

# 2021 FINANCIAL INFORMATION

## SECURITIES SERVICES FINANCIAL REPORT



**BNP PARIBAS**

The bank  
for a changing  
world

## ROBUST RESULTS

€12.6tn   
assets under custody

+15.1%\*

€2.5tn   
assets under administration

+14.5%\*

137.4m   
transactions settled

+10.4%\*

9,134   
funds administered

+2.9%\*

## EXTENSIVE GLOBAL PRESENCE

Proprietary network in  
**27 COUNTRIES** 

Local expertise in  
**35 MARKETS** 

Employees worldwide  
**10,360** 

**90+** MARKETS  
covered 

All figures as at 31.12.2021 \* Versus 2020 equivalent

# BNP PARIBAS SECURITIES SERVICES IN 2021

BNP Paribas Securities Services continued its very strong business drive in 2021, posting a steady increase in assets and high level of transaction volumes and onboarding new clients throughout the year, including a significant mandate (more than EUR 400 billion in assets) in the eurozone.

## Key metrics:

- Assets under custody grew by 15.1% to EUR 12,635 billion
  - Assets under administration reached EUR 2,521 billion, up by 14.5%
  - Transaction volumes increased by 10.4% to 137.4 million
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# BNP PARIBAS GROUP RESULTS 2021

BNP Paribas achieved a robust performance, on the back of its integrated and diversified model based on platforms and client franchises leaders in Europe and well-positioned internationally.

- Revenues totaled EUR 46,235 million, up 4.4% compared to 2020<sup>[1]</sup>
- Revenues evolution in the operating divisions was:
  - Domestic Markets<sup>[2]</sup> +5.2%
  - International Financial Services -1.2%
  - Corporate and Institutional Banking +3.4%
- Pre-tax income from continuing operations, which came to EUR 12,744 million, was up 36.5%
- Net income attributable to equity holders was EUR 9,488 million, up 34.3% compared to 2020

Leveraging on the strengths of its platforms and favourably positioned client franchises with the full benefit of its integrated and transformed operating model, the Group is ideally placed to deliver profitable growth, while making technology and industrialisation a hallmark of its development, scaling up sustainable finance and social and environmental responsibility as well as developing its employees' potential and engagement.

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1 This included, in the fourth quarter 2020, the -104 million euro exceptional accounting impact of a swap set up for the transfer of a business

2 Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg

# KEY HIGHLIGHTS 2021

## Expanding our capabilities in all regions

- BNP Paribas was granted a licence to provide custody services for China's Qualified Foreign Investor (QFI) scheme. This means we can now directly support foreign institutional investors across the full scope of schemes allowing access to China's equities and bond markets, in addition to providing a full range of foreign exchange services.
- We launched local custody services in Chile, enabling us to provide international and regional investors with access to the Chilean market. This extends our reach across the region, now covering Brazil, Colombia, Peru and Chile.
- Our acquisition of the depositary banking business of Banco Sabadell, representing EUR 21 billion in assets under depositary, closed in the second quarter of 2021. This consolidates our position as a leading asset servicing provider in Spain, where we are the first depositary bank for independent asset managers.

## Supporting sustainability strategies

Manaos, our open-servicing ESG marketplace, onboarded three leading ESG fintechs (Clarity AI, Util and V.E., part of Moody's ESG Solutions), to enrich its sustainability data and analytics offering. By providing multiple feeds into a wide variety of specialist areas and data sources, Manaos helps its clients overcome challenges around inconsistent and conflicting ratings, which our 2021 research showed is the greatest barrier to ESG integration among institutional investors.

# DIGITAL INNOVATIONS

We are driving innovation in asset servicing to create the bank of tomorrow.

### Exploring digital assets



We contributed to two out of the eight projects (LiquidShare and Euroclear) selected by Banque de France as part of its experimental Central Bank Digital Currency (CBDC) programme. We also continue with the work to extend our existing services such as custody, depositary banking and transfer agent to manage digital and traditional assets in a seamless, consolidated manner.

### Spearheading digitalisation



With the purpose of overcoming the unique complexities of servicing alternative asset classes and enhancing the way in which fund managers interact with their portfolio and investors, we launched our enhanced digital portal ecosystem, CapLink, in collaboration with leading fintech AssetMetrix. This move is part of our objective to offer best-of-breed solutions accessible via our NeoLink institutional portal.

### Bridging the data gap



We complemented our Application Programming Interfaces catalogue with a set of APIs for cash and custody, delivering open connectivity with external platforms through BNP Paribas Corporate and Institutional Banking's dedicated portal.

# 36 AWARDS IN 2021

## The Banker Transaction Banking Awards 2021

- Transaction Bank of the Year for Securities Services

## Global Investor Investment Excellence Awards 2021

- ESG Custodian of the Year
- Private Equity Fund Administrator of the Year

## Asset Servicing Times Industry Excellence Awards 2021

- European Custodian of the Year
- Asia-Pacific Custodian of the Year
- Asia-Pacific Fund Administrator of the Year

## Global Custodian Leaders in Custody Awards 2021

- Asset Servicing, Best in Survey – Europe, Major Markets (Italy)
- Risk Management, Best in Survey – Europe, Major Markets (Portugal)
- Outstanding Performance – APAC (India)
- Outstanding Performance – Americas (Brazil)
- Outstanding Performance – Central and Eastern Europe (Poland)
- Outstanding Performance – Southern Europe (Spain)
- Outstanding Performance – Western Europe (Italy)
- Innovation in ESG Data and Analytics (Manaos)
- Lifetime Achievement Award Winner – Patrick Colle

## Global Finance Best Sub-Custodian Bank Awards 2021

- Best Sub-Custodian Bank in Western Europe, Belgium, Luxembourg, the Netherlands, Switzerland and Turkey (TEB)



## Asia Asset Management Best of the Best Awards 2021

- Best Global Custodian in Asia-Pacific

## Bond Connect Awards 2021

- Bond Connect Top Custodian

## The Asset Triple A Sustainable Investing Awards for Institutional Investor, ETF, and Asset Servicing Providers 2021

- Best Sub-Custodian – Broker-Dealer
- Best Fund Administrator – Alternatives
- Best in Fund Trustee
- Securities Lending Solution of the Year (Unisuper)
- Best Fund Administration Mandate – Retail (BEA Union Investments)
- Best Fund Administration Mandate – Alternatives (Guotai Junan Securities)
- Best Sub-Custodian Mandate – Broker-Dealer – Australia (Clearstream)

## Global Investor ISF Survey 2021

- Principal Lending – Most Innovative Group 2 Lender – Rated by Group 2 Borrowers

## HFM European Services Awards 2021

- Best Administrator – Middle Office Services

## HFM US Services Awards 2021

- Best Administrator – Middle Office Services

## HFM Asia Services Awards 2021

- Best Administrator – Client Service
- Best Administrator – Under \$30bn Single Manager (Highly Commended)

## HFM European Quant Awards 2021

- Best Middle and Back Office



**PATRICK COLLE**

General Manager  
BNP Paribas Securities Services



**ALAIN PAPIASSE**

Chairman of the supervisory board  
BNP Paribas Securities Services



# BNP PARIBAS GROUP FINANCIAL STATEMENTS

## Consolidated balance sheet

### Assets

IN MILLIONS OF EUROS	2021	2020*
Cash and amounts due from central banks	347,883	308,703
Financial instruments at fair value through profit or loss	681,738	689,584
Derivatives used for hedging purposes	8,680	15,600
Financial assets at fair value through equity	41,464	58,190
Loans and advances to credit institutions	21,751	18,982
Loans and advances to customers	814,000	809,533
Debt securities	108,510	118,316
Remeasurement adjustment on interest-rate risk hedged portfolios	3,005	5,477
Financial investments of insurance activities	280,766	265,356
Current and deferred tax assets	5,866	6,559
Accrued income and other assets	179,123	140,904
Equity-method Investments	6,528	6,396
Property, plant and equipment and investment property	35,083	33,499
Intangible assets	3,659	3,899
Goodwill	5,121	7,493
Assets held for sale	91,267	0
<b>Total assets</b>	<b>2,634,444</b>	<b>2,488,491</b>

### Liabilities and shareholders' equity

IN MILLIONS OF EUROS	2021	2020*
Deposits from central banks	1,244	1,594
Financial instruments at fair value through profit or loss	713,574	729,514
Derivatives used for hedging purposes	10,076	13,320
Deposits from credit institutions	165,699	147,657
Deposits from customers	957,684	940,991
Debt securities	149,723	148,303
Subordinated debt	24,720	22,474
Remeasurements adjustment on interest-rate risk hedged portfolios	1,367	6,153
Current and deferred tax liabilities	3,103	3,001
Accrued expenses and other liabilities	145,399	107,846
Technical reserves of insurance companies	254,795	240,741
Provisions for contingencies and charges	10,187	9,548
Liabilities associated with assets held for sale	74,366	0
<b>Total liabilities</b>	<b>2,511,937</b>	<b>2,371,142</b>
Share capital, additional paid-in capital and retained earnings	108,176	106,228
Net income for the period attributable to shareholders	9,488	7,067
Changes in assets and liabilities recognised directly in equity	222	-496
Shareholders' equity	117,886	112,799
Minority interests	4,621	4,550
<b>Total consolidated equity</b>	<b>122,507</b>	<b>117,349</b>
<b>Total liabilities and equity</b>	<b>2,634,444</b>	<b>2,488,491</b>

\* Restated according to the IFRS 5

## Consolidated profit and loss account

IN MILLIONS OF EUROS	2021	2020*
Net interest income	19,238	19,286
Net commission income	10,362	9,579
Net gain on financial instruments at fair value through profit or loss	7,615	6,750
Net gain on financial instruments at fair value through equity	164	202
Net gains on derecognised financial assets at amortised cost	-2	36
Net income from insurance activities	4,332	4,114
Net Income from other activities	2,053	1,812
Net banking income from continuing activities	<b>43,762</b>	<b>41,779</b>
Operating expense	-27,122	-26,243
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	-2,344	-2,262
Gross operating income from continuing activities	<b>14,296</b>	<b>13,274</b>
Cost of risk	-2,971	-5,395
Operating income from continuing activities	<b>11,325</b>	<b>7,879</b>
Share of earnings of equity-method entities	494	423
Net gain/loss on non-current assets	834	1,030
Change in value of goodwill	91	5
Pre-tax net income from continuing activities	<b>12,744</b>	<b>9,337</b>
Corporate income tax	-3,584	-2,301
Net income from continuing activities	<b>9,160</b>	<b>7,036</b>
Net income from discontinued activities	720	379
Net income	<b>9,880</b>	<b>7,415</b>
Net income attributable to minority interests	392	348
Net income attributable to equity holders	<b>9,488</b>	<b>7,067</b>

\* Restated according to the IFRS 5

## Long-term credit ratings BNP Paribas

Standard & Poors	A+	Stable	June 2021
Moody's	Aa3	Stable	December 2020
Fitch	AA-	Stable	September 2021
DBRS	AA (low)	Stable	June 2021

Thanks to its legal form ("Société en Commandite par Actions (SCA)" or partnership limited by shares), the parent company is indefinitely liable for the debts of the company through its own assets. As such, BNP Paribas Securities Services benefits from the same credit ratings as BNP Paribas.

# BNP PARIBAS SECURITIES SERVICES

## FINANCIAL STATEMENTS

### Statutory balance sheet

#### Assets

IN MILLIONS OF EUROS	2021	2020
Cash and amounts due from central banks and post office banks	11,736	8,948
Treasury bills and money-market instruments	2,533	2,439
Due from credit institutions	118,469	96,979
Customer items	4,594	4,625
Bonds and other fixed-income securities	1,708	1,412
Equities and other variable-income securities	4	3
Investment in undertakings and other participating interests and equities securities held for long-term investment	293	532
Tangible and intangible assets and goodwill	687	615
Accrued income and other assets	36,273	25,155
<b>Total assets</b>	<b>176,297</b>	<b>140,708</b>

#### Liabilities and shareholders' equity

IN MILLIONS OF EUROS	2021	2020
Due to central banks and post office banks	123	40
Due to credit institutions	21,034	13,362
Customer items	131,528	105,085
Other liabilities	19,942	19,423
Accrued expenses and other adjustments	1,295	947
Provisions for contingencies and charges	293	185
Subordinated debts	200	200
<b>Total liabilities</b>	<b>174,415</b>	<b>139,242</b>
Shareholders' equity	1,882	1,466
- Raised capital	183	183
- Premium	570	570
- Reserves	715	187
- Retained earnings	0	0
- Net income	414	526
<b>Total equity</b>	<b>1,882</b>	<b>1,466</b>
<b>Total liabilities and shareholders' equity</b>	<b>176,297</b>	<b>140,708</b>

#### Notes

BNP Paribas Securities Services has a French banking licence and is therefore regulated by banking authorities in Europe and France. It is fully owned (directly or indirectly) by BNP Paribas SA. In anticipation of the intragroup merger of BNP Paribas Securities Services with its parent company BNP Paribas SA, BNP Paribas Securities Services' banking licence is being withdrawn. The licence remains fully in force until the effective date of the merger, on 1 October 2022.

Thanks to its legal form ("Société en Commandite par Actions (SCA)" or partnership limited by shares), the parent company is indefinitely liable for the debts of the company through its own assets.

The Fund Administration and Trust businesses carried out by BNP Paribas Fund Services companies form part of the Securities Services business line but does not impact BNP Paribas Securities Services' statutory financial statements. These companies are subsidiaries (not branches) of BNP Paribas Securities Services and it should be noted that BNP Paribas Securities Services does not produce consolidated financial statements.

The statutory accounts of BNP Paribas Securities Services are prepared in accordance with applicable regulations in France for a non-listed company (French GAAP). Since the implementation of IFRS norms in 2005, the bank continues to harmonise its statutory accounts with international norms wherever consistent with French accounting rules.



# Statutory profit and loss account

IN MILLIONS OF EUROS	2021	2020
Net interest income	594	621
Net commission income	1,257	1,192
Net other banking income	187	145
Net banking income	2,038	1,958
General operating expenses	-1,627	-1,612
Depreciation, amortisation and provisions on tangible and intangible assets and goodwill	-96	-62
Gross operating income	315	284
Cost of risk	0	0
Operating income	315	284
Gain (loss) on disposals of long term investments and changes in provisions	406	350
Goodwill amortisation	0	-14
Net non recurring items	0	0
Net income before tax	721	620
Income tax	-307	-94
Net income	414	526

## Notes to the BNP Paribas Securities Services statutory balance sheet

It is to be noted that comparability of balance sheet is partially impacted following acquisitions or restructuring made in 2020.

Due from/to credit institutions items amount to EUR 118,469 million (on the asset side) and EUR 21,034 million (on the liability side) of which main part are transactions with the BNP Paribas Group. Remaining balances on the asset side are securities received under resale agreements and on the liability side securities given under repurchase agreement.

Customer items on the asset side refer mainly to securities received under resale agreements and short-term overdrafts granted to selected clients, essentially institutional investors, for which BNP Paribas Securities Services applies strict credit requirements. On the liability side, this line, which amounts to EUR 131,528 million, reflects the current accounts balances of non-banking institutional clients, especially mutual funds.

Treasury Bills, Bonds and other fixed-income securities, Equities and other variable-income securities mainly include EUR 4,245 million related to the Securities Lending and Borrowing transactions that accounting rules requires to report as such. The associated debt is accounted for on the liability side as debt on borrowed securities under other liabilities.

Tangible and intangible assets and goodwill include mainly goodwill for a total of EUR 456 million related to acquisitions and legal restructuring made in 2021 and the previous years. The remainder is mainly information technology investments.

Accrued income and other assets on the asset side and Accrued expenses and other adjustments and other liabilities on the liability side amount to EUR 36,273 million and EUR 21,237 million respectively, and include mainly cash collateral related to securities lending and borrowing transactions as well as derivatives clearing activity on the asset side and cash deposits and debt on borrowed securities on the liability side.

Provisions for contingencies and charges amount to EUR 293 million of which EUR 47 million relate to pension liabilities.

## Notes to the BNP Paribas Securities Services profit and loss account

In 2021, BNP Paribas Securities Services has seen an increase in its revenues explained by positive financial markets trend along the year and a strong commercial momentum, especially in the APAC region. Consequently, assets under custody have increased by 15.1% compared with 2020 and assets under management have grown by 14.5%. Also, the level of transactions settled in 2021 has increased by 10.4% compared to 2020. On the other hand, financial income has suffered from a low interest environment over the whole year as in 2020. Despite this latter effect, revenues shows a 4% increase. Net commission income, the major source of revenue, is driven mainly by the number of transactions settled and the value of assets held in custody and administration. Fees and commissions paid include mainly the fees and commissions paid to sub-custodians and central depositories.

General operating expenses show a 3% increase versus 2020, driven mainly by investments to support the business development growth and its digitalisation, to adapt to the latest regulations as well as the contribution of BNP Paribas Securities Services in the Single Resolution Fund.

Depreciation, amortisation and provisions on tangible and intangible assets and goodwill include mainly IT software depreciation and amortisation of goodwill related to acquisitions and internal legal restructuring made over the past years, especially in Germany, Spain, Italy, France, Ireland and the United Kingdom as well as exceptional operations done during 2021 on certain intangible assets and also in the cost increase of the programme for the merger of BNP Paribas Securities Services with its parent company, BNP Paribas SA, due to take place on 1 October 2022.

Income tax amounts to EUR 307.3 million. Consequently, net income shows a 21.5% decrease compared to 2020.

# BNP PARIBAS SECURITIES SERVICES ORGANISATION AT 31 DECEMBER 2021



## BUSINESS CARRIED OUT VIA BRANCHES

	Australia
	Austria <sup>(1)</sup>
	Belgium
	Cyprus <sup>(2)</sup>
	Germany
	Greece
	Guernsey
	Hong Kong
	Hungary
	Ireland
	Italy
	Jersey
	Luxembourg
	Netherlands
	Poland
	Portugal
	Singapore
	Spain
	Sweden <sup>(3)</sup>
	Switzerland
	United Kingdom

Scope included in statutory balance sheet and in our financial brochures

## BUSINESS CARRIED OUT VIA SUBSIDIARIES

	BNP Paribas Fund Services Espana S.L.
	BNP Paribas Fund Services Australasia Pty Ltd
	BNP Paribas Fund Administration Services (Ireland) Ltd
	BNP Paribas Trust Corporation UK Ltd
	France Titrisation S.A.S.
	BNP Paribas Bank & Trust Cayman Ltd
	BNP Paribas Trust Services Singapore Ltd
	BNP Paribas Depository Services (Jersey) Ltd
	BNP Paribas Global Securities Operations Private Ltd
	BNP Paribas Securities Services Sociedad Fiduciaria SA
	BNP Paribas Fund Services Australia Pty Ltd New Zealand Branch
	BNP Paribas Trust Services (Hong Kong) Ltd
	AlterAsset Technologies SAS
	AELX SAS

## BUSINESS CARRIED OUT VIA JOINT-VENTURES OR PARTNERSHIPS

	AssetMetrix GmbH
	Allfunds Bank S.A.U.

### Notes

- 1 Business operated remotely from Frankfurt
- 2 Business operated remotely from Athens
- 3 Business operated remotely from Amsterdam



**BNP PARIBAS**

## **BUSINESS CARRIED OUT VIA BNP PARIBAS SUBSIDIARIES OR AFFILIATES**



BNP Paribas Financial Services LLC



BNP Paribas Brazil



BNP Paribas (China) Ltd



TEB Bank (Turkey)



SLIB SA



BNP Paribas Securities Corp.



BNP Paribas Securities (Japan) Ltd



BNP Investment Partners México, S.A. de C.V.,  
Sociedad Operadora de Fondos

## **BUSINESS CARRIED OUT VIA BNP PARIBAS BRANCHES**



India



United Kingdom



United States



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BNP Paribas Securities Services is incorporated in France as a Partnership Limited by Shares and is authorised and supervised by the European Central Bank (ECB), the ACPR (Autorité de Contrôle Prudentiel et de Résolution) and the AMF (Autorité des Marchés Financiers). In anticipation of the intragroup merger of BNP Paribas Securities Services with its parent company BNP Paribas SA, BNP Paribas Securities Services' banking licence is being withdrawn. The licence remains fully in force until the effective date of the merger, on 1 October 2022.

In the UK, BNP Paribas Securities Services is authorised and regulated by the European Central Bank and the Autorité de Contrôle Prudentiel et de Résolution. Deemed authorised by the Prudential Regulation Authority and with deemed variation of permission. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. In anticipation of the intragroup merger of BNP Paribas Securities Services with its parent company BNP Paribas SA, BNP Paribas Securities Services has applied to cancel its UK authorisation. BNP Paribas Securities Services London Branch is registered in the UK under number FC023666. UK establishment number: BR006393. UK establishment office address: 10 Harewood Avenue, London NW1 6AA.

In the U.S., BNP Paribas Securities Services is a business line of BNP Paribas which is incorporated in France with limited liability. Services provided under this business line, including the services described in this document, if offered in the U.S., are offered through BNP Paribas acting through its New York Branch (which is duly authorised and licensed by the State of New York Department of Financial Services) or BNP Paribas Financial Services LLC, a limited liability company organised under the laws of the State of Delaware; if a securities product, through BNP Paribas Securities Corp. which is a broker-dealer registered with the Securities and Exchange Commission and a member of SIPC and the Financial Industry Regulatory Authority; or if a futures product through BNP Paribas Securities Corp., a Futures Commission Merchant registered with the Commodities Futures Trading Commission and a member of the National Futures Association.

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