

Creditreform Bank Rating

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

Creditreform 
Rating

Long-Term Issuer Rating: A

Outlook: stable

Short-Term Rating: L2

Preferred Sen. Unsec. Debt: -

Non-Preferred Sen. Unsec. Debt: -

Tier 2 Capital: -

AT1 Capital: -

06 December 2022

Rating Action:

Creditreform Rating upgrades the Long-Term Issuer Rating of BNP Paribas SA and its subsidiaries by one notch to 'A' (Outlook: stable)

Creditreform Rating (CRA) upgrades the Long-Term Issuer Rating of BNP Paribas (Group) from 'A-' to 'A' and affirms the short-term rating at 'L2'. The rating outlook is stable.

At the same time, we upgrade BNP's Preferred Senior Unsecured Debt from 'A-' to 'A', Non-Preferred Senior Debt from 'BBB+' to 'A-', Tier 2 Capital from 'BB+' to '-' and AT1 Capital from 'BB' to '-'.

Concurrently, we upgrade the Long-Term Issuer and Issue Ratings of the Group's subsidiaries Banca Nazionale del Lavoro SpA and BNP Paribas Home Loan SFH in line with those of BNP Paribas SA (Group), in accordance 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.

Key Rating Driver

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

- One of the largest banks in Europe
- Markedly improved profitability in 2021 through Q3 2022
- Continuously improving asset quality paired with low cost of risk
- Declining, but closely managed capital ratios
- Refocus on European market with sale of BancWest operations in the United States

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Company Overview

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 September 2022, the bank achieved EUR 3.009.340 million of assets. Measured by total assets, BNP Paribas is the largest bank in Europe (as of 2022). In total, the Bank is represented in 65 countries of the world and the Group employs approximately more than 190,000 employees, of which 145,000 are in Europe.

BNP Paribas organizes its business into three main fields of activity: Commercial. Personal Banking & Services (CPBS); Investment & Protection Services (IPS) and Corporate & Institutional Banking (CIB). The CPBS business includes French Retail Banking and International Retail Banking, it brings together the BNP retail-banking networks and several specialised businesses, particularly in lending, financing and mobility. In the CPBS 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 one of the leading asset manager worldwide in sustainable investments. BNP Paribas Wealth Management is the leading global

private bank in the euro zone with around 408 bn assets under management (09/2022). BNP Paribas Real Estate 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 55 countries with 36,356 employees.

With the 2025 strategic plan, BNP Paribas wants to consolidate its European leadership. The plan focuses on three main aspects: growth, technology and sustainability. Growth means to continue to develop profitable growth by leveraging the Group's leading positions in Europe. Technology for optimized client/employee experiences and operating efficiency. Sustainability should be guaranteed by mobilizing the Group's businesses on sustainable finance issues.

On 18 December 2021, the Group concluded an agreement with BMO Financial Group for the sale of its retail and commercial banking activities in the United States operated by BancWest for a total price of USD 16.3 billion in cash. The transaction is expected to formally close during 2022.

Rating Considerations and Rationale

The upgrade of BNP's Long-Term Issuer Rating was primarily driven by a significant improvement of earnings throughout 2021 and 2022, a continuously improving asset quality in a difficult market environment, paired with low costs of risk. The sale of BancWest's commercial banking activities enables the bank to refocus on Europe and the proceeds of the sale might be used to further BNP's goals, strategically. A relative decline of BNP's capital ratios is observed, but is closely managed and in accordance with long-term strategic planning.

Profitability

Creditreform Rating AG generally follows a so-called structural approach in the evaluation of annual financial statements. This means that CRA follows an approach of standardizing annual financial statements and thus making them comparable with each other. The presentation of the balance sheet and income statement as well as individual key figures may therefore differ from the presentation of the bank. CRA also reserves the right to adjust the income statement for non-recurring items at its own discretion.

BNP is back on track after the setback caused by COVID-19. The annual net profit shot up by a third to €9.9 billion in the 2021 fiscal year. The reasons for the strong year-on-year improvement were improved operational profitability and significantly lower risk costs compared with the previous year. The disposal of the commercial banking activities of BancWest and the subsequent application of IFRS 5 resulted in significant changes in the income statement; the current and previous fiscal years were restated. Net income from discontinued operations amounted to €720 million in 2021 (previous year: €379 million). Excluded operating income of approximately €2.5 billion was mainly composed of net interest income (approximately 80%) and net commission income (approximately 14%). The main driver of operating expenses of EUR 1.6 billion was personnel expense of just under EUR 1 billion. Risk costs made a positive contribution to earnings on the part of BancWest in 2021; pre-tax income from discontinued operations amounted to €893 million (prior year: €485 million).

Adjusted for the IFRS 5 impact, operating income in 2021 increased mainly due to good business in the commissions and fees area as well as in the fair value and trading business. In commissions and fees, the bank benefited in particular from strong growth in asset management and other services. Overall, operating income increased by €2 billion compared with the previous

year. Operating expenses increased by €0.9 billion compared with the previous year, due to higher personnel expenses and higher contributions to the European Resolution Fund.

Operating profit increased sharply year-on-year by almost 9% to €14.9 billion. Risk costs decreased significantly year-on-year to just under €3 billion, compared with €5.4 billion in 2020, which was dominated by COVID-19. In addition, non-recurring revenue of €834 million was generated in the 2021 financial year, partly as a result of the sale of real estate and parts of companies (including the partial sale of Allfunds Group Plc for €444 million). Pre-tax profit increased by more than a third to €12.7 billion; after deducting taxes and discontinued operations (see above), Net profit at Group level was €9.9 billion (€9.5 billion attributable to owners), compared with €7.4 billion a year earlier.

Due to the very good result in fiscal year 2021, the earnings ratios also improved significantly. The return on equity improved to a good 8.1%. By contrast, the cost/income ratio improved only slightly to 66.4%, which is still slightly below average.

As of Q3 2022, net income for the first three quarters was 12% higher than in the same period of the previous year. This was mainly due to operating profitability, while risk costs decreased only slightly. Net interest income and net trading and fair value income made a significant contribution to the increase in operating income, while commission income remained at the prior-year level. Significant growth was achieved in all three major business segments. The return on equity improved further to 8.9%, while the cost/income ratio decreased significantly to 64.4%. Overall, BNP markedly increased its profitability.

Asset Situation and Asset Quality

BNP's total assets increased sharply by €146 billion in fiscal year 2021. However, due to the IFRS 5 impact in connection with the sale of BancWest, significant changes are not recognizable at first glance. EUR 91.3 billion was recognized as assets held for sale in 2021, with EUR 50.1 billion originating from customer loans, EUR 20.7 billion and EUR 14.7 billion each attributable to debt securities and cash and cash equivalents. Before IFRS 5 impact, customer loans increased by almost 7%. Cash and cash equivalents also increased sharply by €39.2 billion.

Asset quality improved only slightly in fiscal 2021. The NPL ratio decreased slightly, while the potential problem loan ratio (Stage 2) increased slightly. However, the cost of risk decreased again significantly to pre-crisis levels. The RWA ratio decreased slightly in view of, among other things, a sharp increase in liquid assets. Without this increase, the rise in total assets and RWA would have been parallel (4.29% vs. 4.11%).

As of Q3 2022, BNP has exceeded the €3 trillion mark by total assets. Derivatives exposure, which has almost doubled since the end of the year, played a major role in this development. As of H1 2022, the growth was mainly attributable to interest rate and FX derivatives; no such detailed data are available as of Q3. Customer loans at amortized cost also increased significantly by 6.8%. As of H1 2022, asset quality improved slightly, with the NPL ratio decreasing from 3.4% to 3.1% and the stage 2 ratio from 12.9% to 12.4%. The RWA ratio decreased to 26.2%.

With the sale of the BancWest business, BNP is focusing more on the European market again, with assets held for sale accounting for around 5.5% of the on-balance sheet exposure in the first half of 2022. BNP's largest markets by exposure, excluding assets held for sale, thus remain France with 32.3% (30.6% incl. held for sale), followed by Belgium with 13.2% (12.5%) and Italy with 9.5% (8.9%).

Refinancing, Capital Quality and Liquidity

Customer deposits and debt offerings refinanced the strong balance sheet growth. Although customer deposits increased by only €17.2 billion, €72.6 billion of BancWest customer deposits were booked as liabilities associated with assets held for sale. Deposits from banks increased mainly due to the higher TLTRO III volume, which reached €120.1 billion in 2021 (PY: €101.8 billion).

In fiscal year 2021, the balance sheet equity ratio decreased only slightly. With the exception of 2020, the bank has maintained a payout ratio of 50% in recent years. In 2021, €3.5 billion in dividends were paid out for the 2020 financial year, share buybacks (€0.9 billion in Q4 2021) and issuing and redemption of capital decreased equity by just under €1.7 billion net. Including net income of €9.9 billion, total equity on the balance sheet therefore increased from €117.3 billion to €122.5 billion in 2021. The dividend for 2021 was €4.5 billion. Regulatory capital (CET1) increased in line with the balance sheet figure, but the volume of AT1 capital decreased by just under €1.8 billion net year-on-year, while Tier 2 capital increased further. Coupled with a moderate increase in RWA, the CET1 ratio increased slightly year-on-year. The leverage ratio was 4.1% at the end of the year. Overall, capitalization can be described as solid but below average, also in view of the size of the bank. At the end of the year, the buffer to the minimum ratio was 3.66%. The good earnings position allows the current dividend policy.

As of Q3 2022, the derivatives exposure in particular rose sharply, but at the same time customer deposits also increased significantly by over 6.1%. Total debt also increased markedly by 10.6%. While total assets increased by 14.2%, total equity increased by only 2.4% compared to 2021. The equity ratio therefore decreased sharply to 4.2%. However, the leverage ratio decreased only to 3.9% from 4.1%. The CET1 ratio was only 12.1% in Q3 2022, leaving the buffer at a mere 2.7%. However, in line with the size and market position of the bank, the buffer can be considered sufficient. By 2025, the bank plans to have a CET1 ratio of 12% according to the finalized Basel III regulatory framework.

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 2022	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

The outlook of the Long-Term Issuer Rating of BNP Paribas SA (Group) is 'stable'. The business year 2021 signified a significant rebound for BNP back to and actually exceeding pre-pandemic levels of profitability. Previously, BNP had navigated the crisis well, resulting only in a minor setback in profitability and asset quality. Despite geopolitical and economic risks, asset quality and profitability remain excellent as of Q3 2022 and have even improved compared to the same period last year, while peer banks are experiencing a slowdown in business momentum. Only the capital situation represents a small drop of bitterness - the regulatory buffers are eroding visibly due to dividend payments and share buybacks. However, the bank is stringently pursuing its set target, and no further planned reductions are foreseeable. Moreover, thanks to its market presence, the bank has no problems with short or medium-term funding and can therefore fine-tune its capital situation at any time. The overall capitalization can therefore be described as solid. From CRA's point of view, the turnaround in interest rates must be viewed in an ambivalent light. The central banks are countering the sharp rise in inflation since the start of the Ukraine war with in some cases drastic increase in interest rate hikes, which entail corresponding changes in market and credit risk and which are likely to plunge the world economy into a recession. At the same time, supply chains are recovering only slowly as the Corona crisis subsides.

Scenario Analysis

Best-case scenario: A+

Worst-case scenario: A-

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.

In a scenario analysis, the bank is able to reach Long-Term Issuer Rating of 'A+' in the best-case scenario and an Long-Term Issuer Rating of 'A-' 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 Rating and Issue Ratings if BNP further continues to improve its earnings power and follows a conservative approach towards capitalization, while asset quality is expected not to deteriorate materially in the current market environment.

By contrast, a downgrade of BNP's Long-Term Issuer Rating if does not meet its earnings targets, paired with significantly worse asset quality, for example due to an economic downturn and heightened costs of risk due to stagflationary tendencies brought through the effects of the Ukraine War. Likewise, a downgrade might be warranted if the capital situation significantly worsens and the bank is unable to meet its targets as regulatory buffers shrink due to aforementioned effects.

CRA's rating actions at a glance

BNP Paribas SA (Group):

- Long-Term Issuer Rating upgraded from 'A-' to 'A', stable outlook
- Short-term rating affirmed at 'L2'
- Preferred Senior Unsecured Debt upgraded from 'A-' to 'A'
- Non-preferred senior unsecured debt upgraded from 'BBB+' to 'A-'
- Tier 2 capital upgraded 'BB+' to 'BBB-'
- AT1 capital upgraded 'BB' to 'BB+'

Banca Nazionale del Lavoro SpA

- Long-Term Issuer Rating upgraded from 'A-' to 'A', stable outlook
- Short-term rating affirmed at 'L2'
- Preferred Senior Unsecured Debt upgraded from 'A-' to 'A'
- Non-preferred senior unsecured debt upgraded from 'BBB+' to 'A-'
- Tier 2 capital upgraded 'BB+' to 'BBB-'
- AT1 capital upgraded 'BB' to 'BB+'

BNP Paribas Home Loan SFH

- Long-Term Issuer Rating upgraded from 'A-' to 'A', stable outlook
- Short-term rating affirmed at 'L2'

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):	-
Non-preferred senior unsecured debt (NPS):	-
Tier 2 (T2):	-
Additional Tier 1 (AT1):	-

Rating History

Please consult our website 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
Rating Update	02.11.2021	A- / positive / L2
Rating Update	06.12.2022	A / stable / 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
PSU / NPS / T2 / AT1	06.12.2022	A / A- / BBB- / 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
Rating Update	02.11.2021	A- / positive / L2
Rating Update	06.12.2022	A / stable / 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
PSU / NPS / T2 / AT1	06.12.2022	A / A- / BBB- / 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
Rating Update	06.12.2022	A / stable / L2

Appendix

Figure 2: Group income statement¹ | Source: eValueRate / CRA

Income Statement (EUR m)	2021	%	2020	2019	2018
Income					
Net Interest Income	19.238	-0,2	19.286	21.127	21.062
Net Fee & Commission Income	10.362	+8,2	9.579	9.365	9.207
Net Insurance Income	4.332	+5,3	4.114	4.437	4.064
Net Trading & Fair Value Income	7.671	+10,6	6.935	7.348	6.118
Equity Accounted Results	494	+16,8	423	586	628
Dividends from Equity Instruments	106	+100,0	53	116	-
Other Income	2.053	+13,3	1.812	2.204	2.065
Operating Income	44.256	+4,9	42.202	45.183	43.144
Expense					
Depreciation and Amortisation	2.253	-0,2	2.257	3.263	1.676
Personnel Expense	16.417	+3,0	15.942	17.553	16.617
Tech & Communications Expense	-	-	-	-	-
Marketing and Promotion Expense	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Expense	10.705	+3,9	10.301	11.339	12.290
Operating Expense	29.375	+3,1	28.500	32.155	30.583
Operating Profit & Impairment					
Operating Profit	14.881	+8,6	13.702	13.028	12.561
Cost of Risk / Impairment	2.971	-44,9	5.395	3.203	2.711
Net Income					
Non-Recurring Income	834	-19,0	1.030	1.569	358
Non-Recurring Expense	-	-	-	-	-
Pre-tax Profit	12.744	+36,5	9.337	11.394	10.208
Income Tax Expense	3.584	+55,8	2.301	2.811	2.203
Discontinued Operations	720	+90,0	379	-	-
Net Profit	9.880	+33,2	7.415	8.583	8.005
Attributable to minority interest (non-controlling interest)	392	+12,6	348	410	479
Attributable to owners of the parent	9.488	+34,3	7.067	8.173	7.526

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

Income Ratios (%)	2021	%	2020	2019	2018
Cost Income Ratio (CIR)	66,38	-1,16	67,53	71,17	70,89
Cost Income Ratio ex. Trading (CIRex)	80,29	-0,52	80,81	84,99	82,60
Return on Assets (ROA)	0,38	+0,08	0,30	0,40	0,39
Return on Equity (ROE)	8,06	+1,75	6,32	7,67	7,57
Return on Assets before Taxes (ROAbT)	0,48	+0,11	0,38	0,53	0,50
Return on Equity before Taxes (ROEbT)	10,40	+2,45	7,96	10,19	9,66
Return on Risk-Weighted Assets (RORWA)	1,38	+0,30	1,08	1,28	1,24
Return on Risk-Weighted Assets before Taxes (RORWAbT)	1,79	+0,42	1,36	1,70	1,58
Net Financial Margin (NFM)	1,33	+0,03	1,30	1,64	1,64
Pre-Impairment Operating Profit / Assets	0,56	+0,01	0,55	0,60	0,62
Cost of Funds (COF)	0,51	-0,08	0,59	0,95	0,91
<small>Change in %Points</small>					

¹ Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

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

Assets (EUR m)	2021	%	2020	2019	2018
Cash and Balances with Central Banks	347.883	+12,7	308.703	155.135	185.119
Net Loans to Banks	26.089	+21,6	21.449	20.598	18.711
Net Loans to Customers	813.659	+0,7	808.210	807.893	768.848
Total Securities	341.481	-0,9	344.433	285.347	253.016
Total Derivative Assets	252.108	-15,4	297.856	264.042	245.492
Other Financial Assets	245.811	+0,9	243.734	203.616	181.584
Financial Assets	2.027.031	+0,1	2.024.385	1.736.631	1.652.770
Equity Accounted Investments	6.528	+2,1	6.396	5.952	5.772
Other Investments	-	-	-	-	-
Insurance Assets	280.766	+5,8	265.356	257.818	232.308
Non-current Assets & Discontinued Ops	91.267	-	0	-	498
Tangible and Intangible Assets	43.863	-2,3	44.891	43.964	38.922
Tax Assets	5.866	-10,6	6.559	6.813	7.220
Total Other Assets	179.123	+27,1	140.904	113.535	103.346
Total Assets	2.634.444	+5,9	2.488.491	2.164.713	2.040.836

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

Asset Ratios (%)	2021	%	2020	2019	2018
Net Loans/ Assets	30,89	-1,59	32,48	37,32	37,67
Risk-weighted Assets/ Assets	27,09	-0,46	27,55	30,90	31,70
NPLs*/ Net Loans to Customers	3,42	-0,30	3,72	3,69	4,42
NPLs*/ Risk-weighted Assets	3,90	-0,49	4,39	4,45	5,25
Potential Problem Loans**/ Net Loans to Customers	12,89	+1,35	11,54	9,66	11,36
Reserves/ NPLs*	71,66	+0,34	71,32	71,09	70,92
Reserves/ Net Loans	2,45	-0,20	2,65	2,62	3,13
Cost of Risk/ Net Loans	0,37	-0,30	0,67	0,40	0,35
Cost of Risk/ Risk-weighted Assets	0,42	-0,37	0,79	0,48	0,42
Cost of Risk/ Total Assets	0,11	-0,10	0,22	0,15	0,13
Change in %Points					

* NPLs are represented by Stage 3 Loans where available.

** Potential Problem Loans are Stage 2 Loans where available.

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

Liabilities (EUR m)	2021	%	2020	2019	2018
Total Deposits from Banks	161.621	+11,4	145.096	86.150	73.784
Total Deposits from Customers	957.145	+1,8	939.916	833.493	795.995
Total Debt	337.294	+7,7	313.098	292.249	231.728
Derivative Liabilities	248.840	-17,6	302.081	255.990	239.951
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	319.187	+3,0	309.815	232.248	278.524
Total Financial Liabilities	2.024.087	+0,7	2.010.006	1.700.130	1.619.982
Insurance Liabilities	254.795	+5,8	240.741	159.150	213.691
Non-current Liabilities & Discontinued Ops	74.366	-	-	-	-
Tax Liabilities	3.103	+3,4	3.001	3.566	2.255
Provisions	10.187	+6,7	9.548	87.273	9.620
Total Other Liabilities	145.399	+34,8	107.846	102.749	89.562
Total Liabilities	2.511.937	+5,9	2.371.142	2.052.868	1.935.110
Total Equity	122.507	+4,4	117.349	111.845	105.726
Total Liabilities and Equity	2.634.444	+5,9	2.488.491	2.164.713	2.040.836

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

Capital Ratios and Liquidity (%)	2021	%	2020	2019	2018
Total Equity/ Total Assets	4,65	-0,07	4,72	5,17	5,18
Leverage Ratio	4,10	-0,84	4,94	4,60	4,50
Common Equity Tier 1 Ratio (CET1)*	12,89	+0,13	12,76	12,10	11,80
Tier 1 Ratio (CET1 + AT1)*	14,05	-0,16	14,21	13,50	13,10
Total Capital Ratio (CET1 + AT1 + T2)*	16,43	+0,06	16,37	15,50	15,00
SREP/ CET1 Minimum Capital Requirements	9,23	+0,01	9,22	9,92	9,15
MREL / TLAC Ratio	-	-	-	-	-
Net Loans/ Deposits (LTD)	85,01	-0,98	85,99	96,93	96,59
Net Stable Funding Ratio (NSFR)	122,00	-	-	-	-
Liquidity Coverage Ratio (LCR)	143,00	-11,00	154,00	125,00	132,00
Change in %Points					

* Fully-loaded where available

Figure 8: Income statement of BNP Paribas Home Loan SFH | Source: eValueRate / CRA

Income Statement (EUR)	2021	%	2020	2019	2018
Income					
Net Interest Income	1.066.744	+26,8	841.250	722.069	796.311
Net Fee & Commission Income	837.439	-15,7	993.785	897.328	1.153.152
Net Insurance Income	-	-	-	-	-
Net Trading & Fair Value Income	-	-	1	-	294
Equity Accounted Results	-	-	-	-	-
Dividends from Equity Instruments	-	-	-	-	-
Other Income	1.718.161	+8,6	1.582.784	1.368.591	1.298.498
Operating Income	3.622.344	+6,0	3.417.820	2.987.988	3.248.255
Expense					
Depreciation and Amortisation	-	-	-	-	-
Personnel Expense	-	-	-	-	-
Tech & Communications Expense	-	-	-	-	-
Marketing and Promotion Expense	-	-	-	-	-
Other Provisions	-	-	-	-	-
Other Expense	2.622.184	+10,3	2.378.038	2.171.247	2.010.398
Operating Expense	2.622.184	+10,3	2.378.038	2.171.247	2.010.398
Operating Profit & Impairment					
Operating Profit	1.000.160	-3,8	1.039.782	816.741	1.237.857
Cost of Risk / Impairment	-	-	-	-	-
Net Income					
Non-Recurring Income	-	-	-	-	-
Non-Recurring Expense	-	-	-	-	-
Pre-tax Profit	1.000.160	-3,8	1.039.782	816.741	1.237.857
Income Tax Expense	267.802	-15,5	316.909	243.818	381.591
Discontinued Operations	-	-	-	-	-
Net Profit	732.358	+1,3	722.873	572.923	856.266
Attributable to minority interest (non-controlling interest)	-	-	-	-	-
Attributable to owners of the parent	-	-	-	-	-

Figure 9: Key earnings figures of BNP Paribas Home Loan SFH | Source: eValueRate / CRA

Income Ratios (%)	2021	%	2020	2019	2018
Cost Income Ratio (CIR)	72,39	+2,81	69,58	72,67	61,89
Cost Income Ratio ex. Trading (CIRex)	72,39	+2,81	69,58	72,67	61,90
Return on Assets (ROA)	0,00	-0,00	0,00	0,00	0,00
Return on Equity (ROE)	0,26	+0,00	0,25	0,20	0,30
Return on Assets before Taxes (ROAbT)	0,00	-0,00	0,00	0,00	0,00
Return on Equity before Taxes (ROEbT)	0,35	-0,01	0,36	0,28	0,43
Return on Risk-Weighted Assets (RORWA)	-	-	-	-	-
Return on Risk-Weighted Assets before Taxes (RORWAbT)	-	-	-	-	-
Net Financial Margin (NFM)	0,00	+0,00	0,00	0,00	0,00
Pre-Impairment Operating Profit / Assets	0,00	-0,00	0,00	0,00	0,00
Cost of Funds (COF)	0,77	-0,45	1,22	1,52	1,58
Change in %Points					

Figure 10: Development of assets of BNP Paribas Home Loan SFH | Source: eValueRate / CRA

Assets (EUR)	2021	%	2020	2019	2018
Cash and Balances with Central Banks	2.410	-47,7	4.606	1.790	1.972
Net Loans to Banks	33.964.605.060	+3,4	32.849.542.315	29.504.315.414	29.725.149.099
Net Loans to Customers	-	-	-	-	-
Total Securities	-	-	-	-	-
Total Derivative Assets	-	-	-	-	-
Other Financial Assets	-	-	-	-	-
Financial Assets	33.964.607.470	+3,4	32.849.546.921	29.504.317.204	29.725.151.071
Equity Accounted Investments	-	-	-	-	-
Other Investments	-	-	-	-	-
Insurance Assets	-	-	-	-	-
Non-current Assets & Discontinued Ops	-	-	-	-	-
Tangible and Intangible Assets	-	-	-	-	-
Tax Assets	-	-	-	-	-
Total Other Assets	103.333.841	+28,5	80.406.562	207.359.541	224.012.086
Total Assets	34.067.941.311	+3,5	32.929.953.483	29.711.676.745	29.949.163.157

Figure 11: Development of asset quality of BNP Paribas Home Loan SFH | Source: eValueRate / CRA

Asset Ratios (%)	2021	%	2020	2019	2018
Net Loans/ Assets	-	-	-	-	-
Risk-weighted Assets/ Assets	-	-	-	-	-
NPLs*/ Net Loans to Customers	-	-	-	-	-
NPLs*/ Risk-weighted Assets	-	-	-	-	-
Potential Problem Loans**/ Net Loans to Customers	0,00	+0,00	0,00	0,00	0,00
Reserves/ NPLs*	-	-	-	-	-
Reserves/ Net Loans	-	-	-	-	-
Cost of Risk/ Net Loans	-	-	-	-	-
Cost of Risk/ Risk-weighted Assets	-	-	-	-	-
Cost of Risk/ Total Assets	0,00	+0,00	0,00	0,00	0,00

* NPLs are represented by Stage 3 Loans where available.
** Potential Problem Loans are Stage 2 Loans where available.

Figure 12: Development of refinancing and capital adequacy of BNP Paribas Home Loan SFH | Source: eValueRate / CRA

Liabilities (EUR)	2021	%	2020	2019	2018
Total Deposits from Banks	1.290.000.000	-34,8	1.980.000.000	2.300.005.208	1.300.004.242
Total Deposits from Customers	-	-	-	-	-
Total Debt	32.374.500.442	+5,7	30.620.606.274	27.092.975.712	28.321.148.523
Derivative Liabilities	-	-	-	-	-
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-
Total Financial Liabilities	33.664.500.442	+3,3	32.600.606.274	29.392.980.920	29.621.152.765
Insurance Liabilities	-	-	-	-	-
Non-current Liabilities & Discontinued Ops	-	-	-	-	-
Tax Liabilities	-	-	-	-	-
Provisions	-	-	-	-	-
Total Other Liabilities	116.342.920	> +100	42.411.618	31.913.106	40.945.596
Total Liabilities	33.780.843.362	+3,5	32.643.017.892	29.424.894.026	29.662.098.361
Total Equity	287.097.949	+0,1	286.935.591	286.782.719	287.064.796
Total Liabilities and Equity	34.067.941.311	+3,5	32.929.953.483	29.711.676.745	29.949.163.157

Figure 13: Development of capital and liquidity ratios of BNP Paribas Home Loan SFH | Source: eValueRate / CRA

Capital Ratios and Liquidity (%)	2021	%	2020	2019	2018
Total Equity/ Total Assets	0,84	-0,03	0,87	0,97	0,96
Leverage Ratio	-	-	-	-	-
Common Equity Tier 1 Ratio (CET1)*	-	-	-	-	-
Tier 1 Ratio (CET1 + AT1)*	-	-	-	-	-
Total Capital Ratio (CET1 + AT1 + T2)*	-	-	-	-	-
SREP/ CET1 Minimum Capital Requirements	-	-	-	-	-
MREL / TLAC Ratio	-	-	-	-	-
Net Loans/ Deposits (LTD)	-	-	-	-	-

Change in %Points
* Fully-loaded where available

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