

# BNP PARIBAS

## GREEN BOND ISSUANCE

Fixed Income Presentation

April 2018



**BNP PARIBAS**

The bank for a changing world

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# CSR Policy at the Heart of BNP Paribas

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BNP Paribas Green Bond Framework

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Green Bond Proposed Transaction

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# Commitment for a Positive Impact on Environment and Society

## Creation of a Company Engagement Department in 2017

- Represented in the Group Executive Committee
- **Defines the Group's commitments** to civil society and **strengthens** CSR / diversity practices in the banking businesses
- **Make all the company's levers converge to meet key challenges in society:** energy transition, youth, local development, entrepreneurial and social innovation

## Recognised Group's initiatives in 2017

- **Stop funding companies whose principal business activity is gas and oil from shale** (or oil from tar sands) & oil or gas projects located in the Arctic region
- **Carbon neutrality** of BNP Paribas' own operations achieved at the end of 2017
- **One Planet Summit:** partner with the UN Environment Programme (promote sustainable development in emerging countries) and the Breakthrough Energy Coalition (investment in sustainable energies)
- **Stop the financings to tobacco companies**
- Placed **sustainable bonds** for an equivalent of \$6bn in 2017 (+116% vs. 2016)
- **United Nations Sustainable Development Goals (SDGs):** €155bn in financings to support energy transition and sectors considered as directly contributing to SDGs
- **BNP Paribas Foundation and Bill & Melinda Gates Foundation:** support 600 researchers on climate change adaptation in Africa



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# Being a Responsible Bank is at the Heart of our Strategy

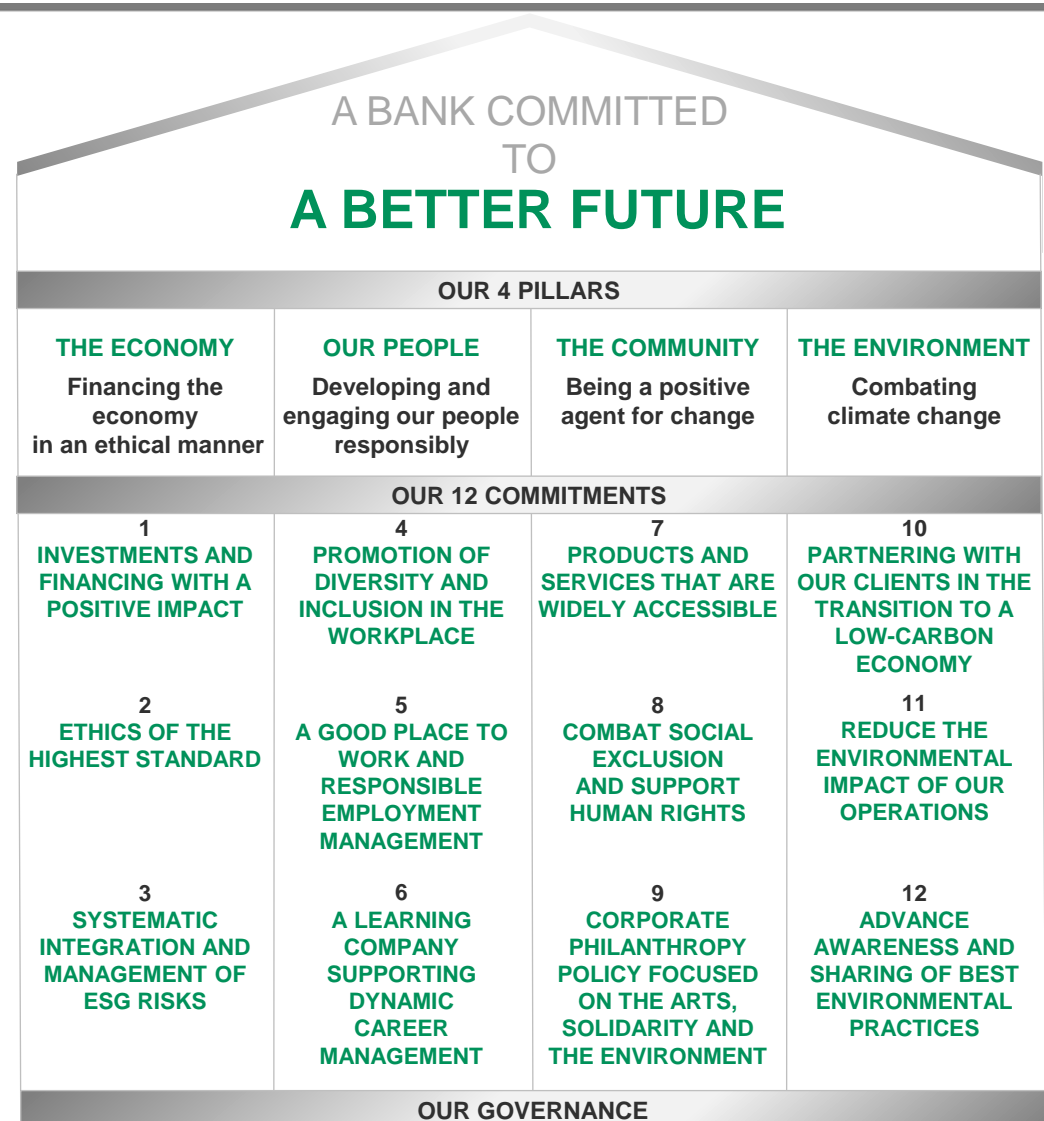
## Strengthening of Group CSR through the creation of the Company Engagement Department

As of September 2017, CSR is part of the new Company Engagement Department...

- Headed by an Executive Committee member fully dedicated to Company Engagement
- Working with all BNP Paribas' business lines, and more specifically: Group CSR, Group Diversity and Group Communication

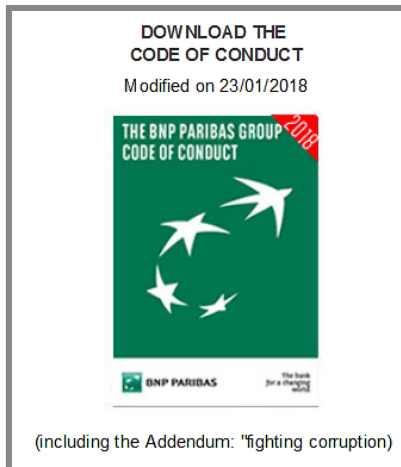
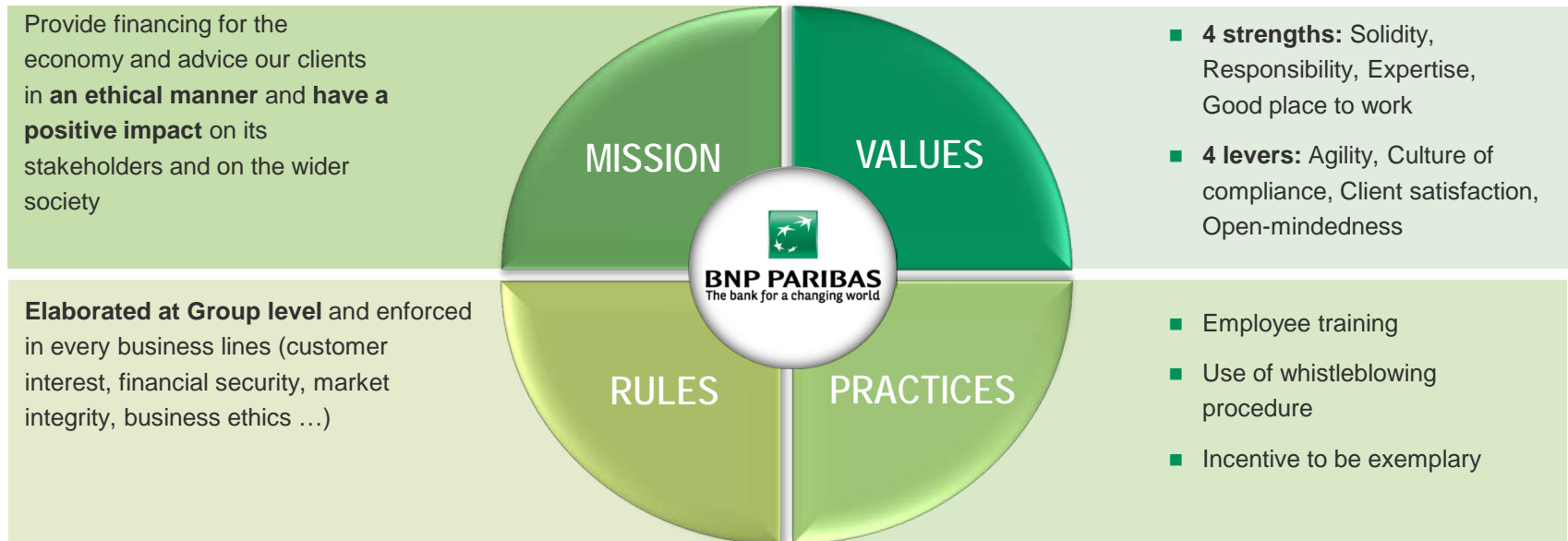
## CSR is an integral part of our culture and strategy

- Top senior managers have CSR criteria integrated into their deferred variable compensation



Source: <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports>

# Upholding the Highest Standards of Conduct and Ethics



- BNP Paribas complies with the law relating to transparency, anti-corruption and the modernisation of the economy ("**Sapin II**"), with the **UK Bribery Act** and the **U.S. Foreign Corrupt Practices Act**
- As employees, we all have the duty and the responsibility to support the Group in its commitment and to comply with the framework to prevent and fight corruption and influence peddling
- To that end, specific training sessions are provided. At end of 2017, **96.3%** of Group employees were trained on an ethics-related issue.
- A **Code of Conduct on Fighting Corruption**, integrated into the Group Code of Conduct, provides definitions as well as examples to illustrate prohibited behaviours. In case of violation of this Code, employees face disciplinary measures.

Source: <https://group.bnpparibas/en/group/governance-compliance/compliance>

# BNP Paribas is involved in Key Sustainability Initiatives

## Key International Initiatives

	United Nations Global Compact (2003)		Roundtable on Sustainable Palm Oil (2011)
	Equator Principles (2008)		Green Bond Principles – signatory (2014) and member of the Executive Committee (2016)
	Principles for Responsible Investment (PRI) – BNP Paribas Asset Management (2006), BNP Real Estate Investment Management (2015), BNP Paribas Securities Services and BNP Paribas Cardif (2016) totalizing an amount of assets owned, managed or securitized by the Group close to <b>\$10 trillions</b>		Global Impact Investing Network (2014)
	Institutional Investors on Climate Change – IIGCC (2007)		Banking Environment Initiative Soft Commodities Compact (2014)
	United Nations Women’s Empowerment Principles (2011)		ILO Business Charter on Disability (2016)
			Carbon Pricing Leadership Coalition (2017)

## BNP Paribas’ Specific Commitments

- Specific public commitments endorsed by Chairman and CEO:
  - Commitments for the Environment (originally signed in 2011 and reinforced in 2016)
  - Statement of BNP Paribas on Human Rights (2012) and Modern Slavery & Human Trafficking (2017)
- Other specific public commitments:
  - CSR policies governing financing and investments in at-risk sectors
  - Goods and activities on exclusion list (Dec 2011) updated in 2018 (tobacco)
  - Charter for responsible representation with respect to the public authorities (Nov 2012)
  - BNP Paribas Suppliers’ CSR Charter (May 2012 and revised in 2016)



# Pursuing an Active Contribution to the Achievement of the UN Sustainable Development Goals

- **BNP Paribas set quantitative objectives in order to follow-up its contribution to the SDGs**
  - **16,5%**: in 2017, share of loans to corporate clients contributing strictly to the attainment of the UN SDGs
- **More globally, BNP Paribas develops a range of products to point savings towards the SDGs**
  - **180 M€** as of end 2017: partnership with the World Bank named “SDGs Everyone” to create and disseminate structured products linked to performance as measured against the Solactive Sustainable Development Goals World Indices
  - **2,8 Bn€**: total as of end 2017 of 4 SRI funds directly addressing certain SDGs: BNP Paribas Aqua, BNP Paribas Smart Food and 2 funds on the Human Development topic
- **A series of conferences was organised in 2017 and 2018 for BNP Paribas’ French employees to promote SDGs**
  - **4 conferences** tackled **all SDGs**, the SDGs **#11 “Sustainable cities”**, **#2 “Zero hunger”** and **#7 “Clean energy”**
  - **Clients and external spokespersons** spoke: UNEP, IDDRI, Care, Vinci, McCain and start-ups during the Vivatech exhibition

**BNP PARIBAS, COMMITTED TO SUPPORT**

**SUSTAINABLE DEVELOPMENT GOALS**



In line with the 17 United Nations SDGs, BNP Paribas’ CSR strategy aims to contribute to a more sustainable world.

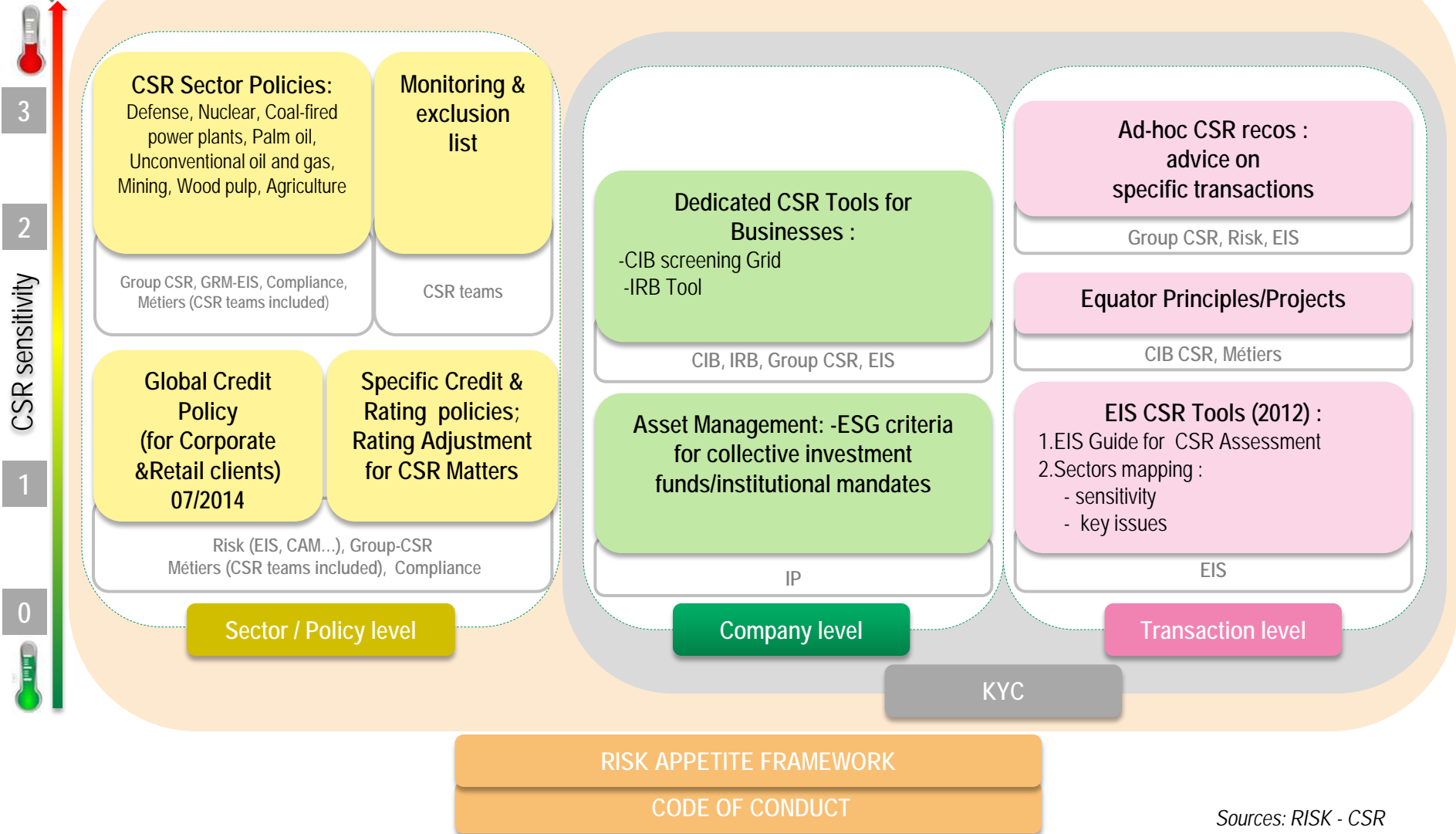
 **BNP PARIBAS** The bank for a changing world

- **155 Bn€** as of end 2017, **vs. 135** as of end 2016, in financings to support energy transition and sectors considered as directly contributing to SDGs\*\*
- **5,1 Bn€** amount as of 2017 of BNP Paribas’ support to associations and social enterprises (investments for third parties, financing, sponsorship and volunteering) **contributing to the SDG #10 “Reduced inequalities”**

*\* Amount of the assets under management of BNP Paribas Asset Management or Global Markets | \*\* Including sustainable bonds’ placement and SRI funds*



# BNP Paribas' Framework for managing ESG Risks



Sources: RISK - CSR

# Well-recognised CSR Performance and Achievements

## Main extra-financing ratings

**No.1 out of 31 companies** in the sector of “diversified banks in Europe” according to **Vigeo Eiris’ 2017 rating (64/100)** as of January 2017)



**No.1 French bank** in the “diversified banks” sector (and among the 28 banks listed in the DJSI World universe out of 212) in **RobecoSAM 2017 rating (86/100)** as of September 2017)

BNP Paribas received a score of **A** in **MSCI ESG Ratings** (December 2017)



**No.2 out of 250 companies** rated by **Oekom research** in the Commercial Banks & Capital Markets sector in **2017 (C Prime)** as of January 2017)

BNP Paribas was recognized “**leader**” in **Sustainalytics’ 2017 rating (78/100)** as of December 2017)

BNP Paribas received a score of **A-** in the **Carbon Disclosure Project 2017 ranking** (December 2017)

## Member of sustainability indices

MEMBER OF **Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM

BNP Paribas is listed in the **Dow Jones Sustainability Indices World & Europe (2017)**



BNP Paribas is listed in **Euronext-Vigeo Eiris indexes World 120, Europe 120, Eurozone 120, France 20 (2017)**

**BMCI** maintains its presence in **Euronext-Vigeo Eiris Ranking Emerging 70 (2017)**



FTSE4Good



**100** Sustainability Stock Index

**STOXX** ESG LEADERS INDICES

**PAX** ellevate

## Other CSR awards and rankings



BNP Paribas among the **2018 “Global 100 Most Sustainable Corporations”** ranking (36th)



‘**Best Corporate Social Responsibility Banking Group Europe 2017**’ in **Global Banking & Finance Review’s** ranking



**European leader in climate risk management** by **ShareAction** (a British charity that promotes responsible investment)

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CSR Policy at the Heart of BNP Paribas

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## **BNP Paribas Green Bond Framework**

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Green Bond Proposed Transaction

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# Assets Identification

## ELIGIBILITY CRITERIA

### Selection

#### 1<sup>st</sup> level of filter: Overarching BNP Paribas internal policies

KYC, Global and Specific Credit Risk policies, Framework for managing ESG Risk

#### 2<sup>nd</sup> level of filter: Eligible Sectors

Renewable Energies, Energy Efficiency, Mass and Public Transportation, Water Management and Water Treatment, Recycling

#### 3<sup>rd</sup> level of filter: Features of the Loans

Non-committed transactions, non-performing loans or loans on watch list and assets pledged to other financing programmes are excluded

**High Sensitivity Sectors have been excluded:**  
 Defence and Security, Palm oil, Wood pulp, Nuclear power generation, Coal-fired power generation, unconventional Oil & Gas, Mining industry and Tobacco

### External review

		NEW ASSETS TO BE ADDED IN THE SINGLE COMMON POOL OF ELIGIBLE GREEN ASSETS	
		New Green Bond issuance	During the life of the Green Bond
ELIGIBLE SECTORS	Already reviewed*	Independent review by a second party opinion provider and verification by external independent auditors	Verification by external independent auditors in the annual reporting
	To be reviewed		Independent review by a second party opinion provider and verification by external independent auditors

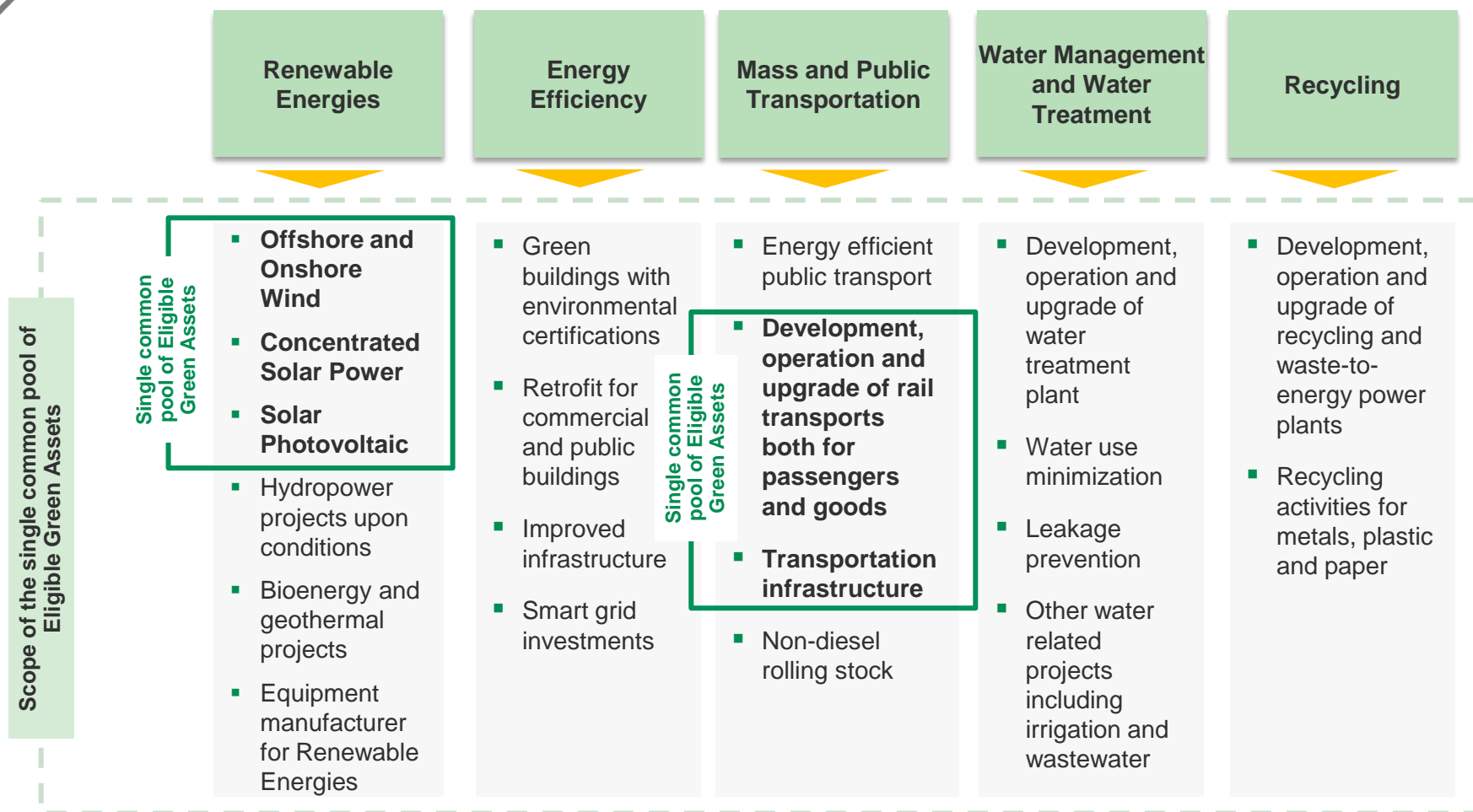
\* As of today: Wind (onshore and offshore), PV Solar, CSP projects and Mass Transportation projects



## A Robust and Transparent Selection Process



# Focus on Eligible Sectors in line with the Green Bond Principles



The current asset pool now encompasses Renewable Energies and Mass and Public Transportation



# Green Bond Governance

## > Dedicated Green Bond Committee

### Role

- Review and validate the pool of Eligible Green Assets
- Validate the annual reporting and related documents; review the appropriate external independent auditors' report and address any issues arising; and
- Monitor on-going evolution of the Green Bond market practices

### Members

- Committee chaired by the Head of Corporate Social Responsibility for BNP Paribas
- Current members: Corporate Social Responsibility, Asset and Liability Management Treasury, Energy, Resources & Infrastructure, Sustainable Capital Markets, and any other team deemed necessary to participate

### Frequency

- Semi-annually as long as the Green Bonds are outstanding
- In 2017, the Green Bond Committee met in April and in October

### Decision rules

- In its role of Chairman of the Green Bond Committee, the Head of Corporate Social Responsibility for BNP Paribas will have the final decision on the selection of the Eligible Green Assets

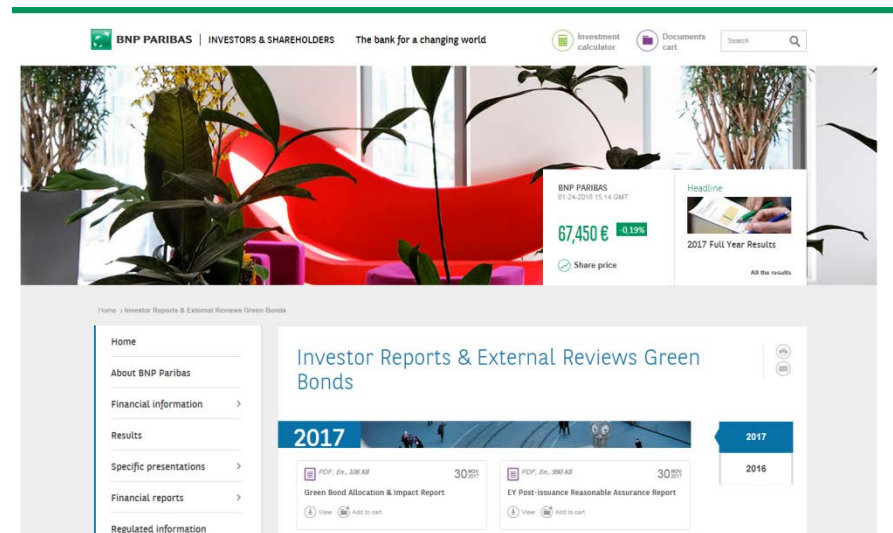
## > Management of Proceeds

- Single common pool of Eligible Green Assets for all Green Bond issues of BNP Paribas
- Monitoring the net proceeds' use via BNP Paribas' internal information systems
- Best effort to substitute any redeemed loans once an appropriate substitution option will have been identified
- Balance of net proceeds not yet allocated will be invested in cash and/or cash equivalent and/or other liquid marketable instruments



# Reporting

- Annual reporting on a single common pool of the Eligible Green Assets for all Green Bond issuances available on BNP Paribas' website: <https://invest.bnpparibas.com/en/green-bond-issues>
- Annual reporting will encompass :
  - Eligible Green Assets and their relevant environmental impact indicators;
  - Allocation of the Notes' net proceeds to Eligible Green Assets detailing the aggregate amount dedicated to each of the Eligible Sectors; and
  - Balance of unallocated cash and/or cash equivalent and/or other liquid marketable instruments
- Reporting in line with the guidelines of the Green Bond Principles and “*Working Towards a Harmonized Framework for Green Bond Impact Reporting*” paper dated December 2015\*
- First annual reporting was published 30/11/2017 and was verified by auditors (EY)



\* <http://treasury.worldbank.org/cmd/pdf/InformationonImpactReporting.pdf>

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CSR Policy at the Heart of BNP Paribas

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BNP Paribas Green Bond Framework

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**Green Bond Proposed Transaction**

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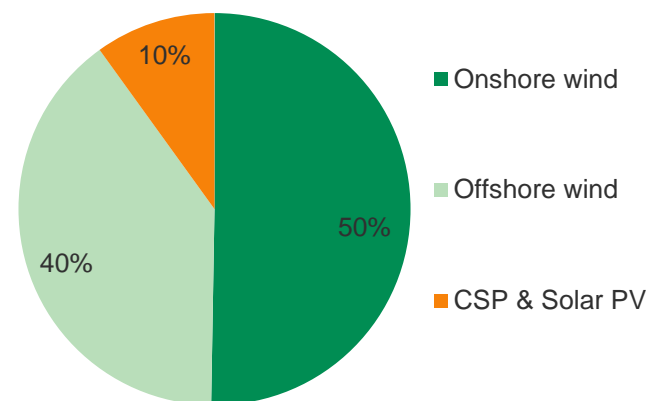
# Outcome of BNP Paribas' First Green Bond

- An inaugural green bond in line with BNP Paribas' ambitions in sustainability
- Proceeds used to refinance existing loans or other form of financing within Renewable Energy sector located in Europe
- Offered investors further insight into BNP Paribas' sustainability strategy in line with its commitments
- Taking advantage of a diversifying investor base

## > Terms of the Transaction

Rating	A1/A/A+/AAL (Moody's/S&P/Fitch/DBRS)
Type	Senior Unsecured
Issue Date	24 Nov 2016
Currency/Size	EUR 500mn
Maturity	01 June 2022 (long 5-year)
Re-offer Spread	€ MS + 40 bps
Coupon	0.500%
ISIN	XS1527753187
External Reviews	SPO by oekom / Assurance Report by EY

## > Use of Proceeds



# Key Features of BNP Paribas Green Bond

## 1. Use of Proceeds

- Proceeds of the transaction to refinance existing loans or other form of financing within renewable energy sector (the “Eligible Green Assets”): Wind (on-shore and off-shore), Photovoltaic Solar and Concentrated Solar projects, as well as Mass & Public Transportation sector
- All Eligible Green Assets are located in highly regulated and developed countries
- Ultimately Eligible Green Assets may be diversified to stem from the various Eligible Sectors that will be added to BNP Paribas’ single common pool of Eligible Green Assets

## 3. Management of Proceeds

- BNP Paribas Green Bond Committee to review the pool of Eligible Green Assets semi-annually
- BNP Paribas internal information system to monitor the use of proceeds
- Proceeds not directly allocated will be invested in cash and/or cash equivalent and/or other liquid marketable instruments

## 2. Selection of Assets

- Selection by BNP Paribas Green Bond Committee on existing assets and using internal filters
- Controversy screening and review of the eligibility performed by an independent third party (oekom research)
- Review and assessment of the Eligible Green Assets performed by oekom research (oekom Green Bond Verification Framework)
- Pre-issuance verification of the Eligible Green Assets performed by auditors (EY)

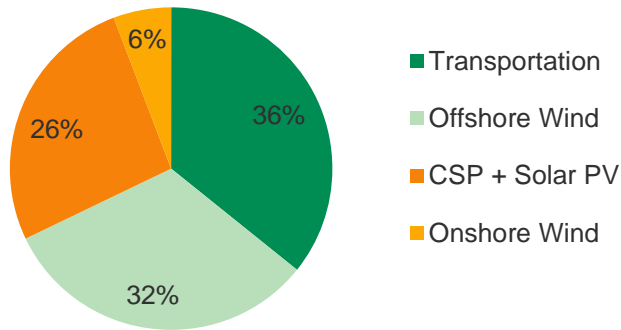
## 4. Reporting

- BNP Paribas reports on a single common pool of assets for all Green Bond issuances
- Annual reporting on Eligible Green Assets and their environmental impact, on the allocation of the use of proceeds, and on the balance of unallocated proceeds
- Assurance report provided by auditors ex-ante and on an annual basis

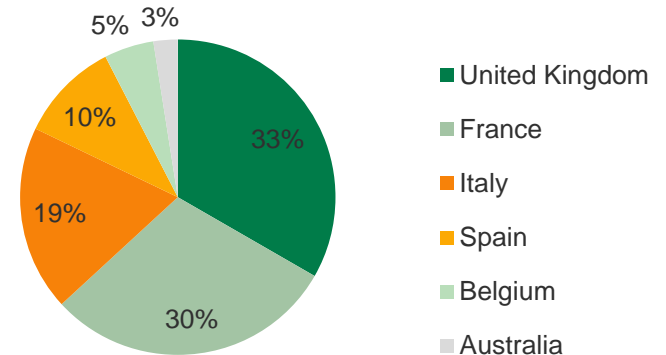


# Overview of New Eligible Green Assets as of 12/2017

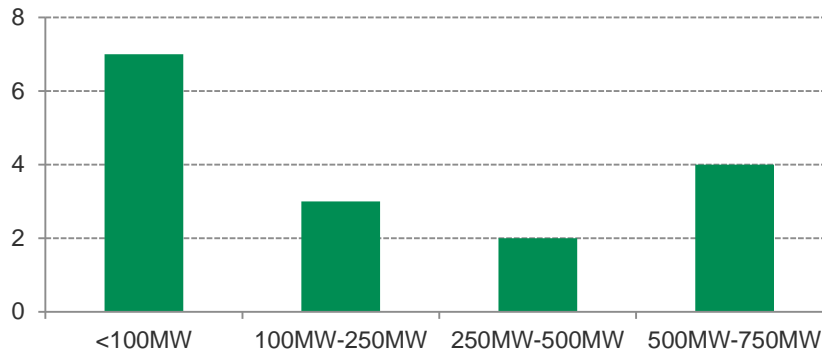
## Eligible Green Assets\* by technology



## Eligible Green Assets\* by geography



## Number of Renewable Energy projects per capacity



- Mass & Public Transportation assets stand for c.330km of lines with an estimated yearly average of 211 millions passengers
- 27% of the new Eligible Green Assets is under construction (Renewable energy projects only) and the financing of 56% the Eligible Green Assets was closed after 01/2016
- The 19 new Eligible Green Assets amount to **c. €1,055mn total committed amounts / c. €820m total drawn amounts as of end of December 2017** with an **average residual maturity of 10.5 years (committed) / 10.2 years (drawn)**
- At issuance, 100% of the proceeds will be used for the refinancing of the new Eligible Green Assets

\* Based on committed amounts



**Diversification of projects mixing Renewable Energies and Transportation projects, predominantly located in Europe**



# Examples of the New Eligible Green Assets



## Milan Metro 5

### 12.6km Light-Rail Underground in the City of Milan

- €580m Financing, structured by a pool of 9 MLAs and Bookrunners
- Sponsors: Ferrovie dello Stato, Ansaldo STS, ATM, ALSTOM, Hitachi Rail Italy
- Start of Operations: 2015
- BNP Paribas acted as MLA, Joint Bookrunner, Hedging Bank, Representative of Noteholders



## Norther

### 370 MW capacity offshore wind farm in the Belgian North Sea

- Sponsors: Elicio (Nethys SA), Eneco and Diamond Generating Europe (Mitsubishi Corporation)
- Status: under construction
- 44 wind turbines, the largest Belgium wind farm
- €867m Financing, closed in 2016



## Beatrice

### 588 MW capacity offshore wind farm located on the Scottish coast

- Construction began in May 2016, expected to be fully operational in 2019.
- Beatrice, once fully operational, will be Scotland's largest offshore wind farm.
- Sponsors: SSE, Copenhagen Infrastructure Partners and Red Rock Power Limited
- c. £1,7bn in senior debt with 13 commercial banks



# Estimated Environmental Impact Reporting Renewable Energies

- For Renewable Energies sector, BNP Paribas will report each year on:
  - Production achieved (information reported on a best effort basis)
  - Tons of CO2 equivalent avoided based on EIB Project Carbon Footprint Methodologies

Sector	Technology	Country	Number of Projects	Capacity in MW	Estimated Annual Production in GWh	Estimated Annual t CO2 avoided
Renewable Energies	CSP; Solar PV	SP, UK, IT, AU	8	1,045	1,508	914,771
	Onshore Wind	FR, IT	3	289	471	258,479
	Offshore Wind	UK, BL	5	630	7,082	3,948,083
TOTAL			16	1,964	9,061	5,121,334



# Estimated Environmental Impact Reporting Mass & Public Transportation

- For Mass & Public Transportation projects, the GHG emissions avoided thanks to the studied transportation project were determined:
  - Considering two scenarios:
    - A **reference scenario**, that assumes the studied transportation project is not realized,
    - A **project scenario**, that assumes the studied transportation project is realized.
  - Calculating the GHG emissions in each scenario, based on:
    - **Traffic forecasts on the long term**, for each mode of transport, of passengers running on the route impacted by the studied transportation project,
    - **Line length** of the studied transportation project,
    - **Emissions factors** for each mode of transport.
  - The **difference in emissions between the two scenarios** is the volume of avoided GHG emissions thanks to the studied transportation project over its service life. GHG emissions can then be estimated on yearly average.
  - Calculation and assumptions were reviewed and validated by EY

Sector	Technology	Country	Number of Projects	Line Length (km)	Traffic (mn of passengers/year)	GHG emissions avoided (kgCO2 on estimated yearly average)
Transportation	High speed rail link-track Metro Line & Fleet	FR, IT	3	330	211	84,622

# Robust and Positive External Reviews

## **Overall evaluation of the Green Bond issued by BNP Paribas is positive**

- “oekom’s overall evaluation of the Green Bond issued by BNP Paribas is positive:
  - BNP Paribas has defined a formal concept for its Green Bonds regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with the Green Bond Principles (...).
  - The overall sustainability quality of the asset pool in terms of sustainability benefits and risk avoidance and minimisation is good (...).
  - All assets of the asset pool are located in highly regulated and developed countries. Legislative frameworks in those countries set minimum standards, which reduce environmental and social risks.
  - The issuer itself shows a good sustainability performance and has been classified as ‘Prime’ by oekom research (...)



## **Reasonable assurance report from EY**

- “It is our role, based on our work to express a reasonable assurance conclusion as to whether the selected assets comply, in all material aspects, with the selection and monitoring criteria.”
- “In our opinion, the assets selected to be funded by the 2018 BNP Paribas Green Bond and the impact indicators comply, in all material aspects, with BNP Paribas Green bond Framework (as of January 2018).”

# BNP Paribas Green Bond Non-Preferred Senior Summary of T&Cs

<b>Issuer</b>	BNP Paribas SA
<b>Issuer Rating</b>	Aa3 / A / A+ / AA(Low) (Moody's/S&P/Fitch/DBRS)
<b>Expected Issue Rating</b>	Baa1/A-/A+/A (High) (Moody's/S&P/Fitch/DBRS)
<b>Ranking</b>	The Notes are Senior Non Preferred Obligations and are direct, unconditional, unsecured and senior (chirographaires) obligations of the Issuer, and rank and will at all times rank (i) pari passu among themselves and with other Senior Non Preferred Obligations (ii) senior to Eligible Creditors of the Issuer, Ordinarily Subordinated Obligations and any other present or future claims otherwise ranking junior to Senior Non Preferred Obligations and (iii) junior to present and future claims benefiting from preferred exceptions, including Senior Preferred Obligations
<b>Use of Proceeds</b>	<p>The net proceeds of the issue of the Notes will be allocated or reallocated from time to time to the financing and/or refinancing, in whole or in part, of Eligible Green Assets as defined below and further described in the BNP Paribas Green Bond Framework dated [12/01]/2018 available on <a href="https://invest.bnpparibas.com/en/green-bond-issues">https://invest.bnpparibas.com/en/green-bond-issues</a>, as may be amended from time to time by the Issuer (the "BNP Paribas Green Bond Framework").</p> <p>Pending the allocation or reallocation, as the case may be, of the net proceeds of the Notes to Eligible Green Assets, the Issuer will invest the balance of the net proceeds, at its own discretion, in cash and/or cash equivalent and/or other liquid marketable instruments. The Issuer will use its best efforts to substitute any redeemed loans, any other form of financing that is no longer financed or refinanced by the net proceeds, and/or any such loans or any other form of financing which cease to be Eligible Green Assets, as soon as practicable once an appropriate substitution option has been identified. The Issuer will monitor the use of the net proceeds of the Notes via its internal information systems.</p> <p>For the avoidance of doubt, payment of principal and interest in respect of the Notes will be made from general funds of the Issuer and will not be directly or indirectly linked to the performance of Eligible Green Assets.</p> <p>"Eligible Green Assets" means any existing, on-going and/or future loans or any other form of financing from Eligible Sectors selected by the Issuer, which meet the Eligibility Criteria, all in accordance with the BNP Paribas Green Bond Framework.</p> <p>Eligible Sectors means the following sectors (all as more fully described in the BNP Paribas Green Bond Framework):</p> <ul style="list-style-type: none"> <li>• Renewable Energies</li> <li>• Energy Efficiency</li> <li>• Mass and Public Transportation</li> <li>• Water Management and Water Treatment</li> <li>• Recycling</li> </ul> <p>For the avoidance of doubt, the following sectors are excluded from the BNP Paribas Green Bond Framework: defence and security, palm oil, wood pulp, nuclear power generation, coal-fired power generation, unconventional oil and gas, mining and tobacco.</p> <p>"Eligibility Criteria" means the criteria with which any loan or any other form of financing should comply, at any time, in order to be considered as an Eligible Green Asset (as such criteria may be amended, from time to time, by the Issuer, subject to external review by third parties, as the case may be, as per the BNP Paribas Green Bond Framework). As part of the application of the Eligibility Criteria, the Issuer will assess the potential environmental, social and governance risks of the relevant assets, in line with its framework for managing such risks, including specific risk assessment tools and the Equator Principles. The selection of the Eligible Green Assets in accordance with the Eligibility Criteria will then be verified by external third parties, as per the BNP Paribas Green Bond Framework.</p> <p>As long as any Notes are outstanding, the Issuer is expected to provide a report, at least annually, on (i) the Eligible Green Assets financed or refinanced by the net proceeds and their relevant environmental impact indicators, (ii) the allocation of the net proceeds of the Notes to Eligible Green Assets detailing the aggregate amount dedicated to each of the Eligible Sectors and (iii) the balance of unallocated cash and/or cash equivalent and/or other liquid marketable instruments still held by the Issuer, as further described in the BNP Paribas Green Bond Framework. The report will be published by the Issuer on <a href="https://invest.bnpparibas.com/en/green-bond-issues">https://invest.bnpparibas.com/en/green-bond-issues</a>.</p> <p>Pursuant to the BNP Paribas Green Bond Framework, a second party opinion has been obtained from an appropriate second party opinion provider and the Issuer has mandated an appropriate external independent auditor to provide an assurance report. The opinion and assurance report are available on <a href="https://invest.bnpparibas.com/en/green-bond-issues">https://invest.bnpparibas.com/en/green-bond-issues</a>.</p>
<b>Currency / Size</b>	EUR[•]mn
<b>Maturity</b>	[•]-year
<b>Listing / Docs</b>	Euronext Paris / EMTN Programme





# Conclusion

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**First Non Preferred Green Bond for BNP Paribas**



**Robust and Transparent Selection of Assets**



**Extensive and Positive External Reviews**



**In line with BNP Paribas' Ambitions in Sustainability**



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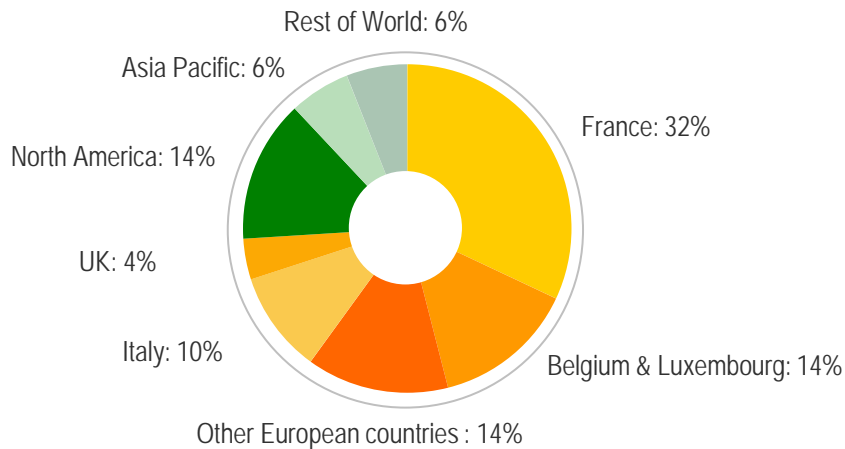
# Appendix

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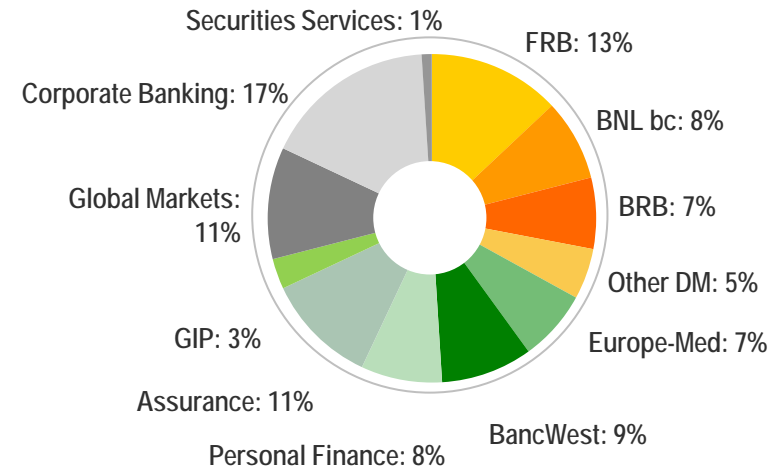


# An Integrated Business Model with Strong Diversification...

> **2017 Gross commitments\* by region:**  
**€1,493bn as at 31.12.2017**



> **2017 Allocated equity by business**  
**No single business line > 17%**



- A balanced business model: a clear competitive advantage in terms of revenues and risk diversification
- Business units and regions evolving according to different cycles
- Strong resilience in changing environments



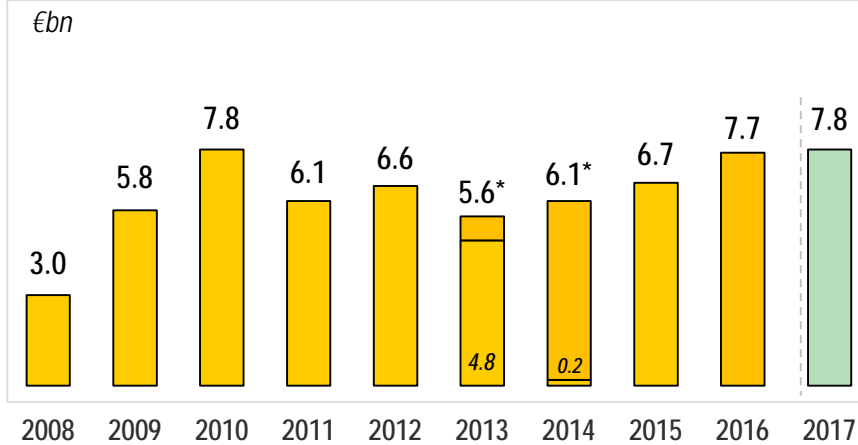
**No country, business or industry concentration**

\* Gross commitments on and off- balance sheet; Operating divisions

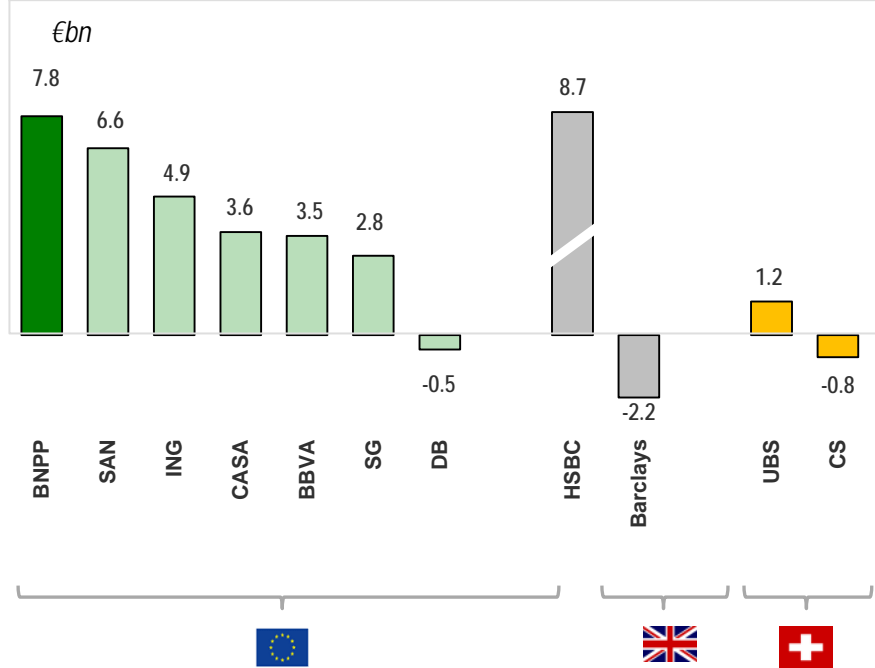


# ...Leading to Recurrent Income Generation Capacity Through the Cycle...

Net Income Group Share (2008-2017)



Net Income Group Share 2017

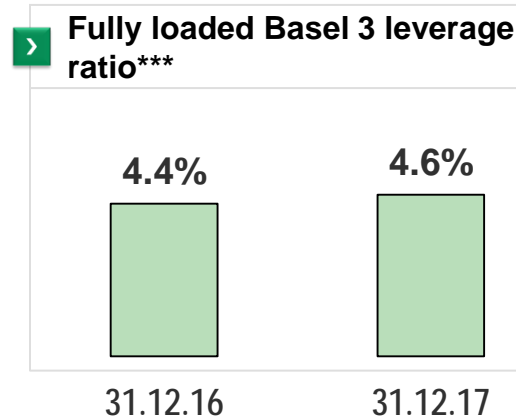
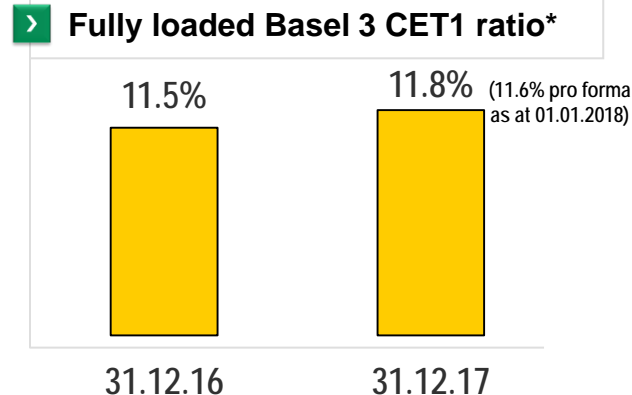


**Very good profit generation capacity**

\* Adjusted for costs and provisions related to the comprehensive settlement with US authorities

# ... and Very Solid Financial Structure

- Fully loaded Basel 3 CET1 ratio\*: 11.8% as at 31.12.17 (+30 bp vs. 31.12.16)
  - Limited impact of two technical effects on CET1 ratio as at 01.01.2018
    - First-time application of IFRS 9: ~-10 bp
    - Deduction from prudential capital of the Irrevocable Payment Commitments\*\*: ~-10 bp
    - ⇒ Pro forma CET1 ratio\* as at 01.01.2018: 11.6%
  - Reminder: anticipated fully loaded CET1 ratio requirement (excluding P2G): 9.83%
  
- Fully loaded Basel 3 leverage\*\*\*: 4.6% as at 31.12.17 (4.4% as at 31.12.2016)
  - Calculated on total Tier 1 Capital
  
- Liquidity Coverage Ratio: 121% as at 31.12.17
  
- Immediately available liquidity reserve: €285bn (€305bn as at 31.12.16)
  - Equivalent to over 1 year of room to manoeuvre in terms of wholesale funding

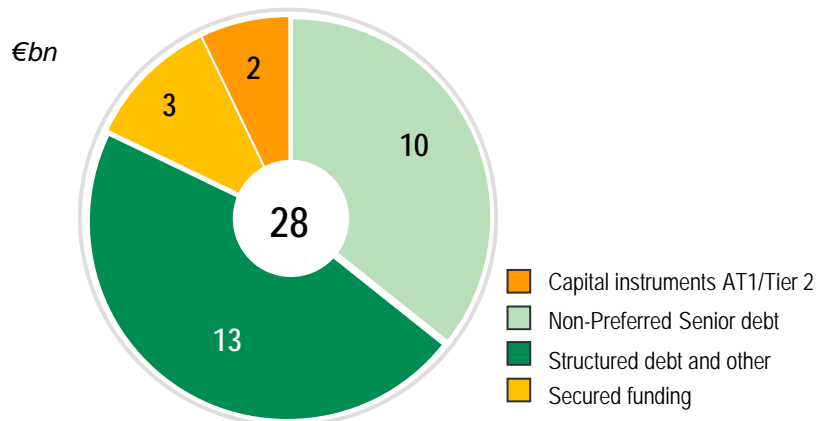


➤ **CET1 ratio well above regulatory requirement**

\* CRD4 "2019 fully loaded"; \*\* Essentially payment commitments for the Single Resolution Fund (SRF); \*\*\* CRD4 "2019 fully loaded", calculated according to the delegated act of the EC dated 10.10.2014 on total Tier 1 Capital and using value date for securities transactions

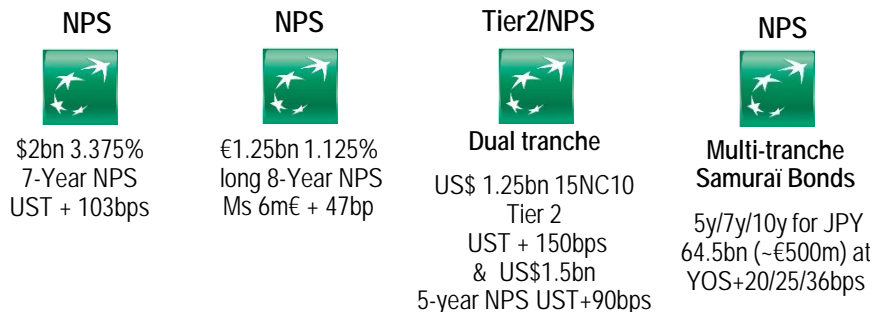
# 2018 Wholesale Medium/Long Term Funding Plan

## 2018 MLT funding plan (€28bn) breakdown\*



- Target of 3% of RWA by 2020 on capital instruments: issuances representing ~€2bn of AT1 and Tier 2 for 2018
- Non-Preferred Senior funding plan of ~€10bn, in line with 2017
- ~€3bn of secured funding allocated equally between Covered Bonds and Securitization
- ~€13bn of structured notes and other

## Main issuances of the year



- ~45% of 2018 total funding plan completed\*\*:

  - 60% of targeted Non-Preferred Senior Funding

- 2018 senior debt issued\*\*: €12.1bn, average maturity of 5.4 years, mid-swap +39bps
  - Of which 2018 NPS issuances: €6bn, average maturity of 6.8 years, mid-swap +56 bps
  - Of which 2018 PS issuances: €5.3bn, average maturity of 3.2 years, mid-swap +14bps
  - Of which 2018 secured funding €0.8bn, maturity 10 years, mid swap -3bps



**Almost half of the 2018 funding plan already achieved**

\* Subject to market conditions; \*\* As at 29 March 2018



# Long-Term Debt Ratings



As of 29 March 2018

	Standard & Poor's	Moody's	Fitch Ratings	DBRS
Senior Preferred	A	Aa3	A+	AA (Low)
Senior Non Preferred	A-	Baa1	A+	A (High)
Tier 2	BBB+	Baa2	A	A (High)
Additional Tier 1	BBB-	Ba1	BBB-	NA
Outlook	Stable	Stable	Stable	Stable

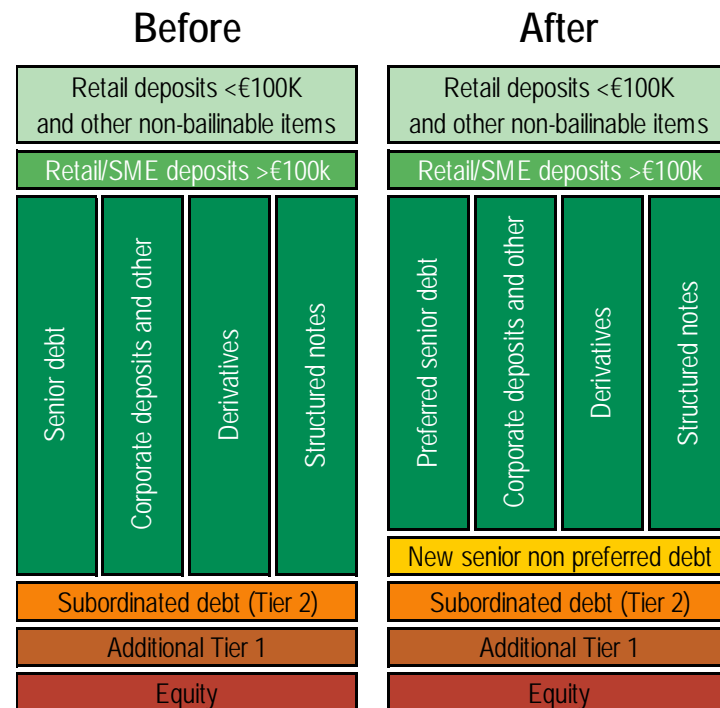
*Any rating action may occur at any time*



# Focus on TLAC: Adaptation for French G-SIBs

- In 2016 change under French Law in the hierarchy in liquidation and resolution context
  - To facilitate resolution and the respect of MREL/TLAC requirements
  - Preference to all creditors including the current holders of senior debt
  - Creation of a new category of senior non preferred debt which will rank junior to the current senior unsecured debt but in priority to subordinated debt
  - Law effective since 10 December 2016
- A clear and straightforward creditors hierarchy
- This solution is currently considered as a potential new reference framework for European Union\*

## > Simplified creditor hierarchy



\* Proposal from the European Commission to modify the hierarchy of debt within the European Union (new Directive amending art 108 of BRRD)



# Key Features of Senior Non Preferred Debt

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- Main characteristics:
  - Issued by BNP Paribas under the EMTN or US MTN programme
  - Senior Non Preferred Notes (falling within the category of obligations described in Article L.613-30-3-I-4 of the French Monetary and Financial Code)
  - Not structured debt
  - Initial maturity > 1 year
  - Rank in liquidation junior to Senior Preferred debt and senior to Subordinated debt

