



# BNP PARIBAS

## A STRONG, DIVERSIFIED AND INTEGRATED MODEL

September 2022



**BNP PARIBAS**

The bank for a changing world

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**Unless otherwise mentioned, the financial information and items contained in this announcement include the activity related to BancWest reflecting an operational view. Such financial information and items therefore do not reflect the effects produced by applying IFRS 5, which pertains to non-current assets and liabilities held for sale. The press release pertaining to the 2Q22 and 1H22 results includes in appendix a reconciliation between the operational view presented without applying IFRS 5 and the consolidated financial statements based on an application of IFRS 5.**



## BNP Paribas : a distinctive & high performing model in all environments

### Client-centric

Approach powered by flow businesses & strong risk management

### Integrated

Set-up with complete coverage of client needs via leading franchises & global connectivity

### Diversified

by client segments, regions, sectors and businesses

### At scale

Powerful execution strengthened by digitalisation and new technologies

Stronger engagement with clients, leading to a deepening of relationships

Ability to accompany clients in their development and growth journey

Stronger earnings and resilience in all operating environments

Development of volumes and growth at marginal costs

Diversification, scale, completeness, leading positions & global approach give BNP Paribas a clear competitive advantage and a unique positioning



# BNP Paribas : A model forged through historical & strategic developments

## 2001-2011: The seeds of a new business model



**Strategic fit of businesses**  
(Retail Banking, specialized businesses, CIB, Insurance, Wealth & Asset Management)



**Reinforced European footprint**

## 2012-2016: The strength of an integrated & diversified business model

**Targeted bolt-on acquisitions & development of specialised businesses**

**Acceleration in cash management**  
(+10pts in European market penetration in 5 years) **& flow businesses**

**Launch of regional business development plans** (+60% in revenues in Asia, +50% in North America)

**CIB's new organization, creation of Global Markets and tied-up with Securities Services**

**Streamlining of processes & organisation** (Simple & Efficient plan)

## 2017-2021: Building a European leader

**Targeted bolt-on acquisitions to complement the business model**

**Market share gains & reinforced execution power**

**Strengthened leading positions in Europe with a global reach**

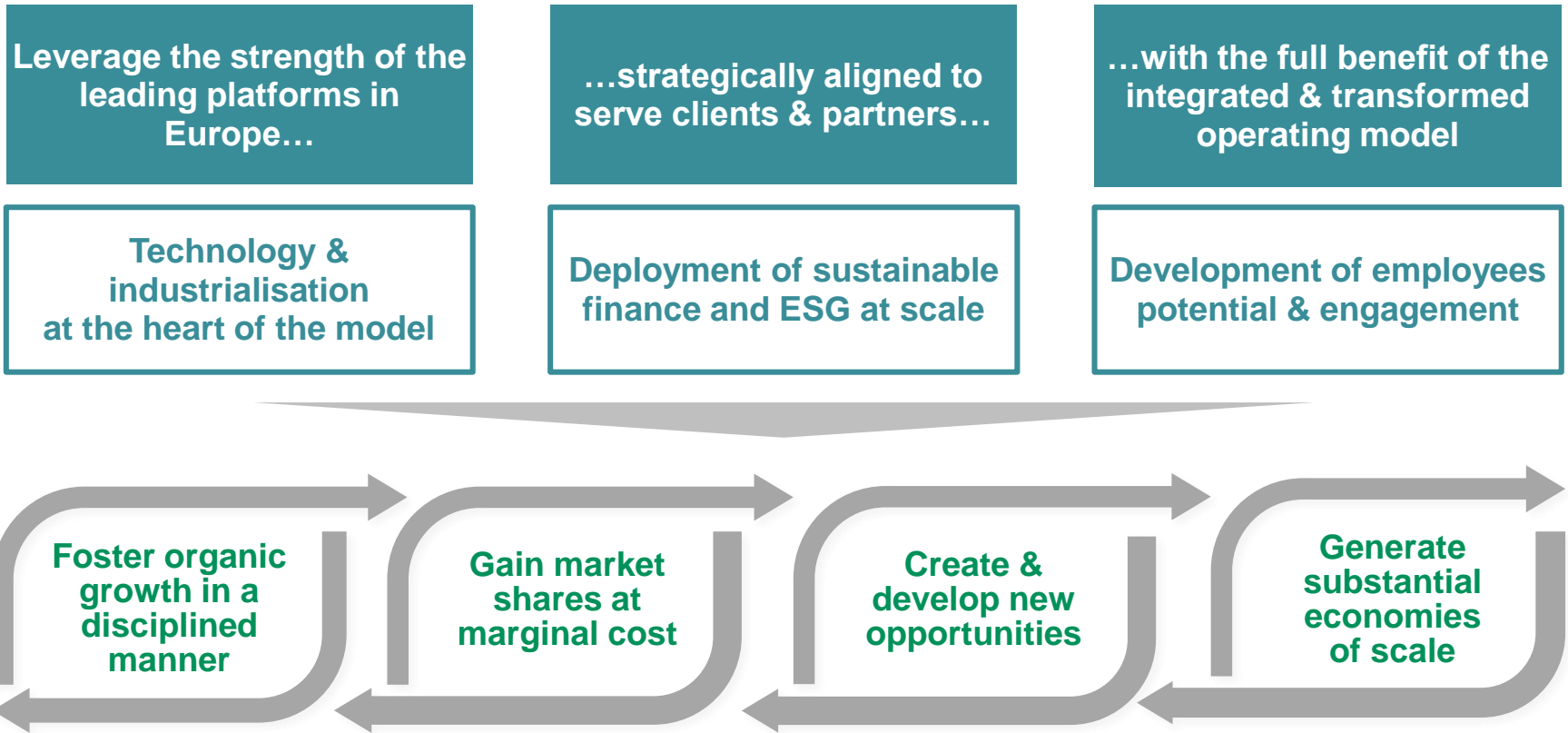
**Reinforced & recognised leadership in Sustainable Finance & Investment Socially Responsible**

**Digital transformation & industrialisation**



# 2022- 2025 strategic plan: *Growth, Technology & Sustainability 2025*

Uniquely positioned to deliver profitable growth



# A European leader uniquely positioned on the back of powerful platforms & strong customer franchises

## Leading European platforms in value-added businesses...

### Leader in flow businesses

Leader in Europe in Cash Management<sup>1</sup>

Leader in Europe in trade finance<sup>1</sup>

1<sup>st</sup> Factor network in Europe<sup>2</sup>

### Leader in Corporate & Institutional Banking

Top 3 & 1<sup>st</sup> European CIB in EMEA<sup>6</sup>

Leader in Capital Markets Businesses in EMEA<sup>7</sup>

1<sup>st</sup> in Securities Services in EMEA<sup>8</sup>

### Leader in Specialised Businesses

Insurance: CPI worldwide leader<sup>3</sup>

Leader in Sustainable Investment<sup>4</sup>

Leader in Wealth Management in the Eurozone<sup>5</sup>

Leading player in Europe for full-service leasing (Arval)<sup>9</sup>

Top 3 Leasing company in Europe (Leasing Solutions)<sup>10</sup>

Leading player in consumer credit in Europe

**Synergies & pooled capabilities**

**Organic growth at marginal cost**

## ...strategically aligned to best serve clients & partners on a long-term basis

### Strong client franchises in Corporate & Private Banking segments

- Leading positions & high penetration rates in Europe, quality positioning internationally
- Clients & partners favorably positioned in their sector

### Segmented approach & adapted operating model for individual clients

- 20% of our clients across networks in Europe are mass affluent
- Nickel, leader in “neobanking”<sup>11</sup> in France, expanding in Europe (2.7m accounts opened as of 30.06.22)
- Strategic repositioning of retail activities as a key pillar of GTS 2025

### Efficient cooperation between business lines in responding to client needs throughout the cycle

- ~€12.6bn in revenues generated by cross-selling<sup>12</sup>
- ~27% of Group revenues<sup>12</sup>

**Increased market shares & penetration rates**

**Maximum benefit of the integrated model**



**BNP PARIBAS**

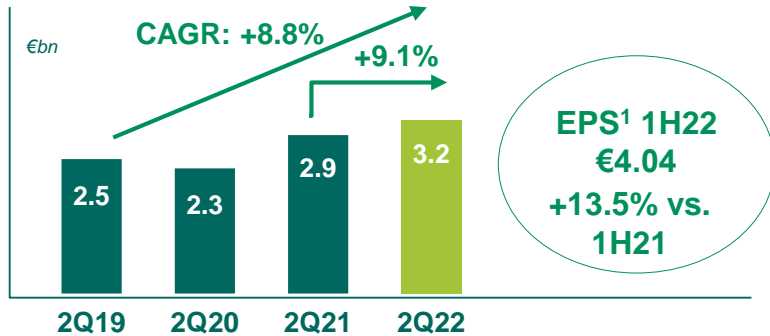
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September 2022 | 6

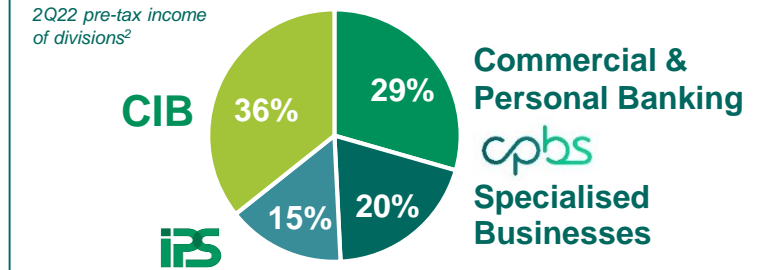
1. Greenwich Share Leaders, 2021; 2. Factors Chain International Market Survey 2020; 3. CPI : Credit Protection Insurance, finaccord 2021; 4. #1 European sustainable thematic manager, Source: Broadridge 2021; 5. Privated Banking AuM as published by peers; 6. Source: Coalition Greenwich Competitor Analytics. Ranking includes the banks of the Coalition Index; 7. Dealogic as at 31.12.21; 8. Coalition CIB Index Banks; 9. Frost & Sullivan, Flotte Full Service Leasing 2020; 10. Asset Finance Europe 2021, Alfa System; 11. « Neo-bank » of the year 2021 prize awarded by the France Innovation division – NB : Nickel does not have the status of a credit institution – number of accounts opened since the inception; 12. 2021 revenues generated by a business line (including intra-division cross-selling) with the support of a client franchise or another platform acting as distributor, excluding cash management revenues, and in trade finance, excluding allocation of CPBS Private Banking to IPS WM

# A solid, diversified and integrated model generating growth higher than its underlying economy

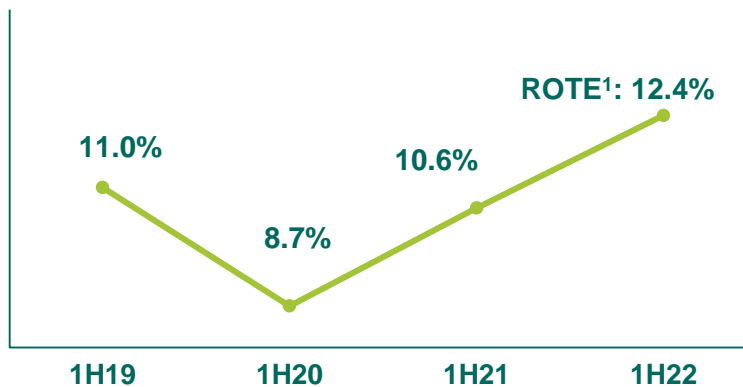
## Strong growth in results



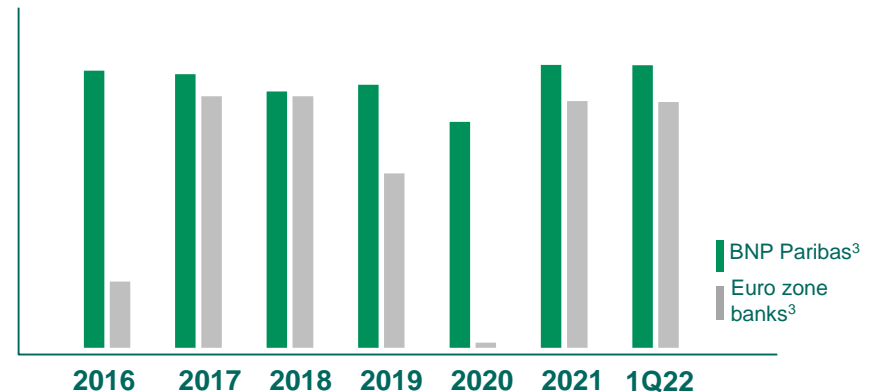
## Balanced distribution of pre-tax income



## Higher profitability with strengthened franchises



## Resilience and growth in ROTE above average<sup>3</sup>



1. EPS: Earnings per share; ROTE: Return on tangible equity;  
2. As a % of pre-tax income of operating divisions; 3. Sources: Bloomberg, BBVA, Crédit Agricole SA, Deutsche Bank, ING, Intesa SP, Santander, Société Générale, UniCredit



# A solid trajectory sustained by strong initiatives and cost discipline

## Additional revenue growth potential as early as 2022

**+€900m in recurring annual revenues<sup>2</sup>** generated by strategic developments already crystallised (Equities, Buy Now Pay Later, etc.)

**~€11bn (170 bps) of CET1** released by the sale of Bank of the West with a gradual and disciplined redeployment<sup>3</sup>

**3 cross-business initiatives with a target of more than €2bn in additional revenues by 2025<sup>4</sup>**

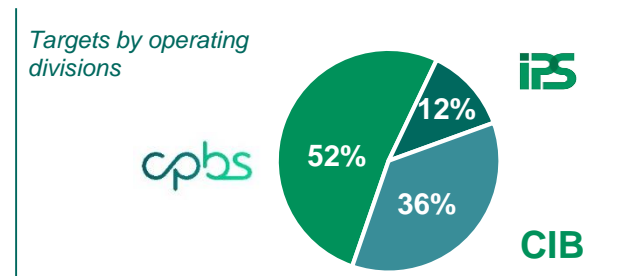
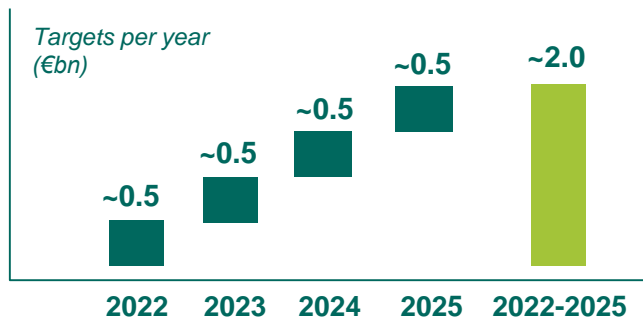
**Payments & flows: +€0.6bn**

**Financial savings: +€0.6bn**

**Mobility: +€1.0bn**

## Disciplined growth along with the objective of a positive jaws effect every year and in all divisions

**~€2bn recurrent costs savings delivered progressively and self-funded by businesses**



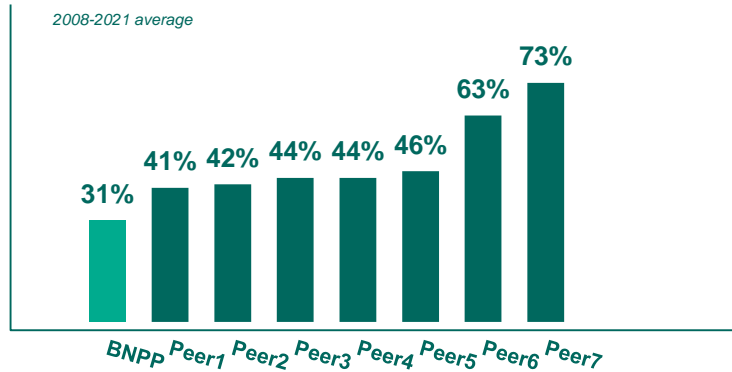
1. Breakdown in 2021 revenues; 2. Reminder: 2022 cumulative full-year objectives of new businesses integrated in 2021 and beginning of 2022; 3. Upon customary conditions precedents; preliminary estimates; see press release of 20.12.21; 4. Reminder: 2025 cumulative full-year objectives compared to 2021





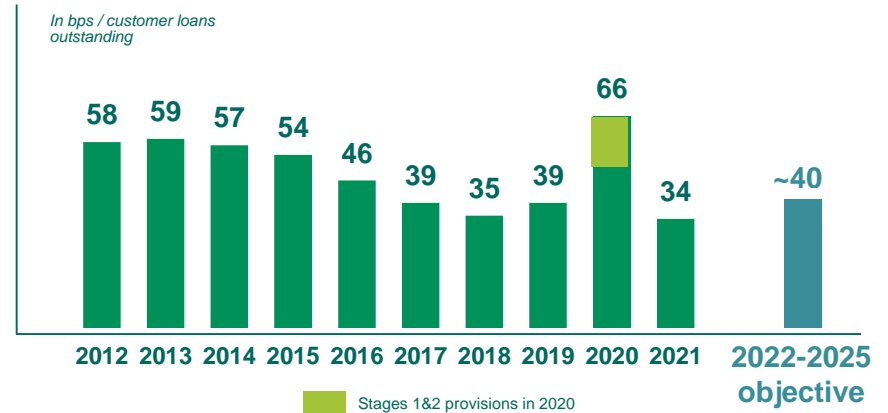
# Long-term, prudent and proactive risk management constantly improving

## ● Prudent approach: CoR/GOI ratio among the best in Europe<sup>1</sup>



- Client knowledge based on long-term relationships and strong client franchise
- Selectivity at origination
- A better resilience than peers to extreme shock (EBA 2021)

## ● Constant improvement in cost of risk



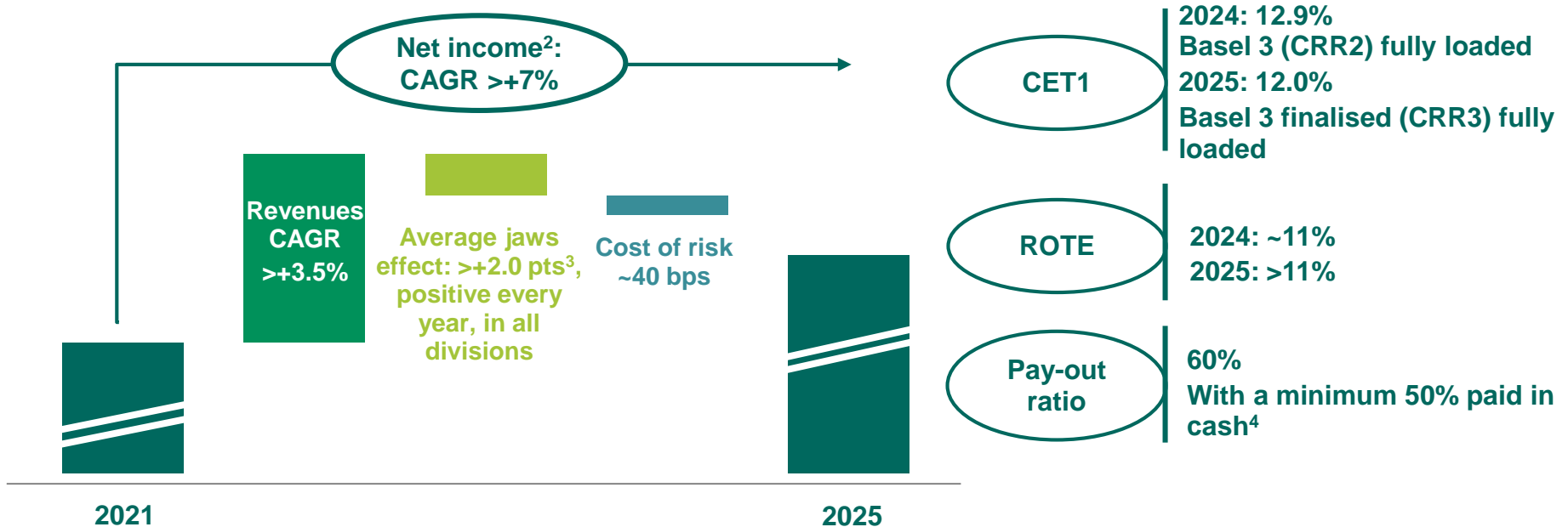
- Diversification and favourable positioning by sector and regions
- Proactive and anticipated adaptation of business portfolios (Italy, Personal Finance, Oil & Gas, shutdown in E&C specialised activities finalised in 2020, Russia)

1. Sources: publications of euro zone banks: BBVA, Crédit Agricole SA, Deutsche Bank, Intesa SP, Santander, Société Générale, UniCredit



# GTS 2025 strategic plan

## Reminder: 2022-2025 Group objectives<sup>1</sup>



1. Perimeter excluding Bank of the West; 2. Group share; 3. 21-25 CAGR of Revenues minus 21-25 CAGR of Operating Expenses; 4. Subject to General Meeting approval



A 10 pts increase in the pay-out ratio  
with the « GTS 2025 » strategic plan



Starting from the year 2021

**An ordinary pay-out ratio of 60%<sup>1</sup>**

- o/w pay-out ratio in the form of a cash dividend: 50% to 60%
- o/w pay-out ratio in the form of share buybacks: 0% to 10%



**Sale of Bank of the West: extraordinary distribution of ~€4bn**  
in the form of **share buybacks** to neutralize the expected dilution<sup>2</sup>

1. Distribution in the form of a cash dividend (subject to General Meeting approval) and share buyback programs; ratio calculated on the basis of net income excluding the contribution of Bank of the West and the capital gain on the sale; 2. Upon customary conditions precedents; preliminary estimates: see press release of 20 December 2021



# An ambitious policy of engaging with society

## Engaging with clients to support them in their transition

A Group-wide approach organised around three major objectives, reaffirmed with the GTS 2025 plan



Engaging with clients in the transition towards a sustainable economy

Strengthening steering tools, processes and governance

Aligning our loan portfolios with our carbon neutrality commitment

### Scaling up our engagements

Sustainable Savings, Investments and Financing

- **Top 2 worldwide in sustainable bond issuance, with \$18.4bn in 1H22<sup>1</sup>**
- **First bond fund on sustainable cities in Asia** at BNP Paribas Asset Management (SFDR Art. 9)
- BNP Paribas arranger of the **first Sustainability-Linked Loan in the APAC sustainable construction materials sector for Saint-Gobain**

Transition towards carbon neutrality

- **Operating implementation of the Group's net-zero commitment (via NZBA<sup>2</sup>):** objectives for reducing the intensity of financed carbon emissions by 2025 in the three most heavily emitting sectors:
  - Electricity generation: at least -30% vs 2020<sup>3</sup>
  - Oil & gas (upstream production activities & refining): at least -10% vs 2020<sup>4</sup>
  - Automotive (car manufacturer): at least -25% vs 2020<sup>5</sup>

#### Additional commitments in oil & gas:

- 12% reduction in credit exposure for oil & gas production by 2025
- 25% reduction in credit exposure for upstream oil production activities only by 2025

1. Source: Dealogic as at 30.06.22, bookrunner; 2. Net-Zero Banking Alliance; 3. Emission intensity in gCO<sub>2</sub>/kWh; 4. Emission intensity in gCO<sub>2</sub> e/MJ; 5. Emission intensity in gCO<sub>2</sub> / km WLTP



# An ambitious policy of engaging with society

## Mobilising our distinctive model

- Five priority areas aligned with our clients' objectives and the United Nations SDGs<sup>1</sup>



- All BNP Paribas Business lines aligned to reach 2025 ambitious targets, consolidated & monitored at Group level

**€150bn**

**Amount of Sustainable loans to Corporates, Institutionals & Individuals dedicated to Sustainable projects<sup>2</sup>**

**€200bn**

**Amount of Sustainable bonds issued for BNP Paribas clients between 2022 & 2025<sup>3</sup>**

**€300bn**

**Amount of sustainable investments Assets under Management following ESG principles in 2025<sup>4</sup>**

1. Sustainable Development Goals; 2. 2022-2025 cumulative amount of sustainable loans dedicated to environmental and social topics, originated by BNPP and granted to clients; 3. 2022-2025 cumulative amount of all types of sustainable bonds (total amount divided by the number of bookrunners); 4. BNP Paribas Asset Management open funds distributed in Europe classified SFDR Art 8 or 9