“Engaged with our customers for a better future.”

JEAN-LAURENT BONNAFÉ
Chief Executive Officer and Director

2017 REPORT ON ACTIVITY AND CORPORATE RESPONSIBILITY

BNP PARIBAS

The bank for a changing world
The world is changing. And customs, practices, technologies and the expectations of customers are changing along with it.

We are aware that a new deal must be constructed together: one in which the bank can play a major role and which is more balanced, fairer and more sustainable.

BNP Paribas continues to undertake initiatives to rethink banking services, reinvent banking relationships and continue the digital transformation of our activities by 2020.

Every day, BNP Paribas is committed to building a bank with high standards and which has a positive impact on its environment and stakeholders, is attentive to people’s needs, and willing to do its part to create a better future.
WE ARE A EUROPEAN LEADER SERVING OUR CLIENTS
MESSAGE FROM JEAN LEMIERRE

For BNP Paribas, 2017 was a pivotal year characterised by accelerated transformation in the banking sector. The Group needs to address new customer expectations and to improve its operating efficiency. To build the bank of the future in a world filled with both crisis and hope, it must also look to the future and become engaged in the global issues of our time, says Jean Lemierre, Chairman of the Board of Directors.

In 2017 the signs of economic recovery, particularly in Europe, were confirmed and the overall business mood was more optimistic. Markets were buoyant but volatile, reflecting uncertainty in areas such as international trade. The year was also marked by preparations to comply with new regulations in Europe that aim notably to increase transparency in financial markets and lay down rules governing data protection and privacy. The Basel III accord was finalised in 2017 and progress made towards completing Banking Union in the EU. This progress needs to continue completing Banking Union, as well as continuing efforts towards achieving Capital Markets Union, will not only make Europe’s banking sector safer and more stable—it will spur deeper integration.

WE PROVIDE INNOVATIVE SOLUTIONS

The BNP Paribas Group achieved good results last year and a promising start to its 2020 Business Development Plan. In the three key areas of the Plan—creating new client experiences, pursuing digital transformation, and improving efficiency—all businesses made progress. The measures being taken underscore BNP Paribas’ commitment to provide clients with innovative solutions and the financial backing they require to achieve their goals. This is especially true for companies seeking to expand internationally: in today’s competitive landscape, few banks can match BNP Paribas’ European platform and international reach or its depth of services and balance-sheet strength. These factors together constitute a competitive advantage, evidenced in 2017 by consolidation of the bank’s market share.

WE ARE WORKING TO MAKE A POSITIVE SOCIAL IMPACT

As the economy improves there is more than ever a need to remain mindful of inequalities in society and to ensure that the benefits of rising prosperity accrue to all. Society’s expectations of the private sector continue to evolve and it is in this context that BNP Paribas strives to engage with all stakeholders and to conduct business in ways that create a positive social impact. The Board of Directors is resolved to enshrine this engagement in the Group’s decision-making, and examples in 2017 included increasing funding for social businesses to nearly €1 billion and greater commitments to facilitate the energy transition. BNP Paribas announced it would cease financing companies whose main activity is extracting oil and gas from shale, tar sands and in the Arctic. Financing of the tobacco industry would also cease.

In matters of Conduct, work continued to strengthen practices and ensure that employees are equipped to carry out their work to the highest ethical standards. Mandatory training programmes were rolled out across the Group in 2017 to build awareness of topics ranging from data protection and privacy to sanctions, embargoes, money-laundering and the financing of terrorism. And in a year marked by debate in society on sexual discrimination and harassment, BNP Paribas’ leadership vigorously condemned these practices and reaffirmed the bank’s commitment to gender equality and equal opportunity.

WE ARE PREPARING FOR 2020

The pace of technological change is reshaping financial services and intensifying competition. This requires adapting our business culture and ways of working, and enabling employees to acquire new skills: the 2020 Plan devotes significant investments to achieve these goals. And at a time when the sharing of data and allowing access to IT systems are increasingly part of doing business, banks need to handle data responsibly and in ways that improve client service and protect operational integrity while ensuring that data remains confidential and safe. Clients, regulators and society expect no less.

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Jean-Laurent Bonnafé

Digitalisation is not making us more remote. If anything, it’s bringing us closer together! As a major European company with an international footprint, we help our customers with their development projects in Europe and beyond. In addition to redesigning the customer experience, we are also focused on reinventing the employee experience. We want it to be more collaborative and more agile in order to meet the new challenges we face as a company, and to provide our employees with opportunities in line with their aspirations.

J.-L. B.: MARINE, HAVE YOU SEEN ANY CHANGES IN THE WAY YOU WORK IN YOUR DEPARTMENT?

MARINE CHAPERON — Yes, the way we work has changed considerably in the past 12 months, although there is still room for improvement! As customer aspirations change, employee aspirations change with them. Within CIB, I work on the Innovation and Digital team, where we often collaborate on a project using agile methods and working together to prepare our deliverables.

As customer aspirations change, employee aspirations change with them.

Marine Chaperon

J.-L. B.: AS WE ALL KNOW, DIGITALISATION HAS REVOLUTIONISED THE CUSTOMER EXPERIENCE. WHAT IS YOUR ANALYSIS OF THESEshiftS AND WHAT IS BNP PARIBAS DOING TO ADDRESS THEM?

Jean-Laurent Bonnafé

The bank of the future must be more flexible, more digital and better equipped to anticipate the needs of its customers. The transformation of our bank is a response to these demands. Alongside human intelligence, technology offers us opportunities to rethink the customer experience and, as a result, enhance the services we provide to individuals, businesses, financial institutions and community organisations. As we integrate new digital processes, we also have to adapt our information systems and use data to serve our customers better. We can be proud of the achievements we have already made across our business lines and in many countries.

As customer aspirations change, employee aspirations change with them.

Marine Chaperon

Marine Chaperon (BNP Paribas employee), Dany Drion (social entrepreneur) and Vincent Bryant (founder of a green tech company) agreed to take part in a roundtable session with Jean-Laurent Bonnafé, Chief Executive Officer of BNP Paribas. And there was no shortage of questions. Here are a few excerpts.
The creation of our Company Engagement Department is a response to that expectation. By coordinating all of the initiatives launched by various business lines and by placing engagement at the heart of our business, we send a strong message of our determination to have a positive impact on society. We are also one of the first companies in the world to have integrated the 17 United Nations Sustainable Development Goals into our business plan. Of course, we don't have any ready-made solutions to tomorrow's major challenges. These can only be built in partnership with the stakeholders working every day to solve the problems of our time: NGOs, public authorities, research organisations and, of course, the world of social entrepreneurship, to which you belong and which, for us, plays a major role in our contribution to building a better world.

By the end of 2017 our financial commitment to microfinance and social entrepreneurs was close to 1 billion euros.

VINCENT BRYANT: AMONGST THE PROBLEMS YOU MENTION, THERE IS OF COURSE THE ENERGY TRANSITION. BNP PARIBAS HAS MADE STRONG COMMITMENTS IN THIS AREA. WHAT ARE YOUR AMBITIONS WHEN IT COMES TO THE ENERGY TRANSITION?

J.-L. B.:—— The banking and financial sector must be at the forefront of building a low-carbon economy. As the eurozone’s largest bank, BNP Paribas of course plays a leading role. Because we interact with all the players in the energy sector —individuals, companies and investors—we are well-positioned to change things. At major events in 2017 we clearly stated our objective: to become the benchmark bank for sustainable investment and finance in the next three years. Through our financing and investment, we can strongly influence our customers to also commit to addressing this urgent situation.

We are learning to work differently—in open-space offices and using collaborative methods. I interact a lot with other business lines, and I can see that many of us in the bank are working on innovative projects in a test-and-learn mode. As an employee, I honestly feel like I’m taking part in a revolution in our sector! Intrapreneurial initiatives are also a great way to create innovative solutions. They channel everyone’s creative and entrepreneurial energy.

J. - L. B.: DANY, AS A SOCIAL ENTREPRENEUR, HAVE YOU ALSO SEEN CHANGES IN CUSTOMER EXPECTATIONS?

D. D.:—— Even a few years ago, social entrepreneurship was still sometimes perceived as marginal. This is no longer the case: our customers are asking us to become more involved in their projects. Of course, this implies significant investment in infrastructure and equipment. But that’s a very good thing because as our business grows, so does our social role. Social entrepreneurship reflects a real “quest for meaning” by many participants.

D. D.: WHAT WAS YOUR GOAL WHEN YOU CREATED A SOCIAL ENGAGEMENT DEPARTMENT IN 2017?

J.-L. B.:—— Awareness of our ecosystem’s fragility has changed expectations for all stakeholders. For institutional investors, this awareness of risk has become a criterion when making an investment. For businesses, it is both a new constraint and an opportunity to distinguish themselves by strengthening ties with society. For individuals, it is a major component of the trust they place in companies and brands. In short, citizens, employees and investors now expect large companies to engage with society and help solve the problems of our time.

The 57 United Nations Sustainable Development Goals into our business plan. Of course, we don’t have any ready-made solutions to tomorrow’s major challenges. These can only be built in partnership with the stakeholders working every day to solve the problems of our time: NGOs, public authorities, research organisations and, of course, the world of social entrepreneurship, to which you belong and which, for us, plays a major role in our contribution to building a better world.

As our business grows, so does our social role.

Dany Drion

Dany Drion

2017 REPORT ON ACTIVITY AND CORPORATE RESPONSIBILITY

ROUND TABLE WITH JEAN- LAURENT BONNAFÉ
With that aim in mind, we will stop funding high-polluting initiatives and increase our investment in renewable energies to 15 billion euros by 2020. We are particularly interested in green tech like yours, and we are allocating 100 million euros of financing to related initiatives. We know the key role you can play in the search for innovative and effective solutions.

V. B.: HOW DO YOU MEASURE THE IMPACT OF YOUR ACTIONS ON SOCIETY?

J.-L. B. — We track the share of our financing that contributes to the United Nations’ 17 Sustainable Development Goals for eradicating poverty, protecting the planet and ensuring prosperity for all. At the end of 2017, our support represented 155 billion euros, making us a leader among banks on this issue. Our target is to increase that number to 185 billion euros within two years.

M. C.: YOU ANNOUNCED A DIGITAL TRANSFORMATION FOR 2020. WHAT IS THE CURRENT STATUS OF THAT PLAN?

J.-L. B. — In 2017, the first year of the plan’s implementation, 900 million of the 3 billion euros budgeted for the digital transformation of the Group were allocated. Quarter after quarter, we delivered, recruited new skills and initiated many projects to serve our clients better and more efficiently. Every division, business line and region took part. Thanks to that collective energy, our initial results are fully in line with our development plan. This good start, combined with a slightly better economic outlook, should enable us to achieve our plan in good conditions by 2020.

Citizens, employees and investors now expect large companies to become involved in society and help solve the problems of our time.

Jean-Laurent Bonnafé
WE ARE ACCELERATING OUR TRANSFORMATION
DUTIES OF THE CHAIRMAN AND THE BOARD OF DIRECTORS

The Chairman oversees the proper functioning of BNP Paribas’ Board of Directors. The Board represents all shareholders, and it acts under all circumstances in the corporate interests of the Company.

The Board of Directors is assisted by four specialised committees: Financial Statements committee; Internal Control, Risk Management and Compliance committee; Corporate Governance, Ethics, Nominations and CSR committee; Remuneration committee.

KEY FIGURES

The dedication, independence and diversity of the Board’s members and special committees ensure responsible and effective corporate governance at BNP Paribas.

THE CHAIRMAN

The Chairman coordinates with Executive Management to maintain a smooth relationship with shareholders. As part of that mission, the Chairman chairs the Shareholder Liaison Committee. The Chairman is careful to maintain a close and trusting relationship with Executive Management, providing the team with assistance and advice as part of their executive responsibilities.

Coordinating closely with Executive Management, the Chairman can represent the Group in high-ranking relationships, at national, European and international levels. The Chairman contributes to promoting the values and image of BNP Paribas, both within the Group and externally. At the request of the Chief Executive Officer, the Chairman may take part in internal meetings on issues relating to strategy, organisation, investment or disinvestment projects, risk and financial information. The Chairman ensures that principles of corporate governance are defined and implemented.

THE BOARD OF DIRECTORS

The Board of Directors determines BNP Paribas’ business strategies and supervises their implementation by Executive Management. It gives prior approval to any significant strategic transaction falling outside the approved approach. It appoints the Chairman, the Chief Executive Officer (CEO) and the Chief Operating Officers (COO). The Board of Directors examined and approved the objectives of the 2017-2020 Business Development Plan, in view of the performance in 2017 by operating division, the economic and interest rate environment and the impact of new taxes and regulations at national, European and international levels. This development plan is based on the Group’s integrated and diversified model and is designed to build the bank of the future through continued business development, the implementation of an ambitious digital transformation, new customer experiences and cost savings, all in accordance with a strict policy of social and environmental responsibility.

TERM OF APPOINTMENT

13 meetings, including 3 extraordinary meetings

97% Average attendance rate

GENDER PARITY

41.6% Women

58.4% Men

MISSIONS OF THE BOARD’S 4 SPECIALISED COMMITTEES

FINANCIAL STATEMENTS COMMITTEE

- Monitoring the preparation of financial information
- Monitoring the efficacy of internal control and risk management systems regarding accounting and financial requirements
- Monitoring Statutory Auditors’ audits of the annual and consolidated financial statements as well as their independence

INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE COMMITTEE

- Reviewing risk factors in the overall strategy
- Monitoring risks related to remuneration schemes
- Reviewing issues related to internal control and compliance
- Reviewing the prices of products and services in relation to the risk strategy

CORPORATE GOVERNANCE, ETHICS, NOMINATIONS AND CSR COMMITTEE

- Selecting Committee heads and members
- Evaluating the Board of Directors
- Selecting and evaluating executive corporate officers
- Approving the independence of directors
- Maintaining balance within the Board of Directors
- Regular monitoring of updates to the Code of Conduct
- Monitoring CSR issues (Group’s contribution to economic and sustainable development)

RENUMERATION COMMITTEE

- Annual review of the principles underpinning the Group’s remuneration policy
- Annual review of the remuneration, allowances and benefits in kind granted to the Company’s corporate officers and the officers of the Group’s major French subsidiaries
- Annual remuneration review for the Group’s regulated staff categories
- Remuneration oversight for the heads of Risk Management and Compliance
The Board of Directors comprises 14 Directors, 12 of whom were appointed by the shareholders and 2 elected by employees. There are four different nationalities.

The Executive Committee comprises the Chief Executive Officer, the Chief Operating Officer and heads of Group business lines and functions.
BNP Paribas’ integrated business model is based on cooperation among Group businesses and diversification of risk. This model provides the Group with the necessary stability to adapt to change and to offer clients innovative solutions. BNP Paribas holds key market positions in its two main activities: Retail Banking & Services, comprising Domestic Markets and International Financial Services; and Corporate & Institutional Banking.

At the heart of BNP Paribas’ business model is our capacity to serve a diversified client base. In retail banking, the Group serves nearly 32 million clients, including 850,000 professionals, entrepreneurs, small and medium-sized enterprises and large companies. In addition, BNP Paribas Personal Finance has more than 27 million customers. With its global reach, coordinated business lines and proven expertise, the Group provides a full range of innovative solutions adapted to client needs. These include payments, deposits and traditional and specialised financing. The Group’s service offering also includes savings, insurance, wealth and asset management as well as real-estate services. In the area of corporate and institutional banking, the Group provides clients with tailored solutions in areas such as capital markets, securities services, financing, treasury and financial advisory. With offices in 73 countries, BNP Paribas helps clients grow internationally.

We aspire to be our clients’ preferred long-term partner and a contributor to responsible and sustainable global development. We want to have a positive impact on our stakeholders and on society in general. We want to be among the most trustworthy players in our industry. We want to contribute to a better future. To achieve those goals, we bring our values and ethics to bear on everything we do.
DOMESTIC MARKETS

Domestic Markets (DM) includes BNP Paribas’ Retail Banking networks in France (FRB), Italy (BNL), Belgium (BNP Paribas Fortis) and Luxembourg (BGL BNP Paribas), as well as specialised business lines: Arval (corporate vehicle leasing and services), BNP Paribas Leasing Solutions (leasing and financing solutions), BNP Paribas Personal Investors (online savings and brokerage), and Nickel (alternative banking services). Cash Management activities complement the services provided to corporate clients under the “One Bank for Corporates” concept, in synergy with Corporate & Institutional Banking. Wealth Management is developing its private-banking model across the Group’s domestic markets, and Hello bank! is the Group’s digital bank in France, Belgium, Italy, Germany, Austria and the Czech Republic. With the acquisition of Nickel in 2017, BNP Paribas is expanding solutions to include new banking practices in France.

70,000
EMPLOYEES,
including 55,700 in the four domestic networks
(France, Italy, Belgium and Luxembourg)

18
MILLION CUSTOMERS,
including 850,000 professionals, entrepreneurs and businesses
in the four domestic networks

DM 2020

In an increasingly digital world, habits are changing, along with what customers expect from their banking experience. To meet these new needs, and by 2020, Domestic Markets will offer the best of both the digital and human experience around five themes: service offerings tailored to how customers interact with the bank; reinvention of the customer journey; a responsible use of data; closer customer relationships and greater customer autonomy; and anticipation of new practices.

GIVING CUSTOMERS A CHOICE OF SERVICES TAILORED TO HOW THEY INTERACT WITH THE BANK
- Diversified service models adapted to customer needs and national specifications (“remote, hybrid, advisory”)
- In France, four distinct retail banking service offers: Nickel (p.38), Hello bank! (p.38 and p.40), the branch network, and private banking

DEVELOPING CLOSER RELATIONSHIPS AND MOBILE USE
- Launch of new mobile applications: Mes Comptes in France, Easy Banking in Belgium (p.42), etc.
- Enhancement of existing features for more autonomy
- Enhance the role of the adviser, refocused on sales and advice and customer intimacy

REINVENTING THE CUSTOMER JOURNEY TO IMPROVE EFFICIENCY AND THE CUSTOMER EXPERIENCE
- Welcome: a new application to facilitate and digitalise corporate customer onboarding
- FNDS: launch of a 100% digital accounts-receivable financing solution
- BuyMyHome: enhancement of the customer journey with features such as an online health questionnaire (p.41)

ANTICIPATING NEW USES AND DIVERSIFYING REVENUE
- Lyf Pay: universal mobile payment solution combining payment cards, loyalty programmes and discounts (p.39)
- Arval For Me: the new online platform for individuals’ vehicle maintenance
- Kintessia: the new B-to-B marketplace, offered by Leasing Solutions (p.63)

USING DATA TO BENEFIT CUSTOMERS AND BUSINESS PERFORMANCE
- Personalise the customer relationship
- Make relevant and timely recommendations
- Optimise risk management
- Ensure data security

OUR BUSINESSES AND THEIR DEVELOPMENT STRATEGY FOR 2020

DOMESTIC MARKETS

No.1 in cash management in Europe

No.1 for professional equipment financing in Europe
Source: Leaseurope 2016 ranking published in May 2017. BNP Paribas leasing solutions including Arval, no.1 across all categories.

The leading private bank in France
IFS 2020

International Financial Services, a growth driver for BNP Paribas, will consolidate the leading positions of its businesses by 2020 by focusing on six major areas: acquisitions and partnerships; development of innovative business models; optimisation of the customer experience; industrialisation and improvement of operational efficiency; more responsible product and service offerings; and promoting new ways of working.

ACQUISITIONS AND PARTNERSHIPS FOR GROWTH
- Several major acquisitions: General Motors Europe financing activities in partnership with the PSA Group, acquisition of Cargas Assicurazioni in Italy (p.61), Strutt & Parker (real-estate activities) in the United Kingdom (p.60)
- Strengthened partnerships in the automotive sector (Toyota in Portugal, Kia Motors and Hyundai Motor in Spain, Volkswagen in Europe) and telecoms (Masmóvil in Spain and Turkcell in Turkey)

DEVELOPING INNOVATIVE BUSINESS MODELS AS FUTURE GROWTH VECTORS
- Launch of new digital banks in Europe (Hello bank! by Cetelem; p.40)
- Acquisition of Gambit by BNP Paribas Asset Management to provide “robo-advisory” solutions (p.67)
- Extension of partnership with Plug and Play, the world’s leading startup accelerator (p.53)

INDUSTRIALISING AND IMPROVING OPERATIONAL EFFICIENCY
- Transformation of BNP Paribas Asset Management’s information system through the Aladdin platform operated by BlackRock Solutions
- Simplification of legal structures (BNP Paribas Asset Management) and organisational structures (Bank of the West)

OPTIMISING THE CUSTOMER EXPERIENCE
- Deployment of electronic signatures and digitalisation of the customer journey (BNP Paribas Personal Finance; p.38)
- 100% online purchasing of credit protection insurance in France
- New Features for BNP Paribas Wealth Management customers (biometric identification, online advice and transactions; p.40)

PROMOTING NEW WAYS OF WORKING THAT BENEFIT EMPLOYEES AND CUSTOMERS
- Launch of the IFS.alpha intrapreneurship programme (p.53)
- Opening of a co-working space for projects developed in agile mode: Bivwak!
- Implementation of tools and programmes for digital acculturation and agile training methods

INTERNATIONAL FINANCIAL SERVICES

International Financial Services (IFS) comprises diversified, complementary business activities in more than 60 countries. International Retail Banking encompasses the Group’s retail banks in 15 countries outside the eurozone, including Bank of the West in the USA, TEB in Turkey and BGŻ BNP Paribas in Poland.

BNP Paribas Personal Finance provides credit solutions for individual customers in some 30 countries through strong brands such as Cetelem, Cofinoga and Findomestic.

BNP Paribas Cardiff provides savings and protection solutions in 35 countries by insuring individual’s projects and their assets.

IFS also includes three specialised business lines that are leaders in wealth & asset management: BNP Paribas Wealth Management (a world-renowned private bank); BNP Paribas Asset Management (a major asset management player) and BNP Paribas Real Estate (European real-estate services).
Corporate & Institutional Banking (CIB) offers tailored solutions in the areas of capital markets, securities services, financing, cash management and advisory to two types of client: corporates and institutional investors. Acting as a bridge between corporate and institutional clients, CIB connects the financing needs of corporate clients with institutional clients seeking investment opportunities. CIB is organised around three business lines: Corporate Banking, Global Markets, and Securities Services. The regional approach is broken down into three main regions: EMEA (Europe, Middle East, Africa), Americas and APAC (Asia-Pacific).

CIB 2020

Corporate & Institutional Banking serves companies and institutional investors and confirms its long-term vision to be a preferred partner for clients. In 2016 CIB implemented a transformation plan to become sustainable and profitable over the long term. The plan is built on three pillars: Focus (optimise resources); Improve (reduce costs); and Grow (increase revenue).

Four cross-functional initiatives have been defined to support this transformation: Sustainable Finance; Digital & Industrial Transformation; Conduct & Control; and People Change.

In order to help clients achieve their goals in an ever-changing world, CIB is continuing its transformation around several major areas of development:

- Strengthening the corporate and institutional client base;
- Implementing growth initiatives; accelerating digital transformation;
- Improving operational efficiency.

DEVELOPING CLIENT BASES
- Increase the client base and expand relationships with existing clients: strengthen commercial arrangements in some target countries in Europe, for example.
- Strengthen the Group’s presence among institutional investors: coordinated service offerings from business lines with a “One Bank” approach.
- Capitalise on the Group’s global presence: strengthen commercial synergies between the United States and Europe, and targeted geographical developments outside Europe.

ACCELERATING DIGITAL TRANSFORMATION
- Digitalise customer journeys: increasing the number of users of digital interfaces (Cenric, p.41).
- Digitalisation and industrialisation of “Know your Customer” processes (p.88).

IMPLEMENTING TARGETED GROWTH INITIATIVES
- New partnerships: GTS (electronic market maker, p.60), Symphony (secure communication platform, p.43), Fortia (artificial intelligence technology provider).
- Strengthen the integrated CIB model: development of joint service offerings by Securities Services and Global Markets (FX, collateral management, p.67).
- Expanded collaboration between Bank of the West and CIB in the corporate market.
- Roll out new service offerings: launch of a tripartite collateral management offer (Securities Services, p.62).

IMPROVING OPERATIONAL EFFICIENCY
- Continue savings programmes launched in 2016.
- Develop shared service platforms.
- Implement new end-to-end processes: launch of three initial projects (client onboarding, credit function, spot FX).
- Automation.

RANKINGS AND AWARDS

CITATIONAL BANKING

No.1 European Large Corporate Banking and Cash Management

GLOBAL MARKETS

Derivatives House of the Year
Source: IFR Awards, December 2017.

SECURITIES SERVICES

European Custodian of the Year

World’s Best Bank for Corporates

Best Digital Bank in Western Europe
Source: Accenture, September 2017.

Most Innovative Investment Bank for Climate Change and Sustainability

Best Digital Bank in Western Europe
Source: Accenture, September 2017.


Source: IFR Awards, December 2017.


Source: Accenture, September 2017.


2017 REPORT ON ACTIVITY AND CORPORATE RESPONSIBILITY
BNP Paribas has an ambitious corporate social responsibility policy and is committed to making a positive impact on society. In 2017 the Group decided to go further in promoting social and environmental awareness at all stages of its operational decisions. It created a Company Engagement Department to coordinate and strengthen social and environmental initiatives taken by its various business lines. As part of this increased commitment, the head of this new department was appointed to the Group Executive Committee. BNP Paribas has also published a Company Engagement manifesto that helps employees understand the context and scope of the Group’s ambitions in this area and reflect on the impact of their own actions on society.

**BNP PARIBAS 2020 ENGAGEMENT MANIFESTO**

BNP Paribas’ engagement with society is entering a new era. Our society is evolving. Our future is full of opportunities, but also of risks, principally due to rising inequalities and climate change.

No country, business or individual can win in the long term in a world that loses. We firmly believe that collective progress will be achieved only through growth that is both sustainable and equitable.

As a major international company and financial services group, we have the human, technological and financial resources to push boundaries, to be part of the solution and to take a leading role.

All over the world, our employees are contributing to the real economy. They help individuals, businesses, community organisations and institutions to succeed in their projects and find tangible solutions to concrete problems.

It is on this basis that we will strengthen our commitment to society, notably in line with the United Nations’ 17 Sustainable Development Goals.

We are transforming our operating model to be more digital and more client-focused. This goes hand-in-hand with the strengthening of our positive role in society. Our customers, employees, investors and partners as well as NGOs and individual citizens all want and expect this from us.

At the heart of our commitment there is a real ambition and key imperative to corporate social responsibility, ethics, diversity and inclusion, and promoting human rights in the countries where we do business, whilst respecting local legislation and cultures. We must respond with audacity to the real expectations and expanding horizons emerging in our society.

In order to achieve the required level of engagement, we need to:

- Collectively develop our ‘positive-impact’ culture, our culture of diversity and inclusion, and our dialogue with society.

- Incorporate social and environmental responsibility more thoroughly into our operational processes and into the Group’s major projects.

- Create new solutions and partnerships that enable us to support our clients and have a positive impact on the world around us.

- Establish specific ‘engagement objectives’ for each major Group entity and incorporate their contributions into the Group’s overall CSR and diversity and inclusion goals.

Beyond this quest for excellence in all areas related to our engagement, we will support causes where we can have major impacts. We will achieve this by aligning our products and services, partnerships, employer behaviour, procurement policies, community action, philanthropy, staff-volunteering initiatives and intrapreneurial initiatives.

**For climate:** working with our customers and partners, to accelerate the energy transition by encouraging renewable energies, energy efficiency, sustainable mobility and the circular economy.

**For young people:** promoting their inclusion in society by encouraging projects that matter most to them and by fostering intergenerational dialogue and solidarity.

**For entrepreneurs:** encouraging people from diverse backgrounds to create and develop businesses, and supporting social and entrepreneurial innovation.

**For our local ecosystems:** improving the urban, social and cultural environment in the regions where we do business.

Being the bank for a changing world means continuing to improve the way we help our customers while contributing to more sustainable and equitable growth.

Being the bank for a changing world means being a bank that is committed to changing the world for a better future.
**SHAREHOLDERS AND INVESTORS**

- The Investor Relations team informs institutional investors and analysts of the Group’s strategy, significant developments and results. Information meetings for all market participants are held several times a year.
- The Shareholder Relations team is available to answer questions from the bank’s approximately 402,000 individual shareholders. During the year, shareholders are invited to attend presentations given by Executive Management on the Group’s accomplishments and strategy. These presentations are held in cities across France.
- The Shareholders Club is open to the 45,000 individual shareholders who possess at least 200 BNP Paribas shares. Every year, Club members receive invitations to some 300 arts, cultural and sports events, mostly related to the sponsorship and philanthropic initiatives undertaken by BNP Paribas and its Foundation. Club members receive invitations to some 300 arts, cultural and sports events, mostly related to the sponsorship and philanthropic initiatives undertaken by BNP Paribas and its Foundation. Club members receive invitations to some 300 arts, cultural and sports events, mostly related to the sponsorship and philanthropic initiatives undertaken by BNP Paribas and its Foundation.

**CLIENTS**

- Individual customers and corporate clients of all BNP Paribas retail businesses have access to a complaints procedure. Several businesses provide their customers with opportunities for independent mediation.
- Already deployed in all entities of the International Retail Banking division, the Net Promoter Score (NPS), a new method for calculating customer satisfaction, has been extended to Domestic Markets (France, Italy, Luxembourg, Belgium).
- BNP Paribas is committed to exemplary conduct in protecting the personal data of its clients.

**EMPLOYEES**

- BNP Paribas conducts an annual internal survey, the Global People Survey (GPS), to assess employee engagement levels. In 2017, 78% of staff in 71 countries responded to the GPS. (1) compared with 2016.
- Whistleblowing system employees who suspect unethical activity or non-compliance with the BNP Paribas Code of Conduct are encouraged to contact, on a confidential basis, the Group’s Compliance Department.

**OTHER STAKEHOLDERS**

- BNP Paribas engages in dialogue on a daily basis with a number of other stakeholders, including:
  - partners and suppliers,
  - public authorities,
  - civil-society organisations.

These relationships are important to BNP Paribas. Meetings take place regularly with dedicated Group staff in an appropriate format. In order to foster interaction, BNP Paribas adapts its approach to the local customs of the countries in which it operates.

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**BNP PARIBAS OWNERSHIP STRUCTURE**

**Dividend**

- **2017 Report on Activity and Corporate Responsibility**

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**KEY SHAREHOLDER DATA**

**BNP PARIBAS OWNERSHIP STRUCTURE**

Breakdown as of 31 December 2017 (% of voting rights)

<table>
<thead>
<tr>
<th>GROUP</th>
<th>SHARES</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SFPI</td>
<td>12,481,031</td>
<td>44.5%</td>
</tr>
<tr>
<td>Employees</td>
<td>3,040,494</td>
<td>10.5%</td>
</tr>
<tr>
<td>Institutional shareholders</td>
<td>2,297,610</td>
<td>7.7%</td>
</tr>
<tr>
<td>Unidentified other and institutional shareholders</td>
<td>1,297,000</td>
<td>4.5%</td>
</tr>
<tr>
<td>Employees</td>
<td>297,535</td>
<td>1.0%</td>
</tr>
<tr>
<td>BlackRock Inc.</td>
<td>247,953</td>
<td>0.8%</td>
</tr>
<tr>
<td>European institutional investors</td>
<td>141,000</td>
<td>0.5%</td>
</tr>
<tr>
<td>Non-European institutional investors</td>
<td>114,017</td>
<td>0.4%</td>
</tr>
</tbody>
</table>

**Dividend**

- **€3.02 per share**
- **+11.9% versus 2016**

**Share capital**

- As of 31 December 2017, BNP Paribas’ share capital stood at €2,497,718,772 divided into 1,248,859,386 shares with a par value of €2 each. The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with relevant legal provisions. None of the bank’s shares entitles holders to increased dividends or double voting rights, nor can they limit the exercise of voting rights.

**2018 CALENDAR**

- 24 May: Annual General Meeting
- 1 August: Publication of second quarter 2018 results
- 30 October: Publication of third quarter 2018 results

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**FOR MORE DETAILS:**

- [Les actionnaires.bnpparibas](https://www.bnpparibas.com)
- or via a free phone number in France: +33 (0) 800 666 777

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- **EuroStoxx 50® Index**
- **CAC 40 Index**
- **The website [bnpparibas.com](https://bnpparibas.com) provides comprehensive information about the BNP Paribas Group. All financial documents are available for download and key dates of the financial calendar can also be found there.**
SUPPORTING THE GROUP’S TRANSFORMATION AND DEVELOPING EMPLOYEE COMMITMENT

In 2017 BNP Paribas HR teams continued to help achieve the Group’s 2020 objectives. In particular, they actively promoted skills-development, especially those skills needed to transform BNP Paribas. They worked with employees to build careers paths towards the jobs of the future and provided dynamic support through training and development. In everything they do, BNP Paribas HR teams strive for Openness, Diversity and Inclusion as part of their mission to make BNP Paribas a “Good Place to Work”.

A strategy for 2020

The purpose of the 2020 HR strategy is to better meet employee expectations by offering a smoother and more proactive HR experience. Ultimately, we seek to attract, develop and retain high-performing and committed employees. In 2017 senior managers of our various business lines worked with HR to define the skills they need to help transform the Group for the next three to five years. In this preliminary exercise, BNP Paribas confirmed its commitments as a responsible employer in its decision to prioritise internal resources. Moreover, employee development plans have been geared primarily to developing the skills needed in the coming years. To help implement our transformation, a catalogue of skills shared across all Group entities and countries is now available.

On the new “About Me” application currently being rolled out, employees are invited to state their skills and express their growth and development preferences. This will help in providing employees with personalised career planning. A new focus on positive leadership is a key aspect of the changes being made. The practice of continuous feedback helps simplify appraisals. Emphasis is placed on developing a caring, empowering and motivating work environment with a more collaborative, cross-functional and agile way of working that is based on trust, fairness and mutual respect. Employee engagement is vital to this process and to the collective performance.

THROUGH REVERSE MENTORING, YOUNG PEOPLE SUPPORT MORE EXPERIENCED COLLEAGUES

A “Digital Reverse Mentoring” programme has been set up at BNP Paribas Personal Finance and BNP Paribas Fortis. Young employees with digital experience train more senior employees in new ways of working, such as remote working and social media. This approach is also being developed in the International Financial Services Division and within CIB Global Banking EMEA.

Managers of the Future

Launched in 2015, the Leaders for Tomorrow initiative, which prepares the next generation of leaders, brings together nearly 5,000 employees from 59 countries, 39% of whom are women. To prepare these future leaders (Emerging, Advanced and Top Leadership Talents) for the new challenges faced by BNP Paribas, the development opportunities offered to them have been expanded to cover company engagement, CSR, diversity and inclusion, and cultivating an entrepreneurial and innovative mindset. In 2017, for example, they worked on the subject of positive, sustainable impact.

AT YEAR-END IN 2017

WOMEN MADE UP

25%

of the Group’s top 500 executives

(21% in 2015)
The world in which the bank operates continues to change at an ever-accelerating pace. BNP Paribas can manage these changes by anticipating them, adapting and innovating thanks to a corporate culture anchored in solid values and applied uncompromisingly.

OUR VALUES

Our values represent the collective view of thousands of BNP Paribas Group employees. Everyone in the Group must be guided by these values in their day-to-day activities. Upholding these values is essential in the pursuit of the Group’s transformation and growth strategy, especially as we strive to safeguard the trust that customers, employees, shareholders and the wider community have placed in the bank.

OUR CODE OF CONDUCT

The Code of Conduct, drawn up by the Board of Directors in conjunction with Executive Management, sets down the rules which enable all employees to act in accordance with BNP Paribas’ values.

FIGHTING SEXISM AND SEXUAL HARASSMENT

The year 2017 was marked by a pivotal debate on sexism and sexual harassment in society. As Jean-Laurent Bonnafe, Chief Executive Officer, and Yves Martenchar, Group Human Resources Director, have pointed out to all employees, BNP Paribas has a zero-tolerance policy for all forms of sexism and sexual harassment and intends to play a prominent role in combating them. As a result, the Group is continuously strengthening its policies and initiatives to raise employee awareness and accountability, facilitate feedback, support victims, and take disciplinary action in accordance with its Code of Conduct.

A Good Place to Work

BNP Paribas wants to foster a stimulating workplace where people are treated fairly and with respect. The transformation of all the Group’s business lines in all regions, especially France, requires employee adaptability. To better support its employees, BNP Paribas has a new system for measuring quality of life at work. All BNP Paribas SA employees are given the opportunity to respond to an annual survey conducted by an independent provider. The Group is also strengthening training to prevent work-related stress. It is seeking to communicate existing programmes better and make employees aware of quality of life at work. For example, BNP Paribas Fortis has launched an internal campaign with the slogan: “In a changing world, respect for oneself and colleagues is essential.”

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A diverse and inclusive company

BNP Paribas has bolstered its partnership with the United Nations. Since 2011 BNP Paribas has supported the UN and adhered to its Women Empowerment Principles. Its commitment continued in 2015 with Jean-Laurent Bonnafe’s support of the “HeForShe” campaign, which was relaid throughout the Group. And in 2016 the ILO Corporate and Disability Charter was signed. In 2017 the Group strengthened its commitment by being a partner of the “HeForShe Arts Week” in France and hosting the benefit dinner for the UN’s International Women’s Day in France on 8 March. It also helped draft a new international code of conduct for the inclusion of LGBTI* people, and which was released in September. In March 2018 Jean-Laurent Bonnafe joined the Thematic Champions of the HeForShe movement, which aims to mobilise heads of state and leaders of the public and private sectors to promote and act concretely in favour of gender parity in specific areas. BNP Paribas also supports the Global Women’s Forum.

Employees who feel good in their job will be more effective and more engaged.

* Lesbian, Gay, Bisexual, Transgender or Intersex.
With €7.8 billion in net income, BNP Paribas delivered a good performance in 2017 thanks to its integrated, diversified and customer-centred business model. Commercial activity experienced stronger growth in Europe, costs are under control and the cost of risk fell significantly. The start of the 2020 Plan is promising, with businesses strengthening their positions, an acceleration of our digital transformation, and the Group’s commitment to positively impact our customers and society.

**REVENUE**

€43.2bn

**CORPORATE & INSTITUTIONAL BANKING**

€11.7bn*

**DOMESTIC MARKETS**

€15.9bn* +

**INTERNATIONAL FINANCIAL SERVICES**

€11.7bn*

**DOMESTIC**

€15.7bn* +

**RETAIL BANKING & SERVICES**

€15.9bn*

**NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS**

€7.8bn

**A ROCK-SOLID BALANCE SHEET**

A very large liquidity reserve

€285bn

Increase in solvency ratio**

11.8% (+100bp/31.12.2016)

**DIVIDEND PER SHARE**

€3.02

**A ROCK-SOLID BALANCE SHEET**

**KEY CSR INDICATORS**

Financing for renewable energies

€12.3bn

Percentage of employees with a positive opinion of how the Group discharges its social and environmental responsibility and its commitments as a responsible bank

73%

Percentage of employees contributing directly to the promotion of human rights and who have received specific training

70%

Greenhouse-gas emissions (CO₂eq) fully offset since 2017

2.54

Our worldwide presence

BNP Paribas is a European group with global reach

196,128 EMPLOYEES in 73 countries

* Excluding Corporate Centre. ** Subject to approval at the Annual General Meeting of 24 May 2018. *** Fully-loaded Basel III common equity Tier 1 ratio as of 31 December 2017.
WE ARE HELPING TO CHANGE THE WORLD EVERY DAY
Internationally, the customer journey is changing

BNP Paribas’ international retail banks are redefining their value propositions and thinking up new products using innovative methods such as design thinking to better meet customer needs.

Customers are often involved in the creative process. In the USA, Bank of the West has completely revisited the end-to-end customer process for credit cards. In Turkey, TEB targeted small and medium-sized enterprises with its “I want my bank to support the growth of my business” programme. In Poland, BGŻ BNP Paribas launched “I want to become a customer” for its prospective clients. Finally, Banque Marocaine pour le Commerce et l’Industrie (BMCI) deployed the “I want to buy a car / I want to renovate my home” customer journey.

BGL BNP PARIBAS

Microfinance is gaining momentum

Microlux, the leading microfinance institution in Luxembourg, of which BGL BNP Paribas is the majority shareholder, was officially launched on 5 April 2017 in the presence of Her Royal Highness the Grand Duchess of Luxembourg. On that occasion, Microlux and the European Investment Fund (EIF) signed a microfinance guarantee agreement in the framework of EaSI, the EU’s Programme for Employment and Social Innovation. In November 2017 Microlux won the public award in the “Finance” category at the Luxembourg Sustainability Forum.

Lyf Pay, a secure, multi-service, universal mobile solution

A result of the merger of Fivory and Wa!, Lyf Pay is the new, universal mobile solution for customer service. It combines payment cards, loyalty programmes and discounts. Since May 2017 the application has been available in France on all smartphones. Consumers can pay for purchases in stores and restaurants or online quickly, simply and securely. They can also send money to friends or make donations to charity. As a bonus, many merchants offer benefits and customers can receive information about their expenses. Lyf Pay is an initiative of BNP Paribas, Crédit Mutuel, Auchan, Mastercard, Oney and Total.

IN EUROPE: THE PAYMENTS REVOLUTION CONTINUES

Since 2017 customers of BNP Paribas Fortis, Hello bank! and Fintro in Belgium, BGŻ BNP Paribas in Poland and BNL and Hello bank! in Italy can pay for purchases using their mobile phones. Cash and credit cards are no longer needed. With Google Pay, smartphones are becoming a new tool for secure, contactless payment. In Belgium, other innovations are underway: with a few clicks, small businesses can renew their installment loan for their tax expenses (advance tax payments) or company expenses (end-of-year bonuses). Individuals can confirm their identity via smartphone with the itsme® app for their card-based payments.

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BNP Paribas buys Compte-Nickel

On 12 July 2017 the Group bought 89.1% of Compte-Nickel, which offers a bank account with no minimum-income requirement and which is available at over 3,000 tobacconists in France. At the end of 2017 BNP Paribas owned 95% of Compte-Nickel, which changed its name on 25 April 2018 to Nickel. With solutions tailored to the needs of different types of customers, this acquisition enables the Group to complete its range of banking services. Account holders can withdraw money from any ATM and pay by card in France and internationally. They can also make or receive electronic payments. This revolutionary account, with no chequebook or overdraft facility, has already attracted close to one million customers.

With QuickSign, purchases on credit are easier

In 2017 AlphaCredit, a subsidiary of BNP Paribas Personal Finance in Belgium, was equipped with QuickSign, a point-of-sale e-signature solution based on SMS identification. The seller activates an identification request and the customer receives an SMS with a code to communicate to the seller to sign the contract.

BNP PARIBAS PERSONAL FINANCE

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BNL HELPS TO TRANSFORM ITALIAN INDUSTRIES

The Italian government has launched a national plan, called Impresa 4.0, with the aim of encouraging manufacturers to modernise production by granting them tax incentives. BNL wanted to take part in this effort to modernise industry by joining forces with the Bonfiglioli Group, a global player in industrial automation. The bank financed Bonfiglioli’s suppliers in order to invest in innovative solutions: a win-win situation for the entire industry.

GERMANY: CONSORSBANK AND DAB BNP PARIBAS BROADEN THE DIGITALISATION OF SERVICES

Consorsbank, focused on individual customers, and DAB BNP Paribas, which works with independent asset managers, invested during 2017 so as to upgrade their digital platforms and facilitate the creation of new products developed around customer needs. For example, Consorsbank offers its trader customers a digital solution to test their investment strategies in real conditions. It also launched a smartphone-based, peer-to-peer payment service in association with the startup Cringle to facilitate payments among friends.

BRINGING YOUR PROJECTS TO LIFE WITH ONE CLICK

Thanks to the partnership between BNL and Findomestic, two new digital loans have been created: BNL In Novo 1Click and Hello! Project 1Click. A dedicated process allows customers to request and manage their financing online. The aim is to offer a 360° service using the expertise of both companies, which, by working together, can offer products in line with individuals’ user habits and expectations.

BNP PARIBAS EXPANDS ITS DIGITAL BANKING OFFER

In November 2017 BNP Paribas Personal Finance, whose Cetelem brand is well-established in the Czech Republic, launched Hello bank! by Cetelem. To ensure that services and products meet customer expectations, this new digital bank was co-developed with customers. It also benefits from the expertise of other business lines in the Group: International Retail Banking, BNP Paribas Cardif and Consorsbank. Cetelem’s Czech customers, both individuals and partners, are now customers of the new bank. At hellobank.cz and via its mobile application, they can access multiple banking services in addition to existing loan products.

FRENCH RETAIL BANKING

BuyMyHome: real estate loans get easier

French Retail Banking simplifies the home-loan application process with BuyMyHome, an easy-to-use application that helps users get information on loan eligibility options, borrowing capacity, monthly repayments, and also to obtain initial feasibility indications with a few clicks. Within the BNP Paribas Group, similar solutions also exist in Belgium and Italy.

REINVENTING THE CUSTOMER EXPERIENCE

BNP Paribas Wealth Management reinvents its customer experience

In 2017 BNP Paribas Wealth Management unveiled its new customer experience, which was created jointly with clients and fintechs. The new services, which improve existing innovative digital solutions, will be progressively enhanced. As a result, myWealth, the digital platform for international customers, offers a secure biometric connection, customised investment advice, a chatroom, videoconferencing as well as an electronic safe. New features have also been launched: myMeeting makes it possible to be better prepared for a customer meeting and myVirtualAssistant allows 24/7 access to the bank thanks to artificial intelligence. Finally, with myFeedback, customers can suggest improvements and express their needs.

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INVESTMENT IN SYMPHONY
To contribute to its digital transformation, BNP Paribas is extending its collaboration with today's most inventive fintechs. In May 2017 BNP Paribas made a strategic investment in Symphony, a startup that manages a secure online messaging application for businesses. The Group was the lead investor in a $63 million round of financing.

AN E-COMMERCE SOLUTION IN SUB-SAHARAN AFRICA
In May 2017 Banque Internationale pour le Commerce et l’Industrie du Sénégal (BICIS), a subsidiary of BNP Paribas, launched its e-commerce platform. Businesses and merchants can now offer their customers a secure online payment solution. Clients enter their card number or are called by an adviser to be guided through the purchasing process. For those without bank accounts, mobile payments are also accepted through a network of partners who finalise the transaction. The platform was also deployed in Ivory Coast and Guinea in the second half of 2017 and in Mali and Burkina Faso in April 2018.

ARVAL OUTSOURCING SOLUTIONS CONCENTRATE ON THE “DRIVER JOURNEY”
Arval has invested in an overhaul of Arval Outsourcing Solutions to better meet companies’ expectations in the area of operational, financial and CSR performance. With this solution, businesses enjoy peace of mind and driver needs are taken care of by Arval. They can rely on a partner with over 25 years of experience in full service vehicle leasing and a unique, market-leading organisational model that guarantees standardised processes in various countries.

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In Mexico, BNP Paribas Cardif has formed a partnership with FinUtil, a credit and microcredit institution. The partnership’s aim is to help women develop a professional microcredit project by offering them a loan. Thanks to the partnership, BNP Paribas Cardif is contributing to financial and social inclusion by offering life insurance and, for micro-entrepreneurs, personal protection insurance.

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SRI INFLOWS ON THE RISE

In 2017 BNP Paribas Asset Management expanded its range of responsible products and services for individual customers and institutional investors. Its funds target both committed companies and sectors such as the environment or social welfare. As at 31 December 2017, there were record inflows of €34.6 billion (+3% compared with 2016). Two funds illustrate this success:

- In 2008, the Aqua Fund enables investors to support committed companies in the water sector. It has gathered €2 billion since its creation, including €232 million in 2017. In addition, since December 2017 the Harvest range of funds has included the Harvest Green Bond fund, which is dedicated to financing European small and medium-sized enterprises (SMEs) and mid-caps active in the energy transition. In Belgium, BNP Paribas Fortis remains the leader in the SRI market, with a market share of 52%. Finally, the SRI funds at BNP Paribas Wealth Management reached €11.5 billion at the end of 2017, an increase of over 50% each year since 2010.

BNP Paribas is committed to the UN Sustainable Development Goals

The United Nations has defined 17 Sustainable Development Goals (SDGs) to eradicate poverty, protect the planet and ensure prosperity for all. BNP Paribas, in its extra-financial indicators, measures the share of loans to companies that have directly contributed to achieving those objectives. In 2017 that share stood at 16.5%. For example, in Education (Goal 4, Quality Education), Health (Goal 3, Good Health and Well-Being), Agriculture (Goal 2, Zero Hunger), water (Objective 6, Clean Water and sanitation) or renewable energies (Objective 7, Clean and Affordable Energy), the Group finances many exemplary projects. In 2017 BNP Paribas was the lead manager of a €750 million, five-year syndicated loan granted to Barry Callebaut, a leading cocoa producer that has made a commitment to farmers and biodiversity. Also in 2017, Banque Internationale pour le Commerce et l’Industrie du Sénégal (BICIS), the Group’s Senegalese subsidiary, financed several major projects that directly contribute to the SDGs. They include notably the future regional train that will link Dakar to the new international airport and the construction of the Arror and Kimwater dams, which will provide water and green energy to a large number of residents.

BNP Paribas has a direct influence on the economy through its business activities. Aware of this responsibility, the bank offers financing and investments that help eradicate poverty, protect the planet and ensure prosperity for all by 2030 and in line with three key challenges of the United Nations Sustainable Development Goals (SDGs).

SRI INFLOWS ON THE RISE

In 2017 BNP Paribas Asset Management expanded its range of responsible products and services for individual customers and institutional investors. Its funds target both committed companies and sectors such as the environment or social welfare. As at 31 December 2017, there were record inflows of €34.6 billion (+3% compared with 2016). Two funds illustrate this success:

- In 2008, the Aqua Fund enables investors to support committed companies in the water sector. It has gathered €2 billion since its creation, including €232 million in 2017. In addition, since December 2017 the Harvest range of funds has included the Harvest Green Bond fund, which is dedicated to financing European small and medium-sized enterprises (SMEs) and mid-caps active in the energy transition. In Belgium, BNP Paribas Fortis remains the leader in the SRI market, with a market share of 52%. Finally, the SRI funds at BNP Paribas Wealth Management reached €11.5 billion at the end of 2017, an increase of over 50% each year since 2010.

BNP Paribas is committed to the UN Sustainable Development Goals

The United Nations has defined 17 Sustainable Development Goals (SDGs) to eradicate poverty, protect the planet and ensure prosperity for all. BNP Paribas, in its extra-financial indicators, measures the share of loans to companies that have directly contributed to achieving those objectives. In 2017 that share stood at 16.5%. For example, in Education (Goal 4, Quality Education), Health (Goal 3, Good Health and Well-Being), Agriculture (Goal 2, Zero Hunger), water (Objective 6, Clean Water and sanitation) or renewable energies (Objective 7, Clean and Affordable Energy), the Group finances many exemplary projects. In 2017 BNP Paribas was the lead manager of a €750 million, five-year syndicated loan granted to Barry Callebaut, a leading cocoa producer that has made a commitment to farmers and biodiversity. Also in 2017, Banque Internationale pour le Commerce et l’Industrie du Sénégal (BICIS), the Group’s Senegalese subsidiary, financed several major projects that directly contribute to the SDGs. They include notably the future regional train that will link Dakar to the new international airport and the construction of the Arror and Kimwater dams, which will provide water and green energy to a large number of residents.

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Global warming will have major environmental and social impacts. Mobilising all stakeholders to contain it below 2°C, in accordance with the Paris Agreement, is imperative. Since 2011 the bank has been using all means at its disposal to accelerate the transition towards an economy with lower greenhouse-gas emissions, including the financing of renewable energies, energy efficiency and sustainable mobility. Its goal is to offer products and services to customers worldwide that enable them to contribute meaningfully to this change.

FOCUS

Accelerating the energy transition

“The Abu Dhabi Water & Electricity Authority played the key role in the competitive procurement of the 1,177MW Sweihan PV Plant. Once the winning bidder was identified, ADWEA played a dual role: firstly it negotiated the Power Purchase Agreement with the winning bidder and then as the 60% shareholder in the Project Company joined together with the winning foreign consortium to finalise financing. BNP Paribas played a key role as a Lead Arranger in the debt facilities. In what was a pioneering and challenging project (the first large scale renewable project in Abu Dhabi), BNP Paribas assisted in negotiating a $670 million debt package as part of a group of banks from Japan, Abu Dhabi and France. This project, once built will be the world’s largest single site PV plant. The project will save Abu Dhabi significant amounts of natural gas thereby reducing carbon emissions.”

Charlie Seymour
Financial Financial Advisor, Abu Dhabi Water & Electricity Authority (ADWEA)

“A hugely positive knock on effect on future photovoltaic (PV) projects…”

We are reducing our financing and investment in energies that emit the most greenhouse gases, such as coal and unconventional oil and gas, and we are no longer financing Arctic oil and gas exploration or production projects.

We are developing sponsorships for research teams, including in partnership with the Bill & Melinda Gates Foundation.

We offer a range of products and services such as the 1% loan for the purchase of hybrid or electric vehicles in France and the Parvest Green Bond fund, a €121 million fund (as at the end of 2017) that invests in bonds that finance projects designed to combat global warming.

Our business operations have been carbon-neutral since the end of 2017.

IN RENEWABLE ENERGY FINANCING BY 2020

IN DIRECT INVESTMENTS IN INNOVATIVE ENERGY-TRANSITION STARTUPS BY 2020

IN FINANCING FOR CLIMATE RESEARCH EACH YEAR AND 60,698 PEOPLE MADE AWARE OF CLIMATE ISSUES
Clean energy: reducing time-to-market

How can clean energy innovations be marketed more quickly? This is precisely the role of the Breakthrough Energy Coalition (BEC), founded by Bill Gates and launched at COP 21 in 2015. To reduce time-to-market, the BEC brings innovative public research and investors together. It represents every link in the long chain of energy innovation, from discovery to development to deployment. Since its creation, the BEC has expanded its coalition to include large corporations, funds, institutional investors, and banks that share the same commitment to reducing time-to-market for new energy technologies.

One Planet Fellowship, to support climate research in Africa

Since 2010 the BNP Paribas Foundation has been supporting research on climate change through its Climate Initiative programme. From 2017 to 2019, this commitment amounts to €6 million, which is used to finance eight international research projects. In all, 18 international teams will have benefited from the programme. At the 2017 One Planet Summit, BNP Paribas and its Foundation teamed up with the Bill & Melinda Gates Foundation for a joint programme called “One Planet Fellowship” which aims to support 600 African and European researchers working on adapting to climate change in Africa ($15 million over five years).

A carbon-neutral bank

In 2017 the BNP Paribas Group became a carbon-neutral bank. To achieve this, there were three complementary objectives. First, the reduction of CO₂ emissions through energy efficiency in buildings and computer equipment, and the optimisation of business travel. Second, the use of low-carbon electricity in all countries, where possible. In 2017 the share of renewable electricity accounted for 26.2% of electricity consumed in the Group’s premises. Finally, the third objective was offsetting irreducible emissions. In 2017 this offset was achieved as part of a programme to preserve and restore 200,000 hectares of forest in Kenya.

INCREASINGLY TARGETED FINANCING

BNP Paribas is reducing its support for fossil fuels while continuing to actively support energy-sector clients committed to the energy transition. The Group has already stopped financing coal mines and coal-mining companies that do not have a diversification strategy. It has also stopped supporting coal-fired power plant projects. At the end of 2017 the Group went further by ending its relationships with companies whose main activity is the exploration, production, distribution, marketing or trading of shale oil and gas, or oil from tar sands. It has also stopped financing Arctic oil and gas exploration or production projects.

ClimateSeed, a platform for voluntary carbon offsetting

To encourage companies that wish to become carbon neutral, BNP Paribas is setting up a carbon-offset platform called ClimateSeed. Designed by Securities Services and initially intended for corporate clients and project owners, it is a centralised, transparent and efficient platform for buying and selling carbon credits originating from voluntary carbon offset projects. The platform, which is due to launch in 2018, will reinvest 100% of its profits in its development and in initiatives to improve its impact. A committee comprised of carbon market experts, academics, NGO representatives and auditors will approve projects hosted on the platform.
New green bonds in Europe
In line with its 2018 objective, in 2017 BNP Paribas was among the top three global players in the market for green bonds, which finance projects relating to the environment. Among its achievements, the Group participated in the launch of France’s first green sovereign bond, the 1.75% OAT* Verte maturing 25 June 2039 worth €7 billion. In addition, BNP Paribas (Swiss) SA supported the issuance of the country’s first corporate green bond: SME Helvetia Environment raised CHF 75 million to finance projects in waste management and recycling. Lasty, the bank was book-runner for the first corporate green hybrid bond: €1 billion issued by the Dutch electricity transmission operator TenneT. The proceeds will be used to finance the connection of offshore wind turbines. The total amount of green bonds placed by BNP Paribas was €5.3 billion in 2017.

100% OF THE COMMERCIAL PROPERTY developed by BNP Paribas Real Estate has environment certification

UkrSibbank improves residential energy efficiency in Ukraine
With the IQ Energy scheme, the European Bank for Reconstruction and Development and UkrSibbank (a Ukrainian subsidiary of BNP Paribas) are partners in a programme that encourages Ukrainians to renovate their homes in order to reduce energy consumption. Customers take out a loan from UkrSibbank and then receive financial compensation: since July 2017 this has been 35% of the loan amount. 6,900 loans were taken out in 2017 via the IQ Energy scheme, for a total amount of UAH 140 million.

An architectural revolution in Luxembourg
The new BGL BNP Paribas buildings in Luxembourg–Kirchberg, developed by BNP Paribas Real Estate, were awarded the HQE™ Sustainable Building Award in July 2017. The three buildings, among which two have already received an HQE Exceptionnel certificate, have a total surface area of 99,000 m² and exemplify best practices in energy, environment, health and comfort.

In Italy, corporate efficiency continues to improve
Under the “Fare Lazio” programme, BNP Paribas subsidiary Artigiancassa offers loans with particularly favorable terms. SMEs can borrow from €10,000 to €50,000 interest-free up to 36-month period. Projects must involve heating or cooling systems based on renewable energies, or LED-based lighting equipment. Fare Lazio is also rolling out a €2 million programme for self-employed taxi drivers who would like to drive an electric or hybrid vehicle.

BOOST’CHAUFFE: A SUBSIDISED LOAN FOR HOME HEATING
Since March 2017 BNP Paribas Personal Finance, in partnership with ENGIE, has offered a loan called Boost’Chauffe. Customers wanting to finance new heating or hot-water equipment can borrow up to €21,500 at a preferential rate of 1%. Over 6,650 customers have taken advantage of the offer, which contributes to improving energy efficiency in France.

The 1% green auto loan has arrived
In December 2017 French Retail Banking launched a 1% green auto loan to support its customers in the energy transition. For any purchase of a new vehicle eligible for the government’s green bonus, individuals can borrow from €760 to €75,000 over a period of 4 to 108 months at the preferential rate of 1%.

Arval opens a subsidiary in Norway, a country at the forefront of carbon-neutral mobility
Arval opened a subsidiary near Oslo in Norway in November 2017. Arval now offers its services and innovations in the Norwegian market with the same high-quality standards that apply to the more than one million vehicles leased worldwide. This has put Arval Norway at the cutting edge of carbon-neutral mobility and marks the final stage of the Group’s establishment in the Nordic countries. Local and international customers now have access to full-service vehicle leasing throughout the region.

In green investments by BNP Paribas Cardif as of 31 December 2017

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ACCELERATING THE DEVELOPMENT OF EMPLOYEE PROJECTS

In July 2017 International Financial Services launched IFS alpha, a new programme which combines intrapreneurship, technology and social responsibility to accelerate the transformation of the bank.

To support this initiative, Bivwak! was created—a space devoted to innovation and learning new ways of working. Bivwak! brings together 200 employees and stakeholders (startups, schools, customers and partners) to work on 20 projects that create the bank of the future.

Other intrapreneurship programmes exist within the Group, such as: Lux Future Lab’s programme in Luxembourg, the TEB Intrapreneurship Programme in Turkey, and Home for Innovation, the epicentre of BNP Paribas Fortis innovation in Belgium.

BNP PARIBAS REAL ESTATE

Inventing the city of the future

As a company committed to the transformation of technologies and practices in real estate, BNP Paribas Real Estate supports startup incubators that are changing the real-estate business: Immowell Lab, Real Estate Disruptive Lab and Urban Lab (ParisLab) are developing solutions to transform urban areas. The Group’s real-estate subsidiary is also involved in the DataCity Paris open-Innovation programme, where the smart, sustainable city is being invented.

BNP PARIBAS, A PARTNER OF VIVA TECHNOLOGY

During this global meeting devoted to innovation, BNP Paribas invited visitors to visit “Lab Financial Services” and experiment, through projects created through open-innovation, with new experiences in banking and insurance, organised around everyday aspects of life such as: Home, Shopping, Daily Banking and Insurance, and Business. In total, more than 40 international startups presented tangible, innovative projects after benefiting from the Group’s expertise.

SOLAR IMPULSE FOUNDATION: 1,000 EFFICIENT IDEAS FOR THE PLANET

In November 2017 BNP Paribas (Suisse) SA signed a four-year partnership with the Solar Impulse Foundation. The aim is to gather 1,000 efficient solutions to help companies and governments protect the environment. The bank contributes its knowledge of financial security and risk management by making internal expertise available and enabling employees to contribute directly in the selection of projects to be presented at COP24 in December 2018.

2,500 STARTUPS IN FRANCE HAVE PLACED THEIR TRUST IN BNP PARIBAS

BNP Paribas is developing an ecosystem to encourage the development and support of innovative companies. This support is particularly active in our domestic markets and includes five startup houses in Belgium, Turkey, Italy, Luxembourg and France. In 2017 BNP Paribas strengthened its partnership with Plug and Play, an innovation platform with a presence in 24 countries, to create an accelerator dedicated to fintechs and insurtechs. The startups taking part in this programme are located at Station F, the largest startup campus in the world. In addition to the exclusive services offered (individualised support, coaching, business opportunities and fundraising), the selected startups benefit from Station F’s dynamism and rich ecosystem.

Supporting innovation and creating opportunities for customers

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A LABEL TO SUPPORT STARTUPS

More than 2,500 startups in France have placed their trust in BNP Paribas. In 2017, to mark its entry into the startup ecosystem, BNP Paribas brought together all service offerings, employees and spaces devoted to a culture of innovation under a single unifying label: WAI (We Are Innovation). Startups receive banking support (WAI Banking), direct or indirect investment by BNP Paribas in their capital (WAI Venture Fund and WAI Investment Fund), an acceleration programme (WAI Boost), personalised coaching at WAI Paris or WAI Massy-Saclay (WAI Lead), networking events with mid-sized or large companies (WAI Connect) and support for their international development (WAI International).

This unique support model for startups has been exported to other countries where the bank operates, such as Belgium, Luxembourg, Germany and Italy.
Supporting new forms of entrepreneurship

Our contribution to supporting business founders

Our financial products and services are the primary means of supporting entrepreneurship. We are expanding our service offerings and proposing ever richer and more competitive solutions to social entrepreneurs.

We also sponsor skills-based mentoring and volunteering, and encourage our employees to devote their time and talent to help new entrepreneurs.

We activate our networks, and we create and guide communities of entrepreneurial customers who help each other and build trust among their peers.

We have created an innovative ecosystem to support young, growing companies. Our service offerings, our experts and spaces devoted to a culture of innovation are accessible everywhere in France under a single unifying label: WAI (We Are Innovation).

Our employees are encouraged to be entrepreneurs. They are supported by the People’s LAB, our intrapreneur accelerator. It has the task of supporting and promoting employees with innovative ideas, and of transforming these ideas into concrete projects with positive impacts within the Group.

By partnering with organisations such as Ulule, a crowdfunding platform, or competitions such as “100 jours pour entreprendre”, we assist young entrepreneurs to get started and help fund their projects.

MORE THAN 2,000 STARTUPS were supported by BNP Paribas’ 15 innovation centres in France

MORE THAN 50% OF FRENCH SOCIAL IMPACT BONDS THAT HAVE RECEIVED THE “CONTRAT À IMPACT SOCIAL” LABEL HAVE BEEN STRUCTURED BY BNP PARIBAS.

These “bonds” allow private investors to support the experiments of social enterprises and community organisations in France on innovative social programmes. Seven of the 13 Social Impact Bonds designated by the French government have been structured by the bank.

ALMOST €1 bn IN FINANCING FOR SOCIAL ENTREPRENEURSHIP, up 12% from 2016. More than 1,000 customers and partners have benefited from BNP Paribas financing and investment in 7 countries.

Frédéric Bardeau
Chairman and co-founder of Simplon.co

“Simplon.co was born of the belief that technology can change the world.”

“We are using the training techniques of American bootcamps for people who are disadvantaged, living in precarious conditions or excluded from the workforce. We give them skills in the digital field, which is a major recruiter. Today, five years after our creation, we have trained 2,500 people. In our sector, the social and solidarity-based economy, the challenge is to scale up and find financial partners who allow us to get out of the philanthropic mindset. BNP Paribas has supported us in two ways. Beyond the banking relationship, FRB has sponsored for three years Refugeeks, our training programme for refugees. It also convinced the bank’s Human Resources department to place graduates of the training programme in BNP Paribas’ work-study programmes. Six have been hired.”

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A whole world of microfinance

BNP Paribas partners a number of microfinance institutions (MFIs) in 27 countries, including 11 developing countries, and nearly 300,000 people benefit indirectly from this support. BNP Paribas finances MFIs in Latin America and also in the United States, where BNP Paribas supports Grameen America Inc. (GAI), founded in 2006 by Nobel Peace Prize winner Muhammad Yunus. In Africa, where BNP Paribas has 9,885 employees, the Group’s microfinance experts have selected MFIs financed by our local subsidiaries in local currencies. Taysir in Tunisia, Al Amana in Morocco and Microcredit Baobab in Ivory Coast are among the MFIs selected. 2017 saw the bank’s South African subsidiary make its first loan to the Small Enterprise Foundation (SEF), an MFI created in 1992 that supports 135,000 people living below the poverty line.

Focus on

SUPPORTING WOMEN ENTREPRENEURS

BNP Paribas is behind various support programmes for women wanting to be entrepreneurs. In France, the Group launched the #ConnectHers programme, which offers women entrepreneurs financing and expertise. It also functions as a network to connect the women with the right contacts. In Turkey, the women’s empowerment scheme called TEB Women Academy has attracted more than 3,000 women. Each month, it offers a programme in a different city that consists of motivational speeches by inspirational businesswomen and workshops to develop managerial skills. The local format also allows participants to expand their network.

Giving young people a taste of entrepreneurship

Junior Achievement is an international federation of community associations that encourages youth entrepreneurship around the world. Bank of the West in California and BNP Paribas in South Korea are involved in this initiative. It is also in this context that, since 2014, BNP Paribas Cardif, FRB and the BNP Paribas Foundation have partnered Entreprendre pour Apprendre (EPA) which is expanding its programme in vocational secondary schools. Thanks to the new Innov’EPA scheme, young people can benefit from the advice and skills of BNP Paribas employees.

“La France s’engage” with BNP Paribas

In January 2017 the bank answered President François Hollande’s call to extend the social-entrepreneurship support programme known as “La France s’engage”. The programme was started in 2014 and brought together more than 150 “social innovators”. The Group was a founding member of the new public-interest foundation that was created. BNP Paribas provides finance, sponsors skills-based mentoring and supports 15 winners annually via national and international calls for projects that reward the most innovative and most socially useful projects.

BNP Paribas and social business: a common foundation

At the Global Social Business Summit in November 2017, Jean-Laurent Bonnafé, Chief Executive Officer of the Group, reaffirmed the values shared by the bank and social business stakeholders. Since its beginning, the bank’s mission has been to finance projects anchored in the real economy. Social business allows the bank to demonstrate its original vocation. It is also a way for BNP Paribas to contribute to initiatives with a high societal impact and that also create jobs and sustainable solutions for the environmental or social challenges.

SUPPORTING NEW FORMS OF ENTREPRENEURSHIP

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As an international European bank, BNP Paribas must be a pioneer and support change by exploring growth opportunities with new stakeholders, new partnerships and new technologies.

A NEW BOOM FOR CROWDFUNDING IN FRANCE

In 2017 BNP Paribas bolstered its partnership with Ulule, the leading European crowdfunding platform. French Retail Banking offers an innovative scheme to entrepreneurs that lets them obtain a combination of crowdfunding and bank loans. Any project manager who has successfully completed a crowdfunding campaign on Ulule will, after examination of their loan request, have access to matching bank financing (up to a limit of €50,000).

BNP PARIBAS AND THE PSA GROUP BUY THE FINANCING BUSINESS OF OPEL AND VAUXHALL

In 2017 BNP Paribas and the PSA Group jointly acquired the captive finance companies of sister automotive brands Opel and Vauxhall. The financing activities of the new entity are a key driver for the business performance of 1,800 dealerships in 11 European countries. The new structure benefits from the complementary expertise of Banque PSA Finance in car financing, and BNP Paribas Personal Finance in consumer lending.

Ricoh renew its trust in Arval

In May 2017 Japanese electronics company Ricoh renewed its five-year contract with Arval to manage its fleet of 4,000 vehicles in 23 countries outside the Asia-Pacific region. The vehicles are newer, pollute less and cost less, have a longer lifespan, and will help Ricoh achieve its CSR goals. This transaction also allows Arval to have a market benchmark in this area. The contract’s renewal, which allows Arval to consolidate its position as Ricoh’s leading fleet-leasing provider, is the result of the excellent cooperation between CIB and Domestic Markets.

SECURITIES SERVICES TO ADMINISTER US MUTUAL FUNDS

In November 2017 Janus Henderson Investors, one of the world’s leading asset managers, turned to Securities Services to handle its middle and back-office activities as well as the custody of its assets held in the United States. As part of this mandate, Securities Services acquired Janus Henderson Investors’ fund administration platform. This marks an important milestone in Securities Services’ expansion strategy in the United States, as it will soon enable the custodian bank to administer US mutual funds, which represent a market of $16.3 trillion in assets under management.
A EUROPEAN CHAMPION IS BORN

BNP Paribas was one of Zodiac Aerospace’s financial advisors in the friendly takeover bid launched by Safran in January 2017. After the acquisition of Zodiac Aerospace by Safran, the new group will become the world’s No. 3 in aeronautics, with revenues of €21 billion divided between propulsion and aerospace equipment. BNP Paribas is proud to support the birth of a European economic champion in this strategic sector.

Working for European cinema

Through its partnerships with mk2 for the creation of mk2 VR, the first venue entirely dedicated to virtual reality (VR) in Europe, and with the VR Arles Festival, where spectators are immersed in the world’s best virtual reality productions, the BNP Paribas Group encourages the emergence of new practices and explores new horizons relating to the world of film. In 2017 BNP Paribas celebrated 100 years of commitment to cinematic arts. Since its first loan to a film company in 1917, the bank has continued to support cinematic arts in France, Belgium, Italy and the United States, and has provided support for film festivals, cinemas and the preservation of film heritage. In 2017 the Group also chose to co-produce and support the Luc Besson film Valerian and the City of a Thousand Planets to the tune of €10 million. The film (the biggest ever made in Europe) has attracted more than 50 million viewers around the world. Nineteen countries where the Group is present were partners in the film and BNP Paribas invited 400 customers to the set and behind the scenes in post-production. Scenes from the film adorned the bank’s marketing material, along with exclusive content (online games, videos imagining banking relationships in the future, etc.).

A step in the food- processing market

BNP Paribas Leasing Solutions signed a commercial agreement with GEA Group, one of the world’s leading suppliers in the agri-food sector and specialised in advanced processing technology. The agreement enables BNP Paribas Leasing Solutions to diversify, while accelerating the development of GEA Group at pilot sites in France, Belgium, the Netherlands, the United Kingdom, Italy, Spain and Portugal. The programme may subsequently be extended to other countries.

ACQUISITION OF STRUTT & PARKER IN UK REAL ESTATE

On 31 July 2017 BNP Paribas Real Estate announced the acquisition of Strutt & Parker, a leading, independent real-estate agent and consultant in the United Kingdom. With this acquisition, BNP Paribas Real Estate became a leading force in the country. It is strengthening its corporate real-estate activity and expanding its range of services in the rural sector and residential market.

Successful SBI Life insurance initial public offering

Established in 2001 by State Bank of India and BNP Paribas Cardif, SBI Life Insurance is India’s leading private life-insurance company. It offers a full range of life insurance, retirement and protection products. Since October 3, 2017, SBI Life has been listed on the Bombay Stock Exchange and the National Stock Exchange of India. 12% of shares have been floated on the market. Following this transaction, BNP Paribas Cardif holds a 22% stake in the joint venture, which has 12,000 employees. SBI Life has experienced very strong and steady growth since its inception.

BNP PARIBAS SIGNS AN AGREEMENT WITH GTS

In November 2017 BNP Paribas signed a partnership agreement with GTS, an electronic market-maker based in New York. A team made up of members from both companies will develop a platform to offer a trading solution to the bank’s clients operating in the US secondary bond market.
Issy Préférence: a world first in connected housing

In October 2017 BNP Paribas Real Estate delivered a new residential building in France, Issy Préférence, composed of communicating and connected apartments able to be controlled via the Apple "Home" app. Resulting from a collaboration between Legrand, Netatmo and BNP Paribas Real Estate, the apartments can be controlled by voice or from a smartphone. Access, heating, lighting and electrical appliances can be configured easily and 24/7.

BNL SUPPORTS THE GROWTH OF ITALIAN COMPANIES

Through the partnership with Elite, an initiative by Borsa Italiana in Milan, BNL is helping 20 companies to grow in Italy and abroad. The purpose of the partnership is to enable entrepreneurs to acquire new skills (in areas such as governance or financial communication) as well as increase their visibility and the attractiveness of their firms by being part of an international network and by accessing capital-market opportunities.

NEW TRIPARTITE COLLATERAL* MANAGEMENT SERVICE

In October 2017 Securities Services launched a tri-party collateral management service that rounds out its range of solutions and offers a smooth management of securities used to back up financial transactions. The new product offering connects the beneficiaries and providers of collateral, facilitates access to liquidity and improves clients' operational efficiency.

* Securities used to guarantee a financial transaction

Siemens Gamesa: financing the international supply chain

To support the international growth of Siemens Gamesa, the European leader in the manufacture of wind turbines, and as part of its sustainable financing and investment initiatives, BNP Paribas put in place a €300 million credit line for Siemens Gamesa suppliers. The manufacturer issues debt to its suppliers, who can immediately convert it into cash. This alternative financing solution to bank lending strengthens BNP Paribas’ position with Siemens Gamesa as a preferred banking partner and provider of innovative solutions.

BNP PARIBAS LEASING SOLUTIONS

Kintessia, a marketplace for professionals

At the end of 2017 BNP Paribas Leasing Solutions launched Kintessia in France. It is the first platform devoted to the rental and sale of used equipment among professionals working in agriculture, construction and transport. Trucks, tractors, excavators and much more: on Kintessia, entrepreneurs can safely offer equipment that is not being used. Kintessia represents a new player in the collaborative economy and was developed by the Group’s intrapreneurship accelerator, together with the help of L’Atelier BNP Paribas in selecting a startup to develop the solution.

ACQUISITION OF COLISÉE: BNP PARIBAS FINANCES THE GROWTH OF A COMPANY DEDICATED TO THE ELDERLY

In April 2017 BNP Paribas Principal Investments, which manages the portfolio of unlisted and listed industrial and commercial investments of BNP Paribas, supported the acquisition by JK Investment Partners of the Colisée Group. The latter, a key provider of long-term care in France, now has the necessary resources to continue to develop and innovate for the elderly.

NEW TRIPARTITE COLLATERAL* MANAGEMENT SERVICE

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* Securities used to guarantee a financial transaction
FOCUS

Contributing to local success

To meet today’s demographic, economic and ecological challenges, local communities are reinventing space, mobility and ways of living together. BNP Paribas, with a worldwide presence and attentive to these changes, thinks about its local footprint and combines its resources as a bank, employer, philanthropist and partner in the local economy to contribute to the success of the local communities of which it is part.

A philanthropy responsive to local communities

With a budget of more than €40 million, BNP Paribas’ philanthropy can be seen on all continents and in all countries where the bank is present. For example, the Foundation supports numerous festivals in Africa in conjunction with BNP Paribas Group subsidiaries: Tanjazz and Jazzahead in Morocco with Banque Marocaine pour le Commerce et l’Industrie (BMC); Banque Internationale pour le Commerce et l’Industrie du Sénégal (BICIS), or Jazz à Carthage in Tunisia with Union Bancaire pour le Commerce et l’Industrie (UBCI). These encounters allow the general public to discover young, talented musicians and the big names of jazz.

Stimulating sustainable growth in developing countries

The One Planet Summit provided an opportunity for the Group to sign a key agreement with UN Environment. The aim: create financing instruments for sustainable development. BNP Paribas and UN Environment will collaborate in developing countries to enable the financing of projects with a measurable environmental and social impact for up to $10 billion by 2025.

This includes supporting smallholder projects in the areas of access to renewable energy, agro-forestry, access to water and responsible agriculture. This sustainable-development funding programme is the first of its kind to bring together businesses, investors, development-assistance organisations, NGOs and governments.

Measuring the impact of our financing in Ivory Coast

Starting in 2016, the Group embarked on a process to measure the economic impact of its loans to businesses. In France, the contribution of loans to the economy has been quantified: they have created or sustained 820,000 jobs. In 2017 BNP Paribas and its subsidiary BICICI (Banque Internationale pour le Commerce et l’Industrie du Sénégal) reproduced this study in Ivory Coast. It showed that the Group contributes more than 250 million to the country’s economy, or 2.2% of its GDP, and supports more than 10,000 jobs, or 1.8% of the totals.

3 PRESTIGIOUS AWARDS

In Italy, BNL’s new headquarters in Rome, developed by BNP Paribas Real Estate, received three prestigious awards: the Smart Building Award in the office category, awarded by the Smart Building Expo; the Best of the Best Architecture Award from the German Design Council; and the 2016 Plan Award for the best new office building and awarded by a panel of architects.

A REFUGEE ASSISTANCE PLAN IN EUROPE

Created in 2015 by BNP Paribas and with an initial €5 million, the Refugee Assistance Plan in Europe received an additional €3 million for the period ending in 2018. In this way BNP Paribas is reaffirming its commitment alongside NGOs and partner associations to assist refugees in nine European countries where the Group is present. It is in this context that the BNP Paribas Foundation is supporting the Office of the United Nations High Commissioner for Refugees (UNHCR), notably in Serbia and Greece. In France it is also a partner of Apprentis d’Auteuil and Samusocial de Paris.

Our contribution

- We collaborate with local stakeholders to develop the economic fabric of communities and regions.
- We design and coordinate local philanthropy and sponsorship programmes.
- Our employees are engaged and involved in urban-sponsorship projects wherever we are present.
- We make use of our branch premises by making them available to local community groups.

Geoffroy Boulard
Mayor of the 17th Arrondissement of Paris, Metropolitan Councillor for General and Administrative Affairs

“To build better cities, we must involve all stakeholders at the start of major urban projects.”

“The Greater Paris project brings a new perspective to cities, especially their gateways. They must be redesigned to better play their role as boundaries between two cities. In my district, these gateways or “portes” of Maillot, Clichy, Pouchet and Saint-Ouen are major urban-renewal projects. BNP Paribas Real Estate was named the winner of the “Innovators in Metropolie du Grand Paris” contest with 1T&G for its public-private sector project for the Porte du Saint-Ouen. What attracted us to this project is that it is more than an architectural gesture. It aims to create a multifunctional space. It’s a transport hub, a destination, a place for living, working and leisure, and is much for residents and businesses as for visitors and tourists.”

150,000 PEOPLE BENEFITED

From financial-education programmes in 2017 thanks to BNP Paribas
The blockchain and artificial intelligence at the service of clients

These new cognitive technologies, which use data science, make it possible to get to know customers better and offer new, more personalised solutions that meet their needs almost in real time, thus improving their level of satisfaction. Within the Group, all business lines have announced tangible and secure results.

Arval launches Integral Fleet

Integral Fleet is an online, strategic reporting platform for customers who work with several corporate-vehicle leasing companies. The platform provides a consolidated view of key fleet-performance indicators (fleet, expenditure, use, carbon footprint). Customers are freed from the tedious task of collecting data from various sources. This welcome innovation was hailed by the profession at the 20th Fleet Europe Summit held in Estonia, Portugal, in December 2017.

FUND DISTRIBUTION STIMULATED BY THE BLOCKCHAIN

In partnership with AXA Investment Managers, one of the largest asset managers in Europe, Securities Services developed a very promising new fund-distribution platform. KYC (Know Your Customer) obligations and the sale and purchase of funds are facilitated by blockchain technology and smart contracts. Throughout the distribution chain, control and transparency are enhanced. Over time, this next-generation platform could also generate savings for customers. At the end of 2017, BNP Paribas Asset Management tested the scheme successfully.

MyCollat: the blockchain simplifies collateral management

Designed with Group employees and customers during the 2016 BNP Paribas Bizhackathon Blockchain, and in partnership with blockchain-technology developers and experts, the MyCollat application simplifies collateral management. With this solution, information flows are streamlined and collateral management greatly improved.

BIRTH OF A CHATBOT DEDICATED TO ASSET MANAGEMENT

BNP Paribas Asset Management is testing a chatbot that helps users research funds. The tool is able to provide product details, compare them, and explain technical terms. At the end of the test phase, it will be able to assist advisers in the Group’s retail-banking networks as well as professionals and end-customers.

ROBO-ADVISORS: MAJORITY STAKE IN THE FINTECH GAMBIT

In September 2017 BNP Paribas Asset Management acquired a majority stake in Gambit Financial Solutions, a European provider of digital investment advisory solutions. BNP Paribas Asset Management plans to deploy Gambit solutions in the Group’s retail and private banking networks with the aim of significantly enriching the customer journey in the area of financial savings, and offering smarter investment advice.

New artificial intelligence projects in Italy

BNL and BNP Paribas Cardif are partners in the AI WorkLab, an artificial intelligence incubation programme in Rome. In November 2017 numerous startups presented their projects in the areas of insurtech, data management, customer behaviour and cybersecurity. The selected startups took part in an acceleration programme from January to April 2018. The various projects offer opportunities to improve the experiences and services offered to BNL customers.
Supporting young people and their projects

Access to employment, housing, mobility, credit for many young people, the path to autonomy is longer and more complicated than in the past. At the same time, today’s young people are ambitious and creative and have a greater sense of solidarity. BNP Paribas intends to support these young people, in all their diversity, by encouraging their inclusion in society, making the projects that matter to them most possible, and by helping them to shape the world of tomorrow.

Juan Sebastián Franco
Internal consultant at BNP Paribas CIB

“In choosing the bank, I wanted my work to have a positive impact on society.”

“When you are motivated by a project and you are given the resources, you can really go very far at BNP Paribas. The proof! I and a few friends, who are also in the Group, had the idea to create an inter-generational network to speed up the cultural transformation of the bank. Our idea received significant support from Human Resources and senior management. The launch of WeGenerations, the name of the network, brought together 300 employees from every subsidiary. The confidence is also there professionally: when I suggested to my management that we develop a digital platform to improve support for our customers moving towards more sustainable and socially responsible business models, they agreed and appointed me project manager; at only 28 years old!”

Our contribution
- We support younger generations with original products and services, and combine attention to their needs with their habits and generosity.
- Our patronage, philanthropy schemes and SRI funds target initiatives aimed at young people.
- Our partnerships with community associations and the involvement of our employees allow us to use our initiatives to boost youth empowerment.

2,176
EMERGING TALENTS, young employees with high potential, identified as future leaders.

2017 REPORT ON ACTIVITY AND CORPORATE RESPONSIBILITY
WE MEASURE OUR EXTRA-FINANCIAL PERFORMANCE
As part of its policy to combat climate change, in 2017 BNP Paribas became a carbon-neutral bank for its operations through three complementary actions: reduction of its CO2 emissions; use of low-carbon electricity; counteracting emissions that cannot be reduced.

**DIRECT ENVIRONMENTAL IMPACTS**

Reduction of total greenhouse gas emissions

<table>
<thead>
<tr>
<th>Gas Type</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas</td>
<td>7.8%</td>
<td>13%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>2.5%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Oil</td>
<td>2.5%</td>
<td>1%</td>
</tr>
<tr>
<td>Natural gas</td>
<td>73.4%</td>
<td>80%</td>
</tr>
<tr>
<td>Other</td>
<td>18%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Use of low-carbon electricity

1,414 GWh, or 135 kWh/FTE (2016, 1,460/101)

Counteracting emissions that cannot be reduced

Each year, BNP Paribas will counteract the previous year’s CO2 emissions that cannot be reduced for the Group as a whole. In 2017, the counteracting of 2016 emissions was carried out as part of the Wildlife Works Kasigau Corridor project (more information in the section Accelerating Energy Transition, pp. 40-52).

**INDIRECT ENVIRONMENTAL IMPACTS**

Carbon content of kWh financed by the Group

<table>
<thead>
<tr>
<th>Source</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2020 TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal</td>
<td>342</td>
<td>498</td>
<td>342</td>
<td>2015: 22.5%</td>
</tr>
<tr>
<td>Gas</td>
<td>23.5%</td>
<td>12.7%</td>
<td>62.8%</td>
<td>2020: 42.7%</td>
</tr>
</tbody>
</table>

**FINANCING FOR RENEWABLE ENERGIES**

In 2017, 9.1% of financing in this sector was €12.3 billion (compared with €9.3 billion in 2016). In total, in 2017 the Group participated in financing or advising renewable-energy projects totaling more than 9 GW of installed capacity.

**TOTAL PAPER CONSUMPTION**

In 2017, the amount of financing in this sector was €12.3 billion (compared with €9.3 billion in 2016). In total, in 2017 the Group participated in financing or advising renewable-energy projects totaling more than 9 GW of installed capacity.

**Annual number of people made aware of climate issues by BNP Paribas**

In 2017, eight conferences were held to discuss the latest research developments supported by the BNP Paribas Foundation with Group employees and the general public. Thanks to the different awareness initiatives implemented by the Foundation, 62,988 people were made aware of climate change issues in 2017.

**Business travel**

889 million km, or 4,587 CO2eqT (2016, 10,074,790)

**Office waste**

26,430 tons, or 165 kg/FTE (2016, 25,440/122)

**Electricity mix financed by the Group**

BNP Paribas has measured its indirect emissions (scope 3) since 2014 and commenced the distribution of primary (fossil fuel extraction) and secondary (electricity production) energy mixes it has financed. The Group is committed to ensuring the energy mixes it supports are in line with the IEA’s 2°C scenario. In 2017, BNP Paribas improved its calculation methodology to better measure its indirect emissions of greenhouse gases. Methodological improvements include widening the scope of the calculation, using exposure (and not authorisation) in the calculations, and changes in the weighting system to assess customer support. With 52% fossil sources (gas, coal, and oil) and 25% renewable sources (hydro, solar, wind, and other renewables), the electricity mix financed by BNP Paribas in 2017 has a lower average carbon footprint than the world mix, which consisted of 65.7% fossil sources and 22.8% renewable sources in 2014 (source: IEA).

**Primary energy mix financed by the Group**

The Group has performed a similar calculation for primary energy resources—coal, oil, gas—produced by mining companies financed by the Group. Here again, the energy mix financed by the Group ranks ahead of the world average, with less coal and more gas (source: IEA).
### Change in the workforce over the last ten years

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>379,879</td>
<td>369,428</td>
<td>357,583</td>
<td>342,149</td>
<td>336,206</td>
<td>332,106</td>
<td>329,856</td>
<td>326,028</td>
<td>322,179</td>
<td>319,050</td>
</tr>
<tr>
<td>Europe (excluding Domestic Markets)</td>
<td>269,683</td>
<td>258,507</td>
<td>246,542</td>
<td>231,029</td>
<td>224,053</td>
<td>219,962</td>
<td>217,090</td>
<td>212,941</td>
<td>209,065</td>
<td>205,617</td>
</tr>
<tr>
<td>Rest of the World</td>
<td>110,196</td>
<td>110,921</td>
<td>110,041</td>
<td>111,119</td>
<td>112,153</td>
<td>112,144</td>
<td>112,766</td>
<td>113,087</td>
<td>113,114</td>
<td>113,433</td>
</tr>
</tbody>
</table>

### Operation of working hours

<table>
<thead>
<tr>
<th>Type of contract</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-time employees</td>
<td>2,013,569</td>
<td>1,152,065</td>
<td>3,165,634</td>
<td>100%</td>
</tr>
<tr>
<td>Part-time employees</td>
<td>471,460</td>
<td>113,557</td>
<td>584,917</td>
<td>18.6%</td>
</tr>
</tbody>
</table>

### Reason for permanent employee departures

<table>
<thead>
<tr>
<th>Reason for departure</th>
<th>2016</th>
<th>2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termination of fixed-term contracts</td>
<td>1,169,181</td>
<td>1,113,052</td>
<td>-5%</td>
</tr>
<tr>
<td>Termination of permanent contracts</td>
<td>85,711</td>
<td>83,763</td>
<td>-2.3%</td>
</tr>
<tr>
<td>Total</td>
<td>1,254,892</td>
<td>1,196,815</td>
<td>-4.6%</td>
</tr>
</tbody>
</table>

### Training: total number of hours and employees

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of employees trained</td>
<td>1,722,591</td>
<td>1,800,655</td>
</tr>
<tr>
<td>Total number of training hours</td>
<td>3,093,130</td>
<td>3,767,050</td>
</tr>
</tbody>
</table>

### Breakdown of the Group’s workforce by age, gender and geographical region

<table>
<thead>
<tr>
<th>Age</th>
<th>2017</th>
<th>% of the Group’s workforce (FTEs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-34</td>
<td>38%</td>
<td></td>
</tr>
<tr>
<td>35-39</td>
<td>33%</td>
<td></td>
</tr>
<tr>
<td>40-44</td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>45+</td>
<td>4%</td>
<td></td>
</tr>
</tbody>
</table>

### Gender parity

<table>
<thead>
<tr>
<th>Gender</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>In the 500 Top Executives Leadership for Change</td>
<td>24%</td>
<td>25%</td>
</tr>
</tbody>
</table>

### Number of collective agreements signed and meetings held

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>149,371</td>
<td>149,371</td>
</tr>
</tbody>
</table>

### A competitive compensation policy

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average yearly compensation</td>
<td>50,494</td>
<td>49,646</td>
</tr>
</tbody>
</table>

### Employee-Management Dialogue

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>110</td>
<td>115</td>
</tr>
<tr>
<td>Belgium</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>161</td>
<td>161</td>
</tr>
</tbody>
</table>

### Internationalisation and multiculturalism

<table>
<thead>
<tr>
<th>Region</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>4,978</td>
<td>5,419</td>
</tr>
<tr>
<td>Asia</td>
<td>1,386</td>
<td>1,386</td>
</tr>
<tr>
<td>Latin America</td>
<td>2,626</td>
<td>2,626</td>
</tr>
</tbody>
</table>

### Recruitment

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>55,761</td>
<td>54,761</td>
</tr>
</tbody>
</table>

### Social indicators

- **Number of employees with disabilities**: 1,169 in 2016, 1,113 in 2017
- **Gender parity**: 25% in 2012, 26% in 2017
- **Average yearly compensation**: €49,646 in 2017
- **Number of collective agreements signed and meetings held**: 149,371 in 2017
- **Number of employees with disabilities**: 4,055 in 43 countries in 2017
- **A competitive compensation policy**: Average yearly compensation increased from €50,494 to €49,646 in 2017
- **Employee-Management Dialogue**: 115 collective agreements signed and 149,371 meetings held in 2017
Microfinance is a powerful tool for the inclusion of people who are normally excluded from the conventional banking system. It helps them carry out entrepreneurial micro-projects that improve their standard of living. Thanks to the funding and services which it provides to MFIs, the Group has become a key player in this sector alongside specialised funds and multilateral organisations.

In 2017, the number of people trained by the BNP Paribas philanthropy budget totalled €40.2 million, 70% of which was allocated to social inclusion initiatives, 24% to support for arts & culture and 6% to environmental projects. Apart from this, the bank put in place a support plan for refugees. In 2017 the BNP Paribas philanthropy budget totalled €1.9 million in 2017.

The Group’s CSR strategy strives to contribute to the United Nations Sustainable Development Goals (SDGs). It covers economic growth priorities, inclusion initiatives, 24% to support for arts & culture and 6% to environmental projects. Apart from this, the bank put in place a support plan for refugees. In 2017 the BNP Paribas philanthropy budget totalled €1.9 million in 2017.

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