Outline of the Presentation

1. Results
2. Update on the Integration
3. Corporate and Investment Banking
4. Private Banking and Asset Management
5. Retail Banking
6. The Internet revolution
A New Force in Investment Banking

BNP

- Strong Customer Relations
- Highly Profitable Businesses
- Proven Risk Control
- Control over Oper. Expenses
- Combined culture of innovation

Critical Mass and Strength
- Range of Products
- Talent for Customisation
- Highly Performing Systems (RAROC, VAR)

Leading Positions
- Recognised Expertise

New Ambitions for focused expansion
Greater Profitability

Corporate and Investment Banking
Ambitious Goals

**Equities**
- Derivatives: remain a world leader
  - reinforce our leading position on options
  - continue developing sales operations
  - growth in stock lending/borrowing business
- Cash Markets: Top 5 in Asia
  - Top 10 in Europe
  - Continue reinforcing integrated operations in Europe and Asia
  - Consolidate industry-based research and sales
  - Expand market coverage
  - Consolidate quantitative products and research in Japanese equities
  - Develop European and Asian product sales in the US

**Corporate Finance**
- In Europe,
  - M & A: Top 10
    - top 5 among European banks
    - form an integrated operation
  - Equity Origination: Top 5
    - including among Top 3 European banks

**Fixed Income**
- Top 3 world-wide in Euro bonds
- Top 5 world-wide in derivatives
- Improve profitability of flow products (forex, treasury, govt bonds) by streamlining back-office operations
- Continue developing electronic distribution platforms
Ambitious Goals

**Structured Financing**
- A European leader with global ambitions with four core businesses
  - syndicated credits and acquisition financing, maintain its leading position in Europe
  - LBO and high yield: promote one-stop shopping
  - project financing: concentrate on utilities, securitisation: remain No. 1 for non-USD trans.
  - asset financing and optimisation

**Media & Telecoms**
- Thanks to the complementarity between BNP (large corp.) and Paribas (mid-caps): strengthen our position as leader in Europe (Top 3)

**International Trade**
- Top 5 worldwide
- Export financing: maintain our undisputed No 1 position in the French market
- Global trade services: set up 80 trade centres, including 20 in France
- Speed up development of multi-source export credits

**Energy and Commodities**
- Capitalise on our position as Global leader and complementary product lines (Paribas: oil and energy; BNP: soft commodities)
- Reinforce our position in the metals market
- Develop cross-selling in brokerage services and derivative products
Weighted Assets: Optimising Returns
1. By Dynamic Selective Development

- Develop specialised operations
  - for 10 main entities (accounting for 80% of Corp. & Inv. Bking weighted assets):
    over half of the staff working on specialised financing

- Promote origination and syndication capacity
  - syndication: continue 1999 trend: total underwriting $> 40$ bn
    final share $< 7$ bn

- Generalise RAROC Discipline
  - definition of target RAROC for each business and geographic area
  - Training Programme:
    600 employees already trained, 1,000 to be trained by end 2000, all by 2001

- Reduce exposure on plain vanilla credits with low margins

- Continue to accompany our customers in a favourable environment
Risk-Weighted Assets: Optimising Returns
2. By Active Balance Sheet Management

**Step Up Portfolio Management**
- Set up a central team in Paris with a network of correspondents in leading locations

**Reduction of Weighted Assets at the Best Cost**
- Securitisation: 1999: €3,845 mn
- Credit Derivatives: 1999: €500 mn
- Asset Sales: 1999: €519 mn

**Superior Goals for 2000**
- Maintain customer portfolio,
  Curb revenue losses

**Allocated Capital in € bn**
- 1998: 9.2
- 1999: 9
- 2002: 8.1

1998 -2002 target: -12%

*Corporate and Investment Banking*
**Environment**

- Strong global economic growth
- Low level of risk
- Soaring stock markets
- Considerable volatility
- Explosion in the volume of issues in €
- Revival of international trade after a slump in 1998
- Increased customer demands

**Results / Highlights**

<table>
<thead>
<tr>
<th>In € mn</th>
<th>Var.</th>
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<tbody>
<tr>
<td>NBI</td>
<td>5,540</td>
</tr>
<tr>
<td>Oper. Expenses</td>
<td>-3,325</td>
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<tr>
<td>GOI</td>
<td>2,215</td>
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<tr>
<td>Provisions</td>
<td>-434</td>
</tr>
<tr>
<td>Pre-Tax Income</td>
<td>1,783</td>
</tr>
<tr>
<td>ROE</td>
<td>20 %</td>
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</tbody>
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- A record year for equities and equity derivatives
- Solid leadership in issues in €
- Acquisition financing: an unprecedented year
- Financing commodities and energy: a new record year
- ISO 9002 Documentary Credit Certification for France
- Critical mass now achieved (14 locations in OECD countries) in multi-source export credit
Soaring Market Revenues with No Marked Increase in Risks

Corporate and Investment Banking
**Corp. & Invest. Banking: Breakdown of Net Banking income**

Excluding revenues from allocated equity capital

**1998**
- Markets & Corporate Finance: 56%
- Commercial banking: 19%
- Specialized financing: 25%

**1999**
- Markets & Corporate Finance: 62%
- Commercial banking: 16%
- Specialized financing: 22%
BNP & Paribas complementary businesses give the group a high profile in the major global financial centres fuelling growth in local markets in Europe and Asia.

- **Asia**: 4,335 employees
- **New York**: 2,648 employees
- **Europe**: 9,778 employees

**Corporate and Investment Banking**

- **Equities**: No. 1 in broking of French equities
- **Bonds**: No. 3 Euro Eurobond bookrunner, No. 1 in Non-USD International Asset Backed Securities
- **Structured financing**: No. 9 Syndicated Credit Arranger, No. 2 High Yield Syndicated Credit Arranger

**Strong positions in**

**en Europe**