

BNP Paribas

A Leading European Player

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BNP PARIBAS | The bank for a changing world

Disclaimer

Figures included in this presentation are unaudited. On 14 March 2014, BNP Paribas issued a restatement of its quarterly results for 2013 reflecting, in particular, (i) the adoption of the accounting standards IFRS 10 “Consolidated Financial Statements”, IFRS 11 “Joint Arrangements”, which has the effect of reducing the net income attributable to equity holders by €14m, as well as the amended IAS 28 “Investments in Associates and Joint Ventures”, (ii) internal transfers of activities and results made on 1st January 2014, in the context of the medium-term plan, (iii) the application of Basel 3 which modifies the capital allocation by division and business line and (iv) the adjustment of allocation practices of the liquidity costs to the operating divisions in order to align them to the Liquidity Coverage Ratio approach. Furthermore, in order to ensure comparability with the future 2014 results, 2013 pro-forma quarterly accounts have been prepared considering TEB group under full consolidation for the whole of 2013. For the whole of these restated results, data pertaining to 2013 have been represented as though the changes had occurred on 1st January 2013. This presentation is based on the restated 2013 quarterly data.

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 and no assumptions have been taken regarding any change in foreign exchange rates. BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events.

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Significant Adjustments in the European Economy

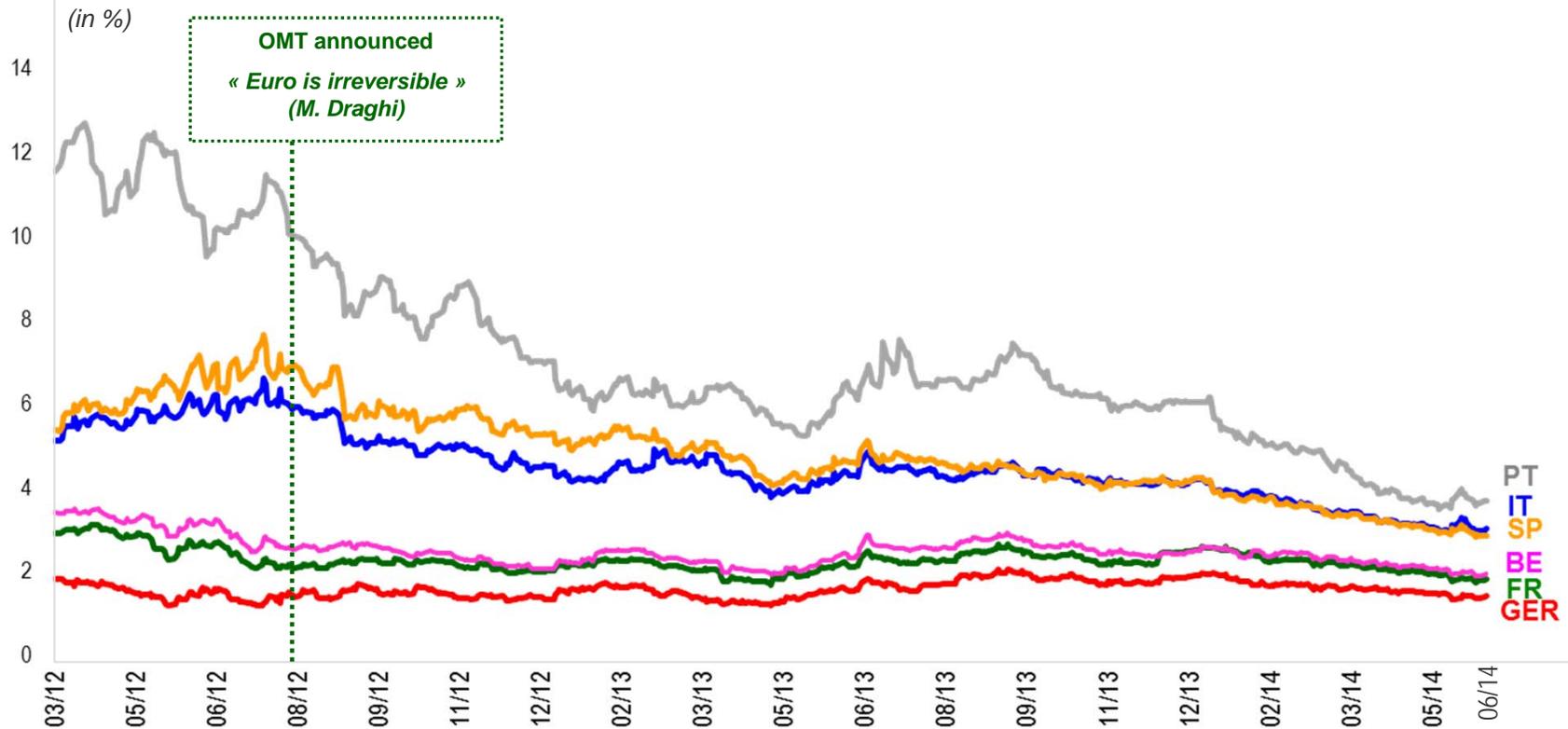
Universal Bank Business Model with a European Core

Rock-Solid Balance Sheet



Improving Confidence Towards Europe

10-yr government yields



**Lower Govies yields across the board,
especially for peripheral countries**



Towards a New European Framework

EU 28

- 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 adopted by European Parliament in April 2014
- January 2014: implementation of the fiscal pact transferring fiscal balance monitoring to the EU (26 Member States)

EU 17

- August 2012: “Euro is irreversible” (Draghi)
- September 2012 : ECB announces OMT (Outright Monetary Transactions) Programme = conditional purchase of sovereign debt (MoU)
- October 2012: creation of the permanent €500bn rescue facility ESM (European Stability Mechanism), follower of the temporary EFSF⁽¹⁾
- 2013-2014 Banking Union decided and roll out in progress:
 - Single Supervisory Mechanism (SSM) voted in October 2013: AQR in progress, ECB to be in charge November 2014
 - Single Resolution Mechanism (SRM) voted in April 2014, to be fully effective January 2016

⁽¹⁾ European Financial Stability Facility, established in May 2010 as a temporary response mechanism to the Eurozone credit crisis



Focus on ECB Comprehensive Assessment Program



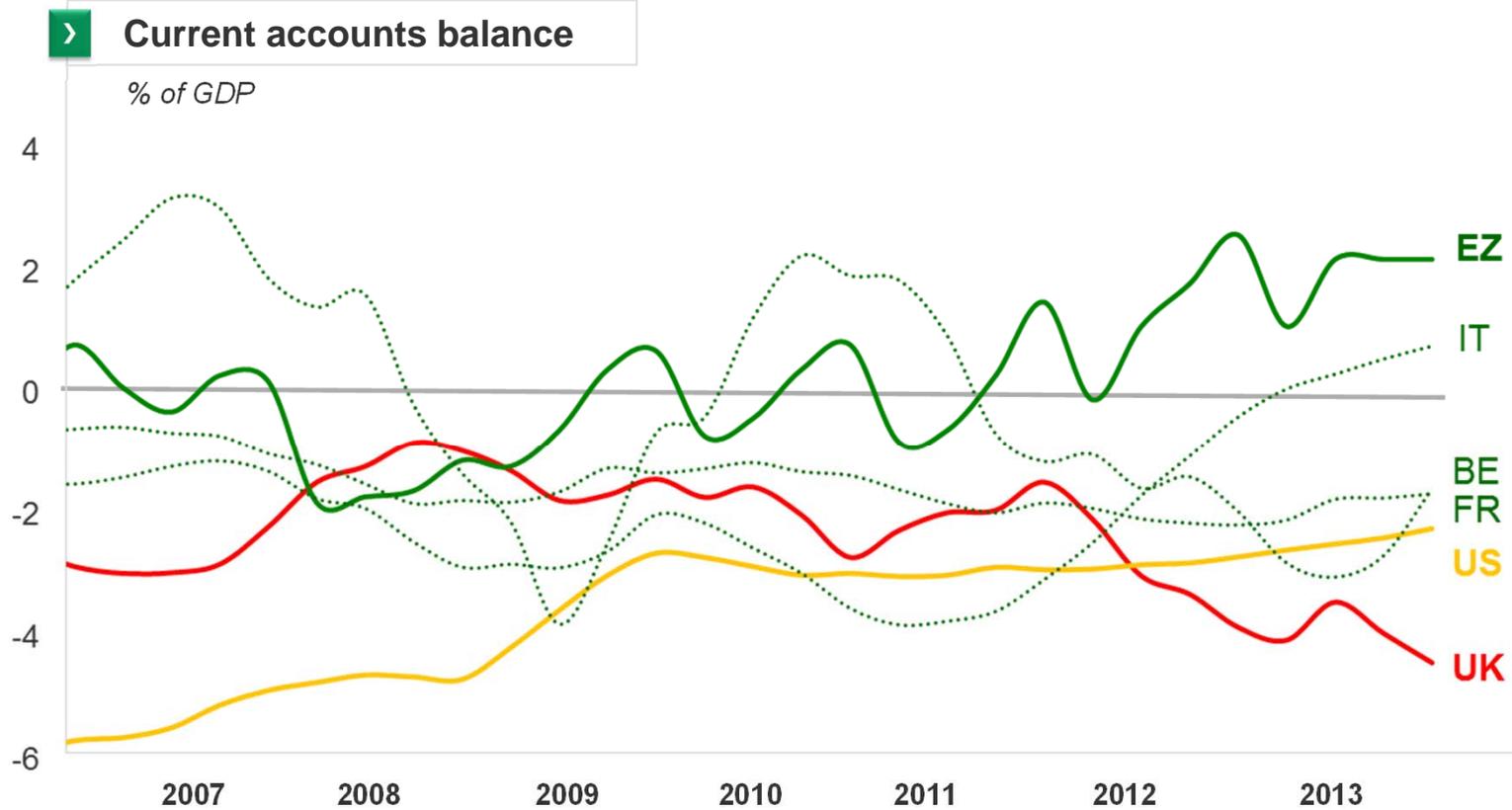
| Status | Done on time (7 th May 2014) | Ongoing (expected to be closed in July 2014) | Starting (assumptions disclosed by EBA on 29 th April 2014) |
|--------|--|---|---|
| | | | |

- Results of the AQR and the Stress test to be disclosed in November 2014

> A granular and comprehensive assessment



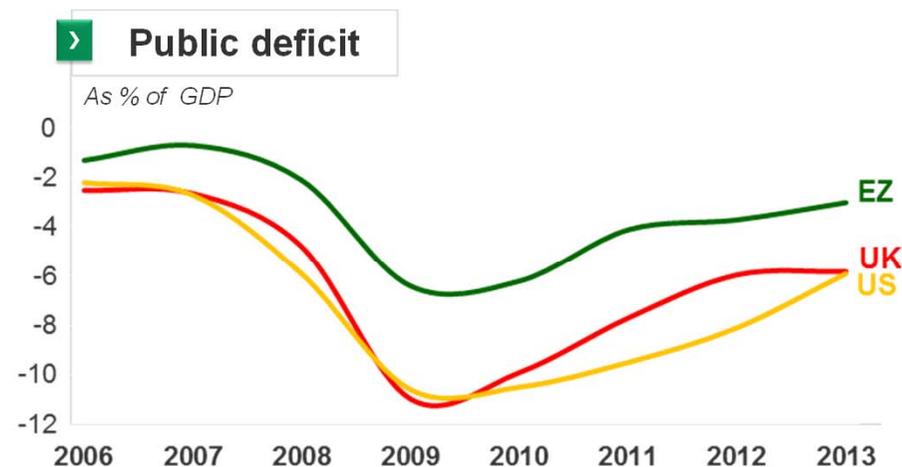
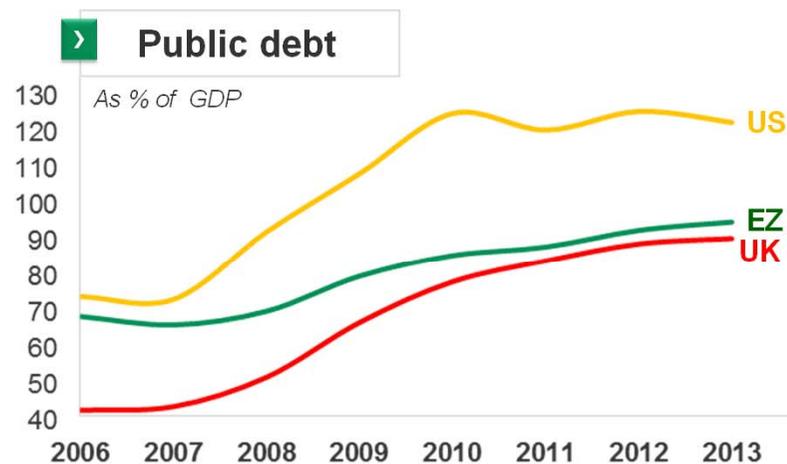
Eurozone Current Accounts Balance



The Eurozone compares favourably with other major areas



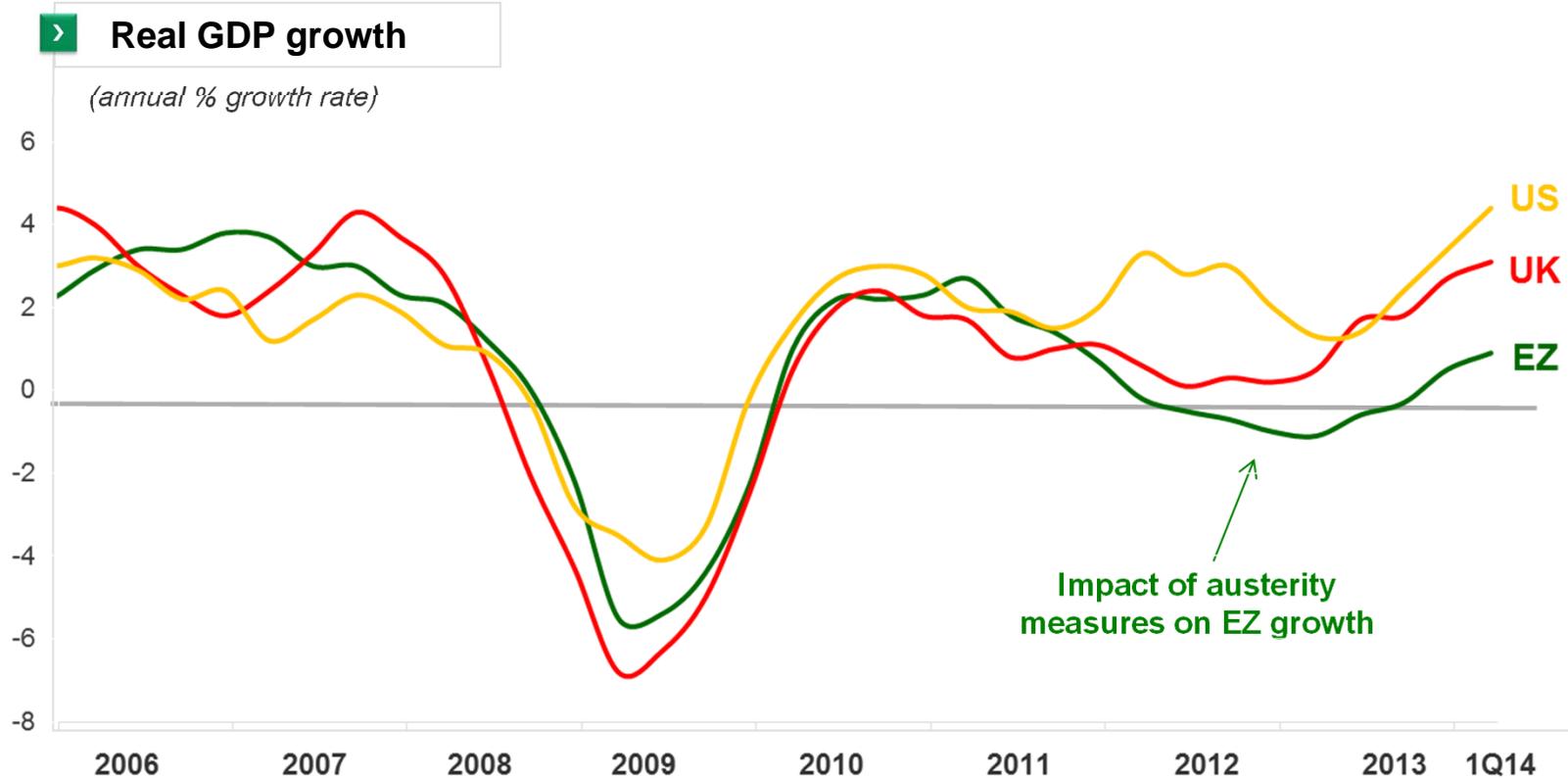
Public Finances



The Eurozone has taken measures to improve its public finances



Situation of the Eurozone Economy

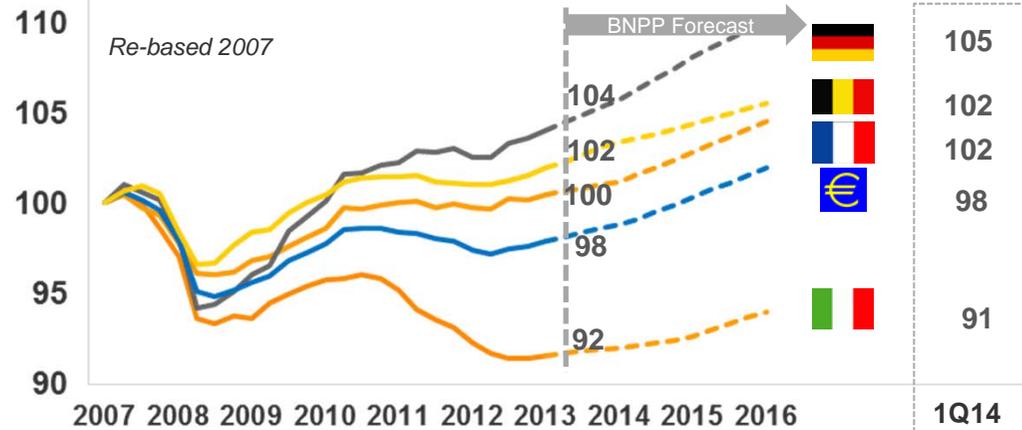


> Delayed recovery of Eurozone economy due to the impact of austerity measures

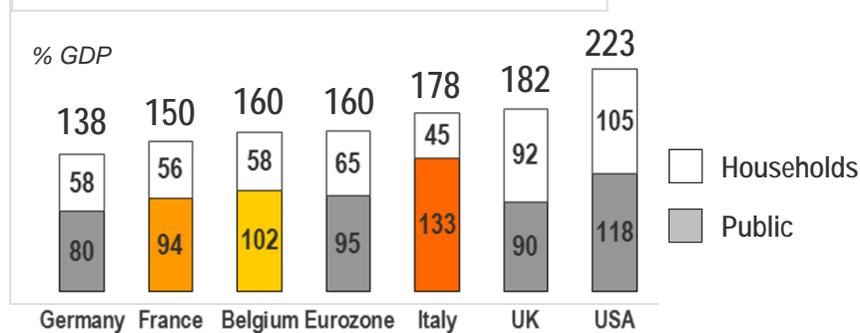


Macroeconomic Trends of Domestic Markets

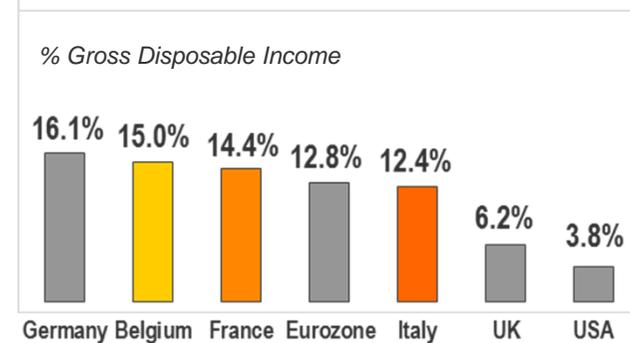
Expected GDP trends



Public and household debt⁽¹⁾



Gross household savings rate⁽²⁾



Strong presence in wealthy Domestic Markets

⁽¹⁾ 2013; ⁽²⁾ 2013, 2012 for Eurozone, last available figure (Source: Ameco)



Significant Adjustments in the European Economy

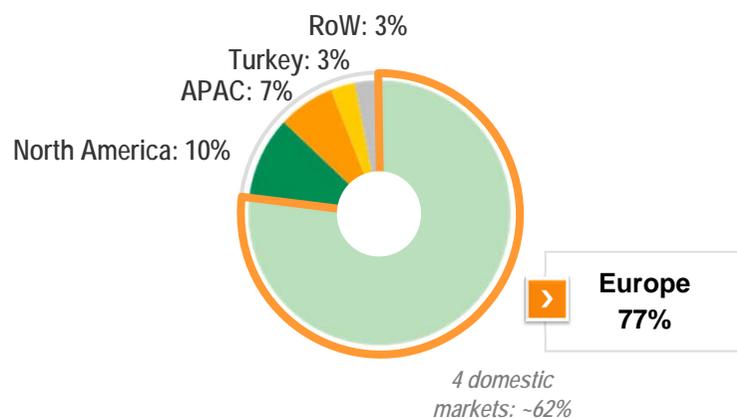
Universal Bank Business Model with a European Core

Rock-Solid Balance Sheet

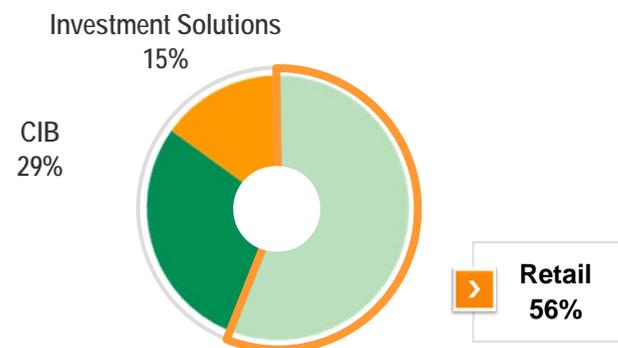


Geographic and Business mix

> 2013 Revenues by geography



> 2013 Allocated equity⁽¹⁾ by operating division



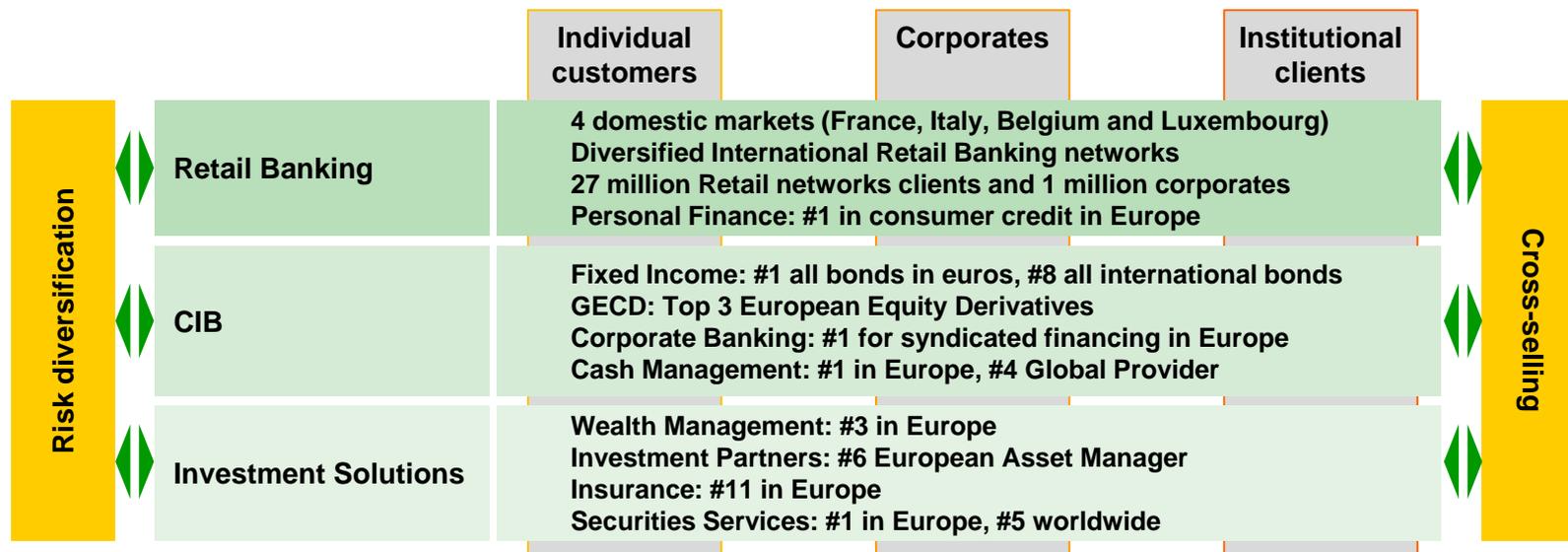
> **A diversified business model with a significant presence in Europe**



⁽¹⁾ Basel 3

Universal Bank Business Model (1/2)

- A universal bank business model that demonstrated its resilience during the crisis
 - Client centric businesses
 - Cross-selling at the core of the model
 - Good risk diversification



Cross-selling and risk diversification at the heart of the model



Universal Bank Business Model (2/2)

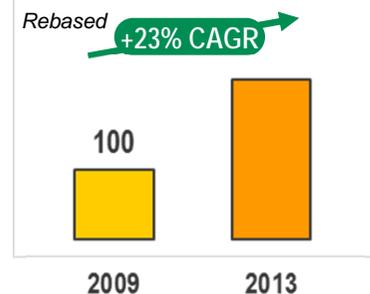
> Cross-selling at the heart of the model

- Strong development in Italy of cross-selling following BNL's acquisition in 2006...
 - Private banking: market share x2 (~3% in 2008 to ~6% in 2013)
 - Cash management: marginal player before 2006, #1 in 2013⁽¹⁾
 - Syndicated loans: #7 in 2007, #3 in 2013⁽²⁾
 - Corporate Finance (M&A): from #15 in 2005 to #5 in 2013⁽³⁾
- ...and also in Belgium after Fortis' acquisition in 2009
 - Private banking: from #7 in 2009 to #1 in 2013
 - Consumer finance outstandings: +68% between 2009 & 2013⁽⁴⁾
 - Corporate Finance (M&A): from #10 in 2007 to #1 in 2013⁽³⁾
- Roll out of the model in International Retail Banking

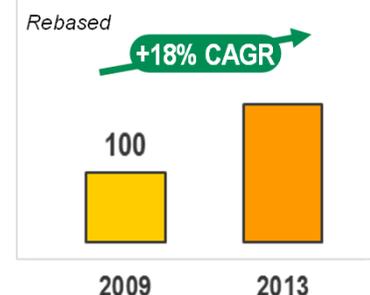
> Good risk diversification

- By sector of activity: no sector representing more than ~5% of Group's total gross commitments⁽⁶⁾
- By business: no single business line weighing more than 14% of RWAs
- By geography: over 70% of revenues outside France with the highest concentration in North America and Belgium/Luxembourg at 14% of revenues

> Cross-selling between CIB & BNL (revenue evolution)



> Cross-selling between CIB-SF⁽⁵⁾ & Fortis (revenue evolution)



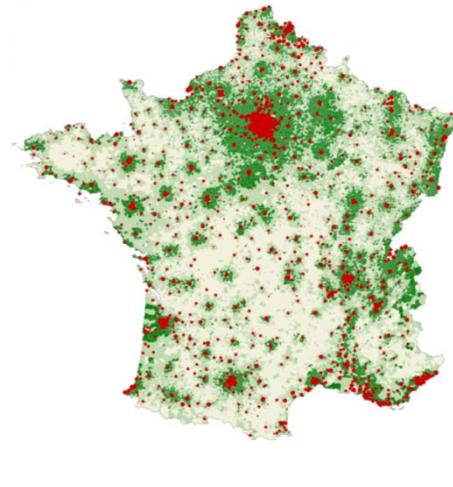
⁽¹⁾ Source: Euromoney survey; ⁽²⁾ Source: Dealogic, by volume; ⁽³⁾ Source: Thomson Reuters; ⁽⁴⁾ Alpha Credit average outstandings; ⁽⁵⁾ Specialised Financing; ⁽⁶⁾ Inc. Retail



Focus on Domestic Markets (1/2)

Branch Networks Distribution

> French RB



● Branches

Average household income

□ < 25 000 €

□ 25 000 € - 32 000 €

■ > 32 000 €

> BNL bc



Average household income

□ < 12 000 €

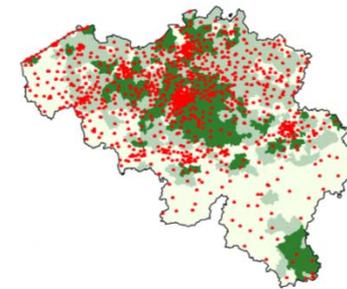
□ 12 000 € - 15 000 €

□ 15 000 € - 17 000 €

■ 17 000 € - 20 000 €

■ > 20 000 €

> Belgian RB



Average household income

□ < 27 000 €

□ 27 000 € - 30 000 €

■ > 30 000 €



Mostly positioned in wealthier areas

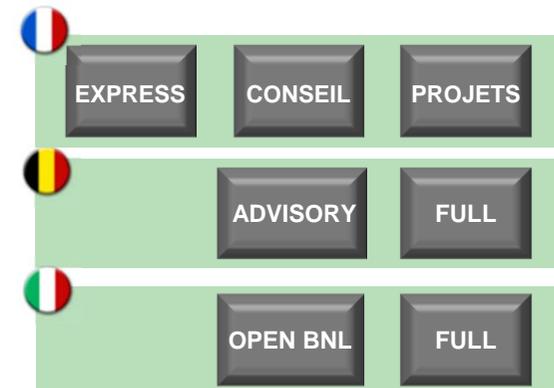


Focus on Domestic Markets (2/2)

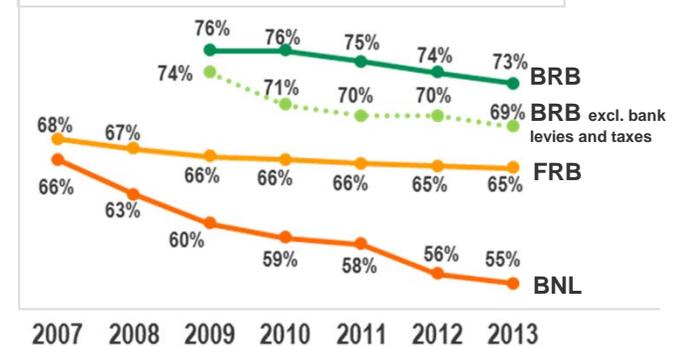
Key Drivers

- Individual customers: anticipating new bank relationship changes
 - Develop digital innovations
 - Adapt the branch network with new formats
- Corporates: leverage our European and global organisation (One Bank for Corporates, cash management,...)
- Private Banking: continue to grow at a fast pace
 - Leveraging on up-streaming potential and focusing on entrepreneurs and corporates
- BNL: continue adapting to the economic environment
 - Focusing the commercial approach to corporates on value added segments (export companies, ...), leading to significant risk reduction
- FRB: reinforce commercial drive by capitalising on areas of strength
- BRB: improve cost/income ratio thanks to the impact of the network reorganisation and managerial streamlining

> Branch formats



> Cost/income ratio⁽¹⁾



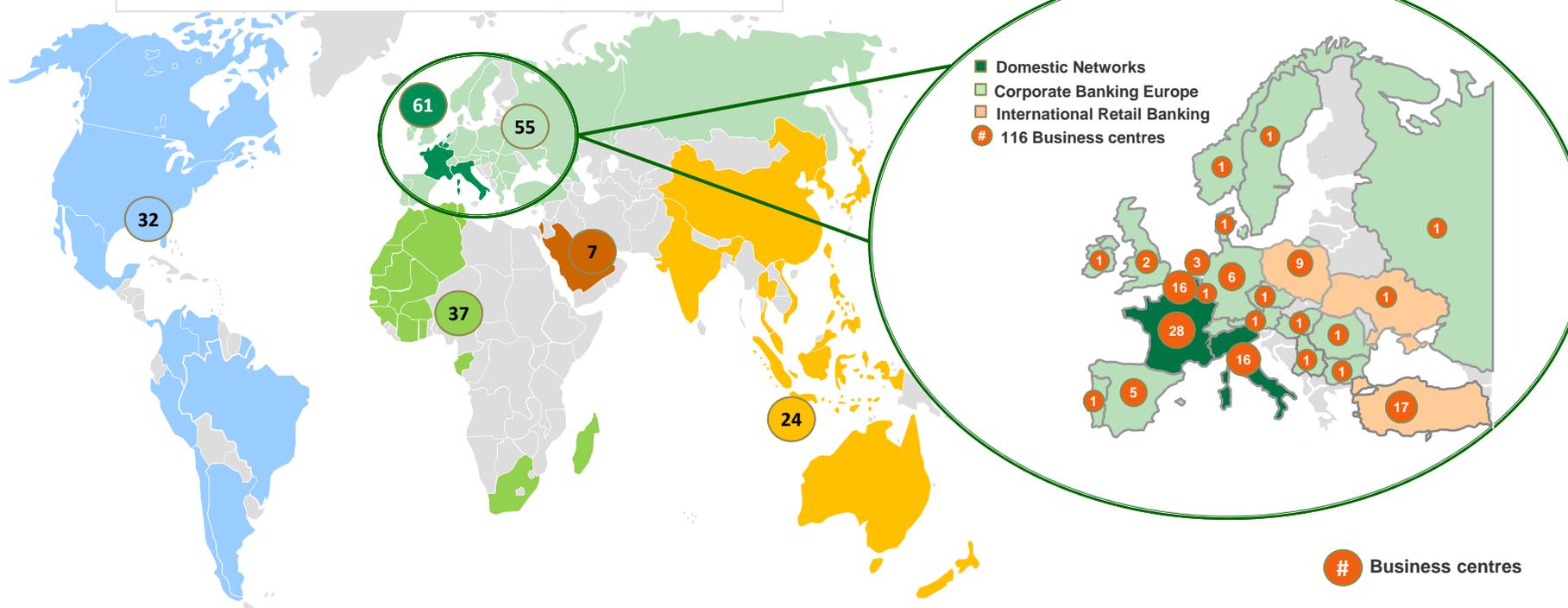
> Continuing to improve efficiency in all the networks

⁽¹⁾ Historical data, including 100% of Private banking, excluding PEL-CEL effect



One Bank for Corporates

> A unique network for corporate clients



- One Bank for Corporates: a network of 216 business centres, o/w 116 in Europe
- A presence in 75 countries
- Cash management: #1⁽¹⁾ position strengthened in Europe

> A leading position with corporates in Europe

⁽¹⁾ Source: Greenwich



Significant Adjustments in the European Economy

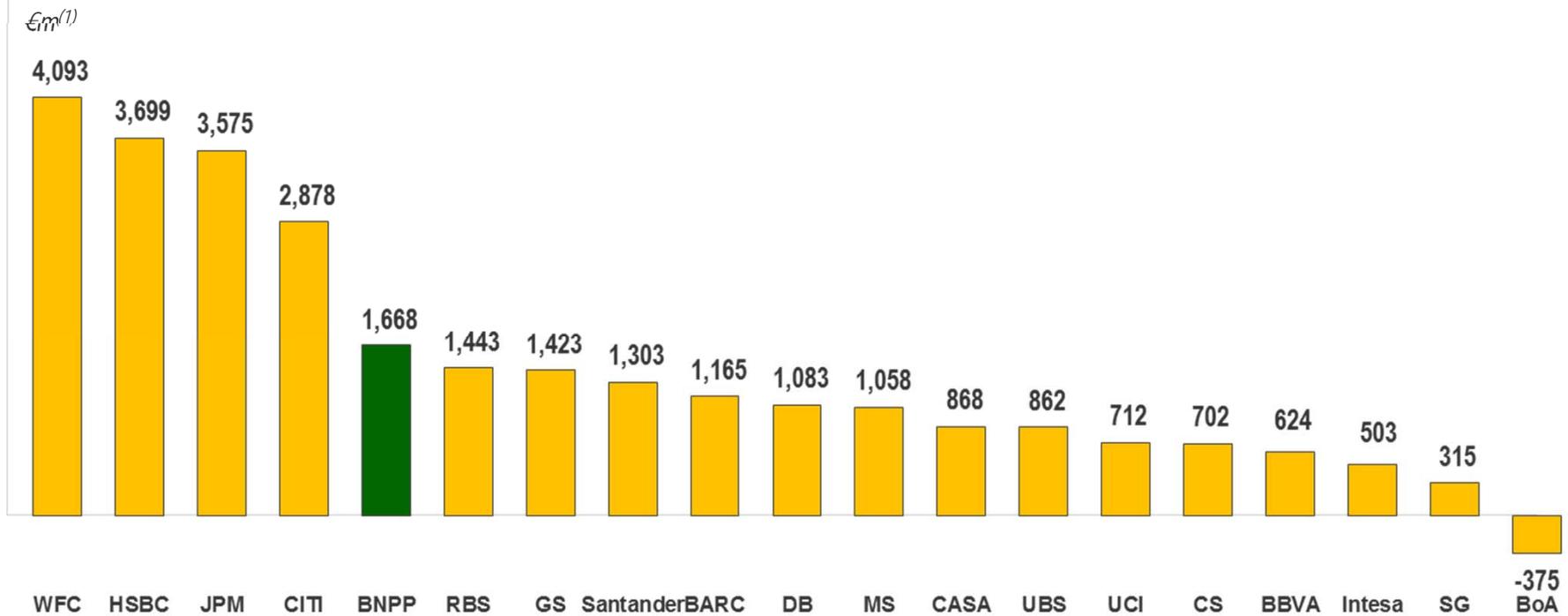
Universal Bank Business Model with a European Core

Rock-Solid Balance Sheet



Strong Profit Generation

> 1Q14 net income attributable to equity holders

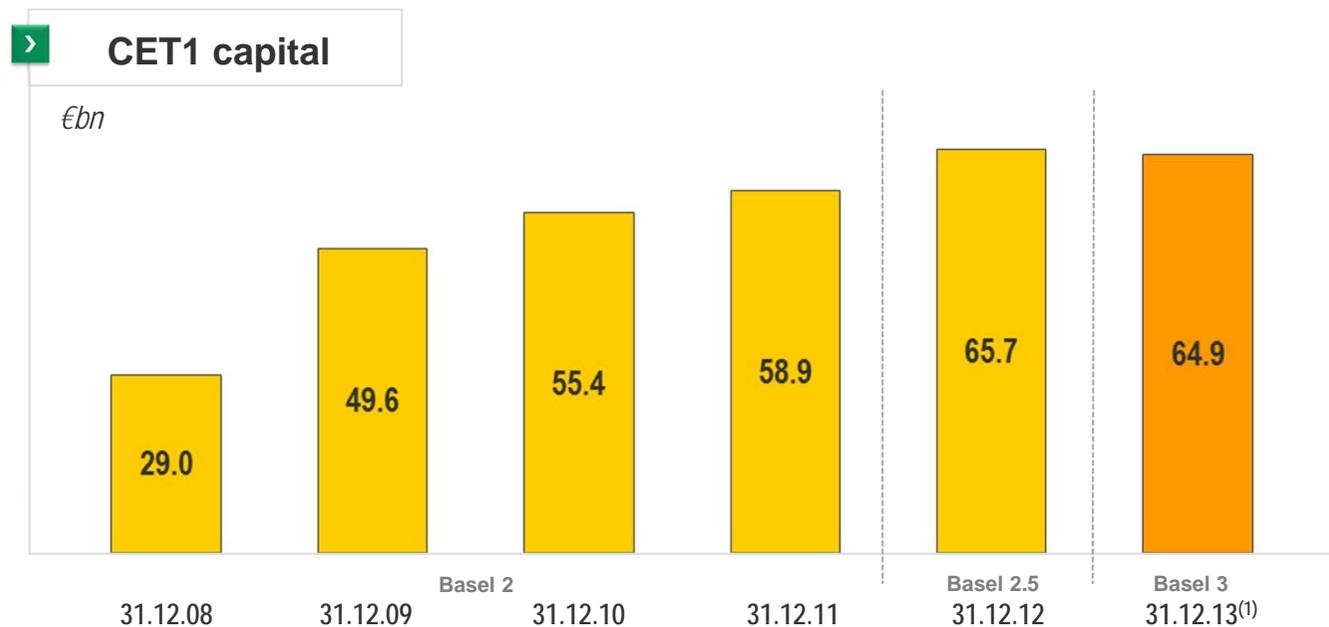


> **Strong and recurring profit generation**

⁽¹⁾ Average quarterly exchange rates



Strong Capital Generation



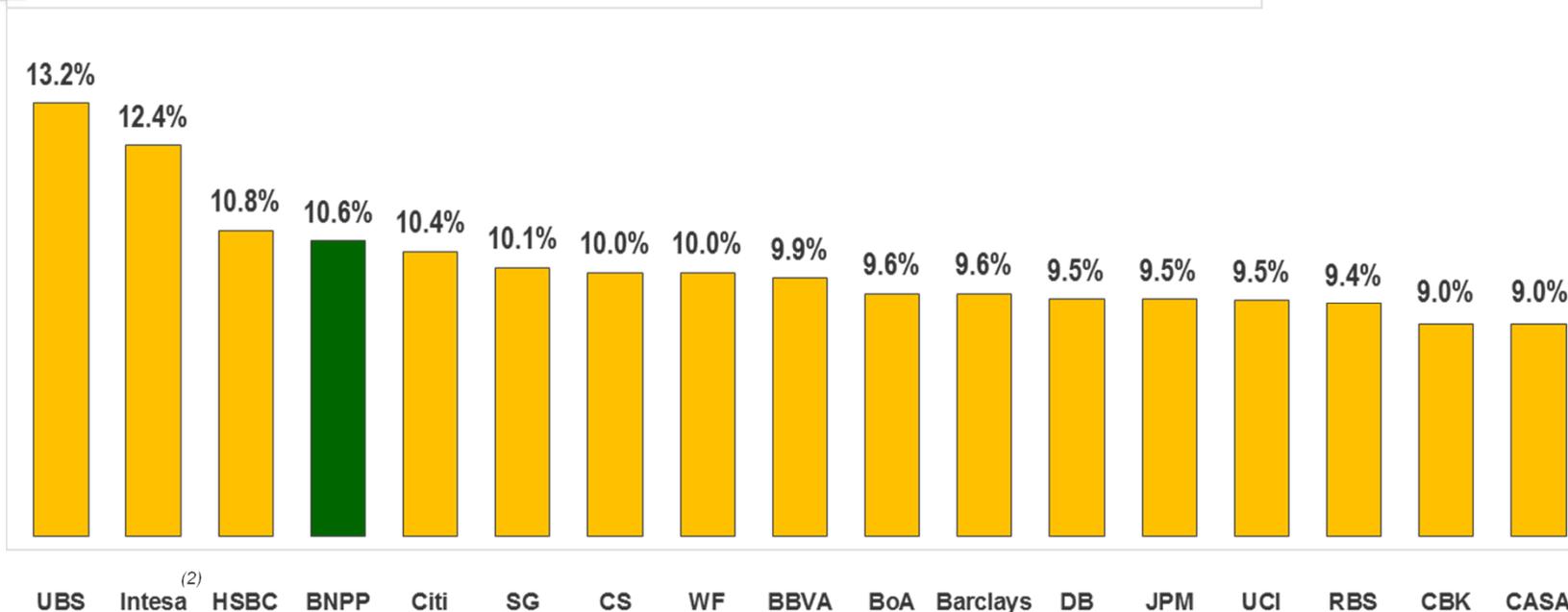
> CET1 capital more than doubled in 5 years

⁽¹⁾ According to CRD4



Solvency Ratio: Well Above 9% Minimum Requirement

Common equity Tier 1 ratio under Basel 3⁽¹⁾ fully loaded (as at 31.03.14)

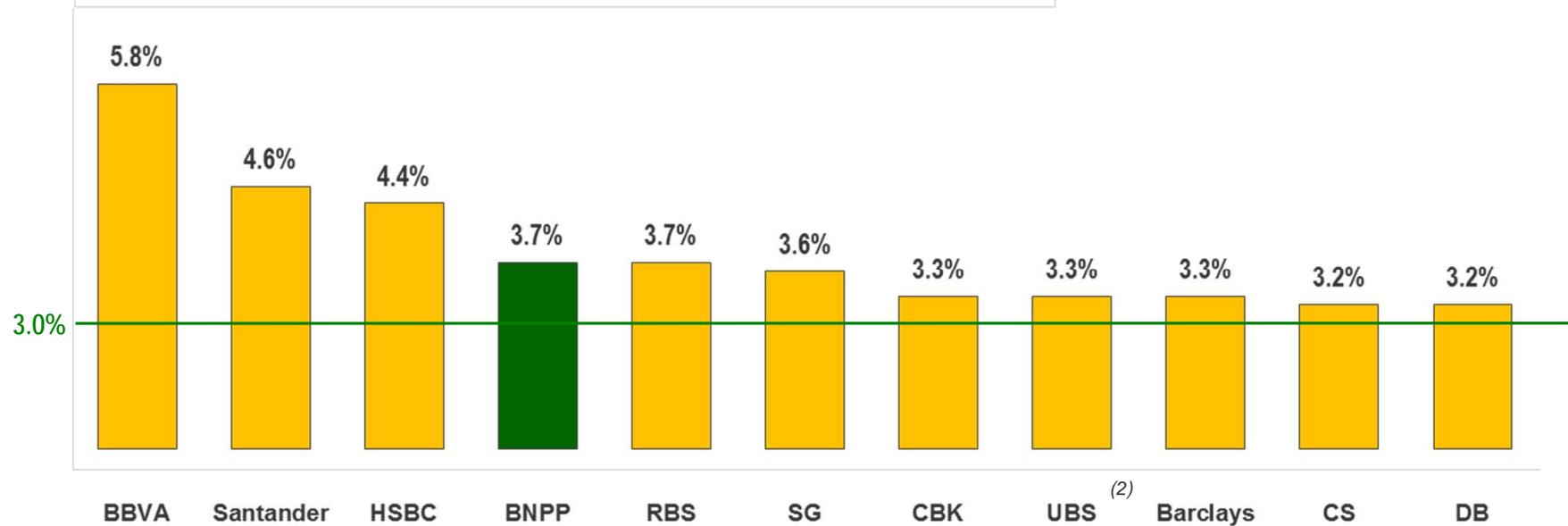


⁽¹⁾ As disclosed by banks of the peer group, according to CRD4 or Fed NPR; ⁽²⁾ For Intesa SP, calculated from disclosed Basel 3 pro forma CET1 as at 31.03.14 (12.6%), excl. expected absorption of DTA on Tax Loss Carry Forward before 2019 (-22 bp)



Leverage Ratio: Well Above 2018 CRD4 Threshold

➤ Fully loaded Basel 3 Tier 1 leverage ratio (as at 31.03.14)⁽¹⁾

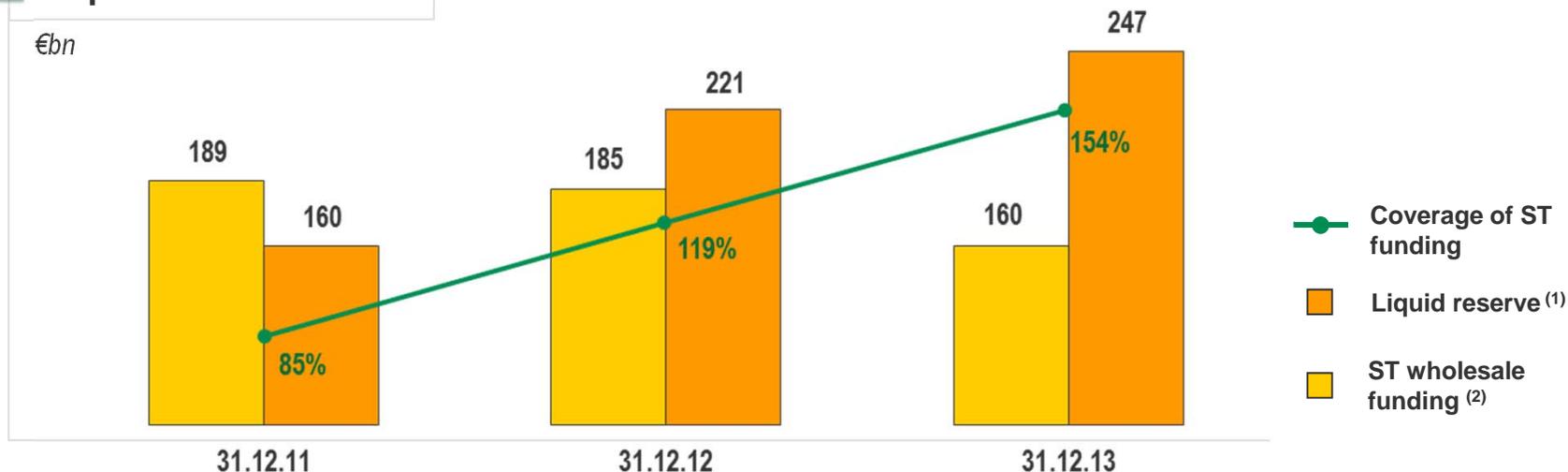


⁽¹⁾ As disclosed by banks of the peer group, according to CRD4, Swiss rules; for BNPP, including the forthcoming replacement of Tier 1 instruments that have become ineligible with equivalent eligible instruments; ⁽²⁾ Calculated on the basis of disclosed data



Liquidity: Ample Reserves

> Liquid Asset Buffer



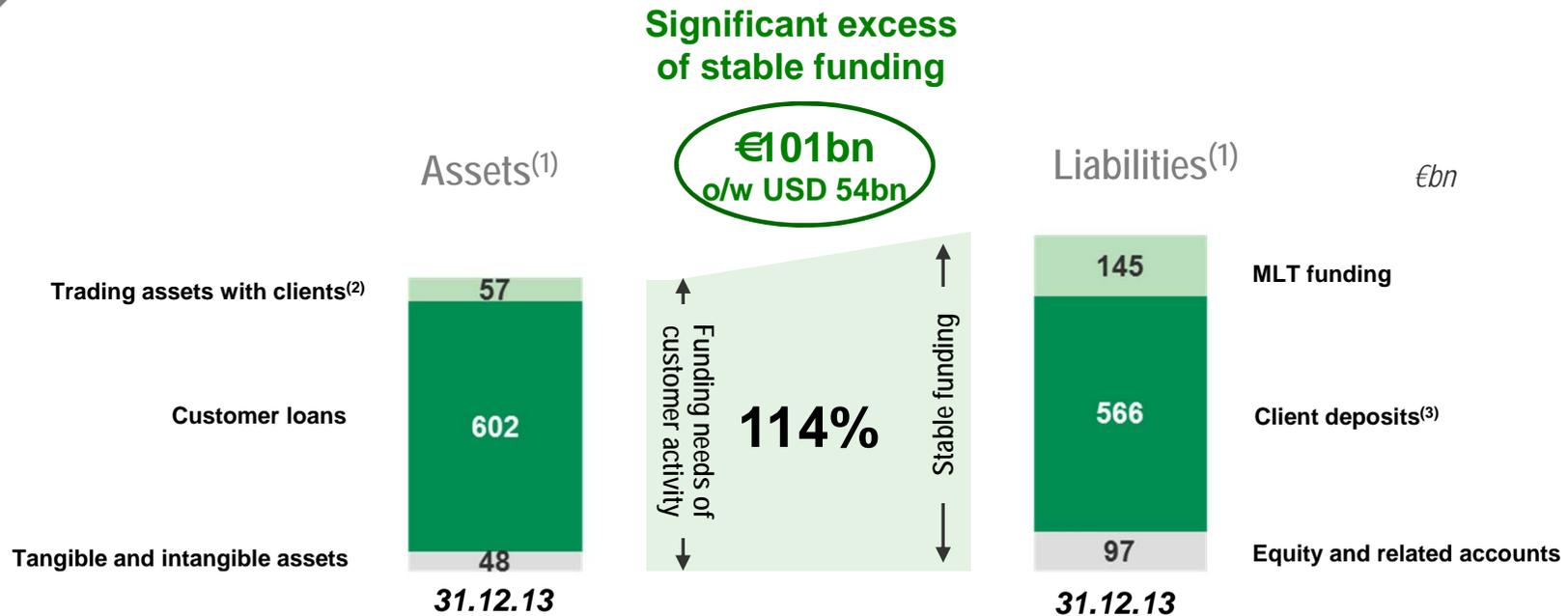
- Very large liquidity reserve: €247bn as at 31.12.13 (€264bn as at 31.03.14)
 - Immediately available
 - Amounting to 154% of short-term wholesale funding

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

(1) Deposits with central banks and unencumbered assets eligible to central banks, after haircuts; (2) Including LTRO



Stable Funding Structure



- LCR above regulatory threshold as at 31.12.2013



Large surplus of stable funding

⁽¹⁾ Balance sheet with netted amounts for derivatives, repos, securities lending/borrowing and payables/receivables; banking prudential scope;

⁽²⁾ With netted amounts for derivatives, repos and payables/receivables; ⁽³⁾ o/w MLT funding placed in the networks: €44bn at 31.12.13



Medium/Long-Term Funding

> 2014 MLT wholesale funding programme: €23bn

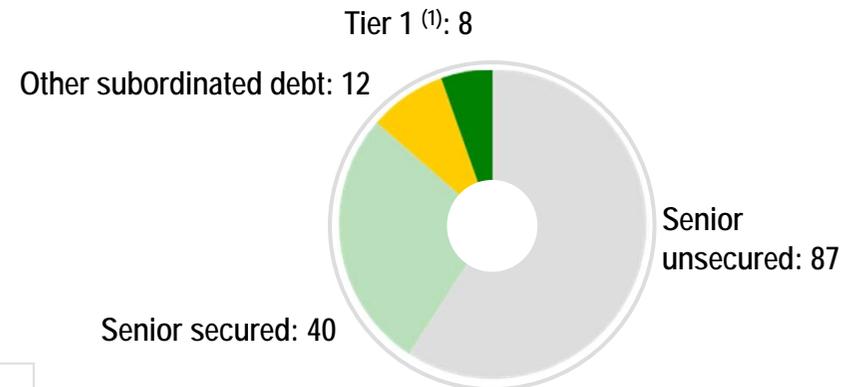
- Senior debt: €21bn realised⁽²⁾ as at early June 2014
 - Maturity: 4.6 years on average
 - Mid-swap +46 bp on average
 - Primarily senior unsecured
 - Of which 61% public issues and 39% private placements
- Tier 2 issuance of €1.5bn realised in March 2014 (12y, mid-swap +165bp)

> 2014 MLT funding programme placed in the networks: €7bn

- Fully realised⁽²⁾ as at early June 2014

> Wholesale MLT funding structure breakdown as at 31.03.14: €147bn

€bn



> 2014 MLT funding programme already completed

⁽¹⁾ Debt qualified prudentially as Tier 1 recorded as subordinated debt or as equity;

⁽²⁾ Including issues at the end of 2013 (€8.3bn) in addition to the €37bn issued under the 2013 programme



Conclusion



**European leader in all its businesses and global presence
Cross-selling at the heart of the model**



Good risk diversification



Prudentially ready with a rock-solid balance sheet



Appendix



Simple & Efficient

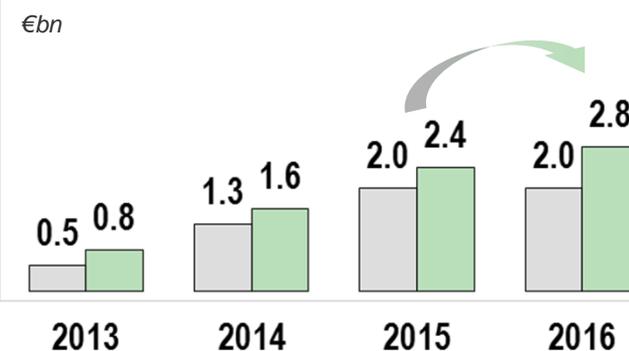
> **Simple: simplify our organisation and how we operate**

- A management priority
- Clarify roles and responsibilities in order to speed up the decision-making process
- 420 initiatives launched

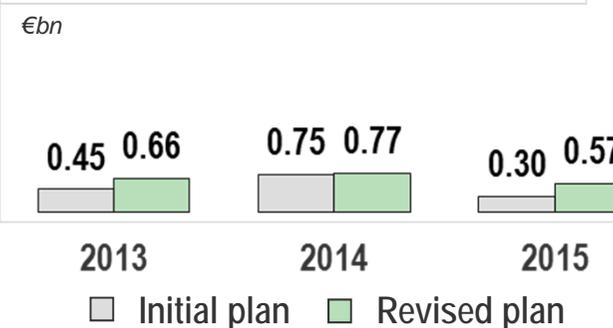
> **Efficient: continue improving operating efficiency**

- 2,418 projects identified (o/w 94% already launched)
- Plan revised upward and extended to 2016
 - €2.8bn in savings a year starting in 2016
 - €2.0bn in transformation costs over 3 years
- Recurring cost savings of €1,011m as at 31.03.14

> **Cumulative recurring cost savings**



> **One-off transformation costs**



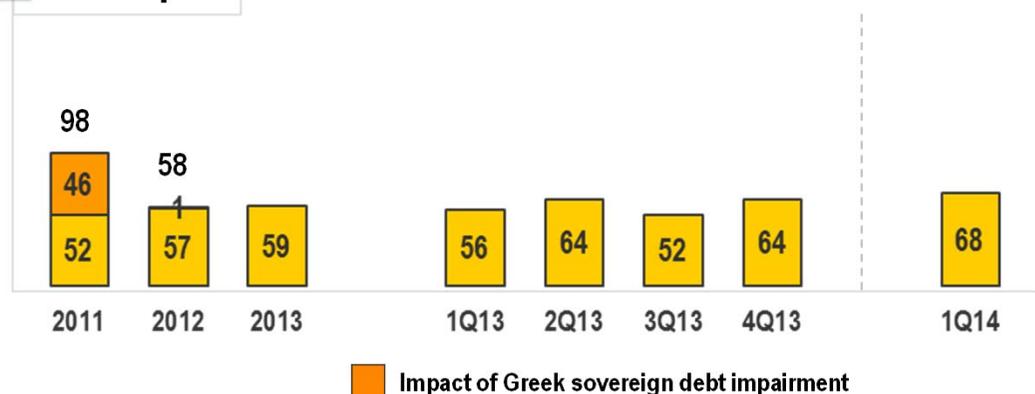
Recurring cost savings in line with the plan



1Q14: Cost of Risk by Business Unit (1/3)

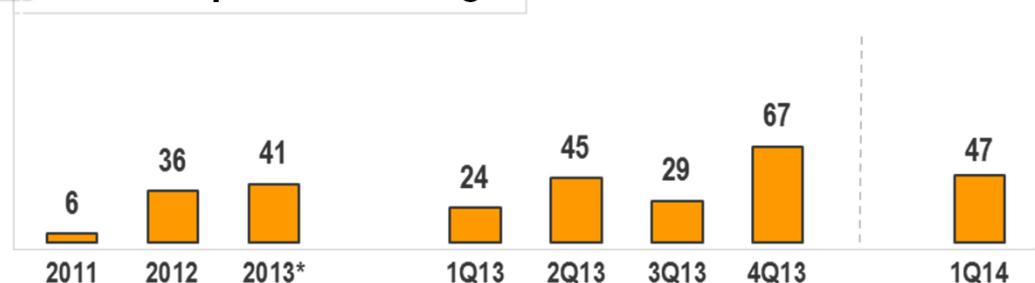
Net provisions/Customer loans (in annualised bp)

Group



- Cost of risk €1,084m
 - +€68m vs. 4Q13
 - +€173m vs. 1Q13
- Rise in the cost of risk this quarter
 - Impact of a €100m portfolio provision (7 bp) this quarter due to the exceptional situation in Eastern Europe

CIB - Corporate Banking



- Cost of risk: €122m
 - -€49m vs. 4Q13
 - +€56m vs. 1Q13
- Cost of risk down this quarter
 - Reminder: impact of two specific loans in 4Q13

* Restated



1Q14: Cost of Risk by Business Unit (2/3)

Net provisions/Customer loans (in annualised bp)

FRB



- Cost of risk: €108m
 - +€22m vs. 4Q13
 - +€29m vs. 1Q13
- Cost of risk still low
- Impact of one specific loan this quarter

BNL bc



- Cost of risk: €364m
 - +€37m vs. 4Q13
 - +€68m vs. 1Q13
- Rise in the cost of risk due to a challenging environment

BRB



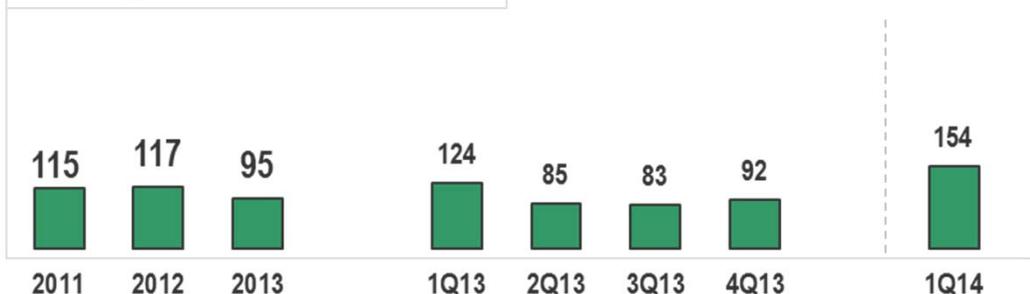
- Cost of risk: €52m
 - +€4m vs. 4Q13
 - +€31m vs. 1Q13
- Cost of risk still low
- Reminder: 1Q13 particularly low



1Q14: Cost of Risk by Business Unit (3/3)

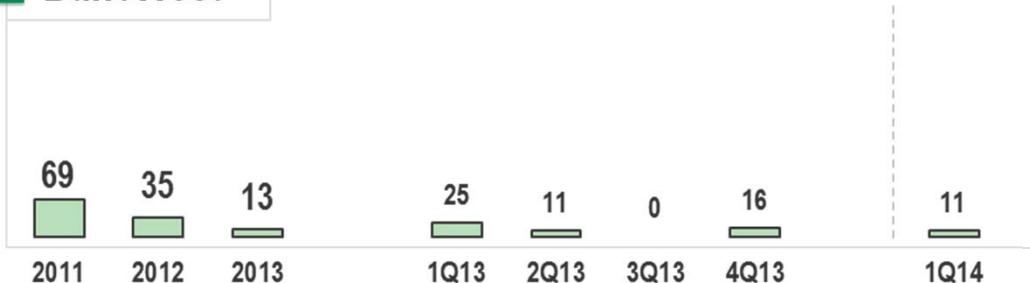
Net provisions/Customer loans (in annualised bp)

> Europe-Mediterranean



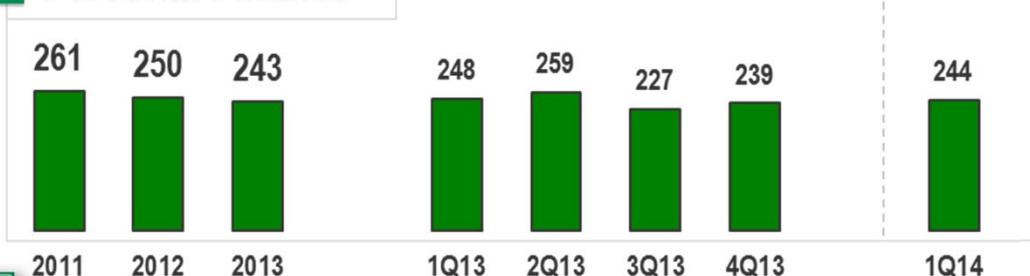
- Cost of risk: €105m
 - +€41m vs. 4Q13
 - +€18m vs. 1Q13
- Impact of a €43m (63 bp) portfolio provision due to the situation in Eastern Europe

> BancWest



- Cost of risk: €11m
 - -€5m vs. 4Q13
 - -€15m vs. 1Q13
- Cost of risk still at a very low level this quarter

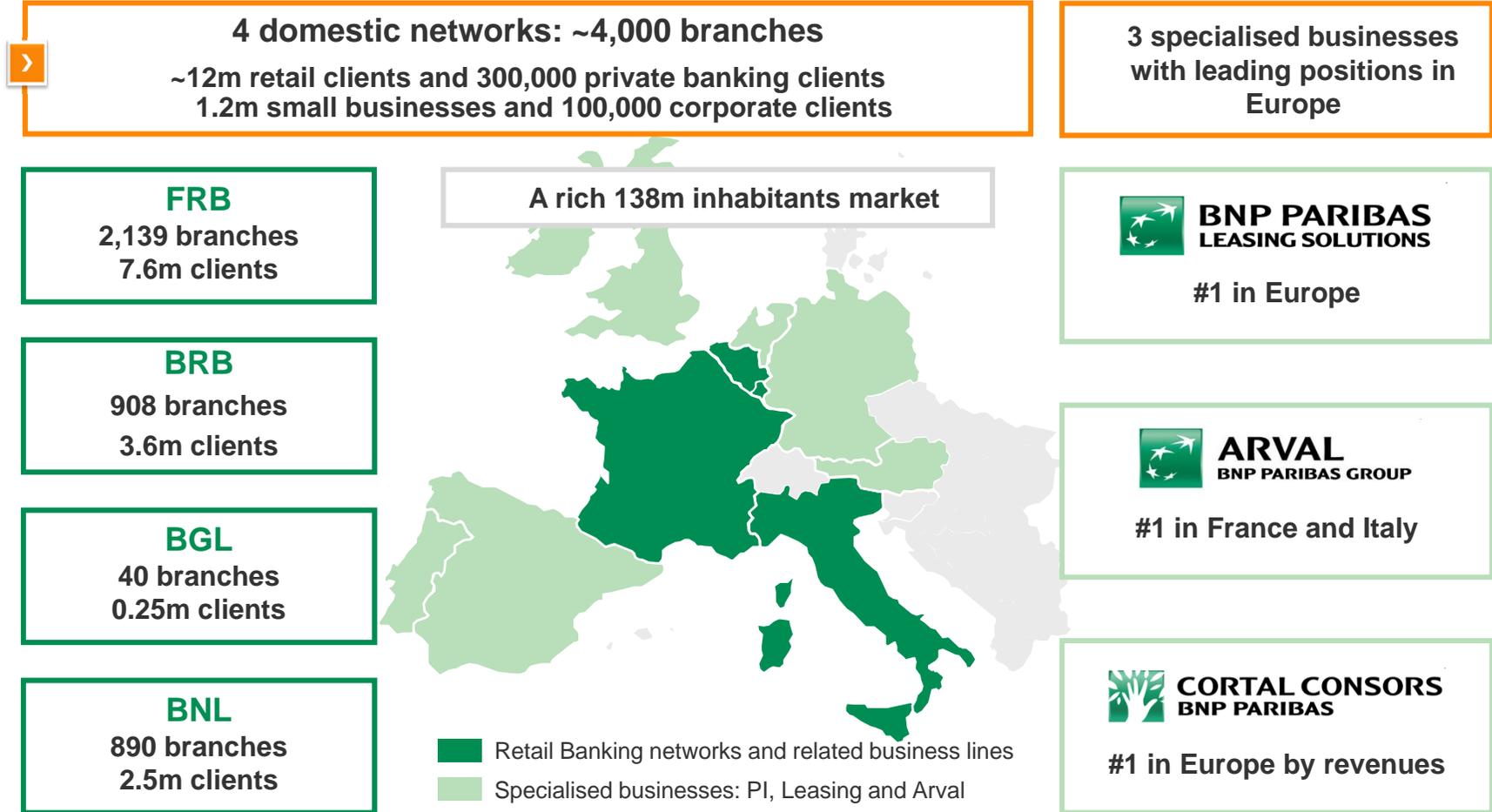
> Personal Finance



- Cost of risk: €277m
 - +€9m vs. 4Q13
 - -€6m vs. 1Q13
- Stable cost of risk



Domestic Markets at a Glance



A unique position to develop the first Multi-Domestic European Bank

