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 revolution in all sectors of the economy, particularly in financial services

Customers and Distribution
- Power increasingly in the consumer’s hands
- More and more products sold on the Web
  - increased disintermediation (liability as well as asset products)
  - diminished customer loyalty
- pressure on margins
- one-to-one marketing

Competition
- globalization ➔ from domestic market to regional and even global markets
- new entrants – a premium for the first arrivals

Decision-Making and Organizational Process
- attract new talents ➔ new human resource management
- rapid decision-making ➔ start-up culture

The Internet Revolution

Sales on the Internet in Europe by industry in 1999
On-line sales (millions of Euros)

Source: The Boston Consulting Group survey
* commission de référencement seulement
An organization keeping up with and anticipating technological innovations with:
- The IT Workshop: a unit set up to monitor technological development
- Investments by Banexi Ventures and Paribas Capital
- An investment stake in the FT Ventures venture capital fund

A Group with leading electronic banking, direct banking and direct brokerage brands and services

A precursor in investments in internet over the past several years now stepping up the pace of its investments

An active initiator of Internet partnerships

A major player in e-finance
France’s Leading Group in e-Banking, Direct banking, On-line Brokerage Services for Individuals

**BNPNet**
- 240,000 Web customers
- 30% of the Internet home banking market
- 48,000 stock market orders per month (21% of the bank’s retail orders)
- 550,000 connexion/month

(*) over 500,000 on-line customers incl. the Minitel
[300,000 subscribers, 53,000 stock market order - 23% of orders are placed by the retail cust. - 1,300,000 calls per month]
- Excluding B Capital * (6,400 brokerage customers): brokerage service for high income private customers

**e-cortal**
- 95,000 brokerage accounts, including 63,000 on-line accounts, 40% market share
- 2.9 million orders processed in 1999
- 88% orders placed on-line

**BANQUEDirecte**
- 69,000 customers including 20,000 regular Web users
- On average: 7.8 contacts/month/client on Internet
- 52% of contacts already made via the Internet

March figures

330,000 on-line customers(*)
9 millions visits to our Web page
The group internet services: a broad and open field

B-to-B

- Business Village
- e-Procurement

B-to-C

- BNPNet
- Cetelem
- Issue Master GIS
- BNPNet Entreprises
- Banque Directe
- e-cortal
- Secure payments
- Telecommerce
- Sites with Stock Market Quotes
- Sites with Warrant Information...

Clicks & mortar

Internet

Clicks only
BNPNet: From the Web to Mobile Phones and Interactive Television

N°1 brand for financial internet services in France

survey Benchmark Group 99 - Internet professionals

N°1 in brand recognition in France:

BVA Survey in March 2000:
Spontaneous recognition of banks supplying e-banking services

Question: According to you, among French banks, which bank supplies e-banking services?

<table>
<thead>
<tr>
<th>Bank</th>
<th>Total</th>
<th>Web users</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNP</td>
<td>17%</td>
<td>25%</td>
</tr>
<tr>
<td>Crédit Agricole</td>
<td>8%</td>
<td>5%</td>
</tr>
<tr>
<td>Crédit Lyonnais</td>
<td>7%</td>
<td>10%</td>
</tr>
<tr>
<td>Société Générale</td>
<td>5%</td>
<td>7%</td>
</tr>
<tr>
<td>Caisse d’Epargne</td>
<td>4%</td>
<td>3%</td>
</tr>
</tbody>
</table>

BVA-Brulé Ville Associés Survey made on 10 and 11 March 2000 on a 1005 people sample aged 15 and over. Among the 1005 people, 249 are Web users. Survey realised on a face-to-face basis.
The market’s most complete home banking service for private individuals

- view accounts, make transfers, place stock market orders, direct stock market quotes, download data, etc.
- Personalized services adapted to different customer segments

A mobile telephone offer including the WAP standard (in partnership with France Telecom), available since end of March 2000

- consulting of accounts, latest operations, stock portfolio, executed orders statements

An interactive TV service (in partnership with Canal+) available 4th quarter 2000
A mission: help the customers set up and manage their savings on-line

A broad range of services
- financial services for equity customers: 9 stock exchanges in real time, 5 languages, warrant clearing house, IPOs, international analysts and chartists, BNP Paribas research, etc.
- stock market instruction and information for newcomers: Cortal University, Stock Market Guide, etc.
- increasing number of electronic channels: Internet Kiosque, Web, Minitel, voice servers, Itinéris (France Telecom) Kiosque

Rapid Expansion
- 95,000 accounts, including 63,000 on-line accounts (+72% over 1998, 40% market share in France)
- 88% of orders placed electronically at the end of 1999 (70% via the Internet)

Increase Pace of Investments
Goal: more than double the number of on-line accounts in 2000

No. 1 in France with 40% market share, 6th in Europe
Named Best European Internet Brand*

* Laferty Cyberforum, November 1999
A Recognized Brand: 3rd Best Brand Recognition in France*

BNP PARIBAS Group’s All-Internet Bank
- 1999: +34% growth in the number of clients
- More than 30% of the accounts opened by active Web users
- More than 50% of contacts made via the Internet

Developing Our Product Offering
- Open and manage accounts on-line
- On-line access to the stock market: e-cortal (mid-2000)
- On-line credit applications: with Cetelem

Developing Partnerships
- Yahoo!
- Other partners: Direct Assurance, Autovalley, Spray (free access)

* Benchmark Group 99 survey of Internet Professionals (BNP was 1st and Crédit Agricole 2nd)
Telecommerce in partnership with France Telecom

The Group has invested in a number of innovation-driven companies to expand business and service new customers:

- Cetelem alliances (ex. Marcopoly, Degriftour)
- Autovalley (Automobile)
- Smart Valley: BNP PARIBAS will be buying a 10% stake in Smart Valley (with e-Laser of the Galeries Lafayette Group, Intel, France Telecom), to develop a new medium simplifying Internet access (terminal and access service)
The Group is at the forefront of secure payment technology

- **Cyber-Comm**: Payment on the Internet and GSM (SET standard using smart cards)
- Other non-bank shareholders: VISA, France Telecom, Gemplus, Cap Gemini, Alcatel
- **MERCANET**: Payment on the Internet (SSL standard)
- **ItiAchat**: Payment on GSM in partnership with France Telecom
Initiatives and Partnerships
An Open Architecture

- Business-Village: B-to-B Portal
  - Virtual Business Centre
  - Professional or theme based portals
  - Professional community development and management
  - 16,000 participating companies
  - Partnerships with Vivendi

- Several projects currently under way in the field of:
  - e-procurement
  - e-billing
  - trade certification
  - etc...
An ambitious plan, initiated in mid-1998


Delivery: gradual from mid-2001

A premier reference in the European market

A new multi-channel distribution model which meets customers expectations
  - Increased modes of access
  - Improve customer access and services

**BNP PARIBAS will be one of the first European Banks with a multi channel integrated model/CRM/multimedia**

**Internet will be a major component of this multi-channel organization**
The Customer is central to the Multi-Channel Multimedia Organization

Customer Value

Datawarehouse
Datamining

3 terabytes
(October 99)

Management of
information flows

To Personalize
Customer Relations

Memorization of
Contact flows

The Net

Contact Centers

Customer Relations Management
6 million customers

Community Banking

MULTI-COMMUNITY
MULTIMEDIA

Distance Banking

Branches
ATMs

The Multi-Channel Internet Portal

Internet
Redefining the Strategy in All the Core Businesses

With the Group’s support a monthly Internet Task Force chaired by Michel Pebereau has been set up to drive strategy and monitor results and performance.

- An initial €250 mn in funding have been earmarked for a dedicated entity, added to the organic growth investments.

A dedicated entity which is both a start-up incubator and factor of coherence.

- Goals:
  - shape the Group’s Internet strategy
  - start-ups: incubate (non stabilized business model)
  - invest (promising business model)
  - pursue and develop partnerships
  - give impetus to cross-business Internet initiatives (a central theme of the 1st seminar of the Group’s 80 senior executives held in February 2000)

- The entity will report directly to Baudouin Prot
- Manager: Jacques Campagne-Ibarcq.
  43 years, with 20 years experience at Cetelem, last 5 on the Management Board

A multidisciplinary team
The Group's ambition:
- remain the leader of e-finance in France
- become one of the major players in Europe

The devoted resources for 2000-2002:

**New projects**
- dedicated entity ➔ 1st funding: € 250 m
- further development and acceleration of projects already launched: € 450 m

Total: € 700 m
**France’s Leading e-Finance Banking Group**

**BNP PARIBAS is already:**

- A technologically innovative Bank with powerful IT suited to the Internet and Intranet
- French Network: 2,000 local servers
- International Production Centers: 3,000 NT or UNIX servers
- Domestic Retail Banking: 2 servers = 15 million computer transactions/day, 40% of which are linked to automated distribution channels

80,000 workstations forming an integrated global network

stations + servers = a global intranet, one employee = one e-mail address. Monthly volumes: 9 million internal messages + 2.3 million e-mails exchanged

- 80,000 workstations forming an integrated global network
- A technologically innovative Bank with powerful IT suited to the Internet and Intranet
BNPNet: Continuous Innovation

2000: Continued Development of Products and Services:

- Foreign stock exchanges (NYSE, NASDAQ, etc.)
- Access via GSM (WAP standard)
- New money transfer features
- Consult payments credited for shops
- Smart card ID (card scanner)
- Personalized features, warnings, etc.
Businesses and Institutional Customers: Rapidly Changing Services

**Stock Market Quote Site**
For larger corporates
Research documents

**Warrant Site**
Warrant information and quotes

**Parvest Site**
Mutual Fund quotes and applications

**Net Trade Geolink**
Documentary credit application system

**@PBLink**
securities reporting service

**GIS**
Syndication tool

**Finagora**
(sales tool for Cardif’s partners)

**Issue Master**
Bond investment system offering investors the opportunity to reserve bonds during bond issues

**Bond click**
Government bond e-bourse

**BNP Net entreprises**
Complete range of e-banking services (cash management)

Transactions