

The European Investment Bank and BNP Paribas Announce Launch of New Climate Awareness Product

Paris, November 23rd, 2015 – The European Investment Bank (EIB), BNP Paribas and Vigeo are pleased to announce the launch of **Tera Neva**, a sustainable investment solution which allows investors to align their financial objectives with their energy transition goals.

This initiative is supported by a group of institutional investors which has invested a total amount of EUR500m in Tera Neva: ACMN VIE, AVIVA FRANCE, CARAC, BNP Paribas Cardif, CNP Assurances, ERAFP, GENERALI, GROUPAMA, HSBC Assurances, NATIXIS Assurances, PREVOIR and SURAVENIR.

This news comes ahead of the global climate conference, COP21 in Paris in December 2015, and follows the announcement of the French Energy Transition law.

Through Tera Neva, the EIB is issuing a EUR500m equity index-linked bond, in its well-established Climate Awareness Bond format, which dedicates proceeds to renewable energy and energy efficiency projects. The transaction, arranged by BNP Paribas, is 100% capital guaranteed. The payoff is linked to the performance of the 'Ethical Europe Climate Care Index' over the life of the bond, floored at zero and paid at maturity. This Index consists of 30 European equities (reviewed quarterly) selected on financial and sustainability criteria based on Vigeo and Solactive filters.

The Tera Neva initiative reflects investors' growing interest in combining financial performance with impact investing. It shows investors' willingness to reduce the impact of their portfolio on climate change, finance energy efficient projects in Europe and beyond, and also to invest in companies with a robust energy transition strategy.

Comments on the product:

Bertrand de Mazières, Director General of Finance at **the EIB** said: *"In 2007, the EIB pioneered Green Bond issuance with the launch of the first Climate Awareness Bond, and since then CAB issuance has reached almost EUR11b. CAB disbursements are earmarked to renewable energy and energy efficiency projects, allowing investors to contribute to the goal of limiting global warming to 2°C. Tera Neva enables investors to combine financial performance with climate conscious investing, and demonstrates our willingness to cater to investor demand for tailor-made climate finance products."*

Pascal Fischer, Head of **BNP Paribas Global Markets** EMEA said: *"Tera Neva is an answer to the growing demand from institutional investors for responsible investment solutions. With its innovative approach to responsible investing, BNP Paribas gives clients the opportunity to have an impactful investment that incorporates climate awareness strategy, whilst also enabling them to benefit from the potential return of an ethical equity index."*

Nicole Notat, CEO at **Vigeo**, said: *"I am pleased that Tera Neva has attracted nearly 15 large French investors to finance projects supported by the EIB in favor of the energy transition. I am proud that Vigeo has contributed with BNP Paribas to the construction of the Ethical Europe Climate Care index."*

Mikaël Cohen, Chief Investment Officer at **CNP Assurances**, said: "A responsible investor, CNP Assurances has invested EUR560m in 2014 in green projects (such as renewable energy, green bonds, cleantech) . This participation in Tera Neva marks our determination to continue and increase our investments in the energy and ecological transition."

Philippe Desfossés, CEO of **ERAFP** said: "With the COP21 coming, ERAFP welcomes the Tera Neva initiative that will expand the range of investment solutions for the climate. Given ERAFP's regulatory framework for asset allocation and our commitment to the fight against global warming, we are very pleased to participate in this initiative."

François-Henry Brault, Chief Investment Officer and Head of Financial Engineering at **NATIXIS** Assurances said: "Natixis Assurances has defined its ESG policy (Environmental Social and Governance Performance of SRI funds) and increases its investments into 'Green' products such as Neva Tera."

Philippe Taffin, Chief Investment Officer at **AVIVA FRANCE** said: " We are proud to participate in this initiative which is in line with Aviva's strategic response to climate change set out in July and provides additional financing to the allocation of EUR3b in low carbon infrastructure by 2020. A few weeks short of COP21, Tera Neva also illustrates the financial sector's ability to work together to provide catalytic finance in support of the fight against climate change".

Stéphane Baudin, Chief Investment Officer at **HSBC Assurances** said: "HSBC Assurances has decided to take a 10% stake, through its Euro fund, in Tera Neva Green Bonds issuance. As part of other French large institutional investors, this is a significant investment for HSBC Assurances in France. This commitment shows HSBC Assurances' willingness to actively contribute to the financing of the energy transition, particularly through the investment projects developed by the EIB. Customers of HSBC Assurances, investing in the Euro Fund, will benefit from this "Green" investment diversification."

Olivier Héreil, Deputy Chief Executive Officer and Head of Asset Management at **BNP Paribas Cardif** said: "BNP Paribas Cardif is a key investor in the Tera Neva green bond. This new product expands the level of our investment linked to the energy transition. This green bond issued by the EIB combines the financial strength of the issuer, with the expectation of a healthy financial return and a positive environmental impact. This indexed bond contributes to making our portfolio far more diverse. Our subscription for this green bond brings the total amount of green investments in our general fund to around EUR900m".

Marie Lemarié, Chief Investment Officer at **GROUPAMA** said: "We welcome the Neva Tera initiative, which fits perfectly into Groupama's responsible investor strategy. Groupama today plays an active role in the fight against climate change through investments in forests and renovation of buildings that achieve the highest environmental certifications. Concerning investments in securities, the Tera Neva initiative combines the financial characteristics that we look for in our investments while ensuring the financing of green projects."

Bruno Servant, Chief Investments Officer of **Generali France** said: "Our participation to the Tera Neva issuance highlights Generali's commitment towards the environment and the social impact of investments, which is consistent with our engagement in the United Nations Global Compact and the Principles for Responsible Investments (PRI). We truly welcome the Tera Neva project as it allows its investors to do something concrete to reduce the consequences of climate change."

Summary Terms and Conditions:

Issue Amount:	EUR 500m
Issue date:	13 November 2015
Payment date:	18 November 2015
Maturity date:	18 May 2029
Issue price:	100% of the Aggregate Nominal Amount
Coupon paid at maturity:	$\text{Max}\left(\frac{S_i}{S_0} - 1, 0\right)$ <p>Where</p> <p>“S₀” means the arithmetic mean (rounded to the nearest four (4) decimal places, with 0.00005 being rounded upwards) of the official closing levels of the Index on each S₀ Observation Date_n.</p> <p>“S₀ Observation Date_n” means 16 November 2015, 17 November 2015 and 18 November 2015.</p> <p>“S_i” means the arithmetic mean (rounded to the nearest four (4) decimal places, with 0.00005 being rounded upwards) of the official closing levels of the Index on each S_i Observation Date_n.</p> <p>“S_i Observation Date_n” means 13 November 2019, 13 November 2023 and 14 May 2029.</p>
Final Redemption:	100% of the Nominal Amount
Underlying index:	Ethical Europe Climate Care Index (Bloomberg Code: SOLCARE)
Index Sponsor:	Solactive AG
Format:	CAB
Listing:	Luxembourg
ISIN:	XS1317148580

ENDS

For further information please contact:

BNP Paribas: Sarah Worsley +33 1 40 14 65 14
European Investment Bank: Nicola Mercusa +352 4379 86240

Notes to Editors

About Tera Neva

The initiative unites French Institutional Investors around a financial investment solution meeting their sustainable investment goals as well as potential attractive financial return. Tera Neva is an equity-linked bond composed of an **EIB Climate Awareness Bond** linked to the **Ethical Europe Climate Care Index**.

- 1) **EIB Climate Awareness Bond:** bond proceeds are used by the European Investment Bank to support projects in the fields of renewable energy and energy efficiency.
- 2) **Ethical Europe Climate Care Index:** an index with an investment strategy selecting companies with high ESG standards, a robust energy transition strategy and solid financial performance.

At maturity (13.5 years), investors are entitled to:

- **Capital protection:** the repayment of 100% of their original capital investment by the European Investment Bank, an issuer with the highest credit quality (Fitch AAA / Moody's:Aaa / Standard & Poors: AAA)¹.
- **Potential return** based on the performance of the Ethical Europe Climate Care Index (premium linked to the average performance of the index: 4, 8 and 13.5 years).

About Ethical Europe Climate Care Index

The Ethical Europe Climate Care Index is calculated by Solactive, a global index provider. It is designed to engage companies on their energy transition strategy and include a unique filtering methodology. The Index aims at reducing investors' carbon footprint by selecting 30 European stocks, based on their carbon footprint and on the robustness of their energy transition strategy.

The selection methodology of the index is composed of 3 filters:

- **Selection on the basis of an ESG filter (Best in class)** – this verifies the extent to which the companies apply the environmental, social, and governance (ESG) criteria. Each company is given a score on this basis. (*Approximately 250 companies remain after the first filter is applied*)
- **'Climate Care' selection** – a score is given to the companies on the basis of their CO2 emissions and each company is evaluated on their Energy transition assessment strategy. (*Approximately 120 companies remain after the second filter is applied*)
- **Selection on the basis of financial criteria** – companies are selected on the following criteria: liquidity, dividend yield and low volatility. (*Approximately 30 companies remain after the third filter is applied.*)

The selection is reviewed every three months.

This rigorous method aims to identify the companies that:

- are the most sustainable;
- make the biggest efforts as part of an energy transition;
- have the most stable performances

¹ Source: http://www.eib.org/investor_relations/rating/index.htm?lang=fr,%2004%20septembre%202015

About EIB

Climate Action – a top priority of the EU and EIB

A key instrument of EU public policy, the European Investment Bank is a market leader in the financing of projects tackling climate change worldwide. In 2014, the EIB dedicated over EUR 19bn, or 25% of its total lending activity, to climate action. Within this area, the EIB strongly supports Renewable Energy and Energy Efficiency, meaningfully contributing to the EU's 2020 and 2030 climate policy targets. EIB's overall lending in these areas in 2014 reached EUR 8.2bn.

Climate Awareness Bonds

CABs provide investors with the opportunity to associate their investment with projects contributing to climate action, while enjoying the excellent credit quality of EIB as an issuer.

The funds raised via these issues are earmarked for EIB lending projects within the fields of renewable energy and energy efficiency. These projects include, but are not exclusive to, respectively:

- renewable energy projects such as wind, hydropower, wave, tidal, solar and geothermal production,
- energy efficiency projects such as district heating, cogeneration, building insulation, energy loss reduction in transmission and distribution, and equipment replacement with significant energy efficiency improvements.

EIB's strict earmarking approach entails the ring-fencing of proceeds in a dedicated liquidity portfolio. Pending disbursements, the portfolio is invested in money market instruments. The EIB provides transparency on the allocation of CAB proceeds in audited annual reporting as well as in a dedicated Climate Awareness Bonds Newsletter.

EIB first pioneered the Green Bond segment in 2007 and is the largest issuer of Green Bonds to date. In September 2014, together with other MDBs, the Bank committed to maintaining a developmental role in order to spur further sustainable growth of the green bond market. This comprises new reference issuance as well as active engagement in the market-based definition of minimum requirements, best practice and governance. This year EIB has initiated reporting on the impact of projects associated with its CABs, and started to report on linkage between individual bonds and project outcomes.

EIB funding strategy and results

The Bank's funding strategy combines a consistent and transparent approach with flexibility and innovation, both in terms of product and maturity. In 2015, the Bank has borrowed circa 61bn. It raised EUR 62bn in 2014.

Background information on EIB

The European Investment Bank (EIB) is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals. The Bank's strong credit standing is underpinned by exceptional asset quality, a strong capital base, firm shareholder support, conservative risk management and a sound funding strategy.

About BNP Paribas

Present in 75 countries and with more than 185,000 employees, BNP Paribas ranks highly in its two core activities: Retail Banking & Services and Corporate & Institutional Banking. It enjoys top positions in Europe, in particular Belgium, France, Italy and Luxembourg, a strong presence in the Americas and solid and fast-growing businesses in Asia-Pacific.

BNP Paribas is committed to its Corporate & Social Responsibility. The Group advises and finances its corporate clients and provides investment solutions to its investors in full compliance with universal rights and principles. Thanks to this policy, BNP Paribas is recognised by extra-financial agencies as one of the most sustainable banks in the world:

Ranked 1st in the banking industry in relation to the environment by RobecoSAM and Sustainalytics' 2014 ratings; Ranked 2nd in the 2014 World's Greenest Banks ranking by Bloomberg.

BNP Paribas considers the financing of the energy transition and the Greenhouse Gas reduction as a priority. Accompanying clients through these transformations means offering a range of green financing solutions. In particular BNP Paribas plays an active role in the green bond market, renewables origination and carbon financing. BNP Paribas' innovative approach is designed to help clients navigate the energy transition with confidence.

About Solactive

Solactive AG is one of the key players in the indexing space. Focusing on tailor-made indices, the German multi asset class provider is developing, calculating and distributing them worldwide. As of 30th June 2014, Solactive AG calculates indices for over 160 clients in Europe, America and Asia. Approximately 25 billion USD are invested in products linked to indices calculated by the Company globally, primarily via 145 ETFs.

Solactive is a registered trade mark of Solactive AG. Solactive does not manage, sponsor, endorse, promote or sell any investment products based on the Ethical Europe Equity Index.

About Vigeo

Founded in 2002 and led by Nicole Notat, Vigeo is the leading European agency in evaluating corporate social responsibility through six domains: environment, human rights, human resources, community involvement, business behavior, and corporate governance.

Vigeo offers two types of services through two business brands:

- Vigeo rating – the way to responsible investment – offers a broad range of products and services to investors and asset managers who seek a sustainable and responsible performance of their investments on more than 3,000 issuers: companies, regions and states;
- Vigeo enterprise – the way to responsible management – works directly with organizations of all sizes from both public and private sectors, conducts global CSR audits and benchmarks, supports teams and integrates CSR/SRI criteria into business functions and strategic operations.

Vigeo Rating's research meets high quality standards and has been externally certified to the Arista standard since 2009, a quality standard for SRI research.

Vigeo is present in Paris, Casablanca, Brussels, Milan, London, Tokyo Santiago of Chile and Montreal and has more than 120 employees.

Nothing in this document should be construed as a solicitation or offer, legal, tax or other advice, or recommendation to engage in any transaction. The information in this document does not constitute a recommendation of the instrument referred to. It merely provides information and is not intended to be either a recommendation to acquire financial products or an offer or invitation to tender.