



BNP PARIBAS | The bank for a changing world

BNP Paribas A New Dimension Retaining the Resilient Business Model

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Chief Executive Officer

Exane BNP Paribas Conference, Paris

10 June 2010

Disclaimer

Figures included in this presentation are unaudited. On 19 April 2010, BNP Paribas issued a restatement of its divisional results for 2009 reflecting the breakdown of BNP Paribas Fortis businesses across the Group's different business units and operating divisions, transfers of businesses between business units and an increase in the equity allocation from 6 to 7% of risk-weighted assets. Similarly, in this presentation, data pertaining to 2009 results and volumes has been represented as though the transactions had occurred as at 1st January 2009, BNP Paribas Fortis' contribution being effective only as from 12 May 2009, the date when it was first consolidated. To calculate the "at constant scope" variation rate between the 1st quarter 2009 and the 1st quarter 2010, BNP Paribas Fortis' pro forma data for the 1st quarter 2009 was added to this period's legacy data and the sum was compared to the 1st quarter 2010 data.

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BNP Paribas Recent Achievements

BNP Paribas Well Positioned for Growth

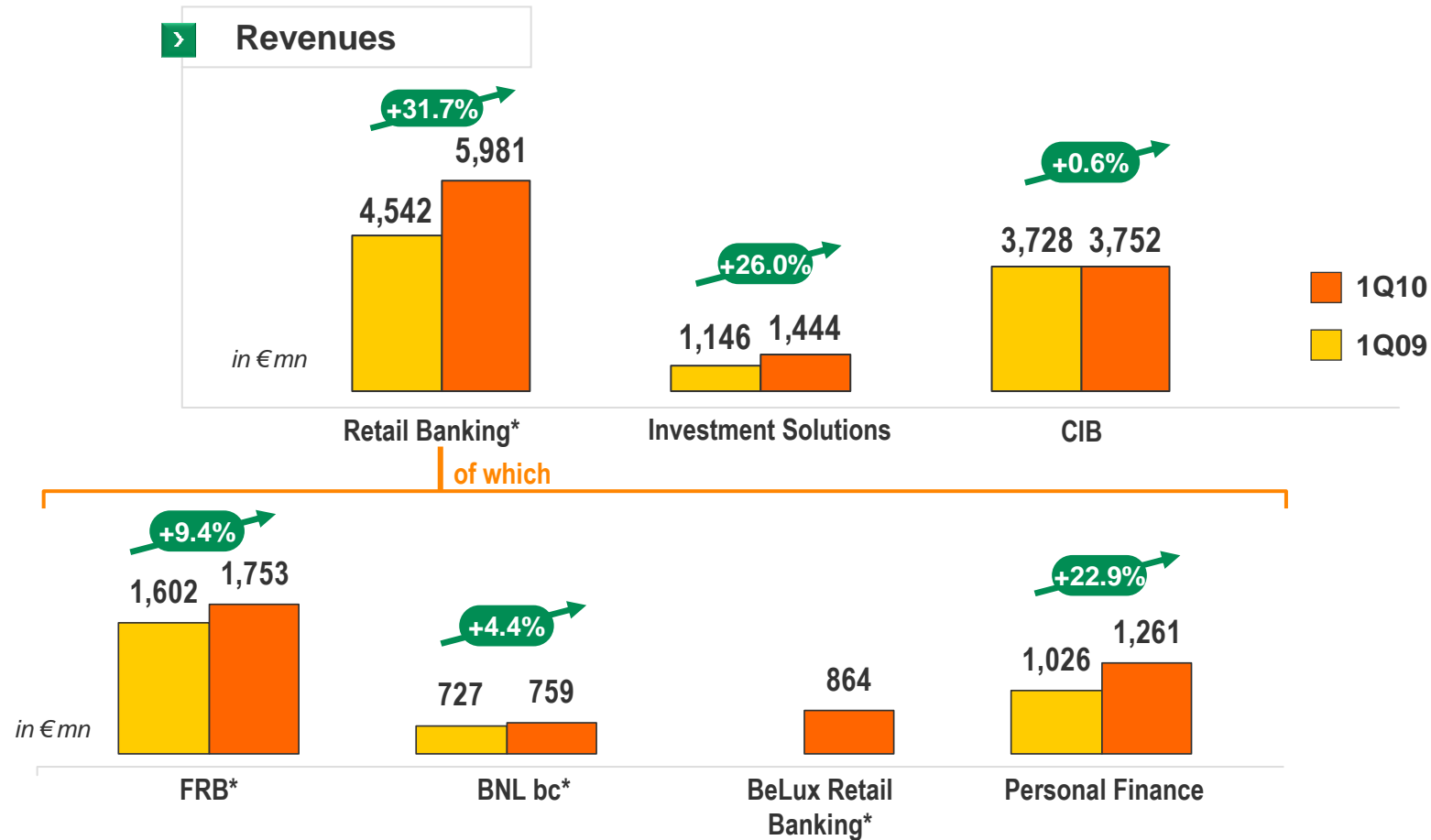
Key 1Q10 Figures

	> 1Q10	> 1Q10/1Q09	> 1Q10/1Q09 <i>At constant scope and exchange rates</i>
● Revenues	€11,530mn	+21.7%	+0.1%
● Operating expenses	-€6,596mn	+23.3%	-3.4%
● Gross operating income	€4,934mn	+19.5%	+5.0%
● Cost of risk	-€1,337mn	-26.8%	-45.1%
● Pre-tax income	€3,840mn	+67.7%	+55.4%
● Net income attributable to equity holders	€2,283mn	+46.5%	+39.1%

> **Results commensurate with the Group's new size**



1Q10 Revenues of the Operating Divisions (at Current Scope)



> Impact of the Group's new size on its revenues

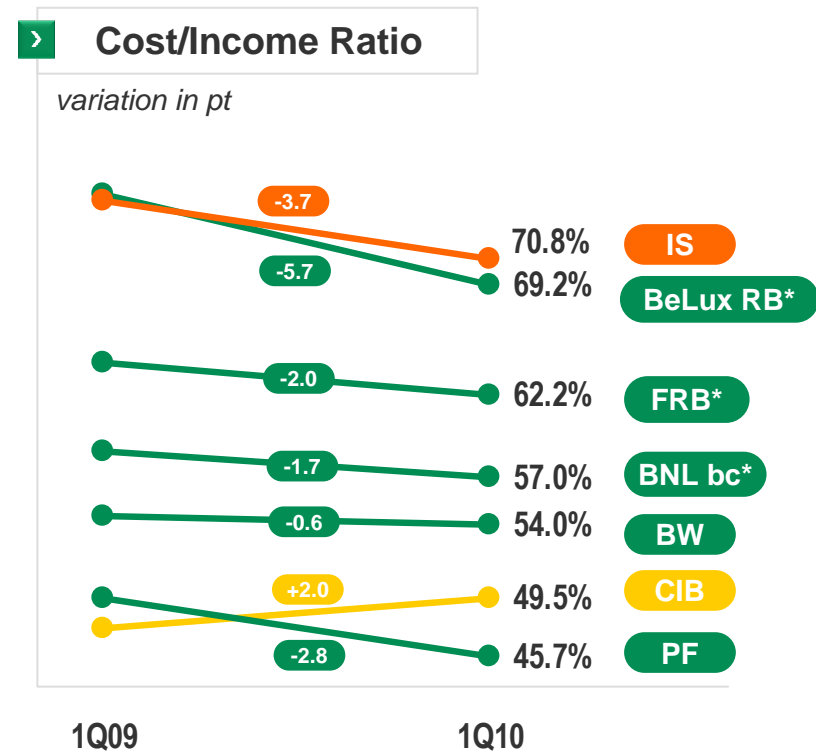
*Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy and Belgium



Cost/Income Ratio

Variations at constant scope and exchange rates

- Group's cost/income ratio: 57.2%. Cost control remains the trademark of the Group
- Retail Banking*: 58.7% (-2.9pts/1Q09), good revenue growth combined with strict control of costs
- Investment Solutions: -3.7pts/1Q09, cost stability thanks to cost-cutting efforts across all the business units
- CIB: +2pts compared to the particularly low level in 1Q09



Group's operating efficiency enhanced

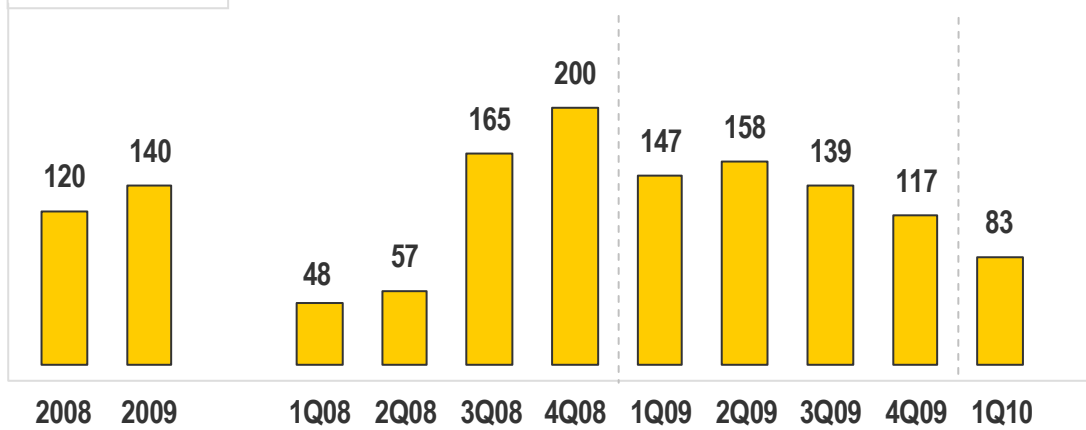
* Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy and Belgium



Cost of Risk (1/3)

> Group

Net provisions/Customer loans (in annualised bp)

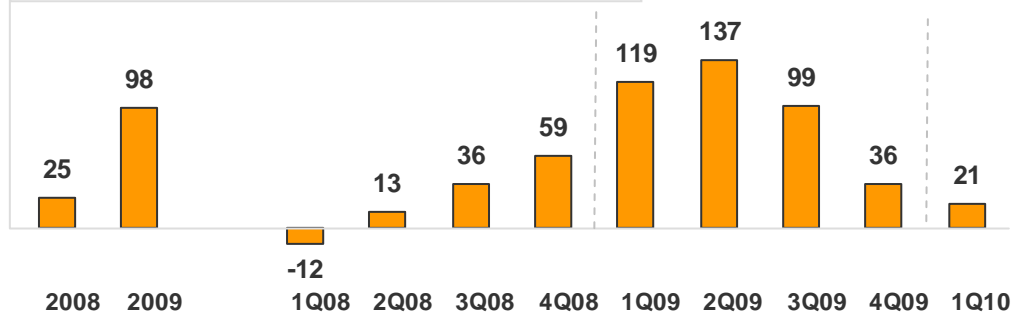


- 1Q10: -€1,337mn
 - Drop of -€489mn/1Q09
 - Of which -€150mn on capital market businesses
- -€561mn/4Q09

> Decline in the cost of risk at Group level

by Business Unit

> CIB-Financing Businesses



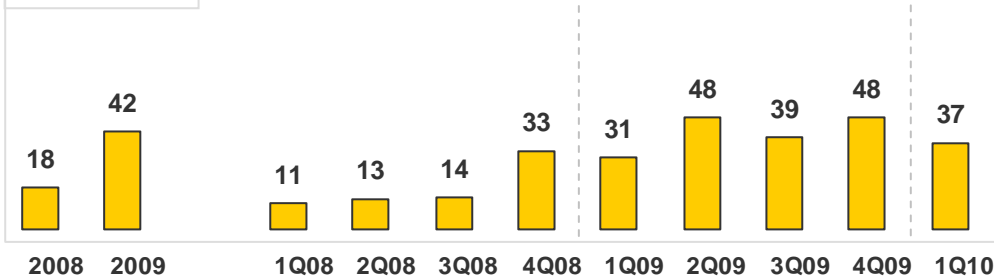
- Cost of risk: €80mn
 - -€340mn/1Q09
 - -€68mn/4Q09
- Few new doubtful loans in 1Q10



Cost of Risk (2/3)

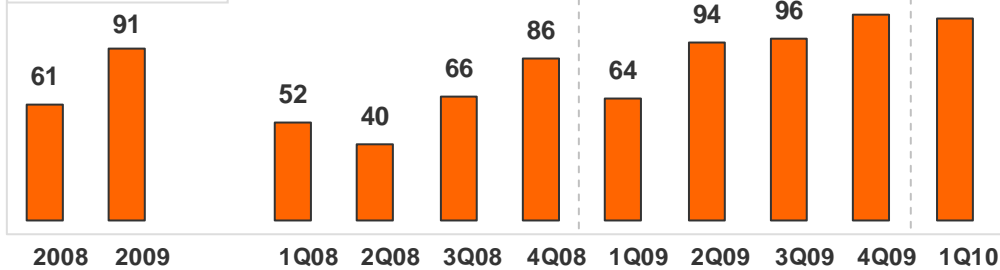
> FRB

Net provisions/Customer loans (in annualised bp)



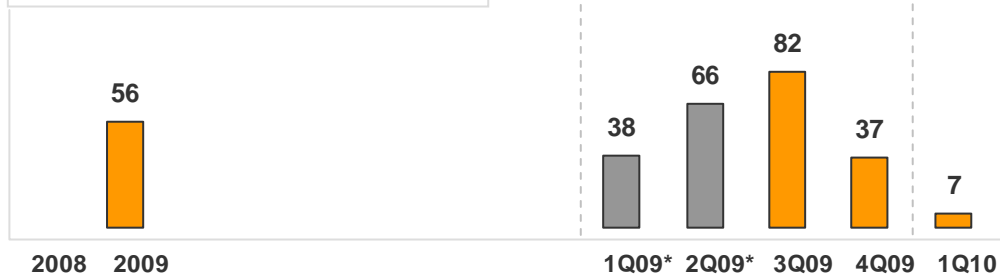
- Cost of risk: €122mn
 - +€29mn/1Q09
 - -€33mn/4Q09
- Moderate rise/1Q09

> BNL bc



- Cost of risk: €200mn
 - +€85mn/1Q09
 - -€6mn/4Q09
- Increase/1Q09 primarily due to corporates

> BeLux Retail Banking



- Cost of risk: €15mn
 - -€59mn/4Q09
- Decline amplified by the seasonal effect

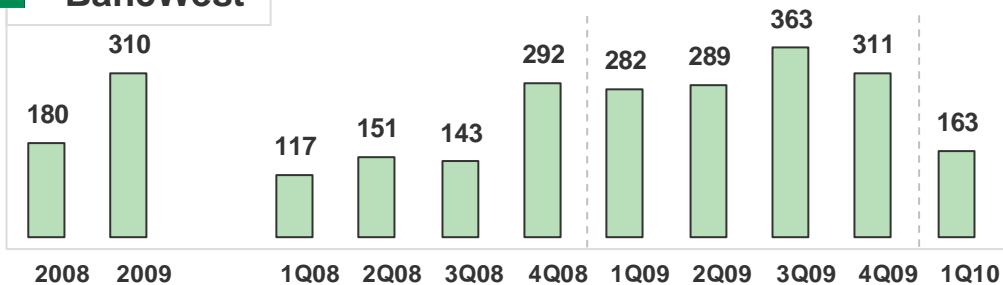
* Pro forma



Cost of Risk (3/3)

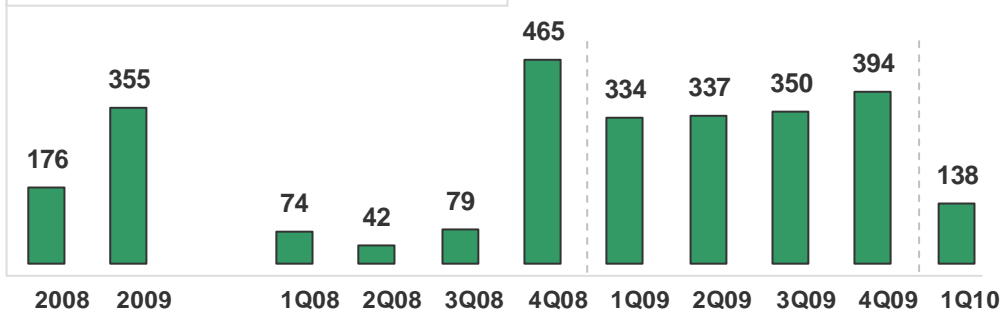
> BancWest

Net provisions/Customer loans (in annualised bp)



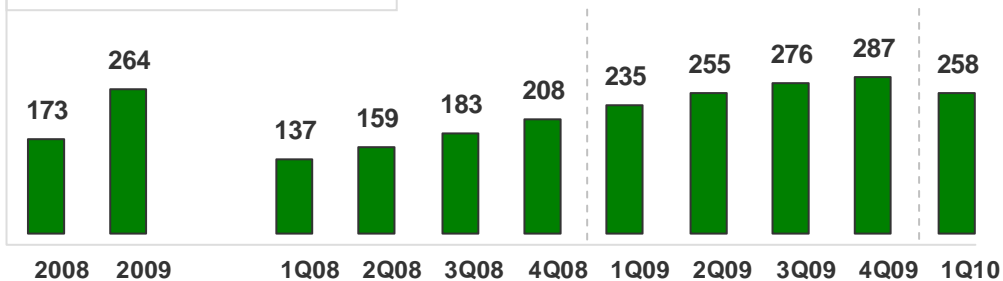
- Cost of risk: €150mn
 - -€129mn/1Q09 and -€125mn/4Q09
 - Sharp decline in impairment charges on the investment portfolio
 - Quality of the credit portfolio stabilised

> Europe-Mediterranean



- Cost of risk: €89mn
 - -€73mn/1Q09 and -€166mn/4Q09
 - Of which Ukraine: €83mn
 - Improved environment

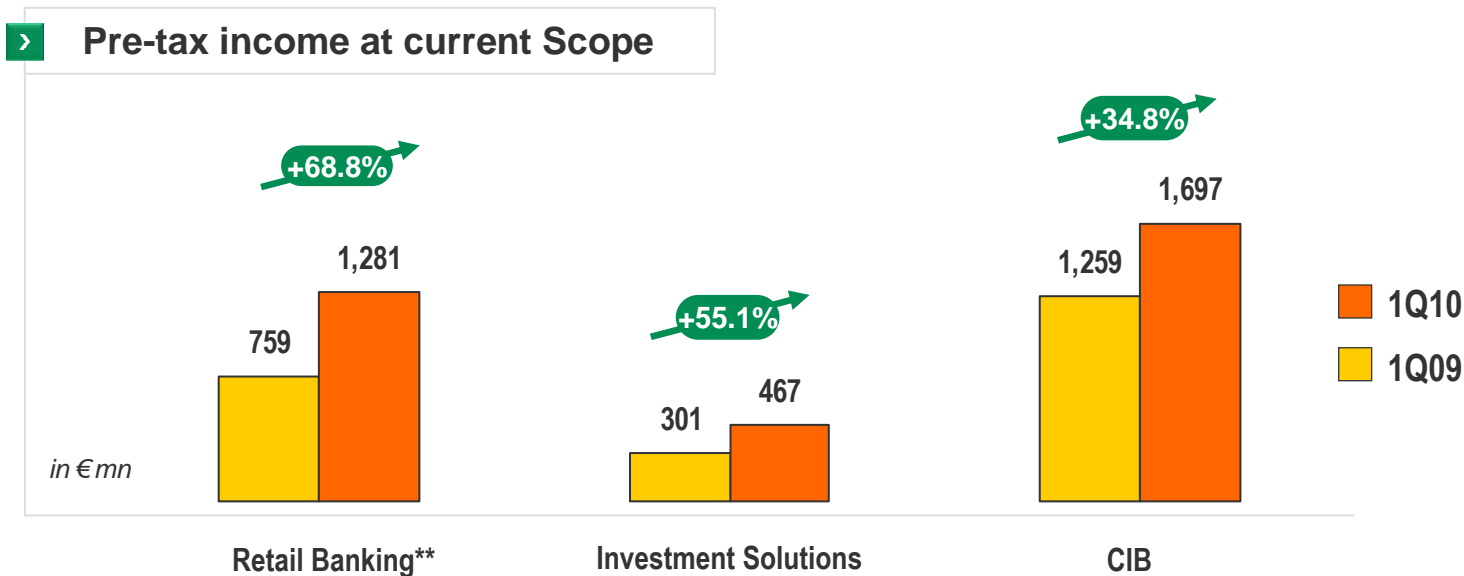
> Personal Finance



- Cost of risk: €524mn
 - +€109mn/1Q09 of which +€59mn from the Findomestic scope effect and +€12mn from the integration of Fortis
 - Cost of risk stabilised



1Q10 Pre-tax income of the Operating Divisions



- Retail Banking**: +51%*/1Q09
 - x2.2/1Q09 for Belux Retail Banking (€235mn**)
- Investment Solutions: +34%*/1Q09
- CIB: +26%*/1Q09

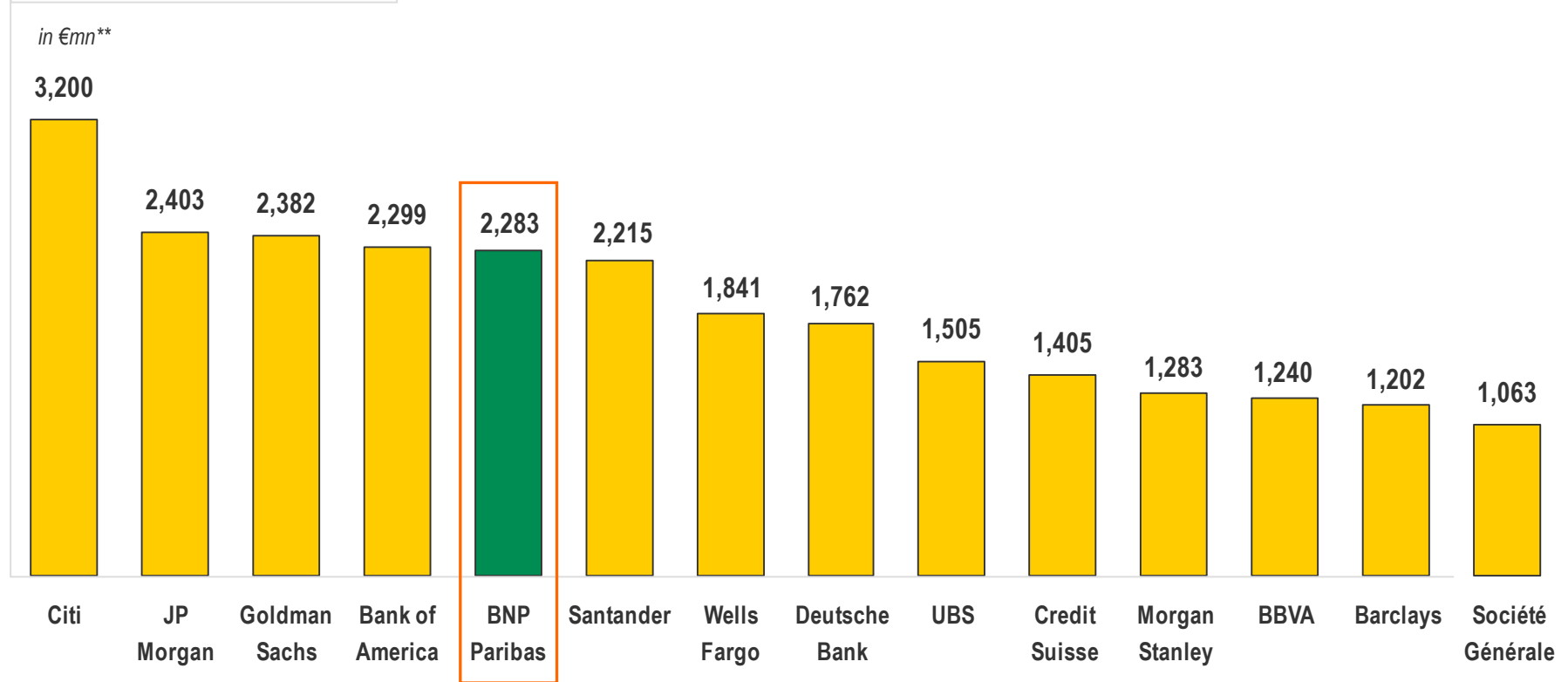
> **Good operating performances of all the business units, effects of the integration of Fortis and of the fall in the cost of risk**

**At constant scope and exchange rates; **Including 2/3 of Private Banking in France (excluding PEL/CEL effects), Italy and Belgium*



Net Income Benchmark*

> Net income 1Q10



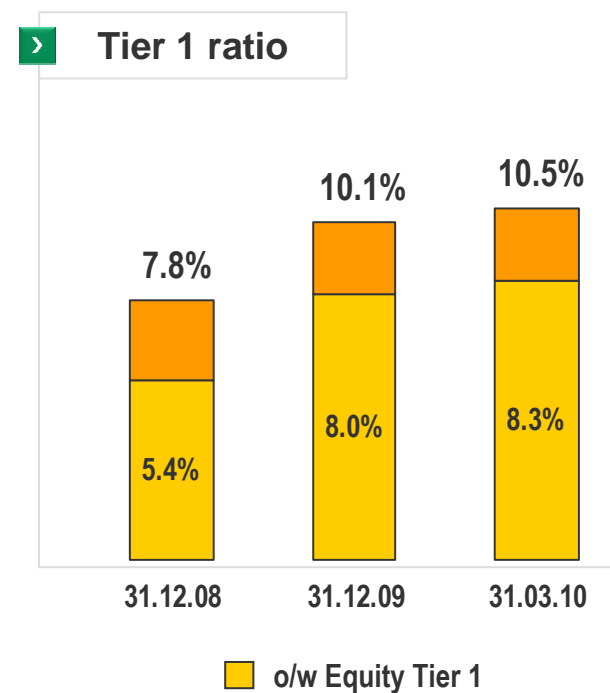
> **Number 5**

* Excluding banks that do not report on a quarterly basis ** 1Q10 average exchange rates
Source: banks



Solvency

- Tier 1 ratio: 10.5% as at 31.03.10
 - +0.4pt/31.12.09 and +2.7pts/31.12.08
- Equity Tier 1 ratio: 8.3% as at 31.03.10
 - +0.3pt/31.12.09 and +2.9pts/31.12.08
- Substantial organic generation of equity in 1Q10
- Risk-weighted assets down slightly: €617bn (vs €621bn as at 31.12.09)
 - Credit risk-weighted assets up slightly
 - Market risk-weighted assets down



➤ **A high solvency ratio**

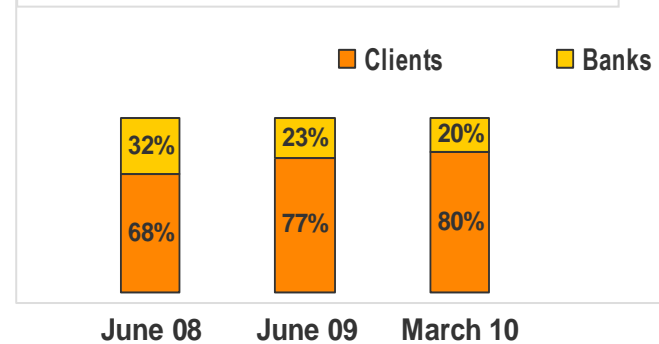


Liquidity

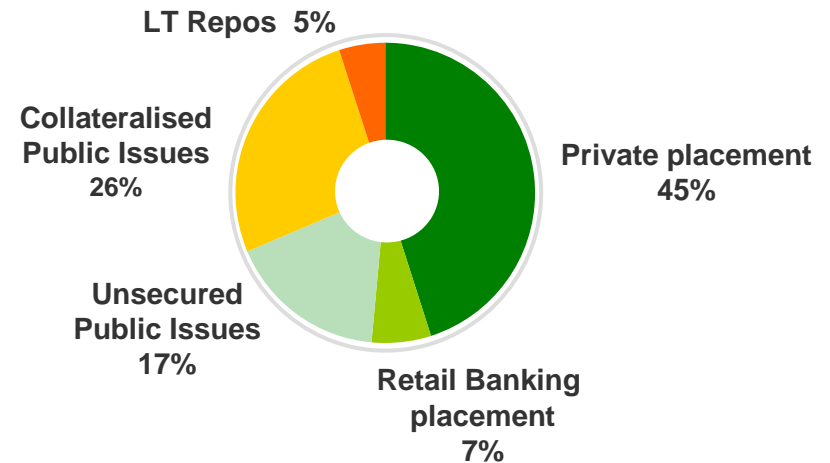
- Limited reliance on the interbank market
 - BNP Paribas: No. 1 bank in the eurozone by deposits
 - A wide deposit base in USD
 - A constant diversification strategy

- Loan to deposit ratio : 112%
- One of the lowest CDS of the peer group
- 2010 MLT programme: €30bn
 - 2 June 2010: 5 Year €1.5bn covered bond issue (mid swap + 42bp)
 - 60% already completed
 - More than half of the issues with a maturity beyond 5 years
 - Diversification of resources by type of products, distribution channels and type of investors

> Short-term funding structure



> 2010 MLT funding structure



> A competitive edge in tough markets



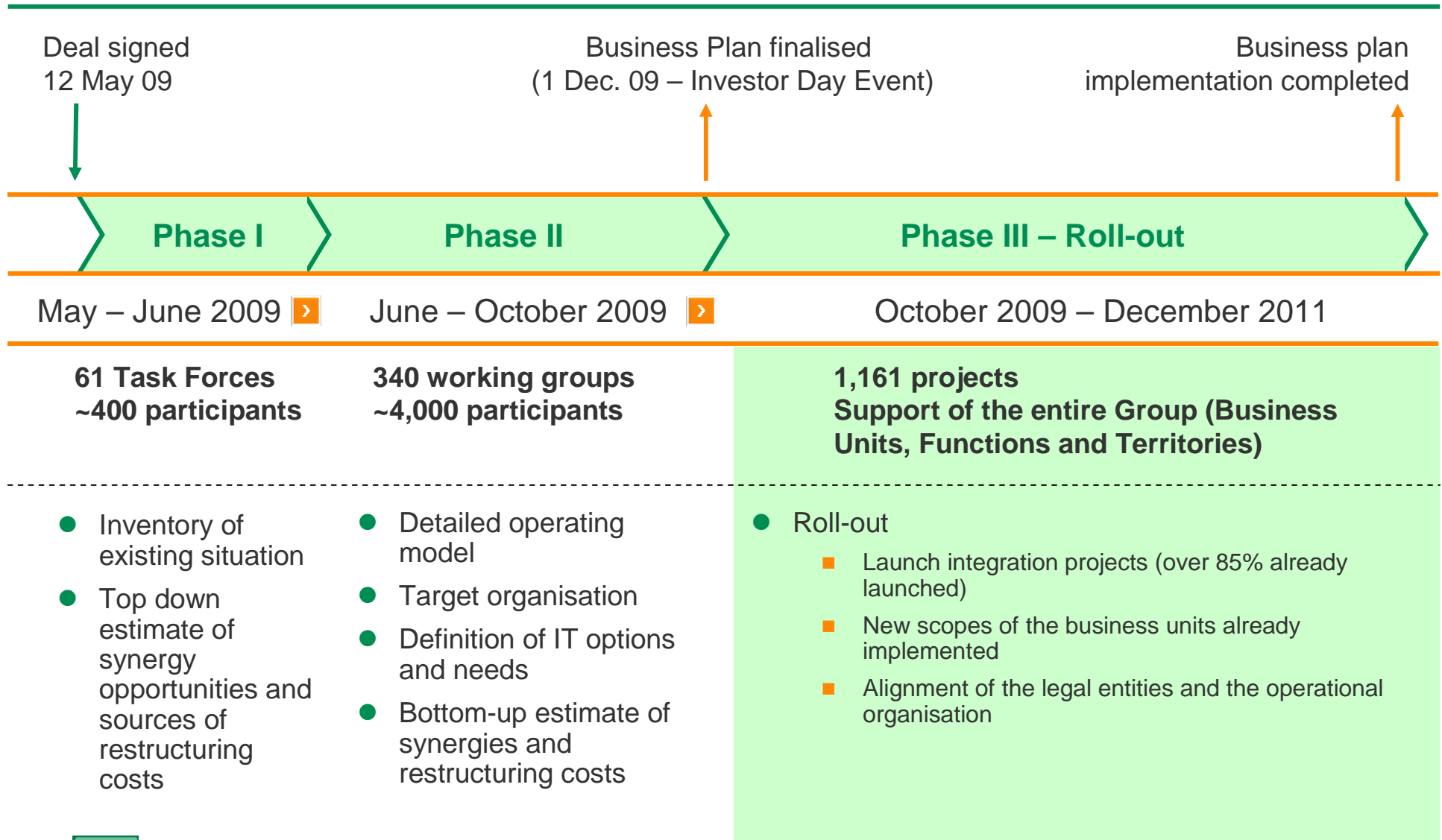


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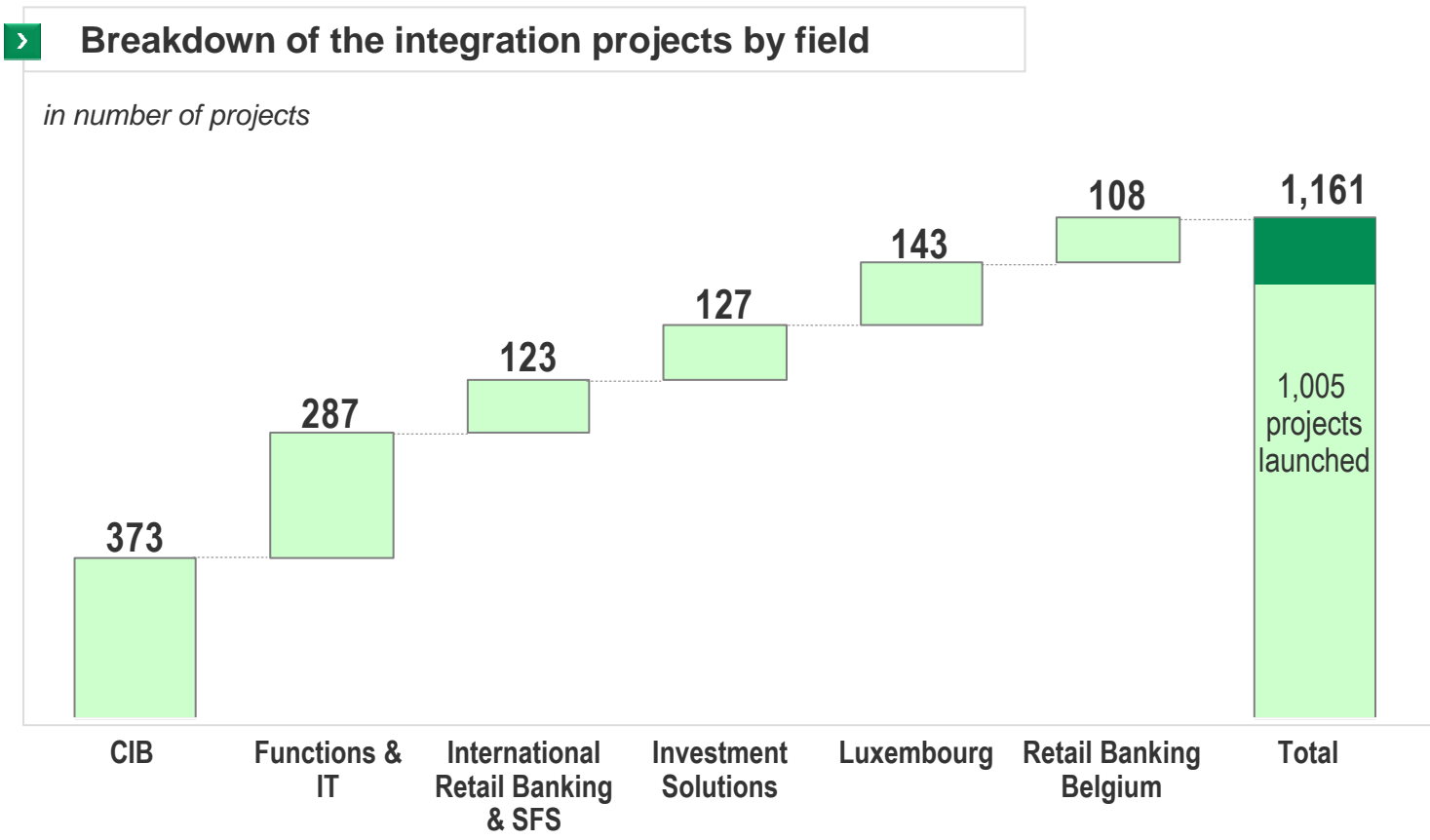
BNP Paribas Recent Achievements

BNP Paribas Well Positioned for Growth

BNP Paribas Fortis Integration Timeline (1/2)



BNP Paribas Fortis Integration Timeline (2/2)



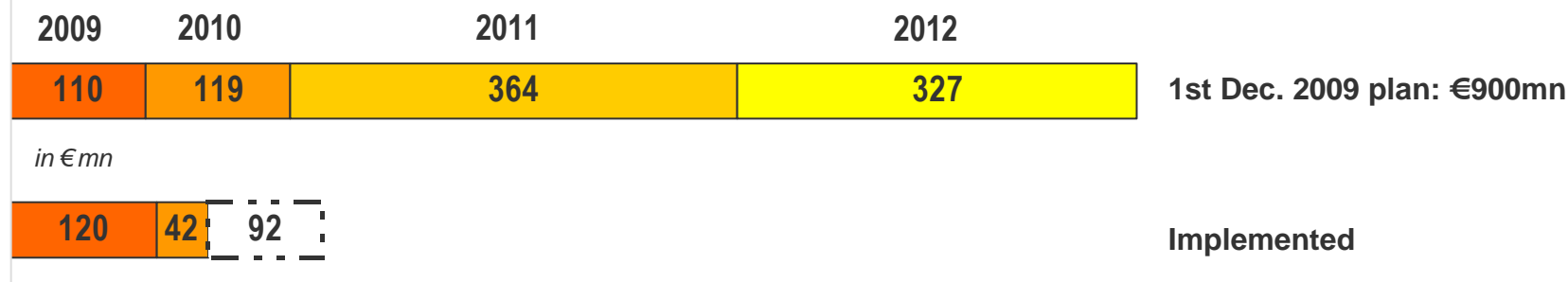
> Over 85% of the integration projects launched



BNP Paribas Fortis

Synergies (1/2)

Progress of Synergies



■ FY results 2009

■ FY results 2010

■ FY results 2011

■ FY results 2012

▤ FY effect of synergies already implemented

● Synergies implemented

- €254mn in aggregate implemented as at 31 March 2010
- Of which €120mn in 2009 and €134mn in 1Q10

● New synergies booked in 1Q10: €42mn

- Gross revenue synergies: -€5mn
- Marginal costs*: -€5mn
- Cost synergies: €52mn



Synergies in line with the plan announced



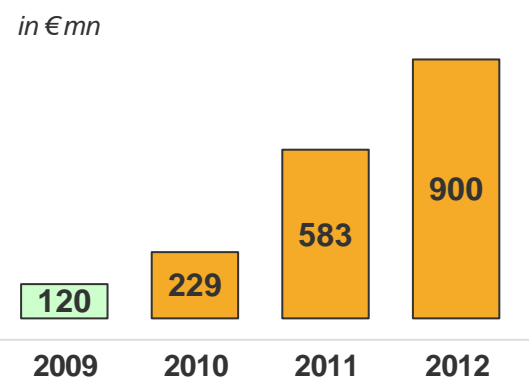
BNP PARIBAS

* Costs associated with realising revenue synergies

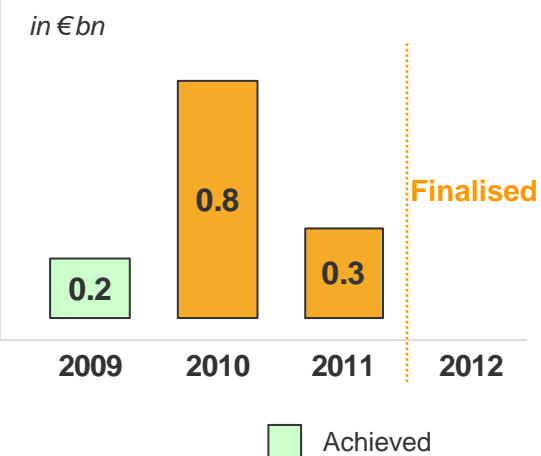
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BNP Paribas Fortis Synergies (2/2)

> Cumulative net synergies



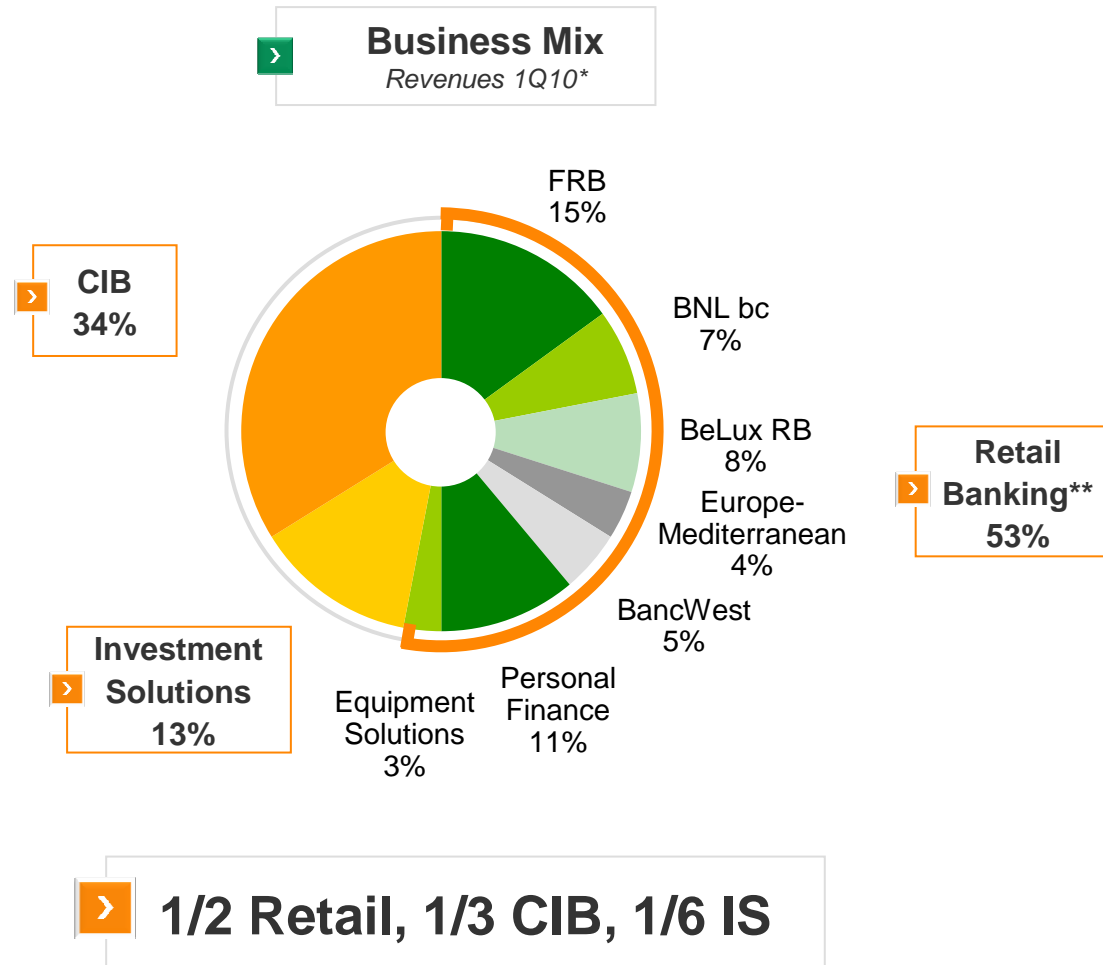
> Restructuring costs*



> **€900mn total synergies expected by 2012**



Overview of the new Group

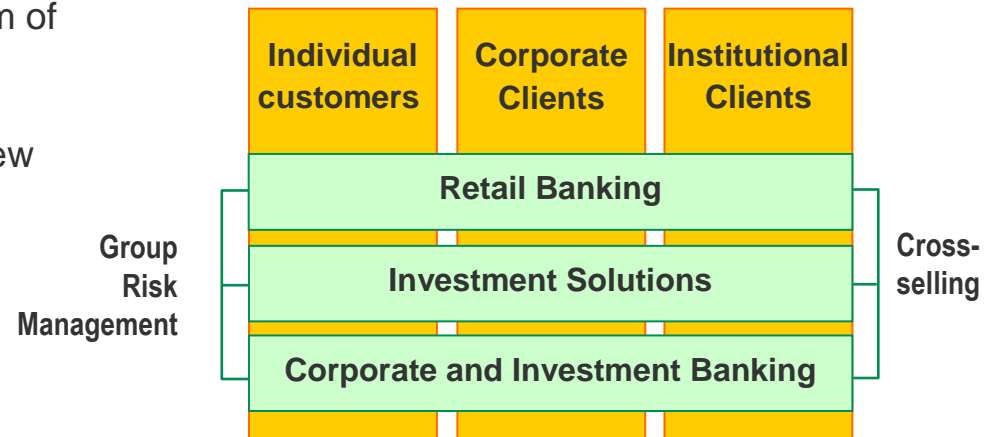


* Operating divisions ; ** Including 2/3 of Private Banking in France (including PEL/CEL effects), Italy and Belgium



Integrated Banking Model

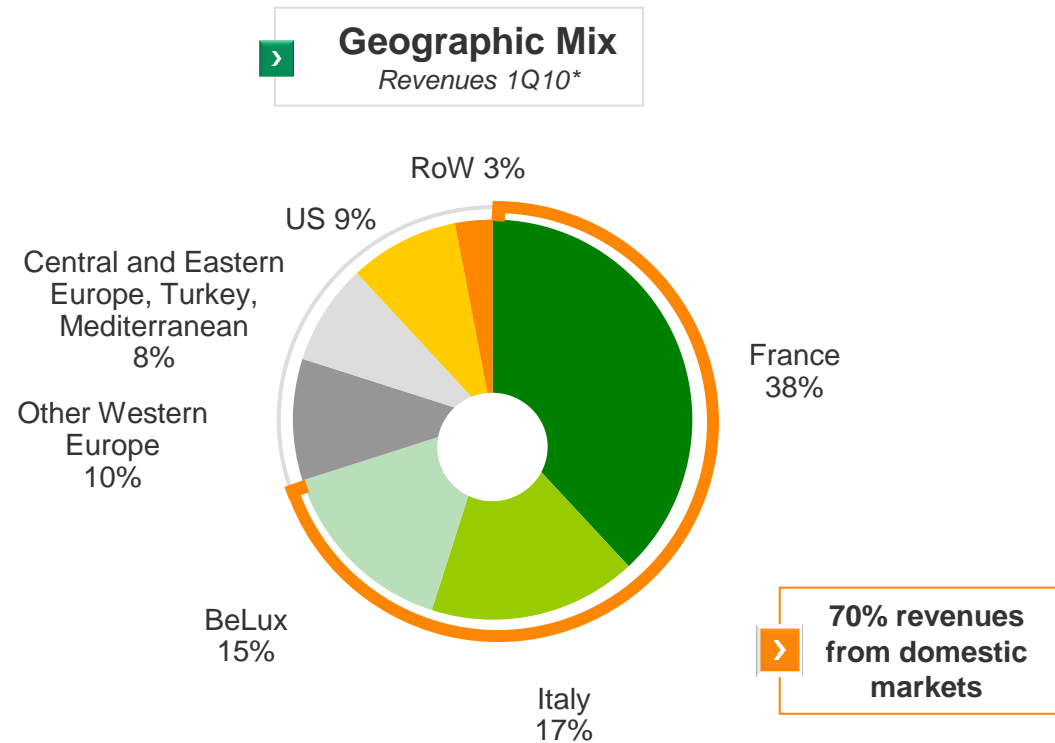
- All group activities are core
 - Retail banking provides critical mass of customers
 - Investment Solutions: asset gathering arm of BNP Paribas
 - Corporate and Investment Banking: clear action plan to adapt the platform to the new environment
- Important cross selling skills developed since the creation of BNP Paribas
 - Initially implemented in France
 - Rolled out in full in domestic markets and selectively in Emerging Markets
- Unified risk management
 - Independent from the businesses
 - Reports directly to the CEO



Extract further value from the franchise



Retail Banking



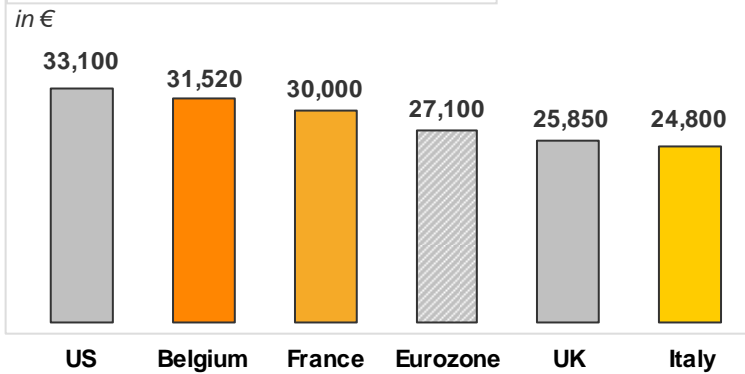
Domestic countries generating 70% of retail revenues

* Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy and Belgium

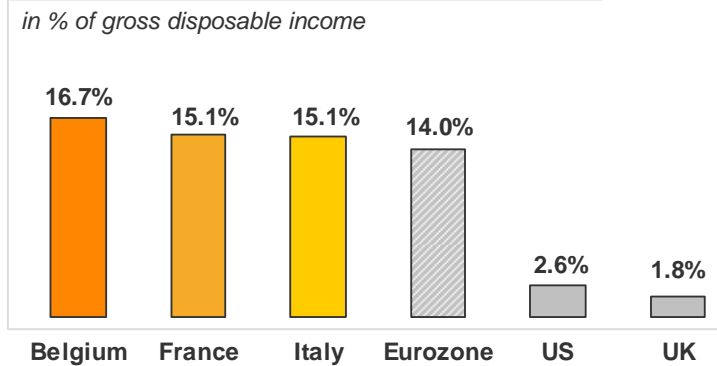


Domestic Retail Markets (1/3)

> 2009 GDP per capita*



> Gross savings rate in 2008*



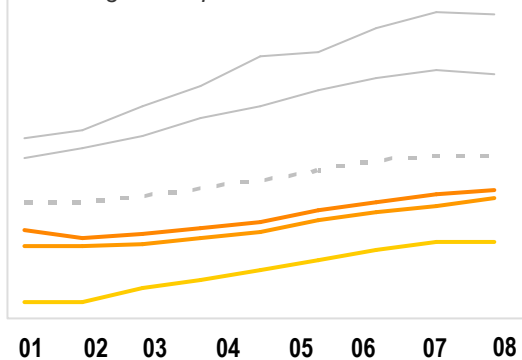
> Wealthy domestic markets



Domestic Retail Markets (2/3)

> Household debt*

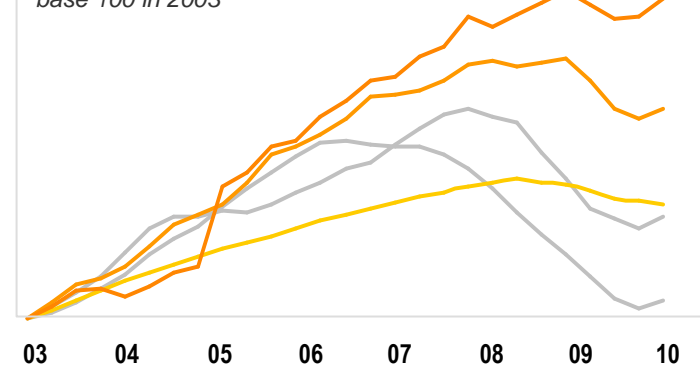
in % of gross disposable income



United Kingdom 153%
 United States 128%
 Eurozone 93%
Belgium 79%
France 75%
Italy 57%

> Housing prices (rebased in 2003)**

base 100 in 2003



Belgium
France
Italy
 UK
 US

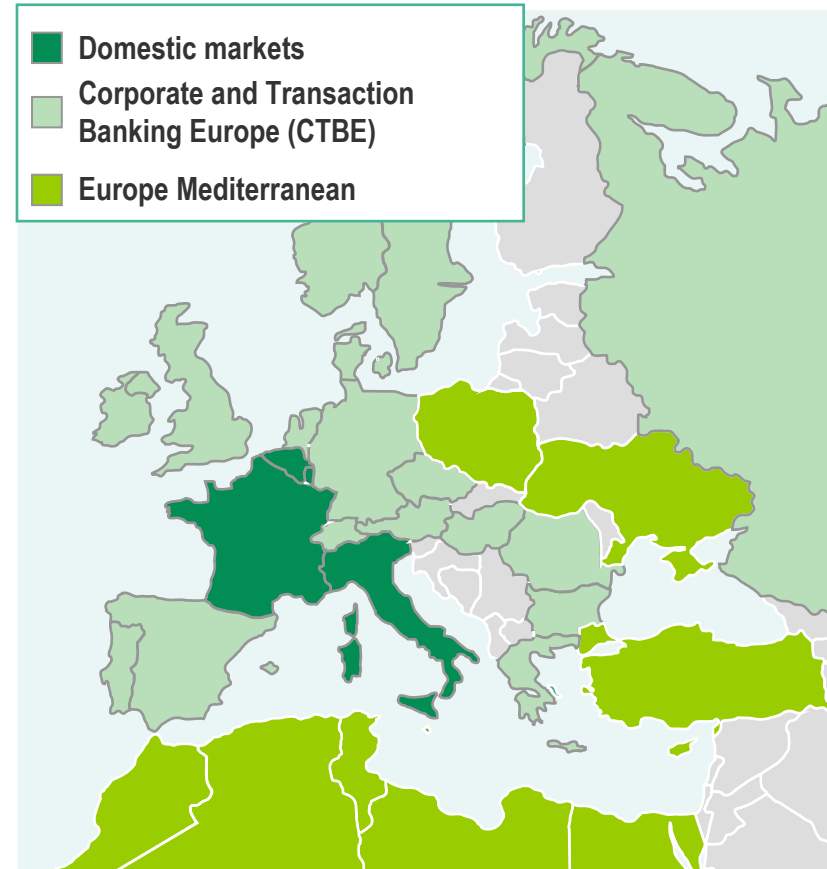
- Sound mortgage markets
 - Mainly fixed rate
 - Based on affordability rate (recourse on customer)
 - Well guaranteed
 - Very low delinquencies

> Sound domestic retail markets



Domestic Retail Markets (3/3)

- Integrated domestic markets ■
 - High level of cross selling thanks to the full deployment of the integrated business model
 - Shared platforms
- Connected to an expanded network of business centers in Europe (CTBE*) ■
 - Present in 17 European countries with over 30 business centres
 - Serve subsidiaries of domestic markets and CIB clients, as well as selected local clients
 - Offer daily flow banking products (Plain vanilla lending, Cash Management, Trade Services) and leverage CIB offering
- Complemented by retail banking networks in neighbouring emerging markets ■
 - 8 major countries



> **An extended reach dedicated to customers**

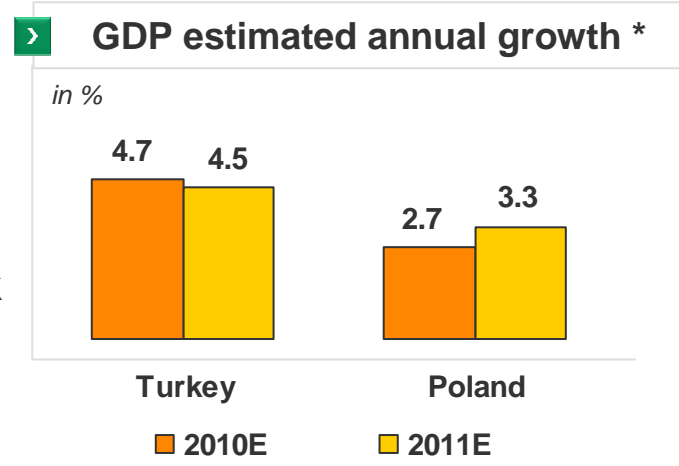


Europe Mediterranean (1/2)

- Turkey/Poland: attractive banking markets
 - Strong demographics
 - Significant GDP growth potential

- Turkey: agreement to merge TEB with Fortis Bank Turkey** early 2011
 - Large customer basis: cross selling opportunities with CIB and Investment Solutions
 - Improved operational efficiency expected from the merger

- Poland: Fortis bank Polska and Dominet Bank already merged (August 2009)
 - Integration plan within BNP Paribas launched
 - Create a universal bank: leverage the network with specialised businesses (CIB, leasing, insurance,...) to serve all client segments (individuals, corporates, institutional investors, public sector)



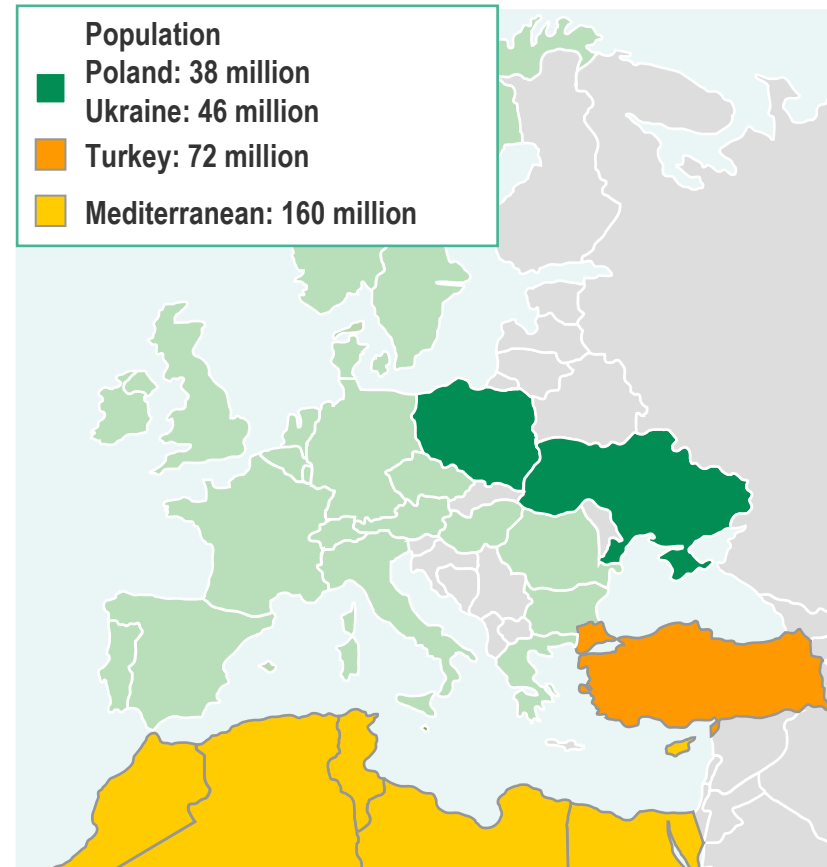
	Branches	Clients
Turkey	630	3,500,000
Poland	243	400,000

> Significant reinforcement in two fast growing countries



Europe Mediterranean (2/2)

- Mediterranean: a significant presence
 - 532 branches, 1 million clients
 - Roll out of the multi-channel model (Morocco)
 - Launch of the Private Banking (Morocco, Egypt)
 - Strong franchise in Cash Management and Trade Finance (in all countries)
- Ukraine: improved environment
 - Lower outstandings
 - Improvement of the loan/deposit ratio
 - Set-up of a multinational desk
- Roll out the Retail Banking model
 - Adapted to local conditions
 - Share platforms

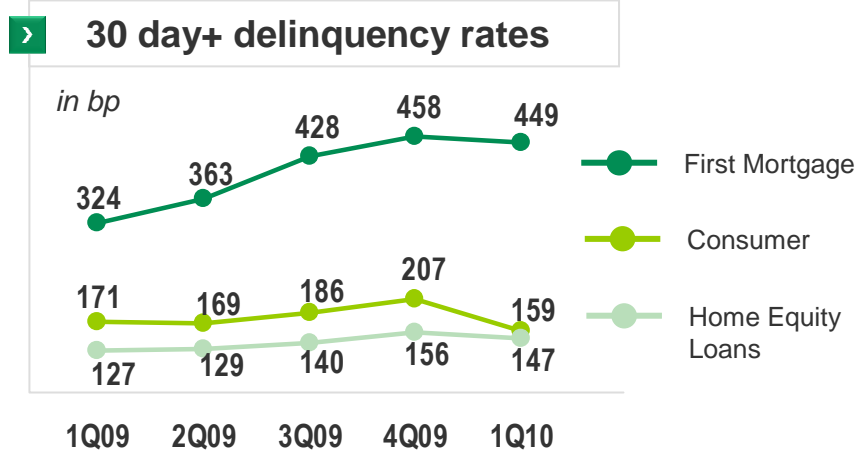
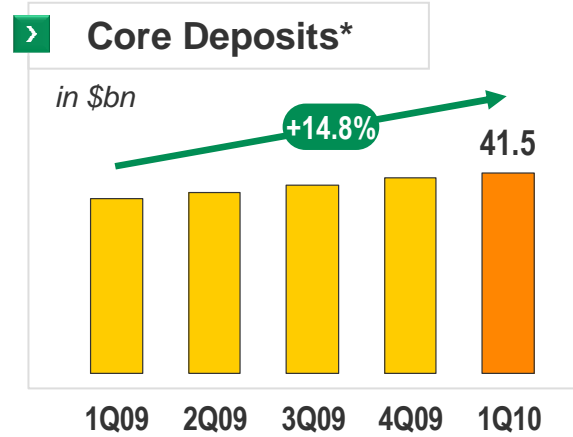


➤ **A new dimension in growing markets**



BancWest

- Significant and increasing deposit base in USD
- Step up commercial effectiveness of the network
 - Boost customer acquisition: net gain in individual customers: +6,000 in 1Q10 vs +3,000 in 1Q09
 - Increase cross selling: mortgage and cash management
 - Upgrade the branch network: multi-channel and on-line banking
- Continued cost-cutting efforts
 - savings plan increased to \$130mn (full year effect in 2010)
- Cost of Risk
 - Less impairment charges from the investment portfolio
 - Credit portfolio quality stabilised: 30 day + delinquency rates down in 1Q10



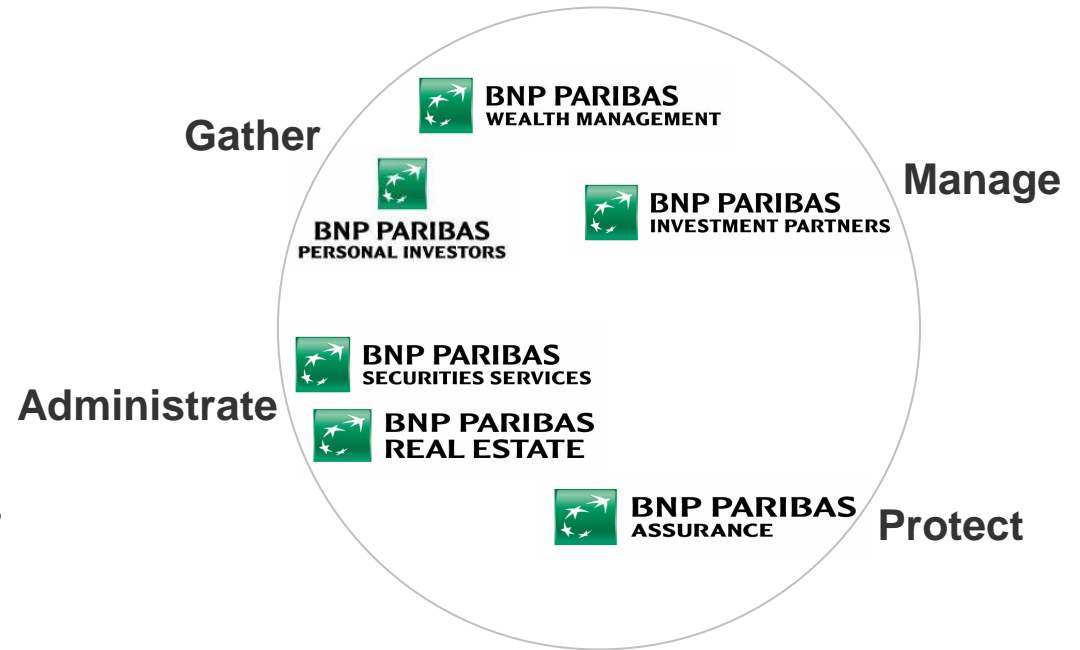
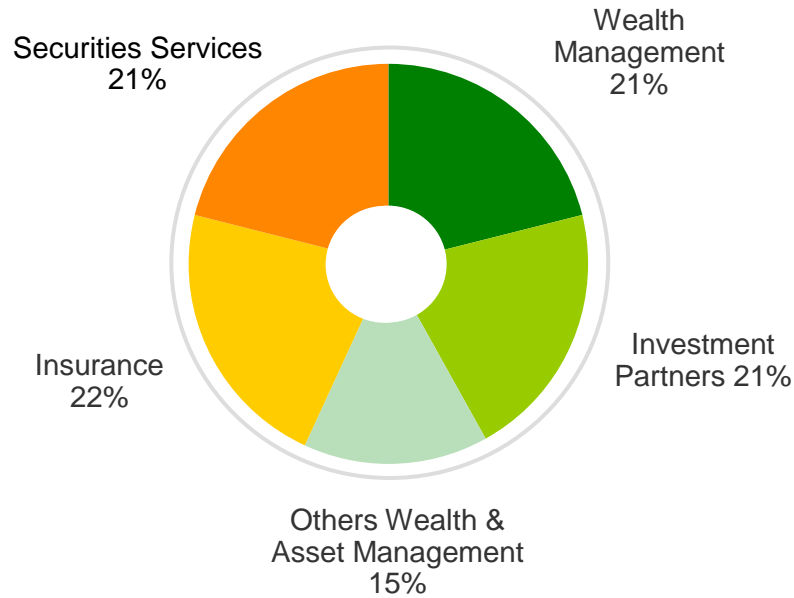
> Return to profits



* Deposits excluding Jumbo CDs

Investment Solutions (1/2)

Business Mix
Revenues 2009 pro forma



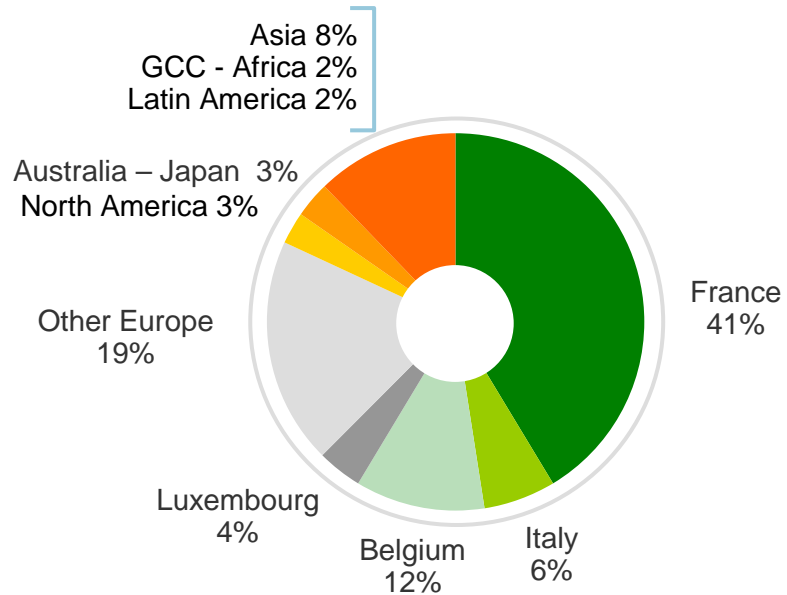
- Integrated business model with excellent complementary fit
- All businesses are core

Diversified and integrated business model



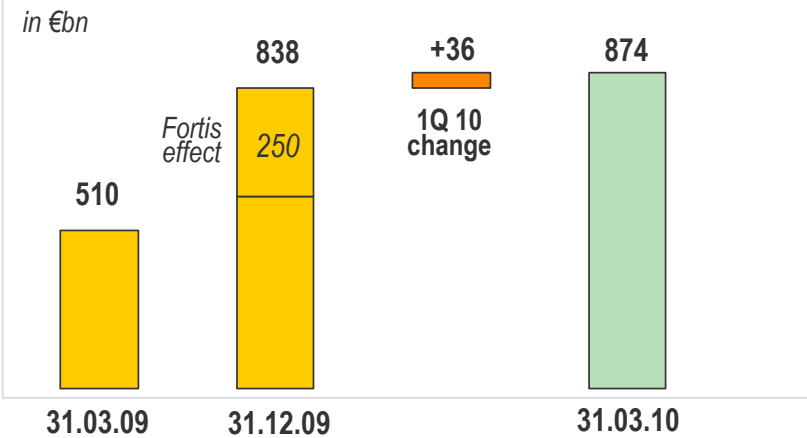
Investment Solutions (2/2)

> AUM by geography as at 31.03.10



- Diversified geographic asset base
 - 12% from emerging countries
- Change in scale thanks to the contribution of BNP Paribas Fortis

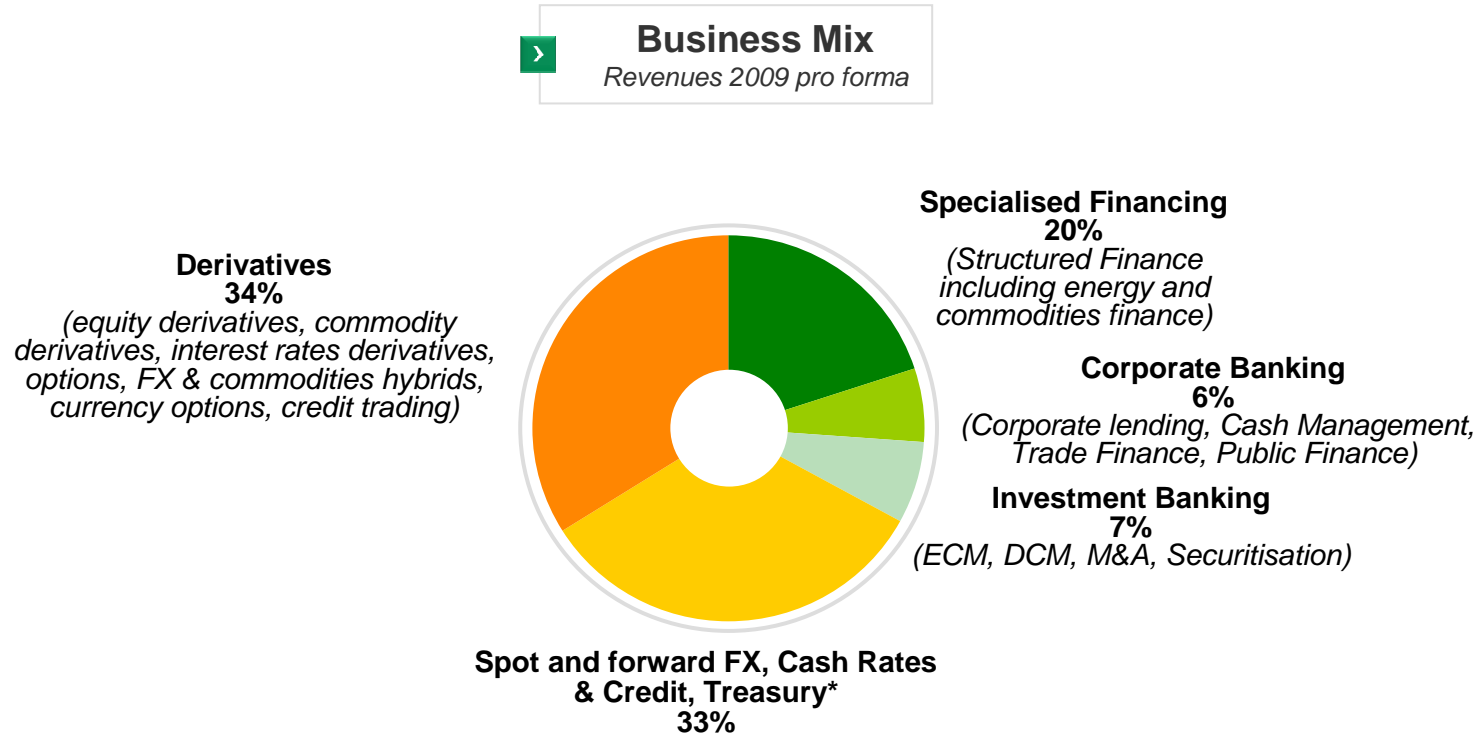
> Assets under management as at 31.03.10



> **Assets under management rose to €874bn**



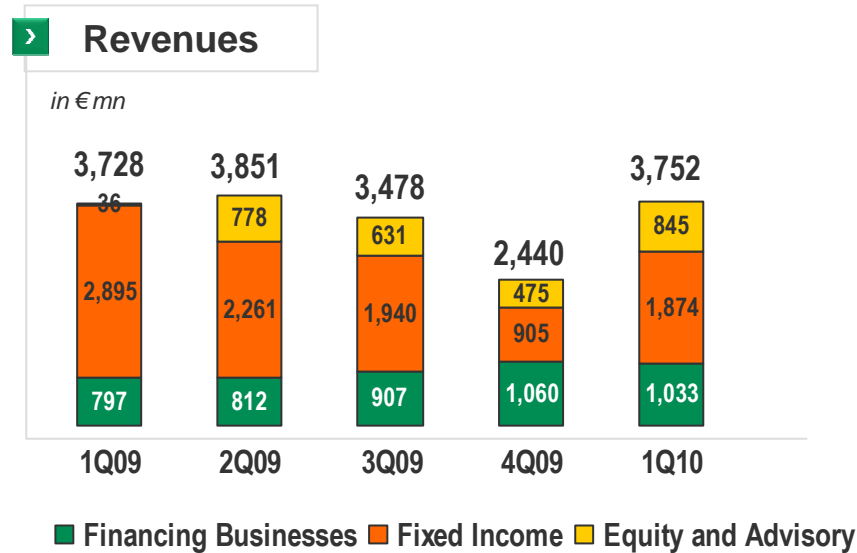
Corporate and Investment Banking (1/3)



Diversified and client centric business model



Corporate and Investment Banking (2/3)



- Quarterly revenues trends
 - Financing Businesses: recurrent and growing revenue base
 - Fixed Income and Equity and Advisory: strong franchises beyond intrinsic volatility

> Performances consistent with the Group's new size



Corporate and Investment Banking (3/3)

- Limited reclassified assets (from the trading book to the banking book)
 - €6.9bn as at 31.12.09
 - Flat shadow P&L: if no reclassification had been implemented, the aggregate pre-tax income since the first reclassification would have been quite similar (€0.5bn lower in 2008 and €0.5bn higher in 2009 & 1Q10)
- All variable compensation components already booked in 2009 including
 - Exceptional taxes in France and in the UK (payable in 2010)
 - The deferred and conditional part (payable in 2011, 2012 and 2013)



No overhang on future earnings



Conclusion



Resilient integrated business model



Wealthy and sound domestic markets



New dimension with the integration of BNP Paribas Fortis



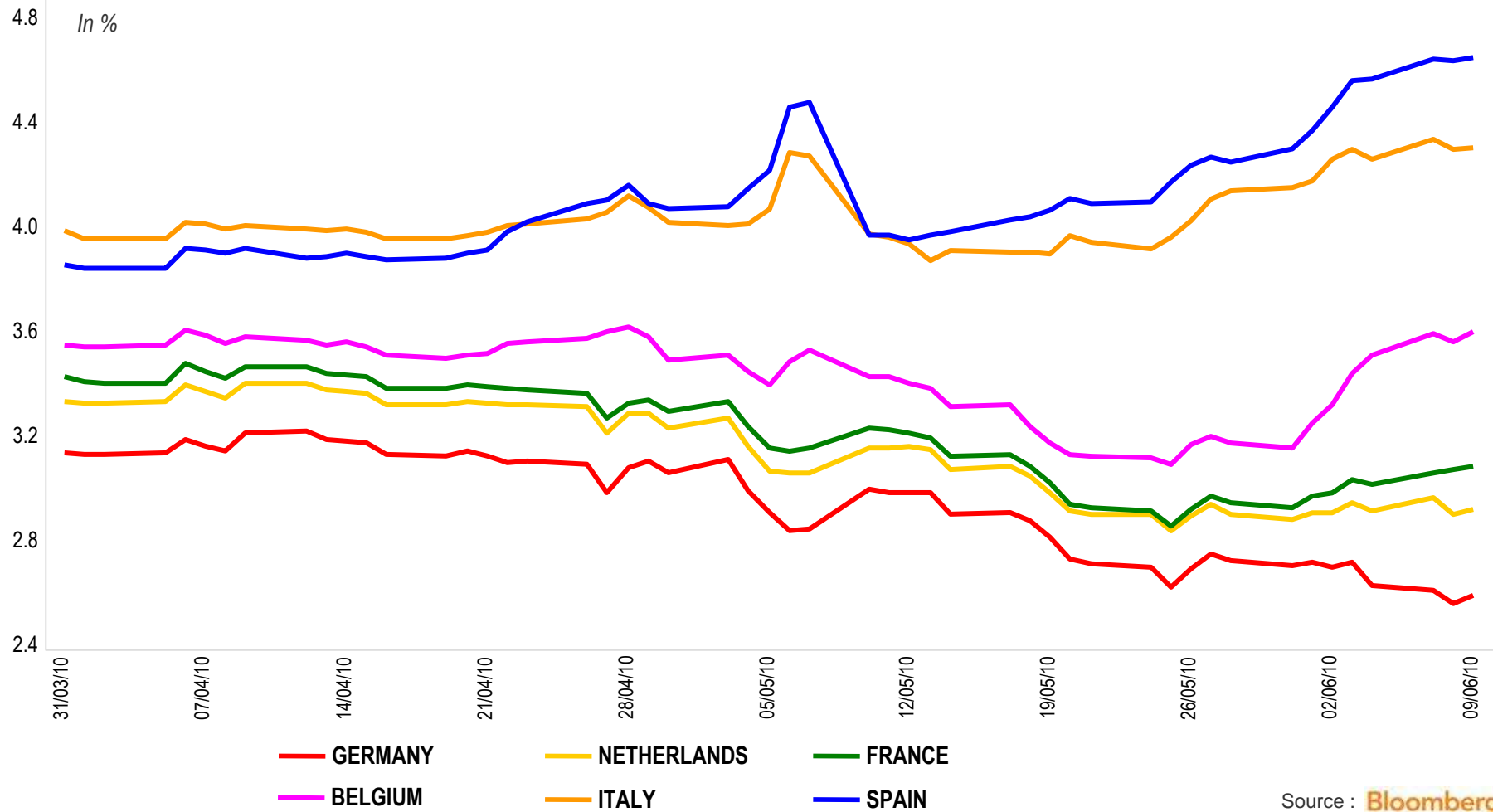


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Appendices

10 year Government Bonds Yields

10-Y Government Bond yields (2Q10)



Source : Bloomberg

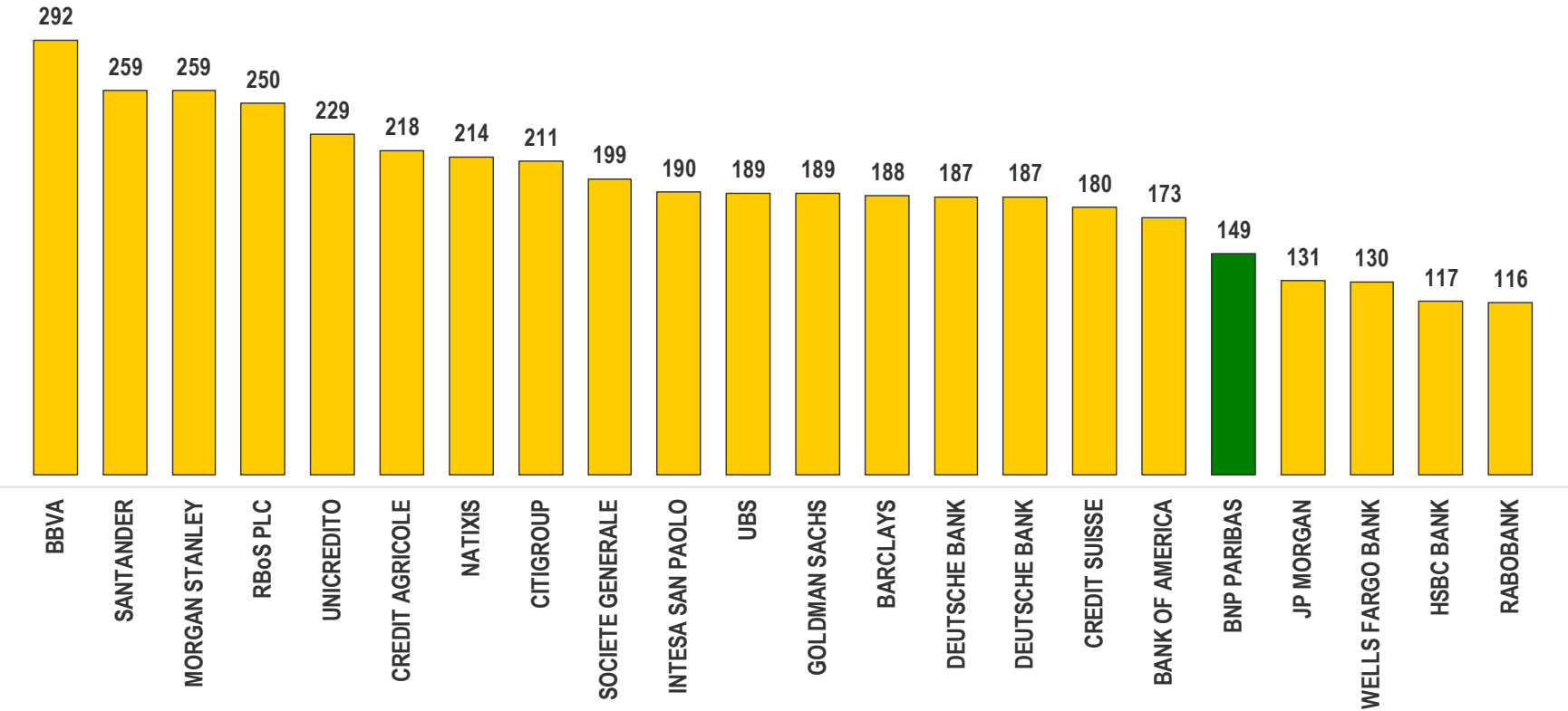


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5-year senior CDS spreads

> 5-year senior CDS spreads

in bp as at 08.06.10

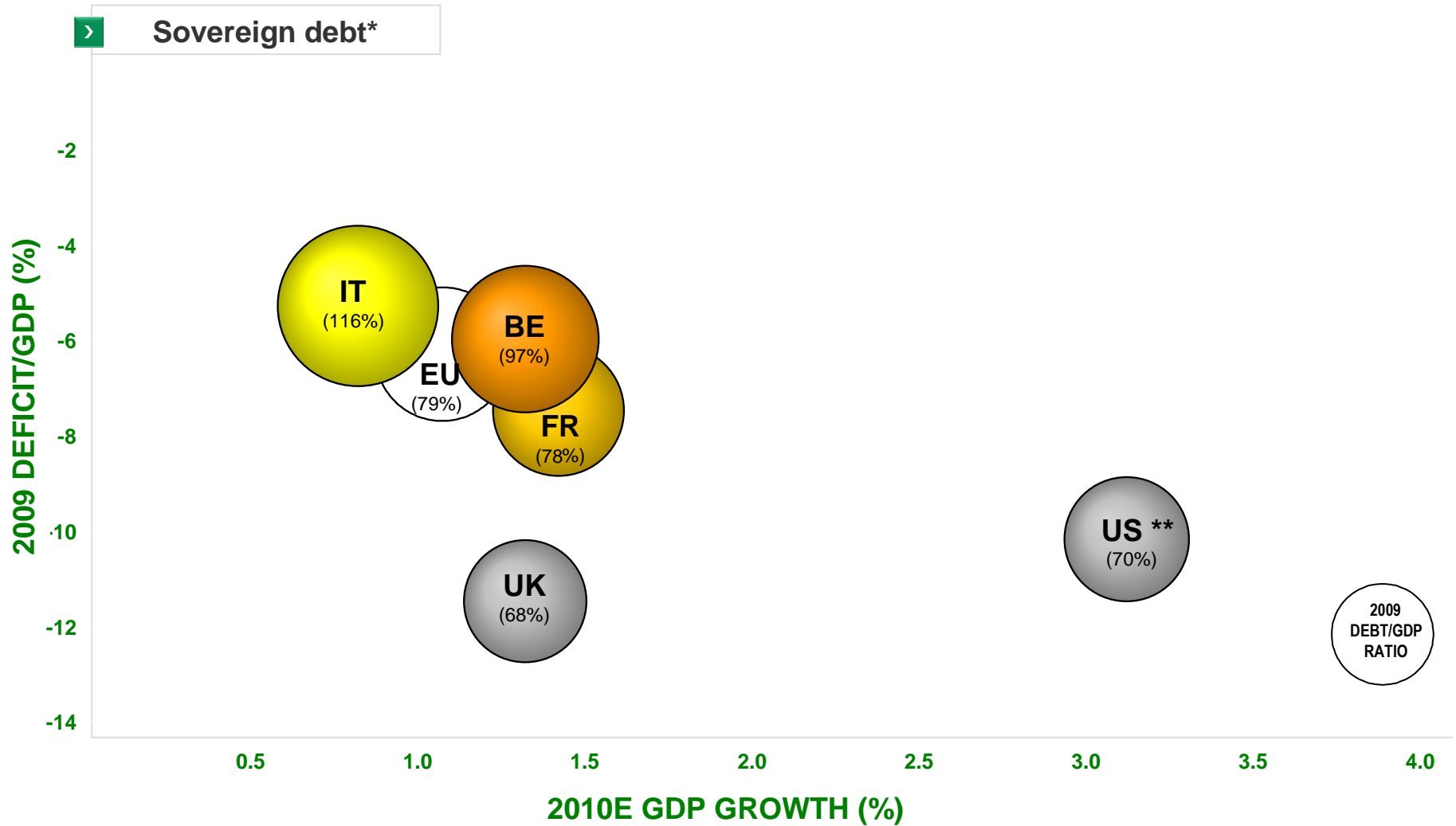


Source: **Bloomberg**



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Sovereign Debt



* Source: Eurostat, **: US Federal + Local

