

BNP PARIBAS

EUROPEAN LEADER WITH STRONG CAPITAL GENERATION CAPACITY

Fixed Income Presentation

June 2016



BNP PARIBAS

The bank for a changing world

Disclaimer

The figures included in this presentation are unaudited. On 29 March 2016, BNP Paribas issued a restatement of its quarterly results for 2015 reflecting, in particular (i) an increase in the capital allocated to each business line to 11% of risk-weighted assets, compared to 9% previously, (ii) the charge of subordination costs of Additional Tier 1 and Tier 2 debt issued by the Group to the divisions and business lines, a review of the way it charges and remunerates liquidity between the Corporate Centre and the business lines and the adaptation of the allocation practices for revenues and operating expenses of Treasury activities within CIB, (iii) the allocation to the divisions and business lines of the contribution to the Single Resolution Fund, the reduction of the French systemic tax and new contributions to the deposit guarantee funds of BNL and Luxembourg Retail Banking which had been temporarily booked in the operating expenses of the Corporate Centre and (iv) some limited internal transfers of business activities and results. The 2015 quarterly result series have been restated reflecting these effects as if they had occurred on 1st January 2015. This presentation is based on the restated 2015 quarterly series.

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. It should be recalled in this regard that the Supervisory Review and Evaluation Process is carried out each year by the European Central Bank, which can modify each year its capital adequacy ratio requirements for BNP Paribas.

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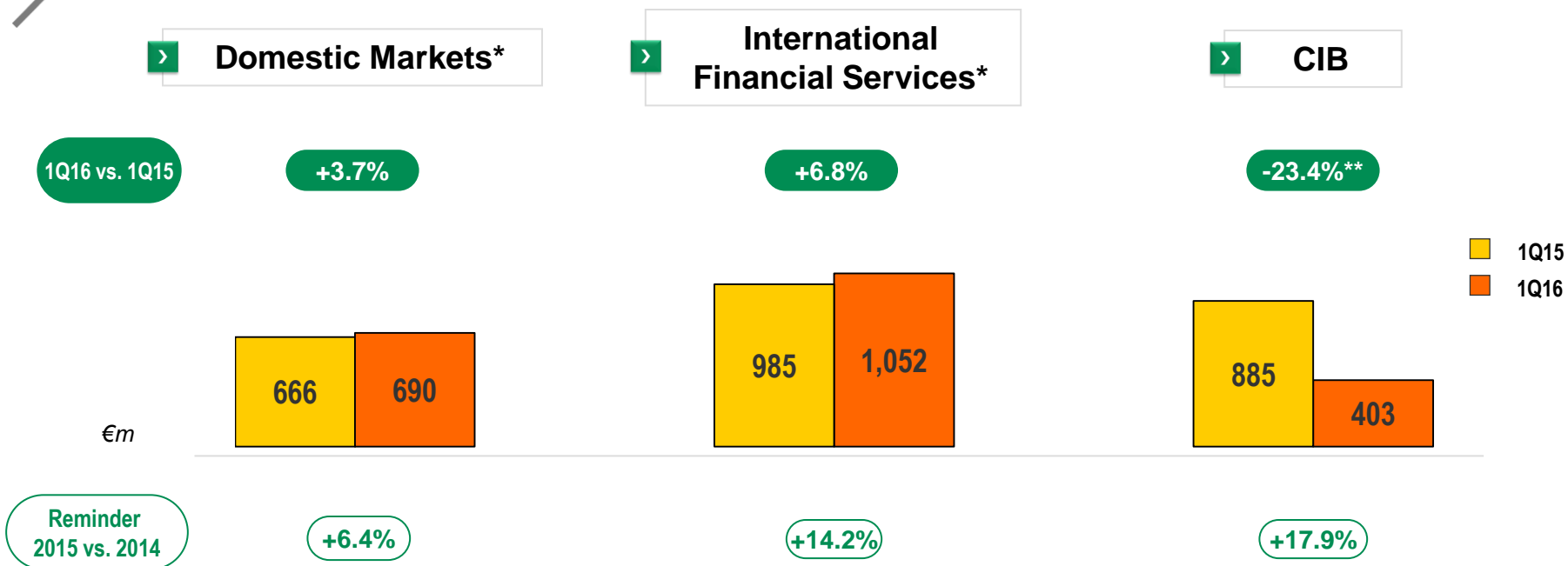
1Q16 Results Highlights

Strong Solvency and Capital Generation Capacity

Focus on Medium and Long Term Funding



1Q16 - Pre-tax Income of the Operating Divisions



- Good growth at Domestic Markets and IFS due in particular to the decline in the cost of risk
- CIB: sharp decrease in Global Markets due to the very challenging market environment in the first quarter

1Q16: growth at Domestic Markets and IFS, decrease at CIB in a very challenging market environment

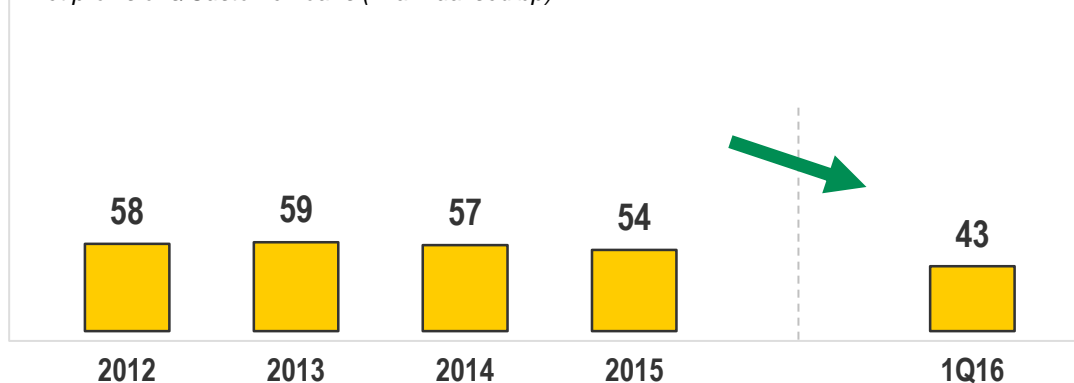
* Including 2/3 of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium, Luxembourg, at BancWest and TEB; ** Excluding one-off items, FVA and impact of IFRIC 21



1Q16 - Group Cost of Risk

> Group Cost of Risk

Net provisions/Customer loans (in annualised bp)



- Significant decrease in the cost of risk this quarter
 - Good control of risk at loan origination & effect of the low interest rate environment
 - Positive impact notably in Personal Finance
 - Continued decrease of the cost of risk in Italy

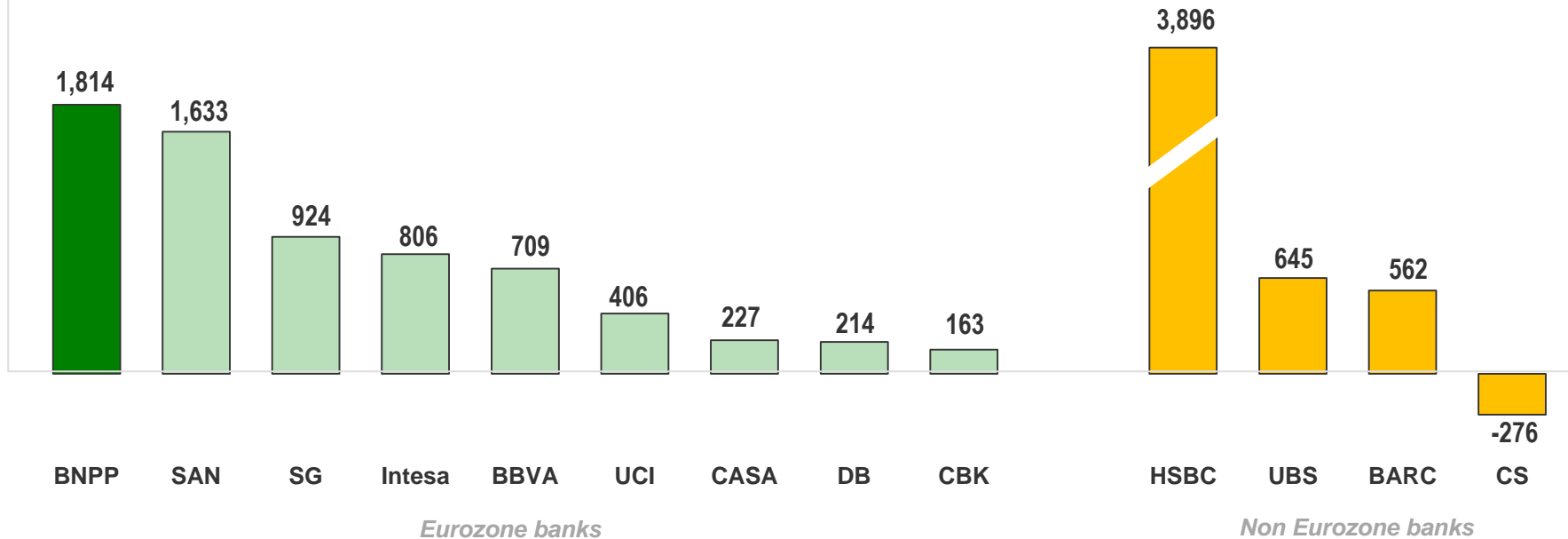
> **Strong risk management and low rate environment contributing to lower cost of risk**



1Q16 - Strong Profitability

> 1Q16 Net Income*

€m**



- ROE excluding exceptional items***: 9.4%
- ROTE excluding exceptional items***: 11.2%

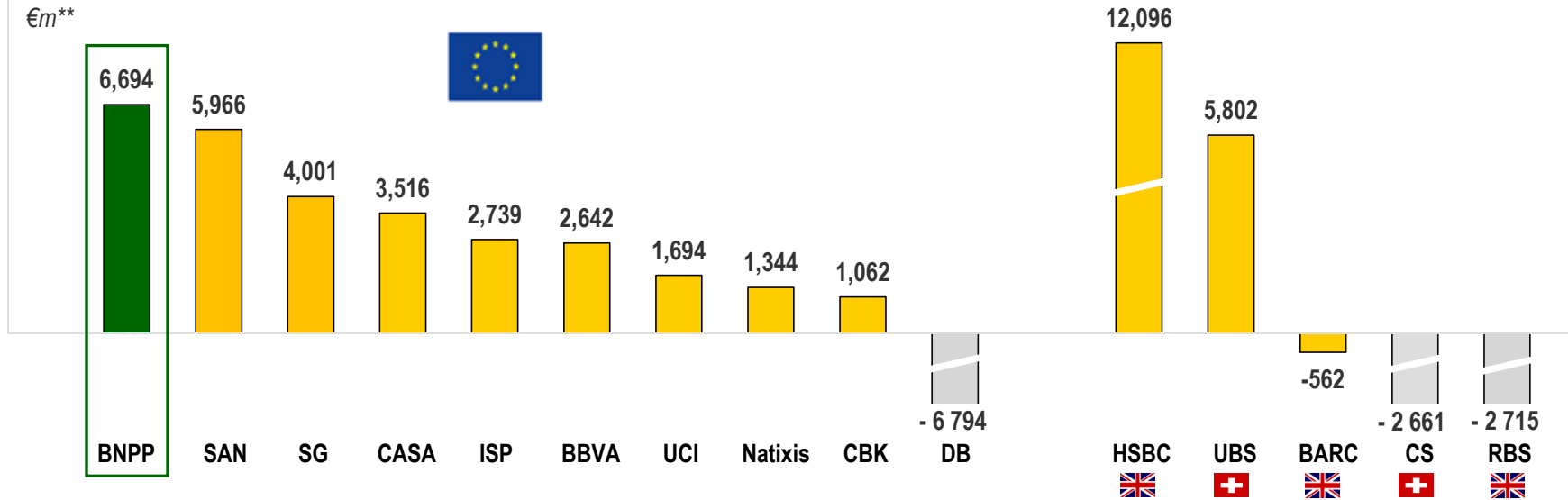
> **Strong profit generation capacity & best in class ROE and ROTE**

*Attributable to equity holders, as disclosed by banks; **Average quarterly exchange rates; *** Excluding one-off items (positive in 1Q16: +319M€) with contribution to the Single Resolution Fund and systemic taxes not annualised



2015 - Strong Underlying Profitability

> 2015 Net Profit (reported)*



- Return on Equity: 8.3%
- Return on Tangible Equity: 10.1%
- Net Income excluding exceptional items: €7.3bn

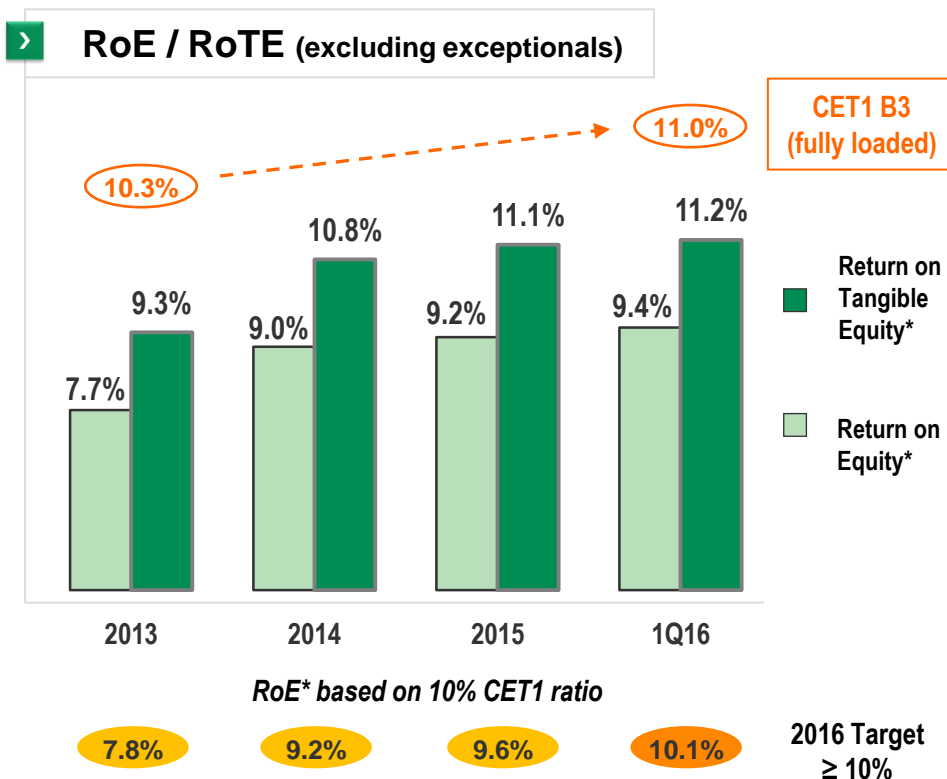
> **Good profit-generation capacity and best-in-class returns**

* As disclosed by banks; **Average quarterly exchange rates



Delivering on 2016 RoE Target

- Several levers contributing to Return on Equity improvement...
 - Simple & Efficient: ramping up of recurrent cost savings
 - Progressive loan volumes pick up in the context of a better European economy
 - Success of the regional plans
 - BNL balance sheet de-risking
- ... despite headwinds
 - Low interest rates environment
 - New taxes and regulations
 - Higher capital requirements
- 2016 RoE target of the plan confirmed (reminder: 10% ROE calculated on 10% CET1 ratio)



Steady increase of the RoE and RoTE over 2014-2016 together with higher CET1 ratio

* Excluding exceptionals. For 1Q16, with contribution to the Single Resolution Fund and systemic taxes not annualised



1Q16 Results Highlights

Strong Solvency and Capital Generation Capacity

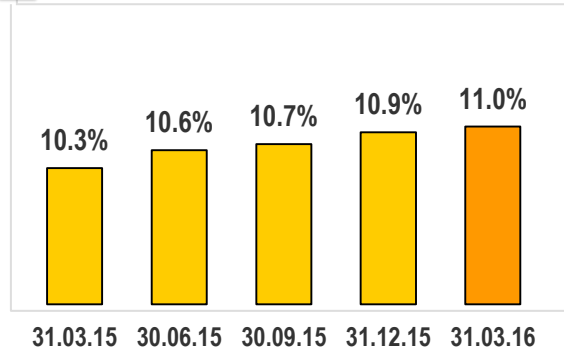
Focus on Medium and Long Term Funding



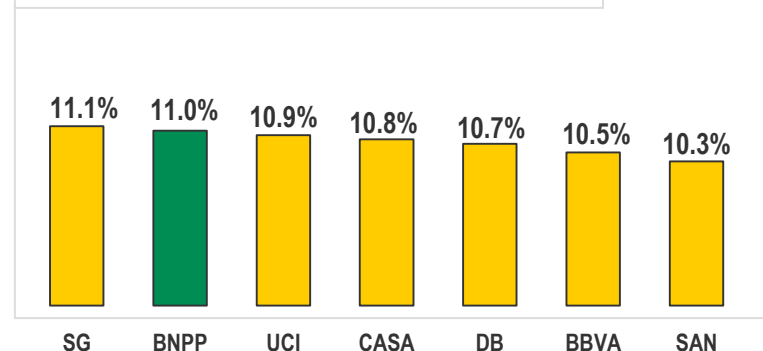
A Rock-solid Financial Structure

- Fully loaded Basel 3 CET1 ratio*: 11.0% as at 31.03.16 (+70 bp vs. 31.03.15)
 - Essentially due to the results after taking into account a 45% dividend pay-out ratio

> Fully loaded Basel 3 CET1 ratio*

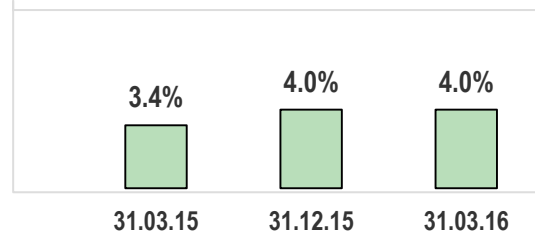


> CET1 ratio Eurozone Peer Group**



- Fully loaded Basel 3 leverage***: 4.0% as at 31.03.16

> Fully loaded Basel 3 leverage ratio***



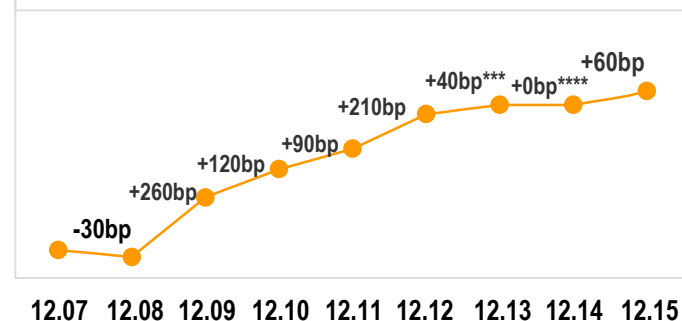
* CRD4 "2019 fully loaded"; ** Eurozone banks with similar business profile; *** CRD4 "2019 fully loaded", calculated according to the delegated act of the European Commission dated 10.10.2014



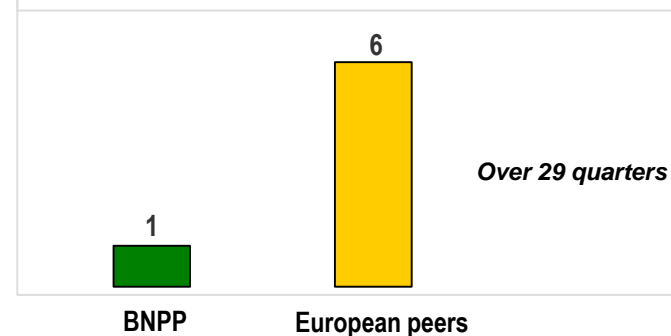
Evolution of CET1 Ratio by 2019

- Capital requirement (CET1) following the ECB's SREP: 10.0% in 2016
 - Including G-SIB buffer of 0.5% in 2016
 - Phased-in CET1 ratio of 11.1% as at 31.03.16, well above the minimum requirement
- Anticipated level of fully loaded Basel 3 CET1 ratio requirement of 11.5% in 2019
 - Given the gradual phasing-in of the G-SIB buffer to 2% in 2019
- Target to achieve this level by mid 2017 thanks to:
 - Organic generation and active capital management policy (~35 bp per year)
 - Sale or initial public offering of First Hawaiian Bank (~40 bp*)
- Target of a fully loaded Basel 3 CET1 ratio of 12.0% as of 2018
 - Taking into account a 50 bp management buffer, coherent with the Group's strong and recurring organic capital generation throughout the cycle

Annual evolution of the CET1 ratio**



Number of quarters of negative CET1 ratio evolution (2009-1Q16, European peers)*****



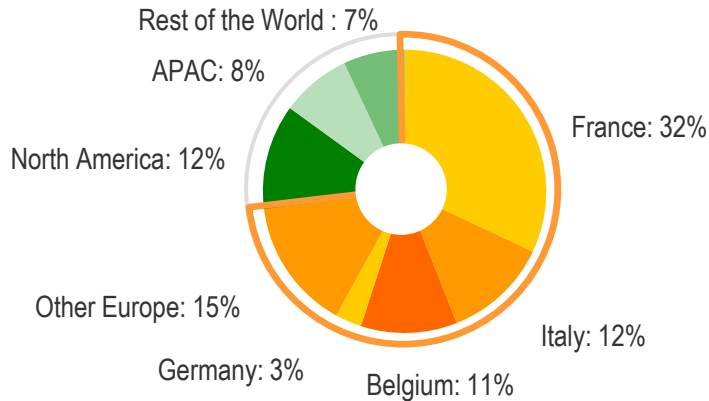
Target of a fully loaded CET1 ratio of 12%
Steady organic growth of CET1 ratio across the cycle

* Subject to market conditions and regulatory authorisations; ** Basel 2 from December 2007 to December 2011, Basel 2.5 as at December 2012, then fully loaded Basel 3 for the years after; *** Including the buy-back of the Fortis shares held by the minority shareholders (~50bp); **** +100bp excluding costs related to the comprehensive settlement with the U.S. authorities; ***** Q/Q-1 CET1 ratio evolution restated of capital increases and acquisitions; average number of quarters of negative CET1 ratio evolution for 10 European peers

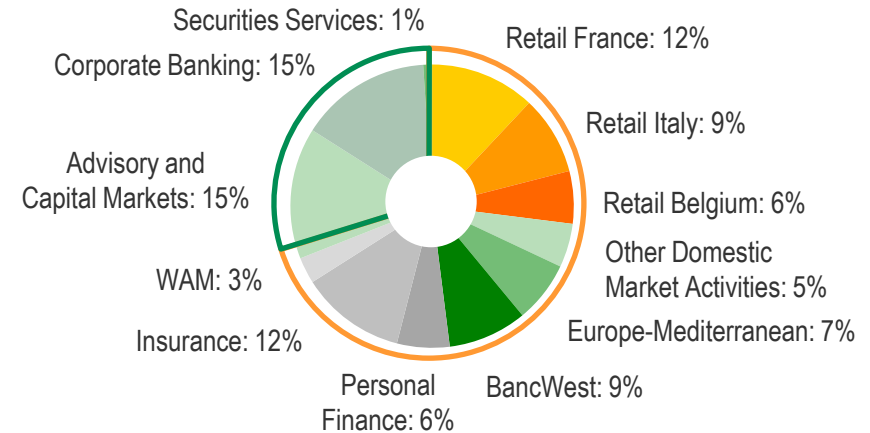


An Integrated Business Model with Strong Diversification Resulting in Recurrent Earnings Generation

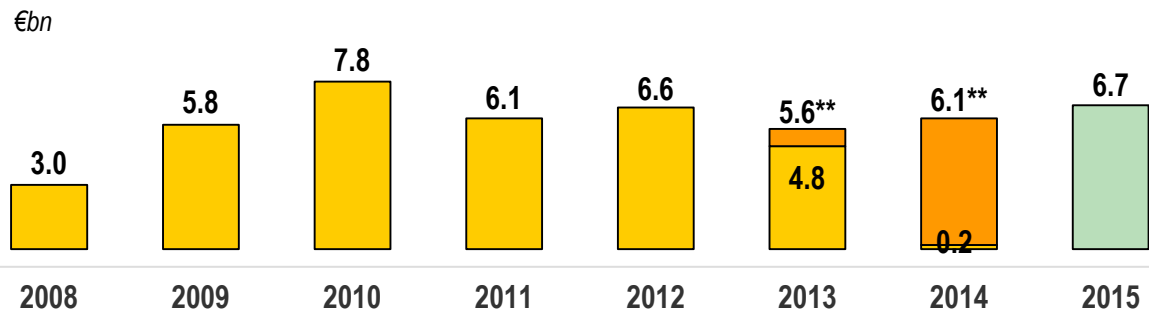
> 2015 Revenues by geography: >85% in wealthy markets



> 2015 Allocated equity* by business No single business line > 15%



> Recurrent earnings generation through the cycle Net Income Group Share (2008-2015)

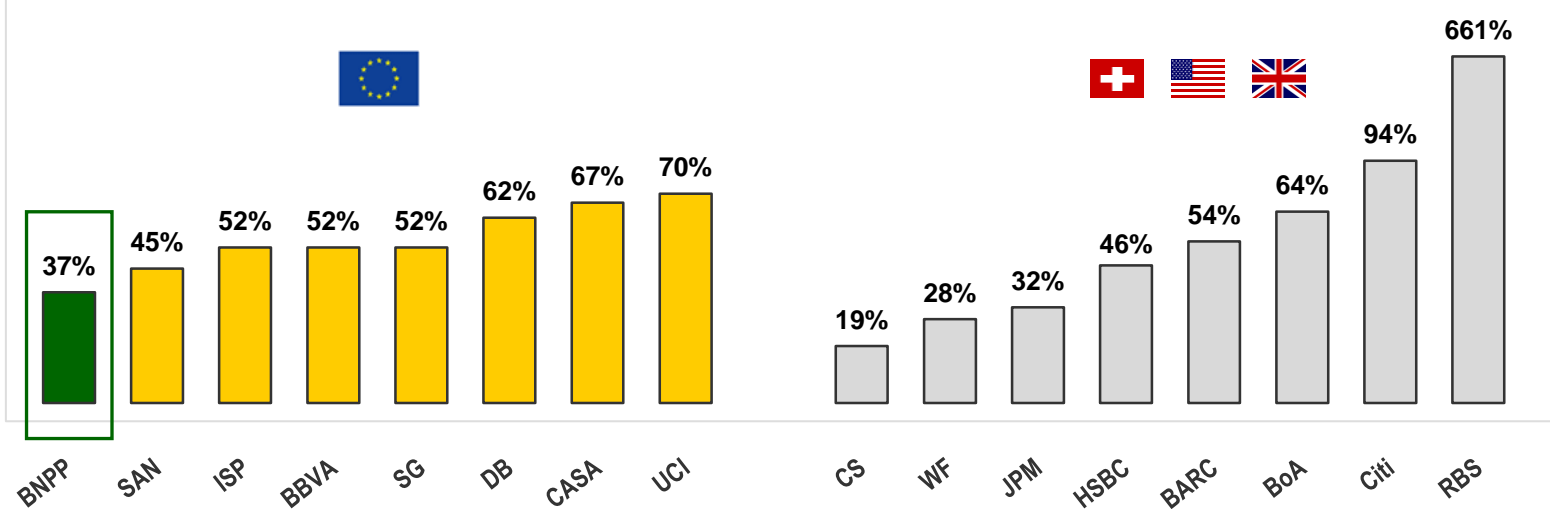


* Operating divisions; ** Adjusted for costs and provisions related to the comprehensive settlement with US authorities



Strong diversification implying lower risk profile

> Cost of Risk/Gross Operating Income
2008-2015



- Low risk appetite and strong diversification lead to low cost of risk
- One of the lowest CoR/GOI through the cycle

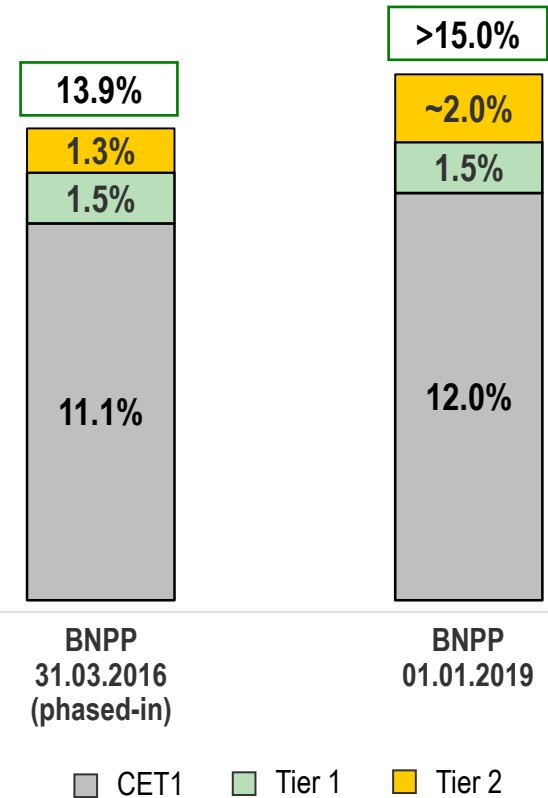


Evolution of the Total Capital Ratio by 2019

- Target of a Total Capital ratio above 15% in 2019
 - Target of a fully loaded CET1 ratio of 12.0%
 - Issuance of €1.5 to €2bn of Additional Tier 1 per year during 3 years to remain at 1.5% of Tier 1
 - Issuance of €2 to €3bn of Tier 2 per year during 3 years to achieve ~2.0% of Tier 2
- Bringing the Total Capital to over €100bn
- Further strengthening the excellent credit quality of BNP Paribas' debt securities

> Total Capital Ratio

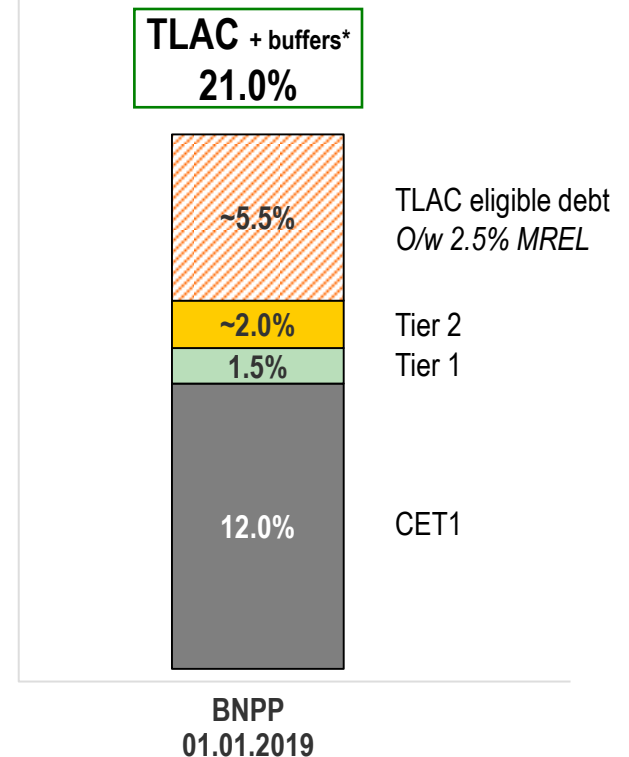
BNPP's 2016-2019 trajectory



Total Loss Absorbing Capacity (TLAC) Ratio by 2019

- Target of a TLAC ratio of 21.0% in 2019
- Issue of ~€30bn of TLAC eligible senior debt by 01.01.2019*
 - Given a MREL allowance of 2.5% eligible for TLAC
 - Equivalent to ~€10bn per year, to be realised within the usual medium long term funding programme of about €25bn per year

TLAC Ratio – 2019 BNPP



* Conservation buffer and G-SIB buffer

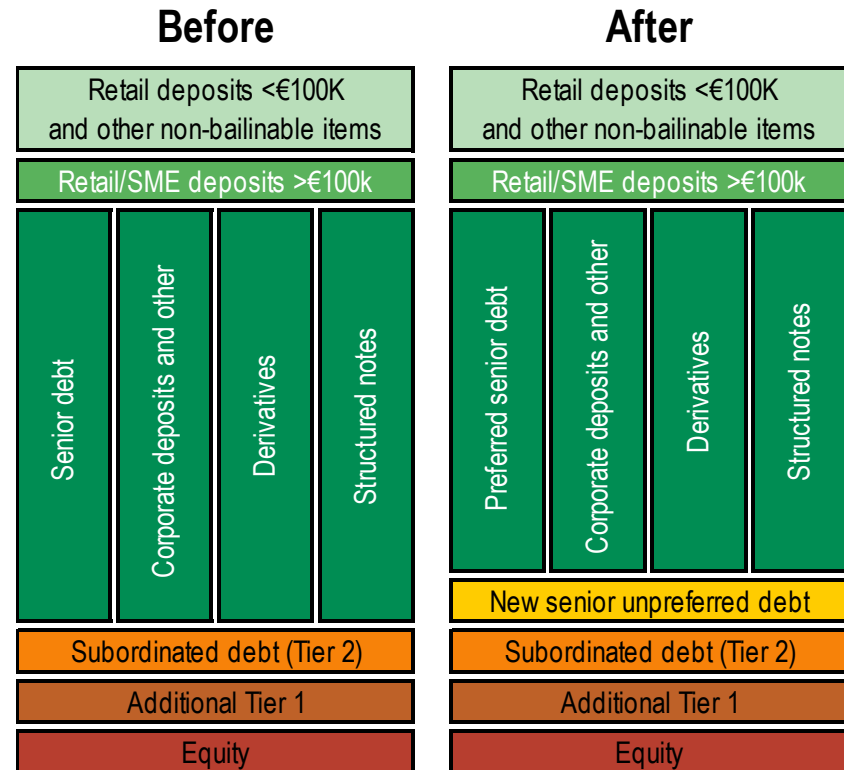


TLAC Adaptation for French G-SIBs

French Proposal

- Change in the hierarchy in liquidation and resolution context
 - Preference to all creditors including the current holders of senior debt
 - Creation of a new category of senior unpreferred debt which will be loss absorbing before the current senior unsecured but after subordinated debt
- Main characteristics of this new senior debt:
 - Initial maturity > 1 year
 - Not structured debt
 - Contractual clause mentioning that the new senior debt belongs to the new category

> Simplified creditor hierarchy



1Q16 Results Highlights

Strong Solvency and Capital Generation Capacity

Focus on Medium and Long Term Funding



Wholesale Medium/Long-Term Funding

- 2016 MLT funding programme of €25bn, of which:

- Additional Tier 1: €1.5 to 2bn*
- Tier 2: €2 to 3bn*
- TLAC eligible senior debt: ~€10bn*

- Additional Tier 1: €1.3bn issued**

- Success of the AT1 issuance in USD on 23 March, 325 investors across Europe, Americas and Asia, \$1.5bn, perpetual Non Call 5, coupon of 7.625%

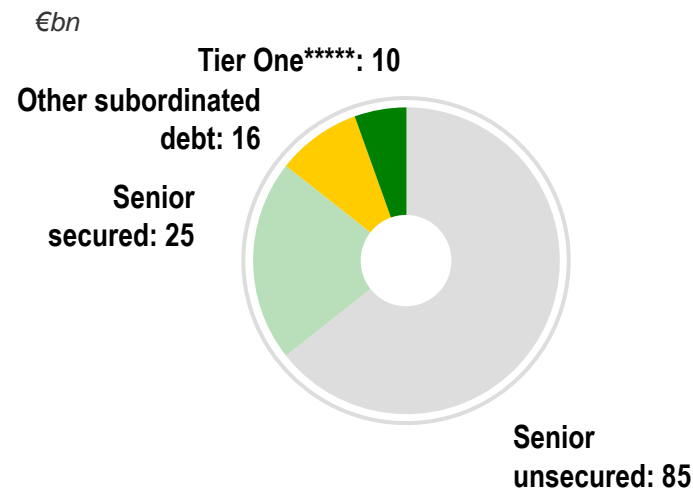
- Tier 2: €3.3bn issued**

- Mid-swap +204 bp on average, average maturity of 10 years***
- Of which €750m at 10.6 years, issued in March 2016 (mid-swap +227 bp)
- Of which \$1.25bn, 10 year bullet, issued in May 2016 (T+265bp)
- Of which AUD475m, 12NC7Y, issued in May 2016 and June 2016 (BBSW 3m+288bps)

- Senior debt: €10.7bn issued**

- Average maturity of 6.5 years, mid-swap +63 bp on average

➤ **Wholesale MLT funding structure breakdown as at 31.03.16: €136bn******

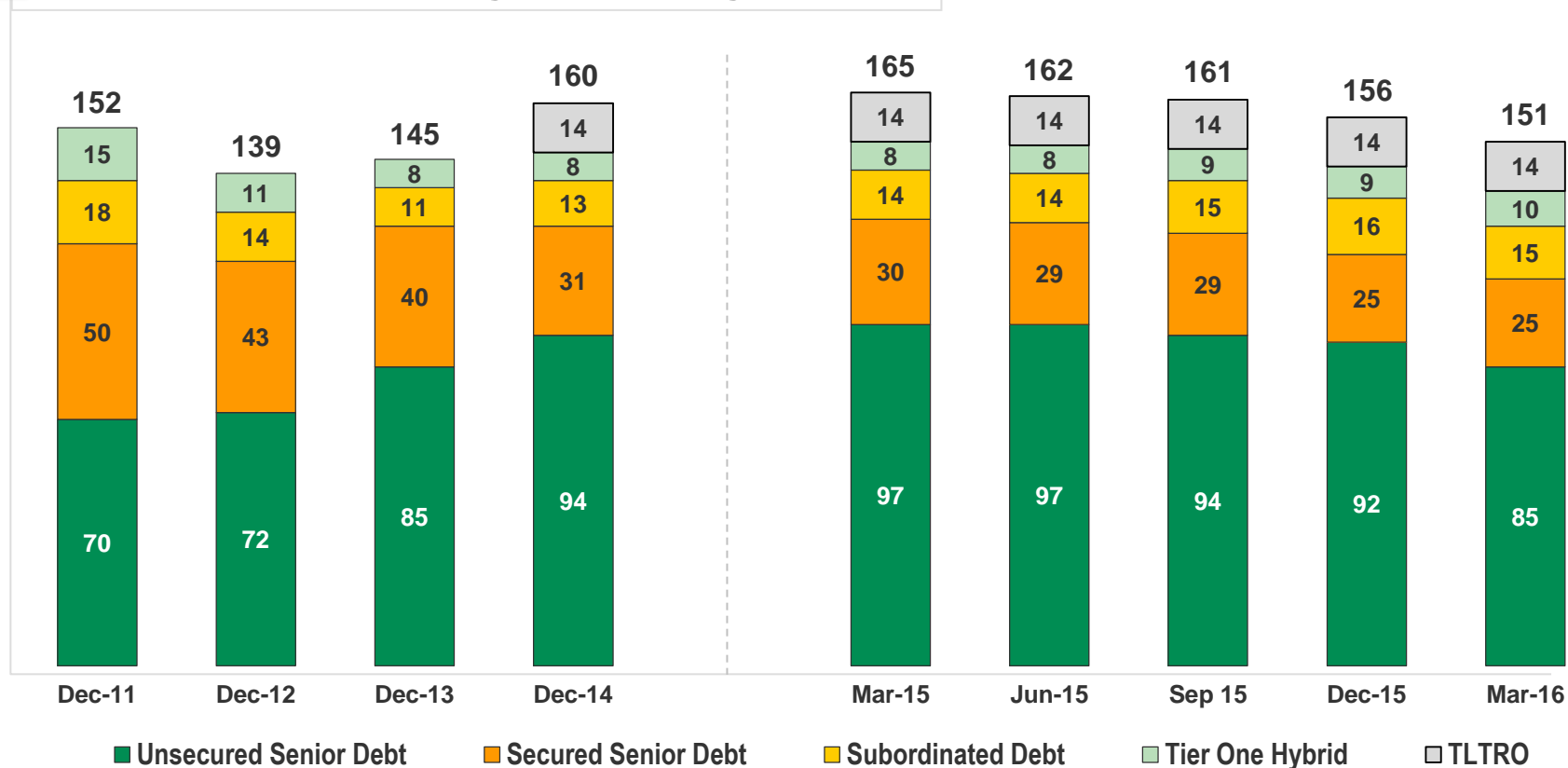


➤ **Issuance programme proceeding well despite volatile markets**

*** Including the Tier 2 prefunding of €750m issued in November 2015; **** Excluding TLTRO; ***** Debt qualified prudentially as Tier 1 booked as subordinated debt or as equity
 * Depending on opportunities and market conditions; **As at 16 June 2016;

Medium/Long Term Funding Outstanding

> Wholesale MLT funding outstanding* (€bn)



Overall MLT funding stable over the period

* Source: ALM funding



Conclusion



Revenues held up well in a particularly unfavourable market environment in Q1



**Control of operating expenses
Significant decline in the cost of risk**



**Solid organic capital generation
Fully loaded Basel 3 CET1 ratio at 11.0%**



**Issuance programme proceeding well
despite volatile markets**



Appendix



Domestic Markets - 1Q16

Business activity

- Loans: +1.2% vs. 1Q15, moderate recovery in loan demand
- Deposits: +3.9% vs. 1Q15, good growth across all the networks
- Hello bank!: +103,000 new clients in 1Q16

Hello
bank!

By BNP PARIBAS

Arval: implementation of the integration of GE Fleet Services in Europe (+164,000 vehicles)

Revenues*: €4.0bn (-0.7% vs. 1Q15)

- Persistently low interest rate environment
- Drop in financial fees in all the networks due to a very unfavourable market environment this quarter
- Good performance of the specialised businesses and BRB

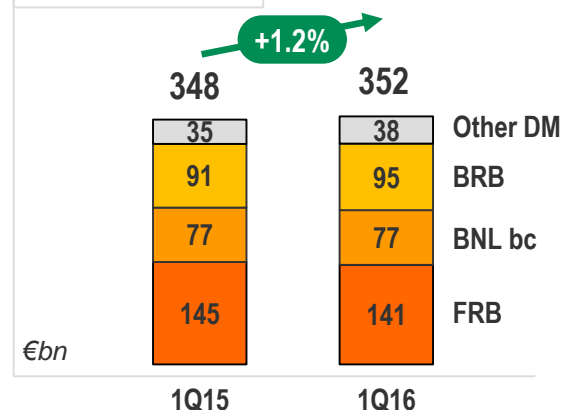
Operating expenses*: €2.8bn (+2.3% vs. 1Q15)

- +1.5% at constant scope and exchange rates
- Driven by the growing business lines: Arval, Leasing Solutions...

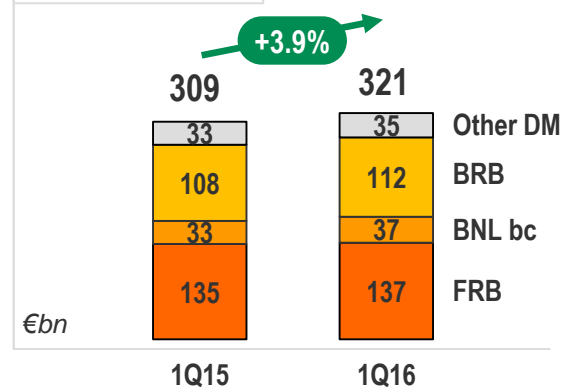
Pre-tax income**: €0.7bn (+3.7% vs. 1Q15)

- Decline in the cost of risk across all the networks

Loans



Deposits



Higher income in a low interest rate environment

*Including 100% of Private Banking, excluding PEL/CEL; ** Including 2/3 of Private Banking, excluding PEL/CEL






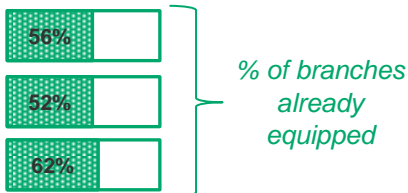
Domestic Markets

Continued Transformation of the Retail Networks

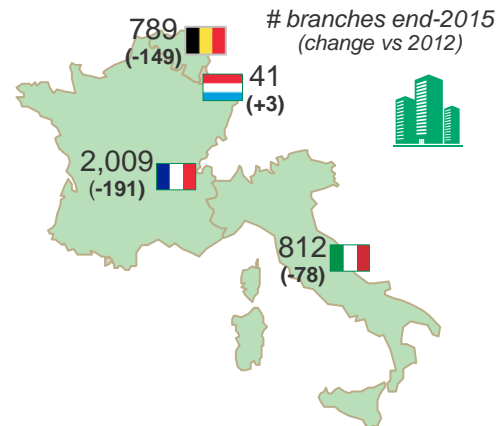
- Branch network optimisation with differentiated branch formats
 - Continued footprint optimisation
 - Full range of services available in “hub” branches
 - Lighter branch formats developed to maintain proximity at a lower cost

- Revamped commercial set up
 - Opening hours reviewed and adapted to client needs
 - Meeter/Greeter as a shared role in most branches
 - Personalized approach and reinforced expertise for some client segments

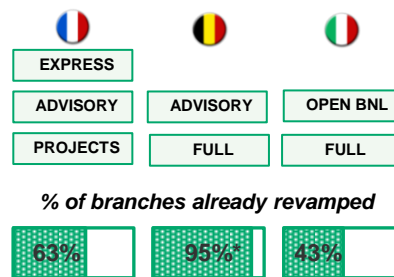
- Digitalised branches
 -  Videoconference support
 -  Wi-Fi for customers
 -  New mobile workstation tablet-based



Ongoing footprint optimisation



New branch formats



Footprint optimisation and modernisation of branch formats

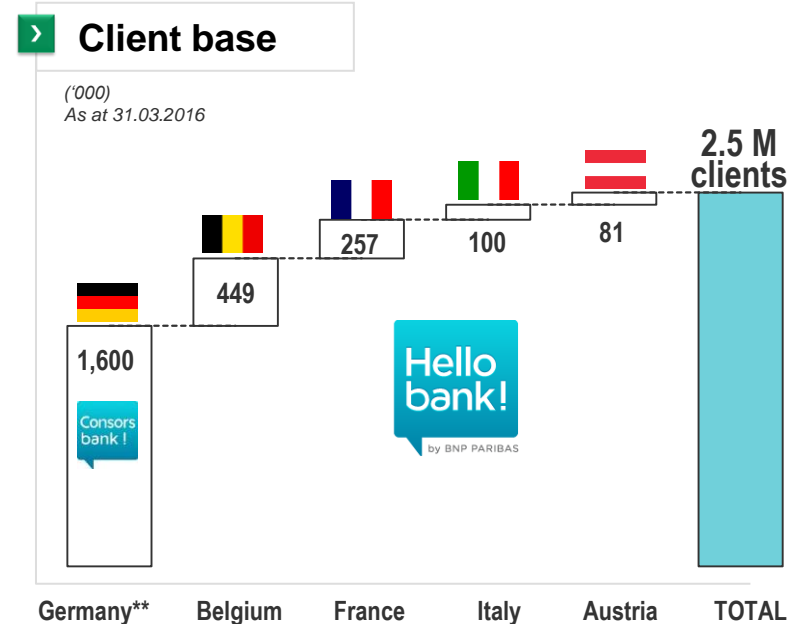
* % of targeted branches



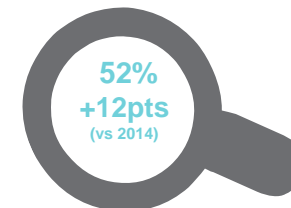
Domestic Markets

Continued Development of Hello bank!

- A fast growing customer base
 - Strong organic client acquisition (~+500,000 clients as at 31.03.16 vs. 31.12.14)
 - Acquisition of DAB Bank in Germany in 2014 and merger in 2015 with Consorsbank!
 - Direktanlage.at became Hello bank! in Austria in 2015
- A new brand successfully rolled-out in the Eurozone
 - Brand positioning “100% mobile”
 - Promising spontaneous awareness
 - New features and services
 - €24bn deposits and €80bn assets under management
 - Generating 8.7% of individual clients revenues* in 2015 (x2 vs. 2014)
- Shared assets with the network and across Hello bank!
 - Use of existing infrastructures and resources in each country: IT systems, back-offices, call centres,...



> Hello bank! awareness (France)



Hello bank! successfully developing in 5 countries
2.5 million clients

* FRB, BRB, BNLbc and Personal Investors revenues, excluding Private Banking; ** Including DAB customers

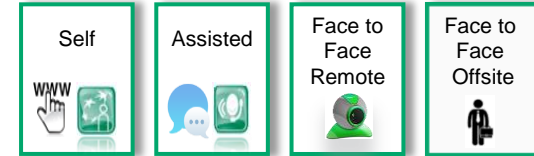


Domestic Markets - Medium-term Ambitions

More Digitalisation, More Customisation

Create digitalised service models

- **Differentiated models** with choice offered to customers
- **More digital** and **adapted interactions**
- **Common platforms** for product offering, remote expertise...



Reinvent customer journeys

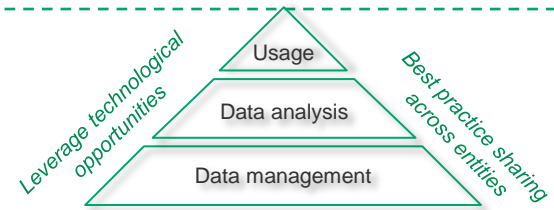
- **Effortless & value-added** client experience, tailored to client needs end-to-end
- **Efficiency improvement:** process optimisation
- Further development of **cross-selling** within the Group

Already launched



Enhance customer knowledge

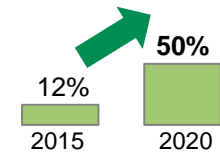
- Optimize **commercial proactivity and reactivity**
- Improve **pricing and risk scoring** management



Boost digital acquisition & sales

- **Digitalisation of the whole product offering subscriptions**
- Boost digital communication and marketing
- **Specific client acquisition offers** with ambitious targets

Targeted digital sales



Develop comprehensive service offers

- New **aggregation service offers** (e.g. Arval Active Link)
- **Innovation** and **FinTechs partnerships**



Aggregation of optional services

- **Active Journey** (route analysis)
- **Active Routing** (real-time geo-localization)
- **Active Sharing** (management of shared vehicles)



International Financial Services


> Two main activities

● International Retail Banking

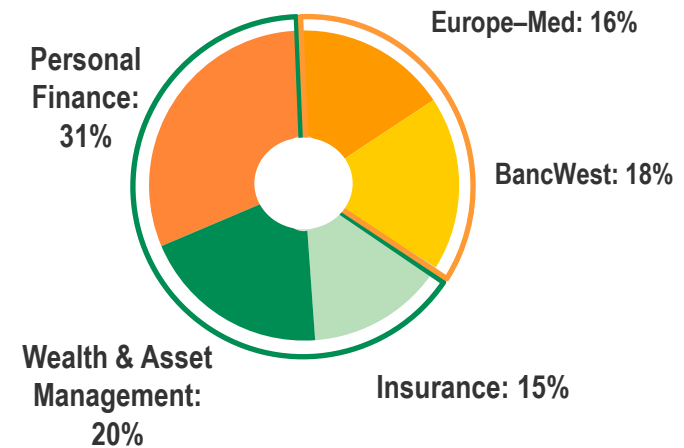
- Europe-Mediterranean: retail networks in 14 countries, notably in Turkey (TEB), in Poland (BGZ BNP Paribas) and in the South Mediterranean Basin
- BancWest (United States)



● Specialised businesses

- Personal Finance: consumer finance business, #1 specialty player in Europe with notably ,  and 
- Wealth & Asset Management: Wealth Management, Asset Management, Real Estate Services (€728bn AuM as at 31.03.2016)
- Insurance: savings and protection products, #3 Life bancassurance in France*, #5 bancassurance in Italy**

> 2015 Revenues by business



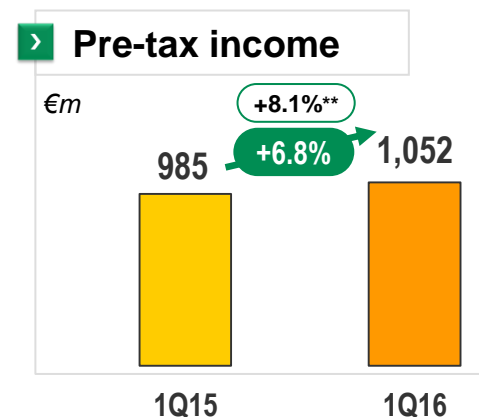
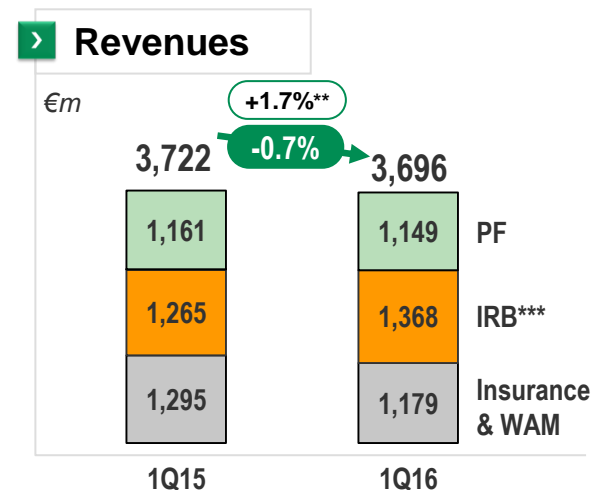
A growth engine for the Group

* Argus de l'Assurance 2014; ** IAM Consulting 2014



International Financial Services - 1Q16

- Business activity
 - Personal Finance: continued strong business drive
 - International Retail Banking*: good business growth
 - Insurance and WAM: positive asset inflows (+€2.2bn in 1Q16) in an unfavourable market environment this quarter
- Revenues: €3.7bn (-0.7% vs. 1Q15), negative foreign exchange effect
 - +1.7% at constant scope and exchange rates
 - Good performance of IRB, growth at Personal Finance and WAM, impact of an unfavourable market environment on Insurance this quarter
- Operating income: €915m (+5.1% vs. 1Q15)
 - +7.1% at constant scope and exchange rates
 - Decline in the cost of risk
- Pre-tax income: €1.1bn (+6.8% vs. 1Q15)
 - +8.1% at constant scope and exchange rates



> Good sales and marketing drive and income growth

* Europe Med and BancWest; ** At constant scope and exchange rates; *** Including 2/3 of Private Banking in Turkey and in the United States



International Financial Services Action Plan (1/2)

GROWTH AND DIVERSIFICATION

CLIENTS



- Optimise the **client experience** for all segments
- **Private banking client base:** continue growing it in the domestic markets, in the U.S. and in Asia
- **Corporate and institutional clients:** launch of new offerings
- **SMEs:** structure and roll-out of the offering in the international networks

INTERNATIONAL



- **International banking networks:** continue branch network transformation
- **Asia and Latin America:** continue growing in specialised businesses
- **China:** continue developing partnerships

PARTNERSHIPS



- **Personal Finance:** forge new partnership alliances and agreements in the automotive sector, as well as with distributors, banks and energy providers
- **Insurance:** continue strengthening partnerships by leveraging our expertise
- Develop **partnerships** with new actors (FinTech, InsurTech, etc.)

CROSS-SELLING



- Continue rolling out the enhanced cooperation model of **Personal Finance** with the Group's banking networks: Poland, U.S.
- Increase asset inflows in **asset management** and grow sales of **insurance products** in the banking networks
- Step up **cross-selling with CIB**



International Financial Services Action Plan (2/2)

INDUSTRIAL EFFICIENCY

INDUSTRIALISATION AND ADAPTATION



- Industrialise the platforms and enhance **operating efficiency**
- **Finalise integrations** with LaSer (Personal Finance) and Bank BGZ (Poland)
- Continue adapting to **regulatory changes** (MiFID II, ...)



DIGITAL & INNOVATION

DATA AND ANALYTICS

- Initiatives in all the business units
- **Unite data labs** to pool best practices

INNOVATION

- Put **open innovation** in general practice in all the businesses
- Capitalise on innovative approaches (Cardif Lab, PF Exchangeur, Hackathon...)
- Analyse and test the roll-out of new services

BANKS AND DIGITAL OFFERINGS

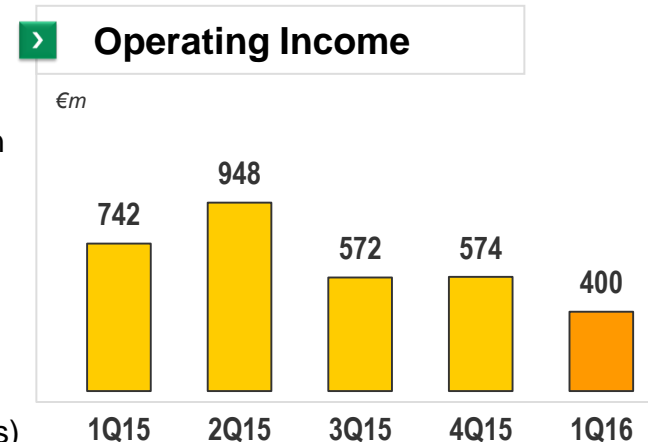
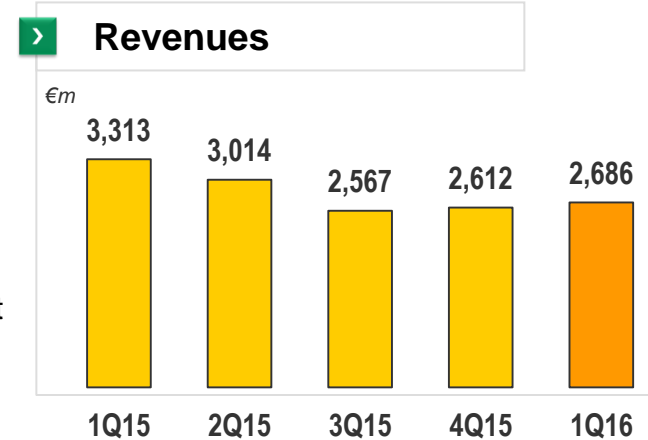
- Continue the **expansion of mobile and digital banking services**, including in new countries
- Develop the **digital solutions offering** in all the businesses
- Bring innovation to the **payment offering** (new offerings and technologies)



Corporate and Institutional Banking - 1Q16

Summary

- Launch of the 2016-2019 transformation plan
- Revenues: €2,686m (-18.9% vs. 1Q15)
 - -15.5% vs. 1Q15 excluding FVA*
 - Very challenging market environment for Global Markets (-24.4%**), moderate decline at Corporate Banking (-6.0%) and slight increase at Securities Services (+0.3%)
 - Reminder: very favourable environment in 1Q15
- Operating expenses: €2,258m (-8.8% vs. 1Q15), good control
 - Despite the impact of the rise in banking contributions and taxes
 - In relation with the decrease in business activity
 - Effect of savings from Simple & Efficient and from the implementation of the transformation plan
- Pre-tax income: €403m (-54.5% vs. 1Q15)
 - €768m excluding the impact of IFRIC 21*** and FVA (-23.4% vs. 1Q15****)
 - Reminder: high level of other non operating items in 1Q15 (one-off capital gain from a sale and high capital gains on day-to-day business)



> Very challenging market environment in Europe this quarter

* FVA: -€57m in 1Q16; +€68m in 1Q15; ** Excluding FVA; *** Annualisation of the taxes and contributions under IFRIC 21: +€308m in 1Q16 and +€259m in 1Q15; **** Excluding one-off capital gains in Other Non Operating Items in 1Q15 (€74m)

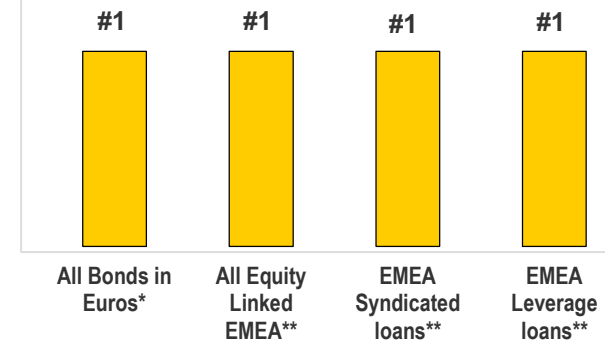


Corporate and Institutional Banking - 1Q16

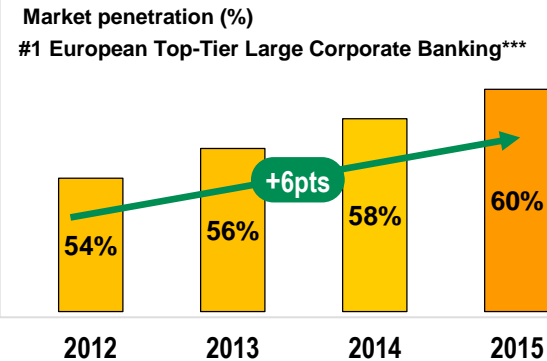
Business Activity

- Global Markets: very challenging environment in Europe at the beginning of the year
 - Limited client volumes due to concerns about global growth, banking regulations on subordinated debt and uncertainties over monetary policies
 - VaR still at a low level (€43m)
 - Positions strengthened on bond issues: #1 for bonds in euros and #8 for all international bonds*
- Securities Services: unfavourable market environment
 - Assets under custody: -2.7% vs. 1Q15, due to the decreasing markets
 - Number of transactions: +16.1% vs. 1Q15
 - New significant mandates (e.g. Sampo Group, €25bn in assets)
- Corporate Banking: moderate business activity this quarter
 - Client loans: €126bn (+5.0% vs. 1Q15), #1 on syndicated loans in the EMEA region**
 - Client deposits: €110bn (+19.5% vs. 1Q15), strong growth as a result of market shares gains in cash management
 - Advisory businesses: small number of M&A deals in European markets

1Q16 European rankings



Corporate Banking in Europe



Weak business level this quarter

* Source: Thomson Reuters 1Q16; ** Source: Dealogic 1Q16, Europe, Middle East & Africa in number of operations; *** Source: Greenwich Associates Share Leaders 2016



CIB: a Solid and Profitable Platform

Improving Global Positioning

- Gaining market shares from peers' retrenching context
- Success of regional initiatives launched in APAC and in the US
- Generating best-in-class profitability among European peers

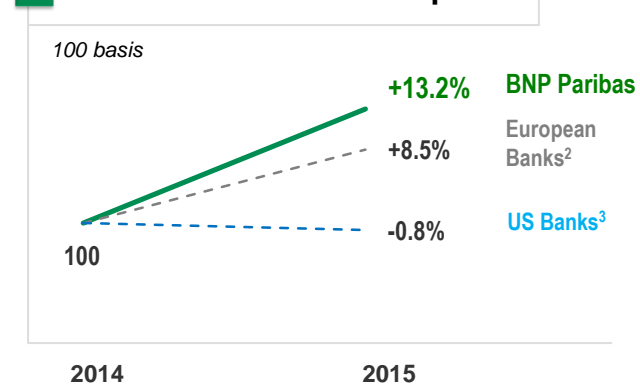
Integrated within BNP Paribas Group

- Client focused: a CIB built up organically on the Group's historic client franchises
- 2 well-balanced client franchises: Corporates and Institutionals
- Cross-selling at the heart of the business model
- Right size within the Group business mix (31% of allocated equity)

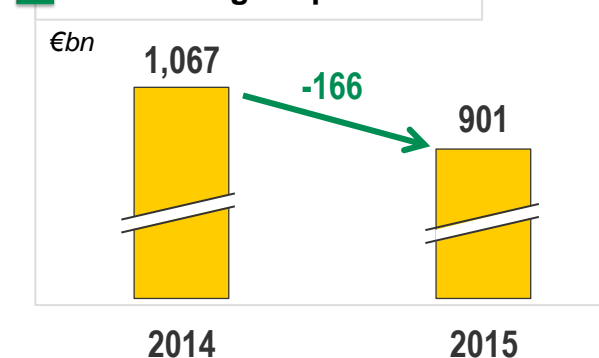
Disciplined and Agile

- Early adaptation to Basel 3 (2011-2012 deleveraging) and ongoing reduction of leverage exposure
- E&C¹ downsizing largely completed at end-2015
- New organisation implemented since the end of 2014 to speed up the evolution
- Compliance, control and conduct: reinforcement of rules and set up

> Revenues evolution vs. peers



> CIB leverage exposure

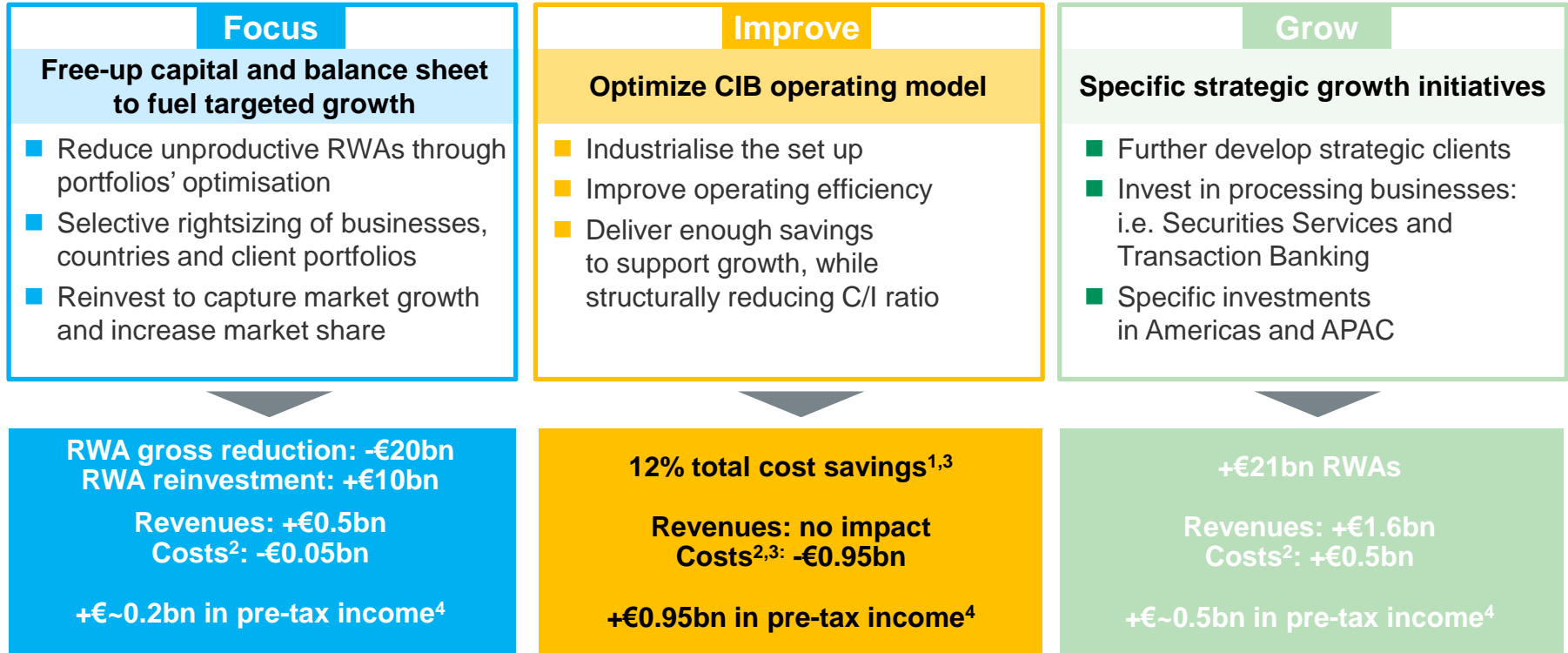


1. Energy & Commodity business line; 2. Evolution in Euros for 8 European CIB; 3. Evolution in USD for 6 US CIB



Corporate and Institutional Banking 2016-2019 Transformation Plan

Three Levers Across All Regions & Business Lines



One-off costs to achieve transformation: €800m over 2016-2019⁵

1. Gross savings based on 2015 total CIB costs base including €50m cost savings linked to Focus initiatives; 2. Excluding regulatory costs and inflation; 3. Including ~€90m of residual S&E savings; 4. After impact of regulatory projects, inflation and variable on costs, cost of risk and non operating revenues, before effects of the 29 March 2016 restatement; 5. Booked in Corporate Centre (€300m in 2016, 250m in 2017 and 2018)



CIB 2016-2019 Transformation Plan

Improve Cost Efficiency

- **Cost savings: >€1bn vs. 2015**

- All regions, businesses & functions contributing to the savings target
- 200 efficiency projects to improve operating efficiency

- **Industrialisation and deep changes in terms of set up**

- Optimised organisation of business lines (simplification, standardisation, etc.): -€260m
- Smart sourcing including the development of mutualised platforms in Portugal, Canada and India: -€230m
- Industrialisation of IT and operational process: -€365m
- Digital solutions, expense discipline and other initiatives: -€180m

- **Cost/income target: >-8pts by 2019²**

- Continued cost effort to offset impact on the costs of regulatory costs, inflation and growth initiatives

> Evolution of CIB cost base

In €bn, excl. variable compensation



1. Including -€90m of residual effect from S&E; 2. Excluding constraints already partly incurred by the Group and not allocated to the business units, and potential future constraints, before effects of the 29 March 2016 restatement



CIB 2016-2019 Transformation Plan

Focus and Grow: Improve Capital Productivity

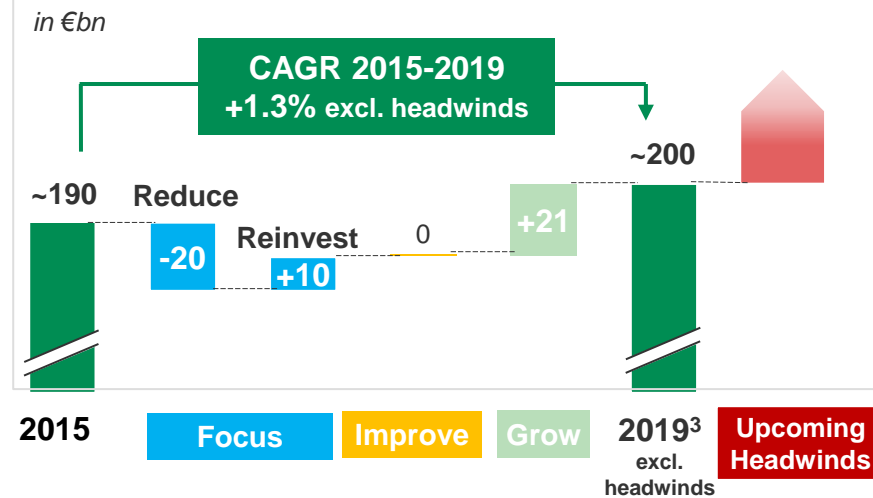
Focus initiatives

- Wind-down unproductive RWAs and residual legacy (-€12bn¹)
- Right-size low return activities and portfolios (-€8bn RWAs) and continue to develop the approach Originate to Distribute
- Adjust the set up in all regions (MEA² and Russia already under implementation)
- Contain leverage exposure
- Reinvest in existing businesses (~€10bn RWA) to capture market growth and gain market shares from competitors' retrenching

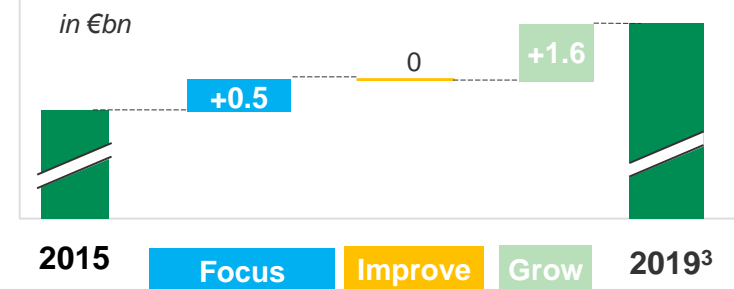
Growth initiatives

- Develop less capital-intensive and fee-driven businesses (processing or advisory content)
- Leverage competitive edge in derivatives
- Develop digital platforms in all businesses
- Selective geographic initiatives

> CIB RWAs evolution



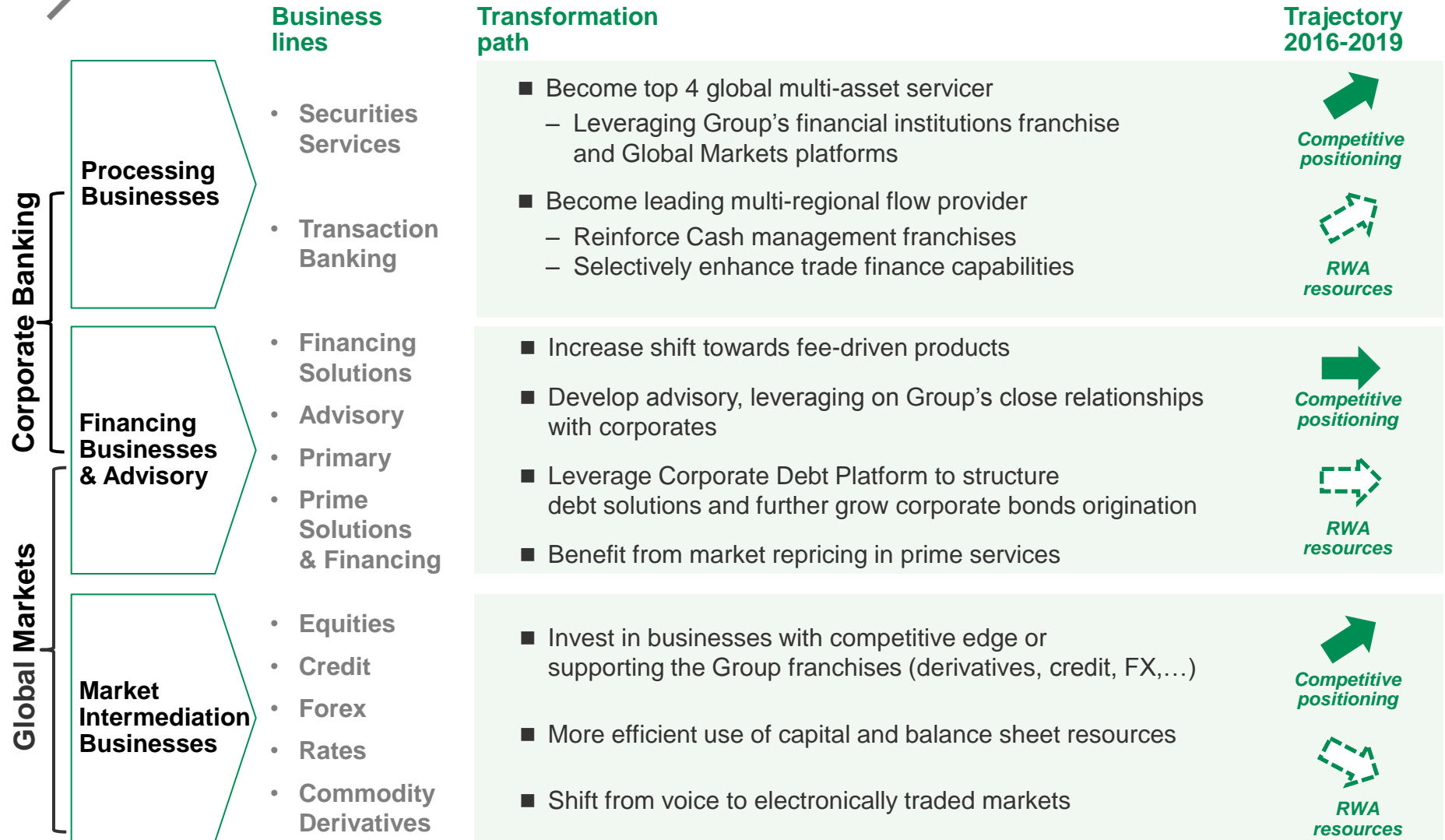
> Estimated impact on revenues



1. Global Markets; 2. Middle East-Africa; 3. At constant FX rate and before effects of the 29 March 2016 restatement



CIB Transformation Plan : Develop Less Capital-intensive Businesses & Advisory / Processing Activities



CIB 2016-2019 Transformation Plan

Transformation Path Adapted to Regional Positioning

Competitive Positioning¹

EMEA

(57% of 2015 revenues)

BNP Paribas' home market:
among **European leaders**

Positioning:

- #1 Financing business and Securities Services
- Top 3 Transaction Banking and Equity Derivatives
- Top 5 Fixed Income

APAC

(22% of 2015 revenues)

Good positioning
in **selected businesses**

Positioning:

- Top 5 Equity Derivatives
- Top 9 Transaction Banking and Financing business
- >Top 10 Fixed Income

Americas

(21% of 2015 revenues)

Opportunistic positioning,
behind firms with large US franchises

Positioning:

- Top 10 Transaction Banking
- >Top 10 in other businesses

Strategy

- Intensify focus on strategic clients to maximize wallet share
- Grow in fee-driven businesses and Securities Services
- Global Markets: focused investments in specific segments
- Strong cost effort and resource optimization

- Capitalizing on the success of the APAC plan
- Grow Europe-APAC cross-border business for Corporates
- Grow franchise of large local clients with regional needs
- Continue to develop cross-selling with Wealth Management

- Benefit from the momentum created by the CIB US plan
- Focus on strategic clients with global needs to grow cross-selling
- Grow wallet share of cross-border flow banking businesses
- Optimise cost structure and benefit from investments on IHC²

An even stronger European leader

Taking advantage of LT regional growth

Better align the platform with the Group strategy and franchises

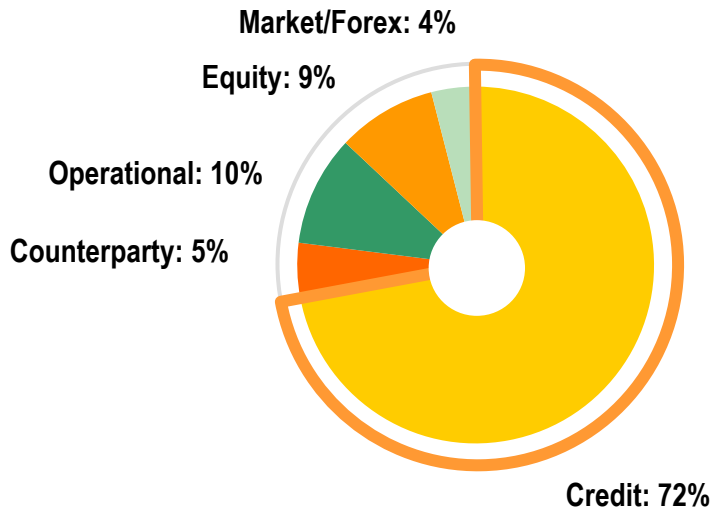
1. Source: Oliver Wyman 2014, Dealogic and internal; 2. Intermediate Holding Company



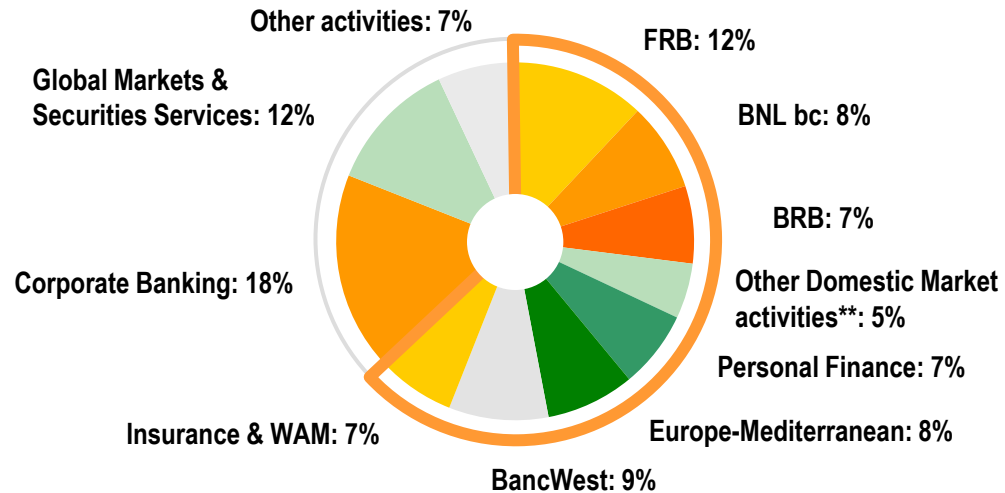
Basel 3* Risk-Weighted Assets

- Basel 3* risk-weighted assets: €627bn as at 31.03.16 (€634bn as at 31.12.15)
 - Decrease in risk-weighted assets mainly due to foreign exchange effect

➤ **Basel 3* risk-weighted assets by type of risk as at 31.03.2016**



➤ **Basel 3* risk-weighted assets by business as at 31.03.2016**



➤ **Retail Banking and Services: 63%**

* CRD4 ; ** Including Luxembourg

Focus on Capital Instruments

Evolution of current Tier 1 & Tier 2 instruments outstanding (grandfathered and eligible)***

| <i>in €bn</i> | 26.05.2016 | 01.01.2017 | 01.01.2018 | 01.01.2019 |
|---------------|------------|------------|------------|------------|
| AT1 | 9 | 8 | 7 | 7 |
| T2 | 12 | 12 | 11 | 10 |

- Strong capital generation capacity
 - ~100bp per year before dividend*
 - Allowing the absorption of potential shocks

- Additional Tier 1: €1.3bn issued as at 31.03.2016
 - Reminder: target of €1.5bn to €2bn per year until 01.01.2019**
 - USD1.5bn transaction in March, perpetual NC5, 7.625% coupon
 - €7bn instruments currently outstanding as at 01.01.2019 of which €3bn grandfathered

- Tier 2: €3.3bn issued under the 2016 programme
 - Reminder: target of €2bn to €3bn per year until 01.01.2019**
 - €10bn instruments outstanding as at 01.01.2019



Capital instruments issuance in line with targets

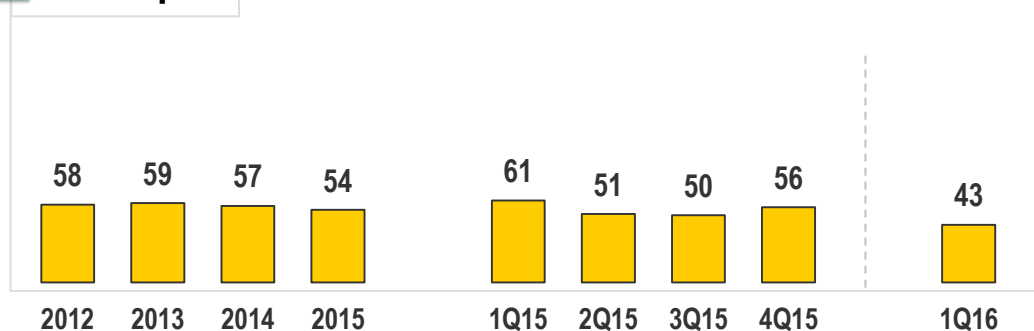
* Source: Bloomberg, based on current analysts' consensus; ** Depending on market conditions; *** Assuming callable institutional instruments are called at the first call date



Variation in the Cost of Risk by Business Unit (1/3)

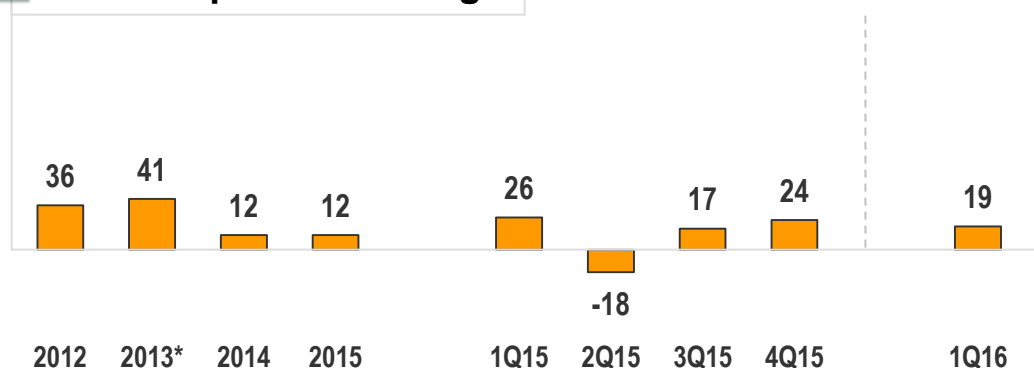
Net provisions/Customer loans (in annualised bp)

> Group



- Cost of risk: €757m
 - -€211m vs. 4Q15
 - -€287m vs. 1Q15
- Decline in the cost of risk

> CIB - Corporate Banking



- Cost of risk: €55m
 - -€14m vs. 4Q15
 - -€18m vs. 1Q15
- Low cost of risk

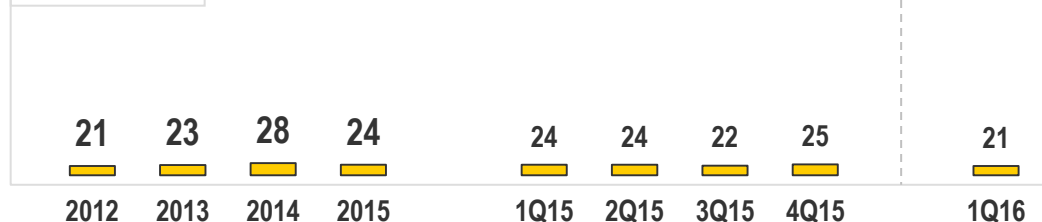
* Restated



Variation in the Cost of Risk by Business Unit (2/3)

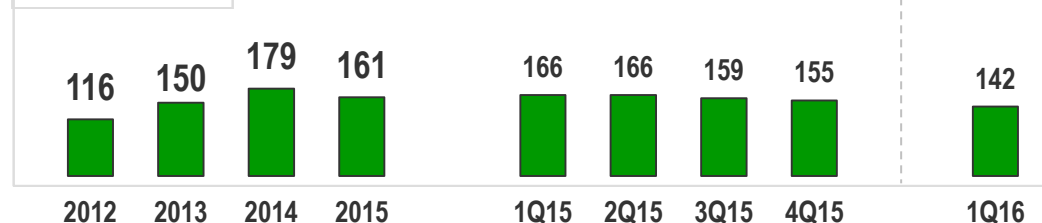
Net provisions/Customer loans (in annualised bp)

> FRB



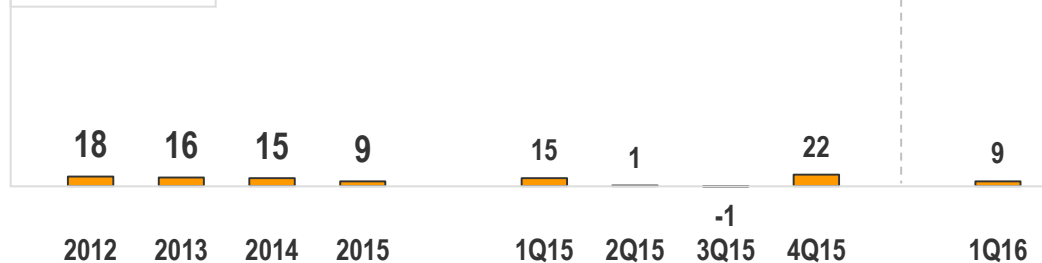
- Cost of risk: €73m
 - -€14m vs. 4Q15
 - -€15m vs. 1Q15
- Cost of risk still low

> BNL bc



- Cost of risk: €274m
 - -€27m vs. 4Q15
 - -€47m vs. 1Q15
- Decline of doubtful loan outstandings
- Continued decrease in the cost of risk

> BRB



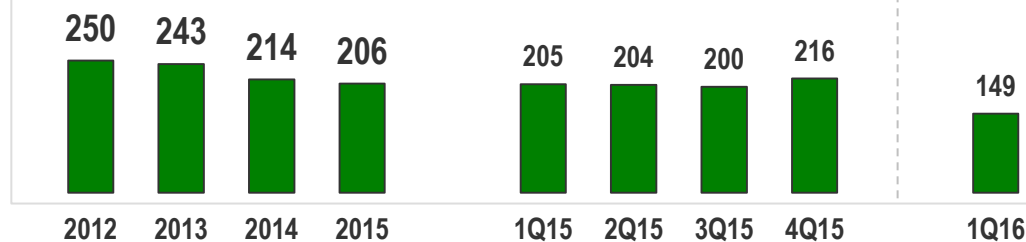
- Cost of risk: €21m
 - -€31m vs. 4Q15
 - -€13m vs. 1Q15
- Cost of risk very low



Variation in the Cost of Risk by Business Unit (3/3)

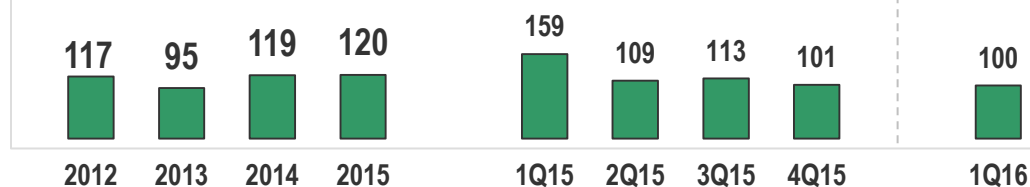
Net provisions/Customer loans (in annualised bp)

> Personal Finance



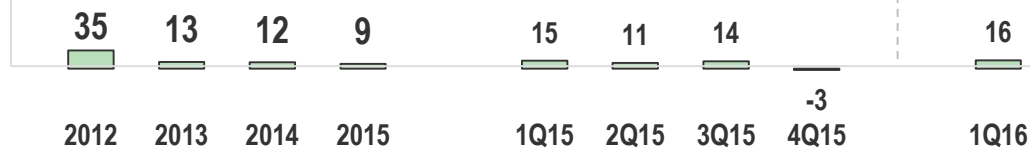
- Cost of risk: €221m
 - -€87m vs. 4Q15
 - -€71m vs. 1Q15
- Sharp decline this quarter
 - Effect of the low interest rates and the growing positioning on products with a better risk profile
 - Significant provisions write-backs following sales of doubtful loans

> Europe-Mediterranean



- Cost of risk: €96m
 - stable vs. 4Q15
 - -€53m vs. 1Q15
- Moderate cost of risk
- Reminder: high base in 1Q15

> BancWest



- Cost of risk: €25m
 - +€29m vs. 4Q15
 - +€5m vs. 1Q15
- Cost of risk still very low
- 4Q15 reminder: provisions offset by write-backs



Specific Review of Industries Affected by Oil and Commodities Prices (as at 31.12.2015)

- Review of industries affected by the decrease of oil and commodities prices

- Exposure to Oil & Gas and Metals & Mining: respectively 2.45% and 0.98% of the Group's gross commitments on and off-balance sheet
- Strong reduction of the Energy & Commodities business since 2013
- Positive impact of the decrease of prices on a large number of industries: transport, chemicals, food & beverage, automotive

- Oil & Gas: €25.6bn net exposure*

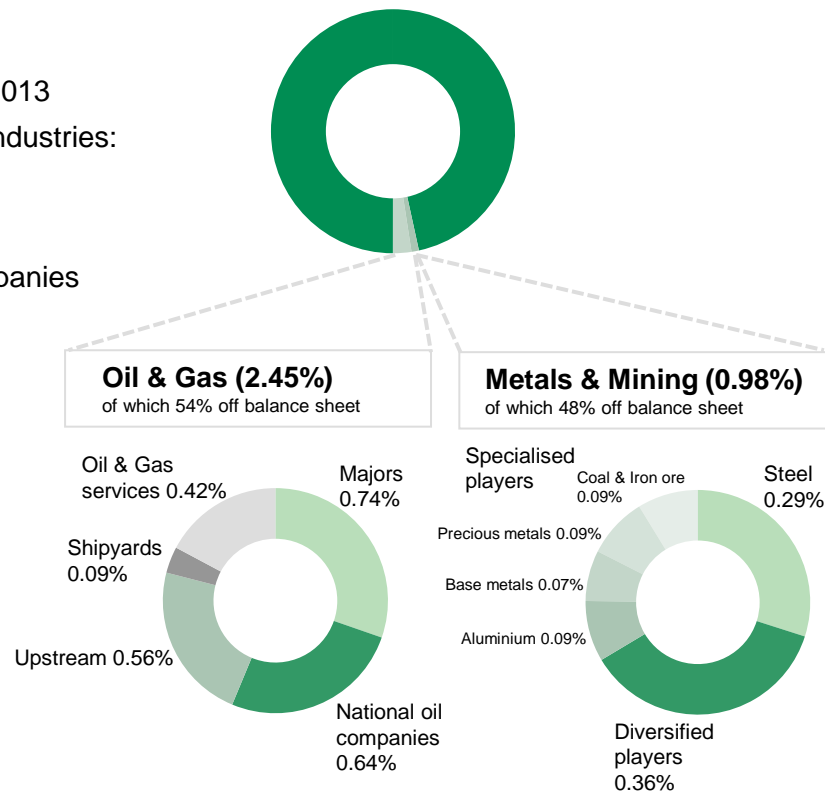
- Close to 60% of gross exposure on Majors and national oil companies
- 75% of investment grade** exposure
- Good coverage with collaterals for non investment grade** exposure
- Short average maturity: less than 2 years
- Only 1% of doubtful exposure
- Reminder: sale of the Reserve Based Lending business in the US in 2012

- Metals & Mining: €8.4bn net exposure*

- 60% of investment grade** exposure
- Short average maturity: less than 2 years
- Diversified portfolio with different sectorial dynamics
- Only 3% of doubtful exposure

Total gross commitments of the Group

Total gross commitments on and off balance sheet, unweighted of €1,399bn as at 31.12.2015



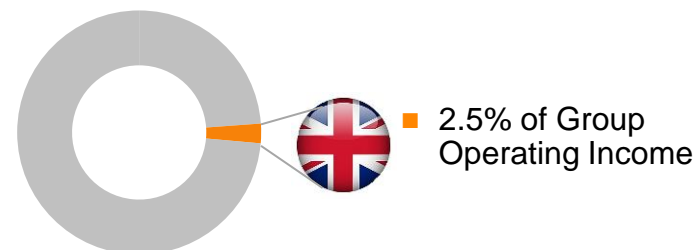
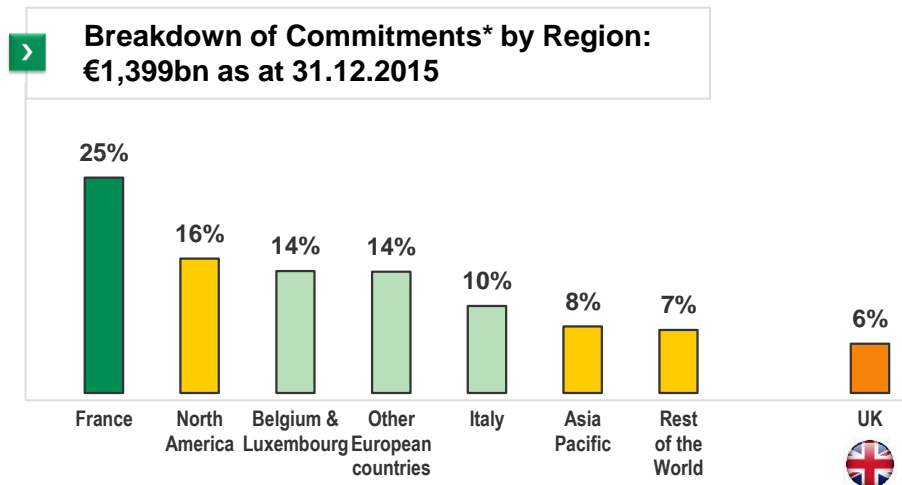
Well-diversified quality portfolios

* Net of guarantees and provisions (as at 31.12.2015); ** External rating or BNP Paribas' equivalent rating



BNP Paribas: Limited Exposure to UK

- Business in the UK of modest size
 - Mainly with corporates through the branch
 - No retail footprint
 - 2.5% of Group Operating Income (€248m)
- Limited exposure to UK
 - Gross exposure: 6% of Group's total commitments*; 4% of total assets
 - Limited exposure to UK Government bonds (5.6% of the overall Sovereign Banking Book exposure)
- Very moderate structural foreign exchange and interest rates exposure to GBP
 - Limited GBP credit portfolio and GBP funding
- Strong adaptation capacity to the new environment
 - EMEA market set-up well balanced between UK and France
 - Renegotiation of Treaties to be spread over a minimum of two years



Strong adaptation capacity thanks to the diversified business model

* Total gross commitments on and off balance sheet, unweighted of €1,399bn as at 31.12.2015

Long-Term Ratings



As of 27 June 2016

Standard & Poor's

A

Stable outlook

Fitch

A+

Stable outlook

Moody's

A1

Stable outlook

DBRS

AA (low)

Stable outlook

Any rating action may occur at any time



S&P – Rating Benchmark



As of 27 June 2016

| | | |
|-------------|---|---|
| AA- | HSBC Bank plc (stable) | Royal Bank of Canada (negative) |
| A+ | Rabobank (stable) | UBS (stable) |
| A | BNP Paribas (stable) Crédit Suisse (stable) Société Générale (stable) | Lloyds Bank plc (stable) Crédit Agricole (stable) Wells Fargo & Co* (stable) |
| A- | Barclays Bank plc (stable) JP Morgan Chase & Co* (stable) | Santander (stable) |
| BBB+ | RBS plc (positive) BBVA (stable) Bank of America Corp.* (stable) Goldman Sachs Group* (stable) | Deutsche Bank (stable) Citigroup* (stable) Morgan Stanley Holding* (stable) Commerzbank (stable) |
| BBB- | Unicredit (stable) | Intesa San Paolo (stable) |

Any rating action may occur at any time

* Holding company as main issuer of senior debt. Bank entities are rated as follows: Wells Fargo Bank NA: AA- (stable), JP Morgan Chase Bank NA: A+ (stable), Citibank NA: A (CreditWatch positive), Bank of America NA: A (CreditWatch positive), Morgan Stanley Bank: A (CreditWatch positive); Data Source: Bloomberg



Moody's – Rating Benchmark



As of 27 June 2016

| | | |
|-------------|---|--|
| Aa2 | Rabobank (stable) | HSBC Bank plc (stable) |
| Aa3 | Royal Bank of Canada (negative) | |
| A1 | Lloyds Bank plc (positive) UBS (stable) | BNP Paribas (stable) |
| A2 | Crédit Agricole (positive) Wells Fargo & Co* (stable) Barclays Bank plc (stable) | Crédit Suisse (stable) Société Générale (stable) |
| A3 | RBS plc (positive) Morgan Stanley Holding* (stable) JPMorgan Chase & Co* (stable) | Santander (stable) Goldman Sachs Group* (stable) |
| Baa1 | Commerzbank (stable) Bank of America Corp.* (stable) Intesa San Paolo (stable) | Citigroup* (stable) BBVA (stable) Unicredit (stable) |
| Baa2 | Deutsche Bank (stable) | |

Any rating action may occur at any time

* Holding company as main issuer of senior debt. Bank entities are rated as follows: Wells Fargo Bank NA: Aa2 (Stable), JP Morgan Chase Bank NA: Aa3 (stable), Citibank NA: A1 (stable), Bank of America NA: A1 (stable), Morgan Stanley Bank: A1 (stable); Data Source: Bloomberg



Fitch – Rating Benchmark



As of 27 June 2016

| | | |
|-------------|---|--|
| AA | Royal Bank of Canada (negative) | |
| AA- | HSBC Bank plc (stable) Rabobank (stable) | Wells Fargo & Co* (stable) |
| A+ | BNP Paribas (stable) Lloyds Bank plc (stable) | JPMorgan Chase & Co* (stable) UBS (stable) |
| A | Crédit Agricole (positive) Barclays Bank plc (stable) Morgan Stanley Holding* (stable) Société Générale (stable) | Crédit Suisse (stable) Citigroup* (stable) Goldman Sachs Group (stable) Bank of America Corp.* (stable) |
| A- | Santander (stable) Deutsche Bank (stable) | BBVA (stable) |
| BBB+ | Intesa San Paolo (stable) Commerzbank (stable) | RBS plc (stable) Unicredit (negative) |

Any rating action may occur at any time

* Holding company as main issuer of senior debt. Bank entities are rated as follows: Wells Fargo Bank NA: AA (stable), JP Morgan Chase Bank NA: AA- (stable), Citibank NA: A (stable), Bank of America NA: A+ (stable), Morgan Stanley Bank: A (stable); Data Source: Bloomberg

