



BNP PARIBAS

BNP Paribas S.A.
Paris, France

Registration Document

dated 9 April 2021

This document has been prepared for the purpose of providing disclosure information with regard to BNP Paribas S.A. (together with its subsidiaries and affiliates, "**BNPP**" or "**BNPP Group**") and constitutes a registration document (the "**Registration Document**") within the meaning of Regulation (EU) No. 2017/1129 of the European Parliament and of the Council (the "**Prospectus Regulation**") in connection with Article 7 and Annex 6 (registration document for retail non-equity securities) and Article 8 and Annex 7 (registration document for wholesale non-equity securities) of the Commission Delegated Regulation (EU) No. 2019/980 of 14 March 2019 (the "**Prospectus Delegated Regulation**").

The validity of the Registration Document expires on 9 April 2022. The obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid.

TABLE OF CONTENTS

1	RISK FACTORS	4
1.1	Credit risks, counterparty risks and securitization risks in the banking book.....	4
1.1.1	Risk regarding a substantial increase in new provisions or a shortfall in the level of previously recorded provisions exposed to credit risk and counterparty risk.....	4
1.1.2	Risk regarding the soundness and conduct of other financial institutions and market participants	5
1.2	Operational Risks	6
1.2.1	Risk regarding BNPP Group's risk management policies, procedures and methods leaving it exposed to unidentified or unanticipated risks	6
1.2.2	Risk regarding an interruption in or a breach of the BNPP Group's information systems	6
1.2.3	Reputational risks	7
1.3	Market Risks	8
1.3.1	Risks of significant losses on trading and investment activities due to market fluctuations and volatility	8
1.3.2	Risks of generating lower revenues from commission and fee-based businesses during market downturns and declines in activity.....	8
1.3.3	Risks of adjustments to the carrying value of the BNPP Group's securities and derivatives portfolios and the BNPP Group's own debt	9
1.4	Liquidity and funding risks	9
1.4.1	Risk of less access to and higher cost of funding	9
1.4.2	Risk of protracted market declines	9
1.4.3	Risks regarding credit ratings of the BNPP Group being downgraded.....	10
1.5	Risks related to the macroeconomic and market environment	11
1.5.1	Risks of Adverse economic and financial conditions	11
1.5.2	Risks of significant interest rate changes	12
1.5.3	Risks regarding political, macroeconomic or financial changes in the countries and regions where BNPP Group operates	13
1.6	Regulatory Risks	14
1.6.1	Risks regarding impact of laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals	14
1.6.2	Risks regarding substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations and may litigation losses.....	16
1.6.3	Risks regarding a resolution proceeding	17
1.7	Risks related to the BNPP Group's growth in its current environment.....	17
1.7.1	Risks due to epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences	17
1.7.2	Risks of failure to implement BNPP's strategic plan.....	20
1.7.3	Risks of difficulties in integrating businesses following acquisition transactions realizing the benefits expected acquisitions.....	20
1.7.4	Risks regarding intense competition amongst banking and non-banking operators ..	21
1.7.5	Risk of experiencing business disruption and losses due to climate change risks such as transition risks, physical risks or liability risks.....	21
1.7.6	Risk of changes in certain holdings in credit or financial institutions	22

2	RESPONSIBILITY STATEMENT	22
3	IMPORTANT NOTICES.....	22
4	INFORMATION ABOUT BNPP	23
4.1	Introduction.....	23
4.2	Corporate Information	23
4.3	Statutory Auditors	24
4.4	Credit Rating assigned to BNPP	25
4.5	BNPP's borrowing and funding structure and financing of its activities.....	27
5	BUSINESS OVERVIEW	27
6	ORGANISATIONAL STRUCTURE OF BNPP	27
7	TREND INFORMATION	28
7.1	Material Adverse Change in the Prospects of BNPP	28
7.2	Significant Changes in the Financial Performance of BNPP.....	28
7.3	Trend Information	28
8	ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF BNPP	28
9	LITIGATION, REGULATORY AND SIMILAR MATTERS	28
10	ADDITIONAL INFORMATION	29
11	DOCUMENTS AVAILABLE	30
12	FINANCIAL INFORMATION CONCERNING BNPP'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	30
12.1	Historical Annual Financial Information	30
12.2	Interim Financial Information	30
12.3	Significant Changes in the Financial Position of BNPP Group	30
13	INFORMATION INCORPORATED BY REFERENCE	30
13.1	BNPP 2019 Universal Registration Document (in English).....	31
13.2	BNPP 2020 Universal Registration Document (in English).....	31

1 RISK FACTORS

This section describes the material and specific risks of BNPP and its subsidiaries and affiliates.

BNP Paribas S.A. is the parent company of the BNP Paribas Group. This means BNP Paribas S.A. directly or indirectly controls, jointly controls or has significant influence over the the group entities.

For entities governed by voting rights, BNP Paribas 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.

While these group entities are separate legal entities, BNP Paribas S.A. as shareholder, is generally liable for obligations of these entities up to the value of its shares in these entities or as contractually agreed. As a consequence, the material risks that are presented below that are specific to BNP Paribas S.A and that may affect the BNP Paribas S.A.'s ability to fulfil its obligations under the securities are the risks of the BNP Group as a whole.

Prospective investors in any securities of BNPP should read the entire Registration Document and the relevant summary and securities note, base prospectus or other prospectus, either incorporating information from this Registration Document by reference or of which this Registration Document forms part, containing disclosure on certain securities (and where appropriate, the relevant summary note applicable to the relevant securities) in order to obtain all the relevant information.

These following risk factors are presented in risk categories (section 1.1 to section 1.7) depending on their nature whereby in each risk category the two most material risk factors, in the assessment of BNPP as of the date of this Registration Document, are set out first. If a category has more than two risk factors, the risk factors which are following the two most material risk factors are not ranked in order of their materiality within the respective category.

The assessment of materiality of the risk factors has been made by BNPP as of the date of this Registration Document on the basis of the probability of their occurrence and the expected magnitude of their negative impact.

The risk categories have been determined on a quantitative basis based on previously published documents and may be measured through risk-weighted assets or other quantitative or qualitative indicia, to the extent risk-weighted assets are not relevant (for example, for liquidity and funding risk). BNPP Group's risk management policies have been taken into account in assessing the materiality of these risks; in particular, risk-weighted assets factor in risk mitigation elements to the extent eligible in accordance with applicable banking regulations.

The risks specific to the BNPP Group's business have, for the purposes of this Registration Document in accordance with the Prospectus Regulation in connection with Article 7 and Annex 6 (registration document for retail non-equity securities) and Article 8 and Annex 7 (registration document for wholesale non-equity securities) of the Prospectus Delegated Regulation and are presented below under 7 main categories pursuant to Article 16 of the Prospectus Regulation, been extracted from BNPP's 2020 Universal Registration Document (in English) including the consolidated financial statements for the year ended 31 December 2020 and the statutory auditors' report thereon (*Document de référence et rapport financier annuel*), filed on 12 March 2021 with the French *Autorité des marchés financiers* ("**AMF**").

1.1 Credit risks, counterparty risks and securitization risks in the banking book

1.1.1 Risk regarding a substantial increase in new provisions or a shortfall in the level of previously recorded provisions exposed to credit risk and counterparty risk

Credit risk and counterparty risk impact the BNP Group's consolidated financial statements when a customer or counterparty is unable to honour its obligations and when the book value of these obligations in the BNPP Group's records is positive. The customer or counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government or a government entity, an investment fund or a natural person. If the level of irrecoverable or doubtful loans (Lifetime expected credit losses for credit-impaired or doubtful financial assets ("**Stage 3**")) increases, or provisions on performing loans (12-month expected credit losses ("**Stage 1**") and Lifetime expected credit losses for non-impaired assets ("**Stage 2**")) increase

in response to a deterioration in economic conditions or other factors, BNP Paribas' profitability may be affected.

As a result, in connection with its lending activities, the BNPP Group regularly establishes provisions, which are recorded on its income statement in the line item Cost of Risk. These provisions amounted to EUR 5.717 billion at 31 December 2020, representing 66 basis points of outstanding customer loans (compared with 39 basis points at 31 December 2019). The significant increase is the result of taking into account the economic consequences of the implementation of the COVID-19 health crisis. The provisioning of performing loans (stages 1 and 2) increased significantly by EUR 1.4 billion at 31 December 2020 compared to 31 December 2019 and is an example of the materialisation of this risk.

The BNPP Group's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans or statistical analysis based on scenarios applicable to asset classes.

For reference, as at 31 December 2020, the ratio of doubtful loans to total loans outstanding was 2.1% and the coverage ratio of these loans (net of guarantees received) by provisions was 71.5%, compared to 2.2% and 74.0%, respectively, as at 31 December 2019.

While the BNPP Group seeks to reduce its exposure to credit risk and counterparty risk by using risk mitigation techniques such as collateralisation, obtaining guarantees, entering into credit derivatives and entering into netting agreements, it cannot be certain that these techniques will be effective to offset losses resulting from counterparty defaults that are covered by these techniques. Moreover, the BNPP Group is also exposed to the risk of default by the party providing the credit risk coverage (such as a counterparty in a derivative or a loan insurance contract) or to the risk of loss of value of any collateral. In addition, only a portion of the BNPP Group's overall credit risk and counterparty risk is covered by these techniques. Accordingly, the BNPP Group has very significant exposure to these risks.

Although the BNPP Group seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses or sound receivables substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in the BNPP Group's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on the BNPP Group's results of operations and financial condition.

1.1.2 Risk regarding the soundness and conduct of other financial institutions and market participants

The BNPP Group's ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults by one or more States or financial institutions, or even rumours or questions about one or more financial institutions, or the financial services industry generally, may lead to market-wide liquidity problems and could lead to further losses or defaults. The BNPP Group has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment banks, mutual and alternative investment funds, and other institutional clients with which it regularly executes transactions. The BNPP Group is also exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g. unregulated funds, trading venues or crowdfunding platforms). Credit and counterparty risks could be exacerbated if the collateral held by the BNPP Group cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the BNPP Group or in case of a failure of a significant financial market participant such as a central counterparty.

For reference, counterparty risk exposure related to financial institutions was EUR 25 billion at 31 December 2020, or 12% of the BNPP Group's total counterparty risk exposure, and

counterparty risk exposure related to clearing houses was EUR 42 billion, or 19% of the BNPP Group's total counterparty risk exposure.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the BNPP Group, announced losses or exposure to losses in substantial amounts. The BNPP Group remains the subject of various claims in connection with the Madoff matter.

Losses resulting from the risks summarized above could materially and adversely affect the BNPP Group's results of operations.

1.2 Operational Risks

1.2.1 Risk regarding BNPP Group's risk management policies, procedures and methods leaving it exposed to unidentified or unanticipated risks

The BNPP Group has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the BNPP Group's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all economic and market environments or against all types of risk, particularly risks that the BNPP Group may have failed to identify or anticipate. The BNPP Group's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behaviour, valuations, assumptions or estimates. Some of the BNPP Group's qualitative tools and metrics for managing risk are based on its use of observed historical market behaviour. The BNPP Group applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the BNPP Group uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g., if the BNPP Group does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit the BNPP Group's ability to manage its risks. The BNPP Group's losses could therefore be significantly greater than the historical measures indicate. In addition, the BNPP Group's quantified modelling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

1.2.2 Risk regarding an interruption in or a breach of the BNPP Group's information systems

As with most other banks, the BNPP Group relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the BNPP Group's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems or could cause the BNPP Group to incur significant costs in recovering and verifying lost data. The BNPP Group cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. Any failures of or interruptions in the BNPP Group's communications and information systems could cause significant losses and have an adverse effect on the BNPP Group's reputation, financial condition and results of operations.

In addition, the BNPP Group is subject to cybersecurity risk, or risk caused by a malicious and/or fraudulent act, committed virtually, with the intention of manipulating information (confidential data, bank/insurance, technical or strategic), processes and users, in order to cause material losses to the BNPP Group's subsidiaries, employees, partners and clients and/or for the purpose of extortion (ransomware). An increasing number of companies (including financial

institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorized access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognized until launched against a target, the BNPP Group and its third-party service providers may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures. Any such cybersecurity breach, malicious and/or fraudulent act could cause significant losses and have an adverse effect on the BNPP Group's reputation, financial condition and results of operations. Regulatory authorities now consider cybersecurity as a growing systemic risk for the financial sector. They have stressed the need for financial institutions to improve their resilience to cyber-attacks by strengthening internal IT monitoring and control procedures. A successful cyber-attack could therefore expose the Group to a regulatory fine, especially should any personal data from customers be lost.

Moreover, the BNPP Group is exposed to the risk of operational failure or interruption of a clearing agent, foreign markets, clearing houses, custodian banks or any other financial intermediary or external service provider used by the BNPP Group to execute or facilitate financial transactions. Due to its increased interaction with clients, the BNPP Group is also exposed to the risk of operational malfunction of the latter's information systems. The BNPP Group's communications and data systems and those of its clients, service providers and counterparties may also be subject to malfunctions or interruptions by as a result of cyber-crime or cyber-terrorism. The BNPP Group cannot guarantee that these malfunctions or interruptions in its own systems or those of other parties will not occur or that in the event of a cyber-attack, these malfunctions or interruptions will be adequately resolved. These operational malfunctions or interruptions accounted for an average of 3% of operational risk losses over the 2012-2020 period.

Any failures of or interruptions in the BNPP Group's information systems or those of its providers and any subsequent disclosure of confidential information related to any client, counterpart or employee of the BNPP Group (or any other person) or any intrusion or attack against its communication system could cause significant losses and have an adverse effect on the BNPP Group's reputation, financial condition and results of operations.

1.2.3 Reputational risks

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the BNPP Group's ability to attract and retain customers. The BNPP Group's reputation could be harmed if it cannot adequately promote and market its products and services. The BNPP Group's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the BNPP Group's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address them properly. At the same time, the BNPP Group's reputation could be damaged by employee misconduct, fraud or misconduct by financial industry participants to which the BNPP Group is exposed, a decline in, a restatement of, or corrections to its financial results, as well as any adverse legal or regulatory action, such as e.g. the settlement the BNPP Group entered into with the U.S. authorities in 2014 for violations of U.S. laws and regulations regarding economic sanctions.

In this respect, on 30 June 2014 the BNPP Group entered into a series of agreements with, and was the subject of several orders issued by, U.S. federal and New York state government agencies and regulatory authorities in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions. The fines and penalties imposed on the BNPP Group as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to USD 8.97 billion (EUR 6.6 billion) and guilty pleas by BNPP S.A., the parent company of the BNPP Group, to charges of having violated U.S. federal criminal law and New York State criminal law. Following this settlement, the BNPP Group remains subject to increased scrutiny by regulatory authorities (including via the presence of an independent consultant within the BNPP Group) who are monitoring its compliance with a remediation plan agreed with them.

The loss of business that could result from damage to the BNPP Group's reputation could have an adverse effect on its results of operations and financial position.

1.3 Market Risks

1.3.1 Risks of significant losses on trading and investment activities due to market fluctuations and volatility

The BNPP Group maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by extreme volatility in these markets, i.e. the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Moreover, volatility trends that prove substantially different from the BNPP Group's expectations may lead to losses relating to a broad range of other products that the BNPP Group uses, including swaps, forward and future contracts, options and structured products.

To the extent that the BNPP Group owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the BNPP Group has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose the BNPP Group to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. The BNPP Group may from time to time hold a long position in one asset and a short position in another, in order to hedge transactions with clients and/or from which it expects to gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the BNPP Group did not anticipate or against which it is not hedged, it might realize a loss on those paired positions. Such losses, if significant, could adversely affect the BNPP Group's results and financial condition. In addition, the BNPP Group's hedging strategies may not be suitable for certain market conditions.

If any of the variety of instruments and strategies that the BNPP Group uses to hedge its exposure to various types of risk in its businesses is not effective, the BNPP Group may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the BNPP Group holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the BNPP Group's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the BNPP Group's hedging strategies, as shown by the losses incurred by the BNPP Group's equity derivatives activities in the first quarter of 2020, due in particular to the market environment. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the BNPP Group's reported earnings.

The BNPP Group uses a "value at risk" (VaR) model to quantify its exposure to potential losses from market risks, and also performs stress testing with a view to quantifying its potential exposure in extreme scenarios. However, these techniques rely on statistical methodologies based on historical observations, which may turn out to be unreliable predictors of future market conditions. Accordingly, the BNPP Group's exposure to market risk in extreme scenarios could be greater than the exposures predicted by its quantification techniques.

The Global Markets business line in particular had EUR 24 billion in riskweighted assets subject to market risk at 31 December 2020, or 3% of the total risk-weighted assets of the BNPP Group.

Any significant losses on trading and investment activities due to market fluctuations and volatility could have an adverse effect on its results of operations and financial position.

1.3.2 Risks of generating lower revenues from commission and fee-based businesses during market downturns and declines in activity.

Commissions represented 22% of the BNPP Group's total revenues in 2020. Financial and economic conditions affect the number and size of transactions for which the BNPP Group

provides securities underwriting, financial advisory and other Investment Banking services. These revenues, which include fees from these services, are directly related to the number and size of the transactions in which the BNPP Group participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the fees that the BNPP Group charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues it receives from its asset management, equity derivatives and Private Banking businesses. Independently of market changes, below-market performance by the BNPP Group's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the BNPP Group receives from its asset management business.

1.3.3 Risks of adjustments to the carrying value of the BNPP Group's securities and derivatives portfolios and the BNPP Group's own debt

The carrying value of the BNPP Group's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. As at 31 December 2020, on the assets side of the BNPP Group's balance sheet, financial instruments at fair value through profit or loss, derivative financial instruments used for hedging purposes and financial assets at fair value through shareholders' equity amounted to EUR 689.6 billion, EUR 15.6 billion and EUR 58.2 billion respectively. In the liabilities column, financial instruments at fair value through profit or loss and derivative financial instruments used for hedging purposes amounted to EUR 729.5 billion and EUR 13.3 billion, respectively, at 31 December 2020. Most of the adjustments are made on the basis of changes in fair value of the BNPP Group's assets or debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect the BNPP Group's consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, the BNPP Group's capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

Any adjustments to the carrying value of the BNPP Group's securities and derivatives portfolios and the BNPP Group's own debt could have an adverse effect on its results of operations and financial position.

1.4 Liquidity and funding risks

1.4.1 Risk of less access to and higher cost of funding

The financial crisis, the euro zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks in recent years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the BNPP Group, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank ("ECB") at times increased substantially. If such adverse credit market conditions were to reappear in the event of prolonged stagnation of growth, deflation, resurgence of the financial crisis, another sovereign debt crisis or new forms of financial crises, factors relating to the financial industry or the economy in general (including the economic consequences of the COVID-19 health crisis) or to the BNPP Group in particular, the effect on the liquidity of the European financial sector in general and the BNPP Group in particular could be materially adverse and have a negative impact on the BNPP Group's results of operations and financial condition.

1.4.2 Risk of protracted market declines

In some of the BNPP Group's businesses, particularly Global Markets (which represented 15.4% of the BNPP Group's revenue in 2020) and Asset/Liability Management, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the BNPP

Group cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that the BNPP Group calculates using models rather than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant unanticipated losses.

The BNPP Group is exposed to the risk that the maturity, interest rate or currencies of its assets might not match those of its liabilities. The timing of payments on certain of the BNPP Group's assets is uncertain, and if the BNPP Group receives lower revenues than expected at a given time, it might require additional market funding in order to meet its obligations on its liabilities. While the BNPP Group imposes strict limits on the gaps between its assets and its liabilities as part of its risk management procedures, it cannot be certain that these limits will be fully effective to eliminate potential losses arising from asset and liability mismatches.

1.4.3 Risks regarding credit ratings of the BNPP Group being downgraded

Credit ratings have a significant impact on the BNPP Group's liquidity. On 23 April 2020, Standard & Poor's confirmed the long-term rating of BNPP S.A's deposits and senior preferred debt rating as A+, confirmed its short-term rating as A-1 and revised the outlook from stable to negative. On 12 October 2020, Fitch maintained its long-term deposits and senior preferred debt rating for BNPP S.A's at AA- and F1+, and withdrew its Negative Rating Watch and revised its outlook to negative. On 4 December 2020, Moody's confirmed its long-term deposits and senior preferred debt rating from as Aa3, and confirmed its short-term rating as P-1, with a stable outlook. On 10 July 2020, DBRS confirmed BNPP S.A's senior preferred debt rating as AA(low), as well as its short-term rating as R-1(middle) with a stable outlook. A downgrade in the BNPP Group's credit rating could affect the liquidity and competitive position of the BNPP Group. It could also increase the BNPP Group's borrowing costs, limit access to the capital markets or trigger additional obligations under its covered bonds or under certain bilateral provisions in some trading, derivative or collateralized financing contacts.

In addition, the BNPP Group's cost of obtaining long-term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase the BNPP Group's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of the BNPP Group's creditworthiness. Furthermore, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to the BNPP Group's debt obligations, which are influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of the BNPP Group.

1.5 Risks related to the macroeconomic and market environment

1.5.1 Risks of Adverse economic and financial conditions

The BNPP Group's business is sensitive to changes in the financial markets and more generally to economic conditions in France (28% of the BNPP Group's revenues at 31 December 2020), other countries in Europe (47% of the BNPP Group's revenues at 31 December 2020) and the rest of the world (25% of the BNPP Group's revenues at 31 December 2020). The sharp deterioration in economic conditions in the Group's principal geographic markets as a result of the COVID-19 health crisis weighed on its results in 2020. The deterioration in economic conditions in the markets where the BNPP Group operates and in the economic environment has had, in 2020, and could in the future have some or all of the following impacts:

- adverse economic conditions affect the business and operations of the BNPP Group's customers, reducing credit demand and trading volume and resulting in an increased rate of default on loans and other receivables, in part as a result of the deterioration of the financial capacity of companies and households;
- a decline in market prices of bonds, equities and commodities affect the businesses of the BNPP Group, including in particular trading, Investment Banking and asset management revenues;
- macroeconomic policies adopted in response to actual or anticipated economic conditions can have unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn can affect the BNPP Group's businesses that are most exposed to market risk;
- perceived favourable economic conditions generally or in specific business sectors can result in asset price bubbles, which could in turn exacerbate the impact of corrections when conditions become less favourable;
- a significant economic disruption (such as the global financial crisis of 2008, the European sovereign debt crisis of 2011 or the Covid-19 pandemic since 2020) can have a severe impact on all of the BNPP Group's activities, particularly if the disruption is characterized by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all. These disruptions, including those related to the measures taken in response to the Covid-19 pandemic, could also lead to a decline in transaction commissions and consumer loans;
- a significant deterioration of market and economic conditions resulting from, among other things, from adverse political and geopolitical events such as natural disasters, geopolitical tensions (in particular protectionist measures), health risks such as the COVID-19 health crisis, the fear or recurrence of new epidemics or pandemics, acts of terrorism, social unrest, cyber-attacks, military conflicts or threats thereof and related risks can affect the operating environment for the BNPP Group episodically or for extended periods.

In 2021, economies and financial markets will be particularly sensitive to a number of factors, including the evolution of the Covid-19 pandemic and its economic consequences, in particular the increase in sovereign and corporate debt that was often high before the COVID-19 health crisis and has been aggravated by it, and the gradual and uneven recovery that is expected following the recession in the first half of 2020. The risks associated with the Covid-19 pandemic, in particular, are described in section 1.7.1, Risks due to epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences. In addition tensions around international trade (protectionist measures, such as customs duties, in addition to the restrictions adopted in response to the Covid-19 pandemic), geopolitical tensions, political risks directly affecting Europe (including the consequences of the implementation of Brexit), a recessionary economic environment, the volatility in commodity prices (itself affected by the above-mentioned factors) and, as discussed below, the evolution of monetary policy are factors that may impact the economy and financial markets in the coming months or years. More generally, the volatility of financial markets could adversely affect the BNPP Group's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in other investments. For reference, Global Markets accounted for 15.4% of the BNPP Group's revenues in 2020. Severe market disruptions and extreme

market volatility have occurred often in recent years and may occur again in the future, which could result in significant losses for the BNPP Group. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products. The volatility of financial markets makes it difficult to predict trends and implement effective trading strategies.

It is difficult to predict when economic or market downturns or other market disruptions will occur, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or Global Markets more generally, were to deteriorate, not improve as quickly as expected or become more volatile, the BNPP Group's operations could be disrupted, and its business, results of operations and financial condition could be adversely affected.

1.5.2 Risks of significant interest rate changes

The net interest income recorded by the BNPP Group during any given period significantly affects its overall revenues and profitability for that period. Interest rates are highly sensitive to many factors beyond the BNPP Group's control, such as the rate of inflation, country-specific monetary policies and certain decisions concerning regulatory capital. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in net interest income generated by the BNPP Group's lending activities. In addition, increases in the interest rates at which the BNPP Group's short-term funding is available and maturity mismatches may adversely affect its profitability.

Since the 2008-2009 financial crisis, Global Markets have been characterized by an extended period of low interest rates. This low interest rate environment has weighed significantly on banks' profitability, including that of the BNPP Group, for a number of years. The relative impact on banks depends, in particular, on the proportion of their revenues represented by net interest income; this proportion was 48% for the BNPP Group in 2020. The situation worsened in 2019 and 2020, in particular with the emergence and increasing prevalence of loans at negative interest rates, including placements by European banks with the ECB. If the low, and even negative, interest rate environment continues, as a result, for example, of continued monetary loosening, which was increased to support the economy in the context of the Covid-19 epidemic, low growth or other factors, the BNPP Group's profitability could be impacted or even decline. In this respect, central banks have increased their monetary support in the face of the recession caused by the COVID-19 health crisis. The ECB has in particular extended its targeted longer-term financing operations (TLTROs) until June 2022 under more favourable conditions, and maintained its quantitative easing policy, which was reactivated in September 2019. In addition, given the change in the economic environment, monetary policies may not be sufficient to offset the negative impacts of the Covid-19 epidemic or other crises that may emerge.

During periods of low interest rates, interest rate spreads tend to tighten, and the BNPP Group may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. Net interest income amounted to EUR 21,127 million in 2019 and EUR 21,312 million in 2020, respectively. On an indicative basis, over one-, two- and three-year timeframes, the sensitivity of revenues at 31 December 2020 to a parallel, instantaneous and definitive increase in market rates of +50 basis points (+0.5%) across all currencies has an impact of +EUR 125 million, +EUR 309 million and +EUR 600 million, respectively, or +0.3%, +0.7% and +1.4% of the BNPP Group's net banking income. The negative interest rate environment in which banks are charged for cash deposited with central banks, whereas banks typically do not charge clients for deposits, weighs significantly on banks' margins. In addition, the BNPP Group has been facing and may continue to face an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted and may continue to result in a decrease in the average interest rate of the BNPP Group's portfolio of loans thereby causing a decline in its net interest income from lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the BNPP Group from its funding activities. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility. Low interest rates may also affect the profitability and even the solvency of the insurance activities

of French banks, including the BNPP Group, particularly due to the prevalence in the market of life insurance contracts backed by euro- denominated funds, which may not be able to generate sufficient returns to be competitive with other investment products. Low interest rates may also adversely affect commissions charged by the BNPP Group's asset management subsidiaries on money market and other fixed income products. A reduction in credit spreads and decline in Retail Banking income resulting from lower portfolio interest rates may adversely affect the profitability of the BNPP Group's Retail Banking operations.

On the other hand, the end of a period of prolonged low interest rates, in particular due to tightening monetary policy itself triggered in particular by an economic recovery or by inflation at rates higher than expected by central banks (which cannot be ruled out in the medium term) would also carry risks. In this respect, the U.S. Federal Reserve tightened its monetary policy in 2017 and 2018, before lowering its key interest rate as from July 2019. If market interest rates were to rise, a portfolio featuring significant amounts of lower interest loans and fixed income assets would be expected to decline in value. If the BNPP Group's hedging strategies are ineffective or provide only a partial hedge against such a change in value, the BNPP Group could incur losses. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non-performing exposures and defaults. More generally, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g., non-Investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premiums as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

1.5.3 Risks regarding political, macroeconomic or financial changes in the countries and regions where BNPP Group operates

The BNPP Group is subject to country risk, meaning the risk that economic, financial, political or social conditions in a given foreign country in which it operates could affect its business and results. The BNPP Group monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments, particularly as evidenced by the Covid-19 crisis, the severity of which varies from one country or geographic area to another, may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. In addition, factors specific to a country or region in which the BNPP Group operates could make it difficult for it to carry out its business and lead to losses or impairment of assets.

At 31 December 2020, the BNPP Group's loan portfolio consisted of receivables from borrowers located in France (34%), Belgium and Luxembourg (15%), Italy (10%), other European countries (19%), North America (12%), Asia (5%) and the rest of the world (5%). Adverse conditions that particularly affect these countries and regions would have a particularly significant impact on the BNPP Group. In addition, the BNPP Group has significant exposures in countries outside the OECD, which are subject to risks that include political instability, unpredictable regulation and taxation, expropriation and other risks that are less present in more developed economies.

Such political, macroeconomic or financial changes in the countries and regions where BNPP Group operates could have an adverse effect on its results of operations and financial position.

1.6 Regulatory Risks

1.6.1 Risks regarding impact of laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals

Laws and regulations adopted in recent years

Laws and regulations have been enacted in the past few years, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the measures has changed substantially the environment in which the BNPP Group and other financial institutions operate.

The measures that have been adopted include:

- more stringent capital and liquidity requirements (particularly for global systemically important banks such as the BNPP Group), as well as changes to the risk-weighting methodologies and the methods of using internal models that could lead to increased capital requirements;
- restrictions on certain types of activities considered as speculative undertaken by commercial banks that are prohibited or need to be ring-fenced in subsidiaries (particularly proprietary trading) and are subject to prudential requirements and autonomous funding;
- prohibitions or restrictions on fees for certain types of financial products or activities;
- enhanced recovery and resolution regimes, in particular the Bank Recovery and Resolution Directive of 15 May 2014 (the "**BRRD**"), as amended from time to time, which strengthens powers to prevent and resolve banking crises in order to ensure that losses are borne largely by the creditors and shareholders of the banks and in order to keep the costs incurred by taxpayers to a minimum;
- the establishment of the national resolution funds by the BRRD and the creation of the Single Resolution Board (the SRB) by the European Parliament and Council of the European Union in a resolution dated 15 July 2014 (the "**SRM Regulation**"), as amended from time to time, which can initiate resolution proceedings for banking institutions such as the BNPP Group, and the Single Resolution Fund (the SRF), the financing of which by the BNPP Group (up to its annual contribution) can be significant;
- the establishment of national deposit guarantee schemes and a proposed European deposit guarantee scheme or deposit insurance which will gradually cover all or part of the guarantee schemes of participating countries;
- increased internal control and reporting requirements with respect to certain activities;
- greater powers granted to the relevant authorities to combat money laundering and terrorism financing;
- more stringent governance and conduct of business rules and restrictions and increased taxes on employee compensation over specified levels;
- measures to improve the transparency, efficiency and integrity of financial markets and in particular the regulation of high frequency trading, more extensive market abuse regulations, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over-the-counter derivative transactions (including through posting of collateral in respect of non-centrally cleared derivatives);
- the taxation of financial transactions;
- enhanced protection of personal data and cybersecurity requirements;
- enhanced disclosure requirements, for instance in the area of sustainable finance;

- increased vigilance of supervisory authorities with respect to climate risks and the emergence of new expectations regarding their inclusion in risk measurement and management systems, which could lead to new capital requirements; and
- strengthening the powers of supervisory bodies, such as the French Prudential Supervision and Resolution Authority (the "**ACPR**") and the creation of new authorities, including the adoption of the Single Resolution Mechanism (the SRM) in October 2013, which placed the BNPP Group under the direct supervision of the ECB as of November 2014.

Such further measures may have a significant adverse impact. For example, the introduction of a required contribution to the Single Resolution Fund resulted in a substantial additional expense for the BNPP Group (the BNPP Group made a EUR 0.8 billion contribution to the Single Resolution Fund in 2020).

These changes, the scope and implications of which are highly unpredictable, could substantially affect the BNPP Group and have an adverse effect on its business, financial condition and results of operations.

New legislative proposals

Measures relating to the banking sector could be further amended, expanded or strengthened. Moreover, additional measures could be adopted in other areas. It is impossible to predict what additional measures will be adopted and, given the complexity and continuing uncertainty of a certain number of these measures, to determine their impact on the BNPP Group. The effect of these measures, whether already adopted or that may be adopted in the future, has been and could continue to be a decrease in the BNPP Group's ability to allocate its capital and capital resources to financing, limit its ability to diversify risks, reduce the availability of certain financing and liquidity resources, increase the cost of financing, increase the cost of compliance, increase the cost or reduce the demand for the products and services offered by the BNPP Group, require the BNPP Group to proceed with internal reorganisations, structural changes or reallocations, affect the ability of the BNPP Group to carry on certain activities or to attract and/or retain talent and, more generally, affect its competitiveness and profitability, which could have an impact on its profitability, financial condition and operating results. For example, the European Banking Authority estimated, in a report published on 15 December 2020, that the implementation of the final Basel III agreement adopted by the Group of Central Bank Governors and Heads of Supervision (GHOS) on 7 December 2017 may result, according to the approach adopted to transcribe the final Basel III agreement into European law, in an increase of the minimum required amount of Tier 1 capital between 13.1% and 18.5% with respect to the December 2019 baseline, reflecting for the 99 banks in the sample, a shortfall in total capital of between EUR 33 billion and EUR 52 billion, including between EUR 17 billion and EUR 30 billion of common equity Tier 1. To this end, the European Commission is due to adopt draft texts in the first quarter of 2021, which should come into force by 1 January 2023, i.e. one year after the date initially planned due to the Covid-19 pandemic.

The BNPP Group is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates. The BNPP Group faces the risk of changes in legislation or regulation in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the BNPP Group operates;
- changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks;
- changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations;

- changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds;
- changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems;
- changes in the regulation of payment services, crowdfunding and fintech;
- changes in the regulation of protection of personal data and cybersecurity;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls, risk management and compliance; and
- expropriation, nationalisation, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

Such further measures, the scope and implications of which are highly unpredictable, could substantially affect the BNPP Group and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect the BNPP Group's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

1.6.2 Risks regarding substantial fines and other administrative and criminal penalties for non-compliance with applicable laws and regulations and may litigation losses

The BNPP Group is exposed to regulatory compliance risk, i.e. the failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to the BNPP Group's reputation and private rights of action (including class actions), non-compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licenses. This risk is further exacerbated by continuously increasing regulatory scrutiny of financial institutions as well as substantial increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, the BNPP Group faces significant legal risk in its operations, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further. The BNPP Group may record provisions in this respect.

In this respect, on 30 June 2014 the BNPP Group entered into a series of agreements with, and was the subject of several orders issued by, U.S. federal and New York state government agencies and regulatory authorities in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions. The fines and penalties imposed on the BNPP Group as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to USD 8.97 billion (EUR 6.6 billion) and guilty pleas by BNPP S.A., the parent company of the BNPP Group, to charges of having violated U.S. federal criminal law and New York State criminal law. Following this settlement, the BNPP Group remains subject to increased scrutiny by regulatory authorities (including via the presence of an independent consultant within the BNPP Group) who are monitoring its compliance with a remediation plan agreed with them.

The BNPP Group is currently involved in various litigations and investigations. It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on the BNPP Group's operating results for any particular period.

1.6.3 Risks regarding a resolution proceeding

The BRRD, SRM Regulation and the Ordinance of 20 August 2015, as amended from time to time, confer upon the ACPR or the SRB the power to commence resolution proceedings for a banking institution, such as the BNPP Group, with a view to ensure the continuity of critical functions, to avoid the risks of contagion and to recapitalize or restore the viability of the institution. These powers are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as Tier 1 and Tier 2 (such as subordinated bonds), then by the holders of non-preferred senior debt and finally by the holders of senior preferred debt, all in accordance with the order of their claims in normal insolvency proceedings. For reference, the BNPP Group's medium- to long-term wholesale financing at 31 December 2020 consisted of the following: EUR 11 billion in hybrid Tier 1 debt, EUR 21 billion in Tier 2 subordinated debt, EUR 55 billion in senior unsecured non-preferred debt, EUR 73 billion in senior unsecured preferred debt and EUR 22 billion in senior secured debt.

Resolution authorities have broad powers to implement resolution measures with respect to institutions and groups subject to resolution proceedings, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a special manager (*administrateur spécial*).

Certain powers, including the full or partial write-down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write-down or conversion into equity of additional capital instruments qualifying as Tier 1 and Tier 2 (such as subordinated bonds), can also be exercised as a precautionary measure, outside of resolution proceedings and/or pursuant to the European Commission's State Aid framework if the institution requires exceptional public financial support.

The implementation of these tools and powers with respect to the BNPP Group may result in significant structural changes to the BNPP Group (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write-down, modification or variation of claims of shareholders and creditors. Such powers may also result, after any transfer of all or part of the BNPP Group's business or separation of any of its assets, in the holders of securities (even in the absence of any such write-down or conversion) being left as the creditors of the BNPP Group whose remaining business or assets are insufficient to support the claims of all or any of the creditors of the BNPP Group.

1.7 Risks related to the BNPP Group's growth in its current environment

1.7.1 Risks due to epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences

Since appearing in China in December 2019, a novel strain of the coronavirus (Covid-19) became a pandemic and spread globally, with a high concentration of cases in several countries in which the BNPP Group operates. Both the pandemic and government measures taken in response (border closings, travel restrictions, lockdown measures, etc.) had, at various times during 2020, and will continue to have a major impact, both direct and indirect, on economic activity and financial markets worldwide. In particular, the severe economic downturns in many regions as well as the reduction in global trade and commerce more generally have had and are likely to continue to have severe negative effects on global economic conditions as global production, investment, supply chains and/or consumer spending have been and will continue to be affected.

In response to the adverse economic and market consequences of the pandemic, various governments and central banks took measures to support the economy (loan guarantee schemes, tax payment deferrals, expanded unemployment coverage, etc.) or to improve

liquidity in the financial markets (increased asset purchases, credit facilities, etc.) and extended or renewed many of such measures as the pandemic and its adverse economic consequences continued. The BNPP Group has been channeling and continues to channel these measures to support customers, in particular in the BNPP Group's retail banking networks through an active participation in State-guaranteed loans, for example, in France, Italy and the United States (120,000 loans granted in 2020, with the BNPP Group retaining 10%-30% of the risk, depending on the borrower's size). There can be no assurance, however, that such measures will suffice to offset the negative effects of the pandemic on the economy regionally or globally, to mitigate regional or global recessions (which are currently occurring or may occur) or to prevent possible disruptions to financial markets fully and on a sustained basis. The economic environment may well deteriorate further before beginning to improve, given in particular the imposition of further public health measures imposed following the resurgence of the pandemic in many countries.

The BNPP Group is exposed to risks from the pandemic and its economic and market consequences both due to its inherent general sensitivity, as a global financial institution, to macroeconomic and market conditions, as well as to specific implications, as described below.

The BNPP Group's results and financial condition has been and could continue to be adversely affected by reduced economic activity (including recessions) in its principal markets. The containment measures and other restrictions imposed at various times since the onset of the COVID-19 health crisis in several of the BNPP Group's principal markets, in particular its domestic markets (France, Italy, Belgium and Luxembourg, which collectively represent 59% of its total gross credit exposures as at 31 December 2020), significantly reduced economic activity to recessionary levels when they were in effect, and the reinstatement or continuation of these measures could have a similar effect. Thus, even if the BNPP Group's net banking income was almost stable (-0.7%) driven by the very strong growth of CIB, the revenues of Domestic Markets and International Financial Services divisions were down by 2.1% and 7.2% respectively in 2020 compared to 2019. In addition, the COVID-19 health crisis has caused a cost of risk (+EUR 2.5 billion to EUR 5.7 billion). Thus the net income attributable to equityholders totalled EUR 7.1 billion, down by 13.5% compared to 2019, in connection with the sharp increase in the cost of risk.

Thus, the COVID-19 health crisis had a major impact on the BNPP Group's cost of risk in 2020, and could continue to have such an impact in the coming quarters, reflecting macroeconomic anticipations based on several scenarios, in accordance with the set-up existing prior to the COVID-19 health crisis. In application of this framework, macroeconomic scenarios and in particular Gross Domestic Product ("**GDP**") assumptions and forecasts are a key input in the calculation of the cost of risk, and the COVID-19 health crisis has led, among other things, to a weakening in GDP assumptions in many of the BNPP Group's markets. The cost of risk calculations also incorporate the specific features of the dynamics of the COVID-19 health crisis on credit and counterparty risk and in particular the impact of lockdown measures on economic activity and the effects of government support measures and authorities' decisions. It also includes an ex-ante sector component based on a review of several sensitive sectors (in particular hotels, tourism and leisure; non-food retail (excluding home furnishings & e-commerce), transportation & logistics, and oil and gas). All of these elements contributed to the substantial increase in the BNPP Group's cost of risk in 2020 (66 basis points), and could continue to contribute to a high cost of risk in the coming quarters, depending on macroeconomic scenarios and, in particular, the current uncertainties related to the evolution of the pandemic and its future economic consequences. Specifically, the BNPP Group's cost of risk increased by EUR 2.5 billion between 2019 and 2020, of which EUR 1.4 billion in provisions for performing loans (stages 1 and 2). This provisioning takes into account in particular updated macroeconomic scenarios, in accordance with IFRS 9 principles. The base case scenario used assumes (a) a return to 2019 GDP levels on average in Europe expected by mid 2022, (b) different paces of recovery across geographic regions and sectors and (c) the effects and continuation of government support, particularly to the sectors most affected by the pandemic, and plans and measures to support the economy. The impact of the pandemic on the long-term prospects of businesses in the affected sectors and more generally is uncertain and may lead to significant charges on specific exposures, which may not be fully captured by modelling techniques. Finally, the BNPP Group's exposure to increased cost of risk could result from its participation in State-guaranteed loan programmes (given its residual exposure), with more than 120,000 state-guaranteed loans granted as at 31 December 2020 and the existence (as well as the potential extension or renewal) of forbearance periods limiting credit-protection measures

(such as payment acceleration) under health emergency legislation in various markets. The sectors most adversely affected to date include the travel and tourism sectors; the BNPP Group's exposure to the aircraft sector (airlines, lessors, etc.) and to the tourism sector each represented approximately 1% of its total gross credit exposures as of 31 December 2020. The non-food retail sector has been affected by the lockdown measures; this sector represented less than 1% of the BNPP Group's total gross credit exposures as of 31 December 2020. The transportation & storage (excluding shipping) sector, which represented approximately 3% of the BNPP Group's total gross credit exposures as of 31 December 2020, has been affected by the lockdown measures and the disruption in global trade. The oil and gas sector has been affected by a decrease in demand resulting from the pandemic concomitant, in the early stages of the COVID-19 health crisis, with an increase in supply due to the temporary unraveling of the OPEC/ Russia production cooperation; this sector represented approximately 2% of the BNPP Group's total gross credit exposures as of 31 December 2020. The BNPP Group's results and financial condition could be adversely affected to the extent that the counterparties to which it has exposure in these sectors (and more generally, to the extent the negative effect on credit quality is more widespread) could be materially and adversely affected, resulting in particular in an increase in the BNPP Group's cost of risk.

The BNPP Group's results and financial condition could also be negatively affected by adverse trends in financial markets to the extent that the pandemic initially led to extreme market conditions (market volatility spikes, sharp drop in equity markets, tension on spreads, specific asset markets on hold, etc.), along with market volatility. This situation had and could again before the end of the crisis have an adverse impact on the BNPP Group's market activities, which accounted for 15.4% of its consolidated revenues in 2020, in particular trading or other market-related losses resulting, among other reasons, from restrictions implemented in response to the COVID-19 health crisis such as on short-selling and dividend distributions (notably EUR 184 million of losses in the first quarter of 2020 related to the European authorities' restrictions on payment of dividends in respect of the 2019 fiscal year). Moreover, certain of the BNPP Group's investment portfolios (e.g. in its insurance subsidiaries) are accounted for on a mark-to-market basis and thus were impacted by adverse market conditions in the second quarter of 2020 and could be impacted again in the future.

Finally, the current COVID-19 health crisis could increase the probability and magnitude of various existing risks faced by the BNPP Group such as: i) pressure on revenues due in particular to (a) a further reduction in market interest rates and a likely prolongation of the low interest rate environment and (b) lower asset management inflows and hence revenues from fees and commissions; ii) an increased risk of a ratings downgrade following sector reviews by rating agencies; iii) a deterioration in the BNPP Group's liquidity due to various factors including increased customer drawdowns and/ or lower deposit balances and iv) higher risk weighted assets due to the deterioration of risk parameters, which would affect the BNPP Group's capital position.

Uncertainty as to the duration and extent of the pandemic's remaining course makes the overall impact on the economies of the BNPP Group's principal markets as well as the world economy difficult to predict. The extent to which the economic consequences of the pandemic will continue to affect the BNPP Group's results and financial condition will indeed depend largely on i) periodic and local reimpositions of lockdowns, as well as various restrictive measures that have been put in place and that could be renewed or reintroduced, as has been done in Europe, ii) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, (iii) the effects of the measures taken to date or future measures that may be taken by governments and central banks to attenuate the economic fallout of the pandemic and iv) the duration and extent of the pandemic's remaining course, including the prospect of new waves or the appearance of new strains of the virus and, consequently, a reinstatement of lockdown measures or other restrictions in the BNPP Group's various markets, as well as the pace of deployment of vaccines and their effectiveness against all new strains of the coronavirus. In addition, while central bank and government actions and support measures taken in response to the pandemic have to date and may well continue to help attenuate its adverse economic and market consequences, central banks and regulators have also issued and may issue additional restrictions or recommendations in respect of banks' actions. In particular, they have limited and may continue to limit or seek to limit banks' flexibility in managing their business and taking action in relation to capital distribution, capital allocation and remuneration policies. In this respect, on 27 March 2020, the ECB issued a temporary and

exceptional recommendation to banks not to pay dividends; the period covered by this recommendation was extended to 1 January 2021 by an announcement of 28 July 2020. Consequently, in a press release dated 15 December 2020, the ECB called on banks not to distribute dividends, or to limit them to 15% of cumulative profits for fiscal years 2019 and 2020 and 20 basis points of the CET1 ratio, until 30 September 2021, as well as to show “extreme moderation regarding variable remuneration”.

All these COVID-19 related consequences may adversely affect the BNPP Group's business, operations and financial condition and may therefore also adversely affect BNPP's dividend payments.

1.7.2 Risks of failure to implement BNPP's strategic plan

In February 2017 the BNPP Group announced a strategic plan for the 2017-2020 period and updated it in respect of 2020 upon announcing its first quarter 2020 results to reflect the economic impact of the COVID-19 pandemic. Due to the pandemic, the preparation of the BNPP Group's next strategic plan was postponed to 2021. The BNPP Group is preparing a strategic plan for the 2022-2025 period, which it expects to announce in early 2022. As a result, the BNPP Group has not set any new targets for 2021. In connection with announcing its full-year 2020 results on 5 February 2021, the BNPP Group announced a number of trends for 2021. The financial objectives of strategic plans are established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions. The BNPP Group's actual results could vary significantly from these trends for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section, in particular as a result of the consequences of the COVID-19 health crisis which have had and could continue to have major repercussions on the economic outlook and cause financial market disruptions. If the BNPP Group's results do not follow these trends, its financial condition and the value of its securities, as well as its financing costs, could be affected. Additionally, the BNPP Group is pursuing an ambitious corporate social responsibility ("**CSR**") policy and is committed to making a positive impact on society with concrete achievements. At the end of 2019, BNPP reaffirmed its ambition to be a global leader in sustainable finance. The BNPP Group is thus taking strong positions, as a founding member of the United Nations Principles for Responsible Banking, which commits it to align its strategy with the Paris Agreement and the Sustainable Development Goals ("**SDGs**"). Its objective in 2022 is to provide EUR 210 billion in financing to sectors contributing to the SDGs. It is enhancing its support for the energy and environmental transition by deciding, for example, to reduce its outstanding loans to companies whose main business is related to the non-conventional hydrocarbons sector or thermal coal to zero by 2030 in the European Union (this criterion was extended to the OECD in 2020) and 2040 in the rest of the world, and by raising its target for supporting renewable energy development by EUR 18 billion by 2021. These measures (and any future ones along similar lines) may in certain cases adversely affect the BNPP Group's results in the relevant sectors.

1.7.3 Risks of difficulties in integrating businesses following acquisition transactions realizing the benefits expected acquisitions

The BNPP Group engages in acquisition and combination transactions on a regular basis. The BNPP Group's most recent major such transaction were the acquisition of substantially all of the activities of Raiffeisen Bank Polska ("**Core Bank**") in Poland, which was completed on 31 October 2018 (such activities having subsequently been merged with BGZ BNP Paribas), and an agreement to integrate the Group's Prime Services and Electronic Equities platform with Deutsche Bank in 2019. The integration of acquired businesses and the discontinuation or restructuring of certain businesses (in particular, BNP Paribas Suisse in 2019) resulted in restructuring costs of EUR 211 million in 2020. Successful integration and the realisation of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realisation. Moreover, the integration of the BNPP Group's existing operations with those of the acquired operations could interfere with its respective businesses and divert management's attention from other aspects of the BNPP Group's business, which could have a negative impact on the BNPP Group's

business and results. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although the BNPP Group undertakes an in-depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the BNPP Group may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

1.7.4 Risks regarding intense competition amongst banking and non-banking operators

Competition is intense in all of the BNPP Group's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area, as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms, as well as the continuing evolution of consumer habits in the banking sector. While the BNPP Group has launched initiatives in these areas, such as the debut of Hello bank! and its acquisition of Nickel, competitors subject to less extensive regulatory requirements or to less strict capital requirements (e.g. debt funds, shadow banks), or benefiting from economies of scale, data synergies, technological innovation (e.g. internet and mobile operators, digital platforms, fintechs), or free access to customer financial data could be more competitive by offering lower prices and more innovative services to address the new needs of consumers. In addition, new payment systems and crypto-currencies, such as Bitcoin, and new technology that facilitate transaction processes, such as blockchain, have developed in recent years. While it is difficult to predict the effects of these emerging technologies as well as any applicable regulations, their use could nevertheless reduce the BNPP Group's market share or secure investments that otherwise would have used technology used by more established financial institutions, such as the BNPP Group. If the BNPP Group is unable to respond to the competitive environment in France or in its other major markets by offering more attractive, innovative and profitable product and service solutions than those offered by current competitors or new entrants, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the BNPP Group and its competitors. It is also possible that the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions, could lead to distortions in competition in a manner adverse to large private-sector institutions such as the BNPP Group.

All these consequences of the intense competition amongst banking and non-banking operators may adversely affect the BNPP Group's business, operations and financial condition.

1.7.5 Risk of experiencing business disruption and losses due to climate change risks such as transition risks, physical risks or liability risks

The BNPP Group is exposed to risks related to climate change, either directly through its own operations or indirectly through its financing and investment activities. There are two main types of risks related to climate change: (i) transition risks, which result from changes in the behaviour of economic and financial actors in response to the implementation of energy policies or technological changes; (ii) physical risks, which result from the direct impact of climate change on people and property through extreme weather events or long-term risks such as rising water levels or increasing temperatures. In addition, liability risks may arise from both categories of risk. They correspond to the damages that a legal entity would have to pay if it were found to be responsible for global warming. BNPP is progressively integrating the assessment of these risks into its risk management system. The BNPP Group monitors these risks in the conduct of its business, in the conduct of its counterparties' business, and in its investments on its own behalf and on behalf of third parties. In this respect, the specific credit policies and the General Credit Policy have been enhanced since 2012 and 2014, respectively, with the addition of relevant clauses in terms of social and environmental responsibility. In addition, sector-specific policies and policies excluding certain environmental, social and governance (ESG) sectors from financing have also been put in place. In 2019, as part of the fight against climate change,

the BNPP Group made new commitments to reduce its exposure to thermal coal to zero by 2030 in OECD and by 2040 for the rest of the world. The Group has also provided financing dedicated to renewable energy in the amounts of EUR 15.4 billion and EUR 15.9 billion in 2018, and 2019, respectively. By the end of 2015, BNPP had already significantly strengthened its criteria for financing and investing in the coal sector, and in 2017, it was the first bank to announce the cessation of its financing activities for companies that derive most of their revenues from non-conventional hydrocarbons, measures that remain to date among the most advanced in the sector. These decisions are also reflected in the energy mix that the BNPP Group finances. The BNPP Group also supports its clients, both individuals and businesses, in their transition to a low-carbon economy. The BNPP Group also aims to reduce the environmental footprint of its own operations. Despite the actions taken by the BNPP Group to monitor risks and combat climate change, physical, transition or liability risks related to climate change could disrupt business or lead to losses.

1.7.6 Risk of changes in certain holdings in credit or financial institutions

The own funds of an institution consist of the sum of its Tier 1 capital and Tier 2 capital. Tier 1 capital comprises common equity Tier 1 capital and additional Tier 1 capital. The Capital Requirements Regulation (EU) No. 575/2013 ("CRR") stipulates, inter alia, what can be recognised as capital in prudential terms. It also contains regulations for reducing own funds as well as items which are to be deducted from capital.

Amounts below the thresholds for prudential capital deduction are assets subject to a risk-weight of 250% in accordance with Article 48 CRR. These assets include: credit or financial institutions consolidated under the equity method within the prudential scope (excluding insurance); significant financial interest in credit or financial institutions in which the BNPP Group holds a stake of more than 10%; and deferred tax assets that rely on future profitability and arise from temporary differences.

The risk-weighted assets subject to this type of risk amounted to EUR 17 billion at 31 December 2020, or 2% of the total risk-weighted assets of the BNPP Group.

Changes in certain holdings in credit or financial institutions could result in a less preferential regulatory capital treatment, tie up capital and adversely affect BNPP Group's results.

2 RESPONSIBILITY STATEMENT

BNPP, having its registered offices at 16, boulevard des Italiens – 75009 Paris, France, accepts responsibility for the information contained in this Registration Document and declares that to the best of its knowledge, the information contained in this Registration Document is in accordance with the facts and that the Registration Document makes no omission likely to affect its import.

3 IMPORTANT NOTICES

BNPP states that:

- a) the registration document has been approved by the Bundesanstalt für Finanzdienstleistungsaufsicht ("BaFin"), as competent authority under Regulation (EU) 2017/1129;
- b) the BaFin only approves this registration document as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129;
- c) such approval should not be considered as an endorsement of BNPP that is the subject of this registration document.

This Registration Document is valid for a period of twelve months from the date of its approval. Neither the delivery of this Registration Document or of any securities notes or (base) prospectuses, either incorporating information from this Registration Document by reference or of which this Registration Document forms part, nor the offering, sale or delivery of any non-equity securities shall, in any circumstances, create any implication that there has been no

change in the affairs of BNPP since the date hereof. The contents of this Registration Document will be updated in accordance with the provisions of the Prospectus Regulation. Any dealer or trustee appointed in relation to any issue of securities by BNPP expressly does not undertake to review the financial condition or affairs of BNPP or its subsidiary undertakings during the life of such securities.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Registration Document, and, if given or made, such information or representation must not be relied upon as having been authorised by BNPP, or any trustee or any dealer appointed in relation to any issue of securities by BNPP.

For the avoidance of doubt the content of any website referred to in this Registration Document does not form part of this Registration Document and the information on such websites has not been scrutinised or approved by BaFin as competent authority under the Prospectus Regulation.

4 INFORMATION ABOUT BNPP

4.1 Introduction

According to its own appraisal, BNPP is Europe's leading provider of banking and financial services. It has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It operates in 68 countries and has more than 193,000 employees, including nearly 148,000 in Europe. BNPP holds key positions in its two main businesses:

- Retail Banking and Services, which includes:
 - Domestic Markets, comprising:
 - French Retail Banking (FRB);
 - BNL banca commerciale (BNL bc), Italian Retail Banking;
 - Belgian Retail Banking (BRB);
 - Other Domestic Markets activities including Arval, BNP Paribas Leasing Solutions, BNP Paribas Personal Investors, Nickel and Luxembourg Retail Banking (LRB).
 - International Financial Services, comprising:
 - Europe-Mediterranean;
 - Bank of the West;
 - Personal Finance;
 - Insurance;
 - Wealth and Asset Management.
- Corporate and Institutional Banking (CIB):
 - Corporate Banking;
 - Global Markets;
 - Securities Services.

BNP Paribas S.A. is the parent company of the BNP Paribas Group.

4.2 Corporate Information

The legal and commercial name of BNPP is BNP Paribas S.A.

BNPP is a public limited company ("*société anonyme*"), having its registered office address at boulevard des Italiens 16, 75009 Paris, France and is registered under number 662 042 449 RCS Paris with the Paris Trade and Company Register.

The telephone number of BNPP's registered office is +33(0)140144546.

BNPP's Legal Entity Identifier ("**LEI**") code is R0MUWSFPU8MPRO8K5P83.

According to article 3 of the articles of association, BNPP is licensed to conduct banking operations under the French Monetary and Financial Code, Book V, Section 1 (*Code Monétaire et Financier, Livre V, Titre 1er*) governing banking sector institutions.

The Company was founded pursuant to a decree dated 26 May 1966. Its legal life has been extended to 99 years with effect from 17 September 1993.

A description of BNPP's history is set out on page 5 of the BNPP 2020 Universal Registration Document (in English) which is incorporated by reference herein (please see "13 INFORMATION INCORPORATED BY REFERENCE").

Apart from the specific rules relating to its status as an establishment in the banking sector (Book V, Section 1 of the French Monetary and Financial Code (*Code Monétaire et Financier, Livre V, Titre 1er*), BNP PARIBAS shall be governed by the provisions of the French Commercial Code (Code de Commerce) concerning commercial companies, as well as by the articles of association.

According to article 3 of the articles of association, The purpose of BNP PARIBAS shall be to provide and carry out the following services with any individual or legal entity, in France and abroad, subject to compliance with the French laws and regulations applicable to credit institutions licensed by the Credit Institutions and Investment Firms Committee (*Comité des Établissements de Crédit et des Entreprises d'Investissement*):

- any and all investment services,
- any and all services related to investment services,
- any and all banking transactions,
- any and all services related to banking transactions,
- any and all equity investments.

as defined in the French Monetary and Financial Code Book III – Section 1 (*Code Monétaire et Financier, Livre III, Titre 1er*) governing banking transactions and Section II (*Titre II*) governing investment services and related services.

On a regular basis, BNP PARIBAS may also conduct any and all other activities and any and all transactions in addition to those listed above, in particular any and all arbitrage, brokerage and commission transactions, subject to compliance with the regulations applicable to banks.

In general, BNP PARIBAS may, on its own behalf, and on behalf of third parties or jointly therewith, perform any and all financial, commercial, industrial or agricultural, personal property or real estate transactions directly or indirectly related to the activities set out above or which further the accomplishment thereof.

None of the existing shareholders controls, either directly or indirectly, BNPP. As at 31 December 2020, the main shareholders were *Société Fédérale de Participations et d'Investissement* ("**SFPI**") a public-interest *société anonyme* (public limited company) acting on behalf of the Belgian government holding 7.7% of the share capital, BlackRock Inc. holding 6.0% of the share capital and Grand Duchy of Luxembourg holding 1.0% of the share capital. To BNPP's knowledge, no shareholder other than SFPI and BlackRock Inc. owns more than 5% of its capital or voting rights.

4.3 Statutory Auditors

The statutory auditors ("*Commissaires aux comptes*") of BNPP for the fiscal year ended 31 December 2019 and the fiscal year ended 31 December 2020 are the following:

Deloitte & Associés was appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in

2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2006.

Deloitte & Associés is represented by Laurence Dubois.

Deputy:

BEAS, 6 place de la Pyramide, 92908 Paris-La Défense Cedex, France, SIREN No. 315 172 445, Nanterre trade and companies register.

PricewaterhouseCoopers Audit was appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 26 May 1994.

PricewaterhouseCoopers Audit is represented by Patrice Morot.

Deputy: Jean-Baptiste Deschryver, 63, Rue de Villiers, Neuilly-sur-Seine (92), France.

Mazars was appointed as Statutory Auditor at the Annual General Meeting of 24 May 2018 for a six-year period expiring at the close of the Annual General Meeting called in 2024 to approve the financial statements for the year ending 31 December 2023. The firm was first appointed at the Annual General Meeting of 23 May 2000.

Mazars is represented by Virginie Chauvin.

Deputy: Charles de Boisriou, 61 Rue Henri-Regnault, Courbevoie (92), France.

Deloitte & Associés, PricewaterhouseCoopers Audit, and Mazars are registered as Statutory Auditors with the Versailles Regional Association of Statutory Auditors, under the authority of the French National Accounting Oversight Board (*Haut Conseil du Commissariat aux Comptes*).

4.4 Credit Rating assigned to BNPP

The BNPP Group is rated as at 31st December 2020 by four rating agencies.

The BNPP Group's long-term credit ratings, which can also be found in the table below, are A+ with a negative outlook (S&P Global Ratings Europe Limited ("**Standard & Poor's**")), Aa3 with a stable outlook (Moody's Investors Service Ltd. ("**Moody's**")), AA- with a negative outlook (Fitch France S.A.S. ("**Fitch France**")) and AA (low) with a stable outlook (DBRS Limited ("**DBRS**")) and BNPP's short-term credit ratings, which can also be found in the table below, are A-1 (Standard & Poor's), P-1 (Moody's), F1 (Fitch France) and R-1 (middle) (DBRS).

Long Term /Short Term Rating	Standard & Poor's	Moody's	Fitch France	DBRS
As at 3 March 2020	A+/A-1 (negative outlook)	Aa3/Prime-1 (stable outlook)	AA-/F1 (negative outlook)	AA (low)/R-1 (middle) (stable outlook)
As at 2 March 2021	A+/A-1 (negative outlook)	Aa3/Prime-1 (stable outlook)	AA-/F1 (negative outlook)	AA (low)/R-1 (middle) (stable outlook)
Date of last review	23 April 2020	4 December 2020	12 October 2020	10 July 2020

Explanation of the meaning of the ratings:

Standard & Poor's

Standard & Poor's defines "A" as follows: An obligation rated "A" is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitments on

the obligation is still strong. Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories."

S&P defines "A-1" as follows: "A short-term obligation rated "A-1" is rated in the highest category by S&P Global Ratings. The obligor's capacity to meet its financial commitments on the obligation is strong. Within this category, certain obligations are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments on these obligations is extremely strong."

Moody's

Moody's defines "Aa" as follows: "Obligations rated "Aa" are judged to be of high quality and are subject to very low credit risk. Moody's appends numerical modifiers 1, 2 and 3 to each generic rating classification Aa through Caa. 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."

Moody's defines "Prime-1" as follows: "Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations."

Fitch France

Fitch France defines "AA-" as follows: "Very high credit quality". "AA" ratings denote expectations of very low default risk. They indicate very strong capacity for payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events. Within rating categories, the modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories."

Fitch France defines "F1" as follows: "Highest Short-Term Credit Quality." "F1" ratings indicate the strongest intrinsic capacity for timely payment of financial commitments; may have an added "+" to denote any exceptionally strong credit feature."

DBRS

DBRS defines "AA" as follows: "Superior credit quality". The capacity for the payment of financial obligations is considered high. Credit quality differs from AAA only to a small degree. Unlikely to be significantly vulnerable to future events. All rating categories other than AAA and D also contain subcategories (high) and (low). The absence of either a (high) or (low) designation indicates that the rating is in the middle of the category."

DBRS defines "R-1 (middle)" as follows: "Superior credit quality. The capacity for the payment of short-term financial obligations as they fall due is very high. Differs from R-1 (high) by a relatively modest degree. Unlikely to be significantly vulnerable to future events."

Each of Standard & Poor's, Moody's, Fitch France and DBRS is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the "CRA Regulation"). As such each of Standard & Poor's, Moody's, Fitch France and DBRS is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.

The credit ratings mentioned above have been issued by DBRS Ratings Limited London, United Kingdom, Fitch France S.A.S. Paris, France, Moody's France S.A.S., Paris, France, and Standard & Poor's Credit Market Services France S.A.S., Paris, France respectively, as indicated. Each of these credit rating agencies is established in the European Community and is registered under Regulation (EC) n° 1060/2009 of the European Parliament and of the Council of 16 September 2009 (as amended by Regulation (EU) No. 513/2011). The latest update of the list of registered credit rating agencies is published on the following website of the European Securities and Markets Authority (ESMA): <https://www.esma.europa.eu/supervision/credit-rating-agencies/risk>.

4.5 BNPP's borrowing and funding structure and financing of its activities

A description of BNPP's borrowing and funding structure and the financing of its activities is set out on pages 148 (3.7 "Financial structure") and 444 beginning with the headline "Liquidity risk management policy" to 458 of the BNPP 2020 Universal Registration Document (in English), which is incorporated by reference herein (please see "13 INFORMATION INCORPORATED BY REFERENCE").

5 BUSINESS OVERVIEW

The BNPP Group is composed of two operating divisions, Retail Banking and Services and Corporate and Institutional Banking (CIB).

Retail Banking and Services covers Domestic Markets and International Financial Services. Domestic Markets include retail banking networks in France (FRB), Italy (BNL banca commerciale), Belgium (BRB), and Luxembourg (LRB), as well as certain specialised retail banking divisions (Personal Investors, Leasing Solutions, Arval and New Digital Businesses). International Financial Services is composed of all BNPP Group Retail Banking businesses out of the eurozone, split between Europe Mediterranean and BancWest in the United States, as well as Personal Finance and the Insurance and Wealth and Asset Management activities (Wealth Management, Asset Management and Real Estate).

Corporate and Institutional Banking (CIB) includes Corporate Banking (Europe, Middle East, Africa, Asia, Americas, and Corporate Finance activities), Global Markets (Fixed Income, Currency and Commodities, as well as Equity and Prime Services), and Securities Services to management companies, financial institutions and other corporations.

Other activities mainly include Principal Investments, activities related to the BNPP Group's central treasury function, some costs related to crossbusiness 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 and adaptation costs relating to the BNPP Group's crossbusiness savings programmes.

Inter-segment transactions are conducted at arm's length. The segment information presented comprises agreed inter-segment transfer prices. The capital allocation is carried out on the basis of risk exposure, taking into account various conventions relating primarily to the capital requirement of the business as derived from the risk-weighted asset calculations required under capital adequacy rules. Normalised equity income by segment is determined by attributing to each segment the income of its allocated equity. The equity allocation to segments is based on 11% of weighted assets. The breakdown of balance sheet by core business follows the same rules as the breakdown of the profit or loss by core business.

A description of BNPP's business and of the principal markets in which BNPP competes is set out on pages 6 to 17, 202 to 205 and pages 638 to 644 of the BNPP 2020 Universal Registration Document (in English), which is incorporated by reference herein (please see "13 INFORMATION INCORPORATED BY REFERENCE").

An indication of any significant new products and/or activities is set out on pages 6 to 17, 202 to 205 and pages 638 to 644 of the BNPP 2020 Universal Registration Document (in English), which is incorporated by reference herein (please see "13 INFORMATION INCORPORATED BY REFERENCE").

6 ORGANISATIONAL STRUCTURE OF BNPP

BNP Paribas S.A. is the parent company of the BNP Paribas Group. This means BNP Paribas S.A. directly or indirectly controls, jointly controls or has significant influence over the the group entities.

A description of the group and of BNPP's position within it is set out on pages 4, 6, 263 to 270, 524 to 530, 622 to 623 and 638 to 643 of the BNPP 2020 Universal Registration Document (in English) which is incorporated by reference herein (please see "13 INFORMATION INCORPORATED BY REFERENCE").

7 TREND INFORMATION

7.1 Material Adverse Change in the Prospects of BNPP

Save as disclosed in this Registration Document there has been no material adverse change in the prospects of BNPP or the group since 31 December 2020 (being the end of the last financial period for which audited financial statements have been published).

7.2 Significant Changes in the Financial Performance of BNPP

Save as disclosed in this Registration Document, there has been no significant change in the financial performance of BNPP since 31 December 2020 (being the end of the last financial period for which audited financial statements have been published).

7.3 Trend Information

Pages 146 to 147 and page 637 (8.4 "Significant changes") of the BNPP 2020 Universal Registration Document (in English) is incorporated by reference herein (please see "13 INFORMATION INCORPORATED BY REFERENCE").

8 ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES OF BNPP

The information about the administrative, management and supervisory bodies of BNPP set out on pages 33 to 45 and 102 to 104 of the BNPP 2020 Universal Registration Document (in English) is hereby incorporated by reference into this Registration Document (please see "13 INFORMATION INCORPORATED BY REFERENCE").

To the knowledge of BNPP, the duties owed by the members of the Board of directors of BNPP do not give rise to any potential conflicts of interests with such members' private interests or other duties.

9 LITIGATION, REGULATORY AND SIMILAR MATTERS

BNPP is party as a defendant in various claims, disputes and legal proceedings (including investigations by judicial or supervisory authorities) in a number of jurisdictions arising in the ordinary course of its business activities, including inter alia in connection with its activities as market counterparty, lender, employer, investor and taxpayer. While BNPP cannot predict the ultimate outcome of all pending and threatened legal and regulatory proceedings, BNPP reasonably believes that they are either without legal merit, can be successfully defended or that the outcome of these actions is not expected to result in a significant loss for BNPP.

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

In two decisions dated 22 November 2016 and 3 October 2018, the Bankruptcy Court rejected most of the claims brought by the BLMIS Trustee against BNP Paribas entities. On 25 February 2019 the United States Court of Appeals for the Second Circuit reversed the Bankruptcy Court's 22 November 2016 decision. The defendants filed a petition with the Supreme Court requesting it review the Second Circuit's decision on 29 August 2019 but denied by the Court. By common agreement amongst the parties all proceedings have been stayed pending a decision by the Court of Appeal regarding a separate proceeding between the Trustee and a third party which could affect the Clawback claims against BNPP. Litigation was brought in Belgium by minority shareholders of the previous Fortis Group against the *Société fédérale de Participations et d'Investissement*, Ageas and BNPP seeking (amongst other things) damages from BNPP as restitution for part of the BNP Paribas Fortis shares that were contributed to BNPP 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 now definitively closed, as the Council Chamber of the Brussels Court of first instance issued on 4 September 2020 a ruling (which has since become final) that the charges were time-barred. Certain minority shareholders have stated their intention to continue the civil proceedings against BNP Paribas before the Brussels Commercial court; BNP Paribas will continue to defend itself vigorously against the allegations of these shareholders.

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

Like many other financial institutions in the banking, investment, mutual funds and brokerage sectors, BNPP has received or may receive requests for information from supervisory, governmental or self-regulated agencies. BNPP responds to such requests, and cooperates with the relevant authorities and regulators and seeks to address and remedy any issues they may raise.

The U.S. regulatory and law enforcement authorities are currently investigating or requesting information in relation to certain activities as reported in the international financial press in relation to the U.S. treasuries market and U.S. Agency bonds. BNPP, which has received some requests for information, is cooperating with investigations and is responding to requests for information. The outcome and potential impact of these investigations or requests for information is difficult to predict before their close and the subsequent discussions with the U.S. authorities. It should be noted that it has been reported that a number of financial institutions are involved in these investigations or requests for information and that it is sometimes the case that reviews carried out in connection therewith may lead to settlements including in particular the payment of fines or significant penalties depending on the circumstances specific to each situation.

10 ADDITIONAL INFORMATION

As at 31 December 2020, BNPP's share capital stood at EUR 2,499,597,122 divided into 1,249,798,561 shares with a par value of EUR 2 each.

The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with the relevant legal provisions. None of BNPP's shares entitles their holders to an increased dividend or double voting rights or limit the exercise of voting rights.

11 DOCUMENTS AVAILABLE

During the validity of this Registration Document, the following documents are freely available for inspection at BNPP's head office: 16, boulevard des Italiens, 75009 Paris, France and on the websites indicated below:

the founding documents and articles of association of BNPP (also available on the following website: <https://www.derivate.bnpparibas.com/service/basisprospekte> under "Registrierungsformulare (BNPP S.A.)"); and

the consolidated financial statements of BNPP Group for the financial years 2019 and 2020 (also available on the following website: <https://www.derivate.bnpparibas.com/service/ueberuns/finanzinformationen>).

12 FINANCIAL INFORMATION CONCERNING BNPP'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

12.1 Historical Annual Financial Information

The consolidated financial statements for the year ended 31 December 2019 and the statutory auditors' report thereon on pages 152 to 264 of the BNPP 2019 Registration Document (in English), the consolidated financial statements for the year ended 31 December 2020 and the statutory auditors' report thereon on pages 164 to 277 of the BNPP 2020 Universal Registration Document (in English) are hereby incorporated by reference herein (please see "13 INFORMATION INCORPORATED BY REFERENCE").

12.2 Interim Financial Information

BNPP has not published quarterly or half yearly financial information since 31 December 2020, the date of its last audited financial statements.

12.3 Significant Changes in the Financial Position of BNPP Group

There has been no significant change in the financial position of BNPP since 31 December 2020, which is the end of the last financial period for which financial information has been published.

13 INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the information as set out in the tables below regarding following documents which have been previously published or are published simultaneously with this Registration Document and that have been filed with the *Autorité des marchés financiers* ("**AMF**") for the purpose of the Prospectus Directive 2003/71/EC (as amended or superseded) and the Prospectus Regulation, and shall be incorporated in, and form part of, this Registration Document:

- BNPP's *Document d'Enregistrement Universel et rapport financier annuel* (in English), filed with the AMF for the purpose of the Prospectus Regulation with filing number D.19-0731 (the "**BNPP 2019 Universal Registration Document (in English)**"); it has been published on the website of BNPP <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports>) and can be downloaded by clicking on this link.
- BNPP's *Document d'Enregistrement Universel et rapport financier annuel* (in English), filed with the AMF for the purpose of the Prospectus Regulation with filing number D.20-0097 (the "**BNPP 2020 Universal Registration Document (in English)**"); it has been published on the website of BNPP <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports>) and can be downloaded by clicking on this link.

Only certain parts of the documents are incorporated by reference. The non-incorporated parts are either not relevant for the investor or covered elsewhere in the Registration Document.

13.1 BNPP 2019 Registration Document (in English)

Information Incorporated by Reference	Reference	Relevant Part of this Registration Document
2019 Financial Statements		
Profit and loss account for the year ended 31 December 2019	Page 152 of the BNPP 2019 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Statement of net income and changes in assets and liabilities recognised directly in equity	Page 153 of the BNPP 2019 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Balance sheet at 31 December 2019	Page 154 of the BNPP 2019 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Cash flow statement for the year ended 31 December 2019	Page 155 of the BNPP 2019 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Statement of changes in shareholders' equity between 1 January 2019 and 31 December 2019	Pages 156 and 157 of the 2019 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 158 to 258 of the BNPP 2019 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended 31 December 2019	Pages 259 to 264 of the BNPP 2019 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"

13.2 BNPP 2020 Universal Registration Document (in English)

Information Incorporated by Reference	Reference	Relevant Part of this Registration Document
Information about BNPP		
History and development of BNPP	Page 5 of the BNPP 2020 Universal Registration Document (in English)	"4.2 Corporate Information"
Business Overview		
A brief description of - BNPP's principal activities stating, - the main categories of products sold and/or services performed.	Pages 6 to 17, 202 to 205, and 638 to 644 of the BNPP 2020 Universal Registration Document (in English)	"5 Business Overview"
A brief description of the group and BNPP's position in it.	Pages 4, 6, 263 to 270, 524 to 530, 622 to 623 and 638 to 643 of the BNPP	"6 Organisational Structure of BNPP"

	2020 Universal Registration Document (in English)	
An indication of any significant new products and/or activities.	Pages 6 to 17, 122 to 138, 202 to 205, and 638 to 644 of the BNPP 2020 Universal Registration Document (in English)	"5 Business Overview"
A brief description of the principal markets in which BNPP competes.	Pages 6 to 17, 202 to 205 and 638 to 644 of the BNPP 2020 Universal Registration Document (in English)	"5 Business Overview"
Trend Informationen		
Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	Pages 146 to 147 and 637 (8.4 "Significant changes") of the BNPP 2020 Universal Registration Document (in English)	"7.3 Trend Information"
BNPP's borrowing and funding structure and financing of its activities		
	Pages 148 (3.7 "Financial structure") and 444 beginning with the to headline "Liquidity risk management policy" to 458 of the BNPP 2020 Universal Registration Document (in English)	"4.5 BNPP's borrowing and funding structure and financing of its activities"
Administrative, Management, and Supervisory Bodies		
Names, business addresses and functions in the Issuer of the members of the administrative, management or supervisory bodies, and an indication of the principal activities performed by them outside BNPP where these are significant with respect to that Issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Pages 33 to 45 and 102 to 104 of the 2020 Universal Registration Document (in English)	"8 Administrative, Management and Supervisory Bodies of BNPP"
2020 Financial Statements		
Profit and loss account for the year ended 31 December 2020	Page 164 of the BNPP 2020 Universal Registration Document (in	"12.1 Historical Annual Financial Information"

	English)	
Statement of net income and changes in assets and liabilities recognised directly in equity	Page 165 of the BNPP 2020 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Balance sheet at 31 December 2020	Page 166 of the BNPP 2020 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Cash flow statement for the year ended 31 December 2020	Page 167 of the BNPP 2020 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Statement of changes in shareholders' equity between 1 January 2020 and 31 December 2020	Pages 168 and 169 of the 2020 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Notes to the financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union	Pages 170 to 271 of the BNPP 2020 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"
Statutory Auditors' report on the Consolidated Financial Statements of BNP Paribas for the year ended 31 December 2020	Pages 272 to 277 of the BNPP 2020 Universal Registration Document (in English)	"12.1 Historical Annual Financial Information"