BNP PARIBAS
PROMISING START TO THE 2020 PLAN

Exane BNP Paribas Conference
13 June 2018

The bank for a changing world
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The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.
Introduction

Strong and well diversified bank

A good macroeconomic context
Higher GDP growth and interest rates vs 2020 conservative plan’s assumptions

An ambitious programme of new customer experience, digital transformation & operating efficiency
Generating 2.7 bn€ recurring cost savings by 2020
A Business Model Well Diversified by Country and Business

2017 Revenues by geography:
>89% in wealthy markets

- Rest of the World: 5%
- APAC: 6%
- North America: 13%
- Other Europe: 18%
- Germany: 4%
- Italy: 11%
- Belgium: 11%

2017 Allocated equity by business
No single business line > 17%

- CIB: 29%
- Corporate Banking: 17%
- Global Markets: 11%
- FRB: 13%
- BNL bc: 8%
- BRB: 7%
- Other DM: 5%
- Europe-Med: 7%
- Insurance: 11%
- WAM: 3%
- BancWest: 9%
- Securities Services: 1%
- Personal Finance: 8%
- FRB: 13%
- FRB: 13%

- A balanced business model: a clear competitive advantage in terms of revenues and risk diversification
- An integrated business model fuelled by cooperation between Group businesses
- Strong resilience in changing environments

No country, business or industry concentration

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Diversification Leading to Recurrent Income Generation

- Recurrent earnings generation through the cycle
  - Strong proven capacity to withstand local crisis and external shocks
  - Leading Eurozone bank

* Adjusted for costs and provisions related to the comprehensive settlement with US authorities.
### Strong Macroeconomic Context
Good Business Drive Across All Operating Divisions

<table>
<thead>
<tr>
<th>Domestic Markets</th>
<th>International Financial Services*</th>
<th>Corporate &amp; Institutional Banking*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outstanding loans (€bn)</td>
<td>Outstanding loans (€bn)</td>
<td>Outstanding loans (€bn)</td>
</tr>
<tr>
<td>370</td>
<td>154</td>
<td>125 +5.3%</td>
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<tr>
<td>1Q17</td>
<td>1Q17</td>
<td>1Q17</td>
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<tr>
<td>390</td>
<td>165</td>
<td>127</td>
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<tr>
<td>French Retail Banking</td>
<td>Personal Finance*</td>
<td>Transaction Banking**</td>
</tr>
<tr>
<td>Loans</td>
<td>New production</td>
<td>EMEA region</td>
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<tr>
<td>151</td>
<td>9.0</td>
<td>23.5</td>
</tr>
<tr>
<td>1Q17</td>
<td>1Q17</td>
<td>1Q17</td>
</tr>
<tr>
<td>162</td>
<td>9.8</td>
<td>25.1</td>
</tr>
<tr>
<td>1Q18</td>
<td>1Q18</td>
<td>1Q18</td>
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Loan growth driven by the economic recovery in Europe

* At constant scope and exchange rates; ** Clients average balances (Global & Specialised Trade and Loan book)
**Good Business Drive in France**

**Focus on French Retail Banking**

- Significant loan growth confirmed in 1Q18
  - Across all client segments
  - In the context of solid economic growth in France

- French Retail Banking network well positioned
  - In the country’s higher growth areas
  - Mostly in wealthier urban centres

- Confirmation of the sharp decline since June 2017 of renegotiations & early repayments

- Gradual revenue pick-up expected as of 2H18

**Continued strong loan growth**

**Gradual revenue pick-up expected as of 2H18**
**Strong GDP Growth Outlook**

- Conservative assumptions used for the 2020 plan

**Current GDP growth forecasts higher than the assumptions used for the plan**

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<tbody>
<tr>
<td><strong>EuroZone</strong></td>
<td>1.6</td>
<td>2.3</td>
<td>2.9</td>
<td>1.7</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
<td>1.6</td>
</tr>
<tr>
<td><strong>Emerging Markets</strong></td>
<td>4.1</td>
<td>4.5</td>
<td>4.8</td>
<td>4.7</td>
<td>4.9</td>
</tr>
</tbody>
</table>

**Better economic growth forecasts in Europe vs plan’s assumptions**
Interest Rate Sensitivity
Impact on Group Revenues

Sensitivity of Group revenues to a parallel shift in interest rates

+50 basis points in market rates across all currencies

Additional revenue growth*

<table>
<thead>
<tr>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
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<tbody>
<tr>
<td>~ +200</td>
<td>~ +500</td>
<td>~ +700</td>
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* Based on 2017 Group revenues

Significant positive sensitivity of the Group to higher interest rates

► o/w 80% in Euro mainly on Domestic Markets

Additional revenue growth:
- +0.4%
- +1.2%
- +1.6%
Startup of the Transformation Plan in Line With the 2020 Objectives

- An ambitious programme of new customer experiences, digital transformation & savings
  - Build the bank of the future by accelerating the digital transformation
  - ~150 significant programmes identified*

- Cost savings: €709m since the launch of the project
  - Of which €175m booked in 1Q18
  - Breakdown of cost savings by operating division in 1Q18: 34% at CIB; 36% at Domestic Markets; 30% at IFS
  - Target of €1.1bn in savings this year

- Transformation costs: €206m in 1Q18
  - €1.1bn in transformation costs expected in 2018
  - Reminder: €3bn in transformation costs in the 2020 plan

€2.7bn recurring cost savings by 2020 → €2.0bn still to come

* Savings generated > €5m
2020 Business Development Plan
An Integrated Bank with Differentiated Strategy by Division

Domestic Markets
► Strengthen the sales & marketing drive
  ▪ Headwinds (e.g. low interest rates) still present in 2018, but which are expected to ease up
  ▪ Enhance the attractiveness of offering and offer new services

International Financial Services
► Pursue growth
  ▪ Consolidate leading positions: leveraging best in class offers
  ▪ Speed up the pace of growth of the businesses (new offerings, new partnerships and new countries)
  ▪ Continue selective development of retail banks

Corporate & Institutional Banking
► Optimise resources and revenue growth
  ▪ Grow the corporate and institutional client franchises
  ▪ Implement specific initiatives in selected countries in Europe
  ▪ Develop fee generating service businesses

In all the businesses
An ambitious new customer experience, digital transformation and savings programme
Domestic Markets
Adapt & Reinvent Customer Offerings

Give customers the choice by adapting our offerings to different banking uses

► Diversified service models adapted to clients’ expectations & country-specific characteristics

Example: 4 distinct offers in France adapted to different banking uses

REMOTE
Self-driven customers looking for simplicity and convenience

HYBRID
Customers combining face-to-face interactions & remote channels use

ADVISORY
Customers looking for expertise and/or customised service & ready to pay a premium price

Digital

Full digital offer
Digital or remote distribution & services
Freemium
Pay-per-use for high value added services

Multi-channel service offer
A team at your service
Explicit invoicing of a higher service level

Multi-channel service offer
Dedicated & proactive relationship manager

COMMON PLATFORMS: Products & services – Channels – Remote expertise

> 900,000 accounts opened
365,000 clients
7m clients
290,000 clients

Branch network
Private banking

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Digital
Human
Domestic Markets
Develop Digital and Mobile Banking

Enhance data use

- Development of data use for the benefit of customers & of commercial performance
  - Improve the customer contact opportunity conversion rate
  - Objective: 33% of customer contact opportunities converted in 2020

Develop use of mobile banking services

- Implementation of new features for mobile payments
  - Person-to-person mobile payments: Jiffy in Italy, Payconiq in Belgium & Paylib entre Amis in France
  - Payment card settings managed directly by customers via mobile device
- Speeding up digital customer onboardings
  - New customer acquisitions: 1/3 achieved entirely through digital channels
- Sharp rise in the number of active mobile users in the networks: +21% vs. 1Q17
  - 17 average monthly connections (+10% vs. 1Q17)

Anticipate new usage trends & diversify revenues with the launch of innovative products

- Lyfpay: aiming to become the European reference for added-value mobile payment solution to serve client relationship
  - 2,500 daily downloads of the app
  - Agreement signed in February with Casino Group: rollout in > 500 stores across France
- Kintessia: first B-to-B marketplace enabling Leasing Solutions customers to optimise the use of their assets by renting them
Domestic Markets: Upgrade the Operating Model to Enhance Efficiency & Customer Service

- Simplify and optimise the local commercial set-up
- Continue branch network optimisation
  - 16% branches since 2012
  - 138 branches closed in 2017
- New regional organisation
  - Removal of one management layer in FRB (out of 4)
  - Similar streamlining under way at BNL and BRB
  - Shorten the decision-making process, make the set-up more efficient & reduce costs

- Create omni-channel customer service centres
- New customer relationship management model and Sale/After-sale convergence
- Differentiated treatment between standard services & premium solutions

- New digital end-to-end value proposal
- Evolution towards new customer service models
- Rollout of reinvented end-to-end digital customer journeys

Number of branches as at 31.03.2018 (variation vs. 2012):
- 723 (-210)
- 41 (+3)
- 1,895 (-305)
- 744 (-146)

Number of branches as at 31.03.2018 (variation vs. 2012):
- 41 (+3)
- 138 branches closed in 2017

1,895 (-305)
723 (-210)
41 (+3)
International Financial Services
New Partnerships and Client Experience

► Personal Finance:
- Kia Motors, Hyundai Motor (Spain & France); Toyota (Portugal)
- New sectors (tourism: TUI in France; telecoms: Masmovil in Spain)
- New countries (Austria: XXXLutz in home furnishings)
- China: good development of JVs with Bank of Nanjing, Geely and Suning

► Insurance:
- Promising start of the partnership with Matmut in France: launched the first sales of car and home owner's insurance at FRB & Hello bank!
- Partnership with SeLoger.com to simulate & purchase credit protection insurance online in France

► Personal Finance: 72% of contracts signed electronically in France, Italy & Spain

► Insurance: ability to buy creditor insurance fully online in France

► Wealth Management:
- Launch of Voice of Wealth: app by Bank of the West Private Banking to help customers manage their investment portfolios

Develop new partnerships

Optimise client experience

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International Financial Services
Develop Digitalisation & Enhance Operating Efficiency

► New technologies:
- Leveraging the acquisition of Gambit (robo-advisory): launch in France of Birdee (after Belgium and Luxembourg), a digital financial management solution for individuals
- Partnership with Plug & Play, world’s largest start-up accelerator

► Digital banks: launch by Personal Finance of new digital banks in Europe (Hello bank! by Cetelem)
- Leveraging in particular the strong brand recognition and the sizeable client base (27 million clients in 28 countries)
- Successful launch in the Czech Republic at end 2017
- 4 other countries expected in Eastern Europe (Slovakia, Hungary, Romania and Bulgaria)
- > 50 million inhabitants in these 5 countries

► Asset Management: ongoing implementation of BlackRock’s IT outsourcing solution, Aladdin

► Bank of the West: centralising some functions and streamlining hierarchical levels
International Financial Services
Growth Enhancing Bolt-on Acquisitions

2017

► **Personal Finance**: acquisition in partnership with PSA Group of 50% of General Motors Europe’s financing activities (outstanding loans of €9.4bn at year-end 2017)

► **Personal Finance**: acquisition of SevenDay Finans AB, a consumer credit specialist in Sweden (70,000 clients, outstanding loans of €0.7bn at year-end 2017)

► **BNP Paribas Cardif**: buyout of the remaining 50% stake in Cargeas Italy (property and casualty insurance)

► **Real Estate Services**: acquisition of Strutt & Parker, leading player in the UK property market

2018

► **Europe-Med**: announcement of the acquisition of the core banking operations of Raiffeisen Bank Polska*
  
  ▪ Strengthening of BGZ BNP Paribas as the 6th largest bank in Poland with > 6% combined market share in loans and deposits at year-end 2017
  
  ▪ Acquisition price corresponding to 87% of the book value
  
  ▪ Positive 1% impact on the Group’s net EPS in 2020

► **Wealth Management**: announcement of the acquisition of ABN Amro Bank Luxembourg** (€5.6bn of AuM in private banking and €2.7bn in life insurance)

* Closing of the transaction expected in 4Q18, subject to the execution of the final documentation and regulatory approvals.
** Subject to regulatory approvals, deal expected to be closed in 3Q18.
Corporate & Institutional Banking
Continue Develop Customer Franchises

► Corporates: strengthen the footprint in targeted countries in Europe (notably Germany, Netherlands, UK & Scandinavia)
  - Good business development in targeted countries (revenues vs. 2016: +5.6% in Germany)
  - Over 170 new client groups gained since 1st January 2017 in EMEA**
  - Increased penetration in European Corporate Banking & Cash Management

► Institutionals: bolster our presence
  - Continue to gain new mandates in Securities Services & to develop its multi-local model
  - Strengthen the coordinated offering of the businesses (One Bank Approach)

► Leverage the global presence of the Group
  - Reinforce commercial synergies between Europe, the Americas and Asia-Pacific
  - Develop the footprint in selected markets (Indonesia, etc.)

* Source: Greenwich Share Leader Survey (European Top-Tier Large Corporate Cash Management, European Top-Tier Large Corporate Banking); ** Europe, Middle East & Africa
Corporate & Institutional Banking
Targeted Growth Initiatives & Digital Transformation

► New partnerships:
  ■ Finalisation of the strategic partnership with Janus Henderson in the United States (USD138bn in assets under custody)
  ■ Promising start of the partnership between Global Markets and GTS to enhance and expand the client offering on US Treasuries
  ■ Symphony communication & workflow automation tool now rolled out across front-office teams
► Strengthen the integrated CIB model
  ■ Securities Services & Global Markets to launch joint offerings (execution & netting of derivatives, collateral management, forex, etc.)
  ■ Development of cooperation between Bank of the West and CIB on corporates
► Roll-out new offerings
  ■ Launch of the tri-party collateral management offering (Securities Services)

► Digitalise customer journeys
  ■ Good development of all digital platforms (Centric, Cortex, Smart Derivatives, etc.)
  ■ > 300 new clients on-boarded onto Centric in 1Q18
► 120 digital projects launched (out of 150 identified)
► Digitalisation & industrialisation of the Know Your Client (KYC) process
Effect of the cost saving programmes launched since 2016: €650m in 2 years i.e. 50% of 2020 target
- Cost decrease in 1Q18: -7.2%* vs. 1Q17

Development of mutualised platforms (Portugal, etc.)

Automation of 200 processes by end 2018 (IT access, compliance controls, liquidity indicators)

4 “end-to-end processes” under way (client onboarding, credit process, forex cash and fund administration)

Cost income ratio

Reduced risk-weighted assets:
- €7bn reduction since 1 January 2017: right-sizing of sub-profitable portfolios, active management of financial resources (loan sales, securitisations, etc.)
- 75% of the target of €20bn achieved (-€8bn already achieved in 2016)
- Allocated equity: €19.9bn in 1Q18 (-10.1% vs. 1Q17)

Gradual redeployment of the resources thus freed up into growth

Pre-tax RONE**

Already significant increase in the Return on Equity thanks to the combined effect of the measures enacted
- 16.1% pre-tax RONE** in 2017 (18.5% in 1Q18)

* Excluding IFRIC 21 «Taxes»; ** Return on Notional Equity
Implementation of 5 Levers for a New Customer Experience

Upgrade the operational model
- Streamlining and automatisation of end-to-end processes
- Simplification of the organisations
- Shared platforms and smart sourcing

Implement new customer journeys
- New digitalised, expanded, seamless and personalised customer journeys (more services, more attractiveness, choice of channel)
- Upgraded service models (better customer segmentation based on user habits, “the right product at the right time and through the right channel”)
- Digitalisation of distribution by developing digital customer interfaces
- New services made available

Work differently
- More digital, collaborative and agile work practices
- Day-to-day digital environment & digital and innovation driven culture
- Staff training

Adapt information systems
- Evolution of information systems and incorporation of new technologies in order to accelerate digital
- Improvement of IT efficiency and agile practices
- Promotion of innovation

Make better use of data to serve clients
- Better reliability of data and enhancement of data use for the benefit of customers
- Reinforcement of data storage, protection and analysis capacities
- Use of cutting-edge technologies (artificial intelligence, machine learning)
## 2020 Targets

<table>
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<tr>
<th>Metric</th>
<th>2016 Target</th>
<th>2020 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue growth</td>
<td>2016-2020 CAGR* ≥ +2.5%</td>
<td>~€2.7bn</td>
</tr>
<tr>
<td>Recurring cost savings target starting from 2020</td>
<td>63%</td>
<td>63%</td>
</tr>
<tr>
<td>Cost income ratio</td>
<td>2016: 66.8%**</td>
<td>63%</td>
</tr>
<tr>
<td>ROE</td>
<td>2016: 9.4%**</td>
<td>&gt; 10%</td>
</tr>
<tr>
<td>Fully loaded Basel 3 CET1 ratio</td>
<td>2016: 11.5%</td>
<td>12%***</td>
</tr>
<tr>
<td>Pay-out ratio</td>
<td>2016: 45%</td>
<td>50%****</td>
</tr>
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** ROE > 10% in 2020

* Compounded annual growth rate; ** Excluding exceptional items; *** Assuming constant regulatory framework; **** Subject to Annual General Meeting approval
Commitment for a Positive Impact on Society

**CSR culture recognised by leading indices & labels**
- Selected in the Dow Jones Sustainability World & Europe Index, #1 French bank
- "Top 10 Performers" of the CAC 40 Governance index (Euronext & Vigeo Eiris)
- 2nd bank in Thomson Reuters’ Global Diversity & Inclusion index

**Sense of responsibility rooted in our financial activities...**
- **Stop the financings to tobacco companies**
- Placed in 2017 sustainable bonds for an equivalent of $6bn (+116% vs. 2016)
- **United Nations Sustainable Development Goals (SDGs):** €155bn in financings to support energy transition and sectors considered as directly contributing to SDGs*

**...and in our philanthropic actions**
- BNP Paribas Foundation and Bill & Melinda Gates Foundation: support 600 researchers on climate change adaptation in Africa

**A major role in the transition toward a low carbon economy**
- **Stop funding companies whose principal business activity is gas / oil from shale** (or from tar sands) & oil / gas projects located in the Artic region
- **Carbon neutrality** of BNP Paribas’ own operations achieved in 2017

* Including sustainable bonds’ placement and CSR funds

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June 2018 | 23
Conclusion

- Strong and well diversified bank

- A good macroeconomic context
  Positive impact of higher GDP growth and interest rates vs 2020 plan

- Businesses strengthening their commercial position
  New customer experiences & operating efficiency improvement
  by speeding up digital transformation

- Promising start to the 2020 plan
Appendix
Diversification Leading to Lower Risk and Steady Capital Generation

Cost of Risk/Gross Operating Income 2008-2017

- One of the lowest CoR/GOI through the cycle
  - Diversification and strong discipline at origination

Annual evolution of the CET1 ratio*

- Strong track-record in capital generation
  - Low risk and limited volatility of earnings

Diversification → lower risk profile

* CRD4 *2019 fully loaded
Financial Structure

- Reminder CET1 as at 01.01.18: limited impact of 2 technical effects
  - 1st time application of IFRS 9 (fully loaded): ~-10 bp
  - Deduction of irrevocable payment commitments from prudential capital: ~-10 bp
  - Pro forma CET1 ratio* as at 01.01.18: 11.6%

- Fully loaded Basel 3 CET1 ratio*: 11.6% as at 31.03.18
  - 1Q18 results after taking into account a 50% pay-out ratio (+10 bp)
  - Increase in risk-weighted assets excluding foreign exchange effect (-10 bp)
  - Foreign exchange effect overall negligible on the ratio

- Fully loaded Basel 3 leverage**: 4.1% as at 31.03.18

- Liquidity Coverage Ratio: 120% as at 31.03.18

- Immediately available liquidity reserve: €321bn***
  (€285bn as at 31.12.17)
  - Room to manoeuvre > 1 year in terms of wholesale funding

** Very solid financial structure **

* CRD4 “2019 fully loaded”; ** CRD4 “2019 fully loaded”, calculated according to the delegated act of the EC dated 10.10.2014 on total Tier 1 Capital and using value date for securities transactions;
*** Liquid market assets or eligible to central banks (counterbalancing capacity) taking into account prudential standards, notably US standards, minus intra-day payment system needs.
Recurrent Value Creation for Shareholders

**Dividend**: €3.02 per share (+11.9% vs. 2016)
- Paid in cash
- Dividend yield: 5.7%***
- Pay-out ratio of 50%
  - As per the 2020 plan

*First time application of IFRS 9; **Paid on 1st June 2018; ***Based on the closing price on 31 May 2018 (€53.06)