



**BNP Paribas**

**Rock-Solid Balance Sheet & Leaner Operations:  
a Sound Basis for New Development Plan**

*Fixed Income Presentation  
Helsinki - 19 September 2013*



**BNP PARIBAS** | The bank for a changing world

# Disclaimer

*Figures included in this presentation are unaudited. On 18 April 2013, BNP Paribas issued a restatement of its quarterly results for 2012 reflecting, in particular, (i) the amendment to IAS 19 "Employee Benefits" which has the effect of increasing the Group's 2012 pre-tax income by €7m; this adjustment has been re-allocated to the relevant division and business line operating expenses (ii) the allocation between the divisions and business lines of items which had temporarily been allocated to the Corporate Centre. In these restated results, data pertaining to 2012 has been represented as though the transactions had occurred on 1st January 2012. This presentation is based on the restated 2012 quarterly data.*

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# Introduction

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**Revenue and profitability resilience  
thanks to a diversified business and geographic mix**



**Rock-solid balance sheet and proven risk management**



**Preparing 2014-2016 business development plan**



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# Strong Group Financials

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Preparing New Business Development Plan

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Appendix

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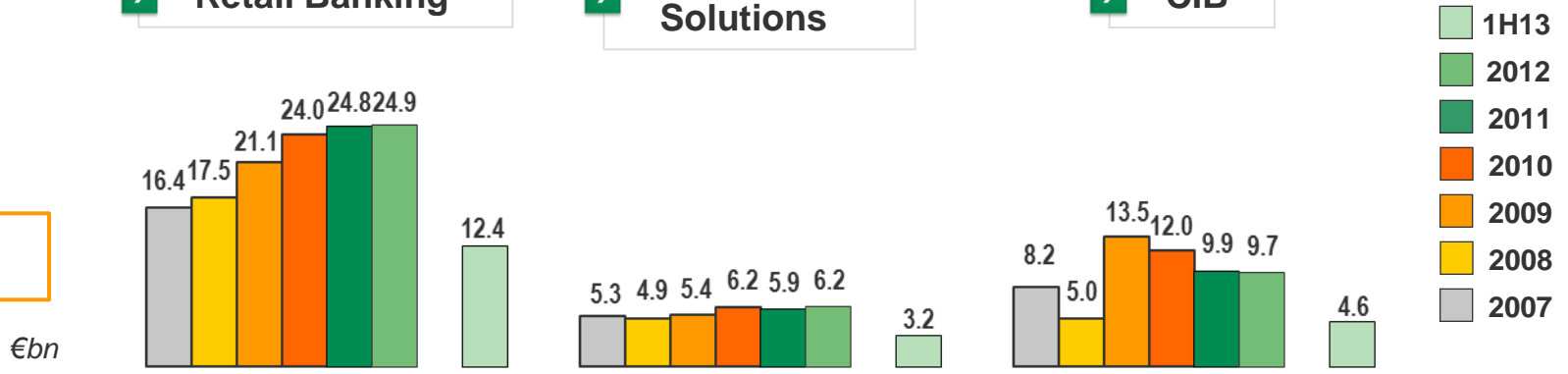
# Consistent Group Performance

## > Retail Banking

## > Investment Solutions

## > CIB

### REVENUES\*



FINANCIAL CRISIS    ECONOMIC CRISIS    SOVEREIGN DEBT CRISIS

### NET INCOME\*\*



> **Good resilience through the crises**

\* Including 100% of Private Banking of the domestic markets in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg;  
 \*\* Attributable to equity holders

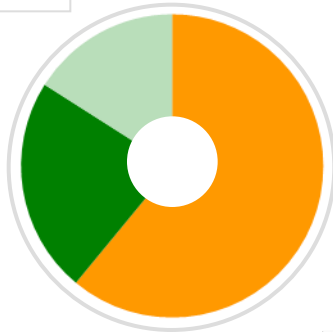


# Well Balanced Business Mix

## > Revenues by operating division in 1H13

> Investment Solutions  
16%

> CIB  
23%



> Retail Banking\*  
61%

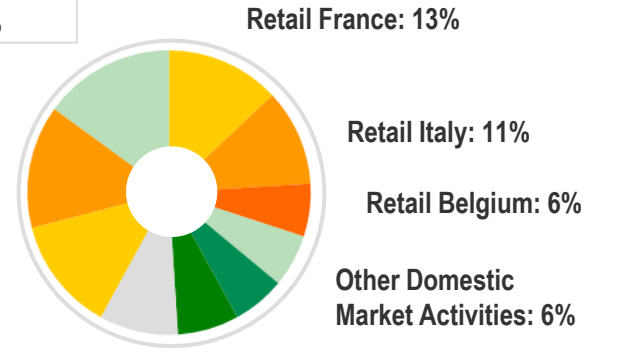
## > Basel 2.5\*\* Allocated equity by operating division in 1H13

> Investment Solutions  
15%

Corporate Banking: 14%

Advisory and Capital Markets: 13%

> CIB  
27%



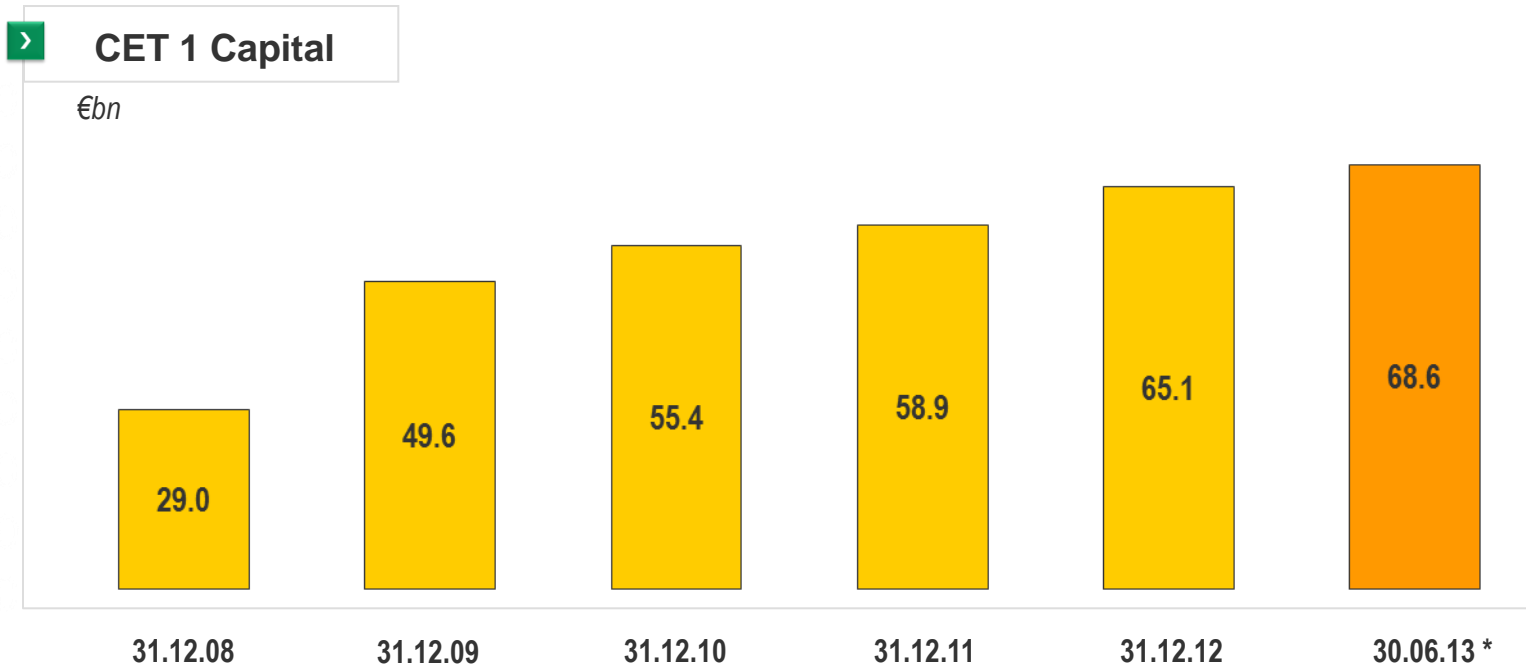
> Retail Banking  
58%

## > Balanced and diversified portfolio of activities

\* Including 2/3 of Private Banking of the domestic markets in France (including PEL/CEL effects), Italy, Belgium and Luxembourg;  
\*\* CRD3;



# Strong Financial Structure (1/5): Common Equity Tier 1

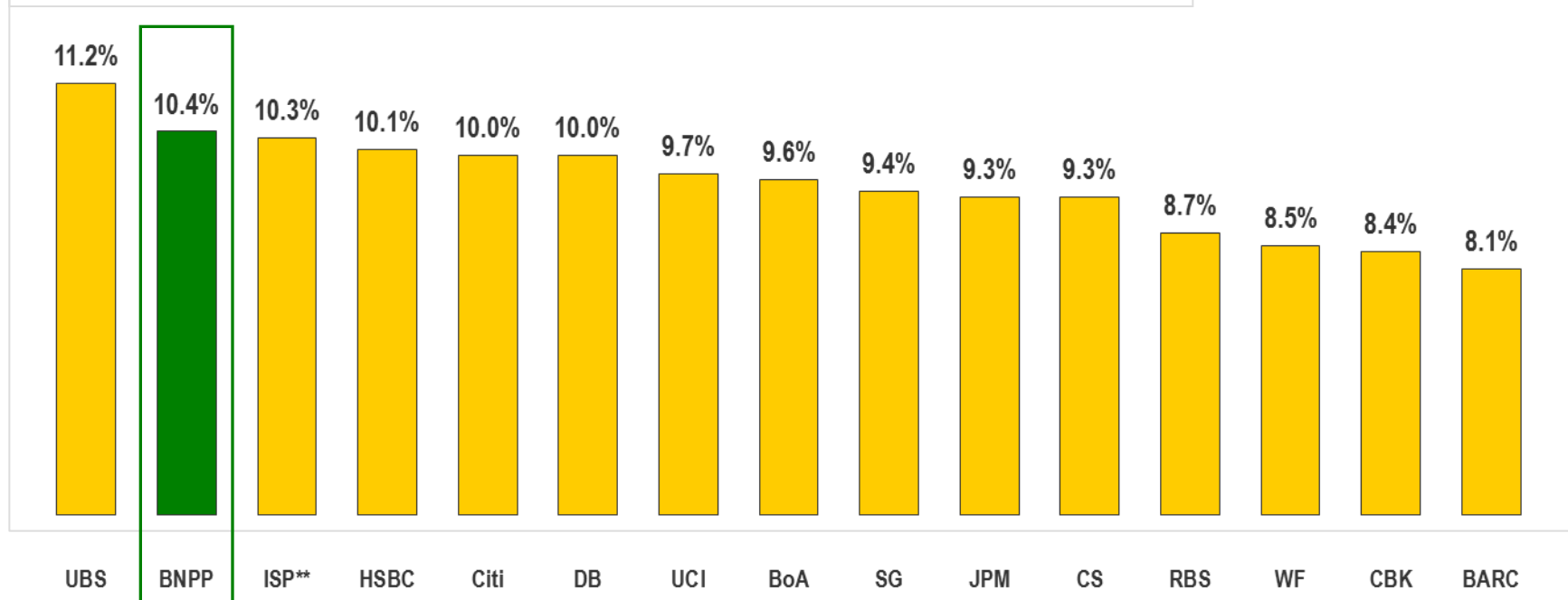


**> CET1 capital more than doubled in 4 years**



# Strong Financial Structure (2/5): Basel 3 CET1 ratio

> Common Equity Tier 1 ratio under Basel 3\* fully loaded (as at 30.06.13)



**One of the best capitalised banks in the new context**

\* As disclosed by banks of the peer group, according to CRD4 or Fed NPR; no disclosure from Santander, BBVA and CASA as at 30.06.13;

\*\* For Intesa SP, calculated from disclosed Basel 3 CET1 as at 30.06.13 (11.0%), excl. management actions (-59 bp) and expected absorption of DTA on Tax Loss Carry Forward before 2019 (-14 bp)

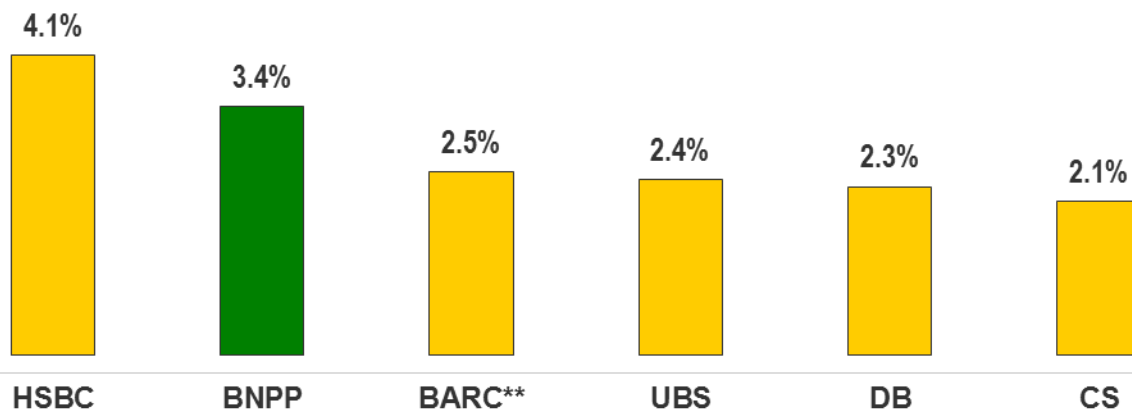




# Strong Financial Structure (3/5): Basel 3 Leverage ratio

## Fully loaded Basel 3 leverage ratio (as at 30.06.13)\*

CET1  
Leverage



Tier1\*\*\*  
Leverage



- Basel 3 leverage ratio\*\*\*\*: 3.4% fully loaded as at 30.06.13
  - Calculated on the sole basis of CET1
  - 3.8% based on Tier 1 capital
  - Reminder: regulatory threshold of 3.0% applicable from 1<sup>st</sup> January 2018, calculated with Tier 1 capital



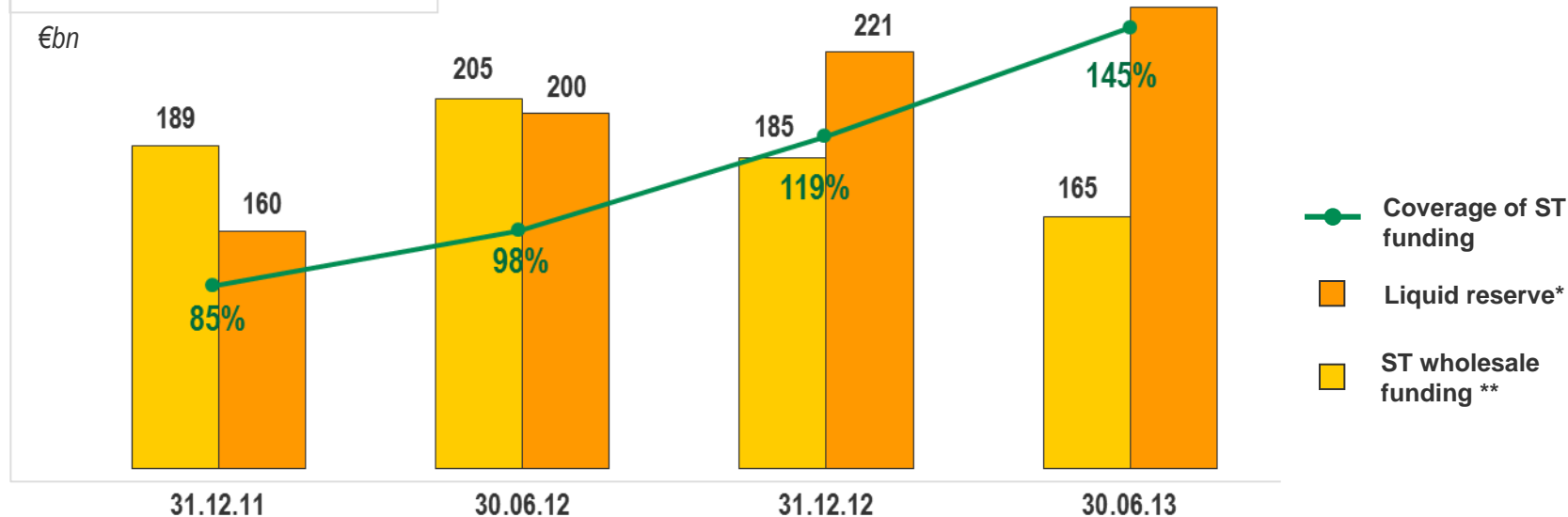
**Already compliant with the Basel 3 leverage ratio**

\* Calculated on the basis of disclosed data; CRD4 or Swiss rule; \*\* Before £5.8bn rights issue announced on 30 July 2013; \*\*\* As published in 2Q13; for Credit Suisse, end-2013 projections (2.7% at 30.06.13); \*\*\*\* CRD4, as applied by BNP Paribas



# Strong Financial Structure (4/5): Liquidity Buffer

## > Liquid asset buffer



- Liquidity reserve: €236bn\* as at 30.06.13 (vs. €160bn as at 31.12.11)
  - Immediately available
  - Amounting to 145% of short-term wholesale funding

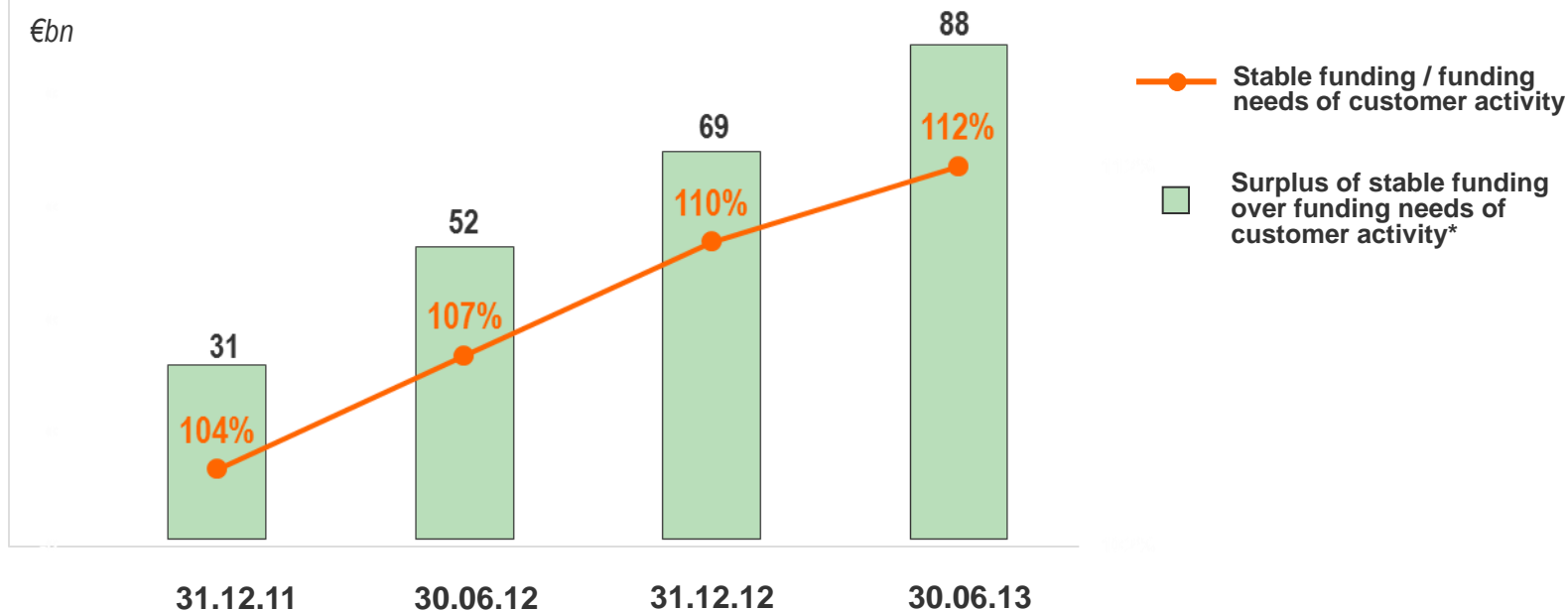
## > Ample liquidity with over one year of room to manoeuvre

\* Deposits with central banks (of which \$42bn of deposit at the NY Fed) and unencumbered assets eligible to central banks, after haircuts;  
 \*\* Including LTRO



# Strong Financial Structure (5/5): Stable Funding

## > Surplus of stable funding\*



- Build-up of a significant excess of stable funding
  - Surplus of €88bn as at 30.06.13\*\* (vs. €31bn as at 31.12.11)

## > Stable funding surplus almost tripled in 18 months

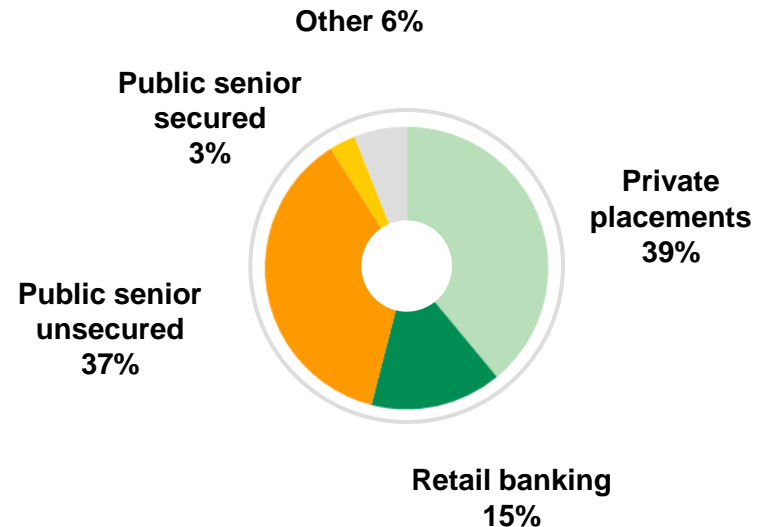
\* Source: All Currencies Cash Balance Sheet, see Appendix; \*\* o/w surplus of USD61bn as at 30.06.13



# Competitive and Diversified Medium/Long-Term Funding (1/2)

- 2013 MLT programme: €30bn
- Completed as of beginning of August\*
  - Maturity of 5.5 years
  - Mid-swap +73 bp on average
- Last Issuances in August and September:
  - USD 1.25bn / 5 years / Treasuries +127bp equivalent to € Mid-swap +70bp
  - €1bn / 5.4 years / Mid-swap +67bp
  - ¥50.1bn / 3 years / JPYOS +17bp / ¥FRN +27bp
  - ¥25.5bn / 5 years / JPYOS +23bp / ¥FRN +33bp
- Reminder of previous Issuances:
  - January: €1bn / 5.2 years / Mid-swap +75bp; AUD 675M / 5Y / BBSW +155bp
  - February: €1.25bn / 10.5 years / Mid-swap +105bp ; USD 1bn / 10 years / Treasuries +145bp
  - May: £300M / 3 years / 3m £Libor +60bp
  - July: €650M / 5.5 years / Mid-swap +60bp

## 2013 MLT funding structure – breakdown by source



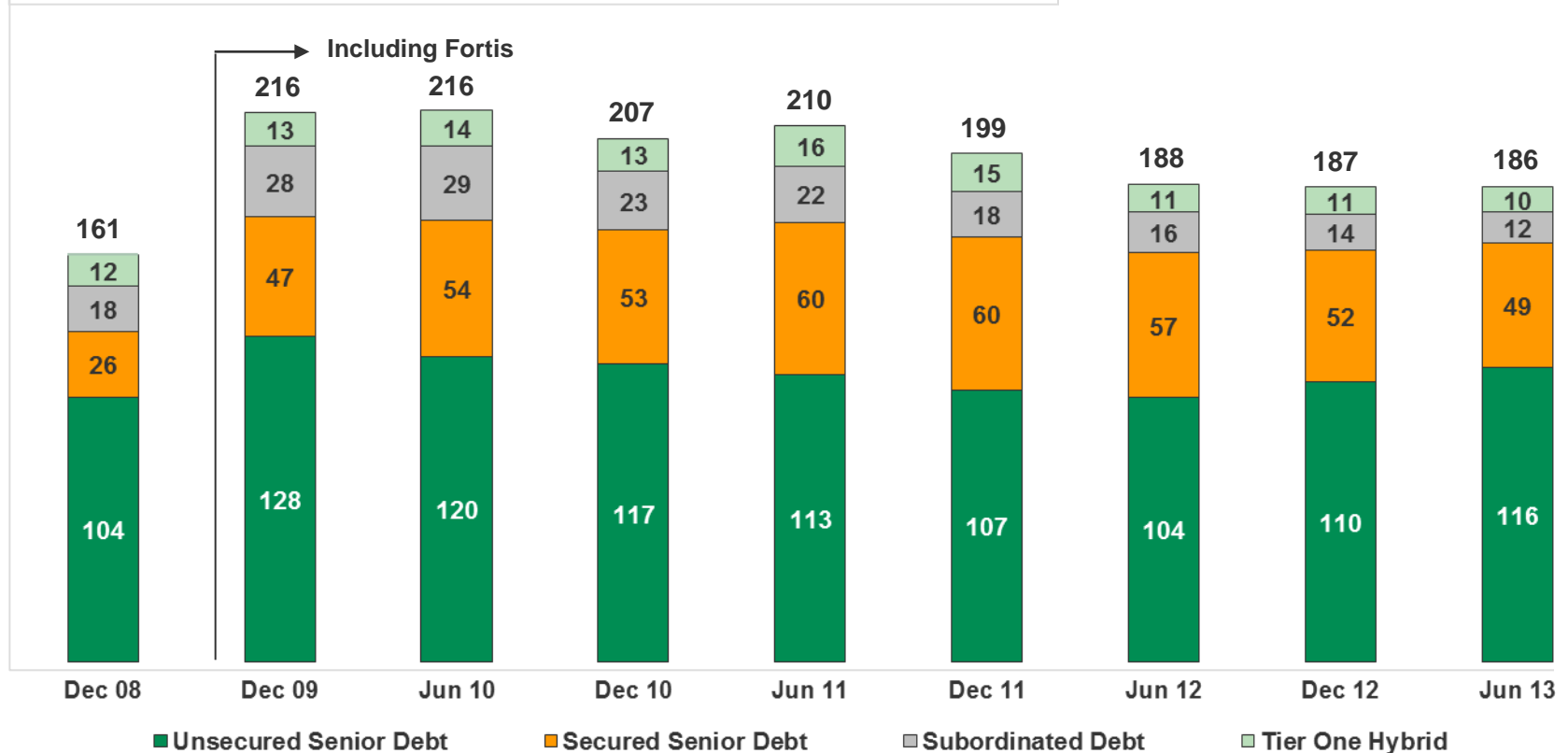
**2013 MLT funding programme completed, at competitive conditions**

*\* Including issues at the end of 2012 on top of the €34bn completed under the 2012 programme*



# Competitive and Diversified Medium/Long-Term Funding (2/2)

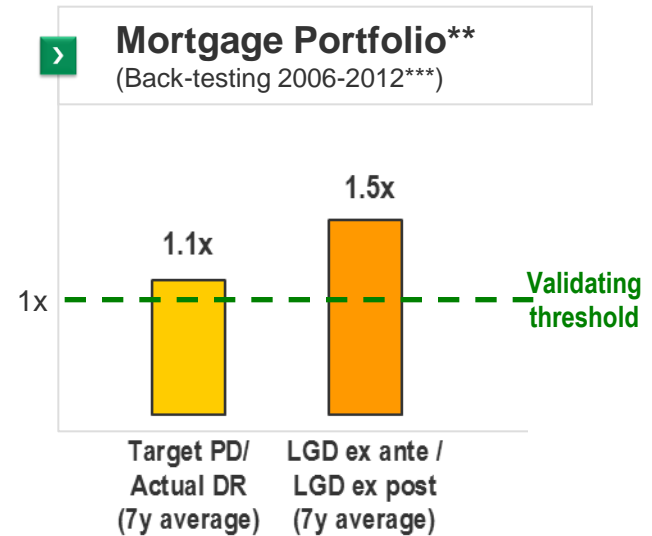
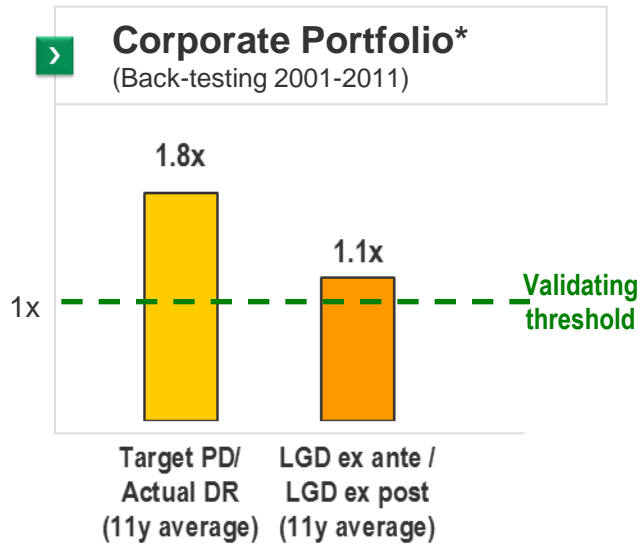
## > Medium and Long Term outstanding funding (€bn)



> MLT funding needs stabilized after adaptation plan



# Proven Risk Management (1/3): Credit Risk



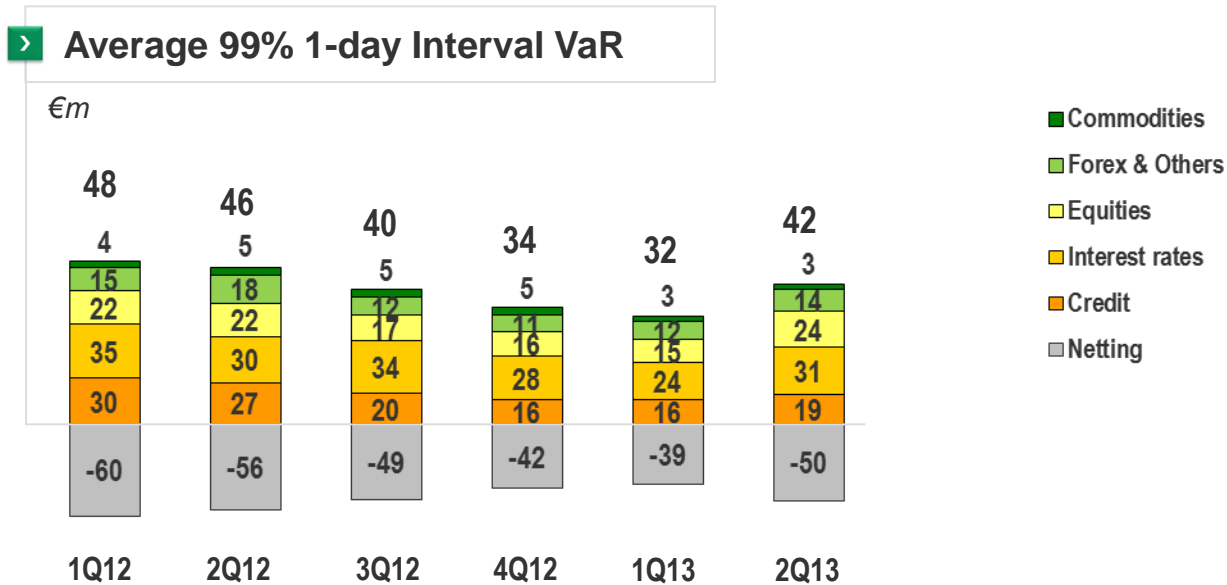
PD: Probability of Default  
DR: Default Rate  
LGD: Loss Given Default

**Real life experience validates the internal model**

\* CIB and French Retail Banking 2001-2011; \*\* Residential mortgages of FRB  
\*\*\* 2006: introduction of internal model for French mortgages



# Proven Risk Management (2/3): Market Risk



- VaR at a low level

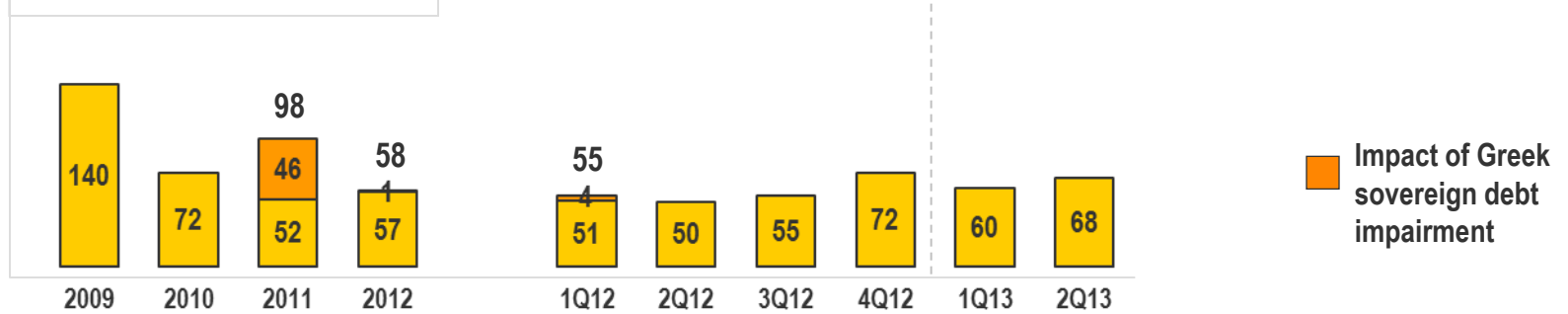
- Only 1 day of losses > VaR since 2011 despite some high levels of volatility
- Only 11 days of losses > VaR since 2007, validating the theoretical approach and the internal model
- 2Q13 increase due to the rise in business activity and higher volatility in the markets

➤ **Cautious and successful management of market risks**

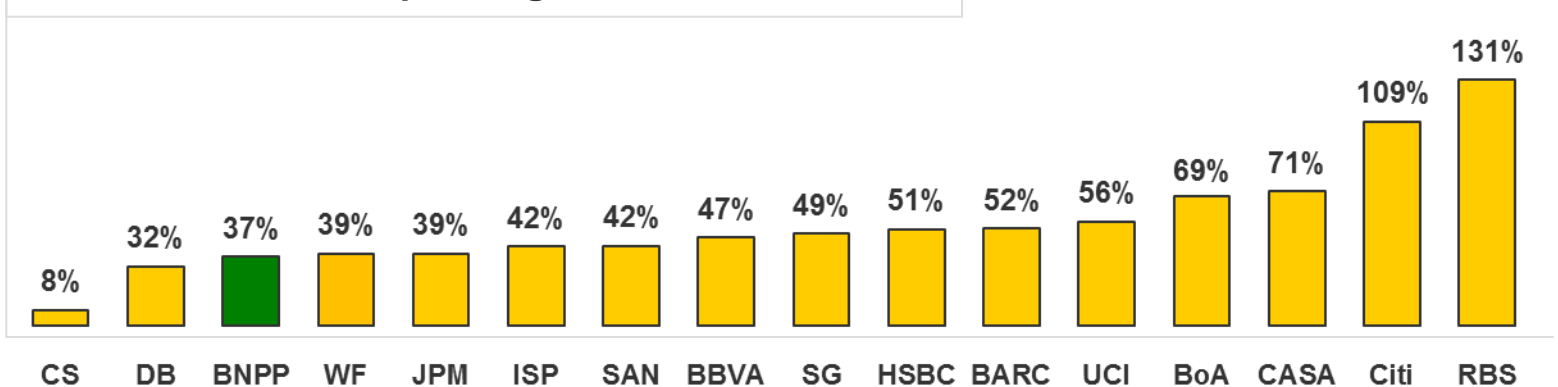


# Proven Risk Management (3/3): Track Record

## Group cost of risk



## Cost of risk/Gross operating income 2007-1H13\*



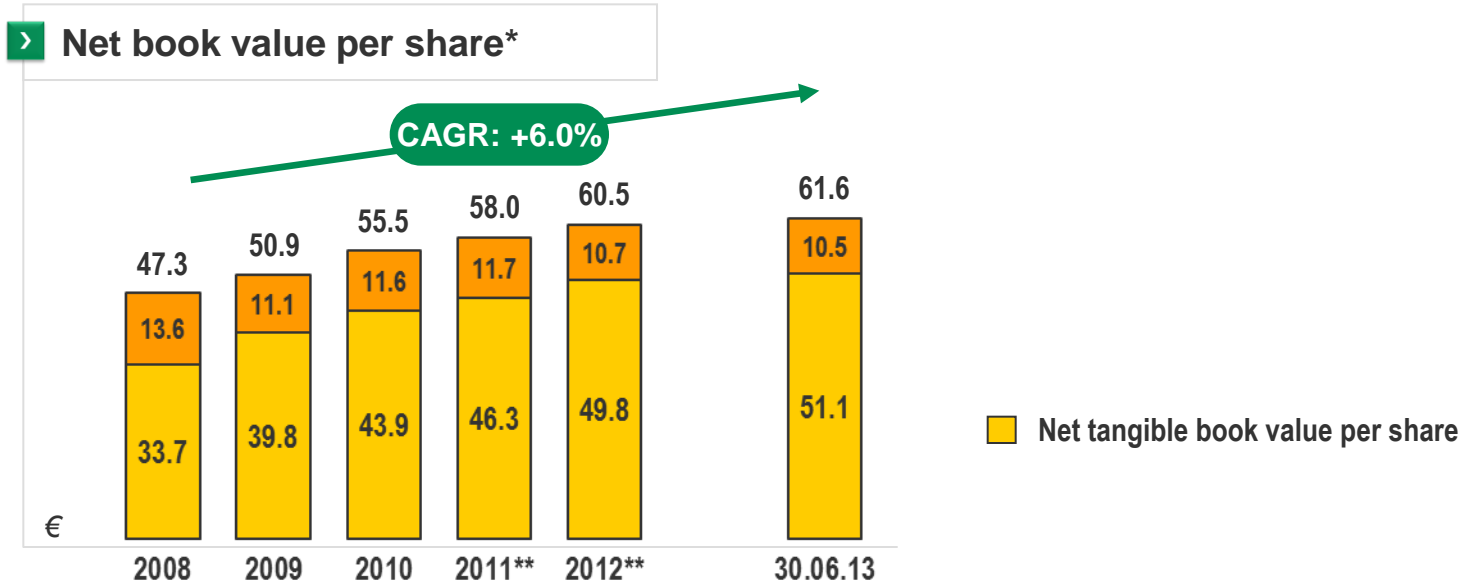
## Stringent risk policy with proven effectiveness

\* Source: banks; UBS not included due to negative cumulated GOI over the period





# Net Book Value per Share



**Continuous growth throughout the cycle**

\* Not revaluated; \*\* Restated following application of the IAS 19 amendment



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Strong Group Financials

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**Preparing New Business Development Plan**

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Appendix

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# Towards a New European Framework

## EU 27

- November 2010: creation of the EBA (European Banking Authority)
- April 2013: adoption of a single rule book (Capital Requirement Regulation) based on Basel 3 proposals
- Recovery and Resolution Directive and Deposit Guarantee Scheme Directive in progress
- January 2014: implementation of the fiscal pact transferring fiscal balance monitoring to the EU (25 Member States)

## EU 17

- August 2012: Draghi : “Euro is irreversible”
- September 2012: ECB announces OMT (Outright Monetary Transactions) Program = conditional purchase of sovereign debt (MoU)
- October 2012: creation of the permanent €500bn rescue facility ESM (European Stability Mechanism), follower of the temporary EFSF\*
- October 2012: in principle agreement on a Euro area wide & ECB led Banking Union
- Banking Union in progress - Issues currently under negotiation:
  - Single Supervisory Mechanism (SSM)
  - Single Resolution Mechanism (SRM)

\* European Financial Stability Facility, established in May 2010 as a temporary response mechanism to the EZ credit crisis



# 2014-2016 Business Development Plan

- 1<sup>st</sup> phase: Simple & Efficient
- 2<sup>nd</sup> phase: implement specific business development plans by region and by business unit
  - 1<sup>st</sup> plan: Asia-Pacific
  - 2<sup>nd</sup> plan: Asset Management
  - 3<sup>rd</sup> plan: Hello bank!
  - 4<sup>th</sup> plan: Germany
  - .../...
- Global business development plan with Group targets to be announced with 2013 results

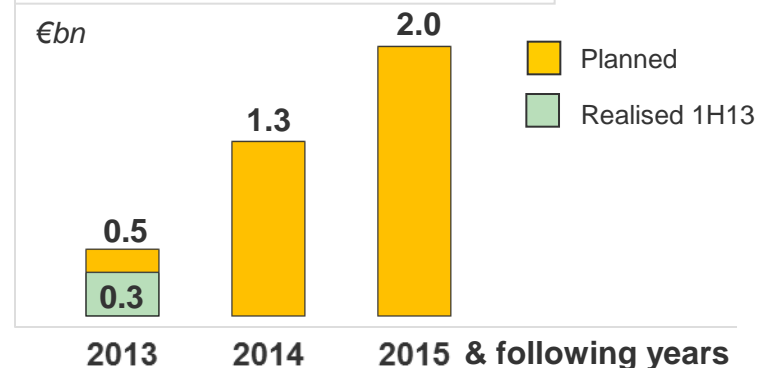


**Towards a comprehensive presentation early in 2014**

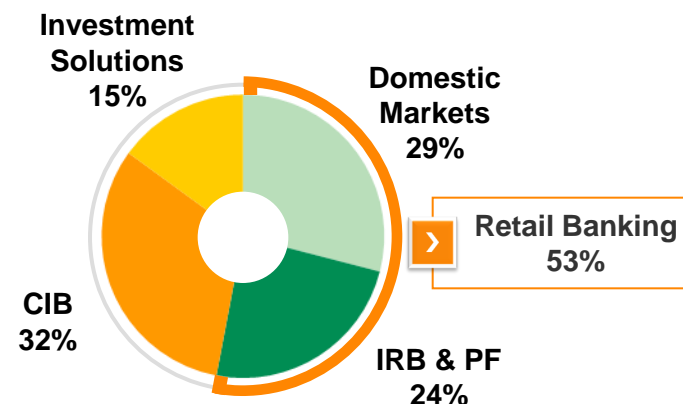


# Simple & Efficient (1/2)

## > Recurring cost savings



## > Breakdown of 1H13 savings by division



- Cost savings: €330m in 1H13
  - Reminder: €2bn recurring savings planned in 2015
- Transformation costs: €229m in 1H13
  - Reminder: €1.5bn spread out over 3 years (€450m in 2013, €750m in 2014, €300m in 2015)
- 1,028 programmes identified for the whole Group, including 2,053 projects
  - 1,760 projects already launched (~86%)
  - Each with an identified manager, a budget and a timetable



## Rapid startup of Simple and Efficient



# Simple & Efficient (2/2)

4 areas for transformation	12 levers	Representative projects
<b>Client relationship</b>	<ul style="list-style-type: none"> <li>- Distribution models</li> <li>- Digital solutions</li> </ul>	<ul style="list-style-type: none"> <li>- Branch set-up evolution</li> <li>- Dematerialisation of bank statements</li> </ul>
<b>Enhance operating model</b>	<ul style="list-style-type: none"> <li>- Automation &amp; industrialisation</li> <li>- Streamlining of processes</li> <li>- Mutualisation</li> <li>- Alternative sourcing policies</li> <li>- Layering</li> <li>- Differentiation between Group function and services activities</li> </ul>	<ul style="list-style-type: none"> <li>- Automation of back-office processes</li> <li>- End-to-end process review</li> <li>- Creation of shared services</li> <li>- Outsourcing of operations</li> <li>- Less layers, increased span of control</li> <li>- Creation of shared services differentiated from Group function</li> </ul>
<b>Asset rationalisation</b>	<ul style="list-style-type: none"> <li>- Rationalisation of IT assets</li> <li>- Rationalisation of real-estate assets</li> </ul>	<ul style="list-style-type: none"> <li>- Decommissioning IT applications</li> <li>- Relocating to new premises</li> </ul>
<b>Cost optimisation</b>	<ul style="list-style-type: none"> <li>- Smarter spending culture</li> <li>- Adaptation to demand</li> </ul>	<ul style="list-style-type: none"> <li>- Review of non-revenue generating expenses</li> <li>- Organisational review</li> </ul>

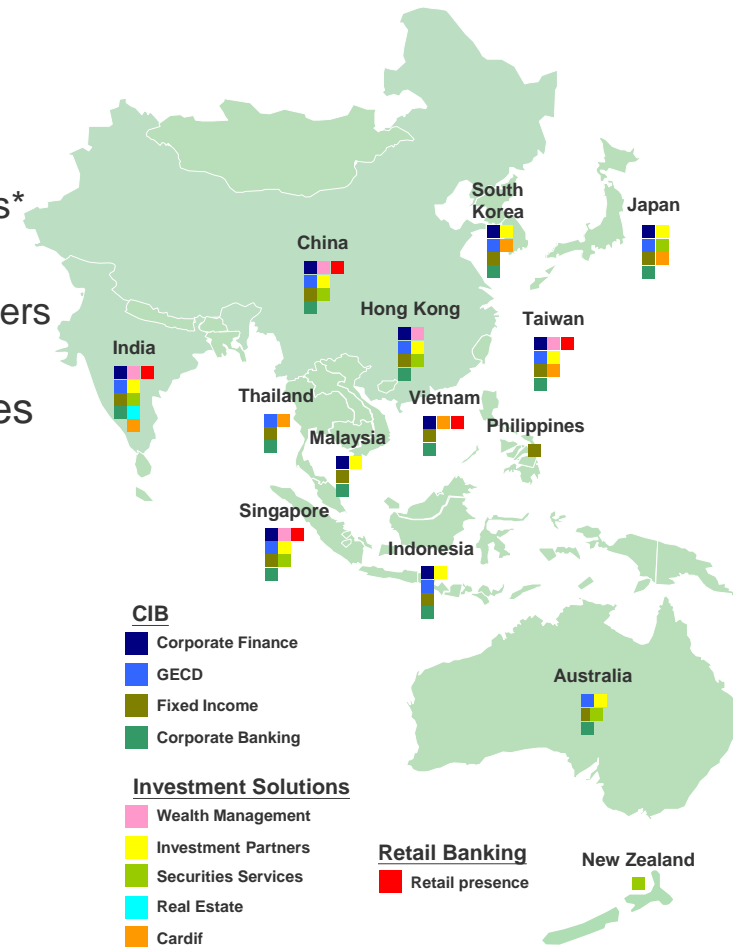


**Simplifying the Group's way of functioning and improving its operating efficiency**



# Asia Pacific (1/3): Development Plan Underway

- Leverage on an already sizeable footprint
  - Presence in 14 countries (12 full banking licences)
  - Nearly 8,000 employees at CIB and Investment Solutions\*
  - ~12.5% of CIB and Investment Solutions 2012 revenues
  - Several successful partnerships with large domestic players
- Expand the set-up to strengthen the different franchises
  - Corporates: bolster the commercial organisation
  - Investors: grow footprint to expand resource gathering
  - Forge new partnerships especially in Insurance
- More than 30 development programmes defined
  - 24 programmes already launched by the end of August
  - Covering either selected businesses and/or targeted geographies

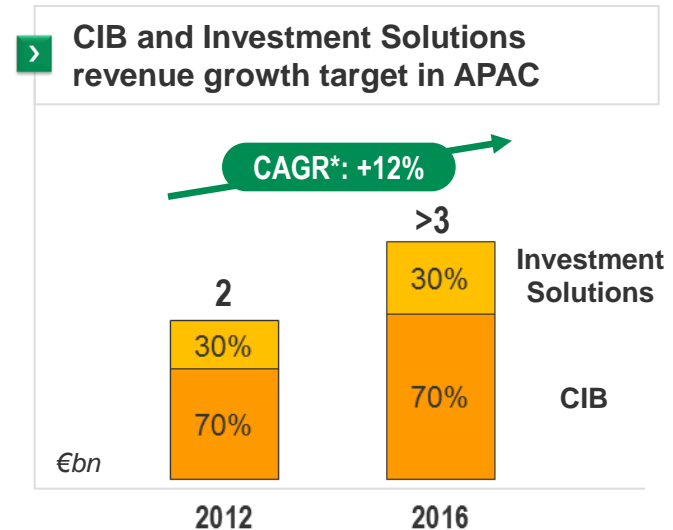


**Expanding platforms to build future development**



# Asia Pacific (2/3): Main Targets

- Generate over €1bn additional revenues by 2016 in CIB and Investment Solution (+12% per year\*)
  - +~1,300 staff at Investment Solutions and CIB in 3 years
- Strengthen the workforce
  - +~1,300 staff at Investment Solutions and CIB in 3 years
- Grow financed assets: >50% in four years
  - Support growth of the customer base
- Parallel increase in deposits gathering
  - Funding development at regional level
- Development of new partnerships
  - Notably in Insurance and in Retail
- A member of the Executive Committee, based in the region, to steer the plan



**Grow revenues in Asia to over €3bn by 2016**

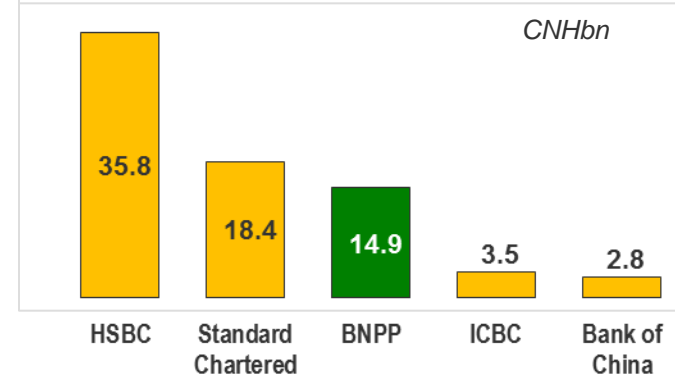




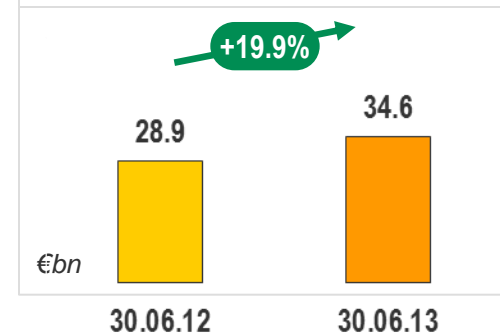
# Asia Pacific (3/3): First Achievements

- Revenues CIB & IS in 1H13: +22.6% vs.1H12
  - Growth in both businesses, strong performance of CIB
- CIB
  - Top ranking in “Dim sum” bonds\* with 49 issues in 1H13
  - Awarded “Overall Best Regional 2012 Bank” for Commodities Derivatives and Research\*\*
- Investment Solutions
  - Private Banking: strong growth of AuM, named “Best foreign Private Bank” in Hong Kong in 2013\*\*\*
  - Insurance: strong growth of gross written premium (+20% vs. 1H12), new partnerships with Bank of Beijing in China\*\*\*\* and Saïgon Commercial Bank in Vietnam
- New partnership in Retail Banking
  - Personal Finance: agreement with Bank of Nanjing to develop consumer lending

> League table “Dim sum” bonds\* 1H13 (CNH/offshore RMB)



> Wealth Management in Asia: Assets under Management



**Dynamic drive in all the businesses**

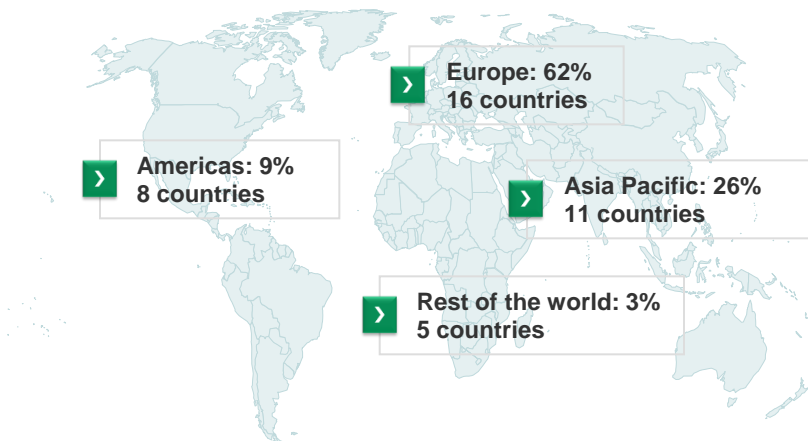
\*Source: IFR/Thomson Reuters; \*\* Source: AsiaMoney February 2013; \*\*\* Private Banker International 2013; \*\*\*\* Subject to regulatory approval



# Asset Management (1/3): Current Positioning

- A strategic business for the Group
  - A key business for institutional clients
  - Management of our clients' assets
  - Substantial return on equity
- A global presence
  - 3,200 people in 40 countries
  - €375bn in assets under management as at 30 June 2013
- A major player in the institutional segment
  - #7 in Europe\*\*
  - Investment management recognised by leading consultants and industry reviews in various capabilities: European equities ("European Equities manager of the year"\*\*\*), Fixed Income in Asia, ...
- Strong positions with retail & private banking clients
  - Distribution across the networks of the 4 domestic markets: access to 15 million strong client base
  - Access to leading global distributors
- A significant set-up in emerging markets
  - 17 countries, €50bn in distributed assets
  - A presence bolstered through local partnerships (ex: Shinhan in South Korea, HFT in China)

## > Global workforce breakdown\*



## A multi-local approach to customer service



# Asset Management (2/3): 3 Priority Areas for Development

## ● Institutional clientele

Strengthen recognition by leading international consultants and gain new mandates



- Develop new areas of expertise, in particular in loans and CLOs
- Accelerate the development of the European Equities offering and solutions adapted to the needs of insurers and pension funds
- Make selected investments to guarantee the best possible client service

## ● Asia Pacific and emerging markets

Increase the volume of AuM in growth markets and cross-selling worldwide



- Consolidate positions in key markets (China, Brazil, South Korea, Indonesia)
- Strengthen regional and local expertise
- Forge local partnerships to gain access to individual clientele

## ● Distributors (retail and private banking clientele)

Create one of the 3 biggest distribution platforms in continental Europe



- Forge partnerships with banking or distribution networks
- Bolster the solution and risk profile offerings for individuals (e.g.: retirement savings)
- Reinforce associated services for distributors (advisory, simulation tools, online services)
- Industrialisation of processes



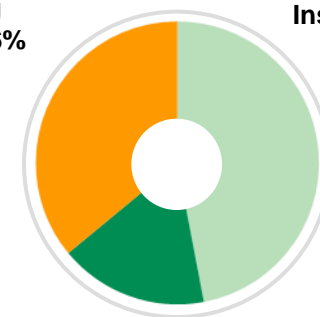
# Asset Management (3/3): Main Targets

- Selective investments, in particular in the institutional segment
- Increase assets under management
  - Jump-start asset inflows: €40bn net by 2016 in the value added segments
  - Primarily from institutional clients, in Asia Pacific and in emerging markets
- Revenues: +10% over the period
  - In line with the growth of average assets under management
- Limited capital consumption

## > Breakdown of asset inflows by 2016

Asia Pacific & Emerging markets: 36%

Institutionals: 47%



Distributors: 17%

> Investing selectively in a strategic business for the Group

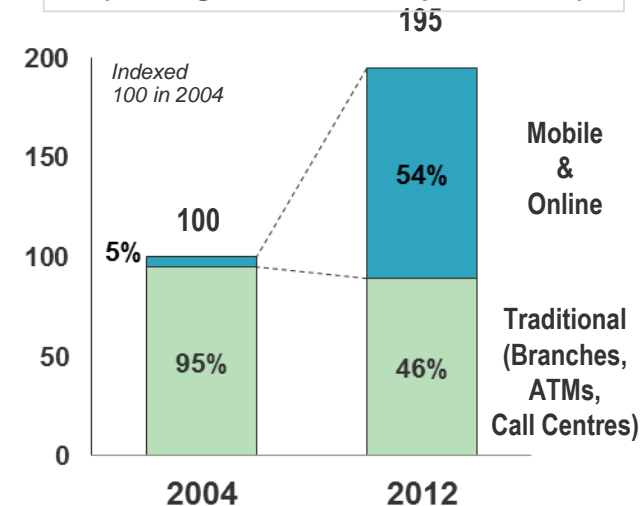


# Hello bank! (1/2): “Mobile, just like you”

- The first 100% Digital Mobile Bank in Europe
  - A mobile-native bank adapted to smartphones and tablets
  - Launched in Belgium, Germany, France and in October in Italy
  - A broad offering with the full product range of a bank
- Meeting clients’ changing expectations and behaviours
  - Increasingly knowledgeable and self-sufficient customers
  - Over 2/3 of money transfers already done online in the 4 markets
  - ~700k French clients using our mobile apps in just 2 years
  - Erosion of branch visits: focus on advice and complex transactions
  - Increasing number of client contacts driven by online & mobile touch points
- Several competitive advantages
  - A specific brand endorsed by the BNP Paribas Group
  - A full digital offer with an attractive pricing
  - An agile mobile online service and possibility to access branches



➤ **Number of customer contacts (banking sector in developed markets)\***



➤ **A new generation online bank  
launched in Belgium, Germany, France and Italy**

\* Source: BCG March 2013



# Hello bank! (2/2): Main Targets

- Objective is to attract 1.4 million clients by 2017
  - Mainly through acquisition of new clients
  - Retaining also existing clients looking to switch to digital media
  - Bulk of clients to be split between France and Germany, followed by Belgium and Italy
- Close to €80M€ invested in 2013 to foster client acquisition
  - A specific budget booked in Domestic Markets
  - ~1,000 employees (o/w 900 advisors) in 2017
- No legal entity created: a business unit within the local retail banking in France, Belgium and Italy, Cortal Consors in Germany
- Break-even in 4 years in all countries
  - Integrated as much as possible with digital platforms and IT systems of existing networks
  - Extensive use of existing infrastructures and resources (core banking and back-offices, specialized teams within call centres,...)

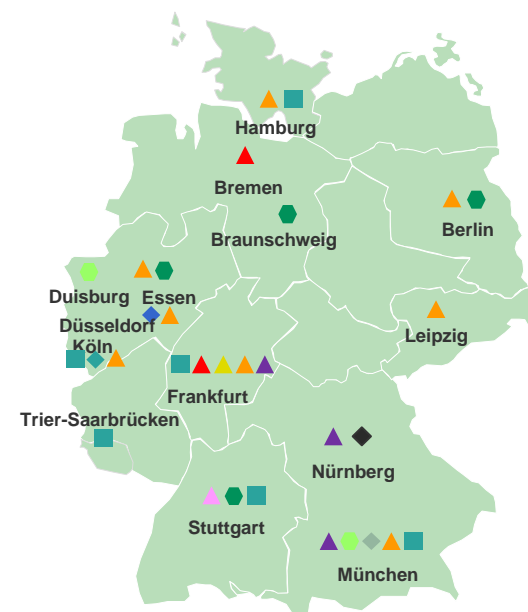


**Objective of 1.4 million clients by 2017**



# Germany (1/3): Current Footprint

- A diversified organisation covering all client segments
  - 12 businesses, ~3,500 employees\*
- Retail Banking: strong specialised retail franchises
  - Cortal Consors: leader in online investment advisory services
  - Personal Finance: #3 in point of sale consumer lending
  - Leasing Solutions: #1 in farm equipment, leading positions in vendor programmes
- Corporate & Investment Banking: leading positions with large corporate and institutional clients
  - 6 regional business centres
  - Integral part of the Group's "One bank for Corporates" approach
- Investment Solutions: prominent positions
  - Securities Services: #1 depository bank
  - Real Estate: #1 in commercial real estate transactions (BtoB)
  - Cardif: a key player in credit protection insurance



## Retail: ~2,300 FTE

- CORTAL CONSORS BNP PARIBAS
- BNP PARIBAS LEASING SOLUTIONS
- BNP PARIBAS FACTOR
- ARVAL BNP PARIBAS GROUP

- COMMERZ FINANZ** <sup>\*\*</sup>
- VON ESSEN GmbH & Co. KG Bankgesellschaft

## IS: ~800 FTE

- BNP PARIBAS REAL ESTATE
- BNP PARIBAS SECURITIES SERVICES
- BNP PARIBAS CARDIF
- BNP PARIBAS INVESTMENT PARTNERS
- BNP PARIBAS WEALTH MANAGEMENT

## CIB: ~400 FTE

- BNP PARIBAS CORPORATE & INVESTMENT BANKING



**Strong positions to build future development**

\* FTE at the end of 2012, including Commerz Finanz; \*\* 50.1% joint-venture with Commerzbank fully integrated, about 800 FTE



# Germany (2/3): A Target for our Development in Europe

- Significantly increase individuals' deposits via Hello bank!
  - Transform Cortal Consors into a digital bank and reach ~1.1 million clients by 2017
  - Target of 1% market share of individuals' deposits by 2017
- Grow outstandings and consolidate our positioning in the corporate segment
  - Reach top 5 position with large corporates and midcaps by 2018, leveraging the global reach of the Group and its diversified expertise
  - Deepen relationships with large corporates: become a reference bank, expand advisory services
  - Extend clientele to large exporting midcaps (turnover >€250m)
  - Expand the customer base in Leasing (€3bn in outstandings by 2016, +50% vs. 2012) and Factoring (6% market share by 2016, ~x2 vs. 2012)
- Step up the pace of developing strong positions in specialised businesses
  - Strengthen leading positions in Real Estate Services and Securities Services (e.g. the acquisition of Commerzbank's depositary businesses\*)
  - Develop diversified distribution channels in order to grow Cardif's market position
  - Develop partnerships with Personal Finance, notably in retail and automotive sectors



**A global growth initiative  
fostering cross-selling across all segments**

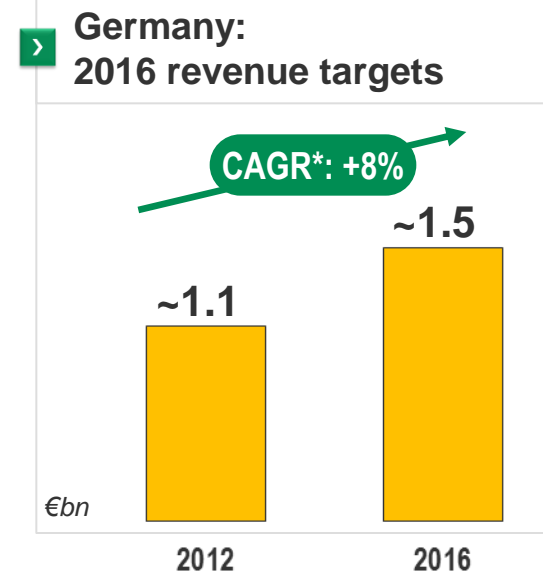
*\* Announced on 25 July 2013, subject to regulatory approval*





# Germany (3/3): Main Targets

- Bolster the organisation
  - Grow the workforce by +500 staff in 3 years
  - Enhance Group efficiency and visibility (e.g.: create “BNP Paribas Houses” to regroup teams)
- Sharp rise in commitments
  - Grow the business and the customer base
- Grow revenues to ~€1.5bn in Germany by 2016
  - Keep well-balanced revenues across businesses
  - Also grow revenues with large German corporates outside Germany\*\*
- Build a long-term franchise



> **Grow revenues in Germany to ~€1.5bn by 2016**



# Conclusion

- > **Solid profitability thanks to a diversified business model**
- > **Improving operating efficiency with the initial effects of Simple & Efficient**
- > **Strong risk management with proven track record**
- > **Rock-solid balance sheet**
- > **New plan to be announced early in 2014**



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Strong Group Financials

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Preparing New Business Development Plan

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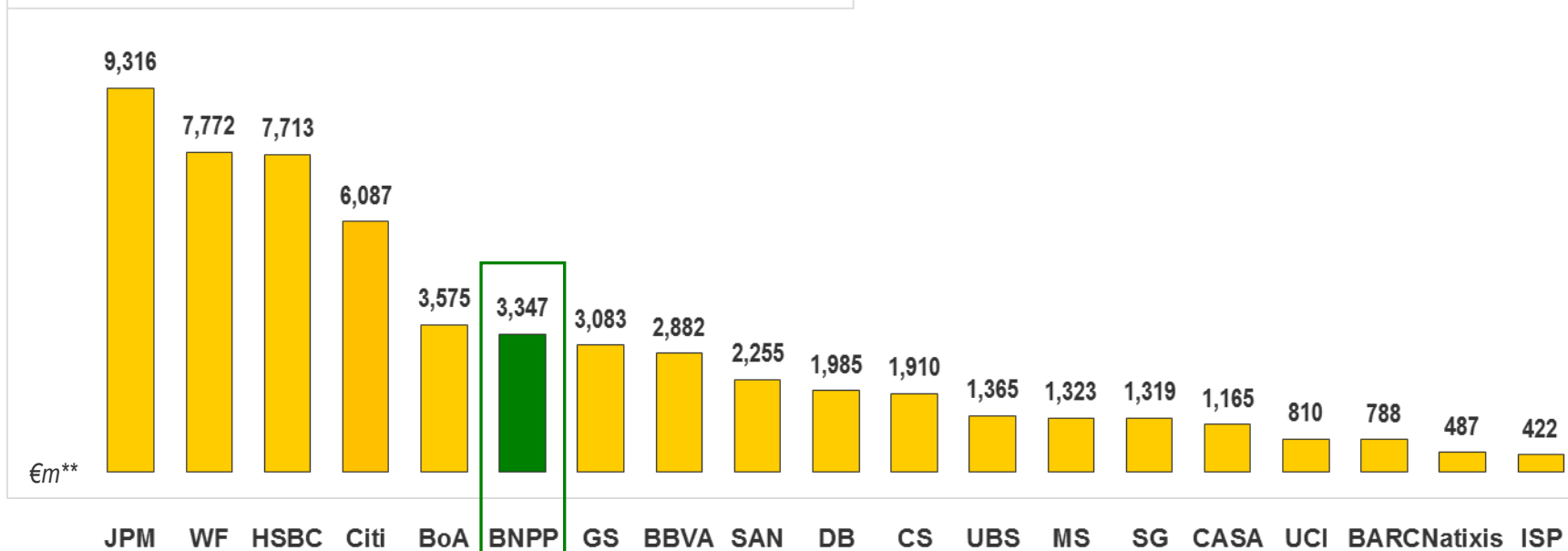
**Appendix**

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# Solid Profitability

## > 1H13 Net income attributable to equity holders\*

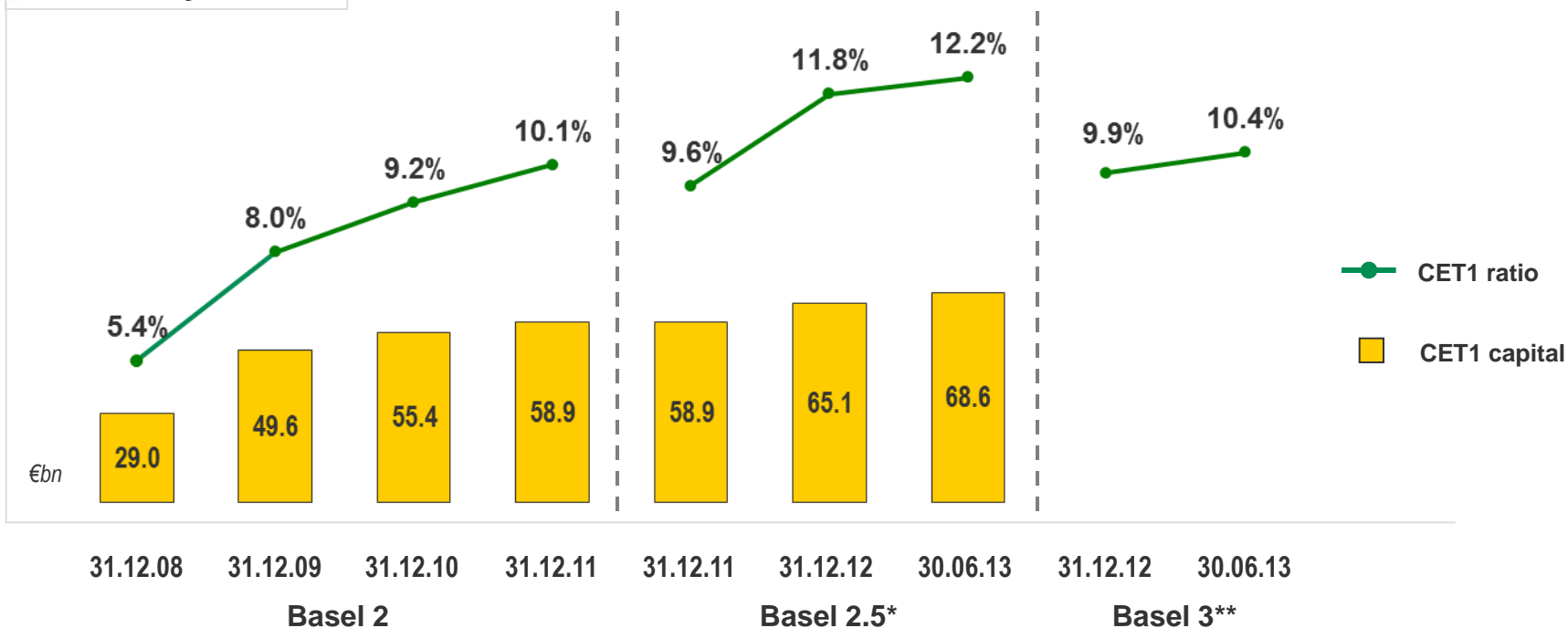


## Good profit-generation capacity



# Strong Solvency

## Solvency ratios

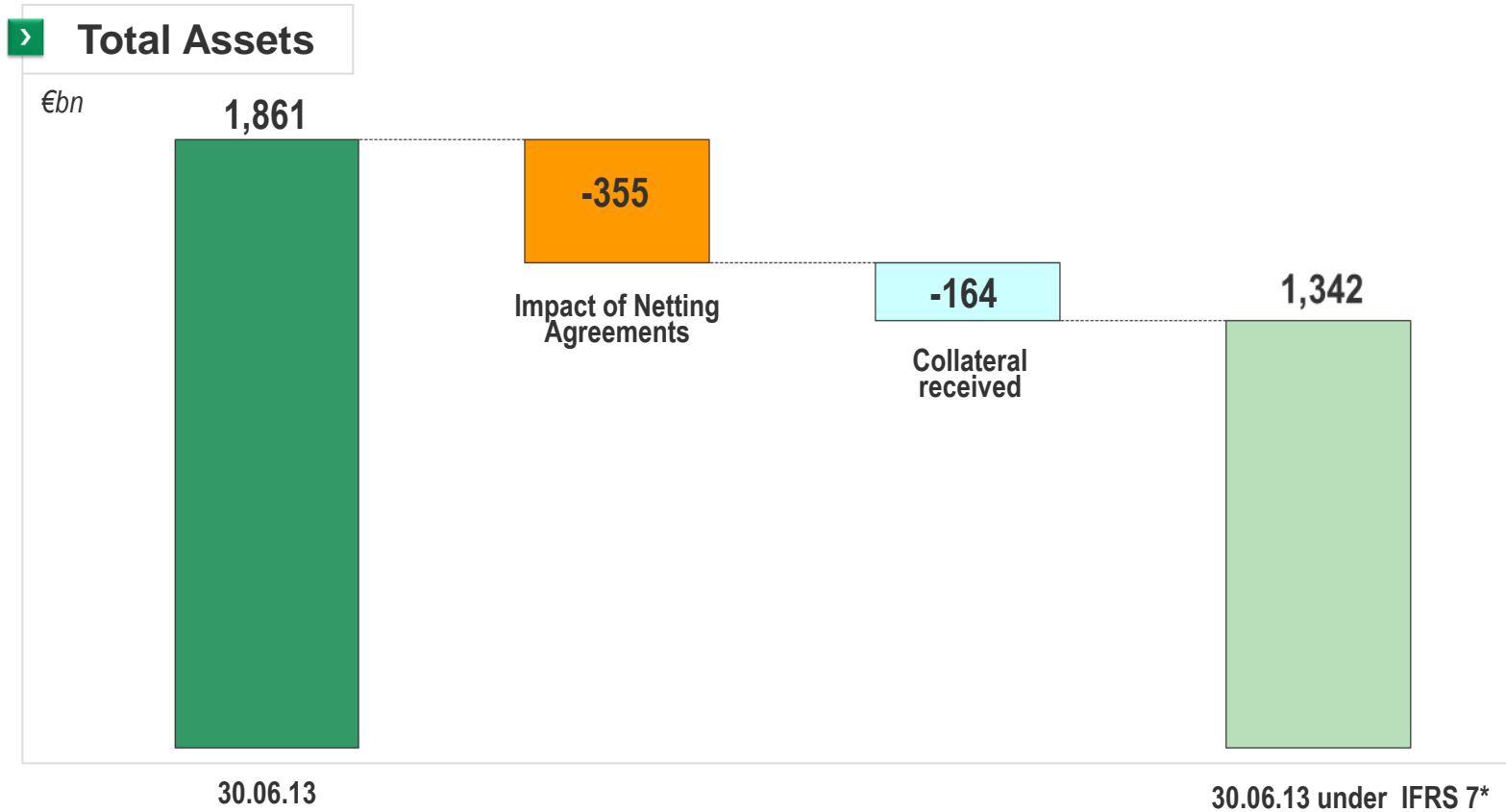


**Basel 3 fully loaded ratio well above 9% target**

\* CRD3; \*\* CRD4, as expected by BNP Paribas



# BNP Paribas Balance Sheet (under IFRS 7\*)



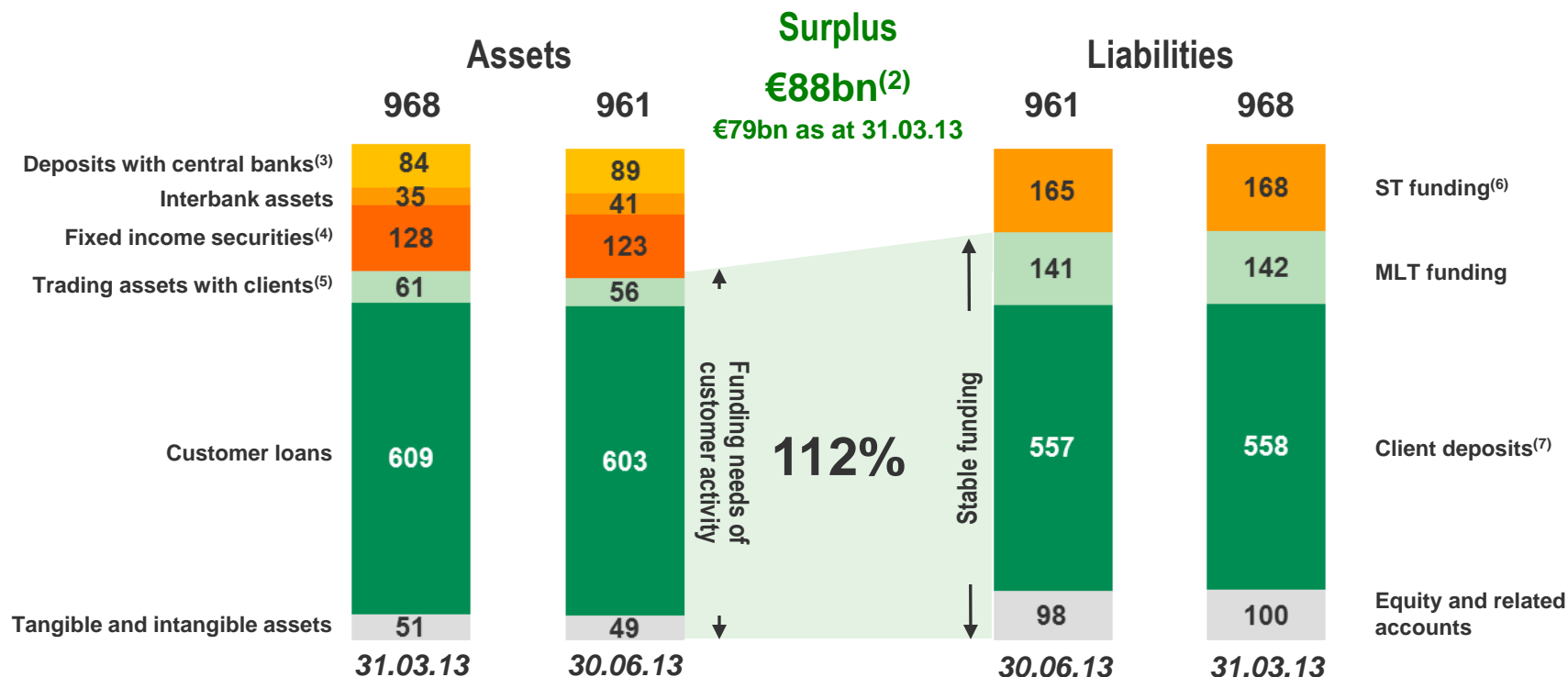
**Balance sheet of 1.3 trillion on a US GAAP\* comparable basis**

*\*Total assets under the IFRS 7 rules & 13C; in December 2011, IASB amended the IFRS 7 and FASB the Topic 210 to provide information on financial assets and liabilities' offsetting enabling to compare the net exposure under each accounting standard*



# All Currencies Cash Balance Sheet

## > Global Cash Balance Sheet<sup>(1)</sup> (€bn, banking prudential scope)



## €88bn surplus of stable funding

<sup>(1)</sup> Balance sheet with netted amounts for derivatives, repos, securities lending/borrowing and payables/receivables; <sup>(2)</sup> o/w USD61bn;

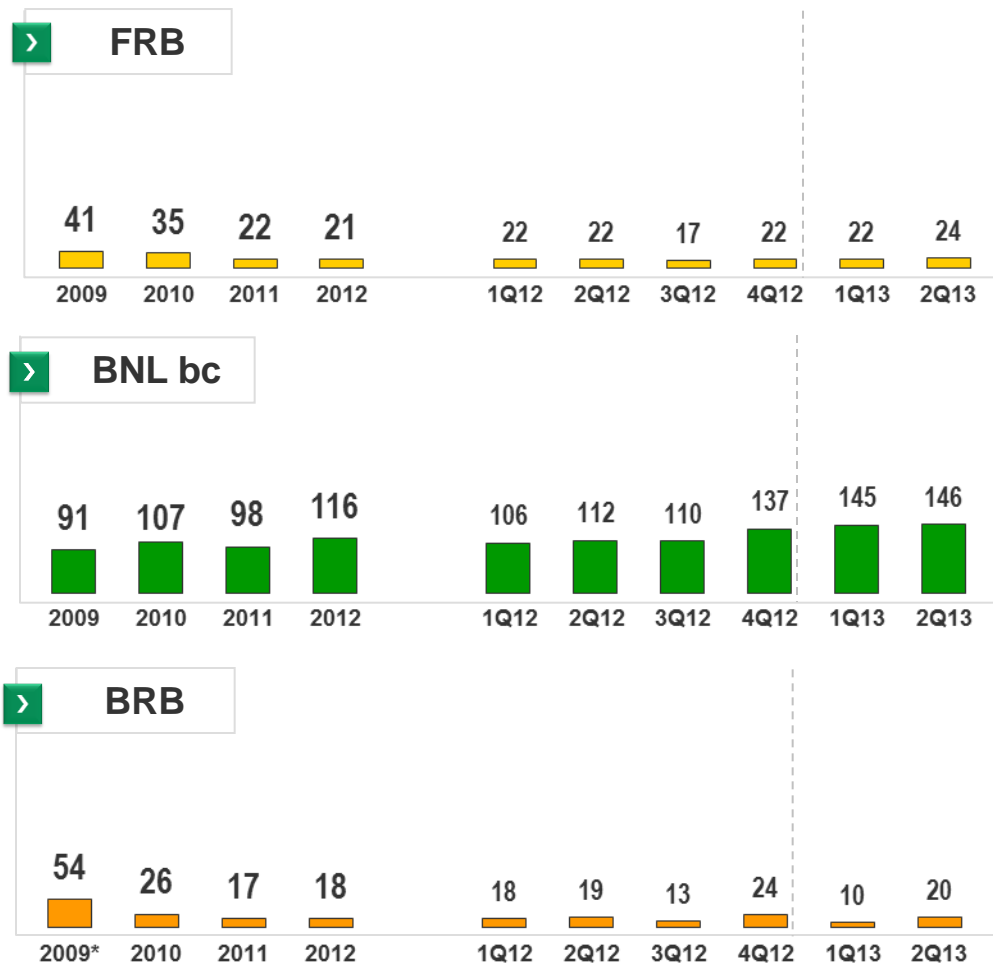
<sup>(3)</sup> Including term deposits at central banks previously included in interbank assets in the cash balance sheet; <sup>(4)</sup> Including HQLA;

<sup>(5)</sup> With netted amounts for derivatives, repos and payables/receivables; <sup>(6)</sup> Including LTRO;

<sup>(7)</sup> o/w MLT funding placed in the networks: €45bn at 30.06.13 and €46bn at 31.03.13



# Variation in the Cost of Risk by Business Unit Domestic Markets

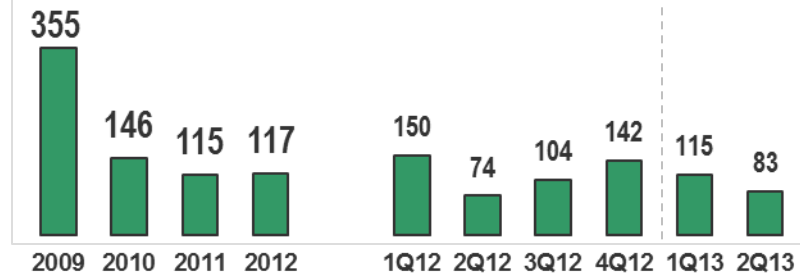




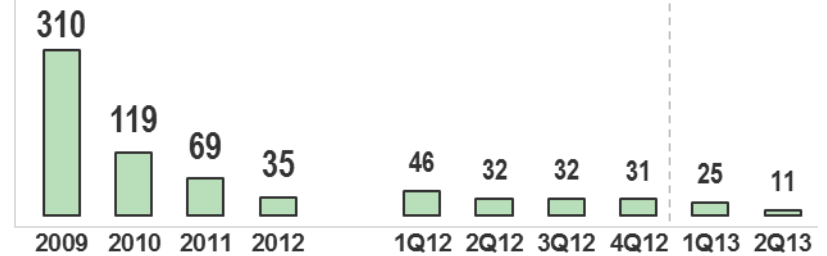
# Variation in the Cost of Risk by Business Unit

## Other Retail Banking and CIB

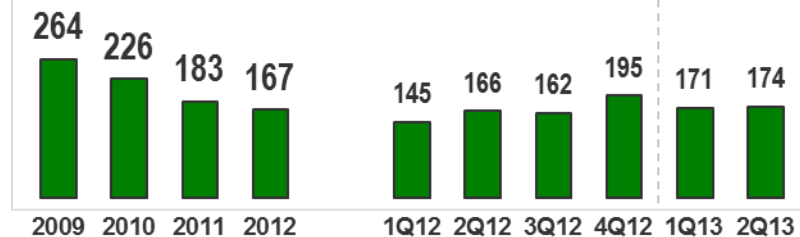
### > Europe-Mediterranean



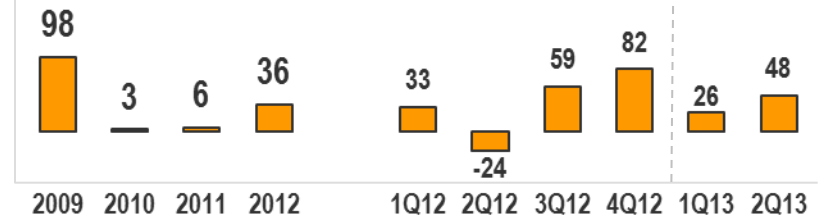
### > BancWest



### > Personal Finance

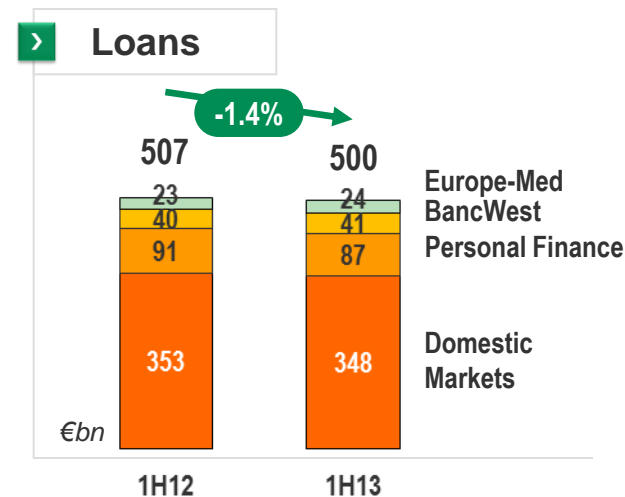
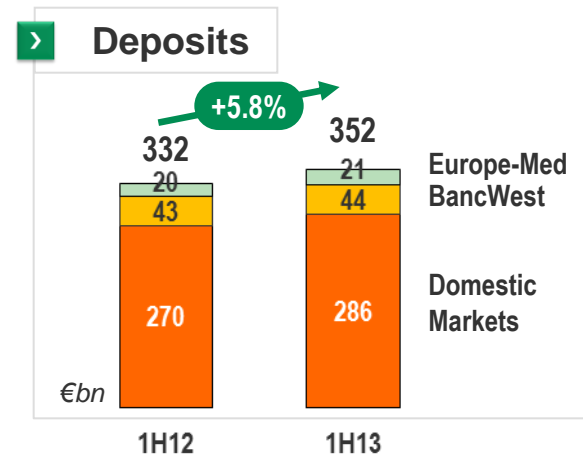


### > CIB Corporate Banking



# Retail Banking 1H13 Results

- Deposits: continued growth trend in all the networks
- Loans:
  - Slowdown in demand in Domestic Markets
  - Decline in mortgage outstandings in Personal Finance as part of the adaptation plan
  - Growing volumes in Europe-Mediterranean and BancWest
- Revenues: slight increase (+0.6%\* vs. 1H12)
- Cost/Income ratio\*: 59.1% in 1H13
  - Continuing improvement in Domestic Markets
  - Strong improvement in Turkey (-9 pts\* to 60.6%), effects of the operating efficiency measures in Poland and Ukraine
  - Ongoing investments in BancWest
- Pre-tax income\*\*: €3.4bn (+2.5% vs. 1H12)
  - Good resilience in Domestic Markets and Personal Finance
  - Strong growth in Europe-Mediterranean



\* At constant scope and exchange rates, including 100% of Private Banking of the domestic markets in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg; \*\* Including 2/3 of Private Banking of the domestic markets in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg



# Retail Banking

## Strong Presence in Wealthy Domestic Markets

### > 4 domestic networks\*

#### BNP Paribas Fortis

- 938 branches
- 3.6m clients



#### BGL BNP Paribas

- 38 branches
- 0.25m clients



#### French Retail Banking

- 2,200 branches
- 7.6m clients



#### BNL bc

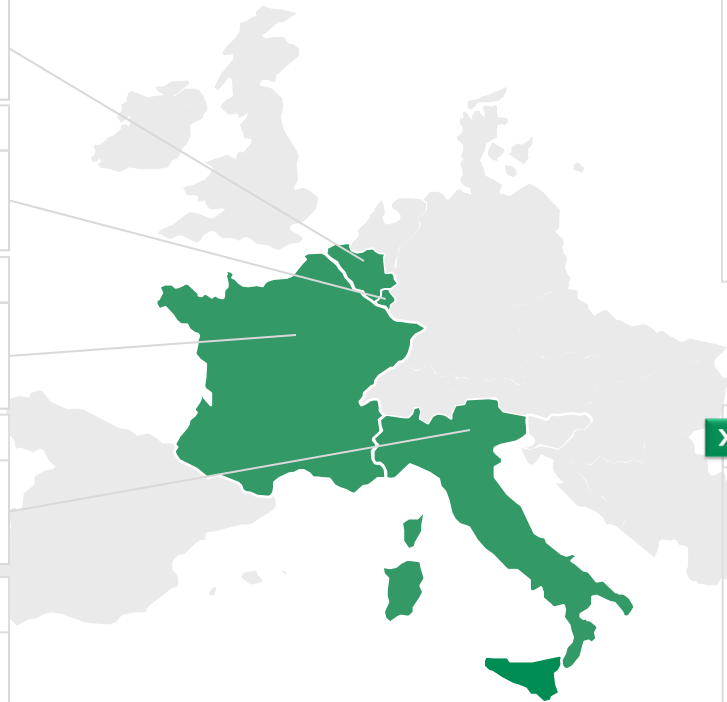
- 890 branches
- 2.4m clients



### > 3 specialised businesses

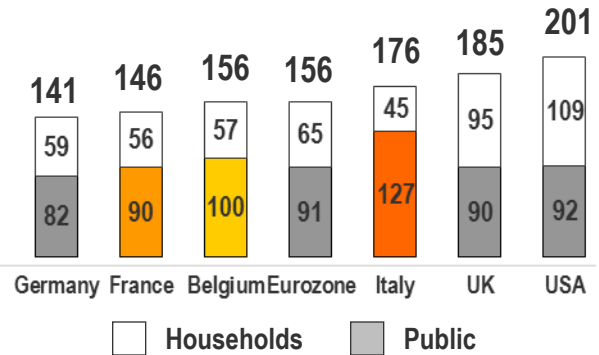
- Arval
- Leasing Solutions
- Personal Investors

4,150 branches  
~10% market share  
(on a population of 135m inhabitants)



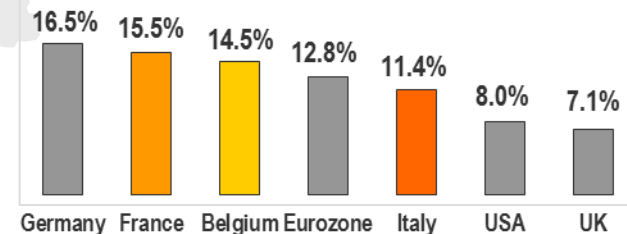
### > Public and households debt (2012)\*\*

% GDP



### > Households savings rate (2012)\*\*\*

% Gross Disposable Income



**Strong retail networks serving over 15 million clients**

\* As at 31.12.12; \*\* Source: BdF, excl Belgium (Eurostat); \*\*\* Source: Ameco (for countries) & Eurostat (for Eurozone)



# Domestic Markets

## 1H13 Results

### ● Business activity

- Deposits: +6.1% vs. 1H12, strong and consistent growth across all the networks and at Cortal Consors in Germany
- Loans: -1.5% vs. 1H12, continued slowdown in demand

### ● Successful launch of Hello bank! in Germany, Belgium and France

### ● Revenues\*: €8,0bn (-0.3% vs. 1H12)

- Persistently low interest rates; deceleration in loan volumes
- Pickup of financial fees after several quarters of decline; good contribution of Arval

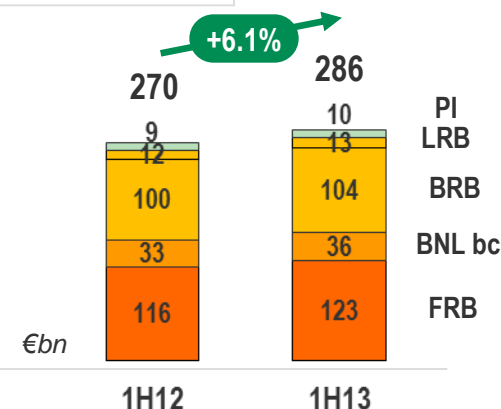
### ● Operating expenses\*: -€4.9bn (-1.3%\*\* vs. 1H12)

- Improvement of cost/income ratio in Italy and Belgium, stability in France

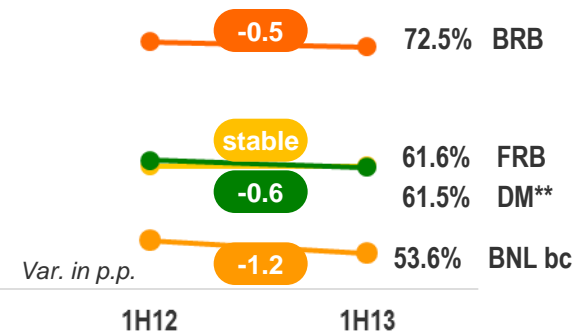
### ● GOI\*: €3.1bn (+1.0% vs. 1H12)

### ● Pre-tax income\*\*\*: €2.1bn (-5.2% vs. 1H12)

### > Deposits



### > Cost/Income\*



## Good overall performance

## Ongoing costs adaptation in the face of a challenging environment

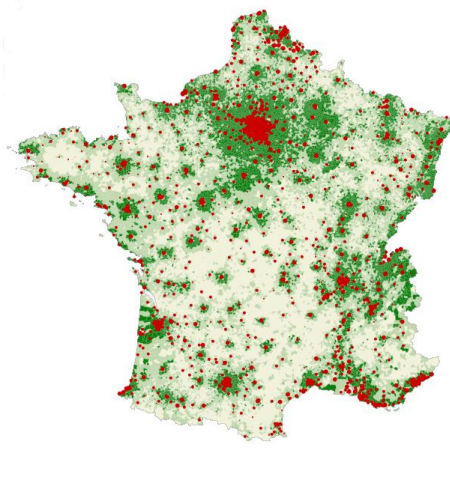
\* Including 100% of Private Banking, excluding PEL/CEL effects; \*\* Net of Hello bank! launching costs (€16m); \*\*\* Including 2/3 of Private Banking, excluding PEL/CEL effects



# Domestic Markets

## Branch Networks Distribution

### > French RB



● Branches

Average household income

□ < 25 000 €

□ 25 000 € - 32 000 €

■ > 32 000 €

### > BNL bc



Average household income

□ < 12 000 €

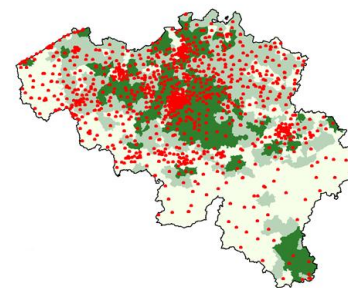
□ 12 000 € - 15 000 €

□ 15 000 € - 17 000 €

■ 17 000 € - 20 000 €

■ > 20 000 €

### > Belgium RB



Average household income

□ < 27 000 €

□ 27 000 € - 30 000 €

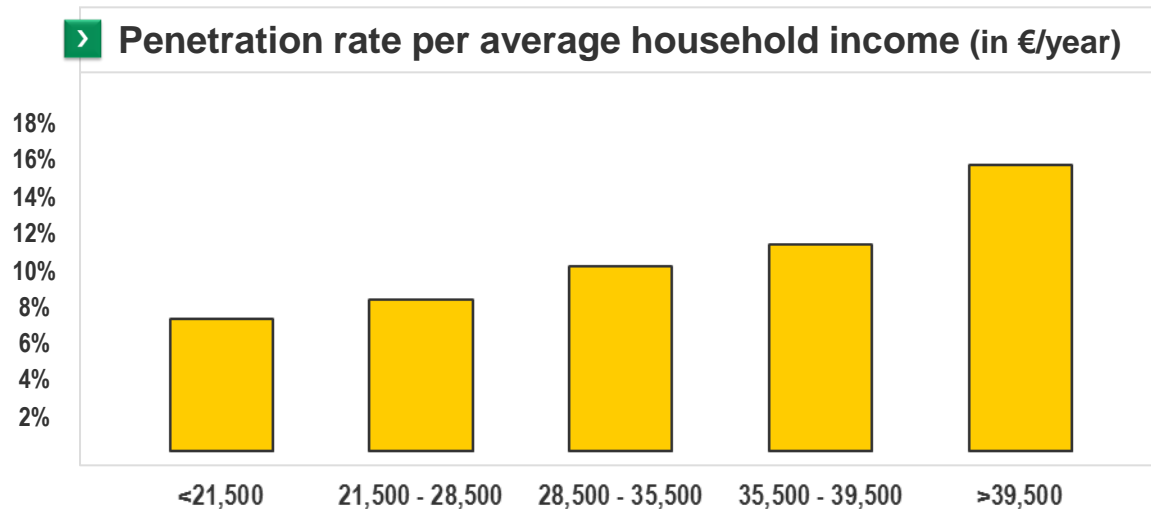
■ > 30 000 €



**Mostly positioned in wealthier areas**



# French Retail Banking Penetration Rate per Average Household Income



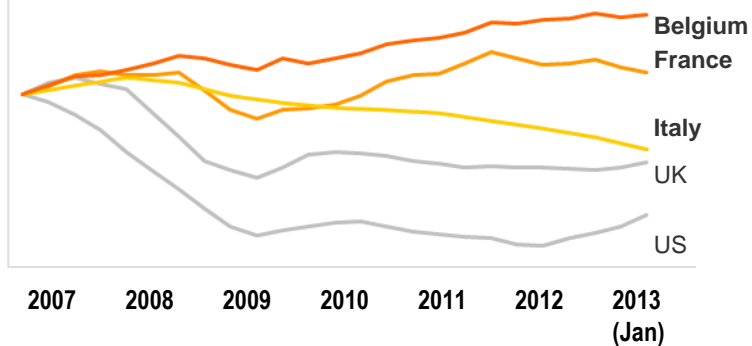
> French Retail Banking well rooted in wealthier segments



# Housing Prices Evolution and Job Base Change

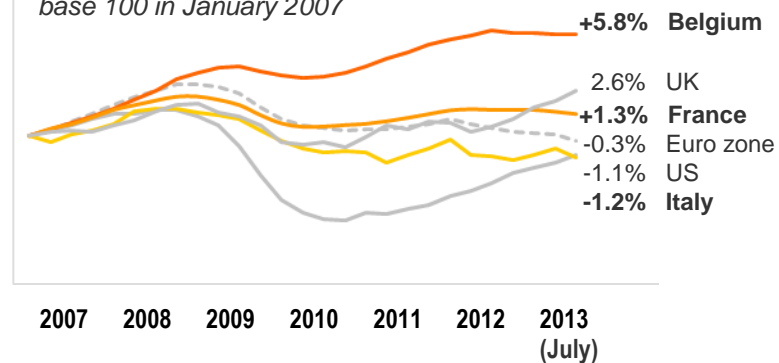
## > Housing prices \*

base 100 in January 2007



## > Job base change\*\*

base 100 in January 2007

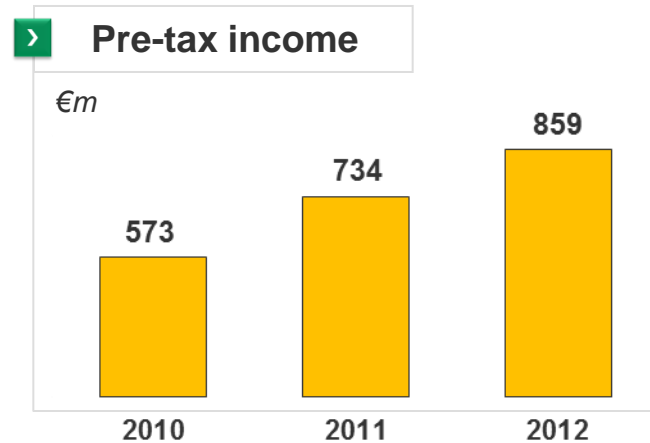
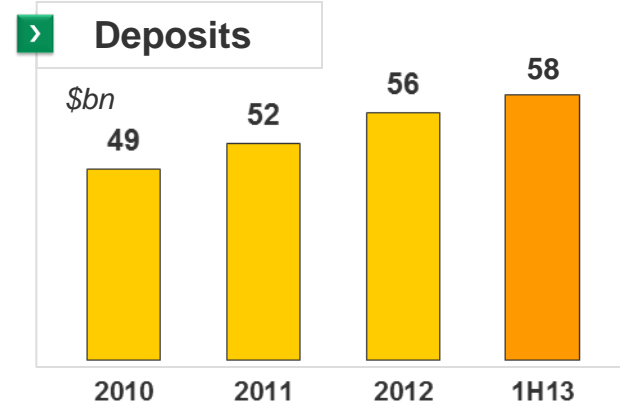


**Contrasted underlying trends in the domestic markets**



# Retail Banking Focus on BancWest

- Dynamic sales and marketing drive
  - Deposits: +4.4%\* vs. 1H12, good growth in current and savings accounts
  - Loans: +3.7%\* vs. 1H12, strong growth in loans to corporates (+10.9%\*)
  
- Expanded customer relation set-up
  - Business investments in the SME and Corporate segments
  - Private Banking expansion, with \$6bn in AUM as at 30.06.13 (+32% vs. 30.06.12)
  - Growth of mobile banking services: 187,000 users
  
- Significant contribution to Group results
  - Despite higher costs due to the impact of the strengthening of the corporate and small business as well as Private Banking set up
  - Benefiting from continued decrease in the cost of risk since its 2009 peak
  - 1H13 pre-tax income: €390m (-5.2%\* vs. 1H12)



**> Strong profit-generation capacity**

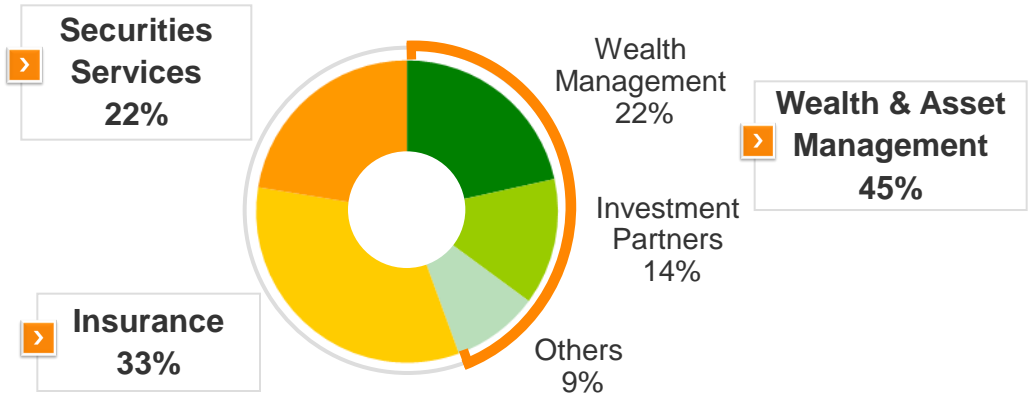


\* At constant exchange rates

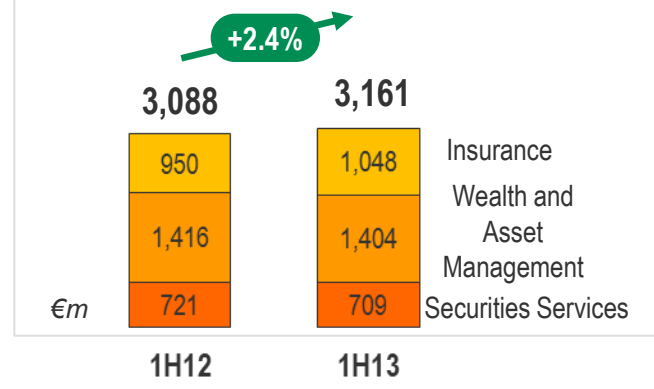


# Investment Solutions Profitable and Diversified Franchises

## > Business Mix 1H13 Revenues

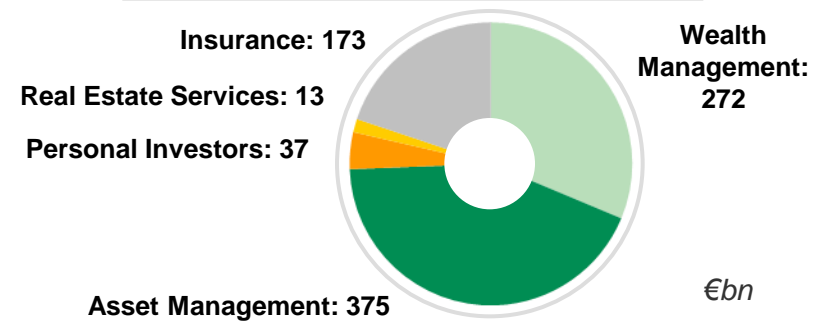


## > Revenues by business unit



- Resilient business model
  - Integrated model with excellent fit between businesses
- Revenues: €3.2bn in 1H13
- Pre-tax income: €1.1bn in 1H13
  - Annualised Pre-tax ROE: 26.6%

## > Assets under management\* (€ 869bn as at 30.06.13)



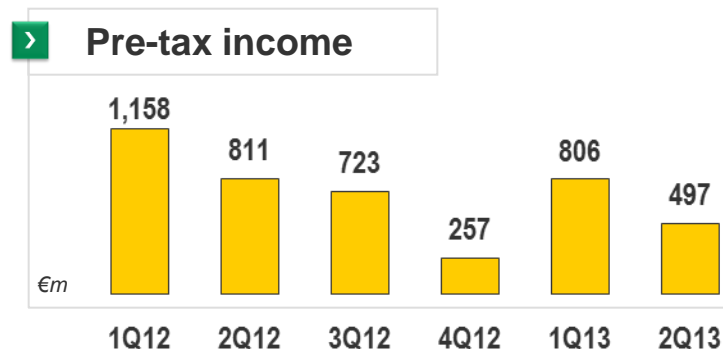
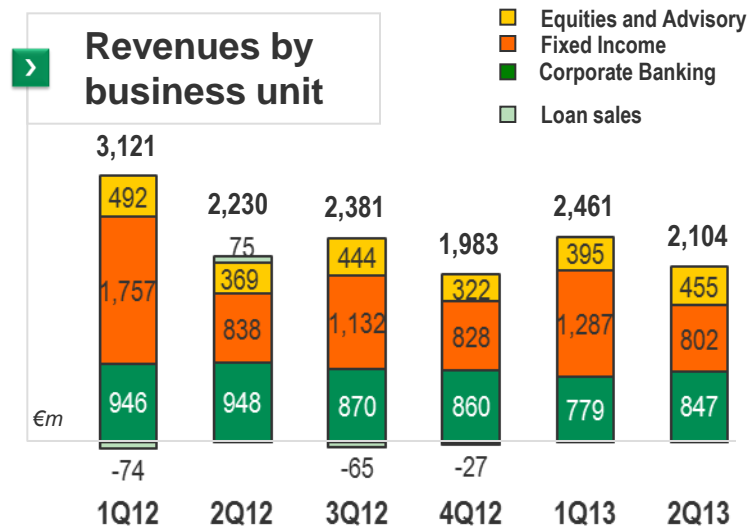
## > Integrated model generating strong profitability

\* Including assets under advisory on behalf of external clients, distributed assets and Personal Investors



# Corporate & Investment Banking 1H13 Results

- Revenues: €4,565m (-13.4% vs. 1H12\*)
  - Advisory and Capital Markets: decrease vs. high level in 1H12 (-13.4%\*), growth in client business activity
  - Corporate Banking: decrease vs. 1H12 (-13.3%\*) in line with the 2012 adaptation plan
  - Growth in Asia in all businesses
  
- Operating expenses: €2,995m (-8.0% vs. 1H12\*)
  - Business development investments (Asia, North America, cash management) offset by the effects of Simple & Efficient
  - Cost/income ratio: 65.6%
  
- Pre-tax income: €1,303m (-32.8% vs. 1H12\*)
  - Exceptionally low cost of risk base in 2Q12
  - Annualised Pre-tax ROE about 18%



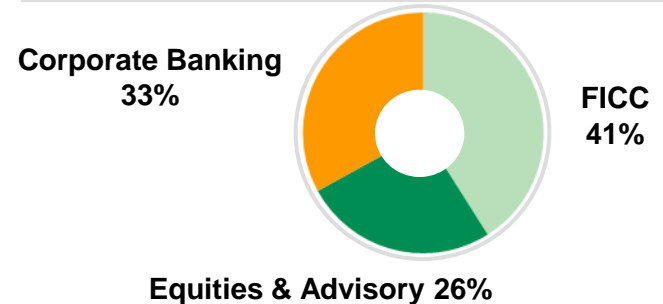
**Results held up well in the adaptation context  
Growth in client business**



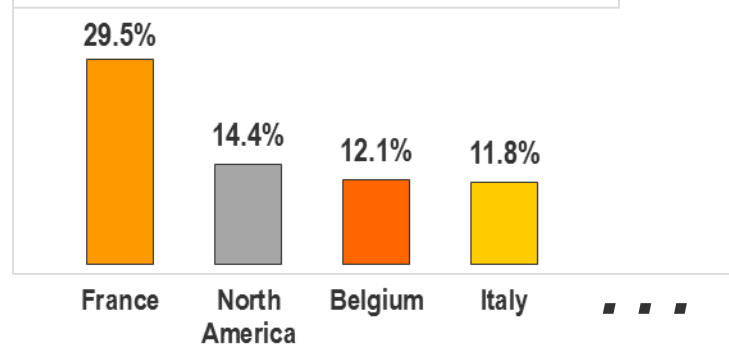
# Corporate & Investment Banking Focus on North America

- A sizeable regional platform for CIB:
  - ~3,000 professionals
  - More than 2,000 clients covered
  - 9 locations in the USA and Canada
  
- A strong and diversified CIB franchise
  - Equities & Advisory: a recognized leadership in derivatives
  - Fixed income: #11 underwriter of US bonds\*\*
  - Corporate banking: #13 bookrunner of US syndicated loans\*\*\*
  - A comprehensive distribution platform with product sale teams and a dedicated investor coverage
  
- North America: second market for the Group by commitments including BancWest

## CIB North America's revenues: breakdown by business line \* 1H13



## Group credit commitments: key regions 1H13 \*\*\*\*



## A significant presence in a strategic market

\* Corporate Banking by booking location, Capital Markets on a trading location basis; \*\* Source: Bloomberg 1H13; \*\*\* Thomson Reuters 1H13; \*\*\*\* Total Group gross commitments, on and off B/S unweighted, as of 30 June 13

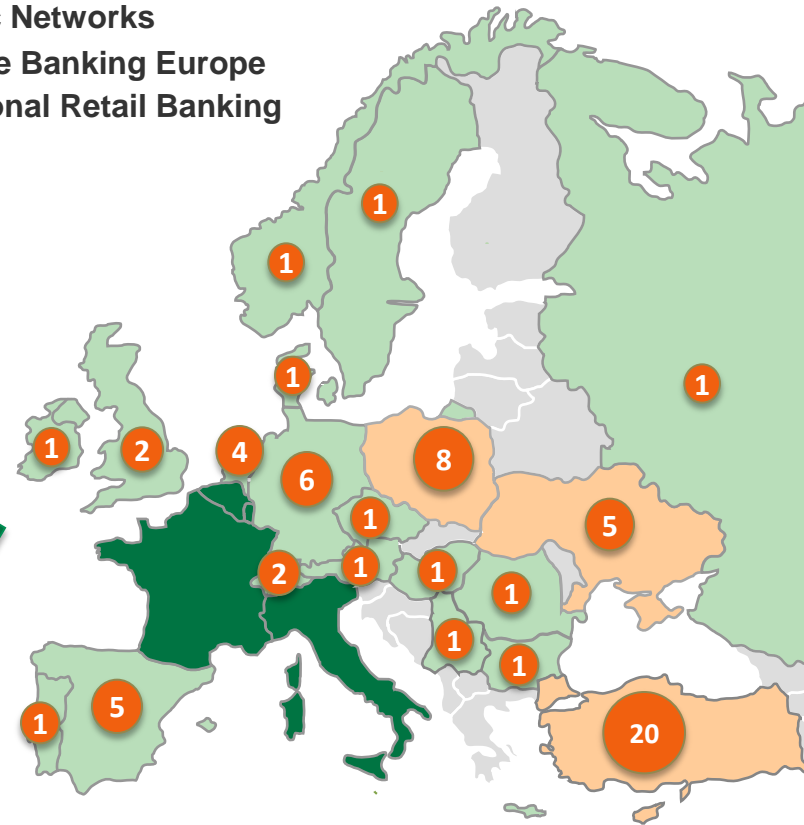


# CIB & Retail Banking

## A Leading Position with Corporates in Europe



- Domestic Networks
- Corporate Banking Europe
- International Retail Banking



- An unrivalled set-up with corporates
  - 134 Business Centres # in 24 countries
  - 1,700 dedicated relationship managers
- Cross-selling across Group businesses
  - Factor, Leasing, Arval, CIB platforms and Investment Solutions businesses

>
**A unique access to an integrated network**  
**Harmonized product offer**

