



# BNP PARIBAS

## WELL-POSITIONED TO ENTER A NEW PHASE OF GROWTH

June 2021



**BNP PARIBAS**

The bank for a changing world

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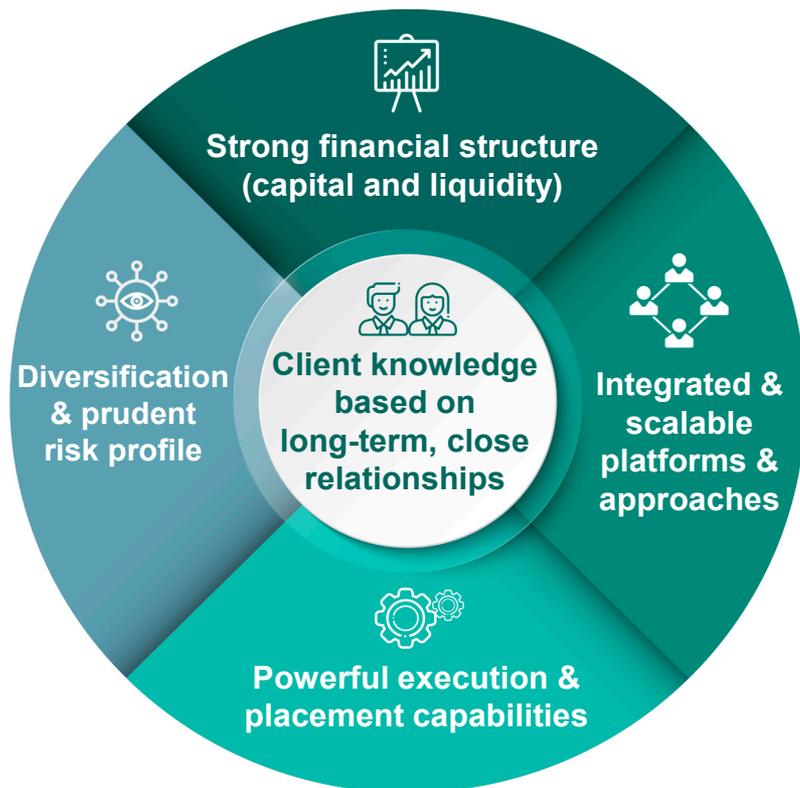
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# BNP Paribas' integrated and diversified model: a clear competitive advantage



## Resilient as demonstrated in 2020

2020 Revenues: **+1.3% vs. FY19<sup>1</sup>**

2020 Gross Operating Income: **+10.5% vs. FY19<sup>1</sup>**

2020 Net Income<sup>2</sup>: **€7,067m, -13.5% vs. FY19**

## With a strong potential for growth

1Q21 Revenues: **+8.6% vs 1Q20<sup>1</sup>**

1Q21 Gross Operating Income: **+18.3% vs 1Q20**

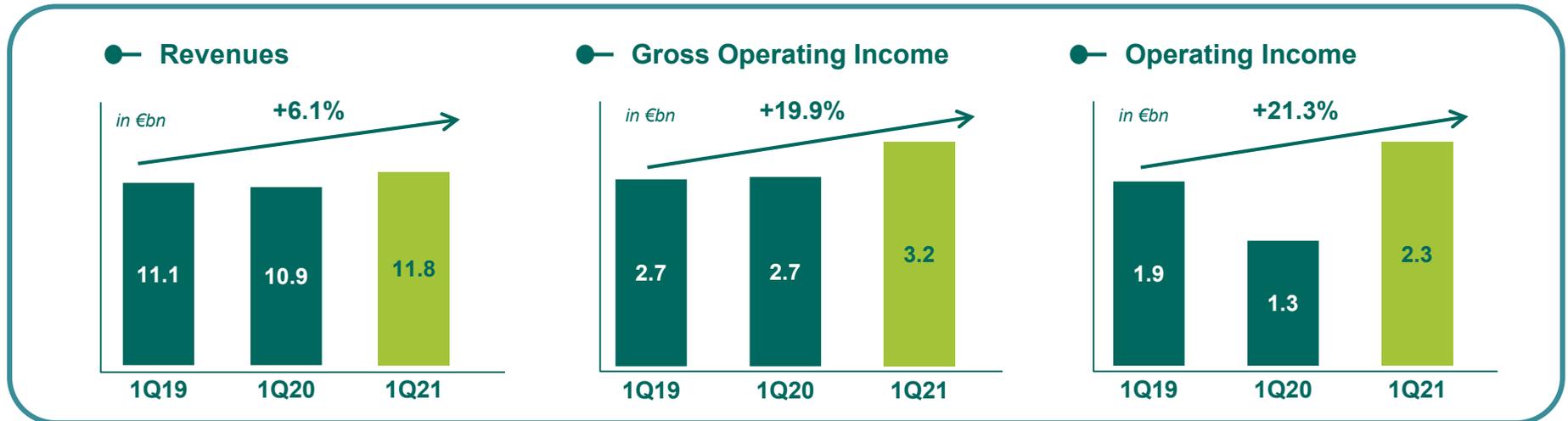
1Q21 Net Income<sup>2</sup>: **€1,768m, +37.9% vs. 1Q20**

1. At constant scope and exchange rates; 2. Group share



# BNP Paribas business model: delivering across the cycle

- Robust level of activity driven by our client-centric approach and our business diversification
- Revenue growth fuelled by our speciality factories and strengthened franchises
- Efficiency gains amplified by our industrial and digital transformation and scalability of our platforms



# BNP Paribas business model: delivering across all divisions

	Domestic Markets <sup>1</sup>	International Financial Services <sup>1</sup>	CIB <sup>1</sup>
Revenue growth in all operating divisions	+ 1.2% vs. 1Q20	+ 4.4% vs. 1Q20	+ 29.6% vs. 1Q20
Positive jaws in all operating divisions	+ 0.3 pts	+ 5.8 pts	+ 11.3 pts
Decrease in CoR in all operating divisions	28 bps (- 2 bps)	72 bps (- 68 bps)	37 bps (- 39 bps)

1. At constant scope and exchange rates and including 100% of Private Banking (excluding PEL/CEL impacts)



# BNP Paribas business model: creating value

Continuous and strong value creation throughout economic cycles

Net Tangible Book Value per share:

€74.5

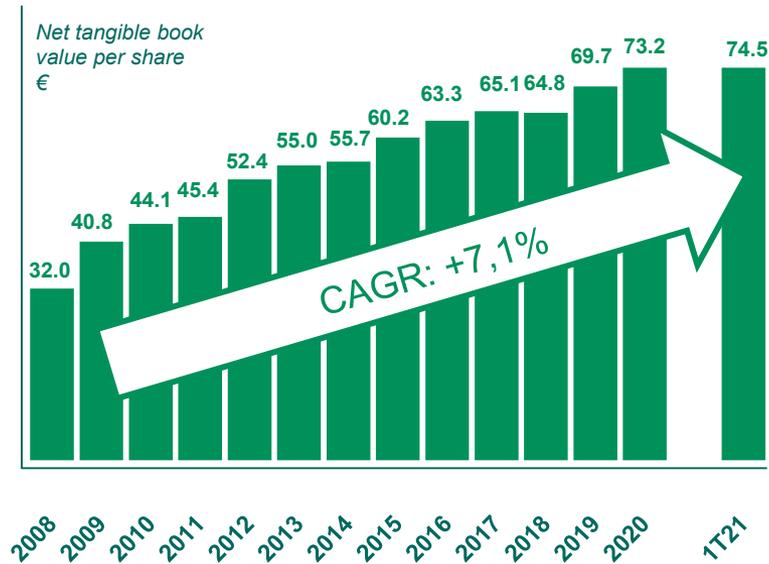
+3.7€ (+6,9%) vs. 31.03.20

50% of 2020 Net Income intended for return to shareholders in 2021 i.e. €2.65 per share<sup>1</sup>

Group's distribution policy to be reviewed

Reminder

- 2008-2012: 32% average pay-out ratio
- 2013-2016: pay-out ratio objective increased at 45%
- 2017-2020: pay out ratio objective increased at 50%



1. In the form of a €1.11 per share dividend paid out in cash on 26 May 2021 and corresponding to a shareholder return of 21 % of 2020 net income (maximum based on the ECB's recommendation of 15 December 2020 – Additional restitution of 29% of 2020 net income after September 2021 in the form of share buybacks (subject to ECB approval) or distribution of reserves (subject to ECB and AGM approval))



# 2021 trend: Revenues

## Increase in revenues in 2021

### Domestic Markets

-  Effect of the rebound on flow businesses and specialised subsidiaries
-  Increased momentum in the specialised businesses (Arval, Leasing Solutions)
-  Persistent impact of the low-interest-rate environment partly offset by volume trends

### International Financial Services

-  Effect of increased performances (Asset Management & Insurance)
-  Acceleration of the transformation into financial savings
-  Recovery, in the course of the year, in activities impacted by public health measures

### CIB

-  Base effect related to the 1H20 market shocks (E&PS)
-  Return to normal from exceptional volumes related to clients' specific needs during the crisis
-  Contribution of strengthened and integrated franchises accompanying client needs

**Revenue generation trend well-oriented**  
**Strong tailwinds on all fronts more than offsetting headwinds on a full year basis**



# 2021 trend: Operating expenses

**Proven effectiveness of the digital and industrial transformation  
Acceleration in uses with the health crisis**

**Cost stability expected in 2021**  
(excluding the effect of change in scope and taxes subject to IFRIC 21)

**Positive jaws**



# 2021 trend: Decrease in the cost of risk

Anticipation of the effects of the health crisis  
in 2020 and 2021



€1.4bn (16 bps) provisioning  
of performing loans in 2020

CoR at 42bps in 1Q21

with no releases in provisioning of  
performing loans (Stages 1 & 2)

## ● Normalisation of the cost of risk expected in 2021 after peaking in 2020

- Absorption of shock and support of the economic and social fabric through government stimulus plans and compensation measures (particularly in France), some extended into 2021
- Gradual return to normal of economic activity with the easing of health restrictions and the vaccination plans

➔ **Cost of risk expected to decrease in 2021 to a level close to the lower end of the range 45-55 bps**



# Domestic Markets

## Ongoing transformation and strengthened initiatives in the retail networks

Digitisation supporting the evolution of usages and the adaptation of the set-up

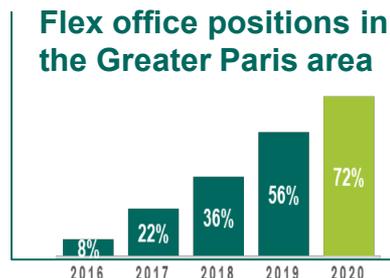
One of the best digital offerings supporting the evolution of usages<sup>1</sup>

>4.8 M daily connections to mobile apps<sup>2</sup>

>90% of products & services available remotely<sup>3</sup>

Roll-out of service centres (integrated customer request management): 100% of sale forces equipped in France, roll-out underway in Belgium

Increase in Flex office positions with the deployment of new ways of working



Strong platforms fuelling the level of activity and accompanying the rebound

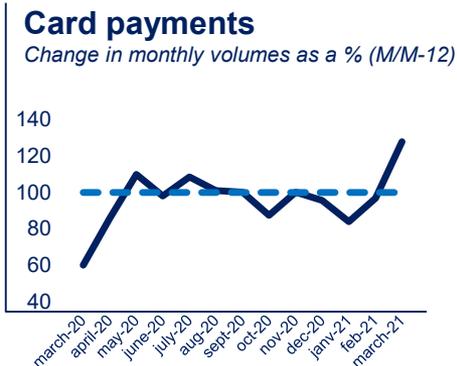
Position of leadership in Private Banking<sup>4</sup> & positioning on mass affluent clients

+18.2% increase in off-balance sheet savings<sup>5</sup>

Intensified cooperation with Asset Gathering businesses to accelerate the transformation of deposits

Position of leadership in payments & transaction banking

Ongoing development in payment services & acquiring



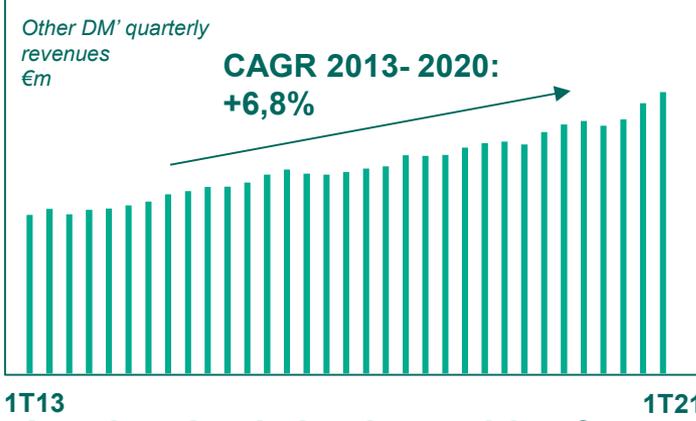
1. #1 among traditional banks for the 4<sup>th</sup> consecutive year in France for its digital offering (D-Rating ranking, November 2020, WM awarded by Private Banker International for the Most Innovative Client Solutions; 2. Scope: individual, small business & PB customers of DM networks or digital banks (including Germany and Austria) and Nickel on average in 1Q21 & 1Q20; 3. Products & services of the networks available via digital platforms or call centers; 4. #1 in France & Belgium, #3 in Italy - Sources: For France ranking based on annual results as published by the main banks; for Belgium: l'ECHO dated 22.10.2020; for Italy as of 30.09.20: Italian Private Banking Association; 5. As at 31.03.21 vs. 31.03.20 - Life insurance and mutual funds



# Domestic Markets

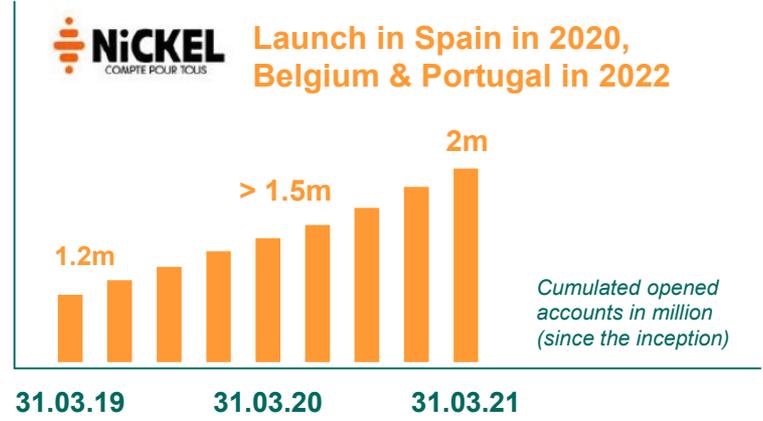
Strong growth momentum in specialised factories (Arval, Leasing Solutions, Nickel, Consorsbank)

## ● Strong & steady revenue growth

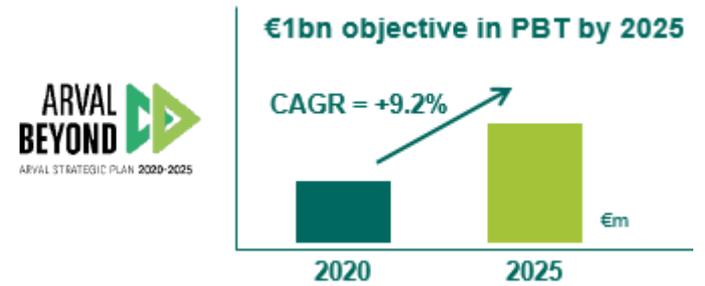


- **Acceleration in business drive & revenue development** on growing markets
- **Ambitious development goals** sustained by scalable and leading platforms
- **Ongoing adaption of offerings & business models:** mobility, circular economy, sustainable impact solutions

## ● Strong & scalable customer acquisition engines



## ● Strong & scalable leading platforms

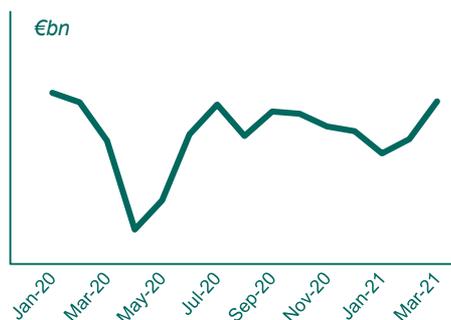


# Personal Finance

A resilient business with a strong rebound dynamic

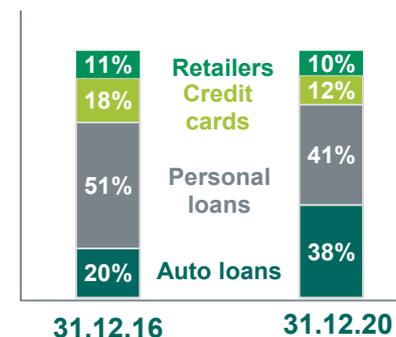
**Business drive turning up** as health conditions improve and consumption normalizes

- Monthly production pick-up to fuel activity rebound in 2H21



**Normalization in the cost of risk** on the back of a proactive and efficient risk management

- Evolution of the product mix between 2016 and 2020



- **Strengthening of our leadership positions in the european market:**
  - **#1 consumer-loan specialist in Europe<sup>1</sup>**
  - **Development of new partnerships** in diversified sectors (finance, retail, telecom and fintech)
  - **Expansion in Germany** (+1.2 pts in market shares from 2017 to 2020<sup>2</sup>) and **in the Nordic countries** (acquisition of SevenDay in Sweden and launch of the BNP Paribas Personal Finance brand)

1. Based on FY20 revenues (Public information); 2. Increase in market shares from 1Q17 to 2Q20 – Source: ECB figures



# Asset gathering businesses (Insurance, Wealth & Asset Management<sup>1</sup>)

## Strategic growth drivers in the current environment

### ● €1,172bn in Assets under Management<sup>2</sup>



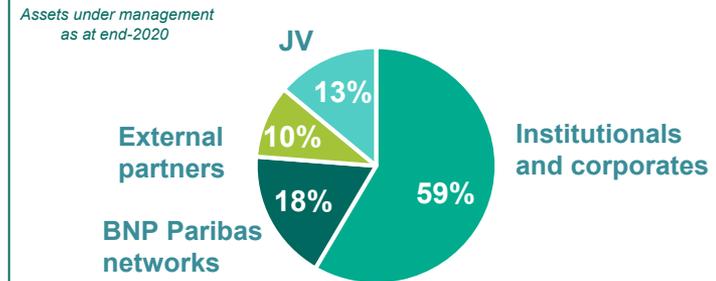
### ● Very strong net asset inflows

**+€55bn in 2020**

**+€8bn in MLT funds in 1Q21**  
(BNP Paribas Asset Management)

**>50% of net inflows in unit-linked policies in 1Q21** (38% of life insurance outstandings)

### ● Diversified Asset Management franchise



### ● Leading platforms and recognized expertise

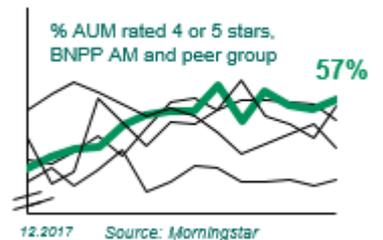
#### Leadership in socially responsible investment

#1 in France<sup>3</sup>  
#1 in Belgium<sup>4</sup>  
80% of open funds classified « article 8 or 9 » (SFDR)<sup>5</sup>

#### Leadership in Private Banking

#1 EZ Private Bank in Western Europe<sup>6</sup>

#### Strong increase in performances



1. Including Real Estate Services; 2. As of 31.03.21 including distributed assets; 3. In AuM of SRI-certified funds in France at the end of October 2020 (source: memabelisr.fr); 4. In terms of AuM of Febelfin-certified funds in Belgium as of the end of December 2020 (Source: Towardsustainability.be, Morningstar); 5. Percentage of aggregate AuM as at 31.03.21 – SFDR: Sustainable Finance Disclosure Regulation; 6. Source: Euromoney Private Banking Survey 2020

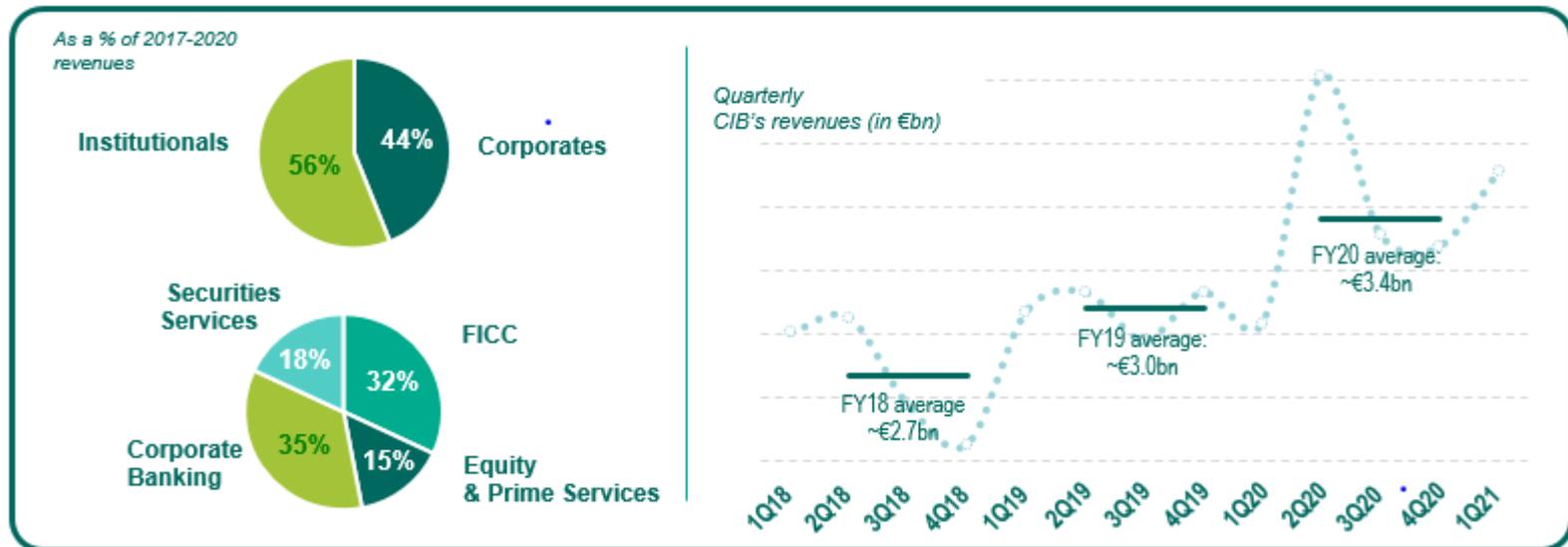


# Corporate & Institutional Banking

A successful model weathering business shocks and fuelling LT growth

● **A sustainable performance driven by diversification and a LT comprehensive approach to clients' needs**

- A platform bridging corporates' financing needs with institutionals' investment needs
- A strategic proximity strengthened by flow processing
- A broad offering operated by leading platforms and fully integrated



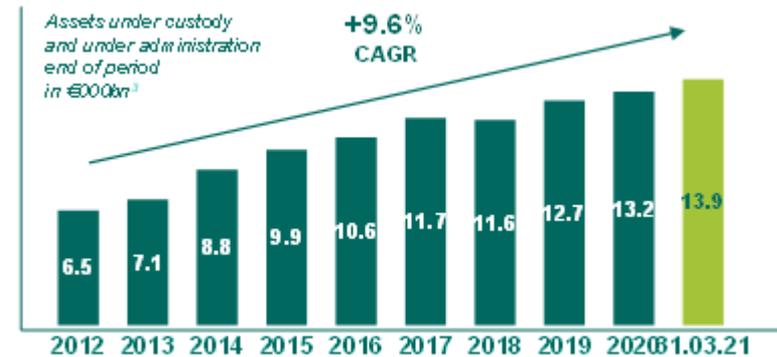
# Corporate & Institutional Banking

Long term growth sustained by robust and scalable platforms

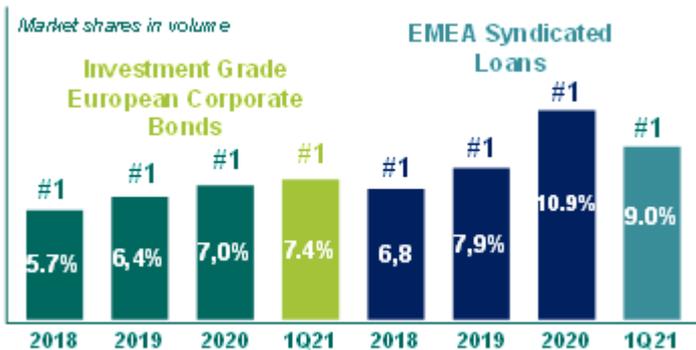
- Leading corporate and transaction banking platform in EMEA for 7 years in a row<sup>1</sup>



- Strong and steady growth of Securities Services



- Success of the Capital Market platform launched in 1H19 in EMEA<sup>2</sup>



- Global leadership in sustainable finance

#1 worldwide<sup>4</sup> in sustainable bond issuance in 2020, reaffirmed in 1Q21

#1<sup>5</sup> in EMEA for Sustainability Linked Loans in 2020, reaffirmed in 1Q21

#2 worldwide<sup>4</sup> in green bond issuance in 2020, reaffirmed in 1Q21

"Best House ESG" Structured Retail Products<sup>6</sup>



1. Source: Greenwich Share Leader in European & Asian Large Corporates; 2. Source: Dealogic as at 31.03.21, bookrunner ranking in volume, EMEA: Europe, Middle East and Africa; 3. Proforma 2019-2020 assets under administration (AuA excluding assets simply on deposit); 4. Source: Bloomberg; 5. Source: Dealogic; 6. Structured Retail Products 2021 Awards



# Corporate & Institutional Banking

## Ongoing initiatives in Equities fuelling growth prospects

### Building a stronger and better integrated Equity platform

#### Rolling out a broader prime services offering

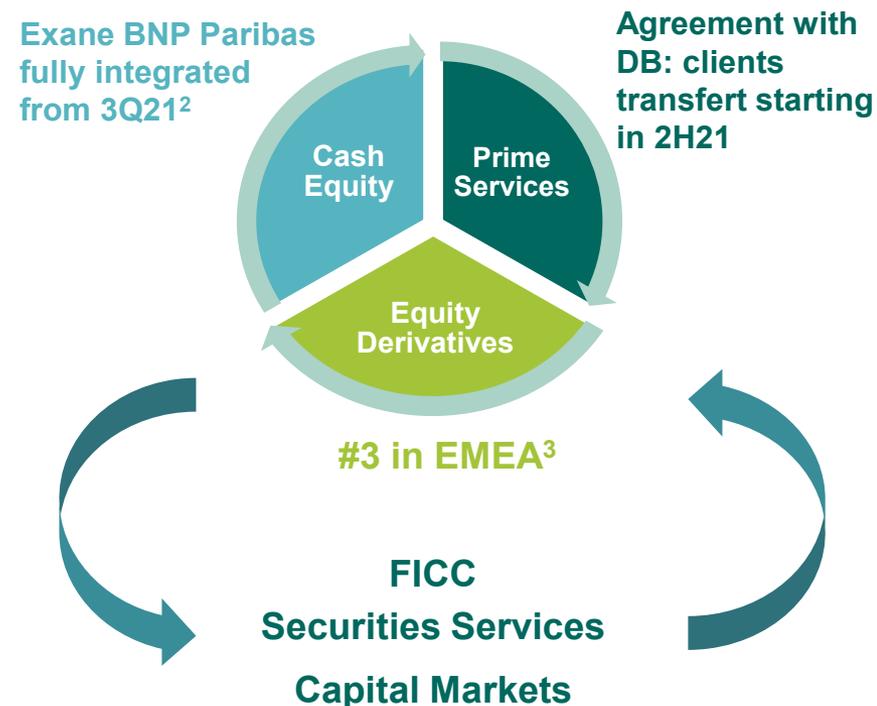
- Finalising the integration of the Deutsche Bank platform by the end of 2021
- Becoming one of the reference partners for alternative and quantitative fund managers

#### Integrating a full-fledged cash equity platform in 2021

- Leveraging Exane BNP Paribas' #1 positions in research and sales in European equities<sup>1</sup>
- Strengthening further the offering and the quality of service, by liaising with derivatives platforms and prime services
- Contributing to further develop ECM positions to meet corporates' current needs

#### Stronger cooperation with other CIB businesses

- Developing integrated offerings with FICC and Securities Services
- Enhancing the advisory offering leveraging the entire expertise of the Group



1. Source: Institutional Investors ranking – Exel; 2. Subject to regulatory approvals; 3. Source Coalition 1Q21



# Preparation of the 2022-2025 plan

BNP Paribas is well-positioned to enter a new phase of growth

Strong franchises and market share gains

Intensification of synergies

Accelerating CIB development with new growth initiatives

Mutualising initiatives between the networks and accelerating the digital offering roll-out in Europe

Client bases

Leadership in sustainable finance

Strengthened ambitions in investment, financial savings, and protection

Operational efficiency & positive jaws effect

Employees committed to an organisational set up that is adapted to new ways of working

