Consolidated financial statements - year ended 31 December 2023

Balance sheet at 31 December 2023

In millions of euros	31 December 2023	31 December 2022
ASSETS		
Cash and balances at central banks	288,259	318,560
Financial instruments at fair value through profit or loss		
Securities	211,634	166,077
Loans and repurchase agreements	227,175	191,125
Derivative financial instruments	292,079	327,932
Derivatives used for hedging purposes	21,692	25,401
Financial assets at fair value through equity		
Debt securities	50,274	35,878
Equity securities	2,275	2,188
Financial assets at amortised cost		
Loans and advances to credit institutions	24,335	32,616
Loans and advances to customers	859,200	857,020
Debt securities	121,161	114,014
Remeasurement adjustment on interest-rate risk hedged portfolios	(2,661)	(7,477)
Investments and other assets related to insurance activities	257,098	245,475
Current and deferred tax assets	6,556	5,932
Accrued income and other assets	170,758	208,543
Equity-method investments	6,751	6,073
Property, plant and equipment and investment property	45,222	38,468
Intangible assets	4,142	3,790
Goodwill	5,549	5,294
Assets held for sale	-	86,839
TOTAL ASSETS	**2,591,499**	**2,663,748**
LIABILITIES		
Deposits from central banks	3,374	3,054
Financial instruments at fair value through profit or loss		
Securities	104,910	99,155
Deposits and repurchase agreements	273,614	234,076
Issued debt securities	83,763	65,578
Derivative financial instruments	278,892	300,121
Derivatives used for hedging purposes	38,011	40,001
Financial liabilities at amortised cost		
Deposits from credit institutions	95,175	124,718
Deposits from customers	988,549	1,008,056
Debt securities	191,482	155,359
Subordinated debt	24,743	24,160
Remeasurement adjustment on interest-rate risk hedged portfolios	(14,175)	(20,201)
Current and deferred tax liabilities	3,821	2,979
Accrued expenses and other liabilities	143,673	185,010
Liabilities related to insurance contracts	218,043	209,772
Financial liabilities related to insurance activities	18,239	18,858
Provisions for contingencies and charges	10,518	10,040
Liabilities associated with assets held for sale	-	77,002
TOTAL LIABILITIES	**2,462,632**	**2,537,738**
EQUITY		
Share capital, additional paid-in capital and retained earnings	*115,809*	*115,008*
Net income for the period attributable to shareholders	*10,975*	*9,848*
Total capital, retained earnings and net income for the period attributable to shareholders	**126,784**	**124,856**
Changes in assets and liabilities recognised directly in equity	(3,042)	(3,619)
Shareholders' equity	**123,742**	**121,237**
Minority interests	**5,125**	**4,773**
TOTAL EQUITY	**128,867**	**126,010**
TOTAL LIABILITIES AND EQUITY	**2,591,499**	**2,663,748**

Profit and loss account for the year ended 31 December 2023

In millions of euros	Year to 31 December 2023	Year to 31 December 2022
Interest income	79,542	41,082
Interest expense	(60,484)	(20,149)
Commission income	15,011	14,622
Commission expense	(5,190)	(4,457)
Net gain on financial instruments at fair value through profit or loss	10,346	9,352
Net gain on financial instruments at fair value through equity	28	138
Net gain on derecognised financial assets at amortised cost	66	(41)
Net income from insurance activities	2,320	1,901
of which Insurance revenue	*8,945*	*8,759*
Insurance service expenses	*(6,786)*	*(6,619)*
Investment return	*10,254*	*(12,077)*
Net finance income or expenses from insurance contracts	*(10,093)*	*11,838*
Income from other activities	18,560	15,734
Expense on other activities	(14,325)	(12,752)
REVENUES FROM CONTINUING ACTIVITIES	**45,874**	**45,430**
Operating expenses	(28,713)	(27,560)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(2,243)	(2,304)
GROSS OPERATING INCOME FROM CONTINUING ACTIVITIES	**14,918**	**15,566**
Cost of risk	(2,907)	(3,003)
Other net losses for risk on financial instruments	(775)	-
OPERATING INCOME FROM CONTINUING ACTIVITIES	**11,236**	**12,563**
Share of earnings of equity-method entities	593	655
Net gain on non-current assets	(104)	(253)
Goodwill	-	249
PRE-TAX INCOME FROM CONTINUING ACTIVITIES	**11,725**	**13,214**
Corporate income tax from continuing activities	(3,266)	(3,653)
NET INCOME FROM CONTINUING ACTIVITIES	**8,459**	**9,561**
Net income from discontinued activities	2,947	687
NET INCOME	**11,406**	**10,248**
Net income attributable to minority interests	431	400
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS	**10,975**	**9,848**
Basic earnings per share	8.58	7.52
Diluted earnings per share	8.58	7.52

Board of Directors

Chairman
Jean LEMIERRE

Jean-Laurent BONNAFÉ
Jacques ASCHENBROICH
Juliette BRISAC
Pierre André de CHALENDAR
Monique COHEN
Hugues EPAILLARD
Rajna GIBSON-BRANDON
Marion GUILLOU
Lieve LOGGHE
Christian NOYER
Daniela SCHWARZER
Michel TILMANT
Sandrine VERRIER
Fields WICKER-MIURIN

Regulatory Ratios

The Group has a solid financial structure. The CET1 ratio stands at 13.2%[1] as at 31 December 2023, increasing by 90 basis points compared to 31 December 2022. This is explained by:

- the closing of the sale of Bank of the West on 1 February 2023, net of the share buyback programme and redeployed capital (+100 bps);
- the effect of the adjustment in distributable net income (-30 bps);
- the 2023 results after taking a 60% payout ratio into account, net of the change in risk-weighted assets and their optimisation (+30 bps);
- the impact of the application of IFRS 17 and the updating of models and regulations[2] in the 1st quarter (-10 bps);
- the other effects, which are limited overall on the ratio.

The Group's CET1 ratio is significantly higher than requirements at 31 December 2023 at 9.79% and as well requirements notified by the European Central Bank at 10.20 % applicable from 2 January 2024.

The capital structure is solid and the trajectory of the CET1 ratio is in line with the target of 12% after implementation of the new CRR3 regulation.

The leverage ratio stands at 4.58% at 31 December 2023, compared to 4.36% at 31 December 2022, an increase of +22 bps. It is well above the 3.75% leverage requirement in force at 31 December 2023. This requirement has been 3.85% (excluding Pillar 2 guidance) since 1 January 2024.

As at 31 December 2023, the Group's TLAC ratio stands at 28.15% of risk-weighted assets, without using the preferred senior debt eligible within the limit of 3.5% of the risk-weighted assets. The Group is thus above the applicable minimum level of requirement which is 22.40% at 31 December 2023 and 22.58% at 2 January 2024.

As at 31 December 2023, the Group TLAC ratio stands at 8.44% of the leverage exposure. This ratio should be compared to a minimum requirement of 6.75% at 2 January 2024.

As at 31 December 2023, the Group MREL ratio stands at 30.92% of the risk-weighted assets. This ratio should be compared to a minimum requirement of 26.55% at 2 January 2024.

As at 31 December 2023, the Group MREL ratio stands at 9.27% of the leverage exposure. This ratio should be compared to a minimum requirement of 5.91% at 2 January 2024.

As at 31 December 2023, the Group subordinated MREL ratio stands at 28.15% of the risk-weighted assets. This ratio should be compared to a minimum requirement of 20.47% at 2 January 2024.

As at 31 December 2023, the Group subordinated MREL ratio stands at 8.44% of the leverage exposure. This ratio should be compared to a minimum requirement of 5.82% at 2 January 2024.

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

Key regulatory ratios

The capital ratio data below take into account the transitional provisions relating to the introduction of IFRS 9 (Article 473a of Regulation (EU) No. 2017/2395 and Regulation (EU) No. 2020/873). The impact of these transitional measures on regulatory capital and regulatory ratios is presented under Regulatory capital in section 5.2 Capital management and capital adequacy (see Table 16 IFRS9-FL).

(1) *CRD 5; including IFRS 9 transitional provisions.*

(2) *Including IFRS 9 phasing.*

Capital Ratios

CAPITAL RATIOS

In millions of euros	31 December 2023	31 December 2022
Common Equity Tier 1 (CET1) capital	92,857	91,828
Tier 1 capital	107,501	103,445
Total capital	121,744	120,562
RISK-WEIGHTED ASSETS	**703,694**	**744,851**
CAPITAL RATIOS (as a percentage of risk-weighted assets)		
Common Equity Tier 1 ratio	13.20%	12.33%
Tier 1 ratio	15.28%	13.89%
Total capital ratio	17.30%	16.19%

TLAC RATIO

In millions of euros	31 December 2023	31 December 2022
Total capital and other TLAC eligible liabilities	198,082	199,176
Risk-weighted assets	703,694	744,851
TLAC RATIO (in percentage of risk-weighted assets)	**28.15%**	**26.74%**
Leverage ratio total exposure measure	2,346,500	2,373,844
TLAC RATIO (in percentage of leverage ratio total exposure measure)	**8.44%**	**8.39%**

Statutory Auditors' report on the consolidated financial statements

For the year ended 31 December 2023

This is a free translation into English of the Statutory Auditors' report issued in French and is provided solely for the convenience of English speaking readers. This report includes information specifically required by European regulations or French law, such as information about the appointment of Statutory Auditors. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of BNP Paribas SA for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Financial Statements Committee.

Basis for opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules provided for in the French Commercial Code *(Code de commerce)* and the French Code of Ethics *(Code de déontologie)* for Statutory Auditors for the period from 1 January 2023 to the date of our report, and, in particular, we did not provide any non-audit services prohibited by article 5(1) of Regulation (EU) No. 537/2014.

Emphasis of matter

Without qualifying our opinion, we draw your attention to the impact of the change in accounting policy relative to the application as from 1 January 2023 of IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments” on portfolios of financial instruments of insurance businesses as presented in Notes 1a, 1g, 1p and 2 as well as in the other notes to the consolidated financial statements presenting quantified data related to the impact of these changes.

Justification of assessments – Key audit matters

In accordance with the requirements of articles L.821-53 and R.821-180 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Assessment of credit risk and measurement of impairment losses (stages 1, 2 and 3) on customer loan portfolios

(See Notes 1.f.5, 1.f.6, 1.p, 3.g, 5.e, 5.f, 5.n and 9.e to the consolidated financial statements)

Description of risk

BNP Paribas recognises impairment losses to hedge the credit risks inherent to its banking intermediation activities. In a context still marked by considerable uncertainty relating to the macro-economic environment, the measurement of expected credit losses for customer loan portfolios required the BNP Paribas Group to exercise greater judgement and to take into account assumptions, in particular in order to:

- assess the significant deterioration in credit risk to classify outstandings in stage 1, stage 2, or stage 3 according to geographical region and industry. As specified in Note 3.g to the consolidated financial statements, the bank continued to develop its criteria for assessing the material increase in credit risk in line with the recommendations issued by the European Banking Authority and the European Central Bank;
- prepare macro-economic projections which are integrated into both the criteria for recognising the deterioration and in the measurement of expected credit losses;
- estimate the amount of expected credit losses according to the different stages and taking into account the current macro-economic environment and the absence of any comparable historical situation. In particular, as specified in Note 3.g, certain additional adjustments or forecasts not included in the models in a generic approach are made to take into account the impacts of inflation, rate hikes and rising commercial property prices where these effects are not directly estimated by the models.

At 31 December 2023, total outstanding customer loans exposed to credit risk amounted to EUR 877 billion, while total impairment losses stood at EUR 18 billion.

We deemed the assessment of credit risk and the measurement of impairment losses to be a key audit matter insofar as management is required to exercise judgement and make estimates as regards credit granted to companies, particularly in the context of persistent uncertainty caused by geopolitical tensions, particularly the war in Ukraine and the Middle East and economic tensions, with inflation and interest rates that remained high in 2023.

How our audit addressed this risk

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

During our work, we focused on:

- classification of outstandings by stage: we assessed whether the change of risks was taken into account in estimating the indicators applicable to the various business lines to measure the significant deterioration in credit risk;
- measurement of expected losses (stages 1, 2 and 3):
  - assisted by our credit risk experts and relying on the internal system for independent validation of BNP Paribas' models, we assessed the methodologies as well as the assumptions underlying the macro-economic projections used by BNP Paribas across the various business lines, the proper integration of said projections into the information system and the effectiveness of the data quality controls;
  - we paid particular attention to the additional provisions recognised to take account of the uncertainties described above. we assessed the reasonableness of the methodologies used, the underlying assumptions, the relevance of the results obtained and the control procedures implemented;
  - with regard to impairment losses on outstanding loans to companies classified in stage 3, we verified that a periodic review of the credit risk of counterparties under surveillance had been carried out by BNP Paribas and, based on a sample of counterparties, assessed the assumptions and data used by management to estimate impairment.

In addition, we examined the disclosures in the notes to the consolidated financial statements with respect to credit risk and particularly the disclosures required by IFRS 9 and IFRS 7.

Valuation of financial instruments

(See Notes 1.f.7, 1.f.10, 1.p, 3.a, 3.c, 5.a and 5.d to the consolidated financial statements)

Description of risk

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

Market value is determined according to different approaches, depending on the type of instrument and its complexity: (i) using directly observable quoted prices (instruments classified in level 1 of the fair value hierarchy); (ii) using valuation models whose main inputs are observable (instruments classified in level 2); and (iii) using valuation models whose main inputs are unobservable (instruments classified in level 3).

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

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

At 31 December 2023, financial instruments represented EUR 719 billion (of which EUR 7 billion for level 3 instruments) under assets and EUR 655 billion (of which EUR 10 billion for level 3 instruments) under liabilities.

In light of the materiality of the outstandings and the judgement used to determine market value, we deemed the measurement of financial instruments to be a key audit matter, in particular the measurement of level 3 instruments given the use of unobservable inputs.

How our audit addressed this risk

Assisted by our valuation experts, we verified that the key controls used by BNP Paribas with respect to the valuation of financial instruments function properly, in particular those relating to:

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

Based on a sample, our valuation experts:

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

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

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

General IT controls

Description of risk

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

We thus deemed the assessment of the general IT controls of the infrastructures and applications that contribute to the preparation of accounting and financial information to be a key audit matter.

In particular, a system for controlling access rights to IT systems and authorisation levels based on employee profiles represents a key control for limiting the risk of inappropriate changes to application settings or underlying data.

How our audit addressed this risk

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

- obtaining an understanding of the systems, processes and controls which underpin accounting and financial data;
- assessing the general IT controls (application and data access management, application changes/developments management and IT operations management) on key systems (in particular accounting, consolidation and automatic reconciliation applications);
- examining the control for the authorisation of manual accounting entries;
- performing additional audit procedures, where appropriate;
- taking into account the cybersecurity risk related to the crisis in Ukraine and the widespread use of remote working.

Impact of the first-time application of IFRS 17 "Insurance Contracts" and valuation of insurance contract liabilities in the "Retirement savings" businesses

(See Notes 1.a, 1.g, 1p, 2 and 6 to the consolidated financial statements)

Description of risk

The entry into force of IFRS 17 "Insurance Contracts" as from 1 January 2023 has resulted in significant changes to the rules for measuring and recognising insurance liabilities as well as changes in presentation of the financial statements. The standard applies retrospectively to insurance contracts outstanding at the transition date of 1 January 2022.

The first-time application of IFRS 17 resulted in an impact of a negative EUR 2.1 billion on opening equity at 1 January 2022 for the BNP Paribas Group (refer to the Statement of changes in shareholders' equity) and led to the recognition of a contractual service margin of EUR 18.6 billion. Note 1.a to the consolidated financial statements describes the accounting methods chosen (mainly application of the modified retrospective approach (MRA) by BNP Paribas) and the specific assumptions made by the Group at the transition date, depending on the type of contract (Protection or Retirement-savings) and the methods used for the valuation of liabilities under IFRS 17 (general model, simplified model or variable fee approach).

At 31 December 2023, insurance liabilities measured in accordance with IFRS 17 represented a net amount of EUR 217 billion, compared with EUR 209 billion at 31 December 2022 (see Note 6.d). The accounting methods and assumptions used by the Group to estimate insurance liabilities are described in Note 1.g.2, which specifies that insurance contracts in the Retirement-savings segment, known as participating contracts, are valued using the variable fee accounting model. These contracts represent most of the insurance liabilities (EUR 212 billion at 31 December 2023 compared with EUR 204 billion at 31 December 2022) as indicated in Note 6.e.

In determining the impact of the transition, management's judgements and assumptions focused in particular on the justification for using the modified retrospective approach and the simplifying methodologies and assumptions used to estimate the contractual service margin and the non-financial risk adjustment at the transition date.

Insurance liabilities include the determination of the best estimate of the present value of cash flows to be paid or received to meet contractual obligations to policyholders, a non-financial risk adjustment based on a confidence level adopted by the Group and taking into account risk diversification, and a contractual service margin representing the unearned profit that will be recognised as services are rendered. The valuation of these insurance liabilities according to the variable fee approach is based on complex actuarial models using data and assumptions relating to future periods, such as determining the discount rate, policyholder behaviour laws, future management decisions, non-financial risk adjustment and the definition of assumptions for returns on so-called real-world assets, used for the release to income of the contractual service margin. Changes and updates to the inputs used are likely to have a significant impact on the amount of insurance liabilities in the Retirement-savings segment.

The significant changes in the measurement and recognition of insurance liabilities introduced by the application of this new accounting standard and the significant judgements made by management described above led us to deem the impact of the first-time application of IFRS 17 “Insurance Contracts“ and valuation of insurance contract liabilities in the “Retirement savings“ businesses as a key audit matter.

How our audit addressed this risk

With the assistance of our actuarial modelling specialists, our audit procedures mainly consisted in:

- reviewing and assessing the relevance of the method deployed by the BNP Paribas Group to implement IFRS 17 and the adaptation of the governance responsible for validating IFRS 17 models, the inputs and assumptions to be applied at the closing date and the financial impact on the estimate of net insurance liabilities;
- reviewing and assessing the relevance of the processes and controls defined by management to determine the impact of the adoption of IFRS 17 on the consolidated financial statements at 1 January 2022 and on the comparative financial statements at 31 December 2022;
- assessing the compliance of the accounting policies applied by the Group with the provisions of IFRS 17. We paid particular attention to the simplifying assumptions used to apply the modified retrospective approach at the transition date;
- examining the eligibility of retirement savings contracts for the variable fee approach and ensuring it is correctly applied;
- analysing the main inputs used at the closing date to calculate the insurance assets and liabilities of retirement savings contracts, and assessing their relevance in light of the external information available and the Group’s own management data. These procedures include assessing the adequacy of any changes in assumptions, inputs or modelling;
- testing, using sampling techniques, the reliability of the underlying data used in the projection models and calculations of insurance liabilities;
- examining the internal control environment of the IT systems used to calculate the insurance assets and liabilities of retirement savings contracts;
- testing the key controls implemented by the Group (including data quality at each calculation stage) to guarantee the reliability of the financial information produced;
- carrying out an independent calculation of the best estimate of the cash flows based on a sample of retirement savings insurance liabilities;
- implementing procedures for the analytical review of model outputs.

In addition, we examined the information disclosed in the notes to the financial statements, including information on risk sensitivity.

Specific verifications

As required by legal and regulatory provisions and in accordance with professional standards applicable in France, we performed the specific verifications on the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the Group management report includes the consolidated non-financial information statement required under article L. 225-102-1 of the French Commercial Code. However, in accordance with article L. 823-10 of the French Commercial Code, we have not verified the fair presentation and consistency with the consolidated financial statements of the information given in that statement, which will be the subject of a report by an independent third party.

Other verifications and information pursuant to legal and regulatory requirements

Presentation of the consolidated financial statements included in the annual financial report

In accordance with professional standards applicable to the Statutory Auditors' procedures for annual and consolidated financial statements presented according to the European single electronic reporting format, we have verified that the presentation of the financial statements to be included in the annual financial report referred to in paragraph I of article L.451-1-2 of the French Monetary and Financial Code *(Code monétaire et financier)* and prepared under the Chief Executive Officer's responsibility, complies with this format, as defined by European Delegated Regulation No. 2019/815 of 17 December 2018. As it relates to the consolidated financial statements, our work included verifying that the markups in the financial statements comply with the format defined by the aforementioned Regulation.

On the basis of our work, we conclude that the presentation of the consolidated financial statements to be included in the annual financial report complies, in all material respects, with the European single electronic reporting format.

Due to the technical limitations inherent to block tagging the consolidated financial statements in the European single electronic reporting format, the content of some of the tags in the notes may not be rendered identically to the accompanying consolidated financial statements.

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of BNP Paribas SA by the Annual General Meetings held on 23 May 2006 for Deloitte & Associés, 26 May 1994 for PricewaterhouseCoopers Audit and 23 May 2000 for Mazars.

At 31 December 2023, Deloitte & Associés, PricewaterhouseCoopers Audit and Mazars were in the eighteenth, the thirtieth and the twenty-fourth consecutive year of their engagement, respectively

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Financial Statements Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.821-55 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;
- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Financial Statements Committee

We submit a report to the Financial Statements Committee which includes, in particular, a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Financial Statements Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Financial Statements Committee with the declaration provided for in article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.821-27 to L.821-34 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Financial Statements Committee.

Paris La Défense, Neuilly-sur-Seine and Courbevoie, 15 March 2024

The Statutory Auditors

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

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

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