



# BNP PARIBAS STRONG & RESILIENT

MARCH 2020



**BNP PARIBAS**

The bank for a changing world

# A strong and resilient Business model



Diversified : no country, business or industry concentration

Integrated : strong franchises cooperating to serve clients

Resilient : long-term capacity to create value in changing environments

Solid : long-term track record in risk management confirmed by stress tests

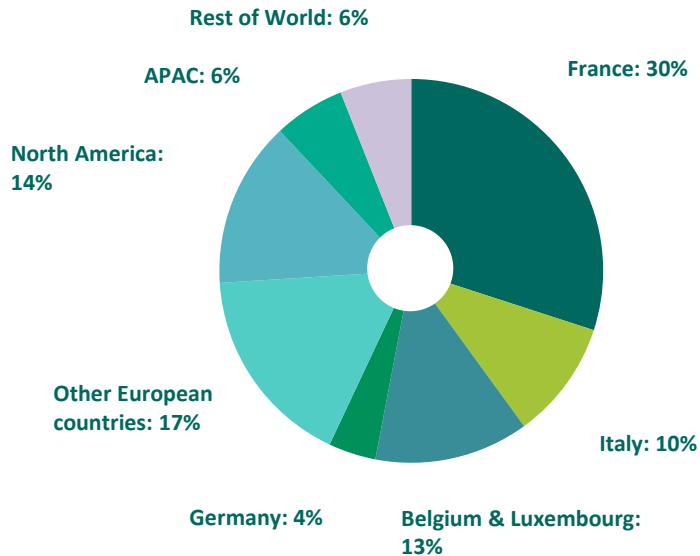
Strong : capital & liquidity position

**BNP Paribas : a strong model and a long-term capacity to create value in changing economic, technological, environmental, regulatory & societal environments.**

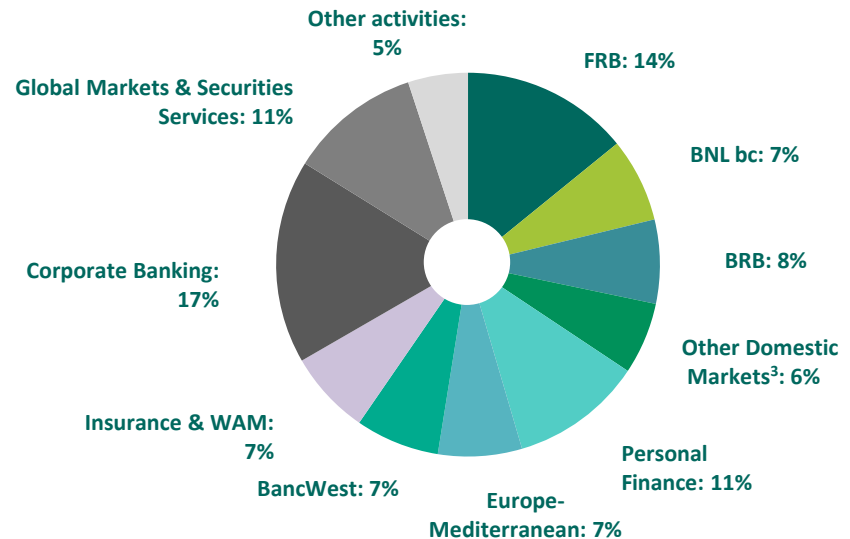


# Strong resilience on the back of a diversified and integrated business model - No country or business concentration

● **2019 Gross Commitments<sup>1</sup> by region**  
 >90% in wealthy markets



● **Basel 3 risk-weighted assets<sup>2</sup> by business as at 31.12.2019**



**A balanced business model: a clear competitive advantage in terms of revenues and risk diversification**

**Revenues well spread across countries and businesses with different cycles**

**Strong resilience in changing environments**

1. Total gross commitments, on and off balance sheet, unweighted of €1,581bn as at 31.12.19 ; 2. CRD 4 ; 3. Including Luxembourg



# Strong resilience on the back of a diversified and integrated business Model - No industry concentration

**Total gross commitments on and off-balance sheet, unweighted**

**= €1,581bn as at 31.12.2019**

**Corporate asset class represents 44% of the total**

Corporate asset class (in% total gross commitments on and off balance sheet, unweighted)

Agriculture, food	2%
Construction	2%
Chemicals excluding pharmaceuticals	1%
Retailing	2%
Energy excluding electricity	2%
Equipment excluding IT - Electronic	3%
Insurance	1%
Finance	3%
Real Estate	5%
IT & electronics	1%
Mining, metals & materials (including cement, packages, ...)	2%
Wholesale & trading	4%
B to B Services	4%
Communication services	1%
transport & logictic	4%
Utilities (electricity, gas, water)	2%
Healthcare & pharmaceuticals	1%

●— **Highly diversified by sector**

●— **Limited exposure to sensitive sectors**

- Oil & Gas ~2,2%
- Aircraft financing <1%
- Tourism (Leisure, Hotels & Restaurants) ~1%

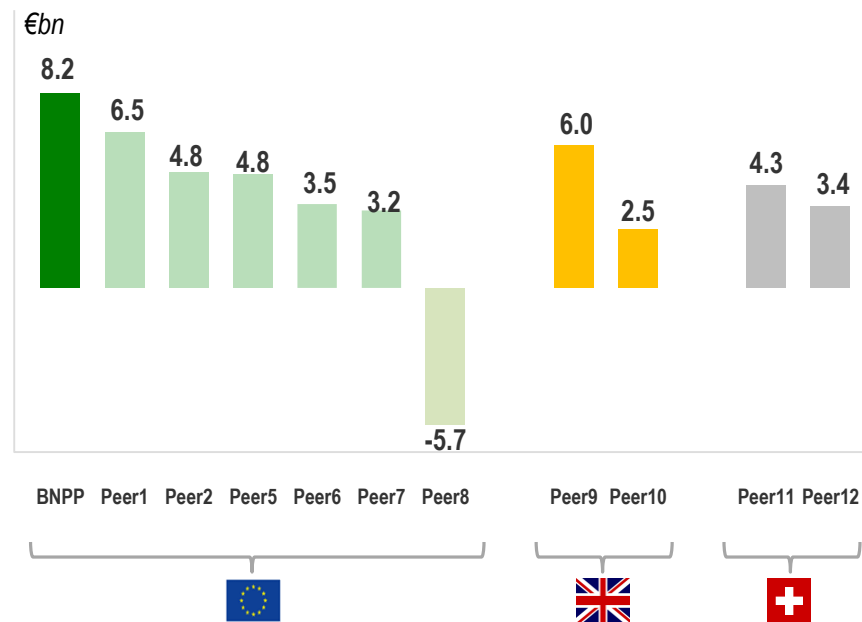
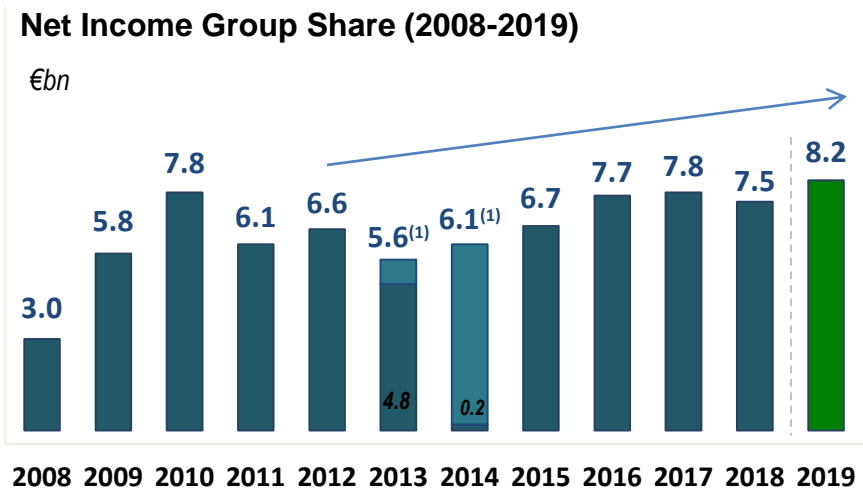
●— **High selectivity at origination**



# Diversification leading to recurrent income generation

- Recurrent earnings generation throughout the cycle

- 2019 Net income Group Share (€bn)



**Strong proven capacity to withstand local crises and external shocks**  
**Leading Eurozone bank in terms of profit generation**

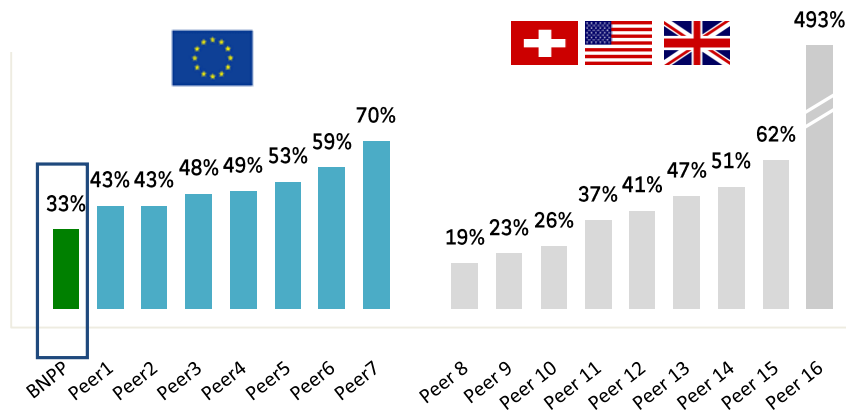
<sup>(1)</sup> Adjusted for costs and provisions related to the comprehensive settlement with US authorities



# Diversification leading to a low risk profile through the cycle

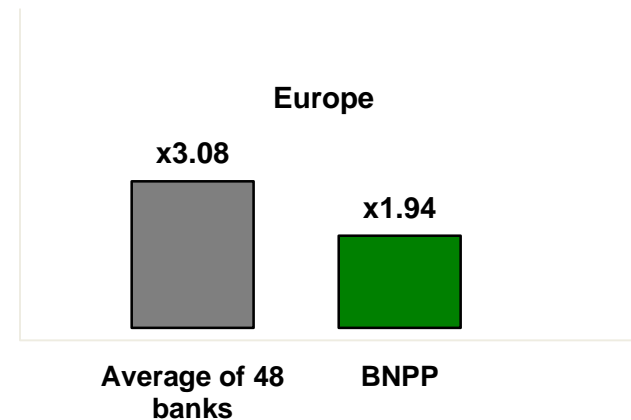
- One of the lowest Cost of Risk / Gross Operating Income through the cycle

Cost of risk / Gross Operating Income 2008-2019



- A very good quality risk profile confirmed by EBA stress tests (2018)

Impact of the adverse scenario on credit risk vs base scenario as a % (cumulated cost of risk over 3 years)



- A more limited rise in provisions:

- Effect in particular of the selectivity at origination
- A cautious policy designed to favour the quality of long-term risks vs. short-term revenues

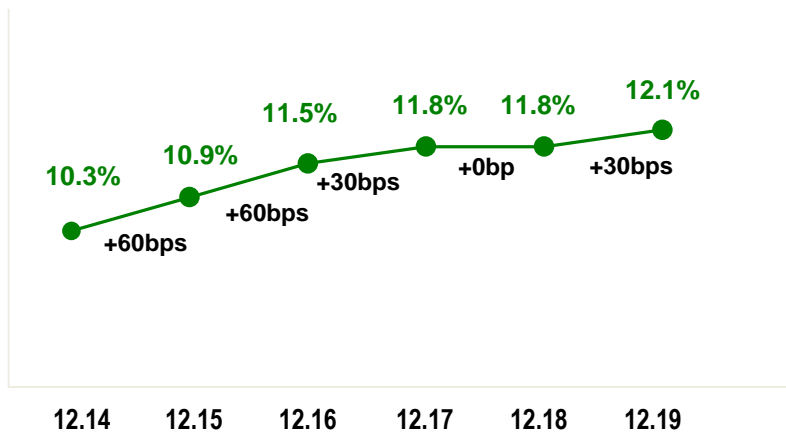
\* Adjusted for costs and provisions relating to the comprehensive settlement with U.S. authorities



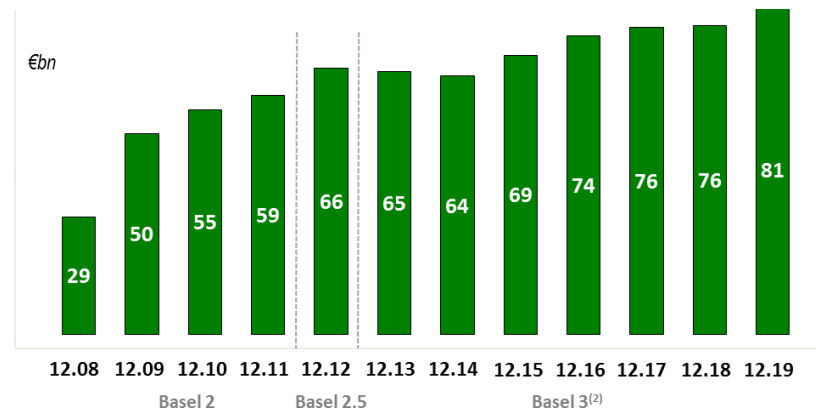
# Very solid financial structure (1/2)

## Strong capital position strengthened through the cycle

### ● CET1 ratio evolution



### ● CET1 Capital evolution



### ● Solvency strengthened through the cycle

- **CET1 Capital has more than doubled since 2008**
- **Strong organic generation of equity** : Average growth of the CET1 ratio by 35 bps / year over the period 2014-2019
- **CET1 ratio well above the request notified by the European Central Bank**

1. Total Capital, retained earnings and net income for the period attributable to shareholders 2. According to CRD4 (fully loaded)

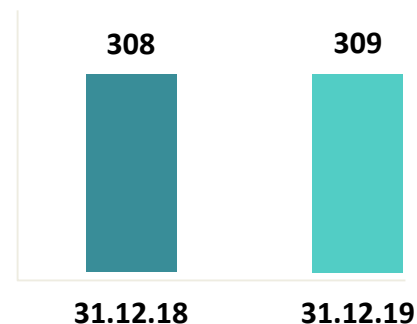


# Very solid financial structure (2/2)

## Abundant liquidity position

- **Liquidity Coverage Ratio: 125% as at 31.12.19**
- **Immediately available liquidity reserve: €309bn<sup>1</sup>**
  - €308bn as at 31.12.18
  - Room to manoeuvre > 1 year in terms of wholesale funding
- **>45% of the €17bn regulatory issuance plan<sup>2</sup> realised as of 13 March 2020**
  - **Capital instruments: 73% realised of the €4bn plan, of which**
    - AT1: \$1.75bn issued on 13.03.20, Perp NC10, 4.50% s.a. coupon, equiv. mid-swap€+251 bp
    - Tier 2: €1bn issued on 08.01.20, 12NC7<sup>3</sup>, at mid-swap+120 bp
  - **Non Preferred Senior debt: 38% realised of the €13bn plan**

### ● **Liquidity reserve (€bn)<sup>1</sup>**



### ● **Evolution of existing Tier 1 and Tier 2 debt as at 01.01.2020 (eligible or admitted to grandfathering)<sup>4</sup>**

€bn	01.01.2020	01.01.2021	01.01.2022
AT1	9	8	6
T2	17	16	13

1. Liquid market assets or eligible to central banks (counterbalancing capacity) taking into account prudential standards, notably US standards, minus intra-day payment system needs ;  
 2. Subject to market conditions, indicative amounts; 3. 12-year maturity, callable on year 7 only ; 4. Maturity schedule taking into account prudential amortisation of existing instruments as at 01.01.20, excluding future issuances, assuming callable institutional instruments are called at the first call date, and taking into account the grandfathering phasing out

