

**Long-Term Issuer Rating:** A-  
Outlook: stable

Short-Term Rating: L2

Preferred Sen. Unsec. Debt: n.r.  
Non-Preferred Sen. Unsec. Debt: n.r.  
Tier 2 Capital: n.r.  
AT1 Capital: n.r.

**26 November 2020**

### Rating Action:

## Creditreform Rating confirms BNP Paribas SA's (Group) long-term issuer rating at 'A-' (Outlook: stable). In addition, CRA confirms the long-term issuer rating of the subsidiaries Banca Nazionale del Lavoro S.p.A and BNP Paribas Home Loan SFH at 'A-' and withdraws the ratings of two main subsidiaries of the Group

Creditreform Rating (CRA) has affirmed BNP Paribas SA's (BNP) long-term issuer rating at 'A-' and the short-term rating at 'L2'. The rating outlook was revised from 'watch negative' to stable.

At the same time, we confirm BNP Paribas SA's 'preferred senior unsecured' debt rating at 'A-', 'non-preferred senior unsecured' debt rating at 'BBB+', Tier 2 capital rating at 'n.r.' and AT1 capital rating at 'n.r.'.

Concurrently we confirm the long-term issuer rating of the Group's subsidiaries Banca Nazionale del Lavoro S.p.A and BNP Paribas Home Loan SFH at 'A-', which reflects BNP Paribas SA's issuer rating, in line with our methodology.

Please find a complete list of rating actions regarding the bank and its affected subsidiaries at the end of this rating update. In addition, we refer to the more detailed report of the Group from 14.06.2018 on our homepage.

### Key Rating Drivers

CRA has affirmed the rating of BNP its bank capital and debt instruments as a result of its periodic monitoring process for the following reasons:

- BNP Paribas SA increased its profit in 2019 and performed well up to Q3 2020 in comparison to its peers
- Continued growth and improvement in the quality of the loan portfolio even as the COVID-19 crisis continues
- Below average capital ratios in peer group comparison

#### Analysts

Tobias Stroetges  
t.stroetges@creditreform-rating.de  
Lead-Analyst

Philipp J. Beckmann  
p.beckmann@creditreform-rating.de  
Senior Analyst

Felix Schuermann  
f.schuermann@creditreform-rating.de  
Person Approving Credit Ratings

Neuss, Germany

### Rating Considerations and Rationale

BNP's credit rating confirmation was primarily driven by the continued improvement in asset quality and financial performance. The bank's performance in light of the COVID-19 crisis is considerable, since many major domestic and international competitors suffered greatly.

### Profitability

The net profit of BNP increased again after a decline in the previous year. This growth however did not stem from surging business, but primarily from non-recurring revenue, without which the pre-tax profit would have remained stable compared to the previous year. Generally, the bank recovered from a decline in operating income in the previous year with a strong increase in trading income (mainly net gain on financial instruments at FVTPL), as the main staple of income, net interest income remained practically unchanged. Operating expense increased only

slightly amid a decrease in other expense. Asset writedowns increased significantly over the previous year due to an increase in cost of risk and impairment of goodwill. Income ratios increased significantly due to increase in net profit and a lesser increase in assets, equity and other items of the denominator, marking above average profitability of BNP in comparison to its large European peers.

The net profit decreased significantly in the first three quarters of 2020, but to a lower extent than the net profit of the competitor banks. The operating result even increased over the previous year, as operating income remained stable and costs declined significantly. Cost of risk nearly doubled, but the peer group recorded a steeper increase on average, displaying a remarkable resilience of BNP in the current market environment.

### **Asset Situation and Asset Quality**

BNP's balance sheet grow robustly with securities and net loans as the main drivers of this increase. 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 2019, but remained comparatively low overall. RWA compared to total assets was slightly below that of the observed peer group.

The NPL ratio as of the rating date does not display a significant increase, despite the COVID-19 crisis. The economy so far is carried by state loans, guarantees and moratoria. CRA expects declining asset quality over the medium term, however, as state aid programs are phasing out.

### **Refinancing and Capital Quality**

BNP's capital ratios have increased very slightly over the previous year or remained practically unchanged over the previous year. The equity ratio remained virtually unchanged, while the Leverage ratio increased very slightly. Only the regulatory capital ratios increased significantly and the CET1 ratio exceeds the target of 12% slightly. While well in excess of SREP requirements, the regulatory capital ratios and other capital ratios remained well below those of the peer group.

The CET1 ratio increased further in Q3 2020, partly through a decline in RWA. BNP also issued €1.75bn in AT1 and €2.3bn in Tier 2 capital in 2020, in addition to €13.2bn in non-preferred senior debt.

### **Liquidity**

In our opinion, the overall liquidity situation of the bank is satisfactory; the Liquidity Coverage Ratio was at 147% in Q3 2020, a significant increase over year-end 2019, anticipating increasing liquidity needs.

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

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 2020	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

The ESG Score is based on the Methodology "Environmental, Social and Governance Score of Banken (Version 1.0)" of Creditreform Rating AG, which is available on our homepage <https://creditreform-rating.de/en/about-us/regulatory-requirements.html>. In addition, we refer to CRA's position paper "Considering the Impact of ESG Factors".

## Outlook

We consider the outlook of BNP's long-term issuer rating and its bank capital and debt instruments as stable. This reflects our view that BNP is likely to keep being profitable in the medium term, despite the unresolved COVID-19 crisis. BNP appears to come out of the crisis as one of the strongest players. CRA will continue to monitor the situation, observing whether BNP continues to outperform its peers in tackling the crisis.

In addition, we assume a stable political environment and a rapid economic recovery in BNP'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 could upgrade BNP's long-term issuer credit rating and its bank capital and debt instruments if we see BNP continuing to outperforming its peers in regards to the COVID-19 crisis. In addition, a continuous improvement of the bank's capital ratios and an increase in asset quality might lead to an upgrade as well.

By contrast, a downgrade of BNP's long-term issuer credit rating and its bank capital and debt instruments is likely if we see that BNP fares significantly worse due to the COVID-19 crisis. A spike in non-performing loans and deteriorating asset quality in general, a decrease in profitability due to significantly higher costs of risk over the medium term and a decline in business activity would likely lead to a downgrade of the rating.

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.

## CRA's rating actions at a glance

### BNP Paribas SA:

- Long-Term Issuer Rating affirmed at 'A-', stable outlook
- Short-term rating affirmed at 'L2'
- Preferred senior unsecured debt affirmed at 'A-'
- Non-preferred senior unsecured debt affirmed at 'BBB+'
- Tier 2 capital affirmed at 'n.r.'
- AT1 capital affirmed at 'BB'

### Banca Nazionale del Lavoro S.P.A.:

- Long-Term Issuer Rating affirmed at 'A-', stable outlook
- Short-term rating affirmed at 'L2'
- Preferred senior unsecured debt affirmed at 'A-'
- Non-preferred senior unsecured debt affirmed at 'BBB+'
- Tier 2 capital affirmed at 'n.r.'
- AT1 capital affirmed at 'BB'

### BNP Paribas Fortis:

- Long-Term Issuer Rating set to 'n.r.'
- Short-term rating set to 'n.r.'
- Preferred senior unsecured debt set to 'n.r.'
- Non-preferred senior unsecured debt rated set to 'n.r.'
- Tier 2 capital set to 'n.r.'
- AT1 capital set to 'n.r.'

### BNP Paribas Home Loan SFH:

- Long-Term Issuer Rating affirmed at 'A-', stable outlook
- Short-term rating affirmed at 'L2'
- Preferred senior unsecured debt set to 'n.r.'
- Non-preferred senior unsecured debt rated set to 'n.r.'
- Tier 2 capital set to 'n.r.'
- AT1 capital set to 'n.r.'

### BNP Paribas Public Sector:

- Long-Term Issuer Rating set to 'n.r.'
- Short-term rating set to 'n.r.'
- Preferred senior unsecured debt set to 'n.r.'
- Non-preferred senior unsecured debt rated set to 'n.r.'
- Tier 2 capital set to 'n.r.'
- AT1 capital set to 'n.r.'

## Ratings Detail

### 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- / stable / 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): **n.r.**  
 Non-preferred senior unsecured debt (NPS): **n.r.**  
 Tier 2 (T2): **n.r.**  
 Additional Tier 1 (AT1): **n.r.**

## Rating History

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

Figure 1: 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
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
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
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

BNP Paribas Fortis		
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	n.r. / n.r. / n.r.
Bank Capital and Debt Instruments of BNP Paribas Fortis		
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	n.r. / n.r. / n.r. / n.r.
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
Bank Capital and Debt Instruments of BNP Paribas Home Loan SFH		
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	n.r. / n.r. / n.r. / n.r.
BNP Paribas Public Sector		
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	n.r. / n.r. / n.r.
Bank Capital and Debt Instruments of BNP Paribas Public Sector		
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	n.r. / n.r. / n.r. / n.r.

### Appendix

Figure 2: Group income statement | Source: eValueRate / CRA

Income Statement (€m)	2016	%	2017	%	2018	%	2019
<b>Income</b>							
Net Interest Income	22.376	-5,3	21.191	-0,6	21.062	+0,3	21.127
Net Fee & Commission Income	7.202	+30,9	9.430	-2,4	9.207	+1,7	9.365
Net Insurance Income	3.763	+1,3	3.813	+6,6	4.064	+9,2	4.437
Net Trading Income	7.789	-13,5	6.739	-9,2	6.118	+22,0	7.464
Equity Accounted Results	633	+12,6	713	-11,9	628	-6,7	586
Dividends from Equity Instruments	611	-39,0	373	-	-	-	-
Other Income	3.780	+11,8	4.225	-51,1	2.065	+6,7	2.204
<b>Operating Income</b>	<b>46.154</b>	<b>+0,7</b>	<b>46.484</b>	<b>-7,2</b>	<b>43.144</b>	<b>+4,7</b>	<b>45.183</b>
<b>Expenses</b>							
Depreciation and Amortisation	1.697	+1,3	1.719	-2,5	1.676	+45,9	2.445
Personnel Expense	16.402	+0,6	16.496	+0,7	16.617	+5,6	17.553
Tech & Communications Expense	-	-	-	-	-	-	-
Marketing and Promotion Expense	-	-	-	-	-	-	-
Other Provisions	-	-	-	-	-	-	-
Other Expense	13.571	+7,1	14.540	-15,5	12.290	-7,7	11.339
<b>Operating Expense</b>	<b>31.670</b>	<b>+3,4</b>	<b>32.755</b>	<b>-6,6</b>	<b>30.583</b>	<b>+2,5</b>	<b>31.337</b>
<b>Operating Profit &amp; Impairment</b>							
<b>Pre-impairment Operating Profit</b>	<b>14.484</b>	<b>-5,2</b>	<b>13.729</b>	<b>-8,5</b>	<b>12.561</b>	<b>+10,2</b>	<b>13.846</b>
Asset Writedowns	3.262	-10,9	2.907	-6,7	2.711	+48,3	4.021
<b>Net Income</b>							
Non-Recurring Income	-12	< -100	488	-26,6	358	> +100	1.569
Non-Recurring Expense	-	-	-	-	-	-	-
<b>Pre-tax Profit</b>	<b>11.210</b>	<b>+0,9</b>	<b>11.310</b>	<b>-9,7</b>	<b>10.208</b>	<b>+11,6</b>	<b>11.394</b>
Income Tax Expense	3.095	+0,3	3.103	-29,0	2.203	+27,6	2.811
Discontinued Operations	-	-	-	-	-	-	-
<b>Net Profit</b>	<b>8.115</b>	<b>+1,1</b>	<b>8.207</b>	<b>-2,5</b>	<b>8.005</b>	<b>+7,2</b>	<b>8.583</b>
Attributable to minority interest (non-controlling interest)	413	+8,5	448	+6,9	479	-14,4	410
Attributable to owners of the parent	7.702	+0,7	7.759	-3,0	7.526	+8,6	8.173

Figure 3: Group key earnings figures | Source: eValueRate / CRA

Income Ratios (%)	2016	%	2017	%	2018	%	2019
Cost Income Ratio (CIR)	68,62	+1,85	70,47	+0,42	70,89	-1,53	69,36
Cost Income Ratio ex. Trading (CIRex)	82,55	-0,14	82,41	+0,19	82,60	+0,48	83,08
Return on Assets (ROA)	0,39	+0,03	0,42	-0,03	0,39	+0,00	0,40
Return on Equity (ROE)	7,71	-0,06	7,66	-0,08	7,57	+0,10	7,67
Return on Assets before Taxes (ROAbT)	0,54	+0,04	0,58	-0,08	0,50	+0,03	0,53
Return on Equity before Taxes (ROEbT)	10,65	-0,10	10,55	-0,89	9,66	+0,53	10,19
Return on Risk-Weighted Assets (RORWA)	1,27	+0,01	1,28	-0,04	1,24	+0,05	1,28
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,75	+0,01	1,76	-0,18	1,58	+0,13	1,70
Net Interest Margin (NIM)	1,58	+0,19	1,77	-0,12	1,64	+0,00	1,65
Pre-Impairment Operating Profit / Assets	0,70	+0,01	0,70	-0,09	0,62	+0,02	0,64
Cost of Funds (COF)	1,11	-0,31	0,80	+0,10	0,91	+0,05	0,95
Change in %Points							

Figure 4: Development of assets | Source: eValueRate / CRA

Assets (€m)	2016	%	2017	%	2018	%	2019
Cash and Balances with Central Banks	160.400	+11,3	178.446	+3,7	185.119	-16,2	155.135
Net Loans to Banks	43.989	-53,6	20.405	-8,3	18.711	+10,1	20.598
Net Loans to Customers	710.510	+23,7	879.001	-12,5	768.848	+5,3	809.266
Total Securities	485.507	-47,2	256.151	-1,2	253.016	+15,8	293.058
Total Derivative Assets	350.959	-30,6	243.620	+0,8	245.492	+7,6	264.042
Other Financial Assets	156.862	-98,0	3.064	> +100	181.584	+7,1	194.532
<b>Financial Assets</b>	<b>1.908.227</b>	<b>-17,2</b>	<b>1.580.687</b>	<b>+4,6</b>	<b>1.652.770</b>	<b>+5,1</b>	<b>1.736.631</b>
Equity Accounted Investments	6.910	-7,0	6.426	-10,2	5.772	+3,1	5.952
Other Investments	1.911	-	-	-	-	-	-
Insurance Assets	2.866	> +100	227.712	+2,0	232.308	+11,0	257.818
Non-current Assets & Discontinued Ops	-	-	-	-	498	-	-
Tangible and Intangible Assets	35.978	+5,3	37.898	+2,7	38.922	+13,0	43.964
Tax Assets	7.966	-17,5	6.568	+9,9	7.220	-5,6	6.813
Total Other Assets	113.101	-17,9	92.875	+11,3	103.346	+9,9	113.535
<b>Total Assets</b>	<b>2.076.959</b>	<b>-6,0</b>	<b>1.952.166</b>	<b>+4,5</b>	<b>2.040.836</b>	<b>+6,1</b>	<b>2.164.713</b>

Figure 5: Development of asset quality | Source: eValueRate / CRA

Asset Ratios (%)	2016	%	2017	%	2018	%	2019
Net Loans/ Assets	34,21	+10,82	45,03	-7,35	37,67	-0,29	37,38
Risk-weighted Assets/ Assets	30,85	+2,04	32,89	-1,19	31,70	-0,81	30,90
NPLs*/ Net Loans to Customers	5,99	-0,69	5,30	-0,88	4,42	-0,74	3,68
NPLs*/ Risk-weighted Assets	6,65	-0,64	6,01	-0,76	5,25	-0,79	4,45
Potential Problem Loans**/ Net Loans to Customers	1,59	9,64	0,00	9,64	11,36	-1,72	9,64
Reserves/ NPLs*	63,52	+0,44	63,96	+6,96	70,92	+0,17	71,09
Reserves/ Net Loans	3,81	-1,00	2,81	+0,32	3,13	-0,52	2,62
Net Write-offs/ Net Loans	0,46	-0,13	0,33	+0,02	0,35	+0,14	0,50
Net Write-offs/ Risk-weighted Assets	0,51	-0,06	0,45	-0,03	0,42	+0,18	0,60
Net Write-offs/ Total Assets	0,16	-	0,15	-	0,13	+0,05	0,19
Level 3 Assets/ Total Assets	-	-	-	-	0,35	+0,02	0,36

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

Figure 6: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (€m)	2016	%	2017	%	2018	%	2019
Total Deposits from Banks	71.197	+9,5	77.974	-5,4	73.784	+9,6	80.904
Total Deposits from Customers	763.595	+22,5	935.586	-14,9	795.995	+4,7	833.493
Total Debt	290.844	-3,1	281.684	-17,7	231.728	+6,4	246.585
Derivative Liabilities	342.568	-28,3	245.698	-2,3	239.951	+6,7	255.990
Securities Sold, not yet Purchased	-	-	-	-	-	-	-
Other Financial Liabilities	195.614	-	-	-	278.524	+1,7	283.158
<b>Total Financial Liabilities</b>	<b>1.663.818</b>	<b>-7,4</b>	<b>1.540.942</b>	<b>+5,1</b>	<b>1.619.982</b>	<b>+4,9</b>	<b>1.700.130</b>
Insurance Liabilities	193.626	+8,7	210.494	+1,5	213.691	+10,9	236.937
Non-current Liabilities & Discontinued Ops	-	-	-	-	-	-	-
Tax Liabilities	3.087	-20,1	2.466	-8,6	2.255	+58,1	3.566
Provisions	11.801	-6,3	11.061	-13,0	9.620	-1,4	9.486
Total Other Liabilities	99.407	-19,5	79.994	+12,0	89.562	+14,7	102.749
<b>Total Liabilities</b>	<b>1.971.739</b>	<b>-6,4</b>	<b>1.844.957</b>	<b>+4,9</b>	<b>1.935.110</b>	<b>+6,1</b>	<b>2.052.868</b>
<b>Total Equity</b>	<b>105.220</b>	<b>+1,9</b>	<b>107.209</b>	<b>-1,4</b>	<b>105.726</b>	<b>+5,8</b>	<b>111.845</b>
<b>Total Liabilities and Equity</b>	<b>2.076.959</b>	<b>-6,0</b>	<b>1.952.166</b>	<b>+4,5</b>	<b>2.040.836</b>	<b>+6,1</b>	<b>2.164.713</b>

Figure 7: Development of capital ratios | Source: eValueRate / CRA

Capital Ratios (%)	2016	%	2017	%	2018	%	2019
Total Equity/ Total Assets	5,07	+0,43	5,49	-0,31	5,18	-0,01	5,17
Leverage Ratio	4,40	+0,20	4,60	-0,10	4,50	+0,10	4,60
Phased-in: Common Equity Tier 1 Ratio (CET1)	11,60	+0,30	11,90	-0,10	11,80	+0,30	12,10
Phased-in: Tier 1 Ratio (CET1 + AT1)	12,90	+0,30	13,20	-0,10	13,10	+0,40	13,50
Phased-in: Total Capital Ratio (CET1 + AT1 + T2)	14,50	+0,30	14,80	+0,20	15,00	+0,50	15,50
Fully Loaded: Common Equity Tier 1 Ratio (CET1)	11,50	+0,30	11,80	+0,00	11,80	+0,30	12,10
Fully Loaded: Tier 1 Ratio (CET1 + AT1)	12,60	+0,40	13,00	+0,10	13,10	+0,40	13,50
Fully Loaded: Total Capital Ratio (CET1 + AT1 + T2)	14,20	+0,40	14,60	+0,40	15,00	+0,50	15,50
SREP Capital Requirements	10,00	-2,00	8,00	+1,15	9,15	+0,77	9,92
MREL / TLAC Ratio	-	-	-	-	-	-	-
Change in %Points							

Figure 8: Development of liquidity | Source: eValueRate / CRA

Liquidity (%)	2016	%	2017	%	2018	%	2019
Net Loans/ Deposits (LTD)	93,05	+0,90	93,95	+2,64	96,59	+0,50	97,09
Interbank Ratio	61,78	-35,62	26,17	-0,81	25,36	+0,10	25,46
Liquidity Coverage Ratio	123,00	-2,00	121,00	+11,00	132,00	-7,00	125,00
Customer Deposits / Total Funding (excl. Derivates)	46,87	+11,63	58,50	-11,54	46,96	-0,57	46,39
Change in %Points							

## 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. Subject to a peer group analysis were 24 competing institutes.

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 \(Version 2.0\)](#), the methodology for the [rating of bank capital and unsecured debt instruments \(Version 2.0\)](#) as well as the rating methodology for [Environmental, Social and Governance Score for Banks \(Version 1.0\)](#) in conjunction with Creditreform's basic document [Rating Criteria and Definitions \(Version 1.3\)](#).

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions (Version 1.3) are published on our homepage:

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

On 26 November 2020, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to BNP Paribas Home Loan SFH (Group) and its subsidiaries, 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 Home Loan SFH (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.

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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.

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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.

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Creditreform Rating AG

## Contact information

Creditreform Rating AG  
Europadamm 2-6  
D-41460 Neuss

Phone +49 (0) 2131 / 109-626  
Fax +49 (0) 2131 / 109-627

E-Mail [info@creditreform-rating.de](mailto:info@creditreform-rating.de)  
[www.creditreform-rating.de](http://www.creditreform-rating.de)

CEO: Dr. Michael Munsch

Chairman of the Board: Dr. Hartmut Bechtold  
HR Neuss B 10522