

CDM REFINANCING FACILITY

BNP PARIBAS
CORPORATE & INSTITUTIONAL BANKING

Bonn, 16th May 2016



BNP PARIBAS

The bank for a changing world

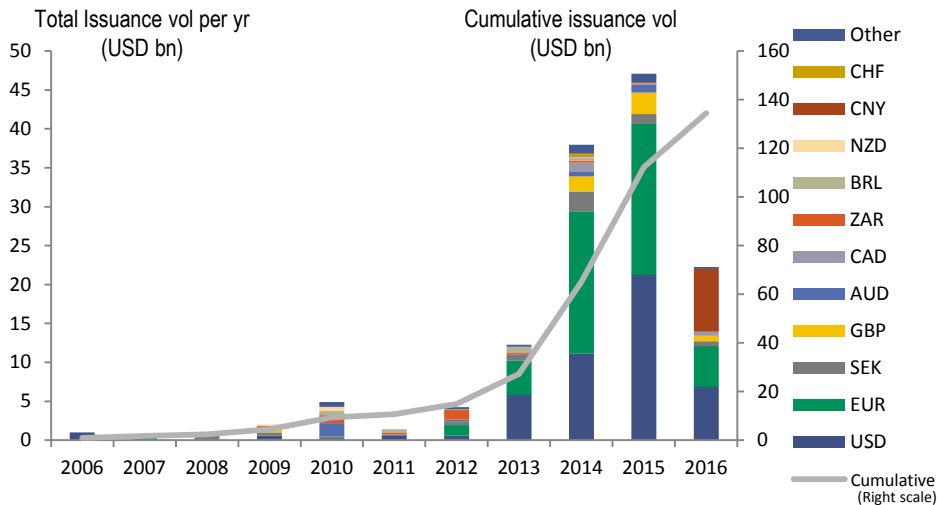
BNP PARIBAS CONTRIBUTION TO THE ENERGY TRANSITION

- ✓ **Double our financing on renewable energy to 15Bn EUR by 2020**
- ✓ **Support innovative start-ups by investing EUR100m investment by 2020 on Clean Tech**
- ✓ **Tighten BNP Paribas coal sector policies**
- ✓ **Factor climate risk in our business decisions**
- ✓ **Play a major part on the green bonds market by becoming top 3 in Euro issues by 2018**

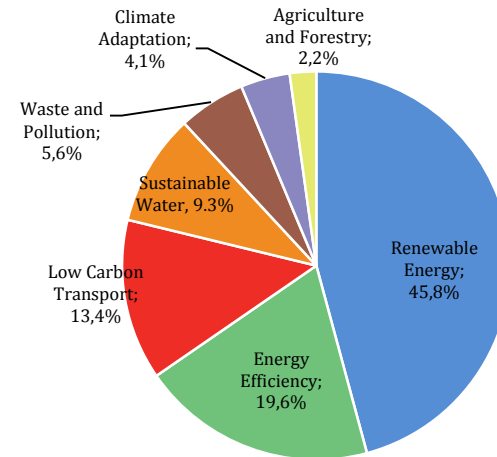
“Our decision to more than double our financing in the field of renewable energies and to strengthen our carbon risk management procedures is both an environmental and economic necessity.”, Jean-Laurent Bonnafé, CEO BNP Paribas

GREEN BONDS & INVESTORS ENGAGEMENT: A GROWING TREND

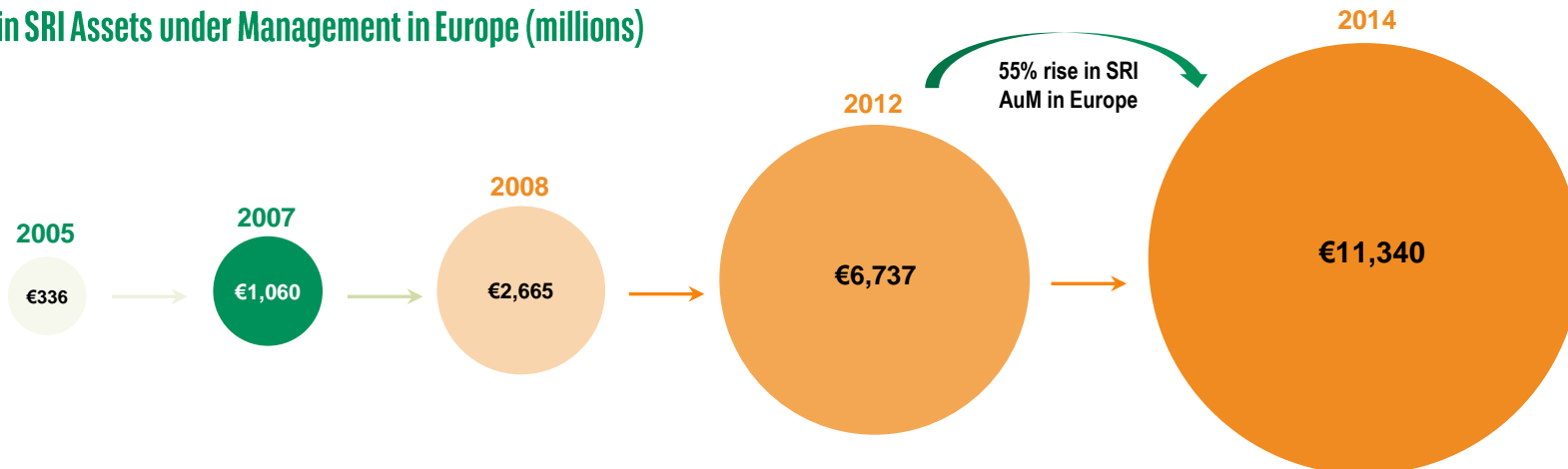
Labelled Green/Sustainable bond issuance



Use of green bond proceeds by sector (%)



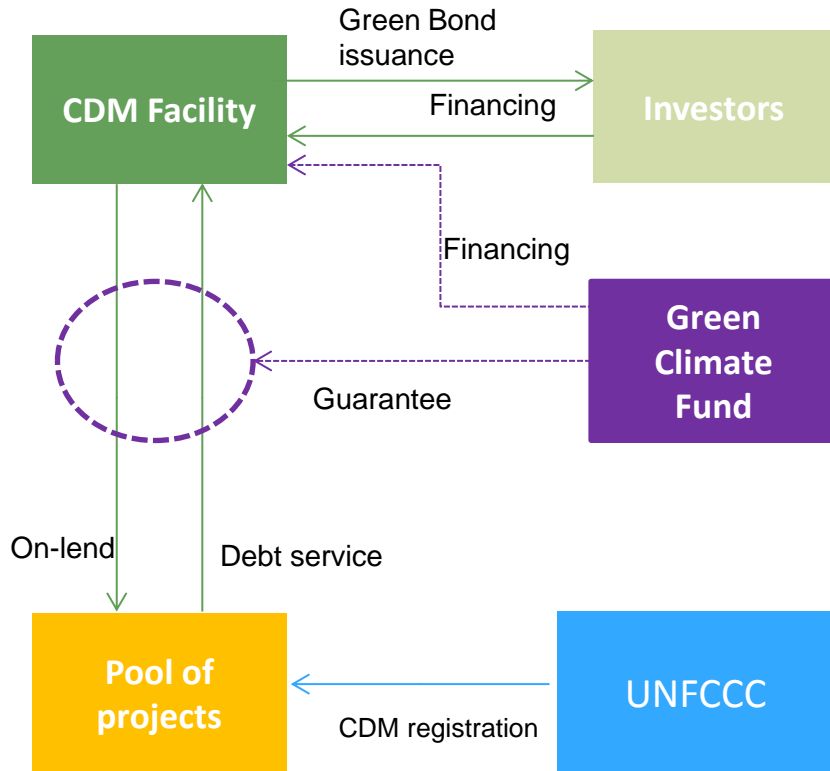
Growth in SRI Assets under Management in Europe (millions)



Source: Eurosif Studies 2012, 2014; GSIA review 2012, 2014

OVERVIEW OF THE CDM FACILITY OPPORTUNITY

Indicative structure



Outline of the CDM facility

- The aim of the transaction is exclusively to refinance projects that are registered under the UNFCCC / Clean Development Mechanism (“CDM”)
- The issuance of the Green Bond would be undertaken by a special purpose public company with limited liability
- Funds being raised primarily from institutional investors

CDM REFINANCING FACILITY - BENEFITS

Innovation

- Single investment vehicle supporting energy transitions projects
- Unique solution to refinance CDM projects through Capital Markets, bridging the gap between investors and projects in developing countries

Green Climate Fund participation

- Potential opportunity for the Green Climate Fund to participate (lending or guarantee)
- Expanding the reach of the CDM facility towards investors

Investors demand

- Suitable for the growing number of investors seeking green projects

Impact standards

- Tackles investors ambitions to the energy transition
- Suits investors requirements to report on environmental impact by providing a robust methodology

Replicability

- Sizeable pool of existing mitigation and adaptation projects to be refinanced

CDM REFINANCING FACILITY – COMPLEXITY OF THE STRUCTURING

Project assessment

- Thorough analysis of individual projects, documentation and financing in place (pricing, tenor, hedge, ...)

Multiple stakeholders

- Multiple stakeholders at the project and financing level

Sponsors of the project

- Alignment of the projects' sponsors on the refinancing conditions

Pool of assets

- High granularity adds complexity (numerous different projects, regulations and technologies to assess)

Investors Requirements

- Integrate all requirements including underlying projects (technology, countries), financing features and legal format

