BNP Paribas: Proactive Management
Addressing new Challenges

Baudouin Prot
Chief Executive Officer

Barclays Conference, New York
14 September 2011
Disclaimer

Figures included in this presentation are unaudited.

This presentation includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally or in BNP Paribas’ principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation. BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events.

The information contained in this presentation as it relates to parties other than BNP Paribas or derived from external sources has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. None of BNP Paribas or its representatives shall have any liability whatsoever in negligence or otherwise for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with this presentation or any other information or material discussed.
New Challenges

Intrinsic Strengths
ST Funding

Resources

- Significant extension of the average maturity of ST funding since the crisis
- EUR: abundant
- USD
  - ST net funding needs < 1year: €60bn*
  - O/w €36bn from US Money Market Funds (vs €46bn as of 29 July 2011)
  - Using Fx swaps to more than offset recent reduction & shortening of resources from US MMF

Assets flexibility

- USD ST assets < 1y: €65bn
  - Flexibility in pricing and renewals
- Assets eligible to central banks:
  - €135bn unencumbered assets after haircuts (exclusively at the hand of the ALM)
  - Govies, CDs, loans, securitisation
  - O/w USD30bn eligible to the Fed

Strong and solid funding in USD

* As of 9 September 2011, net of ~€15bn excess USD cash deposited at the Fed
MLT Funding (1/2)

- 2011 MLT program already fully completed in July: €35bn
  - Average maturity of 6 years
  - O/w 40% in USD

- During the summer: additional €3bn issued through private placements
  - With an average maturity of 6 years
  - At mid-swap + 87bp
  - O/w 15% in USD

- Access to diversified funding sources
  - Proportion of covered bonds protecting unsecured bondholders

Opportunistic management of MLT funding
MLT Funding (2/2)

Evolution of 5Y-CDS vs BNPP 3.5% 2016 spread over swap

- 60bp* widening since issuance
  - Issued in February at swap +73bp
  - Senior unsecured in euro

CDS overstating cash markets

* as at 9 Sept 2011
Sovereign Exposures in Countries under EU-IMF plan
Greece(1/2)

- €4bn* exposure in the banking book o/w €0.5bn already impaired
  - PSI equivalent to a selective default: -21% for maturities between 2011 and 2020; new bonds capital guaranteed by a zero coupon AAA bond
- Further impairment depending on outcome of plan implementation
  - Potentially impacting Q3 accounts
- Manageable additional impact at stake (with market valuation: ~-55%**)
  - €-1.7bn pre-tax
  - -15bp of common equity Tier 1 ratio, post-tax and dividend (1/3 payout assumption)

Manageable impact relative to pre-tax profit of €7.4bn in 1H11

*As at 30 June 2011;** Assumptions considering actual characteristics of the portfolio
Portugal (€1.4bn*) & Ireland (€0.4bn*) exposures in the banking book

- Benefiting from support plans agreed on by euro zone governments, the ECB and the IMF
- Gradual improvement in line with plans, well on track in implementing the deficit reduction measures they have committed to

Marginal impact at stake (with market valuation: ~-30%**)

- -5bp of common equity Tier 1 ratio

Manageable impact on solvency

*As at 30 June 2011;** Assumptions considering actual characteristics of the portfolio
Sovereign Exposures - Italy

- €20.8bn* exposure in the banking book
- Fiscal deficit remained limited (4.6% of GDP)
- Household debt ratio of 61%, versus 96% on average in the euro zone
- Measures
  - 15 July: approved a €48bn deficit-busting package
  - 7 September: package upgraded to €55bn, already approved by Senate, expected to be approved on 15 September by The Lower House
  - Plan to balance the country’s budget by 2013, instead of 2014

**Estimated fiscal balance**

<table>
<thead>
<tr>
<th>Year</th>
<th>Estimated Fiscal Balance in % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>-4.6</td>
</tr>
<tr>
<td>2011</td>
<td>-3.9</td>
</tr>
<tr>
<td>2012</td>
<td>-1.4</td>
</tr>
<tr>
<td>2013</td>
<td>0</td>
</tr>
</tbody>
</table>

*As at 30 June 2011; ** Source: State
Solvency

Capital ratios

- 2010: +120bp* ratio increase
  - o/w 90bp resulting from common equity generation
  - o/w 30bp resulting from Risk-Weighted Assets reduction

Powerful capacity to generate equity & optimise asset base

* Including 1/3 payout paid fully in cash
Since early 2011, the Group has taken actions to adapt the business model to the new liquidity, solvency and leverage environment.

- CIB USD liquidity specific action plan
  - USD22bn reduction, already realised in 1H11
  - Additional USD60bn reduction targeted by end 2012

- Global asset optimisation plan to reduce leverage
  - CIB USD liquidity specific action plan (see above)
  - Refocus businesses on strategic activities, including active portfolio management
  - Objective: +100bp of additional Common Equity Tier 1 by end 2012 (vs. 30.06.2011)
    - Equivalent ~ €70bn of RWA reduction
    - Equivalent ~ 10% deleveraging

Group’s fully-loaded Basel 3 common equity Tier 1 ratio objective: 9% as of 01.01.2013
New Challenges

Intrinsic Strengths
Group Overview - Business Mix

A strong foothold in retail banking (1/2), sizable CIB (1/3) and asset gathering activities (1/6)

* Operating divisions; ** Including 2/3 of Private Banking for FRB (including PEL/CEL effects), BNL bc and BeLux RB
Corporate and Investment Banking

- Cost/income ratio: still the best in the industry in 1H 2011
  - Including the deferred and conditional part of variable compensation (payable in 2012, 2013,..)

A diversified and client-centric business model
Barclays Conference – September 2011

RWA: €179bn as at 30.06.2011
- 30% of Group’s total RWA
- O/w Capital markets (€71bn): only 12% of Group’s total RWA
  o/w market risk RWA: <2% of Group’s total RWA

Limited impact of Basel 2.5 & Basel 3: ~+€70bn additional RWA
- VaR: €47m as at 30.06.2011
- Reclassified legacy assets: only €4.8bn as at 30.06.11; flat shadow P&L*
- Securitisation: already included in RWA (no deduction from capital 50/50)
- Counterparty risk already calculated with a stressed scenario

Day-to-day optimisation already initiated
- RWA: -€22bn since 30.06.2010

Basel 2.5 & Basel 3 RWA:
limited impact and proactive management already initiated

* If no reclassification had been implemented, the aggregate pre-tax income since the first reclassification would have been quite similar
Corporate and Investment Banking

- **2010 pre-tax ROE**: 38%  
  - **Pro forma Basel 2.5**: 32%  
  - **Pro forma Basel 3 (est.)**: ~30%  
    - Depending on the SIFIS surcharge

- Positioned to remain profitable in the new regulatory environment
CIB - Pro-active Adaptation & Deleveraging

- 1H11 achievements: USD 22bn liquidity reduction, mainly in Capital Markets activities
- 2012 target: deleverage by an additional USD60bn (o/w 1/3 by end 2011)
  - Asset repricing
  - Strict origination policies
    - Increased discipline at origination for all medium term loans
    - Increased selectivity for short-term facilities
  - Asset sales and business disposals
- Leverage the FI-DCM platform to take advantage of the disintermediation trend
- Leverage global Cash Management platform to extend customer deposit base
- Efficiently adjust, in that context, the CIB cost base

Positioning CIB for the new environment
Resilient business model
- Integrated model with excellent complementary fit between businesses

2010 pre-tax ROE: 31%
- Low capital consumption businesses

Integrated model generating strong profitability
Retail Banking

Strong cash flow generation capacity in sound markets

- Revenues* +3.3%
- Cost/Income* (59pt): -0.2pt
- Cost of risk* -20.9%
- Pre-Tax Income** +27.2%
- 1H11 Pre-tax ROE 25%

* Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy and Belgium;
** Including 2/3 of Private Banking in France, Italy and Belgium
Domestic Retail Markets (1/2)

Evolution of real GDP *

<table>
<thead>
<tr>
<th>Year</th>
<th>Belgium</th>
<th>France / US</th>
<th>Euro zone</th>
<th>UK</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>102.4</td>
<td>99.5</td>
<td>98.6</td>
<td>96.5</td>
<td>95.6</td>
</tr>
</tbody>
</table>

Job base change***

<table>
<thead>
<tr>
<th>Year</th>
<th>Belgium</th>
<th>France / US</th>
<th>Euro zone</th>
<th>UK</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Housing prices **

Moderated impact of the crisis in our domestic markets despite fiscal discipline, recovery under way

* Source: States and Eurostat; ** States; *** Source: Eurostat, BLS, ONS
Domestic Retail Markets (2/2)

- **Household debt**
  - In % of gross disposable income
  - United States 148%
  - United Kingdom 140%
  - Euro zone 98%
  - France 79%
  - Belgium 74%
  - Italy 65%

- **Gross savings rate in 1Q11**
  - Belgium 16.3%
  - France 15.8%
  - Euro zone 13.5%
  - Italy 12.1%
  - UK 5.1%
  - US 5.0%

- **Low level of household debt**
  - Potential room for further lending

- **High savings rate**
  - Potential room for further selling savings products, including deposits

**Wealthy and sound domestic markets**

* Source: Banque de France, Belgostat for Belgium
** Source: Eurostat for euro zone, US Bureau of Economic Analysis
Good volumes
- Deposits: strong inflows in current accounts (+6.1% vs. 1H10)
- Loans: +4.3% vs. 1H10, o/w +9.2% in mortgages

Sound mortgage markets
- Mainly fixed rates
- Based on affordability rate
- Well guaranteed, very low delinquencies

Good volume growth in domestic markets
Retail Banking - Pro-active Adaptation & Deleveraging

- Initiated early 2011, exit from
  - Long-term funding businesses lacking cross-selling opportunities
  - Businesses lacking repricing capacity

- Personal Finance
  - Downsize mortgage specialized businesses
    - Hungary, The Netherlands, Norway, Spain and Switzerland
    - Brokers’ activity in France
  - Refocus domestic markets’ mortgage activity on retail networks and increase cross-selling: France, Italy, Belgium
  - Impact of the adaptation measures on the €30bn identified portfolio: €9bn by end 2012

- Equipment Solutions
  - Exit from leasing non core perimeters (Real Estate leasing, Specific asset leasing - yachts, Business Jets, etc) and subscale countries (UK, Hungary, Switzerland)
  - Impact of the adaptation measures on the €6bn identified portfolio: €3bn by end 2012

Process already under implementation
Risk Management Culture (1/2)

- Domestic Markets
  - France and Belgium: maintained at a low level
  - Italy: improving trend

- Other Retail Banking
  - Europe-Mediterranean: decrease in all regions
  - BancWest: improved quality of the loan book
  - Personal Finance: ongoing reduction

- CIB - Financing businesses: limited new doubtful loans, additional provisions offset by write-backs

**Decline in the cost of risk**

*Impact of the Greek assistance plan*
Risk Management Culture (2/2)

Cost of risk/Gross operating income 2007-2010*

- CS: 9%
- DB: 31%
- ISP: 33%
- SAN: 37%
- BNPP: 37%
- BBVA: 39%
- SG: 46%
- UCI: 46%
- WF: 53%
- JPM: 53%
- BARC: 54%
- HSBC: 61%
- CASA: 67%
- BoA: 71%
- Citi: 164%
- RBS: 203%

*Source: banks; **o/w Greek assistance plan impact: 5%

Cost of risk/Gross operating income 1H11*

- CS: -1%
- UBS: 0%
- DB: 15%
- JPM: 16%
- BNPP: 24%
- WF: 26%
- HSBC: 35%
- ISP: 35%
- SAN: 39%
- BBVA: 40%
- Citi: 40%
- BARC: 41%
- SG: 46%
- CASA: 46%
- UCI: 48%
- RBS: 69%

*Source: banks; **o/w Greek assistance plan impact: 5%

Stringent risk policy

Barclays Conference – September 2011
Consolidated Group Results

Recurrent and strong earnings generation capacity
Attention paid to the risk/return ratio across the cycle

* French accounting standards
1H11 ROE Benchmark

1H11 Return on equity

Solid profitability

Source: banks
Earnings per Share, Book Value per Share

Proven track record along the crisis
Conclusion

- Proactive management of liquidity
- Adaptation to the new regulatory environment
- 9%* common equity Tier 1 ratio target as at 01.01.2013

*fully loaded
Appendices
BNP Paribas Fortis
Synergies

Net cumulative synergies

- Cumulative synergies as at 30 June 2011: €898m
  - Still €300m to be booked by end 2012
- Restructuring costs already booked as at 30 June 2011: €1.3bn
  - Out of a total of €1.65bn to be fully booked by the end of 2011

Breakdown of synergies by business unit in 2012

Full impact of synergies in 2012 supporting Group’s results

* Booked in Corporate Centre
Balance Sheet

Balance sheet: assets

Active balance sheet management since Fortis acquisition
<table>
<thead>
<tr>
<th>Rating Agency</th>
<th>Long Term</th>
<th>Short Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard and Poor’s</td>
<td>AA (negative outlook)</td>
<td>A-1+</td>
</tr>
<tr>
<td>Fitch</td>
<td>AA- (stable outlook)</td>
<td>F1+</td>
</tr>
<tr>
<td>Moody’s</td>
<td>Aa2 (under review)</td>
<td>P-1</td>
</tr>
</tbody>
</table>
### Top banking groups as of 11 September 2011

<table>
<thead>
<tr>
<th>Rating</th>
<th>Bank Name</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>Rabobank</td>
<td>(negative)</td>
</tr>
<tr>
<td>AA</td>
<td>HSBC Bank Plc</td>
<td>(Stable)</td>
</tr>
<tr>
<td></td>
<td>Banco Santander</td>
<td>(negative)</td>
</tr>
<tr>
<td></td>
<td>BBVA</td>
<td>(negative)</td>
</tr>
<tr>
<td>AA-</td>
<td>JPMorgan Chase Bank</td>
<td>(stable)</td>
</tr>
<tr>
<td></td>
<td>Barclays Bank Plc</td>
<td>(negative)</td>
</tr>
<tr>
<td>A+</td>
<td>Crédit Suisse</td>
<td>(stable)</td>
</tr>
<tr>
<td></td>
<td>Société Générale</td>
<td>(stable)</td>
</tr>
<tr>
<td></td>
<td>Deutsche Bank</td>
<td>(stable)</td>
</tr>
<tr>
<td></td>
<td>UBS</td>
<td>(stable)</td>
</tr>
<tr>
<td></td>
<td>RBS Plc</td>
<td>(stable)</td>
</tr>
<tr>
<td></td>
<td>Crédit Agricole</td>
<td>(stable)</td>
</tr>
<tr>
<td></td>
<td>Intesa Sanpaolo</td>
<td>(negative)</td>
</tr>
<tr>
<td></td>
<td>Bank of America N.A.</td>
<td>(negative)</td>
</tr>
<tr>
<td></td>
<td>Citibank N.A.</td>
<td>(negative)</td>
</tr>
<tr>
<td></td>
<td>BNP Paribas</td>
<td>(negative)</td>
</tr>
<tr>
<td></td>
<td>Wells Fargo Bank N.A.</td>
<td>(negative)</td>
</tr>
</tbody>
</table>
Consolidated Debt & Fiscal Balance by Country

**Government and Households debt (2010)***

<table>
<thead>
<tr>
<th>Country</th>
<th>Government</th>
<th>Households</th>
<th>% GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>142</td>
<td>54</td>
<td>142</td>
</tr>
<tr>
<td>Belgium</td>
<td>143</td>
<td>48</td>
<td>143</td>
</tr>
<tr>
<td>Spain</td>
<td>149</td>
<td>64</td>
<td>149</td>
</tr>
<tr>
<td>Eurozone</td>
<td>152</td>
<td>64</td>
<td>152</td>
</tr>
<tr>
<td>Italy</td>
<td>164</td>
<td>45</td>
<td>164</td>
</tr>
<tr>
<td>UK</td>
<td>179</td>
<td>97</td>
<td>179</td>
</tr>
<tr>
<td>US</td>
<td>196</td>
<td>116</td>
<td>196</td>
</tr>
</tbody>
</table>

*Source: Banque de France; ** Source: States, estimates for US as there is no official plan encompassing total public deficit

**Estimated fiscal balance by country (including local governments)**

<table>
<thead>
<tr>
<th>Country</th>
<th>2010*</th>
<th>2011e**</th>
<th>2012e**</th>
<th>2013e**</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>-10.6</td>
<td>-10.4</td>
<td>-10.3</td>
<td>-10.2</td>
</tr>
<tr>
<td>UK</td>
<td>-9.2</td>
<td>-9.8</td>
<td>-9.5</td>
<td>-9.4</td>
</tr>
<tr>
<td>Spain</td>
<td>-8.3</td>
<td>-8.1</td>
<td>-8.8</td>
<td>-8.7</td>
</tr>
<tr>
<td>France</td>
<td>-8.0</td>
<td>-7.8</td>
<td>-7.5</td>
<td>-7.4</td>
</tr>
<tr>
<td>Italy</td>
<td>-1.8</td>
<td>-1.6</td>
<td>-1.5</td>
<td>-1.4</td>
</tr>
<tr>
<td>Belgium</td>
<td>-1.5</td>
<td>-1.4</td>
<td>-1.3</td>
<td>-1.2</td>
</tr>
<tr>
<td>Germany</td>
<td>-1.5</td>
<td>-1.4</td>
<td>-1.3</td>
<td>-1.2</td>
</tr>
</tbody>
</table>

*Source: Banque de France; ** Source: States, estimates for US as there is no official plan encompassing total public deficit
# Euro Zone Sovereign Exposures

<table>
<thead>
<tr>
<th>Country</th>
<th>Exposures in €bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>1.0</td>
</tr>
<tr>
<td>Belgium</td>
<td>17.1</td>
</tr>
<tr>
<td>Cyprus</td>
<td>0.0</td>
</tr>
<tr>
<td>Estonia</td>
<td>-</td>
</tr>
<tr>
<td>Finland</td>
<td>0.4</td>
</tr>
<tr>
<td>France</td>
<td>15.0</td>
</tr>
<tr>
<td>Germany</td>
<td>4.0</td>
</tr>
<tr>
<td>Greece</td>
<td>3.5*</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.4</td>
</tr>
<tr>
<td>Italy</td>
<td>20.8</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>0.0</td>
</tr>
<tr>
<td>Malta</td>
<td>-</td>
</tr>
<tr>
<td>The Netherlands</td>
<td>8.5</td>
</tr>
<tr>
<td>Portugal</td>
<td>1.4</td>
</tr>
<tr>
<td>Slovakia</td>
<td>0.0</td>
</tr>
<tr>
<td>Slovenia</td>
<td>0.0</td>
</tr>
<tr>
<td>Spain</td>
<td>2.8</td>
</tr>
</tbody>
</table>

* Including impairment as at 30 June 2011
Variation in the Cost of Risk by Business Unit (1/3)

Net provisions/Customer loans (in annualised bp)

FRB
- Cost of risk: €81m
  - €30m vs. 2Q10
  - €1m vs. 1Q11
- Maintained at a low level this quarter

BNL bc
- Cost of risk: €196m
  - €9m vs. 2Q10
  - €2m vs. 1Q11
- Improving trend

BeLux Retail Banking
- Cost of risk: €46m
  - €20m vs. 2Q10
  - €11m vs. 1Q11
- Maintained at a low level this quarter

* Pro-forma
### Variation in the Cost of Risk by Business Unit (2/3)

**Net provisions/Customer loans (in annualised bp)**

**Europe-Mediterranean**
- Cost of risk: €47m
  - €29m vs. 2Q10
  - €56m vs. 1Q11
- Decrease in all regions this quarter

<table>
<thead>
<tr>
<th>Year</th>
<th>Europe-Mediterranean</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>176</td>
</tr>
<tr>
<td>2009</td>
<td>355</td>
</tr>
<tr>
<td>2010</td>
<td>146</td>
</tr>
<tr>
<td>1Q10</td>
<td>117</td>
</tr>
<tr>
<td>2Q10</td>
<td>130</td>
</tr>
<tr>
<td>3Q10</td>
<td>150</td>
</tr>
<tr>
<td>4Q10</td>
<td>185</td>
</tr>
<tr>
<td>1Q11</td>
<td>180</td>
</tr>
<tr>
<td>2Q11</td>
<td>85</td>
</tr>
</tbody>
</table>

**BancWest**
- Cost of risk: €62m
  - €65m vs. 2Q10
  - €13m vs. 1Q11
- Continuing loan book improvement

<table>
<thead>
<tr>
<th>Year</th>
<th>BancWest</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>180</td>
</tr>
<tr>
<td>2009</td>
<td>310</td>
</tr>
<tr>
<td>2010</td>
<td>119</td>
</tr>
<tr>
<td>1Q10</td>
<td>163</td>
</tr>
<tr>
<td>2Q10</td>
<td>132</td>
</tr>
<tr>
<td>3Q10</td>
<td>107</td>
</tr>
<tr>
<td>4Q10</td>
<td>79</td>
</tr>
<tr>
<td>1Q11</td>
<td>78</td>
</tr>
<tr>
<td>2Q11</td>
<td>69</td>
</tr>
</tbody>
</table>

**Personal Finance**
- Cost of risk: €406m
  - €80m vs. 2Q10
  - €25m vs. 1Q11
- Ongoing reduction

<table>
<thead>
<tr>
<th>Year</th>
<th>Personal Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>173</td>
</tr>
<tr>
<td>2009</td>
<td>264</td>
</tr>
<tr>
<td>2010</td>
<td>226</td>
</tr>
<tr>
<td>1Q10</td>
<td>252</td>
</tr>
<tr>
<td>2Q10</td>
<td>231</td>
</tr>
<tr>
<td>3Q10</td>
<td>219</td>
</tr>
<tr>
<td>4Q10</td>
<td>205</td>
</tr>
<tr>
<td>1Q11</td>
<td>196</td>
</tr>
<tr>
<td>2Q11</td>
<td>183</td>
</tr>
</tbody>
</table>
Variation in the Cost of Risk by Business Unit (3/3)

Net provisions/Customer loans (in annualised bp)

- CIB Financing businesses

- Cost of risk: write-back of €14m
  - Compared to write-back of €98m in 2Q10
  - Compared to provision of €37m in 1Q11

- Limited new doubtful loans, additional provisions more than offset by write-backs