama AS                            | Turkey      | Full                | 100.0%     | 82.5%        |      | Full                | 100.0%     | 82.5%        |      |
|                          | BNPP Lease Group                                     | France      | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      |
|                          | BNPP Lease Group (Germany branch)                    | Germany     | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      |
|                          | BNPP Lease Group (Italy branch)                      | Italy       | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      |
|                          | BNPP Lease Group (Portugal branch)                   | Portugal    | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      |



| Business | Name  | Country     | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|----------|---|-------------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|          |   |             | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|          | BNPP Lease Group (Spain branch)                                       | Spain       | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      |
|          | BNPP Lease Group Belgium  | Belgium     | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        |      |
|          | BNPP Lease Group GmbH & Co KG   | Austria     | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        | E1   |
|          | BNPP Lease Group Leasing Solutions SPA                                | Italy       | Full                | 100.0%     | 95.5%        |      | Full                | 100.0%     | 95.5%        |      |
|          | BNPP Lease Group PLC  | UK          | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        |      |
|          | BNPP Lease Group Rentals Ltd  | UK          | 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%     | 88.7%        |      | Full                | 100.0%     | 88.7%        | V4   |
|          | BNPP Leasing Solution AS  | Norway      | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        | E3   |
|          | BNPP Leasing Solutions  | Luxemburg   | 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%        | D1   |
|          | BNPP Rental Solutions Ltd   | UK          | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        |      |
|          | BNPP Rental Solutions SPA   | Italy       | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        | D1   |
|          | Claas Financial Services  | France      | Full <sup>(1)</sup> | 51.0%      | 42.3%        |      | Full <sup>(1)</sup> | 51.0%      | 42.3%        |      |
|          | Claas Financial Services (Germany branch)                             | Germany     | Full <sup>(1)</sup> | 100.0%     | 42.3%        |      | Full <sup>(1)</sup> | 100.0%     | 42.3%        |      |
|          | Claas Financial Services (Italy branch)                               | Italy       | Full <sup>(1)</sup> | 100.0%     | 42.3%        |      | Full <sup>(1)</sup> | 100.0%     | 42.3%        |      |
|          | Claas Financial Services (Poland branch)                              | Poland      | Full <sup>(1)</sup> | 100.0%     | 42.3%        |      | Full <sup>(1)</sup> | 100.0%     | 42.3%        |      |
|          | Claas Financial Services (Spain branch)                               | Spain       | Full <sup>(1)</sup> | 100.0%     | 42.3%        |      | Full <sup>(1)</sup> | 100.0%     | 42.3%        |      |
|          | Claas Financial Services Ltd  | UK          | Full                | 51.0%      | 42.3%        |      | Full                | 51.0%      | 42.3%        |      |
|          | CMV Mediforce   | France      | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      | Full <sup>(1)</sup> | 100.0%     | 83.0%        | V3   |
|          | CNH Industrial Capital Europe   | France      | Full <sup>(1)</sup> | 50.1%      | 41.6%        |      | Full <sup>(1)</sup> | 50.1%      | 41.6%        |      |
|          | CNH Industrial Capital Europe (Belgium branch)                        | Belgium     | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      |
|          | CNH Industrial Capital Europe (Germany branch)                        | Germany     | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      |
|          | CNH Industrial Capital Europe (Italy branch)                          | Italy       | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      |
|          | CNH Industrial Capital Europe (Poland branch)                         | Poland      | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      |
|          | CNH Industrial Capital Europe (Spain branch)                          | Spain       | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      | Full <sup>(1)</sup> | 100.0%     | 41.6%        |      |
|          | CNH Industrial Capital Europe BV                                      | Netherlands | Full                | 100.0%     | 41.6%        |      | Full                | 100.0%     | 41.6%        |      |
|          | CNH Industrial Capital Europe GmbH                                    | Austria     | Full                | 100.0%     | 41.6%        |      | Full                | 100.0%     | 41.6%        |      |
|          | CNH Industrial Capital Europe Ltd                                     | UK          | Full                | 100.0%     | 41.6%        |      | Full                | 100.0%     | 41.6%        |      |
|          | Commercial Vehicle Finance Ltd  | UK          | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        |      |
|          | ES-Finance  | Belgium     | Full                | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|          | FL Zeebrugge <sup>(5)</sup>   | Belgium     | Full                | -          | -            |      | Full                | -          | -            | D1   |
|          | Folea Grundstücksverwaltungs und Vermietungs GmbH & Co <sup>(5)</sup> | Germany     | Full                | -          | -            |      | Full                | -          | -            | D1   |
|          | Fortis Lease  | France      | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      | Full <sup>(1)</sup> | 100.0%     | 83.0%        |      |
|          | Fortis Lease Belgium  | Belgium     | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        |      |
|          | Fortis Lease Deutschland GmbH   | Germany     | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        |      |
|          | Fortis Lease Iberia SA  | Spain       | Full                | 100.0%     | 86.6%        |      | Full                | 100.0%     | 86.6%        |      |
|          | Fortis Lease Portugal   | Portugal    | Full                | 100.0%     | 83.0%        |      | Full                | 100.0%     | 83.0%        |      |

| Business                                | Name   | Country     | 31 December 2019      |            |              |      | 31 December 2018      |            |              |      |
|---|--|-------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|------|
|   |  |             | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref. |
|   | Fortis Lease UK Ltd                                    | UK          | Full                  | 100.0%     | 83.0%        |      | Full                  | 100.0%     | 83.0%        | D1   |
|   | Fortis Vastgoedlease BV                                | Netherlands | Full                  | 100.0%     | 83.0%        |      | Full                  | 100.0%     | 83.0%        | D1   |
|   | Heffiq Heftruck Verhuur BV                             | Netherlands | Full                  | 50.0%      | 41.5%        |      | Full                  | 50.1%      | 41.5%        | E1   |
|   | Humberclyde Commercial Investments Ltd                 | UK          |                       |            |              |      |                       |            |              | S1   |
|   | JCB Finance  | France      | Full <sup>(1)</sup>   | 100.0%     | 41.6%        |      | Full <sup>(1)</sup>   | 100.0%     | 41.6%        |      |
|   | JCB Finance (Germany branch)                           | Germany     | Full <sup>(1)</sup>   | 100.0%     | 41.6%        |      | Full <sup>(1)</sup>   | 100.0%     | 41.6%        |      |
|   | JCB Finance (Italy branch)                             | Italy       | Full <sup>(1)</sup>   | 100.0%     | 41.6%        |      | Full <sup>(1)</sup>   | 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%        |      |
|   | MFF  | France      | Full <sup>(1)</sup>   | 51.0%      | 42.3%        |      | Full <sup>(1)</sup>   | 51.0%      | 42.3%        |      |
|   | Natio Energie 2  | France      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1   |
|   | Natiocredibail   | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | RD Leasing IFN SA                                      | Romania     | Full                  | 100.0%     | 83.0%        |      | Full                  | 100.0%     | 83.0%        | E3   |
|   | Same Deutz Fahr Finance                                | France      | Full <sup>(1)</sup>   | 100.0%     | 83.0%        |      | Full <sup>(1)</sup>   | 100.0%     | 83.0%        |      |
|   | Same Deutz Fahr Finance Ltd                            | UK          |                       |            |              |      |                       |            |              | S1   |
|   | SNC Natiocredimurs                                     | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | UCB Bail 2   | France      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
| <b>New Digital Businesses</b>           |  |             |                       |            |              |      |                       |            |              |      |
|   | Financière des Paiements Electroniques                 | France      | Full                  | 95.0%      | 95.0%        |      | Full                  | 95.0%      | 95.0%        |      |
|   | Financière des Paiements Electroniques (succ. Espagne) | Spain       | Full                  | 100.0%     | 95.0%        | E2   |                       |            |              |      |
|   | Lyf SA   | France      | Equity <sup>(3)</sup> | 43.8%      | 43.8%        | V2   | Equity <sup>(3)</sup> | 46.0%      | 46.0%        | V1   |
|   | Lyf SAS  | France      | Equity <sup>(3)</sup> | 45.4%      | 45.4%        | V2   | Equity <sup>(3)</sup> | 45.8%      | 45.8%        | V1   |
| <b>Personal Investors</b>               |  |             |                       |            |              |      |                       |            |              |      |
|   | 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 Private Ltd          | India       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|   | Sharekhan Commodities Private Ltd                      | India       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1   |
|   | Sharekhan Ltd  | India       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
| <b>INTERNATIONAL FINANCIAL SERVICES</b> |  |             |                       |            |              |      |                       |            |              |      |
| <b>BNP Paribas Personal Finance</b>     |  |             |                       |            |              |      |                       |            |              |      |
|   | Alpha Crédit SA  | Belgium     | Full                  | 100.0%     | 99.9%        |      | Full                  | 100.0%     | 99.9%        |      |
|   | AutoFlorence 1 SRL <sup>(5)</sup>                      | Italy       | Full                  | -          | -            | E1   |                       |            |              |      |
|   | Autonorica 2019 <sup>(5)</sup>                         | France      | Full                  | -          | -            | E2   |                       |            |              |      |
|   | Autonorica Spain 2019 <sup>(5)</sup>                   | Spain       | Full                  | -          | -            | E2   |                       |            |              |      |
|   | Autop Ocean Indien                                     | France      | Full                  | 100.0%     | 97.8%        |      | Full                  | 100.0%     | 97.8%        | E1   |
|   | Axa Banque Financement                                 | France      | Equity                | 35.0%      | 35.0%        |      | Equity                | 35.0%      | 35.0%        |      |
|   | B Carat <sup>(5)</sup>                                 | Belgium     |                       |            |              |      |                       |            |              | S1   |
|   | Banco BNPP Personal Finance SA                         | Portugal    | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|   | Banco Cetelem Argentina SA                             | Argentina   |                       |            |              | S3   | Full                  | 100.0%     | 100.0%       |      |
|   | Banco Cetelem SA                                       | Brazil      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |

| Business | Name   | Country      | 31 December 2019      |            |              |      | 31 December 2018      |            |              |      |
|----------|--|--------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|------|
|          |  |              | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref. |
|          | Banco Cetelem SAU                                      | Spain        | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Banco de Servicios Financieros SA                      | Argentina    |                       |            |              | S2   | Equity                | 40.0%      | 40.0%        |      |
|          | Banque Solfea  | France       | Equity <sup>(3)</sup> | 45.0%      | 45.0%        |      | Equity <sup>(3)</sup> | 45.0%      | 45.0%        |      |
|          | BGN Mercantil E Servicos Ltda                          | Brazil       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | BNPP Personal Finance                                  | France       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | BNPP Personal Finance (Austria branch)                 | Austria      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | BNPP Personal Finance (Bulgaria branch)                | Bulgaria     | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E2   |
|          | BNPP Personal Finance (Czech republic branch)          | Czech Rep.   | 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%       | E2   |
|          | 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 EAD                              | Bulgaria     |                       |            |              |      |                       |            |              | S4   |
|          | BNPP Personal Finance South Africa Ltd                 | South Africa | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Cafineo  | France       | Full <sup>(1)</sup>   | 51.0%      | 50.8%        |      | Full <sup>(1)</sup>   | 51.0%      | 50.8%        |      |
|          | Carrefour Banque                                       | France       | Equity                | 40.0%      | 40.0%        |      | Equity                | 40.0%      | 40.0%        |      |
|          | Cartolarizzazione Auto Receivable's SRL <sup>(5)</sup> | Italy        |                       |            |              |      |                       |            |              | S3   |
|          | Cetelem Algérie  | Algeria      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1   |
|          | Cetelem America Ltda                                   | Brazil       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Cetelem Bank LLC                                       | Russia       | Equity                | 20.8%      | 20.8%        |      | Equity                | 20.8%      | 20.8%        |      |
|          | Cetelem Gestion AIE                                    | Spain        | Full                  | 99.0%      | 95.5%        | V2   | Full                  | 100.0%     | 96.5%        | E1   |
|          | Cetelem IFN  | Romania      |                       |            |              |      |                       |            |              | S4   |
|          | Cetelem SA de CV                                       | Mexico       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Cetelem Servicios Informaticos AIE                     | Spain        | Full                  | 99.0%      | 80.5%        | V2   | Full                  | 100.0%     | 81.5%        | E1   |
|          | Cetelem Servicios SA de CV                             | Mexico       | Full                  | 100.0%     | 100.0%       | E1   |                       |            |              |      |
|          | Cetelem Servicos Ltda                                  | Brazil       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | D1   |
|          | Cofica Bail  | France       | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|          | Cofinoga Funding Two LP <sup>(6)</sup>                 | UK           | Full                  | -          | -            |      | Full                  | -          | -            |      |
|          | Cofiplan   | France       | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|          | Creation Consumer Finance Ltd                          | UK           | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Creation Financial Services Ltd                        | UK           | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Crédit Moderne Antilles Guyane                         | France       | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|          | Crédit Moderne Océan Indien                            | France       | Full <sup>(1)</sup>   | 97.8%      | 97.8%        |      | Full <sup>(1)</sup>   | 97.8%      | 97.8%        |      |
|          | Domofinance  | France       | Full <sup>(1)</sup>   | 55.0%      | 55.0%        |      | Full <sup>(1)</sup>   | 55.0%      | 55.0%        |      |
|          | E carat 10 <sup>(5)</sup>                              | France       | Full                  | -          | -            | E2   |                       |            |              |      |
|          | Ecarat SA <sup>(5)</sup>                               | Luxemburg    | Full                  | -          | -            |      | Full                  | -          | -            |      |
|          | Ecarat UK (a) <sup>(5)</sup>                           | UK           | Full                  | -          | -            |      | Full                  | -          | -            |      |
|          | Effico   | France       | Equity                | 24.5%      | 24.5%        |      | Equity                | 24.5%      | 24.5%        |      |
|          | 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%       | E2   |
|          | Eos Aremas Belgium SA NV                               | Belgium      | Equity                | 50.0%      | 49.9%        |      | Equity                | 50.0%      | 49.9%        |      |

| Business | Name   | Country     | 31 December 2019      |            |              |      | 31 December 2018      |            |              |      |
|----------|--|-------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|------|
|          |  |             | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref. |
|          | FCT F Carat <sup>(5)</sup>                           | France      |                       |            |              |      |                       |            |              | S1   |
|          | Findomestic Banca SPA                                | Italy       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Florence 1 SRL <sup>(5)</sup>                        | Italy       |                       |            |              |      |                       |            |              | S1   |
|          | Florence SPV SRL <sup>(5)</sup>                      | 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 <sup>(3)</sup> | 20.0%      | 20.0%        |      | Equity <sup>(3)</sup> | 20.0%      | 20.0%        |      |
|          | Gesellschaft für Capital & Vermögensverwaltung GmbH  | Germany     |                       |            |              |      |                       |            |              | S3   |
|          | I Carat SRL <sup>(5)</sup>                           | Italy       |                       |            |              |      |                       |            |              | S1   |
|          | Inkasso Kodat GmbH & Co KG                           | Germany     |                       |            |              |      |                       |            |              | S3   |
|          | International Development Resources AS Services SA   | Spain       |                       |            |              |      |                       |            |              | S3   |
|          | Laser ABS 2017 Holding Ltd                           | UK          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Laser ABS 2017 PLC <sup>(5)</sup>                    | UK          | Full                  | -          | -            |      | Full                  | -          | -            |      |
|          | Leval 20   | France      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Loisirs Finance                                      | France      | Full <sup>(1)</sup>   | 51.0%      | 51.0%        |      | Full <sup>(1)</sup>   | 51.0%      | 51.0%        |      |
|          | Magyar Cetelem Bank ZRT                              | Hungary     | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|          | Neuilly Contentieux                                  | France      | Full                  | 96.0%      | 95.7%        |      | Full                  | 96.0%      | 95.7%        | E1   |
|          | Noria 2018-1 <sup>(5)</sup>                          | France      | Full                  | -          | -            |      | Full                  | -          | -            | E2   |
|          | Norrskan Finance                                     | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|          | Olympia SAS  | France      | Full                  | 50.0%      | 50.0%        |      | Full                  | 50.0%      | 50.0%        |      |
|          | Oney Magyarorszag ZRT                                | Hungary     | Equity                | 40.0%      | 40.0%        |      | Equity                | 40.0%      | 40.0%        |      |
|          | Opel Bank  | France      | Full                  | 50.0%      | 50.0%        |      | Full                  | 50.0%      | 50.0%        |      |
|          | Opel Bank (Germany branch)                           | Germany     |                       |            |              |      |                       |            |              | E2   |
|          | Opel Bank (Greece branch)                            | Greece      |                       |            |              |      |                       |            |              | E2   |
|          | Opel Bank (Italy branch)                             | Italy       |                       |            |              |      |                       |            |              | E2   |
|          | Opel Bank (Spain branch)                             | Spain       |                       |            |              |      |                       |            |              | E2   |
|          | Opel Bank GmbH                                       | Germany     |                       |            |              |      | Full                  | 100.0%     | 50.0%        | S4   |
|          | Opel Bank GmbH (Greece branch)                       | Greece      |                       |            |              |      | Full                  | 100.0%     | 50.0%        | S4   |
|          | Opel Bank GmbH (Ireland branch)                      | Ireland     |                       |            |              |      | Full                  | 100.0%     | 50.0%        | S1   |
|          | Opel Bank GmbH (Spain branch)                        | Spain       |                       |            |              |      | Full                  | 100.0%     | 50.0%        | S4   |
|          | Opel Finance AB                                      | Sweden      |                       |            |              |      | Full                  | 100.0%     | 50.0%        | S3   |
|          | Opel Finance BV (Ex-Opel Finance BVBA)               | Belgium     | Full                  | 100.0%     | 50.0%        |      | Full                  | 100.0%     | 50.0%        | D1   |
|          | Opel Finance Germany Holdings GmbH                   | Germany     |                       |            |              |      |                       |            |              | S4   |
|          | Opel Finance International BV                        | Netherlands | Full                  | 100.0%     | 50.0%        |      | Full                  | 100.0%     | 50.0%        |      |
|          | Opel Finance NV                                      | Netherlands | Full                  | 100.0%     | 50.0%        |      | Full                  | 100.0%     | 50.0%        | D1   |
|          | Opel Finance NV (Belgium branch)                     | Belgium     |                       |            |              |      |                       |            |              | S1   |
|          | Opel Finance SA                                      | Switzerland | Full                  | 100.0%     | 50.0%        |      | Full                  | 100.0%     | 50.0%        | D1   |
|          | Opel Finance SPA                                     | Italy       |                       |            |              |      | Full                  | 100.0%     | 50.0%        | S4   |
|          | Opel Leasing GmbH                                    | Germany     | Full                  | 100.0%     | 50.0%        |      | Full                  | 100.0%     | 50.0%        |      |
|          | Opel Leasing GmbH (Austria branch)                   | Austria     | Full                  | 100.0%     | 50.0%        |      | Full                  | 100.0%     | 50.0%        |      |
|          | OPVF Europe Holdco Ltd                               | UK          |                       |            |              |      |                       |            |              | S4   |
|          | OPVF Holdings UK Ltd                                 | UK          |                       |            |              |      |                       |            |              | S1   |

| Business                                       | Name   | Country      | 31 December 2019      |            |              |      | 31 December 2018      |            |              |       |
|--|--|--------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|-------|
|  |  |              | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref.  |
|  | Phedina Hypotheken 2010 BV <sup>(S)</sup>  | Netherlands  | Full                  | -          | -            |      | Full                  | -          | -            |       |
|  | Phedina Hypotheken 2013 I BV <sup>(S)</sup>  | Netherlands  |                       |            |              | S1   | Full                  | -          | -            |       |
|  | Projeo   | France       | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |       |
|  | RCS Cards Pty Ltd  | South Africa | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | Securely Transferred Auto Receivables II SA <sup>(S)</sup>                                 | luxemburg    |                       |            |              |      |                       |            |              | S3    |
|  | Securitisation fund Autonoria <sup>(S)</sup>   | France       |                       |            |              | S1   | Full                  | -          | -            |       |
|  | Securitisation funds Domos (c) <sup>(S)</sup>  | France       | Full                  | -          | -            |      | Full                  | -          | -            |       |
|  | Securitisation funds UCI and RMBS Prado (b) <sup>(S)</sup>                                 | Spain        | Equity <sup>(3)</sup> | -          | -            |      | Equity <sup>(3)</sup> | -          | -            |       |
|  | Servicios Financieros Carrefour EFC SA   | Spain        | Equity                | 37.3%      | 40.0%        |      | Equity                | 37.3%      | 40.0%        |       |
|  | Sevenday Finans AB   | Sweden       |                       |            |              |      |                       |            |              | S4    |
|  | Sundaram BNPP Home Finance Ltd   | India        |                       |            |              | S2   | Equity <sup>(3)</sup> | 49.9%      | 49.9%        |       |
|  | Suning Consumer Finance Co Ltd   | China        | Equity                | 15.0%      | 15.0%        |      | Equity                | 15.0%      | 15.0%        |       |
|  | Sygma Funding Two Ltd  | UK           | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | Symag  | France       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | TEB Finansman AS   | Turkey       | Full                  | 100.0%     | 92.8%        |      | Full                  | 100.0%     | 92.8%        |       |
|  | UCB Ingatlanhitel ZRT  | Hungary      |                       |            |              | S4   | Full                  | 100.0%     | 100.0%       |       |
|  | Union de Creditos Inmobiliarios SA   | Spain        | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |       |
|  | United Partnership   | France       | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        | E1    |
|  | Vault Funding Ltd <sup>(S)</sup>   | UK           |                       |            |              |      |                       |            |              | S3    |
|  | Vauxhall Finance PLC   | UK           | Full                  | 100.0%     | 50.0%        |      | Full                  | 100.0%     | 50.0%        |       |
|  | Von Essen Bank GmbH  | Germany      |                       |            |              | S4   | Full                  | 100.0%     | 99.9%        |       |
|  | Warf 2012 Ltd <sup>(S)</sup>   | UK           |                       |            |              |      |                       |            |              | S3    |
| <b>International Retail Banking - BancWest</b> |  |              |                       |            |              |      |                       |            |              |       |
|  | 1897 Services Corp   | USA          |                       |            |              | S4   | Full                  | 100.0%     | 100.0%       |       |
|  | BancWest Corp  | USA          |                       |            |              | S4   | Full                  | 100.0%     | 100.0%       |       |
|  | BancWest Holding Inc   | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | BancWest Holding Inc Grantor Trust ERC Subaccount <sup>(S)</sup>                           | USA          | Full                  | -          | -            | E1   |                       |            |              |       |
|  | BancWest Investment Services Inc   | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | Bank of the West   | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | Bank of the West Auto Trust 2014-1 <sup>(S)</sup>  | USA          |                       |            |              |      |                       |            |              | S1    |
|  | Bank of the West Auto Trust 2015-1 <sup>(S)</sup>  | USA          |                       |            |              |      |                       |            |              | S2    |
|  | Bank of the West Auto Trust 2017-1 <sup>(S)</sup>  | USA          |                       |            |              |      |                       |            |              | S2    |
|  | Bank of the West Auto Trust 2018-1 <sup>(S)</sup>  | USA          | Full                  | -          | -            |      | Full                  | -          | -            |       |
|  | Bank of the West Auto Trust 2019-1 (Ex- Bank of the West Auto Trust 2018-2) <sup>(S)</sup> | USA          | Full                  | -          | -            |      | Full                  | -          | -            | E2    |
|  | Bank of the West Auto Trust 2019-2 <sup>(S)</sup>  | USA          | Full                  | -          | -            | E2   |                       |            |              |       |
|  | Bishop Street Capital Management Corp  | USA          |                       |            |              |      |                       |            |              | V3/S2 |
|  | BNPP Leasing Solutions Canada Inc  | Canada       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1    |
|  | BOW Auto Receivables LLC <sup>(S)</sup>  | USA          | Full                  | -          | -            |      | Full                  | -          | -            |       |

| Business   | Name  | Country      | 31 December 2019      |            |              |      | 31 December 2018      |            |              |       |
|--|---|--------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|-------|
|  |   |              | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref.  |
|  | BWC Opportunity Fund 2 Inc <sup>(5)</sup>                                 | USA          | Full                  | -          | -            | E2   |                       |            |              |       |
|  | BWC Opportunity Fund Inc <sup>(5)</sup>                                   | USA          | Full                  | -          | -            |      | Full                  | -          | -            | E2    |
|  | Center Club Inc   | USA          |                       |            |              |      |                       |            |              | V3/S2 |
|  | CFB Community Development Corp  | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | Claas Financial Services LLC  | USA          | Full                  | 51.0%      | 51.0%        |      | Full                  | 51.0%      | 51.0%        |       |
|  | Commercial Federal Affordable Housing Inc                                 | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | Commercial Federal Community Development Corp                             | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | Commercial Federal Insurance Corp   | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | Commercial Federal Investment Service Inc                                 | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | FHL SPC One Inc   | USA          |                       |            |              |      |                       |            |              | V3/S2 |
|  | First Bancorp <sup>(5)</sup>  | USA          |                       |            |              | S4   | Full                  | -          | -            |       |
|  | First Hawaiian Bank   | USA          |                       |            |              |      |                       |            |              | V3/S2 |
|  | First Hawaiian Inc  | USA          |                       |            |              | S2   | Equity                | 18.4%      | 18.4%        | V2    |
|  | First Hawaiian Leasing Inc  | USA          |                       |            |              |      |                       |            |              | V3/S2 |
|  | First National Bancorporation <sup>(5)</sup>                              | USA          |                       |            |              | S1   | Full                  | -          | -            |       |
|  | First Santa Clara Corp <sup>(5)</sup>                                     | USA          | Full                  | -          | -            |      | Full                  | -          | -            |       |
|  | Glendale Corporate Center Acquisition LLC <sup>(5)</sup>                  | USA          |                       |            |              |      |                       |            |              | S2    |
|  | LACMTA Rail Statutory Trust FH1 <sup>(5)</sup>                            | USA          |                       |            |              |      |                       |            |              | V3/S2 |
|  | Liberty Leasing Co  | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | Mountain Falls Acquisition Corp   | USA          |                       |            |              | S1   | Full                  | 100.0%     | 100.0%       |       |
|  | Real Estate Delivery 2 Inc  | USA          |                       |            |              |      |                       |            |              | V3/S2 |
|  | ST 2001 FH 1 Statutory Trust <sup>(5)</sup>                               | USA          |                       |            |              |      |                       |            |              | V3/S2 |
|  | The Bankers Club Inc  | USA          |                       |            |              |      |                       |            |              | V3/S2 |
|  | Ursus Real Estate Inc   | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|  | VTA 1998 FH <sup>(5)</sup>  | USA          |                       |            |              |      |                       |            |              | S1    |
| <b>International Retail Banking - Europe Mediterranean</b> |   |              |                       |            |              |      |                       |            |              |       |
|  | Bank of Nanjing   | China        | Equity                | 15.0%      | 15.0%        |      | Equity                | 15.0%      | 15.0%        | V2    |
|  | Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire | Ivory Coast  | Full                  | 59.8%      | 59.8%        |      | Full                  | 59.8%      | 59.8%        |       |
|  | Banque Internationale pour le Commerce et l'Industrie de la Guinée        | Guinea       | Full                  | 55.6%      | 55.6%        |      | Full                  | 55.6%      | 55.6%        |       |
|  | Banque Internationale pour le Commerce et l'Industrie du Burkina Faso     | Burkina Faso | Full                  | 51.0%      | 51.0%        |      | Full                  | 51.0%      | 51.0%        |       |
|  | Banque Internationale pour le Commerce et l'Industrie du Gabon            | Gabon        | Equity                | 47.0%      | 47.0%        |      | Equity                | 47.0%      | 47.0%        |       |
|  | Banque Internationale pour le Commerce et l'Industrie du Mali             | Mali         | Full                  | 85.0%      | 85.0%        |      | Full                  | 85.0%      | 85.0%        |       |
|  | Banque Internationale pour le Commerce et l'Industrie du Sénégal          | Senegal      | Full                  | 54.1%      | 54.1%        |      | Full                  | 54.1%      | 54.1%        |       |
|  | Banque Marocaine pour le Commerce et l'Industrie                          | Morocco      | Full                  | 67.0%      | 67.0%        |      | Full                  | 67.0%      | 67.0%        |       |
|  | Banque Marocaine pour le Commerce et l'Industrie Banque Offshore          | Morocco      | Full                  | 100.0%     | 67.0%        |      | Full                  | 100.0%     | 67.0%        |       |
|  | Banque pour l'Industrie et le Commerce des Comores                        | Comoros      | Full                  | 51.0%      | 51.0%        |      | Full                  | 51.0%      | 51.0%        | E1    |
|  | Bantas Nakit AS   | Turkey       | Equity <sup>(3)</sup> | 33.3%      | 16.7%        |      | Equity <sup>(3)</sup> | 33.3%      | 16.7%        | E1    |

| Business         | Name  | Country     | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|------------------|---|-------------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|                  |   |             | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|                  | BDSI  | Morocco     | Full                | 100.0%     | 96.4%        | E1   |                     |            |              |      |
|                  | BGZ BNPP Faktoring Spolka ZOO   | Poland      | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                  | BGZ Poland ABS1 DAC <sup>(S)</sup>  | Ireland     | Full                | -          | -            |      | Full                | -          | -            |      |
|                  | BICI Bourse   | Ivory Coast | Full                | 90.0%      | 53.5%        |      | Full                | 90.0%      | 53.5%        | D1   |
|                  | BMCI Leasing  | Morocco     | Full                | 86.9%      | 58.2%        |      | Full                | 86.9%      | 58.2%        |      |
|                  | BNPP Bank Polska SA (Ex- Bank BGZ BNPP SA)                                  | Poland      | Full                | 88.8%      | 88.7%        |      | Full                | 88.8%      | 88.7%        | V4   |
|                  | BNPP El Djazair   | Algeria     | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                  | BNPP Fortis Yatirimlar Holding AS   | Turkey      | Full                | 100.0%     | 99.9%        |      | Full                | 100.0%     | 99.9%        |      |
|                  | BNPP IRB Participations   | France      | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                  | BNPP Solutions Spolka ZOO   | Poland      | Full                | 100.0%     | 88.7%        |      | Full                | 100.0%     | 88.7%        | E3   |
|                  | BNPP Yatirimlar Holding AS  | Turkey      | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                  | IC Axa Insurance JSC  | Ukraine     |                     |            |              | S2   | Equity              | 49.8%      | 29.9%        |      |
|                  | TEB Faktoring AS  | Turkey      | Full                | 100.0%     | 72.5%        |      | Full                | 100.0%     | 72.5%        |      |
|                  | TEB Holding AS  | Turkey      | Full                | 50.0%      | 50.0%        |      | Full                | 50.0%      | 50.0%        |      |
|                  | TEB Portfoy Yonetimi AS   | Turkey      | Full                | 100.0%     | 72.5%        | V4   | Full                | 54.8%      | 39.7%        | V3   |
|                  | TEB SH A  | Serbia      | Full                | 100.0%     | 50.0%        |      | Full                | 100.0%     | 50.0%        |      |
|                  | TEB Yatirim Menkul Degerler AS  | Turkey      | Full                | 100.0%     | 72.5%        |      | Full                | 100.0%     | 72.5%        |      |
|                  | Turk Ekonomi Bankasi AS   | Turkey      | Full                | 100.0%     | 72.5%        |      | Full                | 100.0%     | 72.5%        |      |
|                  | UkrSibbank Public JSC   | Ukraine     | Full                | 60.0%      | 60.0%        |      | Full                | 60.0%      | 60.0%        |      |
|                  | Union Bancaire pour le Commerce et l'Industrie                              | Tunisia     | Full                | 50.1%      | 50.1%        |      | Full                | 50.1%      | 50.1%        |      |
| <b>Insurance</b> |   |             |                     |            |              |      |                     |            |              |      |
|                  | AEW Immo-commercial <sup>(S)</sup>  | France      | FV                  | -          | -            |      | FV                  | -          | -            | E1   |
|                  | 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%        | E1   |
|                  | Ambrosia Avril 2025 <sup>(S)</sup>  | France      | Full <sup>(4)</sup> | -          | -            | V4   | Full <sup>(4)</sup> | -          | -            | E1   |
|                  | Astridplaza   | Belgium     | Full <sup>(2)</sup> | 100.0%     | 98.4%        | E3   |                     |            |              |      |
|                  | Batipart Participations SAS   | Luxemburg   | FV                  | 29.7%      | 29.7%        |      | FV                  | 29.7%      | 29.7%        | E3   |
|                  | BNPP ABS Europe AAA <sup>(S)</sup>  | France      |                     |            |              | S4   | Full <sup>(4)</sup> | -          | -            | E1   |
|                  | BNPP ABS Europe IG <sup>(S)</sup>   | France      |                     |            |              | S4   | Full <sup>(4)</sup> | -          | -            | E1   |
|                  | BNPP ABS Opportunities <sup>(S)</sup>                                       | France      |                     |            |              | S4   | Full <sup>(4)</sup> | -          | -            | E1   |
|                  | BNPP Actions Croissance (Ex- Camgestion Actions Croissance) <sup>(S)</sup>  | France      | Full <sup>(4)</sup> | -          | -            | V4   | Full <sup>(4)</sup> | -          | -            | E1   |
|                  | BNPP Actions Entrepreneurs <sup>(S)</sup>                                   | France      | Full <sup>(4)</sup> | -          | -            | V4   | Full <sup>(4)</sup> | -          | -            | E1   |
|                  | BNPP Actions Euro (Ex- Camgestion Actions Euro) <sup>(S)</sup>              | France      | Full <sup>(4)</sup> | -          | -            | V3   | Full <sup>(4)</sup> | -          | -            | E1   |
|                  | BNPP Actions Monde <sup>(S)</sup>   | France      | Full <sup>(4)</sup> | -          | -            | V4   | Full <sup>(4)</sup> | -          | -            | E1   |
|                  | BNPP Actions PME <sup>(S)</sup>   | France      | Full <sup>(4)</sup> | -          | -            | V3   | Full <sup>(4)</sup> | -          | -            | E1   |
|                  | BNPP Aqua <sup>(S)</sup>  | France      | Full <sup>(4)</sup> | -          | -            | V4   | Full <sup>(4)</sup> | -          | -            |      |
|                  | BNPP Best Selection Actions Euro (Ex- BNPP Actions Euroland) <sup>(S)</sup> | France      | Full <sup>(4)</sup> | -          | -            | V3   | Full <sup>(4)</sup> | -          | -            |      |
|                  | BNPP Cardif   | France      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|                  | BNPP Cardif BV  | Netherlands | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |

| Business | Name  | Country       | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|----------|---|---------------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|          |   |               | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|          | BNPP Cardif Compania de Seguros y Reaseguros SA                   | Peru          | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |      |
|          | BNPP Cardif Emekliik AS   | Turkey        | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | BNPP Cardif General Insurance Co Ltd                              | Rep. of Korea | Equity *            | 91.3%      | 91.3%        | V4   | Equity *            | 90.0%      | 90.0%        |      |
|          | BNPP Cardif Hayat Sigorta AS                                      | Turkey        | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |      |
|          | BNPP Cardif Levensverzekeringen NV                                | Netherlands   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | BNPP Cardif Pojistovna AS   | Czech Rep.    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | BNPP Cardif Schadeverzekeringen NV                                | Netherlands   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | BNPP Cardif Seguros de Vida SA                                    | Chile         | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | BNPP Cardif Seguros Generales SA                                  | Chile         | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 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  | Turkey        | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       | E1   |
|          | 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 <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | BNPP Convictions <sup>(s)</sup>                                   | France        | Full <sup>(4)</sup> | -          | -            |      | Full <sup>(4)</sup> | -          | -            |      |
|          | BNPP CP Cardif Alternative <sup>(s)</sup>                         | France        | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | BNPP CP Cardif Private Debt <sup>(s)</sup>                        | France        | Full <sup>(4)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | BNPP Développement Humain <sup>(s)</sup>                          | France        | Full <sup>(4)</sup> | -          | -            |      | Full <sup>(4)</sup> | -          | -            |      |
|          | BNPP Diversipierre <sup>(s)</sup>                                 | France        | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | BNPP Euro Valeurs Durables <sup>(s)</sup>                         | France        |                     |            |              | S3   | Full <sup>(4)</sup> | -          | -            | E1   |
|          | BNPP France Crédit <sup>(s)</sup>                                 | France        | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | BNPP Global Senior Corporate Loans <sup>(s)</sup>                 | France        | Full <sup>(4)</sup> | -          | -            |      | Full <sup>(4)</sup> | -          | -            |      |
|          | BNPP Indice Amerique du Nord <sup>(s)</sup>                       | France        | Full <sup>(4)</sup> | -          | -            | V4   | Full <sup>(4)</sup> | -          | -            | E1   |
|          | BNPP Indice Euro <sup>(s)</sup>                                   | France        |                     |            |              | S3   | Full <sup>(4)</sup> | -          | -            |      |
|          | BNPP Midcap France <sup>(s)</sup>                                 | France        | Full <sup>(4)</sup> | -          | -            | V3   | Full <sup>(4)</sup> | -          | -            | E1   |
|          | BNPP Moderate Focus Italia <sup>(s)</sup>                         | France        | Full <sup>(4)</sup> | -          | -            | E1   |                     |            |              |      |
|          | BNPP Monétaire Assurance <sup>(s)</sup>                           | France        |                     |            |              | S3   | Full <sup>(4)</sup> | -          | -            | E1   |
|          | BNPP Multistratégies Protection 80 <sup>(s)</sup>                 | France        | Full <sup>(4)</sup> | -          | -            | E1   |                     |            |              |      |
|          | BNPP Protection Monde <sup>(s)</sup>                              | France        | Full <sup>(4)</sup> | -          | -            |      | Full <sup>(4)</sup> | -          | -            | E1   |
|          | BNPP Rendactis (Ex- Camgestion Rendactis) <sup>(s)</sup>          | France        |                     |            |              | S3   | Full <sup>(4)</sup> | -          | -            | E1   |
|          | BNPP Sélection Dynamique Monde <sup>(s)</sup>                     | France        | Full <sup>(4)</sup> | -          | -            | V3   | Full <sup>(4)</sup> | -          | -            | E1   |
|          | BNPP Sélection Flexible <sup>(s)</sup>                            | France        | Full <sup>(4)</sup> | -          | -            |      | Full <sup>(4)</sup> | -          | -            | E1   |
|          | BOB Cardif Life Insurance Co Ltd                                  | China         | Equity              | 50.0%      | 50.0%        |      | Equity              | 50.0%      | 50.0%        |      |
|          | C Santé <sup>(s)</sup>  | France        | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            | E1   |
|          | Camgestion Obliflexible <sup>(s)</sup>                            | France        | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Capital France Hotel  | France        | Full <sup>(2)</sup> | 98.4%      | 98.4%        |      | Full <sup>(2)</sup> | 98.4%      | 98.4%        |      |
|          | Cardif Alternatives Part I <sup>(s)</sup>                         | France        | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |



| Business | Name  | Country     | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|----------|---|-------------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|          |   |             | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|          | Cardif Assurance Vie  | France      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Austria branch)   | Austria     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Belgium branch)   | Belgium     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Bulgaria branch)  | Bulgaria    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Germany branch)   | Germany     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Italy branch)   | Italy       | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Japan branch)   | Japan       |                     |            |              | S1   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Portugal branch)  | Portugal    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Romania branch)   | Romania     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Spain branch)   | Spain       | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Switzerland branch)   | Switzerland | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurance Vie (Taiwan branch)  | Taiwan      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers  | France      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Austria branch)   | Austria     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Belgium branch)   | Belgium     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Bulgaria branch)  | Bulgaria    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Germany branch)   | Germany     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Italy branch)   | Italy       | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Japan branch)   | Japan       |                     |            |              | S1   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Luxemburg branch)   | Luxemburg   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Poland branch)  | Poland      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Portugal branch)  | Portugal    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Romania branch)   | Romania     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Spain branch)   | Spain       | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Switzerland branch)                                       | Switzerland | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Assurances Risques Divers (Taiwan branch)  | Taiwan      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif Biztosito Magyarorszag ZRT   | Hungary     | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       | E1   |
|          | Cardif BNPP AM Frontier Markets (Ex- Cardif BNPP IP Equity Frontier Markets) <sup>(5)</sup> | France      | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Cardif BNPP IP Convertibles World <sup>(5)</sup>  | France      | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Cardif BNPP IP Signatures <sup>(5)</sup>  | France      | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Cardif BNPP IP Smid Cap Euro <sup>(5)</sup>   | France      | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Cardif BNPP IP Smid Cap Europe  | France      |                     |            |              | S3   | Full <sup>(2)</sup> | -          | -            |      |
|          | Cardif Colombia Seguros Generales SA  | Colombia    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif CPR Global Return <sup>(5)</sup>   | France      | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Cardif do Brasil Seguros e Garantias SA   | Brazil      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Cardif do Brasil Vida e Previdencia SA  | Brazil      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |

| Business | Name  | Country       | 31 December 2019    |            |              |      | 31 December 2018    |            |              |       |
|----------|---|---------------|---------------------|------------|--------------|------|---------------------|------------|--------------|-------|
|          |   |               | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref.  |
|          | Cardif Edrim Signatures <sup>(5)</sup>            | France        | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |       |
|          | Cardif El Djazair                                 | Algeria       | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |       |
|          | Cardif Forsakring AB                              | Sweden        | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |       |
|          | Cardif Forsakring AB (Denmark branch)             | Denmark       | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |       |
|          | Cardif Forsakring AB (Norway branch)              | Norway        | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |       |
|          | Cardif IARD                                       | France        | Full <sup>(2)</sup> | 66.0%      | 66.0%        |      | Full <sup>(2)</sup> | 66.0%      | 66.0%        | V3/D1 |
|          | Cardif Insurance Co LLC                           | Russia        | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |       |
|          | Cardif Life                                       | Luxemburg     |                     |            |              | S4   | Full <sup>(2)</sup> | 100.0%     | 88.6%        | E3/V4 |
|          | Cardif Life Insurance Co Ltd                      | Rep. of Korea | Full <sup>(2)</sup> | 85.0%      | 85.0%        |      | Full <sup>(2)</sup> | 85.0%      | 85.0%        |       |
|          | Cardif Life Insurance Japan                       | Japan         | Full <sup>(2)</sup> | 75.0%      | 75.0%        |      | Full <sup>(2)</sup> | 75.0%      | 75.0%        | E1    |
|          | Cardif Livforsakring AB                           | Sweden        | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |       |
|          | Cardif Livforsakring AB (Denmark branch)          | Denmark       | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |       |
|          | Cardif Livforsakring AB (Norway branch)           | Norway        | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |       |
|          | Cardif Ltda                                       | Brazil        | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       | E1    |
|          | Cardif Lux Vie                                    | Luxemburg     | Full <sup>(2)</sup> | 100.0%     | 88.6%        |      | Full <sup>(2)</sup> | 100.0%     | 88.6%        | V1    |
|          | 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 <sup>(2)</sup> | 100.0%     | 75.0%        |      | Full <sup>(2)</sup> | 100.0%     | 75.0%        | E1    |
|          | Cardif Nordic AB                                  | Sweden        | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |       |
|          | Cardif Pinnacle Insurance Holdings PLC            | UK            | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |       |
|          | Cardif Pinnacle Insurance Management Services PLC | UK            | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |       |
|          | Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA | Poland        | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |       |
|          | Cardif Seguros SA                                 | Argentina     | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |       |
|          | Cardif Services AEIE                              | Portugal      | Full <sup>(2)</sup> | 100.0%     | 100.0%       | E1   |                     |            |              |       |
|          | Cardif Servicios SA                               | Argentina     | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |       |
|          | Cardif Servicios SAC                              | Peru          | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       | E1    |
|          | Cardif Vita Convex Fund Eur <sup>(5)</sup>        | France        | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |       |
|          | Cardimmo  | France        | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |       |
|          | Cargeas Assicurazioni SPA                         | Italy         | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |       |
|          | Carma Grand Horizon SARL                          | France        | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |       |
|          | CB UK Ltd   | UK            |                     |            |              | S1   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |       |
|          | Cedrus Carbon Initiative Trends <sup>(5)</sup>    | France        | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |       |
|          | CFH Algonquin Management Partners France Italia   | Italy         | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3    |
|          | CFH Bercy   | France        | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3    |
|          | CFH Bercy Hotel                                   | France        | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3    |
|          | CFH Bercy Intermédiaire                           | France        | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3    |
|          | CFH Boulogne                                      | France        | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3    |

| Business | Name  | Country  | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|----------|---|----------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|          |   |          | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|          | CFH Cap d'Ail   | France   | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3   |
|          | CFH Milan Holdco SRL  | Italy    | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3   |
|          | CFH Montmartre  | France   | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3   |
|          | CFH Montparnasse  | France   | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3   |
|          | Corosa  | France   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Darnell DAC   | Ireland  | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Défense CB3 SAS   | France   | FV                  | 25.0%      | 25.0%        |      | FV                  | 25.0%      | 25.0%        | E1   |
|          | EP L <sup>(5)</sup>   | France   | Full <sup>(2)</sup> | -          | -            | V4   | Full <sup>(2)</sup> | -          | -            |      |
|          | Fleur SAS   | France   | FV                  | 33.3%      | 33.3%        |      | FV                  | 33.3%      | 33.3%        | E1   |
|          | Foncière Partenaires <sup>(5)</sup>                                     | France   | FV                  | -          | -            |      | FV                  | -          | -            | E1   |
|          | Fonds d'Investissements Immobiliers pour le Commerce et la Distribution | France   | FV                  | 25.0%      | 25.0%        |      | FV                  | 25.0%      | 25.0%        | E1   |
|          | FP Cardiff Convex Fund USD <sup>(5)</sup>                               | France   | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Fundamenta <sup>(5)</sup>   | Italy    | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | G C Thematic Opportunities II <sup>(5)</sup>                            | Ireland  | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | GIE BNPP Cardiff  | France   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       | V4   |
|          | Harewood Helena 2 Ltd   | UK       | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       | E1   |
|          | Hemisphere Holding  | France   | Equity              | 20.0%      | 20.0%        | E2   |                     |            |              |      |
|          | Hibernia France   | France   | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3   |
|          | High Street Retail  | France   | FV                  | 23.8%      | 23.8%        | E1   |                     |            |              |      |
|          | Horizon GmbH  | Germany  | FV                  | 66.7%      | 66.7%        | E3   |                     |            |              |      |
|          | Icare   | France   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Icare Assurance   | France   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Luizaseg  | Brazil   | Equity              | 50.0%      | 50.0%        |      | Equity              | 50.0%      | 50.0%        |      |
|          | Natio Assurance   | France   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       | V1   |
|          | Natio Fonds Ampère 1 <sup>(5)</sup>                                     | France   | Full <sup>(4)</sup> | -          | -            |      | Full <sup>(4)</sup> | -          | -            |      |
|          | Natio Fonds Athenes Investissement N 5 <sup>(5)</sup>                   | France   | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            | V4   |
|          | Natio Fonds Colline International <sup>(5)</sup>                        | France   | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Natio Fonds Collines Investissement N 1 <sup>(5)</sup>                  | France   | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Natio Fonds Collines Investissement N 3 <sup>(5)</sup>                  | France   | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | NCVP Participacoes Societarias SA                                       | Brazil   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | New Alpha Cardiff Incubator Fund <sup>(5)</sup>                         | France   | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Opéra Rendement <sup>(5)</sup>  | France   | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Paris Management Consultant Co Ltd                                      | Taiwan   | Equity *            | 100.0%     | 100.0%       | E1   |                     |            |              |      |
|          | Permal Cardiff Co Investment Fund <sup>(5)</sup>                        | France   | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|          | Pinnacle Insurance PLC  | UK       | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Poistovna Cardiff Slovakia AS   | Slovakia | Equity *            | 100.0%     | 100.0%       |      | Equity *            | 100.0%     | 100.0%       |      |

| Business | Name                                | Country   | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|----------|-------------------------------------|-----------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|          |                                     |           | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|          | Preim Healthcare SAS <sup>(6)</sup> | France    | FV                  | -          | -            |      | FV                  | -          | -            | E1   |
|          | PWH                                 | France    | FV                  | 47.4%      | 47.4%        |      | FV                  | 47.4%      | 47.4%        | E1   |
|          | Reumal Investissements              | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | Rubin SARL                          | Luxemburg | FV                  | 50.0%      | 50.0%        |      | FV                  | 50.0%      | 50.0%        | E1   |
|          | Rueil Ariane                        | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SAS HVP                             | France    | Full <sup>(2)</sup> | 100.0%     | 98.4%        |      | Full <sup>(2)</sup> | 100.0%     | 98.4%        | V3   |
|          | SCI 68/70 rue de Lagny - Montreuil  | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Alpha Park                      | France    | FV                  | 50.0%      | 50.0%        |      | FV                  | 50.0%      | 50.0%        | E1   |
|          | SCI BNPP Pierre I                   | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI BNPP Pierre II                  | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Bobigny Jean Rostand            | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Bouleragny                      | France    | FV                  | 50.0%      | 50.0%        |      | FV                  | 50.0%      | 50.0%        | E1   |
|          | SCI Cardif Logement                 | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Citylight Boulogne              | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Clichy Nuovo                    | France    | FV                  | 50.0%      | 50.0%        |      | FV                  | 50.0%      | 50.0%        | E1   |
|          | SCI Défense Etoile                  | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Défense Vendôme                 | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Etoile du Nord                  | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Fontenay Plaisance              | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Imefa Velizy                    | France    | FV                  | 21.8%      | 21.8%        |      | FV                  | 21.8%      | 21.8%        | E1   |
|          | SCI Le Mans Gare                    | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Liberté                         | France    | FV                  | 50.0%      | 50.0%        |      | FV                  | 50.0%      | 50.0%        | E1   |
|          | SCI Nanterre Guillaeraies           | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Nantes Carnot                   | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Odyssee                         | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Pantin Les Moulins              | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Paris Batignolles               | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Paris Cours de Vincennes        | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Paris Turenne                   | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       | E2   |                     |            |              |      |
|          | SCI Portes de Claye                 | France    | Equity              | 45.0%      | 45.0%        |      | Equity              | 45.0%      | 45.0%        |      |
|          | SCI Rue Moussorgski                 | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Rueil Caudron                   | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Saint Denis Landy               | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Saint Denis Mitterrand          | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI Saint-Denis Jade                | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|          | SCI SCOO                            | France    | Equity              | 46.4%      | 46.4%        |      | Equity              | 46.4%      | 46.4%        |      |
|          | SCI Vendôme Athènes                 | France    | FV                  | 50.0%      | 50.0%        |      | FV                  | 50.0%      | 50.0%        | E1   |

| Business                 | Name  | Country   | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|--------------------------|---|-----------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|                          |   |           | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|                          | SCI Villeurbanne Stalingrad                                       | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|                          | Secar   | France    | FV                  | 55.1%      | 55.1%        | V2   | FV                  | 59.0%      | 59.0%        | E1   |
|                          | Seniorenzentren Deutschland Holding SARL <sup>(6)</sup>           | Luxemburg | FV                  | 20.0%      | 17.7%        |      | FV                  | -          | -            | E1   |
|                          | Seniorenzentren Reinbeck Oberusel München Objekt GmbH             | Germany   | FV                  | 35.0%      | 31.0%        |      | FV                  | 35.0%      | 31.0%        | E3   |
|                          | Seniorenzentrum Butzbach Objekt GmbH                              | Germany   | FV                  | 35.0%      | 31.0%        |      | FV                  | 35.0%      | 31.0%        | E3   |
|                          | Seniorenzentrum Heilbronn Objekt GmbH                             | Germany   | FV                  | 35.0%      | 31.0%        |      | FV                  | 35.0%      | 31.0%        | E3   |
|                          | Seniorenzentrum Kassel Objekt GmbH                                | Germany   | FV                  | 35.0%      | 31.0%        |      | FV                  | 35.0%      | 31.0%        | E3   |
|                          | Seniorenzentrum Wolfratshausen Objekt GmbH                        | Germany   | FV                  | 35.0%      | 31.0%        |      | FV                  | 35.0%      | 31.0%        | E3   |
|                          | Société Française d'Assurances sur la Vie                         | France    | Equity              | 50.0%      | 50.0%        |      | Equity              | 50.0%      | 50.0%        |      |
|                          | Société Immobilière du Royal Building SA                          | Luxemburg | Full <sup>(2)</sup> | 100.0%     | 88.6%        |      | Full <sup>(2)</sup> | 100.0%     | 88.6%        | V4   |
|                          | State Bank of India Life Insurance Co Ltd                         | India     |                     |            |              | S2   | Equity              | 22.0%      | 22.0%        |      |
|                          | Tikehau Cardif Loan Europe <sup>(6)</sup>                         | France    | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|                          | Valeur Pierre Epargne   | France    | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      |
|                          | Valitres FCP <sup>(6)</sup>                                       | France    | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            |      |
|                          | Velizy SAS  | France    | FV                  | 33.3%      | 33.3%        |      | FV                  | 33.3%      | 33.3%        | E1   |
|                          | Vietcombank Cardif Life Insurance Co Ltd                          | Viet Nam  | Equity              | 55.0%      | 55.0%        | V1   | Equity              | 43.0%      | 43.0%        | E1   |
| <b>Wealth Management</b> |   |           |                     |            |              |      |                     |            |              |      |
|                          | BNPP Espana SA  | Spain     |                     |            |              | S4   | Full                | 99.7%      | 99.7%        |      |
|                          | BNPP Wealth Management Monaco                                     | Monaco    | Full <sup>(1)</sup> | 100.0%     | 100.0%       |      | Full <sup>(1)</sup> | 100.0%     | 100.0%       |      |
| <b>Asset Management</b>  |   |           |                     |            |              |      |                     |            |              |      |
|                          | Alfred Berg Asset Management AB                                   | Sweden    |                     |            |              |      |                     |            |              | S4   |
|                          | Alfred Berg Kapitalforvaltning AB                                 | Sweden    | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | V3   |
|                          | Alfred Berg Kapitalforvaltning AS                                 | Norway    | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | V3   |
|                          | Alfred Berg Kapitalforvaltning AS (Sweden branch)                 | Sweden    | Full                | 100.0%     | 98.2%        | E2   |                     |            |              |      |
|                          | Ambrosia Mars 2026 <sup>(6)</sup>                                 | France    | Full <sup>(4)</sup> | -          | -            | E1   |                     |            |              |      |
|                          | Bancoestado Administradora General de Fondos SA                   | Chile     | Equity              | 50.0%      | 49.1%        |      | Equity              | 50.0%      | 49.1%        | V3   |
|                          | BNP Paribas Indice France (Ex- BNPP Indice France) <sup>(6)</sup> | France    | Full <sup>(4)</sup> | -          | -            | E1   |                     |            |              |      |
|                          | BNPP Asset Management Asia Ltd                                    | Hong Kong | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | V3   |
|                          | BNPP Asset Management Be Holding                                  | Belgium   | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | V3   |
|                          | BNPP Asset Management Belgium                                     | Belgium   | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | V3   |
|                          | BNPP Asset Management Belgium (Germany branch)                    | Germany   |                     |            |              | S1   | Full                | 100.0%     | 98.2%        | V3   |
|                          | BNPP Asset Management Brasil Ltda                                 | Brazil    | Full                | 100.0%     | 99.5%        |      | Full                | 100.0%     | 99.5%        | V3   |
|                          | BNPP Asset Management France                                      | France    | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | V3   |
|                          | BNPP Asset Management France (Austria branch)                     | Austria   | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | V3   |
|                          | BNPP Asset Management France (Germany branch)                     | Germany   | Full                | 100.0%     | 98.2%        | E2   |                     |            |              |      |
|                          | BNPP Asset Management France (Italy branch)                       | Italy     | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | E2   |
|                          | BNPP Asset Management Holding                                     | France    | Full                | 99.9%      | 98.2%        |      | Full                | 99.9%      | 98.2%        | V3   |
|                          | BNPP Asset Management India Private Ltd                           | India     | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | D1   |
|                          | BNPP Asset Management Japan Ltd                                   | Japan     | Full                | 100.0%     | 98.2%        |      | Full                | 100.0%     | 98.2%        | V3   |

| Business | Name   | Country     | 31 December 2019      |            |              |      | 31 December 2018      |            |              |       |
|----------|--|-------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|-------|
|          |  |             | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref.  |
|          | BNPP Asset Management Luxembourg   | Luxemburg   | Full                  | 99.7%      | 97.9%        |      | Full                  | 99.7%      | 97.9%        | V3    |
|          | BNPP Asset Management Nederland NV   | Netherlands | Full                  | 100.0%     | 98.2%        |      | Full                  | 100.0%     | 98.2%        | V3    |
|          | BNPP Asset Management Netherlands NV   | Netherlands |                       |            |              | S4   | Full                  | 100.0%     | 98.3%        |       |
|          | BNPP Asset Management NL Holding NV  | Netherlands | Full                  | 100.0%     | 98.2%        |      | Full                  | 100.0%     | 98.2%        | V3    |
|          | BNPP Asset Management PT (Ex- BNPP Investment Partners PT)   | Indonesia   | Full                  | 100.0%     | 98.2%        |      | Full                  | 100.0%     | 98.2%        | V3    |
|          | BNPP Asset Management Services Grouping  | France      | Full                  | 100.0%     | 98.2%        |      | Full                  | 100.0%     | 98.2%        | E1/V3 |
|          | BNPP Asset Management UK Ltd   | UK          | Full                  | 100.0%     | 98.2%        |      | Full                  | 100.0%     | 98.2%        | V3    |
|          | BNPP Asset Management USA Holdings Inc   | USA         | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|          | BNPP Asset Management USA Inc  | USA         | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |       |
|          | BNPP B Control <sup>(S)</sup>  | Belgium     | Full                  | -          | -            | E1   |                       |            |              |       |
|          | BNPP B Institutional II <sup>(S)</sup>   | Belgium     | Full                  | -          | -            |      | Full                  | -          | -            |       |
|          | BNPP Capital Partners  | France      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | D1    |
|          | BNPP CP Infrastructure Investments Fund (Ex- Theam Infrastructure Investments fund) <sup>(S)</sup> | France      | Full <sup>(4)</sup>   | -          | -            | E1   |                       |            |              |       |
|          | BNPP Dealing Services  | France      | Full <sup>(1)</sup>   | 100.0%     | 98.2%        |      | Full <sup>(1)</sup>   | 100.0%     | 98.2%        | V3    |
|          | BNPP Dealing Services (United Kingdom branch)  | UK          |                       |            |              |      |                       |            |              | S1    |
|          | BNPP Deep Value (Ex- Camgestion Deep Value) <sup>(S)</sup>   | France      | Full <sup>(4)</sup>   | -          | -            | E1   |                       |            |              |       |
|          | BNPP Funds (Ex- Parvest) <sup>(S)</sup>  | Luxemburg   | Full <sup>(4)</sup>   | -          | -            |      | Full <sup>(4)</sup>   | -          | -            | E1    |
|          | BNPP Investment Partners SGR SPA   | Italy       |                       |            |              |      |                       |            |              | S4    |
|          | BNPP L1 <sup>(S)</sup>   | Luxemburg   | Full <sup>(4)</sup>   | -          | -            |      | Full <sup>(4)</sup>   | -          | -            | E1    |
|          | BNPP Perspectives <sup>(S)</sup>   | France      | Full <sup>(4)</sup>   | -          | -            |      | Full <sup>(4)</sup>   | -          | -            | E1    |
|          | BNPP Smallcap Euroland <sup>(S)</sup>  | France      | Full <sup>(4)</sup>   | -          | -            | E1   |                       |            |              |       |
|          | CamGestion Obligations Europe <sup>(S)</sup>   | France      | Full <sup>(4)</sup>   | -          | -            | E1   |                       |            |              |       |
|          | Cardif BNPP IP Global Senior Corporate Loans <sup>(S)</sup>  | France      | Full <sup>(4)</sup>   | -          | -            | E1   |                       |            |              |       |
|          | EAB Group PLC (Ex- Elite Asset Management PLC)   | Finland     | Equity                | 17.6%      | 17.3%        | V3   | Equity                | 19.0%      | 18.7%        | V3    |
|          | Eclair <sup>(S)</sup>  | France      | Full <sup>(4)</sup>   | -          | -            | E1   |                       |            |              |       |
|          | EMZ Partners   | France      |                       |            |              | S2   | Equity                | 24.9%      | 24.9%        | E1    |
|          | Fund Channel   | Luxemburg   | Equity <sup>(3)</sup> | 50.0%      | 49.1%        |      | Equity <sup>(3)</sup> | 50.0%      | 49.1%        | V3    |
|          | Fundquest  | France      |                       |            |              | S3   | Full <sup>(4)</sup>   | -          | -            | E1    |
|          | Fundquest Advisor  | France      | Full                  | 100.0%     | 98.2%        |      | Full                  | 100.0%     | 98.2%        | D1/V3 |
|          | Fundquest Advisor (United kingdom branch)  | UK          | Full                  | 100.0%     | 98.2%        |      | Full                  | 100.0%     | 98.2%        | D1/V3 |
|          | Gambit Financial Solutions   | Belgium     | Full                  | 86.0%      | 84.4%        |      | Full                  | 86.0%      | 84.4%        | E1/V3 |
|          | Groeivermogen NV   | Netherlands | Full                  | 100.0%     | 98.2%        |      | Full                  | 100.0%     | 98.2%        | E1    |
|          | 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%       | E1    |
|          | HFT Investment Management Co Ltd   | China       | Equity                | 49.0%      | 48.1%        |      | Equity                | 49.0%      | 48.1%        | V3    |
|          | Impax Asset Management Group PLC   | UK          | Equity                | 24.5%      | 24.0%        |      | Equity                | 24.5%      | 24.0%        | V3    |
|          | Parworld <sup>(S)</sup>  | Luxemburg   | Full                  | -          | -            |      | Full <sup>(4)</sup>   | -          | -            | E1    |
|          | Services Epargne Entreprise  | France      | Equity                | 37.1%      | 37.1%        |      | Equity                | 37.1%      | 37.1%        | E1    |

| Business                    | Name   | Country              | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|-----------------------------|--|----------------------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|                             |  |                      | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|                             | Shinhan BNPP Asset Management Co Ltd                               | Rep. of Korea        | Equity              | 35.0%      | 34.4%        |      | Equity              | 35.0%      | 34.4%        | V3   |
|                             | SME Alternative Financing DAC <sup>(5)</sup>                       | Ireland              | Full                | -          | -            |      | Full                | -          | -            | E1   |
|                             | Theam Quant <sup>(5)</sup>   | Luxemburg            | Full <sup>(4)</sup> | -          | -            |      | Full <sup>(4)</sup> | -          | -            | E1   |
| <b>Real Estate Services</b> |  |                      |                     |            |              |      |                     |            |              |      |
|                             | 99 West Tower GmbH (Ex- 99 West Tower GmbH & Co KG)                | Germany              |                     |            |              | S2   | Full                | 100.0%     | 100.0%       |      |
|                             | 99 West Tower GP GmbH  | Germany              |                     |            |              | S3   | Full                | 100.0%     | 100.0%       |      |
|                             | Auguste Thouard Expertise  | France               | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Immobilier Promotion Immobilier d'Entreprise                  | France               | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Immobilier Promotion Résidentiel                              | France               |                     |            |              |      |                     |            |              | S4   |
|                             | BNPP Immobilier Résidences Services                                | France               | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Immobilier Résidentiel  | France               | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Immobilier Résidentiel Service Clients                        | France               | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate   | France               | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate (United arab emirates branch)                     | United Arab Emirates | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Advisory & Property Management Luxembourg SA      | Luxemburg            | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Advisory & Property Management UK Ltd             | UK                   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Advisory and Property Management Ireland Ltd      | Ireland              | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Advisory Belgium SA                               | Belgium              | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Advisory Italy SPA                                | Italy                | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Advisory Netherlands BV                           | Netherlands          | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Advisory SA                                       | Romania              | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate APM CR SRO  | Czech Rep.           | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Conseil Habitation & Hospitality                  | France               | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Consult France                                    | France               | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Consult GmbH                                      | Germany              | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Facilities Management Ltd                         | UK                   | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Financial Partner                                 | France               | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate GmbH  | Germany              | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Holding Benelux SA                                | Belgium              | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Holding GmbH                                      | Germany              | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Holding Netherlands BV                            | Netherlands          |                     |            |              |      |                     |            |              | S4   |
|                             | BNPP Real Estate Investment Management Belgium                     | Belgium              | Full <sup>(2)</sup> | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Investment Management France                      | France               | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                             | BNPP Real Estate Investment Management Germany GmbH                | Germany              | Full                | 94.9%      | 94.9%        |      | Full                | 94.9%      | 94.9%        |      |
|                             | BNPP Real Estate Investment Management Germany GmbH (Italy branch) | Italy                | Full                | 94.9%      | 94.9%        |      | Full                | 94.9%      | 94.9%        |      |

| Business | Name  | Country   | 31 December 2019             |            |              |      | 31 December 2018 |            |              |      |
|----------|---|-----------|------------------------------|------------|--------------|------|------------------|------------|--------------|------|
|          |   |           | Method                       | Voting (%) | Interest (%) | Ref. | Method           | Voting (%) | Interest (%) | Ref. |
|          | BNPP Real Estate Investment Management Germany GmbH (Spain branch)  | Spain     | Full                         | 94.9%      | 94.9%        |      | Full             | 94.9%      | 94.9%        |      |
|          | BNPP Real Estate Investment Management Italy SPA  | Italy     | Full                         | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Investment Management Ltd  | UK        | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Investment Management Luxembourg SA  | Luxemburg | Full                         | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Investment Management Spain SA   | Spain     | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Investment Management UK Ltd   | UK        | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Investment Services  | France    |                              |            |              |      |                  |            |              | S4   |
|          | BNPP Real Estate Italy SRL  | Italy     | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Magyarország Tanácsadó Es Ingatlankezelő ZRT   | Hungary   | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Poland SP ZOO  | Poland    | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Portugal Unipersonal LDA   | Portugal  | Full <sup>(2)</sup>          | 100.0%     | 100.0%       | E2   |                  |            |              |      |
|          | BNPP Real Estate Property Development & Services GmbH (Ex- BNPP Real Estate Investment Management International GmbH) | Germany   | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       | E2   |
|          | BNPP Real Estate Property Development UK Ltd  | UK        | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Property Développement Italy SPA   | Italy     | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Property Management Belgium  | Belgium   | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Property Management France SAS   | France    | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Property Management GmbH   | Germany   | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Property Management Italy SRL  | Italy     | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Property Management Spain SA   | Spain     |                              |            |              |      |                  |            |              | S4   |
|          | BNPP Real Estate Singapore Pte Ltd  | Singapore | Full <sup>(2)</sup>          | 100.0%     | 100.0%       | E2   |                  |            |              |      |
|          | BNPP Real Estate Spain SA (Ex- BNPP Real Estate Advisory Spain SA)  | Spain     | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | BNPP Real Estate Transaction France   | France    | Full <sup>(2)</sup>          | 96.5%      | 96.5%        | V4   | Full             | 96.0%      | 96.0%        | V2   |
|          | BNPP Real Estate Valuation France   | France    | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | Cariboo Development SL  | Spain     | Equity                       | 75.0%      | 75.0%        | E3   |                  |            |              |      |
|          | Construction-Sale Companies (d)   | France    | Full / Equity <sup>(2)</sup> | -          | -            |      | Full / Equity    | -          | -            |      |
|          | GIE Siège Issy  | France    | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | Horti Milano SRL  | Italy     | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | Lifizz  | France    | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       | E2   |
|          | Locchi SRL  | Italy     |                              |            |              |      |                  |            |              | S3   |
|          | Parker Tower Ltd  | UK        | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | Partner's & Services  | France    | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | Pyrotex GB 1 SA   | luxemburg |                              |            |              |      |                  |            |              | S4   |
|          | Pyrotex SARL  | Luxemburg |                              |            |              | S1   | Full             | 100.0%     | 100.0%       |      |
|          | REPD Parker Ltd   | UK        | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |
|          | Société Auxiliaire de Construction Immobilière  | France    | Full <sup>(2)</sup>          | 100.0%     | 100.0%       |      | Full             | 100.0%     | 100.0%       |      |



| Business                                      | Name  | Country     | 31 December 2019      |            |              |      | 31 December 2018      |            |              |      |
|---|---|-------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|------|
|   |   |             | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref. |
|   | Sviluppo Residenziale Italia SRL                            | Italy       | Full <sup>(2)</sup>   | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
| <b>Territory of Switzerland</b>               |   |             |                       |            |              |      |                       |            |              |      |
|   | BNPP Suisse SA  | Switzerland | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|   | BNPP Suisse SA (Guernsey branch)                            | Guernsey    | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
| <b>CORPORATE &amp; INSTITUTIONAL BANKING</b>  |   |             |                       |            |              |      |                       |            |              |      |
| <b>SECURITIES SERVICES</b>                    |   |             |                       |            |              |      |                       |            |              |      |
|   | BNPP Financial Services LLC                                 | USA         | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1   |
|   | BNPP Fund Administration Services Ireland Ltd               | Ireland     | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|   | BNPP Fund Services Australasia Pty Ltd                      | Australia   | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | D1   |
|   | BNPP Fund Services Australasia Pty Ltd (New Zealand branch) | New Zealand | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | D1   |
|   | BNPP Global Securities Operations Private Ltd               | India       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services                                    | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Australia branch)                 | Australia   | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Belgium branch)                   | Belgium     | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Germany branch)                   | Germany     | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Greece branch)                    | Greece      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Guernsey branch)                  | Guernsey    | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Hong kong branch)                 | Hong Kong   | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Hungary branch)                   | Hungary     | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Ireland branch)                   | Ireland     | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Italy branch)                     | Italy       | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Jersey branch)                    | Jersey      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Luxemburg branch)                 | Luxemburg   | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Netherlands branch)               | Netherlands | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Poland branch)                    | Poland      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Portugal branch)                  | Portugal    | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Singapore branch)                 | Singapore   | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Spain branch)                     | Spain       | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (Switzerland branch)               | Switzerland | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Securities Services (United kingdom branch)            | UK          | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | Services Logiciels d'Intégration Boursière                  | France      | Equity <sup>(3)</sup> | 66.6%      | 66.6%        |      | Equity <sup>(3)</sup> | 66.6%      | 66.6%        | E1   |
| <b>CIB EMEA (Europe, Middle East, Africa)</b> |   |             |                       |            |              |      |                       |            |              |      |
| <b>France</b>                                 |   |             |                       |            |              |      |                       |            |              |      |
|   | Atargatis <sup>(5)</sup>                                    | France      | Full                  | -          | -            |      | Full                  | -          | -            |      |
|   | Auseter Real Estate Opportunities SARL <sup>(6)</sup>       | Luxemburg   | Full                  | -          | -            |      | Full                  | -          | -            | E1   |
|   | Austin Finance <sup>(5)</sup>                               | France      | Full                  | -          | -            |      | Full                  | -          | -            |      |
|   | BNPP Arbitrage  | France      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      | Full <sup>(1)</sup>   | 100.0%     | 100.0%       |      |
|   | BNPP Arbitrage (United Kingdom branch)                      | UK          |                       |            |              |      |                       |            |              | S1   |
|   | Compagnie d'Investissement Italiens <sup>(5)</sup>          | France      | Full                  | -          | -            |      | Full                  | -          | -            |      |

| Business                        | Name   | Country     | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|---------------------------------|--|-------------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|                                 |  |             | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|                                 | Compagnie d'Investissement Opéra <sup>(6)</sup>                    | France      | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | Esomet   | France      | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | Eurotitrisation  | France      | Equity              | 23.0%      | 23.0%        |      | Equity              | 23.0%      | 23.0%        | E1   |
|                                 | FCT Juice <sup>(6)</sup>   | France      | Full                | -          | -            |      | Full                | -          | -            | E2   |
|                                 | Financière des Italiens <sup>(6)</sup>                             | France      | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | Financière du Marché Saint Honoré                                  | France      | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | Financière Paris Haussmann <sup>(6)</sup>                          | France      | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | Financière Taitbout <sup>(6)</sup>                                 | France      | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | Laffitte Participation 22  | France      |                     |            |              | S4   | Full                | 100.0%     | 100.0%       |      |
|                                 | Méditerranée <sup>(6)</sup>  | France      | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | Opéra Trading Capital  | France      |                     |            |              | S4   | Full                | 100.0%     | 100.0%       |      |
|                                 | Opéra Trading Capital (Hong kong branch)                           | Hong Kong   |                     |            |              | S4   | Full                | 100.0%     | 100.0%       |      |
|                                 | Opéra Trading Capital (United kingdom branch)                      | UK          |                     |            |              | S4   | Full                | 100.0%     | 100.0%       |      |
|                                 | Optichamps <sup>(6)</sup>  | France      | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | Parilease  | France      | Full <sup>(1)</sup> | 100.0%     | 100.0%       |      | Full <sup>(1)</sup> | 100.0%     | 100.0%       |      |
|                                 | Participations Opéra <sup>(6)</sup>                                | France      | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | SNC Taitbout Participation 3                                       | France      | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | Société Orbaisienne de Participations                              | France      | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | Verner Investissements   | France      | Equity              | 40.0%      | 50.0%        |      | Equity              | 40.0%      | 50.0%        |      |
| <b>Other European countries</b> |  |             |                     |            |              |      |                     |            |              |      |
|                                 | Alectra Finance PLC <sup>(6)</sup>                                 | Ireland     | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | Alpha Murcia Holding BV  | Netherlands |                     |            |              |      |                     |            |              | S1   |
|                                 | Aquarius + Investments PLC <sup>(6)</sup>                          | Ireland     | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | Aries Capital DAC <sup>(6)</sup>                                   | Ireland     | Full                | -          | -            |      | Full                | -          | -            |      |
|                                 | 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 Commodity Futures Ltd   | UK          |                     |            |              | S4   | Full                | 100.0%     | 100.0%       |      |
|                                 | BNPP Emissions- Und Handels- GmbH                                  | Germany     | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | BNPP International Finance Dublin Unlimited Company <sup>(6)</sup> | Ireland     |                     |            |              | S3   | Full                | -          | -            |      |
|                                 | BNPP Invest Holdings BV  | Netherlands | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | BNPP Investments N 1 Ltd <sup>(6)</sup>                            | UK          |                     |            |              |      |                     |            |              | S1   |
|                                 | BNPP Investments N 2 Ltd <sup>(6)</sup>                            | UK          |                     |            |              |      |                     |            |              | S1   |
|                                 | BNPP Ireland Unlimited Co  | Ireland     | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | BNPP Islamic Issuance BV   | Netherlands | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | BNPP Issuance BV   | Netherlands | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | BNPP Net Ltd   | UK          | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       | D1   |
|                                 | BNPP Prime Brokerage International Ltd                             | Ireland     | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                                 | BNPP UK Holdings Ltd   | UK          |                     |            |              | S3   | Full                | 100.0%     | 100.0%       |      |
|                                 | BNPP UK Ltd  | UK          |                     |            |              |      |                     |            |              | S3   |

| Business           | Name  | Country      | 31 December 2019      |            |              |      | 31 December 2018      |            |              |      |
|--------------------|---|--------------|-----------------------|------------|--------------|------|-----------------------|------------|--------------|------|
|                    |   |              | Method                | Voting (%) | Interest (%) | Ref. | Method                | Voting (%) | Interest (%) | Ref. |
|                    | BNPP Vartry Reinsurance DAC   | Ireland      | Full <sup>(2)</sup>   | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | D1   |
|                    | Boug BV <sup>(5)</sup>  | Netherlands  |                       |            |              | S1   | Full                  | -          | -            |      |
|                    | Boug BV (United kingdom branch) <sup>(5)</sup>                      | UK           |                       |            |              | S1   | Full                  | -          | -            |      |
|                    | Diamante Re SRL   | Italy        | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1   |
|                    | Ejesur SA   | Spain        | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1   |
|                    | Financière Hime SA  | Luxemburg    |                       |            |              | S3   | Equity                | 22.5%      | 22.5%        |      |
|                    | FScholen  | Belgium      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      | Equity <sup>(3)</sup> | 50.0%      | 50.0%        |      |
|                    | Greenstars BNPP   | Luxemburg    | Full <sup>(2)</sup>   | 100.0%     | 100.0%       | D1   | Equity *              | 100.0%     | 100.0%       |      |
|                    | Harewood Holdings Ltd   | UK           |                       |            |              | S3   | Full                  | 100.0%     | 100.0%       |      |
|                    | Hime Holding 1 SA   | Luxemburg    |                       |            |              | S3   | Equity                | 26.4%      | 26.4%        |      |
|                    | Hime Holding 2 SA   | Luxemburg    |                       |            |              | S3   | Equity                | 21.0%      | 21.0%        |      |
|                    | Hime Holding 3 SA   | Luxemburg    |                       |            |              | S3   | Equity                | 20.6%      | 20.6%        |      |
|                    | Landspire Ltd   | UK           |                       |            |              | S1   | Full                  | 100.0%     | 100.0%       |      |
|                    | Madison Arbor Ltd <sup>(5)</sup>                                    | Ireland      | Full                  | -          | -            |      | Full                  | -          | -            |      |
|                    | Matchpoint Finance PLC <sup>(5)</sup>                               | Ireland      | Full                  | -          | -            |      | Full                  | -          | -            |      |
|                    | Ribera Del Loira Arbitrage  | Spain        | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | E1   |
|                    | Scaldis Capital Ltd <sup>(5)</sup>                                  | Jersey       | Full                  | -          | -            |      | Full                  | -          | -            |      |
|                    | Utexam Logistics Ltd  | Ireland      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                    | Utexam Solutions Ltd  | Ireland      | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
| <b>Middle East</b> |   |              |                       |            |              |      |                       |            |              |      |
|                    | BNPP Investment Co KSA  | Saudi Arabia | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       | D1   |
| <b>AMERICAS</b>    |   |              |                       |            |              |      |                       |            |              |      |
|                    | Banco BNPP Brasil SA  | Brazil       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                    | Banexi Holding Corp   | USA          |                       |            |              |      |                       |            |              | S4   |
|                    | 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 CC Inc   | USA          |                       |            |              |      |                       |            |              | S4   |
|                    | BNPP Colombia Corporacion Financiera SA                             | Colombia     | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                    | BNPP Energy Trading GP  | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                    | BNPP Energy Trading LLC   | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                    | BNPP EQD Brazil Fundo de Investimento Multimercado <sup>(5)</sup>   | Brazil       | Full                  | -          | -            |      | Full                  | -          | -            |      |
|                    | BNPP FS LLC   | USA          | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                    | BNPP IT Solutions Canada Inc  | Canada       | Full                  | 100.0%     | 100.0%       |      | Full                  | 100.0%     | 100.0%       |      |
|                    | BNPP Prime Brokerage Inc  | USA          |                       |            |              |      |                       |            |              | S4   |
|                    | BNPP Proprietario Fundo de Investimento Multimercado <sup>(5)</sup> | 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 (Ex- BNPP Energy Trading Holdings 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%       |      |

| Business            | Name   | Country       | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|---------------------|--|---------------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|                     |  |               | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|                     | BNPP VPG Adonis LLC <sup>(S)</sup>                 | USA           | Full                | -          | -            |      | Full                | -          | -            |      |
|                     | BNPP VPG Brookfin LLC <sup>(S)</sup>               | USA           | Full                | -          | -            |      | Full                | -          | -            |      |
|                     | BNPP VPG Brookline Cre LLC <sup>(S)</sup>          | USA           | Full                | -          | -            |      | Full                | -          | -            |      |
|                     | BNPP VPG CT Holdings LLC <sup>(S)</sup>            | USA           | Full                | -          | -            |      | Full                | -          | -            |      |
|                     | BNPP VPG EDMC Holdings LLC <sup>(S)</sup>          | USA           | Full                | -          | -            |      | Full                | -          | -            |      |
|                     | BNPP VPG Express LLC <sup>(S)</sup>                | USA           | Full                | -          | -            |      | Full                | -          | -            |      |
|                     | BNPP VPG Freedom Communications LLC <sup>(S)</sup> | USA           |                     |            |              |      |                     |            |              | S1   |
|                     | BNPP VPG Legacy Cabinets LLC <sup>(S)</sup>        | USA           |                     |            |              |      |                     |            |              | S1   |
|                     | BNPP VPG Mark IV LLC <sup>(S)</sup>                | USA           |                     |            |              |      |                     |            |              | S1   |
|                     | BNPP VPG Master LLC <sup>(S)</sup>                 | USA           | Full                | -          | -            |      | Full                | -          | -            |      |
|                     | BNPP VPG Medianews Group LLC <sup>(S)</sup>        | USA           |                     |            |              |      |                     |            |              | S1   |
|                     | BNPP VPG Northstar LLC <sup>(S)</sup>              | USA           |                     |            |              |      |                     |            |              | S1   |
|                     | BNPP VPG Pacex LLC <sup>(S)</sup>                  | USA           |                     |            |              |      |                     |            |              | S1   |
|                     | BNPP VPG PCMC LLC <sup>(S)</sup>                   | USA           |                     |            |              |      |                     |            |              | S1   |
|                     | BNPP VPG SBX Holdings LLC <sup>(S)</sup>           | USA           |                     |            |              |      |                     |            |              | S1   |
|                     | Dale Bakken Partners 2012 LLC                      | USA           | FV                  | 23.8%      | 23.8%        |      | FV                  | 23.8%      | 23.8%        | E1   |
|                     | Decart Re Ltd <sup>(S)</sup>                       | Bermuda       | Full <sup>(2)</sup> | -          | -            |      | Full <sup>(2)</sup> | -          | -            | E1   |
|                     | FSI Holdings Inc                                   | USA           | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                     | Starbird Funding Corp <sup>(S)</sup>               | USA           | Full                | -          | -            |      | Full                | -          | -            |      |
|                     | Via North America Inc                              | USA           |                     |            |              |      |                     |            |              | S4   |
| <b>PACIFIC ASIA</b> |  |               |                     |            |              |      |                     |            |              |      |
|                     | Bank BNPP Indonesia PT                             | Indonesia     | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                     | BNP Pacific Australia Ltd                          | Australia     |                     |            |              |      |                     |            |              | S3   |
|                     | BNPP Amber Holdings Pty Ltd                        | Australia     |                     |            |              | S3   | Full                | 100.0%     | 100.0%       |      |
|                     | BNPP Arbitrage Hong Kong Ltd                       | Hong Kong     | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                     | BNPP China Ltd                                     | China         | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                     | BNPP Commodities Trading Shanghai Co Ltd           | China         | 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 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 Singapore Pte Ltd                  | Singapore     |                     |            |              | S3   | Full                | 100.0%     | 100.0%       |      |
|                     | BNPP Securities Taiwan Co Ltd                      | Taiwan        | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|                     | BNPP Sekuritas Indonesia PT                        | Indonesia     | Full                | 99.0%      | 99.0%        |      | Full                | 99.0%      | 99.0%        |      |

| Business   | Name                                       | Country   | 31 December 2019    |            |              |      | 31 December 2018    |            |              |      |
|--|--|-----------|---------------------|------------|--------------|------|---------------------|------------|--------------|------|
|  |  |           | Method              | Voting (%) | Interest (%) | Ref. | Method              | Voting (%) | Interest (%) | Ref. |
|  | BPP Holdings Pte Ltd                       | Singapore | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
| <b>OTHER BUSINESS UNITS</b>  |  |           |                     |            |              |      |                     |            |              |      |
| <b>PROPERTY COMPANIES (PROPERTY USED IN OPERATIONS) AND OTHERS</b> |  |           |                     |            |              |      |                     |            |              |      |
|  | Antin Participation 5                      | France    | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|  | BNPP Home Loan SFH                         | France    | Full <sup>(1)</sup> | 100.0%     | 100.0%       |      | Full <sup>(1)</sup> | 100.0%     | 100.0%       |      |
|  | BNPP Partners for Innovation               | France    | Equity              | 50.0%      | 50.0%        |      | Equity              | 50.0%      | 50.0%        |      |
|  | BNPP Procurement Tech                      | France    | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       | E1   |
|  | BNPP Public Sector SCF                     | France    | Full <sup>(1)</sup> | 100.0%     | 100.0%       |      | Full <sup>(1)</sup> | 100.0%     | 100.0%       |      |
|  | Cobema                                     | Belgium   |                     |            |              |      |                     |            |              | S4   |
|  | Euro Secured Notes Issuer <sup>(5)</sup>   | France    | Full                | -          | -            |      | Full                | -          | -            |      |
|  | FCT Laffitte 2016 <sup>(5)</sup>           | France    | Full                | -          | -            |      | Full                | -          | -            |      |
|  | FCT Opéra 2014 <sup>(5)</sup>              | France    | Full                | -          | -            |      | Full                | -          | -            |      |
|  | GIE Groupement Auxiliaire de Moyens        | France    | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       |      |
|  | GIE Groupement d'Etudes et de Prestations  | France    | Full                | 100.0%     | 100.0%       |      | Full                | 100.0%     | 100.0%       | E1   |
|  | Société Immobilière du Marché Saint-Honoré | France    |                     |            |              |      |                     |            |              | S2   |

(a) At 31 December 2019, the securitisation funds Ecarat UK includes 5 funds (Ecarat PLC 6 to 10), versus 4 funds (Ecarat PLC 6 to 9) at 31 December 2018

(b) At 31 December 2019 the securitisation funds UCI and RMBS Prado include 15 funds (FCC UCI 9 to 12, 14 to 17, Fondo de Titulizacion Structured Covered Bonds and RMBS Prado I to VI) versus 14 funds (FCC UCI 9 to 12, 14 to 17 and RMBS Prado I to VI) at 31 December 2018

(c) At 31 December 2019 and at 31 December 2018, the securitisation funds Domos comprise these funds : Domos 2011 and Domos 2017

(d) At 31 December 2019, 103 Construction-sale companies (84 Full and 19 Equity) versus 95 at 31 December 2018 (77 Full and 18 Equity)

(e) At 31 December 2019, 11 Private Equity investment entities versus 8 entities at 31 December 2018

As requested by the ANC 2016 regulation, the list of entities that are controlled by the Group, jointly controlled or under significant influence, but excluded from the scope of consolidation since their contribution to the consolidated financial statements would be immaterial to the Group, and the list of equity investments, are available on the "Regulated Information" page of the <https://invest.bnpparibas.com> website.

#### Changes in the scope of consolidation

##### New entries (E) in the scope of consolidation

|    |  |
|----|--|
| E1 | Passing qualifying thresholds                      |
| E2 | Incorporation                                      |
| E3 | Purchase, gain of control or significant influence |

##### Removals (S) from the scope of consolidation

|    |  |
|----|--|
| S1 | Cessation of activity (dissolution, liquidation, ...)      |
| S2 | Disposal, loss of control or loss of significant influence |
| S3 | Passing qualifying thresholds                              |
| S4 | Merger, Universal transfer of assets and liabilities       |

##### Variance (V) in voting or ownership interest

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

##### Miscellaneous

|    |  |
|----|--|
| D1 | Consolidation method change not related to fluctuation in voting or ownership interest |
|----|--|

Equity \* Controlled but non material entities consolidated under the equity method as associates

FV Joint control or investment in associates measured at Fair Value through P&L

(s) Structured entities

#### Prudential scope of consolidation

- (1) French subsidiaries whose supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
- (2) Entities consolidated under the equity method in the prudential scope
- (3) Jointly controlled entities under proportional consolidation in the prudential scope
- (4) Collective investment undertaking excluded from the prudential scope.

## 8.k FEES PAID TO THE STATUTORY AUDITORS

| Year to 31 Dec. 2019   | Deloitte      |             | PricewaterhouseCoopers |             | Mazars        |             | TOTAL         |             |
|--|---------------|-------------|------------------------|-------------|---------------|-------------|---------------|-------------|
| <i>Excluding tax, in thousands of euros</i>  | Total         | %           | Total                  | %           | Total         | %           | Total         | %           |
| Statutory audits and contractual audits, including   | 15,043        | 79%         | 17,925                 | 74%         | 11,654        | 87%         | 44,622        | 79%         |
| - Issuer   | 3,469         |             | 4,677                  |             | 2,419         |             | 10,565        |             |
| - Consolidated subsidiaries  | 11,574        |             | 13,248                 |             | 9,235         |             | 34,057        |             |
| Services other than those required for their statutory audit engagement, including   | 3,929         | 21%         | 6,391                  | 26%         | 1,729         | 13%         | 12,049        | 21%         |
| - Issuer   | 521           |             | 1,994                  |             | 1,089         |             | 3,604         |             |
| - Consolidated subsidiaries  | 3,408         |             | 4,397                  |             | 640           |             | 8,445         |             |
| <b>TOTAL</b>   | <b>18,972</b> | <b>100%</b> | <b>24,316</b>          | <b>100%</b> | <b>13,383</b> | <b>100%</b> | <b>56,671</b> | <b>100%</b> |
| <i>of which fees paid to statutory auditors in France for the statutory audit and contractual audit</i>                                | 3,994         |             | 5,478                  |             | 4,761         |             | 14,233        |             |
| <i>of which fees paid to statutory auditors in France for services other than those required for their statutory audit engagements</i> | 787           |             | 1,832                  |             | 1,075         |             | 3,694         |             |

| Year to 31 Dec. 2018   | Deloitte      |             | PricewaterhouseCoopers |             | Mazars        |             | TOTAL         |             |
|--|---------------|-------------|------------------------|-------------|---------------|-------------|---------------|-------------|
| <i>Excluding tax, in thousands of euros</i>  | Total         | %           | Total                  | %           | Total         | %           | Total         | %           |
| Statutory audits and contractual audits, including   | 15,289        | 75%         | 15,712                 | 61%         | 12,104        | 90%         | 43,105        | 73%         |
| - Issuer   | 3,899         |             | 4,462                  |             | 2,515         |             | 10,876        |             |
| - Consolidated subsidiaries  | 11,390        |             | 11,250                 |             | 9,589         |             | 32,229        |             |
| Services other than those required for their statutory audit engagement, including   | 5,108         | 25%         | 9,898                  | 39%         | 1,326         | 10%         | 16,332        | 27%         |
| - Issuer   | 1,526         |             | 3,175                  |             | 712           |             | 5,413         |             |
| - Consolidated subsidiaries  | 3,582         |             | 6,723                  |             | 614           |             | 10,919        |             |
| <b>TOTAL</b>   | <b>20,397</b> | <b>100%</b> | <b>25,610</b>          | <b>100%</b> | <b>13,430</b> | <b>100%</b> | <b>59,437</b> | <b>100%</b> |
| <i>of which fees paid to statutory auditors in France for the statutory audit and contractual audit</i>                                | 4,318         |             | 4,477                  |             | 4,936         |             | 13,731        |             |
| <i>of which fees paid to statutory auditors in France for services other than those required for their statutory audit engagements</i> | 398           |             | 2,091                  |             | 609           |             | 3,098         |             |

The audit fees paid to auditors which are not members of the network of one of the auditors certifying the consolidated financial statements and the non-consolidated financial statements of BNP Paribas SA, mentioned in the table above, amount to EUR 876 thousand for the year 2019 (EUR 507 thousand in 2018).

Services other than those required for the statutory audit engagement are mainly composed this year of reviews of the entity's compliance with regulatory requirements, and reviews of internal control quality by comparison with international standards (such as ISAE 3402) as part of services provided to customers, particularly in the Securities and Asset Management businesses, and expertise on the Bank's transformation projects.