

Counterparty Focus

BNP Paribas SA

BNP Paribas has a presence in nearly 80 countries with 190,000 employees, including 145,000 in Europe. It ranks highly in its three core activities: Retail Banking, Investment Solutions and Corporate & Investment Banking. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in consumer lending.

BNP Paribas is rolling out its integrated retail banking model across Mediterranean basin countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Investment Banking and Investment Solutions activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas and solid and fast-growing business in Asia-Pacific.

Measures of Financial Strength:

Long term credit rating and outlook for BNP Paribas SA

Agency	Rating	Date rating effective	Outlook	Date outlook effective
Fitch	A+	15/12/2011	Stable	15/12/2011
Moody's	A1	04/04/2014	Stable	28/05/2015
Standard & Poor's	A	11/03/2016	Stable	11/03/2016

Source: Bloomberg, 9 May 2016

BNP Paribas CDS & Tier 1 Capital Ratio

BNP Paribas					
CDS	Year 1	Year 2	Year 3	Year 4	Year 5
	34.37	49.23	61.795	75.135	83.225
Tier 1 Capital Ratio	12.20%				

Source: Bloomberg, 9 May 2016

Definitions:

Tier 1 Capital Ratio:

This is the ratio of a Bank's core equity capital to its total risk weighted assets. A firm's core equity capital is known as Tier 1 capital and is the measure of a bank's financial strength based on the sum of its equity capital and disclosed reserves. Firms must have a Tier 1 capital ratio of 6% or greater.

Credit Default Swap (CDS):

A CDS is effectively an insurance contract – the buyer makes periodic payments to the seller to effectively insure against a debt default and in return receives a payoff, if the underlying financial instrument/institution does default. CDS spreads allow investors to analyse how risky an institution's debt is perceived to be by the market, a relevant factor when considering the credit strength of a counterparty.

This information is for financial advisers only and should not be presented to, or relied upon by, private investors.