BNP PARIBAS
CORPORATE & INSTITUTIONAL BANKING

BASE LISTING DOCUMENT DATED 11 APRIL 2025

If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

*Hong Kong Exchanges and Clearing Limited ("**HKEX**"), The Stock Exchange of Hong Kong Limited* (the "***Stock Exchange***") *and Hong Kong Securities Clearing Company Limited ("**HKSCC**") take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.*

Non-collateralised Structured Products Base Listing Document relating to Structured Products to be issued by BNP Paribas Issuance B.V.

(Incorporated in the Netherlands with its statutory seat in Amsterdam)

unconditionally and irrevocably guaranteed by BNP Paribas

(incorporated in France with limited liability)

This document, for which we and BNP Paribas (the "**Guarantor**") accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") for the purpose of giving information with regard to us, the Guarantor and our standard warrants (the "**Warrants**"), callable bull/bear contracts ("**CBBCs**") and other structured products (together, the "**Structured Products**") to be listed on the Stock Exchange from time to time. This document may be updated and/or amended from time to time by way of addenda. You must ask us if any addenda to this document have been issued.

Our obligations under the Structured Products are guaranteed by the Guarantor under a guarantee executed by the Guarantor dated as of 11 April 2025 (the "**Guarantee**"). We and the Guarantor, having made all reasonable enquiries, confirm that to the best of our knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

These are Structured Products involving derivatives. You should not invest in the Structured Products unless you fully understand and are willing to assume the risks associated with them.

The Structured Products are complex products. You should exercise caution in relation to them. Investors are warned that the price of the Structured Products may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Structured Products and carefully study the risk factors set out in this document and, where necessary, seek professional advice, before they invest in the Structured Products.

The Structured Products constitute our general unsecured contractual obligations and of no other person, and the Guarantee in respect of the Structured Products constitutes the general unsecured contractual obligations of the Guarantor and of no other person. The Structured Products will rank equally among themselves and with all our other unsecured obligations and all other unsecured obligations of the Guarantor (save for those obligations preferred by law) upon liquidation. If you purchase the Structured Products, you are relying upon our creditworthiness and the creditworthiness of the Guarantor and have no rights under the Structured Products against (a) the company which has issued the underlying securities; (b) the fund which has issued the underlying securities, or its trustee (if applicable) or manager (if applicable); or (c) the index compiler of any underlying index. If we become insolvent or default on our obligations under the Structured Products or the Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you may not be able to recover all or even part of the amount due under the Structured Products (if any). The Guarantor is subject to the exercise of the bail-in powers under the French legislation for implementation of the Bank Recovery and Resolution Directive.

Sponsor

BNP Paribas Securities (Asia) Limited

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IMPORTANT INFORMATION

You should carefully study the risk factors set out in this document and the Listing Documents.

What is this document about?

This document is for information purposes only and does not constitute an offer, an advertisement or invitation to the public to subscribe for or to acquire any Structured Products.

What documents should you read before investing in the Structured Products?

A launch announcement and supplemental listing document of each series of Structured Products will set out the detailed commercial terms of the relevant series. You must read this document (including any addendum to this document to be issued from time to time) together with such launch announcement and supplemental listing document (including any addendum to such launch announcement and supplemental listing document to be issued from time to time) (together, the "**Listing Documents**") before investing in any Structured Products. You should carefully study the risk factors set out in the Listing Documents.

Is there any guarantee or collateral for the Structured Products?

Our obligations under the Structured Products are unconditionally and irrevocably guaranteed by the Guarantor. If we become insolvent or default on our obligations under the Structured Products and the Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you can only claim as an unsecured creditor of the Issuer and the Guarantor. In such event, you may not be able to recover all or even part of the amount due under the Structured Products (if any).

What are our and the Guarantor's credit ratings?

The Issuer's long term credit ratings as of 10 April 2025 is:

Rating agency	***Rating***
S&P Global Ratings ("**S&P**")	A+ (stable outlook)

Our Guarantor's long term credit ratings as of 10 April 2025 are:

Rating agency	***Rating***
Moody's Investors Service, Inc. ("**Moody's**")	A1 (stable outlook)
S&P	A+ (stable outlook)

The credit ratings are only an assessment by the rating agencies of the Issuer's and the Guarantor's overall financial capacity to pay its debts respectively.

A+ is among the top three major credit rating categories and is the fifth highest investment-grade ranking of the ten investment-grade ratings (including + or - sub-grades) assigned by S&P.

A1 is among the top three major credit rating categories and is the fifth highest investment-grade ranking of the ten investment-grade ratings (including 1, 2 and 3 sub-grades) assigned by Moody's.

Please refer to the brief guide in Appendix 4 to this document on what such credit ratings mean.

Rating agencies usually receive a fee from the companies that they rate. When evaluating our and the Guarantor's creditworthiness, you should not solely rely on our and the Guarantor's credit ratings because:

- a credit rating is not a recommendation to buy, sell or hold the Structured Products;

- credit ratings of companies may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence;

- a high credit rating is not necessarily indicative of low risk. Our and the Guarantor's credit ratings as of the above date are for reference only and may be subject to change thereafter. You may visit *www.bnpparibas.com* to obtain information about the credit ratings of us and the Guarantor. Any downgrading of our and the Guarantor's credit ratings could result in a reduction in the value of the Structured Products;

- a credit rating is not an indication of the liquidity or volatility of the Structured Products; and

- a credit rating may be downgraded if the credit quality of the Issuer and/or the Guarantor declines.

The Structured Products are not rated.

Our and the Guarantor's credit ratings are subject to change or withdrawal at any time within each rating agency's sole discretion. You should conduct your own research using publicly available sources to obtain the latest information with respect to our and the Guarantor's credit ratings from time to time.

Is the Issuer or the Guarantor regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3)?

The Issuer is not regulated by the Hong Kong Monetary Authority referred to in Rule 15A.13(2) or the Securities and Futures Commission referred to in Rule 15A.13(3). The Hong Kong branch of the Guarantor is regulated by the Hong Kong Monetary Authority. The Guarantor is also regulated by Comité des Etablissements de Crédit et des Entreprises d'Investissement.

Is the Issuer or the Guarantor subject to any litigation?

Save as disclosed in this document, the Issuer, the Guarantor and their respective subsidiaries ("**BNP Group**") are not aware of any litigation or claims of material importance pending or threatened against any of them.

Authorisation for the issue of the Structured Products

The issue of the Structured Products was authorised by our board of directors on 18 April 2024.

Have the Issuer's and the Guarantor's financial positions changed since last financial year-end?

Save as disclosed in Appendix 5 of this document, (i) there has been no material adverse change in the Issuer's financial or trading position since 31 December 2023 and (ii) there has been no material adverse change in the Guarantor's financial or trading position since 31 December 2024.

Do you need to pay any transaction cost?

The Stock Exchange charges a trading fee of 0.00565 per cent., the Securities and Futures Commission ("**SFC**") charges a transaction levy of 0.0027 per cent. and the Accounting and Financial Reporting Council charges a transaction levy of 0.00015 per cent. for each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the Structured Products. The levy for the investor compensation fund is currently suspended.

Do you need to pay any tax?

You may be required to pay stamp duties, taxes and other charges in accordance with the laws and practices of the country of your purchase in addition to the issue price of each Structured Product. See the section headed "Taxation" for further information.

Placing, sale and grey market dealings

No action has been or will be taken by us that would permit a public offering of any series of Structured Products or possession or distribution of any offering material in relation to any Structured Products in any jurisdiction (other than Hong Kong) where action for the purpose is required. No offers, sales, re-sales, transfers or deliveries of any Structured Products, or distribution of any offering material relating to the Structured Products may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and which will not impose any obligation on us or the Guarantor. See the section headed "Placing and Sale" for further information.

Following the launch of a series of Structured Products, we may place all or part of that series with our related party. The Structured Products may be sold to investors in the grey market in the period between the launch date and the listing date. We will report any dealings in Structured Products by any member of the BNP Group in the grey market to the Stock Exchange on the listing date through the website of the HKEX at *https://www.hkex.com.hk/?sc_lang=en*.

Where can you read the relevant documents?

Copies of the following documents are available on the website of the HKEX at *www.hkexnews.hk* and our website at *https://www.bnppwarrant.com*:

(a) (i) this document and any addendum to this document; and

(ii) the launch announcement and supplemental listing document, as long as the relevant series of Structured Products is listed on the Stock Exchange,

which include our latest audited financial statements and any interim or quarterly financial statements and the latest audited financial statements and any interim or quarterly financial statements of the Guarantor; and

(b) the consent letters of our auditor and the Guarantor's auditors.

以上各文件可於香港交易所披露易網站(*www.hkexnews.hk*)以及本公司網站(*https://www.bnppwarrant.com*)瀏覽。

Please refer to (i) the base listing document dated 11 April 2024 ("**2024 BLD**") for the Guarantor's Consolidated Financial Statements for the year ended 31 December 2023 and the Statutory Auditors' report on such consolidated financial statements; and (ii) the addendum to the 2024 BLD dated 26 April 2024 for the Issuer's annual financial statements for the year ended 31 December 2023 and the independent auditor's report on such financial statements.

Have the Auditors consented to the inclusion of their report in this document?

As at the date of this document, the Guarantor's auditors, Deloitte & Associés, and Ernst & Young et Autres (the "**Auditors**") have given and have not withdrawn their written consent to the inclusion of their auditors' report dated 20 March 2025 on the consolidated financial statements of the Guarantor for the year ended 31 December 2024 in this document and/or the references to their names in the Listing Documents, in the form and context in which they are included. Their report was not prepared for incorporation into this document.

The Auditors do not hold the Guarantor's shares or shares in its subsidiaries, nor do they have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for the Guarantor's securities or securities of any of its subsidiaries.

How can you get further information about BNP Paribas?

You may visit our website at *www.bnpparibas.com* to obtain further information about us and/or the Guarantor.

You must note that the information on our website will be of a general nature and cannot be relied upon as accurate and/or correct and will not have been prepared exclusively for the purposes of any particular financial instrument issued by us, including the Structured Products.

Authorised representatives

Alvin Li and Kenny Ko, each of 60th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong, are our authorised representatives and are authorised to accept services of process and notices on our behalf in Hong Kong.

Governing law of the Structured Products

All contractual documentation for the Structured Products will be governed by, and construed in accordance with, the laws of Hong Kong.

The Listing Documents are not the sole basis for making an investment decision

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing Documents should be construed as a recommendation by us, the Guarantor or our respective affiliates to invest in the Structured Products or the underlying asset of the Structured Products.

No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the Structured Products, and, if given or made, such information or representations must not be relied upon as having been authorised by us or the Guarantor.

The Stock Exchange and HKSCC have made no assessment of, nor taken any responsibility for, our financial soundness or the merits of investing in any Structured Products, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

This document has not been reviewed by the Securities and Futures Commission. You are advised to exercise caution in relation to the offer of the Structured Products.

Capitalised terms

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the General Conditions set out in Appendix 1 and the Product Conditions applicable to the relevant series of Structured Products set out in Appendices 2 and 3 respectively (together, the "**Conditions**").

OVERVIEW OF WARRANTS

What is a Warrant?

A Warrant is a type of derivative warrants.

A derivative warrant linked to a share of a company, an unit or share of a fund, a commodity, a commodity future, an index, a currency pair or other assets (each an "**Underlying Asset**") is an instrument which gives the holder a right to "buy" or "sell" an Underlying Asset at, or derives its value by reference to, a pre-set price/level/exchange rate called the Exercise Price/Strike Price/Strike Level/ Strike Rate on the Expiry Date. It usually costs a fraction of the value of the Underlying Asset.

A derivative warrant may provide leveraged return to you (but conversely, it could also magnify your losses).

How and when can you get back your investment?

Our Warrants are European Style warrants. This means they can only be exercised on the Expiry Date.

A Warrant will, upon exercise on the Expiry Date, entitle you to a cash amount called the "**Cash Settlement Amount**" (net of any Exercise Expenses) (if positive) according to the applicable Conditions.

You will receive the Cash Settlement Amount less any Exercise Expenses upon settlement at expiry. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable to you and you will lose your entire investment.

How do our Warrants work?

The potential payoff upon expiry or exercise of the Warrants is calculated by us by reference to the difference between:

(a) for a Warrant linked to a security, commodity or commodity future, the Exercise Price/Strike Price and Closing Price/Average Price;

(b) for a Warrant linked to an index, the Strike Level and the Closing Level; and

(c) for a Warrant linked to a currency pair, the Strike Rate and the Spot Rate.

Call Warrants

A call Warrant is suitable to you if you hold a bullish view on the price/level/exchange rate of the Underlying Asset during the term of that call Warrant.

A call Warrant will be exercised if the Average Price/ Closing Price/Closing Level/Spot Rate is greater than Exercise Price/Strike Price/Strike Level/Strike Rate (as the case may be). The more the Average Price/ Closing Price/Closing Level/Spot Rate exceeds the Exercise Price/Strike Price/Strike Level/Strike Rate (as the case may be), the higher the payoff upon expiry or exercise. If the Average Price/Closing Price/Closing Level/Spot Rate is at or below the Exercise Price/Strike Price/Strike Level/Strike Rate (as the case may be), you will lose all your investment.

Put Warrants

A put Warrant is suitable to you if you hold a bearish view on the price/level/exchange rate of the Underlying Asset during the term of that put Warrant.

A put Warrant will be exercised if the Average Price/ Closing Price/Closing Level/Spot Rate is below the Exercise Price/Strike Price/Strike Level/Strike Rate (as the case may be). The more the Average Price/ Closing Price/Closing Level/Spot Rate is below the Exercise Price/Strike Price/Strike Level/Strike Rate (as the case may be), the higher the payoff upon expiry or exercise. If the Exercise Price/Strike Price/ Strike Level/Strike Rate is at or below the Average Price/Closing Price/Closing Level/Spot Rate (as the case may be), you will lose all your investment.

Where can you find the Product Conditions applicable to our Warrants?

You should review the Product Conditions applicable to each type of the Warrants before your investment.

The Product Conditions applicable to each type of our Warrants are set out in Parts A to F of Appendix 2 (as may be supplemented by any addendum and/or the relevant launch announcement and supplemental listing document).

What are the factors determining the price of a Warrant?

The price of a Warrant generally depends on the prevailing price/level/exchange rate of the Underlying Asset. However, throughout the term of a Warrant, its price/level/exchange rate will be influenced by one or more of the following factors, including:

(a) the Exercise Price/Strike Price/Strike Level/Strike Rate applicable to that Warrant;

(b) the value and volatility of the price/level/exchange rate of the Underlying Asset (being a measure of the fluctuation in the price/level/ exchange rate of the Underlying Asset);

(c) the time remaining to expiry: generally, the longer the remaining life of the Warrant, the greater its value;

(d) interest rates;

(e) expected dividend payments or other distributions (if any) on the Underlying Asset or on any components comprising the underlying index;

(f) the liquidity of the Underlying Asset or of the futures contracts relating to the underlying index;

(g) the supply and demand for the Warrant;

(h) our related transaction costs; and

(i) our creditworthiness and the creditworthiness of the Guarantor.

What is your maximum loss?

Your maximum loss in our Warrants will be your entire investment amount plus any transaction costs.

How can you get information about the Warrants after issue?

You may visit our website at *https://www.bnppwarrant.com* to obtain further information on our Warrants or any notice given by us in relation to our Warrants.

OVERVIEW OF CBBCS

What are CBBCs?

CBBCs are a type of Structured Products that track the performance of an Underlying Asset. CBBCs can be issued on different types of Underlying Assets as prescribed by the Stock Exchange from time to time, including:

(a) securities listed on the Stock Exchange;

(b) Hang Seng Index, Hang Seng China Enterprises Index, Hang Seng TECH Index and Hang Seng China H-Financials Index; and/or

(c) overseas securities, overseas indices, currencies, commodities (such as oil, gold and platinum), commodity futures or other assets as prescribed by the Stock Exchange from time to time.

A list of eligible Underlying Assets for CBBCs is available on the website of the HKEX at *https://www.hkex.com.hk/Products/Securities/Structured-Products/Eligible-Underlying-Assets?sc_lang=en.*

CBBCs are issued either as callable bull contracts ("**bull CBBCs**") or callable bear contracts ("**bear CBBCs**"), allowing you to take either bullish or bearish positions on the Underlying Asset.

Bull CBBCs are designed for investors who have an optimistic view on the Underlying Asset. Bear CBBCs are designed for investors who have a pessimistic view on the Underlying Asset.

CBBCs have a mandatory call feature (the "**Mandatory Call Event**") and, subject to the limited circumstances set out in the relevant Conditions in which a Mandatory Call Event may be reversed, we must terminate our CBBCs upon the occurrence of a Mandatory Call Event. See "What are the mandatory call feature of CBBCs?" below.

There are 2 categories of CBBCs, namely:

(a) Category R CBBCs; and

(b) Category N CBBCs.

Your entitlement following the occurrence of a Mandatory Call Event will depend on the category of the CBBCs.

If no Mandatory Call Event occurs, the CBBCs will be exercised automatically on the Expiry Date by payment of a Cash Settlement Amount (if any). The Cash Settlement Amount (if any) payable at expiry represents the difference between the Closing Price/ Closing Level of the Underlying Asset on the Valuation Date and the Strike Price/Strike Level.

The Conditions applicable to CBBCs are set out in Parts A, B and C of Appendix 3 (as may be supplemented by any addendum or the relevant launch announcement and supplemental listing document).

What are the mandatory call feature of CBBCs?

Mandatory Call Event

Subject to the limited circumstances set out in the relevant Conditions in which a Mandatory Call Event may be reversed, we must terminate the CBBCs if a Mandatory Call Event occurs. A Mandatory Call Event occurs if the Spot Price/Spot Level of the Underlying Asset is:

(a) at or below the Call Price/Call Level (in the case of a series of bull CBBCs); or

(b) at or above the Call Price/Call Level (in the case of a series of bear CBBCs),

at any time during the Observation Period.

The Observation Period starts from and including the Observation Commencement Date of the relevant CBBCs and ends on and including the Trading Day immediately preceding the Expiry Date.

Subject to the limited circumstances set out in the relevant Conditions in which a Mandatory Call Event may be reversed and such modification and amendment as may be prescribed by the Stock Exchange from time to time:

(a) all trades in the CBBCs concluded via auto-matching or manually after the time of the occurrence of a Mandatory Call Event; and

(b) where the Mandatory Call Event occurs during a pre-opening session or closing auction session (if applicable), all auction trades in the CBBCs concluded in such session and all manual trades concluded after the end of the pre-order matching period in such session, will be invalid and cancelled, and will not be recognised by us or the Stock Exchange.

The time at which a Mandatory Call Event occurs will be determined by reference to:

(a) in respect of CBBCs over single equities ("**Single Equity CBBCs**") or CBBCs over exchange traded fund ("**ETF**") ("**ETF CBBCs**"), the Stock Exchange's automatic order matching and execution system time at which the Spot Price is at or below the Call Price (for a series of bull CBBCs) or is at or above the Call Price (for a series of bear CBBCs); or

(b) in respect of CBBCs over index ("**Index CBBCs**"), the time the relevant Spot Level is published by the index compiler at which the Spot Level is at or below the Call Level (for a series of bull CBBCs) or is at or above the Call Level (for a series of bear CBBCs),

subject to the rules and requirements as prescribed by the Stock Exchange from time to time.

Category R CBBCs vs. Category N CBBCs

The launch announcement and supplemental listing document for the relevant series of CBBCs will specify whether the CBBCs are Category R CBBCs or Category N CBBCs.

"**Category N CBBCs**" refer to CBBCs for which the Call Price/Call Level is equal to their Strike Price/ Strike Level. In respect of a series of Category N CBBCs, you will not receive any cash payment following the occurrence of a Mandatory Call Event.

"**Category R CBBCs**" refer to CBBCs for which the Call Price/Call Level is different from their Strike Price/Strike Level. In respect of a series of Category R CBBCs, you may receive a cash payment called the "**Residual Value**" (net of any Exercise Expenses) upon the occurrence of a Mandatory Call Event. The amount of the Residual Value payable (if any) is calculated by reference to:

(a) in respect of a series of bull CBBCs, the difference between the Minimum Trade Price/ Minimum Index Level and the Strike Price/ Strike Level of the Underlying Asset; and

(b) in respect of a series of bear CBBCs, the difference between the Strike Price/Strike Level and the Maximum Trade Price/Maximum Index Level of the Underlying Asset.

You must read the applicable Product Conditions and the relevant launch announcement and supplemental listing document to obtain further information on the calculation formula of the Residual Value applicable to Category R CBBCs.

You may lose all of your investment in a particular series of CBBCs if:

(a) in the case of a series of bull CBBCs, the Minimum Trade Price/Minimum Index Level of the Underlying Asset is equal to or less than the Strike Price/Strike Level; or

(b) in the case of a series of bear CBBCs, the Maximum Trade Price/Maximum Index Level of the Underlying Asset is equal to or greater than the Strike Price/Strike Level.

Where can you find the Product Conditions applicable to our CBBCs?

You should review the Product Conditions applicable to each type of the CBBCs before your investment.

The Product Conditions applicable to each type of our CBBCs are set out in Appendix 3.

How is the funding cost calculated?

The issue price of a series of CBBCs is set by reference to (i) the difference between the initial reference spot price/level of the Underlying Asset as at the launch date of the CBBC and the Strike Price/ Strike Level, plus (ii) if applicable, a funding cost.

The initial funding cost applicable to the CBBCs as of the launch date will be specified in the relevant launch announcement and supplemental listing document for the relevant series.

The funding cost is an amount determined by us based on a number of factors, including but not limited to the Strike Price/Strike Level, the prevailing interest rate and, for Single Equity CBBCs or ETF CBBCs, the expected dividend/distribution yield in respect of the Underlying Asset.

The funding cost may fluctuate throughout the life of the CBBCs as the funding rate changes from time to time.

Further details about the funding cost applicable to a series of CBBCs will be described in the relevant launch announcement and supplemental listing document.

Do you own the Underlying Asset?

CBBCs convey no interest in the Underlying Asset. We may choose not to hold the Underlying Asset or any derivatives contracts linked to the Underlying Asset. There is no restriction through the issue of the CBBCs on the ability of the BNP Group to sell, pledge or otherwise convey all rights, titles and interests in any Underlying Asset or any derivatives products linked to the Underlying Asset.

What are the factors determining the price of a CBBC?

The price of a series of CBBCs tend to follow closely the movement in the value of the Underlying Asset in dollar value (on the assumption of an entitlement ratio of one CBBC to one unit of Underlying Asset).

However, throughout the term of a CBBC, its price will be influenced by a number of factors, including:

(a) the Strike Price/Strike Level and the Call Price/ Call Level;

(b) the likelihood of the occurrence of a Mandatory Call Event;

(c) for Category R CBBCs only, the probable range of the Residual Value payable upon the occurrence of a Mandatory Call Event;

(d) the time remaining to expiry;

(e) any change(s) in interim interest rates;

(f) expected dividend payments or other distribution on the Underlying Asset or on any components comprising the underlying index;

(g) the probable range of the Cash Settlement Amount;

(h) the supply and demand for the CBBCs;

(i) the liquidity of the Underlying Asset or of the future contracts relating to the underlying index;

(j) our related transaction costs; and/or

(k) our creditworthiness and the creditworthiness of the Guarantor.

What is your maximum loss?

Your maximum loss in CBBCs will be your entire investment amount plus any transaction cost.

How can you get information about the CBBCs after issue?

You may visit our website at *https://www.bnppwarrant.com* to obtain further information on CBBCs or any notice given by us in relation to our CBBCs.

OVERVIEW OF THE BRRD AND ITS IMPLICATIONS TO THE STRUCTURED PRODUCTS

What is the BRRD?

The Bank Recovery and Resolution Directive (2014/59/EU), as amended ("**BRRD**") is a legislative development in the European Union ("**EU**") which was introduced to address the shortcomings in the national laws and regulations of EU Member States for the resolution of failing banks and financial institutions. The BRRD provides that it should be applied by EU Member States from 1 January 2015, except for the Bail-In Power (as described below) which should be applied from 1 January 2016. The implementation date of the BRRD in each EU Member State depends on the implementation legislation enacted, or which will be enacted in each such EU Member State. The BRRD has been implemented in France. In March 2016, the European Commission has adopted a Commission Delegated Regulation setting out a number of regulatory technical standards for the BRRD.

The BRRD provides for the establishment of an EU-wide framework for the recovery and resolution of EU credit institutions and investment firms as well as certain of their group companies falling under the scope of the BRRD. The BRRD requires the governments of all EU Member States to provide their relevant resolution authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of that institution's critical financial and economic functions, while minimising the impact of that institution's failure on the broader economy and financial system.

The BRRD contains four resolution tools and powers (the "**Resolution Tools**") which may be used alone or in combination where the relevant resolution authority considers that (a) an affected institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such affected institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business — which enables the relevant resolution authorities to direct the sale of the affected institution or the whole or part of its business on commercial terms; (ii) bridge institution — which enables the relevant resolution authorities to transfer all or part of the business of the affected institution to a "bridge institution" (an entity created for this purpose that is wholly or partially in public control); (iii) asset separation — which enables the relevant resolution authorities to transfer impaired or problem assets to one or multiple publicly owned asset management vehicles in order for them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) Bail-In Power (as described in the paragraph headed "What is Bail-In Power" below).

Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending BRRD as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending the Single Resolution Mechanism Regulation (Regulation 806/2014) as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms, have been published on 7 June 2019 in the Official Journal of the European Union. They amend a number of key EU banking directives and regulations, among which the BRRD, the Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms ("**CRD**"), the Regulation 2013/575 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("**CRR**"), and the Single Resolution Mechanism.

On 18 April 2023, the European Commission presented a legislative package to adjust and further strengthen the EU's existing bank crises management and deposit insurance ("**CMDI**") framework by amending the BRRD, the Single Resolution Mechanism Regulation (Regulation 806/2014) and the

Deposit Guarantee Scheme Directive. Such proposal is still subject to further discussions. Once agreed, the final text will be published in the Official Journal of the European Union and that publication will trigger the precise legal application date of the new provisions (whose date is unknown but shouldn't be earlier than the first quarter of 2026).

The BRRD has been implemented in France through Ordinance No.2020-1636 dated 21 December 2020 relating to the resolution regime in the banking sector (the "**Ordinance**"). In particular, the Ordinance has implemented Article 48(7) of BRRD which requires EU Member States to modify their national insolvency law in order to ensure that, in insolvency proceedings, claims resulting from funds rank below any other claims that do not result from own funds as defined by the CRR (the "**Own Funds**"). The transposition of this provision by the Ordinance has modified the rules governing the order of creditors' claims applicable to French credit institutions in insolvency proceedings. Subordinated obligations and deeply subordinated obligations of the Guarantor issued before 28 December 2020 will keep their contractual ranking if they are, or have been, fully or partially recognised as Own Funds.

Article L.613-30-3-I-5° of the French *Code monétaire et financier* states that, as from 28 December 2020, it should not be possible for liabilities of a credit institution that are not Own Funds to rank *pari passu* with Own Funds.

Therefore, a new rank within subordinated obligations has been created for subordinated obligations or deeply subordinated obligations of the Guarantor, issued as from 28 December 2020 if and when they completely cease to constitute tier 2 capital or additional tier 1 capital instruments of the Guarantor. They will rank in priority to tier 2 capital instruments and additional tier 1 capital instruments of the Guarantor in order to comply with article L.613-30-3-I-5° of the French *Code monétaire et financier*.

Consequently,

(i) as long as subordinated obligations are recognised as tier 2 capital instruments, they will rank as tier 2 capital instruments, and, if they are no longer recognised as tier 2 capital instruments, they will automatically rank as "**Disqualified Subordinated Obligations**"; and

(ii) as long as deeply subordinated obligations are recognised as additional tier 1 capital instruments, they will rank as additional tier 1 capital instruments of the Guarantor, and, if they are no longer recognised as additional tier 1 capital instruments, they will automatically rank as disqualified additional tier 1 obligations and will rank *pari passu* with the Disqualified Subordinated Obligations;

without any action from the Guarantor and without obtaining the consent of the creditors of subordinated obligations or any other obligations.

All subordinated obligations or deeply subordinated obligations granted by the Guarantor prior to the date of entry into force of the Ordinance that are, or have been, fully or partially recognised as Own Funds of the Guarantor, rank and as long as they are outstanding will rank as tier 2 capital instruments or additional tier 1 capital instruments of the Guarantor as the case may be, in accordance with their contractual terms.

The implementation of the Resolution Tools with respect to the Guarantor may result in significant structural changes and in a partial or total write down, modification or variation of claims of shareholders and creditors, including the reduction, modification, cancellation or conversion, all, or a portion, of any amounts payable by the Guarantor under the terms of the Guarantee, into other securities of the Guarantor (or of another person), including by means of a variation of the terms of the Guarantee. The exercise of any resolution power under the BRRD by the relevant resolution authorities over the Guarantor could materially adversely affect its creditworthiness and the rights of investors under the Structured Products and the market value of the Structured Products. You as investors in the Structured Products may therefore lose all or a substantial part of your investment in the Structured Products.

It is important to note that certain protections are granted to the creditors of an EU credit institution in case of the exercise of the Resolution Tools (including the Bail-In Power) over such institution. The most important one is the principle known as the "no creditor worse off principle" as provided for in the BRRD. This principle is intended to ensure that the creditors of an affected institution which is subject to the exercise of the Bail-In Power under the BRRD shall not incur greater losses than they would have incurred if such affected institution had been wound up under normal insolvency proceedings. For this purpose, the relevant resolution authorities in the EU have to ensure that it is assessed at the time of exercise of the Bail-In Power whether shareholders and creditors of an affected institution would have received better treatment if such affected institution had entered into normal insolvency proceedings.

The Issuer is not subject to the BRRD

The Issuer is incorporated as a private limited company under Dutch law as an exempt group finance company under the Dutch Financial Supervision Act, and will not be subject to the BRRD.

The Guarantor is subject to the BRRD

The Guarantor is a credit institution incorporated in France and is subject to the BRRD and the French legislation having implemented the BRRD and Regulation (EUR) No 806/2014, as amended.

Under the French legislation having implemented the BRRD, substantial powers are granted to the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**"), the French resolution authority, and/or to other relevant resolution authorities in the EU, to implement resolution measures (including the use of the Resolution Tools) in respect of a French credit institution (including, for example, the Guarantor) and certain of its affiliates (each a "**relevant entity**") to protect and enhance the stability of the financial system of France if the relevant French resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied.

The Resolution Tools may be exercised over the Guarantor

The exercise of any Resolution Tool or any suggestion of any such exercise under the BRRD over the Guarantor could adversely affect the value of the Structured Products. **You may therefore lose all or a substantial part of your investment in the Structured Products.**

In addition, the resolution powers could be exercised (i) prior to the commencement of any insolvency proceedings in respect of the Guarantor, and (ii) by the relevant French resolution authorities without your consent or any prior notice to you. It is also uncertain how the relevant resolution authority would assess triggering conditions in different pre-insolvency scenarios affecting the Guarantor under the BRRD. Accordingly, you may not be able to anticipate a potential exercise of any such resolution powers over the Guarantor.

What is "Bail-In Power"?

"Bail-In Power" (as defined in the section headed "Text of the Guarantee of BNP Paribas") means the power of the relevant resolution authorities to write down, convert to equity, transfer, modify or suspend certain claims of unsecured creditors of a failing institution existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in France, relating to the transposition of the BRRD as amended from time to time, and the instructions, rules and standards created thereunder, pursuant to which, in particular, the obligations of the Guarantor in respect of the Guarantee can be reduced (in part or in whole), cancelled, modified, or converted into shares, other securities or other obligations of the Guarantor or any other person.

Please see the section headed "Text of the Guarantee of BNP Paribas" in this document for further details, in particular clause 6 of the Guarantee with respect to the Bail-In Power.

The Issuer's obligations under the Structured Products are not subject to the "Bail-In Power"

As the Issuer is not subject to the BRRD, the obligations of the Issuer under the Structured Products will not be subject to the exercise of any Bail-In Power in respect of the Issuer.

However, in the event of a default by the Issuer of its obligations under the Structured Products, and if any Bail-In Power is exercised over the Guarantor with respect to the Guarantee, you may not be able to recover all or even part of the amount due under the Structured Products (if any) from the Guarantor under the Guarantee, or you may receive a different security issued by the Guarantor (or another person) in place of the amount (if any) due to you under the Structured Products by the Issuer, which may be worth significantly less than the amount due to you under the Structured Products at expiry. For further details, please refer to the paragraph headed "Risks relating to the BRRD" under the section "Risk Factors" of this document.

The Guarantor's obligations with respect to the Guarantee are subject to the "Bail-In Power"

In addition, the Guarantee includes a contractual term regarding the "Bail-In Power" and any liability covered by the Guarantor will be contractually subject to the exercise of any "Bail-In Power" by the relevant resolution authority if such authority should so decide at the relevant time.

By investing in the Structured Products, you acknowledge, accept, consent and agree to be contractually bound by the effect of the exercise of any Bail-In Power by the relevant resolution authorities over the Guarantor. You further acknowledge, accept, consent and agree that your rights under the Guarantee are contractually subject to, and will be varied, if necessary, so as to give effect to, the exercise of any Bail-In Power by the relevant resolution authorities.

The effect of the exercise of the Bail-In Power by the relevant resolution authority over the Guarantor may include and result in any of the following, or some combination thereof:

(a) the reduction of all, or a portion, of the amounts payable by the Guarantor under the terms of the Guarantee (including a reduction to zero);

(b) the conversion of all, or a portion, of the amounts due under the Guarantee into shares or other securities or other obligations of the Guarantor or of another person, including by means of an amendment, modification or variation of the contractual terms, in which case you agree to accept in lieu of your contractual rights under the terms of the Guarantee any such shares, other securities or other obligations of the Guarantor or another person;

(c) the cancellation of the Guarantee;

(d) the amendment or alteration of the maturity of the Guarantee or amendment of the amount of interest payable on the Guarantee, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and/or

(e) if applicable, the variation of the terms of the Guarantee, if necessary to give effect to the exercise of the Bail-In Power by the relevant resolution authority.

Article L.613-56-9 of the French *Code monétaire et financier* specifies conditions for contractual recognition of the Bail-In Power. Any financial contract entered into by an entity referred to in Section I of Article L.613-34 of the French *Code monétaire et financier* that creates an obligation or substantially modifies an existing obligation as from 28 December 2020 and which is governed by the law of a third country shall include a clause specifying that the parties acknowledge that such obligation may be subject to the exercise by the relevant resolution authority of the Bail-In Power as if the contract was governed by the law of an EU Member State.

Accordingly, in the event of a default by the Issuer of its obligations under the Structured Products guaranteed by the Guarantee and if any Bail-In Power is exercised over the Guarantor with respect to the Guarantee, you may not be able to recover all or even part of the amount due under the Structured Products (if any) from the Guarantor under the Guarantee, or you may receive a different security issued by the Guarantor (or another person) in place of the amount (if any) due to you under the Structured Products from the Issuer, which may be worth significantly less than the amount due to you under the Structured Products (if any).

In addition, the exercise of the Resolution Tools may also result, after any transfer of all or part of the Guarantor's business or separation of any of its assets, in you as the investors in the Structured Products (even in the absence of any such write down or conversion) being left as the creditors of the Guarantor, whose remaining business or assets is insufficient to support the claims of all or any of the creditors of the Guarantor (including you as the investors in the Structured Products).

Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to, or requiring your further consent.

There are significant risks inherent in the holding of the Structured Products, including the risks in relation to the circumstances in which the amounts due under the Guarantee may be written down or converted to ordinary shares and the implications on investors of the Structured Products (such as a substantial loss), the circumstances in which such investors may suffer loss as a result of holding the Structured Products are difficult to predict and the quantum of any loss incurred by investors in the Structured Products in such circumstances is also highly uncertain. Please refer to the paragraph headed "Risks relating to the BRRD" under the section "Risk Factors" of this document for further details of the relevant risk factors applicable to the Structured Products.

DESCRIPTION OF THE ISSUER

History

Our name is:

BNP Paribas Issuance B.V.

We are a private limited company under Dutch law ("**besloten vennootschap met beperkte aansprakelijkheid**"), having its registered office at Herengracht 595, 1017 CE Amsterdam, the Netherlands and registered with the Commercial Register under number 33215278. We were incorporated on 10 November 1989.

Business

Our objects are:

(a) to incorporate, to participate in any way whatsoever in, to manage, to supervise businesses and companies;

(b) to finance businesses and companies;

(c) to borrow, to lend and to raise funds, including the issue of bonds, promissory notes or other securities or evidence of indebtedness, including, among other things, option certificates and other securities or debt securities, both with and without indexation based on, inter alia, stocks, baskets of stocks, stock market indices, currencies, commodities and terms of goods as well as to enter into agreements in connection with aforementioned activities, including, among other things, swaps and derivatives transactions and to grant security rights in connection therewith;

(d) to render advice and services to businesses and companies with which the company forms a group and to third parties;

(e) to grant guarantees, to bind the company and to pledge its assets for obligations of businesses and companies with which it forms a group and on behalf of third parties;

(f) to acquire, alienate, manage and exploit registered property and items of property in general;

(g) to trade in currencies, securities and items of property in general;

(h) to develop and trade in patents, trade marks, licenses, know-how, copyrights, data base rights and other intellectual property rights;

(i) to perform any and all activities of an industrial, financial or commercial nature,

and to do all that is connected therewith or may be conducive thereto, all to be interpreted in the broadest sense.

Share capital

The issued share capital is 4,545,379.00 euros, divided in 4,545,379.00 shares of one euro each.

All shares are registered shares and no share certificates have been issued.

Management

Management Board

Our management will be composed of a Management Board with one or several members appointed by the general meeting of shareholders.

Duties of the Management Board

Within the limits of the constitutional documents, the Management Board will be responsible for our management.

Delegation of management

BNP Paribas is our sole shareholder. The Management Board is appointed by the general meeting of shareholders and consists of the following members: Messrs. Edwin Herskovic, Cyril Le Merrer, Hugo Peek, Folkert van Asma and Matthew Yandle. The appointed board members have the power to take all necessary measures in relation to the issue of securities of the Issuer.

DESCRIPTION OF THE GUARANTOR

History

1966: Creation of BNP

The merger of BNCI and CNEP to form BNP represented the largest restructuring operation in the French banking sector since the end of the Second World War.

1968: Creation of Compagnie Financière de Paris et des Pays-Bas

1982: Nationalisation of BNP and Compagnie Financière de Paris et des Pays-Bas at the time of the nationalisation of all French banks

In the 1980s, deregulation of the banking sector and the growing tendency of borrowers to raise funds directly on the financial market transformed the banking business in France and worldwide.

1987: Privatisation of Compagnie Financière de Paribas

With 3.8 million individual shareholders, Compagnie Financière de Paribas had more shareholders than any other company in the world. Compagnie Financière de Paribas owned 48% of the capital of Compagnie Bancaire.

1993: Privatisation of BNP

BNP's return to the private sector represented a new start. The 1990s were marked by a change in the level of profitability of the Bank, which had the highest return on equity of any major French institution in 1998. This period was marked by the launch of new banking products and services, the development of activities on the financial markets, expansion in France and at the international level, and preparation for the advent of the euro.

1998: Creation of Paribas

On 12 May 1998, the merger between Compagnie Financière de Paribas, Banque Paribas and Compagnie Bancaire was approved.

1999: A momentous year for the Group

Following an unprecedented double tender offer and a stock market battle waged over six months, BNP was in a position to carry out a merger of equals with Paribas. For both groups, this was the most important event since their privatisation. It gave rise to a new Group with tremendous prospects. At a time of economic globalisation, the merger created a leading player in the European banking sector.

2000: Creation of BNP Paribas

BNP and Paribas merged on 23 May 2000.

The new Group derived its strength from the two major financial and banking lines from which it descends. It has two goals: to create value for shareholders, clients and employees by building the bank of the future, and to become a leading global player.

2006: Acquisition of BNL in Italy

BNP Paribas acquired BNL, Italy's 6th-largest bank. This acquisition transformed BNP Paribas, providing it with access to a second Domestic Market in Europe. In both Italy and France, all of the Group's business lines can now develop their activities by leveraging a nationwide banking network.

2009: Merger with the Fortis group

BNP Paribas took control of Fortis Bank and BGL (Banque Générale du Luxembourg).

2012: Launch of Hello bank!

2015: Acquisition of BGZ Polska

In Poland, which will become BNP Paribas Bank Polska.

2018: Acquisition of Nickel

Which offers banking solutions that are accessible to all, directly online or at tobacconists, without conditions of resources.

2020: Agreement with Deutsche Bank

For the takeover of its Prime Brokerage business.

2023: Closing of the sale of Bank of the West to BMO Financial Group

2024: Redeployment of capital from the divestment of Bank of the West with notably

- The acquisition of BCC Vita and the signing of a partnership with Gruppo BCC Iccrea, allowing the insurance business to access a new distribution network in Italy.
- The acquisition of Neuflize Vie and the signing of a partnership with Neuflize OBC, allowing the insurance business to develop the Ultra High Net Worth Individuals distribution network in France.
- The signing of the acquisition project(1) of HSBC Wealth Management activities in Germany to position the Wealth Management business among the leaders in Germany.
- The signing of the acquisition project(2) of AXA IM and the partnership with AXA; with the combined contribution of BNP Paribas' asset management platforms, the newly formed business would represent EUR 1,500 billion in asset under management(3) and would become a leading European player in the sector. More specifically, it would become a European leader in the management of long-term savings assets for insurance as well as pension funds with close to EUR 850 billion in assets under management(4), leveraging powerful platforms of public and private assets. This acquisition would also enable the newly formed business to benefit from the market position and expertise of the team dedicated to the private assets of AXA IM, factors for future growth with institutional and individual customers.

Business

With its integrated and diversified model, BNP Paribas is a leader in banking and financial services in Europe. The Group leverages on strong customer franchises and business lines with strong positions in Europe and favourable positions internationally, strategically aligned to better serve customers and long-term partners.

(1) Subject to agreements with the relevant authorities.

(2) Subject to agreements with the relevant authorities.

(3) Based on assets as at 31.12.2023

(4) Based on assets as at 31.12.2023

It operates in 64 countries and has almost 178,000 employees, including nearly 144,000 in Europe. The Group's activities are diversified and integrated within a distinctive model combining Commercial & Personal Banking activities in Europe and abroad, Specialised Businesses (consumer credit, mobility and leasing services, and new digital businesses), insurance, Private Banking and asset management, and banking for large corporates and institutionals.

BNP Paribas' organisation is based on three operating divisions: Corporate & Institutional Banking (CIB), Commercial, Personal Banking & Services (CPBS) and Investment & Protection Services (IPS). These divisions include the following businesses.

Corporate & Institutional Banking (CIB) division, combines:

— Global Banking,

— Global Markets, and

— Securities Services;

Commercial, Personal Banking & Services division, covers:

— Commercial & Personal Banking in the Eurozone:

  o Commercial & Personal Banking in France (CPBF),

  o BNL banca commerciale (BNL bc), Commercial & Personal Banking in Italy,

  o Commercial & Personal Banking in Belgium (CPBB),

  o Commercial & Personal Banking in Luxembourg (CPBL);

— Commercial & Personal Banking outside the Eurozone, organised around Europe-Mediterranean, covering Commercial & Personal Banking outside the Eurozone, in particular in Central and Eastern Europe, Türkiye and Africa;

— Specialised Businesses:

  o BNP Paribas Personal Finance,

  o Arval and BNP Paribas Leasing Solutions,

  o New Digital Businesses (in particular Nickel, Floa, Lyf) and BNP Paribas Personal Investors;

Investment & Protection Services division, combines:

— Insurance (BNP Paribas Cardif),

— Wealth and Asset Management: BNP Paribas Asset Management, BNP Paribas Real Estate, the management of the BNP Paribas Group's portfolio of unlisted and listed industrial and commercial investments (BNP Paribas Principal Investments) and BNP Paribas Wealth Management.

BNP Paribas SA is the parent company of the BNP Paribas Group.

Share Capital

As at 31 December 2024, the share capital of BNP Paribas stood at €2,261,621,342, divided into 1,130,810,671 shares with a par value of EUR2 each.

For up-to-date financial information, including quarterly results since the last fiscal year end, please refer to http://invest.bnpparibas.com/en.

Board of Directors

The following table sets forth the names of the current members of the Board of Directors, their current function at the Bank, their business address and their principal business activities outside of the Bank as at 31 December 2024, except where specified:

Jean LEMIERRE **Principal function: Chairman of the Board of directors of BNP Paribas**	
Date of birth: 6 June 1950 *Nationality:* French *Term start and end dates:* 16 May 2023 - 2026 AGM *Date first appointed to the Board of directors:* 1 December 2014 ratified by the Annual General Meeting of 13 May 2015 *Number of BNP Paribas shares held*[1]: 46,943[2] *Business address:* 16 boulevard des Italiens 75009 Paris France **Education** Graduate of the Institut d'Études Politiques de Paris Graduate of École Nationale d'Administration Law degree	**Offices[1] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad** BNP Paribas[*], Chairman of the Board of directors TEB Holding AS, director **Offices[1] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad** TotalEnergies[*], director **Participation[1] in specialised committees of French or foreign companies** TotalEnergies[*], member of the Corporate Governance and Ethics Committee and member of the Strategy & CSR Committee **Others[1]** Centre d'Études Prospectives et d'Informations Internationales (CEPII), Chairman Paris Europlace, Vice-Chairman Association française des entreprises privées (Afep), member of the Board of directors Institut de la Finance durable (IFD), member of the Board of directors Institute of International Finance (IIF), member International Advisory Council of China Development Bank (CDB), member International Advisory Council of China Investment Corporation (CIC), member International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS), member

Offices held at 31 December in previous financial years *(the companies mentioned are the parent companies of the groups in which the functions were carried out)*			
2023: **Chairman of the Board of directors:** BNP Paribas **Director:** TEB Holding AS, TotalEnergies SA **Chairman:** Centre d'Études Prospectives et d'Informations Internationales (CEPII) **Vice-Chairman:** Paris Europlace **Member:** Board of directors of the Association française des entreprises privées (Afep), Board of directors of the Institut de la Financial durable (IFD), Institute of International Finance (IIF), International Advisory Council of China Development Bank (CDB), International Advisory Council of China Investment Corporation (CIC), International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS)	**2022:** **Chairman of the Board of directors:** BNP Paribas **Director:** TEB Holding AS, TotalEnergies SA **Chairman:** Centre d'Études Prospectives et d'Informations Internationales (CEPII) **Vice-Chairman:** Paris Europlace **Member:** Board of directors of the Association française des entreprises privées (Afep), Board of directors of the Institut de la Financial durable (IFD), Institute of International Finance (IIF), International Advisory Council of China Development Bank (CDB), International Advisory Council of China Investment Corporation (CIC), International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS)	**2021:** **Chairman of the Board of directors:** BNP Paribas **Director:** TEB Holding AS, Total SA **Chairman:** Centre d'Études Prospectives et d'Informations Internationales (CEPII) **Vice-Chairman:** Paris Europlace **Member:** Board of directors of the Association française des entreprises privées (Afep), Institute of International Finance (IIF), Orange International Advisory Board, International Advisory Council of China Development Bank (CDB), International Advisory Council of China Investment Corporation (CIC), International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS)	**2020:** **Chairman of the Board of directors:** BNP Paribas **Director:** TEB Holding AS, Total SA **Chairman:** Centre d'Études Prospectives et d'Informations Internationales (CEPII) **Vice-Chairman:** Paris Europlace **Member:** Board of directors of the Association française des entreprises privées (Afep), Institute of International Finance (IIF), Orange International Advisory Board, International Advisory Council of China Development Bank (CDB), International Advisory Council of China Investment Corporation (CIC), International Advisory Panel (IAP) of the Monetary Authority of Singapore (MAS)

(1) At 31 December 2024.

(2) Including 1,617 BNP Paribas shares held under the Company Savings Plan.

(*) Listed company.

Jean-Laurent BONNAFÉ
Principal function: Director and Chief Executive Officer of BNP Paribas

Date of birth: 14 July 1961
Nationality: French
Term start and end dates: 17 May 2022 - 2025 AGM
Date first appointed to the Board of directors: 12 May 2010

Number of BNP Paribas shares held(1)*:* 113,622(2)
Business address: 16 boulevard des Italiens
75009 Paris
France

Education
Graduate of the École Polytechnique
Ingénieur en chef des Mines

Offices(1) held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas(*), Director and Chief Executive Officer

Offices(1) held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad
Pierre Fabre Group:
Pierre Fabre SA, director
Pierre Fabre Participations, director

Participation(1) in Specialised committees of French or foreign companies
Pierre Fabre SA, member of the Strategic Committee

Others(1)
Association Française des Banques (AFB), Chairman
Fédération Bancaire Française (FBF), member of the Executive Committee
Association pour le Rayonnement de l'Opéra de Paris, Chairman
Entreprises pour l'Environnement, Vice-Chairman
La France s'engage Foundation, member of the Board of directors

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Director and Chief Executive Officer: BNP Paribas **Chairman:** Association Française des Banques (AFB), Association pour le Rayonnement de l'Opéra de Paris **Vice-Chairman:** Entreprises pour l'Environnement **Director:** Pierre Fabre Group **Member:** Executive Committee of the Fédération Bancaire Française (FBF), Board of directors of La France s'engage Foundation	**Director and Chief Executive Officer:** BNP Paribas **Chairman:** Association Française des Banques (AFB), Association pour le Rayonnement de l'Opéra de Paris **Vice-Chairman:** Entreprises pour l'Environnement **Director:** Pierre Fabre Group **Member:** Executive Committee of the Fédération Bancaire Française (FBF), Board of directors of the Bank Policy Institute, Board of directors of La France s'engage Foundation	**Director and Chief Executive Officer:** BNP Paribas **Chairman:** Association pour le Rayonnement de l'Opéra de Paris, Entreprise pour l'Environnement **Director:** Pierre Fabre SA **Vice-Chairman of the Executive Committee:** Fédération Bancaire Française (FBF) **Member:** Board of directors of La France s'engage Foundation	**Director and Chief Executive Officer:** BNP Paribas **Chairman:** Association pour le Rayonnement de l'Opéra de Paris, Entreprise pour l'Environnement **Director:** Pierre Fabre SA **Member of the Executive Committee:** Fédération Bancaire Française (FBF) **Member:** Board of directors of La France s'engage Foundation

(1) At 31 December 2024.
(2) Including 32,247 BNP Paribas shares in the form of shares in the shareholding fund held under the Company Savings Plan.
(*) Listed company.

Jacques ASCHENBROICH
Principal function: Chairman of the Board of directors of Orange

Date of birth: 3 June 1954
Nationality: French
Term start and end dates: 16 May 2023 - 2026 AGM
Date first appointed to the Board of directors: 23 May 2017

Number of BNP Paribas shares held(1): 1,000
Business address: 111 quai du Président-Roosevelt
92130 Issy-les-Moulineaux
France

Education
Graduate of the École des Mines
Corps des Mines

Offices(1) held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas(*), director

Offices(1) held under the principal function
Orange(*), Chairman of the Board of directors

Other offices(1) held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad
TotalEnergies(*), lead director

Participation(1) in specialised committees of French or foreign companies
BNP Paribas, Chairman of the Corporate Governance, Ethics, Nominations and CSR Committee and member of the Financial Statements Committee
TotalEnergies, Chairman of the Corporate Governance and Ethics Committee and member of the Remuneration Committee and Strategy & CSR Committee

Others(1)
Club d'affaires franco-japonais, Co-Chairman
French-American Foundation, Chairman of the Executive Committee

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Chairman of the Board of directors: Orange **Director:** BNP Paribas, TotalEnergies **Chairman:** École Nationale Supérieure Mines ParisTech **Co-Chairman:** Club d'affaires franco-japonais **Vice-Chairman:** Institut de la Finance Durable (IFD)	**Chairman of the Board of directors:** Orange **Director:** BNP Paribas, TotalEnergies **Chairman:** École Nationale Supérieure Mines ParisTech **Co-Chairman:** Club d'affaires franco-japonais **Member:** Board of directors of the Association française des entreprises privées (Afep)	**Chairman and Chief Executive Officer:** Valeo Group **Director:** BNP Paribas, TotalEnergies **Chairman:** École Nationale Supérieure Mines ParisTech **Co-Chairman:** Club d'affaires franco-japonais **Member:** Board of directors of the Association française des entreprises privées (Afep)	**Chairman and Chief Executive Officer:** Valeo Group **Director:** BNP Paribas, Veolia Environnement **Chairman:** École Nationale Supérieure Mines ParisTech **Co-Chairman:** Club d'affaires franco-japonais **Member:** Board of directors of the Association française des entreprises privées (Afep)

(1) At 31 December 2024.
(*) Listed company.

Juliette BRISAC
Principal function: Chief Operating Officer of the Corporate Engagement Department of the BNP Paribas Group(1)

Date of birth: 22 May 1964
Nationality: French
Term start and end dates: 14 May 2024 - 2027 AGM
Date first appointed to the Board of directors: 18 May 2021

Number of BNP Paribas shares held(2): 10,877(3)
Business address: Millénaire 4
35 rue de la Gare
75019 Paris
France

Education
Master's degree in Economics and DESS in Banking & Finance from the University of Paris I Panthéon Sorbonne
Graduate of the Institut français des administrateurs (IFA)
Certified auditor of the Cycle des hautes études pour le développement économique (CHEDE)

Offices(2) held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas(*), director representing employee shareholders
Supervisory Board of the Group profit sharing scheme mutual fund "BNP Paribas Actionnariat Monde", Chairwoman
Bénévolat de Compétences et Solidarité (BCS) by BNP Paribas, director

Participation(2) in specialised committees of French or foreign companies
BNP Paribas, member of the Financial Statements Committee

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:
Director: BNP Paribas **Chairwoman:** Supervisory Board of the Group profit sharing scheme mutual fund "BNP Paribas Actionnariat Monde"	**Director:** BNP Paribas **Chairwoman:** Supervisory Board of the Group profit sharing scheme mutual fund "BNP Paribas Actionnariat Monde"	**Director:** BNP Paribas **Chairwoman:** Supervisory Board of the Group profit sharing scheme mutual fund "BNP Paribas Actionnariat Monde"

(1) Effective 1 January 2025: Head of governance and permanent control of the Corporate Engagement Department of the BNP Paribas Group.
(2) At 31 December 2024.
(3) Including 5,962 BNP Paribas shares held under the Company Savings Plan.
(*) Listed company.

Pierre-André de CHALENDAR (until 14 May 2024)
Principal function: Chairman of the Board of directors of Compagnie de Saint-Gobain[1]

Date of birth: 12 April 1958
Nationality: French
Term start and end dates: 18 May 2021 - 2024 AGM
Date first appointed to the Board of directors: 23 May 2012

Number of BNP Paribas shares held[1]: 7,000
Business address[1]: Tour Saint-Gobain
12 place de l'Iris
92400 Courbevoie
France

Education
Graduate of École Supérieure des Sciences Économiques et Commerciales ("Essec")
Graduate of École Nationale d'Administration

Offices[1] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas[*], director

Offices[1] held under the principal function
Compagnie de Saint-Gobain[*], Chairman of the Board of directors
Saint-Gobain Corporation, director

Other offices[1] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad
Veolia Environnement[*], lead director
Bpifrance, director

Participation[1] in specialised committees of French or foreign companies
BNP Paribas, Chairman of the Remuneration Committee and member of the Corporate Governance, Ethics, Nominations and CSR Committee
Veolia Environnement, Chairman of the Nominations Committee, member of the Remuneration Committee and member of the Corporate Purpose Committee
Bpifrance, Chairman of the Remuneration Committee, Chairman of the Climate Committee

Others[1]
Institut de l'entreprise, Chairman
Essec, Chairman of the Supervisory Board
La Fabrique de l'Industrie, Co-Chairman
Association française des entreprises privées (Afep), member of the Board of directors

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Chairman of the Board of directors: Compagnie de Saint-Gobain **Director:** BNP Paribas, Veolia Environnement, Bpifrance, Saint-Gobain Corporation **Chairman:** Institut de l'entreprise, Board of overseers of Essec **Co-Chairman:** La Fabrique de l'Industrie **Member:** Board of directors of the Association française des entreprises privées (Afep)	**Chairman of the Board of directors:** Compagnie de Saint-Gobain **Director:** BNP Paribas, Veolia Environnement, Saint-Gobain Corporation **Chairman:** Board of overseers of Essec **Co-Chairman:** La Fabrique de l'Industrie **Member:** Board of directors of the Association française des entreprises privées (Afep)	**Chairman of the Board of directors:** Compagnie de Saint-Gobain **Director:** BNP Paribas, Veolia Environnement, Saint-Gobain Corporation **Chairman:** Board of overseers of Essec **Co-Chairman:** La Fabrique de l'Industrie **Member:** Board of directors of the Association française des entreprises privées (Afep)	**Chairman and Chief Executive Officer:** Compagnie de Saint-Gobain **Director:** BNP Paribas, Saint-Gobain Corporation **Chairman:** Board of overseers of Essec **Co-Chairman:** La Fabrique de l'Industrie **Member:** Board of directors of the Association française des entreprises privées (Afep)

(1) At 14 May 2024.
(*) Listed company.

Monique COHEN
Principal function: Director of companies

Date of birth: 28 January 1956
Nationality: French
Term start and end dates: 16 May 2023 - 2026 AGM
Date first appointed to the Board of directors: 12 February 2014, ratified by the Annual General Meeting of 14 May 2014

Number of BNP Paribas shares held[(2)]: 9,620
Business address: 16 boulevard des Italiens
75009 Paris
France

Education
Graduate of the École Polytechnique Master's degree in Mathematics
Master's degree in Business Law

Offices[(1)] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas[(*)], director

Other offices[(1)] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad
Hermès International[(*)], Vice-Chairwoman of the Supervisory Board
Safran[(*)], lead director

Participation[(1)] in specialised committees of French or foreign companies
BNP Paribas, Chairwoman of the Internal Control, Risk Management and Compliance Committee and member of the Corporate Governance, Ethics, Nominations and CSR Committee
Hermès International, Chairwoman of the Audit and Risks Committee
Safran, Chairwoman of the Nominations and Remuneration Committee
Comgest Global Investors, member of the Board of Partners

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Chairwoman of the Board of directors: Proxima Investissement SA, Fides Holdings **Vice-Chairwoman:** Supervisory Board of Hermès International **Director:** BNP Paribas, Safran **Member:** Supervisory Board of Fides Acquisitions	**Chairwoman of the Board of directors**: Proxima Investissement SA, Fides Holdings **Vice-Chairwoman:** Supervisory Board of Hermès International **Director:** BNP Paribas, Safran **Member:** Supervisory Board of Fides Acquisitions	**Chairwoman of the Board of directors**: Proxima Investissement SA, Fides Holdings **Vice-Chairwoman:** Supervisory Board of Hermès International **Director:** BNP Paribas, Safran **Member:** Supervisory Board of Fides Acquisitions	**Chairwoman of the Board of directors**: Proxima Investissement SA, Fides Holdings **Vice-Chairwoman:** Supervisory Board of Hermès International **Director:** BNP Paribas, Safran **Member:** Supervisory Board of Fides Acquisitions

(1) At 31 December 2024.
(*) Listed company.

Hugues EPAILLARD
Principal function: BNP Paribas Real Estate Business Manager

Date of birth: 22 June 1966
Nationality: French
Term start and end dates: elected by BNP Paribas executive employees for three years from 16 February 2024 - 15 February 2027
Date first appointed to the Board of directors: 16 February 2018

Business address: 59 rue Saint Ferréol
13001 Marseille
France

Offices[1] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas[*], director

Other offices[1] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad
Action Logement Services, director

Participation[1] in specialised committees of French or foreign companies
BNP Paribas, member of the Internal Control, Risk Management and Compliance Committee and of the Remuneration Committee
Action Logement Services, Chairman of the Risk Committee

Others[1]
Institut français des administrateurs (IFA), Co-Chairman of the Club of directors representing employees
Judge at the Marseille Employment Tribunal, Management section
Commission paritaire de la Banque (AFB - Recourse Commission), member

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Director: BNP Paribas, Action Logement Services	**Director:** BNP Paribas, Action Logement Services	**Director:** BNP Paribas	**Director:** BNP Paribas

(1) At 31 December 2024.
(*) Listed company.

Marion GUILLOU
Principal function: Independent Director

Date of birth: 17 September 1954
Nationality: French
Term start and end dates: 17 May 2022 - 2025 AGM
Date first appointed to the Board of directors: 15 May 2013

Number of BNP Paribas shares held[(1)]*:* 1,000
Business address: 16 boulevard des Italiens
75009 Paris
France

Education

Graduate of the École Polytechnique
Graduate of the École du Génie rural, des Eaux et des Forêts
Doctor of Food Sciences
Graduate of the Institut français des administrateurs (IFA)

Offices[(1)] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad

BNP Paribas[(*)], director

Offices[(1)] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad

Veolia Environnement[(*)], director

Participation[(1)] in specialised committees of French or foreign companies

BNP Paribas, member of the Corporate Governance, Ethics, Nominations and CSR Committee and of the Remuneration Committee
Veolia Environnement, member of the Research, Innovation and Sustainable Development Committee and the Remuneration Committee

Others[(1)]

Fonds de dotation pour la préservation de la biodiversité des espèces cultivées et de leurs apparentées sauvages, Chairwoman
Care - France (NGO), Chairwoman
Académie d'Agriculture de France, Chairwoman
Africa Europe Foundation, Co-Chairwoman of the food systems strategic group
Bioversity International, member of the Board of directors
International Centre for Tropical Agriculture (CIAT), member of the Board of directors
Bioversity International - CIAT Alliance, member of the Board of directors and Chairwoman of the Strategic Committee (ASPAC)
Accelerating Impacts of CGIAR Climate Research for Africa (AICCRA), member of the Independent Steering Committee (ISC)
Institut français des relations internationales (IFRI), member of the Board of directors
Haut Conseil pour le climat, member

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Director: BNP Paribas, Veolia Environnement **Chairwoman:** Fonds de dotation pour la préservation de la biodiversité des espèces cultivées et de leurs apparentées sauvages **Vice-Chairwoman:** Académie d'Agriculture de France, Care - France (NGO) **Member:** Board of directors of Bioversity International, Board of directors of the International Centre for Tropical Agriculture (CIAT), Board of directors of Bioversity - CIAT Alliance, Board of directors of IFRI, Haut Conseil pour le climat	**Director:** BNP Paribas, Veolia Environnement **Chairwoman:** Fonds de dotation pour la préservation de la biodiversité des espèces cultivées et de leurs apparentées sauvages **Vice-Chairwoman:** Care - France (NGO) **Member:** Board of directors of Bioversity International, Board of directors of the International Centre for Tropical Agriculture (CIAT), Board of directors of Bioversity - CIAT Alliance, Board of directors of IFRI, Haut Conseil pour le climat	**Director:** BNP Paribas, Veolia Environnement **Chairwoman:** Fonds de dotation pour la préservation de la biodiversité des espèces cultivées et de leurs apparentées sauvages **Vice-Chairwoman:** Care - France (NGO) **Member:** Board of directors of Bioversity International, Board of directors of the International Centre for Tropical Agriculture (CIAT), Board of directors of Bioversity - CIAT Alliance, Board of directors of IFRI, Haut Conseil pour le climat	**Director:** BNP Paribas, Veolia Environnement **Vice-Chairwoman:** Care - France (NGO) **Member:** Board of directors of Bioversity International, Board of directors of the International Centre for Tropical Agriculture (CIAT), Board of directors of Bioversity - CIAT Alliance, Board of directors of IFRI

(1) At 31 December 2024.
(*) Listed company.

Vanessa LEPOULTIER
Principal function: Asset Advisor BNP Paribas

Date of birth: 20 January 1983
Nationality: French
Term start and end dates: elected by BNP Paribas technician employees for three years from 16 February 2024 - 15 February 2027
Date first appointed to the Board of directors: 16 February 2024

Number of BNP Paribas shares held(1)*:* 85(2)
Business address: 150 rue du Faubourg-Poissonnière
75010 Paris
France

Offices(1) held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas(*), director

Other offices(1) held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad
Action Logement Services, alternate director

Participation(1) in specialised committees of French or foreign companies
BNP Paribas, member of the Financial Statements Committee

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

N/A

(1) At 31 December 2024.
(2) Including 85 BNP Paribas shares held under the Company Savings Plan.
(*) Listed company.

Lieve LOGGHE
Principal function: Administrative and Financial Director of Boortmalt International

Date of birth: 11 July 1968
Nationality: Belgian
Term start and end dates: 17 May 2022 - 2025 AGM
Date first appointed to the Board of directors: 17 May 2022

Number of BNP Paribas shares held[(1)]: 1,000
Business address: Zandvoort 2, Haven 350
2030 Antwerp
Belgium

Education

Master's degree in economics from the University of Brussels
Master's degree in accounting from the Vlerick School for Management
Master's degree in taxation from the EHSAL Management School

Offices[(1)] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad

BNP Paribas[(*)], director

Offices[(1)] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad

TINCC BV, director

Participation[(1)] in specialised committees of French or foreign companies

BNP Paribas, member of the Financial Statements Committee and member of the Remuneration Committee

Others[(1)]

ODISEE, member of the Board of directors and member of the Audit Committee

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:
Director: BNP Paribas, TINCC BV **Member:** Board of directors of ODISEE	**Director:** BNP Paribas, TINCC BV **Member:** Board of directors of ODISEE

(1) At 31 December 2024.
(*) Listed company.

Marie-Christine LOMBARD
Principal function: Chairwoman of the Management Board of Geodis SA

Date of birth: 6 December 1958
Nationality: French
Term start and end dates: 14 May 2024 - 2027 AGM
Date first appointed to the Board of directors: 10 January 2024 ratified by the Annual General Meeting of 14 May 2024

Number of BNP Paribas shares held[(1)]*:* 1,000
Business address: 26 quai Charles-Pasqua
92110 Levallois-Perret
France

Education

Graduate of École Supérieure des Sciences Économiques et Commerciales ("Essec")

Offices[(1)] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad

BNP Paribas[(*)], director

Offices[(1)] held under the principal function

Geodis SA, Chairwoman of the Management Board
SNCF, member of the Executive Committee

Offices[(1)] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad

Vinci[(*)], director

Participation[(1)] in specialised committees of French or foreign companies

BNP Paribas, Chairwoman of the Remuneration Committee
Vinci, Chairwoman of the Remuneration Committee and member of the Nominations and Governance Committee

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

N/A

(1) At 31 December 2024.
(*) Listed company.

Christian NOYER
Principal function: Director of companies

Date of birth: 6 October 1950
Nationality: French
Term start and end dates: 14 May 2024 - 2027 AGM
Date first appointed to the Board of directors: 18 May 2021
(Mr. Christian Noyer served as non-voting director of BNP Paribas from 1 May 2019 to 17 May 2021)

Number of BNP Paribas shares held(1)*:* 2,000
Business address: 16 boulevard des Italiens
75009 Paris
France

Education

Graduate of École Nationale d'Administration
Graduate of the Institut d'Études Politiques de Paris
Masters in Law from the University of Paris
Master's Degree from the University of Rennes

Offices(1) held in listed or unlisted companies of the BNP Paribas Group, in France or abroad

BNP Paribas(*), director

Offices(1) held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad

Setl Ltd, director(2)

Participation(1) in specialised committees of French or foreign companies

BNP Paribas, Chairman of the Financial Statements Committee and member of the Internal Control, Risk Management and Compliance Committee(3)

Others(1)

Institut pour l'Education Financière du Public (IEFP), Chairman
Institut Français des Relations Internationales (IFRI) Foundation, member of the Board of directors
Group of Thirty (G30), member
Mission dedicated to the relaunch of the Capital Markets Union, Chairman of the Committee of Experts

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Director: BNP Paribas, Power Corporation of Canada, Setl Ltd **Chairman:** Institut pour l'Education Financière du Public (IEFP) **Member:** Institut Français des Relations Internationales (IFRI) Foundation, Group of Thirty (G30)	**Director:** BNP Paribas, Power Corporation of Canada, Setl Ltd **Chairman:** Institut pour l'Education Financière du Public (IEFP) **Member:** Institut Français des Relations Internationales (IFRI), Group of Thirty (G30)	**Director:** BNP Paribas, Power Corporation of Canada, NSIA Banque Group, Setl Ltd **Chairman:** Institut pour l'Education Financière du Public (IEFP) **Member:** Institut Français des Relations Internationales (IFRI), Group of Thirty (G30)	**Director:** Power Corporation of Canada, NSIA Banque Group, Lloyd's of London, Setl Ltd

(1) At 31 December 2024.
(2) Until 24 January 2025.
(3) Member of the Remuneration Committee from 1 January 2025.
(*) Listed company.

Daniela SCHWARZER
Principal function: Member of the Executive Board of the Bertelsmann Foundation

Date of birth: 19 July 1973
Nationality: German
Term start and end dates: 16 May 2023 - 2026 AGM
Date first appointed to the Board of directors: 14 May 2014

Number of BNP Paribas shares held[(1)]*:* 1,000
Business address: Werderscher Markt 6
10117 Berlin
Germany

Education
Doctorate in Economics from the Free University of Berlin
Master's degree in Political Science and in Linguistics, University of Tübingen

Offices[(1)] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas[(*)], director

Offices[(1)] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad
Covivio[(*)], director

Participation[(1)] in specialised committees of French or foreign companies
BNP Paribas, member of the Corporate Governance, Ethics, Nominations and CSR Committee, member of the Internal Control, Risk Management and Compliance Committee and member of the Financial Statements Committee

Others[(1)]
Institut Jacques-Delors, member of the Board of directors
Deutsche Gesellschaft für Auswärtige Politik, member of the Board of directors
Institut Jean Monnet, member of the Board of directors

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Director: BNP Paribas, Covivio **Member of the Management Board:** Bertelsmann Foundation **Member:** Board of directors of Institut Jacques-Delors, Board of directors of Deutsche Gesellschaft für Auswärtige Politik, Board of directors of the Institut Jean Monnet	**Director:** BNP Paribas, Covivio **Executive Director:** Open Society Foundation for Europe and Central Asia **Member:** Board of directors of the Institut Jacques-Delors, Board of directors of the United Europe Foundation, Board of directors of the Deutche Gesellschaft für Auswärtige Politik, Board of directors of the Institut Jean Monnet	**Director:** BNP Paribas **Executive Director:** Open Society Foundation for Europe and Central Asia **Member:** Board of directors of the Institut Jacques-Delors, Board of directors of the United Europe Foundation, Advisory Committee of the Open Society Foundation, Board of directors of the Deutsche Gesellschaft für Auswärtige Politik, Board of directors of the Institut Jean Monnet	**Director:** BNP Paribas **Director:** Deutsche Gesellschaft für Auswärtige Politik **Member:** Board of directors of the Institut Jacques-Delors, Board of directors of the United Europe Foundation, Advisory Committee of the Open Society Foundation, Federal Security Academy, Advisory Committee

(1) At 31 December 2024.
(*) Listed company.

Annemarie STRAATHOF
Principal function: Director of companies

Date of birth: 2 August 1962
Nationality: Dutch
Term start and end dates: 14 May 2024 - 2027 AGM
Date first appointed to the Board of directors: 14 May 2024

Number of BNP Paribas shares held[(1)]*:* 1,000
Business address: 16 boulevard des Italiens
75009 Paris
France

Education

Holder of a Bachelor of Arts in English Literature from the University of Amsterdam
Holder of a Master in Business Administration from the Rotterdam School of Management

Offices[(1)] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad

BNP Paribas[(*)], director

Participation[(1)] in specialised committees of French or foreign companies

BNP Paribas, member of the Internal Control, Risk Management and Compliance Committee

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

N/A

(1) At 31 December 2024.
(*) Listed company.

Michel TILMANT
Principal function: Director of companies

Date of birth: 21 July 1952
Nationality: Belgian
Term start and end dates: 17 May 2022 - 2025 AGM
Date first appointed to the Board of directors: 12 May 2010
(Mr. Michel Tilmant served as non-voting director of BNP Paribas from 4 November 2009 to 11 May 2010)

Number of BNP Paribas shares held[(1)]: 1,000
Business address: Rue du Moulin 10
B-1310 La Hulpe
Belgium

Education
Graduate of the University of Louvain

Offices[(1)] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas[(*)], director

Offices[(1)] held under the principal function
Strafin sprl, manager

Other offices[(1)] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad
Groupe Lhoist SA, director
Foyer Finance SA, director

Participation[(1)] in specialised committees of French or foreign companies
BNP Paribas, member of the Internal Control, Risk Management and Compliance Committee
Groupe Lhoist SA, Chairman of the Audit Committee

Others[(1)]
Royal Automobile Club of Belgium, member of the Board of directors
Zoute Automobile Club, member of the Board of directors

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Chairman of the Board of directors: CapitalatWork Foyer Group SA **Director:** BNP Paribas, Foyer Finance SA, Groupe Lhoist SA, **Manager:** Strafin sprl **Member:** Board of directors of Royal Automobile Club of Belgium, Board of directors of Zoute Automobile Club	**Chairman of the Board of directors:** CapitalatWork Foyer Group SA **Director:** BNP Paribas, Foyer SA, Foyer Finance SA, Groupe Lhoist SA **Manager:** Strafin sprl **Member:** Board of directors of Royal Automobile Club of Belgium, Board of directors of Zoute Automobile Club	**Chairman of the Board of directors:** CapitalatWork Foyer Group SA **Director:** BNP Paribas, Foyer SA, Foyer Finance SA, Groupe Lhoist SA, Sofina SA **Manager:** Strafin sprl **Member:** Board of directors of Royal Automobile Club of Belgium, Board of directors of Zoute Automobile Club	**Chairman of the Board of directors:** CapitalatWork Foyer Group SA **Director:** BNP Paribas, Foyer SA, Foyer Finance SA, Groupe Lhoist SA, Sofina SA **Manager:** Strafin sprl **Member:** Board of directors of Royal Automobile Club of Belgium, Board of directors of the Zoute Automobile Club, Board of directors of Université Catholique de Louvain

(1) At 31 December 2024.
(*) Listed company.

Sandrine VERRIER (until 15 February 2024)
Principal function: BNP Paribas Production and Sales Support Assistant[(1)]

Date of birth: 9 April 1979
Nationality: French
Term start and end dates: elected by BNP Paribas technician employees for three years from 16 February 2021 - 15 February 2024
Date first appointed to the Board of directors: 16 February 2015

Business address: 150 rue du Faubourg-Poissonnière
75010 Paris
France

Offices[(1)] held in listed or unlisted companies of the BNP Paribas Group, in France or abroad
BNP Paribas[(*)], director

Other offices[(1)] held in listed or unlisted companies outside the BNP Paribas Group, in France or abroad
Action Logement Services, director

Participation[(1)] in specialised committees of French or foreign companies
BNP Paribas, member of the Financial Statements Committee
Action Logement Services, member of the Tender Committee

Others[(1)]
Conseil Économique, Social et Environnemental Régional d'Île-de-France, advisor

Offices held at 31 December in previous financial years
(the companies mentioned are the parent companies of the groups in which the functions were carried out)

2023:	2022:	2021:	2020:
Director: BNP Paribas, Action Logement Services	**Director:** BNP Paribas	**Director:** BNP Paribas	**Director:** BNP Paribas

(1) At 15 February 2024.
(*) Listed company.

Legal Proceedings and Arbitration

BNP Paribas (the "**Bank**") is party as a defendant in various claims, disputes and legal proceedings (including investigations by judicial or supervisory authorities) in a number of jurisdictions arising in the ordinary course of its business, including *inter alia* in connection with its activities as market counterparty, lender, employer, investor and taxpayer.

The related risks have been assessed by the Bank and are subject, where appropriate, to provisions disclosed in notes 4.n *Provisions for contingencies and charges and 4.e Financial assets at amortised cost* of the consolidated Financial Statements at 31 December 2024; a provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event and a reliable estimate can be made of the amount of the obligation.

The main contingent liabilities related to pending legal, governmental, or arbitral proceedings as of 31 December 2024 are described below. The Bank currently considers that none of these proceedings is likely to have a material adverse effect on its financial position or profitability; however, the outcome of legal or governmental proceedings is by definition unpredictable.

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court for the Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("**BLMIS**"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee under the US Bankruptcy Code and New York state law against numerous institutions, and seek recovery of amounts allegedly received by BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests.

As a result of certain decisions of the Bankruptcy Court and the United States District Court between 2016 and 2018, the majority of the BLMIS Trustee's actions were either dismissed or substantially narrowed. However, those decisions were either reversed or effectively overruled by subsequent decisions of the United States Court of Appeals for the Second Circuit issued on 25 February 2019 and 30 August 2021. As a result, the BLMIS Trustee refiled certain of these actions and, as of end May 2023, had asserted claims amounting in the aggregate to approximately USD 1.2 billion. As of the end of December 2024, following the dismissal of certain of the BLMIS Trustee's actions or claims, the aggregate amount of the claims stood at approximately USD 1.1 billion. BNP Paribas has substantial and credible defences to these actions and is defending against them vigorously.

Litigation was brought in Belgium by minority shareholders of the previous Fortis Group against the Société Fédérale de Participations et d'Investissement, Ageas and BNP Paribas seeking (amongst other things) damages from BNP Paribas as restitution for part of the BNP Paribas Fortis shares that were contributed to BNP Paribas in 2009, on the ground that the transfer of these shares was null and void. On 29 April 2016, the Brussels Commercial court decided to stay the proceedings until the resolution of the pending Fortis criminal proceeding in Belgium. The criminal proceeding, in which the Public Prosecutor had requested a dismissal, is definitively closed, as the Council Chamber of the Brussels Court of first instance issued on 4 September 2020 a ruling (which since became final) that the charges were time-barred. Certain minority shareholders are continuing the civil proceedings against BNP Paribas and the Société Fédérale de Participations et d'Investissement before the Brussels Commercial court; BNP Paribas continues to defend itself vigorously against the allegations of these shareholders. Hearings on the matter took place in September and October 2024 before the Brussels Commercial court; a judgment is expected to be rendered in the coming months.

On 26 February 2020, the Paris Criminal Court found BNP Paribas Personal Finance guilty of misleading commercial practice and concealment of this practice. BNP Paribas Personal Finance was ordered to pay a fine of EUR 187,500 and damages and legal fees to the civil plaintiffs. On 28 November 2023, the Paris Court of Appeals upheld the Paris Criminal Court's decision relating to misleading commercial practice and the concealment of those practices. As for the damages owed to the civil plaintiffs, though the Paris Court of Appeals adjusted the calculation methodology, the majority of the damages had already been paid by provisional enforcement of the Paris Criminal Court's judgment. An agreement was also entered into with the Consommation Logement Cadre de Vie association to settle the case with customers wishing to do so.

The Bank and one of its US subsidiaries are defendants in a civil class action and related individual actions seeking money damages pending before the United States District Court for the Southern District of New York brought by former Sudanese citizens, now US citizens and legal residents, claiming they were injured by the government of Sudan between 1997 and 2011. Plaintiffs base their claims on the historical facts set forth in the Bank's 30 June 2014 settlement agreements with US authorities concerning the processing of financial transactions for entities in certain countries subject to US economic sanctions. In early 2024, both the Board of Governors of the Federal Reserve in the United States and the Secrétariat Général of the Autorité de Contrôle Prudentiel et de Résolution in France announced the end of BNP Paribas's probationary period and the termination of the Cease-and-Desist Order entered into in 2014, marking the completion of BNP Paribas Group's US sanctions remediation as set forth under this Cease-and-Desist Order. Plaintiffs allege that the transactions processed by the Bank, predominately through its Swiss-based subsidiary, with Sudanese entities subject to US sanctions make the Bank and its US subsidiary liable for injuries perpetrated to plaintiffs by the government of Sudan. On 9 May 2024, the District Court granted plaintiffs' motion to proceed as a class of all refugees or asylees admitted by the United States who formerly lived in Sudan or South Sudan between November 1997 and December 2011, and ruled that the case would proceed to trial scheduled for 8 September 2025. BNP Paribas has substantial and credible defences to these actions and is defending against them vigorously.

BNP Paribas Bank Polska holds mortgage loan portfolios in Swiss franc or indexed to the Swiss franc. The Swiss franc loan agreements, a majority of which were concluded in 2006-2008, were entered into in accordance with industry practices at the time of entry. Like many other financial institutions in Poland, BNP Paribas Bank Polska is a defendant in civil proceedings with retail customers who took out these Swiss franc mortgage loans. BNP Paribas Bank Polska is not a party to any class action proceeding in relation to such mortgage loan agreements.

As at 31 December 2024, BNP Paribas Bank Polska was a defendant in 6,596 individual pending court proceedings, in which plaintiffs are demanding either a declaration of invalidity or a declaration of non-enforceability of the mortgage loan agreement and the reimbursement of the payments made thereunder to date. The significant number of claims against banks in relation to these mortgage loans is believed to have been impacted by changes in exchange rates since 2009, and developments in EU and Polish court rulings since 2019. In particular, Polish courts to date have, in the vast majority of cases, ruled that such mortgage loan agreements were invalid or non-enforceable.

Since December 2021, BNP Paribas Bank Polska has been conducting individual negotiations with clients with whom it remains in dispute or with whom there is a reasonable risk of entering into a dispute.

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

In 2023, BNP Paribas premises (along with those of other financial institutions) were searched by the French financial prosecutor's office; BNP Paribas was informed that the office had opened a preliminary investigation relating to French securities transactions.

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

RISK MANAGEMENT

Governance

The specialised committees of the Board of directors, which examine the risks taken and the risk policies on a Group scale, are:

- the Internal control, risk management and compliance Committee (CCIRC);
- the Joint Committee that combines the CCIRC and the Financial Statements Committee;
- the Corporate Governance, Ethics, Nominations and CSR Committee (CGEN).

In line with the Group's Risk Appetite Statement, Executive Management provides broad guidelines for risk management through Group-level governance bodies.

Main Group-level governance bodies have the following roles:

- Capital Committee validates the Group's objectives in terms of solvency ratios and Total Loss Absorbing Capacity (TLAC and MREL) requirements in case of resolution as well as the trajectory to achieve these targets, monitors the compliance with this trajectory and, when relevant, proposes corrective actions to achieve target solvency ratios. As the Group's competent Executive Management authority for all issues related to the internal credit and operational risks model, the Capital Committee is informed of decisions made in the MARCo Committees (Model Approval and Review Committee);
- Group ALM Treasury Committee (Group ALCo) is responsible for the management of the liquidity risk, interest rate risk in the banking book and structural foreign exchange risk over the whole Group;
- Group Supervision and Control Committee (GSCC) brings together the Group's control functions at Executive Management level and takes a Group-wide approach to tackling all aspects of risk exposure;
- Acquisitions Committee decides on acquisitions, disposals and external partnerships for operations under its jurisdiction as part of the Group's general investment approval procedure. The Acquisitions Committee reviews the strategic relevance of the proposed projects from the Group's point of view, as well as the various components of the business plans, including synergies and execution risks. In particular, it ensures the intrinsic profitability of projects (measured by Return on Investment), as well as the impact on the Group's solvency, liquidity and profitability, and their adequacy with the Group's Risk Appetite Statement;
- the Sustainable Finance Strategic Committee (SFSC) aims to validate the Group's sustainable finance strategy and commitments in this area. It approves the overall strategy in terms of sustainable finance, decides the main focuses of sustainable finance commercial policies and monitors their operational implementation. Where necessary, it also validates cross-functional infrastructure choices ensuring expertise and consistency in the implementation of regulatory requirements and the Group's commitments in methods, analyses, risk management, data, tools, standards and reporting related to sustainable finance;
- the General Management Credit Committee (CCDG) is the Group's highest authority concerning credit and counterparty risks. This committee decides primarily on credit requests exceeding the amount of individual delegations attributed to divisions and business lines or relating to transactions of a specific nature or which would deviate from the principles of the General Credit Policy. A Compliance representative may attend CCDG meetings when an opinion on financial security is needed;

- the General Management Doubtful Committee (CDDG) is the Group's highest level decision-making committee in terms of specific provisioning and recognitions of losses relative to the Group's customer exposures;

- the Financial Markets Risk Committee (FMRC) is the body which governs the Group's risk profile of the capital markets activities; its tasks include, among others, analysing market and counterparty risks and setting limits for capital markets activities;

- the Risk & Development Policy Committees (RDPC) have the dual objective of defining an appropriate risk policy for any given subject which may be a business activity, a product, a geographic area (region or country), a customer segment or economic sector, and of investigating development opportunities in relation to the subject in question;

- the Country Strategic RDPCs define the Group's risk appetite by setting country envelopes for medium-to-high-risk countries considering country risk, market conditions, business strategies as well as other topics such as those related to compliance or climate risk;

- the Group IT Risk Committee (GITRC) defines and oversees the Group's IT risk profile. This is the highest authority in terms of technological and cybersecurity risk management.

Risk Management Organisation

Position of the Control Functions

Risk management is central to the banking business and is one of the cornerstones of operations for the BNP Paribas Group. BNP Paribas has an internal control system covering all types of risks to which the Group may be exposed, organised around three lines of defence:

- as the first line of defence, internal control is the business of every employee, and the heads of the operational activities are responsible for establishing and running a system for identifying, assessing and managing risks according to the standards defined by the functions exercising an independent control in respect of the second line of defence;

- the main control functions within BNP Paribas ensuring the second line of defence are the Compliance, RISK and LEGAL Functions. Their Heads report directly to Chief Executive Officer and account for the performance of their missions to the Board of directors via its specialised committees;

- General Inspection provides a third line of defence. It is responsible for periodic control.

General Responsibilities of the Risk and Compliance Functions

Responsibility for managing risks primarily lies with the divisions and business lines that are at the origin of the underlying transactions. RISK continuously performs a second-line control over credit and counterparty risks, market risk, interest rate and foreign exchange rate risks on the banking book, liquidity risks, insurance risks, and operational risk, including technological and cybersecurity risks, over data protection risks, modelling risks and environmental and social risk factors, as well as the associated governance risks. As part of this role, it must ascertain the soundness and sustainability of the business commercial developments and their overall alignment with the risk appetite target set by the Group. RISK's remit includes formulating recommendations on risk policies, analysing the risk portfolio on a forward-looking basis, approving customers loans and trading limits, guaranteeing the quality and effectiveness of monitoring procedures, controlling the maturity of the processes and underlying operational risks and defining or validating risk measurement methods. RISK is also responsible for ensuring that all the risk implications of new businesses or products have been adequately assessed.

Compliance deals identically with risks related to financial security (money laundering, terrorist financing, corruption and influence peddling), market integrity, protection of clients, professional ethics, tax regulations applicable to customers and laws governing banking activities.

Its mission is to provide, through its opinions and decisions, as well as through its supervision and second level-controls, a reasonable assurance as to the effectiveness and consistency of the compliance system over operations and the protection of its reputation.

Organisation of the Risk and Compliance Functions

Approach

The RISK organisation fully complies with the principles of independence, vertical integration, and decentralisation issued by the Group's Management for the Group's main control functions (Compliance, RISK, LEGAL, and a third line of defence, General Inspection). Hence within RISK:

- all the teams in charge of risks, including those in operating entities have been integrated in the function with reporting lines to the Chief Risk Officers of these entities;

- the Chief Risk Officers of the entities report to RISK.

This organisation enables the governance of risk management activities to be strengthened, especially regarding model risk management, through RISK Independent Review and Control (RISK IRC) team, reporting directly to the Chief Risk Officer (CRO) which groups together the teams in charge of the independent review of the risk methodologies and models. This team is also in charge of the independent review of operational risk of RISK Function, with the organisation described in section 5.9 *Operational risk* of the BNP Paribas 2024 Universal registration document.

In accordance with international standards and French regulations, Compliance manages the system for monitoring compliance and reputation risks for all of the Group's businesses in France and abroad. The system for monitoring non-compliance and reputation risks is described in section 5.9.

Independent and hierarchically integrated on a global basis, Compliance brings together all employees reporting to the function. Its organisation is based on its guiding principles (independence, integration, decentralisation and subsidiarity of the function, dialogue with the business lines) through local teams (operating divisions, CPBS, IPS and CIB), areas of expertise, and departments in charge of transverse missions.

Role of the Chief Risk Officer

In order to fulfil its missions and in compliance with regulations as well as with the banking industry best practices, RISK is an independent, hierarchically integrated and decentralised function.

The Group CRO is appointed by the "*Dirigeant Effectif*" in charge of the consistency and efficiency of the permanent control of BNP Paribas, who notifies the Board of directors accordingly. This "*Dirigeant Effectif*" can also remove the Group CRO, after the prior approval of the Board, to which the latter has direct access.

The Group CRO receives his/her authority from this "*Dirigeant Effectif*" and reports to him/her directly. He/she is a member of the Group Executive Committee.

Where necessary, the Group CRO also has direct and independent access to the Board of directors of BNP Paribas (notably to the relevant specialised committees). In particular, the CCIRC holds hearings of the Group CRO on a periodic basis, without the presence of the "*Dirigeants Effectifs*".

This positioning serves the following purposes:

- ensuring the objectivity of risk control, by removing any involvement in commercial relationships;
- making sure senior management is warned of any material deterioration in risk and is rapidly provided with objective and comprehensive information on the status of risks;
- enabling the dissemination, throughout the Bank, of high and uniform risk management standards and practices;
- ensuring the quality of risk assessment methods and procedures by calling on professional risk managers in charge of evaluating and enhancing these methods and procedures in light of the best practices implemented by international competitors.

Role of the Chief Compliance Officer

The Chief Compliance Officer reports to the Chief Executive Officer and is a member of the BNP Paribas Executive Committee. She has direct and independent access to the Board of directors and in particular to its specialised committee, the Internal Control, Risk Management and Compliance Committee (CCIRC), and can thus inform it of any event likely to have a significant impact on the Group. Lastly, the CCIRC periodically interviews her, without the executive officers being present.

The Chief Compliance Officer has no operational activity outside of the non-compliance and reputation risk management framework and no commercial activity, which guarantees her independence of action. She exercises hierarchical supervision over all the Compliance teams within the various business units, geographical areas and functions.

Risk Culture

One of the Group's Core Founding Principles

A strong and comprehensive risk and compliance culture is deeply rooted in BNP Paribas Group's core values and operational principles.

Executive Management has chosen to include the risk culture in three of its key corporate culture documents:

- Code of conduct:

  The Group adopted a new Code of conduct in 2016. It applies to all employees and defines the rules for our conduct in line with the core values of our corporate culture. For example, employees are reminded in the Code of conduct that the Group's interests are protected by responsible risk-taking in a strict control environment. The Code of conduct, updated in 2021, also includes rules for protecting customers' interests, financial security, market integrity, professional ethics and anti-bribery and corruption, which all play an important role in mitigating non-compliance and reputation risks;

- Responsibility Charter:

  Executive Management drew up a formal Responsibility Charter, inspired by the Group's core values (the "**BNP Paribas Way**"), management principles and Code of conduct. One of the four commitments is "Being prepared to take risks, while ensuring close risk control".

The Group sees rigorous risk control as part of its responsibility, both to clients and to the financial system as a whole. The Bank's decisions on the commitments it makes are reached after a rigorous and concerted process, based on a strong, shared risk culture which pervades all levels of the Group. This is true both for risks linked to lending activities, where loans are granted only after in-depth analysis of the borrower's situation and the project to be financed, and for market risks arising from transactions with clients — these are assessed on a daily basis, tested against stress scenarios, and subject to limits.

As a strongly diversified Group, both in terms of geography and businesses, BNP Paribas is able to balance risks and their consequences as they materialise. The Group is organised and managed in such a way that any difficulties arising in one business area will not jeopardise another in the Bank;

- the Group's mission and commitments:

  The mission of BNP Paribas is to finance the economy and advise its clients, by supporting them with their projects, their investments, and the management of their savings, guided by strong ethical principles. Through these activities, BNP Paribas wants to have a positive impact on stakeholders and on society, and be one of the most trustworthy players in the sector. BNP Paribas' 12 commitments as a Responsible Bank include in particular the commitment to apply the highest ethical standards and rigorously manage environmental, social, and governance risks.

Spreading the Risk Culture

A culture of robust risk management and control has always been one of BNP Paribas' top priorities and is an integral part of the Bank's principles. In addition to the various training programmes in support of this ambition, numerous awareness and acculturation initiatives are conducted at global and local level within different entities. These include some programmes aimed at sharing risk management advancements with a broad audience of employees presented directly by Group experts, for example: cyber risks, operational risks, credit and counterparty risks, ESG-related risks, legal risks.

Also, Risk Culture, a Group-wide initiative, aims to reinforce the dissemination of the best practices in risk management by giving it a transversal dimension that addresses all the Group's employees. Sponsored by four functions: Compliance, LEGAL, Human Resources (HR), and RISK, Risk Culture is designed for the benefit of all staff and intervenes on all types of risks to which the Group may be exposed (credit, market, liquidity, operational, non-compliance, regulatory, environmental and social risks, *etc*.).

Taking an adaptive and participatory approach, this initiative supports the business lines and functions in their risk awareness promotion efforts, for example in transformation projects or when onboarding new employees. By leveraging the information already shared by the entities, Risk Culture aims to make essential concepts accessible to as many employees as possible and pays close attention to ensure that conduct and behaviour requirements are well integrated into this exercise of knowledge transmission. It provides teams with contents that they can use for their information and acculturation endeavours to enhance employees' skills in all aspects of the risk culture.

In conjunction with operating entities, Risk Culture actions mainly consist of:

- ensuring the dissemination of information and professional development in the area of risk management, by means of conferences and the publication of educational articles or videos;

- facilitating the sharing of knowledge between the various players in the Bank, in particular changes in the Bank's business lines, news on regulatory requirements and new ways of working. The experts of the Group are invited to expand documentary resources which can be accessed by employees through various communication channels available within the Group;

- relaying, if necessary by adapting from one entity to another, actions to raise awareness of good risk practices carried out on the initiative of other entities.

In all its initiatives, Risk Culture promotes the six fundamental risk management practices that are key to developing a robust risk culture. They serve as a reminder to staff about the importance of clearly understanding and anticipating risks with a long-term perspective, being disciplined with risks taken and reporting swiftly and transparently on risk management.

Lastly, the risk culture is also spread throughout the Group by linking compensation to performance and risk, under a system that was strengthened in this area since 2015 for those employees whose decisions entail a significant risk component.

Risk Appetite

Definition and Objectives

The Group does not have a specific risk appetite target, but some risks are inherent to its business and therefore to the achievement of its strategic objectives. It has prepared a Risk Appetite Statement and Risk Appetite Framework, which should be seen as the Group's formal statement of its tolerance to the risks to which it is exposed as it implements its strategy.

The Risk Appetite Statement is approved on a yearly basis, or more frequently if necessary, by the Board of directors on the proposal of Executive Management. Consistent with the Group's strategy and in light of the environment in which it operates, this document sets out the qualitative risk principles it intends to follow in its business activities, as well as a quantitative mechanism for supervising the Group's risk profile indicators through quantitative metrics and thresholds. This system covers both the quantifiable and non-quantifiable risks to which it is exposed.

The Group's risk appetite is determined by Executive Management, during various committees it chairs (CCDG, FMRC, Group ALCo, Capital Committee), which are tasked with managing the Group's different types of risk exposure. The Group's strategic processes, such as budget, capital and liquidity management, are in line with the Risk Appetite Statement. Certain Risk Appetite Statement indicators are included in the budget exercise and their expected values in the budget are cross-checked against the thresholds in the Risk Appetite Statement.

The Group's Risk Appetite Statement reflects the core values of its risk culture. It states that the Group's risk culture and its commitments as a responsible bank are at the heart of its strategy. The statement reaffirms the Group's mission: to finance the economy, advise its clients and help to finance their projects, guided by strong ethical principles. The Group's strategy underpinning its risk appetite is founded on the core principles that have guided its development: a balance between business activities to deliver profitability and stability, a customer-focused business model and an integrated banking model to optimise services to the latter. This strategy also factors developments in the banking industry, including the trend towards a digital model, and a macroeconomic situation marked by still high interest rates, in a context of particularly critical geopolitical risk, while certain sectors of the economy show higher levels of risk.

Risk Principles

The risk principles aim to define the types of risk the Group is prepared to accept in support of its business strategy. They include the following in particular:

- diversification and risk-adjusted profitability:

  The Group seeks to generate sustainable, client-driven, risk adjusted profits. Sustainable profitability will be achieved based on selectivity and controlled evolution of BNP Paribas assets, and the pursuit of a diversified business model. Whilst the Group accepts some level of earnings volatility, it remains attentive to contain, at all times, the level of maximum potential losses in an adverse scenario;

- solvency and profitability:

  BNP Paribas has sufficient capital to cope with stress scenarios and to meet regulatory capitalisation standards in force. In the course of serving its clients, BNP Paribas accepts exposure to risks when it earns a proper return over an acceptable time frame, and when its potential impacts seem acceptable;

- funding and liquidity:

  The Group ensures that the diversification of and balance between its resources and uses of funds correspond to a conservative funding strategy, allowing it to withstand adverse liquidity scenarios. The Group makes sure that it complies with the regulatory liquidity ratios in force;

- credit risk:

  The Group only accepts exposure on customers it knows well, based on comprehensive information, and pays close attention to the structure of the financing it grants. The Group builds and maintains a diversified risk portfolio, avoiding large concentrations (especially on single names, industries and countries) and ensures that it complies with the concentration policies in force;

- market risk:

  The Group manages market risks (interest rates, equities, currencies, commodities) within the following framework:

  - for activities in the capital markets that are customer-focused, BNP Paribas intends to keep its market risk profile in line with this customer-focused business mode,

  - interest rate risk associated with its banking book with the aim of stabilising its results on an ongoing basis to within acceptable limits;

- operational risk:

  The Group aims to protect its customers, employees and shareholders from operational risk. To do so it has developed a risk management infrastructure based on identifying potential risks, strategies to mitigate risk, and actions to raise awareness of these risks. Some specific risks have resulted in the definition of dedicated principles, in particular:

  - non-compliance risk:

    The Group is committed to compliance with all applicable laws and regulations. It undertakes to implement a system to manage the risk of non-compliance, including through special programmes dedicated to the most important regulations for its business,

  - information, communication and technology risk:

    The Group endeavours to reduce the risks related to the security of its information through various awareness actions, enhanced supervision of outsourced activities, heightened protection of terminals, incident monitoring, and a technology watch over IT vulnerabilities and attacks;

- insurance activities:

  BNP Paribas Cardif is exposed mainly to credit, underwriting and market risks. The entity closely monitors its exposures and profitability, taking into account its risks and the adequacy of its capital with regard to solvency rules. It endeavours to contain potential losses in adverse scenarios at acceptable levels;

- risk associated with social and environmental responsibility:

  The Group is particularly sensitive to its customers' performance in terms of social and environmental responsibility, believing that this could have a material impact on its customers' risk profile and, consequently, their solvency, in addition to being a major reputational risk. BNP Paribas takes social and environmental risks into consideration when assessing customer-related risks. The Group also tracks these risks as part of the conduct of its own business, the conduct of its counterparties' business and of its investments on its own behalf or on behalf of third parties.

Supervision of Risk Profile Indicators

The Risk Appetite Statement sets out the indicators that measure the Group's risk profile for its risk exposure categories.

Risk level thresholds are assigned to each metric. When these thresholds are reached, they trigger an established process to inform Executive Management and the Board of directors, and if need be, to implement action plans.

These indicators are monitored quarterly in the risk dashboards presented to the CCIRC.

For example, the following ratios are included in the Risk Appetite statement indicators:

- the solvency ratios (CET1, Tier 1, total own funds, TLAC, MREL and leverage ratio);

- the balance of the breakdown of risk-weighted assets by business line;

- the cost of risk on loans outstandings (in annualised basis points) and doubtful loans on gross outstandings ratio;

- the liquidity ratios (LCR and NSFR).

Stress Testing

To ensure dynamic risk supervision and management, the Group has implemented a comprehensive stress testing framework.

Stress Testing Framework

The stress testing framework forms an integral part of the risk management and financial monitoring system and is used with a threefold objective of forward-looking risk management, planning of regulatory resources and liquidity requirements, and optimisation of the deployment of these resources within the Group, mainly through the Group's and its main entities' ICAAP and ILAAP processes.

Different types of stress tests

There are two types of stress tests:

- regulatory stress tests:

  These involve primarily the stress tests requested by the European Banking Authority, the European Central Banks, or any other supervisory authority.

  In 2024, BNP Paribas participated in the One-off Fit-for-55 climate risk scenario analysis organised by the European Banking Authority under the mandate it received jointly with EIOPA and ESMA from the European Commission to assess the ability of the European financial sector to participate in the financing of energy transition, and more specifically the level of investment required for the European Union to meet its commitment of reducing greenhouse gas emissions by 55% by 2030. The participation of BNP Paribas in the exercise, like that of the other 110 banks involved in the exercise, consisted in providing information on selected credit risk and market risk exposures as well as on revenues pertaining to climate risk (greenhouse gas emissions of corporate clients, energy performance certificates and asset location of financed assets for selected residential and commercial real estate portfolios). BNP Paribas did not participate in projection work, which was performed by the European Banking Authority and the European Central Bank for the banking sector and whose results were made public by the European Banking Authority, the EIOPA, the ESMA and the European Central Bank on 19 November 2024. In 2024, BNP Paribas also took part in the cyber resilience stress test exercise organised by the European Central Bank.

  In 2023, BNP Paribas took part in the EU-wide stress test organised by the European Banking Authority and the European Central Bank. The exercise was conducted across a panel of 70 banks representing 75% of total assets of the banking system in the European Union. As in previous years, macroeconomic scenarios and a certain number of methodological assumptions were applied to all banks for comparison purposes. A macroeconomic stress scenario was used to test the impact on exposure to credit, market and operational risks, and revenue (net interest income and commissions) and applied to the P&L account, risk weighted assets and capital aggregates.

  In 2025, BNP Paribas will participate in the EU-wide stress test organised every other year by the European Banking Authority.

  BNP Paribas entities also take part in stress test exercises organised by local supervisors. In 2024, as in previous years, BNP Paribas' Singapore Branch took part in the stress test exercise organised by the Monetary Authority of Singapore. In 2024, BNP Paribas' Hong Kong Branch also took part on a voluntary basis in a climate stress test exercise organised by the Hong Kong Monetary Authority.

- internal stress tests:

    - stress tests dedicated to risk anticipation: they contribute to the forward-looking risk management, in particular of credit, market, counterparty, interest rates in the banking book, operational, activity and liquidity risks. The results of the transverse stress tests are used, among other purposes, to formulate the Bank's risk appetite and periodically measure its risk profile. They are periodically submitted to Group Executive Management as well as the Board of directors' Internal Control, Risk Management and Compliance Committee (CCIRC) through the quarterly Group risk dashboard. Moreover, *ad hoc* stress testing is performed, when appropriate, within Risk & Development Policy Committees, portfolio reviews or Country Strategic Committees to identify and assess areas of vulnerability within the Group's portfolios,

    - stress tests for the budget process: they contribute to three-year capital planning. Stress tests are carried out annually as part of the budget process and are included in the ICAAP and the ILAAP. They are reviewed at divisional and business line level before being consolidated at Group level to provide a comprehensive view of the impact on the Bank's capital, liquidity and earnings.

      The calculated final output is a comprehensive range of projected Group's solvency ratios, as well as possible adjustment measures. The scenarios used, the outcomes of the stress tests and the proposed possible adjustment measures (such as reducing exposures to a sub-segment, cost reduction initiatives, or changes in funding or liquidity policies, etc.) are included in the budget synthesis report presented to the Group Executive Management and to the Board of directors at the end of the budget process. In addition, in the Group's ICAAP, its solvency can be analysed in adverse scenarios other than an adverse budget scenario, defined by risk topics occasionally identified by the Group,

    - reverse stress tests: they are conducted as part of the Bank's recovery and resolution plan and ICAAP. Reverse stress tests consist of identifying scenarios likely to result in a drop in the Bank's solvency ratios to levels set in advance in line with the methods of use in question. These exercises enable any areas where the Bank is fragile in terms of changes in certain risk factors to be detected and facilitate in-depth analyses of the remedial actions that could be implemented by business lines or Group-wide.

Governance and implementation

This stress testing framework is based on a well-defined governance, with responsibilities shared between the Group and operating entities in order to encourage operational integration and relevance and, in particular, to develop internal stress test practices required for proper risk management and Group resource planning.

The Finance, RISK and ALM Treasury Functions have created a shared team, Stress Testing and Financial Simulations ("**STFS**"), responsible for developing stress testing, ICAAP, internal capital and financial simulations capabilities planning across the Group's entities and activities.

The STFS team is responsible in particular for:

- the definition and the implementation of the Group's target structure in terms of stress testing and ICAAP while covering the associated organisational issues, modelisation, IT systems and governance;

- the performance of all of the Group's stress testing exercises, relying in particular on existing teams within the RISK and Finance Functions;

- the support of the stress test and ICAAP initiatives of the Group's business lines and legal entities in order to ensure overall consistency and streamline procedures;

- the coordination of the Group's financial simulation system and its adaptation to the challenges of SREP;

- the Group's risk identification process;

- the production of the Group's ICAAP report and, for certain risks, the quantification of internal capital.

Stress test methodologies are tailored to the main categories of risk and subject to independent review.

Stress tests may be run at Group, business line or portfolio level, dedicated to one or more risk types and on a more or less large number of variables depending on the pursued objective. Where appropriate, the results of quantitative models may be adjusted on the basis of expert judgement.

Since its creation, the Group's stress testing framework has evolved continuously in order to integrate the most recent developments in stress tests, whether in terms of methodologies or improved operational integration in the Group's management processes. In this context, the Group is engaged in the development of a climate stress testing infrastructure, covering scenarios (see below), data and models and methodologies, as well as encompassing both transition and physical risks, which are the two main risk types into which climate risk materialises.

Internal Stress Test Scenario Definition

In stress testing exercises, it is common practice to distinguish the baseline scenario from one or several alternative scenarios. A macroeconomic scenario is typically a set of macroeconomic and financial variables (GDP and its components, inflation, employment and unemployment, interest and exchange rates, stock prices, commodity prices, *etc.*) projected over a given future period.

Macroeconomic stress tests

Baseline scenario

The baseline scenario is considered as the most likely scenario over the projection horizon. The baseline scenario is designed by Group Economic Research in collaboration with various functions and business lines possessing a specific expertise, in particular:

- Group ALM Treasury for interest rates;

- Wealth Management for equity indices;

- BNP Paribas Real Estate regarding commercial real estate;

- Local economists (BNP Paribas Fortis, BNL, TEB, BNP Paribas Polska) when regional expertise is required;

- Stress Testing & Financial Simulations (STFS) for coordination and overall consistency of the scenario.

The global scenario is made up of regional and national scenarios (Eurozone, France, Italy, Belgium, Spain, Germany, United Kingdom, Poland, Türkiye, United States, Japan, China, India, Russia, *etc.*) consistent with each other.

Alternative scenarios

Depending on the exercise, one or more alternative scenarios may be used for stress tests.

STFS produces three types of alternative scenarios on a regular basis, in collaboration with the same functions and business lines as those requested in the central scenario: an adverse scenario, a severe scenario and a favourable scenario.

- The adverse scenario describes one or several potential shocks to the economic and financial environment — *i.e.* the materialisation of one or several risks to the baseline scenario — over the projection horizon. An adverse scenario is thus always designed in relation to a baseline scenario. The shocks associated with the adverse scenario are translated in the set of macroeconomic and financial variables listed above in the form of deviations from their value in the baseline scenario.

- The severe scenario is an aggravated version of the adverse scenario.

- The favourable scenario reflects the impact of the materialisation of risks with a positive effect on the economy.

Construction of scenarios

The baseline, adverse, severe and favourable scenarios are revised quarterly to monitor the Bank's risk appetite metrics and credit provision calculations within the framework of IFRS 9.

They are validated during committee involving the Group Executive Management for scenarios used in the Group's budget process (second and third quarters of the year). For the other two quarterly exercises, scenarios are validated jointly by the Group Chief Risk Officer and the Group Chief Financial Officer.

The scenarios are then used to calculate expected losses (or profit and loss impact in the case of market risks) over the year for all Group portfolios:

- For portfolios exposed to credit or counterparty risk and for the equity portfolio of the banking book: this calculation measures the impact of the scenario on the cost of risk and risk-weighted assets due to the deterioration of the portfolio quality resulting from the macroeconomic scenario, or adverse moves in equity prices. Credit risk stress tests are performed on the Bank's entire portfolio for all regions and all prudential portfolios, namely Retail, Corporates and Institutions;

- For market portfolios: the changes in value and their profit and loss impact are calculated by simulating a one-time shock, which is consistent with the overall scenario.

The above calculations and related methodologies for stress tests on credit and market risks are coordinated centrally at Group level by STFS team. They also involve various teams of experts at Group and territory's levels in their implementation and design.

Lastly, in an adverse budget scenario, risks appertaining to the Group and its business activities and not forming part of the adverse macroeconomic scenario are added. They are identified and quantified either by the Group's businesses or centrally for those likely to impact the Group as a whole.

Climate stress tests

Beyond macroeconomic stress tests, the field of climate stress tests is developing rapidly. In this context, the Group is engaged in the analysis, adaptation and creation of transition and physical risk scenarios.

With regard to transition risk, the analysis and adaptation works are based at this stage on the work of the NGFS (Network for Greening the Financial System), pioneer in this field. For the Group's internal requirements in terms of climate stress tests, NGFS scenarios can be adjusted and adapted, so that they are more in touch with most recent developments (*e.g.* at the macroeconomic level) or that they are more specifically adapted to the Group's portfolios. In addition, in collaboration with other companies and institutions, the Group is taking part in the initiative to define transition scenarios with more precise sectoral aspects that are relevant to assess transition risk.

The physical risk scenarios used by the Group at this stage focus on geographies with significant Retail Banking activities in Europe.

RISK FACTORS

Not all of the risk factors described below will be applicable to a particular series of the Structured Products. Please consider all risks carefully prior to investing in any Structured Products and consult your professional independent financial adviser and legal, accounting, tax and other advisers with respect to any investment in the Structured Products. Please read the following section together with the risk factors set out in the relevant launch announcement and supplemental listing document.

General risks in relation to us and the Guarantor

Structured Products are unsecured obligations

The Structured Products are not secured on any of our or the Guarantor's assets or any collateral. Each series of Structured Products will constitute our general unsecured contractual obligations and the general unsecured contractual obligations of the Guarantor and of no other person and will rank pari passu with our other unsecured contractual obligations and the unsecured and unsubordinated debt of the Guarantor. At any given time, the number of Structured Products outstanding may be substantial.

Creditworthiness

If you purchase our Structured Products, you are relying upon our creditworthiness and the creditworthiness of the Guarantor and have no rights under the Structured Products against:

(a) any company which issues the underlying shares;

(b) the fund which issues the underlying securities or its trustee (if applicable) or manager (if applicable); or

(c) any index compiler of the underlying index.

As our obligations under the Structured Products are unsecured, we do not guarantee the repayment of capital invested in any Structured Product.

If we become insolvent or default on our obligations under the Structured Products or the Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you can only claim as our or the Guarantor's unsecured creditor regardless of the performance of the underlying asset and you may not be able to recover all or even part of the amount due under the Structured Products (if any).

Any downgrading of the Guarantor's rating by rating agencies such as Moody's or S&P could result in a reduction in the trading value of the Structured Products.

No deposit liability or debt obligation

In respect of cash settled Structured Products, we have the obligation to deliver to you the Cash Settlement Amount (net of any Exercise Expenses) in accordance with the Conditions of each series of Structured Products upon expiry.

It is not our intention by the issue of any Structured Product (expressed, implicit or otherwise) to create a deposit liability of us or the Guarantor or a debt obligation of any kind.

Conflicts of interest

The BNP Group engages in commercial, banking and other activities for our own account or the account of others and, in connection with our other business activities, may possess or acquire material information about the Underlying Assets to which the relevant Structured Product is linked. Such activities may involve or otherwise affect the Underlying Assets in a manner that may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of Structured Products by us. Such actions and conflicts may include, without limitation, the purchase and sale of securities and/or exercise of creditor rights. The BNP Group:

(a) has no obligation to disclose such information about the Underlying Assets or such activities. The BNP Group and our respective officers and directors may engage in any such activities without regard to the issue of Structured Products by us or the effect that such activities may directly or indirectly have on any Structured Product;

(b) may from time to time engage in transactions involving the Underlying Assets for its accounts and/or for accounts under its management and/or to hedge against the market risk associated with issuing the Structured Products. Such transactions may have a positive or negative effect on the price/level of the Underlying Assets and consequently upon the value of the relevant series of Structured Products;

(c) may from time to time act in other capacities with regard to the Structured Products, such as in an agency capacity and/or as the liquidity provider; and/or

(d) may issue other derivative instruments in respect of the Underlying Assets and the introduction of such competing products into the market place may affect the value of the relevant series of Structured Products.

General risks in relation to Structured Products

You may lose all your investment in the Structured Products

Structured Products involve a high degree of risk, and are subject to a number of risks which may include interest rate, foreign exchange, time value, market and/or political risks. Structured Products may expire worthless.

Generally speaking, options, warrants and equity linked instruments are priced primarily on the basis of the price/level/exchange rate of the Underlying Asset, the volatility of the Underlying Asset's price/ level/exchange rate and the time remaining to expiry of the Structured Product.

The price of Structured Products generally may fall in value as rapidly as they may rise and you should be prepared to sustain a significant or total loss of the purchase price of the Structured Products. Assuming all other factors are held constant, the more the underlying share price, unit price, index level or exchange rate of a Structured Product moves in a direction against you, the greater the risk that you will lose all or a significant part of your investment.

The risk of losing all or any part of the purchase price of a Structured Product means that, in order to recover and realise a return on your investment, you must generally anticipate correctly the direction, timing and magnitude of any change in the price/ level/exchange rate of the Underlying Asset as may be specified in the relevant launch announcement and supplemental listing document.

Changes in the price/level/exchange rate of an Underlying Asset can be unpredictable, sudden and large and such changes may result in the price/level/ exchange rate of the Underlying Asset moving in a direction which will negatively impact upon the return on your investment. You therefore risk losing your entire investment if the price/level/exchange rate of the relevant Underlying Asset does not move in your anticipated direction.

The value of the Structured Products may be disproportionate with or opposite to movement in the price/level/exchange rate of the Underlying Assets

An investment in Structured Products is not the same as owning the Underlying Assets or having a direct investment in the Underlying Assets. The market values of Structured Products are linked to the relevant Underlying Assets and will be influenced (positively or negatively) by it or them but any change may not be comparable and may be disproportionate. It is possible that while the price/ level/exchange rate of the Underlying Assets is moving up, the value of the Structured Product is falling.

If you intend to purchase any series of Structured Products to hedge against the market risk associated with investing in an Underlying Asset specified in the relevant launch announcement and supplemental listing document, you should recognise the complexities of utilising Structured Products in this manner. For example, the value of the Structured Products may not exactly correlate with the price/ level/exchange rate of the Underlying Asset. Due to fluctuations in supply and demand for Structured Products, there is no assurance that their value will correlate with movements of the Underlying Asset. The Structured Products may not be a perfect hedge to the Underlying Asset or portfolio of which the Underlying Asset forms a part.

It may not be possible to liquidate the Structured Products at a level which directly reflects the price/ level/exchange rate of the Underlying Asset or portfolio of which the Underlying Asset forms a part. Therefore, it is possible that you could suffer substantial losses in the Structured Products in addition to any losses suffered with respect to investments in or exposures to the Underlying Asset.

Possible illiquidity of secondary market

It is not possible to predict if and to what extent a secondary market may develop in any series of Structured Products and at what price such series of Structured Products will trade in the secondary market and whether such market will be liquid or illiquid. The fact that the Structured Products are listed does not necessarily lead to greater liquidity than if they were not listed.

If any series of Structured Products are not listed or traded on any exchange, pricing information for such series of Structured Products may be difficult to obtain and the liquidity of that series of Structured Products may be adversely affected.

The liquidity of any series of Structured Products may also be affected by restrictions on offers and sales of the Structured Products in some jurisdictions.

Transactions in off-exchange Structured Products may be subject to greater risks than dealing in exchange-traded Structured Products. To the extent that any Structured Products of a series is closed out, the number of Structured Products outstanding in that series will decrease, which may result in a lessening of the liquidity of Structured Products. A lessening of the liquidity of the affected series of Structured Products may cause, in turn, an increase in the volatility associated with the price of such Structured Products.

While we have appointed, or will appoint, a liquidity provider for the purposes of making a market for each series of Structured Products, there may be circumstances outside our control or the appointed liquidity provider's control where the appointed liquidity provider's ability to make a market in some or all series of Structured Products is limited, restricted and/or, without limitation, frustrated. The more limited the secondary market, the more difficult it may be for you to realise the value of the Structured Products prior to expiry.

Interest rates

Investments in the Structured Products may involve interest rate risk with respect to the currency of denomination of the Underlying Assets and/or the Structured Products. A variety of factors influence interest rates such as macro economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Structured Products at any time prior to valuation of the Underlying Assets relating to the Structured Products.

Time decay

The settlement amount of certain series of Structured Products at any time prior to expiration may be less than the trading price of such Structured Products at that time. The difference between the trading price and the settlement amount will reflect, among other things, a "time value" of the Structured Products. The "time value" of the Structured Products will depend partly upon the length of the period remaining to expiration and expectations concerning the price/level/exchange rate of the Underlying Assets. The value of a Structured Product will decrease over time. Therefore, the Structured Products should not be viewed as products for long term investments.

Exchange rate risk

There may be an exchange rate risk in the case of cash settled Structured Products where the Cash Settlement Amount will be converted from a foreign currency into the Settlement Currency. Exchange rates between currencies are determined by forces of supply and demand in the foreign exchange markets. These forces are, in turn, affected by factors such as international balances of payments and other economic and financial conditions, government intervention in currency markets and currency trading speculation. Fluctuations in foreign exchange rates, foreign political and economic developments and the imposition of exchange controls or other foreign governmental laws or restrictions applicable to such investments may affect the foreign currency market price and the exchange rate-adjusted equivalent price of the

Structured Products. Fluctuations in the exchange rate of any one currency may be offset by fluctuations in the exchange rate of other relevant currencies.

Possible early termination for illegality or impracticability

If the Conditions provide for termination due to illegality and we determine in good faith and in a commercially reasonable manner that, for reasons beyond our control, the performance of (i) our obligations under the relevant Structured Products or (ii) our Guarantor's obligations under the Guarantee has become illegal or impracticable, we may terminate early the relevant Structured Products. If we terminate early the relevant Structured Products, we will, if and to the extent permitted by applicable law, pay an amount determined by us in good faith and in a commercially reasonable manner to be the fair market value of the relevant Structured Products notwithstanding the illegality or impracticability less our cost of unwinding the underlying hedging arrangements. Such amount may be substantially less than your initial investment and may be zero.

Foreign Account Tax Compliance withholding may affect payments on the Structured Products

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"), impose a new reporting regime and a potential 30% United States withholding tax with respect to (i) certain payments from sources within the United States, and (ii) "foreign passthru payments", a term not presently defined, made to certain non-U.S. financial institutions that do not comply with the requirements of FATCA or investors that fail to provide information necessary to determine whether they are exempt from FATCA withholding.

Prospective investors should refer to the section "Taxation — Taxation in the United States of America — Foreign Account Tax Compliance Act."

Modification to the Conditions

Under the Conditions, we may, without your consent, effect any modification of the terms and conditions applicable to the Structured Products which, in our opinion, is:

(a) not materially prejudicial to the interest of the holders of the Structured Products generally (without considering the circumstances of any individual Holder or the tax or other consequences of such modification in any particular jurisdiction);

(b) of a formal, minor or technical nature;

(c) to correct a manifest error; or

(d) necessary in order to comply with mandatory provisions of the laws or regulations of Hong Kong.

Risks in relation to the Underlying Asset

You have no right to the Underlying Asset

Unless specifically indicated in the Conditions, you will not be entitled to:

(a) voting rights or rights to receive dividends or other distributions or any other rights that a holder of the underlying shares or units would normally be entitled to; or

(b) voting rights or rights to receive dividends or other distributions or any other rights with respect to any company constituting any underlying index.

Valuation risk

An investment in Structured Products may involve valuation risks in relation to the Underlying Asset to which the particular series of Structured Products relate. The price/level/exchange rate of the Underlying Asset may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro economic factors, market trends, speculation and/or (where the Underlying Asset is an index) changes in the formula for or the method of calculating the index.

Where the Structured Products are linked to certain Underlying Asset in a developing financial market, you should note a developing financial market differs from most developed markets in various aspects, including the growth rate, government involvement and control, level of development and foreign exchange control. Any rapid or significant changes in the economic, political or social condition and the government policies of the developing financial market may result in large fluctuations in the value or level of the Underlying Asset. Such fluctuations may affect the market value of the Structured Products and hence your investment return.

Where the Structured Products are linked to a currency pair as the Underlying Asset, you should note that the foreign exchange market can be very volatile and unpredictable. Exchange rate of the currencies may fluctuate as a result of market, economic and/or political conditions in the principal financial centres of the countries of the currencies and also in other countries. For example, it can be affected by change of governments' monetary or foreign exchange policies, rates of inflation, interest rate levels and the extent of governmental surpluses or deficits in the relevant countries. Such fluctuations may affect the market value of the Structured Products and hence your investment return.

You must be experienced in dealing in these types of Structured Products and must understand the risks associated with dealing in such products. You should reach an investment decision only after careful consideration, with your advisers, of the suitability of any Structured Product in light of your particular financial circumstances, the information regarding the relevant Structured Product and the particular Underlying Asset to which the value of the relevant Structured Product relates.

Adjustment related risk

Certain events relating to the Underlying Asset require or, as the case may be, permit us to make certain adjustments or amendments to the Conditions. You have limited anti-dilution protection under the Conditions. We may, in our sole discretion:

(a) in respect of Structured Products relating to single equities or ETF, adjust, among other things, the Entitlement, the Exercise Price/Strike Price and the Call Price (if applicable) upon exercise or any other terms (including without limitation the closing price of the Underlying Asset) of any series of Structured Products for events such as rights issue, bonus issue, subdivision, consolidation, restructuring event or certain cash distribution;

(b) in respect of Structured Products relating to an index, determine the Closing Level;

(c) in respect of Structured Products relating to a commodity or commodity futures, adjust, among other things, the Closing Price and if applicable, the Price Source and/or the Exchange Rate; or

(d) in respect of Structured Products relating to a currency pair, adjust, among other things, the Spot Rate and the Settlement Exchange Rate (if applicable).

However, we are not obliged to make an adjustment for every event that may affect an Underlying Asset, in which case the market price of the Structured Products and the return upon the expiry of the Structured Products may be affected.

In the case of Structured Products which relate to an index, the level of the index may be published by the index compiler at a time when one or more components comprising the index are not trading. If this occurs on the Valuation Date which does not constitute a Market Disruption Event under the Conditions, then the Closing Level of the index is calculated by reference to the remaining components in the index. In addition, certain events relating to the index (including a material change in the formula or the method of calculating the index or a failure to publish the index) permit us to determine the level of the index on the basis of the formula or method last in effect prior to such change in formula or method.

Suspension of trading

If an Underlying Asset is suspended from trading or dealing for whatever reason on the market on which it is listed or dealt in (including the Stock Exchange), trading in the relevant series of Structured Products may be suspended for a similar period.

If the Underlying Asset is an index of Hang Seng family (including but not limited to Hang Seng Index, Hang Seng China Enterprises Index or Hang Seng TECH Index) (each a "**Hang Seng Family Index**"), you should note that:

(a) in the event that there is a disruption to normal index level dissemination in respect of the relevant index by the index compiler, being Hang Seng Indexes Company Limited, and that, upon the index level dissemination disruption, there is a failure by the index compiler to provide a periodic publication of index level with respect to the relevant index on its website under its contingency mode ("**Index Disruption Event**") and the index compiler publishes a notice ("**Disruption Notice**") regarding the occurrence of such Index Disruption Event, trading in the Structured Products linked to the relevant index will be suspended as soon as practicable after the publication of such Disruption Notice ("**Index Disruption Trading Halt**"); and

(b) trading in the relevant Structured Products will be resumed as soon as practicable after the publication of a notice by the index compiler regarding the resumption of normal index level dissemination of the relevant index ("**Index Disruption Trading Resumption**").

In addition, if an Underlying Asset is an index (other than Hang Seng Family Indices) and the calculation and/or publication of the index level by the index compiler is suspended for whatever reasons, trading in the relevant series of Structured Products may be suspended for a similar period.

The value of the Structured Products will decrease over time as the length of the period remaining to expiration becomes shorter.

You should note that in the case of a prolonged suspension period, the market price of the Structured Products may be subject to a significant impact of time decay of such prolonged suspension period and may fluctuate significantly upon resumption of trading after the suspension period of the Structured Products. This may adversely affect your investment in the Structured Products.

In addition, in the case of CBBCs, a mandatory call event may occur upon the resumption of index level dissemination of the relevant index by the index compiler, regardless of the time interval of index level dissemination or whether the trading of the affected CBBCs on the Stock Exchange has been resumed or not. This may also adversely affect your investment in the Structured Products.

You should also note that all unmatched orders of the affected Structured Products will remain in place during the Index Disruption Trading Halt and will not be automatically cancelled. Automatic order matching of the affected Structured Products will be resumed on the Stock Exchange upon the Index Disruption Trading Resumption. You should contact your broker or agent as soon as possible before the Index Disruption Trading Resumption if you wish to cancel any unmatched order of the affected Structured Products.

Risks relating to the trading arrangements in the event of the occurrence of an Index Disruption Event in respect of any Hang Seng Family Index

In the event of the occurrence of an Index Disruption Event in respect of any Hang Seng Family Index, the Stock Exchange will implement the following trading arrangements in respect of the relevant series of Structured Products:

(a) the Index Disruption Trading Halt; and

(b) following the Index Disruption Trading Halt, the Index Disruption Trading Resumption after publication of a notice by the index compiler regarding resumption of normal index level dissemination of the relevant index.

You should note that there are potential risks (including without limitation, any delay, failure, mistake or error) associated with the Stock Exchange's observation of the Index Disruption Event and/or the Stock Exchange's implementation of these trading arrangements, which may adversely affect your investment in the relevant Structured Products.

The Stock Exchange, the HKEX and their affiliates will not incur any liability (whether based on contract, tort, (including, without limitation, negligence), or any other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim except in the case of willful misconduct on the part of the Stock Exchange, HKEX and/or their affiliates) for, any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by us or any other party arising from or in connection with the Index Disruption Event, Index Disruption

Trading Halt and/or Index Disruption Trading Resumption, including without limitation, any delay, failure, mistake or error in the Stock Exchange effecting the trading arrangements.

We and our affiliates shall not have any liability to the holders of the relevant series of Structured Products (whether based on contract, tort, (including, without limitation, negligence), or any other legal or equitable grounds and without regard to the circumstances giving rise to any purported claim except in the case of willful misconduct on the part of us and/or our affiliates) for, any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by you or any other party arising from or in connection with the Index Disruption Event, Index Disruption Trading Halt and/or Index Disruption Trading Resumption, including without limitation, any delay, failure, mistake or error in the Stock Exchange effecting the trading arrangements.

Liquidation or termination of the Underlying Asset

In the case of Structured Products which relate to shares of a company, in the event of liquidation, winding up or dissolution of, or the appointment of a liquidator, receiver or administrator or analogous person to, the company that issues the underlying shares, the Structured Products shall lapse and cease to be valid, except that in the case of put Warrants or bear CBBCs, we may pay to you the residual value (if any) less our costs of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero.

In the case of Structured Products which relate to units or shares of a fund, in the event of termination, liquidation, winding up or dissolution of, or the appointment of a liquidator, receiver or administrator or analogous person to, the fund that issues the underlying units or shares (or the trustee of the fund, if applicable), the Structured Products shall lapse and cease to be valid, except that in the case of put Warrants or bear CBBCs, we may pay to you the residual value (if any) less our costs of unwinding any related hedging arrangements as determined by us, which may be substantially less than your initial investment and may be zero.

Delay in settlement

Unless otherwise specified in the relevant Conditions, in the case of any termination or expiry, as the case may be, of Structured Products, there may be a time lag between the date on which the Structured Products are terminated or expired, and the time the applicable settlement amount is paid to you. Any such delay between the time of termination or expiry and the payment of the settlement amount will be specified in the relevant Conditions.

However, such delay could be significantly longer, particularly in the case of a delay in the termination or expiry of such Structured Products arising from a determination by us that a Market Disruption Event, Settlement Disruption Event or delisting of the underlying shares or units or shares in the underlying fund has occurred at any relevant time or that adjustments are required in accordance with the Conditions.

That applicable settlement amount may change significantly during any such period, and such movement or movements could decrease or modify the settlement amount or entitlement value (as the case may be) of the Structured Products.

You should note that in the event of there being a Settlement Disruption Event or a Market Disruption Event, payment of the Cash Settlement Amount may be delayed as more fully described in the Conditions.

Risk specific to underlying asset adopting the multiple counters model

Where the Underlying Asset adopts the multiple counters model for trading its units or shares on the Stock Exchange in Hong Kong dollars ("**HKD**") and one or more foreign currencies (such as Renminbi and/or United States Dollars) (each a "**Foreign Currency**") separately, the novelty and relatively untested nature of the Stock Exchange's multiple counters model may bring the following additional risks:

(a) the Structured Products may be linked to the HKD-traded units or shares or the Foreign Currency traded units or shares. If the Underlying Asset is the units or shares traded in one currency counter, movements in the trading prices of the units or shares traded in another currency counter should not directly affect the price of the Structured Products;

(b) if there is a suspension of inter-counter transfer of such units or shares between different currency counters for any reason, such units or shares will only be able to be traded in the relevant currency counter on the Stock Exchange, which may affect the demand and supply of such units or shares and have an adverse effect on the price of the Structured Products; and

(c) the trading price on the Stock Exchange of the units or shares traded in one currency counter may deviate significantly from the trading price on the Stock Exchange of units or shares traded in another currency counter due to different factors, such as market liquidity, foreign exchange conversion risk, supply and demand in each counter and exchange rate fluctuation. Changes in the trading price of the Underlying Asset in the relevant currency counter may adversely affect the price of the Structured Products.

Risks relating to Structured Products over funds

In the case of Structured Products which relate to the units or shares of a fund:

(a) the BNP Group is not able to control or predict the actions of the trustee (if applicable) or the manager (if applicable) of the relevant fund. Neither the trustee (if applicable) nor the manager (if applicable) of the relevant fund (i) is involved in the offer of any Structured Product in any way, or (ii) has any obligation to consider the interest of the holders of any Structured Product in taking any actions that might affect the value of any Structured Product;

(b) we have no role in the relevant fund. The trustee (if applicable) or manager (if applicable) of the relevant fund is responsible for making investment and other trading decisions with respect to the management of the relevant fund consistent with its investment objectives and in compliance with the investment restrictions as set out in the constitutive documents of the relevant fund. The manner in which the relevant fund is managed and the timing of actions may have a significant impact on the performance of the relevant fund. Hence, the market price of the relevant units or shares is also subject to these risks; and

(c) for any relevant fund which is not managed like a corporation or an active investment vehicle and no manager has been appointed, the trading price of the units or shares in the relevant fund may be adversely affected by losses sustained by the fund that, if the fund had been actively managed, might have been possible to avoid.

Exchange traded funds

In the case of Structured Products linked to units or shares of an ETF, you should note that:

(a) an ETF is exposed to the economic, political, currency, legal and other risks of a specific sector or market related to the underlying asset pool or index or market that the ETF is designed to track;

(b) there may be disparity between the performance of the ETF and the performance of the underlying asset pool or index or market that the ETF is designed to track as a result of, for example, failure of the tracking strategy, currency differences, fees and expenses; and

(c) where the underlying asset pool or index or market that the ETF tracks is subject to restricted access, the efficiency in the creation or redemption of units or shares to keep the price of the ETF in line with its net asset value may be disrupted, causing the ETF to trade at a higher premium or discount to its net asset value. Hence, the market price of the Structured Products will also be indirectly subject to these risks.

Synthetic exchange traded funds

Additionally, where the Underlying Asset comprises the units or shares of an ETF adopting a synthetic replication investment strategy to achieve its investment objectives by investing in financial derivative instruments linked to the performance of an underlying asset pool or index that the ETF is designed to track ("**Synthetic ETF**"), you should note that:

(a) investments in financial derivative instruments will expose the Synthetic ETF to the credit, potential contagion and concentration risks of the counterparties who issued such financial derivative instruments. As such counterparties are predominantly international financial institutions, the failure of one such counterparty may have a negative effect on other counterparties of the Synthetic ETF.

    Even if the Synthetic ETF has collateral to reduce the counterparty risk, there may still be a risk that the market value of the collateral has fallen substantially when the Synthetic ETF seeks to realise the collateral; and

(b) the Synthetic ETF may be exposed to higher liquidity risk if the Synthetic ETF invests in financial derivative instruments which do not have an active secondary market.

The above risks may have a significant impact on the performance of the relevant ETF or Synthetic ETF and hence the market price of Structured Products linked to such ETF or Synthetic ETF.

ETF investing through the QFI regimes and/or China Connect

Where the Underlying Asset comprises the units or shares of an ETF ("**China ETF**") issued and traded outside Chinese Mainland with direct investment in the Chinese Mainland's securities markets through the Qualified Foreign Institutional Investor regime and Renminbi Qualified Foreign Institutional Investor regime (collectively, "**QFI regimes**") and/or the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (collectively, "**China Connect**"), you should note that, amongst others:

(a) the policy and rules for the QFI regimes and China Connect prescribed by the Chinese Mainland government are subject to change, and there may be uncertainty to their interpretation and/or implementation. The uncertainty and change of the laws and regulations in Chinese Mainland may adversely impact the performance of China ETFs and the trading price of the relevant units or shares;

(b) a China ETF primarily invests in securities traded in the Chinese Mainland's securities markets and is subject to concentration risk. Investment in the Chinese Mainland's securities markets (which are inherently stock markets with restricted access) involves certain risks and special considerations as compared with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity and regulatory risks. The operation of a China ETF may also be affected by interventions by the applicable government(s) and regulators in the financial markets;

(c) trading of securities invested by a China ETF under China Connect will be subject to a daily quota which is utilised on a first-come-first-serve basis under the China Connect. In the event that the daily quota under China Connect is reached, the manager may need to suspend creation of further units or shares of such China ETF, and therefore may affect the liquidity in unit or share trading of such China ETF. In such event, the trading price of a unit or share of such China ETF is likely to be at a significant premium to its net asset value, and may be highly volatile. The People's Bank of China and the State Administration of Foreign Exchange have jointly published the detailed implementation rules removing the investment quota under the QFI regimes with effect from 6 June 2020; and

(d) there are risks and uncertainties associated with the current Chinese Mainland's tax laws applicable to a China ETF investing in the Chinese Mainland through the QFI regimes and/or China Connect. Although such China ETF may have made a tax provision in respect of potential tax liability, the provision may be excessive or inadequate. Any shortfall between the provisions and actual tax liabilities may be covered by the assets of such China ETF and may therefore adversely affect the net asset value of such China ETF and the market value and/or potential payout of the Structured Products.

The above risks may have a significant impact on the performance of the relevant units or shares and the price of the Structured Products.

Please read the offering documents of the relevant China ETF to understand its key features and risks.

*Real estate investment trust ("**REIT**")*

Where the Underlying Asset comprises the units of a REIT, you should note that the investment objective of a REIT is to invest in a real estate portfolio. Each REIT is exposed to risks relating to investments in real estate, including but not limited to (a) adverse changes in political or economic conditions; (b) changes in interest rates and the availability of debt or equity financing, which may result in an inability by the REIT to maintain or improve the real estate portfolio and finance future acquisitions; (c) changes in environmental, zoning and other governmental rules; (d) changes in market rents; (e) any required repair and maintenance of the portfolio properties; (f) breach of any property laws or regulations; (g) the relative illiquidity of real estate investment; (h) real estate taxes; (i) any hidden interests in the portfolio properties; (j) any increase in insurance premiums and (k) any uninsurable losses.

There may also be disparity between the market price of the units of a REIT and the net asset value per unit. This is because the market price of the units of a REIT also depends on many factors, including but not limited to (a) the market value and perceived prospects of the real estate portfolio; (b) changes in economic or market conditions; (c) changes in market valuations of similar companies; (d) changes in interest rates; (e) the perceived attractiveness of the units of the REIT against those of other equity securities; (f) the future size and liquidity of the market for the units and the REIT market generally; (g) any future changes to the regulatory system, including the tax system and (h) the ability of the REIT to implement its investment and growth strategies and to retain its key personnel.

The above risks may have a significant impact on the performance of the relevant units and the price of the Structured Products.

Commodity market risk

Where the Underlying Asset comprises the units or shares of an ETF whose value relates directly to the value of a commodity, you should note that fluctuations in the price of the commodity could materially adversely affect the value of the underlying units or shares. Commodity market is generally subject to greater risks than other markets. The price of a commodity is highly volatile. Price movement of a commodity is influenced by, among other things, interest rates, changing market supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and international political and economic events and policies.

Risk Relating to CBBCs

Correlation between the price of a CBBC and the price/level of the Underlying Asset

When the Underlying Asset of a CBBC is trading at a price/level close to its Call Price/Call Level, the price of that CBBC tends to be more volatile and any change in the value of that CBBC at such time may be incomparable and disproportionate with the change in the price/level of the Underlying Asset.

Payout under CBBCs

It is expected that the value of each entitlement of CBBCs tends to follow closely the value of the Underlying Asset. However, you are warned that the price of CBBCs will be determined not only by the trading value of the Underlying Asset but also by the impact of financing costs and/or dividends during the period in which the CBBCs are held by you. In particular, when the value of the Underlying Asset is close to the Call Price/Call Level, the price of the CBBCs will be more volatile.

Mandatory Call Event is irrevocable

A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

(a) system malfunction or other technical errors of HKEX (such as the setting up of wrong Call Price/Call Level and other parameters); or

(b) manifest errors caused by the relevant third party price source (such as miscalculation of the index level by the relevant index compiler),

and in each case, we agree with the Stock Exchange that such Mandatory Call Event is to be revoked within such time as specified in the relevant launch announcement and supplemental listing document following the trading day on which the Mandatory Call Event is triggered. Upon revocation of the Mandatory Call Event, trading of the CBBCs will resume and any trade cancelled after such Mandatory Call Event will be reinstated.

Non-recognition of Post MCE Trades

The Stock Exchange and its recognised exchange controller, HKEX, shall not incur any liability (whether based on contract, tort (including, without limitation, negligence)), or any other legal or equitable grounds and, without regard to the circumstances giving rise to any purported claim (except in the case of wilful misconduct on the part of the Stock Exchange and/or HKEX) for any direct, consequential, special, indirect, economic, punitive, exemplary or any other loss or damage suffered or incurred by us or any other party arising from or in connection with the Mandatory Call Event or the suspension of trading ("**Trading Suspension**") or the non-recognition of trades after a Mandatory Call Event ("**Non-Recognition of Post MCE Trades**"), including, without limitation, any delay, failure, mistake or error in the Trading Suspension or Non-Recognition of Post MCE Trades.

The BNP Group shall not have any responsibility towards you for any losses suffered as a result of the Trading Suspension and/or Non-Recognition of Post MCE Trades, in connection with the occurrence of a Mandatory Call Event, the resumption of trading of the CBBCs or reinstatement of any Post MCE Trades cancelled as a result of the reversal of any Mandatory Call Event, notwithstanding that such Trading Suspension and/or Non-Recognition of Post MCE Trades occur as a result of an error in the observation of the event.

Residual Value may not include residual funding cost

For Category R CBBCs, the Residual Value (if any) payable by us following the occurrence of a Mandatory Call Event may or may not include the residual funding cost for the CBBCs. You may not receive any residual funding cost back from us upon early termination of a Category R CBBC upon a Mandatory Call Event.

Delay in announcements of a Mandatory Call Event

The Stock Exchange will notify the market as soon as practicable after the CBBC has been called upon the occurrence of a Mandatory Call Event. You must however be aware that there may be delay in the announcement of a Mandatory Call Event due to technical errors or system failures and other factors that are beyond our control or the control of the Stock Exchange.

Our hedging activities may adversely affect the price/level of the Underlying Asset

Any member of the BNP Group may carry out activities that minimise our risks related to the CBBCs, including effecting transactions for our own account or for the account of our customers and hold long or short positions in the Underlying Asset (whether for risk reduction purposes or otherwise). In addition, in connection with the offering of any CBBCs, we and/or any member of the BNP Group may enter into one or more hedging transactions with respect to the Underlying Asset. In connection with such hedging or market-making activities or with respect to proprietary or other trading activities by us and/or any member of the BNP Group may enter into transactions in the Underlying Asset which may affect the market price, liquidity or price/level of the Underlying Asset and/or the value of CBBCs and which could be deemed to be adverse to your interests. The BNP Group is likely to modify our hedging positions throughout the life of the CBBCs whether by effecting transactions in the Underlying Asset or in derivatives linked to the Underlying Asset. Further, it is possible that the advisory services which the BNP Group provides in the ordinary course of our business could lead to an adverse impact on the value of the Underlying Asset.

Unwinding of hedging arrangements

The trading and/or hedging activities of the BNP Group related to CBBCs and/or other financial instruments issued by us from time to time may have an impact on the price/level of the Underlying Asset and may trigger a Mandatory Call Event. In particular, when the Underlying Asset is trading close to the Call Price/Call

Level, our unwinding activities may cause a fall or rise (as the case may be) in the trading price/level of the Underlying Asset, leading to a Mandatory Call Event.

In respect of Category N CBBCs, the BNP Group may unwind any hedging transactions entered into by us in relation to the CBBCs at any time even if such unwinding activities may trigger a Mandatory Call Event.

In respect of Category R CBBCs, before the occurrence of a Mandatory Call Event, the BNP Group may unwind our hedging transactions relating to the CBBCs in proportion to the amount of the CBBCs we repurchase from time to time. Upon the occurrence of a Mandatory Call Event, the BNP Group may unwind any hedging transactions in relation to the CBBCs. Such unwinding activities after the occurrence of a Mandatory Call Event may affect the trading price/level of the Underlying Asset and consequently the Residual Value of the CBBCs.

Adjustment related risk

We will make such adjustments as we consider appropriate as a consequence of certain corporate actions or index adjustment events affecting the Underlying Asset. Please refer to the subsection "Adjustment related risk" under the section "Risks in relation to the Underlying Asset".

In addition, for Single Equity CBBCs and ETF CBBCs, if the Underlying Asset ceases to be listed on the Stock Exchange during the term of the CBBCs, we may make adjustments and amendments to the rights attaching to the CBBCs pursuant to Condition 6 of the Product Conditions of the relevant CBBCs set out in Part A and Part C of Appendix 3. Such adjustments and amendments will be conclusive and binding on you.

Risk relating to the legal form of the Structured Products

Each Structured Product will be represented by a global certificate registered in the name of HKSCC Nominees Limited (or such other nominee company as may be used by HKSCC from time to time in relation to the provision of nominee services to persons admitted for the time being by HKSCC as a participant of Central Clearing and Settlement System ("**CCASS**")). A risk of investing in a security that is issued in global registered form and held on your behalf within a clearing system effectively means that evidence of your title, as well as the efficiency of ultimate delivery of the Cash Settlement Amount, will be subject to the General Rules of CCASS and CCASS Operational Procedures ("**CCASS Rules**"). You should be aware of the following risks:

(a) you will not receive definitive certificates where the Structured Products remain in the name of HKSCC Nominees Limited for the entire life of the Structured Products;

(b) any register that is maintained by us or on our behalf, whilst available for inspection by you, will not be capable of registering any interests other than that of the legal title owner, in other words, it will record at all times that the Structured Products are being held by HKSCC Nominees Limited;

(c) you will have to rely solely upon your brokers/ custodians and the statements you receive from such party as evidence of your interest in the investment;

(d) notices or announcements will be published on the HKEX's website and/or released by HKSCC to its participants via CCASS in accordance with the CCASS Rules. You will need to check the HKEX's website regularly and/or rely on your brokers/custodians to obtain such notices/announcements; and

(e) following the Expiry Date and the determination by us as to the Cash Settlement Amount, our obligations to you will be duly performed by payment of the Cash Settlement Amount (net of any Exercise Expenses) to HKSCC Nominees Limited as the "holder" of the Structured Products. HKSCC or HKSCC Nominees Limited will then distribute the received Cash Settlement Amount (net of any Exercise Expenses) to the respective CCASS participants in accordance with the CCASS Rules.

Potential fee arrangements with brokers and potential conflicts of interest of brokers

To the extent permissible by the applicable laws, regulations, codes and guidelines and/or recommendations (whether imposed by applicable law or by competent regulatory authorities) in effect from time to time, we may or may not enter into fee arrangements with brokers with respect to the Structured Products or dealings in, or related to, the relevant Underlying Asset. You should note that brokers with whom we have a fee arrangement (if any) do not, and cannot be expected to, deal exclusively in, or related to, the Structured Products or any relevant Underlying Asset and may from time to time engage in other dealings for their own accounts and/or for the accounts of their clients. Potential conflicts of interests may arise from the different roles played by such brokers in connection with their dealings in, or related to, the Structured Products, the relevant Underlying Asset and/or other financial products (including those issued by other institutions over the same relevant Underlying Asset). A broker's interests (economic or otherwise) in each role may potentially affect the Structured Products and/or the relevant Underlying Asset in a manner that may cause adverse consequences to you if you invest in the Structured Products.

Effect of the combination of risk factors unpredictable

Two or more risk factors may simultaneously have an effect on the value of a series of Structured Products such that the effect of any individual risk factor may not be predictable. No assurance can be given as to the effect any combination of risk factors may have on the value of a series of Structured Products.

Risks relating to the BRRD

Regulatory action(s) by the relevant resolution authorities in the event that the Guarantor is failing or likely to fail could materially affect the value of the Structured Products, and you may not be able to recover all or even part of the amount due by the Issuer under the Structured Products (if any)

The Guarantor is a credit institution incorporated in France and is subject to the BRRD and the French legislation having implemented the BRRD, and Regulation (EU) No 806/2014, as amended. The BRRD provides for the establishment of an EU framework for the recovery and resolution of credit institutions and investment firms falling under the scope of the BRRD. The BRRD requires the governments of all EU Member States to provide their relevant resolution authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of that institution's critical financial and economic functions, while minimising the impact of that institution's failure on the broader economy and financial system.

Under French legislation implementing the BRRD, substantial powers are granted to the ACPR and/or other relevant resolution authorities in the EU, to implement resolution measures in respect of a relevant entity (including, for example, the Guarantor and certain of its affiliates) to protect and enhance the stability of the financial system of France if the relevant French resolution authorities consider the failure of the relevant entity has become likely and certain other conditions are satisfied.

These powers include share transfer powers, property transfer powers (including powers for the partial transfer of property, rights and liabilities), and resolution instrument powers (including powers to make special bail-in provisions) over the relevant affected financial institution(s). In connection with the exercise of these powers under the BRRD, the relevant French resolution authorities may take various actions in relation to certain liabilities of the Guarantor (including the Guarantee granted by the Guarantor over the Issuer's liabilities due under the Structured Products if such authorities consider amounts due under any such guarantee to fall within the scope of the Bail-In Power) without your consent, including (if applicable, among other things):

(a) transferring the Guarantee to another person (such as parent undertaking or a bridge institution) notwithstanding any restrictions on transfer under the terms of the Guarantee;

(b) the reduction of all, or a portion, of the amounts payable by the Guarantor under the terms of the Guarantee (including a reduction to zero);

(c) the conversion of all, or a portion, of the amounts due under the Guarantee into shares or other securities or other obligations of the Guarantor or of another person, including by means of an amendment, modification or variation of the terms of the Guarantee, in which case you agree to accept in lieu of your contractual rights under the terms of the Guarantee any such shares, other securities or other obligations of the Guarantor or another person;

(d) the cancellation of the Guarantee;

(e) the amendment or alteration of the maturity of the Guarantee or amendment of the amount of interest payable on the Guarantee, or the date on which the interest becomes payable, including by suspending payment for a temporary period; and/or

(f) if applicable, the variation of the terms of the Guarantee, if necessary to give effect to the exercise of the Bail-In Power by the relevant resolution authority.

The exercise of any resolution power or any suggestion of such exercise under the BRRD over the Guarantor could adversely affect the value of the Structured Products, and you may not be able to recover all or even part of the amount due under the Structured Products (if any). **You may therefore lose all or a substantial part of your investment in the Structured Products.**

In addition, the resolution powers could be exercised (i) prior to the commencement of any insolvency proceedings in respect of the Guarantor, and (ii) by the relevant French resolution authorities without your consent or any prior notice to you. It is also uncertain how the relevant resolution authorities would assess triggering conditions in different pre-insolvency scenarios affecting the Guarantor under the BRRD. Accordingly, you may not be able to anticipate a potential exercise of any such resolution powers over the Guarantor and/or the Guarantee.

By investing in the Structured Products, you acknowledge, accept, consent and agree to be bound by the exercise of any Bail-In Power by the relevant resolution authorities

By investing in the Structured Products, you acknowledge, accept, consent and agree to be contractually bound by the effect of the exercise of any Bail-In Power by the relevant resolution authorities over the Guarantor. You further acknowledge, accept, consent and agree that your rights under the Guarantee are contractually subject to, and will be varied, if necessary, so as to give effect to, the exercise of any Bail-In Power by the relevant resolution authorities over the Guarantor. Accordingly, if any Bail-In Power is exercised over the Guarantor, you may not be able to recover all or even part of the amount due under the Structured Products (if any), or you may receive a different security issued by the Guarantor (or another person) in place of the amount due to you under the Structured Products (if any), which may be worth significantly less than the amount due to you under the Structured Products (if any). Moreover, the relevant resolution authorities may exercise the Bail-In Power without providing any advance notice to, or requiring your further consent. Please refer to the section headed "Text of the Guarantee of BNP Paribas" in this document for further details, in particular clause 6 of the Guarantee with respect to the Bail-In Power.

Financial Institutions (Resolution) Ordinance

The Financial Institutions (Resolution) Ordinance (Cap. 628, the Laws of Hong Kong) (the "**FIRO**") provides a regime for the orderly resolution of financial institutions with a view to avoiding or mitigating the risks otherwise posed by their non-viability to the stability and effective working of the financial system of Hong Kong, including the continued performance of critical financial functions. The FIRO seeks to provide the relevant resolution authorities with a range of powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution in Hong Kong. In particular, it is envisaged that subject to certain safeguards, the relevant resolution authority would be provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution, including but not limited to powers to write off, or convert into equity, all or a part of the liabilities of the failing financial institution.

The Issuer is not subject to and bound by the FIRO. However, the Guarantor, as an authorised institution regulated by the Hong Kong Monetary Authority, is subject to and bound by the FIRO. The exercise of any resolution power by the relevant resolution authority under the FIRO in respect of the Guarantor may have a material adverse effect on the value of the Structured Products, and as a result, you may not be able to recover all or any amount due under the Structured Products.

TAXATION

The following section is of a general nature and is not intended to provide guidance to you. This section relates to you if you are the absolute beneficial owner of the Structured Products and may not apply equally to you. If you are in any doubt as to your tax position on purchase, ownership, transfer, holding or exercise of any Structured Product, you are strongly advised to consult your own tax advisers.

General

You may be required to pay stamp duties, taxes and other charges in accordance with the laws and practices of the country of purchase in addition to the issue price of each Structured Product.

Taxation in Hong Kong

The following paragraph, which is intended as a general guide only, is based on current law and practice in Hong Kong. It summarises certain aspects of taxation in Hong Kong which may be applicable to the Structured Products but is not purported to be a comprehensive description of all tax considerations which may be of relevance.

Profits Tax

No tax is payable in Hong Kong by withholding or otherwise in respect of:

(a) dividends of any company;

(b) distributions of any trust authorised as a collective investment scheme by the SFC under section 104 of the Securities and Futures Ordinance (Cap 571, The Laws of Hong Kong) or otherwise approved by the SFC; or

(c) any capital gains arising on the sale of the underlying shares or Structured Products, except that Hong Kong profits tax may be chargeable on any such gains in the case of certain persons carrying on a trade, profession or business in Hong Kong.

Stamp Duty

You do not need to pay any stamp duty in respect of purely cash settled Structured Products.

Taxation in the Netherlands

The following paragraph, which is intended as a general guide only, is based on current law and practice in the Netherlands. It summarises certain aspects of taxation in the Netherlands which may be applicable to the Structured Products but is not purported to be a comprehensive description of all tax considerations which may be of relevance.

Registration, Stamp, Transfer or Turnover Taxes

No Dutch registration, stamp, transfer or turnover taxes or other similar duties or taxes should be due in the Netherlands in direct connection with the offering and issue of the Structured Products by us or in respect of the signing and delivery of this document and/or the relevant launch announcement and supplemental listing document.

Withholding Tax

No Netherlands withholding tax should be due on payments of principal and/or interest.

Income Tax or Capital Gain Tax

You will not be subject to Netherlands taxes on income or capital gains in direct connection with the acquisition or holding of debt or any payment under the Structured Products or in respect of any gain realised on the disposal or redemption of the Structured Products, provided that:

(a) you are neither a resident nor deemed to be a resident nor has opted to be treated as a resident in the Netherlands; and

(b) you do not have an enterprise or an interest in an enterprise which, in whole or in part, is carried on through a permanent establishment or a permanent representative in the Netherlands and to which permanent establishment or permanent representative the Structured Products are attributable; and

(c) if you are a legal person, a limited partnership or contractual fund qualifying as opaque, another company with a capital divided into shares or a special purpose fund ("doelvermogen"):

  (i) you do not have a substantial interest* in our share capital, or in the event that you do have such an interest, such interest forms part of the assets of an enterprise; and

  (ii) you do not have a deemed Netherlands enterprise to which enterprise the Structured Products are attributable, including but not limited to, activities such as serving as a management or supervisory board member of a Dutch resident company;

or

(d) if you are a natural person:

  (i) you do not derive income and/or capital gains from activities in the Netherlands other than business income (as described under (b) above), to which activities the Structured Products are attributable; and

  (ii) you or a person related to you by law, contract, consanguinity or affinity to the degree specified in the tax laws of the Netherlands do not have, or are not deemed to have, a substantial interest* in our share capital.

Inheritance Tax

No gift, estate or inheritance tax will arise in the Netherlands on the transfer by way of gift or inheritance of the Structured Products if the donor or the deceased at the time of the gift or the death is neither a resident nor a deemed resident of the Netherlands, unless:

(a) at the time of the gift or death, the Structured Products are attributable to an enterprise or part of an enterprise that is carried out through a permanent establishment or a permanent representative in the Netherlands; or

(b) the donor of the Structured Products dies within 180 days of making the gift, and is a Dutch resident or deemed resident on the date of death.

Furthermore, in relation to the implications in respect of registration, stamp, transfer or turnover taxes, withholding tax, income tax or capital gain tax and inheritance tax in the Netherlands summarised above, it is assumed that:

(a) neither the remuneration, nor the indebtedness of the remuneration, on the Structured Products is, in whole or in part, legally or actually, contingent upon the profits or the distribution of profits by us or any of our affiliated companies; and

(b) the Structured Products will be treated as our debt obligations and cannot, partly or wholly, be reclassified as equity nor actually function as equity for Dutch tax purposes as referred to in Section 10(1)(d) of the Dutch Corporate Income Tax Act (Wet op de vennootschapsbelasting 1969).

Exchange of Information

If we pay interest directly to, or secure our payment for the immediate benefit of, a holder of Structured Products that is (i) an individual, (ii) a resident of another EU Member State or designated jurisdiction and (iii) the beneficial owner of that interest, we must verify the holder of the Structured Products' identity and place of residence and provide information regarding that holders and the interest payments concerned to the Dutch tax authorities. This obligation does not apply if the interest is paid to, or secured for the benefit of, a holder of the Structured Products via a bank or other paying agent as defined in Dutch tax law. In that case similar or other obligations may apply with respect to the bank or the other paying agent.

* An interest in our share capital should not be considered as a substantial interest if you, and if you are a natural person, your spouse, registered partner, certain other relatives or certain persons sharing your household, do not own or hold, alone or together, whether directly or indirectly, the ownership of, or certain rights over, shares or rights resembling shares representing five per cent. or more of our total issued and outstanding capital or our issued and outstanding capital of any class of shares.

Taxation in the United States of America

Foreign Account Tax Compliance Act

FATCA imposes on a foreign financial institution ("**FFI**") a new reporting regime and the requirement to potentially apply a 30% United States withholding tax with respect to (i) certain payments from sources within the United States, including interest (and original issue discount), dividends or other fixed, determinable, annual or periodic income or (ii) amounts that are "foreign passthru payments", a term not currently defined under FATCA (any such withholding being "**FATCA Withholding**").

The United States and a number of other jurisdictions, including the Netherlands, have negotiated intergovernmental agreements ("**IGAs**") to facilitate the implementation of FATCA and modify FATCA requirements in IGA jurisdictions. Under the current provisions of IGAs, an FFI generally would not be required under FATCA or an IGA to deduct any FATCA Withholding with respect to payments on instruments such as the Structured Products. There can be no assurance, however, that the Issuer will not in the future be required to deduct FATCA Withholding from payments it makes on such instruments.

Even if FATCA Withholding would be required in the future under FATCA or an IGA with respect to payments on instruments such as the Structured Products, such withholding would not apply to foreign passthru payments earlier than two years after the date of publication in the Federal Register of the final regulations defining "foreign passthru payment". Any Structured Products characterised as debt for United States federal income tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the Federal Register generally would be grandfathered for purposes of withholding on foreign passthru payments.

Holders of the Structured Products should consult their own tax advisors regarding how FATCA may apply to their investment in the Structured Products. If the Issuer determines that FATCA Withholding is appropriate with respect to the Structured Products, we (or an applicable withholding agent) will withhold tax at the applicable statutory rate without being required to pay any additional amounts with respect to amounts so withheld.

FATCA is particularly complex. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Structured Products.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

General

No action has been or will be taken by us that would permit a public offering of any series of Structured Products or possession or distribution of any offering material in relation to the Structured Products in any jurisdiction (other than in Hong Kong) where action for that purpose is required.

No offers, sales or deliveries of any Structured Products, or distribution of any offering material relating to the Structured Products may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and will not impose any obligation on us or the Guarantor. In the event that we contemplate a placing, placing fees may be payable in connection with any issue and we may, at our discretion, allow discounts to placees.

United States of America

Each series of Structured Products has not been, and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and trading in the Structured Products has not been and will not be approved by the United States Commodity Futures Trading Commission under the United States Commodity Exchange Act, as amended. We have not been registered as an investment company pursuant to the United States Investment Company Act of 1940, as amended.

The Structured Products may not at any time be offered, sold, delivered, traded or exercised, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person and a U.S. person may not, at any time, directly or indirectly, maintain a position in the Structured Products. Offers, sales, trading or delivery of the Structured Products in the United States or to, or for the account or benefit of, U.S. persons may constitute a violation of United States laws governing securities and commodities trading.

We will not offer, sell or deliver any Structured Products within the United States or to, or for the account or benefit of, U.S. persons, and all dealers participating in the distribution of the Structured Products will not be permitted by us to offer, sell, deliver or trade, at any time, directly or indirectly, any Structured Products in the United States or to, or for the account or benefit of, any U.S. person.

Each purchaser of Structured Products will be deemed by its acceptance of the Structured Products to have represented and agreed, on its behalf and on behalf of any investor accounts for which it is purchasing the Structured Products, that it has not and will not purchase, offer, sell, deliver or trade, at any time, directly or indirectly, any Structured Products in the United States or to, or for the account or benefit of, any U.S. person.

Each purchaser acknowledges that we and the dealers will rely upon the truth and accuracy of the foregoing representations and agreements, and agrees that if any of the representations or warranties deemed to have been made by such purchaser by its purchase of Structured Products are no longer accurate, it shall promptly notify us and the relevant dealer. If acquiring Structured Products as a fiduciary or agent for one or more investor accounts, each purchaser represents that it has sole investment discretion with respect to each such account and full power to make the foregoing representations and agreements on behalf of each such account.

Terms used herein, including, "**United States**" and "**U.S. person**", have the meanings given to them by Regulation S under the Securities Act.

European Economic Area

Each dealer represents and agrees, and each further dealer appointed in respect of the Structured Products will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell, or otherwise make available any Structured Products which are the subject of the offering as contemplated by this base listing document to any retail investor in the European Economic Area. For the purposes of this provision:

a) the expression "**retail investor**" means a person who is one (or more) of the following:

   i. a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

   ii. a customer within the meaning of Directive (EU) 2016/97 (as amended, the Insurance Distribution Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   iii. not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended and superseded, the Prospectus Regulation); and

b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Structured Products to be offered so as to enable an investor to decide to purchase or subscribe for the Structured Products.

United Kingdom

Each dealer represents and agrees, and each further dealer appointed in respect of the Structured Products will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Structured Products which are the subject of the offering as contemplated by this base listing document to any retail investor in the United Kingdom. For the purposes of this provision:

a) the expression "**retail investor**" means a person who is one (or more) of the following:

   i. a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

   ii. a customer within the meaning of the provisions of the Financial Services and Markets Act, as amended (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

   iii. not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Structured Products to be offered so as to enable an investor to decide to purchase or subscribe for the Structured Products.

Each dealer further represents and agrees, and each further dealer appointed in respect of the Structured Products will be required to further represent and agree, that:

(a) in respect to Structured Products having a maturity of less than one year: (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (ii) it has not offered or sold and will not offer or sell any Structured Products other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Structured Products would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Structured Products in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Structured Products in, from or otherwise involving the United Kingdom.

TEXT OF THE GUARANTEE OF BNP PARIBAS

Our obligations under the Structured Products are guaranteed by the Guarantor under the Guarantee executed by the Guarantor by way of deed poll and dated as of 11 April 2025. The text of the Guarantee is set out below.

"THIS GUARANTEE is made by way of deed poll by BNP Paribas (the "**Guarantor**") in favour of the holders for the time being of the Structured Products (as defined below) (each a "**Holder**") and dated as of 11 April 2025. WHEREAS: —

(A) The Guarantor has agreed to guarantee all contractual obligations of BNP Paribas Issuance B.V. (the "**Issuer**") set out under the terms and conditions in respect of each series of structured products (including, without limitation, standard warrants, callable bull/bear contracts or other types of structured products) (together, the "**Structured Products**") pursuant to a base listing document dated 11 April 2025 ("**Base Listing Document**", which expression shall include any amendment and/or supplement thereto and any replacement or further issue of any base listing document issued by the Issuer from time to time in respect of Structured Products (and whether or not issued pursuant to any condition imposed by the Securities and Futures Commission pursuant to the Securities and Futures Ordinance or by The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Rules Governing the Listing of Securities on the Stock Exchange)) and listed on the Stock Exchange.

(B) Terms defined in the Conditions of the Structured Products shall have the same meanings in this Deed of Guarantee except where the context requires otherwise. References to "Conditions" are to the terms and conditions set out in the Base Listing Document.

NOW THIS DEED WITNESSES as follows:

1 **Guarantee**: The Guarantor unconditionally and irrevocably guarantees by way of deed poll to each Holder that, if for any reason the Issuer does not pay any sum payable by it or perform any other contractual obligation set out under the terms and conditions in respect of any Structured Product on the date specified for such payment or performance the Guarantor will, in accordance with the Conditions pay that sum in the currency in which such payment is due in immediately available funds or, as the case may be, perform or procure the performance of the relevant obligation on the due date for such performance. In case of the failure of the Issuer to satisfy such obligations as and when the same become due, the Guarantor hereby undertakes to make or cause to be made such payment or satisfy or cause to be satisfied such obligations as though the Guarantor were the principal obligor in respect of such obligation.

Any such payment in accordance with this Clause 1 shall constitute a complete discharge of the Guarantor's obligations in respect of such Structured Products.

2 **Guarantor as Principal Obligor**: As between the Guarantor and the holder of each Structured Product but without affecting the Issuer's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal obligor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which would not discharge it or affect its liability if it were the sole principal obligor (including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any of the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment or performance of any other obligation in respect of any Structured Product, (4) the enforcement or absence of enforcement of any Structured Product or of any security or other guarantee or indemnity, (5) the release of any such

security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person, or (7) the illegality, invalidity or unenforceability of or any defect in any provision of the Conditions or any of the Issuer's obligations under any of them).

3 **Guarantor's Obligations Continuing**: The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains payable and no other obligation remains to be performed under any Structured Product (in each case subject to its exercise). Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise. The Guarantor irrevocably waives all notices and demands of any kind.

4 **Discharge by the Issuer**: If any payment received by, or other obligation discharged to or to the order of, the holder of any Structured Product is, on the subsequent bankruptcy or insolvency of the Issuer, avoided under any laws relating to bankruptcy or insolvency, such payment or obligation will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment or obligation had at all times remained owing due by the Issuer.

5 **Indemnity**: As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees (1) that any sum or obligation which, although expressed to be payable under the Structured Products, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor or the holder of any Structured Product) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal obligor and will be paid or performed by it in favour of the holder of any Structured Product and (2) as a primary obligation to indemnify each Holder against any loss suffered by it as a result of any sum or obligation expressed to be payable under the Structured Products not being paid or performed by the time, on the date and otherwise in the manner specified in the Structured Products or any obligation of the Issuer under the Structured Products being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not known or becoming known to the Issuer, the Guarantor or any Holder), in the case of a payment obligation the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum, PROVIDED THAT the proviso to Clause 2 of this Guarantee shall apply mutatis mutandis to this Clause 5.

6 **Resolution proceeding against the Guarantor**: Each Holder acknowledges, accepts, consents and agrees by its acquisition of the Structured Products:

(a) to be bound by the effect of the exercise of the Bail-In Power by the relevant resolution authority if the latter were to consider that the amounts due under this Guarantee fall within the scope of the Bail-In Power. This Bail-In Power may include and result in any of the following, or some combination thereof:

(i) the reduction of all, or a portion, of the amounts due under this Guarantee;

(ii) the conversion of all, or a portion, of the amounts due under this Guarantee into shares, other securities or other obligations of the Guarantor or another person, including by means of an amendment, modification or variation of the terms of this Guarantee, in which case the Holder agrees to accept in lieu of its rights under this Guarantee any such shares, other securities or other obligations of the Guarantor or another person;

(iii) the cancellation of this Guarantee;

(iv) the amendment or alteration of the maturity of this Guarantee or amendment of the amount of interest payable on this Guarantee, or the date on which the interest becomes payable, including by suspending payment for a temporary period;

(b) if applicable, that the terms of this Guarantee are subject to, and may be varied, if necessary, to give effect to the exercise of the Bail-In Power by the relevant resolution authority.

For these purposes, the "**Bail-In Power**" is any resolution power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in France, whether relating to (i) the transposition of Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended from time to time, the **BRRD**), including without limitation by Ordinance no. 2015-1024 dated 20 August 2015 *(Ordonnance no 2015-1024 du 20 août 2015 portant diverses dispositions d'adaptation de la législation au droit de l'Union européenne en matière financière),* as amended from time to time, (ii) the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (as amended from time to time, including by Regulation (EU) 2019/877 dated 20 May 2019, the "**SRM**"), or (iii) otherwise arising under French law, and the instructions, rules and standards created thereunder, pursuant to which, in particular, the obligations of the Guarantor (or its affiliate) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or securities of the Guarantor (or its affiliate) can be converted into shares, other securities, or other obligations of such regulated entity or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution or otherwise.

A reference to the "**relevant resolution authority**" is to the Autorité de contrôle prudentiel et de resolution (**ACPR**), the Single Resolution Board established pursuant to the SRM and/or any other authority entitled to exercise or participate in the exercise of any Bail-In Power from time to time (including the Council of the European Union and the European Commission when acting pursuant to Article 18 of the SRM).

The matters set forth in this Clause 6 shall be exhaustive on the foregoing matters to the exclusion of any other agreements, arrangements or understandings between the Guarantor and any holder of a Structured Product.

7 **Incorporation of Terms:** The Guarantor agrees that it shall comply with and be bound by those provisions contained in the Conditions which relate to it.

8 **Deposit of Guarantee:** This Guarantee shall be deposited with and held by the Sponsor for the benefit of the Holders. If BNP Paribas Securities (Asia) Limited ceases to be the Sponsor its successor shall hold this Guarantee.

9 **Representations:** The Guarantor represents and warrants to each Holder that it has the full power and authority, and has taken all necessary steps, to execute and deliver this Guarantee and to perform its obligations hereunder and this Guarantee constitutes the valid and binding obligations of the Guarantor and is enforceable in accordance with its terms.

10 **Governing law:** This Guarantee shall be governed by and construed in accordance with the laws of Hong Kong.

11 **Jurisdiction:** The courts of Hong Kong are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee and accordingly any legal action or proceedings arising out of or in connection with this Guarantee ("**Proceedings**") may be brought in such courts. The Guarantor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

12 **Service of Process:** The Guarantor agrees that service of process in Hong Kong may be made on it at its Hong Kong branch. Nothing in this Guarantee shall affect the right to serve process in any other manner permitted by law.

IN WITNESS whereof this Guarantee has been executed by the Guarantor as a deed poll and delivered on the date specified below.

Dated as of 11 April 2025"

APPENDIX 1 — GENERAL CONDITIONS OF STRUCTURED PRODUCTS

These General Conditions relate to each series of Structured Products and must be read in conjunction with, and are subject to, the applicable Product Conditions and the Launch Announcement and Supplemental Listing Document in relation to the particular series of Structured Products. These General Conditions and the applicable Product Conditions (as supplemented, amended, modified and/or replaced by the relevant Launch Announcement and Supplemental Listing Document) together constitute the Conditions of the relevant Structured Products, and will be endorsed on the Global Certificate representing the relevant Structured Products. The Launch Announcement and Supplemental Listing Document in relation to the issue of any series of Structured Products may specify other terms and conditions which shall, to the extent so specified or to the extent they are inconsistent with these General Conditions and the applicable Product Conditions, replace or modify the General Conditions and/or the applicable Product Conditions for the purpose of such series of Structured Products.

1. Definitions

"**Base Listing Document**" means the base listing document relating to Structured Products dated 11 April 2025 and issued by the Issuer, including any addenda to such base listing document issued from time to time;

"**Board Lot**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**CCASS**" means the Central Clearing and Settlement System established and operated by HKSCC;

"**CCASS Rules**" means the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time;

"**Conditions**" means, in respect of a particular series of Structured Products, these General Conditions and the applicable Product Conditions;

"**Expiry Date**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**General Conditions**" means these general terms and conditions;

"**Global Certificate**" means, in respect of the relevant Structured Products, a global certificate registered in the name of the Nominee;

"**Guarantee**" means a deed poll guarantee dated as of 11 April 2025 made by the Guarantor;

"**Guarantor**" means BNP Paribas;

"**HKSCC**" means Hong Kong Securities and Clearing Company Limited;

"**Holder**" means, in respect of each series of Structured Products, each person who is for the time being shown in the Register as the holder of the Structured Products, and who shall be treated by the Issuer, the Guarantor and the Sponsor as the absolute owner and holder of the relevant Structured Products. The expression "**Holders**" shall be construed accordingly;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Instrument**" means an instrument by way of deed poll dated 3 May 2006 executed by the Issuer which constitutes the Structured Products;

"**Issuer**" means BNP Paribas Issuance B.V.;

"**Launch Announcement and Supplemental Listing Document**" means the launch announcement and supplemental listing document relating to a particular series of Structured Products;

"**Nominee**" means HKSCC Nominees Limited (or such other nominee company as may be used by the HKSCC from time to time) in relation to the provision of nominee services to persons admitted for the time being by the HKSCC as a participant of CCASS;

"**Product Conditions**" means the product conditions relating to a particular series of Structured Products;

"**Register**" means, in respect of each series of Structured Products, the register of holders of such series of Structured Products kept by the Issuer outside of Hong Kong pursuant to General Condition 3.3;

"**Sponsor**" means BNP Paribas Securities (Asia) Limited;

"**Stock Exchange**" means The Stock Exchange of Hong Kong Limited; and

"**Structured Products**" means standard warrants ("**Warrants**"), callable bull/bear contracts ("**CBBCs**") or such other structured products to be issued by the Issuer from time to time. References to "**Structured Product**" are to be construed as references to a particular series of Structured Products.

Other capitalised terms will, unless otherwise defined, have the meanings given to them in the Base Listing Document, the applicable Product Conditions, the relevant Launch Announcement and Supplemental Listing Document and/or the Global Certificate.

2. Form, Status, Transfer and Trading

2.1 Form

The Structured Products (which expression shall, unless the context otherwise requires, include any further structured products issued pursuant to General Condition 9) are issued in registered form subject to and with the benefit of the Instrument and the Guarantee. Copies of the Instrument and the Guarantee are available for inspection at the specified offices of the Sponsor. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Instrument.

2.2 Status of the Issuer's obligations

The settlement obligations of the Issuer in respect of the Structured Products represent general unsecured contractual obligations of the Issuer and of no other person and rank, and will rank, pari passu among themselves and with all other present and future unsecured and unsubordinated contractual obligations of the Issuer, except for obligations accorded preference by mandatory provisions of applicable law. The obligations of the Guarantor under the Guarantee represent general unsecured contractual obligations of the Guarantor and of no other person and rank, and will rank, pari passu with all other present and future unsecured and unsubordinated contractual obligations of the Guarantor, except for obligations accorded preference by mandatory provisions of applicable law.

2.3 Transfer and Trading of Structured Products

Transfers of Structured Products may be effected only in Board Lots or integral multiples thereof in CCASS in accordance with the CCASS Rules.

Trading in Structured Products on the Stock Exchange shall cease prior to the Expiry Date in accordance with the requirements of the Stock Exchange.

3. Sponsor and Register

3.1 The Sponsor will not assume any obligation or duty to or any relationship or agency or trust for the Holder.

3.2 The Issuer reserves the right, subject to the appointment of a successor, at any time to vary or terminate the appointment of the initial Sponsor and to appoint another sponsor provided that it will at all times maintain a sponsor in Hong Kong for so long as the Structured Products are listed on the Stock Exchange. Notice of any such termination or appointment will be given to the Holders in accordance with General Condition 7.

3.3 The Register will be maintained outside Hong Kong by the Issuer and the Issuer will enter or cause to be entered the name, address and banking details of the Holders, the details of the Structured Products held by each Holder, including the number of Structured Products of each series held and any other particulars which it thinks proper.

4. Purchases

The Issuer, the Guarantor and/or any of their respective affiliates may at any time purchase Structured Products at any price in the open market or by tender or by private treaty. Any Structured Products so purchased may be held, resold or surrendered for cancellation.

5. Global Certificate

The Structured Products will be represented by a Global Certificate. No definitive certificate will be issued. The Structured Products can only be exercised by the Nominee. The Global Certificate representing the relevant Structured Products will be deposited with CCASS in the name of the Nominee.

6. Meetings of Holders and Modification

6.1 Meetings of Holders

The Instrument contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Instrument) of a modification of the provisions of the Structured Products or of the Instrument.

Any resolution to be passed in a meeting of the Holders shall be decided by poll. A meeting may be convened by the Issuer or by Holders holding not less than 10 per cent. of the Structured Products for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Structured Products for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Holders whatever the number of Structured Products so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all the Holders, whether or not they are present at the meeting.

Resolutions can be passed in writing without a meeting of the Holders being held if passed unanimously.

6.2 Modification

The Issuer may, without the consent of the Holders, effect any modification of the terms and conditions of the Structured Products or the Instrument which, in the opinion of the Issuer, is:

(a) not materially prejudicial to the interests of the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such modification in any particular jurisdiction);

(b) of a formal, minor or technical nature;

(c) made to correct a manifest error; or

(d) necessary in order to comply with mandatory provisions of the laws or regulations of Hong Kong.

Any such modification shall be binding on the Holders and shall be notified to them by the Issuer or the Sponsor (as the case may be) as soon as practicable thereafter in accordance with General Condition 7.

7. Notices

All notices to the Holders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearing Limited. Such notices shall be deemed to have been given on the date of the first such publication. If such publication is not practicable, notice will be given in such other manner as the Issuer may determine appropriate.

8. Adjustment to the Conditions

8.1 Other Adjustments

Without prejudice to and notwithstanding any prior adjustment(s) made pursuant to the applicable Conditions, the Issuer may (but shall not be obliged to) make such other adjustments to the terms and conditions of the Structured Products as appropriate where any event (including the events as contemplated in the applicable Conditions) occurs and irrespective of, in substitution for, or in addition to the provisions contemplated in the applicable Conditions, provided that such adjustment is:

(a) not materially prejudicial to the interests of the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction); or

(b) determined by the Issuer in good faith to be appropriate and commercially reasonable.

8.2 Notice of Adjustments

All determinations made by the Issuer in respect of any adjustment to the Conditions will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 7.

9. Further Issues

The Issuer shall be at liberty from time to time, without the consent of the Holders, to create and issue further structured products so as to form a single series with the Structured Products.

10. Taxation

The Issuer is not liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer or exercise of any Structured Products.

11. Good Faith and Commercially Reasonable Manner

Any exercise of discretion by the Issuer under the Conditions will be made in good faith and in a commercially reasonable manner.

12. Contracts (Rights of Third Parties) Ordinance

A person who is not a party to the Conditions has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce or to enjoy the benefit of any term of the Structured Products.

13. Governing Law

The Structured Products, the Global Certificate, the Guarantee and the Instrument will be governed by and construed in accordance with the laws of Hong Kong. The Issuer, the Guarantor and each Holder (by its purchase of the Structured Products) shall be deemed to have submitted for all purposes in connection with the Structured Products, the Global Certificates, the Guarantee and the Instrument to the non-exclusive jurisdiction of the courts of Hong Kong.

14. Language

In the event of any inconsistency between (a) the Chinese translation of these General Conditions and/or the applicable Product Conditions and (b) the English version of these General Conditions and/or the applicable Product Conditions, the English version of these General Conditions and/or the applicable Product Conditions shall prevail.

15. Prescription

Claims against the Issuer for payment of any amount in respect of a series of Structured Product will become void unless made within ten years of the MCE Valuation Date or the Expiry Date (as the case may be) applicable to that series and thereafter, any sums payable in respect of such Structured Product shall be forfeited and shall revert to the Issuer.

Sponsor

BNP Paribas Securities (Asia) Limited
60th and 63rd Floors
Two International Finance Centre
8 Finance Street
Central, Hong Kong
China

APPENDIX 2 — PRODUCT CONDITIONS OF WARRANTS

The following pages set out the Product Conditions in respect of different types of Warrants.

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PART A —	PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE EQUITIES	87
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PART A — PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE EQUITIES

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Launch Announcement and Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Average Price**" means the arithmetic mean of the closing price of one Share, as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustment to such closing prices as may be necessary to reflect any event as contemplated in Product Condition 4 such as capitalisation, rights issue, distribution or the like in respect of each Valuation Date;

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong. For the avoidance of doubt, if such a day falls on a day on which the tropical cyclone warning signal number 8 or above or a "BLACK" rainstorm signal is issued or an "extreme condition" announcement is made by the Hong Kong Government, that day shall be deemed to be a Business Day;

"**Cash Settlement Amount**" means, in respect of every Board Lot, an amount in the Settlement Currency calculated by the Issuer as follows:

(a) in the case of a series of call Warrants:

$$\frac{\text{Entitlement x (Average Price - Exercise Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{Entitlement x (Exercise Price - Average Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Company**" means the company specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Entitlement**" means the number specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**Exercise Price**" means the price specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Listing Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (i) the Shares; or (ii) any options or futures contracts relating to the Shares if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;

(b) the occurrence of any event on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of such event; or

(c) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

"**Number of Warrant(s) per Entitlement**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Product Conditions**" means these product terms and conditions;

"**Settlement Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Average Price is determined in accordance with the Conditions;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Share**" means the share of the Company specified as such in the relevant Launch Announcement and Supplemental Listing Document and "**Shares**" shall be construed accordingly; and

"**Valuation Date**" means each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on any Valuation Date, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a Business Day that is already or is deemed to be a Valuation Date. For the avoidance of doubt, in the event that a Market Disruption Event has occurred and a Valuation Date is postponed as aforesaid, the closing price of the Shares on the first succeeding Business Day will be used more than once in determining the Average Price, so that in no event shall there be less than five closing prices used to determine the Average Price.

If the postponement of the Valuation Date as aforesaid would result in the Valuation Date falling on or after the Expiry Date, then:

(a) the Business Day immediately preceding the Expiry Date (the "**Last Valuation Date**") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and

(b) the Issuer shall determine the closing price of the Shares on the basis of its good faith estimate of the price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) *Cancellation*

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) *Cash Settlement*

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 Rights Issues

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "**Rights Offer**"), the Entitlement will be adjusted to take effect on the Business Day ("**Rights Issue Adjustment Date**") on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Entitlement immediately prior to the Rights Offer

S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis

R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Rights

M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

"**Rights**" means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

4.2 Bonus Issues

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a "**Bonus Issue**") the Entitlement will be increased on the Business Day ("**Bonus Issue Adjustment Date**") on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = 1 + N$$

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Bonus Issue Adjustment Date.

4.3 Share Splits or Consolidations

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a "**Subdivision**") or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a "**Consolidation**"), then:

(i) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Exercise Price (which shall be rounded to the nearest 0.001) will be decreased in the same ratio as the Subdivision; and

(ii) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Exercise Price (which shall be rounded to the nearest 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) shall have taken effect.

4.4 Merger or Consolidation

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "**Restructuring Event**") (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in the relevant currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this Product Condition 4.4 and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

4.5 Cash Distribution

No adjustment will be made for an ordinary cash dividend (whether or not it is offered with a scrip alternative) ("**Ordinary Dividend**"). For any other forms of cash distribution ("**Cash Distribution**") announced by the Company, such as a cash bonus, special dividend or extraordinary dividend, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Share's closing price on the day of announcement by the Company.

If and whenever the Company shall make a Cash Distribution credited as fully paid to the holders of Shares generally, the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in respect of the relevant Cash Distribution ("**Cash Distribution Adjustment Date**") in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where

$$\text{Adjustment Factor} = \frac{S - OD}{S - OD - CD}$$

E: Existing Entitlement immediately prior to the Cash Distribution

S: The closing price of the Share on the Stock Exchange on the Business Day immediately preceding the Cash Distribution Adjustment Date

CD: The Cash Distribution per Share

OD: The Ordinary Dividend per Share, provided that the date on which the Shares are traded on an ex-Ordinary Dividend basis is the Cash Distribution Adjustment Date. For the avoidance of doubt, the OD shall be zero if the date on which the Shares are traded on an ex-Ordinary Dividend basis is not the Cash Distribution Adjustment Date

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Cash Distribution Adjustment Date.

5. Liquidation

In the event of a liquidation, winding up or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong or other applicable law in respect of the whole or substantially the whole of the undertaking, property or assets of the Company (each an "**Insolvency Event**"), all unexercised Warrants shall terminate automatically upon the occurrence of any Insolvency Event and the Issuer shall have no further obligation under the Warrants, except that in the case of a series of put Warrants:

(a) if the Issuer determines in good faith and in a commercially reasonable manner that there is any residual value in the put Warrants upon the occurrence of such Insolvency Event:

(i) the Issuer shall pay to each Holder the residual value of the put Warrants in cash representing the fair market value in respect of each put Warrant held by such Holder on or about the occurrence of such Insolvency Event less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner. Payment will be made to each Holder in such manner as shall be notified to the Holders in accordance with General Condition 7; and

(ii) the Issuer may, but shall not be obliged to, determine such cash amount by having regard to the manner in which the options contracts or futures contracts of the Shares traded on the Stock Exchange are calculated;

(b) otherwise, if the Issuer determines in good faith and in a commercially reasonable manner that there is no residual value in the put Warrants upon the occurrence of such Insolvency Event, the put Warrants shall lapse and cease to be valid for any purpose upon the occurrence of the Insolvency Event.

For the purpose of this Product Condition 5, an Insolvency Event occurs,

(i) in the case of a voluntary liquidation or winding up of the Company, on the effective date of the relevant resolution; or

(ii) in the case of an involuntary liquidation, winding up or dissolution of the Company, on the date of the relevant court order; or

(iii) in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the undertaking, property or assets of the Company, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of the applicable law.

6. Delisting

6.1 Adjustments following delisting

If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

6.2 Listing on another exchange

Without prejudice to the generality of Product Condition 6.1, where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the relevant currency) as may be appropriate in the circumstances.

7. Illegality or Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

Sponsor

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PART B — PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER EXCHANGE TRADED FUND

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Launch Announcement and Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Average Price**" means the arithmetic mean of the closing price of one Unit, as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustment to such closing prices as may be necessary to reflect any event as contemplated in Product Condition 4 such as capitalisation, rights issue, distribution or the like in respect of each Valuation Date;

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong. For the avoidance of doubt, if such a day falls on a day on which the tropical cyclone warning signal number 8 or above or a "BLACK" rainstorm signal is issued or an "extreme condition" announcement is made by the Hong Kong Government, that day shall be deemed to be a Business Day;

"**Cash Settlement Amount**" means, in respect of every Board Lot, an amount in the Settlement Currency calculated by the Issuer as follows:

(a) in the case of a series of call Warrants:

$$\frac{\text{Entitlement x (Average Price - Exercise Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{Entitlement x (Exercise Price - Average Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Entitlement**" means the number specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**Exercise Price**" means the price specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

“**Fund**” means the exchange traded fund specified as such in the relevant Launch Announcement and Supplemental Listing Document;

“**General Conditions**” means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

“**Listing Date**” means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

“**Market Disruption Event**” means:

(a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (i) the Units; or (ii) any options or futures contracts relating to the Units if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;

(b) the occurrence of any event on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of such event; or

(c) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

“**Number of Warrant(s) per Entitlement**” has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

“**Product Conditions**” means these product terms and conditions;

“**Settlement Currency**” means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

“**Settlement Date**” means the third CCASS Settlement Day after the later of (i) the Expiry Date and (ii) the day on which the Average Price is determined in accordance with the Conditions;

“**Settlement Disruption Event**” means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

“**Unit**” means the share or unit of the Fund specified as such in the relevant Launch Announcement and Supplemental Listing Document and “**Units**” shall be construed accordingly; and

“**Valuation Date**” means each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on any Valuation Date, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a Business Day that is already or is deemed to be a Valuation Date. For the avoidance of doubt, in the event that a Market Disruption Event has occurred and a Valuation Date is postponed as aforesaid, the closing price of the Units on the first succeeding Business Day will be used more than once in determining the Average Price, so that in no event shall there be less than five closing prices used to determine the Average Price.

If the postponement of the Valuation Date as aforesaid would result in the Valuation Date falling on or after the Expiry Date, then:

(a) the Business Day immediately preceding the Expiry Date (the "**Last Valuation Date**") shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and

(b) the Issuer shall determine the closing price of the Units on the basis of its good faith estimate of the price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) *Cancellation*

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) *Cash Settlement*

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If, as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 Rights Issues

If and whenever the Fund shall, by way of Rights (as defined below), offer new Units for subscription at a fixed subscription price to the holders of existing Units pro rata to existing holdings (a "**Rights Offer**"), the Entitlement will be adjusted to take effect on the Business Day ("**Rights Issue Adjustment Date**") on which trading in the Units becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Entitlement immediately prior to the Rights Offer

S: Cum-Rights Unit price determined by the closing price on the Stock Exchange on the last Business Day on which Units are traded on a cum-Rights basis

R: Subscription price per Unit as specified in the Rights Offer plus an amount equal to any distribution or other benefits foregone to exercise the Rights

M: Number of new Unit(s) (whether a whole or a fraction) per existing Unit each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

"**Rights**" means the right(s) attached to each existing Unit or needed to acquire one new Unit (as the case may be) which are given to the holders of existing Units to subscribe at a fixed subscription price for new Units pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

4.2 Bonus Issues

If and whenever the Fund shall make an issue of Units credited as fully paid to the holders of Units generally (other than pursuant to a scrip distribution or similar scheme for the time being operated by the Fund or otherwise in lieu of a cash distribution and without any payment or other consideration being made or given by such holders) (a "**Bonus Issue**") the Entitlement will be increased on the Business Day ("**Bonus Issue Adjustment Date**") on which trading in the Units becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

Adjustment Factor = 1 + N

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Units (whether a whole or a fraction) received by a holder of existing Units for each Unit held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Bonus Issue Adjustment Date.

4.3 Subdivisions or Consolidations

If and whenever the Fund shall subdivide its Units or any class of its outstanding Unit into a greater number of units or shares (a "**Subdivision**") or consolidate the Units or any class of its outstanding unit or share capital comprised of the Units into a smaller number of units or shares (a "**Consolidation**"), then:

(i) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Exercise Price (which shall be rounded to the nearest 0.001) will be decreased in the same ratio as the Subdivision; and

(ii) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Exercise Price (which shall be rounded to the nearest 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) shall have taken effect.

4.4 Merger or Consolidation

If it is announced that the Fund is to or may merge or consolidate with or into any other trust or corporation (including becoming, by agreement or otherwise, controlled by any person or corporation) (except where the Fund is the surviving entity in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "**Restructuring Event**") (as determined by the Issuer in its absolute discretion).

The rights attaching to the Warrants after the adjustment shall, after such Restructuring Event, relate to the number of units or shares of the trust(s) or corporation(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Units, as the case may be, to which the holder of such number of Units to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in the relevant currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Units shall not be affected by this Product Condition 4.4 and, where cash is offered in substitution for Units or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Units shall include any such cash.

4.5 Cash Distribution

No adjustment will be made for an ordinary cash distribution (whether or not it is offered with a scrip alternative) ("**Ordinary Distribution**"). For any other forms of cash distribution ("**Cash Distribution**") announced by the Fund, such as a cash bonus, special distribution or extraordinary distribution, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Unit's closing price on the day of announcement by the Fund.

If and whenever the Fund shall make a Cash Distribution credited as fully paid to the holders of Units generally, the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Units becomes ex-entitlement in respect of the relevant Cash Distribution ("**Cash Distribution Adjustment Date**") in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor x E}$$

Where:

$$\text{Adjustment Factor} = \frac{S - OD}{S - OD - CD}$$

E: Existing Entitlement immediately prior to the Cash Distribution

S: The closing price of the Unit on the Stock Exchange on the Business Day immediately preceding the Cash Distribution Adjustment Date

CD: The Cash Distribution per Unit

OD: The Ordinary Distribution per Unit, provided that the date on which the Units are traded on an ex-Ordinary Distribution basis is the Cash Distribution Adjustment Date. For the avoidance of doubt, the OD shall be zero if the date on which the Units are traded on an ex-Ordinary Distribution basis is not the Cash Distribution Adjustment Date

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Exercise Price shall take effect on the Cash Distribution Adjustment Date.

5. Termination or Liquidation

In the event of a Termination or the liquidation, winding up or dissolution of the Fund or, if applicable, the trustee of the Fund (including any successor trustee appointed from time to time) ("**Trustee**") (in its capacity as trustee of the Fund) or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong or other applicable law in respect of the whole or substantially the whole of the Fund's or the Trustee's (as the case may be) undertaking, property or assets (each an "**Insolvency Event**"), all unexercised Warrants shall terminate automatically upon the occurrence of any Insolvency Event and the Issuer shall have no further obligation under the Warrants, except that in the case of a series of put Warrants:

(a) if the Issuer determines in good faith and in a commercially reasonable manner that there is any residual value in the put Warrants upon the occurrence of such Insolvency Event:

(i) the Issuer shall pay to each Holder the residual value of the put Warrants in cash representing the fair market value in respect of each put Warrant held by such Holder on or about the occurrence of such Insolvency Event less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner. Payment will be made to each Holder in such manner as shall be notified to the Holders in accordance with General Condition 7; and

(ii) the Issuer may, but shall not be obliged to, determine such cash amount by having regard to the manner in which the options contracts or futures contracts of the Units traded on the Stock Exchange are calculated;

(b) otherwise, if the Issuer determines in good faith and in a commercially reasonable manner that there is no residual value in the put Warrants upon the occurrence of such Insolvency Event, the put Warrants shall lapse and cease to be valid for any purpose upon the occurrence of the Insolvency Event.

For the purpose of this Product Condition 5,

(a) an Insolvency Event occurs,

  (i) in the case of Termination, on the effective date of the Termination; or

  (ii) in the case of a voluntary liquidation or winding up of the Fund or, if applicable, Trustee (in its capacity as trustee of the Fund), on the effective date of the relevant resolution; or

  (iii) in the case of an involuntary liquidation, winding up or dissolution of the Fund or, if applicable, Trustee (in its capacity as trustee of the Fund), on the date of the relevant court order; or

  (iv) in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of such Fund's or Trustee's (as the case may be) undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of the applicable law.

(b) "**Termination**" means:

  (i) the Fund is terminated or required to be terminated for whatever reason, or the termination of the Fund commences;

  (ii) where applicable, the Fund is held or is conceded by the Trustee or the manager of the Fund (including any successor manager appointed from time to time) not to have been constituted or to have been imperfectly constituted;

  (iii) where applicable, the Trustee ceases to be authorised under the Fund to hold the property of the Fund in its name and perform its obligations under the trust deed constituting the Fund; or

  (iv) the Fund ceases to be authorised as an authorised collective investment scheme under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

6. Delisting

6.1 Adjustments following delisting

If at any time the Units cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

6.2 Listing on another exchange

Without prejudice to the generality of Product Condition 6.1, where the Units are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the relevant currency) as may be appropriate in the circumstances.

7. Illegality or Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

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PART C — PRODUCT CONDITIONS OF CASH SETTLED INDEX WARRANTS

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Launch Announcement and Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong. For the avoidance of doubt, if such a day falls on a day on which the tropical cyclone warning signal number 8 or above or a "BLACK" rainstorm signal is issued or an "extreme condition" announcement is made by the Hong Kong Government, that day shall be deemed to be a Business Day;

"**Cash Settlement Amount**" means, for every Board Lot, an amount calculated by the Issuer as follows (and, if appropriate, either (i) converted (if applicable) into the Settlement Currency at the Exchange Rate or, as the case may be, (ii) converted into the Interim Currency at the First Exchange Rate and then (if applicable) converted into Settlement Currency at the Second Exchange Rate):

(a) in the case of a series of call Warrants:

$$\frac{(\text{Closing Level - Strike Level}) \text{ x one Board Lot x Index Currency Amount}}{\text{Divisor}}$$

(b) in the case of a series of put Warrants:

$$\frac{(\text{Strike Level - Closing Level}) \text{ x one Board Lot x Index Currency Amount}}{\text{Divisor}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Level**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Divisor**" means the number specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Exchange Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**First Exchange Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Index**" means the index specified in the relevant Launch Announcement and Supplemental Listing Document;

"**Index Compiler**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Index Currency Amount**" means the number specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Index Exchange**" means the Stock Exchange or any other exchange as specified in the relevant Launch Announcement and Supplemental Listing Document;

"**Interim Currency**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Listing Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence or existence, on the Valuation Date during the one-half hour period that ends at the close of trading on the Index Exchange, of any of:

   (i) the suspension or material limitation of the trading of a material number of constituent securities that comprise the Index; or

   (ii) the suspension or material limitation of the trading of options or futures contracts relating to the Index on any exchanges on which such contracts are traded; or

   (iii) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount.

   For the purposes of this paragraph (a), (X) the limitation of the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any relevant exchange, and (Y) a limitation on trading imposed by reason of the movements in price exceeding the levels permitted by any relevant exchange will constitute a Market Disruption Event;

(b) where the Index Exchange is the Stock Exchange, the occurrence of any event on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of such event;

(c) a limitation or closure of the Index Exchange due to any unforeseen circumstances; or

(d) any circumstances beyond the control of the Issuer in which the Closing Level or, if applicable, the Exchange Rate, the First Exchange Rate or the Second Exchange Rate (as the case may be) cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances;

"**Product Conditions**" means these product terms and conditions;

"**Second Exchange Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day after the later of: (i) the Expiry Date; and (ii) the day on which the Closing Level is determined in accordance with the Conditions;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Strike Level**" means the level specified as such in the relevant Launch Announcement and Supplemental Listing Document; and

"**Valuation Date**" means the date specified in the Launch Announcement and Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on the Valuation Date, then the Issuer shall determine the Closing Level on the basis of its good faith estimate of the Closing Level that would have prevailed on that day but for the occurrence of the Market Disruption Event, provided that the Issuer, if applicable, may, but shall not be obliged to, determine such Closing Level by having regard to the manner in which futures contracts relating to the Index are calculated.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) Cancellation

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) Cash Settlement

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments to the Index

4.1 Successor Index Compiler Calculates and Reports Index

If the Index is:

(a) not calculated and announced by the Index Compiler but is calculated and published by a successor to the Index Compiler (the "**Successor Index Compiler**") acceptable to the Issuer; or

(b) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index,

then the Index will be deemed to be the index so calculated and announced by the Successor Index Compiler or that successor index, as the case may be.

4.2 Modification and Cessation of Calculation of Index

If:

(a) on or prior to the Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities, contracts, commodities or currencies and other routine events); or

(b) on the Valuation Date the Index Compiler or (if applicable) the Successor Index Compiler fails to calculate and publish the Index (other than as a result of a Market Disruption Event),

then the Issuer shall determine the Closing Level using, in lieu of a published level for the Index, the level for the Index as at the Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities, contracts, commodities or currencies that comprised the Index immediately prior to that change or failure (other than those securities, contracts, commodities or currencies that have since ceased to be listed on the relevant exchange).

5. Illegality and Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

   (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

   (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

   (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

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PART D — PRODUCT CONDITIONS OF CASH SETTLED COMMODITY WARRANTS

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Launch Announcement and Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong. For the avoidance of doubt, if such a day falls on a day on which the tropical cyclone warning signal number 8 or above or a "BLACK" rainstorm signal is issued or an "extreme condition" announcement is made by the Hong Kong Government, that day shall be deemed to be a Business Day;

"**Cash Settlement Amount**" means, for every Board Lot, an amount calculated by the Issuer as follows (and, if appropriate, converted into the Settlement Currency at the Exchange Rate):

(a) in the case of a series of call Warrants:

$$\frac{\text{Entitlement x (Closing Price - Strike Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{Entitlement x (Strike Price - Closing Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Price**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Commodity**" means the commodity specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Commodity Business Day**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Exchange Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Listing Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence or existence, on a Valuation Day of any suspension of or material limitation imposed on, trading in the Commodity or any warrants, options contracts or futures contracts relating to the Commodity on any Related Exchange;

(b) a limitation or closure of any Related Exchange or the Stock Exchange due to any unforeseen circumstances;

(c) the disappearance of, or disappearance of trading in, the Commodity;

(d) a Price Source Disruption Event; or

(e) any circumstances beyond the control of the Issuer in which the Closing Price or the Exchange Rate cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances;

"**Price Source**" means the publication (or such other origin of price source reference) (if any) specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Price Source Disruption Event**" means:

(a) the failure of the Price Source to announce or publish any relevant level, value or price in relation to the Commodity (or the information necessary for determining the Closing Price); or

(b) the temporary or permanent discontinuance or unavailability of the Price Source;

"**Product Conditions**" means these product terms and conditions;

"**Relevant Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Related Exchange**" means any exchange or quotation system in a major international market (including but not limited to New York, Chicago, London, Australia and Frankfurt) on which options contracts or futures contracts or other derivatives contracts relating to the Commodity is traded, as determined by the Issuer;

"**Settlement Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day after the Valuation Date;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Strike Price**" means the price specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Unit**" means the unit specified as such in the relevant Launch Announcement and Supplemental Listing Document; and

"**Valuation Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer will determine the Closing Price on the basis of its good faith estimate of the Closing Price that would have prevailed on that day but for the occurrence of the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) *Cancellation*

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) *Cash Settlement*

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account. If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 Market Disruption Events

Without limiting Product Condition 3(d), if a Market Disruption Event occurs, the Issuer has the right to adjust the Price Source, the Closing Price, the Exchange Rate and/or any other relevant variables accordingly. The Issuer shall as soon as reasonably practicable under such circumstances notify the Holders in accordance with General Condition 7 if it determines that a Market Disruption Event has occurred.

4.2 Foreign Currency Controls

If exchange control or other laws, regulations, directives or guidelines are imposed by any central banking authority or other governmental or regulatory body which:

(a) requires the Issuer to obtain permission from such authority or body to purchase the Settlement Currency;

(b) otherwise restricts the Issuer's ability to obtain the Settlement Currency; or

(c) otherwise adversely regulates the purchase or holding of the Settlement Currency such that additional costs are imposed in obtaining the Settlement Currency which would not be imposed in the absence of such laws, regulations, directives or guidelines, or if the cost of obtaining the Settlement Currency at the Exchange Rate is determined by the Issuer to be excessive because of a disruption in the foreign exchange market relating to the Settlement Currency,

then, upon notice from the Issuer to Holders in accordance with General Condition 7 to such effect, Holders who have exercised their Warrants in accordance with Product Condition 3 shall receive, at the option of the Issuer, in lieu of the Settlement Currency, an amount equal to the Cash Settlement Amount in any other currency as determined by the Issuer.

5. Illegality or Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

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PART E — PRODUCT CONDITIONS OF CASH SETTLED COMMODITY FUTURES WARRANTS

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Launch Announcement and Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong. For the avoidance of doubt, if such a day falls on a day on which the tropical cyclone warning signal number 8 or above or a "BLACK" rainstorm signal is issued or an "extreme condition" announcement is made by the Hong Kong Government, that day shall be deemed to be a Business Day;

"**Cash Settlement Amount**" means, for every Board Lot, an amount calculated by the Issuer as follows (and, if appropriate, converted into the Settlement Currency at the Exchange Rate):

(a) in the case of a series of call Warrants:

$$\frac{\text{Entitlement x (Closing Price - Strike Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{Entitlement x (Strike Price - Closing Price) x one Board Lot}}{\text{Number of Warrant(s) per Entitlement}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Price**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Commodity**" means the commodity specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Commodity Futures**" means the commodity futures specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Commodity Futures Trading Day**" means a day on which the Relevant Exchange is scheduled to open for trading;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Exchange Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Listing Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence or existence, on the Valuation Date of:

(i) any suspension of or limitation imposed on trading:

(A) on the Relevant Exchange in the Commodity Futures or securities generally; or

(B) on any Related Exchange in any options contracts or futures contracts relating to the Commodity or the Commodity Futures, if, in any such case, such suspension or limitation is, in the determination of the Issuer, material; or

(ii) of any event that disrupts or impairs (as determined by the Issuer) the ability of market participants in general to effect transactions in, or obtain market values for, the Commodity Futures, options contracts or futures contracts on or relating to the Commodity or Commodity Futures on any Related Exchange; or

(b) the failure of the Relevant Exchange to announce or publish any relevant level, value or price in relation to the Commodity Futures (or the information necessary for determining the Closing Price); or

(c) a limitation or closure of the Relevant Exchange, any Related Exchange or the Stock Exchange due to any other unforeseen circumstances; or

(d) the permanent discontinuation of trading in the Commodity Futures on the Relevant Exchange or the disappearance of, or disappearance of trading in, the Commodity Futures or the Commodity; or

(e) any circumstances beyond the control of the Issuer in which the Closing Price or the Exchange Rate cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances; or

(f) the occurrence of a material change in the content, composition or constitution of the Commodity Futures or the Commodity; or

(g) the occurrence of a material change in the formula for or the method of calculating the relevant level, value or price in relation to the Commodity Futures.

"**Product Conditions**" means these product terms and conditions;

"**Relevant Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Related Exchange**" means any exchange or quotation system in a major international market on which options contracts or futures contracts or other derivatives contracts relating to the Commodity Futures is traded, as determined by the Issuer;

"**Relevant Exchange**" means the exchange specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day after the Valuation Date;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Strike Price**" means the price specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Unit**" means the unit specified as such in the relevant Launch Announcement and Supplemental Listing Document; and

"**Valuation Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer will determine the Closing Price on the basis of its good faith estimate of the Closing Price that would have prevailed on that day but for the occurrence of the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) Cancellation

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) Cash Settlement

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account. If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 Market Disruption Events

Without limiting Product Condition 3(d), if a Market Disruption Event occurs, the Issuer has the right to adjust the Closing Price, the Exchange Rate and/or any other relevant variables accordingly. The Issuer shall as soon as reasonably practicable under such circumstances notify the Holders in accordance with General Condition 7 if it determines that a Market Disruption Event has occurred.

4.2 Foreign Currency Controls

If exchange control or other laws, regulations, directives or guidelines are imposed by any central banking authority or other governmental or regulatory body which:

(a) requires the Issuer to obtain permission from such authority or body to purchase the Settlement Currency;

(b) otherwise restricts the Issuer's ability to obtain the Settlement Currency; or

(c) otherwise adversely regulates the purchase or holding of the Settlement Currency such that additional costs are imposed in obtaining the Settlement Currency which would not be imposed in the absence of such laws, regulations, directives or guidelines, or if the cost of obtaining the Settlement Currency at the Exchange Rate is determined by the Issuer to be excessive because of a disruption in the foreign exchange market relating to the Settlement Currency,

then, upon notice from the Issuer to Holders in accordance with General Condition 7 to such effect, Holders who have exercised their Warrants in accordance with Product Condition 3 shall receive, at the option of the Issuer, in lieu of the Settlement Currency, an amount equal to the Cash Settlement Amount in any other currency as determined by the Issuer.

5. Illegality or Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

   (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

   (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

   (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

Sponsor

BNP Paribas Securities (Asia) Limited
60th and 63rd Floors
Two International Finance Centre
8 Finance Street
Central, Hong Kong
China

PART F — PRODUCT CONDITIONS OF CASH SETTLED CURRENCY WARRANTS

The relevant Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent inconsistent with the applicable Product Conditions, replace or modify the applicable Product Conditions for the purpose of such series of Warrants. Capitalised terms used in the applicable Product Conditions and not otherwise defined therein shall have the meaning given to them in the relevant Launch Announcement and Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business and for carrying on foreign exchange transactions in Hong Kong. For the avoidance of doubt, if such a day falls on a day on which the tropical cyclone warning signal number 8 or above or a "BLACK" rainstorm signal is issued or an "extreme condition" announcement is made by the Hong Kong Government, that day shall be deemed to be a Business Day;

"**Cash Settlement Amount**" means, for every Board Lot, an amount calculated by the Issuer as follows (and if applicable, converted into the Settlement Currency at the Settlement Exchange Rate):

(a) in the case of a series of call Warrants:

$$\frac{\text{(Spot Rate - Strike Rate) x Currency Amount x one Board Lot}}{\text{Divisor}}$$

(b) in the case of a series of put Warrants:

$$\frac{\text{(Strike Rate - Spot Rate) x Currency Amount x one Board Lot}}{\text{Divisor}}$$

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Currency Amount**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Currency Pair**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Divisor**" means the number specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Listing Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Market Disruption Event**" means:

(a) the occurrence, or existence, on the Valuation Date, of any circumstances beyond the control of the Issuer in which the Spot Rate or, if applicable, the Settlement Exchange Rate cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances; and/or

(b) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount;

"**Product Conditions**" means these product terms and conditions;

"**Settlement Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day after the Valuation Date;

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount electronically through CCASS to the Designated Bank Account;

"**Spot Rate**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Settlement Exchange Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Strike Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document; and

"**Valuation Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer will determine the Spot Rate or, if applicable, the Settlement Exchange Rate or any other variables on the basis of its good faith estimate of the Spot Rate or, if applicable, the Settlement Exchange Rate or any other variables that would have prevailed on that day but for the occurrence of the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Warrant Rights and Exercise Expenses

2.1 Warrant Rights

Every Board Lot gives each Holder, upon due exercise and compliance with Product Condition 3, the right to receive payment of the Cash Settlement Amount, if any.

2.2 Exercise Expenses

On exercise of the Warrants, Holders will be obliged to give an irrevocable authorisation to the Issuer to deduct all Exercise Expenses in accordance with Product Condition 3.

3. Exercise of Warrants

(a) Exercise of Warrants in Board Lots

Warrants may only be exercised in Board Lots or integral multiples thereof.

(b) Automatic Exercise

The Warrants are exercisable only on the Expiry Date. Any Warrant will automatically be exercised if the Cash Settlement Amount on the Expiry Date is greater than zero (without notice being given to the Holders). The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (net of any Exercise Expenses)(if any) in accordance with Product Condition 3(d).

Any Warrant which has not been automatically exercised in accordance with this Product Condition 3(b) shall expire immediately without value thereafter and all rights of the Holder and obligations of the Issuer with respect to such Warrant shall cease.

(c) Cancellation

The Issuer will, with effect from the first Business Day following the Expiry Date, remove from the Register the name of the person in respect of the Warrants which:

(i) are the subject of an exercise pursuant to automatic exercise in accordance with these Product Conditions; or

(ii) have expired worthless,

and thereby cancel the relevant Warrants.

(d) Cash Settlement

Subject to automatic exercise of Warrants in accordance with these Product Conditions, the Issuer will make a payment, in respect of every Board Lot, to the relevant Holder equal to the Cash Settlement Amount (net of any Exercise Expenses). If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

4. Adjustments

4.1 Market Disruption Events

Without limiting Product Condition 3(d), if a Market Disruption Event occurs, the Issuer has the right to adjust the Spot Rate or, if applicable, the Settlement Exchange Rate and/or any other relevant variables accordingly. The Issuer shall as soon as reasonably practicable under such circumstances notify the Holders in accordance with General Condition 7 if it determines that a Market Disruption Event has occurred.

4.2 Foreign Currency Controls

If exchange control or other laws, regulations, directives or guidelines are imposed by any central banking authority or other governmental or regulatory body which:

(a) requires the Issuer to obtain permission from such authority or body to purchase the Settlement Currency;

(b) otherwise restricts the Issuer's ability to obtain the Settlement Currency; or

(c) otherwise adversely regulates the purchase or holding of the Settlement Currency such that additional costs are imposed in obtaining the Settlement Currency which would not be imposed in the absence of such laws, regulations, directives or guidelines, or if the cost of obtaining the Settlement Currency at the Settlement Exchange Rate is determined by the Issuer to be excessive because of a disruption in the foreign exchange market relating to the Settlement Currency,

then, upon notice from the Issuer to Holders in accordance with General Condition 7 to such effect, Holders who have exercised their Warrants in accordance with Product Condition 3 shall receive, at the option of the Issuer, in lieu of the Settlement Currency, an amount equal to the Cash Settlement Amount in any other currency as determined by the Issuer.

5. Illegality and Impracticability

The Issuer is entitled to terminate the Warrants if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the Warrants, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the Warrants due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each Warrant held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

Sponsor

BNP Paribas Securities (Asia) Limited
60th and 63rd Floors
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8 Finance Street
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China

APPENDIX 3 — PRODUCT CONDITIONS OF CBBCS

The following pages set out the Product Conditions in respect of different types of CBBCs.

		Page
PART A —	PRODUCT CONDITIONS OF CASH SETTLED CALLABLE BULL/BEAR CONTRACTS OVER SINGLE EQUITIES	127
PART B —	PRODUCT CONDITIONS OF CASH SETTLED CALLABLE BULL/BEAR CONTRACTS OVER AN INDEX	139
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PART A — PRODUCT CONDITIONS OF CASH SETTLED CALLABLE BULL/BEAR CONTRACTS OVER SINGLE EQUITIES

These Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of CBBCs may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of CBBCs. Capitalised terms used in these Product Conditions and not otherwise defined herein shall have the meaning given to them in the relevant Launch Announcement and Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong. For the avoidance of doubt, if such a day falls on a day on which the tropical cyclone warning signal number 8 or above or a "BLACK" rainstorm signal is issued or an "extreme condition" announcement is made by the Hong Kong Government, that day shall be deemed to be a Business Day;

"**Call Price**" means the price specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Cash Settlement Amount**" means:

(a) following a Mandatory Call Event:

   (i) in the case of a series of Category R CBBCs, the Residual Value; or

   (ii) in the case of a series of Category N CBBCs, zero; and

(b) at expiry:

   (i) In the case of a series of bull CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement x (Closing Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

   (ii) In the case of a series of bear CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement x (Strike Price - Closing Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

"**Category N CBBCs**" means a series of CBBCs where the Call Price is equal to the Strike Price;

"**Category R CBBCs**" means a series of CBBCs where the Call Price is different from the Strike Price;

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Price**" means the closing price of one Share, as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustment to such closing price as may be necessary to reflect any event as contemplated in Product Condition 4 such as capitalisation, rights issue, distribution or the like on the Valuation Date;

"**Company**" means the company specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Day of Notification"** means the Trading Day immediately following the day on which a Mandatory Call Event occurs;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Entitlement**" means the number specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the early expiration of CBBCs upon the occurrence of a Mandatory Call Event or exercise of CBBCs upon expiry;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Last Trading Day**" means the trading day on the Stock Exchange immediately preceding the Expiry Date;

"**Mandatory Call Event**" means that the Spot Price of the Shares on any Trading Day during the Observation Period is:

(a) in the case of a series of bull CBBCs, at or below the Call Price; or

(b) in the case of a series of bear CBBCs, at or above the Call Price;

"**Market Disruption Event**" means:

(a) the occurrence or existence on any Trading Day during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (i) the Shares; or (ii) any options or futures contracts relating to the Shares if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;

(b) the occurrence of any event on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of such event; or

(c) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

"**Maximum Trade Price**" means the highest Spot Price of the Shares (subject to any adjustment to such Spot Price as may be necessary to reflect any event as contemplated in Product Condition 4 such as capitalisation, rights issue, distribution or the like) during the MCE Valuation Period;

"**MCE Valuation Date**" means the last Trading Day during the MCE Valuation Period;

"**MCE Valuation Period**" means the period commencing from and including the moment upon which the Mandatory Call Event occurs (the trading session during which the Mandatory Call Event occurs is the "**1st Session**") and up to the end of the trading session on the Stock Exchange immediately following the 1st Session ("**2nd Session**") unless, in the determination of the Issuer in its good faith, the 2nd Session for any reason (including, without limitation, a Market Disruption Event occurring and subsisting in the 2nd Session) does not contain any continuous period of 1 hour or more than 1 hour during which trading in the Shares is permitted on the Stock Exchange with no limitation imposed, the MCE Valuation Period shall be extended to the end of the subsequent trading session following the 2nd Session during which trading in the Shares is permitted on the Stock Exchange with no limitation imposed for a continuous period of at least 1 hour notwithstanding the existence or continuance of a Market Disruption Event in such postponed trading session, unless the Issuer determines in its good faith that each trading session on each of the four Trading Days immediately following the date on which the Mandatory Call Event occurs does not contain any continuous period of 1 hour or more than 1 hour during which trading in the Shares is permitted on the Stock Exchange with no limitation imposed. In that case:

(a) the period commencing from the 1st Session up to, and including, the last trading session on the Stock Exchange of the fourth Trading Day immediately following the date on which the Mandatory Call Event occurs shall be deemed to be the MCE Valuation Period; and

(b) the Issuer shall determine the Maximum Trade Price or the Minimum Trade Price (as the case may be) having regard to the then prevailing market conditions, the last reported Spot Price and such other factors as the Issuer may determine to be relevant in its good faith.

For the avoidance of doubt, all Spot Prices available throughout the extended MCE Valuation Period shall be taken into account to determine the Maximum Trade Price or the Minimum Trade Price (as the case may be) for the calculation of the Residual Value.

For the purposes of this definition,

(A) the pre-opening session, the morning session and, in the case of half day trading, the closing auction session (if any) of the same day; and

(B) the afternoon session and the closing auction session (if any) of the same day,

shall each be considered as one trading session only;

"**Minimum Trade Price**" means the lowest Spot Price of the Shares (subject to any adjustment to such Spot Price as may be necessary to reflect any event as contemplated in Product Condition 4 such as capitalisation, rights issue, distribution or the like) during the MCE Valuation Period;

"**Number of CBBC(s) per Entitlement**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Observation Commencement Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Observation Period**" means the period commencing from and including the Observation Commencement Date up to and including the close of trading on the Stock Exchange on the Last Trading Day. For the avoidance of doubt, the Observation Period shall not be extended notwithstanding the Valuation Date shall not fall on the Last Trading Day;

"**Post MCE Trades**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Product Conditions**" means these product terms and conditions;

"**Residual Value**" means:

(a) In the case of a series of bull CBBCs:

$$\text{Residual Value per Board Lot} = \frac{\text{Entitlement x (Minimum Trade Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

(b) In the case of a series of bear CBBCs:

$$\text{Residual Value per Board Lot} = \frac{\text{Entitlement x (Strike Price - Maximum Trade Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

"**Settlement Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day after (i) the end of the MCE Valuation Period or (ii) the later of: (a) the Expiry Date; and (b) the day on which the Closing Price is determined in accordance with the Conditions (as the case may be);

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount (if any) electronically through CCASS to the Designated Bank Account;

"**Share**" means the share of the Company specified as such in the relevant Launch Announcement and Supplemental Listing Document and "**Shares**" shall be construed accordingly;

"**Spot Price**" means:

(a) in respect of a continuous trading session of the Stock Exchange, the price per Share concluded by means of automatic order matching on the Stock Exchange as reported in the official real-time dissemination mechanism for the Stock Exchange during such continuous trading session in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules); and

(b) in respect of a pre-opening session or a closing auction session (if applicable) of the Stock Exchange, as the case may be, the final Indicative Equilibrium Price (as defined in the Trading Rules) of the Share (if any) calculated at the end of the pre-order matching period of such pre-opening session or closing auction session (if applicable), as the case may be, in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules), subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Strike Price**" means the price specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Trading Day**" means any day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions;

"**Trading Rules**" means the Rules and Regulations of the Exchange prescribed by the Stock Exchange from time to time; and

"**Valuation Date**" means the Trading Day immediately preceding the Expiry Date unless, in the determination of the Issuer, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Issuer determines that there is no Market Disruption Event, unless the Issuer determines that there is a Market Disruption Event occurring on each of the four Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case:

(a) the fourth Trading Day immediately following the original date shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and

(b) the Issuer shall determine the Closing Price of the Shares having regard to the then prevailing market conditions, the last reported trading price of the Shares on the Stock Exchange and such other factors as the Issuer determines to be relevant.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Illegality or Impracticability

The Issuer is entitled to terminate the CBBCs if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the CBBCs, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

    (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

    (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

    (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the CBBCs due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each CBBC held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

3. Exercise of CBBCs

3.1 Exercise of CBBCs in Board Lots

CBBCs may only be exercised in Board Lots or integral multiples thereof.

3.2 Automatic Exercise

If no Mandatory Call Event has occurred during the Observation Period, the CBBCs will be deemed to be automatically exercised on the Expiry Date.

3.3 Mandatory Call Event

(a) Subject to Product Condition 3.3(b), following a Mandatory Call Event, the CBBCs will be terminated automatically and the Issuer will give a notice of the Mandatory Call Event and early expiry of the CBBCs (the "**Announcement on MCE and Early Expiration**") to the Holders in accordance with General Condition 7. Trading in the CBBCs will be suspended immediately upon a Mandatory Call Event and all Post MCE Trades will be cancelled and will not be recognised by the Stock Exchange or the Issuer.

In the case of Category R CBBCs, the Issuer will give a notice of the valuation of the Residual Value (the "**Announcement on Valuation of Residual Value**") to the Holders before the end of the trading session immediately after the MCE Valuation Period in accordance with General Condition 7.

(b) A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

(i) system malfunction or other technical errors of Hong Kong Exchanges and Clearing Limited; or

(ii) manifest errors caused by the relevant third party price source where applicable;

and

(A) in the case of a system malfunction or other technical errors prescribed in paragraph (i) above, such event is reported by the Stock Exchange to the Issuer, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked, and

(B) in the case of an error by the relevant price source prescribed in paragraph (ii) above, such event is reported by the Issuer to the Stock Exchange, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked,

in each case, such mutual agreement must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Day of Notification or such other time frame as prescribed by the Stock Exchange from time to time, in which case, (A) the Mandatory Call Event so triggered will be reversed; and (B) all cancelled trades (if any) will be reinstated and trading of the CBBCs will resume no later than the Trading Day immediately following the Day of Notification in accordance with the rules and/or requirements prescribed by the Stock Exchange from time to time.

3.4 Entitlement

Every Board Lot of CBBCs entitles the Holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount (if any).

3.5 Cancellation

Upon early expiration of the CBBCs at the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date, the Issuer will, with effect from the first Business Day following the MCE Valuation Date or the Expiry Date (as the case may be) remove the name of the Holder from the Register in respect of the number of CBBCs which have expired or exercised (as the case may be) and thereby cancel the relevant CBBCs and if applicable, the Global Certificate.

3.6 Exercise Expenses

(a) Any Exercise Expenses which were not determined by the Issuer:

 (i) during the MCE Valuation Period following the Mandatory Call Event; or

 (ii) otherwise, on the Expiry Date (as the case may be), and were not deducted from the Cash Settlement Amount prior to delivery to the Holder in accordance with Product Condition 3.7, shall be notified to the Holder as soon as practicable after determination thereof by the Issuer and shall be paid by the Holder to the Issuer immediately upon demand.

(b) Holders shall note that they shall be responsible for additional costs and expenses in connection with any early expiration or exercise of the CBBCs including the Exercise Expenses which amount shall, to the extent necessary, be payable to the Issuer and collected from the Holders.

3.7 Cash Settlement

Upon early expiration of the CBBCs following the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date (as the case may be), the Issuer will, in respect of every Board Lot, pay the Cash Settlement Amount (net of any Exercise Expenses) (if any) to the relevant Holder. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) (if any) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

3.8 Responsibility of Issuer, Guarantor and Sponsor

None of the Issuer, the Guarantor, the Sponsor or their respective agents shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables published by a third party and used in any calculation made pursuant to these Product Conditions or in the calculation of the Cash Settlement Amount arising from such errors or omissions.

The purchase of CBBCs does not confer on any Holder of such CBBCs any rights (whether in respect of voting, distributions or otherwise) in relation to the Shares.

3.9 Liability of Issuer, Guarantor and Sponsor

Exercise and settlement of the CBBCs is subject to all applicable laws, rules, regulations and guidelines in force at the relevant time and neither the Issuer, the Guarantor, nor the Sponsor shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, rules, regulations or guidelines. Neither the Issuer, the Guarantor, nor the Sponsor shall under any circumstances be liable for any acts or defaults of the CCASS in relation to the performance of its duties in relation to the CBBCs.

3.10 Trading

Subject to Product Condition 3.3(b), trading in CBBCs on the Stock Exchange shall cease:

(a) immediately upon the occurrence of a Mandatory Call Event; or

(b) at the close of trading for the Trading Day immediately preceding the Expiry Date, whichever is the earlier.

4. Adjustments

4.1 Rights Issues

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a "**Rights Offer**"), the Entitlement will be adjusted to take effect on the Business Day ("**Rights Issue Adjustment Date**") on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor x E}$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \text{ x } M}$$

E: Existing Entitlement immediately prior to the Rights Offer

S: Cum-Rights Share price determined by the closing price on the Stock Exchange on the last Business Day on which Shares are traded on a cum-Rights basis

R: Subscription price per Share as specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Rights

M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made. In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

"**Rights**" means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

4.2 Bonus Issues

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a "**Bonus Issue**") the Entitlement will be increased on the Business Day ("**Bonus Issue Adjustment Date**") on which trading in the Shares becomes ex-entitlement in accordance with the following formula:

Adjusted Entitlement = Adjustment Factor x E

Where:

Adjustment Factor = 1 + N

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Shares (whether a whole or a fraction) received by a holder of existing Shares for each Share held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made. In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Bonus Issue Adjustment Date.

4.3 Share Splits or Consolidations

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a "**Subdivision**") or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a "**Consolidation**"), then:

(i) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) will be decreased in the same ratio as the Subdivision; and

(ii) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) shall have taken effect.

4.4 Merger or Consolidation

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of any corporation or controlled by any person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the CBBCs may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "**Restructuring Event**") (as determined by the Issuer in its absolute discretion).

The rights attaching to the CBBCs after the adjustment shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the CBBCs related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in the relevant currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Shares shall not be affected by this Product Condition 4.4 and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

4.5 Cash Distribution

No adjustment will be made for an ordinary cash dividend (whether or not it is offered with a scrip alternative) ("**Ordinary Dividend**"). For any other forms of cash distribution ("**Cash Distribution**") announced by the Company, such as a cash bonus, special dividend or extraordinary dividend, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Share's closing price on the day of announcement by the Company.

If and whenever the Company shall make a Cash Distribution credited as fully paid to the holders of Shares generally, the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in respect of the relevant Cash Distribution ("**Cash Distribution Adjustment Date**") in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor x E}$$

Where:

$$\text{Adjustment Factor} = \frac{S - OD}{S - OD - CD}$$

E: Existing Entitlement immediately prior to the Cash Distribution

S: The closing price of the Share on the Stock Exchange on the Business Day immediately preceding the Cash Distribution Adjustment Date

CD: The Cash Distribution per Share

OD: The Ordinary Dividend per Share, provided that the date on which the Shares are traded on an ex-Ordinary Dividend basis is the Cash Distribution Adjustment Date. For the avoidance of doubt, the OD shall be zero if the date on which the Shares are traded on an ex-Ordinary Dividend basis is not the Cash Distribution Adjustment Date

In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Cash Distribution Adjustment Date.

5. Liquidation

In the event of a liquidation, winding up or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong or other applicable law in respect of the whole or substantially the whole of the undertaking, property or assets of the Company (each an "**Insolvency Event**"), all unexercised CBBCs shall terminate automatically upon the occurrence of any Insolvency Event and the Issuer shall have no further obligation under the CBBCs, except that in the case of a series of bear CBBCs:

(a) if the Issuer determines in good faith and in a commercially reasonable manner that there is any residual value in the bear CBBCs upon the occurrence of such Insolvency Event:

   (i) the Issuer shall pay to each Holder the residual value of the bear CBBCs in cash representing the fair market value in respect of each bear CBBC held by such Holder on or about the occurrence of such Insolvency Event less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner. Payment will be made to each Holder in such manner as shall be notified to the Holders in accordance with General Condition 7; and

   (ii) the Issuer may, but shall not be obliged to, determine such cash amount by having regard to the manner in which the options contracts or futures contracts of the Shares traded on the Stock Exchange are calculated;

(b) otherwise, if the Issuer determines in good faith and in a commercially reasonable manner that there is no residual value in the bear CBBCs upon the occurrence of such Insolvency Event, the bear CBBCs shall lapse and cease to be valid for any purpose upon the occurrence of the Insolvency Event.

For the purpose of this Product Condition 5, an Insolvency Event occurs,

(i) in the case of a voluntary liquidation or winding up of the Company, on the effective date of the relevant resolution; or

(ii) in the case of an involuntary liquidation, winding up or dissolution of the Company, on the date of the relevant court order; or

(iii) in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the undertaking, property or assets of the Company, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of the applicable law.

6. Delisting

6.1 Adjustments following delisting

If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments to the rights attaching to the CBBCs as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

6.2 Listing on another exchange

Without prejudice to the generality of Product Condition 6.1, where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the relevant currency) as may be appropriate in the circumstances.

Sponsor

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PART B — PRODUCT CONDITIONS OF CASH SETTLED CALLABLE BULL/BEAR CONTRACTS OVER AN INDEX

These Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document, subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of CBBCs may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of CBBCs. Capitalised terms used in these Product Conditions and not otherwise defined herein shall have the meaning given to them in the relevant Launch Announcement and Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong. For the avoidance of doubt, if such a day falls on a day on which the tropical cyclone warning signal number 8 or above or a "BLACK" rainstorm signal is issued or an "extreme condition" announcement is made by the Hong Kong Government, that day shall be deemed to be a Business Day;

"**Call Level**" means the level specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Cash Settlement Amount**" means, in respect of every Board Lot, an amount calculated by the Issuer in accordance with the following formula (and, if appropriate, either (X) converted (if applicable) into the Settlement Currency at the Exchange Rate or, as the case may be, (Y) converted into the Interim Currency at the First Exchange Rate and then (if applicable) converted into Settlement Currency at the Second Exchange Rate):

(a) following a Mandatory Call Event:

(i) in the case of a series of Category R CBBCs, the Residual Value; or

(ii) in the case of a series of Category N CBBCs, zero; and

(b) at expiry:

(i) in the case of a series of bull CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{(\text{Closing Level - Strike Level}) \text{ x one Board Lot x Index Currency Amount}}{\text{Divisor}}$$

(ii) in the case of a series of bear CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{(\text{Strike Level - Closing Level}) \text{ x one Board Lot x Index Currency Amount}}{\text{Divisor}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

"**Category N CBBCs**" means a series of CBBCs where the Call Level is equal to the Strike Level;

"**Category R CBBCs**" means a series of CBBCs where the Call Level is different from the Strike Level;

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Level**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Day of Notification**" means the Trading Day immediately following the day on which a Mandatory Call Event occurs;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Divisor**" means the number specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Exchange Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the early expiration of CBBCs upon the occurrence of a Mandatory Call Event or exercise of CBBCs upon expiry;

"**First Exchange Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Index**" means the index specified in the relevant Launch Announcement and Supplemental Listing Document;

"**Index Business Day**" means any day on which the Index Exchange is scheduled to open for trading for its regular trading sessions;

"**Index Compiler**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Index Currency Amount**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Index Exchange**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Interim Currency**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Last Trading Day**" means the trading day on the Stock Exchange immediately preceding the Expiry Date;

"**Mandatory Call Event**" means that the Spot Level of the Index on any Index Business Day during the Observation Period is:

(a) in the case of a series of bull CBBCs, at or below the Call Level; or

(b) in the case of a series of bear CBBCs, at or above the Call Level;

"**Market Disruption Event**" means:

(a) the occurrence or existence on any Index Business Day during the one-half hour period that ends at the close of trading on the Index Exchange, of any of:

(i) the suspension or material limitation of the trading of a material number of constituent securities that comprise the Index; or

(ii) the suspension or material limitation of the trading of options or futures contracts relating to the Index on any exchanges on which such contracts are traded; or

(iii) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount.

For the purposes of this paragraph (a), (X) the limitation of the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any relevant exchange, and (Y) a limitation on trading imposed by reason of the movements in price exceeding the levels permitted by any relevant exchange will constitute a Market Disruption Event;

(b) where the Index Exchange is the Stock Exchange, the occurrence of any event on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for opening of trading on any day as a result of such event;

(c) a limitation or closure of the Index Exchange due to any unforeseen circumstances; or

(d) any circumstances beyond the control of the Issuer in which the Closing Level or, if applicable, the Exchange Rate, the First Exchange Rate or the Second Exchange Rate (as the case may be) cannot be determined by the Issuer in the manner set out in these Product Conditions or in such other manner as the Issuer considers appropriate at such time after taking into account all the relevant circumstances;

"**Maximum Index Level**" means the highest Spot Level of the Index during the MCE Valuation Period;

"**MCE Valuation Date**" means the last Trading Day during the MCE Valuation Period;

“**MCE Valuation Period**” means:

(a) in respect of an Index Exchange located in Hong Kong, the period commencing from and including the moment upon which the Mandatory Call Event occurs (the trading session during which the Mandatory Call Event occurs is the “**1st Session**”) and up to the end of the trading session on the Index Exchange immediately following the 1st Session (“**2nd Session**”) unless, in the determination of the Issuer in its good faith, the 2nd Session for any reason (including, without limitation, a Market Disruption Event occurring and subsisting in the 2nd Session) does not contain any continuous period of 1 hour or more than 1 hour during which Spot Level(s) is/are available, the MCE Valuation Period shall be extended to the end of the subsequent trading session on the Index Exchange following the 2nd Session during which Spot Level(s) is/are available for a continuous period of at least 1 hour notwithstanding the existence or continuance of a Market Disruption Event in such postponed trading session unless the Issuer determines in its good faith that each trading session on each of the four Index Business Days immediately following the date on which the Mandatory Call Event occurs does not contain any continuous period of 1 hour or more than 1 hour during which Spot Levels are available.

In that case:

(i) the period commencing from the 1st Session up to, and including, the last trading session of the fourth Index Business Day on the Index Exchange immediately following the date on which the Mandatory Call Event occurs shall be deemed to be the MCE Valuation Period; and

(ii) the Issuer shall determine the Maximum Index Level or the Minimum Index Level (as the case may be) having regard to the then prevailing market conditions, the last reported Spot Level of the Index and such other factors as the Issuer may determine to be relevant in its good faith.

For the avoidance of doubt, all Spot Levels available throughout the extended MCE Valuation Period shall be taken into account to determine the Maximum Index Level or the Minimum Index Level (as the case may be) for the calculation of the Residual Value.

For the purposes of this definition,

(A) the pre-opening session, the morning session and, in the case of half day trading, the closing auction session (if any) of the same day; and

(B) the afternoon session and the closing auction session (if any) of the same day,

shall each be considered as one trading session only; and

(b) in respect of an Index Exchange located outside Hong Kong, the period specified in the relevant Launch Announcement and Supplemental Listing Document;

“**Minimum Index Level**” means the lowest Spot Level of the Index during the MCE Valuation Period;

“**Observation Commencement Date**” means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Observation Period**" means the period commencing from and including the Observation Commencement Date up to and including the close of trading on the Last Trading Day. For the avoidance of doubt, the Observation Period shall not be extended notwithstanding that the Valuation Date shall not fall on the Last Trading Day;

"**Post MCE Trades**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Price Source**", if applicable, has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Product Conditions**" means these product terms and conditions;

"**Residual Value**" means, in respect of every Board Lot, an amount calculated by the Issuer in accordance with the following formula (and, if appropriate, either, converted (if applicable) into the Settlement Currency at the Exchange Rate, or converted into the Interim Currency at the First Exchange Rate and then (if applicable) converted into Settlement Currency at the Second Exchange Rate):

(a) In the case of a series of bull CBBCs:

$$\text{Residual Value per Board Lot} = \frac{(\text{Minimum Index Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

(b) In the case of a series of bear CBBCs:

$$\text{Residual Value per Board Lot} = \frac{(\text{Strike Level} - \text{Maximum Index Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

"**Settlement Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day after (i) the end of the MCE Valuation Period or (ii) the later of: (a) the Expiry Date; and (b) the day on which the Closing Level is determined in accordance with the Conditions (as the case may be);

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount (if any) electronically through CCASS to the Designated Bank Account;

"**Second Exchange Rate**" means the rate specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Spot Level**" means, unless otherwise specified in the relevant Launch Announcement and Supplemental Listing Document, the spot level of the Index as compiled and published by the Index Compiler;

"**Strike Level**" means the level specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Successor Index**" means the successor index specified in the relevant Launch Announcement and Supplemental Listing Document;

"**Trading Day**" means any day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions;

"**Trading Rules**" means the Rules and Regulations of the Exchange prescribed by the Stock Exchange from time to time; and

"**Valuation Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that a Market Disruption Event has occurred on the Valuation Date, then the Issuer shall determine the Closing Level of the Index on the basis of its good faith estimate of the Closing Level that would have prevailed on that day but for the occurrence of the Market Disruption Event provided that the Issuer, if applicable, may, but will not be obliged to, determine such Closing Level by having regard to the manner in which futures contracts relating to the Index are calculated.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Illegality or Impracticability

The Issuer is entitled to terminate the CBBCs if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the CBBCs, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

  (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

  (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

  (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the CBBCs due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each CBBC held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

3. Exercise of CBBCs

3.1 Exercise of CBBCs in Board Lots

CBBCs may only be exercised in Board Lots or integral multiples thereof.

3.2 Automatic Exercise

If no Mandatory Call Event has occurred during the Observation Period, the CBBCs will be deemed to be automatically exercised on the Expiry Date.

3.3 Mandatory Call Event

(a) Subject to Product Condition 3.3(b) below, following a Mandatory Call Event, the CBBCs will be terminated automatically and the Issuer will give a notice of the Mandatory Call Event and early expiry of the CBBCs (the "**Announcement on MCE and Early Expiration**") to the Holders in accordance with General Condition 7. Trading in the CBBCs will be suspended immediately upon a Mandatory Call Event and all Post MCE Trades will be cancelled and will not be recognised by the Stock Exchange or the Issuer.

In the case of Category R CBBCs, the Issuer will give a notice of the valuation of the Residual Value (the "**Announcement on Valuation of Residual Value**") to the Holders before the end of the trading session of the Stock Exchange immediately after the corresponding trading session of the Stock Exchange during which the MCE Valuation Period ends in accordance with General Condition 7.

(b) A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

(i) system malfunction or other technical errors of Hong Kong Exchanges and Clearing Limited; or

(ii) manifest errors caused by the relevant third party price source where applicable;

and

(A) in the case of a system malfunction or other technical errors prescribed in paragraph (i) above, such event is reported by the Stock Exchange to the Issuer and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked, and

(B) in the case of an error by the relevant price source prescribed in paragraph (ii) above, such event is reported by the Issuer to the Stock Exchange, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked,

in each case,

(A) in respect of an Index Exchange located in Hong Kong, such mutual agreement must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Day of Notification or such other time frame as prescribed by the Stock Exchange from time to time; or

(B) in respect of an Index Exchange located outside Hong Kong:

(1) the revocation of the Mandatory Call Event is communicated to the other party by 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Day of Notification or such other time frame as prescribed by the Stock Exchange from time to time; and

(2) the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked on the Day of Notification.

In both cases:

(C) the Mandatory Call Event so triggered will be reversed; and

(D) all cancelled trades (if any) will be reinstated and trading of the CBBCs will resume no later than the Trading Day immediately following the Day of Notification in accordance with the rules and/ or requirements prescribed by the Stock Exchange from time to time.

3.4 Entitlement

Every Board Lot of CBBCs entitles the Holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount (if any).

3.5 Cancellation

Upon early expiration of the CBBCs at the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date, the Issuer will, with effect from the first Business Day following the MCE Valuation Date or the Expiry Date (as the case may be) remove the name of the Holder from the Register in respect of the number of CBBCs which have expired or exercised (as the case may be) and thereby cancel the relevant CBBCs and if applicable, the Global Certificate.

3.6 Exercise Expenses

(a) Any Exercise Expenses which were not determined by the Issuer:

(i) during the MCE Valuation Period following the Mandatory Call Event; or

(ii) otherwise, on the Expiry Date (as the case may be), and were not deducted from the Cash Settlement Amount prior to delivery to the Holder in accordance with Product Condition 3.7, shall be notified to the Holder as soon as practicable after determination thereof by the Issuer and shall be paid by the Holder to the Issuer immediately upon demand.

(b) Holders shall note that they shall be responsible for additional costs and expenses in connection with any early expiration or exercise of the CBBCs including the Exercise Expenses which amount shall, to the extent necessary, be payable to the Issuer and collected from the Holders.

3.7 Cash Settlement

Upon early termination of the CBBCs following the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date (as the case may be), the Issuer will, in respect of every Board Lot, pay the Cash Settlement Amount (net of any Exercise Expenses)(if any) to the relevant Holder. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses)(if any) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

3.8 Responsibility of Issuer, Guarantor and Sponsor

None of the Issuer, the Guarantor, the Sponsor or their respective agents shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables published by a third party and used in any calculation made pursuant to these Product Conditions or in the calculation of the Cash Settlement Amount arising from such errors or omissions.

The purchase of CBBCs does not confer on any Holder of such CBBCs any rights (whether in respect of voting, distributions or otherwise) in relation to the constituent securities, contracts, commodities or currencies comprising the Index.

3.9 Liability of Issuer, Guarantor and Sponsor

Exercise and settlement of the CBBCs is subject to all applicable laws, rules, regulations and guidelines in force at the relevant time and neither the Issuer, the Guarantor nor the Sponsor shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, rules, regulations or guidelines. Neither the Issuer, the Guarantor nor the Sponsor shall under any circumstances be liable for any acts or defaults of the CCASS in relation to the performance of its duties in relation to the CBBCs.

3.10 Trading

Subject to Product Condition 3.3(b), trading in CBBCs on the Stock Exchange shall cease:

(a) immediately upon the occurrence of a Mandatory Call Event; or

(b) at the close of trading for the Trading Day immediately preceding the Expiry Date, whichever is the earlier.

4. Adjustments to the Index

4.1 Successor Index Compiler Calculates and Reports Index

If the Index is:

(a) not calculated and announced by the Index Compiler but is calculated and published by a successor to the Index Compiler (the "**Successor Index Compiler**") acceptable to the Issuer; or

(b) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index,

then the Index will be deemed to be the index so calculated and announced by the Successor Index Compiler or that successor index, as the case may be.

4.2 Modification and Cessation of Calculation of Index

If:

(a) on any Index Business Day before the Expiry Date, the Index Compiler or (if applicable) the Successor Index Compiler makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities, contracts, commodities or currencies and other routine events); or

(b) on any Index Business Day before the Expiry Date, the Index Compiler or (if applicable) the Successor Index Compiler fails to calculate and publish the Index (other than as a result of a Market Disruption Event),

then the Issuer shall determine the Closing Level using, in lieu of a published level for the Index, the level for the Index as at that Index Business Day as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities, contracts, commodities or currencies that comprised the Index immediately prior to that change or failure (other than those securities, contracts, commodities or currencies that have since ceased to be listed on the relevant exchange).

Sponsor

BNP Paribas Securities (Asia) Limited
60th and 63rd Floors
Two International Finance Centre
8 Finance Street
Central, Hong Kong
China

PART C — PRODUCT CONDITIONS OF CASH SETTLED CALLABLE BULL/BEAR CONTRACTS OVER EXCHANGE TRADED FUND

These Product Conditions will, together with the General Conditions and the supplemental provisions contained in the relevant Launch Announcement and Supplemental Listing Document, subject to completion and amendment, be endorsed on the Global Certificate. The relevant Launch Announcement and Supplemental Listing Document in relation to the issue of any series of CBBCs may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of CBBCs. Capitalised terms used in these Product Conditions and not otherwise defined herein shall have the meaning given to them in the relevant Launch Announcement and Supplemental Listing Document.

1. Definitions

For the purposes of these Product Conditions:

"**Business Day**" means a day (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong. For the avoidance of doubt, if such a day falls on a day on which the tropical cyclone warning signal number 8 or above or a "BLACK" rainstorm signal is issued or an "extreme condition" announcement is made by the Hong Kong Government, that day shall be deemed to be a Business Day;

"**Call Price**" means the price specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Cash Settlement Amount**" means:

(a) following a Mandatory Call Event:

(i) in the case of a series of Category R CBBCs, the Residual Value; or

(ii) in the case of a series of Category N CBBCs, zero; and

(b) at expiry:

(i) in the case of a series of bull CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement x (Closing Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

(ii) in the case of a series of bear CBBCs:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement x (Strike Price - Closing Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

"**Category N CBBCs**" means a series of CBBCs where the Call Price is equal to the Strike Price;

"**Category R CBBCs**" means a series of CBBCs where the Call Price is different from the Strike Price;

"**CCASS Settlement Day**" has the meaning ascribed to the term "Settlement Day" in the CCASS Rules, subject to such modification and amendment prescribed by HKSCC from time to time;

"**Closing Price**" means the closing price of one Unit, as derived from the Daily Quotation Sheet of the Stock Exchange, subject to any adjustment to such closing price as may be necessary to reflect any event as contemplated in Product Condition 4 such as capitalisation, rights issue, distribution or the like on the Valuation Date;

"**Day of Notification"** means the Trading Day immediately following the day on which a Mandatory Call Event occurs;

"**Designated Bank Account**" means the relevant bank account designated by each Holder;

"**Entitlement**" means the number specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the early expiration of CBBCs upon the occurrence of a Mandatory Call Event or exercise of CBBCs upon expiry;

"**Fund**" means the exchange traded fund specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**General Conditions**" means the general terms and conditions set out in Appendix 1 of the Base Listing Document;

"**Last Trading Day**" means the trading day on the Stock Exchange immediately preceding the Expiry Date;

"**Mandatory Call Event**" means that the Spot Price of the Units on any Trading Day during the Observation Period is:

(a) in the case of a series of bull CBBCs, at or below the Call Price; or

(b) in the case of a series of bear CBBCs, at or above the Call Price;

"**Market Disruption Event**" means:

(a) the occurrence or existence on any Trading Day during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in (i) the Units; or (ii) any options or futures contracts relating to the Units if, in any such case, such suspension or limitation is, in the determination of the Issuer, material;

(b) the occurrence of any event on any day which either (i) results in the Stock Exchange being closed for trading for the entire day; or (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session), PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for the opening of trading on any day as a result of such event; or

(c) a limitation or closure of the Stock Exchange due to any unforeseen circumstances;

"**Maximum Trade Price**" means the highest Spot Price of the Units (subject to any adjustment to such Spot Price as may be necessary to reflect any event as contemplated in Product Condition 4 such as capitalisation, rights issue, distribution or the like) during the MCE Valuation Period;

"**MCE Valuation Date**" means the last Trading Day during the MCE Valuation Period;

"**MCE Valuation Period**" means the period commencing from and including the moment upon which the Mandatory Call Event occurs (the trading session during which the Mandatory Call Event occurs is the "**1st Session**") and up to the end of the trading session on the Stock Exchange immediately following the 1st Session ("**2nd Session**") unless, in the determination of the Issuer in its good faith, the 2nd Session for any reason (including, without limitation, a Market Disruption Event occurring and subsisting in the 2nd Session) does not contain any continuous period of 1 hour or more than 1 hour during which trading in the Units is permitted on the Stock Exchange with no limitation imposed, the MCE Valuation Period shall be extended to the end of the subsequent trading session following the 2nd Session during which trading in the Units is permitted on the Stock Exchange with no limitation imposed for a continuous period of at least 1 hour notwithstanding the existence or continuance of a Market Disruption Event in such postponed trading session, unless the Issuer determines in its good faith that each trading session on each of the four Trading Days immediately following the date on which the Mandatory Call Event occurs does not contain any continuous period of 1 hour or more than 1 hour during which trading in the Units is permitted on the Stock Exchange with no limitation imposed.

In that case:

(a) the period commencing from the 1st Session up to, and including, the last trading session on the Stock Exchange of the fourth Trading Day immediately following the date on which the Mandatory Call Event occurs shall be deemed to be the MCE Valuation Period; and

(b) the Issuer shall determine the Maximum Trade Price or the Minimum Trade Price (as the case may be) having regard to the then prevailing market conditions, the last reported Spot Price and such other factors as the Issuer may determine to be relevant in its good faith.

For the avoidance of doubt, all Spot Prices available throughout the extended MCE Valuation Period shall be taken into account to determine the Maximum Trade Price or the Minimum Trade Price (as the case may be) for the calculation of the Residual Value.

For the purposes of this definition,

(A) the pre-opening session, the morning session and, in the case of half day trading, the closing auction session (if any) of the same day; and

(B) the afternoon session and the closing auction session (if any) of the same day,

shall each be considered as one trading session only;

"**Minimum Trade Price**" means the lowest Spot Price of the Units (subject to any adjustment to such Spot Price as may be necessary to reflect any event as contemplated in Product Condition 4 such as capitalisation, rights issue, distribution or the like) during the MCE Valuation Period;

"**Number of CBBC(s) per Entitlement**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document;

"**Observation Commencement Date**" means the date specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Observation Period**" means the period commencing from and including the Observation Commencement Date up to and including the close of trading on the Stock Exchange on the Last Trading Day. For the avoidance of doubt, the Observation Period shall not be extended notwithstanding the Valuation Date shall not fall on the Last Trading Day;

"**Post MCE Trades**" has the meaning given to it in the relevant Launch Announcement and Supplemental Listing Document, subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Product Conditions**" means these product terms and conditions;

"**Residual Value**" means:

(a) In the case of a series of bull CBBCs:

$$\text{Residual Value per Board Lot} = \frac{\text{Entitlement x (Minimum Trade Price - Strike Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

(b) In the case of a series of bear CBBCs:

$$\text{Residual Value per Board Lot} = \frac{\text{Entitlement x (Strike Price - Maximum Trade Price) x one Board Lot}}{\text{Number of CBBC(s) per Entitlement}}$$

"**Settlement Currency**" means the currency specified as such in the relevant Launch Announcement and Supplemental Listing Document;

"**Settlement Date**" means the third CCASS Settlement Day after (i) the end of the MCE Valuation Period or (ii) the later of: (a) the Expiry Date; and (b) the day on which the Closing Price is determined in accordance with the Conditions (as the case may be);

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the Issuer is unable to procure payment of the Cash Settlement Amount (if any) electronically through CCASS to the Designated Bank Account;

"**Spot Price**" means:

(a) in respect of a continuous trading session of the Stock Exchange, the price per Unit concluded by means of automatic order matching on the Stock Exchange as reported in the official real-time dissemination mechanism for the Stock Exchange during such continuous trading session in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules); and

(b) in respect of a pre-opening session or a closing auction session (if applicable) of the Stock Exchange, as the case may be, the final Indicative Equilibrium Price (as defined in the Trading Rules) of the Unit (if any) calculated at the end of the pre-order matching period of such pre-opening session or closing auction session (if applicable), as the case may be, in accordance with the Trading Rules, excluding direct business (as defined in the Trading Rules),

subject to such modification and amendment prescribed by the Stock Exchange from time to time;

"**Strike Price**" means the price specified as such in the relevant Launch Announcement and Supplemental Listing Document, subject to any adjustment in accordance with Product Condition 4;

"**Trading Day**" means any day on which the Stock Exchange is scheduled to be open for trading for its regular trading sessions;

"**Trading Rules**" means the Rules and Regulations of the Exchange prescribed by the Stock Exchange from time to time;

"**Unit**" means the share or unit of the Fund specified as such in the relevant Launch Announcement and Supplemental Listing Document and "**Units**" shall be construed accordingly; and

"**Valuation Date**" means the Trading Day immediately preceding the Expiry Date unless, in the determination of the Issuer, a Market Disruption Event has occurred on that day in which case, the Valuation Date shall be the first succeeding Trading Day on which the Issuer determines that there is no Market Disruption Event, unless the Issuer determines that there is a Market Disruption Event occurring on each of the four Trading Days immediately following the original date which (but for the Market Disruption Event) would have been the Valuation Date. In that case:

(a) the fourth Trading Day immediately following the original date shall be deemed to be the Valuation Date (regardless of the Market Disruption Event); and

(b) the Issuer shall determine the Closing Price of the Units having regard to the then prevailing market conditions, the last reported trading price of the Units on the Stock Exchange and such other factors as the Issuer determines to be relevant.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Launch Announcement and Supplemental Listing Document or the Global Certificate.

2. Illegality or Impracticability

The Issuer is entitled to terminate the CBBCs if it determines in good faith and in a commercially reasonable manner that, for reasons beyond its control, it has become or it will become illegal or impracticable:

(a) for it to perform its obligations under the CBBCs, or for the Guarantor to perform its obligations under the Guarantee, in whole or in part as a result of:

    (i) the adoption of, or any change in, any relevant law or regulation (including any tax law); or

    (ii) the promulgation of, or any change in, the interpretation by any court, tribunal, governmental, administrative, legislative, regulatory or judicial authority or power with competent jurisdiction of any relevant law or regulation (including any tax law),

    (each of (i) and (ii), a "**Change in Law Event**"); or

(b) for it or any of its affiliates to maintain the Issuer's hedging arrangements with respect to the CBBCs due to a Change in Law Event.

Upon the occurrence of a Change in Law Event, the Issuer will, if and to the extent permitted by the applicable law or regulation, pay to each Holder a cash amount that the Issuer determines in good faith and in a commercially reasonable manner to be the fair market value in respect of each CBBC held by such Holder immediately prior to such termination (ignoring such illegality or impracticability) less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion. Payment will be made to each Holder in such manner as shall be notified to the Holder in accordance with General Condition 7.

3. Exercise of CBBCs

3.1 Exercise of CBBCs in Board Lots

CBBCs may only be exercised in Board Lots or integral multiples thereof.

3.2 Automatic Exercise

If no Mandatory Call Event has occurred during the Observation Period, the CBBCs will be deemed to be automatically exercised on the Expiry Date.

3.3 Mandatory Call Event

(a) Subject to Product Condition 3.3(b), following a Mandatory Call Event, the CBBCs will be terminated automatically and the Issuer will give a notice of the Mandatory Call Event and early expiry of the CBBCs (the "**Announcement on MCE and Early Expiration**") to the Holders in accordance with General Condition 7. Trading in the CBBCs will be suspended immediately upon a Mandatory Call Event and all Post MCE Trades will be cancelled and will not be recognised by the Stock Exchange or the Issuer.

In the case of Category R CBBCs, the Issuer will give a notice of the valuation of the Residual Value (the "**Announcement on Valuation of Residual Value**") to the Holders before the end of the trading session immediately after the MCE Valuation Period in accordance with General Condition 7.

(b) A Mandatory Call Event is irrevocable unless it is triggered as a result of any of the following events:

(i) system malfunction or other technical errors of Hong Kong Exchanges and Clearing Limited; or

(ii) manifest errors caused by the relevant third party price source where applicable;

and

(A) in the case of a system malfunction or other technical errors prescribed in paragraph (i) above, such event is reported by the Stock Exchange to the Issuer, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked, and

(B) in the case of an error by the relevant price source prescribed in paragraph (ii) above, such event is reported by the Issuer to the Stock Exchange, and the Issuer and the Stock Exchange mutually agree that such Mandatory Call Event is to be revoked,

in each case, such mutual agreement must be reached no later than 30 minutes before the commencement of trading (including the pre-opening session) (Hong Kong time) on the Day of Notification or such other time frame as prescribed by the Stock Exchange from time to time, in which case, (A) the Mandatory Call Event so triggered will be reversed; and (B) all cancelled trades (if any) will be reinstated and trading of the CBBCs will resume no later than the Trading Day immediately following the Day of Notification in accordance with the rules and/or requirements prescribed by the Stock Exchange from time to time.

3.4 Entitlement

Every Board Lot of CBBCs entitles the Holder to receive from the Issuer on the Settlement Date the Cash Settlement Amount (if any).

3.5 Cancellation

Upon early expiration of the CBBCs at the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date, the Issuer will, with effect from the first Business Day following the MCE Valuation Date or the Expiry Date (as the case may be) remove the name of the Holder from the Register in respect of the number of CBBCs which have expired or exercised (as the case may be) and thereby cancel the relevant CBBCs and if applicable, the Global Certificate.

3.6 Exercise Expenses

(a) Any Exercise Expenses which were not determined by the Issuer:

   (i) during the MCE Valuation Period following the Mandatory Call Event; or

   (ii) otherwise, on the Expiry Date (as the case may be), and were not deducted from the Cash Settlement Amount prior to delivery to the Holder in accordance with Product Condition 3.7, shall be notified to the Holder as soon as practicable after determination thereof by the Issuer and shall be paid by the Holder to the Issuer immediately upon demand.

(b) Holders shall note that they shall be responsible for additional costs and expenses in connection with any early expiration or exercise of the CBBCs including the Exercise Expenses which amount shall, to the extent necessary, be payable to the Issuer and collected from the Holders.

3.7 Cash Settlement

Upon early expiration of the CBBCs following the occurrence of a Mandatory Call Event or an automatic exercise of the CBBCs on the Expiry Date (as the case may be), the Issuer will, in respect of every Board Lot, pay the Cash Settlement Amount (net of any Exercise Expenses) (if any) to the relevant Holder. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by the Issuer.

The Cash Settlement Amount (net of any Exercise Expenses) (if any) will be despatched no later than the Settlement Date by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

If as a result of a Settlement Disruption Event, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

3.8 Responsibility of Issuer, Guarantor and Sponsor

None of the Issuer, the Guarantor, the Sponsor or their respective agents shall have any responsibility for any errors or omissions in the calculation and dissemination of any variables published by a third party and used in any calculation made pursuant to these Product Conditions or in the calculation of the Cash Settlement Amount arising from such errors or omissions.

The purchase of CBBCs does not confer on any Holder of such CBBCs any rights (whether in respect of voting, distributions or otherwise) in relation to the Units.

3.9 Liability of Issuer, Guarantor and Sponsor

Exercise and settlement of the CBBCs is subject to all applicable laws, rules, regulations and guidelines in force at the relevant time and neither the Issuer, the Guarantor, nor the Sponsor shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, rules, regulations or guidelines. Neither the Issuer, the Guarantor, nor the Sponsor shall under any circumstances be liable for any acts or defaults of the CCASS in relation to the performance of its duties in relation to the CBBCs.

3.10 Trading

Subject to Product Condition 3.3(b), trading in CBBCs on the Stock Exchange shall cease:

(a) immediately upon the occurrence of a Mandatory Call Event; or

(b) at the close of trading for the Trading Day immediately preceding the Expiry Date, whichever is the earlier.

4. Adjustments

4.1 Rights Issues

If and whenever the Fund shall, by way of Rights (as defined below), offer new Units for subscription at a fixed subscription price to the holders of existing Units pro rata to existing holdings (a "**Rights Offer**"), the Entitlement will be adjusted to take effect on the Business Day ("**Rights Issue Adjustment Date**") on which trading in the Units becomes ex-entitlement in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor} \times E$$

Where:

$$\text{Adjustment Factor} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Entitlement immediately prior to the Rights Offer

S: Cum-Rights Unit price determined by the closing price on the Stock Exchange on the last Business Day on which Units are traded on a cum-Rights basis

R: Subscription price per Unit as specified in the Rights Offer plus an amount equal to any distributions or other benefits foregone to exercise the Rights

M: Number of new Unit(s) (whether a whole or a fraction) per existing Unit each holder thereof is entitled to subscribe

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made. In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

"**Rights**" means the right(s) attached to each existing Unit or needed to acquire one new Unit (as the case may be) which are given to the holders of existing Units to subscribe at a fixed subscription price for new Units pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

4.2 Bonus Issues

If and whenever the Fund shall make an issue of Units credited as fully paid to the holders of Units generally (other than pursuant to a scrip distribution or similar scheme for the time being operated by the Fund or otherwise in lieu of a cash distribution and without any payment or other consideration being made or given by such holders) (a "**Bonus Issue**") the Entitlement will be increased on the Business Day ("**Bonus Issue Adjustment Date**") on which trading in the Units becomes ex-entitlement in accordance with the following formula:

Adjusted Entitlement = Adjustment Factor x E

Where:

Adjustment Factor = 1 + N

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Units (whether a whole or a fraction) received by a holder of existing Units for each Unit held prior to the Bonus Issue

Provided that if the adjustment to be made would result in the Entitlement being changed by one per cent. or less, then no adjustment will be made. In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Bonus Issue Adjustment Date.

4.3 Subdivisions or Consolidations

If and whenever the Fund shall subdivide its Units or any class of its outstanding Units into a greater number of units or shares (a "**Subdivision**") or consolidate the Units or any class of its outstanding Units into a smaller number of units or shares (a "**Consolidation**"), then:

(i) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) will be decreased in the same ratio as the Subdivision; and

(ii) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) shall have taken effect.

4.4 Merger or Consolidation

If it is announced that the Fund is to or may merge or consolidate with or into any other trust or corporation (including becoming, by agreement or otherwise, controlled by any person or corporation) (except where the Fund is the surviving entity in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the CBBCs may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a "**Restructuring Event**") (as determined by the Issuer in its absolute discretion).

The rights attaching to the CBBCs after the adjustment shall, after such Restructuring Event, relate to the number of units or shares of the trust(s) or corporation(s) resulting from or surviving such Restructuring Event or other securities ("**Substituted Securities**") and/or cash offered in substitution for the affected Units, as the case may be, to which the holder of such number of Units to which the CBBCs related immediately before such Restructuring Event would have been entitled upon such Restructuring Event. Thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in the relevant currency equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected.

For the avoidance of doubt, any remaining Units shall not be affected by this Product Condition 4.4 and, where cash is offered in substitution for Units or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Units shall include any such cash.

4.5 Cash Distribution

No adjustment will be made for an ordinary cash distribution (whether or not it is offered with a scrip alternative) ("**Ordinary Distribution**"). For any other forms of cash distribution ("**Cash Distribution**") announced by the Fund, such as a cash bonus, special distribution or extraordinary distribution, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Unit's closing price on the day of announcement by the Fund.

If and whenever the Fund shall make a Cash Distribution credited as fully paid to the holders of Units generally, the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Units becomes ex-entitlement in respect of the relevant Cash Distribution ("**Cash Distribution Adjustment Date**") in accordance with the following formula:

$$\text{Adjusted Entitlement} = \text{Adjustment Factor x E}$$

Where:

$$\text{Adjustment Factor} = \frac{S - OD}{S - OD - CD}$$

E: Existing Entitlement immediately prior to the Cash Distribution

S: The closing price of the Unit on the Stock Exchange on the Business Day immediately preceding the Cash Distribution Adjustment Date

CD: The Cash Distribution per Unit

OD: The Ordinary Distribution per Unit, provided that the date on which the Units are traded on an ex-Ordinary Distribution basis is the Cash Distribution Adjustment Date. For the avoidance of doubt, the OD shall be zero if the date on which the Units are traded on an ex-Ordinary Distribution basis is not the Cash Distribution Adjustment Date

In addition, the Issuer shall adjust the Strike Price and the Call Price (which shall be rounded to the nearest 0.001) by the reciprocal of the Adjustment Factor, where the reciprocal of the Adjustment Factor means one divided by the relevant Adjustment Factor. The adjustment to the Strike Price and the Call Price shall take effect on the Cash Distribution Adjustment Date.

5. Termination or Liquidation

In the event of a Termination or the liquidation, winding up or dissolution of the Fund or, if applicable, the trustee of the Fund (including any successor trustee appointed from time to time) ("**Trustee**") (in its capacity as trustee of the Fund) or the appointment of a liquidator, receiver or administrator or analogous person under Hong Kong or other applicable law in respect of the whole or substantially the whole of the Fund's or the Trustee's (as the case may be) undertaking, property or assets (each an "**Insolvency Event**"), all unexercised CBBCs shall terminate automatically upon the occurrence of any Insolvency Event and the Issuer shall have no further obligation under the CBBCs, except that in the case of a series of bear CBBCs:

(a) if the Issuer determines in good faith and in a commercially reasonable manner that there is any residual value in the bear CBBCs upon the occurrence of such Insolvency Event:

(i) the Issuer shall pay to each Holder the residual value of the bear CBBCs in cash representing the fair market value in respect of each bear CBBC held by such Holder on or about the occurrence of such Insolvency Event less the cost to the Issuer of unwinding any related hedging arrangement as determined by the Issuer in its sole and absolute discretion, acting in good faith and in a commercially reasonable manner. Payment will be made to each Holder in such manner as shall be notified to the Holders in accordance with General Condition 7; and

(ii) the Issuer may, but shall not be obliged to, determine such cash amount by having regard to the manner in which the options contracts or futures contracts of the Units traded on the Stock Exchange are calculated;

(b) otherwise, if the Issuer determines in good faith and in a commercially reasonable manner that there is no residual value in the bear CBBCs upon the occurrence of such Insolvency Event, the bear CBBCs shall lapse and cease to be valid for any purpose upon the occurrence of the Insolvency Event.

For the purpose of this Product Condition 5,

(a) an Insolvency Event occurs,

(i) in the case of Termination, on the effective date of the Termination; or

(ii) in the case of a voluntary liquidation or winding up of the Fund or, if applicable, Trustee (in its capacity as trustee of the Fund), on the effective date of the relevant resolution; or

(iii) in the case of an involuntary liquidation, winding up or dissolution of the Fund or, if applicable, Trustee (in its capacity as trustee of the Fund), on the date of the relevant court order; or

(iv) in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of such Fund's or Trustee's (as the case may be) undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of the applicable law.

(b) "**Termination**" means:

(i) the Fund is terminated or required to be terminated for whatever reason, or the termination of the Fund commences;

(ii) where applicable, the Fund is held or is conceded by the Trustee or the manager of the Fund (including any successor manager appointed from time to time) not to have been constituted or to have been imperfectly constituted;

(iii) where applicable, the Trustee ceases to be authorised under the Fund to hold the property of the Fund in its name and perform its obligations under the trust deed constituting the Fund; or

(iv) the Fund ceases to be authorised as an authorised collective investment scheme under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

6. Delisting

6.1 Adjustments following delisting

If at any time the Units cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments to the rights attaching to the CBBCs as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the individual circumstances of any Holder or the tax or other consequences that may result in any particular jurisdiction).

6.2 Listing on another exchange

Without prejudice to the generality of Product Condition 6.1, where the Units are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into the relevant currency) as may be appropriate in the circumstances.

Sponsor

BNP Paribas Securities (Asia) Limited
60th and 63rd Floors
Two International Finance Centre
8 Finance Street
Central, Hong Kong
China

APPENDIX 4 — A BRIEF GUIDE TO CREDIT RATINGS

Information set out in this Appendix 4 is based on, extracted or reproduced from the website of S&P at https://www.spglobal.com/ratings/en/ and the website of Moody's at https://www.moodys.com, as at the day immediately preceding the date of this document. Information appearing on those websites does not form part of this document, and we accept no responsibility for the accuracy or completeness of the information appearing on those websites, except that we have accurately extracted and reproduced such information in this Appendix 4 and take responsibility for such extraction and reproduction. We have not separately verified such information. There can be no assurance that such information will not be revised by the relevant rating agency in the future and we have no responsibility to notify you of such change. If you are unsure about any information provided in this Appendix 4 and/or what a credit rating means, you should seek independent professional advice.

What is a credit rating?

A credit rating is a forward looking opinion by a credit rating agency of a company's overall ability to meet its financial obligations. The focus is on the company's capacity to pay its debts as they become due. The rating does not necessarily apply to any specific obligation.

What do the credit ratings mean?

Below are guidelines issued by S&P and Moody's on what each of their investment-grade ratings means as at the day immediately preceding the date of this document.

S&P long-term issuer credit ratings

AAA

An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P.

AA

An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.

A

An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

BBB

An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments.

Plus (+) or minus (-)

The above ratings (except for 'AAA') may be modified by the addition of a plus or minus sign to show relative standing within the rating categories.

Please refer to https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352 for further details.

Moody's long-term ratings definitions

Aaa

Obligations rated Aaa are judged to be of the highest quality, with minimal risk.

Aa

Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A

Obligations rated A are considered upper medium-grade and are subject to low credit risk.

Baa

Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess speculative characteristics.

Modifiers "1", "2" and "3"

Moody's appends numerical modifiers 1, 2 and 3 to each of the above generic rating classifications (except for Aaa). The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Please refer to https://ratings.moodys.io/ratings for further details.

Rating Outlooks

A rating outlook is an opinion regarding the likely rating direction over the medium term (for example, this is typically six months to two years for S&P). A rating outlook issued by S&P or Moody's will usually indicate whether the rating direction is likely to be "positive", "negative", "stable" or "developing". Please refer to the abovementioned websites of the relevant credit rating agencies for further details regarding rating outlooks published by the relevant credit rating agencies.

APPENDIX 5 — AUDITORS' REPORT AND THE GUARANTOR'S CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

The information in this Appendix 5 is the Guarantor's Consolidated Financial Statements for the year ended 31 December 2024. Auditors' report and the Guarantor's Consolidated Financial Statements for the year ended 31 December 2024 are free English translations of the French original versions. References to page numbers on the following pages are to the page numbers of such Consolidated Financial Statements. We draw your attention to the fact that the information presented in Chapter 5 of the Guarantor's 2024 universal registration document and identified by the word "Audited", which is an integral part of the notes to the Guarantor's consolidated financial statements, is not included in the Base Listing Document (except for Chapter 5.3 (*Risk management [Audited]*) of the Guarantor's 2024 universal registration document, an extract of which is included in the Base Listing Document under the section headed "Description of the Guarantor — Risk Management"). The Auditors' report only covers the Guarantor's consolidated financial statements as at 31 December 2024 and for the year then ended, including the information referred to above which is an integral part of those financial statements.

4.7 Statutory Auditors' report on the consolidated financial statements

Year ended December 31, 2024

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of BNP Paribas,

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 for the year ended December 31, 2024.

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 December 31, 2024 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 those standards are further described in the Statutory Auditors' Responsibilities for the audit of the consolidated financial statements section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from January 1, 2024 to the date of our report and specifically, we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014

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 (*Code de commerce*) 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 of most significant in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

<table>
<tr><th colspan="2">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, 2.g, 4.e, 4.f et 4.n to the consolidated financial statements)</th></tr>
<tr><th>Risk identified</th><th>Our response</th></tr>
<tr><td>BNP Paribas records impairments to cover credit risks inherent to its activities.

As of December 31, 2024, customer loans exposed to credit risk amount to 917.0 billion euros, and impairments amount to 16.9 billion euros.

In an environment of persistent uncertainties marked by geopolitical and economic tensions, the assessment of expected credit losses on customer loan portfolios requires increased judgment and the use of assumptions from BNP Paribas management, particularly to:
■ Assess the significant increase in credit risk to classify exposures into stage 1, stage 2, or stage 3, especially based on criteria involving expert judgment such as the watch list process and the identification of doubtful exposures;
■ Develop macroeconomic forecasts that are integrated into both deterioration criteria and the measurement of expected losses;
■ Estimate expected losses for stages 1 and 2. In particular, these expected losses include, as specified in note 2.g to the consolidated financial statements, anticipation aspects not captured by models in the generic approach;
■ For corporate exposures, estimate expected losses on stage 3 receivables, for which the recovery estimates may rely on the weighting of different scenarios.

We consider that the assessment of credit risk and the measurement of related impairment constitute a key audit matter, as these items involve management's judgment and estimates in an environment marked by above-mentioned uncertainties.</td><td>We examined BNP Paribas' internal control system, particularly its adaptation to the environment of uncertainties, and tested manual orautomated controls related to the credit risk assessment and the measurement of expected losses.

Our work particularly focused on the following processes:
■ Classification of exposures by stage: we assessed how the changes in risks were considered in estimating criteria applicable to various business lines to measure significant increase in credit risk and identify doubtful exposures.
■ Evaluation of expected losses (stages 1, 2, and 3):
  ■ With the support of our credit risk specialists, we assessed the methodologies and macroeconomic forecasts assumptions used by BNP Paribas and their appropriate implementation in information systems;
  ■ We assessed the key models and parameters used for calculating expected losses on exposures classified as stages 1 and 2, the relevance of results obtained, and the existing control system. We tested the effectiveness of data quality controls. Additionally, we paid particular attention to additional provisions booked to account for above-mentioned uncertainties;
  ■ In addition, for impairment on corporate exposures classified as stage 3, we examined the periodic review process of credit risk for watch list counterparties and assessed, on a sample of counterparties, the assumptions and data used by management to estimate impairment.

We also reviewed credit risk disclosures in the notes to the consolidated financial statements, espacially information required by IFRS 9 and IFRS 7.</td></tr>
</table>

Valuation of financial instruments classified as levels 2 and 3 in the fair value hierarchy *(see Notes 1.f.7, 1.f.10, 1.p, 2.c, 4.a et 4.d to the consolidated financial statements)*	
Risk identified	**Our response**
As part of its market activities, BNP Paribas holds financial instruments measured at market value in the balance sheet. Market value is determined through different approaches, depending on the type of instrument and its complexity: (i) using directly observable quoted prices (instruments classified as level 1 in the fair value hierarchy), (ii) using valuation models whose main inputs are observable (instruments classified as level 2), and (iii) using valuation models whose main inputs are unobservable (instruments classified as level 3). These financial instruments amount to 566.1 billion euros (of which 275.7 billion euros as level 2 and 11.7 billion euros as level 3) on the asset side and 489.7 billion euros (of which 371.7 billion euros as level 2 and 40.1 billion euros as level 3) on the liability side of the group's consolidated balance sheet as of December 31, 2024. Market values may include valuation adjustments to account for specific market, liquidity, or counterparty risks. For instruments classified as level 3, valuation techniques used by management may involve significant judgment and estimation regarding the choice of valuation models and the parameters used, some of which are not observable in the market. This may lead to deferred recognition of margins on related operations, as specified in note 4.d to the consolidated financial statements. Given the materiality of exposures, the complexity of modeling in determining market value, the multiplicity of models used, and the reliance on management's judgment in determining market values, we consider the valuation of financial instruments classified as levels 2 and 3 in the fair value hierarchy to be a key audit matter.	We examined BNP Paribas' internal control system related to the valuation of financial instruments and performed tests, on a sample basis, on a selection of financial instruments classified as levels 2 and 3 in the fair value hierarchy. With the support of our financial instrument valuation specialists, our work particularly consisted in: ■ Studying the governance implemented by the group to oversee the financial instrument valuation system, specifically the approval process and regular review by risk department of valuation models and the independent verification of valuation parameters; ■ Examining the system implemented by the group for determining valuation adjustments and setting the parameter observability rules. On a sample basis, we also: ■ Analyzed the relevance of assumptions and parameters used for valuation; ■ Reviewed the results and methodologies of the group's market parameters independent review; ■ Performed independent revaluations using our own models, where necessary; ■ Assessed the appropriateness of deferred margin recognition. We also analyzed, on a sample basis, any differences between valuations and collateral calls with counterparties. We reviewed the information related to the valuation of financial instruments disclosed in the consolidated financial statements, especially those required by IFRS 13.

IT General Controls	
Risk identified	**Our response**
The various activities carried out by your group entail a high level of complexity due to the volume of transactions and the use of numerous interfaced information systems. The reliability of the information system management processes and their security are key elements for the financial information preparation process. The risk of a material misstatement occurring on the accounts due to an incident in the IT chains may result from: ■ Inappropriate changes to the configuration of IT applications or of the underlying data; ■ A processing failure within an IT application or within one of the interfaces; ■ A service interruption or an operational incident. The existence of a set of controls for managing access rights to IT systems involved in the financial information preparation process, as well as an appropriate incident identification and treatment process are key controls to mitigate this risk, the assessment of which is a key audit matter.	We identified the key systems, processes, and controls underpinning the preparation of financial information. ■ With the support of our IT specialized teams, e tested the design and operating effectiveness of IT General ontrols for the applications we considered key for the preparation of financial information. For these key IT applications, our work particularly focused on the following aspects:Understanding IT systems, processes, and controls that underpin accounting and financial information; ■ Reviewing the controls implemented by your group related to access rights to IT applications and data, with special attention to privileged access; ■ Analyzing of change management applied to these IT applications during the year ended December 31, 2024; ■ Reviewing IT operations management; ■ Reviewing authorization controls for manual journal entries; ■ Performing, where applicable, additional audit procedures. We also tested IT application controls related to automated interfaces between key systems to assess the completeness and integrity of information transfers, as well as certain sensitive or complex automated application configurations.

Valuation of insurance contract liabilities in the "Retirement savings" businesses *(See Notes 1.g, 1.p and 5 to the consolidated financial statements)*	
Risk identified	**Our response**
As of December 31, 2024, the group booked insurance liabilities related to "savings and retirement" insurance contracts as disclosed in Note 5 to the consolidated financial statements. Participating contracts amount to 241.3 billion euros, as specified in Note 5.e.4 to the consolidated financial statements. As described in note 5 to the consolidated financial statements, the group has assessed the eligibility of insurance contract groups for accounting valuation models defined by IFRS 17. Therefore the group considered that liabilities related to "savings and retirement" insurance contracts correspond to direct participating insurance contracts and are specifically evaluated according to the "variable fee" accounting model. The valuation of insurance liabilities under this accounting model involves determining the best estimate of the present value of cash flows to be paid or received necessary to fulfill contractual obligations to policyholders, a non-financial risk adjustment based on a confidence level chosen by the group, and a contractual service margin representing the unearned profit to be recognized as services are rendered. The valuation of these insurance liabilities using the variable fee methodology relies on complex actuarial models, drawing on data and assumptions related to future periods, such as the determination of the discount rate, policyholder behavior laws, future management decisions, and the definition of real-world assumptions for financial asset returns, used for the release of the contractual service margin into income. The evolution and updates of the selected parameters are likely to significantly affect the amount of insurance liabilities in the Life/Savings perimeter. Given the long-term horizon of commitments related to "savings and retirement" insurance contracts, their significant sensitivity to the economic and financial environment that can impact policyholder behavior, and the significant judgment from management in selecting data and assumptions, as well as the use of complex modeling techniques to reflect the most probable estimated future situation, we considered the valuation of insurance contracts liabilities in the "savings and retirement" businesses to be a key audit matter.	With the support of our actuarial modeling specialists and our IT specialized teams, we performed the following audit procedures: ■ Assessed the eligibility of "savings and retirement" insurance contracts for the "variable fee" accounting valuation model and evaluated the correct application by management of these valuation methods to "savings and retirement" insurance contracts in compliance with IFRS 17 provisions; ■ Obtained an understanding of the processes and methodologies defined by the group's management for determining, according to IFRS 17 principles, the best estimate of the present value of future cash flows necessary to fulfill the contractual obligations to policyholders of "savings and retirement" insurance contracts; ■ Performed audit procedures on the internal control environment of information systems involved in data processing, in setting estimates, and in actuarial calculations regarding the valuation of commitments related to "savings and retirement" insurance contracts; ■ Assessed and tested key controls implemented by management. In this context, we particularly evaluated the control systems related to methodologies, judgments, and key assumptions made by management, as well as those related to governance and controls over processes and validation of actuarial models for projecting discounted future cash flows applied to "savings and retirement" insurance contract commitments. We evaluated any changes in assumptions, parameters, or modeling of actuarial processes impacting the estimation of future cash flows and their correct implementation into actuarial tools; ■ Sample tested the main methodologies, key assumptions, and actuarial parameters used in determining the estimates of discounted future cash flows, non-financial risk adjustment, and contractual service margin. We assessed the reasonableness of these estimates on a sample basis; ■ Sample tested the reliability of underlying data used in projection models and calculations of the best estimate of discounted future cash flows; ■ Performed an independent calculation of the best estimate of cash flows on a sample basis for savings and retirement insurance liabilities; ■ Performed analytical procedures on changes to identify any significant inconsistent or unexpected variations; ■ Evaluated the appropriateness of related disclosures in the notes to the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given 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.

Report on other legal and regulatory requirements

Format of preparation of the consolidated financial statements included in the annual financial report

We have also verified, n accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the preparation of the consolidated financial statements included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in Commission Delegated Regulation (EU) No. 2019/815 of 17 December 2018. Regarding consolidated financial statements, our work includes verifying that the tagging thereof complies with the format defined in the above-mentioned regulation.

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

Appointment of the Statutory Auditors

We were appointed as statutory auditors of BNP Paribas by the annual general meeting held on May 23, 2006 for Deloitte & Associés and on May 14, 2024 for ERNST & YOUNG et Autres.

As of December 31, 2024, Deloitte & Associés was in the nineteenth year of total uninterrupted engagement, and ERNST & YOUNG et Autres was in the first year, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from 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 and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

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

Statutory Auditors' responsibilities for the audit of the consolidated financial statements

Objectives 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 from 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 (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures in response to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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;
- obtains an understanding of the internal control 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;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements;

- assesses 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 modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses 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 on these consolidated financial statements.

Report to the Financial Statements Committee

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

Our report to the Financial Statements Committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore 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 set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics for Statutory Auditors (Code de déontologie de la profession de commissaire aux comptes). Where appropriate, we discuss with the Financial Statements Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 20, 2025

The Statutory Auditors

French original signed by

Deloitte & Associés	ERNST & YOUNG et Autres
Damien Leurent Jean-Vincent Coustel	Olivier Drion

4 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

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The Board of directors of BNP Paribas approved the Group consolidated financial statements on 3 February 2025.

The consolidated financial statements of the BNP Paribas Group are presented for the years ended 31 December 2024 and 2023. In accordance with Annex I of European Delegated Regulation (EU) n° 2019/980 as amended by Delegated Regulation (EU) n° 2020/1273, the consolidated financial statements for the year ended 31 December 2022 are provided in the Universal registration document filed with the Autorité des Marchés Financiers on 22 March 2024 under number D.24-0158.

On 18 December 2021, the Group concluded an agreement with BMO Financial Group for the sale of 100% of its retail and commercial banking activities in the United States operated by the BancWest cash-generating unit. The terms of this transaction fall within the scope of application of IFRS 5 relating to groups of assets and liabilities held for sale (see note 8.e *Discontinued activities*) leading to isolate the "Net income from discontinued activities" on a separate line. A similar reclassification is made in the statement of net income and changes in assets and liabilities recognised directly in equity and in the cash flow statement.

Following the receipt of regulatory approvals, the transaction was finalised on 1 February 2023.

4.1 Profit and loss account for the year ended 2024

In millions of euros	Notes	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Interest income	2.a	83,020	79,542
Interest expense	2.a	(63,496)	(60,484)
Commission income	2.b	16,196	15,011
Commission expense	2.b	(5,495)	(5,190)
Net gain on financial instruments at fair value through profit or loss	2.c	11,569	10,346
Net gain on financial instruments at fair value through equity	2.d	209	28
Net gain on derecognised financial assets at amortised cost		55	66
Net income from insurance activities	5.a	2,396	2,320
of which Insurance revenue		*9,711*	*8,945*
Insurance service expenses		*(7,502)*	*(6,786)*
Investment return		*11,554*	*10,254*
Net finance income or expenses from insurance contracts		*(11,367)*	*(10,093)*
Income from other activities	2.e	21,922	18,560
Expense on other activities	2.e	(17,545)	(14,325)
REVENUES FROM CONTINUING ACTIVITIES		**48,831**	**45,874**
Operating expenses	2.f	(27,803)	(28,713)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	4.l	(2,390)	(2,243)
GROSS OPERATING INCOME FROM CONTINUING ACTIVITIES		**18,638**	**14,918**
Cost of risk	2.g	(2,999)	(2,907)
Other net losses for risk on financial instruments	2.h	(202)	(775)
OPERATING INCOME FROM CONTINUING ACTIVITIES		**15,437**	**11,236**
Share of earnings of equity-method entities	4.k	701	593
Net gain on non-current assets	2.i	(191)	(104)
Goodwill	4.m	241	-
PRE-TAX INCOME FROM CONTINUING ACTIVITIES		**16,188**	**11,725**
Corporate income tax from continuing activities	2.j	(4,001)	(3,266)
NET INCOME FROM CONTINUING ACTIVITIES		**12,187**	**8,459**
Net income from discontinued activities	8.e	-	2,947
NET INCOME		**12,187**	**11,406**
Net income attributable to minority interests		499	431
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS		**11,688**	**10,975**
Basic earnings per share	8.a	9.57	8.58
Diluted earnings per share	8.a	9.57	8.58

4.2 Statement of net income and changes in assets and liabilities recognised directly in equity

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Net income for the period	**12,187**	**11,406**
Changes in assets and liabilities recognised directly in equity	**945**	**596**
Items that are or may be reclassified to profit or loss	**1,129**	**367**
Changes in exchange differences	1,177	(109)
Changes in fair value of financial assets at fair value through equity		
Changes in fair value recognised in equity	*(632)*	*244*
Changes in fair value reported in net income	*(66)*	*27*
Changes in fair value of investments of insurance activities		
Changes in fair value recognised in equity	*(543)*	*4,665*
Changes in fair value reported in net income	*447*	*558*
Changes in fair value of contracts of insurance activities	259	(4,573)
Changes in fair value of hedging instruments		
Changes in fair value recognised in equity	*(111)*	*146*
Changes in fair value reported in net income	*(5)*	*22*
Income tax	150	(283)
Changes in equity-method investments, after tax	453	(162)
Changes in discontinued activities, after tax	-	(168)
Items that will not be reclassified to profit or loss	**(184)**	**229**
Changes in fair value of equity instruments designated as at fair value through equity	(17)	232
Debt remeasurement effect arising from BNP Paribas Group issuer risk	(587)	45
Remeasurement gains (losses) related to post-employment benefit plans	228	(173)
Income tax	112	11
Changes in equity-method investments, after tax	80	114
Changes in discontinued activities, after tax	-	-
TOTAL	**13,132**	**12,002**
Attributable to equity shareholders	12,431	11,479
Attributable to minority interests	701	523

4.3 Balance sheet at 31 December 2024

In millions of euros, at	Notes	31 December 2024	31 December 2023
ASSETS			
Cash and balances at central banks		182,496	288,259
Financial instruments at fair value through profit or loss			
Securities	4.a	267,357	211,634
Loans and repurchase agreements	4.a	225,699	227,175
Derivative financial instruments	4.a	322,631	292,079
Derivatives used for hedging purposes	4.b	20,851	21,692
Financial assets at fair value through equity			
Debt securities	4.c	71,430	50,274
Equity securities	4.c	1,610	2,275
Financial assets at amortised cost			
Loans and advances to credit institutions	4.e	31,147	24,335
Loans and advances to customers	4.e	900,141	859,200
Debt securities	4.e	146,975	121,161
Remeasurement adjustment on interest-rate risk hedged portfolios		(758)	(2,661)
Investments and other assets related to insurance activities	5.c	286,849	257,098
Current and deferred tax assets	4.i	6,215	6,556
Accrued income and other assets	4.j	174,147	170,758
Equity-method investments	4.k	7,862	6,751
Property, plant and equipment and investment property	4.l	50,314	45,222
Intangible assets	4.l	4,392	4,142
Goodwill	4.m	5,550	5,549
TOTAL ASSETS		**2,704,908**	**2,591,499**
LIABILITIES			
Deposits from central banks		3,366	3,374
Financial instruments at fair value through profit or loss			
Securities	4.a	79,958	104,910
Deposits and repurchase agreements	4.a	304,817	273,614
Issued debt securities and subordinated debt	4.a	104,934	83,763
Derivative financial instruments	4.a	301,953	278,892
Derivatives used for hedging purposes	4.b	36,864	38,011
Financial liabilities at amortised cost			
Deposits from credit institutions	4.g	66,872	95,175
Deposits from customers	4.g	1,034,857	988,549
Debt securities	4.h	198,119	191,482
Subordinated debt	4.h	31,799	24,743
Remeasurement adjustment on interest-rate risk hedged portfolios		(10,696)	(14,175)
Current and deferred tax liabilities	4.i	3,657	3,821
Accrued expenses and other liabilities	4.j	136,955	143,673
Liabilities related to insurance contracts	5.d	247,699	218,043
Financial liabilities related to insurance activities	5.c	19,807	18,239
Provisions for contingencies and charges	4.n	9,806	10,518
TOTAL LIABILITIES		**2,570,767**	**2,462,632**
EQUITY			
Share capital, additional paid-in capital and retained earnings		*118,957*	*115,809*
Net income for the period attributable to shareholders		*11,688*	*10,975*
Total capital, retained earnings and net income for the period attributable to shareholders		**130,645**	**126,784**
Changes in assets and liabilities recognised directly in equity		(2,508)	(3,042)
Shareholders' equity		**128,137**	**123,742**
Minority interests	**8.b**	**6,004**	**5,125**
TOTAL EQUITY		**134,141**	**128,867**
TOTAL LIABILITIES AND EQUITY		**2,704,908**	**2,591,499**

4.4 Cash flow statement for the year ended 31 December 2024

In millions of euros	Notes	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Pre-tax income from continuing activities		**16,188**	**11,725**
Pre-tax income from discontinued activities		**-**	**3,658**
Non-monetary items included in pre-tax net income and other adjustments		**11,094**	**8,495**
Net depreciation/amortisation expense on property, plant and equipment and intangible assets		7,272	6,245
Impairment of goodwill and other non-current assets		21	(32)
Net addition to provisions		3,023	3,646
Variation of assets/liabilities related to insurance contracts		3,181	(6,240)
Share of earnings of equity-method entities		(701)	(593)
Net income from investing activities		(277)	(3,600)
Net income (expense) from financing activities		(604)	506
Other movements		(821)	8,563
Net decrease related to assets and liabilities generated by operating activities		**(124,658)**	**(58,119)**
Net decrease related to transactions with customers and credit institutions		(8,672)	(7,751)
Net decrease related to transactions involving other financial assets and liabilities		(102,669)	(32,712)
Net decrease related to transactions involving non-financial assets and liabilities (1)		(10,184)	(14,297)
Taxes paid		(3,133)	(3,359)
NET DECREASE IN CASH AND CASH EQUIVALENTS GENERATED BY OPERATING ACTIVITIES		**(97,376)**	**(34,241)**
Net increase related to acquisitions and disposals of consolidated entities		1,956	9,520
Net decrease related to property, plant and equipment and intangible assets		(2,136)	(2,216)
NET DECREASE (INCREASE) IN CASH AND CASH EQUIVALENTS RELATED TO INVESTING ACTIVITIES		**(180)**	**7,304**
Decrease in cash and cash equivalents related to transactions with shareholders		(8,756)	(8,698)
Increase in cash and cash equivalents generated by other financing activities		2,338	4,022
NET DECREASE IN CASH AND CASH EQUIVALENTS RELATED TO FINANCING ACTIVITIES		**(6,418)**	**(4,676)**
EFFECT OF MOVEMENT IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS		**(393)**	**(3,506)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(104,367)**	**(35,119)**
of which net increase in cash and cash equivalents from discontinued activities		-	9,909
Balance of cash and cash equivalent accounts at the start of the period		**282,579**	**317,698**
Cash and amounts due from central banks		288,279	318,581
Due to central banks		(3,374)	(3,054)
On demand deposits with credit institutions		8,352	11,927
On demand loans from credit institutions	4.g	(10,770)	(12,538)
Deduction of receivables and accrued interest on cash and cash equivalents		92	163
Cash and cash equivalent accounts classified as "Assets held for sale"		-	2,619
Balance of cash and cash equivalent accounts at the end of the period		**178,212**	**282,579**
Cash and amounts due from central banks		182,511	288,279
Due to central banks		(3,366)	(3,374)
On demand deposits with credit institutions		9,482	8,352
On demand loans from credit institutions	4.g	(10,608)	(10,770)
Deduction of receivables and accrued interest on cash and cash equivalents		193	92
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(104,367)**	**(35,119)**

(1) As of 2024, disposals of leased assets are reported under "Net decrease related to transactions involving non-financial assets and liabilities". In 2023, they were reported within the "Other movements" line for EUR 3,612 million.

4.5 Statement of changes in shareholders' equity between 1 January 2023 and 31 December 2024

	Capital and retained earnings				Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss		
In millions of euros	Share capital and additional paid-in-capital	Undated super subordinated notes	Non-distributed reserves	Total	Financial assets designated as at fair value through equity	Own-credit valuation adjustment of debt securities designated as at fair value through profit or loss	Remeasurement gains (losses) related to post -employment benefit plans
Balance at 31 December 2022	**26,190**	**11,800**	**86,866**	**124,856**	**585**	**119**	**540**
Appropriation of net income for 2022			**(4,744)**	**(4,744)**			
Increases in capital and issues		1,670	(2)	1,668			
Reductions or redemptions of capital	(4,983)		(17)	(5,000)			
Movements in own equity instruments	(5)	2	(218)	(221)			
Share-based payment plans			(8)	(8)			
Remuneration on undated super subordinated notes			(654)	(654)			
Impact of internal transactions on minority shareholders *(note 8.b)*			(21)	(21)			
Movements in consolidation scope impacting minority shareholders *(note 8.b)*				-			
Acquisitions of additional interests or partial sales of interests *(note 8.b)*			1	1			
Change in commitments to repurchase minority shareholders' interests			9	9			
Other movements			(4)	(4)			
Realised gains or losses reclassified to retained earnings			(73)	(73)	(34)	(8)	(4)
Changes in assets and liabilities recognised directly in equity				-	304	35	(105)
Net income for 2023			**10,975**	**10,975**			
Balance at 31 December 2023	**21,202**	**13,472**	**92,110**	**126,784**	**855**	**146**	**431**
Appropriation of net income for 2023			**(5,198)**	**(5,198)**			
Increases in capital and issues				-			
Reductions or redemptions of capital	(1,051)	(1,326)	(62)	(2,439)			
Movements in own equity instruments	(18)	(17)	423	388			
Share-based payment plans			(5)	(5)			
Remuneration on undated super subordinated notes			(743)	(743)			
Movements in consolidation scope impacting minority shareholders *(note 8.b)*				-			
Acquisitions of additional interests or partial sales of interests *(note 8.b)*			4	4			
Change in commitments to repurchase minority shareholders' interests			(4)	(4)			
Other movements			(39)	(39)			
Realised gains or losses reclassified to retained earnings			209	209	(210)	1	
Changes in assets and liabilities recognised directly in equity				-	79	(435)	165
Net income for 2024			**11,688**	**11,688**			
Balance at 31 December 2024	**20,133**	**12,129**	**98,383**	**130,645**	**724**	**(288)**	**596**

	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								
	Discontinued activities	Total	Exchange differences	Financial assets at fair value through equity	Financial investments and contracts of insurance activities	Derivatives used for hedging purposes	Discontinued activities	Total	Total shareholders' equity	Minority interests (note 8.b)	Total equity
	(119)	**1,125**	**(3,190)**	**(511)**	**(1,462)**	**251**	**168**	**(4,744)**	**121,237**	**4,773**	**126,010**
		-						**-**	**(4,744)**	**(179)**	**(4,923)**
		-						-	1,668	316	1,984
		-						-	(5,000)		(5,000)
		-						-	(221)		(221)
		-						-	(8)	1	(7)
		-						-	(654)	(3)	(657)
		-						-	(21)	21	-
		-						-	-	(90)	(90)
		-						-	1	(12)	(11)
		-						-	9	(225)	(216)
		-						-	(4)		(4)
	119	73						-	-		-
		234	(239)	153	490	34	(168)	270	504	92	596
		-						**-**	**10,975**	**431**	**11,406**
	-	**1,432**	**(3,429)**	**(358)**	**(972)**	**285**	**-**	**(4,474)**	**123,742**	**5,125**	**128,867**
		-						**-**	**(5,198)**	**(364)**	**(5,562)**
		-						-	-	5	5
		-						-	(2,439)		(2,439)
		-						-	388		388
		-						-	(5)		(5)
		-						-	(743)	(8)	(751)
		-						-	-	258	258
		-						-	4	192	196
		-						-	(4)	93	89
		-						-	(39)	2	(37)
		(209)						-	-		-
		(191)	1,218	(494)	365	(155)		934	743	202	945
		-						**-**	**11,688**	**499**	**12,187**
	-	**1,032**	**(2,211)**	**(852)**	**(607)**	**130**	**-**	**(3,540)**	**128,137**	**6,004**	**134,141**

4.6 Notes to the financial statements prepared in accordance with IFRS as adopted by the European Union

Note 1 SUMMARY OF MATERIAL ACCOUNTING POLICIES APPLIED BY THE GROUP

1.a APPLICABLE ACCOUNTING

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 [1]. Accordingly, certain provisions of IAS 39 on hedge accounting have been excluded.

Information on the nature and extent of risks relating to financial instruments as required by IFRS 7 "Financial Instruments: Disclosures" 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 consolidated financial statements of the BNP Paribas Group at 31 December 2024, is covered by the opinion of the Statutory Auditors on the consolidated financial statements, and is identified by the word "Audited" within this chapter. Section 4 of chapter 5, paragraph *Exposures, provisions and cost of risk provides*, in particular, IFRS 7 information on credit risk exposures and related impairment broken down according to whether the underlying loans are performing or non-performing, by geographic area and by industry.

- Further to the Pillar II recommendations of the Organisation for Economic Cooperation and Development (OECD) in relation to the international tax reform, the European Union adopted in December 2022 the 2022/2523 directive instituting a minimum corporate income tax for international groups, effective 1 January 2024. This directive was transposed by the 2024 Finance Act in France in December 2023.

  To clarify the directive's potential impacts, on 23 May 2023 the IASB issued a series of amendments to IAS 12 "Income Taxes", which were adopted by the European Union on 8 November 2023. In accordance with the provisions of these amendments, the Group applies the mandatory and temporary exception not to recognise deferred taxes associated with this additional taxation.

  The impact of the Pillar II reform is non-material for the Group. Income before tax and corporate income tax by country are presented in chapter 8 of the 2024 Universal registration document (part 8.6 section II *Profit and Loss account items and headcount by country*).
- In France, changes resulting from the pension reform enacted on 14 April 2023 constitute a change in post-employment benefits, based on IAS 19 § 104. The non-material impact of this change was recorded in the profit and loss account for the period.

The introduction of other standards, amendments and interpretations that are mandatory as from 1 January 2024, in particular the amendment to IFRS 16 on Lease liabilities in a sale and lease back, had no effect on the Group's financial statements at 31 December 2024.

1.a.2 New major accounting standards, published but not yet applicable

The Group did not early apply new standards, amendments and interpretations endorsed by the European Union when the application in 2024 was optional.

The impact assessment of the new standards and amendments not yet applicable by the Group is presented below:

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" relating to the classification and measurement of financial instruments.

On 30 May 2024, the IASB published amendments to IFRS 9 and IFRS 7, which will be applicable for annual periods beginning on 1 January 2026. These amendments:

- clarify the date of recognition and derecognition of certain financial assets and liabilities, with a new exception for certain financial liabilities settled through an electronic payment system;
- clarify and add indications for assessing whether a financial asset meets the cash flow criterion, *e.g.* its cash flows are solely payments of principal and interest on the principal outstanding (SPPI);
- require disclosures in the notes to financial statements for certain instruments with contractual terms that can change the time or amount of cash flows upon the occurrence or non-occurrence of a contingent event (*e.g.* financial instruments with characteristics linked to the achievement of environmental, social and governance objectives); and
- update the information requirements for equity instruments designated at fair value through equity.

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

Publication of IFRS 18 "Presentation and disclosure in financial statements" in replacement of IAS 1.

IFRS 18 will be mandatory from 1 January 2027, with retrospective application.

IFRS 18 includes many of the requirements of IAS 1 without changes and supplements them with new requirements relating to:

- the presentation of specific categories (operating, investment and financing) and sub-totals in the statement of profit or loss account;
- information to be disclosed in the notes to the financial statements on management-defined performance measures (MPM);
- aggregation and disaggregation of information in the statement of profit or loss account.

The Bank is currently assessing the detailed implications of applying IFRS 18 to the Group's consolidated financial statements.

1.b CONSOLIDATION

1.b.1 Scope of consolidation

The consolidated financial statements of BNP Paribas include entities that are controlled by the Group, jointly controlled, and under significant influence, with the exception of those entities whose consolidation is regarded as immaterial to the Group. Companies that hold shares in consolidated companies are also consolidated.

Subsidiaries are consolidated from the date on which the Group obtains effective control. Entities under temporary control are included in the consolidated financial statements until the date of disposal.

1.b.2 Consolidation methods

Exclusive control

Controlled enterprises are fully consolidated. The Group controls a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

For entities governed by voting rights, the Group generally controls the entity if it holds, directly or indirectly, the majority of the voting rights (and if there are no contractual provisions that alter the power of these voting rights) or if the power to direct the relevant activities of the entity is conferred on it by contractual agreements.

Structured entities are entities established so that they are not governed by voting rights, for instance when those voting rights relate to administrative tasks only, whereas the relevant activities are directed by means of contractual arrangements. They often have the following features or attributes: restricted activities, a narrow and well-defined objective and insufficient equity to permit them to finance their activities without subordinated financial support.

For these entities, the analysis of control shall consider the purpose and design of the entity, the risks to which the entity is designed to be exposed and to what extent the Group absorbs the related variability. The assessment of control shall consider all facts and circumstances able to determine the Group's practical ability to make decisions that could significantly affect its returns, even if such decisions are contingent on uncertain future events or circumstances.

In assessing whether it has power, the Group considers only substantive rights which it holds or which are held by third parties. For a right to be substantive, the holder must have the practical ability to exercise that right when decisions about the relevant activities of the entity need to be made.

Control is reassessed if facts and circumstances indicate that there are changes to one or more of the elements of control.

Where the Group contractually holds the decision-making power, for instance where the Group acts as fund manager, it shall determine whether it is acting as agent or principal. Indeed, when associated with a certain level of exposure to the variability of returns, this decision-making power may indicate that the Group is acting on its own account and that it thus has control over those entities.

Minority interests are presented separately in the consolidated profit and loss account and balance sheet within consolidated equity. The calculation of minority interests takes into account the outstanding cumulative preferred shares classified as equity instruments issued by subsidiaries, when such shares are held outside the Group.

As regards fully consolidated funds, units held by third-party investors are recognised as debts at fair value through profit or loss, inasmuch as they are redeemable at fair value at the subscriber's initiative.

For transactions resulting in a loss of control, any equity interest retained by the Group is remeasured at its fair value through profit or loss.

Joint control

Where the Group carries out an activity with one or more partners, sharing control by virtue of a contractual agreement which requires unanimous consent on relevant activities (those that significantly affect the entity's returns), the Group exercises joint control over the activity. Where the jointly controlled activity is structured through a separate vehicle in which the partners have rights to the net assets, this joint venture is accounted for using the equity method. Where the jointly controlled activity is not structured through a separate vehicle or where the partners have rights to the assets and obligations for the liabilities of the jointly controlled activity, the Group accounts for its share of the assets, liabilities, revenues and expenses in accordance with the applicable IFRS.

Significant influence

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

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

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

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

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

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

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

1.b.3 Consolidation rules

Elimination of intragroup balances and transactions

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

By way of exception, amendments to IAS 32 and IFRS 9 allow intragroup assets to be retained in the balance sheet if they are held as underlying components of direct participating contracts. These assets are measured at fair value through profit or loss. These are:

- own shares by amendment to IAS 32;
- financial liabilities issued by the entity in amendment to IFRS 9.

These provisions are applied by the Group's insurance entities that issue direct participating contracts, the underlying elements of which include securities issued by the Group either directly or through consolidated investment entities.

Translation of accounts expressed in foreign currencies

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

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

Financial statements of the Group's subsidiaries located in hyperinflationary economies, previously adjusted for inflation by applying a general price index, are translated using the closing rate. This rate applies to the translation of assets and liabilities as well as income and expenses.

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

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

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

1.b.4 Business combinations and measurement of goodwill

Business combinations

Business combinations are accounted for using the purchase method.

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

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

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

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

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

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

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

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

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

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

Specificities relating to insurance contracts acquired through business combinations are set out in note 1.g.2 in the paragraph *Recognition and derecognition*.

Measurement of goodwill

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

Cash-generating units

The BNP Paribas Group has split all its activities into cash-generating units [(1)] representing major business lines. This split is consistent with the Group's organisational structure and management methods, and reflects the independence of each unit in terms of results and management approach. It is reviewed on a regular basis in order to take account of events likely to affect the composition of cash-generating units, such as acquisitions, disposals and major reorganisations.

Testing cash-generating units for impairment

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

Recoverable amount of a cash-generating unit

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

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

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 [(2)] 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.

(1) *As defined by IAS 36.*
(2) *Monetary assets and liabilities are assets and liabilities to be received or paid in fixed or determinable amounts of cash.*

Non-monetary assets and liabilities expressed in foreign currencies

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

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

1.d FINANCIAL INFORMATION IN HYPERINFLATIONARY ECONOMIES

The Group applies IAS 29 to the presentation of the accounts of its consolidated subsidiaries located in countries whose economies are in hyperinflation.

IAS 29 presents a number of quantitative and qualitative criteria to assess whether an economy is hyperinflationary, including a cumulative, three-year inflation rate approaching or exceeding 100%.

IAS 29 standard requires that the balance sheet and the profit or loss amounts not already expressed in terms of the measuring unit current at the end of the reporting period be restated by applying a general price index.

For this purpose:

- All non-monetary assets and liabilities of subsidiaries in hyperinflationary countries, including equity, are restated on the basis of changes in the Consumer Price Index (CPI) from the date of initial recognition in the balance sheet to the end of the reporting period. Each line of the profit and loss account is restated on the basis of changes in CPI between the dates when the transactions were realised and the end of the reporting period.
- Assets and liabilities linked by agreement to changes in prices, such as index-linked bonds and loans, are adjusted at the reporting date, in accordance with the agreement.

In a period of inflation, an entity holding an excess of monetary assets over monetary liabilities loses purchasing power and an entity with an excess of monetary liabilities over monetary assets gains purchasing power to the extent the assets and liabilities are not linked to a price level. The gain or loss on the net monetary position, which reflects this gain or loss on purchasing power incurred by the Group during the reporting period, may be derived as the difference resulting from the restatement of non-monetary assets, equity and the profit and loss account and the adjustment of index linked assets and liabilities. This gain or loss is recognised under "Net gain on non-current assets".

Financial statements of these subsidiaries are then translated into euros at the closing rate.

In accordance with the provisions of the IFRIC's decision of March 2020 on classifying the effects of indexation and translation of accounts of subsidiaries in hyperinflationary economies, the Group has opted to present these effects (including the net book value effect at the date of the initial application of IAS 29) within changes in assets and liabilities recognised directly through equity related to exchange differences.

Since 1 January 2022, the Group has applied IAS 29 to the presentation of the accounts of its consolidated subsidiaries located in Türkiye.

1.e NET INTEREST INCOME, INCOME AND EXPENSES FROM COMMISSIONS AND OTHER ACTIVITIES

1.e.1 Net interest income

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

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

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

1.e.2 Income and expenses from commissions and 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 principles set out in five steps. These five steps enable to identify the distinct performance obligations included in the contracts and allocate the transaction price among them. The income related to those performance obligations is recognised as revenue when the latter are satisfied, namely when the control of the promised goods or services has been transferred.

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

Commission

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

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

  Commissions received under financial guarantee commitments are deemed to represent the initial fair value of the commitment. The resulting liability is subsequently amortised over the term of the commitment, in commission income; or
- at a point in time when the service is rendered, in other cases. These include, for example, distribution fees received, loan syndication fees remunerating the arrangement service, advisory fees, *etc*.

Income and expenses from other activities

Margins on property development as well as income and expenses from services provided in connection with lease contracts are recorded under "Income from other activities" in the profit or loss account.

With regard to the revenues and expenses composing the margins of property development transactions, the Group records them in the profit or loss account:

- over time, when the performance obligation creates or enhances an asset over which the customer obtains control as it is created or enhanced (*e.g*. work in progress controlled by the client on the land on which the asset is located, *etc*.), or where the service performed does not create an asset that the entity could otherwise use and gives it an 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.

Provisions and impairment are recognised when the margin above is negative (provisions for onerous contracts and inventories impairment).

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. The corresponding expenses are recognised when the service is rendered. At the same time, provisions are recognised to cover risks mainly related to services provided like risk retention and relay-assistance vehicles.

1.f FINANCIAL ASSETS AND LIABILITIES

Financial assets are classified at amortised cost, at fair value through shareholders' equity or at fair value through profit or loss depending on the business model and the contractual features of the instruments at initial recognition.

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

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

1.f.1 Financial assets at amortised cost

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

Business model criterion

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

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

Cash flow criterion

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

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

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

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

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

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

Some contractual clauses may change the timing or the amount of cash flows. Early redemption options do not call into question the cash flow criterion if the prepayment amount substantially represents the principal amount outstanding and the interest thereon, which may include reasonable compensation for the early termination of the contract. For example, as regards loans to retail customers, the compensation limited to 6 months of interest or 3% of the capital outstanding is considered reasonable. Actuarial penalties, corresponding to the present value of the difference between the residual contractual cash flows of the loan, and their reinvestment in a loan to a similar counterparty or in the interbank market for a similar residual maturity are also considered as reasonable, even when the compensation can be positive or negative (*i.e.* "symmetric" compensation). An option that permits the issuer or the holder of a financial instrument to change the interest rate from floating to fixed rate does not breach the cash flow criterion if the fixed rate is determined at origination, or if it represents the time value of money for the residual maturity of the instrument at the date of exercise of the option. Clauses included in financing granted to encourage the sustainable development of companies which adjust the interest margin depending on the achievement of environmental, social or governance (ESG) objectives and disclosed in chapter 7 of the Universal registration document, do not call into question the cash flow criterion when such an adjustment is considered to be minimal. Structured instruments indexed to ESG market indices do not meet the cash flow criterion.

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

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

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

Recognition

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

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

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

1.f.2 Financial assets at fair value through shareholders' equity

Debt instruments

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

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

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

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

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

Equity instruments

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

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

1.f.3 Financing and guarantee commitments

Financing and financial guarantee commitments that are not recognised at fair value through profit or loss are presented respectively in notes 6.a and 6.b. 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".

The Group may issue performance guarantees in conjunction with integral indemnity agreements that provide the Group the right to claim back any amounts paid out from the party whose non-performance would have led to the guarantee being called. This type of commitment exposes the Group to credit risk and therefore results in the recognition of expected credit losses.

1.f.4 Regulated savings and loan contracts

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

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

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

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

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

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

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

1.f.5 Impairment of financial assets measured at amortised cost and debt instruments measured at fair value through shareholders' equity

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

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

General model

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

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

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

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

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

Definition of default

The definition of default is aligned with the Basel regulatory default definition, with a rebuttable presumption that the default occurs no later than 90 days past due. This definition takes into account the EBA guidelines of 28 September 2016, notably those regarding the thresholds applicable for the counting of past-due and probation periods.

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

Credit-impaired or doubtful financial assets

Definition

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

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

Specific cases of purchased or originated credit-impaired assets

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

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

Simplified model

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

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

Significant increase in credit risk

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

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

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

In the consumer credit specialist business, a significant increase in credit risk is also considered when a past due event has occurred within the last 12 months, even if it has since been regularised. From 2024, this specificity no longer applies to most exposures in the eurozone.

The approaches applied to assess the significant increase in credit risk are detailed in note 2.g *Cost of risk*.

Measurement of expected credit losses

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

In practice, for exposures classified in stage 1 and stage 2, expected credit losses are measured as the product of the probability of default ("PD"), Loss Given Default ("LGD") and Exposure at Default ("EAD"), discounted at the effective interest rate of the exposure (EIR). They result from the risk of default within the next 12 months (stage 1), or from the risk of default over the maturity of the facility (stage 2). In the consumer credit specialist business, because of the specificity of credit exposures, the methodology used is based on the probability of transition to term forfeiture, and on discounted loss rates after term forfeiture. These parameters are measured on a statistical basis for homogeneous populations. From 2024, this specificity no longer applies to most exposures in the Eurozone.

For exposures classified in stage 3, expected credit losses are measured as the value, discounted at the effective interest rate, of all cash shortfalls over the life of the financial instrument. Cash shortfalls represent the difference between the cash flows that are due in accordance with the contract, and the cash flows that are expected to be received. Where appropriate, the estimate of expected cash flows takes into account a cash flow scenario arising from the sale of the defaulted loans or groups of loans. Proceeds from the sale are recorded net of costs to sell.

The methodology developed is based on existing concepts and methods (in particular the Basel framework) on exposures for which capital requirement for credit risk is measured according to the Internal Ratings-Based Approach (IRBA) methodology. This method is also applied to portfolios for which capital requirement for credit risk is measured according to the standardised approach. Besides, the Basel framework has been adjusted in order to be compliant with IFRS 9 requirements, in particular the use of forward-looking information.

Maturity

All contractual terms of the financial instrument are taken into account, including prepayment, extension and similar options. In the rare cases where the expected life of the financial instrument cannot be estimated reliably, the residual contractual term is used. The standard specifies that the maximum period to consider when measuring expected credit losses is the maximum contractual period. However, for revolving credit cards and overdrafts, in accordance with the exception provided by IFRS 9 for these products, the maturity considered for measuring expected credit losses is the period over which the entity is exposed to credit risk, which may extend beyond the contractual maturity (notice period). For revolving credits and overdrafts to non-retail counterparties, the contractual maturity can be used, for example if the next review date is the contractual maturity as they are individually managed.

Probabilities of Default (PD)

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

The determination of the PD is based on the Group's internal rating system, which is described in chapter 5 of the Universal registration document (section 5.4 *Credit risk – Credit risk management policy*). This section describes how Environmental, social and governance (ESG) risks are taken into account in credit and rating policies, notably with the introduction of a new tool: the *ESG Assessment*.

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

1-year PDs are derived from long term average regulatory "through the cycle" PDs to reflect the current situation and macroeconomic scenarios ("Point in Time" or "PIT").

Lifetime PDs are determined based on the rating migration matrices reflecting the expected changes in the rating of the exposure until maturity, and the associated probabilities of default.

Loss Given Default (LGD)

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

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

For guaranteed loans, the guarantee is considered as integral to the loan agreement if it is embedded in the contractual clauses of the loan, or if it was granted concomitantly to the loan, and if the expected reimbursement amount can be attached to a loan in particular (*i.e.* absence of pooling effect by means of a tranching mechanism, or the existence of a global cap for a whole portfolio). In such case, the guarantee is taken into account when measuring the expected credit losses. Otherwise, it is accounted for as a separate reimbursement asset.

The LGD used for IFRS 9 purposes is derived from the Basel LGD parameters. It is adjusted for downturn and conservatism margins (in particular regulatory margins), except for margins for model uncertainties. For corporate clients, this LGD is determined considering macroeconomic scenarios.

Exposure at Default (EAD)

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

Forward-looking information

The amount of expected credit losses is measured on the basis of probability-weighted scenarios, in view of past events, current conditions and reasonable and supportable economic forecasts. From 31 December 2024, forward-looking information specifically takes into account risks related to climate change transition, in particular through the use of long-term scenarios.

The approaches applied to take into account forward-looking information when measuring expected credit losses are detailed in note 2.g *Cost of risk*.

Write-offs

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

If the amount of loss on write-off is greater than the accumulated loss allowance, the difference is recognised as an additional impairment loss in "Cost of risk". For any recovery once the financial asset (or part thereof) is no longer recognised on the balance sheet, the amount received is recorded as a gain in "Cost of risk".

Recoveries through the repossession of the collateral

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

Once ownership of the asset is effective, it is recognised at fair value and classified according to the intent of use.

Restructuring of financial assets for financial difficulties

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

For restructurings not resulting in derecognition of the financial asset, the restructured asset's gross carrying amount is reduced to the discounted amount, using the original effective interest rate of the asset, of the new expected future flows. The change in the gross carrying amount of the asset is recorded in the income statement in "Cost of risk".

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

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

Modifications to financial assets that are not due to a borrower's financial difficulties, or granted in the context of a moratorium (*i.e.* commercial renegotiations) are generally analysed as the early repayment of the former loan, which is then derecognised, followed by the set-up of a new loan at market conditions. If there is no significant repayment penalty, they consist in resetting the interest rate of the loan at market conditions, with the client being in a position to change lender and not encountering any financial difficulties.

Probation periods

The Group applies observation periods to assess the possible return to a better stage. Accordingly, a 3-month probation period is observed for the transition from stage 3 to stage 2 which is extended to 12 months in the event of restructuring due to financial difficulties.

For the transition from stage 2 to stage 1, a probation period of two years is observed for loans that have been restructured due to financial difficulties.

1.f.6 Cost of risk

Cost of risk includes the following items of profit or loss:

- impairment gains and losses resulting from the accounting of loss allowances for 12-month expected credit losses and lifetime expected credit losses ("stage 1" and "stage 2") relating to debt instruments measured at amortised cost or at fair value through shareholders' equity, loan commitments and financial guarantee contracts that are not recognised at fair value as well as lease receivables, contract assets and trade receivables;
- impairment gains and losses resulting from the accounting of loss allowances relating to financial assets (including those at fair value through profit or loss) for which there is objective evidence of impairment ("stage 3"), write-offs on irrecoverable loans and amounts recovered on loans written-off.

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

1.f.7 Financial instruments at fair value through profit or loss

Trading portfolio and other financial assets measured at fair value through profit or loss

The trading portfolio includes instruments held for trading (trading transactions), including derivatives.

Other financial assets measured at fair value through profit or loss include debt instruments that do not meet the "collect" or "collect and sale" business model criterion or that do not meet the cash flow criterion, as well as equity instruments for which the fair value through shareholders' equity option has not been retained. Finally financial assets may be designated as at fair value through profit or loss if this enables the entity to eliminate or significantly reduce a mismatch in the measurement and accounting treatment of assets and liabilities that would otherwise arise if they were to be classified in separate categories.

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

Financial liabilities designated as at fair value through profit or loss

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

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

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

1.f.8 Financial liabilities and equity instruments

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

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

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

Debt securities and subordinated debt

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

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

Issued bonds redeemable or convertible into own equity may contain a debt component and an equity component, determined upon initial recognition of the transaction. In this case, they will be qualified as compound financial instruments.

In this respect, the Group has elected to record contingent convertible bonds issued, without maturity, when convertible into a variable number of own shares on the occurrence of a predetermined trigger event (*e.g.* a decrease in the solvency ratio below a threshold), as compound instruments, to the extent that the coupons on these bonds are paid discretionarily.

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 (notably the undated super subordinated notes) are presented in the balance sheet in "Capital and retained earnings".

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

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

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

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

1.f.9 Hedge accounting

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

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

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

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

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

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

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

- the risk designated as being hedged is the interest rate risk associated with the interbank rate component of interest rates on commercial banking transactions (loans to customers, savings accounts and demand deposits);
- the instruments designated as being hedged correspond, for each maturity band, to a portion of the interest rate gap associated with the hedged underlying;

- the hedging instruments used consist exclusively of "plain vanilla" swaps;
- prospective hedge effectiveness is established by the fact that all derivatives must, on inception, have the effect of reducing interest rate risk in the portfolio of hedged underlying. Retrospectively, a hedge will be disqualified from hedge accounting once a shortfall arises in the underlying specifically associated with that hedge for each maturity band (due to prepayment of loans or withdrawals of deposits).

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

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

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

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

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

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

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

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

1.f.10 Determination of fair value

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

The Group determines the fair value of financial instruments either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (*e.g.* discounted cash flows, Black-Scholes model, and interpolation techniques). They maximise the use of observable inputs and minimise the use of unobservable inputs. They are calibrated to reflect current market conditions and valuation adjustments are applied as appropriate, when some factors such as model, liquidity and credit risks are not captured by the models or their underlying inputs but are nevertheless considered by market participants when setting the exit price.

The unit of measurement is the individual financial asset or financial liability but a portfolio-based measurement can be elected, subject to certain conditions. Accordingly, the Group retains this portfolio-based measurement exception to determine the fair value when some group of financial assets and financial liabilities and other contracts within the scope of the standard relating to financial instruments with substantially similar and offsetting market risks or credit risks is 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 measurement.

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

1.f.11 Derecognition of financial assets and financial liabilities

Derecognition of financial assets

The Group derecognises all or part of a financial asset when the contractual rights to the cash flows of the asset expire, or when the Group transfers the asset – either on the basis of a transfer of the contractual rights to its cash flows, or by retaining the contractual rights to receive the cash flows of the asset while assuming an obligation to pay the cash flows of the asset under an eligible pass-through arrangement – as well as substantially all the risks and rewards of the asset.

Where the Group has transferred the cash flows of a financial asset but has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset and has not in practice retained control of the financial asset, the Group derecognises the financial asset and then records separately, if necessary, an asset or liability representing the rights and obligations created or held as part of the transfer of the asset. If the Group has retained control of the financial asset, it maintains it on its balance sheet to the extent of its continuing involvement in that asset.

Upon the derecognition of a financial asset in its entirety, a gain or loss on disposal is recognised in the profit and loss account for an amount equal to the difference between the carrying amount of the asset and the value of the consideration received, adjusted where appropriate for any unrealised gain or loss previously recognised directly in equity.

If all these conditions are not met, the Group retains the asset in its balance sheet and recognises a liability for the obligations arising on the transfer of the asset.

Derecognition of financial liabilities

The Group derecognises all or part of a financial liability when the liability is extinguished, *i.e.* when the obligation specified in the contract is extinguished, cancelled or expired. A financial liability may also be derecognised in the event of a substantial change in its contractual terms or if exchanged with the lender for an instrument with substantially different contractual terms.

Repurchase agreements and securities lending/borrowing

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

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

Securities lending transactions do not result in derecognition of the lent securities, and securities borrowing transactions do not result in recognition of the borrowed securities on the balance sheet. In cases where the borrowed securities are subsequently sold by the Group, the obligation to deliver the borrowed securities on maturity is recognised on the balance sheet under "Financial liabilities at fair value through profit or loss".

1.f.12 Offsetting financial assets and financial liabilities

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

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

1.g INSURANCE ACTIVITIES

1.g.1 Investments related to insurance activities

IFRS 9 is applied in the same way as to other Group entities (see note 1.f).

Investments of insurance activities include investment property which are measured at fair value as underlying assets of direct participating contracts.

1.g.2 Insurance contracts

The Group applies IFRS 17 to insurance contracts issued, reinsurance contracts issued and held, and discretionary investment contracts issued (if the entity also issues insurance contracts).

The main insurance contracts issued by the Group correspond to:

- contracts covering risks related to persons or property: creditor protection insurance contracts, protection contracts, contracts covering other non-life risks (automobile, multi-risk housing, *etc.*). These contracts are measured according to the general measurement model (Building Block Approach - BBA) or the premium allocation approach (PAA) for contracts eligible for this method;

- life or savings contracts: euro-denominated and multiple saving contracts (invested in a general fund and in unit-linked accounts) with or without insurance risk including a discretionary participating component and unit-linked contracts with a floor guarantee in the event of death. These contracts are measured using the variable fee approach (VFA).

A reinsurance contract (or treaty) is an insurance contract by which an insurer (ceding company or cedent) transfers part of its risks to a reinsurer. The Group acts as reinsurer by accepting risks related to persons or property from external insurers and as ceding company by transferring such risks to external reinsurers. Contracts may be proportional or non-proportional depending on the nature of the risks and the appetite for the risk accepted or retained. They are measured either according to the general model or according to the premium allocation approach since the standard prohibits the use of the variable fee approach for reinsurance contracts.

Investment contracts without discretionary participating features and without insurance risk backed by unit-linked underlying assets are measured at fair value through profit or loss in accordance with IFRS 9.

The methods for measuring and recognising these various contracts according to the measurement model adopted are set out below.

These contracts are described in note 5.d *Assets and liabilities related to insurance contracts*.

Prior separation of components covered by other standards and not closely related

When insurance or investment contracts with discretionary participation include components, which would fall within the scope of another standard if they were separate contracts, an analysis must be carried out to determine whether these components should be accounted for separately. Thus:

- an embedded derivative is separated from the host insurance contract and accounted for under IFRS 9 when its economic characteristics and risks are not closely related to those of the host contract;
- an investment component corresponds to the amount that the insurer is required to repay to the insured in all cases whether the insured event occurs or not. It is separated from the host insurance contract and accounted for under IFRS 9 when it is distinct from the host insurance contract and when equivalent contracts could be sold separately in the same market or legal area. It is not separated if it is closely linked to the host contract. Changes in a non-distinct investment component (and in particular related payments) are not recognised in the profit and loss account;
- a promise to transfer to the policyholder distinct goods or services other than the services of the insurance contract is separated from the host insurance contract and accounted for under IFRS 15.

Insurance contracts

An insurance contract is a contract under which a party, the issuer, assumes a significant insurance risk for another party, the policyholder, by agreeing to indemnify the policyholder if a specified uncertain future event, the insured event, is detrimental to the policyholder.

An insurance risk is significant if, and only if, an insured event can cause the insurer to pay significant additional amounts in any scenario, excluding scenarios that are devoid of commercial substance. A contract transfers a significant insurance risk only if there is a scenario with a commercial substance in which there is a possibility that the issuer will incur a loss based on the present value.

The insurance risks covered by Group entities are:

- either risks related to physical person: mortality (guarantees in the event of death), longevity (guarantees in the event of survival, *e.g.* life annuities), morbidity (guarantees in the event of disability), permanent disability, health (medical coverage), unemployment of physical persons; or
- risks of damage to property and civil liability.

Life or savings contracts issued by Group entities are qualified as insurance contracts if they include a risk in the event of survival (pension contracts with compulsory annuities) or a risk in the event of death (unit-linked contracts with a floor guarantee in the event of death and savings contracts with a guarantee of an additional amount payable in the event of death). In the absence of such risks, these contracts are investment contracts with or without discretionary participating features.

Investment contracts with discretionary participating features

Investment contracts do not expose the insurer to significant insurance risk. They are within the scope of IFRS 17 if they are issued by entities that also issue insurance contracts.

Discretionary participation is defined as the contractual right to receive, in addition to an amount that is not at the issuer's discretion, additional amounts that are likely to represent a significant portion of the total benefits provided under the contract. Benefits, for which the timing or amount is contractually left to the issuer's discretion and that are contractually based on the returns arising from a defined set of contracts or type of contract or on the realised and/or unrealised investment returns from a defined set of assets held by the issuer, or the result of the entity or fund issuing the contract.

Savings contracts invested in a euro-denominated fund and multiple saving contracts invested in unit-linked assets and in a euro-denominated fund are considered by the Group as investment contracts with discretionary participating features, measured using the variable fee approach.

Accounting and measurement

Aggregation of contracts

Insurance contracts are accounted and measured by groups of contracts within portfolios of contracts covering similar risks and managed together. Groups of contracts are determined according to their expected profitability at inception: onerous contracts, profitable contracts with a low risk of becoming onerous, and others. A group of contracts may contain only contracts issued no more than one year apart (corresponding to an annual "cohort"), except where the optional exemption provided for in the European regulation applies, which is the case for life-savings contracts, as described below.

For creditor protection insurance, personal protection insurance and other non-life risks, the Group uses the following discriminatory criteria when constructing portfolios of homogeneous contracts: legal entity, nature of the risks and partner, distributor. The reinsurance contracts accepted shall follow the same principles.

For life and savings contracts, the Group uses the following criteria for portfolios of homogeneous contracts: legal entity, product and underlying assets. Savings and retirement contracts are classified in separate portfolios (including in the period prior to the transition) due to the existence of a risk of longevity in retirement contracts.

For reinsurance contracts held, the Group uses the following criteria: legal entity, underlying item and counterparty. A portfolio can sometimes correspond to a single reinsurance treaty.

Recognition and derecognition

A group of insurance contracts (or reinsurance contracts issued) is recognised from the earliest of the following dates: the beginning of the period of coverage of the group of contracts, the date on which the first payment of a policyholder in the group becomes due (or, in the absence of such a date, when the first payment is received) and, in the case of a group of onerous contracts, the date on which the group becomes onerous.

A group of reinsurance contracts held is recognised from the beginning of the period of coverage of the group of reinsurance contracts held or, if the reinsurance was contracted in anticipation of the coverage of an underlying group of onerous insurance contracts, on the first recognition of that onerous group.

On initial recognition of portfolios of insurance contracts acquired as part of a business combination or a separate transfer, groups of contracts acquired are treated as if the contracts had been issued at the date of the transaction. The consideration received or paid in exchange for the contracts is treated as an approximation of the premiums received for the purpose of calculating the contractual service margin at initial recognition from this amount. In the case of a business combination within the scope of IFRS 3, the consideration received or paid is the fair value of the contracts at that date. For business combinations that have occurred since the first application of IFRS 17, this fair value has been determined by projecting the liabilities valuation under the Solvency 2 prudential approach which constitutes a market benchmark. For onerous contracts, the excess of the fulfilment cash flows over the consideration paid or received is recognised in the goodwill (or the profit resulting from an acquisition on advantageous terms) if it is a business combination and in a separate transfer, in the profit and loss account. For profitable contracts, the difference is recorded as a contractual service margin. In addition, an asset for cash flows related to acquisition costs must be recognised, for its fair value, for the acquisition costs related to the renewal of existing insurance contracts or for the acquisition costs already paid by the acquired company for future contracts.

An insurance contract shall be derecognised when the obligation it covers is extinguished, by payment or maturity, or if the terms of the contract are amended in such a way that the accounting treatment of the contract would have been substantially different if those amendments had originally existed. The derecognition of a contract entails the adjustment of the fulfilment cash flows, the contractual services margin and the coverage units of the group in which it was included.

General measurement model (Building Block Approach – BBA)

Characteristics

The general model for the measurement of insurance contracts is the best estimate of the future cash flows to be paid or received necessary to meet contractual obligations. This estimate should reflect the different possible scenarios and the effect of the options and guarantees included in the contracts within the limit or "contract boundary". The determination of this contract boundary requires an analysis of the rights and obligations arising from the contract and, in particular, of the insurer's ability to change its price to reflect the risks. This leads, for example, to the exclusion of tacit renewals if the tariff can be amended or to the inclusion of such renewals if not.

Cash flows are discounted to reflect the time value of money. They correspond only to cash flows attributable to insurance contracts either directly or through allocation methods: premiums, acquisition and contract management costs, claims and benefits, indirect costs, taxes and depreciation of tangible and intangible assets.

The cash flows estimate is supplemented by an explicit risk adjustment to cover the uncertainty of cash flows for non-financial risk. These two elements constitute the fulfilment cash flows of the contracts. A contractual service margin is added representing the expected gain or loss on future services related to a group of contracts.

If the contractual service margin is positive, it is shown on the balance sheet within the insurance contract's measurement and amortised as the services are rendered; if negative, it is recognised immediately in the income statement. The original loss (or "loss component") is monitored extra-accounting to allow for the subsequent recognition of the insurance service revenue.

Acquisition costs are deducted from the contractual service margin of the group of contracts to which they relate and amortised over the coverage period of contracts.

At each reporting date, the carrying amount of a group of insurance contracts is the sum of the liabilities for the remaining coverage which include the fulfilment cash flows related to future services (best estimate and risk adjustment) and the contractual service margin remaining at that date, and of the liabilities for incurred claims which include the best estimate of the cash flows and the risk adjustment, excluding any contractual service margin. The assumptions used to estimate future cash flows and the non-financial risks adjustment are updated, as well as the discount rate, to reflect the situation at the reporting date.

The contractual service margin is adjusted for changes in the estimates of non-financial assumptions related to future services, capitalised at the inception rate, and then amortised in the income statement for services rendered over the period in the insurance service revenue. In the case of contracts which become onerous, after consumption of the contractual service margin, the loss is recognised in the reporting period. In the case of onerous contracts that become profitable again as a result of favourable changes in assumptions, the contractual service margin is only reconstitued after offsetting the loss component.

The release of expected fulfillment flows (cash flow estimates and risk adjustments) for the period, except for the amount allocated to the loss component, is recorded in insurance service revenue. The change in estimates related to past service (cash flow estimates and risk adjustments) is recognised in "Insurance service expenses".

The Group includes the change in the adjustment for non-financial risk related to past and current services in its entirety in the "Insurance service result".

The Group records in equity the effect of the change in the discount rate on the cash flows. The expense of unwinding the discount is recorded in "Insurance financial income or expenses" based on the initial rate (the inception rate for the liability for remaining coverage, and the rate at claims occurrence date for the liability for incurred claims). The difference between the value of liabilities discounted at the rate fixed at initial date and the value of those same liabilities estimated using current discount rate is recognised in equity. The effect on liabilities of changes in financial variables, in particular the indexation of benefits under the contract, is also recognised in equity.

The discount rate is based on the risk-free rate adjusted for the illiquidity of the liabilities. For protection, the liquidity premium is currently valued at zero due to the short settlement period for claims on the main risks covered and non-transferability to policyholders of the illiquidity of liabilities.

The risk adjustment is determined using the quantile method.

The coverage unit used to amortise the contractual service margin is derived from the risk premium earned during the period.

Contracts concerned

Contracts covering personal or property risks (creditor protection insurance, protection and other non-life risks) are measured according to the general model when the contract boundary, expected changes in cash flows and the time value effect over the coverage period do not make them eligible under the simplified approach, or by operational choice (a single measurement model for short and long contracts).

Measurement model for contracts with direct participation features (Variable Fee Approach – VFA)

Characteristics

Direct participating contracts are insurance or investment contracts for which:

- the contractual terms specify that the policyholder is entitled to a share of a clearly defined portfolio of underlying assets;
- the insurer expects to pay the policyholder a sum corresponding to a substantial portion of the return on the fair value of the underlying assets;
- the insurer expects that any change in the amounts to be paid to the policyholder is, in a substantial proportion, attributable to the change in the fair value of the underlying assets.

Compliance with these conditions is monitored on the underwriting date and is not reviewed later.

For these contracts, for which the insurer has to pay the policyholder an amount corresponding to the fair value of clearly identified underlying assets, less a variable compensation, a specific model (called the "Variable Fee Approach") has been developed by adapting the general model.

At each reporting date, liabilities related to these contracts are adjusted for the return earned and changes in the fair value of the underlying assets: the policyholders' share is recorded in the contract fulfilment cash flows against insurance financial income or expense and the insurer's share corresponding to the variable fee is included in the contractual service margin.

The contractual service margin is also adjusted for the effect of changes in cash flows that do not vary according to the returns on the underlying assets and that relate to future services: estimation of cash flows, risk adjustment, changes in the time value effect of money and changes in the financial risks that do not result from the underlying assets (for example, the effect of financial guarantees).

Changes in the fulfillment cash flows that do not change in connection with the yields of underlying assets and that relate to past service events are recognised in the profit and loss account. This is the case for management fees and attributable costs.

Acquisition cash flows are deducted from the contractual service margin of the group of contracts to which they relate and amortised over the coverage period of the contracts, as in the general model.

Due to the mechanism for allocating the change in the value of the underlying assets between the policyholders and the insurer, the result of these contracts is in principle mainly represented by the release of the fulfilment cash flows and the amortisation of the contractual service margin. When the underlying assets fully support the liabilities and are measured at fair value through profit or loss, the financial result under these contracts should be nil. The Group has chosen the option of reclassifying in shareholders' equity the change in the liabilities related to the underlying assets that are not measured at fair value through profit or loss.

Life and savings contracts meeting the above definition of direct participating contracts are valued using the variable fee approach. When these contracts include a surrender value, it meets the definition of a non-distinct investment component and changes in that investment component (including related payments) are therefore not recognised in the income statement.

The Group has chosen to apply the option introduced by the European regulation not to divide the portfolios of participating contracts based on intergenerational mutualisation by annual cohort. As a result of this choice, the assessment of the onerousness is made on the basis of the portfolio and not on the basis of the annual cohorts.

The contract boundary includes future payments as long as the applicable pricing is not modifiable (*e.g.* acquisition or management loadings), as well as the annuity phase in service when contracts provide for a mandatory annuity or optional (in this case, the option is probabilistic).

The discount rate is based on the risk-free rate, extrapolated over the duration exceeding the period for which observable data are available and adjusted by a liquidity premium on the basis of the underlying assets to reflect the illiquidity of the liabilities.

The risk adjustment is determined by combining the cost of capital method without considering the risk of mass lapses, including future payments and considering only attributable costs, and the quantile method for the free payment component.

The coverage unit used to amortise the contractual service margin is the change in savings due to policyholders (determined at present value), adjusted to take into account the impact of the real return on financial or property assets compared with the actuarial neutral risk projection.

Contracts concerned

Insurance contracts and investment contracts with discretionary participating features backed by pools of underlying assets commonly referred to as "general funds" or "policyholders' funds" that correspond to pools of assets isolated analytically, contractually or in regulation, as well as unit-linked contracts with a floor guarantee in case of death and multiple saving contracts backed by assets such as a "general fund", are measured using the variable fee approach.

The option provided for in the European regulation related to the annual cohort exemption is applied to insurance contracts and investment contracts with discretionary participation features where the policyholders' profit-sharing is mutualised between the different generations of policyholders: these are euro-denominated or multiple saving contracts including a euro-denominated fund, in France, Italy and Luxembourg.

The liabilities for incurred claims are measured using the variable fee approach if they are sensitive to changes in the value of the underlying assets and the general model if they are not.

Simplified measurement model (Premium Allocation Approach – PAA)

Characteristics

Short-term contracts (less than one year) may be measured using a simplified approach known as the premium allocation approach, also applicable to longer-term contracts if it leads to results similar to those of the general model in terms of liability for the remaining coverage.

Contracts with a long contract boundary, where significant changes in cash flows are expected over the coverage period, or where the time value effect over the coverage period is material, are not eligible for the simplified approach.

For profitable contracts, the liability for the remaining coverage corresponds to the deferral of premiums collected according to a profile representing the remaining coverage at the reporting date. For onerous contracts, deferred premiums are supplemented by an estimate of the expected loss over the coverage period. Liabilities for incurred claims are valued according to the general model. In this case, the method used to determine the risk adjustment is the same as for the general model.

The Group has chosen the option of deferring acquisition costs over the coverage duration and therefore presenting them as a deduction of the deferred premiums, except where the coverage of the contracts coincides with the calendar year or the deferred acquisition costs are not material.

Liabilities for incurred claims are discounted if the expected settlement of claims takes place after one year from the date of occurrence. The discount expense is recognised in insurance financial income or expenses as in the general model. In this case, the option to classify the effect of changes in the discount rate into equity is also applicable. The Group has retained this option for the liabilities for incurred claims.

At each reporting date, the adjustment of liabilities for remaining coverage and for incurred claims is recognised in profit or loss.

Contracts concerned

Creditor protection insurance, personal protection insurance and other non-life insurance contracts, are measured using the simplified approach if the conditions are met (unless the general model is chosen for operational reasons).

Treatment of the reinsurance

Reinsurance contracts issued (reinsurance accepted)

Reinsurance accepted shall be treated as insurance contracts issued, either in the general model or in the simplified model, depending on the duration of the reinsurance contracts.

The Group accepts mainly risks corresponding to those it covers as a direct insurer under proportional or non-proportional treaties.

Reinsurance contracts held (reinsurance ceded)

The reinsurance ceded is also treated according to the general or simplified model, but the equivalent of the contractual service margin represents the expected gain or loss on the reinsurance and may be positive or negative. If a reinsurance contract offsets the losses of an underlying group of onerous contracts, the reinsurance gain is recognised immediately in profit or loss. This "loss recovery component" is used to record amounts that are subsequently presented in net income.

In addition, contract execution flows include the reinsurer's risk of non-performance.

The Group cedes on reinsurance the risks it wishes to hedge (for example, non-proportional treaties covering peak risk, the risk of accumulation or exceeding the desired retention) or under the risk-sharing framework of proportional treaties for technical or commercial reasons.

The reinsurance contracts held are measured by the Group using the simplified approach or the general model.

Presentation in the balance sheet and in the profit and loss

The Group has chosen to present the investments of insurance activities and their results separately from the financial assets and liabilities of banking activities.

Financial income or expenses from issued insurance contracts are presented separately between the profit and loss account and shareholders' equity for portfolios for which this breakdown has been deemed relevant, as allowed by the standard. For the Protection contracts liabilities measured under the general model and for the liabilities for incurred claims arising from contracts measured under the simplified model, this choice for portfolios classification was made by taking into account both the effects in the profit and loss account of the undiscounting of the liabilities and the accounting treatment of the assets backing them. For contracts measured using the variable fee approach, this choice was made to offset any accounting mismatch that may exist in the profit and loss account between the effect of changes in fair value from insurance or investment liabilities and that from the underlying assets when these are not recognised at fair value through profit or loss.

Insurance contracts may be distributed and managed by non-insurance entities of the Group that are remunerated as such by commissions paid by insurance entities. The measurement model for insurance contracts requires projecting in the contract fulfilment cash flows the acquisition and management costs that will be paid in the future and presenting in the profit and loss account, the release of the estimated costs for the period on the one hand, and on the other, the actual costs. For commissions between consolidated companies in the Group, the Group restates the internal margin on the balance sheet and in the profit and loss account (in the breakdown of insurance liabilities and the related results between cash flows and contractual service margin) by presenting as insurance service expenses the portion of the general expenses (excluding internal margins) of the banking entities that can be attributed to the insurance activity. The internal distributors' margins are determined based on standardised management data for each of the related networks.

Effect of accounting estimates in interim financial statements

The Group has elected under IFRS 17 to record in its annual financial statements the effects of changes in accounting estimates relating to insurance contracts issued or held, without taking into account estimates previously made in its interim financial statements.

1.h PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS

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

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

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

Investment property is recognised at cost, except for those held as underlying assets under participating direct contracts (as amended by IAS 40), which are measured at fair value through profit or loss and presented in the balance sheet under "Investments related to insurance activities" (see note 1.g.1).

Property, plant and equipment and intangible assets are initially recognised at purchase price plus directly attributable costs, together with borrowing costs where a long period of construction or adaptation is required before the asset can be brought into service. By way of exception, property occupied by the holder entity that is an underlying component of direct participating contracts is measured at fair value (by amendment to IAS 16).

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

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

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

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

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

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

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

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

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

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

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

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

1.i LEASES

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

1.i.1 Group company as lessor

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

Finance leases

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

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

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

Operating leases

An operating lease is a contract under which most of the risks and rewards of ownership of the leased asset are not transferred to the lessee.

The leased asset is initially recognised by the lessor as a tangible asset for its acquisition price less residual value and subsequently depreciated on a straight-line basis over its useful life. The asset depreciation charge and lease payments are recognised in profit and loss over the lease term respectively in "Income from other activities" and "Expense on other activities" line items.

Vehicles leased by the Group and classified under operating leases are assets with an average lease term of between one and five years.

The cost of acquiring these assets includes their purchase price, as well as any directly attributable costs necessary to make the vehicle available to the lessee customers. Residual value is a statistical model estimate of the resale value of the asset and is reestimated at each reporting date, taking into account, in particular, historical data on the sale of vehicles in the second-hand market and the specific context of each geographical area. In the event of a change in the amount of the residual value of the asset relative to its estimated value, a forward-looking adjustment to the depreciation plan is made vehicle by vehicle.

1.i.2 Group company as lessee

Lease contracts concluded by the Group, with the exception of contracts whose term is shorter than or equal to 12 months and low-value contracts, are recognised in the balance-sheet in the form of a right-of-use on the leased asset presented under fixed assets, along with the recognition of a financial liability for the rent and other payments to be made over the leasing period. The right of use assets is amortised on a straight-line basis and the financial liabilities are amortised on an actuarial basis over the lease period. Dismantling costs corresponding to specific and significant fittings and fixtures are included in the initial right-of-use estimation, in counterparty of a provision liability.

The key hypotheses 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 selected lease term can be of three, six or nine years, depending on the reasonably foreseeable economic duration of the contracts. When investments like fittings or fixtures are performed under the contract, the lease term is aligned with their useful lives. For tacitly renewable contracts, with or without an enforceable period, related right of use and lease liabilities are recognised based on an estimate of the reasonably foreseeable economic life of the contracts, minimal occupation period included;
- the discount rate used to measure the right of use and the lease liability is assessed for each contract as the interest rate implicit in the lease, if that rate can be readily determined, or more generally based on the incremental borrowing rate of the lessee at the date of signature. The incremental borrowing rate is determined considering the average term (duration) of the contract;
- when the contract is modified, a new assessment of the lease liability is made taking into account the new residual term of the contract, and therefore a new assessment of the right of use and the lease liability is established.

1.j ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Where the Group decides to sell assets or a group of assets and liabilities and it is highly probable that the sale will occur within 12 months, these assets are shown separately in the balance sheet, on the line "Assets held for sale". Any liabilities associated with these assets are also shown separately in the balance sheet, on the line "Liabilities associated with assets held for sale". When the Group is committed to a sale plan involving loss of control of a subsidiary and the sale is highly probable within 12 months, all the assets and liabilities of that subsidiary are classified as held for sale.

Once classified in this category, assets and the group of assets and liabilities are measured at the lower of carrying amount or fair value less costs to sell.

Such assets are no longer depreciated. If an asset or group of assets and liabilities becomes impaired, an impairment loss is recognised in the profit and loss account. Impairment losses may be reversed.

Where a group of assets and liabilities held for sale represents a cash generating unit, it is categorised as a "discontinued operation". Discontinued operations include operations that are held for sale, operations that have been shut down, and subsidiaries acquired exclusively with a view to resell.

In this case, gains and losses related to discontinued operations are shown separately in the profit and loss account, on the line "Net income from discontinued activities". This line includes after tax profits or losses of discontinued operations, after tax gain or loss arising from remeasurement at fair value less costs to sell, and after tax gain or loss on disposal of the operation.

1.k EMPLOYEE BENEFITS

Employee benefits are classified into 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 this compensation 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 plan assets (if any).

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.l SHARE-BASED PAYMENTS

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

Stock option and share award plans

The expense related to stock option and share award plans is recognised over the vesting period, if the benefit is conditional upon the grantee's continued presence at the vesting date.

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 an enforceable condition consisting in 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 enforceable condition, the expense is not deferred, but recognised immediately with a corresponding liability in the balance sheet. This is then revised on each reporting date until settlement to take into account any performance conditions and the change in the BNP Paribas share price.

1.m PROVISIONS RECORDED UNDER LIABILITIES

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

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

1.n CURRENT AND DEFERRED TAX

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

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

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

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

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

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

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

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

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

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

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

In accordance with the provisions of IAS 12, the Group applies the mandatory and temporary exception not to recognise deferred taxes associated with the additional tax resulting from the minimum income tax applied by international groups.

1.o CASH FLOW STATEMENT

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

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

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

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

1.p USE OF ESTIMATES IN THE PREPARATION OF THE FINANCIAL STATEMENTS

Preparation of the financial statements requires managers of core businesses and corporate functions to make assumptions and estimates that are reflected in the measurement of income and expense in the profit and loss account and of assets and liabilities in the balance sheet, and in the disclosure of information in the notes to the financial statements. This requires the managers in question to exercise their judgement and to make use of information available at the date of the preparation of the financial statements when making their estimates. The actual future results from operations where managers have made use of estimates may in reality differ significantly from those estimates, mainly according to market conditions. This may have a material effect on the financial statements.

This applies in particular to:

- the analysis of the cash flow criterion for specific financial assets;
- the measurement of expected credit losses. This applies in particular to the assessment of significant increase in credit risk, the models and assumptions used to measure expected credit losses, including those relating to climate risks, the determination of the different economic scenarios and their weighting;
- the analysis of renegotiated loans, in order to assess whether they should be maintained on the balance-sheet or derecognised;
- the assessment of an active market, and the use of internally developed models for the measurement of the fair value of financial instruments not quoted in an active market classified in "Financial assets at fair value through equity", or in "Financial instruments at fair value through profit or loss", whether as assets or liabilities, and more generally calculations of the fair value of financial instruments subject to a fair value disclosure requirement;
- the assumptions applied to assess the sensitivity to each type of market risk of the market value of financial instruments and the sensitivity of these valuations to the main unobservable inputs as disclosed in the notes to the financial statements;
- the appropriateness of the designation of certain derivative instruments such as cash flow hedges, and the measurement of hedge effectiveness;
- impairment tests performed on intangible assets;
- the estimation of residual assets values under simple lease agreements. These values are used as a basis for the determination of depreciation as well as any impairment, notably in relation to the effect of environmental considerations on the evaluation of future prices of second-hand vehicles;
- the deferred tax assets;
- the measurement of insurance liabilities and assets, and investment contracts with discretionary participation, by groups of contracts, on the basis of discounted and probability weighted future fulfilment cash flows, based on assumptions that can be derived from market or entity-specific data, and the recognition of the results of such contracts on the basis of the services rendered over the coverage period;
- the measurement of uncertainty over income tax treatments and other provisions for contingencies and charges. In particular, while investigations and litigations are ongoing, it is difficult to foresee their outcome and potential impact. Provision estimation is established by taking into account all available information at the date of the preparation of the financial statements, in particular the nature of the dispute, the underlying facts, the ongoing legal proceedings and court decisions, including those related to similar cases. The Group may also use the opinion of experts and independent legal advisers to exercise its judgement.

Note 2 NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 2024

2.a NET INTEREST INCOME

The BNP Paribas Group includes in "Interest income" and "Interest expense" all income and expense calculated using the effective interest method (interest, fees and transaction costs) from financial instruments measured at amortised cost and financial instruments measured at fair value through equity.

These items also include the interest income and expense of non-trading financial instruments the characteristics of which do not allow for recognition at amortised cost or at fair value through equity, as well as of financial instruments that the Group has designated as at fair value through profit or loss. The change in fair value on financial instruments at fair value through profit or loss (excluding accrued interest) is recognised under "Net gain on financial instruments at fair value through profit or loss".

Interest income and expense on derivatives accounted for as fair value hedges are included with the revenues generated by the hedged item. Similarly, interest income and expense arising from derivatives used to hedge transactions designated as at fair value through profit or loss is allocated to the same accounts as the interest income and expense relating to the underlying transactions.

In the case of a negative interest rates related to loans and receivables or deposits from customers and credit institutions, they are accounted for in interest expense or interest income respectively.

In millions of euros	Year to 31 Dec. 2024			Year to 31 Dec. 2023		
	Income	Expense	Net	Income	Expense	Net
Financial instruments at amortised cost	**69,819**	**(52,364)**	**17,455**	**66,886**	**(48,617)**	**18,269**
Deposits, loans and borrowings	59,598	(39,095)	20,503	59,019	(36,827)	22,192
Repurchase agreements	815	(1,248)	(433)	681	(1,295)	(614)
Finance leases	3,134	(118)	3,016	2,480	(109)	2,371
Debt securities	6,272		6,272	4,706		4,706
Issued debt securities and subordinated debt		(11,903)	(11,903)		(10,386)	(10,386)
Financial instruments at fair value through equity	**2,892**	**-**	**2,892**	**1,856**	**-**	**1,856**
Financial instruments at fair value through profit or loss (Trading securities excluded)	**305**	**(1,595)**	**(1,290)**	**243**	**(1,454)**	**(1,211)**
Cash flow hedge instruments	**3,916**	**(1,961)**	**1,955**	**3,897**	**(1,741)**	**2,156**
Interest rate portfolio hedge instruments	**6,088**	**(7,497)**	**(1,409)**	**6,660**	**(8,600)**	**(1,940)**
Lease liabilities	**-**	**(79)**	**(79)**	**-**	**(72)**	**(72)**
TOTAL INTEREST INCOME/(EXPENSE)	**83,020**	**(63,496)**	**19,524**	**79,542**	**(60,484)**	**19,058**

Net interest income notably includes an expense of EUR 36 million for the year ended 2024, compared with EUR 938 million for the year ended 2023, due to the adjustment of economic hedges consecutive to the changes in the TLTRO terms and conditions mentioned below.

Net interest income includes funding costs related to Global Markets, whose revenues are mainly accounted for in "Net gain on financial instruments at fair value through profit or loss" (see note 2.c), as well as to Arval, whose income from operating leases is presented in note 2.e.

The evolution of the net interest income is therefore to be analysed in conjunction with those observed for these lines.

Interest income on individually impaired loans amounted to EUR 338 million for the year ended 2024, compared with EUR 342 million for the year ended 2023.

The Group subscribed to the TLTRO III (*Targeted Longer-Term Refinancing Operations*) programme, as modified by the Governing Council of the European Central Bank in March 2020, in December 2020 and in October 2022 (see note 4.g). The Group achieved the lending performance thresholds that enabled it to benefit from favourable interest rate conditions applicable for each of the reference period, namely:

- over the two special interest periods (*i.e.* from June 2020 to June 2022): the average deposit facility rate ("DFR") -50 basis points, or -1%;
- over the next period (*i.e.* from June 2022 to November 2022): the average of the DFR between the TLTRO III initial date of subscription and 22 November 2022, *i.e.*, for the main draws, -0.36% for the June 2020 tranche and -0.29% for the March 2021 tranche;

- over the last period (since 23 November 2022): the average of the DFR between 23 November 2022 and the redemption date. The average effective interest rate for the latter period was 3.3% (1.64% until 31 December 2022, 3.31% for the year 2023 and 3.89% for the year 2024 until 29 September 2024, the date of repayment of the last tranche of TLTRO III borrowings).

This floating interest rate is considered as a market rate since it is applicable to all financial institutions meeting the lending criteria defined by the European Central Bank. The effective interest rate of these financial liabilities is determined for each reference period, its two components (reference rate and margin) being adjustable; it corresponds to the nominal interest rate. The addition of the last interest period in October 2022 is part of the European Central Bank's monetary policy and is therefore not considered a contractual amendment according to IFRS 9 but a revision of the market rate.

2.b COMMISSION INCOME AND EXPENSE

	Year to 31 Dec. 2024			Year to 31 Dec. 2023		
In millions of euros	Income	Expense	Net	Income	Expense	Net
Customer transactions	5,466	(1,488)	3,978	4,997	(1,250)	3,747
Securities and derivatives transactions	2,619	(2,004)	615	2,483	(1,965)	518
Financing and guarantee commitments	1,267	(92)	1,175	1,155	(189)	966
Asset management and other services	5,549	(431)	5,118	5,176	(367)	4,809
Others	1,295	(1,480)	(185)	1,200	(1,419)	(219)
COMMISSION INCOME AND EXPENSE	**16,196**	**(5,495)**	**10,701**	**15,011**	**(5,190)**	**9,821**
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	*3,243*	*(410)*	*2,833*	*3,133*	*(360)*	*2,773*
of which commission income and expense on financial instruments not measured at fair value through profit or loss	*3,421*	*(311)*	*3,110*	*3,133*	*(453)*	*2,680*

2.c NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

These income items include dividends on these instruments and exclude interest income and expense from financial instruments designated as at fair value through profit or loss and instruments whose cash flows are not only repayments of principal and interest on the principal or whose business model is not to collect cash flows nor to collect cash flows and sell the assets, which are presented in "Net interest income" (see note 2.a).

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Financial instruments held for trading	**11,633**	**13,801**
Interest rate and credit instruments	(1,406)	8,948
Equity financial instruments	12,794	3,184
Foreign exchange financial instruments	6,269	5,452
Loans and repurchase agreements	(6,048)	(4,515)
Other financial instruments	24	732
Financial instruments designated as at fair value through profit or loss	**(964)**	**(3,985)**
Other financial instruments at fair value through profit or loss	**797**	**565**
Impact of hedge accounting	**103**	**(35)**
Fair value hedging derivatives	1,677	(1,247)
Hedged items in fair value hedge	(1,574)	1,212
NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**11,569**	**10,346**

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

Net gain on financial instruments held for trading in 2024 and 2023 includes a non-material amount related to the ineffective portion of cash flow hedges.

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

Cumulated changes in fair value related to discontinued cash flow hedge relationships, previously recognised in equity and included in 2024 in profit and loss accounts are not material, whether the hedged item ceased to exist or not.

2.d NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH EQUITY

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Net gain on debt instruments	145	(56)
Dividend income on equity instruments	64	84
NET GAIN ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH EQUITY	**209**	**28**

Interest income from debt instruments is included in note 2.a *Net interest income*, and impairment losses related to potential issuer default are included in note 2.g *Cost of risk*.

2.e NET INCOME FROM OTHER ACTIVITIES

	Year to 31 Dec. 2024			Year to 31 Dec. 2023		
In millions of euros	Income	Expense	Net	Income	Expense	Net
Net income from investment property	53	(24)	29	54	(28)	26
Net income from assets held under operating leases	19,556	(15,729)	3,827	15,787	(12,103)	3,684
Net income from property development activities	308	(277)	31	488	(416)	72
Other net income	2,005	(1,515)	490	2,231	(1,778)	453
TOTAL NET INCOME FROM OTHER ACTIVITIES	**21,922**	**(17,545)**	**4,377**	**18,560**	**(14,325)**	**4,235**

2.f OPERATING EXPENSES

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Salary and employee benefit expense for banking activities	(18,143)	(17,775)
Other operating expenses for banking activities	(9,913)	(11,221)
of which external services and other operating expenses	*(8,737)*	*(8,865)*
of which taxes and contributions(1)	*(1,176)*	*(2,356)*
Insurance activities non-attributable costs *(note 5.b)*	(832)	(758)
Reclassification of expenses incurred by internal distributors attributable to insurance contracts	1,085	1,041
OPERATING EXPENSES	**(27,803)**	**(28,713)**

(1) Contributions to the Single Resolution Fund, including exceptional contributions, amounted to EUR 5 million for the year ended 2024 compared with EUR 1,002 million for the year ended 2023.

Taxes and contributions, including those related to insurance activities, amounted to EUR 1,273 million for the year ended 2024 (compared with EUR 2,442 million for the year ended 2023). This is due in particular to the absence of contributions collection for the Single Resolution Fund in 2024.

Expenses directly attributable to insurance contracts are presented in "Net income from insurance activities". These costs consist mainly of distribution commissions paid for the acquisition of the contracts and other costs necessary for handling the contracts. They are included in the fulfilment expenses within the "Insurance service result" (see note 5.a).

Expenses attributable to insurance contracts include the operating expenses incurred by the Group banking networks to distribute insurance contracts. Related costs are assessed on the basis of the commissions paid by the insurance entities to the internal distributors less their margin. These costs are excluded from "Operating expenses" to be included in the contracts fulfilment cash flows through the "Reclassification of expenses incurred by internal distributors attributable to insurance contracts".

Operating costs not directly attributable to insurance contracts are included in "Operating expenses".

Reconciliation by type and by function of insurance activities operating expenses is presented in note 5.b.

2.g COST OF RISK

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

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

Both steps rely on forward-looking information.

Significant increase in credit risk

At 31 December 2022, BNP Paribas revised its criteria for assessing the significant increase in credit risk in line with the recommendations issued by the European Banking Authority and the European Central Bank.

Under these criteria, credit risk is assumed to have significantly increased, and the asset is classified in stage 2, if the probability of default to maturity of the instrument has increased at least threefold since its origination. This relative variation criterion is supplemented by an absolute variation criterion of the default probability of 400 basis points.

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

- the facility is assumed to be in stage 1 when its 1-year "Point in Time" probability of default (PiT PD), including forward-looking information, is below 0.3% at the reporting date, since changes in probability of default due to credit downgrades in this zone are not material, and therefore not considered "significant";
- when the 1-year PiT PD is greater than 20% at the reporting date, given the Group's credit issuance practices, the deterioration is considered significant, and the facility is classified in stage 2 (as long as the facility is not credit-impaired).

In the consumer credit specialist business, the existence of a payment incident during the last 12 months, potentially regularised, is considered to be an indication of significant increase in credit risk and the facility is therefore classified in stage 2. From 2024, this specificity no longer applies to most exposures in the Eurozone.

Credit risk is assumed to have increased significantly since initial recognition and the asset is classified in stage 2 in the event of late payment of more than 30 days or restructuring due to financial difficulties (as long as the facility is not credit-impaired). Since 31 December 2023, performing corporate clients placed under credit watch are systematically downgraded to stage 2.

In 2022, the internal ratings of the Russian counterparties (including the sovereign rating) were systematically downgraded to take into account the geopolitical situation of the country, thus leading to the transfer of their outstandings to stage 2. However, given the Group's limited level of exposure to this country, this deterioration had no significant effect on the cost of risk.

Forward-Looking Information

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

Regarding the measurement of expected credit losses, the Group has chosen to use 4 macroeconomic scenarios by geographic area covering a wide range of potential future economic conditions:

- a baseline scenario, consistent with the scenario used for budgeting and forecasting;
- a favourable scenario, capturing situations where the economy performs better than anticipated;
- an adverse scenario, corresponding to the scenario used for the Group's quarterly stress tests;
- a severe scenario corresponding to a shock of magnitude greater than that of the adverse scenario.

The link between the macroeconomic scenarios and the ECL measurement is mainly achieved through a modelling of the probabilities of default and deformation of migration matrices based on internal rating (or risk parameter). The probabilities of default determined according to these scenarios are used to measure expected credit losses in each of these scenarios.

The Group's setup is broken down by sector to take into account the heterogeneity of sectoral dynamics when assessing the probability of default for corporates.

Forward-looking information is also considered when determining the significant deterioration in credit risk. As a matter of fact, the probabilities of default used as the basis for this assessment include forward-looking multi-scenario information in the same way as for the calculation of the expected losses.

The weight to be attributed to the expected credit losses calculated in each of the scenarios is defined as follows:

- the weight of the baseline scenario is 50%;
- the weight of the three alternative scenarios is defined according to the position in the credit cycle. In this approach, the adverse scenario carries more weight in situations at the upper end of the cycle than those at the lower end of the cycle, in anticipation of a potential downturn in the economy;
- the weight of the favourable scenario is at least 10% and at most 40%;
- the total weight of adverse scenarios fluctuates symmetrically with the favourable also within a range of 10% to 40%; with a severe component representing 20% of this weight with a minimum weight of 5%.

When appropriate, the ECL measurement can take into account asset sale scenarios.

Macroeconomic scenarios

The four macroeconomic scenarios are defined over a three-year projection horizon. They correspond to:

- a baseline scenario, which describes the most likely path of the economy over the projection horizon. This scenario is updated on a quarterly basis and is prepared by the Group Economic Research Department in collaboration with various experts within the Group. Projections are designed for each key market of the Group (France, Italy, Belgium, the United States, and the Eurozone) using key macroeconomic variables (Gross Domestic Product - GDP - and its components, unemployment rate, consumer prices, interest rates, foreign exchange rates, oil prices, real estate prices, *etc.*) which are key drivers for modelling risk parameters used in the stress test process;
- an adverse scenario, which describes the impact of the materialisation of some of the risks weighing on the baseline scenario, resulting in a much less favourable economic path than in the baseline scenario. The GDP shock is applied with varying magnitudes, but simultaneously, to the economies under consideration. Generally, these assumptions are broadly consistent with those proposed by the regulators. The calibration of shocks on other variables (*e.g.* unemployment, consumer prices, interest rates, *etc.*) is based on models and expert judgment;
- a severely adverse scenario, which is an aggravated version of the adverse scenario;
- a favourable scenario, which reflects the impact of the materialisation of some of the upside risks for the economy, resulting in a more favourable economic path. The favourable shock on GDP is deducted from the structural adverse shock on GDP in such a way that the probabilities of the two shocks are equal on average over the cycle. Other variables (*e.g.* unemployment, inflation, interest rates, *etc.*) are defined in the same way as in the adverse scenario.

The link between the macroeconomic scenarios and the measurement of the ECL is complemented by an approach allowing to take into account anticipation aspects not captured by the models in the generic approach. This is particularly the case when unprecedented events in the historical chronicle taken into account to build the models occur or are anticipated, or when the nature or amplitude of change in macroeconomic parameter calls into question past correlations. Thus, the situation of high inflation and the level of interest rates previously recorded were not observed in the reference history. In this context, the Group has developed an approach to take into account the future economic outlook when assessing the financial strength of counterparties. This approach involves projecting the impact of higher interest rates on customers' financial ratios, notably considering their level of indebtedness. Credit ratings and associated probabilities of default are revalued based on these simulated financial ratios. This approach is also used to anticipate the effect of lower prices of commercial properties. Starting in 2024, this approach is also used to complete the prospective assessment of the potential consequences of climate change (transition and physical risks) on the credit risk of corporate counterparties and mortgages. At the end of 2024, physical risks are accounted for through a post-model adjustment.

Baseline scenario

In 2024, global activity grew at a relatively moderate pace. In the Eurozone, activity returned to growth, supported by the positive impact of disinflation on real incomes and consumption, and the gradual easing of monetary conditions. In the United States, the economy remained strong. At 31 December 2024, annual growth forecasts were +0.8% in the Eurozone and +2.7% in the United States (compared to expectations of +0.8% and +0.7% respectively at 31 December 2023).

Over the 2025-2027 period, the baseline scenario assumes a gradual continuation of the recovery in the eurozone, which would result from a strengthening of private domestic demand, as public spending is expected to be more constrained. In the United States, a deceleration in growth is assumed, after a few years of strong expansion.

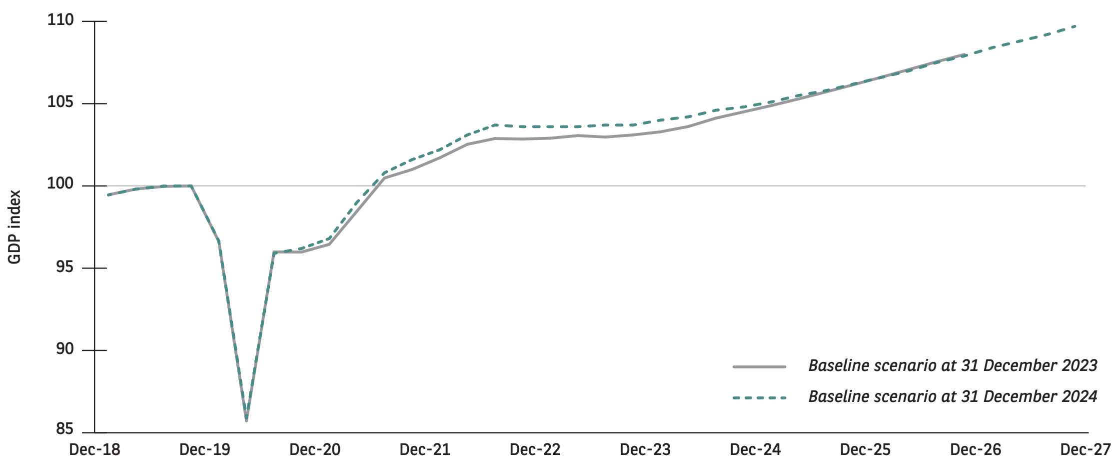
Inflation has continued to slow over the course of 2024, moving closer to the targets of major central banks. This has allowed most of them (ECB, Federal Reserve, Bank of England, *etc.*) to start a rate cut cycle. This monetary policy adjustment is expected to extend in 2025. Then, central bank rates are expected to remain stable over the following years (2026-2027), in the presence of controlled inflation, evolving around 2%.

Long-term interest rates in 2023-2024 reached levels not seen in more than a decade and are assumed to remain relatively stable over the projection horizon (with no significant changes in growth and inflation scenarios).

The uncertainty surrounding the baseline scenario appears to be relatively high. The current geopolitical context, marked by two major ongoing conflicts (invasion of Ukraine, conflict in the Middle East) and significant tensions in other regions (in Asia in particular), is likely to evolve rapidly. Additionally, the presidential shift in the United States in January 2025 may lead to notable changes in economic policy, particularly concerning customs duties, which could impact the global economy.

The graph below presents a comparison of Eurozone GDP projections used in the baseline scenario for the calculation of ECLs on 31 December 2024 and 31 December 2023.

➤ EUROZONE GDP: INDEX BASE 100 AT THE FOURTH QUARTER OF 2019



MACROECONOMIC VARIABLES, BASELINE SCENARIO AT 31 DECEMBER 2024

(annual averages)	2024	2025	2026	2027
GDP growth rate				
Eurozone	0.8%	1.1%	1.5%	1.6%
France	1.2%	0.8%	1.3%	1.6%
Italy	0.5%	0.7%	1.3%	1.3%
Belgium	1.1%	1.3%	1.5%	1.5%
United States	2.7%	1.9%	1.9%	1.7%
Unemployment rate				
Eurozone	6.4%	6.6%	6.4%	6.0%
France	7.6%	7.7%	7.4%	6.7%
Italy	6.6%	6.7%	6.8%	6.7%
Belgium	5.6%	5.8%	5.7%	5.6%
United States	4.0%	4.2%	4.0%	4.0%
Inflation rate				
Eurozone	2.4%	1.9%	2.0%	2.1%
France	2.3%	1.4%	1.9%	1.9%
Italy	1.1%	1.9%	2.0%	2.1%
Belgium	4.3%	2.8%	2.2%	2.2%
United States	2.9%	2.1%	2.3%	2.3%
10-year sovereign bond yields				
Germany	2.37%	2.45%	2.50%	2.50%
France	2.99%	3.20%	3.25%	3.25%
Italy	3.75%	3.75%	3.80%	3.80%
Belgium	2.95%	3.05%	3.10%	3.10%
United States	4.19%	4.25%	4.25%	4.25%

Adverse and severely adverse scenarios

The adverse and severely adverse scenarios assume that some downside risks will materialise, resulting in much less favourable economic paths than in the baseline scenario.

The following main risks are identified:

- **Geopolitical risks.** Geopolitical tensions can weigh on the global economy through various channels, such as shocks on commodity prices, financial markets, business confidence, supply chains and trade. These developments are likely to lead simultaneously to higher inflation and a slowdown in activity, further complicating the task of central banks;
- **Trade and globalisation.** Tensions related to trade and globalisation have increased in recent years, leading to some fragmentation of the global economy. While tariff and non-tariff barriers have already increased significantly, additional protectionist measures between main economic areas (*e.g.* US, China, and the EU) are likely. They are susceptible to lead to higher prices and weigh on activity.
- **Public finances.** Numerous governments face a combination of elevated debt levels, higher borrowing costs and moderate growth. This constitutes a challenging environment for public finances at a time when governments face major structural challenges (climate action, defence capabilities, age-related outlays). These developments could give birth in some countries to market tensions (widening sovereign bond spreads) and affect activity through several channels (higher interest rates, higher taxes, reduced government spending).
- **Climate events and policies.** Climate change related developments can generate adverse shocks through various channels. First, announced climate policy measures are susceptible to trigger social protests, raise uncertainties, weigh on confidence; these developments can generate turbulences in financial markets and put a brake on some spending categories. Second, extreme weather events may disrupt activity (destructions, supply chain disruptions), weigh on real estate prices and take insurance and financial market premia up.

The adverse and severe scenarios assume the materialisation of these identified risks from the first quarter of 2025. While downside risks are shared by these scenarios, the impacts are assumed to be markedly higher in the severely adverse scenario, due to both more pronounced direct shocks notably higher commodity prices, and the development of a negative spiral between key driving factors (activity, public debt, bond yields, equity markets).

Among the considered countries, GDP levels in the adverse scenario stand between 7.8% and 11.2% lower than in the baseline scenario at the end of the shock period. In particular, this deviation reaches 8.2% in the Eurozone and 8.4% in the United States. In the severe scenario, GDP levels stand between 11.5% and 16.4% lower than in the baseline scenario at the end of the shock period. This deviation reaches 12.1% in the Eurozone and 12.3% in the United States.

Scenario weighting and cost of risk sensitivity

At 31 December 2024, the weight of the favourable scenario considered by the Group was 28%, and 17% for the adverse scenario and 5% for the severe scenario. At 31 December 2023, the weight of the favourable scenario was 33%, 12% for the adverse scenario and 5% for the severe scenario.

The sensitivity of the amount of expected credit losses for all financial assets at amortised cost or at fair value through equity and credit commitments is assessed by comparing the estimated expected credit losses resulting from the weighting of the above scenarios with that resulting from each of the two main scenarios:

- an increase in ECL of 21%, or EUR 870 million according to the adverse scenario (23% at 31 December 2023);
- a decrease in ECL of 14%, or EUR 570 million according to the favourable scenario (12% at 31 December 2023).

Post-model adjustments

Post-model adjustments are made when system limitations are identified in a particular context, for instance, in the case of insufficient statistical data to reflect the specific situation in the models. Post-model adjustments are also considered to take into account, where applicable, the consequences of climatic events on expected credit losses.

Notably, additional adjustments were made in 2022 to take into account the effects of inflation and interest rate hikes when this effect is not directly estimated by the models. For example, within the consumer credit specialist business, adjustments were considered for the categories of customers most sensitive to the gradual decline in the level of their net income. Given the evolution of the macroeconomic context in 2023 and 2024, these adjustments have been reassessed and are gradually reversed or used.

All of these adjustments represent 3.7% of the total amount of expected credit losses at 31 December 2024, compared with 4.5% at 31 December 2023.

➤ COST OF CREDIT RISK FOR THE PERIOD

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Net allowances to impairment	(2,689)	(2,596)
Recoveries on loans and receivables previously written off	250	250
Losses on irrecoverable loans	(560)	(561)
TOTAL COST OF RISK FOR THE PERIOD	**(2,999)**	**(2,907)**

➤ COST OF RISK FOR THE PERIOD BY ACCOUNTING CATEGORY AND ASSET TYPE

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Cash and balances at central banks	4	(5)
Financial instruments at fair value through profit or loss	(98)	(31)
Financial assets at fair value through equity	(1)	3
Financial assets at amortised cost	(3,013)	(2,904)
Loans and receivables	*(2,907)*	*(2,912)*
Debt securities	*(106)*	*8*
Other assets	1	(2)
Financing and guarantee commitments and other items	108	32
TOTAL COST OF RISK FOR THE PERIOD	**(2,999)**	**(2,907)**
Cost of risk on unimpaired assets and commitments	*765*	*517*
of which stage 1	*212*	*122*
of which stage 2	*553*	*395*
Cost of risk on impaired assets and commitments – stage 3	*(3,764)*	*(3,424)*

CREDIT RISK IMPAIRMENT

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

In millions of euros, at	31 December 2023	Net allowance to impairment	Impairment provisions used	Changes in scope, exchange rates and other items	31 December 2024
Assets impairment					
Amounts due from central banks	20	(4)		(1)	15
Financial instruments at fair value through profit or loss	108	61	(87)	8	90
Financial assets at fair value through equity	121	2			123
Financial assets at amortised cost	17,715	2,769	(3,647)	344	17,181
Loans and receivables	*17,611*	*2,665*	*(3,619)*	*336*	*16,993*
Debt securities	*104*	*104*	*(28)*	*8*	*188*
Other assets	30	6	(1)	15	50
Total impairment of financial assets	**17,994**	**2,834**	**(3,735)**	**366**	**17,459**
of which stage 1	*1,966*	*(122)*	*(3)*	*(28)*	*1,813*
of which stage 2	*2,429*	*(458)*	*(23)*	*3*	*1,951*
of which stage 3	*13,599*	*3,414*	*(3,709)*	*391*	*13,695*
Provisions recognised as liabilities					
Provisions for commitments	883	(148)	(1)	(28)	706
Other provisions	387	3	(38)	(3)	349
Total provisions recognised for credit commitments	**1,270**	**(145)**	**(39)**	**(31)**	**1,055**
of which stage 1	*269*	*(91)*		*4*	*182*
of which stage 2	*301*	*(98)*		*3*	*206*
of which stage 3	*700*	*44*	*(39)*	*(38)*	*667*
TOTAL IMPAIRMENT AND PROVISIONS	**19,264**	**2,689**	**(3,774)**	**335**	**18,514**

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

In millions of euros, at	31 December 2022	Net allowance to impairment	Impairment provisions used	Changes in scope, exchange rates and other items	31 December 2023
Assets impairment					
Amounts due from central banks	21	5		(6)	20
Financial instruments at fair value through profit or loss	108	30	(24)	(6)	108
Financial assets at fair value through equity	130	(3)		(6)	121
Financial assets at amortised cost	18,511	2,620	(3,273)	(143)	17,715
Loans and receivables	*18,381*	*2,627*	*(3,264)*	*(133)*	*17,611*
Debt securities	*130*	*(7)*	*(9)*	*(10)*	*104*
Other assets	43		(14)	1	30
Total impairment of financial assets	**18,813**	**2,652**	**(3,311)**	**(160)**	**17,994**
of which stage 1	*2,074*	*(60)*	*(2)*	*(46)*	*1,966*
of which stage 2	*2,881*	*(347)*	*(41)*	*(64)*	*2,429*
of which stage 3	*13,858*	*3,059*	*(3,268)*	*(50)*	*13,599*
Provisions recognised as liabilities					
Provisions for commitments	980	(69)	(1)	(27)	883
Other provisions	450	13	(44)	(32)	387
Total provisions recognised for credit commitments	**1,430**	**(56)**	**(45)**	**(59)**	**1,270**
of which stage 1	*326*	*(47)*		*(10)*	*269*
of which stage 2	*338*	*(25)*		*(12)*	*301*
of which stage 3	*766*	*16*	*(45)*	*(37)*	*700*
TOTAL IMPAIRMENT AND PROVISIONS	**20,243**	**2,596**	**(3,356)**	**(219)**	**19,264**

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

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairment on doubtful assets (Stage 3)	Total
At 31 December 2023	1,938	2,416	13,361	17,715
Net allowance to impairment	**(123)**	**(458)**	**3,350**	**2,769**
Financial assets purchased or originated during the period	686	188	3	877
Financial assets derecognised during the period(1)	(367)	(500)	(724)	(1,591)
Transfer to stage 2	(263)	2,005	(320)	1,422
Transfer to stage 3	(72)	(908)	2,280	1,300
Transfer to stage 1	206	(914)	(47)	(755)
Other allowances/reversals without stage transfer(2)	(313)	(329)	2,158	1,516
Impairment provisions used	**(3)**	**(23)**	**(3,621)**	**(3,647)**
Changes in exchange rates	**(1)**	**4**	**173**	**176**
Changes in scope of consolidation and other items	**(26)**		**194**	**168**
At 31 December 2024	1,785	1,939	13,457	17,181

(1) *Including disposals.*
(2) *Including amortisation.*

In 2024, the volume of financial assets at amortised cost increased compared to previous year and amounted to EUR 1,095 billion (see note 4.e *Financial assets at amortised cost*) of which EUR 917 billion in loans and advances to customers.

Loans and advances to customers classified in stage 1 increased by EUR 44 billion over the year, while stage 2 outstandings decreased by EUR 5 billion.

Within each of these stages, net reversals of provisions were observed. The stabilisation of the interest rate and inflation environment has led to the reversal of additional provisions previously set aside to anticipate the impact of rising interest rates on corporate clients' financial ratios and the effect of inflation on the disposable income of the most vulnerable customer segments within the specialised consumer credit business. In parallel, a review of models and migration matrices applied to probabilities of default has resulted in an overall improvement of counterparties rating and risk parameters. These effects are particularly observed in Table No.52 : *Breakdown of financial assets subject to impairment by stage and internal rating* in section 5.4 *Credit risk* of the Universal registration document. Finally, transfers of exposures to Stage 3 were higher than in 2023 and amounted to EUR 9.2 billion, particularly for corporate clients (see note 4.f Impaired financial assets). This led to a net reversal of impairment on Stages 1 and 2 in 2024.

Additionally, debt securities classified in Stage 2 amounted to EUR 1.9 billion as of 31 December 2024, compared to EUR 94 million as of 31 December 2023. This evolution, which resulted in an increase in related provisions, is mainly due to a change in the consolidation method applied to the UkrSibbank entity (see note 8.d *Business combinations and loss of control or influence*).

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

In millions of euros	Impairment on assets subject to 12-month Expected Credit Losses (Stage 1)	Impairment on assets subject to lifetime Expected Credit Losses (Stage 2)	Impairmen on doubtful assets (Stage 3)	Total
At 31 December 2022	**2,035**	**2,860**	**13,616**	**18,511**
Net allowance to impairment	**(63)**	**(339)**	**3,022**	**2,620**
Financial assets purchased or originated during the period	691	294		985
Financial assets derecognised during the period(1)	(405)	(490)	(726)	(1,621)
Transfer to stage 2	(371)	2,121	(199)	1,551
Transfer to stage 3	(74)	(990)	2,258	1,194
Transfer to stage 1	288	(860)	(86)	(658)
Other allowances/reversals without stage transfer(2)	(192)	(414)	1,775	1,169
Impairment provisions used	**(2)**	**(41)**	**(3,230)**	**(3,273)**
Changes in exchange rates	**(16)**	**(7)**	**(80)**	**(103)**
Changes in scope of consolidation and other items	**(16)**	**(57)**	**33**	**(40)**
At 31 December 2023	**1,938**	**2,416**	**13,361**	**17,715**

(1) Including disposals.
(2) Including amortisation.

2.h OTHER NET LOSSES FOR RISK ON FINANCIAL INSTRUMENTS

In 2023, the Group modified its accounting policy relating to the risk of loss of cash flows on financial instruments granted that are not linked to the counterparty's default, such as legal risks calling into question the validity or enforceability of such contracts.

The effect on expected cash flows due to these risks is now considered as a change in the contract's cash flows, in accordance with IFRS 9 B5.4.6, and is recorded as a decrease in the gross value of the asset. It was previously recognised separately in accordance with IAS 37 in "Provisions for risks and charges" (see note 4.n). Expected losses on derecognised financial instruments, as is the case when loans have been repaid, continue to be recognised in accordance with IAS 37.

The corresponding expected and realised cash flow losses are now presented under "Other net losses for risk on financial instruments".

In 2024, the expense thus recognised relates to EUR 186 million in mortgage loans in Swiss franc or indexed to the Swiss franc in Poland, and to EUR 16 million in losses under the law on assistance to borrowers in Poland. In 2023, it was mainly composed of EUR 450 million in mortgage loans in Swiss franc or indexed to the Swiss franc in Poland, and EUR 221 million in foreign currency loans issued by BNP Paribas Personal Finance.

2.i NET GAIN ON NON-CURRENT ASSETS

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Gain or loss on investments in consolidated undertakings *(note 8.d)*	133	29
Gain or loss on tangible and intangible assets	(30)	139
Results from net monetary position	(294)	(272)
Net gain on non-current assets	**(191)**	**(104)**

According to IAS 29 in connection with the hyperinflation situation of the economy in Türkiye, the line "Results from net monetary positions" corresponds to the effect of the revaluation of net monetary assets of the evolution of the consumer price index in Türkiye on the valuation of non-monetary assets and liabilities (-EUR 549 million) and on income from the Turkish government bonds portfolio indexed to inflation and held by Turk Ekonomi Bankasi AS (+EUR 255 million, reclassified from interest margin) in 2024 (respectively -EUR 563 million and +EUR 291 million in 2023).

2.j CORPORATE INCOME TAX

	Year to 31 Dec. 2024		Year to 31 Dec. 2023	
Reconciliation of the effective tax expense to the theoretical tax expense at standard tax rate in France	in millions of euros	tax rate	in millions of euros	tax rate
Corporate income tax expense on pre-tax income at standard tax rate in France[(1)]	(3,938)	25.8%	(2,875)	25.8%
Impact of differently taxed foreign profits	(160)	1.0%	(56)	0.5%
Impact of dividends and disposals taxed at reduced rate	188	-1.2%	131	-1.2%
Impact of the non-deductibility of taxes and bank levies[(2)]	(132)	0.9%	(369)	3.3%
Impact of previously unrecognised deferred taxes (tax losses and temporary differences)			432	-3.9%
Impact of the hyperinflation in Türkiye	(98)	0.6%	(202)	1.9%
Other items	139	-0.9%	(327)	2.9%
Corporate income tax expense from continuing activities	(4,001)	26.2%	(3,266)	29.3%
Current tax expense[(3)]	*(3,013)*		*(3,063)*	
Deferred tax expense (note 4.i)	*(988)*		*(203)*	

(1) Restated for the share of profits in equity-method entities and goodwill impairment.
(2) Contribution to the Single Resolution Fund and other non-deductible banking taxes.
(3) Tax expense related to OECD Pillar II Model Rules on global minimum taxation for large multinational enterprises applicable from 1 January 2024 amounted to EUR 8 million for the year ended 2024.

Note 3 SEGMENT INFORMATION

The Group is composed of three operating divisions:

- **Corporate & Institutional Banking (CIB)** which covers Global Banking, Global Markets and Securities Services;
- **Commercial, Personal Banking & Services (CPBS)** which covers Commercial & Personal banking in the Eurozone, with Commercial & Personal Banking in France (CPBF), Commercial & Personal Banking in Italy (BNL bc), Commercial & Personal Banking in Belgium (CPBB) and Commercial & Personal Banking in Luxembourg (CPBL); Commercial & Personal banking outside the Eurozone, which is organised around Europe-Mediterranean, to cover Central and Eastern Europe and Türkiye. Lastly, it also covers specialised businesses, (Arval, BNP Paribas Leasing Solutions, BNP Paribas Personal Finance, BNP Paribas Personal Investors and New Digital Businesses like Nickel, Floa, Lyf);
- **Investment & Protection Services (IPS)** which covers Insurance (BNP Paribas Cardif), Wealth and Asset Management (BNP Paribas Asset Management, BNP Paribas Wealth Management and BNP Paribas Real Estate), Management of the BNP Paribas Group's portfolio of unlisted and listed industrial and commercial investments (BNP Paribas Principal Investments).

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

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

In addition, Other Activities carry the impact, related to the application of IFRS 17, of the reclassification as a deduction from revenues of the operating expenses "attributable to insurance contracts" of the Group's business lines (other than Insurance) that distribute insurance contracts (*i.e.*, internal distributors), in order not to disrupt the readability of their financial performance. This is also the case for the impact of the volatility on the financial result generated by the recognition at fair value through profit or loss of assets backing insurance entities' equity or non-participating contracts. In the event of divestment connected to this portfolio, the realised gains or losses are allocated to the revenues of the Insurance business line.

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

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

In order to be comparable with the presentation format used since 1 January 2024, the year ended 31 December 2023 of this note has been restated for the following effects as if they had occurred on 1 January 2023:

- taking into account the end of the ramp-up of the Single Resolution Fund (SRF) as from 1 January 2024, and the assumption of a similar contribution to local banking taxes at an estimated amount around EUR 200 million per year from 2024. Regarding the 2023 net income, the contribution to the SRF (EUR 1,002 million) was entirely allocated to the divisions and business lines (including Corporate Centre). The restatement entails reallocating approximately EUR 800 million not intended to continue from 2024 to the "Other Activities" segment, and allocating only the EUR 200 million mentioned above to the divisions and business lines;
- taking into account management rules considered in 2024, for the presentation of assets and liabilities relating to asset management and private banking activities in 2023.

➤ INCOME BY BUSINESS SEGMENT

	Year to 31 Dec. 2024						Year to 31 Dec. 2023					
In millions of euros	Revenues	Operating expenses	Cost of risk(1)	Operating income	Non-operating items	Pre-tax income	Revenues	Operating expenses	Cost of risk(1)	Operating income	Non-operating items	Pre-tax income
Corporate & Institutional Banking	**17,897**	**(10,731)**	**143**	**7,310**	**13**	**7,323**	**16,509**	**(10,265)**	**63**	**6,307**	**(5)**	**6,302**
Global Banking	6,236	(2,921)	171	3,486	6	3,492	5,822	(2,802)	74	3,094	6	3,100
Global Markets	8,718	(5,649)	(28)	3,041	2	3,043	7,996	(5,402)	(13)	2,581	8	2,590
Securities Services	2,943	(2,161)		782	6	788	2,691	(2,061)	1	631	(19)	612
Commercial, Personal Banking & Services	**26,027**	**(16,119)**	**(3,275)**	**6,633**	**171**	**6,804**	**25,917**	**(15,824)**	**(2,920)**	**7,173**	**156**	**7,329**
Commercial & Personal Banking in the Eurozone	**13,162**	**(9,046)**	**(1,033)**	**3,083**	**81**	**3,164**	**13,259**	**(9,064)**	**(986)**	**3,209**	**12**	**3,221**
Commercial & Personal Banking in France(2)	6,241	(4,420)	(670)	1,151	(2)	1,149	6,251	(4,482)	(484)	1,285		1,285
BNL banca commerciale(2)	2,766	(1,745)	(338)	682	(4)	678	2,646	(1,712)	(410)	524	(3)	520
Commercial & Personal Banking in Belgium(2)	3,545	(2,585)	(21)	939	87	1,026	3,784	(2,583)	(84)	1,116	10	1,126
Commercial & Personal Banking in Luxembourg(2)	610	(296)	(4)	310		310	577	(286)	(8)	283	5	289
Commercial & Personal Banking in the rest of the world	**3,104**	**(2,016)**	**(365)**	**723**	**50**	**773**	**2,631**	**(1,653)**	**(44)**	**934**	**100**	**1,034**
Europe-Mediterranean(2)	3,104	(2,016)	(365)	723	50	773	2,631	(1,653)	(44)	934	100	1,034
Specialised businesses	**9,761**	**(5,058)**	**(1,877)**	**2,826**	**40**	**2,866**	**10,027**	**(5,106)**	**(1,890)**	**3,031**	**44**	**3,074**
Personal Finance	5,075	(2,779)	(1,573)	724	98	822	5,163	(2,952)	(1,600)	611	65	676
Arval & Leasing Solutions	3,627	(1,556)	(202)	1,869	(63)	1,807	3,869	(1,477)	(167)	2,225	(14)	2,211
New Digital Businesses & Personal Investors(2)	1,059	(724)	(102)	233	4	237	995	(677)	(123)	195	(8)	187
Investment & Protection Services	**5,824**	**(3,570)**	**(15)**	**2,239**	**116**	**2,355**	**5,590**	**(3,552)**	**(13)**	**2,025**	**148**	**2,173**
Insurance	2,238	(840)		1,398	172	1,570	2,090	(808)		1,281	113	1,394
Wealth Management	1,688	(1,199)		489		489	1,603	(1,183)	(3)	416	4	420
Asset Management(3)	1,898	(1,530)	(15)	353	(56)	297	1,897	(1,560)	(10)	327	31	358
Other Activities - excl. restatement related to insurance activities	**173**	**(858)**	**(55)**	**(740)**	**451**	**(289)**	**(1,060)**	**(2,357)**	**(812)**	**(4,228)**	**190**	**(4,039)**
Other Activities - restatement related to insurance activities	**(1,090)**	**1,085**		**(5)**		**(5)**	**(1,081)**	**1,041**		**(40)**		**(40)**
of which volatility	(5)			(5)		(5)	(40)			(40)		(40)
of which attributable costs to internal distributors	(1,085)	1,085					(1,041)	1,041				
TOTAL CONTINUING ACTIVITIES	**48,831**	**(30,193)**	**(3,201)**	**15,437**	**751**	**16,188**	**45,874**	**(30,956)**	**(3,682)**	**11,236**	**489**	**11,725**

(1) *Including "Other net losses for risk on financial instruments".*

(2) *Commercial & Personal Banking in France, BNL banca commerciale, Commercial & Personal Banking in Belgium, Commercial & Personal Banking in Luxembourg, Europe-Mediterranean and Personal Investors after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Germany, Türkiye and Poland.*

(3) *Including Real Estate and Principal Investments.*

NET COMMISSION INCOME BY BUSINESS SEGMENT

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Corporate & Institutional Banking	**2,401**	**2,214**
Global Banking	1,959	1,784
Global Markets	(1,008)	(975)
Securities Services	1,450	1,405
Commercial, Personal Banking & Services	**7,216**	**6,777**
Commercial & Personal Banking in the eurozone	**5,194**	**5,019**
Commercial & Personal Banking in France[(1)]	3,006	2,875
BNL banca commerciale[(1)]	1,077	1,043
Commercial & Personal Banking in Belgium[(1)]	1,023	1,014
Commercial & Personal Banking in Luxembourg[(1)]	88	87
Commercial & Personal Banking in the rest of the world	**607**	**442**
Europe-Mediterranean[(1)]	607	442
Specialised businesses	**1,415**	**1,316**
Personal Finance	795	776
Arval & Leasing Solutions	56	54
New Digital Businesses & Personal Investors[(1)]	564	486
Investment & Protection Services	**2,018**	**1,850**
Insurance	(361)	(368)
Wealth Management	896	749
Asset Management[(2)]	1,483	1,469
Other activities - excl. restatement related to insurance activities	**151**	**21**
Other activities - restatement related to insurance activities	**(1,085)**	**(1,041)**
TOTAL GROUP	**10,701**	**9,821**

(1) Commercial & Personal Banking in France, BNL banca commerciale, Commercial & Personal Banking in Belgium, Commercial & Personal Banking in Luxembourg, Europe-Mediterranean and Personal Investors after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Germany, Türkiye and Poland.

(2) Including Real Estate and Principal Investments.

ASSETS AND LIABILITIES BY BUSINESS SEGMENT

In millions of euros, at	31 December 2024		31 December 2023	
	Asset	Liability	Asset	Liability
Corporate & Institutional Banking	**1,257,271**	**1,375,940**	**1,136,691**	**1,309,407**
Global Banking	195,330	258,037	176,822	241,346
Global Markets	1,016,601	960,504	921,650	917,780
Securities Services	45,340	157,400	38,219	150,281
Commercial, Personal Banking & Services	**802,565**	**701,384**	**790,637**	**702,388**
Commercial & Personal Banking in the eurozone	**547,798**	**551,464**	**552,876**	**559,503**
Commercial & Personal Banking in France(1)	236,792	242,000	236,866	244,563
BNL banca commerciale(1)	89,722	78,660	94,164	81,275
Commercial & Personal Banking in Belgium(1)	192,644	197,679	192,423	202,447
Commercial & Personal Banking in Luxembourg(1)	28,640	33,126	29,423	31,218
Commercial & Personal Banking in the rest of the world	**71,050**	**68,419**	**59,282**	**55,409**
Europe-Mediterranean(1)	71,050	68,419	59,282	55,409
Specialised businesses	**183,718**	**81,500**	**178,479**	**87,476**
Personal Finance	109,512	27,802	108,791	29,003
Arval & Leasing Solutions	70,283	20,785	65,086	22,245
New Digital Businesses & Personal Investors(1)	3,923	32,913	4,602	36,228
Investment & Protection Services	**322,771**	**355,810**	**289,722**	**319,544**
Insurance	286,849	274,655	257,133	243,510
Wealth Management	27,373	76,611	24,836	70,859
Asset Management(2)	8,549	4,544	7,753	5,175
Other activities	**322,301**	**271,774**	**374,449**	**260,160**
TOTAL GROUP	**2,704,908**	**2,704,908**	**2,591,499**	**2,591,499**

(1) *Commercial & Personal Banking in France, BNL banca commerciale, Commercial & Personal Banking in Belgium, Commercial & Personal Banking in Luxembourg, Europe-Mediterranean and Personal Investors after the reallocation within Wealth and Asset Management of one-third of the Wealth Management activities in France, Italy, Belgium, Luxembourg, Germany, Türkiye and Poland.*
(2) *Including Real Estate and Principal Investments.*

Information by business segment relating to goodwill is presented in note 4.m *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 FROM CONTINUING ACTIVITIES BY GEOGRAPHIC AREA

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
EMEA	39,688	37,822
Americas (North and South)	4,898	4,286
APAC	4,245	3,766
TOTAL GROUP	**48,831**	**45,874**

➤ ASSETS AND LIABILITIES, IN CONTRIBUTION TO THE CONSOLIDATED ACCOUNTS, BY GEOGRAPHIC AREA

In millions of euros, at	31 December 2024	31 December 2023
EMEA	2,196,747	2,148,461
Americas (North and South)	316,411	255,099
APAC	191,750	187,939
TOTAL GROUP	**2,704,908**	**2,591,499**

Note 4 NOTES TO THE BALANCE SHEET AT 31 DECEMBER 2024

4.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 assets and liabilities designated by the Group as at fair value through profit or loss at the time of issuance and of non-trading instruments whose characteristics prevent their accounting at amortised cost or at fair value through equity.

In millions of euros, at	31 December 2024				31 December 2023			
	Financial instruments held for trading	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total	Financial instruments held for trading	Financial instruments designated as at fair value through profit or loss	Other financial assets at fair value through profit or loss	Total
Securities	256,779	15	10,563	267,357	202,225	549	8,860	211,634
Loans and repurchase agreements	221,622		4,077	225,699	224,700		2,475	227,175
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	**478,401**	**15**	**14,640**	**493,056**	**426,925**	**549**	**11,335**	**438,809**
Securities	79,958			79,958	104,910			104,910
Deposits and repurchase agreements	302,488	2,329		304,817	271,486	2,128		273,614
Issued debt securities and subordinated debt *(note 4.h)*		104,934		104,934		83,763		83,763
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	**382,446**	**107,263**		**489,709**	**376,396**	**85,891**		**462,287**

Detail of these assets and liabilities is provided in note 4.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 2024 was EUR 110,823 million (EUR 89,910 million at 31 December 2023).

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, at	31 December 2024		31 December 2023	
	Positive market value	Negative market value	Positive market value	Negative market value
Interest rate derivatives	121,491	95,045	133,500	105,976
Foreign exchange derivatives	158,085	152,269	119,094	118,126
Credit derivatives	10,767	11,085	8,427	10,320
Equity derivatives	28,065	40,185	24,067	38,027
Other derivatives	4,223	3,369	6,991	6,443
DERIVATIVE FINANCIAL INSTRUMENTS	**322,631**	**301,953**	**292,079**	**278,892**

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, at	31 December 2024				31 December 2023			
	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	983,378	15,690,701	7,277,395	23,951,474	1,327,902	14,448,396	6,811,394	22,587,692
Foreign exchange derivatives	74,516	194,540	10,769,644	11,038,700	57,625	173,339	8,980,659	9,211,623
Credit derivatives		436,041	463,565	899,606		357,964	465,403	823,367
Equity derivatives	1,356,158		798,676	2,154,834	1,130,554		638,904	1,769,458
Other derivatives	184,941		93,181	278,122	119,024		84,251	203,275
DERIVATIVE FINANCIAL INSTRUMENTS	**2,598,993**	**16,321,282**	**19,402,461**	**38,322,736**	**2,635,105**	**14,979,699**	**16,980,611**	**34,595,415**

As part of its *Client Clearing* activity, the Group guarantees the risk of default of its clients to central counterparties. The corresponding notional amount is EUR 1,271 billion at 31 December 2024 (EUR 1,197 billion at 31 December 2023).

4.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, at	31 December 2024			31 December 2023		
	Notional amounts	Positive fair value	Negative fair value	Notional amounts	Positive fair value	Negative fair value
Fair value hedges	**1,215,184**	**19,489**	**32,610**	**1,148,308**	**19,409**	**33,808**
Interest rate derivatives	1,210,173	19,305	32,391	1,139,647	18,516	32,617
Foreign exchange derivatives	5,011	184	219	8,661	893	1,191
Cash flow hedges	**267,840**	**1,297**	**4,196**	**241,125**	**2,233**	**4,138**
Interest rate derivatives	75,830	654	1,583	66,134	896	1,760
Foreign exchange derivatives	191,237	590	2,532	174,426	1,270	2,312
Other derivatives	773	53	81	565	67	66
Net foreign investment hedges	**2,885**	**65**	**58**	**2,648**	**50**	**65**
Foreign exchange derivatives	2,885	65	58	2,648	50	65
DERIVATIVES USED FOR HEDGING PURPOSES	**1,485,909**	**20,851**	**36,864**	**1,392,081**	**21,692**	**38,011**

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 at 31 December 2024:

In millions of euros, at 31 December 2024	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
Fair value hedges of identified instruments	**467,277**	**10,935**	**14,372**	**(408)**	**171,514**	**(4,723)**	**149,961**	**(5,075)**
Interest rate derivatives hedging the interest rate risk related to	**462,854**	**10,786**	**14,154**	**(396)**	**169,146**	**(4,721)**	**148,362**	**(5,061)**
Loans and receivables	21,678	459	504	(35)	17,111	34		
Securities	220,047	9,896	6,286	4,680	152,035	(4,755)		
Deposits	21,350	134	137	(9)			16,851	(11)
Debt securities	199,779	297	7,227	(5,032)			131,511	(5,050)
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**4,423**	**149**	**218**	**(12)**	**2,368**	**(2)**	**1,599**	**(14)**
Loans and receivables	1,403	137	47	3	1,007	(3)		
Securities	1,435	8	5		1,361	1		
Deposits	36		2	2			41	2
Debt securities	1,549	4	164	(17)			1,558	(16)
Interest rate risk hedged portfolios	**747,907**	**8,554**	**18,238**	**(8,868)**	**200,215**	**(1,745)**	**151,658**	**(10,592)**
Interest rate derivatives hedging the interest rate risk related to(1)	**747,319**	**8,519**	**18,237**	**(8,865)**	**199,658**	**(1,747)**	**151,658**	**(10,592)**
Loans and receivables	319,703	5,461	2,721	1,848	199,658	(1,747)		
Deposits	427,616	3,058	15,516	(10,713)			151,658	(10,592)
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**588**	**35**	**1**	**(3)**	**557**	**2**	**-**	**-**
Loans and receivables	588	35	1	(3)	557	2		
TOTAL FAIR VALUE HEDGE	**1,215,184**	**19,489**	**32,610**	**(9,276)**	**371,729**	**(6,468)**	**301,619**	**(15,667)**

(1) *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 129,507 million for derivatives hedging loans and receivables and EUR 263,952 million for derivatives hedging deposits.*

The table below presents the detail of fair value hedge relationships for identified financial instruments and portfolios of financial instruments that are continuing at 31 December 2023:

In millions of euros, at 31 December 2023	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
Fair value hedges of identified instruments	**405,307**	**9,539**	**13,084**	**(582)**	**133,418**	**(6,571)**	**154,708**	**(7,030)**
Interest rate derivatives hedging the interest rate risk related to	**398,328**	**8,653**	**11,932**	**(491)**	**129,967**	**(6,575)**	**151,227**	**(6,948)**
Loans and receivables	20,674	487	449	88	20,886	(82)		
Securities	162,254	7,826	2,383	6,369	109,081	(6,493)		
Deposits	24,158	123	222	(203)			20,487	(201)
Debt securities	191,242	217	8,878	(6,745)			130,740	(6,747)
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**6,979**	**886**	**1,152**	**(91)**	**3,451**	**4**	**3,481**	**(82)**
Loans and receivables	2,069	687	737	(11)	2,055	10		
Securities	1,405	184	193	8	1,396	(6)		
Deposits	833	6	21	4			846	3
Debt securities	2,672	9	201	(92)			2,635	(85)
Interest rate risk hedged portfolios	**743,001**	**9,870**	**20,724**	**(10,261)**	**233,224**	**(3,803)**	**228,527**	**(14,009)**
Interest rate derivatives hedging the interest rate risk related to(1)	**741,319**	**9,862**	**20,685**	**(10,263)**	**231,609**	**(3,801)**	**228,527**	**(14,009)**
Loans and receivables	339,035	6,302	1,938	3,780	231,609	(3,801)		
Deposits	402,284	3,560	18,747	(14,043)			228,527	(14,009)
Foreign exchange derivatives hedging the interest rate and foreign exchange risks related to	**1,682**	**8**	**39**	**2**	**1,615**	**(2)**	**-**	**-**
Loans and receivables	1,682	8	39	2	1,615	(2)		
TOTAL FAIR VALUE HEDGE	**1,148,308**	**19,409**	**33,808**	**(10,843)**	**366,642**	**(10,374)**	**383,235**	**(21,039)**

(1) 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 93,839 million for derivatives hedging loans and receivables and EUR 177,833 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. 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 revaluation remaining to be amortised over the residual life of the hedged instruments amounted to EUR 986 million in assets at 31 December 2024, and to -EUR 104 million in liabilities, for hedges of portfolios of financial instruments. At 31 December 2023, these amounts were EUR 1,143 million in assets and -EUR 166 million in liabilities.

Regarding hedges of identified instruments, the cumulated amount of revaluation remaining to be amortised over the residual life of the hedged instruments amounts to EUR 99 million in assets at 31 December 2024. At 31 December 2023, this amount was EUR 105 million in assets.

The notional amount of cash flow hedge derivatives is EUR 267,840 million at 31 December 2024. Changes in assets and liabilities recognised directly in equity amount to EUR 48 million. At 31 December 2023, the notional amount of cash flow hedge derivatives was EUR 241,125 million and changes in assets and liabilities recognised directly in equity amounted to EUR 189 million.

The tables below present the notional amounts of hedging derivatives by maturity at 31 December 2024 and at 31 December 2023:

In millions of euros, at 31 December 2024	Maturity date			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Fair value hedges	**454,601**	**456,223**	**304,360**	**1,215,184**
Interest rate derivatives	452,137	454,004	304,032	1,210,173
Foreign exchange derivatives	2,464	2,219	328	5,011
Cash flow hedges	**198,515**	**55,256**	**14,069**	**267,840**
Interest rate derivatives	41,299	25,253	9,278	75,830
Foreign exchange derivatives	156,886	29,563	4,788	191,237
Other derivatives	330	440	3	773
Net foreign investment hedges	**2,432**	**453**	**-**	**2,885**
Foreign exchange derivatives	2,432	453		2,885

In millions of euros, at 31 December 2023	Maturity date			
	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Fair value hedges	**328,104**	**487,495**	**332,709**	**1,148,308**
Interest rate derivatives	323,853	483,325	332,469	1,139,647
Foreign exchange derivatives	4,251	4,170	240	8,661
Cash flow hedges	**176,330**	**52,161**	**12,634**	**241,125**
Interest rate derivatives	30,565	28,999	6,570	66,134
Foreign exchange derivatives	145,532	22,832	6,062	174,426
Other derivatives	233	330	2	565
Net foreign investment hedges	**2,648**	**-**	**-**	**2,648**
Foreign exchange derivatives	2,648			2,648

4.c FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

In millions of euros, at	31 December 2024		31 December 2023	
	Fair value	of which changes in value recognised directly to equity	Fair value	of which changes in value recognised directly to equity
Debt securities	**71,430**	**(1,285)**	**50,274**	**(585)**
Governments	36,128	(545)	23,334	(207)
Other public administrations	20,721	(432)	16,188	(117)
Credit institutions	11,148	(306)	7,388	(248)
Others	3,433	(2)	3,364	(13)
Equity securities	**1,610**	**489**	**2,275**	**767**
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**73,040**	**(796)**	**52,549**	**182**

Debt securities at fair value through equity include EUR 106 million classified as stage 3 at 31 December 2024 (EUR 109 million at 31 December 2023). For these securities, the credit impairment recognised in the profit and loss account has been charged to the negative changes in value recognised in equity amounting to EUR 102 million at 31 December 2024 (unchanged compared with 31 December 2023).

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 2024, the Group sold several of these investments and a net gain of EUR 207 million was transferred to "retained earnings" (EUR 9 million for the year ended 31 December 2023).

4.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 valuation adjustments are made.

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

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

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

The main valuation adjustments are presented in the section below.

Valuation adjustments

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

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

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

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

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

Future Hedging Costs adjustments (FHC): this adjustment applies to positions that require dynamic hedging throughout their lifetime leading to additional bid/offer costs. Calculation methods capture these expected costs in particular based on the optimal hedging frequency.

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

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

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

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

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

Thus, the carrying value of debt securities designated as at fair value though profit or loss increased by EUR 388 million at 31 December 2024, compared with a decrease in value of EUR 198 million at 31 December 2023, *i.e.* a +EUR 586 million variation recognised directly in equity that will not be reclassified to profit or loss.

Instrument classes and Classification within the fair value hierarchy for assets and liabilities measured at fair value

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

	31 December 2024											
	Financial instruments held for trading				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
In millions of euros, at	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**215,211**	**40,417**	**1,151**	**256,779**	**640**	**1,397**	**8,541**	**10,578**	**62,844**	**9,427**	**769**	**73,040**
Governments	76,246	18,301	171	94,718					32,137	3,919	72	36,128
Other debt securities	18,922	21,937	781	41,640	24	411	378	813	29,740	5,295	267	35,302
Equities and other equity securities	120,043	179	199	120,421	616	986	8,163	9,765	967	213	430	1,610
Loans and repurchase agreements		**221,607**	**15**	**221,622**		**2,874**	**1,203**	**4,077**				
Loans		9,324		9,324		2,874	1,203	4,077				
Repurchase agreements		212,283	15	212,298								
FINANCIAL ASSETS AT FAIR VALUE	**215,211**	**262,024**	**1,166**	**478,401**	**640**	**4,271**	**9,744**	**14,655**	**62,844**	**9,427**	**769**	**73,040**
Securities	**77,891**	**1,971**	**96**	**79,958**								
Governments	54,020	373		54,393								
Other debt securities	8,648	1,576	96	10,320								
Equities and other equity securities	15,223	22		15,245								
Borrowings and repurchase agreements		**301,036**	**1,452**	**302,488**		**2,126**	**203**	**2,329**				
Borrowings		6,113		6,113		2,126	203	2,329				
Repurchase agreements		294,923	1,452	296,375								
Issued debt securities and subordinated debt *(note 4.h)*						**66,580**	**38,354**	**104,934**				
Issued debt securities						65,764	38,354	104,118				
Subordinated debt						816		816				
FINANCIAL LIABILITIES AT FAIR VALUE	**77,891**	**303,007**	**1,548**	**382,446**	**-**	**68,706**	**38,557**	**107,263**				

												31 December 2023
	Financial instruments held for trading				Instruments at fair value through profit or loss not held for trading				Financial assets at fair value through equity			
In millions of euros, at	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Securities	**171,172**	**30,482**	**571**	**202,225**	**1,205**	**1,079**	**7,125**	**9,409**	**44,707**	**7,095**	**747**	**52,549**
Governments	80,933	14,291	10	95,234	225			225	19,919	3,367	48	23,334
Other debt securities	19,776	15,747	439	35,962	327	363	380	1,070	23,218	3,515	207	26,940
Equities and other equity securities	70,463	444	122	71,029	653	716	6,745	8,114	1,570	213	492	2,275
Loans and repurchase agreements		**224,512**	**188**	**224,700**		**913**	**1,562**	**2,475**				
Loans		8,441		8,441		913	1,562	2,475				
Repurchase agreements		216,071	188	216,259								
FINANCIAL ASSETS AT FAIR VALUE	**171,172**	**254,994**	**759**	**426,925**	**1,205**	**1,992**	**8,687**	**11,884**	**44,707**	**7,095**	**747**	**52,549**
Securities	**102,913**	**1,955**	**42**	**104,910**								
Governments	69,811	398		70,209								
Other debt securities	9,670	1,544	41	11,255								
Equities and other equity securities	23,432	13	1	23,446								
Borrowings and repurchase agreements		**270,854**	**632**	**271,486**		**1,973**	**155**	**2,128**				
Borrowings		4,846		4,846		1,973	155	2,128				
Repurchase agreements		266,008	632	266,640								
Issued debt securities and subordinated debt ***(note 4.h)***						**52,080**	**31,683**	**83,763**				
Issued debt securities(1)						51,345	31,683	83,028				
Subordinated debt						735		735				
FINANCIAL LIABILITIES AT FAIR VALUE	**102,913**	**272,809**	**674**	**376,396**	**-**	**54,053**	**31,838**	**85,891**				

(1) The hierarchical level breakdown has been adjusted, moving EUR 8.1 billion from level 2 to level 3. This adjustment is not associated with a decreased observability of valuation parameters and does not challenge the fair value measurement of the affected financial instruments.

Fair values of derivatives are broken down by dominant risk factor, namely interest rate, foreign exchange, credit and equity. Derivatives used for hedging purposes are mainly interest rate derivatives.

In millions of euros, at	31 December 2024							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	479	119,383	1,629	121,491	505	92,636	1,904	95,045
Foreign exchange derivatives	57	157,499	529	158,085	53	151,964	252	152,269
Credit derivatives		10,161	606	10,767		10,362	723	11,085
Equity derivatives	9	24,977	3,079	28,065	4	34,165	6,016	40,185
Other derivatives	693	3,400	130	4,223	851	2,466	52	3,369
DERIVATIVE FINANCIAL INSTRUMENTS NOT USED FOR HEDGING PURPOSES	**1,238**	**315,420**	**5,973**	**322,631**	**1,413**	**291,593**	**8,947**	**301,953**
DERIVATIVE FINANCIAL INSTRUMENTS USED FOR HEDGING PURPOSES	**-**	**20,851**	**-**	**20,851**	**-**	**36,864**	**-**	**36,864**

In millions of euros, at	31 December 2023							
	Positive market value				Negative market value			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Interest rate derivatives	734	131,382	1,384	133,500	714	103,334	1,928	105,976
Foreign exchange derivatives	18	118,300	776	119,094	16	118,065	45	118,126
Credit derivatives		7,663	764	8,427		8,697	1,623	10,320
Equity derivatives	15	21,177	2,875	24,067	659	31,222	6,146	38,027
Other derivatives	586	6,365	40	6,991	607	5,769	67	6,443
DERIVATIVE FINANCIAL INSTRUMENTS NOT USED FOR HEDGING PURPOSES	**1,353**	**284,887**	**5,839**	**292,079**	**1,996**	**267,087**	**9,809**	**278,892**
DERIVATIVE FINANCIAL INSTRUMENTS USED FOR HEDGING PURPOSES	**-**	**21,692**	**-**	**21,692**	**-**	**38,011**	**-**	**38,011**

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 2024, transfers between Level 1 and Level 2 were not significant.

Description of main instruments in each level

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

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

Level 1

This level encompasses all derivatives and securities that are quoted continuously in active markets.

Level 1 includes notably equity securities and liquid bonds, shortselling of these instruments, derivative instruments traded on organised markets (futures, options, *etc.*). It includes shares of funds and UCITS, for which the net asset value is calculated on a daily basis.

Level 2

The Level 2 stock of securities is composed of securities which are less liquid than the Level 1 bonds. They are predominantly corporate debt securities, government bonds, mortgage backed securities, fund shares and short-term securities such as certificates of deposit. They are classified in Level 2 notably when external prices for the same security can be regularly observed from a reasonable number of market makers that are active in this security, but these prices do not represent directly tradable prices. This comprises amongst other, consensus pricing services with a reasonable number of contributors that are active market makers as well as indicative runs from active brokers and/or dealers. Other sources, such as primary issuance market, may also be used where relevant.

Repurchase agreements are classified predominantly in Level 2. The classification is primarily based on the observability and liquidity of the repo market, depending on the underlying collateral and the maturity of the repo transaction.

Debts issued designated as at fair value through profit 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 classified in Level 2 comprise mainly the following instruments:

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

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

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

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

Level 3

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

Unlisted private equities are systematically classified as Level 3, with the exception of UCITS with a daily net asset value, which are classified in 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 ABS: the valuation of these transactions requires proprietary methodologies given the bespoke nature of the transactions and the lack of activity and price discovery in the long-term repo market. The curves used in the valuation are corroborated using available data such as recent long-term repo trade data and price enquiry data. Valuation adjustments applicable to these exposures are commensurate with the degree of uncertainty inherent in the modelling choices and amount of data available.

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

Derivatives

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

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

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

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

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

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

Valuation adjustments (CVA, DVA and FVA)

The valuation adjustment for counterparty credit risk (CVA), own-credit risk for derivatives (DVA) and the explicit funding valuation adjustment (FVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant and justifies classifying these transactions in Level 3.

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

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

Risk classes	Balance Sheet valuation (in millions of euros)		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
	Asset	Liability					
Repurchase agreements	15	1,452	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 ABS	0 bp to 107 bp	32 bp [a]
Interest rate derivatives	1,629	1,904	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	3% to 56%	9% [a]
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	19% to 45%	35%
			Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	1.3% to 11.6%	[b]
					Volatility of the year-on-year inflation rate	0.3% to 2.6%	
			Forward Volatility products such as volatility swaps, mainly in euros	Interest rates option pricing model	Forward volatility of interest rates	0.5% to 0.8%	[b]
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly indexed on European collateral pools	Prepayment modelling Discounted cash flows	Constant prepayment rates	0% to 25%	0.2% [a]
Credit derivatives	606	723	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	27% to 88%	[b]
					Recovery rate variance for single name underlyings	0% to 25%	[b]
			N-to-default baskets	Credit default model	Default correlation	50% to 83%	54% [a]
			Single name Credit Default Swaps (other than CDS on ABs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	19 bp to 20 bp	19 bp
					Illiquid credit default spread curves (across main tenors)	1 bp to 2,217 bp [1]	102 bp [c]
Equity derivatives	3,079	6,016	Simple and complex derivatives on multi-underlying baskets on stocks	Various volatility option models	Unobservable equity volatility	0% to 184% [2]	24% [d]
					Unobservable equity correlation	16% to 99%	62% [c]

(1) The upper bound of the range relates to building, retail and services sector issuers that represent an insignificant portion of the balance sheet (CDS with illiquid underlying instruments).
(2) The underlyings with implied volatility greater than 50% have a very limited exposure.
(a) Weights based on relevant risk axis at portfolio level.
(b) No weighting, since no explicit sensitivity is attributed to these inputs.
(c) Weighting is not based on risks, but on an alternative methodology in relation with the Level 3 instruments (present value or notional).
(d) Simple averaging.

Table of movements in Level 3 financial instruments

For Level 3 financial instruments, the following movements occurred during the year ended 2024:

	Financial assets				Financial liabilities		
In millions of euros	Financial instruments at fair value through profit or loss held for trading	Financial instruments at fair value through profit or loss not held for trading	Financial assets at fair value through equity	TOTAL	Financial instruments at fair value through profit or loss held for trading	Financial instruments designated as at fair value through profit or loss	TOTAL
AT 31 DECEMBER 2023	**6,598**	**8,687**	**747**	**16,032**	**(10,483)**	**(31,838)**	**(42,321)**
Purchases	2,327	1,797	306	**4,430**			**-**
Issues				**-**		(21,959)	**(21,959)**
Sales	(1,856)	(1,383)	(281)	**(3,520)**	167		**167**
Settlements[(1)]	1,970	(9)	(20)	**1,941**	(1,045)	14,371	**13,326**
Transfers to Level 3	724	2	145	**871**	(760)	(517)	**(1,277)**
Transfers from Level 3	(1,227)	(36)	(51)	**(1,314)**	659	1,583	**2,242**
Gains (or losses) recognised in profit or loss with respect to transactions expired or terminated during the period	(95)	623	(8)	**520**	147	55	**202**
Gains (or losses) recognised in profit or loss with respect to unexpired instruments at the end of the period	(1,303)	(9)		**(1,312)**	825	(209)	**616**
Items related to exchange rate movements	1	72	(11)	**62**	(5)	(43)	**(48)**
Changes in fair value of assets and liabilities recognised in equity			(58)	**(58)**			
AT 31 DECEMBER 2024	**7,139**	**9,744**	**769**	**17,652**	**(10,495)**	**(38,557)**	**(49,052)**

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

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

Transfers into Level 3 of instruments at fair value reflect the effect of the regular update of the observability zones.

Transfers have been reflected as if they had taken place at the beginning of the reporting period.

The Level 3 financial instruments may be hedged by other Level 1 and Level 2 instruments, the gains and losses of which are not shown in this table. Consequently, the gains and losses shown in this table are not representative of the gains and losses arising from management of the net risk on all these instruments.

Sensitivity of fair value to reasonably possible changes in level 3 assumptions

The following table summarises those financial assets and financial liabilities classified as Level 3 for which alternative assumptions in one or more of the unobservable inputs would change fair value significantly.

The amounts disclosed are intended to illustrate the range of possible uncertainty inherent to the judgement applied when estimating Level 3 parameters, or when selecting valuation techniques. These amounts reflect valuation uncertainties that prevail at the measurement date, and even though such uncertainties predominantly derive from the portfolio sensitivities that prevailed at that measurement date, they are not predictive or indicative of future movements in fair value, nor do they represent the effect of market stress on the portfolio value.

In estimating sensitivities, BNP Paribas either remeasured the financial instruments using reasonably possible inputs, or applied assumptions based on the valuation adjustment policy.

For the sake of simplicity, the sensitivity on cash instruments that are not relating to securitised instruments was based on a uniform 1% shift in the price. More specific shifts were however calibrated for each class of the Level 3 securitised exposures, based on the possible ranges of the unobservable inputs.

For derivative exposures, the sensitivity measurement is based on the credit valuation adjustment (CVA), the explicit funding valuation adjustment (FVA) and the parameter and model uncertainty adjustments related to Level 3.

Regarding the credit valuation adjustment (CVA) and the explicit funding valuation adjustment (FVA), the uncertainty was calibrated based on prudent valuation adjustments described in the technical standard "Prudent Valuation" published by the European Banking Authority. For other valuation adjustments, two scenarios were considered: a favourable scenario where all or portion of the valuation adjustment is not considered by market participants, and an unfavourable scenario where market participants would require twice the amount of valuation adjustments considered by BNP Paribas for entering into a transaction.

In millions of euros, at	31 December 2024		31 December 2023	
	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Debt securities	+/- 10	+/- 4	+/- 6	+/- 2
Equities and other equity securities	+/- 84	+/- 4	+/- 68	+/- 5
Loans and repurchase agreements	+/- 26		+/- 20	
Derivative financial instruments	+/- 584		+/- 586	
Interest rate and foreign exchange derivatives	*+/- 194*		*+/- 218*	
Credit derivatives	*+/- 79*		*+/- 94*	
Equity derivatives	*+/- 308*		*+/- 271*	
Other derivatives	*+/- 3*		*+/- 3*	
SENSITIVITY OF LEVEL 3 FINANCIAL INSTRUMENTS	**+/- 704**	**+/- 8**	**+/- 680**	**+/- 7**

Deferred margin on financial instruments measured using techniques developed internally and based on inputs partly unobservable in active markets

Deferred margin on financial instruments ("Day One Profit") primarily concerns the scope of financial instruments eligible for Level 3 and to a lesser extent some financial instruments eligible for Level 2 where valuation adjustments for uncertainties regarding parameters or models are not negligible compared with 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 2023	Deferred margin on transactions during the period	Margin taken to the profit and loss account during the period	Deferred margin at 31 December 2024
Interest rate and foreign exchange derivatives	167	68	(68)	167
Credit derivatives	225	145	(141)	229
Equity derivatives	381	385	(393)	373
Other instruments	11	29	(28)	12
FINANCIAL INSTRUMENTS	**784**	**627**	**(630)**	**781**

4.e FINANCIAL ASSETS AT AMORTISED COST

➤ DETAIL OF LOANS AND ADVANCES BY NATURE

In millions of euros, at	31 December 2024			31 December 2023		
	Gross value	Impairment (note 2.g)	Carrying amount	Gross value	Impairment (note 2.g)	Carrying amount
Loans and advances to credit institutions	**31,232**	**(85)**	**31,147**	**24,434**	**(99)**	**24,335**
On demand accounts	8,384	(4)	8,380	7,252	(6)	7,246
Loans(1)	14,447	(81)	14,366	12,267	(93)	12,174
Repurchase agreements	8,401		8,401	4,915		4,915
Loans and advances to customers	**917,049**	**(16,908)**	**900,141**	**876,712**	**(17,512)**	**859,200**
On demand accounts	59,558	(2,720)	56,838	46,733	(2,752)	43,981
Loans to customers(2)	804,734	(12,941)	791,793	780,638	(13,593)	767,045
Finance leases	52,268	(1,247)	51,021	48,842	(1,167)	47,675
Repurchase agreements	489		489	499		499
TOTAL LOANS AND ADVANCES AT AMORTISED COST	**948,281**	**(16,993)**	**931,288**	**901,146**	**(17,611)**	**883,535**

(1) Loans and advances to credit institutions include term deposits made with central banks.
(2) Of which EUR 352 million in discounts for mortgage loans in Swiss franc or indexed to the Swiss franc in Poland at 31 December 2024 compared with EUR 480 million at 31 December 2023 and EUR 47 million in provisions for foreign currency loans issued by BNP Paribas Personal Finance at 31 December 2024 compared with EUR 255 million at 31 December 2023.

➤ CONTRACTUAL MATURITIES OF FINANCE LEASES

In millions of euros, at	31 December 2024	31 December 2023
Gross investment	**57,602**	**53,562**
Receivable within 1 year	*17,772*	*15,771*
Receivable after 1 year but within 5 years	*34,434*	*32,539*
Receivable beyond 5 years	*5,396*	*5,252*
Unearned interest income	**(5,334)**	**(4,720)**
Net investment before impairment	**52,268**	**48,842**
Receivable within 1 year	*15,858*	*14,057*
Receivable after 1 year but within 5 years	*31,481*	*29,999*
Receivable beyond 5 years	*4,929*	*4,786*
Impairment provisions	**(1,247)**	**(1,167)**
Net investment after impairment	**51,021**	**47,675**

➤ DETAIL OF DEBT SECURITIES BY TYPE OF ISSUER

In millions of euros, at	31 December 2024			31 December 2023		
	Gross value	Impairment (note 2.g)	Carrying amount	Gross value	Impairment (note 2.g)	Carrying amount
Governments	69,172	(31)	69,141	62,659	(11)	62,648
Other public administration	25,709	(2)	25,707	16,288	(2)	16,286
Credit institutions	14,743	(2)	14,741	10,318	(2)	10,316
Others	37,539	(153)	37,386	32,000	(89)	31,911
TOTAL DEBT SECURITIES AT AMORTISED COST	**147,163**	**(188)**	**146,975**	**121,265**	**(104)**	**121,161**

➤ DETAIL OF FINANCIAL ASSETS AT AMORTISED COST BY STAGE

	31 December 2024			31 December 2023		
In millions of euros, at	Gross Value	Impairment (note 2.g)	Carrying amount	Gross Value	Impairment (note 2.g)	Carrying amount
Loans and advances to credit institutions	**31,232**	**(85)**	**31,147**	**24,434**	**(99)**	**24,335**
Stage 1	30,998	(8)	30,990	23,673	(19)	23,654
Stage 2	157	(6)	151	679	(13)	666
Stage 3	77	(71)	6	82	(67)	15
Loans and advances to customers	**917,049**	**(16,908)**	**900,141**	**876,712**	**(17,512)**	**859,200**
Stage 1	821,576	(1,762)	819,814	777,190	(1,906)	775,284
Stage 2	69,649	(1,904)	67,745	74,214	(2,399)	71,815
Stage 3	25,824	(13,242)	12,582	25,308	(13,207)	12,101
Debt securities	**147,163**	**(188)**	**146,975**	**121,265**	**(104)**	**121,161**
Stage 1	144,987	(15)	144,972	120,991	(12)	120,979
Stage 2	1,911	(28)	1,883	94	(5)	89
Stage 3	265	(145)	120	180	(87)	93
TOTAL FINANCIAL ASSETS AT AMORTISED COST	**1,095,444**	**(17,181)**	**1,078,263**	**1,022,411**	**(17,715)**	**1,004,696**

4.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.

	31 December 2024			
	Impaired financial assets (Stage 3)			Collateral received
In millions of euros, at	Gross value	Impairment	Net	
Loans and advances to credit institutions *(note 4.e)*	77	(71)	6	
Loans and advances to customers *(note 4.e)*	25,824	(13,242)	12,582	8,044
Debt securities at amortised cost *(note 4.e)*	265	(145)	120	
TOTAL AMORTISED-COST IMPAIRED ASSETS (STAGE 3)	**26,166**	**(13,458)**	**12,708**	**8,044**
Financing commitments given	1,384	(95)	1,289	554
Guarantee commitments given	1,054	(223)	831	195
TOTAL OFF-BALANCE SHEET IMPAIRED COMMITMENTS (STAGE 3)	**2,438**	**(318)**	**2,120**	**749**

	31 December 2023			
	Impaired financial assets (Stage 3)			Collateral received
In millions of euros, at	Gross value	Impairment	Net	
Loans and advances to credit institutions *(note 4.e)*	82	(67)	15	
Loans and advances to customers *(note 4.e)*	25,308	(13,207)	12,101	7,720
Debt securities at amortised cost *(note 4.e)*	180	(87)	93	
TOTAL AMORTISED-COST IMPAIRED ASSETS (STAGE 3)	**25,570**	**(13,361)**	**12,209**	**7,720**
Financing commitments given	889	(96)	793	263
Guarantee commitments given	769	(218)	551	135
TOTAL OFF-BALANCE SHEET IMPAIRED COMMITMENTS (STAGE 3)	**1,658**	**(314)**	**1,344**	**398**

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

Gross value *In millions of euros*	Year to 31 Dec. 2024	Year to 31 Dec. 2023
IMPAIRED EXPOSURES (STAGE 3) AT OPENING BALANCE	**25,570**	**25,517**
Transfer to stage 3	9,163	8,632
Transfer to stage 1 or stage 2	(2,041)	(2,166)
Assets written off	(4,101)	(3,769)
Other changes	(2,425)	(2,644)
IMPAIRED EXPOSURES (STAGE 3) AT CLOSING BALANCE	**26,166**	**25,570**

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

In millions of euros, at	31 December 2024	31 December 2023
Deposits from credit institutions	**66,872**	**95,175**
On demand accounts	10,608	10,770
Interbank borrowings(1)	33,753	54,825
Repurchase agreements	22,511	29,580
Deposits from customers	**1,034,857**	**988,549**
On demand deposits	562,520	542,133
Savings accounts	162,064	152,636
Term accounts and short-term notes	307,335	292,491
Repurchase agreements	2,938	1,289

(1) Interbank borrowings from credit institutions include term borrowings from central banks. At 31 December 2024, no TLTRO III borrowings were recorded on the balance sheet compared with EUR 18 billion at 31 December 2023 (see note 2.a Net Interest Income).

4.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 DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (NOTE 4.A)

Issuer/Issue date *In millions of euros, at*	Currency	Original amount in foreign currency *(millions)*	Date of call or interest step-up	Interest rate	Interest rate reset	Conditions precedent for coupon payment[1]	31 December 2024	31 December 2023
ISSUED DEBT SECURITIES AND SUBORDINATED DEBT							104,934	83,763
Debt securities							104,118	83,028
Subordinated debt							816	735
Redeemable subordinated debt			(2)				**18**	**18**
Perpetual subordinated debt							**798**	**717**
BNP Paribas Fortis Dec. 2007[3]	EUR	3,000	Dec.-14	3-month Euribor +200 bp		A	798	717

(1) *Conditions precedent for coupon payment:*
A Coupon payments are halted should the issuer have insufficient capital or the underwriters become insolvent or when the dividend declared for Ageas shares falls below a certain threshold.

(2) *After agreement from the banking supervisory authority and at the issuer's initiative, redeemable subordinated debt issues may contain a call provision authorising the Group to redeem the securities prior to maturity by repurchasing them in the stock market, via public tender offers, or in the case of private placements over the counter. Debt issued by BNP Paribas SA or foreign subsidiaries of the Group via placements in the international markets may be subject to early redemption of the capital and early payment of interest due at maturity at the issuer's discretion on or after a date stipulated in the issue particulars (call option), or in the event that changes in the applicable tax rules oblige the BNP Paribas Group issuer to compensate debt-holders for the consequences of such changes. Redemption may be subject to a notice period of between 15 and 60 days, and is in all cases subject to approval by the banking supervisory authorities.*

(3) *Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) issued by BNP Paribas Fortis (previously Fortis Banque) in December 2007.*
The CASHES are perpetual securities but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price of EUR 239.40. However, as of 19 December 2014, the CASHES will be automatically exchanged into Ageas shares if their price is equal to or higher than EUR 359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of the CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.
Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.
Since 1 January 2022, the liability is no longer eligible to prudential own funds.

➤ DEBT SECURITIES MEASURED AT AMORTISED COST

Issuer/Issue date *In millions euros, at*	Currency	Original amount in foreign currency *(millions)*	Date of call or interest step-up	Interest rate	Interest rate reset	Conditions precedent for coupon payment[1]	31 December 2024	31 December 2023
Debt securities							**198,119**	**191,482**
Debt securities in issue with an initial maturity of less than one year							**82,327**	**75,743**
Negotiable debt securities							82,327	75,743
Debt securities in issue with an initial maturity of more than one year							**115,792**	**115,739**
Negotiable debt securities							31,109	30,592
Bonds							84,683	85,147
Subordinated debt							**31,799**	**24,743**
Redeemable subordinated debt			(2)				**26,073**	**21,594**
Undated subordinated notes							**5,460**	**2,920**
Contingent convertible bonds recognised as Tier 1 capital							3,851	1,352
BNP Paribas SA Aug. 23(5)	USD	1,500	Aug.-28	8.5%	CMT + 4.354%	E	1,449	1,352
BNP Paribas SA Feb. 24(5)	USD	1,500	Aug.-31	8.000%	CMT + 3.727%	E	1,449	-
BNP Paribas SA Sept. 24(5)	USD	1,000	Sept.-34	7.375%	CMT +3.535%	E	953	-
Other perpetual subordinated notes							1,609	1,568
BNP Paribas SA Oct. 85(3)	EUR	305	-	TMO - 0.25%	-	B	254	254
BNP Paribas SA Sept. 86 (4)	USD	500	-	Libor 6 month + 0.075%	-	C	-	248
BNP Paribas Cardif Nov. 14	EUR	1,000	Nov.-25	4.032%	Euribor 3 month + 393 bp	D	1,000	998
BMCI Feb. 23	MAD	750	Feb.-28	3.9%	2.5%-2.6%	F	71	68
TEB Sept. 24	USD	300	sept.-29	9.375%	CMT +5.758%	G	284	-
Perpetual participating notes							**225**	**225**
BNP Paribas SA July 84[3][6]	EUR	337	-	(7)	-		219	219
Others							6	6
Expenses and commission, related debt							**41**	**4**

(1) Conditions precedent for coupon payment:
B - Payment of the interest is mandatory, unless the Board of directors decides to postpone these payments after the Shareholders' General Meeting has officially noted that there is no income available for distribution, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume.
C - Payment of the interest is mandatory, unless the Board of directors decides to postpone these payments after the Shareholders' General Meeting has validated the decision not to pay out a dividend, where this occurs within the 12-month period preceding the due date for payment of the interest. Interest payments are cumulative and are payable in full once dividend payments resume. The bank has the option of resuming payment of interest arrears, even where no dividend is paid out.
D - Payment of the interest is mandatory, except for cases of regulatory deficiency, in agreement with the regulator, or of suspension of payments. Interest payments are cumulative and are payable in full, once coupon payments resume, or, if these events occur before, when the issuance is redeemed or when the issuer is liquidated.
E - Payment of the interest is at full discretion and could be cancelled in whole or in part if the relevant regulator notifies based on its assessment of the financial and solvency situation of the issuer. Interest amounts on the Notes will be non-cumulative, once coupon payments resume.
F - Payment of interest is made on a discretionary basis and may be fully or partially cancelled with the prior approval of Bank Al-Maghrib for an indefinite period and on a non-cumulative basis to meet its obligations. Interest amounts on bonds will not be cumulative when coupon payments resume.
G - Payment of interest is discretionary and may be fully or partially cancelled at any time and for any reason for an indefinite period. Interest amounts on bonds will not be cumulative when coupon payments resume.
(2) See reference relating to "Debt securities at fair value through profit or loss".
(3) These securities are no longer eligible to prudential own funds since 31 December 2023.
(4) This instrument has been fully redeemed on 28 March 2024.
(5) The instruments issued by BNP Paribas SA in August 2023 and February and September 2024 are contingent convertible securities classified as financial liabilities in accounting and eligible to Additional Tier 1 capital (see note 1.f.8). The distribution from these instruments is recognised directly as a reduction from equity.
(6) 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.
(7) Depending on net income subject to a minimum of 85% of the TMO rate and a maximum of 130% of the TMO rate.

4.i CURRENT AND DEFERRED TAXES

In millions of euros, at	31 December 2024	31 December 2023
Current taxes	2,836	2,942
Deferred taxes	3,379	3,614
CURRENT AND DEFERRED TAX ASSETS	**6,215**	**6,556**
Current taxes	2,346	2,725
Deferred taxes	1,311	1,096
CURRENT AND DEFERRED TAX LIABILITIES	**3,657**	**3,821**

Change in deferred tax by nature over the period:

In millions of euros, at	31 December 2023	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 2024
Financial instruments	(2,067)	(862)	150	159	97	(2,523)
Provisions for employee benefit obligations	897	252		(47)	18	1,120
Unrealised finance lease reserve	(599)	(44)			37	(606)
Credit risk impairment	2,352	(301)			(32)	2,019
Tax loss carryforwards	732	14			340	1,086
Other items	1,203	(47)			(184)	972
NET DEFERRED TAXES	**2,518**	**(988)**	**150**	**112**	**276**	**2,068**
Deferred tax assets	3,614					3,379
Deferred tax liabilities	(1,096)					(1,311)

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.

The vast majority of tax losses are carried forward indefinitely. The expected recovery period for the related deferred taxes is 5 years.

Unrecognised deferred tax assets totalled EUR 658 million at 31 December 2024 (of which EUR 585 million of tax loss carryforwards) compared with EUR 541 million at 31 December 2023 (of which EUR 491 million of tax loss carryforwards).

4.j ACCRUED INCOME/EXPENSE AND OTHER ASSETS/LIABILITIES

In millions of euros, at	31 December 2024	31 December 2023
Guarantee deposits and bank guarantees paid	125,090	119,187
Collection accounts	460	773
Accrued income and prepaid expenses	5,686	5,400
Other debtors and miscellaneous assets	42,911	45,398
TOTAL ACCRUED INCOME AND OTHER ASSETS	**174,147**	**170,758**
Guarantee deposits received	86,113	87,612
Collection accounts	2,959	3,124
Accrued expense and deferred income	8,498	8,265
Lease liabilities	2,848	3,058
Other creditors and miscellaneous liabilities	36,537	41,614
TOTAL ACCRUED EXPENSE AND OTHER LIABILITIES	**136,955**	**143,673**

4.k 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. 2024			31 December 2024	Year to 31 Dec. 2023			31 December 2023
	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	(10)	225	215	1,960	(49)	(64)	(113)	1,784
Associates[(1)]	711	308	1,019	5,902	642	16	658	4,967
TOTAL EQUITY-METHOD ENTITIES	**701**	**533**	**1,234**	**7,862**	**593**	**(48)**	**545**	**6,751**

(1) 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 note 8.i *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, at	Country of registration	Activity	Interest *(%)*	31 December 2024	31 December 2023
Joint ventures					
Union de Creditos Inmobiliarios	Spain	Retail mortgage	50%	233	256
BoB Cardif Life Insurance	China	Life Insurance	50%	454	240
Genius Auto Finance Co Ltd	China	Specialised loans	25%	331	290
Pinnacle Pet Holding Ltd	United Kingdom	Insurance	25%	407	393
Associates					
BON BNPP Consumer Finance Co Ltd	China	Specialised loans	32%	256	223
AG Insurance	Belgium	Insurance	25%	593	462
Bank of Nanjing	China	Retail Banking	16%	3,661	2,813
Allfunds Group Plc	United Kingdom	Financial Services	12%	283	312

4.l PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS USED IN OPERATIONS, INVESTMENT PROPERTY

In millions of euros, at	31 December 2024			31 December 2023		
	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount	Gross value	Accumulated depreciation, amortisation and impairment	Carrying amount
INVESTMENT PROPERTY	**855**	**(331)**	**524**	**785**	**(299)**	**486**
Land and buildings	11,049	(4,758)	6,291	11,317	(4,633)	6,684
Equipment, furniture and fixtures	7,067	(5,468)	1,599	7,007	(5,321)	1,686
Plant and equipment leased as lessor under operating leases	51,333	(11,021)	40,312	45,720	(10,567)	35,153
Other property, plant and equipment	2,924	(1,336)	1,588	2,338	(1,125)	1,213
PROPERTY, PLANT AND EQUIPMENT	**72,373**	**(22,583)**	**49,790**	**66,382**	**(21,646)**	**44,736**
Of which right of use	5,786	(3,387)	2,399	5,978	(3,322)	2,656
PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTY	**73,228**	**(22,914)**	**50,314**	**67,167**	**(21,945)**	**45,222**
Purchased software	4,135	(3,407)	728	3,853	(3,145)	708
Internally developed software	6,752	(5,137)	1,615	6,908	(5,398)	1,510
Other intangible assets	2,696	(647)	2,049	2,547	(623)	1,924
INTANGIBLE ASSETS	**13,583**	**(9,191)**	**4,392**	**13,308**	**(9,166)**	**4,142**

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 2024 is EUR 718 million, compared with EUR 702 million at 31 December 2023.

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, at	31 December 2024	31 December 2023
Future minimum lease payments receivable under non-cancellable leases	**12,142**	**10,718**
Payments receivable within 1 year	*5,131*	*4,570*
Payments receivable after 1 year but within 5 years	*6,987*	*6,105*
Payments receivable beyond 5 years	*24*	*43*

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

At 31 December 2024, commitments to purchase vehicles and equipment intended for operating leasing amounted to EUR 5.2 billion.

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 2024 was EUR 2,356 million, compared with EUR 2,224 million for the year ended 31 December 2023.

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 2024 amounted to EUR 34 million, compared with EUR 19 million for the year ended 31 December 2023.

4.m GOODWILL

In millions of euros, at	31 December 2024	31 December 2023
CARRYING AMOUNT AT START OF PERIOD	**5,549**	**5,294**
Acquisitions	130	260
Divestments	(157)	(7)
Impairment recognised during the period		
Exchange rate adjustments	28	2
CARRYING AMOUNT AT END OF PERIOD	**5,550**	**5,549**
Gross value	8,636	8,639
Accumulated impairment recognised at the end of period	(3,086)	(3,090)

Goodwill by cash-generating unit is as follows:

In millions of euros	Carrying amount		Recognised impairment		Acquisitions	
	31 December 2024	31 December 2023	Year to 31 Dec. 2024	Year to 31 Dec. 2023	31 December 2024	31 December 2023
Corporate & Institutional Banking	**1,275**	**1,275**	**-**	**-**	**-**	**67**
Global Banking	*280*	*277*				
Global Markets	*534*	*549*				*67*
Securities Services	*461*	*449*				
Commercial, Personal Banking & Services	**2,954**	**3,058**	**-**	**-**	**30**	**166**
Arval	*641*	*633*				*23*
Leasing Solutions	*147*	*147*				
Personal Finance(1)	*1,360*	*1,432*			*30*	*143*
Personal Investors(1)	*488*	*562*				
New Digital Businesses	*253*	*220*				
Commercial Bank in Belgium	*34*	*34*				
Other	*31*	*30*				
Investment & Protection Services	**1,318**	**1,213**	**-**	**-**	**100**	**27**
Asset Management	*202*	*197*				*9*
Insurance	*397*	*299*			*100*	*18*
Real Estate	*407*	*404*				
Wealth Management	*312*	*313*				
Other Activities	**3**	**3**	**-**	**-**	**-**	**-**
TOTAL GOODWILL	**5,550**	**5,549**	**-**	**-**	**130**	**260**
Negative goodwill			241			
CHANGE IN VALUE OF GOODWILL RECOGNISED IN THE PROFIT AND LOSS ACCOUNT			**241**	**-**		

(1) During the year ended 2024, the goodwill relating to Cetelem SA de CV and Sharekhan (-EUR 84 million and -EUR 73 million respectively) was removed following their disposal from the Personal Finance and Personal Investors cash-generating units.

The Group carried out a detailed analysis of goodwill to identify whether impairments were necessary in connection with the the current economic situation.

This analysis is based in particular on the assumptions of economic scenarios (see note 2.g).

The cash-generating units (CGU) to which goodwill is allocated are:

Global Banking: Global 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 Global Macro (Foreign Exchange, Global Rates, Local Markets, Commodity Derivatives), Global Credit (DCM Bonds, Credit, Securitisation) and Global Equities (Equities, Cash Equities and Prime Services).

Securities Services: Securities Services provides integrated solutions for all actors involved in the investment cycle, sell side, buy side and issuers.

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.

Personal Finance: BNP Paribas Personal Finance is the Group's consumer credit specialist. Through its brands and partnerships such as Cetelem, Cofinoga, Findomestic, AlphaCredit or Stellantis Financial Services, 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.

Personal Investors: BNP Paribas Personal Investors is a digital specialist of banking and investment services. Based in Germany, 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.

New Digital Businesses: they include the account management service "Nickel", 50% of Floa since January 2022 and 50% of Kantox since July 2023. Nickel is 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 11,500 points of sale in France, Spain, Belgium, Portugal and Germany. Floa offers consumers split payments, mini-loans and bank cards. The company is a partner of major e-retailers, key players in travel and FinTechs, for which it develops tailor-made services. Already leader in France in payment facilities, Floa is present in Spain, Belgium, Italy, Germany, Netherlands and Portugal. Kantox provides currency management automation software, enabling companies to effectively handle the entire currency management stream and unlock growth opportunities.

Asset Management: BNP Paribas Asset Management is the dedicated asset management business line of the BNP Paribas Group. It 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). 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, private asset and real asset management and its multi-asset, quantitative and solutions division.

Insurance: BNP Paribas Cardif, a world leader in personal insurance, designs, develops and markets savings and protection products and services to protect individuals, their projects and their assets. BNP Paribas Cardif also offers 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.

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). The Group is involved in property development, investment management as well as property management, brokerage, consulting and valuation services.

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.

Commercial & Personal Banking In Belgium: Commercial & Personal Banking in Belgium activities comprise banking services to a range of client types, including individual customers, self-employed people and those in the liberal professions, small and medium-sized companies, local businesses, corporate clients and non-profit organisations.

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 cash-generating unit. The values of these parameters are obtained from external information sources.

Allocated capital is determined for each cash-generating unit based on the "Common Equity Tier One" regulatory requirements for the main legal entity to which the cash-generating unit belongs, with a minimum of 7%.

The infinite growth rate applied is 2%. It is calculated based on data provided by private companies specialised in macroeconomic research and analysis.

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

➤ SENSITIVITY OF THE MAIN GOODWILL VALUATIONS TO A 10-BASIS POINT CHANGE IN THE COST OF CAPITAL, A 100-BASIS POINT 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	Personal Finance
Cost of capital	**9.4%**
Adverse change (+10 basis points)	(192)
Positive change (-10 basis points)	198
Cost/income ratio	**46.2%**
Adverse change (+100 basis points)	(453)
Positive change (-100 basis points)	453
Cost of risk	**(1,762)**
Adverse change (+5%)	(607)
Positive change (-5%)	607
Growth rate to perpetuity	**2.0%**
Adverse change (-50 basis points)	(293)
Positive change (+50 basis points)	335

Concerning the cash-generating unit Personal Finance, there would be no need to depreciate even by using, for the impairment test, the four most unfavourable variations in the table.

4.n PROVISIONS FOR CONTINGENCIES AND CHARGES

➤ PROVISIONS FOR CONTINGENCIES AND CHARGES BY TYPE

In millions of euros, at	31 December 2023	Net additions to provisions	Provisions used	Changes in value recognised directly in equity	Effect of movements in exchange rates and other movements	31 December 2024
Provisions for employee benefits	6,509	1,414	(1,307)	(182)	109	6,543
of which post-employment benefits *(note 7.b)*	3,198	205	(277)	(175)	46	2,997
of which post-employment healthcare benefits *(note 7.b)*	78	7	(3)	(7)		75
of which provision for other long-term benefits *(note 7.c)*	1,571	491	(382)		29	1,709
of which provision for voluntary departure, early retirement plans, and headcount adaptation plan *(note 7.d)*	482	65	(216)		(3)	328
of which provision for share-based payments *(note 7.e)*	1,180	646	(429)		37	1,434
Provisions for home savings accounts and plans	48	(13)				35
Provisions for credit commitments *(note 2.g)*	1,270	(145)	(39)		(31)	1,055
Provisions for litigations(1)	1,005	193	(283)		(10)	905
Other provisions for contingencies and charges	1,686	148	(614)		48	1,268
TOTAL PROVISIONS FOR CONTINGENCIES AND CHARGES	**10,518**	**1,597**	**(2,243)**	**(182)**	**116**	**9,806**

(1) Of which EUR 366 million in provisions for mortgage loans in Swiss franc or indexed to the Swiss franc in Poland at 31 December 2024, compared with EUR 265 million at 31 December 2023 and EUR 38 million in provisions for foreign currency loans issued by BNP Paribas Personal Finance at 31 December 2024, compared with EUR 180 million at 31 December 2023.

In 2023, the Group modified its accounting policy relating to the risk of loss of cash flows on financial instruments granted that are not linked to the counterparty's default, such as legal risks calling into question the validity or enforceability of such contracts (see note 2.h).

The effect on expected cash flows due to these risks is now considered as a change in the contract's cash flows, in accordance with IFRS 9 B5.4.6, and is recorded as a decrease in the gross value of the asset. It was previously recognised separately in accordance with IAS 37 in "Provisions for risks and charges". Expected losses on derecognised financial instruments, as is the case when loans have been repaid, continue to be recognised in accordance with IAS 37.

➤ PROVISIONS AND DISCOUNT FOR HOME SAVINGS ACCOUNTS AND PLANS

In millions of euros, at	31 December 2024	31 December 2023
Deposits collected under home savings accounts and plans	**12,636**	**14,606**
of which deposits collected under home savings plans	10,504	12,426
Aged more than 10 years	7,131	6,695
Aged between 4 and 10 years	2,610	4,926
Aged less than 4 years	763	805
Outstanding loans granted under home savings accounts and plans	**18**	**9**
of which loans granted under home savings plans	14	4
Provisions and discount recognised for home savings accounts and plans	**35**	**48**
provisions recognised for home savings plans	24	33
provisions recognised for home savings accounts	11	15
discount recognised for home savings accounts and plans	-	-

4.o OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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

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

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

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

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

In millions of euros, **at 31 December 2024**	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Securities	267,357		267,357			267,357
Loans and repurchase agreements	429,312	(203,613)	225,699	(28,506)	(178,752)	18,441
Derivative financial instruments (including derivatives used for hedging purposes)	986,171	(642,689)	343,482	(245,188)	(52,223)	46,071
Financial assets at amortised cost	1,078,804	(541)	1,078,263	(1,194)	(7,485)	1,069,584
of which repurchase agreements	*9,431*	*(541)*	*8,890*	*(1,194)*	*(7,485)*	*211*
Accrued income and other assets	174,147		174,147		(43,944)	130,203
of which guarantee deposits paid	*125,090*		*125,090*		*(43,944)*	*81,146*
Other assets not subject to offsetting	615,960		615,960			615,960
TOTAL ASSETS	**3,551,751**	**(846,843)**	**2,704,908**	**(274,888)**	**(282,404)**	**2,147,616**

In millions of euros, **at 31 December 2024**	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Securities	79,958		79,958			79,958
Deposits and repurchase agreements	508,430	(203,613)	304,817	(27,351)	(262,872)	14,594
Issued debt securities	104,934		104,934			104,934
Derivative financial instruments (including derivatives used for hedging purposes)	981,506	(642,689)	338,817	(245,188)	(46,548)	47,081
Financial liabilities at amortised cost	1,102,270	(541)	1,101,729	(2,349)	(22,573)	1,076,807
of which repurchase agreements	*25,990*	*(541)*	*25,449*	*(2,349)*	*(22,573)*	*527*
Accrued expense and other liabilities	136,955		136,955		(44,223)	92,732
of which guarantee deposits received	*86,113*		*86,113*		*(44,223)*	*41,890*
Other liabilities not subject to offsetting	503,557		503,557			503,557
TOTAL LIABILITIES	**3,417,610**	**(846,843)**	**2,570,767**	**(274,888)**	**(376,216)**	**1,919,663**

In millions of euros, at 31 December 2023	Gross amounts of financial assets	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments received as collateral	Net amounts
Assets						
Financial instruments at fair value through profit or loss						
Securities	211,634		211,634			211,634
Loans and repurchase agreements	462,109	(234,934)	227,175	(28,383)	(181,529)	17,263
Derivative financial instruments (including derivatives used for hedging purposes)	890,604	(576,833)	313,771	(213,517)	(51,325)	48,929
Financial assets at amortised cost	1,005,096	(400)	1,004,696	(676)	(4,325)	999,695
of which repurchase agreements	*5,814*	*(400)*	*5,414*	*(676)*	*(4,325)*	*413*
Accrued income and other assets	170,758		170,758		(40,664)	130,094
of which guarantee deposits paid	*119,187*		*119,187*		*(40,664)*	*78,523*
Other assets not subject to offsetting	663,465		663,465			663,465
TOTAL ASSETS	**3,403,666**	**(812,167)**	**2,591,499**	**(242,576)**	**(277,843)**	**2,071,080**

In millions of euros, at 31 December 2023	Gross amounts of financial liabilities	Gross amounts set off on the balance sheet	Net amounts presented on the balance sheet	Impact of Master Netting Agreements (MNA) and similar agreements	Financial instruments given as collateral	Net amounts
Liabilities						
Financial instruments at fair value through profit or loss						
Securities	104,910		104,910			104,910
Deposits and repurchase agreements	508,548	(234,934)	273,614	(26,113)	(231,737)	15,764
Issued debt securities	83,763		83,763			83,763
Derivative financial instruments (including derivatives used for hedging purposes)	893,736	(576,833)	316,903	(213,517)	(41,756)	61,630
Financial liabilities at amortised cost	1,084,124	(400)	1,083,724	(2,946)	(26,145)	1,054,633
of which repurchase agreements	*31,269*	*(400)*	*30,869*	*(2,946)*	*(26,145)*	*1,778*
Accrued expense and other liabilities	143,673		143,673		(46,631)	97,042
of which guarantee deposits received	*87,612*		*87,612*		*(46,631)*	*40,981*
Other liabilities not subject to offsetting	456,045		456,045			456,045
TOTAL LIABILITIES	**3,274,799**	**(812,167)**	**2,462,632**	**(242,576)**	**(346,269)**	**1,873,787**

4.p 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 2024		31 December 2023	
	Carrying amount of transferred assets	Carrying amount of associated liabilities	Carrying amount of transferred assets	Carrying amount of associated liabilities
Securities lending operations				
Financial instruments at fair value through profit or loss	11,034		7,565	
Financial assets at amortised cost	85		474	
Financial assets at fair value through equity			39	
Repurchase agreements				
Financial instruments at fair value through profit or loss	59,543	59,543	49,747	49,700
Financial assets at amortised cost	2,009	2,009	5,949	5,949
Financial assets at fair value through equity	1,165	1,165	1,936	1,936
Financial investments of insurance activities	4,163	4,194	8,995	8,316
TOTAL	**77,999**	**66,911**	**74,705**	**65,901**

➤ SECURITISATION TRANSACTIONS PARTIALLY REFINANCED BY EXTERNAL INVESTORS, WHOSE RECOURSE IS LIMITED TO THE TRANSFERRED ASSETS

In millions of euros, at 31 December 2024	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Financial assets at amortised cost	28,465	26,122	28,517	26,060	2,457
TOTAL	**28,465**	**26,122**	**28,517**	**26,060**	**2,457**

In millions of euros, at 31 December 2023	Carrying amount of transferred assets	Carrying amount of associated liabilities	Fair value of transferred assets	Fair value of associated liabilities	Net position
Securitisation					
Financial assets at amortised cost	27,995	26,355	28,032	26,278	1,754
TOTAL	**27,995**	**26,355**	**28,032**	**26,278**	**1,754**

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

Note 5 NOTES RELATED TO INSURANCE ACTIVITIES

5.a NET INCOME FROM INSURANCE ACTIVITIES

The various income and expenses of insurance contracts are broken down in the "Net income from insurance activities" as follows:

- "Insurance revenue" includes revenue from insurance activities related to groups of insurance contracts issued. Insurance revenue reflects the provision of services relating to a group of contracts in an amount corresponding to the consideration to which the insurer expects to be entitled in exchange for those services;
- "Insurance service expenses": actual charges attributable to insurance contracts incurred over the period, changes related to past and current service, amortisation of acquisition costs, and the loss component for onerous contracts;
- "Investment return";
- "Net finance income or expenses from insurance contracts" includes the change in the carrying amount of insurance contracts resulting from the undiscounting effect, and the financial risk including changes in financial assumptions.

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Insurance revenue	9,711	8,945
Insurance service expenses(1)	(7,502)	(6,786)
Investment return	11,554	10,254
Net finance income or expenses from insurance contracts	(11,367)	(10,093)
NET INCOME FROM INSURANCE ACTIVITIES	**2,396**	**2,320**

(1) Insurance service expenses include attributable expenses which amounted to -EUR 4,125 million for the year ended 2024, compared with -EUR 3,723 million for the year ended 2023 (see note 5.b).

Insurance service result

"Insurance service result" includes:

- "Insurance revenue": for contracts under the variable fee approach and under the building block approach, it represents the release of fulfilment insurance contracts cash flows over the period (excluding changes in investment component and the amount allocated to the loss component), change in the non-financial risk adjustment, amortisation of the contractual service margin for services provided over the period, the amount allocated for the amortisation of acquisition cost, and for the general measurement model specifically, experience adjustments related to premiums.

  For contracts under the variable fee approach, the amortisation of the margin on contractual services is determined after adjusting the difference between the real-world expected financial return and the risk-neutral projection. The main financial assumptions underlying the calculation of the real-world expected financial return are those adopted by the Group over the horizon of the strategic plan. Beyond this horizon, the interest rate and return assumptions used are determined in line with those underlying the risk-neutral projection.

  The recovery of insurance acquisition cash flows corresponds to the portion of the premiums that relate to recovering these cash flows and the same amount is recognised as an expense on the line "Amortisation of insurance acquisition cash flows".

  For contracts under the simplified measurement model, revenue represents expected cash-flows over the period.
- "Insurance service expenses" includes incurred and past claims expenses of the period (excluding repayments of investment component) and other expenses that have been incurred related to insurance activities. Other insurance service expenses include the amortisation of insurance acquisition cash flows; changes that relate to past services and changes that relate to future services. This line also includes the operating expenses and depreciation and amortisation attributable to insurance contracts.
- "Net expenses from reinsurance contracts held" are service expenses from reinsurance net of amounts recovered from reinsurers.

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Contracts not measured under the premium allocation approach	**5,551**	**5,435**
Changes in the liability for remaining coverage	2,349	2,221
Change in the risk adjustment	133	122
Contractual service margin	1,908	1,825
Recovery of insurance acquisition cash flows	1,161	1,267
Contracts measured under the premium allocation approach	**4,160**	**3,510**
Insurance revenue	**9,711**	**8,945**
Incurred claims and expenses	(4,077)	(3,928)
Amortisation of insurance acquisition cash flows	(2,876)	(2,612)
Changes that relate to past service	(42)	249
Loss component recognised in profit or loss	(54)	(62)
Net expenses from reinsurance contracts held	(453)	(433)
Insurance service expenses	**(7,502)**	**(6,786)**
INSURANCE SERVICE RESULT	**2,209**	**2,159**

Financial result

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

"Investment return" includes net income from financial instruments and from investment properties.

"Changes in fair value of underlying items of direct participation contracts" reflects the changes in value of underlying investments, for the amount which was not recognised directly in equity, and excluding the portion of these changes adjusting the contract service margin.

"Other insurance financial expenses" measured under the general model and under the simplified model represent the change in technical liabilities arising from financial risks (discount rates variations, forex rates, time value and financial variations expected in the contracts) for the amount which was not recognised directly in equity.

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Net interest income	2,579	2,376
Net gain on financial instruments at fair value through equity	(329)	(432)
Net gain on debt instruments	*(413)*	*(445)*
Dividend income on equity instruments	*84*	*13*
Net gain on financial instruments at fair value through profit and loss	9,000	9,040
Cost of risk	3	24
Investment property income	374	(672)
Share of earnings of equity-method investments	1	(6)
Other expenses	(74)	(76)
Investment return	**11,554**	**10,254**
Changes in fair value of underlying items of direct participation contracts	(11,197)	(9,940)
Other insurance financial expenses	(170)	(153)
Net finance income or expenses from insurance contracts	**(11,367)**	**(10,093)**
FINANCIAL RESULT	**187**	**161**

5.b RECONCILIATION OF EXPENSES BY TYPE AND BY FUNCTION

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Commissions and other expenses	(2,949)	(2,494)
Expenses incurred by internal distributors *(see note 2.f)*	(1,085)	(1,041)
Salary and employee benefit expense *(see note 7.a)*	(839)	(778)
Taxes and contributions	(97)	(86)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	(173)	(32)
TOTAL EXPENSES BY TYPE	**(5,143)**	**(4,431)**
Acquisition cash flows incurred over the period	3,062	2,562
Amortisation of acquisition cash flows	(2,876)	(2,612)
TOTAL EXPENSES BY TYPE ADJUSTED FOR ACQUISITION CASH FLOWS AMORTISATION EFFECT	**(4,957)**	**(4,481)**
Insurance contracts attributable expenses *(see note 5.a)*	(4,125)	(3,723)
Insurance activities non attributable costs *(see note 2.f)*	(832)	(758)

Acquisition cash flows over the period are deducted from total expenses and amortised over the coverage period of the contracts.

5.c INVESTMENTS, OTHER ASSETS AND FINANCIAL LIABILITIES RELATED TO INSURANCE ACTIVITIES

➤ INVESTMENTS AND OTHER ASSETS RELATED TO INSURANCE ACTIVITIES

	31 December 2024			31 December 2023		
In millions of euros, at	Assets not representative of unit-linked insurance contracts	Assets representative of unit-linked accounts	Total	Assets not representative of unit-linked insurance contracts	Assets representative of unit-linked accounts	Total
Derivative financial instruments	1,731		1,731	1,658		1,658
Derivatives used for hedging purposes	74		74	36		36
Financial assets at fair value through profit or loss	61,465	111,954	173,419	64,492	92,266	156,758
Financial assets at fair value through equity	102,222		102,222	89,139		89,139
Financial assets at amortised cost	1,379		1,379	1,267		1,267
Investment properties	3,868	3,178	7,046	4,008	3,483	7,491
Equity-method investments	82		82	89		89
Assets related to insurance activities *(see note 5.d)*	896		896	660		660
INVESTMENTS AND OTHER ASSETS RELATED TO INSURANCE ACTIVITIES	**171,717**	**115,132**	**286,849**	**161,349**	**95,749**	**257,098**

➤ FINANCIAL LIABILITIES RELATED TO INSURANCE ACTIVITIES

"Financial liabilities related to insurance activities" includes unit-linked investment contracts without discretionary participating features. Those contracts are measured under IFRS 9 at fair value through profit or loss.

In millions of euros, at	31 December 2024	31 December 2023
Derivative financial instruments	982	1,138
Derivatives used for hedging purposes	238	152
Deposit at fair value through profit or loss	960	1,063
Debt representative of shares of consolidated funds held by third parties	7,317	5,802
Investment contracts without discretionary participation feature – Unit-linked contracts	8,388	8,427
Other debts	1,922	1,657
FINANCIAL LIABILITIES RELATED TO INSURANCE ACTIVITIES	**19,807**	**18,239**

➤ MEASUREMENT OF THE FAIR VALUE OF FINANCIAL INSTRUMENTS

The criteria for allocating instruments to each level of the fair value hierarchy, the measurement methods, and the principles governing transfers between levels are those presented in note 4.d for the Group's financial instruments.

	31 December 2024				31 December 2023			
In millions of euros, at	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets designated as at fair value through profit or loss	**110,018**	**47,346**	**16,055**	**173,419**	**85,585**	**56,294**	**14,879**	**156,758**
Equity instruments	102,824	31,996	15,772	150,592	79,269	41,846	14,779	135,894
Debt securities	7,194	14,827	218	22,239	6,316	13,740	41	20,097
Loans		523	65	588		708	59	767
Financial assets at fair value through equity	**89,003**	**13,214**	**5**	**102,222**	**81,018**	**8,106**	**15**	**89,139**
Equity instruments	1,729			1,729	646			646
Debt securities	87,274	13,214	5	100,493	80,372	8,106	15	88,493
Derivative financial instruments	**-**	**1,772**	**33**	**1,805**	**2**	**1,678**	**14**	**1,694**
FINANCIAL ASSETS MEASURED AT FAIR VALUE	**199,021**	**62,332**	**16,093**	**277,446**	**166,605**	**66,078**	**14,908**	**247,591**
Financial liabilities designated at fair value through profit or loss	**4,666**	**10,866**	**1,133**	**16,665**	**2,625**	**12,039**	**628**	**15,292**
Deposit at fair value through profit or loss		960		960		1,063		1,063
Debt representative of shares of consolidated funds held by third parties	4,666	2,352	299	7,317	2,625	3,177		5,802
Investment contracts without discretionary participation feature - Unit-linked contracts		7,554	834	8,388		7,799	628	8,427
Derivative financial instruments	**-**	**1,198**	**22**	**1,220**	**127**	**977**	**186**	**1,290**
FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**4,666**	**12,064**	**1,155**	**17,885**	**2,752**	**13,016**	**814**	**16,582**

Level 1: includes notably equity securities and liquid bonds, derivative instruments traded on organised markets (futures, options, *etc.*), shares of funds and UCITS, for which the net asset value is calculated on a daily basis.

Level 2: includes equity securities, government bonds, corporate debt securities, shares of funds and UCITS, and over-the-counter derivatives.

Level 3: includes units of funds and unlisted equity shares which are mainly company shares and venture capital.

TABLE OF MOVEMENTS IN LEVEL 3 FINANCIAL INSTRUMENTS

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

	Financial assets			Financial liabilities	
In millions of euros	Financial instruments at fair value through profit or loss	Financial assets at fair value through equity	Total	Financial instruments at fair value through profit or loss	Total
AT 31 DECEMBER 2023	**14,893**	**15**	**14,908**	**(814)**	**(814)**
Purchases	2,209		2,209		
Sales	(2,325)		(2,325)		
Settlements	40	(3)	37	(110)	(110)
Transfers to Level 3	463		463		
Transfers from Level 3	(141)	(8)	(149)		
Gains recognised in profit or loss	187		187	(226)	(226)
Items related to exchange rate movement and changes in scope of consolidation	762		762	(5)	(5)
Changes in fair value of assets and liabilities recognised in equity		1	1		
AT 31 DECEMBER 2024	**16,088**	**5**	**16,093**	**(1,155)**	**(1,155)**

FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

	31 December 2024		31 December 2023	
In millions of euros, at	Fair value	of which changes in value recognised directly to equity	Fair Value	of which changes in value recognised directly to equity
Debt securities	100,493	(5,341)	88,493	(5,154)
Equity securities	1,729	107	646	70
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY	**102,222**	**(5,234)**	**89,139**	**(5,084)**

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 2024, the Group sold several of these investments and a net gain of EUR 3 million was transferred to "retained earnings" (EUR 26 million for the year ended 31 December 2023).

FAIR VALUE OF INVESTMENT PROPERTIES

The fair value of investment properties amounted to EUR 7.0 billion at 31 December 2024, compared with EUR 7.5 billion at 31 December 2023. The value of investment properties classified in Level 3 amounted to EUR 0.5 billion at 31 December 2024.

The entire non-listed real estate portfolio is appraised by one or more independent third parties. Experts have professional rules for carrying out these assessments.

For buildings that are directly held, experts use three main methods:

- the method by which similar transactions are compared;
- the rate of return method (rate applied to a rental basis);
- the discounted cash flows method.

The final value retained by the expert may be a compromise between these three methods.

FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

	31 December 2024					31 December 2023				
	Estimated fair value				Carrying value	Estimated fair value				Carrying value
In millions of euros, at	Level 1	Level 2	Level 3	Total		Level 1	Level 2	Level 3	Total	
Loans and receivables		1,326	47	1,373	1,379		1,242	24	1,266	1,267

5.d ASSETS AND LIABILITIES RELATED TO INSURANCE CONTRACTS

The main contracts issued by the Group are (see note 1.g.2):

- insurance contracts covering risks related to persons or property measured under the general model (building block approach - BBA) or the premium allocation approach (PAA) for contracts eligible under this approach;
- life or savings contracts measured under the variable fee approach (VFA);
- reinsurance contracts issued measured under the general model or the premium allocation approach.

Reinsurance contracts held are also measured under the general model or the premium allocation approach.

Insurance and reinsurance contracts issued and reinsurance contracts held are presented on the assets or liabilities side of the balance sheet according to the overall position of the portfolios to which they belong. They are presented separately according to their valuation model: allocation method or other models (general model and variable fee approach). Reinsurance contracts held are isolated.

	31 December 2024			31 December 2023		
In millions of euros, at	Assets	Liabilities	Net (Assets) or Liabilities	Assets	Liabilities	Net (Assets) or Liabilities
Insurance contracts not measured under the premium allocation approach	34	244,978	244,944	22	215,689	215,667
Insurance contracts measured under the premium allocation approach	153	2,709	2,556	84	2,354	2,270
Reinsurance contracts held	709	12	(697)	554		(554)
ASSETS AND LIABILITIES RELATED TO INSURANCE CONTRACTS	**896**	**247,699**	**246,803**	**660**	**218,043**	**217,383**

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

MOVEMENTS IN CARRYING AMOUNTS OF INSURANCE CONTRACTS - REMAINING COVERAGE AND INCURRED CLAIMS

Insurance contracts issued, excluding reinsurance contracts *In millions of euros*	Remaining coverage			
	Excluding loss component	Loss component	Incurred claims(3)	Total net liabilities
NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2022	**205,437**	**152**	**3,962**	**209,551**
Insurance service result: (income) or expenses	(6,610)	23	3,995	(2,592)
of which insurance revenue	*(8,945)*			*(8,945)*
of which insurance service expenses	*2,335*	*23*	*3,995*	*6,353*
Net finance (income) or expenses from insurance contracts(2)	14,617	2	65	14,684
Total changes recognised in profit and loss and in equity	**8,007**	**25**	**4,060**	**12,092**
Investment component	**(23,892)**	**-**	**23,892**	**-**
Premiums received for insurance contracts issued	26,128			26,128
Insurance acquisition cash flows	(2,285)			(2,285)
Claims and other service expenses paid			(27,454)	(27,454)
Total cash flows	**23,843**	**-**	**(27,454)**	**(3,611)**
Changes in scope of consolidation and other items	**(371)**	**(7)**	**283**	**(95)**
NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2023(1)	**213,024**	**170**	**4,743**	**217,937**
Insurance service result: (income) or expenses	(7,116)	17	4,437	(2,662)
of which insurance revenue	*(9,711)*			*(9,711)*
of which insurance service expenses	*2,595*	*17*	*4,437*	*7,049*
Net finance (income) or expenses from insurance contracts(2)	10,952	3	164	11,119
Total changes recognised in profit and loss and in equity	**3,836**	**20**	**4,601**	**8,457**
Investment component	**(19,641)**	**-**	**19,641**	**-**
Premiums received for insurance contracts issued	32,795			32,795
Insurance acquisition cash flows	(2,781)			(2,781)
Claims and other service expenses paid			(24,166)	(24,166)
Total cash flows	**30,014**	**-**	**(24,166)**	**5,848**
Changes in scope of consolidation and other items	**15,061**	**6**	**191**	**15,258**
NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2024(1)	**242,294**	**196**	**5,010**	**247,500**

(1) Including receivables and liabilities attributable to insurance contracts for a net asset of EUR 961 million at 31 December 2024, compared with a net asset of EUR 549 million at 31 December 2023.
(2) Including finance income and expenses recognised directly in equity.
(3) Including incurred claims for contracts under the premium allocation approach (PAA) for a net liability of EUR 1,956 million at 31 December 2024, of which EUR 1,814 million in respect of the present value of cash flows and EUR 142 million in respect of the non-financial risk adjustment.

MOVEMENTS IN CARRYING AMOUNTS OF INSURANCE CONTRACTS NOT MEASURED UNDER THE PREMIUM ALLOCATION APPROACH – ANALYSIS BY MEASUREMENT COMPONENT

Insurance contracts issued not measured under the premium allocation approach, excluding reinsurance contracts *In millions of euros*	Present value of future cash flows	Non-financial risk adjustment	Contractual service margin	Total
NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2022	**189,422**	**1,048**	**17,065**	**207,535**
Insurance service result: (income) or expenses	(1,674)	550	(839)	(1,963)
of which changes related to future services - new contracts	*(1,164)*	*90*	*1,107*	*33*
of which changes related to future services - change in estimation	*(447)*	*602*	*(121)*	*34*
of which changes related to current service(2)	*32*	*(103)*	*(1,825)*	*(1,896)*
of which changes related to past service	*(95)*	*(39)*		*(134)*
Net finance (income) or expenses from insurance contracts(3)	14,510	8	51	14,569
Total changes recognised in profit and loss and in equity	**12,836**	**558**	**(788)**	**12,606**
Premiums received for insurance contracts issued	22,621			22,621
Insurance acquisition cash flows	(892)			(892)
Claims and other service expenses paid	(25,994)			(25,994)
Total cash flows	**(4,265)**	**-**	**-**	**(4,265)**
Changes in scope of consolidation and other items	**(204)**	**(3)**	**(2)**	**(209)**
NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2023(1)	**197,789**	**1,603**	**16,275**	**215,667**
Insurance service result: (income) or expenses	(2,919)	154	721	(2,044)
of which changes related to future services - new contracts	*(1,529)*	*123*	*1,435*	*29*
of which changes related to future services - change in estimation	*(1,337)*	*170*	*1,194*	*27*
of which changes related to current service(2)	*(8)*	*(118)*	*(1,908)*	*(2,034)*
of which changes related to past service	*(45)*	*(21)*		*(66)*
Net finance (income) or expenses from insurance contracts(3)	10,867	18	60	10,945
Total changes recognised in profit and loss and in equity	**7,948**	**172**	**781**	**8,901**
Premiums received for insurance contracts issued	28,552			28,552
Insurance acquisition cash flows	(978)			(978)
Claims and other service expenses paid	(22,363)			(22,363)
Total cash flows	**5,211**	**-**	**-**	**5,211**
Changes in scope of consolidation and other items	**14,613**	**98**	**454**	**15,165**
NET (ASSETS) OR LIABILITIES AT 31 DECEMBER 2024(1)	**225,561**	**1,873**	**17,510**	**244,944**

(1) Including receivables and liabilities attributable to insurance contracts for a net asset of EUR 765 million at 31 December 2024, compared with a net asset of EUR 501 million at 31 December 2023.
(2) Including an experience adjustment that amounted to -EUR 9 million for the year ended 2024 and to +EUR 38 million for the year ended 2023.
(3) Including finance income and expenses recognised directly in equity.

➤ EXPECTED AMORTISATION SCHEDULE FOR THE CONTRACTUAL SERVICE MARGIN

The schedule presents the amortisation of the contractual service margin to be recognised over time in profit or loss for protection contracts under the general model and for saving contracts under the variable fee approach. For the latter, it considers the over performance of financial assets compared with a risk-neutral measurement.

In millions of euros, at	31 December 2024	31 December 2023
Less than 5 years	7,938	6,734
5 to 10 years	5,347	5,183
More than 10 years	4,225	4,358
TOTAL	**17,510**	**16,275**

➤ DISCOUNT RATES AND ADJUSTMENT FOR NON-FINANCIAL RISK

The table below presents the average discount rates used in the measurement of savings and protection contracts for the main horizons of the euro curve.

	31 December 2024		31 December 2023	
	Savings	Protection	Savings	Protection
1 year	3.17%	2.24%	4.00%	3.36%
5 years	3.07%	2.14%	2.96%	2.32%
10 years	3.20%	2.27%	3.03%	2.39%
15 years	3.26%	2.33%	3.10%	2.47%
20 years	3.19%	2.26%	3.04%	2.41%
40 years	3.09%		3.04%	

Discount rate

For the construction of the yield curve, an approach based on the risk-free rate has been adopted, with the following parameters:

- a risk-free yield curve, by currency, based on an approach similar to that proposed by EIOPA (European Insurance and Occupational Pensions Authority) in the prudential framework, with two components:
  - observable and liquid market component: rates are determined by reference to market financial instruments that comply with liquidity, consistency with liabilities and adjusted to limit the impact of credit risk;
  - the long-term interest rate transition component: this enables the yield curve to be extrapolated for maturities beyond the liquid portion observable on the market.
- a liquidity premium applicable to specific types of contracts, based on assets held.

For savings contracts valued according to the variable fee method, for which the fulfilment cash flows take into account the return on underlying financial assets, the risk-free yield curve is supplemented by a liquidity premium calculated on the basis of the portfolio of assets backing the savings and the retirement contracts. By assumption, bonds (sovereign and corporate) and diversified financial assets benefit from a liquidity premium (or illiquidity premium). The average liquidity premium on all savings portfolios (in France, Italy and Luxembourg) is 0.91% at 31 December 2024, compared with 0.65% at 31 December 2023.

For protection contracts measured under the general model and for liabilities for incurred claims under the simplified approach, the discounting rate consists of the risk-free rate adjusted to reflect the illiquidity of liabilities. For protection, the liquidity premium is currently valued at zero due to the short settlement period for claims on the main risks covered.

Adjustment for non-financial risks

For savings contrats the risk adjustment is determined according to the cost of capital method, without taking into account the risk of massive lapses, including future payments, and considering only attributable expenses. It is measured within a confidence range of 60% and 70%. This one corresponds to a level of confidence of 65% at 31 December 2024 (unchanged compared with 31 December 2023).

For protection contracts, the level of confidence used in determining the adjustment for non-financial risks for the main countries is 70% (based on the quantile method).

5.e RISKS ARISING FROM INSURANCE AND INVESTMENT CONTRACTS IN THE SCOPE OF IFRS 17

The BNP Paribas Group conducts its insurance activities mainly through BNP Paribas Cardif and its subsidiaries.

Risk management framework

Risk management is an integral part of the BNP Paribas Group's business model. The Group has developed and implemented a risk management framework designed to identify, assess, control and monitor risks related to its various activities.

Risk management involves identifying, measuring, monitoring, managing and reporting risks arising from the external environment as well as those inherent to insurance activities. Its objective is to guarantee the solvency, business continuity and development of the BNP Paribas Group's insurance activities under satisfactory risk and profitability conditions.

The general risk management framework for insurance activities is presented in section 5.10 *Risks related to insurance activity* of the Universal registration document. This framework has been developed to meet the needs of Solvency II prudential regulation. The BNP Paribas Group's exposure to insurance contracts is disclosed in note 5.d *Assets and liabilities related to insurance contracts*.

Pursuant to IFRS 17, the nature and extent of risks arising from BNP Paribas Group insurance and investment contracts are determined by their contractual characteristics. Underwriting and financial risks are the main risks to which the BNP Paribas Group is exposed as parts of its insurance activities.

5.e.1 Underwriting risk

Under IFRS 17, underwriting risks include:

- insurance risk: risks linked to mortality, morbidity, longevity, or the risk of an increase in losses for Protection coverage (including damage to property);
- risk related to the behaviour of policyholders: in particular, the surrender risk;
- charge risk: the risk of adverse deviation of contract management fees from tariffed loadings.

Through its life insurance and savings activities, the BNP Paribas Group is mainly exposed to:

- surrender risk: the surrender clause allows policyholders to request the reimbursement of all or part of their accumulated savings. The insurer is therefore at risk of surrender volumes exceeding the forecasts used in asset-liability management models, leading to capital losses, if any, on asset disposals needed to finance excess surrenders;
- insurance risk: some unit-linked contracts provide that the capital paid in to beneficiaries on the death of the insured may not be less than the sum of the premiums invested in the contract, regardless of the situation on the financial markets at the time of death. The risk is therefore characterised by a statistical component (probability of loss) and a financial component (market value of the assets in representation of the unit-linked liabilities).

The risks related to protection relate mainly to the marketing of creditor protection insurance, but also to activities such as personal protection insurance, extended warranty, theft or damage to property, civil liability, life annuity policies in France, and health, with geographical coverage in many countries.

Creditor protection insurance mainly covers risks of death, disability, dreaded diseases, incapacity for work, loss of employment and financial losses on revolving loans, consumer loans and real estate loans. This activity is based on a multitude of contracts involving low risk and premium amounts, the profitability of which depends on the size of the portfolio of contracts, the effective mutualisation of risks and the control of operating expenses. The insurer is also exposed to lapse risk in the event of early redemption or transfer of the contract to another insurer where permitted by regulation.

Other activities (personal protection insurance, extended warranty, theft, accidental damage to property, life annuity policies in France, civil liability, health) relate to personal risk (death, accidental death, hospitalisation, critical illness, healthcare expenses) or to property and/or liabilities (accidental damage, breakdown or theft of consumer goods or automobiles, civil liability, *etc.*). These contracts are characterised by individual insured sums which are generally low, whether they are indemnities or lump sums.

Lastly, mainly through the Cardif IARD entity in France, insurance for motor vehicles (material damage, civil liability, assistance, *etc.*) and property risks are also underwritten. Such products are also growing internationally, particularly in Latin American countries.

Framework for managing underwriting risk

The underwriting risk monitoring and management framework is based on documented governance and processes. Subscription operations for direct and intermediated activities, and for accepted reinsurance are based on similar principles. Within the BNP Paribas Cardif group, risk underwriting complies with specific delegation rules involving several levels, both local and central. The level of delegation depends on the level of assessment of the maximum acceptable loss, the estimated Solvency II capital requirement and the estimated profitability of the contracts concerned. The experience gained from managing geographically diversified portfolios enables the databases used for risk pricing to be updated regularly, taking into account numerous parameters (type of loan for creditor insurance, guarantee, insured population, *etc.*). Each contract is priced based on the measurement and monitoring of profitability and the return on equity set by the Executive Management of BNP Paribas Cardif.

Contractual clauses allow underwriting risk to be managed in accordance with regulatory and commercial frameworks through technical and legal measures, such as tariff revision clauses provided for in the contract in the event of changes in taxation or risk of adverse development in loss experience, and the limitation of the duration of some guarantees.

Partners are interested in the quality of the risks of the contracts they bring so as to encourage the compliance with good underwriting practices defined by the Group.

Ceded reinsurance is a complementary element of the underwriting risk management framework. It aims to protect BNP Paribas from the main risks to which the Group is exposed.

In savings, underwriting risk is managed through monitoring and supervision of the offering, adapted to the market context. The Group thus limits the risk exposure, which is characterised by an insufficient performance of the investments compared with the contractual remuneration obligation. Thus 97% of Cardif Assurance Vie's outstanding savings and of the retirement contracts in their accumulation phase do not provide for a guaranteed minimum rate or a guaranteed minimum rate of more than one year beyond the capital guarantee. For the French portfolio, the guaranteed average rate is less than 0.1%. In Italy, Cardif Vita offers an average guaranteed minimum rate of less than 0.15% on the main general Capital Vita fund. In Italy, only three segregated funds, in run-off, whose total outstandings represent less than 2% of the subsidiary's outstandings, have an average guaranteed minimum rate of 2.20%.

Besides, the average redemption rates for BNP Paribas Cardif group general funds stood in France at 6.2% (compared with 7.9% in 2023), in Italy at 14.0% (compared with 21.1% in 2023) and in Luxembourg at 10.6% (compared with 23.8% in 2023).

Allocation of insurance contract liabilities by geographical area (excluding reinsurance)

The table below shows the liabilities related to insurance contracts excluding reinsurance by country of issuance. These liabilities include the present value of future cash flows, the contractual service margin, and the adjustment for non-financial risk.

In millions of euros, at	31 December 2024	31 December 2023
France(1)	180,289	158,470
Italy(1)	28,109	23,236
Luxembourg(1)	31,138	28,158
Other Europe(1)	1,547	1,492
Asia(1)	5,714	6,055
Latin America(2)	703	526
TOTAL	**247,500**	**217,937**

(1) Savings and Protection.
(2) Protection only.

Underwriting risk sensitivity analysis

The table below shows the impact gross of taxes on income and shareholders' equity of reasonably possible changes in the main underwriting risk variables at reporting date (*i.e.* changes in surrenders and mortality for life savings activities and changes in claims for protection activities). Shocks are applied to current-year death claims and surrenders. Sensitivity to non-financial risks is presented excluding the effect of ceded reinsurance contracts and assuming that all other variables remain unchanged.

	31 December 2024		31 December 2023	
In millions of euros, at	Potential impact on income	Potential impact on equity	Potential impact on income	Potential impact on equity
Savings				
Mortality rates (1% increase/decrease)	-	-	-	-
Lapse rates (5% increase/decrease)	-/+ 2	-	-/+ 2	-
Protection				
Ultimate loss rate (5% increase/decrease)	-/+ 95	-	-/+ 94	-

5.e.2 Market risk

Qualitative information on the valuation of the carrying amount and fair value of financial instruments is provided in the financial instruments section of note 1.f *Financial assets and liabilities*. Quantitative information on the carrying value of financial instruments is disclosed in note 5.c *Investments, other financial assets and liabilities related to insurance activities*.

IFRS 17 defines market risk as the risk that changes in market prices (*e.g.* interest rates, currency exchange rates, share prices) affect the fulfilment cash flows of insurance and reinsurance contracts and the fair value or future cash flows of financial instruments. Market risk includes:

- interest rate risk: the risk that the fair value or future cash flows of a financial instrument and that fulfilment cash flows of an insurance or reinsurance contract will fluctuate due to changes in market interest rates;

- price risk: the risk that the fair value or future cash flows of a financial instrument, and the fulfilment cash flows of an insurance or reinsurance contract, will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency exchange risk), whether these changes are caused by factors specific to the instrument or contract in question or to its issuer, or by factors affecting all similar financial instruments traded on the market or all similar contracts;
- currency exchange risk: the risk that the fair value or future cash flows of a financial instrument, as well as fulfilment cash flows of an insurance or reinsurance contract will fluctuate due to changes in foreign exchange rates.

Market Risk Management Framework

For its insurance activities, the Group has equipped itself with the necessary management tools to calibrate the strategic asset allocation and to measure asset-liability matching risks. Asset-liability studies enable to project expected flows on both the assets and the liabilities of the various general funds. In particular, they allow to adapt the duration of assets according to the profile of the various liabilities.

The investment policy dictates the framework for asset management. It defines the principles for aligning the structure of asset portfolios with the commitments made to policyholders, while optimising the expected return on investment relative to the risk limit set. Thus, in particular in the case of BNP Paribas Cardif, the implementation of the investment policy, entrusted to the Asset Management Department, is governed for each portfolio by a management agreement that specifies the investment limits according to asset classes. Market risk can also be managed through the use of financial hedging instruments.

Market risk exposure is also monitored through targeted studies such as the review of securities in an unrealised loss position.

In addition, foreign currency exchange risk exposure arises from the funding of the foreign branches, equity investments in foreign currency or investment strategy in foreign currency-denominated assets in general funds. Foreign exchange risk may be hedged by forward financial instruments, such as cross-currency swaps, or by foreign currency borrowings.

For unit-linked commitments, market risk is mainly transferred to policyholders.

Interest rate risk sensitivity analysis

The sensitivity on insurance contracts arises from the following effects:

- For insurance contracts without direct participation features (protection, creditor insurance and property), the fulfilment cash flows are discounted using a discount rate curve that depends on the interest rates at closing date. The risk is therefore mainly related to the degree of matching between the return on investments and insurance financial income or expenses.
- For insurance contracts with direct participation features (life and savings contracts), the change in the value of insurance contracts reflects the change in the value of the underlying financial assets. Therefore the risk is mainly related to the change in the insurer's share (the variable fees) in the fair value of the underlying financial assets.

The table below shows the impact gross of taxes on income and shareholders' equity of reasonably possible changes in interest rates at reporting date. Sensitivities are presented on all financial assets, excluding assets representing unit-linked contracts.

Sensitivity was determined for the most significant countries, *i.e.* France, Italy and Luxembourg.

	31 December 2024					
	Potential impact on income			Potential impact on equity		
In millions of euros, at	related to investments(1)	related to insurance contracts	Net impact	related to investments	related to insurance contracts	Net impact
+50 bps variation of interest rate risk	(190)	178	(12)	(4,019)	3,738	(281)
-50 bps variation of interest rate risk	249	(237)	12	4,015	(3,738)	277

(1) Excepted financial assets representing unit-linked contracts.

	31 December 2023					
	Potential impact on income			Potential impact on equity		
In millions of euros, at	related to investments(1)	related to insurance contracts	Net impact	related to investments	related to insurance contracts	Net impact
+50 bps variation of interest rate risk	(225)	206	(19)	(3,662)	3,330	(332)
-50 bps variation of interest rate risk	239	(220)	19	3,662	(3,330)	332

(1) Excepted financial assets representing unit-linked contracts.

Price risk sensitivity analysis

The table below shows the impact gross of taxes on income and equity of reasonably possible changes in market and real estate prices at the reporting date. Sensitivities are presented excluding unit-linked contracts.

Sensitivity was determined for the most significant countries, *i.e.* France, Italy and Luxembourg.

	31 December 2024					
	Potential impact on income			Potential impact on equity		
In millions of euros, at	related to investments(1)	related to insurance contracts	Net impact	related to investments	related to insurance contracts	Net impact
+10% variation of equity market	1,310	(1,246)	64	175	(3)	172
-10% variation of equity market	(1,310)	1,246	(64)	(175)	3	(172)
+10% variation of real estate market	1,183	(1,153)	30			
-10% variation of real estate market	(1,183)	1,153	(30)			

(1) *Excepted financial assets representing unit-linked contracts.*

	31 December 2023					
	Potential impact on income			Potential impact on equity		
In millions of euros, at	related to investments(1)	related to insurance contracts	Net impact	related to investments	related to insurance contracts	Net impact
+10% variation of equity market	1,834	(1,760)	74	61		61
-10% variation of equity market	(1,834)	1,760	(74)	(61)		(61)
+10% variation of real estate market	1,062	(1,031)	31	37		37
-10% variation of real estate market	(1,062)	1,031	(31)	(37)		(37)

(1) *Excepted financial assets representing unit-linked contracts.*

For savings contracts valued using the variable fees approach, the change in the value of the underlying financial assets is largely offset by the change in the value of the liabilities, provided that the contractual service margin remains positive.

Potential effects on income and equity are therefore mainly derived from non-participating contracts and assets representing the shareholders' equity of insurance entities.

5.e.3 Credit risk

IFRS 17 defines credit risk as the risk that a party to a financial instrument, an insurance contract issued which is an asset or a reinsurance contract held, fails to meet one of its obligations and thereby causes the other party to suffer a financial loss.

The credit risk related to contracts in the scope of IFRS 17 relates mainly to reinsurance contracts held (risk of default by a reinsurer that would no longer allow him to assume a share of the amount due to him) and to receivables on the partners to whom the collection of the premiums have been delegated.

Counterparty risk management on reinsurers is achieved through rigorous selection of reinsurers, negotiation of collateral provided and regular monitoring of major exposures. The guarantees required may be real sureties, such as cash deposits and security pledges, or financial guarantees given and letters of guarantee.

The counterparty risk of BNP Paribas Cardif's partners comes under the Partners and Reinsurers credit governance. As with a reinsurer, an exposure to a partner may be subject to real or personal security.

Depending on the quality of the counterparty, the following techniques may be used: guarantee of the parent company, first-demand bank guarantee, segregated account of the rest of the assets in the event of bankruptcy, *etc*.

5.e.4 Liquidity risk

IFRS 17 defines liquidity risk as the difficulty of honouring commitments related to insurance contracts and financial liabilities that are to be settled through the provision of cash or other financial assets.

Tactical asset management is carried out to release the cash needed to settle insurance benefits, in keeping with the fund's current management framework, while minimising impacts on the rate of return on assets.

Liquidity risk is managed centrally based on studies carried out at intervals appropriate to the risk exposure.

Stress tests are carried out as part of asset-liability management studies. They test the ability to honour its commitments in adverse financial market situations, taking into account the impact of these situations on the behaviour of policyholders. These medium and long-term asset-liability matching analyses are based on a projection of the medium and/or long-term profit and loss account and balance sheet under various economic scenarios. The analysis of the results obtained makes it possible to take, where appropriate, measures to adjust the constraints on asset allocation (strategic allocation, diversification, derivatives, *etc*.).

The table below details the forward schedule of the present value of the future cash flows of all insurance contracts excluding reinsurance.

In millions of euros, at	31 December 2024	31 December 2023
1 year	7,770	7,094
1 to 2 years	8,037	6,274
2 to 3 years	6,685	6,179
3 to 4 years	6,923	6,074
4 to 5 years	7,735	5,598
5 to 10 years	33,032	19,511
More than 10 years	157,419	148,819
TOTAL	**227,601**	**199,549**

For participating contracts, amounts payable on demand correspond to surrender values of saving contracts.

	31 December 2024		31 December 2023	
In millions of euros, at	Amount payable on demand	Carrying amount	Amount payable on demand	Carrying amount
Participating contracts	227,706	241,278	197,551	212,297
Non-participating contracts	57	6,222	70	5,640
TOTAL	**227,763**	**247,500**	**197,621**	**217,937**

Note 6 FINANCING AND GUARANTEE COMMITMENTS

6.a FINANCING COMMITMENTS GIVEN OR RECEIVED

In millions of euros, at	31 December 2024	31 December 2023
Financing commitments given		
to credit institutions	5,345	3,650
to customers	385,321	365,821
Credit facilities	345,840	328,678
Other financing commitments given to customers	39,481	37,143
TOTAL FINANCING COMMITMENTS GIVEN	**390,666**	**369,471**
of which stage 1	*375,012*	*353,147*
of which stage 2	*14,175*	*14,857*
of which stage 3	*1,384*	*889*
of which insurance activities	*95*	*578*
Financing commitments received		
from credit institutions	77,655	69,596
from customers	2,731	3,185
TOTAL FINANCING COMMITMENTS RECEIVED	**80,386**	**72,781**

6.b GUARANTEE COMMITMENTS GIVEN BY SIGNATURE

In millions of euros, at	31 December 2024	31 December 2023
Guarantee commitments given		
to credit institutions	82,872	63,132
to customers	125,447	127,203
Financial guarantees	70,266	74,710
Other guarantees	55,181	52,493
TOTAL GUARANTEE COMMITMENTS GIVEN	**208,319**	**190,335**
of which stage 1	*197,003*	*177,315*
of which stage 2	*9,562*	*11,701*
of which stage 3	*1,054*	*769*
of which insurance activities	*700*	*550*

The Group's annual contribution to the European Union's Single Resolution Fund may be partly in the form of an irrevocable payment commitment (IPC) guaranteed by a cash deposit of the same amount. In the event of the fund being involved in a resolution action, the Single Resolution Board (SRB) shall call part or all of the irrevocable payment commitments.

The IPC is qualified as a contingent liability. A provision is recognised if the probability of a commitment call by the fund exceeds 50%. Based on the risk assessment carried out by the Group, this probability is estimated to be below this threshold. Consequently, no provision was recognised by the Group at 31 December 2024.

The ruling of the European Court of Justice on the BNP Paribas Public Sector case is expected in the first half of 2025. The Group continues to monitor legal developments and their potential impacts.

IPC amounted to EUR 1,263 million at 31 December 2024 (compared with EUR 1,261 million at 31 December 2023).

Cash provided as collateral is remunerated and recognised as a financial asset at amortised cost within the line "Other debtors and miscellaneous assets" (see note 4.j *Accrued income/expense and other assets/liabilities*)

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, at	31 December 2024	31 December 2023
Securities to be delivered	20,929	23,159
Securities to be received	20,915	21,384

6.d OTHER GUARANTEE COMMITMENTS

➤ FINANCIAL INSTRUMENTS GIVEN AS COLLATERAL

In millions of euros, at	31 December 2024	31 December 2023
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	**77,314**	**87,881**
Used as collateral with central banks	*1,436*	*20,560*
Available for refinancing transactions	*75,878*	*67,321*
Securities sold under repurchase agreements	**514,733**	**519,731**
Other financial and similar assets pledged as collateral for transactions with credit institutions, financial customers or subscribers of covered bonds issued by the Group[(1)]	**363,995**	**323,491**

(1) 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 747,190 million at 31 December 2024 (EUR 726,703 million at 31 December 2023).

➤ FINANCIAL INSTRUMENTS RECEIVED AS COLLATERAL

In millions of euros, at	31 December 2024	31 December 2023
Financial instruments received as collateral (excluding repurchase agreements)	**401,812**	**350,947**
of which instruments that the Group is authorised to sell and reuse as collateral	*217,745*	*187,021*
Securities received under repurchase agreements	**438,010**	**467,822**

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 370,728 million at 31 December 2024 (compared with EUR 377,078 million at 31 December 2023).

Note 7 SALARIES AND EMPLOYEE BENEFITS

7.a SALARY AND EMPLOYEE BENEFIT EXPENSE

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Fixed and variable remuneration, incentive bonuses and profit-sharing	14,066	13,445
Employee benefit expense	3,697	3,856
Payroll taxes	380	474
TOTAL SALARY AND EMPLOYEE BENEFIT EXPENSE FOR BANKING ACTIVITIES *(NOTE 2.F)*	**18,143**	**17,775**
Salary and employee benefit expense of insurance activities *(note 5.b)*	839	778
TOTAL SALARY AND EMPLOYEE BENEFIT EXPENSE	**18,982**	**18,553**

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 only 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 mandatory state and complementary pension schemes. BNP Paribas SA and certain subsidiaries have set up a complementary defined-contribution pension plan under a company-wide agreement. Under this plan, employees will receive an annuity or a lump sum on retirement in addition to the pension paid by mandatory 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.

In Italy, the plan introduced by BNL is funded by employer contributions (4.35% 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.

The amount paid into defined-contribution retirement plans for the year ended 31 December 2024 was EUR 828 million, compared with EUR 791 million for the year ended 31 December 2023.

The breakdown by major contributors is determined as follows:

Contribution amount *In millions of euros*	Year to 31 Dec. 2024	Year to 31 Dec. 2023
France	383	386
Italy	110	106
UK	74	62
Türkiye	50	39
Luxembourg	31	30
Hong Kong	30	29
USA	29	27
Others	121	112
TOTAL	**828**	**791**

Main defined-benefit pension plans for Group entities and 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 95% at 31 December 2024 (compared with 91% at 31 December 2023) through insurance companies.

BNP Paribas Fortis senior managers joining before 1 January 2015 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% at 31 December 2024 (94% at 31 December 2023) through insurance companies.

In Belgium, employees benefit from a defined-contribution scheme with a legal obligation for the employer to guarantee a minimum return on financial assets invested. Thus, a provision was recognised for these 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 2024, 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 2024, these pension plans were funded at 442% through insurance companies (264% at 31 December 2023).

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 2024, obligations for all UK entities were 124% covered by financial assets, compared with 118% at 31 December 2023.

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 2024, obligations were 105% covered by financial assets, compared with 111% at 31 December 2023.

In the United States, main defined-benefit pension plans are based on annual vesting rights to a lump sum comprising a pension expressed as a percentage of annual frozen salary and paying interest at a pre-defined rate. These plans are closed to new entrants and do not offer new vesting rights. At 31 December 2024, the obligation was 85% covered by financial assets (87% at 31 December 2023).

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 2024, the obligation was 72% covered by financial assets, (66% at 31 December 2023).

In Türkiye, the main pension plan replaces the national pension scheme and should eventually be transferred to the Turkish State. This plan offers guarantees exceeding the minimal legal requirements. At the end of 2024, obligations under this plan are fully funded by financial assets held with an external foundation; these financial assets exceeding the related obligations, 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 2024, this obligation was 129% covered by financial assets, compared with 127% at 31 December 2023.

In other countries, the obligations of the Group related to other post-employment benefits are mainly concentrated in Italy, where vested rights up to 31 December 2006 were frozen.

Obligations under defined-benefit pension plans and indemnities payable on retirement

➤ ASSETS AND LIABILITIES RECOGNISED ON THE BALANCE SHEET

In millions of euros, at 31 December 2024	*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[(1)]	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	*2,691*	*15*	2,706	(183)	(2,456)		67	(2,457)	*(1)*	*(2,456)*	2,524
UK	*1,082*		1,082	(1,337)			(255)	(255)	*(255)*		
Switzerland	*1,212*		1,212	(1,276)			(64)	(68)	*(68)*		4
France	*811*	*47*	858	(1,114)			(256)	(355)	*(355)*		99
USA	*145*	*1*	146	(124)			22				22
Türkiye	*346*	*32*	378	(347)		1	32				32
Italy		*139*	139				139				139
Germany	*130*	*47*	177	(127)			50	(6)	*(6)*		56
Others	*314*	*49*	363	(254)	(1)	2	110	(11)	*(10)*	*(1)*	121
TOTAL	***6,731***	***330***	**7,061**	**(4,762)**	**(2,457)**	**3**	**(155)**	**(3,152)**	***(695)***	***(2,457)***	**2,997**

In millions of euros, at 31 December 2023	*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[(1)]	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	*2,830*		2,830	(152)	(2,502)		176	(2,502)		*(2,502)*	2,678
UK	*1,158*		1,158	(1,365)			(207)	(209)	*(209)*		2
Switzerland	*1,123*		1,123	(1,251)		130	2				2
France	*856*	*52*	908	(1,134)			(226)	(331)	*(331)*		105
USA	*146*	*1*	147	(127)			20	(4)	*(4)*		24
Türkiye	*235*	*43*	278	(258)		22	42				42
Italy		*164*	164				164				164
Germany	*129*	*49*	178	(118)			60				60
Others	*334*	*47*	381	(269)	(1)	1	112	(9)	*(8)*	*(1)*	121
TOTAL	***6,811***	***356***	**7,167**	**(4,674)**	**(2,503)**	**153**	**143**	**(3,055)**	***(552)***	***(2,503)***	**3,198**

(1) 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 plans - 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 INCLUDING DISCONTINUED ACTIVITIES

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
PRESENT VALUE OF DEFINED-BENEFIT OBLIGATION AT START OF PERIOD	**7,167**	**7,174**
Current service cost	193	181
Interest cost	226	236
Past service cost	(18)	(25)
Settlements	(7)	(15)
Actuarial (gains)/losses on change in demographic assumptions	(1)	(11)
Actuarial (gains)/losses on change in financial assumptions	(142)	203
Actuarial (gains)/losses on experience gaps	194	330
Actual employee contributions	25	24
Benefits paid directly by the employer	(103)	(87)
Benefits paid from assets/reimbursement rights	(483)	(453)
Exchange rate (gains)/losses on obligation	10	(41)
(Gains)/losses on obligation related to changes in the consolidation scope		(349)
PRESENT VALUE OF DEFINED-BENEFIT OBLIGATION AT END OF PERIOD	**7,061**	**7,167**

➤ CHANGE IN THE FAIR VALUE OF PLAN ASSETS AND REIMBURSEMENT RIGHTS INCLUDING DISCONTINUED ACTIVITIES

	Plan assets		Reimbursement rights	
In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023	Year to 31 Dec. 2024	Year to 31 Dec. 2023
FAIR VALUE OF ASSETS AT START OF PERIOD	**4,674**	**4,964**	**2,503**	**2,397**
Expected return on assets	148	169	77	84
Settlements	(8)	(14)		
Actuarial gains/(losses) on assets	88	10	21	99
Actual employee contributions	14	14	11	10
Employer contributions	54	60	98	131
Benefits paid from assets	(226)	(234)	(257)	(219)
Exchange rate gains/(losses) on assets	22	(36)		
Gains/(losses) on assets related to changes in the consolidation scope	(4)	(259)	4	1
FAIR VALUE OF ASSETS AT END OF PERIOD	**4,762**	**4,674**	**2,457**	**2,503**

COMPONENTS OF THE COST OF DEFINED-BENEFIT PLANS

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Service costs	**176**	**155**
Current service cost	193	181
Past service cost	(18)	(25)
Settlements	1	(1)
Net financial expense	**7**	**1**
Interest cost	226	236
Interest income on plan asset	6	18
Interest income on reimbursement rights	(148)	(169)
Expected return on asset ceiling	(77)	(84)
TOTAL RECOGNISED IN "SALARY AND EMPLOYEE BENEFIT EXPENSE"	**183**	**156**

OTHER ITEMS RECOGNISED DIRECTLY IN EQUITY

In millions of euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Actuarial (losses)/gains on plan assets or reimbursement rights	109	109
Actuarial (losses)/gains of demographic assumptions on the present value of obligations	1	11
Actuarial (losses)/gains of financial assumptions on the present value of obligations	142	(203)
Experience (losses)/gains on obligations	(194)	(330)
Variation of the effect of assets limitation	165	216
TOTAL OF OTHER ITEMS RECOGNISED DIRECTLY IN EQUITY	**223**	**(197)**

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:

	31 December 2024		31 December 2023	
In %	Discount rate	Compensation increase rate(1)	Discount rate	Compensation increase rate(1)
Belgium	2.60% / 3.60%	3.10% / 3.80%	3.00% / 3.60%	3.30% / 4.10%
UK	4.80% / 5.50%	2.00% / 3.60%	4.40% / 5.30%	2.00% / 3.40%
France	2.80% / 3.40%	2.00% / 4.10%	3.00% / 3.60%	2.10% / 3.60%
Switzerland	0.90% / 1.00%	1.75% / 1.80%	1.40% / 1.60%	1.80% / 2.00%
USA	4.90% / 5.20%	NA	4.70% / 5.30%	2.50%
Italy	2.90% / 3.20%	2.60% / 3.50%	3.00% / 3.60%	3.00% / 3.10%
Germany	3.00% / 3.60%	2.00% / 2.70%	3.20% / 3.70%	2.00% / 2.90%
Türkiye	30.50%	26.25%	23.10%	18.80%

(1) Including price increases (inflation).

Average discount rates weighted by obligation amounts are as follows:

- in the Eurozone: 3.21% at 31 December 2024 for a weighted average duration of 9.2 years (3.16% at 31 December 2023 for a weighted average duration of 9.4 years);
- in the United Kingdom: 5.44% at 31 December 2024 for a weighted average duration of 13.6 years (4.51% at 31 December 2023 for a weighted average duration of 14.1 years);
- in Switzerland: 1% at 31 December 2024 for a weighted average duration of 12.9 years (1.40% at 31 December 2023 for a weighted average duration of 12.3 years).

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

Change in the present value of obligations *In millions of euros, at*	31 December 2024 Discount rate -100bps	31 December 2024 Discount rate +100bps	31 December 2023 Discount rate -100bps	31 December 2023 Discount rate +100bps
Belgium	243	(181)	231	(168)
UK	156	(126)	170	(137)
France	94	(80)	88	(75)
Switzerland	175	(139)	148	(119)
USA	16	(13)	15	(13)
Italy	9	(8)	10	(9)
Germany	28	(22)	27	(21)
Türkiye	15	(12)	11	(9)

Inflation assumptions used for the valuations of the Group obligations are determined locally depending on the monetary area, except for the Eurozone for which the assumption is determined centrally.

Average discount rates weighted by obligation amounts are as follows:

- in the Eurozone: 2.06% at 31 December 2024 (2.27% at 31 December 2023);
- in the United Kingdom: 3.08% at 31 December 2024 (2.94% at 31 December 2023);
- in Switzerland: 1.10% at 31 December 2024 (1.25% at 31 December 2023).

The impact of a +100-bps increase in inflation rates on the present value of post-employment benefit obligations is as follows:

Change in the present value of obligations *In millions of euros, at*	31 December 2024 Inflation rate +100bps	31 December 2023 Inflation rate +100bps
Belgium	121	133
UK	94	100
France	106	88
Switzerland	10	8
Italy	6	7
Germany	18	16
Türkiye	15	11

Variation effects of discount and inflation rates presented above are not cumulative.

ACTUAL RATE OF RETURN ON PLAN ASSETS AND REIMBURSEMENT RIGHTS OVER THE PERIOD

In %	Year to 31 Dec. 2024		Year to 31 Dec. 2023	
	Range of value *(reflecting the existence of several plans in the same country)*	Weighted average rates	Range of value *(reflecting the existence of several plans in the same country)*	Weighted average rates
Belgium	-9.80% / 18.60%	3.40%	-0.20% / 13.20%	6.45%
UK	-6.40% / 8.90%	-3.40%	-10.50% / 5.40%	0.50%
France	2.80%	2.80%	2.60%	2.60%
Switzerland	2.10% / 9.30%	6.55%	1.70% / 2.50%	2.50%
USA	2.45%	2.45%	1.65% / 5.45%	5.25%
Germany	1.85% / 15.90%	11.15%	-2.85% / 11.50%	9.30%
Türkiye	35.95%	35.95%	44.90%	44.90%

BREAKDOWN OF PLAN ASSETS

In %	31 December 2024						31 December 2023					
	Shares	Governmental bonds	Non-Governmental bonds	Real-estate	Deposit account	Others	Shares	Governmental bonds	Non-Governmental bonds	Real-estate	Deposit account	Others
Belgium	8%	46%	20%	1%	0%	25%	8%	46%	19%	1%	2%	24%
UK	7%	58%	27%	0%	1%	7%	12%	62%	16%	0%	2%	8%
France(1)	12%	64%	13%	9%	2%	0%	8%	59%	18%	13%	2%	0%
Switzerland	30%	0%	26%	20%	3%	21%	29%	0%	26%	25%	4%	16%
USA	20%	26%	49%	0%	5%	0%	17%	24%	45%	0%	13%	1%
Germany	18%	54%	0%	0%	1%	27%	22%	52%	0%	0%	0%	26%
Türkiye	0%	73%	0%	18%	8%	1%	0%	68%	0%	6%	21%	5%
Others	11%	24%	13%	2%	2%	48%	9%	22%	12%	1%	2%	54%
GROUP	**12%**	**43%**	**20%**	**6%**	**2%**	**17%**	**12%**	**43%**	**19%**	**7%**	**3%**	**16%**

(1) *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 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 Belgium.

The present value of post-employment healthcare benefit obligations stood at EUR 75 million at 31 December 2024, compared with EUR 78 million at 31 December 2023.

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 465 million at 31 December 2024 (EUR 462 million at 31 December 2023).

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 to four-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 the duration of the plan (for 80%) and to the achievement of the Group's Corporate Social Responsibility (CSR) targets (for 20%). These ten 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 CRD European Directive.

The net obligation related to deferred compensation plans and loyalty schemes amounts to EUR 1,152 million at 31 December 2024 (EUR 1,033 million at 31 December 2023).

In millions of euros, at	31 December 2024	31 December 2023
Net provisions for other long-term benefits	**1,617**	**1,495**
Asset recognised in the balance sheet under the other long-term benefits	(92)	(76)
Obligation recognised in the balance sheet under the other long-term benefits	1,709	1,571

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, at	31 December 2024	31 December 2023
Provision for voluntary departure, early retirement plans, and headcount adaptation plans	328	482

7.e SHARE-BASED PAYMENTS

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 CRD 4 of 26 July 2013, modified by the CRD 5 Directive of 20 May 2019, transposed into the French law in the Monetary and Financial Code by the Ordinance of 20 February 2014, and the Ordinance of 21 December 2020, as well as the Decrees and Orders of 3 November 2014 and 22 December 2020 and the Delegated European Regulation of 25 March 2021, 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.

➤ EXPENSE OF SHARE-BASED PAYMENTS

Expense/(revenue) *In millions of euros*	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Prior deferred compensation plans	46	48
Deferred compensation plans for the year	600	541
TOTAL	**646**	**589**

Note 8 ADDITIONAL INFORMATION

8.a CHANGES IN SHARE CAPITAL AND EARNINGS PER SHARE

At 31 December 2024, the share capital of BNP Paribas SA amounted to EUR 2,261,621,342 and was divided into 1,130,810,671 shares (compared with 1,147,477,409 at 31 December 2023). The nominal value of each share is EUR 2.

Ordinary shares issued by BNP Paribas and held by the Group

	Proprietary transactions		Trading transactions[1]		Total	
	Number of shares	Carrying amount *(In millions of euros)*	Number of shares	Carrying amount *(In millions of euros)*	Number of shares	Carrying amount *(In millions of euros)*
Shares held at 31 December 2022	**721,971**	**38**	**159,670**	**8**	**881,641**	**46**
Acquisitions	86,854,237	5,000			86,854,237	5,000
Capital decrease	(86,854,237)	(5,000)			(86,854,237)	(5,000)
Net movements			64,888	5	64,888	5
Shares held at 31 December 2023	**721,971**	**38**	**224,558**	**13**	**946,529**	**51**
Acquisitions	16,666,738	1,055			16,666,738	1,055
Capital decrease	(16,666,738)	(1,055)			(16,666,738)	(1,055)
Net movements			309,669	18	309,669	18
Shares held at 31 December 2024	**721,971**	**38**	**534,227**	**31**	**1,256,198**	**69**

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

Throughout the year 2024, BNP Paribas SA bought back on the market then cancelled 16,666,738 of its own shares in accordance with the Board of directors' decision of 31 January 2024 to proceed to the share buyback of EUR 1,055 million.

At 31 December 2024, the Group holds 1,256,198 BNP Paribas shares representing an amount of EUR 69 million, which were deducted from equity.

Undated super subordinated notes eligible as Tier 1 regulatory capital

BNP Paribas SA has issued undated super subordinated notes which pay a fixed, fixed adjustable or floating-rate coupon and are redeemable at the end of a fixed period and thereafter at each coupon date or every five years.

On 11 January 2023, BNP Paribas SA issued undated super subordinated notes for an amount of EUR 1,250 million which pay a 7.375% fixed-rate coupon. These could be redeemed at the end of a period of 7 years. If the notes are not redeemed in 2030, a mid-swap rate EUR 5-year coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 28 February 2023, BNP Paribas SA issued undated super subordinated notes for an amount of SGD 600 million which pay a 5.9% fixed-rate coupon. These notes could be redeemed at the end of a period of 5 years. If the notes are not redeemed in 2028, a SGD SORA 5-year rate coupon will be paid half-yearly. This issue is eligible to Additional Tier 1 capital.

On 25 March 2024, BNP Paribas SA redeemed the March 2019 issue, for an amount of USD 1,500 million, at the first call date. These notes paid a 6.625% fixed-rate coupon.

On 10 January 2025, BNP Paribas SA redeemed the July 2019 issue, for an amount of AUD 300 million. These notes are not eligible to Additional Tier 1 capital at 31 December 2024.

The following table summarises the characteristics of these various issues:

Date of issue	Currency	Amount (in millions of currency units)	Coupon payment date	Rate and term before 1st call date		Rate after 1st call date
August 2015	USD	1,500	semi-annual	7.375%	10 years	USD 5-year swap +5.150%
November 2017	USD	750	semi-annual	5.125%	10 years	USD 5-year swap +2.838%
August 2018	USD	750	semi-annual	7.000%	10 years	USD 5-year swap +3.980%
July 2019	AUD	300	semi-annual	4.500%	5.5 years	AUD 5-year swap +3.372%
February 2020	USD	1,750	semi-annual	4.500%	10 years	US 5-year CMT +2.944%
February 2021	USD	1,250	semi-annual	4.625%	10 years	US 5-year CMT +3.340%
January 2022	USD	1,250	semi-annual	4.625%	5 years	US 5-year CMT +3.196%
August 2022	USD	2,000	semi-annual	7.750%	7 years	US 5-year CMT +4.899%
September 2022	EUR	1,000	semi-annual	6.875%	7.25 years	EUR 5-year Mid-swap +4.645%
November 2022	USD	1,000	semi-annual	9.250%	5 years	US 5-year CMT +4.969%
January 2023	EUR	1,250	semi-annual	7.375%	7 years	EUR 5-year Mid-swap +4.631%
February 2023	SGD	600	semi-annual	5.900%	5 years	SGD SORA 5-year +2.674%
TOTAL EURO-EQUIVALENT HISTORICAL VALUE AT 31 DECEMBER 2024		**12 129 (1)**				

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

BNP Paribas has the option of not paying interest due on these undated super subordinated notes. Unpaid interest is not carried forward.

For notes issued before 2015, the absence of coupon payment is conditional on the absence of dividend payment on BNP Paribas SA ordinary shares or on undated super subordinated note equivalents during the previous year. Interest due is payable once dividend payment on BNP Paribas SA ordinary shares resumes.

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

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

At 31 December 2024, the BNP Paribas Group held EUR 29 million of its own undated super subordinated notes which were deducted from shareholders' equity.

Earnings per share

Basic earnings per share are calculated by dividing the net income for the period attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the period. The net income attributable to ordinary shareholders is determined by deducting the net income attributable to holders of preferred shares.

Diluted earnings per share correspond to the net income for the period attributable to holders of ordinary shares, divided by the weighted average number of shares outstanding as adjusted for the maximum effect of the conversion of dilutive equity instruments into ordinary shares. In-the-money stock subscription options are taken into account in the diluted earnings per share calculation, as are performance shares granted under the Global Share-based Incentive Plan. Conversion of these instruments would have no effect on the net income figure used in this calculation. All stock option and performance share plans are expired.

	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Net profit used to calculate basic and diluted earnings per ordinary share *(In millions of euros)*(1)	**10,843**	**10,298**
Weighted average number of ordinary shares outstanding during the year	**1,133,302,357**	**1,200,367,337**
Effect of potentially dilutive ordinary shares	-	-
Weighted average number of ordinary shares used to calculate diluted earnings per share	**1,133,302,357**	**1,200,367,337**
Basic earnings per share *(in euros)*	**9.57**	**8.58**
of which continuing activities *(in euros)*	9.57	6.12
of which discontinued activities *(in euros)*	-	2.46
Diluted earnings per share *(in euros)*	**9.57**	**8.58**
of which continuing activities *(in euros)*	9.57	6.12
of which discontinued activities *(in euros)*	-	2.46

(1) The net profit used to calculate basic and diluted earnings per share is the net profit attributable to equity shareholders, adjusted for the remuneration on the undated super subordinated notes issued by BNP Paribas SA treated as preferred share equivalents and on the convertible contingent bonds deducted from shareholders' equity, as well as the related foreign exchange gain or loss impact recognised directly in shareholders' equity in case of repurchase.

The Board of directors will propose to the Annual General Meeting on 13 May 2025, a dividend per share of EUR 4.79 out of the 2024 net income (compared with EUR 4.60 out of the 2023 net income).

The proposed distribution amounts to EUR 5,411 million, compared with EUR 5,198 million paid in 2024.

This distribution is raised to 60% of the 2024 net income with a share buyback programme of EUR 1,084 million, after receiving the autorisation from the European Central Bank.

8.b MINORITY INTERESTS

In millions of euros	Capital and retained earnings	Changes in assets and liabilities recognised directly in equity that will not be reclassified to profit or loss	Changes in assets and liabilities recognised directly in equity that may be reclassified to profit or loss	Minority interests
Balance at 31 December 2022	**4,714**	**21**	**38**	**4,773**
Appropriation of net income for 2022	**(179)**			**(179)**
Increases in capital and issues	316			316
Share-based payment plans	1			1
Remuneration on undated super subordinated notes	(3)			(3)
Impact of internal transactions on minority shareholders	21			21
Movements in consolidation scope impacting minority shareholders	(90)			(90)
Acquisitions of additional interests or partial sales of interests	(12)			(12)
Change in commitments to repurchase minority shareholders' interests	(225)			(225)
Other movements				-
Changes in assets and liabilities recognised directly in equity		(5)	97	92
Net income for 2023	**431**			**431**
Balance at 31 December 2023	**4,974**	**16**	**135**	**5,125**
Appropriation of net income for 2023	**(364)**			**(364)**
Increases in capital and issues	5			5
Share-based payment plans				-
Remuneration on undated super subordinated notes	(8)			(8)
Impact of internal transactions on minority shareholders				-
Movements in consolidation scope impacting minority shareholders	258			258
Acquisitions of additional interests or partial sales of interests	192			192
Change in commitments to repurchase minority shareholders' interests	93			93
Other movements	2			2
Changes in assets and liabilities recognised directly in equity		7	195	202
Net income for 2024	**499**			**499**
Balance at 31 December 2024	**5,651**	**23**	**330**	**6,004**

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.

In millions of euros	31 December 2024							Year to 31 Dec. 2024
	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
Contribution of the entities belonging to the BGL BNP Paribas Group	100,365	2,019	670	697	34%	243	247	185
Other minority interests						256	454	187
TOTAL						**499**	**701**	**372**

In millions of euros	31 December 2023							Year to 31 Dec. 2023
	Total assets before elimination of intra-group transactions	Revenues	Net income	Net income and changes in assets and liabilities recognised directly in equity	Minority shareholders' interest *(%)*	Net income attributable to minority interests	Net income and changes in assets and liabilities recognised directly in equity - attributable to minority interests	Dividends paid to minority shareholders
Contribution of the entities belonging to the BGL BNP Paribas Group	97,504	1,922	674	766	34%	230	260	137
Other minority interests						201	263	45
TOTAL						**431**	**523**	**182**

There are no particular contractual restrictions on the assets of BGL BNP Paribas related to the presence of the minority shareholder.

INTERNAL RESTRUCTURING THAT LED TO A CHANGE IN MINORITY SHAREHOLDERS' INTEREST IN THE EQUITY OF SUBSIDIARIES

In millions of euros	Year to 31 Dec. 2024		Year to 31 Dec. 2023	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
TEB Finansman				
Internal sale from BNPP Personal Finance to TEB Holding, raising the Group interest rate to 72.5%.			(22)	22
Others	-	-	1	(1)
TOTAL	**-**	**-**	**(21)**	**21**

➤ ACQUISITIONS OF ADDITIONAL INTERESTS AND PARTIAL SALES OF INTERESTS LEADING TO CHANGES IN MINORITY INTERESTS IN THE EQUITY OF SUBSIDIARIES

In millions of euros	Year to 31 Dec. 2024		Year to 31 Dec. 2023	
	Attributable to shareholders	Minority interests	Attributable to shareholders	Minority interests
BNP Paribas Bank Polska				
Partial disposal of 6% of the total share, decreasing the Group's share to 81.26%	7	196		
Artigiancassa SpA				
Additional acquisition of 26.14% of the total share, increasing the Group's share to 100%			5	(9)
Dynamic Credit Group				
Additional acquisition of 25% of the total share, increasing the Group's share to 73.65%			(3)	(4)
Other	(3)	(4)	(1)	1
TOTAL	**4**	**192**	**1**	**(12)**

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, amounted to EUR 369 million at 31 December 2024, compared with EUR 510 million at 31 December 2023.

8.c LEGAL PROCEEDINGS AND ARBITRATION

BNP Paribas (the "Bank") is party as a defendant in various claims, disputes and legal proceedings (including investigations by judicial or supervisory authorities) in a number of jurisdictions arising in the ordinary course of its business, including *inter alia* in connection with its activities as market counterparty, lender, employer, investor and taxpayer.

The related risks have been assessed by the Bank and are subject, where appropriate, to provisions disclosed in notes 4.n *Provisions for contingencies and charges* and *4.e Financial assets at amortised cost*; a provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation arising from a past event and a reliable estimate can be made of the amount of the obligation.

The main contingent liabilities related to pending legal, governmental, or arbitral proceedings as of 31 December 2024 are described below. The Bank currently considers that none of these proceedings is likely to have a material adverse effect on its financial position or profitability; however, the outcome of legal or governmental proceedings is by definition unpredictable.

The Bank and certain of its subsidiaries are defendants in several actions pending before the United States Bankruptcy Court for the Southern District of New York brought by the Trustee appointed for the liquidation of Bernard L. Madoff Investment Securities LLC ("BLMIS"). These actions, known generally as "clawback claims", are similar to those brought by the BLMIS Trustee under the US Bankruptcy Code and New York state law against numerous institutions, and seek recovery of amounts allegedly received by BNP Paribas entities from BLMIS or indirectly through BLMIS-related "feeder funds" in which BNP Paribas entities held interests. As a result of certain decisions of the Bankruptcy Court and the United States District Court between 2016 and 2018, the majority of the BLMIS Trustee's actions were either dismissed or substantially narrowed. However, those decisions were either reversed or effectively overruled by subsequent decisions of the United States Court of Appeals for the Second Circuit issued on 25 February 2019 and 30 August 2021. As a result, the BLMIS Trustee refiled certain of these actions and, as of end May 2023, had asserted claims amounting in the aggregate to approximately USD 1.2 billion. As of the end of December 2024, following the dismissal of certain of the BLMIS Trustee's actions or claims, the aggregate amount of the claims stood at approximately USD 1.1 billion. BNP Paribas has substantial and credible defences to these actions and is defending against them vigorously.

Litigation was brought in Belgium by minority shareholders of the previous Fortis Group against the Société Fédérale de Participations et d'Investissement, Ageas and BNP Paribas seeking (amongst other things) damages from BNP Paribas as restitution for part of the BNP Paribas Fortis shares that were contributed to BNP Paribas in 2009, on the ground that the transfer of these shares was null and void. On 29 April 2016, the Brussels Commercial court decided to stay the proceedings until the resolution of the pending Fortis criminal proceeding in Belgium. The criminal proceeding, in which the Public Prosecutor had requested a dismissal, is definitively closed, as the Council Chamber of the Brussels Court of first instance issued on 4 September 2020 a ruling (which since became final) that the charges were time-barred. Certain minority shareholders are continuing the civil proceedings against BNP Paribas and the Société Fédérale de Participations et d'Investissement before the Brussels Commercial court; BNP Paribas continues to defend itself vigorously against the allegations of these shareholders. Hearings on the matter took place in September and October 2024 before the Brussels Commercial court; a judgment is expected to be rendered in the coming months.

On 26 February 2020, the Paris Criminal Court found BNP Paribas Personal Finance guilty of misleading commercial practice and concealment of this practice. BNP Paribas Personal Finance was ordered to pay a fine of EUR 187,500 and damages and legal fees to the civil plaintiffs. On 28 November 2023, the Paris Court of Appeals upheld the Paris Criminal Court's decision relating to misleading commercial practice and the concealment of those practices. As for the damages owed to the civil plaintiffs, though the Paris Court of Appeals adjusted the calculation methodology, the majority of the damages had already been paid by provisional enforcement of the Paris Criminal Court's judgment. An agreement was also entered into with the Consommation Logement Cadre de Vie association to settle the case with customers wishing to do so.

The Bank and one of its US subsidiaries are defendants in a civil class action and related individual actions seeking money damages pending before the United States District Court for the Southern District of New York brought by former Sudanese citizens, now US citizens and legal residents, claiming they were injured by the government of Sudan between 1997 and 2011. Plaintiffs base their claims on the historical facts set forth in the Bank's 30 June 2014 settlement agreements with US authorities concerning the processing of financial transactions for entities in certain countries subject to US economic sanctions. In early 2024, both the Board of Governors of the Federal Reserve in the United States and the Secrétariat Général of the Autorité de Contrôle Prudentiel et de Résolution in France announced the end of BNP Paribas's probationary period and the termination of the Cease-and-Desist Order entered into in 2014, marking the completion of BNP Paribas Group's US sanctions remediation as set forth under this Cease-and-Desist Order. Plaintiffs allege that the transactions processed by the Bank, predominately through its Swiss-based subsidiary, with Sudanese entities subject to US sanctions make the Bank and its US subsidiary liable for injuries perpetrated to plaintiffs by the government of Sudan. On 9 May 2024, the District Court granted plaintiffs' motion to proceed as a class of all refugees or asylees admitted by the United States who formerly lived in Sudan or South Sudan between November 1997 and December 2011, and ruled that the case would proceed to trial scheduled for 8 September 2025. BNP Paribas has substantial and credible defences to these actions and is defending against them vigorously.

BNP Paribas Bank Polska holds mortgage loan portfolios in Swiss franc or indexed to the Swiss franc. The Swiss franc loan agreements, a majority of which were concluded in 2006-2008, were entered into in accordance with industry practices at the time of entry. Like many other financial institutions in Poland, BNP Paribas Bank Polska is a defendant in civil proceedings with retail customers who took out these Swiss franc mortgage loans. BNP Paribas Bank Polska is not a party to any class action proceeding in relation to such mortgage loan agreements.

As at 31 December 2024, BNP Paribas Bank Polska was a defendant in 6,596 individual pending court proceedings, in which plaintiffs are demanding either a declaration of invalidity or a declaration of non-enforceability of the mortgage loan agreement and the reimbursement of the payments made thereunder to date. The significant number of claims against banks in relation to these mortgage loans is believed to have been impacted by changes in exchange rates since 2009, and developments in EU and Polish court rulings since 2019. In particular, Polish courts to date have, in the vast majority of cases, ruled that such mortgage loan agreements were invalid or non-enforceable.

Since December 2021, BNP Paribas Bank Polska has been conducting individual negotiations with clients with whom it remains in dispute or with whom there is a reasonable risk of entering into a dispute.

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

In 2023, BNP Paribas premises (along with those of other financial institutions) were searched by the French financial prosecutor's office; BNP Paribas was informed that the office had opened a preliminary investigation relating to French securities transactions.

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

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

Operations of 2024

UkrSibbank

The easing of a number of restrictions previously imposed by the National Bank of Ukraine made it possible to re-establish the conditions for exercising control as defined by IFRS 10, which had the effect of changing the consolidation method from equity method to full consolidation method.

This change of consolidation method was reflected in the increase in the Group's balance sheet of EUR 3 billion, in particular in financial assets at amortised cost and led to the recognition of badwill of EUR 226 million.

Cetelem SA de CV

On 27 March 2024, BNP Paribas Personal Finance sold 80% of its stake of its Mexican subsidiary Cetelem SA de CV.

The Group BNP Paribas lost exclusive control of this entity but kept a significant influence.

This partial disposal is accompanied by an agreement for the future disposal of the residual interest, thereby depriving the Group of the return on the shares held, and leading to the recognition of a debt of EUR 125 million.

The loss of control led to the recognition of a net gain on disposal of EUR 119 million and to a decrease of the Group's balance sheet by EUR 3 billion, in particular in financial assets at amortised cost.

BCC Vita SpA

On 15 May 2024, BNP Paribas Cardif SA acquired 51% of the capital of BCC Vita SpA, together with a purchase agreement of 19% additional holding.

BNP Paribas Group acquired exclusive control of this entity to the extent of 70% and the entity was consolidated using the full consolidation method.

This transaction resulted in the increase of the Group's balance sheet at the acquisition date by EUR 4 billion, in particular in investments in insurance activities.

The goodwill related to this operation was EUR 100 million.

Neuflize Vie

On 31 October 2024, BNP Paribas Cardif SA acquired 100% of the capital of Neuflize Vie.

BNP Paribas Group acquired exclusive control of this entity and consolidated it using the full consolidation method.

This transaction resulted in the increase of the Group's balance sheet by EUR 12 billion at the acquisition date, in particular in investments in insurance activities.

The badwill related to this operation was EUR 15 million.

Operation of 2023

Partnership with Stellantis

On 3 April 2023, BNP Paribas Personal Finance became the exclusive partner of Stellantis, a captive company in its financing activities across three strategic markets: Germany, Austria and the United Kingdom.

This operation involved the purchase of three entities in these three countries, in conjunction with the sale of activities to various Stellantis joint ventures in France, Italy and Spain.

This restructuring increased the Group's balance sheet by EUR 8 billion, in particular in financial assets at amortised cost, and led to the recognition of a net gain on disposal of EUR 54 million and of a goodwill of EUR 173 million.

8.e DISCONTINUED ACTIVITIES

On 18 December 2021, BNP Paribas concluded an agreement with BMO Financial Group for the sale of 100% of its retail and commercial banking activities in the United States, operated by the BancWest cash-generating unit, for a total consideration of USD 16.3 billion in cash.

The transaction was closed on 1 February 2023 following receipt of all regulatory approvals by BMO Financial Group.

The net capital gain on the disposal amounted to EUR 2.9 billion, recognised in net income from discontinued activities in 2023.

8.f 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 2024, none of the BNP Paribas Group entities were 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 48 billion at 31 December 2024 (EUR 42 billion at 31 December 2023).

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 4.p 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

Assets representative of unit-linked insurance contracts designated as at fair value through profit or loss, which amount to EUR 115.1 billion at 31 December 2024 (compared with EUR 95.8 billion at 31 December 2023), are held for the benefit of the holders of these contracts.

8.g 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 and Matchpoint 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 as sponsor on behalf of clients/ 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 activities (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.

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 2024	Securitisation	Funds	Asset Financing	Others	Total
INTERESTS ON THE GROUP BALANCE SHEET					
ASSETS					
Financial instruments at fair value through profit or loss	2	1,198	1	125	1,326
Derivatives used for hedging purposes	5	1,367	6	58	1,436
Financial instruments at fair value through equity	69				69
Financial assets at amortised cost	27,785	184	2,166	7	30,142
Other assets		105		3	108
Investments and other assets related to insurance activities		37,026			37,026
TOTAL ASSETS	**27,861**	**39,880**	**2,173**	**193**	**70,107**
LIABILITIES					
Financial instruments at fair value through profit or loss		2,952	64	108	3,124
Derivatives used for hedging purposes				4	4
Financial liabilities at amortised cost	90	13,313	240	210	13,853
Other liabilities	2	326	7		335
TOTAL LIABILITIES	**92**	**16,591**	**311**	**322**	**17,316**
MAXIMUM EXPOSURE TO LOSS	**39,265**	**41,022**	**2,173**	**816**	**83,276**
SIZE OF STRUCTURED ENTITIES(1)	**91,098**	**367,479**	**7,677**	**4,580**	**470,834**

In millions of euros, at 31 December 2023	Securitisation	Funds	Asset Financing	Others	Total
INTERESTS ON THE GROUP BALANCE SHEET					
ASSETS					
Financial instruments at fair value through profit or loss	1	1,374	1	480	1,856
Derivatives used for hedging purposes	7	1,005	9	16	1,037
Financial instruments at fair value through equity	105				105
Financial assets at amortised cost	23,623	262	1,992	37	25,914
Other assets		84		1	85
Investments and other assets related to insurance activities		41,406			41,406
TOTAL ASSETS	**23,736**	**44,131**	**2,002**	**534**	**70,403**
LIABILITIES					
Financial instruments at fair value through profit or loss		528	41	438	1,007
Derivatives used for hedging purposes					-
Financial liabilities at amortised cost	116	13,223	242	299	13,880
Other liabilities	2	251	57		310
TOTAL LIABILITIES	**118**	**14,002**	**340**	**737**	**15,197**
MAXIMUM EXPOSURE TO LOSS	**34,922**	**44,657**	**3,097**	**1,517**	**84,193**
SIZE OF STRUCTURED ENTITIES(1)	**199,055**	**344,598**	**6,611**	**4,362**	**554 626**

(1) *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 26 billion at 31 December 2024 (EUR 28 billion at 31 December 2023). 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 23 billion at 31 December 2024 (12 billion at 31 December 2023);
- **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 3 billion at 31 December 2024 (EUR 6 billion at 31 December 2023).

8.h COMPENSATION AND BENEFITS AWARDED TO THE GROUP'S CORPORATE OFFICERS

The Group's corporate officers, their spouse and their dependent children are considered related parties.

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 AND TO DIRECTORS REPRESENTING THE EMPLOYEES

In euros	Year to 31 Dec. 2024	Year to 31 Dec. 2023
Gross remuneration		
Gross remuneration paid during the year including benefits in kind	11,064,899	9,319,675
Remuneration linked to the term of directorship (paid to the trade unions)	519,062	428,648
Welfare benefits: premiums paid by BNP Paribas during the year	**28,179**	**26,788**
Post-employment benefits	**1,207,702**	**1,141,635**
Share-based payments: conditional long-term incentive plan (LTIP) - fair value at grant date(1)	1,185,001	1,404,857

(1) Valuation according to the method described in note 8.e.

At 31 December 2024, no corporate officer is eligible for a contingent collective defined-benefit top-up pension plan.

Remuneration linked to the term of directorship paid to members of the Board of directors

Remuneration linked to the term of directorship paid to all members of the Board of directors in 2024 amounts to EUR 1,850,000. This amount was 1,540,000 in 2023. The amount paid in 2024 to members other than corporate officers was EUR 1,696,445 compared with EUR 1,410,484 in 2023

Loans, advances and guarantees granted to the Group's corporate officers

At 31 December 2024, the total outstanding loans granted directly or indirectly to the Group's corporate officers and their spouse and dependent children amounted to EUR 4,628,369 (EUR 5,770,986 at 31 December 2023). These loans representing normal transactions were carried out on an arm's length basis.

8.i 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.k *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, at	31 December 2024		31 December 2023	
	Joint ventures	Associates	Joint ventures	Associates
ASSETS				
On demand accounts		2		5
Loans	3,343	705	3,510	88
Securities	167	111	356	
Other assets	74	49	1	52
Investments and other assets related to insurance activities	1			3
TOTAL ASSETS	**3,585**	**867**	**3,867**	**148**
LIABILITIES				
On demand accounts	29	750	337	1,118
Other borrowings	7	470	46	588
Other liabilities	46	32	4	18
Liabilities related to insurance contracts				195
TOTAL LIABILITIES	**82**	**1,252**	**387**	**1,919**
FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS				
Financing commitments given		248	19	538
Guarantee commitments given		152	7	111
TOTAL FINANCING COMMITMENTS AND GUARANTEE COMMITMENTS	**-**	**400**	**26**	**649**

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. 2024		Year to 31 Dec. 2023	
	Joint ventures	Associates	Joint ventures	Associates
Interest income	170	13	155	9
Interest expense	(7)	(38)	(13)	(75)
Commission income	5	286	1	284
Commission expense	(1)	(107)	(1)	(78)
Services provided				2
Services received	1			
Lease income				
Net income from insurance activities		6		8
TOTAL	**168**	**160**	**142**	**150**

Group entities involved in 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.

At 31 December 2024, the value of plan assets managed by Group companies or by companies over which the Group exercises significant influence was EUR 3,858 million (EUR 3,864 million at 31 December 2023). Amounts received by Group companies in the year to 31 December 2024 totalled EUR 6 million and were mainly composed of management and custody fees (EUR 5 million at 31 December 2023).

8.j FAIR VALUE OF FINANCIAL INSTRUMENTS CARRIED AT AMORTISED COST

The information supplied in this note must be used and interpreted with the greatest caution for the following reasons:

- these fair values are an estimate of the value of the relevant instruments at 31 December 2024. They are liable to fluctuate from day to day as a result of changes in various parameters, such as interest rates and credit quality of the counterparty. In particular, they may differ significantly from the amounts actually received or paid on maturity of the instrument. In most cases, the fair value is not intended to be realised immediately, and in practice might not be realised immediately. Consequently, this fair value does not reflect the actual value of the instrument to BNP Paribas as a going concern;
- most of these fair values are not meaningful, and hence are not taken into account in the management of the commercial banking activities which use these instruments;
- estimating a fair value for financial instruments carried at historical cost often requires the use of modelling techniques, hypotheses and assumptions that may vary from bank to bank. This means that comparisons between the fair values of financial instruments carried at historical cost as disclosed by different banks may not be meaningful;
- the fair values shown below do not include the fair values of finance lease transactions, non-financial instruments such as property, plant and equipment, goodwill and other intangible assets such as the value attributed to demand deposit portfolios or customer relationships. Consequently, these fair values should not be regarded as the actual contribution of the instruments concerned to the overall valuation of the BNP Paribas Group.

In millions of euros, at 31 December 2024	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers(1)		114,149	753,614	867,763	880,267
Debt securities at amortised cost *(note 4.e)*	103,780	39,122	1,423	144,325	146,975
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		1,101,596		1,101,596	1,101,729
Debt securities *(note 4.h)*	80,401	119,429		199,830	198,119
Subordinated debt *(note 4.h)*	23,087	8,743		31,830	31,799

(1) Finance leases excluded.

In millions of euros, at 31 December 2023	Estimated fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
FINANCIAL ASSETS					
Loans and advances to credit institutions and customers(1)		91,565	719,554	811,119	835,860
Debt securities at amortised cost *(note 4.e)*	88,984	29,720	989	119,693	121,161
FINANCIAL LIABILITIES					
Deposits from credit institutions and customers		1,083,782		1,083,782	1,083,724
Debt securities *(note 4.h)*	77,165	115,102		192,267	191,482
Subordinated debt *(note 4.h)*	17,128	7,588		24,716	24,743

(1) Finance leases excluded.

The valuation techniques and assumptions used by BNP Paribas ensure that the fair value of financial assets and liabilities carried at amortised cost is measured on a consistent basis throughout the Group. Fair value is based on prices quoted in an active market when these are available. In other cases, fair value is determined using valuation techniques such as discounting of estimated future cash flows for loans, liabilities and debt securities at amortised cost, or specific valuation models for other financial instruments as described in note 1, *Summary of material accounting policies applied by the BNP Paribas Group*. The description of the fair value hierarchy levels is also presented in the accounting principles (see note 1.f.10). In the case of loans, liabilities and debt securities at amortised cost that have an initial maturity of less than one year (including demand deposits) or of most regulated savings products, fair value equates to carrying amount. These instruments have been classified in Level 2, except for loans to customers, which are classified in Level 3.

8.k SCOPE OF CONSOLIDATION

BNP Paribas, a *société anonyme* (Public Limited Company), registered in France, is the Group's lead company, which holds key positions in its three operating divisions: Corporate & Institutional Banking (CIB), Commercial, Personal Banking & Services (CPBS) and Investment & Protection Services (IPS).

During the year, the parent company did not change its name. BNP Paribas has its principal place of business in France and its head office is located at 16 boulevard des Italiens 75009 Paris, France.

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNP Paribas SA	France	(1)				(1)			
	BNPP SA (Argentina branch)	Argentina	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Australia branch)	Australia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Austria branch)	Austria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Bahrain branch)	Bahrain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Belgium branch)	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Bulgaria branch)	Bulgaria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Canada branch)	Canada	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Czech Republic branch)	Czech Rep.	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Denmark branch)	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Finland branch)	Finland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Germany branch)	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Greece branch)	Greece	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Guernsey branch)	Guernsey	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 (Luxembourg branch)	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Malaysia branch)	Malaysia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Monaco branch)	Monaco	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Netherlands branch)	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP SA (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 (Switzerland branch)	Switzerland	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%	
	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%	

Business Name	Country	31 December 2024				31 December 2023			
		Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
CORPORATE & INSTITUTIONAL BANKING									
EMEA (Europe, Middle East, Africa)									
France									
Austin Finance (s)	France								S4
BNPP Financial Markets	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Eurotitrisation	France	Equity	22.0%	22.0%		Equity	22.0%	22.0%	V4
Exane	France								S4
Exane (Germany branch)	Germany								S4
Exane (Italy branch)	Italy								S4
Exane (Spain branch)	Spain								S4
Exane (Sweden branch)	Sweden								S4
Exane (Switzerland branch)	Switzerland								S4
Exane (United Kingdom branch)	UK								S4
Exane Asset Management	France	Equity	35.0%	35.0%		Equity	35.0%	35.0%	V2
Exane Derivatives	France								S4
Exane Derivatives (Switzerland branch)	Switzerland								S4
Exane Derivatives (United Kingdom branch)	UK								S4
Exane Derivatives Gerance	France								S4
Exane Finance	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
FCT Juice (t)	France	Full	-	-		Full	-	-	
Financière des Italiens (s)	France								S4
Financière du Marché Saint Honoré	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
Optichamps (s)	France								S4
Parilease	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
Participations Opéra (s)	France								S4
Services Logiciels d'Intégration Boursière	France	Equity (3)	66.6%	66.6%		Equity (3)	66.6%	66.6%	
Services Logiciels d'Intégration Boursière (Portugal branch)	Portugal	Equity (3)	66.6%	66.6%		Equity (3)	66.6%	66.6%	E2
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%	
Uptevia SA	France	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	E3
Other European countries									
Allfunds Group PLC	UK	Equity	12.5%	12.4%	V4	Equity	12.1%	12.0%	
Aries Capital DAC	Ireland	Full	100.0%	0.0%		Full	100.0%	0.0%	
AssetMetrix	Germany	Equity	23.1%	23.1%	V4	Equity	22.3%	22.3%	V4
BNP PUK Holding Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Bank JSC	Russia	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Emissions Und Handels GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Fund Administration Services Ireland Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
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				S3	Full	100.0%	100.0%	
BNPP Prime Brokerage International Ltd	Ireland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Suisse SA	Switzerland	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Suisse SA (Guernsey branch)	Guernsey	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Technology LLC	Russia				S1	Full	100.0%	100.0%	
BNPP Trust Corp UK Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
BNPP Vartry Reinsurance DAC	Ireland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
Diamante Re SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
Ejesur SA	Spain								S1
Exane Solutions Luxembourg SA	Luxembourg	Full	100.0%	100.0%		Full	100.0%	100.0%	
Expo Atlantico EAII Investimentos Imobiliarios SA (s)	Portugal	Full	-	-		Full	-	-	
Expo Indico EIII Investimentos Imobiliarios SA (s)	Portugal	Full	-	-		Full	-	-	
FScholen	Belgium	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	

Business	Name	Country	31 December 2024					31 December 2023				
			Method		Voting (%)	Interest (%)	Ref.	Method		Voting (%)	Interest (%)	Ref.
	Greenstars BNPP	Luxembourg	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	Kantox European Union SL	Spain	Full		100.0%	100.0%		Full		100.0%	100.0%	V1/D3
	Kantox Holding Ltd	UK	Full		100.0%	100.0%		Full		100.0%	100.0%	V1/D3
	Kantox Ltd	UK	Full		100.0%	100.0%		Full		100.0%	100.0%	V1/D3
	Madison Arbor Ltd (t)	Ireland	Full		-	-		Full		-	-	
	Matchpoint Finance PLC (t)	Ireland	Full		-	-		Full		-	-	
	Ribera Del Loira Arbitrage	Spain	Full		100.0%	100.0%		Full		100.0%	100.0%	
	Securasset SA	Luxembourg	Full		100.0%	0.0%		Full		100.0%	0.0%	
	Single Platform Investment Repackaging Entity SA	Luxembourg	Full		100.0%	100.0%		Full		100.0%	100.0%	
	Utexam Logistics Ltd	Ireland										S3
	Utexam Solutions Ltd	Ireland										S3
	Volantis SARL (s)	Luxembourg	Full		-	-	E1					
Middle East												
	BNPP Investment Co KSA	Saudi Arabia	Full		100.0%	100.0%		Full		100.0%	100.0%	
AMERICAS												
	Banco BNPP Brasil SA	Brazil	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Capital Services Inc	USA	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Colombia Corporacion Financiera SA	Colombia	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP EQD Brazil Fund Fundo de Investmento Multimercado (s)	Brazil	Full		-	-		Full		-	-	
	BNPP Financial Services LLC	USA	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP FS LLC	USA					S1	Full		100.0%	100.0%	
	BNPP IT Solutions Canada Inc	Canada	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Mexico Holding	Mexico	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Mexico SA Institucion de Banca Multiple	Mexico	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Proprietario Fundo de Investimento Multimercado (s)	Brazil	Full		-	-		Full		-	-	
	BNPP RCC Inc	USA	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Securities Corp	USA	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP US Investments Inc	USA	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP US Wholesale Holdings Corp	USA	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP USA Inc	USA	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP VPG Brookline Cre LLC (s)	USA	Full		-	-		Full		-	-	
	BNPP VPG EDMC Holdings LLC (s)	USA	Full		-	-		Full		-	-	
	BNPP VPG Express LLC (s)	USA	Full		-	-		Full		-	-	
	BNPP VPG I LLC (s)	USA	Full		-	-		Full		-	-	
	BNPP VPG II LLC (s)	USA	Full		-	-		Full		-	-	
	BNPP VPG III LLC (s)	USA	Full		-	-		Full		-	-	
	BNPP VPG IV LLC (s)	USA	Full		-	-		Full		-	-	E2
	BNPP VPG Master LLC (s)	USA	Full		-	-		Full		-	-	
	Corporation BNPP Canada (Ex- BNPP Canada Corp)	Canada	Full		100.0%	100.0%		Full		100.0%	100.0%	
	Dale Bakken Partners 2012 LLC	USA										S2
	Decart Re Ltd	Bermuda	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	FSI Holdings Inc	USA	Full		100.0%	100.0%		Full		100.0%	100.0%	
	Starbird Funding Corp (t)	USA	Full		-	-		Full		-	-	
PACIFIC ASIA												
	Andalan Multi Guna PT	Indonesia	Full		100.0%	100.0%		Full		100.0%	100.0%	
	Bank BNPP Indonesia PT	Indonesia	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Arbitrage Hong Kong Ltd	Hong Kong	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP China Ltd	China	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Finance Hong Kong Ltd	Hong Kong	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Fund Services Australasia Pty Ltd	Australia	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Fund Services Australasia Pty Ltd (New Zealand branch)	New Zealand	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Global Securities Operations Private Ltd	India										S4

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	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 China Ltd	China	Full	100.0%	100.0%	E2				
	BNPP Securities India Private Ltd	India	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Japan Ltd	Japan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Korea Co Ltd	Rep. of Korea	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Securities Taiwan Co Ltd	Taiwan	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Sekuritas Indonesia PT	Indonesia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BPP Holdings Pte Ltd	Singapore	Full	100.0%	100.0%		Full	100.0%	100.0%	
COMMERCIAL, PERSONAL BANKING & SERVICES										
COMMERCIAL & PERSONAL BANKING IN THE EUROZONE										
Commercial & Personal Banking in France										
	2SF - Société des Services Fiduciaires	France	Equity (3)	33.3%	33.3%		Equity (3)	33.3%	33.3%	
	Banque de Wallis et Futuna	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
	BNPP Antilles Guyane	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	BNPP Développement	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Développement Oblig	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Factor	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	BNPP Factor (Portugal branch)	Portugal	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	E2
	BNPP Factor (Spain branch)	Spain	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	BNPP Factor Sociedade Financeira de Credito SA	Portugal								S4
	BNPP Nouvelle Calédonie	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	BNPP Réunion	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	Compagnie pour le Financement des Loisirs	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	Copartis	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Euro Securities Partners	France								S2
	GIE Ocean	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Jivago Holding	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Partecis	France	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	
	Paylib Services	France	Equity	14.3%	14.3%		Equity	14.3%	14.3%	
	Portzamparc	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
BNL banca commerciale										
	Banca Agevolarti SPA (Ex- Artigiancassa SPA)	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	V1
	Banca Nazionale Del Lavoro SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP BNL Equity Investment SPA	Italy	Full	100.0%	100.0%	E1				
	EMF IT 2008 1 SRL (t)	Italy	Full	-	-		Full	-	-	
	Era Uno SRL (t)	Italy	Full	-	-		Full	-	-	
	Eutimm SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Financit SPA	Italy	Full	60.0%	60.0%		Full	60.0%	60.0%	
	Immera SRL (t)	Italy	Full	-	-		Full	-	-	
	International Factors Italia SPA	Italy	Full	99.9%	99.9%	V1	Full	99.7%	99.7%	
	Permicro SPA	Italy	Equity	21.9%	21.9%		Equity	21.9%	21.9%	
	Servizio Italia SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sviluppo HQ Tiburtina SRL	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Tierre Securitisation SRL (t)	Italy	Full	-	-		Full	-	-	
	Vela OBG SRL (t)	Italy	Full	-	-		Full	-	-	
	Vela RMBS SRL (t)	Italy								S3
	Worldline Merchant Services Italia SPA	Italy	Equity	20.0%	20.0%		Equity	20.0%	20.0%	

Business	Name	Country	31 December 2024				31 December 2023			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
Commercial & Personal Banking in Belgium										
	Axepta BNPP Benelux	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Bancontact Paytoniq Company	Belgium	Equity	22.5%	22.5%		Equity	22.5%	22.5%	
	BASS Master Issuer NV (t)	Belgium	Full	-	-		Full	-	-	
	Batopin	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
	Belgian Mobile ID	Belgium	Equity	12.2%	12.2%		Equity	12.2%	12.2%	
	BNPP Commercial Finance Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor AS	Denmark	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Factor GmbH	Germany	Full	100.0%	100.0%	V4	Full	100.0%	99.9%	
	BNPP Factoring Support	Netherlands	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis	Belgium	Full	99.9%	99.9%		Full	99.9%	99.9%	
	BNPP Fortis (Spain branch)	Spain				S1	Full	99.9%	99.9%	
	BNPP Fortis (United States branch)	USA	Full	99.9%	99.9%		Full	99.9%	99.9%	
	BNPP Fortis Factor NV	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis Film Finance	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Fortis Funding SA	Luxembourg	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Belgium	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP FPE Expansion	Belgium				S3	Full	100.0%	99.9%	
	BNPP FPE Management	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPPF Credit Brokers (Ex-Demetris NV)	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Bpost Banque	Belgium				S4	Full	100.0%	99.9%	
	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%	
	Epimede (s)	Belgium	Equity	-	-		Equity	-	-	
	Esmee Master Issuer (t)	Belgium	Full	-	-		Full	-	-	
	Immobilière Sauveniere SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Isabel SA NV	Belgium	Equity	25.3%	25.3%		Equity	25.3%	25.3%	
	Microstart	Belgium	Full	43.9%	77.5%	V4	Full	42.3%	76.8%	
	Private Equity Investments (a)	BE/FR/LU	FV	-	-		FV	-	-	
	Sagip	Belgium	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Sowo Invest SA NV	Belgium	Full	87.5%	87.5%		Full	87.5%	87.5%	
Commercial & Personal Banking in Luxembourg										
	BGL BNPP	Luxembourg	Full	66.0%	65.9%		Full	66.0%	65.9%	
	BGL BNPP (Germany branch)	Germany	Full	66.0%	65.9%		Full	66.0%	65.9%	
	BNPP Lease Group Luxembourg SA	Luxembourg	Full	100.0%	65.9%		Full	100.0%	65.9%	
	BNPP SB Re	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cofhylux SA	Luxembourg								S4
	Compagnie Financière Ottomane SA	Luxembourg	Full	97.4%	97.4%	V4	Full	97.3%	97.3%	
	Le Sphinx Assurances Luxembourg SA	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Luxhub SA	Luxembourg	Equity	28.0%	18.5%		Equity	28.0%	18.5%	
	Visalux	Luxembourg	Equity	25.2%	16.6%		Equity	25.2%	16.6%	V3
COMMERCIAL & PERSONAL BANKING OUTSIDE THE EUROZONE										
Europe-Mediterranean										
	Bank of Nanjing	China	Equity	16.2%	16.2%	V1/V3	Equity	13.8%	13.8%	V3
	Banque Internationale pour le Commerce et l'Industrie de la Côte d'Ivoire	Ivory Coast								S2
	Banque Internationale pour le Commerce et l'Industrie du Sénégal	Senegal								S2
	Banque Marocaine pour le Commerce et l'Industrie	Morocco	Full	67.0%	67.0%		Full	67.0%	67.0%	
	Banque Marocaine pour le Commerce et l'Industrie Banque Offshore	Morocco	Full	100.0%	67.0%		Full	100.0%	67.0%	
	Bantas Nakit AS	Türkiye	Equity (3)	33.3%	16.7%		Equity (3)	33.3%	16.7%	
	BDSI	Morocco	Full	100.0%	96.4%		Full	100.0%	96.4%	
	BGZ Poland ABS1 DAC (t)	Ireland	Full	-	-		Full	-	-	
	BICI Bourse	Ivory Coast								S2
	BMCI Leasing	Morocco	Full	86.9%	58.2%		Full	86.9%	58.2%	
	BNPP Bank Polska SA	Poland	Full	81.3%	81.3%	V2	Full	87.3%	87.3%	V3

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP El Djazair	Algeria	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Faktoring Spolka ZOO	Poland	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Fortis Yatirimlar Holding AS	Türkiye	Full	100.0%	99.9%		Full	100.0%	99.9%	
	BNPP Group Service Center SA	Poland	Full	100.0%	81.3%	V3	Full	100.0%	87.3%	V3
	BNPP IRB Participations	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Yatirimlar Holding AS	Türkiye	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Dreams Sustainable AB	Sweden				S2	Full	57.5%	57.5%	
	Joint Stock Company Ukrsibbank	Ukraine	Full	60.0%	60.0%	D1	Equity	60.0%	60.0%	
	TEB ARF Teknoloji Anonim Sirketi	Türkiye	Full	100.0%	72.5%		Full	100.0%	72.5%	
	TEB Faktoring AS	Türkiye	Full	100.0%	72.5%		Full	100.0%	72.5%	
	TEB Finansman AS	Türkiye	Full	100.0%	72.5%		Full	100.0%	72.5%	V3
	TEB Holding AS	Türkiye	Full	50.0%	50.0%		Full	50.0%	50.0%	
	TEB SH A	Kosovo	Full	100.0%	50.0%		Full	100.0%	50.0%	
	TEB Yatirim Menkul Degerler AS	Türkiye	Full	100.0%	72.5%		Full	100.0%	72.5%	
	Turk Ekonomi Bankasi AS	Türkiye	Full	100.0%	72.5%		Full	100.0%	72.5%	
BancWest										
	BancWest Holding Inc	USA								S2
	BancWest Holding Inc Grantor Trust ERC Subaccount (s)	USA								S2
	BancWest Holding Inc Umbrella Trust (s)	USA								S2
	BancWest Investment Services Inc	USA								S2
	Bank of the West	USA								S2
	Bank of the West Auto Trust 2019-1 (t)	USA								S2
	Bank of the West Auto Trust 2019-2 (t)	USA								S2
	BNPP Leasing Solutions Canada Inc	Canada								S2
	BOW Auto Receivables LLC (t)	USA								S2
	BWC Opportunity Fund 2 Inc (t)	USA								S2
	BWC Opportunity Fund Inc (t)	USA								S2
	CFB Community Development Corp	USA								S2
	Claas Financial Services LLC	USA								S2
	Commercial Federal Affordable Housing Inc	USA								S2
	First Santa Clara Corp (s)	USA								S2
	United California Bank Deferred Compensation Plan Trust (s)	USA								S2
	Ursus Real Estate Inc	USA								S2
SPECIALISED BUSINESSES										
Personal Finance										
	Alpha Crédit SA	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	Auto ABS UK Loans PLC (t)	UK				S3	Full	-	-	E3
	AutoFlorence 1 SRL (t)	Italy	Full	-	-		Full	-	-	
	AutoFlorence 2 SRL (t)	Italy	Full	-	-		Full	-	-	
	AutoFlorence 3 SRL (t)	Italy	Full	-	-		Full	-	-	E2
	Autonoria 2019 (t)	France				S1	Full	-	-	
	Autonoria DE 2023 (t)	France	Full	-	-		Full	-	-	E2
	Autonoria Spain 2019 (t)	Spain	Full	-	-		Full	-	-	
	Autonoria Spain 2021 FT (t)	Spain	Full	-	-		Full	-	-	
	Autonoria Spain 2022 FT (t)	Spain	Full	-	-		Full	-	-	
	Autonoria Spain 2023 FT (t)	Spain	Full	-	-		Full	-	-	E2
	Axa Banque Financement	France	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
	Banco Cetelem SA	Brazil								S4
	Banco Cetelem SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BGN Mercantil E Servicos Ltda	Brazil				S4	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								S1
	BNPP Personal Finance (Czech Republic branch)	Czech Rep.	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Portugal branch)	Portugal	Full	100.0%	100.0%		Full	100.0%	100.0%	

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Personal Finance (Romania branch)	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance (Slovakia branch)	Slovakia	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance BV	Netherlands	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Personal Finance South Africa Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BON BNPP Consumer Finance Co Ltd	China	Equity	31.7%	31.7%	V3	Equity	33.1%	33.1%	V1/V4
	Cafineo	France	Full (1)	51.0%	50.8%		Full (1)	51.0%	50.8%	
	Carrefour Banque	France	Equity	40.0%	40.0%		Equity	40.0%	40.0%	
	Central Europe Technologies SRL	Romania	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cetelem America Ltda	Brazil				S4	Full	100.0%	100.0%	
	Cetelem Business Consulting Shanghai Co Ltd	China	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cetelem Gestion AIE	Spain	Full	100.0%	96.0%		Full	100.0%	96.0%	
	Cetelem SA de CV	Mexico	Equity	20.0%	0.0 %	S2	Full	100.0%	100.0%	
	Cetelem Servicios Informaticos AIE	Spain	Full	100.0%	81.0%		Full	100.0%	81.0%	
	Cetelem Servicos Ltda	Brazil	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Cofica Bail	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	Cofiplan	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	Creation Consumer Finance Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
	Creation Financial Services Ltd	UK	Full	100.0%	99.9%		Full	100.0%	99.9%	V3
	Crédit Moderne Antilles Guyane	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	Crédit Moderne Océan Indien	France	Full (1)	97.8%	97.8%		Full (1)	97.8%	97.8%	
	Domofinance	France	Full (1)	55.0%	55.0%		Full (1)	55.0%	55.0%	
	E Carat 10 (t)	France								S1
	E Carat 11 PLC (t)	UK								S3
	E Carat 12 PLC (t)	UK				S3	Full	-	-	
	Ecarat De SA (t)	Luxembourg	Full	-	-	E2				
	Ekspres Bank AS	Denmark	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ekspres Bank AS (Norway branch)	Norway	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Ekspres Bank AS (Sweden branch)	Sweden	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Eos Aremas Belgium SA NV	Belgium	Equity	50.0%	49.9%		Equity	50.0%	49.9%	
	Evollis	France	Equity	49.2%	49.2%		Equity	49.2%	49.2%	V4
	Findomestic Banca SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Florence Real Estate Developments SPA	Italy	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Florence SPV SRL (t)	Italy	Full	-	-		Full	-	-	
	GCC Consumo Establecimiento Financiero de Credito SA	Spain	Full	51.0%	51.0%		Full	51.0%	51.0%	
	Genius Auto Finance Co Ltd	China	Equity (3)	25.0%	25.0%		Equity (3)	25.0%	25.0%	V1
	International Development Resources AS Services SA	Spain	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Iqera Services	France								S2
	Loisirs Finance	France	Full (1)	51.0%	51.0%		Full (1)	51.0%	51.0%	
	Magyar Cetelem Bank ZRT	Hungary				S2	Full	100.0%	100.0%	
	Neuilly Contentieux	France	Full	95.9%	95.6%		Full	95.9%	95.6%	
	Noria 2018-1 (t)	France								S1
	Noria 2020 (t)	France								S1
	Noria 2021 (t)	France	Full	-	-		Full	-	-	
	Noria 2023 (t)	France	Full	-	-		Full	-	-	E2
	Noria De 2024 (t)	France	Full	-	-	E2				
	Noria Spain 2020 FT (t)	Spain	Full	-	-		Full	-	-	
	Opel Finance NV	Netherlands								S3
	Opel Finance SA	Switzerland				S3	Full	100.0%	50.0%	
	PBD Germany Auto Lease Master SA (t)	Luxembourg	Full	-	-		Full	-	-	E3
	Personal Finance Location	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	PF Services GmbH	Germany	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Phedina Hypotheken 2010 BV (t)	Netherlands	Full	-	-		Full	-	-	
	RCS Botswana Pty Ltd	Botswana	Full	100.0%	100.0%		Full	100.0%	100.0%	
	RCS Cards Pty Ltd	South Africa	Full	100.0%	100.0%		Full	100.0%	100.0%	
	RCS Investment Holdings Namibia Pty Ltd	Namibia	Full	100.0%	100.0%		Full	100.0%	100.0%	

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Securitisation funds Genius (d) (t)	China	Equity (3)	-	-		Equity (3)	-	-	E3
	Securitisation funds UCI and RMBS Prado (b) (t)	Spain	Equity (3)	-	-		Equity (3)	-	-	
	Securitisation funds Wisdom (e) (t)	China	Equity (3)	-	-		Equity (3)	-	-	E3
	Servicios Financieros Carrefour EFC SA	Spain	Equity	37.3%	40.0%		Equity	37.3%	40.0%	
	Stellantis Bank SA	France	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Stellantis Bank SA (Austria branch)	Austria	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Stellantis Bank SA (Germany branch)	Germany	Full	50.0%	50.0%		Full	50.0%	50.0%	
	Stellantis Bank SA (Italy branch)	Italy								S1
	Stellantis Bank SA (Spain branch)	Spain								S1
	Stellantis Financial Services UK Ltd	UK	Full	100.0%	50.0%		Full	100.0%	50.0%	E3
	Union de Creditos Inmobiliarios SA	Spain	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	
	United Partnership	France	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	
	Vauxhall Finance Ltd	UK				S3	Full	100.0%	50.0%	
	XFERA Consumer Finance EFC SA	Spain	Full	51.0%	51.0%		Full	51.0%	51.0%	
	Zhejiang Wisdom Puhua Financial Leasing Co Ltd	China	Equity (3)	25.0%	25.0%		Equity (3)	25.0%	25.0%	V1
Arval										
	Artel	France				S4	Full (2)	100.0%	99.9%	
	Arval AB	Sweden	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval AS	Denmark	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval AS Norway	Norway	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Austria GmbH	Austria	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Belgium NV SA	Belgium	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Brasil Ltda	Brazil	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval BV	Netherlands	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval CZ SRO	Czech Rep.	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Deutschland GmbH	Germany	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Fleet Services	France	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Fleet Services (succ. Monaco)	Monaco	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Hellas Car Rental SA	Greece	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval LLC	Russia	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Luxembourg SA	Luxembourg	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Magyarorszag KFT	Hungary	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Maroc SA	Morocco	Full	100.0%	89.0%		Full (2)	100.0%	89.0%	
	Arval OY	Finland	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Relsa Colombia SAS	Colombia	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	V1/D2
	Arval Relsa SPA	Chile	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	V1/D2
	Arval Schweiz AG	Switzerland	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Service Lease	France	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Service Lease Aluger Operational Automoveis SA	Portugal	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Service Lease Italia SPA	Italy	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Service Lease Polska SP ZOO	Poland	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Service Lease Romania SRL	Romania	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Service Lease SA	Spain	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Slovakia SRO	Slovakia	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval Trading	France	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval UK Group Ltd	UK	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval UK Leasing Services Ltd	UK	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Arval UK Ltd	UK	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	BNPP Fleet Holdings Ltd	UK	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Cent ASL	France	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Cofiparc	France	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Comercializadora de Vehiculos SA	Chile	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	V1/D2
	FCT Pulse France 2022 (t)	France	Full	-	-		Full (2)	-	-	
	Greenval Insurance DAC	Ireland	Full (2)	100.0%	99.9%		Full (2)	100.0%	99.9%	

Business	Name	Country	31 December 2024				31 December 2023			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Locadif	Belgium	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Louveo	France	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Personal Car Lease BV	Netherlands								S4
	Public Location Longue Durée	France	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
	Pulse UK 2024 PLC (s)	UK	Full	-	-	E2				
	Rentaequipos Leasing Peru SA	Peru	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	V1/D2
	Rentaequipos Leasing SA	Chile	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	V1/D2
	TEB Arval Arac Filo Kiralama AS	Türkiye	Full	100.0%	75.0%		Full (2)	100.0%	75.0%	
	Terberg Busines Lease Group BV	Netherlands								S4
	Terberg Leasing Justlease Belgium BV	Belgium	Full	100.0%	99.9%		Full (2)	100.0%	99.9%	
Leasing Solutions										
	Aprolis Finance	France	Full	51.0%	42.3%		Full	51.0%	42.3%	
	Artegy	France	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNL Leasing SPA	Italy	Full	100.0%	95.5%		Full	100.0%	95.5%	
	BNPP 3 Step IT	France	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (Belgium branch)	Belgium	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (Germany branch)	Germany	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (Italy branch)	Italy	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (Netherlands branch)	Netherlands	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP 3 Step IT (Spain branch)	Spain	Full	51.0%	42.3%		Full	51.0%	42.3%	E2
	BNPP 3 Step IT (United Kingdom branch)	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
	BNPP Finansal Kiralama AS	Türkiye	Full	100.0%	82.5%		Full	100.0%	82.5%	
	BNPP Lease Group	France	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
	BNPP Lease Group (Germany branch)	Germany	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
	BNPP Lease Group (Italy branch)	Italy	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
	BNPP Lease Group (Portugal branch)	Portugal	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
	BNPP Lease Group (Spain branch)	Spain	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
	BNPP Lease Group Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Lease Group Leasing Solutions SPA	Italy	Full	100.0%	95.5%		Full	100.0%	95.5%	
	BNPP Lease Group Ltd (Ex-BNPP Lease Group PLC)	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Lease Group SP ZOO	Poland	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Services	Poland	Full	100.0%	81.3%	V3	Full	100.0%	87.3%	V3
	BNPP Leasing Solution AS	Norway	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions	Luxembourg	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions AB	Sweden	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions AS	Denmark	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions GmbH	Austria	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions IFN SA	Romania	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions NV	Netherlands	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Leasing Solutions Suisse SA	Switzerland	Full	100.0%	83.0%		Full	100.0%	83.0%	
	BNPP Rental Solutions Ltd	UK								S3
	BNPP Rental Solutions SPA	Italy	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Claas Financial Services	France	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
	Claas Financial Services (Germany branch)	Germany	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
	Claas Financial Services (Italy branch)	Italy	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
	Claas Financial Services (Poland branch)	Poland	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
	Claas Financial Services (Spain branch)	Spain	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
	Claas Financial Services Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
	CNH Industrial Capital Europe	France	Full (1)	50.1%	41.6%		Full (1)	50.1%	41.6%	
	CNH Industrial Capital Europe (Belgium branch)	Belgium	Full (1)	50.1%	41.6%		Full (1)	50.1%	41.6%	
	CNH Industrial Capital Europe (Germany branch)	Germany	Full (1)	50.1%	41.6%		Full (1)	50.1%	41.6%	
	CNH Industrial Capital Europe (Italy branch)	Italy	Full (1)	50.1%	41.6%		Full (1)	50.1%	41.6%	
	CNH Industrial Capital Europe (Poland branch)	Poland	Full (1)	50.1%	41.6%		Full (1)	50.1%	41.6%	
	CNH Industrial Capital Europe (Spain branch)	Spain	Full (1)	50.1%	41.6%		Full (1)	50.1%	41.6%	

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	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%	
	ES Finance	Belgium	Full	100.0%	99.9%		Full	100.0%	99.9%	
	FL Zeebrugge (s)	Belgium	Full	-	-		Full	-	-	
	Fortis Lease	France	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
	Fortis Lease Belgium	Belgium	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Lease Deutschland GmbH	Germany								S3
	Fortis Lease Iberia SA	Spain								S1
	Fortis Lease Portugal	Portugal								S1
	Fortis Lease UK Ltd	UK	Full	100.0%	83.0%		Full	100.0%	83.0%	
	Fortis Vastgoedlease BV	Netherlands				S3	Full	100.0%	83.0%	
	Heffiq Heftruck Verhuur BV	Netherlands	Full	50.1%	41.5%		Full	50.1%	41.5%	
	JCB Finance	France	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
	JCB Finance (Germany branch)	Germany	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
	JCB Finance (Italy branch)	Italy	Full (1)	100.0%	41.6%		Full (1)	100.0%	41.6%	
	JCB Finance Holdings Ltd	UK	Full	50.1%	41.6%		Full	50.1%	41.6%	
	JFL BNPP Agriculture And Technology Financial Leasing Co Ltd	Chine	Equity	45.0%	37.3%	E2				
	Manitou Finance Ltd	UK	Full	51.0%	42.3%		Full	51.0%	42.3%	
	MGF	France	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
	MGF (Germany branch)	Germany	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
	MGF (Italy branch)	Italy	Full (1)	51.0%	42.3%		Full (1)	51.0%	42.3%	
	Natio Energie 2	France	Full	100.0%	100.0%		Full	100.0%	100.0%	
	Natiocredibail	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	Pixel 2021 (t)	France	Full	-	-		Full	-	-	
	Same Deutz Fahr Finance	France	Full (1)	100.0%	83.0%		Full (1)	100.0%	83.0%	
	SNC Natiocredimurs	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
New Digital Businesses										
	Financière des Paiements Electroniques	France	Full	95.0%	95.0%		Full	95.0%	95.0%	
	Financière des Paiements Electroniques (Belgium branch)	Belgium	Full	95.0%	95.0%		Full	95.0%	95.0%	
	Financière des Paiements Electroniques (Germany branch)	Germany	Full	95.0%	95.0%		Full	95.0%	95.0%	
	Financière des Paiements Electroniques (Portugal branch)	Portugal	Full	95.0%	95.0%		Full	95.0%	95.0%	
	Financière des Paiements Electroniques (Spain branch)	Spain	Full	95.0%	95.0%		Full	95.0%	95.0%	
	Floa	France	Full (1)	100.0%	100.0%		Full (1)	100.0%	100.0%	
	Lyf SA	France	Equity (3)	44.8%	44.8%	V1	Equity (3)	43.8%	43.8%	
	Lyf SAS	France	Equity (3)	50.0%	50.0%		Equity (3)	50.0%	50.0%	V4
Personal Investors										
	Espresso Financial Services Private Ltd	India				S2	Full	100.0%	100.0%	
	Geojit Technologies Private Ltd	India	Equity	35.0%	35.0%		Equity	35.0%	35.0%	
	Human Value Developers Private Ltd	India				S2	Full	100.0%	100.0%	
	Sharekhan BNPP Financial Services Ltd	India				S2	Full	100.0%	100.0%	
	Sharekhan Ltd	India				S2	Full	100.0%	100.0%	
INVESTMENT & PROTECTION SERVICES										
Insurance										
	AEW Immocommercial (s)	France	FV	-	-		FV	-	-	
	AG Insurance	Belgium	Equity	25.0%	25.0%		Equity	25.0%	25.0%	
	Agathe Retail France	France	FV	33.3%	33.3%		FV	33.3%	33.3%	
	AM Select (s)	Luxembourg	Full (4)	-	-		Full (4)	-	-	E1
	Astridplaza	Belgium	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	Batipart Participations SAS	Luxembourg	FV	29.7%	29.7%		FV	29.7%	29.7%	
	BCC Vita SPA	Italy	Full (2)	70.0%	70.0%	E3				
	Becquerel (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Actions Croissance ISR (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Actions Euro ISR (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Actions Monde ISR (s)	France	Full (4)	-	-		Full (4)	-	-	

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Actions Patrimoine ISR (s)	France	Full (4)	-	-	E1				
	BNPP Actions PME ETI (s)	France				S3	Full (4)	-	-	
	BNPP Aqua (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Best Selection Actions Euro ISR (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Cardif	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Cardif BV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Cardif Compania de Seguros y Reaseguros SA	Peru	Full (2)	100.0%	100.0%	D1	Equity*	100.0%	100.0%	
	BNPP Cardif Emeklilik AS	Türkiye	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Cardif Hayat Sigorta AS	Türkiye	Equity*	100.0%	100.0%		Equity*	100.0%	100.0%	
	BNPP Cardif Livforsakring AB	Sweden	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Cardif Livforsakring AB (Denmark branch)	Denmark	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Cardif Livforsakring AB (Norway branch)	Norway	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Cardif Pojistovna AS	Czech Rep.	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Cardif Seguros de Vida SA	Chile	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Cardif Seguros Generales SA	Chile	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Cardif Services SRO	Czech Rep.	Full (2)	100.0%	100.0%	D1	Equity*	100.0%	100.0%	
	BNPP Cardif Servicios y Asistencia Ltda	Chile	Full (2)	100.0%	100.0%	D1	Equity*	100.0%	100.0%	
	BNPP Cardif Sigorta AS	Türkiye	Equity*	100.0%	100.0%		Equity*	100.0%	100.0%	
	BNPP Cardif TCB Life Insurance Co Ltd	Taiwan	Equity	49.0%	49.0%		Equity	49.0%	49.0%	
	BNPP Cardif Vita Compagnia di Assicurazione E Riassicurazione SPA	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Convictions (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP CP Cardif Private Debt (s)	France				S3	Full (4)	-	-	
	BNPP Deep Value (s)	France								S3
	BNPP Développement Humain (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Diversiflex (s)	France				S1	Full (4)	-	-	
	BNPP Diversipierre (s)	France	Full (2)	-	-		Full (2)	-	-	
	BNPP Euro Climate Aligned (s)	France	Full (4)	-	-	E1				
	BNPP France Crédit (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Global Senior Corporate Loans (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Indice Amerique du Nord (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Indice France ESG (s)	France	Full (4)	-	-	E1				
	BNPP Infrastructure Investments Fund (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Moderate Focus Italia (s)	France								S3
	BNPP Monétaire Assurance (s)	France								S1
	BNPP Multistratégies Protection 80 (s)	France				S3	Full (4)	-	-	
	BNPP Next Tech (s)	France								S3
	BNPP Obliselect Euro Dec 2028 (s)	France	Full (4)	-	-	E1				
	BNPP Protection Monde (s)	France								S3
	BNPP Select (s)	France	Full (4)	-	-	E1				
	BNPP Sélection Dynamique Monde (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Selection Patrimoine Responsable (s)	France	Full (4)	-	-	E1				
	BNPP Smallcap Euroland ISR (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Social Business France (s)	France	Full (4)	-	-		Full (4)	-	-	
	BOB Cardif Life Insurance Co Ltd	China	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	C Santé (s)	France	Full (2)	-	-	D1	FV	-	-	
	Camgestion Obliflexible (s)	France								S1
	Capital France Hotel	France	Full (2)	98.5%	98.5%		Full (2)	98.5%	98.5%	
	Cardif Alternatives Part I (s)	France	Full (2)	-	-		Full (2)	-	-	
	Cardif Assurance Vie	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Austria branch)	Austria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Belgium branch)	Belgium	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Bulgaria branch)	Bulgaria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Cardif Assurance Vie (Germany branch)	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Italy branch)	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Netherlands branch)	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Portugal branch)	Portugal	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Romania branch)	Romania	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Spain branch)	Spain	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Switzerland branch)	Switzerland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurance Vie (Taiwan branch)	Taiwan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Austria branch)	Austria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Belgium branch)	Belgium	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Bulgaria branch)	Bulgaria	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Germany branch)	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Italy branch)	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Netherlands branch)	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Poland branch)	Poland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Portugal branch)	Portugal	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Romania branch)	Romania	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Spain branch)	Spain	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Switzerland branch)	Switzerland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Assurances Risques Divers (Taiwan branch)	Taiwan	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Biztosito Magyarorszag ZRT	Hungary				S3	Equity*	100.0%	100.0%	
	Cardif BNPP AM Emerging Bond (s)	France	Full (4)	-	-		Full (4)	-	-	
	Cardif BNPP AM Euro Paris Climate Aligned (s)	France	Full (4)	-	-	D1	FV	-	-	
	Cardif BNPP AM Global Environmental Equity (s)	France	Full (4)	-	-		Full (4)	-	-	
	Cardif BNPP AM Global Senior Corporate Loans (s)	France								S3
	Cardif BNPP AM Sustainable Euro Equity (s)	France	Full (4)	-	-	D1	FV	-	-	
	Cardif BNPP AM Sustainable Europe Equity (s)	France	Full (4)	-	-	D1	FV	-	-	
	Cardif BNPP IP Signatures (s)	France	Full (4)	-	-		Full (4)	-	-	
	Cardif BNPP IP Smid Cap Euro (s)	France				S3	Full (2)	-	-	
	Cardif Colombia Seguros Generales SA	Colombia	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif CPR Global Return (s)	France	Full (2)	-	-		Full (2)	-	-	
	Cardif do Brasil Seguros e Garantias SA	Brazil	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif do Brasil Vida e Previdencia SA	Brazil	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Edrim Signatures (s)	France	Full (2)	-	-		Full (2)	-	-	
	Cardif El Djazair	Algeria	Equity*	85.0%	85.0%	V2	Equity*	100.0%	100.0%	
	Cardif Forsakring AB	Sweden	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Forsakring AB (Denmark branch)	Denmark	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Forsakring AB (Norway branch)	Norway	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif IARD	France	Full (2)	66.0%	66.0%		Full (2)	66.0%	66.0%	
	Cardif Insurance Co LLC	Russia								S2
	Cardif Insurance Holdings PLC	UK	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Life Insurance Co Ltd	Rep. of Korea	Full (2)	85.0%	85.0%		Full (2)	85.0%	85.0%	
	Cardif Life Insurance Japan	Japan	Full (2)	75.0%	75.0%		Full (2)	75.0%	75.0%	
	Cardif Ltda	Brazil	Full (2)	100.0%	100.0%	D1	Equity*	100.0%	100.0%	
	Cardif Lux Vie	Luxembourg	Full (2)	100.0%	88.6%		Full (2)	100.0%	88.6%	
	Cardif Mexico Seguros de Vida SA de CV	Mexico	Full (2)	100.0%	100.0%	D1	Equity*	100.0%	100.0%	

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Cardif Mexico Seguros Generales SA de CV	Mexico	Full (2)	100.0%	100.0%	D1	Equity*	100.0%	100.0%	
	Cardif Non Life Insurance Japan	Japan	Full (2)	100.0%	75.0%		Full (2)	100.0%	75.0%	
	Cardif Nordic AB	Sweden	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Polska Towarzystwo Ubezpieczen Na Zycie SA	Poland				S3	Equity*	100.0%	100.0%	
	Cardif Retraite	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cardif Seguros SA	Argentina								S2
	Cardif Services AEIE	Portugal				S1	Full (2)	100.0%	100.0%	
	Cardif Servicios de Colombia SAS	Colombia	Full (2)	100.0%	100.0%	E1				
	Cardif Servicios SAC	Peru				S3	Equity*	100.0%	100.0%	
	Cardif Support Unipessoal Lda	Portugal	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	E1
	Cardif Vita Convex Fund Eur (s)	France								S1
	Cardimmo	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Carma Grand Horizon SARL	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Cedrus Carbon Initiative Trends (s)	France	Full (2)	-	-		Full (2)	-	-	
	Centre Commercial Francilia	France	FV	21.7%	21.7%		FV	21.7%	21.7%	
	CFH Alexanderplatz Hotel SARL	Luxembourg	Full (2)	100.0%	93.5%		Full (2)	100.0%	93.5%	E2
	CFH Algonquin Management Partners France Italia	Italy	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	CFH Bercy	France	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	CFH Bercy Hotel	France	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	CFH Bercy Intermédiaire	France	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	CFH Berlin GP GmbH	Germany	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	E2
	CFH Berlin Holdco SARL	Luxembourg	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	CFH Boulogne	France	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	CFH Cap d'Ail	France	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	CFH Hostel Berlin SARL	Luxembourg	Full (2)	100.0%	93.5%		Full (2)	100.0%	93.5%	E2
	CFH Hotel Project SARL	Luxembourg	Full (2)	100.0%	93.5%		Full (2)	100.0%	93.5%	E2
	CFH Milan Holdco SRL	Italy	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	CFH Montmartre	France	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	CFH Montparnasse	France	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	Corosa	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Darnell DAC	Ireland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Défense CB3 SAS	France	FV	25.0%	25.0%		FV	25.0%	25.0%	
	Diversipierre DVP 1	France	Full (2)	100.0%	94.6%	V4	Full (2)	100.0%	93.4%	V4
	Diversipierre Germany GmbH	Germany	Full (2)	100.0%	94.6%	D1/V4	Equity*	100.0%	93.4%	V4
	DVP European Channel	France	Full (2)	100.0%	94.6%	D1/V4	Equity*	100.0%	93.4%	V4
	DVP Green Clover	France	Full (2)	100.0%	94.6%	D1/V4	Equity*	100.0%	93.4%	V4
	DVP Haussmann	France	Full (2)	100.0%	94.6%	D1/V4	Equity*	100.0%	93.4%	V4
	DVP Heron	France	Full (2)	100.0%	94.6%	D1/V4	Equity*	100.0%	93.4%	V4
	Eclair (s)	France								S3
	EP L (s)	France	Full (2)	-	-		Full (2)	-	-	
	EP1 Grands Moulins (s)	France	Full (2)	-	-	D1	Equity*	-	-	
	Fleur SAS	France				S1	FV	33.3%	33.3%	
	Foncière Partenaires (s)	France	FV	-	-		FV	-	-	
	Fondev (Ex- FDI Poncelet)	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Fondo BNPP Aqua Protetto (s)	France	Full (4)	-	-	E1				
	Fonds d'Investissements Immobiliers pour le Commerce et la Distribution	France	FV	25.0%	25.0%		FV	25.0%	25.0%	
	FP Cardif Convex Fund USD (s)	France	Full (2)	-	-		Full (2)	-	-	
	Fundamenta (s)	Italy	Full (2)	-	-		Full (2)	-	-	
	G C Thematic Opportunities II (s)	Ireland								S1
	GIE BNPP Cardif	France	Full (2)	99.7%	99.7%		Full (2)	99.7%	99.7%	V2
	GPinvest 10	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	Harewood Helena 2 Ltd	UK	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Harmony Prime (s)	France	Full (4)	-	-		Full (4)	-	-	
	Hemisphere Holding	France	Equity	20.0%	20.0%		Equity	20.0%	20.0%	

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	Hibernia France	France	Full (2)	100.0%	98.5%		Full (2)	100.0%	98.5%	
	Horizon Development GmbH	Germany	FV	66.7%	64.9%	V4	FV	66.7%	62.9%	
	Icare	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Icare Assurance	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	ID Cologne A1 GmbH	Germany	Full (2)	89.2%	86.8%	D1/V4	Equity*	89.2%	86.2%	V1
	ID Cologne A2 GmbH	Germany	Full (2)	89.2%	86.8%	D1/V4	Equity*	89.2%	86.2%	V1
	Karapass Courtage	France				S3	Equity*	100.0%	100.0%	
	Korian et Partenaires Immobilier 1	France	FV	24.5%	24.5%		FV	24.5%	24.5%	
	Korian et Partenaires Immobilier 2	France	FV	24.5%	24.5%		FV	24.5%	24.5%	
	Luizaseg Seguros SA	Brazil	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	V1/D4
	Natio Assurance	France				S4	Full (2)	100.0%	100.0%	
	Natio Fonds Ampère 1 (s)	France	Full (4)	-	-		Full (4)	-	-	
	NCVP Participacoes Societarias SA	Brazil	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Neuflize Vie	France	Full (2)	100.0%	100.0%	E3				
	New Alpha Cardif Incubator Fund (s)	France	Full (2)	-	-		Full (2)	-	-	
	OC Health Real Estate GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Opéra Rendement (s)	France	Full (2)	-	-		Full (2)	-	-	
	Paris Management Consultant Co Ltd	Taiwan				S3	Equity*	100.0%	100.0%	
	Permal Cardif Co Investment Fund (s)	France	Full (2)	-	-		Full (2)	-	-	
	Pinnacle Pet Holdings Ltd	UK	Equity	24.7%	24.7%		Equity	24.7%	24.7%	V3
	Poistovna Cardif Slovakia AS	Slovakia				S3	Equity*	100.0%	100.0%	
	Preim Healthcare SAS (s)	France	FV	-	-		FV	-	-	
	PWH	France	FV	47.5%	47.5%		FV	47.5%	47.5%	
	Reumal Investissements	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Rubin SARL	Luxembourg	FV	50.0%	50.0%		FV	50.0%	50.0%	
	Rueil Ariane	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SAS HVP	France				S4	Full (2)	100.0%	98.5%	
	Schroder European Operating Hotels Fund 1 (s)	Luxembourg	FV	-	-		FV	-	-	
	SCI 68/70 rue de Lagny Montreuil	France	Full (2)	99.9%	99.9%		Full (2)	99.9%	99.9%	
	SCI Alpha Park	France				S2	FV	50.0%	50.0%	
	SCI Batipart Chadesrent	France	FV	20.0%	20.0%		FV	20.0%	20.0%	
	SCI Biv Malakoff	France	FV	23.3%	23.3%		FV	23.3%	23.3%	
	SCI BNPP Pierre I	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI BNPP Pierre II	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Bobigny Jean Rostand	France				S4	Full (2)	100.0%	100.0%	
	SCI Bouleragny	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	SCI Cardif Logement	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Citylight Boulogne	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Clichy Nuovo	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	SCI Défense Etoile	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Défense Vendôme	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Etoile du Nord	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Fontenay Plaisance	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Imefa Velizy	France	FV	21.8%	21.8%		FV	21.8%	21.8%	
	SCI Le Mans Gare	France				S4	Full (2)	100.0%	100.0%	
	SCI Nanterre Guilleraies	France				S4	Full (2)	100.0%	100.0%	
	SCI Nantes Carnot	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Odyssée	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Pantin Les Moulins	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Paris Batignolles	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Paris Cours de Vincennes	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Paris Grande Armée	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Paris Turenne	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Portes de Claye	France	Equity	45.0%	45.0%		Equity	45.0%	45.0%	
	SCI Rue Moussorgski	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Rueil Caudron	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Saint Denis Landy	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	

Business	Name	Country	31 December 2024				31 December 2023			
			Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	SCI Saint Denis Mitterrand	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI Saint-Denis Jade	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	SCI SCOO	France	FV	46.4%	46.4%		FV	46.4%	46.4%	
	SCI Vendôme Athènes	France	FV	50.0%	50.0%		FV	50.0%	50.0%	
	SCI Villeurbanne Stalingrad	France				S4	Full (2)	100.0%	100.0%	
	Secar	France	FV	55.1%	55.1%		FV	55.1%	55.1%	
	Seniorenzentren Deutschland Holding SARL	Luxembourg	FV	20.0%	17.7%		FV	20.0%	17.7%	
	Seniorenzentren Reinbeck Oberursel München Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Butzbach Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Heilbronn Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Kassel Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Seniorenzentrum Wolfratshausen Objekt GmbH	Germany	FV	35.0%	31.0%		FV	35.0%	31.0%	
	Services Epargne Entreprise	France	Equity	36.8%	36.8%	V1	Equity	35.6%	35.6%	
	SNC Batipart Mermoz	France	FV	25.0%	25.0%		FV	25.0%	25.0%	
	SNC Batipart Poncelet	France	FV	25.0%	25.0%		FV	25.0%	25.0%	
	Société Francaise d'Assurances sur la Vie	France	Equity	50.0%	50.0%		Equity	50.0%	50.0%	
	Société Immobilière du Royal Building SA	Luxembourg	Full (2)	100.0%	88.6%		Full (2)	100.0%	88.6%	
	Theam Quant Europe Climate Carbon Offset Plan (s)	France				S3	Full (4)	-	-	
	Tikehau Cardif Loan Europe (s)	France	Full (2)	-	-		Full (2)	-	-	
	Valeur Pierre Epargne	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	Valtitres FCP (s)	France	Full (4)	-	-	D1	FV (4)	-	-	
	Velizy Holding	France	FV	33.3%	33.3%		FV	33.3%	33.3%	
Wealth Management										
	BNPP Wealth Management Monaco	Monaco				S4	Full (1)	100.0%	100.0%	
Asset Management										
	Alfred Berg Kapitalforvaltning AS	Norway	Full	100.0%	73.7%		Full	100.0%	73.7%	V2
	Alfred Berg Kapitalforvaltning AS (Sweden branch)	Sweden	Full	100.0%	73.7%		Full	100.0%	73.7%	V3
	Bancoestado Administradora General de Fondos SA	Chile	Equity	50.0%	49.1%		Equity	50.0%	49.1%	
	Baroda BNPP AMC Private Ltd	India	Equity (3)	49.9%	49.1%	V4	Equity (3)	49.9%	49.0%	
	BNPP ABC Wealth Management Co Ltd	China	Equity (3)	51.0%	50.1%		Equity (3)	51.0%	50.1%	E2
	BNPP Agility Capital	France								S4
	BNPP Agility Fund Equity SLP (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Agility Fund Private Debt SLP (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP AM International Hedged Strategies (s)	France	Full (4)	-	-		Full (4)	-	-	
	BNPP Asset Management Asia Ltd	Hong Kong	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management Be Holding	Belgium	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management Brasil Ltda	Brazil	Full	100.0%	99.6%	V4	Full	100.0%	99.5%	
	BNPP Asset Management Europe (Austria branch) (Ex- BNPP Asset Management France (Austria branch))	Austria	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management Europe (Belgium branch) (Ex- BNPP Asset Management France (Belgium branch))	Belgium	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management Europe (Ex-BNPP Asset Management France)	France	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management Europe (Germany branch) (Ex-BNPP Asset Management France (Germany branch))	Germany	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management Europe (Italy branch) (Ex-BNPP Asset Management France (Italy branch))	Italy	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management Europe (Netherlands branch) (Ex-BNPP Asset Management France (Netherlands branch))	Netherlands	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management Europe (Poland branch)	Poland	Full	100.0%	98.3%	E2				
	BNPP Asset Management Holding	France	Full	100.0%	98.3%	V1	Full	99.9%	98.2%	
	BNPP Asset Management Japan Ltd	Japan	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	BNPP Asset Management Luxembourg	Luxembourg	Full	99.7%	98.0%	V4	Full	99.7%	97.9%	
	BNPP Asset Management NL Holding NV	Netherlands								S1
	BNPP Asset Management PT	Indonesia	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management Services Grouping	France								S1
	BNPP Asset Management Taiwan Co Ltd	Taiwan	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	E1
	BNPP Asset Management UK Ltd	UK	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Asset Management USA Holdings Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP Asset Management USA Inc	USA	Full	100.0%	100.0%		Full	100.0%	100.0%	
	BNPP B Institutional II (s)	Belgium	Full (4)	-	-		Full (4)	-	-	
	BNPP Dealing Services	France	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	BNPP Easy (s)	Luxembourg	Full (4)	-	-		Full (4)	-	-	
	BNPP Flexi I (s)	Luxembourg	Full (4)	-	-		Full (4)	-	-	
	BNPP Funds (s)	Luxembourg	Full (4)	-	-		Full (4)	-	-	
	Drypnir AS	Norway	Full	100.0%	0.0%		Full	100.0%	0.0%	
	Dynamic Credit Group BV	Netherlands	Full	75.0%	73.7%	V4	Full	75.0%	73.6%	E3
	Gambit Financial Solutions	Belgium	Full	100.0%	98.3%	V4	Full	100.0%	98.2%	
	Haitong Fortis Private Equity Fund Management Co Ltd	China	Equity	33.0%	32.4%		Equity	33.0%	32.4%	
	Harewood Helena 1 Ltd	UK	Full	100.0%	100.0%		Full	100.0%	100.0%	
	HFT Investment Management Co Ltd	China	Equity	49.0%	48.2%	V4	Equity	49.0%	48.1%	
	Impax Asset Management Group PLC	UK	Equity	13.8%	13.5%		Equity	13.8%	13.5%	
	SME Alternative Financing DAC (s)	Ireland	Full	-	-		Full	-	-	
	Theam Quant (s)	Luxembourg	Full (4)	-	-		Full (4)	-	-	
Real Estate										
	Auguste Thouard Expertise	France				S4	Full (2)	100.0%	100.0%	
	BNPP Immobilier Promotion	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Immobilier Résidences Services	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate (United Arab Emirates branch)	United Arab Emirates	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Advisory & Property Management Luxembourg SA	Luxembourg	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Advisory & Property Management UK Ltd	UK	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Advisory and Property Management Ireland Ltd	Ireland	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Advisory Italy SPA	Italy	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Advisory Netherlands BV	Netherlands	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Belgium SA	Belgium	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Conseil Habitation & Hospitality	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Consult France	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Consult GmbH	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Facilities Management Ltd	UK	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Financial Partner	France	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate GmbH	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Holding GmbH	Germany	Full (2)	100.0%	100.0%		Full (2)	100.0%	100.0%	
	BNPP Real Estate Investment Management Belgium	Belgium				S4	Full (2)	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%	

			31 December 2024					31 December 2023				
Business	Name	Country	Method		Voting (%)	Interest (%)	Ref.	Method		Voting (%)	Interest (%)	Ref.
	BNPP Real Estate Investment Management Germany GmbH (Italy branch)	Italy	Full		94.9%	94.9%		Full		94.9%	94.9%	
	BNPP Real Estate Investment Management Germany GmbH (Portugal branch)	Portugal	Full		94.9%	94.9%		Full		94.9%	94.9%	
	BNPP Real Estate Investment Management Germany GmbH (Spain branch)	Spain	Full		94.9%	94.9%		Full		94.9%	94.9%	
	BNPP Real Estate Investment Management Italy SPA	Italy	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Real Estate Investment Management Ltd	UK	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Investment Management Luxembourg SA	Luxembourg	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Real Estate Investment Management Luxembourg SA (Italy branch)	Italy	Full		100.0%	100.0%		Full		100.0%	100.0%	E2
	BNPP Real Estate Investment Management Spain SA	Spain	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Investment Management UK Ltd	UK	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Poland SP ZOO	Poland	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Portugal Unipersonal LDA	Portugal	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Property Development & Services GmbH	Germany	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Property Development UK Ltd	UK	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Property Management France SAS	France	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Property Management GmbH	Germany	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Property Management Italy SRL	Italy	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Singapore Pte Ltd	Singapore	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Spain SA	Spain	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	BNPP Real Estate Transaction France	France	Full	(2)	97.4%	97.4%	V1	Full	(2)	97.2%	97.2%	V1
	BNPP Real Estate Valuation France	France	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	Cariboo Development SL	Spain	Equity		65.0%	65.0%		Equity		65.0%	65.0%	
	Construction-Sale Companies (c)	France	Full / Equity	(2)	-	-		Full / Equity	(2)	-	-	
	Exeo Aura & Echo Offices Lda	Portugal	Equity		31.9%	31.9%		Equity		31.9%	31.9%	
	GIE BNPP Real Estate	France	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	Horti Milano SRL	Italy	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	Nanterre Arboretum	France	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	Parker Tower Ltd	UK	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	Partner's & Services	France					S4	Full	(2)	100.0%	100.0%	
	REPD Parker Ltd	UK	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	Sviluppo Residenziale Italia SRL	Italy	Full	(2)	100.0%	100.0%		Full	(2)	100.0%	100.0%	
	Wapiti Development SL	Spain	Equity		65.0%	65.0%		Equity		65.0%	65.0%	
OTHER BUSINESS UNITS												
Property Companies (Property Used In Operations) and Others												
	Antin Participation 5	France	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Home Loan SFH	France	Full	(1)	100.0%	100.0%		Full	(1)	100.0%	100.0%	
	BNPP Partners for Innovation	France	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Partners for Innovation Belgium	Belgium	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Partners For Innovation Global Connect	France	Full		100.0%	100.0%	E1					
	BNPP Partners for Innovation Italia SRL	Italy					S3	Full		100.0%	100.0%	
	BNPP Procurement Tech	France	Full		100.0%	100.0%		Full		100.0%	100.0%	
	BNPP Public Sector SA	France	Full		100.0%	100.0%		Full		100.0%	100.0%	
	FCT Lafayette 2021 (t)	France	Full		-	-		Full		-	-	
	FCT Laffitte 2021 (t)	France	Full		-	-		Full		-	-	

			31 December 2024				31 December 2023			
Business	Name	Country	Method	Voting (%)	Interest (%)	Ref.	Method	Voting (%)	Interest (%)	Ref.
	FCT Opéra 2014 (t)	France								S1
	FCT Opera 2023 (t)	France	Full	-	-		Full	-	-	E2
	FCT Pyramides 2022 (t)	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%	
	Transvalor	France								S2

(a) At 31 December 2024, 13 Private Equity investment entities versus 14 Private Equity investment entities at 31 December 2023.
(b) At 31 December 2024, the securitisation funds UCI and RMBS Prado included 13 funds (FCC UCI 11, 12, 14 to 17, RMBS Prado VII to XI, Green Belem I et RMBS Belem No 2) unchanged from 31 December 2023.
(c) At 31 December 2024, 102 Construction-sale companies (71 Full and 31 Equity) versus 117 Construction-sale companies (82 Full and 35 Equity) at 31 December 2023.
(d) At 31 December 2024, the securitisation funds Genius include 8 funds (Generation 2024-1-4 Retail Auto Mortgage Loan Securitisation, Generation 2023-2 to 5 Retail Auto Mortgage Loan Securitisation) versus 11 funds (Generation 2021-4 Retail Auto Mortgage Loan Securitisation, Generation 2022-1 to 5 Retail Auto Mortgage Loan Securitisation, Generation 2023-1 to 5 Retail Auto Mortgage Loan Securitisation) at 31 December 2023.
(e) At 31 december 2024, 10 funds (Wisdom Puhua Leasing 2022-2 to 3 Asset-Backed Securities, Wisdom Puhua Leasing 2023-2 Asset-Backed Notes, Wisdom Puhua Leasing 2023-1 & 2 Asset-Backed Securities, Wisdom Puhua Leasing Xinghe 2023-1 Asset-Backed Securities, Wisdom Puhua Leasing Xinghe 2024-1 to 4 Asset-Backed Securities) versus 13 funds (Wisdom Puhua Leasing 2021-2 & 3 Asset-Backed Securities, Wisdom Puhua Leasing 2022-1 Asset-Backed Notes, Wisdom Puhua Leasing 2022-1 to 3 Asset-Backed Securities, Wisdom Puhua Leasing 2023-1 & 2 Asset-Backed Notes, Wisdom Puhua Leasing 2023-1 & 2 Asset-Backed securities, Wisdom Puhua Leasing Zhixing 2023-1 & 2 Asset-Backed Notes, Wisdom Puhua Leasing Xinghe 2023-1 Asset-Backed Securities) at 31 December 2023.

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 above consolidation thresholds
E2 Incorporation
E3 Purchase, gain of control or significant influence

Removals (S) from the scope of consolidation

S1 Cessation of activity (dissolution, liquidation, etc.)
S2 Disposal, loss of control or loss of significant influence
S3 Passing below consolidation 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
D2 Following the additional purchase of interest by the Group, Arval Relsa and its subsidiaries were fully consolidated since the fourth quarter 2023
D3 Following the additional purchase of interest by the Group, the whole entities Kantox and its subsidiaries were fully consolidated since the fourth quarter 2023.
D4 Following the additional purchase of interest by the Group, Luizaseg Seguros SA was fully consolidated since the fourth quarter 2023

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 profit or loss
(s) Structured entities
(t) Securitisation funds

Prudential scope of consolidation

(1) French subsidiaries for which supervision of prudential requirements is complied with through the supervision on a consolidated basis of BNP Paribas SA, in accordance with article 7.1 of Regulation n°575/2013 of the European Parliament and of the Council
(2) Entities consolidated under the equity method in the prudential scope
(3) Jointly controlled entities under proportional consolidation in the prudential scope
(4) Collective investment undertaking excluded from the prudential scope

8.l FEES PAID TO THE STATUTORY AUDITORS

Year to 31 Dec. 2024 *Excluding tax, in thousands of euros*	Deloitte		EY		TOTAL	
	Total	%	Total	%	Total	%
Certification of statutory audit	**34,381**	**82%**	**34,531**	**82%**	**68,912**	**82%**
Issuer	10,771		20,927		31,698	
Consolidated subsidiaries	23,610		13,604		37,214	
Certification of sustainability reporting	**547**	**1%**	**640**	**2%**	**1,187**	**1%**
Issuer	436		448		884	
Consolidated subsidiaries	111		192		303	
Services other than those required for the certification of statutory audit and sustainability reporting	**7,024**	**17%**	**6,599**	**16%**	**13,623**	**17%**
Issuer	2,970		4,362		7,332	
Consolidated subsidiaries	4,054		2,237		6,291	
TOTAL	**41,952**	**100%**	**41,770**	**100%**	**83,722**	**100%**
of which fees paid to External Auditors in France for the certification of statutory audit	*16,353*		*18,784*		*35,137*	
of which fees paid to Statutory Auditors in France for the certification of sustainability reporting	*436*		*576*		*1,012*	
of which fees paid to External Auditors and their network in France for services other than those required for the certification of statutory audit and sustainability reporting *The amount of the External Auditors' fees for services other than those required for the certification of statutory audit and sustainability reporting was, as of 31 December 2024, EUR 1,337 thousand for Deloitte & Associés and EUR 92 thousand for Ernst & Young et Autres*	*1,802*		*2,123*		*3,925*	

Year to 31 Dec. 2023 *Excluding tax, in thousands of euros*	Deloitte		PricewaterhouseCoopers		Mazars		TOTAL	
	Total	%	Total	%	Total	%	Total	%
Certification of statutory audit	**20,696**	**75%**	**17,142**	**62%**	**10,994**	**87%**	**48,832**	**72%**
Issuer	5,505		5,627		3,083		14,215	
Consolidated subsidiaries	15,191		11,515		7,911		34,617	
Services other than those required for the certification of statutory audit	**6,731**	**25%**	**10,703**	**38%**	**1,629**	**13%**	**19,063**	**28%**
Issuer	3,385		6,815		736		10,936	
Consolidated subsidiaries	3,346		3,888		893		8,127	
TOTAL	**27,427**	**100%**	**27,845**	**100%**	**12,623**	**100%**	**67,895**	**100%**
of which fees paid to Statutory Auditors in France for the statutory audit and contractual audit	*7,551*		*6,080*		*4,406*		*18,037*	
of which fees paid to External Auditors and their network in France for services other than those required for the certification of statutory audit and sustainability reporting	*2,014*		*4,179*		*1,130*		*7,323*	

Audit fees paid to external auditors who are not part of the network of the external auditors certifying the individual and consolidated financial statements of BNP Paribas SA, as mentioned in the above table, amount to EUR 8,176 thousand for the year 2024 (EUR 3,990 thousand in 2023). Variation is mainly explained by the work performed by the PWC and Mazars firms (EUR 4,511 thousand), mostly on the review of the 2024 first quarter financial information and on the audit of several entities.

This year, services other than the ones required for the statutory audit mainly refer to issuance of attestation of accounting and financial information, review of the quality of the internal control as per the international standards (such as ISAE 3402) within the framework of services provided to customers, especially in the Securities and the Asset Management Business Lines, expertise on the Bank's transformation projects, technical consultations on specific issues and assessment of the compliance of the entity's framework with Law/Regulation.

APPENDIX 6 — EXTRACT OF THE INTERIM FINANCIAL STATEMENTS OF THE ISSUER FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

The information set out in this Appendix 6 has been extracted from our interim financial statements for the six-month period ended 30 June 2024. References to page numbers on the following pages are to the page numbers of our interim financial statements.

Our interim financial statements have been prepared in accordance with our usual accounting policies and procedures.

BNP PARIBAS ISSUANCE B.V.

Herengracht 595
1017 CE Amsterdam, the Netherlands
Chamber of Commerce Amsterdam no. 33215278

Interim report and financial statements for the six months period ended 30 June 2024

Independent auditor

Deloitte Accountants B.V.
Gustav Mahlerlaan 2970, P.O. Box 58110, 1040 HC Amsterdam, The Netherlands

BNP PARIBAS ISSUANCE B.V.

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Directors' Report

The Directors present their report and the reviewed financial statements of BNP Paribas Issuance B.V. for six months period ended 30 June 2024.

Principal activity of the company

BNP Paribas Issuance B.V. ('the Company') was incorporated on 10 November 1989 under the law of the Netherlands.

The principal activity of the Company is the issuance of structured products such as warrants, certificates, notes and to enter into hedging agreements with other BNP Paribas companies to hedge against various risks.

Review of business

During the period, the Company continued to issue structured products to private investors worldwide. The proceeds from the sale of the structured products were used to fund the activities of other BNP Paribas S.A. undertakings through certain economic hedging arrangements. The principal purpose of these hedging arrangements is to hedge the Company against various risks associated with the structured product issuance activity. The Company's ultimate controlling company is BNP Paribas S.A.

Strategy and future outlook

BNP Paribas Issuance B.V. is the main issuer of structured products of BNP Paribas Group. The Company operates on all platforms of Global Markets (Europe, Americas and Asia). It is a wholly-owned subsidiary of BNP Paribas S.A. (the Parent) and is fully guaranteed in respect of all its obligations by BNP Paribas S.A. The Company issues secured or unsecured certificates, notes or warrants. The issued securities can be listed on regulated or unregulated markets.

It is expected that the Company will continue to issue structured products.

The Company did not engage in any research and development activities, investment nor financing activities during the six months period ended 30 June 2024 other than those already disclosed in this report, and is not expected to do so during the following year.

Principal risks and uncertainties

The Company's activities are exposed to various risks, which are managed using BNP Paribas' risk management framework. The Company has a low risk appetite and does not enter into unhedged economic positions.

<u>Market risk</u>

The Company takes on exposure to market risks arising from positions in interest rates, currency exchange rates, commodities and equity products, all of which are exposed to general and specific market movements. However, these risks are hedged by swap agreements with BNP Paribas Group companies and OTC option agreements or collateral arrangements and therefore these risks are mitigated in principle.

<u>Credit risk</u>

The Company has a significant concentration of credit risks as all OTC contracts are acquired from its parent and other BNP Paribas Group companies. Taking into consideration the objectives and activities of the Company and the fact that the BNP Paribas Group is under the supervision of the European Central Bank and the Autorité de controle prudentiel et de résolution, Paris, the Directors consider these risks as acceptable. The long term senior debt of BNP Paribas S.A. is rated (A+) by Standard & Poor's and (Aa3) by Moody's.

<u>Liquidity risk</u>

The Company has significant liquidity risk exposure. To mitigate this exposure, the Company entered into netting agreements with its parent and other BNP Paribas Group companies.

Operating result and dividends

The results for the six months period ended 30 June 2024 are set out on page 7 and show the Company's profit for the period after taxation is 64,061 EUR (56,192 EUR for the six months period ended 30 June 2023).

No dividends were paid or proposed during the six months period ended 30 June 2024.

Directors

The Directors of the Company who served during the six months period ended 30 June 2024 and up to the date of signing the financial statements, were:

Edwin Herskovic
Cyril Le Merrer
Folkert Van Asma
Geert Lippens (resigned on 25 March 2024)
Hugo Peek (appointed on 25 March 2024)
Matthew Yandle

The Directors mentioned above are together authorised to represent the Company. The Directors of the Company are employed by the Company. The number of employees is expected to remain stable during the following year.

Statement under the Transparency Directive (as implemented in Dutch law)

According to the Board's best knowledge based on International Financial Reporting Standards (IFRS-EU) as endorsed by the European Union, the attached financial statements present a true and fair view of the assets, liabilities, financial position, and profit of the Company for the the six months period ended 30 June 2024. Accordingly, the interim report, including the directors' report and the financial statements, provides a true and fair view of the Company's position as at 30 June 2024.

As BNP Paribas S.A. fulfils the requirements at group level, the Company is exempted from establishing its own Audit Committee under Article 3a of the Royal Decree of 26 July 2008 adopting EU Directive 2006/43EG. In accordance with the recommendations of the EU Commission, BNP Paribas S.A. has an Audit Committee that is made of independent directors who are not members of the Executive committee.

Independent auditors

As of 30 June 2022, Deloitte Accountants B.V. has been appointed as the independent external auditor of the company.

Amsterdam, 11 September 2024

The Board of Directors,

Signed by

Cyril Le Merrer

Edwin Herskovic

Financial statements
(before profit appropriation)

Balance Sheet

	Notes	30 June 2024	31 December 2023
Assets		€	€
Non-Current Assets			
Financial assets held at fair value through profit and loss	4.1	94,366,932,887	97,094,582,619
Financial assets designated at fair value through profit or loss	4.2	3,823,068,868	2,545,414,411
Financial assets at amortised cost	4.3	-	88,659,779
Total Non-Current Assets		**98,190,001,755**	**99,728,656,809**
Current Assets			
Financial assets held at fair value through profit and loss	4.4	47,421,893,505	25,222,420,892
Financial assets designated at fair value through profit or loss	4.5	460,285,217	1,609,394,850
Financial assets at amortised cost	4.6	-	-
Trade and other receivables	4.7	1,518,486	3,193,007
Cash and cash equivalents	4.8	8,037,602	3,498,827
Total Current Assets		**47,891,734,810**	**26,838,507,576**
Total Assets		**146,081,736,565**	**126,567,164,385**
Liabilities			
Non-Current Liabilities			
Financial liabilities designated at fair value through profit or loss	4.9	85,313,654,338	89,212,731,768
Financial liabilities held at fair value through profit and loss	4.10	12,876,347,417	10,427,265,262
Financial liabilities at amortised cost	4.11	-	88,659,779
Total Non-Current Liabilities		**98,190,001,755**	**99,728,656,809**
Current Liabilities			
Financial liabilities designated at fair value through profit or loss	4.12	42,659,340,667	24,093,437,960
Financial liabilities held at fair value through profit and loss	4.13	5,222,838,055	2,738,377,781
Financial liabilities at amortised cost	4.14	-	-
Trade and other payables	4.15	4,186,446	5,870,946
Current tax liability	4.16	1,284	16,591
Total Current Liabilities		**47,886,366,452**	**26,837,703,278**
Total Liabilities		**146,076,368,207**	**126,566,360,088**

	Notes	30 June 2024	31 December 2023
Equity		€	€
Capital and reserves attributable to equity shareholders of the Company			
Share capital	4.17	4,545,379	45,379
Share premium reserve		-	-
Legal reserve		-	-
Retained earnings		758,918	702,726
Profit for the year		64,061	56,192
Total Equity	4.18	**5,368,358**	**804,297**
Total Liabilities and Equity		**146,081,736,565**	**126,567,164,385**

Income Statement

	Notes	30 June 2024	30 June 2023
		€	€
Net income on financial instruments at FVPL		-	-
Net income on financial instruments at amortised cost		-	-
Fee income and other income		586,089	337,202
Operating expenses		-504,558	-308,434
Net foreign exchange (loss)/gain		-	-
Operating profit	4.19	**81,531**	**28,768**
Bank costs and similar charges		-2,443	506
Profit before corporate income tax		**79,088**	**29,274**
Corporate income tax	4.20	-15,027	-5,562
Profit for the period attributable to equity shareholders (parent)		**64,061**	**23,712**

Statement of Comprehensive Income

There were no other items of comprehensive income or expense other than the profit for the financial period shown above. As a result, the profit for the financial period represents total comprehensive income.

The notes on pages 9 - 32 form an integral part of the financial statements.

Statement of Changes in Equity

Changes for the six month period ended 30 June 2024	Share Capital	Share Premium Reserve	Legal Reserve	Retained Earnings	Undistributed profit	Total
	€	€	€	€	€	€
Balance as at 1 January 2023	**45,379**	**-**	**-**	**702,726**	**-**	**748,105**
Profit for the period	-	-	-	-	23,712	23,712
Balance as at 30 June 2023	**45,379**	**-**	**-**	**702,726**	**23,712**	**771,817**
Profit for the period	-	-	-	-	32,480	32,480
Balance as at 31 December 2023	**45,379**	**-**	**-**	**702,726**	**56,192**	**804,297**
Balance as at 1 January 2024	45,379	-	-	758,918	-	804,297
Profit for the period	-	-	-	-	64,061	64,061
Capital increase	4,500,000	-	-	-	-	4,500,000
Balance as at 30 June 2024	**4,545,379**	**-**	**-**	**758,918**	**64,061**	**5,368,358**

Statement of Cash Flows

Cash and cash equivalents refers to the line item on the balance sheet that reports the value of the Company's assets that are cash or can be converted into cash immediately. Cash equivalents include merely bank accounts.

	Notes	30 June 2024	30 June 2023
Cash flow from operating activities		€	€
Received reimbursed issuing expenses		8,183,343	4,415,834
Received reimbursed operating expenses		126,934	284,820
Paid issuing expenses		-7,877,558	-3,777,814
Paid operating expenses		-327,052	-669,123
Interest income	5	38,672,159	28,747,535
Interest expense	5	-38,672,159	-28,747,535
Transactions with customers and credit institution		137,788	3,153,462
Salaries		-55,610	-
Net taxes (paid/received)		-149,070	-482
Cash flow from / (used in) operating activities		**38,775**	**253,235**
Cash flow from financing activities		€	€
Capital increase		4,500,000	-
Cash flow from / (used in) financing activities		**4,500,000**	**-**
Net increase/(decrease) in cash and cash equivalents		4,538,775	253,235
Net cash and cash equivalents at the beginning of the year		3,498,827	671,576
Net cash and cash equivalents at the end of the year		**8,037,602**	**924,811**

Refer to page 12 for the principles for the preparation of the cash flow statement.

Notes to the financial statements

1. GENERAL INFORMATION

BNP Paribas Issuance B.V. (the Company), having its registered address in Amsterdam, was incorporated under the law of the Netherlands on 10 November 1989 as a private limited liability company.

The Company is registered at the Chamber of Commerce Amsterdam with no. 33215278.

The principal activity of the Company is the issuance of structured products such as warrants, certificates, notes and to enter into hedging agreements with other BNP Paribas companies to hedge against various risks.

All outstanding shares of the Company are owned by BNP Paribas S.A., France (direct and ultimate parent). The Company is a fully consolidated company of the BNP Paribas Group. The financial statements of BNP Paribas S.A. can be found on the website group.bnpparibas.com.

The Company's main activity is the issuance of structured products comprising certificates, warrants and notes, and the hedging of associated risks through hedging agreements with other BNP Paribas companies. The valuation of a structured product will have no impact on the income statement, capital or net assets since the change in valuation of a structured product will have an equal offsetting change in the value of the hedging transaction with other BNP Paribas companies.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These interim financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting" and with Part 9 of Book 2 of the Netherlands Civil Code.

All amounts are stated in euros, the reporting currency which is also the functional currency of the Company, unless stated otherwise.

The accounting principles of the Company are summarised below. These accounting principles have all been applied consistently throughout the period and the preceding financial year unless indicated otherwise.

Accounting convention

The accounts are prepared under the historical cost convention, except for the financial instruments that are measured at fair value.

Going concern basis

The Financial Statements have been prepared on a going concern basis. The Company has a master hedging agreement with BNP Paribas Group companies under which issued securities are hedged by swap agreements and OTC option agreements or collateral arrangements. In addition, the Company has an agreement with BNP Paribas Group companies to recharge its operating expenses at a margin of 10%.

Use of estimates and judgements

The preparation of the Financial Statements requires management to exercise its judgement, make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In classifying a financial instrument in the valuation hierarchy, judgement is applied in determining whether one or more inputs are observable and significant to the fair value measurement. A financial instrument's categorisation within the valuation hierarchy is based on the lowest level of input that is significant to the fair value measurement. For instruments classified in levels 2 and 3, management judgement must be applied to assess the appropriate models and level of valuation adjustments.

Details on the Company's level 3 financial instruments are set out in the notes to the balance sheet.

Financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognised when those contractual provisions are expired or transferred.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The fair values of the hedging agreements are calculated the same way as their related issued securities.

Amortised cost

Financial assets are measured at amortised cost if :

- they are held under a business model with the objective of collecting contractual cash flows ("Hold to Collect");
- they have contractual terms under which cash flows are solely payments of principal and interest ("SPPI");
- they are not designated as measured at fair value.

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 at the measurement date.

Fair value through profit or loss

Financial assets and financial liabilities are measured at fair value through profit or loss (FVTPL) if they are held for trading. A financial asset or a financial liability is defined as “held for trading” if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Designated at fair value through profit or loss

Financial assets and financial liabilities are designated as measured at fair value through profit or loss only if the designation:

- Eliminates or significantly reduces a measurement or recognition inconsistency;
- Or applies to a group of financial assets, financial liabilities or both that the Company manages and evaluates on a fair value basis;
- Relates to an instrument that contains an embedded derivative unless the embedded derivative does not significantly modify the cash flows required by the contract or when a similar hybrid instrument is considered that separation of the embedded derivative is prohibited.

Offsetting financial assets and financial liabilities

No financial assets and liabilities have been offset on the balances as at 30 June 2024.

Impairment of financial assets

The Company has a significant concentration of credit risks as all hedging contracts are acquired from its parent Company and other group companies. Taking into consideration the objectives and activities of the Company and the fact that the BNP Paribas Group is under supervision of the European Central Bank and the *Autorité de controle prudentiel et de résolution*, Paris, the Management Board considers these risks as acceptable. The long term senior debt of BNP Paribas Group is rated (A+) by Standard & Poor's and (Aa3) by Moody's.

Despite the significant credit risk, the Company does not impair its financial assets as the credit risk is fully transferred to its parent entity by entering into hedge agreements with BNP Paribas SA.

The Company does not hold any Traditional Credit Products (TCP) instruments. Non-TCP consists of financial assets measured at amortised cost which include trade and other receivables and cash instruments. The non-TCP are receivables from companies of the BNP Paribas Group.

Recognition of income and expenses

The net result of financial instruments includes capital gains or losses, currency results, interest income and expense or changes in fair value on the issued securities and related hedging contracts. As the Company enters into a swap agreement with a BNP Paribas Group Company and an OTC option on exactly the same terms and conditions of the issued security or a collateral arrangement on each issue of securities, there is a complete hedge of the economic risk of the Company. Therefore, the net result of the financial instruments equals zero and is recorded on a net basis. The gross results on fair value measuring and interest income / costs will be presented separately (see note 4.19).

Fee income, other income and operating expenses are taken in the period to which they relate. Profits are recognised in the period they are realised; losses are taken as soon as they are foreseeable.

If securities are exercised against the Company, the Company fulfils its obligation by exercising the related swap agreements or OTC contracts entered into with companies of the BNP Paribas Group. Issued securities and related swap agreements and OTC contracts are released simultaneously. Issued securities not exercised at maturity and the related swap agreements and OTC contracts are released without any further future obligation to the Company.

Net result financial instruments

The net result for financial instruments includes capital gains and losses, currency results, interest income and expense and changes in fair value on the issued securities and related swap agreements and OTC contracts. As the Company enters into an OTC option or swap agreement with a BNP Paribas Group company on exactly the same terms and conditions of the issued security at each issue of securities, there is a complete hedge of the economic risk of the Company. Therefore, the net result on the financial instruments equals zero and is recorded on a net basis.

Currencies

The functional currency of the Company is the Euro.

Balance sheet items denominated in currencies other than the Euro are translated at the rate of exchange prevailing on the balance sheet date. Transactions in foreign currencies (not concerning derivatives) during the reporting period have been incorporated at the rate of settlement.

The premiums of the issued securities and the cost of the related swap agreements are denominated in different currencies. Moreover, the underlying contracts of the securities have their own currency denominations, which are often based on a basket of currencies. The net effect of the currency risk is nil though, as this risk is completely hedged.

Corporate income tax

Tax on the Profit and Loss for the period is calculated by applying the applicable rates for the financial year. Income tax payable on taxable profits (current tax) is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offset against taxable profits arising in the current or prior period. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents comprise cash and demand deposits with banks, net of outstanding bank overdrafts, along with highly liquid investments, with original maturities of three months or less, that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

Share capital

The share capital of the Company consists of ordinary shares, classified as equity.

3. PRINCIPLES FOR PREPARATION OF THE CASH FLOW STATEMENT

The cash flow statement is prepared according to the direct method and consists of cash only.

Netting agreements between the Company and the BNP Paribas Group companies have been drawn up for all cash flows resulting from securities and hedging agreements to avoid that payments have to be made for these flows.

4. NOTES TO THE BALANCE SHEET AND INCOME STATEMENT

Measurement of the fair value of financial instruments

The Company establishes securities programmes and issues securities such as warrants, notes and certificates exercisable pursuant to the terms and conditions of such securities programmes. The BNP Paribas Group companies have agreed to purchase the securities at the same time. The BNP Paribas Group companies distribute the securities to third parties. BNP Paribas S.A. acts as guarantor for the securities programmes towards the investors.

The BNP Paribas Group, including the Company, determines the fair value of financial instruments either by using prices obtained directly from external data or by using valuation techniques. These valuation techniques are primarily market and income approaches encompassing generally accepted models (e.g. discounted cash flows, Black-Scholes model and interpolation techniques). They maximise the use of observable inputs and 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 selected 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 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.

When issued, securities are publicly offered or privately placed. Sometimes, privately placed securities are listed on the secondary market. Listed securities are listed on stock exchanges in and outside of the European Union; the related OTC contracts are not listed. The majority of the issued securities are not traded actively in active markets.

No accrued interest is presented on the balance sheet because the accrued interest is part of the market value of the derivatives as disclosed on the balance sheet. The net result on the derivatives equals zero and is recorded on a net basis in the profit and loss account, see note 4.19.

Description of the main instruments on each level

The following section provides a description of the instruments at each level in the 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: the Level 2 stock of securities is composed of securities which are less liquid than Level 1 securities. 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.

Derivatives classified in Level 2 comprise mainly the following instruments:

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

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

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

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

Level 3: 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 the illiquidity of the instrument and significant model risk. An unobservable input is a parameter for which there is 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. All given estimated fair values are related to the market conditions prevailing at the year's end; the future values may differ.

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.

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

Structured derivatives classified in Level 3 predominantly comprise structured derivatives, of which are 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 table below presents the assets and liabilities reported at fair value by major product category and fair value hierarchy.

At 30 June 2024	**Level 1**	**Level 2**	**Level 3**	**Total**
	€	€	€	€
Financial assets held at fair value through profit and loss:				
Funded and unfunded OTC as well as reverse repurchase agreements	-	81,375,242,842	60,413,583,550	141,788,826,392
Non-current assets (remaining maturity over 1 year)				*94,366,932,887*
Current assets (remaining maturity less than 1 year)				*47,421,893,505*
Financial assets designated at fair value through profit or loss:				
Bonds	-	-	4,283,354,085	4,283,354,085
Non-current assets (remaining maturity over 1 year)				*3,823,068,868*
Current assets (remaining maturity less than 1 year)				*460,285,217*
Total Financial Assets	**-**	**81,375,242,842**	**64,696,937,635**	**146,072,180,477**
Financial liabilities held at fair value through profit and loss:				
Warrants	-	6,745,087,064	11,354,098,408	18,099,185,472
Non-current liabilities (remaining maturity over 1 year)				*12,876,347,417*
Current liabilities (remaining maturity less than 1 year)				*5,222,838,055*
Financial liabilities designated at fair value through profit or loss:				
Medium term notes and Certificates	-	74,630,155,778	53,342,839,227	127,972,995,005
Non-current liabilities (remaining maturity over 1 year)				*85,313,654,338*
Current liabilities (remaining maturity less than 1 year)				*42,659,340,667*

Total Financial Liabilities	**-**	**81,375,242,842**	**64,696,937,635**	**146,072,180,477**

At 31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
	€	€	€	€
Financial assets held at fair value through profit and loss:				
Funded and unfunded OTC as well as reverse repurchase agreements	-	75,941,069,514	46,375,933,997	122,317,003,511
Non-current assets (remaining maturity over 1 year)				*97,094,582,619*
Current assets (remaining maturity less than 1 year)				*25,222,420,892*
Financial assets designated at fair value through profit or loss:				
Bonds	-	-	4,154,809,261	4,154,809,261
Non-current assets (remaining maturity over 1 year)				*2,545,414,411*
Current assets (remaining maturity less than 1 year)				*1,609,394,850*
Total Financial Assets	**-**	**75,941,069,514**	**50,530,743,258**	**126,471,812,772**
Financial liabilities held at fair value through profit and loss:				
Warrants	-	3,974,441,751	9,191,201,292	13,165,643,043
Non-current liabilities (remaining maturity over 1 year)				*10,427,265,262*
Current liabilities (remaining maturity less than 1 year)				*2,738,377,781*
Financial liabilities designated at fair value through profit or loss:				
Medium term notes and Certificates	-	71,966,627,763	41,339,541,966	113,306,169,729
Non-current liabilities (remaining maturity over 1 year)				*89,212,731,768*
Current liabilities (remaining maturity less than 1 year)				*24,093,437,960*
Total Financial Liabilities	**-**	**75,941,069,514**	**50,530,743,258**	**126,471,812,772**

Valuation process

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

Economic value is composed of mid-market value, to which valuation adjustments may be added.

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

The valuation adjustment for counterparty credit risk (CVA) and own-credit risk for derivatives (DVA) are deemed to be unobservable components of the valuation framework and therefore classified in Level 3. This does not impact, in general cases, the classification of individual transactions into the fair value hierarchy. However, a specific process allows to identify individual deals for which the marginal contribution of these adjustments and related uncertainty is significant and justifies classifying these transactions in Level 3.

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

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

Risk classes	Balance Sheet valuation (in millions of euros)		Main product types composing the Level 3 stock within the risk class	Valuation technique used for the product types considered	Main unobservable inputs for the product types considered	Range of unobservable input across Level 3 population considered	Weighted average
	Asset	Liability					
Repurchase agreements	5,791	-	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 ABS	0 bp to 93 bp	29 bp (a)
			Hybrid Forex / Interest rates derivatives	Hybrid Forex interest rate option pricing model	Correlation between FX rate and interest rates. Main currency pairs are EUR/JPY, USD/JPY, AUD/JPY	-25% to 48%	0.23% (a)
			Hybrid inflation rates / Interest rates derivatives	Hybrid inflation interest rate option pricing model	Correlation between interest rates and inflation rates mainly in Europe.	22% to 41%	34%

Interest rate derivatives	11,366	-	Floors and caps on inflation rate or on the cumulative inflation (such as redemption floors), predominantly on European and French inflation	Inflation pricing model	Volatility of cumulative inflation	1.3% to 11.7%	(b)
					Volatility of the year-on-year inflation rate	0.3% to 2.6%	
			Forward Volatility products such as volatility swaps, mainly in euros	Interest rates option pricing model	Forward volatility of interest rates	0.5% to 0.9%	(b)
			Balance-guaranteed fixed rate, basis or cross currency swaps, predominantly indexed on European collateral pools	Prepayment modelling Discounted cash flows	Constant prepayment rates	0% to 25%	0.4% (a)
Credit derivatives	18,766	-	Collateralised Debt Obligations and index tranches for inactive index series	Base correlation projection technique and recovery modelling	Base correlation curve for bespoke portfolios	18% to 85%	(b)
					Recovery rate variance for single name underlyings	0% to 25 %	(b)
			N-to-default baskets	Credit default mode	Default correlation	50% to 83%	56% (a)
			Single name Credit Default Swaps (other than CDS on ABs and loans indices)	Stripping, extrapolation and interpolation	Credit default spreads beyond observation limit (10 years)	N.A	99 bp
					Illiquid credit default spread curves (across main tenors)	2 bp to 1,436 bp (1)	101 bp ©
Equity derivatives	111,902	-	Simple and complex derivatives on multiunderlying baskets on stocks	Various volatility option models	Unobservable equity volatility	7% to 130% (2)	23% (d)
					Unobservable equity correlation	11% to 100%	62% (c)

For Level 3 financial instruments, the following movements occurred during the first half of 2024:

Level 3	**Assets**		**Liabilities**	
	FVPL	**FVPL designated**	**FVPL**	**FVPL designated**
At 31 December 2023	**46,375,933,996**	**4,154,809,261**	**9,191,201,292**	**41,339,541,965**
Purchases	9,966,897,736	133,950,059	-	-
Issues	-	-	420,457,707	9,680,390,088
Change in unrealised gain/loss	971,686,033	91,320,071	1,771,639,449	-708,633,345
Sales	-9,017,061,658	-96,725,306	-	-
Settlements	-	-	-437,819,557	-8,675,967,407
Transfers to L3	12,483,354,187	-	408,710,546	12,074,643,641
Transfers from L3	-367,226,744	-	-91,029	-367,135,715
At 30 June 2024	**60,413,583,550**	**4,283,354,085**	**11,354,098,408**	**53,342,839,227**

Sensitivity of fair value to reasonably possible changes in level 3 assumptions

Financial instruments issued by the Company are hedged against various risk, including price risk, by entering into hedging agreements with other BNP Paribas group companies. Hence, the use of unobservable inputs would not impact neither the income nor the equity of the Company. As a result, as at 30 June 2024, no sensitivity analysis for level 3 financial instruments is disclosed.

4.1 Financial assets held at fair value through profit and loss (Non-current).

Financial assets held at fair value through profit or loss consist of derivatives and non-derivative financial instruments (funded and unfunded OTC as well as reverse repurchase agreements) with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial assets held at fair value through profit and loss	30 June 2024	31 December 2023
	€	€
Non-current assets (remaining maturity over 1 year)	94,366,932,887	97,094,582,619

4.2 Financial assets designated at fair value through profit or loss (Non-current)

Financial assets designated at fair value through profit or loss consist of bonds with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial assets designated at fair value through profit or loss	30 June 2024	31 December 2023
	€	€
Non-current assets (remaining maturity over 1 year)	3,823,068,868	2,545,414,411

4.3 Financial assets at amortised cost (Non-current)

Financial assets at amortised cost consist of repo transactions between the Company and BNP Paribas group with a remaining maturity of more than 1 year. Below is the relevant balance.

Since the exposure is to BNP Paribas and is collateralised, the Expected Credit Loss ("ECL") can be disregarded as not significant.

Financial assets at amortised cost	30 June 2024	31 December 2023
	€	€
Non-current assets (remaining over 1 year)	-	88,659,779

4.4 Financial assets held at fair value through profit and loss (Current)

Financial assets held at fair value through profit or loss consist of derivatives and non-derivative financial instruments (funded and unfunded OTC as well as reverse repurchase agreements) with a remaining maturity up to 1 year. Below is the relevant balance.

Financial assets held at fair value through profit and loss	30 June 2024	31 December 2023
	€	€
Current assets (remaining maturity lower than 1 year)	47,421,893,505	25,222,420,892

4.5 Financial assets designated at fair value through profit or loss (Current)

Financial assets designated at fair value through profit or loss consist of bonds with a remaining maturity up to 1 year. Below is the relevant balance.

Financial assets designated at fair value through profit or loss	30 June 2024	31 December 2023
	€	€
Current assets (remaining maturity less than 1 year)	460,285,217	1,609,394,850

4.6 Financial assets at amortised cost (Current)

Financial assets at amortised costs consist of repo transactions between the Company and BNP Paribas group with a remaining maturity lower than 1 year. Below is the relevant balance.

Since the exposure is to BNP Paribas and is collateralised, the Expected Credit Loss ("ECL") can be disregarded as not significant.

Financial Assets at amortised cost	30 June 2024	31 December 2023
	€	€
Current assets (remaining maturity lower than 1 year)	-	-

4.7 Trade and other receivables

Trade and other receivables include only amounts falling due within one year.

Since the exposure basically is to BNP Paribas, the Expected Credit Loss ("ECL") can be disregarded as not significant.

	30 June 2024	31 December 2023
	€	€
Amounts falling due within one year		
Amounts owed by intragroup companies	1,518,486	3,193,007
Trade and other receivables (others)	-	-
Total	**1,518,486**	**3,193,007**

Current tax asset

There are no current tax assets at the date of the reporting period.

4.8 Cash and cash equivalents

The balance stated below considers the position with regard to current bank accounts held by BNP Paribas.

	30 June 2024	31 December 2023
	€	€
Cash receivables	-	-
Cash held with BNP intragroup companies	8,037,602	3,498,827
Cash held with third parties	-	-
Bank overdraft	-	-
Balances due to BNP Paris intragroup companies	-	-
Balances due to third parties	-	-
Net cash and cash equivalents as reported in the cash flow statement	**8,037,602**	**3,498,827**

4.9 Financial liabilities designated at fair value through profit or loss (Non-current)

Financial liabilities designated at fair value through profit or loss consist of medium-term notes and certificates with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial liabilities designated at fair value through profit or loss	**30 June 2024**	**31 December 2023**
	€	€
Non-current liabilities (remaining maturity over 1 year)	85,313,654,338	89,212,731,768

4.10 Financial liabilities held at fair value through profit or loss (Non-current)

Financial liabilities held at fair value through profit or loss consist of warrants with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial liabilities held at fair value through profit or loss	**30 June 2024**	**31 December 2023**
	€	**€**
Non-current liabilities (remaining maturity over 1 year)	12,876,347,417	10,427,265,262

4.11 Financial liabilities at amortised cost (Non-current)

Financial assets at amortised cost consist of medium-term notes related to ‘Resonance’ transactions (securitization) with a remaining maturity of more than 1 year. Below is the relevant balance.

Financial liabilities at amortised cost	**30 June 2024**	**31 December 2023**
	€	€
Non-current liabilities (remaining maturity over 1 year)	-	88,659,779

4.12 Financial liabilities designated at fair value through profit or loss (Current)

Financial liabilities designated at fair value through profit or loss consist of medium-term notes and certificates with a remaining maturity up to 1 year. Below is the relevant balance.

Financial liabilities designated at fair value through profit or loss	**30 June 2024**	**31 December 2023**
	€	€
Current liabilities (remaining maturity lower than 1 year)	42,659,340,667	24,093,437,960

4.13 Financial liabilities held at fair value through profit or loss (Current)

Financial liabilities held at fair value through profit or loss consist of warrants with a remaining maturity up to 1 year. Below is the relevant balance.

Financial liabilities held at fair value through profit or loss	**30 June 2024**	**31 December 2023**
	€	€
Current liabilities (remaining maturity lower than 1 year)	5,222,838,055	2,738,377,781

4.14 Financial liabilities at amortised cost (Current)

Financial assets at amortised costs consist of medium-term notes related to ‘Resonance’ transactions (securitization) with a remaining maturity lower than 1 year. Below is the relevant balance.

Financial liabilities at amortised cost	**30 June 2024**	**31 December 2023**
	€	€
Current assets (remaining maturity lower than 1 year)	-	-

4.15 Trade and other payables

Trade and other payables consist of amounts falling due within one year.

	30 June 2024	**31 December 2023**
	€	€
Amounts falling due within one year		
Amounts owed to intragroup companies	150,962	1,861,658
Trade and other payables (others)	4,035,484	4,009,287
Total	**4,186,446**	**5,870,946**

4.16 Current tax liability

The current tax liabilities consists of tax payables due to the Dutch Tax Authority.

	30 June 2024	31 December 2023
	€	€
Corporate income tax	1,284	16,591
Total	**1,284**	**16,591**

4.17 Share capital

The authorised and issued share capital is fully paid. The relevant amounts are stated below.

Authorised share capital	
31 December 2023: Ordinary shares 45 379 shares of €1 each	45,379
Capital increase of 4,500,000 shares of €1 each	4,500,000
30 June 2024: Share capital of 4,545,379 shares of €1 each	**4,545,379**

Issued and fully paid share capital	
31 December: 2023 Ordinary shares 45 379 shares of €1 each	45,379
Capital increase of 4,500,000 shares of €1 each	4,500,000
30 June 2024: Share capital of 4,545,379 shares of €1 each	**4,545,379**

4.18 Total equity (managed capital)

The Company's managed capital as at 30 June 2024 consists entirely of its issued share capital of 4,545,379 EUR, retained earnings of 758,918 EUR and profit for the year of 64,061 with a total capital of 5,368,358 EUR.

There are no external requirements applicable with regard to the Company’s managed capital.

4.19 Operating profit

Net income on financial instruments at fair value through Profit and Loss

Net income on financial instruments measured at fair value through profit and loss include all profit and loss items relating to financial instruments held at fair value through profit and loss and financial instruments designated at fair value through profit and loss.

Net income on financial instruments at amortised cost

Net income on financial instruments measured at amortised cost include all profit and loss items relating to financial instruments measured at amortised cost.

Fee income and other income

Fee income and other income include recharged operating expenses increased with an up-count of 10%, based on cost plus agreements with BNP Paribas Group companies concluded for an indefinite period of time. These costs have been or will be invoiced to BNP Paribas Group companies:

- BNP Paribas S.A. receives all fee and commission income from its other businesses.
- The Company reimburses all fees and commission expenses that are paid by other BNP Paribas.

Auditor’s remuneration

	30 June 2024	30 June 2023
	€	€
Audit fees	61,757	17,500

The Audit fees amount as of 30 June 2024 is covering the review of the interim financial statements and the audit of the year-end financial statements.

4.20 Corporate income tax

	30 June 2024	30 June 2023
	€	€
Current tax	15,027	5,562
Tax on profit on ordinary activities	**15,027**	**5,562**
Profit for the year before tax	79,087	29,274
Tax calculated at applicable tax rates	15,027	5,562
Income tax expense	**15,027**	**5,562**

The standard tax rate in the Netherlands is 25.8% (2023: 25.8%). A tax rate of 19% (2023: 19%) is applied to the first 200,000 EUR (2023: 200,000 EUR). The effective tax rate is therefore 19% in 2024.

4.21 Related party transactions

Related parties consist of:

- Directors and shareholders of the Company
- Other BNP Paribas Group companies

Key Management personel remuneration

The Director of the Company who served from the start of the year 2023 and up to 20 December 2023 was BNP Paribas Finance B.V. For the period ended 30 June 2024, no management fee was charged to the Company (for the six months period ended 30 June 2023 : 32,250 EUR).

In 2023, the Company appointed 5 Directors in replacement of BNP Paribas Finance B.V. The Directors are employed by the Company and received a total remuneration of 88,565 EUR for the six months period ended 30 June 2024 (25,712 for 2023).

The scope of Key management personel per IAS 24 paragraph 17 is the same as the scope of art. 2:383 of DCC. There are no loans, advanced payments and guarantees granted to the Directors.

As at 30 June 2024, the Company has 5 employees, among which 4 are based in the Netherlands and 1 outside of the Netherlands.

The Company does not have a supervisory board.

Related party transactions with other BNP Paribas Group companies

Outstanding balances	30 June 2024	31 December 2023
	€	€
Financial assets held at fair value through profit or loss	141,788,826,392	122,317,003,511
Financial assets designated at fair value through profit or loss	4,283,354,085	4,154,809,261
Financial assets at amotised costs	-	88,659,779
Trade and other receivables	1,518,486	3,193,007
Cash and cash equivalents	8,037,602	3,498,827
Trade and other payables	-150,962	-1,861,658
Total	**146,081,585,603**	**126,565,302,727**

Income and expenses	30 June 2024	31 December 2023
	€	€
Fee income	578,865	799,252
Other income		
Operating expenses	-206,361	-442,065
Bank costs and similar changes	-2,443	5,818
Total	**370,061**	**363,005**

For the off-balance related party transactions, reference is made to note 8: Commitments contingencies and off-balance items.

4.22 Valuation adjustments (CVA and DVA)

Credit Valuation Adjustment

Financial assets held at fair value through profit and loss predominantly represent derivatives and fully funded OTC financial instruments with other BNP Paribas companies. Credit valuation adjustments ("CVA") are necessary to reflect counterparty credit quality in the valuation of assets measured at fair value.

CVA for financial assets at fair value through profit and loss for the six months period ended 30 June 2024 is a loss amounting to 287,731,719 EUR (a loss of 5,562,969 for the six months period ended 30 June 2023) which is fully offset by an equal and opposite amount in financial liabilities at fair value through profit or loss.

Debit Valuation Adjustment

Debit valuation adjustments are necessary to reflect the credit quality of the Company in the valuation of such financial liabilities at fair value through profit and loss. The directors consider that the Company is fully hedged and that there would, in the normal course of business, be no impact on the results of the Company due to movements in the fair value of the financial liabilities at fair value through profit or loss.

The amount of change attributable to changes in its own credit and funding risk in the financial liabilities at fair value through profit or loss and held at fair value through profit or loss for the six months period ended 30 June 2024 is a gain amounting to 287,731,719 EUR (a gain of 5,562,969 for the six months period ended 30 June

2023). This is fully offset by an equal and opposite amount in financial assets at fair value through profit or loss.

5. NOTES TO THE CASH FLOW STATEMENT

In general, it is assumed that the securities and the related swap agreements and OTC contracts are exercised at the exercise dates mentioned in the final terms of the securities against the fair value as determined. Netting agreements between the Company and the BNP Paribas Group companies have been drawn up for all flows resulting from securities. OTC contracts, swap agreements and collateral arrangements to avoid that payments have to be made for these flows. Conditions that could influence future cash flows will therefore have no impact on the cash flow of the Company.

Received interest and paid interest and fees

These cash flows relate to repack transactions (notes issued by the Company backed by bonds). The Company receives monthly interest and pays fees to the BNP Paribas Group companies. The remainder is paid as interest to the noteholders. The relevant amount with regard to the six months period ended 30 June 2024 is 38,672,159 EUR for interest income as well as interest expenses (28,747,535 EUR for the half year 2023).

6. FINANCIAL RISK MANAGEMENT

Risk management is central to the banking business and is one of the cornerstones of operations for the BNP Paribas Group. BNP Paribas Group has an internal control system covering all types of risks to which the Group may be exposed, organised around three lines of defence:

- As the first line of defence, internal control is the business of every employee, and the heads of the operational activities are responsible for establishing and running a system for identifying, assessing and managing risks according to the standards defined by the functions exercising independent control in respect of the second line of defence.

- The main control functions within BNP Paribas ensuring the second line of defence are the Compliance and Risk Functions. Their heads report directly to the Chief Executive Officer of BNP Paribas Group and account for the performance of their missions to the Board of directors via its specialised committees.

- General Inspection provides a third line of defence. It is responsible for periodic control.

The BNP Paribas Group has a strong risk and compliance culture. Executive Management has chosen to include the risk culture in three of its key corporate culture documents:

- Code of conduct: The Group adopted a new Code of conduct in 2016. It applies to all employees and defines the rules for our conduct in line with the core values of our corporate culture. For example, employees are reminded in the Code of conduct that the Group’s interests are protected by responsible risk-taking in a strict control environment. The Code of conduct also includes rules for protecting customers’ interests, financial security, market integrity and professional ethics, which all play an important role in mitigating compliance and reputation risks.

- Responsibility Charter: Executive Management drew up a formal Responsibility Charter, inspired by the Group’s core values (the “BNP Paribas Way”), management principles and code of conduct. One of the four commitments is “Being prepared to take risks, while ensuring close risk control”. The Group sees rigorous risk control as part of its responsibility, both to clients and to the financial system as a whole. The Bank’s decisions on the commitments it makes are reached after a rigorous and concerted process, based on a strong, shared risk culture which pervades all levels of the Group. This is true both for risks linked to lending activities, where loans are granted only after in-depth analysis of the borrower’s situation and the project to be financed, and for market risks arising from transactions with clients – these are assessed on a daily basis, tested against stress scenarios, and subject to limits. As a strongly diversified group, both in terms of geography and businesses. BNP Paribas is able to balance risks and their consequences as they materialise. The Group is organised and managed in such a way that any difficulties arising in one business area will not jeopardise another in the Bank.

- The Group's mission and commitments: The mission of BNP Paribas is to finance the economy and advise its clients, by supporting them with their projects, their investments, and the management of their savings, guided by strong ethical principles. Through these activities, BNP Paribas wants to have a positive impact on stakeholders and on society, and be one of the most trustworthy players in the sector. BNP Paribas' 12 commitments as a Responsible Bank include in particular the commitment to apply the highest ethical standards and rigorously manage environmental, social, and governance risks.

The following sections outline the key risks that are inherent in the Company's business activities.

Credit risk

BNP Paribas Group's credit risk is defined as the probability of a borrower or counterparty defaulting on its obligations to the BNP Paribas Group. Probability of default along with the recovery rate of the loan or debt in the event of default are essential elements in assessing credit quality. In accordance with the European Banking Authority recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities.

The Company has a significant concentration of credit risks as all hedging contracts are acquired from its parent Company and other group companies. Taking into consideration the objectives and activities of the Company and the fact that the BNP Paribas Group is under supervision of the European Central Bank and the Autorité de controle prudentiel et de resolution, Paris, Management Board considers these risks as acceptable. The long term senior debt of BNP Paribas Group is rated (A+) by Standard & Poor's and (Aa3) by Moody's.

Expected credit losses ('ECLs') related to the assets at amortised cost can be disregarded as not significant, since these relate to a reverse repo with BNP Paribas Group and are collateralised by government bonds. The counterparty has a low probability of default and in the event of default the loss given default is expected to be limited (due to the collateral), accordingly the ECL is regarded as not significant.

The maximum exposure to credit risk ("gross credit exposure") of the Company as at the reporting date is the carrying amount of the financial assets held in the statement of financial position. The table below includes financial instruments subject to ECL and not subject to ECL. Those financial instruments that bear credit risk but are not subject to ECL are subsequently measured at fair value. Where the Company enters into credit enhancements, including receiving cash as collateral and master netting agreements, to manage the credit exposure on these financial instruments, the financial effect of the credit enhancements is also disclosed below. The net credit exposure represents the credit exposure remaining after the effect of the credit enhancements.

Collateral and other credit enhancements

The Company has entered into collateral arrangements with other BNP Paribas Group undertakings to mitigate credit risk. Collateral held is managed in accordance with the BNP Paribas Group's guidelines and the relevant underlying agreements.

30 June 2024	**Gross credit exposure**	**Credit enhancements**	**Net credit exposure**
Class	€	€	€
Subject to ECL			
Financial assets at amortised cost	-	-	-
Trade and other receivables	1,518,486	-	1,518,486
Cash and cash equivalents	8,037,602	-	8,037,602

Not subject to ECL			
Financial assets at fair value	146,072,180,477	-4,637,437,236	141,434,743,241
Total assets	**146,081,736,565**	**-4,637,437,236**	**141,444,299,329**

31 December 2023	Gross credit exposure	Credit enhancements	Net credit exposure
Class	€	€	€
Subject to ECL			
Financial assets at amortised cost	88,659,779	-88,659,779	-
Trade and other receivables	3,193,007	-	3,193,007
Cash and cash equivalents	3,498,827	-	3,498,827
Not subject to ECL			
Financial assets at fair value	126,471,812,772	-4,395,598,679	122,076,214,093
Total assets	**126,567,164,385**	**-4,484,258,458**	**122,082,905,927**

Market risk

The BNP Paribas Group's market risk is the risk of loss of value caused by an unfavourable trend in prices or market parameters. The parameters affecting market risk include, but are not limited to exchange rates, prices of securities and commodities (whether the price is directly quoted or obtained by reference to a comparable asset), the price of derivatives on an established market and all benchmarks that can be derived from market quotations such as interest rates, credit spreads, volatility or implicit correlations or other similar parameters. The Company takes on exposure to market risks arising from positions in interest rates, currency exchange rates, commodities and equity products, all of which are exposed to general and specific market movements. However, these risks are hedged by swap agreements with the BNP Paribas Group companies and OTC option agreements or collateral arrangements and therefore these risks are mitigated in principle.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to honour its commitments or unwind or offset a position due to market conditions or specific factors within a specified period of time and at a reasonable cost. It reflects the risk of not being able to cope with net cash outflows, including collateral requirements, over short- to long-term horizons. The Company has liquidity risk exposures, but has netted this exposure by entering into netting agreements with its parent Company and other group companies.

In the following maturity analysis of financial assets and financial liabilities, derivative contracts and other financial instruments held at FVTPL are disclosed according to their earliest contractual maturity; all such amounts are presented at their fair value, consistent with how these financial instruments are managed. All other amounts represent undiscounted cash flows receivable and payable by the Company arising from its financial assets and financial liabilities to the earliest contractual maturities as at the reporting dates. This presentation is considered by the Company to appropriately reflect the liquidity risk arising from these financial assets and financial liabilities, presented in a way that is consistent with how the liquidity risk in these financial assets and financial liabilities is managed by the Company.

In certain instances, securities contain early redemption clauses such as callability features. The total amount in question is €15,461,581,628 (11%). No early redemption was applicable for 95% of the securities as per 31 December 2023.

Under IFRS 7, it is recommended that financial liabilities are allocated to the earliest period in which the entity can be required to pay, whenever the counterparty has a choice of when an amount is paid. Securities that include an issuer put option are disclosed in the following tables using their closest possible redemption date.

30 June 2024

Financial assets as at 30 June 2024						
	On demand	**Less than 1 year**	**1 year – 2 years**	**2 years – 5 years**	**Greater than 5 years**	**Total**
	€	€	€	€	€	€
Financial assets held at FVTPL	-	47,421,893,505	18,341,387,496	39,485,634,095	36,539,911,296	141,788,826,392
Financial assets designated at FVTPL	-	460,285,217	325,282,919	2,281,305,688	1,216,480,261	4,283,354,085
Financial assets at AC	-	-	-	-	-	-
Trade & other receivables	-	1,518,486	-	-	-	1,518,486
Cash & cash equivalents	8,037,602	-	-	-	-	8,037,602
Total	**8,037,602**	**47,883,697,208**	**18,666,670,415**	**41,766,939,783**	**37,756,391,556**	**146,081,736,565**

Financial liabilities as at 30 June 2024						
	On demand	**Less than 1 year**	**1 year – 2 years**	**2 years – 5 years**	**Greater than 5 years**	**Total**
	€	€	€	€	€	€
Financial liabilities designated at FVTPL	-	42,659,340,667	17,474,052,250	38,131,865,283	29,707,736,805	127,972,995,005
Financial liabilities held at FVTPL	-	5,222,838,055	1,192,618,165	3,635,074,501	8,048,654,751	18,099,185,472
Financial liabilities at AC	-	-	-	-	-	-
Trade & other payables	-	4,186,446	-	-	-	4,186,446
Current tax liability	-	1,284	-	-	-	1,284
Total	**-**	**47,886,366,452**	**18,666,670,415**	**41,766,939,783**	**37,756,391,556**	**146,076,368,207**

31 December 2023

Financial assets as at 31 December 2023	On demand	Less than 1 year	1 year – 2 years	2 years – 5 years	Greater than 5 years	Total
	€	€	€	€	€	€
Financial assets held at FVTPL	-	25,222,420,892	20,523,844,250	37,160,950,523	39,409,787,846	122,317,003,511
Financial assets designated at FVTPL	-	1,609,394,849	462,789,460	828,436,506	1,254,188,446	4,154,809,261
Financial assets at AC	-	-	-	59,503,200	29,156,579	88,659,779
Trade & other receivables	-	3,193,007	-	-	-	3,193,007
Cash & cash equivalents	3,498,827	-	-	-	-	3,498,827
Total	**3,498,827**	**26,835,008,748**	**20,986,633,710**	**38,048,890,229**	**40,693,132,871**	**126,567,164,385**

Financial liabilities as at 31 December 2023	On demand	Less than 1 year	1 year – 2 years	2 years – 5 years	Greater than 5 years	Total
	€	€	€	€	€	€
Financial liabilities designated at FVTPL	-	24,093,437,960	19,838,801,094	35,740,250,977	33,633,679,697	113,306,169,728
Financial liabilities held at FVTPL	-	2,738,377,781	1,147,832,616	2,249,136,052	7,030,296,595	13,165,643,044
Financial liabilities at AC	-	-	-	59,503,200	29,156,579	88,659,779
Trade & other payables	-	5,870,946	-	-	-	5,870,946
Current tax liability	-	16,591	-	-	-	16,591
Total	**-**	**26,837,703,278**	**20,986,633,710**	**38,048,890,229**	**40,693,132,871**	**126,566,360,088**

7. NON-FINANCIAL RISK MANAGEMENT

Compliance risk

Compliance risk is defined as the risk of legal, administrative or disciplinary sanctions, of significant financial loss or reputational damage that a bank may suffer as a result of failure to comply with national or European laws and regulations, codes of conduct and standards of good practice applicable to banking and financial activities, or instructions given by leaders, particularly in application of guidelines issued by a supervisory body. The compliance risk is a sub-category of operational risk. Moreover, certain of its implications can involve more than a purely financial loss and may actually damage the institution’s reputation. Reputation risk is the risk of damaging the Group’s image, the trust placed in a corporation by customers, counterparties, suppliers, employees, shareholders, supervisors and any other stakeholder whose trust is an essential condition for the corporation to carry out its day-to-day operations. Reputation risk is primarily contingent on all the other risks borne by the Group, specifically the effective or potential materialisation of a credit, market risk, an operational, compliance, environmental, social or legal risk, as well as any violation of a law, a regulation of the Group’s Code of conduct or procedure. Responsibility for controlling the risk of non-compliance lies primarily with the activities and business lines. In this context, the Compliance Function manages the system for monitoring non-compliance risks for the scope of all of the Group’s businesses in France and abroad. Hierarchically integrated on a global basis. Compliance brings together all employees reporting to the function. Compliance is organised based on its guiding principles (independence, integration, decentralisation and subsidiarity of the function, dialogue with the business lines, a culture of excellence) through local teams.

Legal risk

The Group Legal Function is an independent function of the BNP Paribas Group and is hierarchically integrated with all the Group’s legal teams. Group Legal is responsible for interpreting the laws and regulations applicable to the Group’s activities and for providing legal guidance and advice to the Group in a manner that meets the highest standards of excellence and integrity. Group Legal is responsible for legal risk management. The Group Legal Function provides Executive Officers and the Board of directors of the Group with reasonable assurance that legal risks are monitored, controlled and mitigated at the Group level. It is responsible for the management (including prevention) of legal risks within the Group through its advisory and control roles. Legal risk refers to the potential loss to the BNP Paribas Group, whether financial or reputational, which impacts or could impact one or more entities of the BNP Paribas Group and/or its employees, business lines, operations, products and/or its services, and results from:

- Non-compliance with a law or regulation or a change in law(s) or regulation(s) (including a change in the interpretation or application of a law or regulation by a court or competent authority and any requirement of any regulatory or supervisory authority);
- A dispute (including all forms of alternative/extrajudicial dispute resolution and court orders) or an investigation or inquiry by a regulatory or supervisory authority (with implications for Group Legal);
- A contractual deficiency;
- A non-contractual matter.

The Group Legal Function is responsible for:

- The prevention of any failure or deficiency in a legal process that may involve the risk of a penalty, reputational risk or financial loss, in all areas (legal risk by nature);
- Management of risk relating to a conflict with a counterparty, a customer, a third party or a regulatory body, resulting from a deficiency or default that could be attributable to the Group in the course of its operations (legal risk as a consequence).

Tax risk

In each country where it operates. BNP Paribas is bound by specific local tax regulations applicable to companies engaged, for example, in banking, insurance or financial services. The Tax Function ensures at a global level that the tax risk is managed throughout all of the transactions conducted by the Group. In view of the financial and reputational stakes. Finance and Compliance are involved in the tax risk monitoring process. The Group Tax Department carries out the tax function and calls on the assistance of tax managers in certain businesses and in the main geographical areas where the Group operates (as well as tax correspondents in other geographical areas where the Group operates). In ensuring the coherence of the Group's tax practices and the global tax risk monitoring, the Group Tax Department:

- Has drawn up procedures covering all divisions, designed to ensure that tax risks are identified, addressed and controlled appropriately;
- Has implemented a process of feedback aimed at contributing to the control of local tax risk;
- Reports to Executive Management on tax risk developments;
- Oversees tax-related operational risks and the internal audit recommendations fall within the Tax Function's scope of responsibility.

A Tax Coordination Committee, involving Finance and Compliance and, on an as-needed basis, the businesses, is tasked with analysing the main tax issues with respect to the transactions the Group performs.

<u>Cybersecurity and Technology risks</u>

The use and protection of data and technologies are determining factors for the Bank's activity and its transformation process. While the Bank continues the roll-out of Digital Banking (for the Group's customers and partners) and Digital Working (for the Group's employees), it must incorporate new technology and innovative risk management practices and establish new working practices. This introduces new technological risks in the cyber security arena. Technology management and information systems security is part of the Group's cyber security strategy. This strategy is focused on the preservation of the most sensitive data. regularly adapting both its internal processes and procedures, and its employee training and awareness to contend with increasingly sophisticated and varied threats.

To reinforce its technology and the protection of data, the Group has adopted a comprehensive approach to cyber security management through its three lines of defence:

- Operational entities are the first line of defence. Since 2015, the Group has introduced across all of the entities a transformation programme based on the international standard NIST (National Institute of Standards and Technology). This programme is regularly updated, taking into account new threats and recent incidents identified around the world.

- As a second line of defence, the team dedicated to managing cybersecurity and technological risk within RISK ORM and under the responsibility of the Group Chief Operational Risk Officer, is tasked with the following in relation to Operational Risk Officers:
    - Presenting the Group's cyber security and technology risk position to the Group Executive Committee, the Board of directors, and the supervisory authorities.
    - Monitoring the transformation programme across the entire group.
    - Integrating the cyber security and technology risk aspects into all major projects within the Group.
    - Ensuring that policies, principles and major projects take aspects of cyber security and technology risk into consideration.
    - Monitoring existing risks and identifying new threats are likely to have a negative impact on the Group's business.
    - Overseeing third-party information systems risks within a strengthened framework.
    - Conducting independent assessment campaigns on priority objectives.
    - Taking measures to assess and improve the Group's ability to respond to failings and incidents.

- As the third line of defence, the role of General Inspection is to:
    - Assess the processes put in place to manage ICT risks (related to information and communication technologies), as well as associated controls and governance.
    - Check for compliance with laws and regulations.

  - Propose areas of improvement to support the mechanisms put in place.

The Group is responding to new technological and cybersecurity risks as follows:

- Availability and continuity risks: BNP Paribas relies heavily on communication and information systems across all its business activities. Any breach in the security of these systems could lead to failures or interruptions in the systems used to manage customer relations or to record transactions (deposits, services and loans) and could incur major costs to recover and verify compromised data. The Group regularly manages, and revises its crisis management and recovery plans (rate of existence of a business continuity plan validated at 31 December 2021: 89.08%), by testing its data recovery services and the robustness of its information systems, using various scheduled stress scenarios;

- Security risks: the Bank is vulnerable to cybersecurity risk, or risk caused by malicious and/or fraudulent acts, committed with the intention of manipulating information (confidential, bank/insurance, technical or strategic data), processes and users, which may result in material losses for the Group's subsidiaries, employees, partners and customers. The Group continually reassesses the threats as they evolve and mitigates risks detected at a good time by means of taking effective counter measures;

- Change-related risks: the Group's information systems are changing rapidly in the light of digital transformation. These risks, identified during the systems' design or modification phases, are regularly assessed to ensure that the proposed solutions are consistent with the needs of the Group's business lines;

- Data integrity risks: confidentiality of customer data and transaction integrity are areas covered by the same systems set up in response to Regulation (EU) No. 2016/679 of 27 April 2016 (General Data Protection Regulation – GDPR) intended to provide the Group's customers with a service that meets their expectations;

- Third-party information systems risks: the Bank is exposed to risks of financial default, breaches or operational capacity constraints when it interacts with third parties, including customers, financial intermediaries and other market operators. The Group's three lines of defence constitute the management framework of these risks at every step of integration until the end of the relationship with such third parties.

The Group deploys significant resources to identify, measure and control its risks and implements various techniques to manage its risk profile. The Covid outbreak in 2020 increased the Group's dependence on digital technologies. In order to have the capacity to work remotely and to allow the Group to continue operating despite the high risk of cybercrime, the Group invested in IT upgrades to increase the bandwidth of the network and ensure the stability of the remote access infrastructure. At the same time, teams in charge of cybersecurity have strengthened their surveillance capabilities to improve detection and respond to threats more quickly. The processes and tools in place were complemented with cyber security reviews and specific support to businesses along with communication of actions to employees.

8. COMMITMENTS CONTINGENCIES AND OFF-BALANCE ITEMS

The Company has issued securities with pledged collateral. The value of the pledged collateral as at 30 June 2024 amounts to 4,637,437,236 EUR and as at 31 December 2023 amounts to 11,771,135,160 EUR.

9. SUBSEQUENT EVENTS

No subsequent event that could have significantly impacted the financial statements of the Company have occurred since 30 June 2024 and to the date of this report.

Board of Directors

Amsterdam, 11 September 2024
The Board of Directors,

Signed by

Cyril Le Merrer

Edwin Herskovic

Other Information

Statutory arrangements concerning the appropriation of profits

Paragraphs 1 and 2 of article 19 of the articles of association:
19.1 The allocation of profits accrued in a financial year shall be determined by the Shareholders' Body. If the Shareholders' Body does not adopt a resolution regarding the allocation of the profits prior to or at latest immediately after the adoption of the annual accounts, the profits will be reserved.
19.2 Distribution of profits shall be made after adoption of the annual accounts if permissible under the law given the contents of the annual accounts.

The Shareholders' Body is defined as the body of the Company consisting of shareholders entitled to vote.

Independent auditor's review report

The independent auditor's review report is recorded on the next page.

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