

Rating Object	Rating Information
<p><b>BNP Paribas SA (Group) as parent of BNP Paribas Home Loan SFH</b></p> <p>Creditreform ID: 662042449 Management: Jean-Laurent Bonnafé (CEO)</p> <p>Rating Date: <b>02 November 2021</b> Monitoring until: withdrawal of the rating Rating Methodology: CRA "Bank Ratings v.3.0" CRA "Rating of Bank Capital and Unsecured Debt Instruments v.2.0" CRA "Rating Criteria and Definitions v.1.3"</p> <p>Rating History: www.creditreform-rating.de</p>	<p>Long Term Issuer Rating / Outlook: <b>A- / positive</b></p> <p>Short Term: <b>L2</b></p> <p>Type: Update / Unsolicited</p> <p>Rating of Bank Capital and Unsecured Debt Instruments:</p> <p>Preferred Senior Unsecured: <b>A-</b> Non-Preferred Senior Unsecured: <b>BBB+</b> Tier 2: <b>BB+</b> Additional Tier 1: <b>BB</b></p>

**Our ratings of Banca Nazionale del Lavoro S.p.A. and BNP Paribas Home Loan SFH are reflected by our rating opinion of BNP Paribas SA (Group) due to its group structure. Therefore we refer to our rating report of BNP Paribas SA (Group) from 02 November 2021.**

Contents

Key Rating Driver ..... 1

Executive Summary ..... 1

Company Overview ..... 2

Business Development ..... 4

Profitability ..... 4

Asset Situation and Asset Quality ..... 6

Refinancing, Capital Quality and Liquidity ..... 8

ESG Score Card ..... 10

Conclusion ..... 11

Appendix ..... 13

## Key Rating Driver

- + Europe´s largest bank and the largest bank in France with high systemic relevance for the global banking sector
- + BNP Paribas SA increased its operating profit in 2020 and performed well up to Q2 2021 in comparison to its peers
- + Continued growth and improvement in the quality of the loan portfolio even as the COVID-19 crisis continues
- + Consistent implementation of the transformation process with a sustainable increase in cost efficiency
- +/- A high dividend payment during the pandemic
- Slightly below-average capital ratios

## Executive Summary

Creditreform Rating affirms the unsolicited long-term issuer rating of BNP Paribas SA. at A-. However, we raise the outlook from stable to positive. The raise of the outlook and the affirmation of the credit rating are a result of the only minor impact of the Corona crisis on BNP's performance. In addition, we expect BNP to regain its sound level of profitability already in 2021. Moreover, BNP still benefits from its diversified business model primarily with growing business activities in European countries.

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## Company Overview

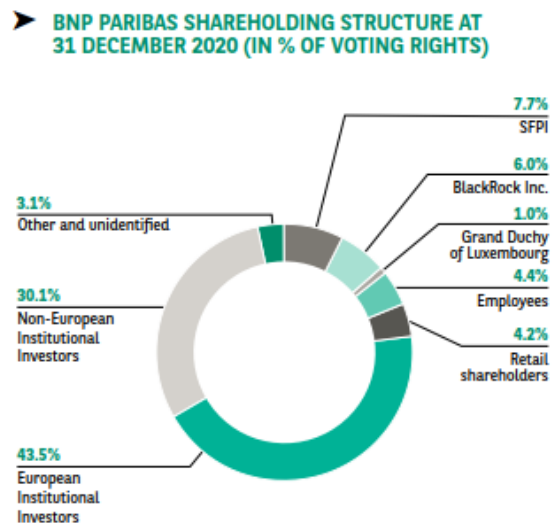
The BNP Paribas Group is Europe's third largest and France's top bank in terms of net profit. BNP Paribas SA was formed on 23 May 2000 through the merger of BNP and Paribas Bank. The bank looks back on an over 200-year history with the founding of Société Générale de Belgique in 1822. As of June 2021, the bank achieved EUR 2.671.803 million of assets. Measured by total assets, BNP Paribas is the largest bank in Europe (as of 2020). In total, the Bank is represented in 68 countries of the world and the Group employs approximately more than 193,000 employees, of which 149,000 are in Europe. Moreover, the bank is one of the largest financial groups in the world in terms of its market capitalization of EUR 72.5 bn in 10/2021.

BNP Paribas organizes its business into three main fields of activity: Retail Banking (RB), Investment & Protection Services (IPS) and Corporate Institutional Banking (CIB). The RB business includes French Retail Banking and International Retail Banking, it brings together the BNP retail-banking networks and several specialised businesses, like Leasing Solutions. In the RB business, BNP is present in 44 countries and has around 60 million customers. The IPS division brings together four specialised business lines offering a wide range of savings, investment and protection solutions: BNP Paribas Cardif, BNP Paribas Asset Management, BNP Paribas Wealth Management and BNP Paribas Real Estate. BNP Paribas Cardif is an expert in global life insurance and has made important contributions to financing the real economy. BNP Paribas Asset Management is the second largest asset manager worldwide for its sustainable investments. BNP Paribas Wealth Management is the leading global private bank in the euro zone with around 410 bn assets under management (06/2021). BNP Paribas Real Estate is present in 16 countries and operates with an alliance network in more than 30 countries across Europe and North America. The CIB division offers tailored financial solutions for corporate and institutional clients, including capital markets issuance, financing, risk management and hedging. The CIB division operates in 56 countries with 33,000 employees.

The BNP group is a leading institution in many business areas such as structured finance (5th in Europe and 9th worldwide for syndicated loans), equities (4th in major European equity markets), foreign exchange and debt (4th worldwide for Eurobond issues) and raw material finance (2th worldwide). The group intends to expand its business in these business areas within Europe. Each business line will be given precise targets for use of funds and return on allocated funds. The focus will be on cost control, achieving economies of scale and further improving risk control while considering corporate culture.

The shareholder structure has not changed significantly in recent years; BlackRock was only able to increase its shares slightly in 2020.

Chart 1: Major shareholders of BNP Paribas SA. | Source: Annual report BNP Paribas SA

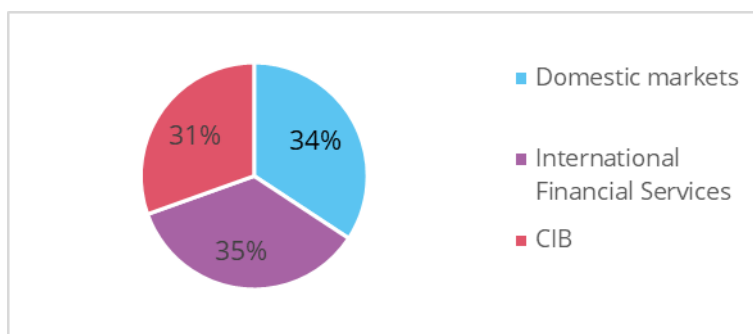


## Business Development

### Profitability

The net profit of BNP decreased again after an increase in the previous year. This decrease results mainly from higher cost of risk in the context of the corona pandemic. Operating income remained almost constant, with a slight improvement in net interest income, due to lower interest expenses and increased fees and commissions in the CIB Division. Operating income was distributed among the operating divisions as follows:

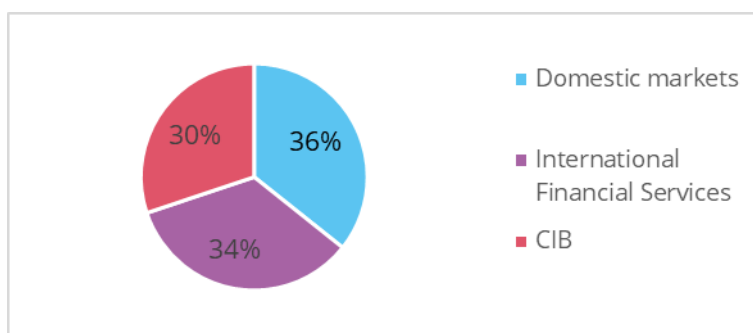
Chart 2: Operating Income by divisions | Source: Annual report 2020 of BNP Paribas SA



In 2020, strong growth in CIB thus offset declining earnings in IFS. The decline in IFS is also attributable to the Corona pandemic. The balanced distribution of operating income helped BNP Paribas to come through the Corona pandemic well. The high diversification of revenue sources will lead to growth in earnings after the Corona pandemic.

Operating expenses, in particular personnel expenses, were reduced as a result of the successful implementation of the bank's digital transformation. However, the distribution of operating costs among the operating segments illustrates the differing profit margins of the various divisions:

Chart 3: Operating costs by divisions | Source: Annual report 2020 of BNP Paribas SA



Overall, the positive cost savings reductions resulting from the implemented 2020 transformation process can be seen in all operating divisions. All three divisions generate a positive margin, but the margin is already highest in the high-growth CIB business.

Due to the increase in efficiency in the different divisions, the operating profit improved significantly by 11.4% compared to the previous year. The 13.6% decrease in net profit is the result of the strong increase in risk provisions in 2020. Of the € 2.514 billion increase in risk provisions, € 1.441 billion consist of commissions for Stage 1 +2 loans and € 1.073 billion of commissions for non-performing loans (Stage 3). In the case of risk provisions for Stage 3 loans, a sustained reduction in value is to be assumed. Overall, however, the decline in net profit for the year can be described as moderate.

A detailed group income statement for the years of 2017 through 2020 can be found in Figure 1 below:

Figure 1: Group income statement | Source: eValueRate / CRA

Income Statement (EUR m)	2020	%	2019	2018	2017
<b>Income</b>					
Net Interest Income	21.312	+0,9	21.127	21.062	21.191
Net Fee & Commission Income	9.862	+5,3	9.365	9.207	9.430
Net Insurance Income	4.114	-7,3	4.437	4.064	3.813
Net Trading Income	7.093	-3,5	7.348	6.118	6.739
Equity Accounted Results	423	-27,8	586	628	713
Dividends from Equity Instruments	53	-54,3	116	-	373
Other Income	13.194	-2,3	13.502	12.324	4.225
<b>Operating Income</b>	<b>56.051</b>	<b>-0,8</b>	<b>56.481</b>	<b>53.403</b>	<b>46.484</b>
<b>Expense</b>					
Depreciation and Amortisation	2.434	-25,4	3.263	1.676	1.719
Personnel Expense	16.946	-3,5	17.553	16.617	16.496
Tech & Communications Expense	-	-	-	-	-
Marketing and Promotion Expense	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Expense	22.162	-2,1	22.637	22.549	14.540
<b>Operating Expense</b>	<b>41.542</b>	<b>-4,4</b>	<b>43.453</b>	<b>40.842</b>	<b>32.755</b>
<b>Operating Profit &amp; Impairment</b>					
<b>Pre-impairment Operating Profit</b>	<b>14.509</b>	<b>+11,4</b>	<b>13.028</b>	<b>12.561</b>	<b>13.729</b>
Asset Write-downs	5.717	+78,5	3.203	2.711	2.907
<b>Net Income</b>					
Non-Recurring Income	1.030	-34,4	1.569	358	488
Non-Recurring Expense	-	-	-	-	-
<b>Pre-tax Profit</b>	<b>9.822</b>	<b>-13,8</b>	<b>11.394</b>	<b>10.208</b>	<b>11.310</b>
Income Tax Expense	2.407	-14,4	2.811	2.203	3.103
Discontinued Operations	-	-	-	-	-
<b>Net Profit</b>	<b>7.415</b>	<b>-13,6</b>	<b>8.583</b>	<b>8.005</b>	<b>8.207</b>
Attributable to minority interest (non-controlling interest)	348	-15,1	410	479	448
Attributable to owners of the parent	7.067	-13,5	8.173	7.526	7.759

The slightly lower net profit for the year had a negative effect on the earnings ratios as well. However, the cost income ratios demonstrate that the Corona pandemic did not have a negative impact on the operating business. Margins remain good for BNP's

high business volume. Without the high risk provisioning, the earnings ratios would have improved across the board. With future write-ups of risk provisions, earning ratios will be above average.

A detailed overview of the income ratios for the years of 2017 through 2020 can be found in Figure 2 below:

Figure 2: Group key earnings figures | Source: eValueRate / CRA

Income Ratios (%)	2020	%	2019	2018	2017
Cost Income Ratio (CIR)	74,11	-2,82	76,93	76,48	70,47
Cost Income Ratio ex. Trading (CIRex)	84,85	-3,59	88,44	86,37	82,41
Return on Assets (ROA)	0,30	-0,10	0,40	0,39	0,42
Return on Equity (ROE)	6,32	-1,36	7,67	7,57	7,66
Return on Assets before Taxes (ROAbT)	0,39	-0,13	0,53	0,50	0,58
Return on Equity before Taxes (ROEbT)	8,37	-1,82	10,19	9,66	10,55
Return on Risk-Weighted Assets (RORWA)	1,08	-0,20	1,28	1,24	1,28
Return on Risk-Weighted Assets before Taxes (RORWabT)	1,43	-0,27	1,70	1,58	1,76
Net Interest Margin (NIM)	1,40	-0,24	1,64	1,64	1,77
Pre-Impairment Operating Profit / Assets	0,58	-0,02	0,60	0,62	0,70
Cost of Funds (COF)	0,61	-0,34	0,95	0,91	0,80
Change in %Points					

Based on the 2021 half-year figures, the positive trend in profitability continues. Operating income continued to increase, while costs rose moderately. Risk provisioning was also significantly lower than in previous years. Accordingly, all key earnings figures improved in the first half of the year. We also expect better earnings figures at the end of the year and that BNP will continue on its growth track.

## Asset Situation and Asset Quality

BNP's balance sheet grew robustly with securities and net loans as the main drivers of this increase in the recent years. The significant increase in the cash position is the result of the BNP's participation in the ECB's TLTRO III programme, in which it borrowed around € 101.8 billion. At the same time, BNP managed to continue reducing its NPL exposure further, closing the gap to its competitors while remaining slightly below average. Cost of risk increased again in 2020, but remained comparatively low overall. The loan portfolio continues to consist of approximately 80% European borrowers, with 34% of the loan portfolio in France. The industry breakdown continues to be balanced with a high degree of diversification. Otherwise, the various positions on the asset side have increased in congruence with the balance sheet total.

A detailed look at the development of the asset side of the balance sheet for the years 2017 through 2020 can be taken in Figure 3 below:

Figure 3: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2020	%	2019	2018	2017
Cash and Balances with Central Banks	308.703	+99,0	155.135	185.119	178.446
Net Loans to Banks	17.150	-16,7	20.598	18.711	20.405
Net Loans to Customers	812.509	+0,6	807.893	768.848	879.001
Total Securities	337.138	+18,2	285.347	253.016	256.151
Total Derivative Assets	297.856	+12,8	264.042	245.492	243.620
Other Financial Assets	251.029	+23,3	203.616	181.584	3.064
<b>Financial Assets</b>	<b>2.024.385</b>	<b>+16,6</b>	<b>1.736.631</b>	<b>1.652.770</b>	<b>1.580.687</b>
Equity Accounted Investments	6.396	+7,5	5.952	5.772	6.426
Other Investments	-	-	-	-	-
Insurance Assets	265.356	+2,9	257.818	232.308	227.712
Non-current Assets & Discontinued Ops	-	-	-	498	-
Tangible and Intangible Assets	44.891	+2,1	43.964	38.922	37.898
Tax Assets	6.559	-3,7	6.813	7.220	6.568
Total Other Assets	140.904	+24,1	113.535	103.346	92.875
<b>Total Assets</b>	<b>2.488.491</b>	<b>+15,0</b>	<b>2.164.713</b>	<b>2.040.836</b>	<b>1.952.166</b>

As already mentioned, the asset ratios have deteriorated moderately due to the Corona pandemic. Asset quality remains at a high level. The higher depreciation ratios and the increased Stage 2 loans are due to the principle of prudence. These result from a conservative macroeconomic scenario view of the economic performance in the European countries. However, the low RWA ratio shows that BNP has a low-risk loan portfolio for the most part. We consider the risk provisioning to be sufficient. We also consider the risk provisions made and the consistency of the risk provisions made in relation to the NPL volume to be comfortable.

A detailed overview of the asset quality for the years of 2017 through 2020 can be found in Figure 4 below:

Figure 4: Development of asset quality | Source: eValueRate / CRA

Asset Ratios (%)	2020	%	2019	2018	2017
Net Loans/ Assets	32,65	-4,67	37,32	37,67	45,03
Risk-weighted Assets/ Assets	27,55	-3,35	30,90	31,70	32,89
NPLs*/ Net Loans to Customers	3,70	+0,01	3,69	4,42	-
NPLs*/ Risk-weighted Assets	4,39	-0,07	4,45	5,25	-
Potential Problem Loans**/ Net Loans to Customers	11,48	+1,82	9,66	11,36	0,00
Reserves/ NPLs*	71,32	+0,23	71,09	70,92	-
Reserves/ Net Loans	2,64	+0,02	2,62	3,13	2,81
Net Write-offs/ Net Loans	0,70	+0,31	0,40	0,35	0,33
Net Write-offs/ Risk-weighted Assets	0,83	+0,36	0,48	0,42	0,45
Net Write-offs/ Total Assets	0,23	+0,08	0,15	0,13	0,15
Level 3 Assets/ Total Assets	0,29	-0,07	0,36	0,35	-
Change in %Points					

\* NPLs are represented from 2017 onwards by Stage 3 Loans.  
\*\* Potential Problem Loans are Stage 2 Loans where available.

In the first half of 2021, significantly less risk provisioning will be made due to the improved economic outlook, so that the asset ratios will again improve considerably in the 2021 annual financial statements. Similar to most major banks in Europe, the negative impact of the Corona pandemic has been less than expected in the first half of

2020. We also consider the credit growth across Europe to be positive, especially in France.

## Refinancing, Capital Quality and Liquidity

The liabilities side of the BNP balance sheet increased mainly due to deposits from banks and customers. The increase in deposits as a proportion of total borrowed capital enabled interest expenses to be further reduced, while maintaining good maturity matching. However, the deposits are mostly overnight deposits. BNP's liquidity also continued to develop positively due to the high level of cash on hand. Equity capital has also grown, but to a much lesser extent than debt capital. This is due to the lower net profit for the year and the dividend paid.

A detailed overview of the development of liabilities for the years of 2017 through 2020 can be found in Figure 5 below:

Figure 5: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2020	%	2019	2018	2017
Total Deposits from Banks	145.096	+68,4	86.150	73.784	77.974
Total Deposits from Customers	939.916	+12,8	833.493	795.995	935.586
Total Debt	313.098	+7,1	292.249	231.728	281.684
Derivative Liabilities	302.081	+18,0	255.990	239.951	245.698
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	309.815	+33,4	232.248	278.524	-
<b>Total Financial Liabilities</b>	<b>2.010.006</b>	<b>+18,2</b>	<b>1.700.130</b>	<b>1.619.982</b>	<b>1.540.942</b>
Insurance Liabilities	159.797	+0,4	159.150	213.691	210.494
Non-current Liabilities & Discontinued Ops	-	-	-	-	-
Tax Liabilities	3.001	-15,8	3.566	2.255	2.466
Provisions	90.492	+3,7	87.273	9.620	11.061
Total Other Liabilities	107.846	+5,0	102.749	89.562	79.994
<b>Total Liabilities</b>	<b>2.371.142</b>	<b>+15,5</b>	<b>2.052.868</b>	<b>1.935.110</b>	<b>1.844.957</b>
<b>Total Equity</b>	<b>117.349</b>	<b>+4,9</b>	<b>111.845</b>	<b>105.726</b>	<b>107.209</b>
<b>Total Liabilities and Equity</b>	<b>2.488.491</b>	<b>+15,0</b>	<b>2.164.713</b>	<b>2.040.836</b>	<b>1.952.166</b>

The lower increase in equity in relation to debt also had an impact on the balance sheet equity ratios. In particular, the total equity / total assets ratio deteriorated considerably compared to the previous year and is also below average in the peer group comparison. The Basel III leverage ratio is only acceptable in consideration of the temporary exemption for deposits with Eurosystem central banks. Otherwise, it would also have fallen to 4.4%. In contrast to the balance sheet equity ratios, the regulatory equity ratios continued to rise. The regulatory equity ratios are above the regulatory requirements and above plan. We consider the regulatory capital ratios to be adequate for BNP.



A detailed overview of the development of capital and liquidity ratios for the years of 2017 through 2020 can be found in Figure 6 below:

Figure 6: Development of capital and liquidity ratios | Source: eValueRate / CRA

Capital Ratios and Liquidity (%)	2020	%	2019	2018	2017
Total Equity/ Total Assets	4,72	-0,45	5,17	5,18	5,49
Leverage Ratio	4,90	+0,30	4,60	4,50	4,60
Fully Loaded: Common Equity Tier 1 Ratio (CET1)	12,80	+0,70	12,10	11,80	11,80
Fully Loaded: Tier 1 Ratio (CET1 + AT1)	14,20	+0,70	13,50	13,10	13,00
Fully Loaded: Total Capital Ratio (CET1 + AT1 + T2)	16,40	+0,90	15,50	15,00	14,60
SREP Capital Requirements	9,22	-0,70	9,92	9,15	8,00
Net Loans/ Deposits (LTD)	86,44	-10,48	96,93	96,59	93,95
Interbank Ratio	11,82	-12,09	23,91	25,36	26,17
Liquidity Coverage Ratio	154,00	+29,00	125,00	132,00	121,00
Customer Deposits / Total Funding (excl. Derivates)	45,43	-0,96	46,39	46,96	58,50
Change in %Points					

At the half-year to 2021, the development of a stronger increase in debt capital in relation to equity capital continues. At the same time, the risk-weighted assets increase only below average in relation to equity, so that the balance sheet equity ratios decrease and the regulatory equity ratios increase. The reported CET1 ratio of 12.9% illustrates the comfortable capitalisation at the half-year 2021.

Due to BNP's bank capital and debt structure, as well as its status as a G-SIB, the Group's Preferred Senior Unsecured Debt instruments have not been notched down in comparison to the long-term issuer rating. Due to the seniority structure, BNP's Non-Preferred Senior Unsecured debt has been notched down by one notch. However, BNP's Tier 2 capital rating is rated fourth notches below the long-term issuer rating based on the bank's capital structure and seniority in accordance with our rating methodology. Additional Tier 1 capital is rated five notches below the long-term issuer rating, reflecting a high bail-in risk in the event of resolution.

## Environmental, Social and Governance (ESG) Score Card

**Creditreform Bank Rating**  
**Environmental, Social and Governance (ESG) Score Card**  
BNP Paribas SA (16, boulevard des Italiens, 75009 Paris)

**Creditreform   
Rating**

BNP has one significant and two moderate ESG rating drivers

- Corporate Governance is identified as a highly significant rating driver. The relevance for the credit rating results from the impact of the Corporate Governance factor on all other ESG factors and the overall well-being of the bank. This sub-factor is rated positive due to BNP's strong and sustainable earning figures and the so far successful navigation of the crisis, suffering comparatively little compared to competitors.
- Corporate Behaviour and Green Financing / Promoting are identified as moderate rating drivers. While Green Financing / Promoting is rated positive due to significant green financing, Coporate Behaviour is rated negative due to past misdeeds, e.g. circumventing economic sanctions, breaking US law leading to a record settlement, amongst others.

### ESG Score

3,6 / 5

### ESG Score Guidance

> 4,25	Outstanding
>3,5 - 4,25	Above-average
>2,5 - 3,5	Average
>1,75 - 2,5	Substandard
<= 1,75	Poor

Factor	Sub-Factor	Consideration	Relevance Scale 2021	Eval.
Environmental	1.1 Green Financing / Promoting	The sub-factor "Green Financing/Promoting" has a moderate relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	3	(+)
	1.2 Exposure to Environmental Factors	The sub-factor "Exposure to Environmental Factors" has a low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	1.3 Resource Efficiency	The sub-factor "Resource Efficiency" has no significant relevance for the credit rating, and is rated neutral in terms of the CRA ESG criteria.	1	( )

Social	2.1 Human Capital	The sub-factor "Human Capital" has low relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	2	(+)
	2.2 Social Responsibility	The sub-factor "Social Responsibility" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

Governance	3.1 Corporate Governance	The sub-factor "Corporate Governance" is highly relevant for the credit rating, and is rated positive in terms of the CRA ESG criteria.	4	(+)
	3.2 Corporate Behaviour	The sub-factor "Corporate Behaviour" has a moderate relevance for the credit rating, and is rated negative in terms of the CRA ESG criteria.	3	( - )
	3.3 Corporate Transparency	The sub-factor "Corporate Transparency" has no significant relevance for the credit rating, and is rated positive in terms of the CRA ESG criteria.	1	(+)

ESG Relevance Scale	
5	Highest Relevance
4	High Relevance
3	Moderate Relevance
2	Low Relevance
1	No significant Relevance

ESG Evaluation Guidance	
(+ +)	Strong positive
(+)	Positive
( )	Neutral
( - )	Negative
( - - )	Strong negativ

## Conclusion

Creditreform Rating affirms the rating of BNP at 'A-' and increases the outlook from stable to positive.

BNP looks back on a successful 2020 financial year. The effects of the Corona pandemic did not cause lasting damage to BNP's solid and highly diversified business model. On the contrary, BNP continued to grow during the pandemic, especially in its core lending business. The geographical and sector-wide diversification of the loan portfolio enables good profitability to be achieved with reasonable risks. The increased cost of risk during the pandemic for negative economic consequences will only temporarily impact the annual result, so that we expect higher annual results in the coming years. The assessment of the improved profitability is decisive for our positive outlook on the rating. The first key figures for the 2021 financial year indicate an increase in earnings for the year as a whole.

We also view the consistently implemented transformation process, which will ensure further cost efficiency, positively. Moreover, we assess positively the risk provisions made in recent years for the loan portfolio and the low share of RWAs in total assets. The regulatory capital ratios, which benefit from the low RWAs, are also adequate; the balance sheet equity is slightly below average compared to the peer group due to the higher payout ratios of BNP.

In summary, BNP Paribas will emerge stronger from the Corona pandemic and continue on its growth path.

## Outlook

We raised the outlook of BNP Paribas SA (Group) long-term issuer rating and its bank capital and debt instruments from stable to positive. In the medium term, CRA expects a higher profitability with the same asset quality and constant growth. We also expect regulatory equity ratios to remain at least approximately constant. Moreover, we assume no significant economic worsening due to the Corona pandemic and stable political environment in the bank's markets of operations.

## Scenario Analysis

In a scenario analysis, the bank is able to reach an "A+" rating in the "best case" scenario and an "BBB" rating in the "worst case" scenario. The ratings of bank capital and senior unsecured debt would behave similarly based on our rating mechanism. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

We might upgrade BNP's long-term issuer credit rating and its bank capital and debt instruments if we see that BNP is able to further increase its earning power. Furthermore, the high diversification of the business model is maintained.

Best-case scenario: A+

Worst-case scenario: BBB

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

## Creditreform Bank Rating

BNP Paribas SA (Group) as parent of  
BNP Paribas Home Loan SFH

Creditreform   
Rating

By contrast, a downgrade of the Group's long-term issuer credit rating and its bank capital and debt instruments is likely, if we see a lasting decline of BNP's profitability and a reduction of the banks' capital ratios. In particular, we will observe the ongoing Corona pandemic impact on BNP's asset quality and its business activities in general.

## Appendix

### Bank ratings

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

LT Issuer / Outlook / Short-Term **A- / positive / L2**

### Bank Capital and Debt Instruments Ratings

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured Debt (PSU): **A-**  
 Non-Preferred Senior Unsecured Debt (NPS): **BBB+**  
 Tier 2 (T2): **BB+**  
 Additional Tier 1 (AT1): **BB**

### Rating History

Please consult our website [www.creditreform-rating.de](http://www.creditreform-rating.de) for additional information regarding the dates of publication.

Figure 7: Rating History

Bank Issuer Rating	Rating Date	Result
Initialrating	14.06.2018	A- / stabil / L2
Rating Update	18.11.2019	A- / stabil / L2
Monitoring	24.03.2020	A- / NEW / L2
Rating Update	26.11.2020	A- / stabil / L2
Rating Update	02.11.2021	A- / positive / L2
Bank Capital and Debt Instruments	Rating Date	Result
Senior Unsecured / T2 / AT1 (Initial)	14.06.2018	A- / BB+ / BB
PSU / NPS / T2 / AT1	18.11.2019	A- / BBB+ / BB+ / BB
PSU / NPS / T2 / AT1	24.03.2020	A- / BBB+ / BB+ / BB (NEW)
PSU / NPS / T2 / AT1	26.11.2020	A- / BBB+ / BB+ / BB
PSU / NPS / T2 / AT1	02.11.2021	A- / BBB+ / BB+ / BB
Subsidiaries of the Bank	Rating Date	Result
Banca Nazionale del Lavoro S.P.A.		
Initialrating	25.09.2018	A- / stabil / L2
Rating Update	18.11.2019	A- / stabil / L2
Monitoring	24.03.2020	A- / NEW / L2
Rating Update	26.11.2020	A- / stabil / L2

## Creditreform Bank Rating

BNP Paribas SA (Group) as parent of  
BNP Paribas Home Loan SFH

Rating Update	02.11.2021	A- / positive / L2
Bank Capital and Debt Instruments of Banca Nazionale del Lavoro S.P.A.		
Senior Unsecured / T2 / AT1 (Initial)	25.09.2018	A- / BB+ / BB
PSU / NPS / T2 / AT1	18.11.2019	A- / BBB+ / BB+ / BB
PSU / NPS / T2 / AT1	24.03.2020	A- / BBB+ / BB+ / BB (NEW)
PSU / NPS / T2 / AT1	26.11.2020	A- / BBB+ / BB+ / BB
PSU / NPS / T2 / AT1	02.11.2021	A- / BBB+ / BB+ / BB
BNP Paribas Home Loan SFH		
Initialrating	25.09.2018	A- / stabil / L2
Rating Update	18.11.2019	A- / stabil / L2
Monitoring	24.03.2020	A- / NEW / L2
Rating Update	26.11.2020	A- / stabil / L2
Rating Update	02.11.2021	A- / positive / L2

## Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following scheme clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website [www.creditreform-rating.de](http://www.creditreform-rating.de). The rating was carried out on the basis of the rating methodology for [bank ratings as \(v3.0\)](#), the methodology for the [rating of bank capital and unsecured debt instruments \(v2.0\)](#), the methodology for the rating of [Government-Related Banks \(v2.0\)](#) the methodology for the rating of [Institutional Protection Scheme Banks \(v1.0\)](#) as well as the rating methodology for [Environmental, Social and Governance Score for Banks \(v1.0\)](#) in conjunction with Creditreform's basic document [Rating Criteria and Definitions \(v1.3\)](#).

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions (v1.3) are published on our homepage:

<https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html>

On 02 November 2021, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to BNP Paribas SA (Group), and the preliminary rating report was made available to the bank. There was no change in the rating score.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Rating Endorsement Status: The rating of BNP Paribas SA (Group) was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

## Conflict of Interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

In case of providing ancillary services to the rated entity, CRA will disclose all ancillary services in the credit rating report.

The provision of systems for calculating the probability of default on the basis of bank balance sheets, including the provision of balance sheet data, as well as the provision of validation data, default information and software-services, were performed as ancillary activities for BNP Paribas S.A.

## Rules on the Presentation of Credit Ratings and Rating Outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our policy "Rating Committee," all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate
2. Annual Report and interim reports
3. Investors relations information and other publications
4. Website of the rated bank
5. Public and internal market analyses
6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

The "Basic data" information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In case where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating and indicates how the different methodologies or these other



aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings as well as best-case scenario credit ratings are explained in mentioned methodologies and / or in the credit rating report.

The date at which the credit rating was released for distribution for the first time and when it was last updated including any rating outlooks is indicated clearly and prominently in the "Basic data" card as a "Rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available within „Basic data“ information card.

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