BNP Paribas

Well Positioned to Weather the Crisis

Baudouin Prot
Chief Executive Officer

Morgan Stanley Conference, London

1 April 2008
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BNP Paribas
A European Leader With a Global Reach

2007 Net Income
Top banking groups world-wide

Source: Company Reports - Exchange rates as of March 6th, 2008

# 7 net income worldwide in 2007: € 7.8 bn (+7.0%/2006)
2007 Revenues
(core businesses)

Western Europe 75%

Retail 54%

A European Leader With a Global Reach

BNP Paribas
A Track Record of Growth and Value Creation

A Robust Model in the Face of the Crisis

A Powerful Business Development Drive

An Ambitious Growth Strategy
2004 - 2007

Strong Revenue Growth Across All Businesses

Revenues

<table>
<thead>
<tr>
<th>Business</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Banking *</td>
<td>10.1</td>
<td>11.4</td>
<td>14.9</td>
<td>16.5</td>
</tr>
<tr>
<td>Asset Management and Services</td>
<td>3.0</td>
<td>3.6</td>
<td>4.4</td>
<td>5.3</td>
</tr>
<tr>
<td>Corporate and Investment Banking</td>
<td>5.7</td>
<td>6.4</td>
<td>8.1</td>
<td>8.3</td>
</tr>
</tbody>
</table>

CAGR = +17.6%

CAGR = +20.9%

CAGR = +13.4%

1/2 Retail, 1/3 CIB and 1/6 AMS

* FRB including 100% of French Private Banking and excluding PEL/CEL effects;  BNL bc including 100% of Italian Private Banking
2004 - 2007
Controlled Growth in All Businesses

Pre-Tax Income

Retail Banking*

Asset Management and Services

Corporate and Investment Banking

- On-going focus on operational efficiency
  - Group Cost / Income ratio improved by 2.3 pts over 4 years **
- Strong risk management through the cycle
  - Limited direct impact of the crisis in 2H07 (€1.3 bn)

A strong and diversified earnings generation capacity

* FRB excluding PEL/CEL effects  ** 2004 in IFRS-EU
2004 - 2007
Profitable Growth

Net Earnings per Share

Undiluted net EPS calculated based on the average number of shares outstanding

Dividend per Share

CAGR = +15.2%

CAGR = +18.8%

A track record of value creation

* Subject to AGM approval
A Powerful Business Development Drive

An Ambitious Growth Strategy

A Track Record of Growth and Value Creation

A Robust Model in the Face of the Crisis

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A Robust Model in the Face of the Crisis

Retail Banking Pre-tax income excluding BancWest: +11.5% 2H07/2H06

Positive contribution from all core businesses in 2H07

*FRB Excluding PEL/CEL effects
BancWest
Direct Impact of the Crisis

- Direct impact of the Crisis on the cost of risk
  - Net increase in the loan loss reserve on a portfolio basis (IFRS) related to individual customer loans and Home Builders
  - Impairment charges on the investment portfolio (mainly on subprime mortgage securities)

- Net exposure to US Subprime
  - 1% of the individual customer loan portfolio
  - 1% of the investment portfolio
  - No subprime asset wrapped by monoline insurers

<table>
<thead>
<tr>
<th>Net exposure</th>
<th>in €bn as at 31/12/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgages and Home Equity Loans</td>
<td>0.1</td>
</tr>
<tr>
<td>Consumer Loans</td>
<td>0.1</td>
</tr>
<tr>
<td>Investment portfolio (1)</td>
<td>0.1</td>
</tr>
<tr>
<td><strong>Total BancWest</strong></td>
<td><strong>0.3</strong></td>
</tr>
</tbody>
</table>

\[2H07\]

- €87mn
- €131mn

€218mn
total impact on cost of risk

A prudent lending policy

(1) Exposure net of impairment charges
### Corporate and Investment Banking

**Direct Impact of the Crisis**

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Cost of risk</th>
<th>2H07</th>
<th>Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>€851mn</td>
</tr>
<tr>
<td>- Fair value adjustments to assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- LBO underwriting commitments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Securitisation:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Rise in credit adjustments related to the counterparty risk on the derivatives portfolio</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Monoline insurers:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Excluding monoline insurers:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-€238mn</td>
<td>€206mn</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-€88mn</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-€468mn</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-€57mn</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-€162mn</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>-€44mn</td>
<td></td>
</tr>
</tbody>
</table>

A positive €1,142mn CIB pre-tax income in 2H07 despite the crisis
A long-term approach of customer relations and risk management
- Business focus on long term customer relationships
- A banking risk approach focusing on economic fundamentals
- A formal operational risk management policy since 2003

A committed management
- A committee within the Board of Directors dedicated to internal control and risks set up from 1994
- Committees chaired by General Management to set risk policies and limits
- Front-line management’s involvement at all levels in risk management

Powerful and independent oversight functions
- Group Risk Management, Compliance and Internal audit: 2,480 staff at the end of 2007, +21%/2005
- Best-in-class technical expertise combined with highly experienced management

Close attention paid to the risk/reward balance through the cycle
Corporate and Investment Banking
Rigorous Market Risk Policy

- Market risk exposure arising mainly from client related trading activities
  - Limited proprietary position taking
  - Dynamic hedging to maintain market neutral position

- Robust valuation processes
  - Fair value checked by independent Product Control and Risk Management teams
  - Business model focussed on building complex products combining liquid underlyings

- Robust VaR despite erratic markets
  - Increased level in 2H07, as a result of exceptional volatility
  - 2 days of losses beyond the 99% VaR in 2007

- Example of US Subprime
  - Not involved in US securitisation market
  - Some exposure in trading books
  - Negligible net exposure

Sophisticated market risk management
Corporate and Investment Banking
Longstanding Counterparty Risk Management

- Counterparty risk exposure is measured at inception of each deal and throughout the lifetime of each deal
  - Defined as the positive PV of the transaction, i.e. the amount the counterparty owes us, or the replacement cost of the hedge
  - Monitored by Risk Department with limits granted for each counterparty through full fledged credit application process
  - Collateral and haircuts required on riskier counterparties, and margin calls handled with diligence by specialised teams

- Credit adjustments are deducted from client margin at inception, and adjusted thereafter
  - Represent the expected credit loss, i.e. the potential positive present value of the trade x default probability of the counterpart as implied by the CDS spread
  - Incentivise marketers to target good counterparty risks
  - Can be hedged to minimize P&L volatility

Well equipped to dynamically manage rising counterparty risks

<table>
<thead>
<tr>
<th>Exposure</th>
<th>Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subprime-related monolines counterparty exposure (1)</td>
<td>1.3</td>
</tr>
<tr>
<td>Non subprime-related monolines counterparty exposure</td>
<td>0.6</td>
</tr>
<tr>
<td>Total monolines counterparty exposure (2)</td>
<td>1.9</td>
</tr>
<tr>
<td>Credit Derivatives bought from banks or other collateralized third parties</td>
<td>-0.8</td>
</tr>
<tr>
<td>Unhedged monoline counterparty exposure</td>
<td>1.1</td>
</tr>
<tr>
<td>Credit adjustments (3)</td>
<td>-0.4</td>
</tr>
<tr>
<td>Net monolines counterparty exposure</td>
<td>0.7</td>
</tr>
</tbody>
</table>

(1) Replacement cost based on market indices; (2) Essentially (~80%) concentrated on Ambac, CIFG, MBIA; no residual exposure to ACA; (3) Credit adjustments consistent with the maximum spreads widening observed in January 2008 on the monolines
Portfolio quality confirmed by Basel II

- **Mortgages**: average risk-weight less than 10%, reflecting the very limited real estate risk in France
- **Consumer lending**: average risk-weight of around 20% thanks to the robustness of the scores and the absence of subprime loans in developed markets
- **Lending to corporate customers, financial institutions and sovereigns**: average risk-weight less than 40%. Over 70% of the portfolio rated Investment Grade equivalent and loans rated Non Investment Grade equivalent well collateralised (Energy & Commodities, Export, etc…)

Focus on LBOs

- €6bn final take portfolio, almost exclusively senior debt
- €2.5bn underwriting portfolio split over 21 transactions, mainly European
- €238mn fair value adjustments already posted in 2H07

**A prudent credit risk policy across the Group**

* CIB and FRB performing corporate loans and commitments
No reliance on securitisation
- €13.3bn in cash securitisation as at 31/12/07
- Limited exposure to conduits
- No sponsored SIV
- Sustainable loan/deposit ratio
  - 128% at the end of 2007 vs. 132% at the end of 2006
  - With 13% loans growth in 2007

Strong capacity to source resources
- Very large customer base, diversified by currency and geographic region
- Allowing limited recourse to the interbank market
- Access facilitated by a AA+ rating

Very limited impact on the refinancing cost in 2007
- Funds raised generally below the market price
- Centralised treasury management framework to optimise volumes and conditions
- Proactive crisis management helping to further improve the position

A major competitive advantage
Increasing capital base thanks to strong earnings flows
- Priority on growing the dividend

Around 10% RWA growth planned in 2008 (vs. +16% in 2007)
- Strong customer demand in Europe and Emerging markets
- Competitive position further enhanced

Maintain stringent external growth discipline
- Maintain stringent valuation criteria
- Geographic and business priorities unchanged

Capital strength reinforced under Basle II
- 2008: a year to observe the new ratio’s dynamics

Well positioned to combine growth and shareholder’s capital preservation in the face of the crisis

* Subject to AGM approval ; ** Estimated
A Powerful Business Development Drive

A Track Record of Growth and Value Creation

A Robust Model in the Face of the Crisis

An Ambitious Growth Strategy
A growing market share focused on the more profitable urban areas

- Record customer acquisition: +230,000 in 2007
- A leader in product innovation and multichannel distribution: >10% of sales via Internet by 2010
- No.1 in Private Banking: grow assets under management by more than 10% per year
- Corporate customers: leverage a unique business model in France to foster cross selling

A favourable age pyramid to optimise costs

A low risk business model

- Prudent mortgage practices: essentially fixed-rate, guaranteed either by Crédit Logement, a specialised mortgage agency, or by a mortgage on the property
- Effective corporate risk management thanks to the business centre organisation

Revenue growth target: +4%/year on average over the next 3 years
Operating leverage target: 1 pt per year positive jaws effect
BNL banca commerciale
A Major Contributor to Group’s Earnings Growth

- Italy: an attractive banking market
  - Low growing economy, but still under-penetrated market
  - Higher margins/higher risk
  - Sound mortgage practices, similar to France

- BNL: an attractive franchise
  - Nationwide presence with strong footprint with corporates
  - Integration ahead of schedule: 70% of 2009 synergies achieved

- Leverage the Group’s expertise and economies of scale
  - Individual customers: roll out a multi-channel offering unparalleled in Italy
  - Corporate customers: become the benchmark bank in Italy thanks to a best-in-class CIB platform and a leading position in the Mediterranean area

Revenue growth target: +6% per year on average over the next 3 years
Operating leverage target: 5 pts per year positive jaws effect

*2006 full year pro forma
International Retail Banking & Financial Services
Strong Drive for New Customers

- Grow the Customer Base through branch banking and specialized finance
  - Won 1.5 million new customers in 2007 in the retail banking networks
  - Acquired in 2007 Sahara Bank in Libya and consumer lending companies in Brazil and Bulgaria
  - Open 600 branches by 2010 to bring the total branch network to 2,600
  - Win over 20 million new customers, including close to 6 million in branch banking by 2010

- Improve the operating efficiency
  - Share platforms and reduce their number
  - Make the tools used by the specialised companies available to the networks (France, Italy, emerging markets)

- Cost of Risk on the rise at BancWest and Personal Finance
  - €218mn direct impact of the crisis for BancWest in 2H07
  - Impact of consumer credit volume growth in emerging markets and increasing risk in Spain

Revenue growth target: +10%/year on average over the next 3 years
1/3 of revenues in emerging markets by 2010
Operating leverage target: 1 pt per year positive jaws effect on average
**Asset Management & Services**

**Strong Revenue and Profitability Drive**

- **Assets under management:** €584bn as at 31.12.2007, +€44bn, or +8%/31.12.06
  - Individuals represent 62% of assets under management

- **Recognised expertise in all business areas**
  - #1 for Private Banking in France
  - #1 for Securities Services in Europe
  - #1 for Corporate Real Estate Services in Continental Europe

- **Continue to outperform**
  - Multiple distribution channels
  - Comprehensive, open and modular product offering

- **Accelerate international expansion**
  - Europe: continue to grow market shares (on-shore and off-shore)
  - Double the share of revenues in emerging markets from 5% in 2007 to 10% in 2010

**Annual revenues and pre-tax income**

<table>
<thead>
<tr>
<th>Year</th>
<th>Annual Revenues</th>
<th>Pre-tax Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>3.0</td>
<td>1.0</td>
</tr>
<tr>
<td>2005</td>
<td>3.6</td>
<td>1.3</td>
</tr>
<tr>
<td>2006</td>
<td>4.4</td>
<td>1.6</td>
</tr>
<tr>
<td>2007</td>
<td>5.3</td>
<td>2.0</td>
</tr>
</tbody>
</table>

**AMS GOI growth 2007/2006**

<table>
<thead>
<tr>
<th>Bank</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>BNPP</td>
<td>22.1%</td>
</tr>
<tr>
<td>UBS*</td>
<td>16.0%</td>
</tr>
<tr>
<td>SG</td>
<td>15.2%</td>
</tr>
<tr>
<td>CA</td>
<td>14.1%</td>
</tr>
<tr>
<td>CS*</td>
<td>13.0%</td>
</tr>
<tr>
<td>DB*</td>
<td>4.0%</td>
</tr>
</tbody>
</table>

- *Wealth and Asset Management*
Corporate and Investment Banking
Favourable Business and Geographic Mix

- Strong derivatives franchise
- High added-value financing businesses
- Less than 10% of revenues in businesses most hit by the crisis (Structured credit derivatives, Securitisation, LBO Origination)

Bolstered leadership in Europe
Growing contribution from client revenues in Asia and in emerging markets
Targeted development in the U.S. based on areas of expertise: Equity and int. rate derivatives, E&C financing

Focus on competitive advantages in key areas of expertise

(1) Investment Banking: ECM, DCM, M&A, Securitisation; (2) Other Capital Markets: spot and forward FX, cash rates & credit, Asia cash equities, Treasury; (3) Corporate Banking: vanilla lending, cash management, and Global Trade services
A client driven model that has delivered good performance in a very difficult market environment

Pursue the powerful client business drive and expand the client base
- Europe: step up penetration in domestic markets and in particular in Italy
- Asia and emerging markets: capitalise on already strong positions in these fast-growing regions
- Financial Institutions: reinforce coverage of financial and institutional clients

Leverage and improve competitive position
- Capacity to lend, but at better margins

Maintain the risk control policy

2008 challenging target: match 2007’s record revenues
Sustain a yearly cost/income ratio <60%
A Powerful Business Development Drive

An Ambitious Growth Strategy

An Ambitious Growth Strategy

A Track Record of Growth and Value Creation

A Robust Model in the Face of the Crisis

A Powerful Business Development Drive
An Ambitious Growth Strategy

- Pursue the deployment of the integrated banking model in Europe
- Speed up the pace of development in the Mediterranean and Far Eastern Europe
- Capitalise on already strong positions in Greater China, India and Brazil
- Return to revenue growth in the Western US retail network
- Reinforce the global leadership in derivatives and energy and commodities finance

Expertise deployed in high potential markets
• Fully leverage on domestic networks: FRB and BNL bc
  ■ Cross-selling with all the Group’s business lines
  ■ Sharing resources and expertise

• Extend and reinforce the business lines’ pan-European leadership
  ■ Asset Management & Services
  ■ Corporate and Investment Banking
  ■ Personal Finance and Equipment Solutions

• Get retail banking platforms to converge
  ■ Joint processing between the networks and the specialised businesses

Continue rolling out an increasingly integrated model
An Ambitious Growth Strategy
Emerging Markets

**Mediterranean and Far Eastern Europe**
- Expand retail banking by drawing on geographic and cultural proximity with Europe
- Deploy with Group’s integrated model
- Capitalise on CIB’s presence (in particular energy and commodities finance)

**Brazil – India – Greater China**
- Focus on AMS’ and CIB’s businesses as well as consumer lending (Brazil)
- A member of the Executive Committee, strategic sponsor of business development in each country

In 3 years, double the revenues in emerging markets to reach 15% of the Group’s revenues
Close Attention Paid to Operating Efficiency

**An ongoing industrial approach**

- Cost/Income improved by 2.3 pts over 3 years
- Internationalise IT development
  - 3 major centres in Western Europe
  - 4 global development centres in emerging markets
- Optimise the Group’s procurement function
- Roll out the Lean Six Sigma programme

**A proactive management of the crisis**

- AMS
  - Strict control on hirings and expenses in businesses affected by the financial crisis, except for strategic projects
- CIB
  - Hiring currently limited to young graduates and selected profiles related to priority development initiatives
  - Rightsizing initiatives in areas durably affected by the slowdown

**An on-going focus on efficient cost management**
Conclusion

A growth strategy that proved its resilience in 2007

Powerful franchises combined with a solid financial structure

Well positioned to weather the crisis
Appendices
### Number of Shares

**In millions**

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-07</th>
<th>31-Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Shares (end of period)</td>
<td>905.3</td>
<td>930.5</td>
</tr>
<tr>
<td>Number of Shares excluding Treasury Shares (end of period)</td>
<td>896.1</td>
<td>905.3</td>
</tr>
<tr>
<td>Average number of Shares outstanding excluding Treasury Shares</td>
<td>898.4</td>
<td>893.8</td>
</tr>
</tbody>
</table>

### Net Earnings Per Share

**In euros**

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings Per Share (EPS)</td>
<td>8.49</td>
<td>8.03</td>
</tr>
</tbody>
</table>

### Net Assets Per Share

**In euros**

<table>
<thead>
<tr>
<th></th>
<th>31-Dec-07</th>
<th>31-Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book value per share</td>
<td>52.4</td>
<td>49.7</td>
</tr>
<tr>
<td>of which shareholders' equity not re-evaluated</td>
<td>48.8</td>
<td>44.2</td>
</tr>
</tbody>
</table>
A Solid Financial Structure

**Equity**

<table>
<thead>
<tr>
<th>In billions of euros</th>
<th>31-Dec-07</th>
<th>31-Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shareholders’ equity Group share, not re-evaluated (a)</td>
<td>40.7</td>
<td>37.2</td>
</tr>
<tr>
<td>Valuation Reserve</td>
<td>3.3</td>
<td>5.0</td>
</tr>
<tr>
<td>incl. BNP Paribas Capital</td>
<td>1.7</td>
<td>2.2</td>
</tr>
<tr>
<td>Total Capital ratio</td>
<td>10.0%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Tier One Ratio (b)</td>
<td>7.3%</td>
<td>7.4%</td>
</tr>
</tbody>
</table>

(a) Excluding undated participating subordinated notes and after estimated distribution.

(b) On estimated risk weighted assets respectively of €540.4bn as at 31.12.07 and €465.2bn as at 31.12.06.

**Coverage ratio**

<table>
<thead>
<tr>
<th>In billions of euros</th>
<th>31-Dec-07</th>
<th>31-Dec-06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doubtful loans and commitments (1)</td>
<td>14.2</td>
<td>15.7</td>
</tr>
<tr>
<td>Provisions</td>
<td>12.8</td>
<td>13.9</td>
</tr>
<tr>
<td>Coverage ratio</td>
<td>91%</td>
<td>89%</td>
</tr>
</tbody>
</table>

(1) Gross doubtful loans, balance sheet and off-balance sheet

**Ratings**

<table>
<thead>
<tr>
<th>S&amp;P</th>
<th>AA+</th>
<th>Stable Outlook</th>
<th>Upgraded on 10 July 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's</td>
<td>Aa1</td>
<td>Stable Outlook</td>
<td>Upgraded on 23 May 2007</td>
</tr>
<tr>
<td>Fitch</td>
<td>AA</td>
<td>Stable Outlook</td>
<td>Reaffirmed on 16 May 2007</td>
</tr>
</tbody>
</table>

Doubtful loans and commitments (1) Gross doubtful loans, balance sheet and off-balance sheet.