



# BNP Paribas 2014-2016 Business Development Plan



# Investor Day 2014-2016 Business Development Plan



# Agenda

Paris, 24 March 2014

10.00 – 10.45	Welcome Coffee and Registration
10.45 – 10.50	Introduction
10.50 – 11.30	2014-2016 Group Business Development Plan
11.30 – 12.00	2014-2016 Financial Plan
12.00 – 12.45	Domestic Markets
12.45 – 14.00	Buffet lunch
14.00 – 14.30	International Retail Banking
14.30 – 14.50	Personal Finance
14.50 – 15.20	Investment Solutions
15.20 – 16.05	Corporate and Investment Banking
16.05 – 16.20	Asia Pacific
16.20 – 16.25	Conclusion
16.25 – 17.15	Q&A session
17.15 – 18.30	Cocktail



# 2014-2016 Group Business Development Plan



**Jean-Laurent Bonnafé**  
Chief Executive Officer



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

24 March 2014

# Macro-economic Outlook and Regulatory Framework

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Confirmation of the Business Model

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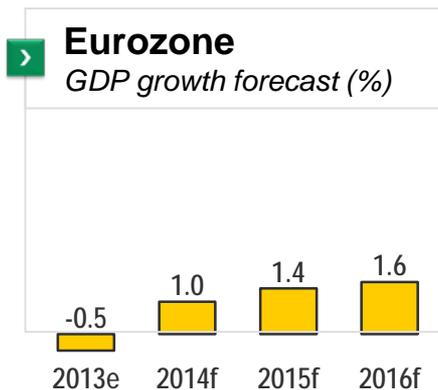
Five Major Strategic Priorities for 2016

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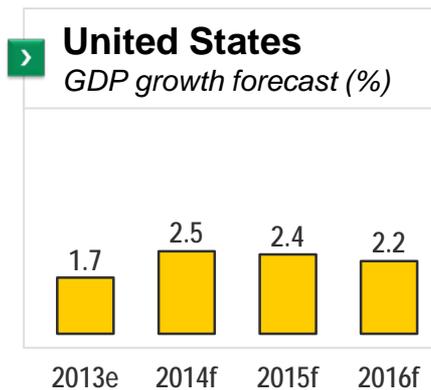


# Macro-economic Outlook and Regulatory Framework

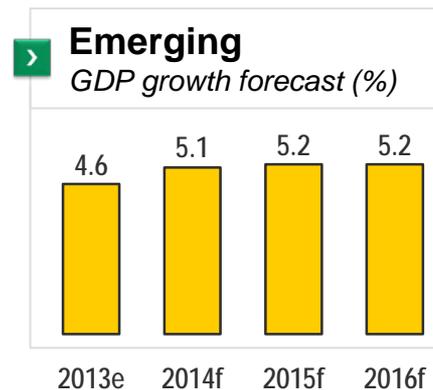
- 2014-2016 central scenario with a moderate, gradual and differentiated recovery depending on the region



- Heterogeneous intra-zone situations
- Assumption of a modest recovery with likely ups and downs



- Back to growth
- Perspectives generally better than in Europe, but still uncertainties surrounding the FED tapering



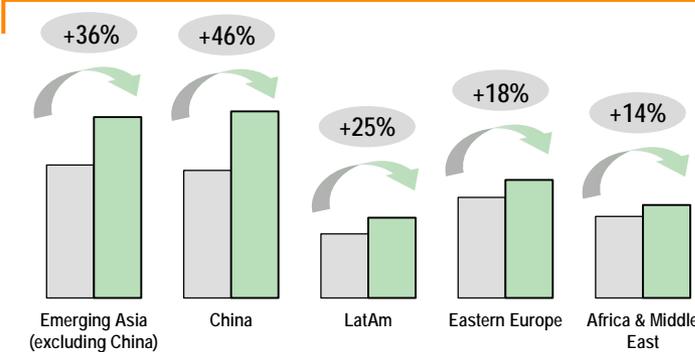
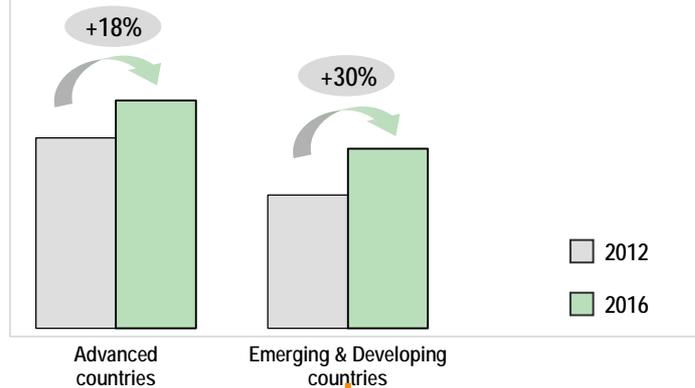
- Higher growth but Emerging Risks require cautiousness

- Central regulatory scenario: CRD 4, with upcoming clarifications
  - Leverage ratio: new proposals from the Basel committee
  - NSFR: under study



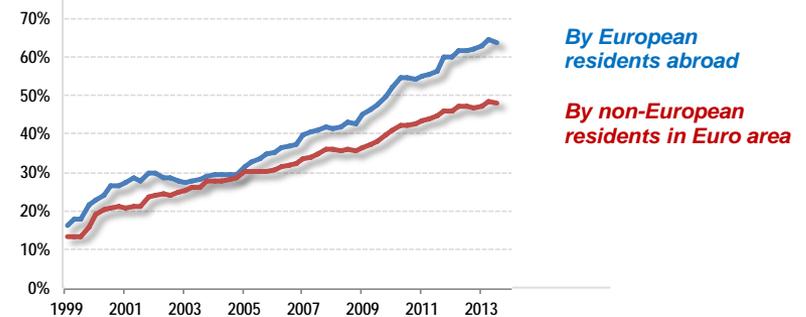
# Macro-economic Trends and Developments

## Trade flows: export of goods<sup>(1)</sup> (in \$bn)

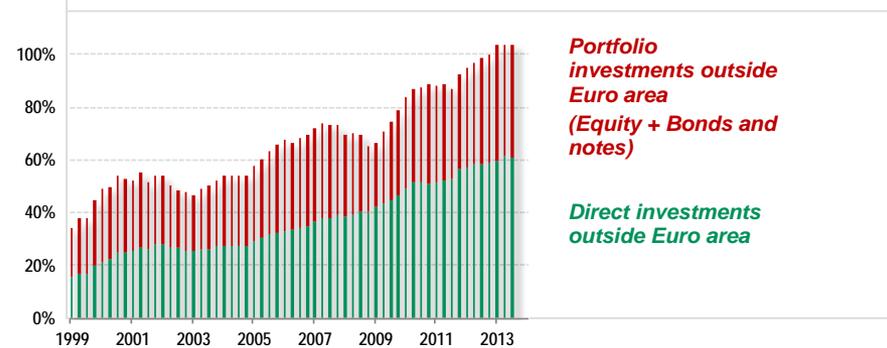


- Strong export growth expectations in developing countries, especially in Asia

## Direct investments<sup>(2)</sup> (as % of GDP)



## Euro area corporates: foreign assets<sup>(2)</sup> (as % of GDP)



- Ongoing internationalisation process despite the crisis
- Corporate cross-border assets: more than x2 in a decade



## Ongoing globalisation of the economy

(1) IMF; (2) ECB



Macro-economic Outlook and Regulatory Framework

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## **Confirmation of the Business Model**

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Five Major Strategic Priorities for 2016

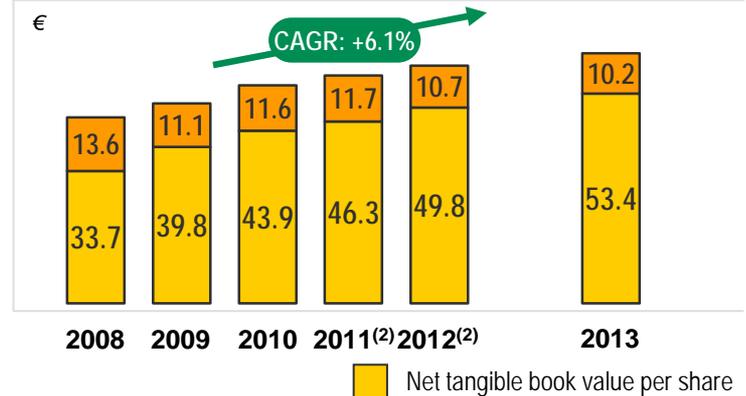
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# Confirmation of the Business Model

- 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

## Net book value per share<sup>(1)</sup>



<sup>(1)</sup> Not revaluated; <sup>(2)</sup> Restated following application of the IAS 19 amendment



# Confirmation of the Business Model

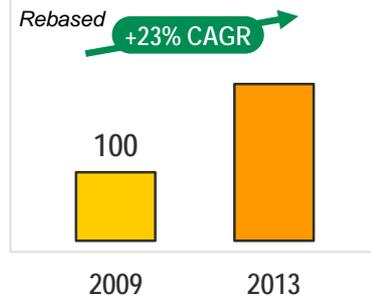
## Cross-selling at the heart of the model

- 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<sup>(1)</sup>
  - Syndicated loans: #7 in 2007, #3 in 2013<sup>(2)</sup>
  - Corporate Finance (M&A): from #15 in 2005 to #5 in 2013<sup>(3)</sup>
- ...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<sup>(4)</sup>
  - Corporate Finance (M&A): from #10 in 2007 to #1 in 2013<sup>(3)</sup>
- Roll out of the model in International Retail Banking

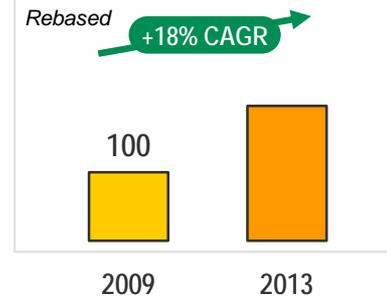
## Good risk diversification

- By sector of activity: no sector representing more than ~5% of Group's total gross commitments<sup>(7)</sup>
- 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

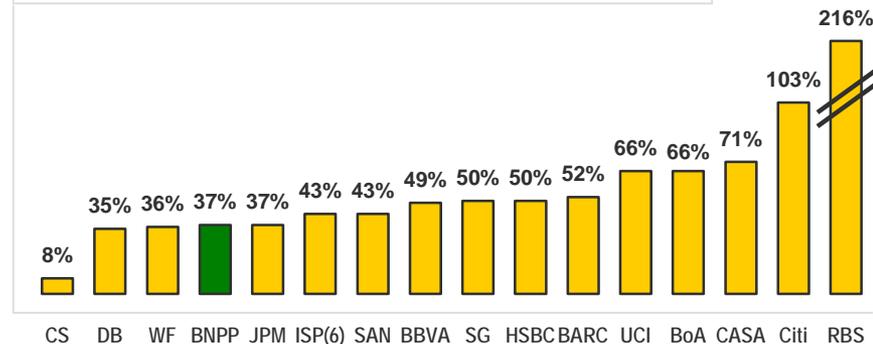
### Cross-selling between CIB & BNL (revenue evolution)



### Cross-selling between CIB-SF<sup>(5)</sup> & Fortis (revenue evolution)



### Cost of risk/gross operating income 2007-2013



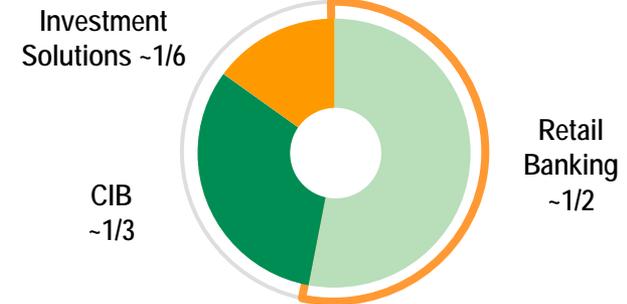
<sup>(1)</sup> Euromoney survey; <sup>(2)</sup> Source: Dealogic, by volume; <sup>(3)</sup> Source: Thomson Reuters; <sup>(4)</sup> Alpha Credit average outstandings; <sup>(5)</sup> Specialised Financing; <sup>(6)</sup> 2007-9M13; <sup>(7)</sup> Inc. Retail



# Confirmation of the Business Model

- A balanced business model which is a clear competitive advantage in the new environment
- With businesses that gather savings and generate liquidity
  - Investment Solutions businesses (Wealth Management, Securities Services, ...)
  - Retail Banking networks
- Critical mass in the capital market activities which will support the disintermediation of credit
  - Fixed Income: #1 for all bonds in euros for the last 5 years<sup>(1)</sup>
- A growing presence in regions with strong potential
  - Asia: presence in 14 countries of which 12 with a full banking licence
  - Mediterranean basin: Morocco, Turkey, ...

## > 2016 allocated equity



## > Growing presence in regions with strong potential



> **Confirmation of the business model and its 3 pillars:  
Retail, CIB and Investment Solutions**

<sup>(1)</sup> Source: Thomson Reuters



# Some Activities Have Been Adjusted in the Recent Past

Adaptation to new regulatory constraints	<b>CIB Deleveraging</b>	<ul style="list-style-type: none"> <li>Assets -€50bn and RWA -€45bn between Dec. 2011 and Sep. 2012</li> </ul>
	<b>Leasing Non Core</b>	<ul style="list-style-type: none"> <li>Run-down of approx. €8.5bn of non core leasing outstandings since 2010</li> </ul>
	<b>Personal Finance Mortgage</b>	<ul style="list-style-type: none"> <li>Run-down of certain mortgage-only businesses in non-domestic markets</li> </ul>
Businesses and shareholders' equity management	<b>Disposals</b>	<ul style="list-style-type: none"> <li>Klépierre (partial)</li> <li>Royal Park Investments</li> <li>BNP Paribas Egypt</li> </ul>
	<b>Acquisitions</b>	<ul style="list-style-type: none"> <li>Bolt-on acquisitions in the business lines<sup>(1)</sup></li> <li>BNPP Fortis minorities</li> <li>BGZ in Poland</li> </ul>


**Initiatives already taken to adapt to the new environment**  
**Disciplined and selective acquisitions**

<sup>(1)</sup> Securities Services, Insurance, Personal Finance, Equity Derivatives



Macro-economic Outlook and Regulatory Framework

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Confirmation of the Business Model

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**Five Major Strategic Priorities for 2016**

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# 2014-2016 Development Plan

## 5 Major Strategic Priorities

**Enhance Client Focus  
and Services**

**Successfully Implement  
Business Development  
Initiatives**

**Simplify our Organisation and  
how we Operate**

**Adapt Certain Businesses to  
their Economic and Regulatory  
Environment**

**Continue Improving Operating  
Efficiency**

**For all our clients, act as a responsible bank**

A responsibility charter  
since 2012

Quantifiable targets for CSR  
in 2015 and 2016



# Five Major Strategic Priorities for 2016

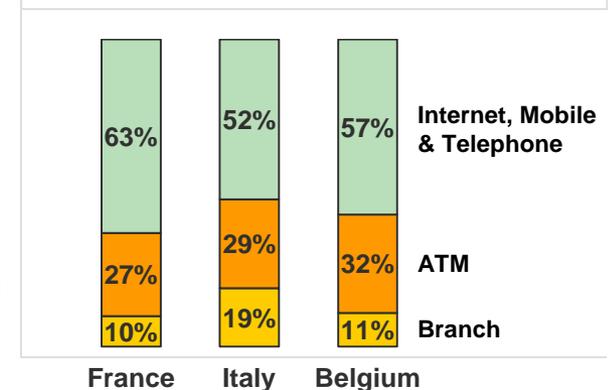
## 1. Enhance Client Focus and Services

### > Individual customers: prepare the retail banking of the future

- Develop digital innovations
  - Hello bank! in Germany, Belgium, France and Italy: target of 1.4m customers in 2017
  - Launch of new online payment solutions: PayLib in France, Sixdots in Belgium, ... which include value-added services for consumers and businesses
  - e-business at Personal Finance, roll out of the digital offering at International Retail Banking (IRB)
- Adapt the branch network
  - *Preference Client* programme in France, *Bank for the Future* in Belgium and *Matin* in Italy
  - Differentiated and complementary branch formats
  - Expanding the customer relation: omni-channel, mobile, in real-time and multi-domestic
- Continue to grow Private Banking at a fast pace leveraging the Domestic Markets and IRB networks
  - Develop relationship with entrepreneurs



### > Customer contact by channel



# Five Major Strategic Priorities for 2016

## 1. Enhance Client Focus and Services

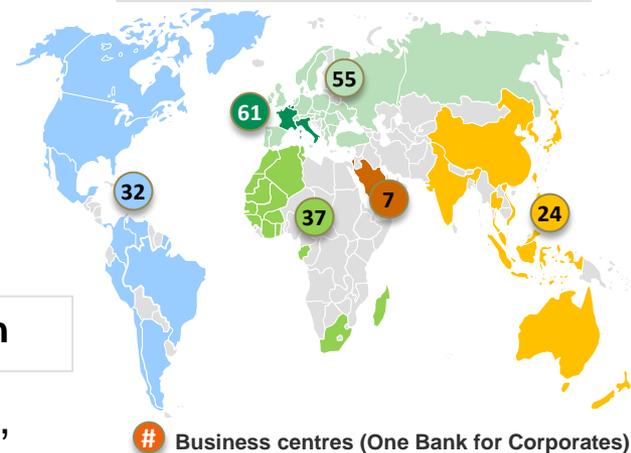
### > Corporates: leverage our European and global organisation

- One Bank for Corporates: a network of 216 business centres
- A presence in 75 countries
- Cash management: #1<sup>(1)</sup> position strengthened in Europe
- Continue to roll out Originate to Distribute approach
  - Bolster debt platforms (in particular High Yield)

### > Institutional clients: implement a more coordinated approach

- Closer cooperation between the capital market businesses, Securities Services and Investment Partners
  - Design new customer solutions
  - Pool operating platforms

### > A unique network for corporate clients



# Five Major Strategic Priorities for 2016

## 2. Simple & 3. Efficient

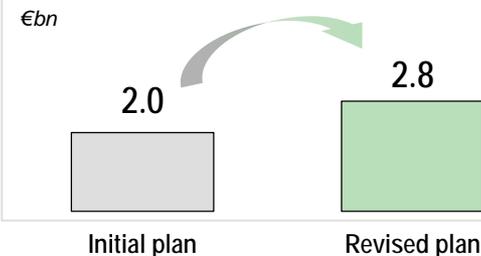
### > **Simple: simplify our organisation and how we operate**

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

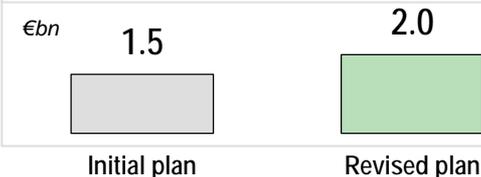
### > **Efficient: continue improving operating efficiency**

- Rapid start-up in 2013
  - Cost savings (€0.8bn), transformation costs (€0.66bn)
- Plan revised upward and extended to 2016
  - €2.8bn in savings a year starting in 2016
  - €2.0bn in transformation costs over 3 years
- Distribution of savings by 2016
  - Retail Banking (63%), CIB (24%), Investment Solutions (13%)

### > **Cumulative recurring cost savings**



### > **One-off transformation costs**



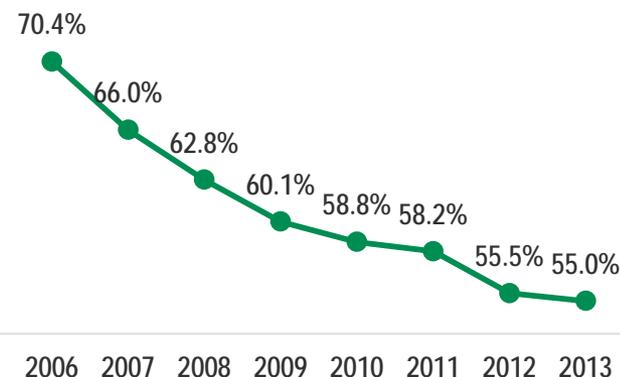
# Five Major Strategic Priorities for 2016

## 4. Adapt Certain Businesses to their Economic and Regulatory Environment

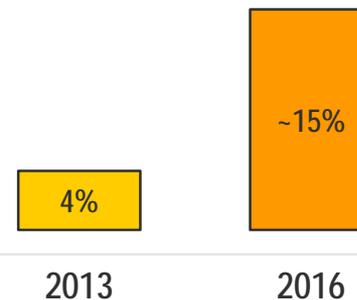
### > BNL: continue adapting to the economic environment

- Develop digital banking, adapt the branch formats and grow the private banking customer base
- Focus the commercial approach to corporates on value added segments (export companies, ...)
  - Leveraging in particular on a differentiated offering compared to the competition
- Continue improving operating efficiency
  - Shared platforms between various business units
- Improve the cost of risk from 150 bp in 2013 to <100 bp in 2016
  - Subject to gradual and moderate recovery of Italian economy
- Pre-tax RONE ~15%<sup>(1)</sup> by the end of 2016

### > Cost/income ratio<sup>(1)</sup>



### > RONE<sup>(2)</sup>



<sup>(1)</sup> Including 100% of Italian Private Banking; <sup>(2)</sup> Basel 3



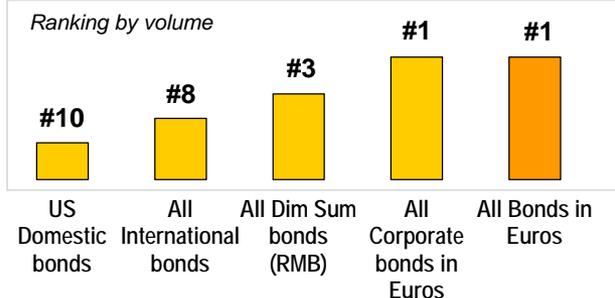
# Five Major Strategic Priorities for 2016

## 4. Adapt Certain Businesses to their Economic and Regulatory Environment

### > Capital Markets: adapt to the new regulatory environment

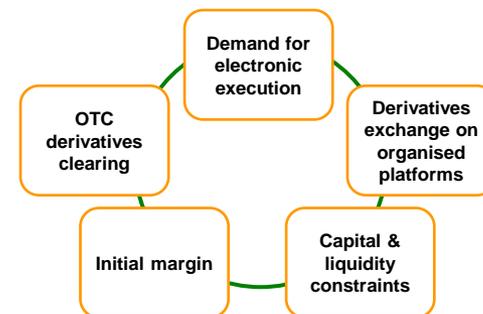
- Client driven activities, strategic in the new environment
- Leverage leading positions in a context of disintermediation of credit
- Differentiate the product offering and industrialise flow product processes
- Capitalise on our strengths in bespoke derivatives
- Improve operating efficiency (C/I ratio: -9 pts by 2016)
- Pre-tax RONE >20%<sup>(1)</sup> by the end of 2016

### > 2013 bond issuance rankings<sup>(2)</sup>



<sup>(3)</sup> Source: McKinsey Global Institute – Financing outstandings of non financial companies (% equities and bonds at the end of 2012)

### > Transformation of the industry



### > Financing of corporates via capital markets<sup>(3)</sup>



<sup>(1)</sup> Basel 3; <sup>(2)</sup> Source: Thomson Reuters 2013;



# Five Major Strategic Priorities for 2016

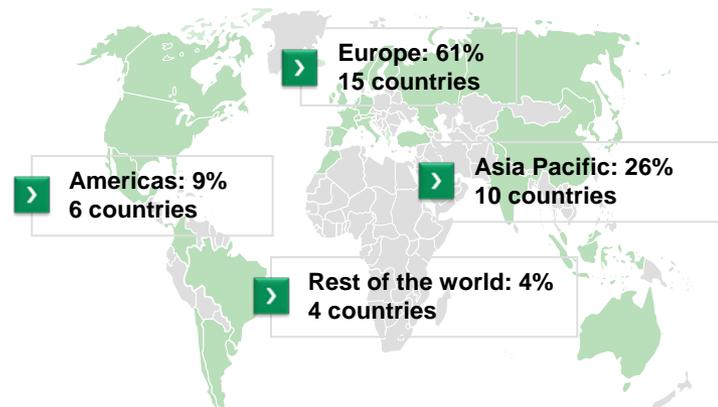
## 4. Adapt Certain Businesses to their Economic and Regulatory Environment

### > Investment Partners: a strategic business for the Group

- Relaunch asset gathering: +€40bn net by 2016 in the value added segments
  - Capitalise on recognised asset management quality
- 3 priority areas for business development
  - Institutional clientele: strengthen recognition by leading international consultants and increase assets under management by winning new mandates
  - Asia Pacific and emerging markets platforms: increase the volume of assets under management in growth markets and increase cross-selling worldwide
  - Distribution networks (retail and private banking clientele): create one of the 3 biggest distribution platforms in continental Europe
- A profitable core business
  - Limited capital consumption



### > Global workforce network



# Five Major Strategic Priorities for 2016

## 5. Successfully Implement Business Development Initiatives

### > Asia Pacific: a region for the Group to develop business

- One of the best positioned international banks
  - Presence in 14 countries of which 12 with a full banking licence
  - ~8,000 employees at CIB and Investment Solutions
- Expand the organisation in a fast growing region
  - Bolster the commercial set up geared toward multinational companies and local large and medium-sized businesses
  - Grow the Group's presence in order to expand resource gathering
  - Forge new partnerships especially in insurance and consumer credit
- Grow revenues in Asia to over €3bn<sup>(1)</sup> by 2016
  - 2013, a year that met expectations: revenues at €2.5bn vs. €2.0bn in 2012 (+24.4%)

### > Growth targets adapted to each country



<sup>(1)</sup> CIB and Investment Solutions



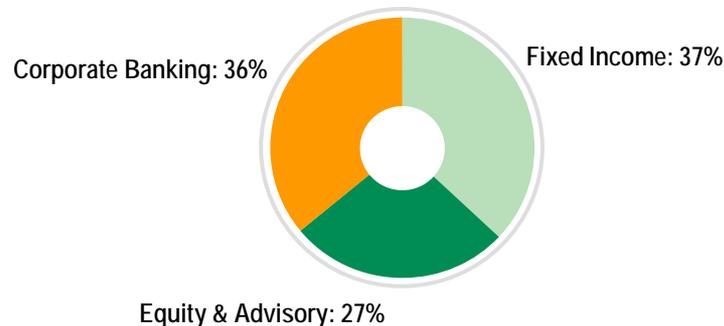
# Five Major Strategic Priorities for 2016

## 5. Successfully Implement Business Development Initiatives

### > CIB - North America: consolidate our presence in a major market

- A sizeable regional platform for CIB
  - ~3,000 professionals; more than 2,000 clients
  - 9 locations in the USA and Canada
  - A strong and diversified CIB franchise (#10 USD domestic bonds, #10 US syndicated loans, ...)
  - A comprehensive distribution platform with product sales teams and a dedicated investor coverage
- Develop business with large corporates and institutional clients; strengthen relations with investor clients
  - Accompany US corporates and investor clients to Europe and European clients to the US
- Adapt the business model to changes in market infrastructure
- Business development initiatives with BancWest to expand cross-selling

### > CIB North America's 2013 revenues *Breakdown by business line*



### > Develop synergies with BancWest



# Five Major Strategic Priorities for 2016

## 5. Successfully Implement Business Development Initiatives

### > Germany: a target for our development in Europe

- First European economy
  - Strong export capability mainly to the other European markets, a large pool of competitive and sizeable international companies
- A diversified organisation covering all client segments
  - 12 businesses, ~3,500 employees
- A global growth initiative fostering cross-selling across all segments
  - Substantially increase deposits of individuals with Hello bank!
  - Strengthen our positioning on the corporate client segment
  - Speed up the process of developing strong positions in specialised business units
- Build a long-term franchise

### > An organisation covering all client segments



### > Revenues



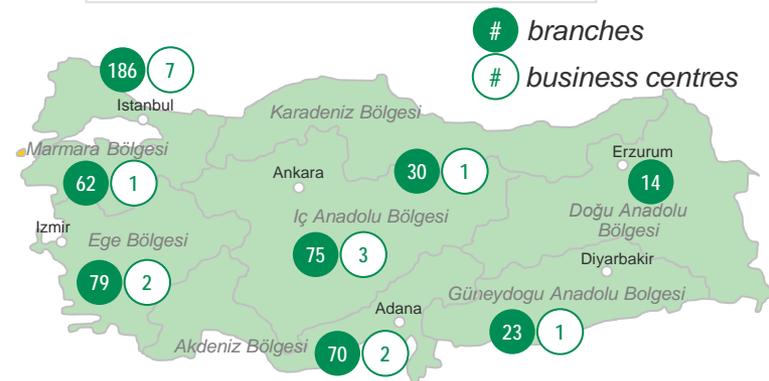
# Five Major Strategic Priorities for 2016

## 5. Successfully Implement Business Development Initiatives

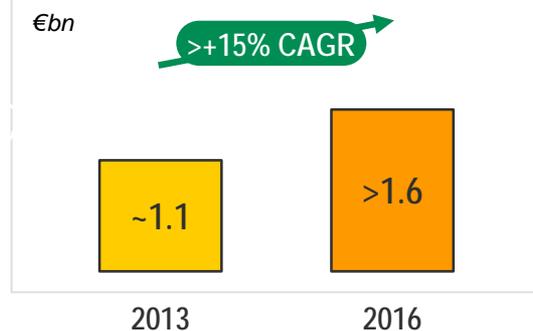
### > Turkey: continue our medium-term business development

- A growing market
  - Sizeable population (76m inhabitants)
  - Still low banking penetration rate
- A comprehensive and adapted set up
  - 9<sup>th</sup> largest Turkish retail bank<sup>(1)</sup>
  - 566 branches, ~11,000 employees
  - A multi-business presence fostering cross-selling
- Growth effort focused on higher potential clients
  - Retail and SME: first class digital offering, Wealth Management deployment, mass affluent
  - Corporates: One Bank for Corporates model roll out, CIB products offer deployment, increased cross-selling with Leasing
- Grow revenues to over €1.6bn in 2016 vs. €1.1bn in 2013 (>+15% CAGR)
  - Improve the cost/income ratio by 7 pts by 2016

### > TEB branch network



### > Revenues



<sup>(1)</sup> In terms of customer loans, as at 31.12.13



# Five Major Strategic Priorities for 2016

## 5. Successfully Implement Business Development Initiatives

### > Continue the development of specialised businesses that are leaders in their sector (1/2)

#### ● Insurance: continue business development

- Presence in 37 countries, 11<sup>th</sup> largest insurer in Europe<sup>(3)</sup>
- Forge partnerships and continue pursuing growth in Asia and South America
- Grow the share of protection products
- Improve operating efficiency

	2013 <sup>(1)</sup>	2016 targets
Revenues	€2,136m	>+4% <sup>(2)</sup>
RONE	19.2%	20%

#### ● Securities Services: leverage strong positions to generate growth

- Presence in 34 countries, ranked #1 in Europe and #5 worldwide
- Capitalise on opportunities stemming from the new regulatory framework
- Develop product and customer coverage synergies with CIB
- Step up the pace of organic growth and increase operating efficiency

	2013 <sup>(1)</sup>	2016 targets
Revenues	€1,409m	+7% <sup>(2)</sup>
RONE	42.0%	45%



# Five Major Strategic Priorities for 2016

## 5. Successfully Implement Business Development Initiatives

### > Continue the development of specialised businesses that are leaders in their sector (2/2)

- Personal Finance: leverage its recognised expertise
  - Presence in 20 countries, #1 in consumer lending in Europe
  - Continue international business development and strategic partnerships
  - Speed up the roll out of the digital offering, automobile financing, protection insurance and savings
  - Improve operating efficiency

	2013 <sup>(1)</sup>	2016 targets
Revenues	€3,693m	+2.5% <sup>(2)</sup>
RONE	28.6%	35%

- Ambitious business development plans for
  - Arval, #3 in Europe: grow the fleet with increased cross-selling in the Group and develop business in high potential markets
  - Leasing Solutions, European leader in equipment leasing: develop activity in targeted countries in Europe
  - Real Estate Services, #1 provider in Europe of real estate services to corporates: reinforce leading positions across Europe





# 2014-2016 Financial Plan

**Philippe Bordenave**  
Chief Operating Officer

**Lars Machenil**  
Chief Financial Officer



# Financial Targets

			2016 targets
> Growth	Organic growth of revenues		≥ +10% vs. 2013
> Efficiency	Targeted savings from the Simple & Efficient plan	Initially €2.0bn in 2015	€2.8bn
	Cost/income	66% in 2013 excluding S&E transformation costs	-3 pts vs. 2013
> Profitability	ROE	7.7% <sup>(1)</sup> in 2013	≥ 10%
> Capital	Basel 3 fully loaded CET1 Ratio	10.3% <sup>(2)</sup> in 2013	10.0%
	Pay-out ratio	2002-2007: 33-40% 2008-2012: 25-33%	~45% <sup>(3)</sup>

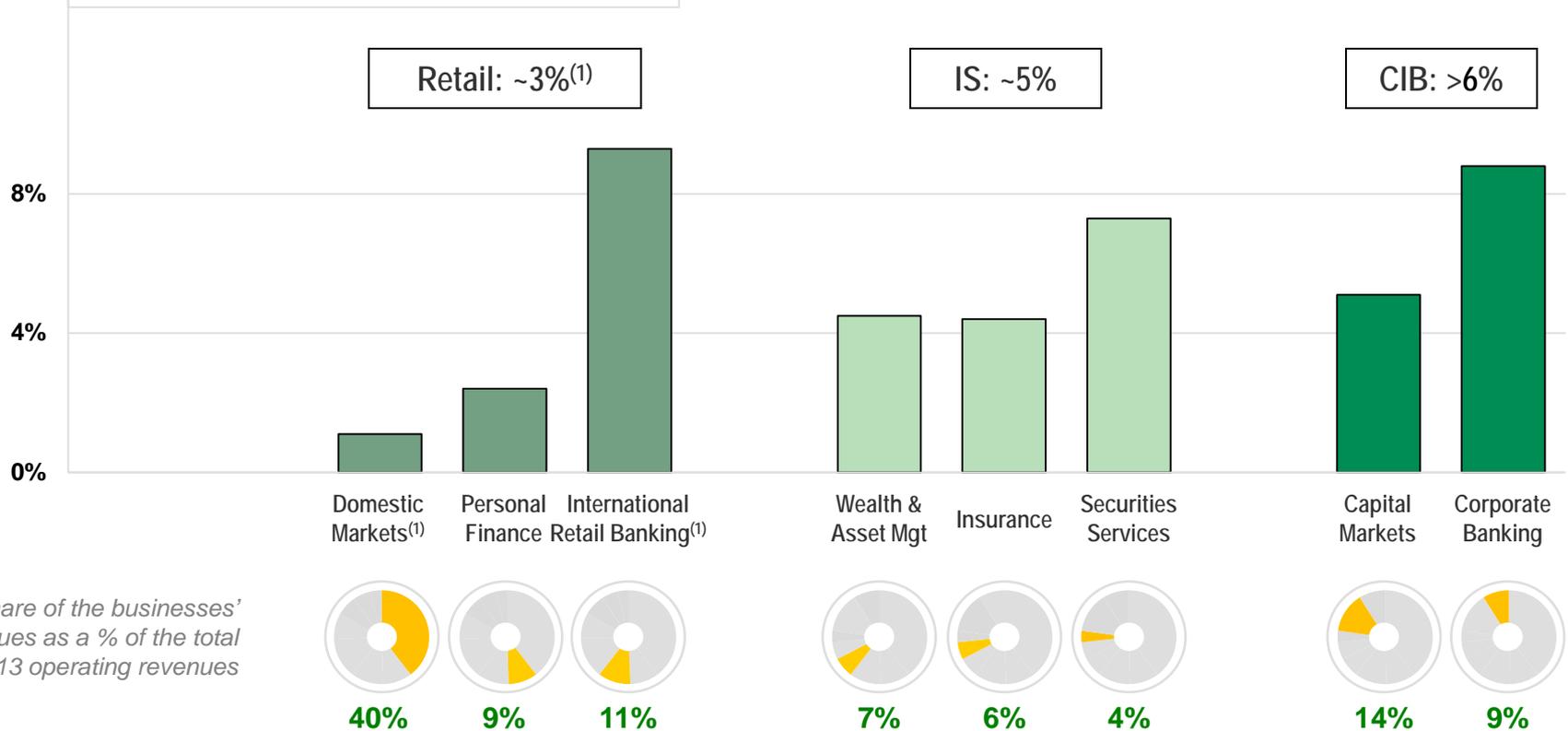
> **Double digit annual growth of net earnings per share on average over the period from €4.7 in 2013<sup>(1)</sup>**

<sup>(1)</sup> 2013-2016, excluding exceptional items; <sup>(2)</sup> CRD4 (fully loaded); <sup>(3)</sup> Subject to shareholder approval



# Revenues Evolution (Excluding Polish Acquisition)

## 2013-2016 revenues CAGR in %



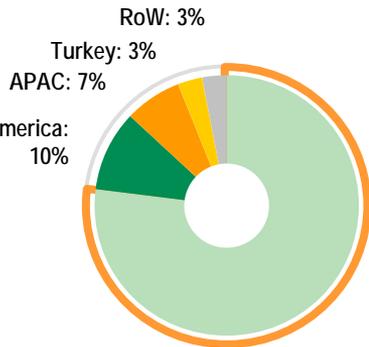
## Differentiated growth among businesses and regions

<sup>(1)</sup> At 2/3 Private Banking



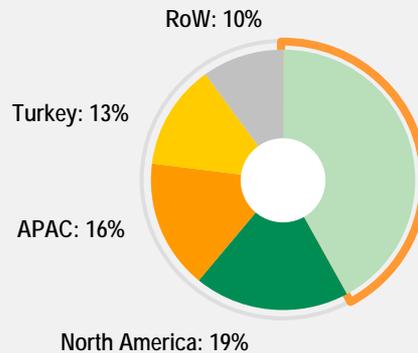
# Geographic mix Evolution (Excluding Polish Acquisition)

## 2013 revenues



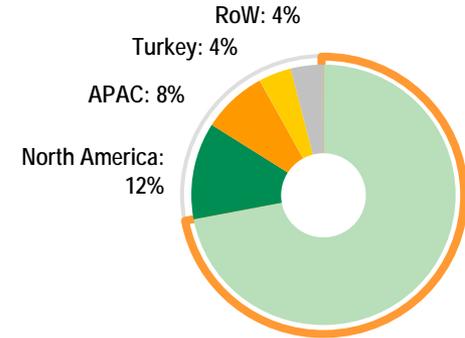
Europe  
77%<sup>(1)</sup>

## 2013-2016 revenues growth contribution



Europe  
42%

## 2016 revenues



Europe  
72%<sup>(1)</sup>

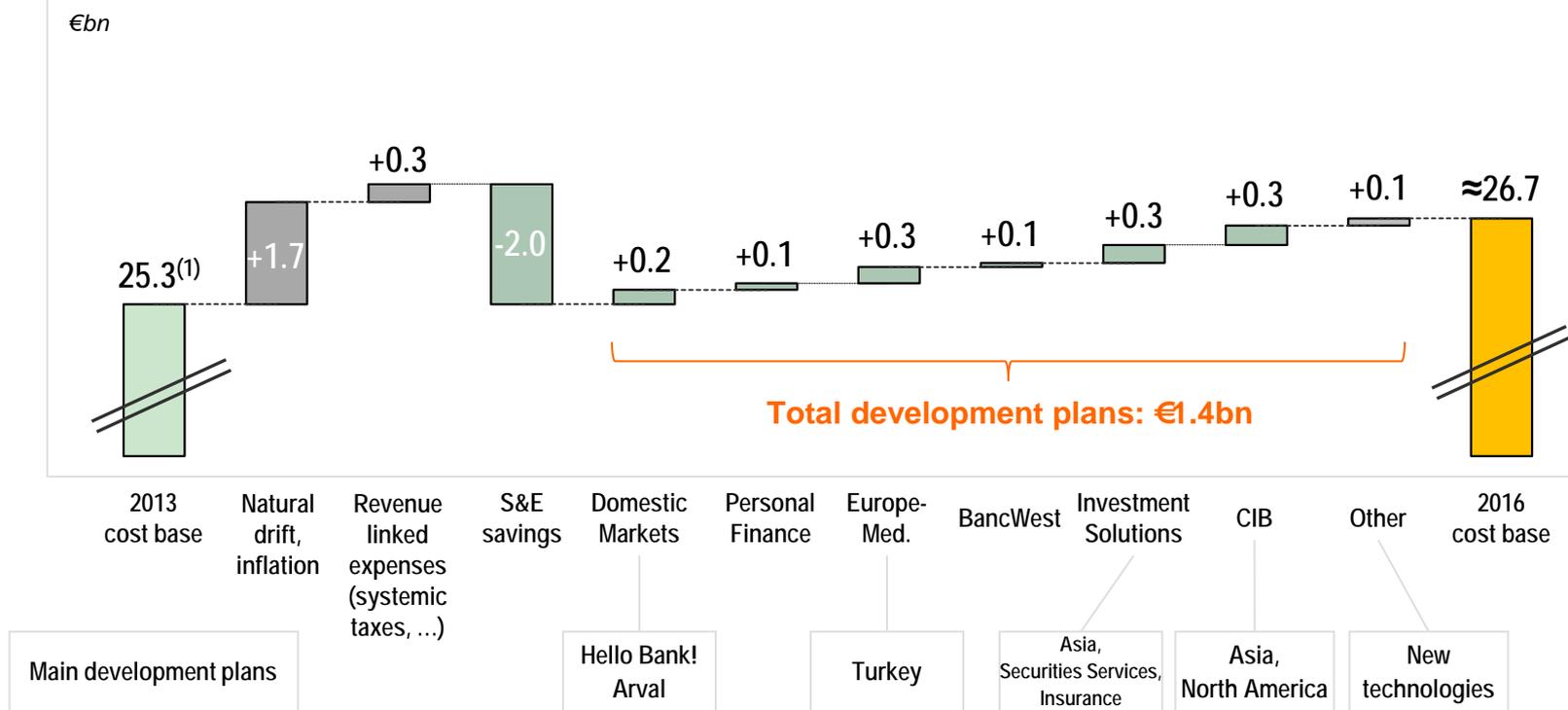
Grow further outside Europe

<sup>(1)</sup> Of which ca. 2% in Eastern Europe in 2013 and in 2016 at constant scope; this percentage will increase to 3% in 2016 as a result of BGZ acquisition, in percentage of Operating Divisions revenues, at constant scope and exchange rates in 2013 and 2016



# 2013-2016 Operating Expenses Evolution (1/2)

## 2013-2016 operating expenses evolution



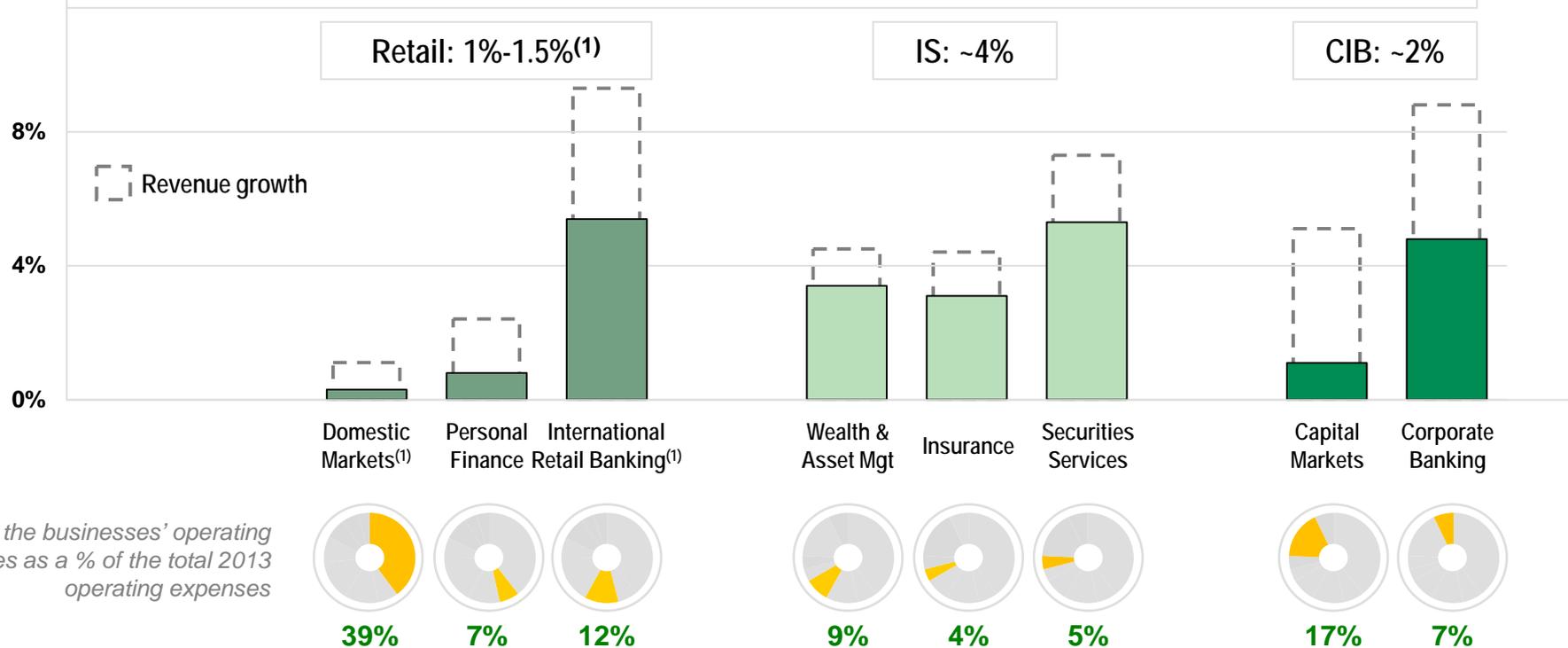
**Gradual cost increase only driven by investment plans: €1.4bn**  
**S&E savings offsetting other cost evolutions**

<sup>(1)</sup> Group excluding 2013 S&E transformation costs, including 2013 S&E achievements of €0.8bn



# 2013-2016 Operating Expenses Evolution (2/2)

2013-2016 operating expenses CAGR in % ⇒ **Positive jaws effect everywhere**



Share of the businesses' operating expenses as a % of the total 2013 operating expenses

**Stability of costs in Domestic Markets**  
**Development costs focused in growing geographies and businesses**

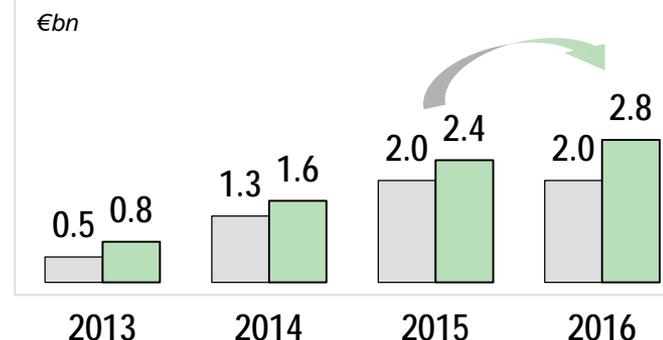
<sup>(1)</sup> At 2/3 Private Banking



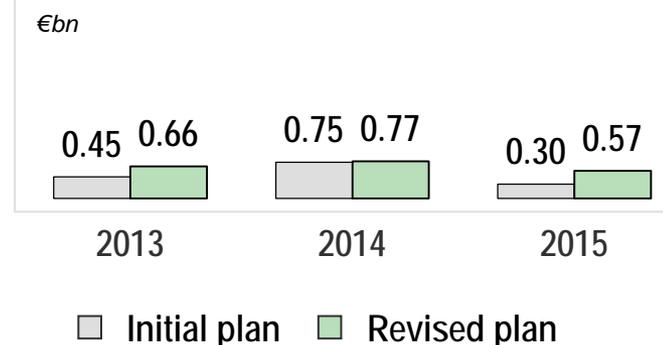
# Simple & Efficient (1/3)

- A global programme to simplify the Group's way of functioning and improving operating efficiency
  - Without closing businesses
- 1,239 programmes identified for the whole Group, including 2,388 projects
  - >2,200 projects already launched (~93%)
  - Each with an identified manager, a budget and timetable
- Plan revised upward and extended to 2016
  - €2.8bn in savings a year starting in 2016 (+€800m vs. initial plan)
  - €2.0bn in transformation costs over 3 years (+€500m vs. initial plan)
- Savings breakdown by 2016
  - Retail Banking (63%), CIB (24%), Investment Solutions (13%)

## Cumulative recurring cost savings



## One-off transformation costs



# Simple & Efficient (2/3)

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

- Lighten structure and organisation
  - Rationalise the number of legal entities
  - Reduce the number of double reporting lines
- Streamline and digitalize processes and reportings
- Improve working modes thanks to digital tools

## > **Efficient: continue improving operating efficiency**

- Adapt organisation and platforms to new client behaviours and needs
  - Adaptation of branch set up
  - Dematerialisation of bank statements
- Improve operating model
  - Automation and industrialisation of processes
  - Creation of shared services & outsourcing of operations
- Rationalise assets
  - Decommissioning IT applications
  - Rationalisation of real-estate assets
- Optimise costs
  - Smarter spending culture: travel policy, paperless internal communication
  - Adaptation to demand: funds range optimisation (Investments Partners), product offer simplification

## > **Some S&E projects ...**

> # legal entities	-6.5% in 2013
> Double reporting lines	-50% in 2014
> # reportings	-9% in 2014

> Bank for the Future in BNP Paribas Fortis	-150 branches between 2013 & 2015
> Bank of the West	-69 branches since 01.2013
> French Retail Banking	-60m mails in 2013
> Personal Finance	50% statements dematerialised by 2015

> IT development and maintenance	-€200m by 2016
> IT sourcing optimisation	-€70m by 2016



# Simple & Efficient (3/3)

## > Cross-business programmes

BP2S<sup>(1)</sup>  
  
IP<sup>(2)</sup>

**Development of common target operating model**  
*Same back- and middle-office for some Asian operations*

BDDF  
  
WM<sup>(3)</sup>

**Reinforce convergence of tools and processes**  
*Shared software between activities*

GRM<sup>(4)</sup>  
  
CIB

**Optimisation of credit process**

## > Cross-geographical programmes

CIB

**IT infrastructure and production plan in Europe**  
*Optimisation of production set up*



IRB

**Regional IT shared platform**  
*One IT master system and shared service centres among 4 sub-Saharan networks*



IS

**Wealth Management: multi-channel strategy**  
*Common Customer Relationship Management and digital solutions across international entities*

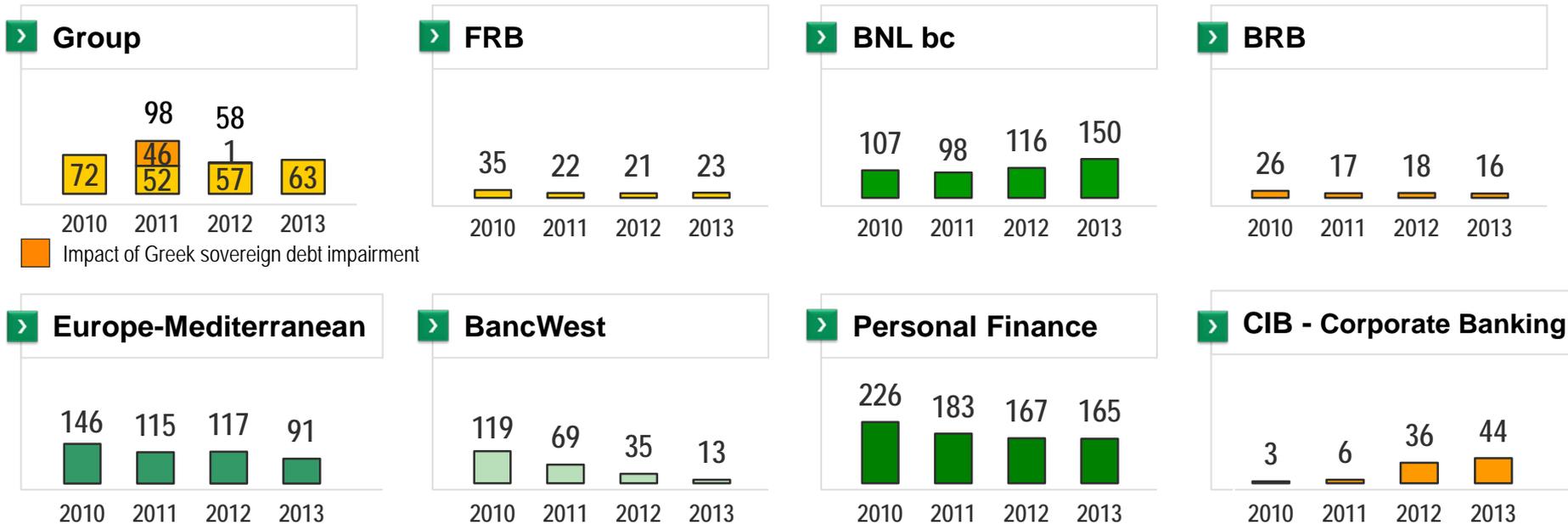


## Fostering transversal synergies within the Group



# Cost of Risk Evolution

- Strong risk management track record
- Continue strong discipline at origination
- Moderate macro-economic recovery: ~stable cost of risk in 2016 vs. 2013, with specific attention to certain activities in 2014

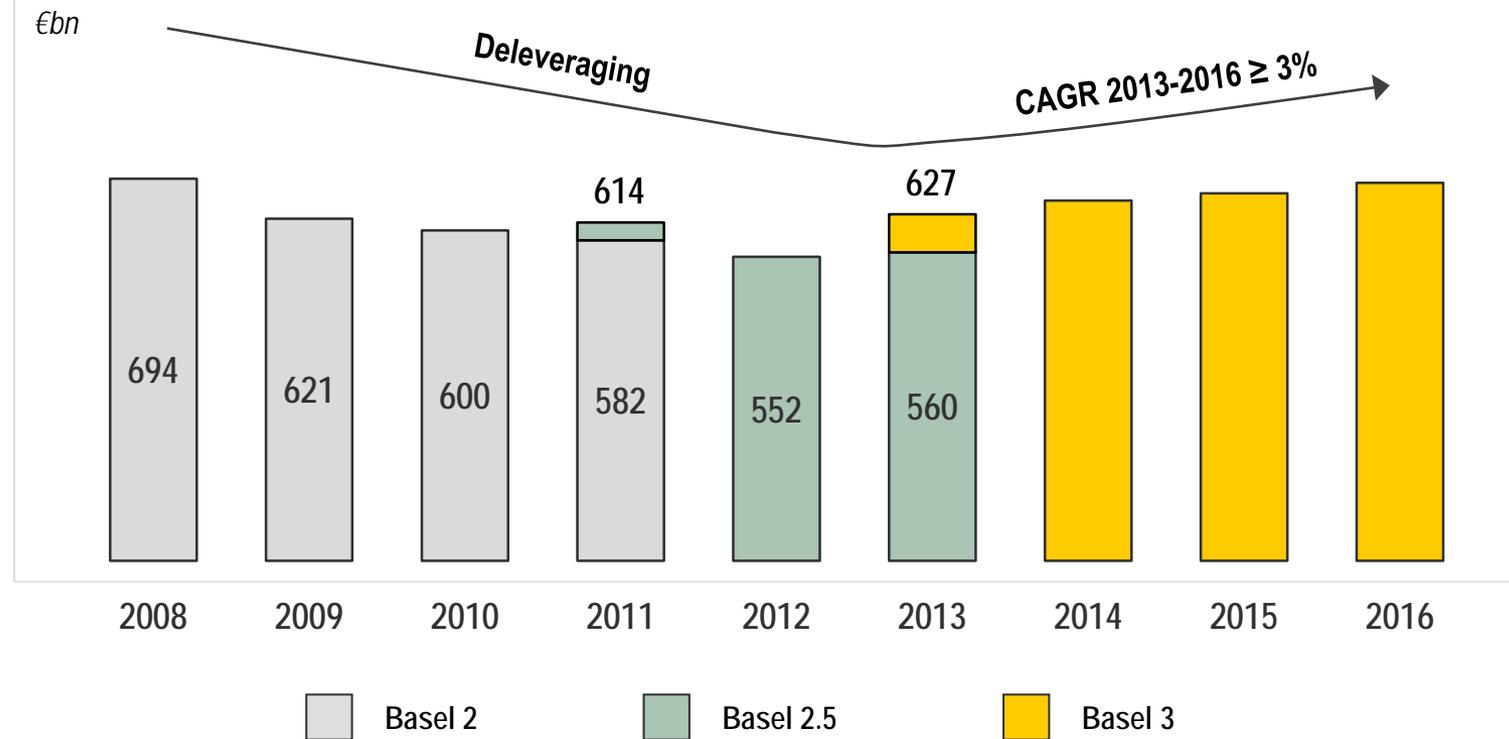


**Stringent risk policy**



# RWA Management

## > Group RWA YE 2008 to YE 2016

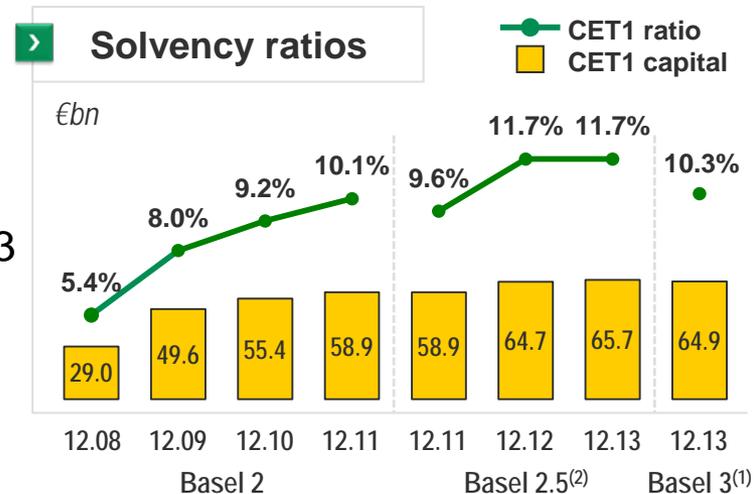


## Moderate increase of RWA in 2014-2016

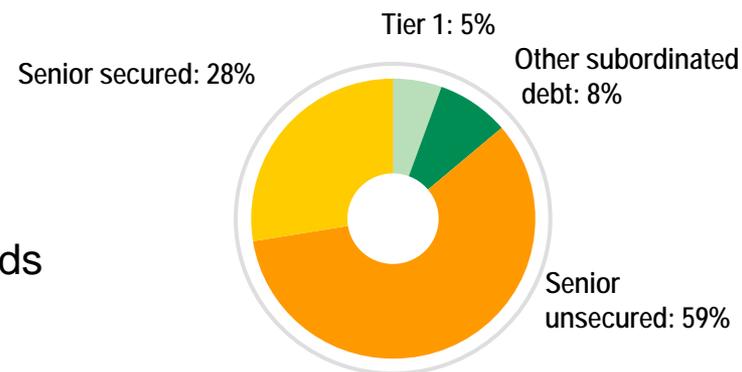


# Rock-Solid Balance Sheet

- Fully loaded Basel 3 CET1 ratio<sup>(1)</sup> as at 31.12.2013
  - 10.3%, above the 9% regulatory threshold
  - CET1 capital: €64.9bn; RWA: €627bn
- Fully loaded Basel 3 leverage ratio<sup>(1)</sup> as at 31.12.2013
  - 3.7%, above the 3% regulatory threshold
- LCR above regulatory threshold as at 31.12.2013
  - Target ≥100%
  - Very large liquidity reserve: €247bn
- Wholesale MLT funding
  - Diversified sources, by type of investor, geography and currency
  - At improving conditions
  - Remaining stable going forward
- Subordinated debt compliant with regulatory thresholds
  - Gradual reissuing of Tier 2 instruments



**Wholesale MLT funding structure Breakdown as at 31.12.13 - €145bn**

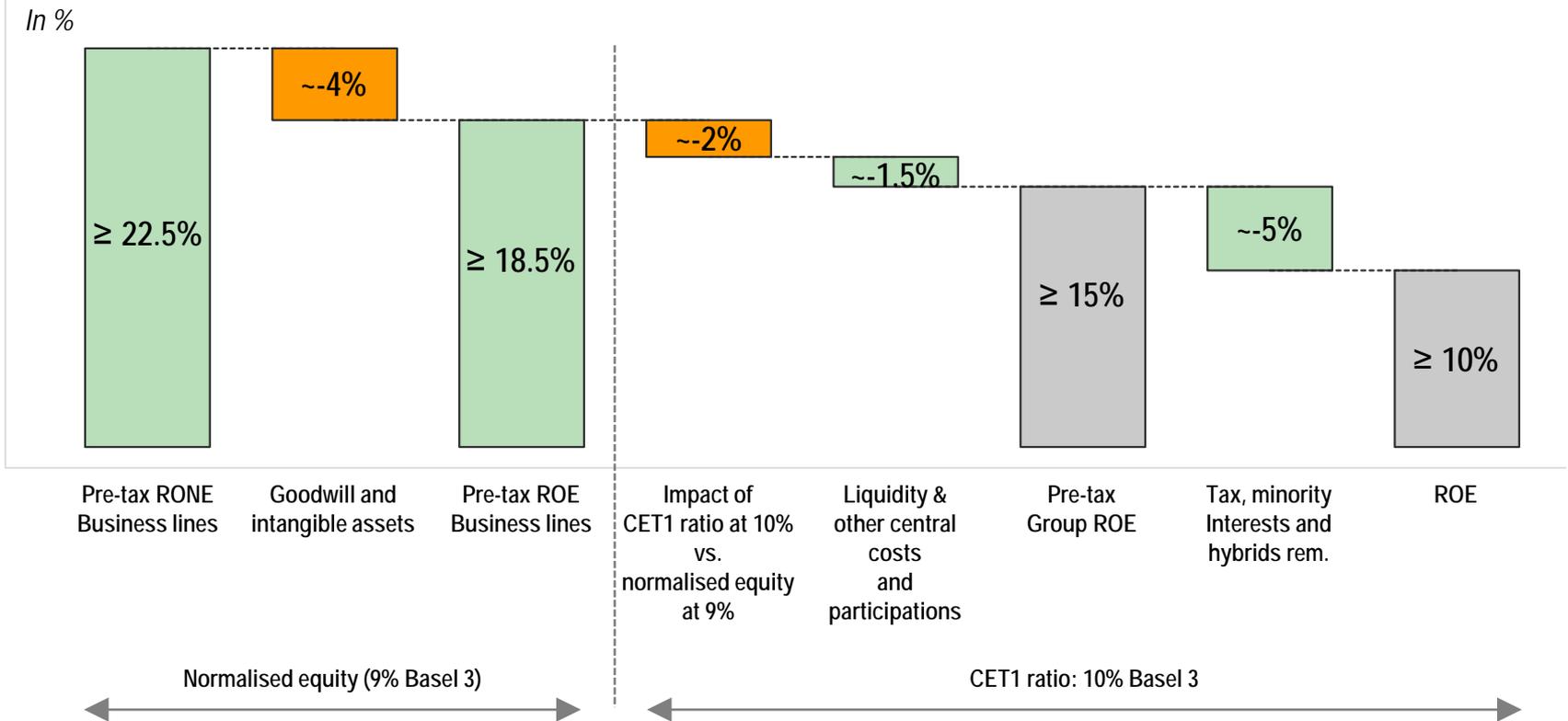


<sup>(1)</sup> CRD4; <sup>(2)</sup> CRD3



# Group ROE in 2016

## > From business lines pre-tax RONE to Group ROE in 2016



## > Corporate Centre keeping the costs of regulatory uncertainties



# Financial Trajectory of the Group

**2014**

Investment phase of  
the development plan  
(RWA rebound)

**2015**

Acceleration of ROE growth

- Benefits of the development plans
- Lower cost of risk in Italy
- Full Simple & Efficient impact

**2016**

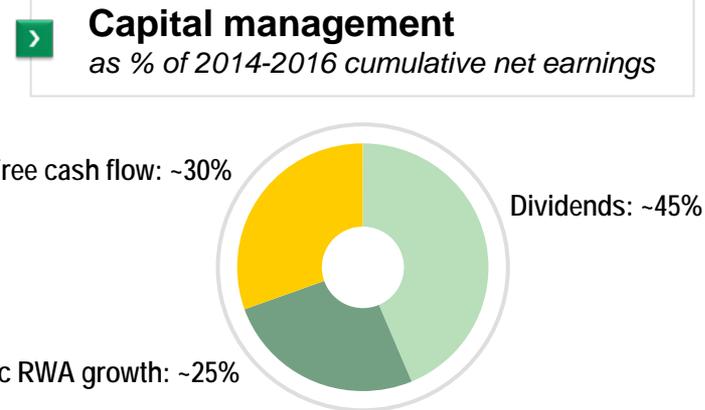


**Acceleration of ROE growth as of 2015**



# Capital Management

- Strong cash flow generation
- Increase pay-out ratio to ~45%
- ~25% of earnings to finance organic growth
  - RWA: +3% CAGR
  - Maintaining a CET1 at 10%
- ~30% of earnings qualifying as *free cash flows to*:
  - Deal with uncertainties
  - Finance additional organic growth depending on European economic scenario
  - Capture external growth and/or buy back shares, depending on opportunities and conditions



**EPS growth  $\geq 12\%$  CAGR over the period from 4.7€ in 2013<sup>(1)</sup>**

<sup>(1)</sup> 2013-2016, excluding exceptional items





# **Domestic Markets**

## **Build the First Multi-Domestic Retail Bank in Europe**

**François Villeroy de Galhau**  
Chief Operating Officer

**Béatrice Cossa-Dumurgier**  
Chief Operating Officer of Retail Banking

**Fabio Gallia**  
Head of Italy and Chief Executive Officer of BNL



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# Domestic Markets at a Glance

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Overview of the Retail Evolution

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Development Plan by Business

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# Domestic Markets at a Glance

**4 domestic networks: ~4,000 branches**  
~12m retail clients and 300,000 private banking clients  
1.2m small businesses and 100,000 corporate clients

**3 specialised businesses with leading positions in Europe**

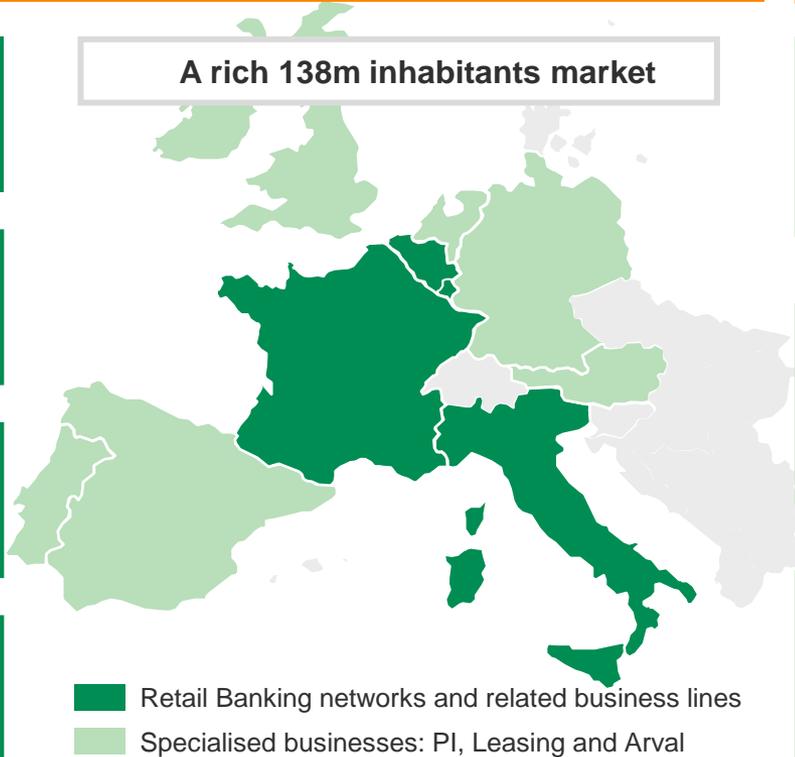
**FRB**  
2,139 branches  
7.6m clients

**BRB**  
908 branches  
3.6m clients

**BGL**  
40 branches  
0.25m clients

**BNL**  
890 branches  
2.5m clients

A rich 138m inhabitants market



**BNP PARIBAS LEASING SOLUTIONS**  
#1 in Europe

**ARVAL**  
BNP PARIBAS GROUP  
#1 in France and Italy

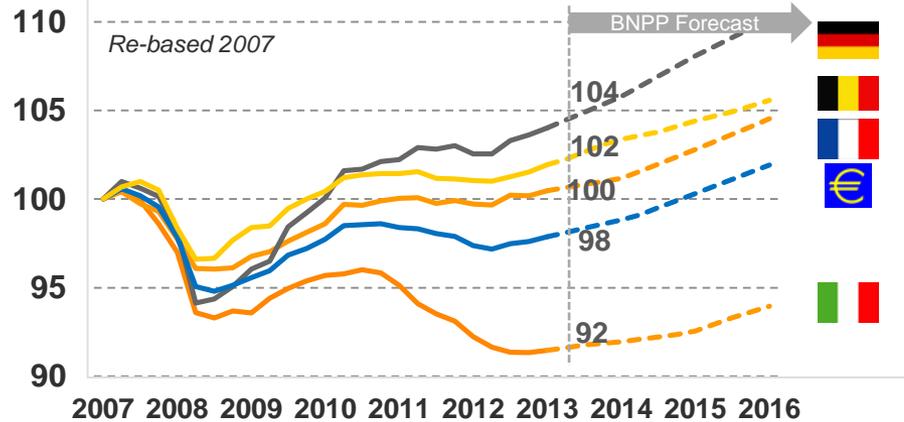
**CORTAL CONSORS**  
BNP PARIBAS  
#1 in Europe by revenues

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

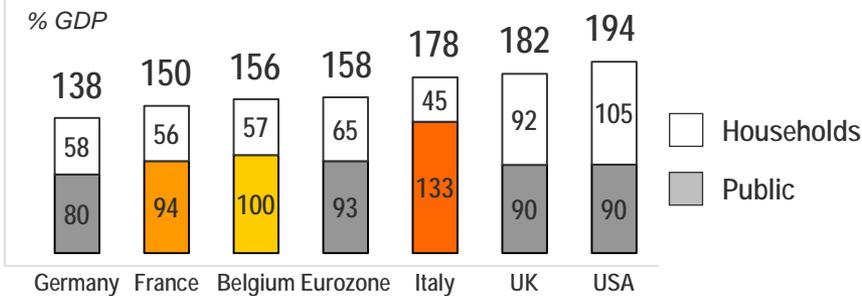


# Domestic Markets (1/3)

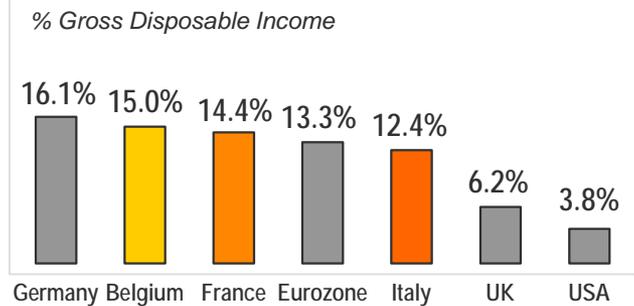
## Expected GDP trends



## Public and household debt<sup>(1)</sup>



## Gross household savings rate<sup>(2)</sup>



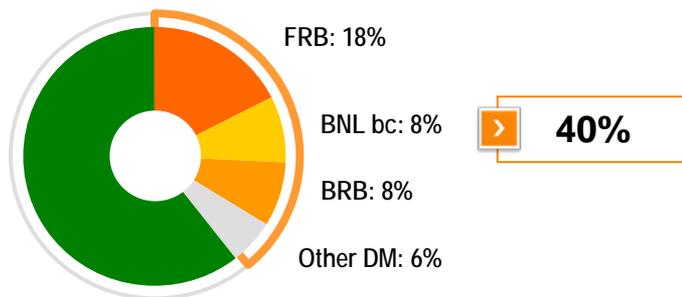
Strong presence in wealthy Domestic Markets

<sup>(1)</sup> 2Q13, excl. Belgium 2012 (Source: BdF); <sup>(2)</sup> 2013, excl. Eurozone last available May 2012 (Source: Ameco)

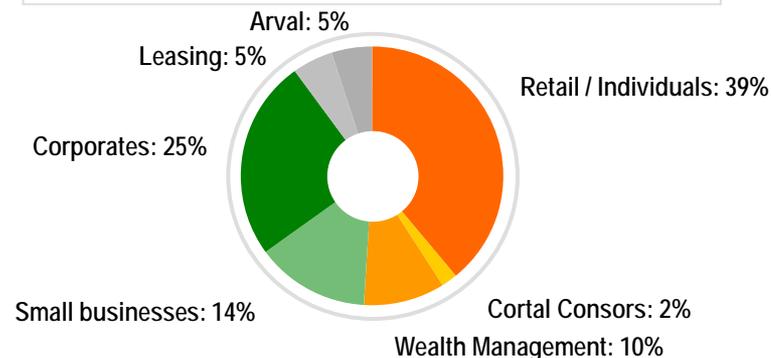


# Domestic Markets (2/3)

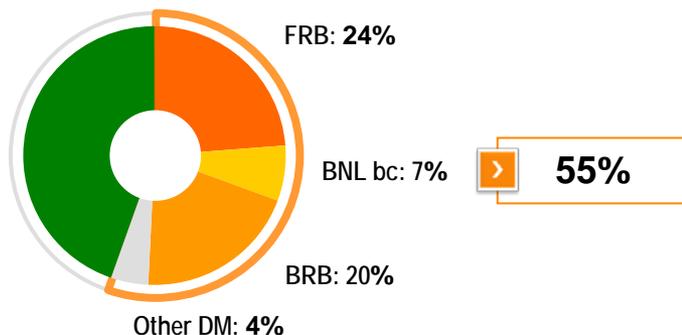
## > 2013 Group revenues<sup>(1)</sup>



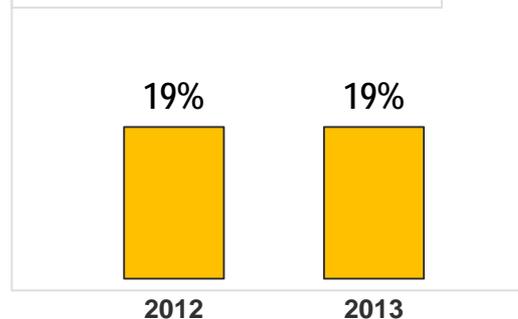
## > 2013 DM revenues by client type<sup>(2)</sup>



## > 2013 Group client deposits



## > DM pre-tax RONE<sup>(3)</sup>



**Strong contributor to the Group's liquidity and profitability**  
**Resilient business mix through the crisis**

<sup>(1)</sup> Operating divisions only, with TEB consolidated at 100% ; <sup>(2)</sup> Including 2/3 of Private Banking; <sup>(3)</sup> 2012: CRD 3, 2013: CRD 4, restated



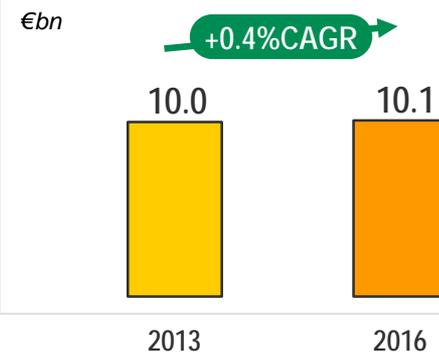
# Domestic Markets (3/3): Key Financial Targets

- A solid base for the Group's profitability and liquidity
  - Pre-tax RONE improvement by ~5 pts in 2016
  - Continue to gather deposits in the networks
- Anticipating new bank relationship changes
- Serving our clients through the cycle

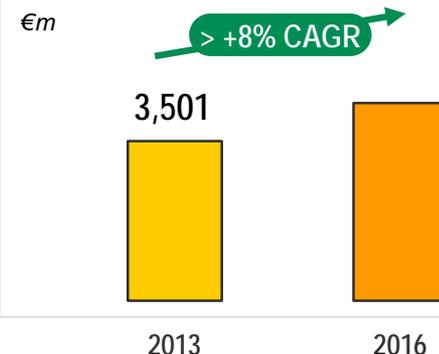
## Financial targets<sup>(1)</sup>

	2013	2016 targets
Revenues	€15,493m	+1.5% <sup>(3)</sup>
Cost/income	64.4%	-2 pts
Allocated Equity	€19.0bn	-1% <sup>(3)</sup>
Pre-tax RONE	18.7%	24%

## Operating expenses<sup>(1)</sup>



## Pre-tax income<sup>(2)</sup>



**Continuing to improve efficiency in all the networks**  
**Reducing cost of risk in Italy in 2015-2016**

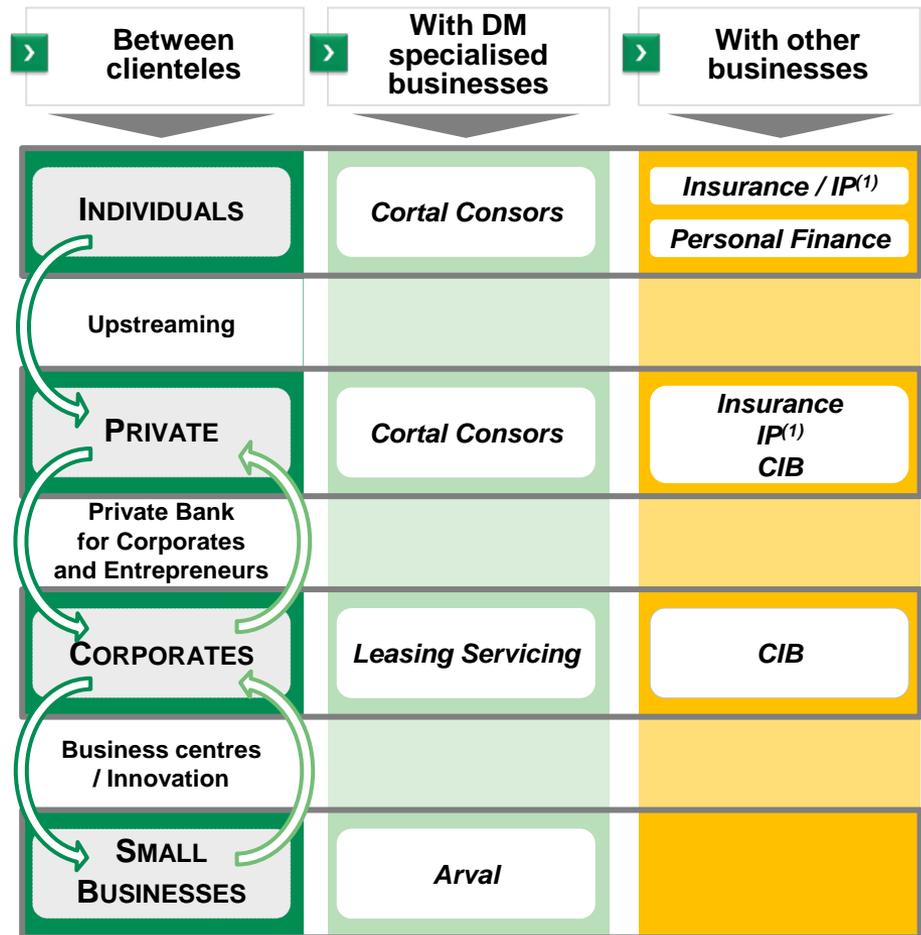
<sup>(1)</sup> 2013 restated, including 100% of Private banking for the Revenues and Expenses, excluding PEL/CEL effects ;

<sup>(2)</sup> Including 2/3 of Private banking, excluding PEL/CEL effects; <sup>(3)</sup> CAGR



# Pushing Forward the Cross-Selling Model

- **Between clienteles**
  - Additional up-streaming potential from Individual to Private clients
  - Private banking: focus on entrepreneurs & corporates
  - 62 SME centres (*Maison des Entrepreneurs*) and 12 Innovation Hubs opened in France
- **With DM specialised businesses**
  - New servicing model for brokerage within Retail
  - Develop Long Term Rental through networks
- **With other businesses**
  - Continue the fast growth of Insurance and Protection, developing net new cash for IP<sup>(1)</sup>
  - Promote a sustainable consumer credit in terms of risk
  - 3 shared ambitions with CIB: One Bank for Corporates, Cash Management and Germany



➤ **Maximise services to clients and optimise cross-selling**

<sup>(1)</sup> Investment Partners (Asset Management)



# Client Focus and Services (1/2): Corporates

- One Bank for Corporates

- ~7,000 new accounts opened worldwide since 2011, o/w 4,000 by Domestic Markets' clients
- Targeting ~€6bn corporate and flow banking revenues across the Group in 2016 (+3% CAGR 2013-16)

- Cash Management

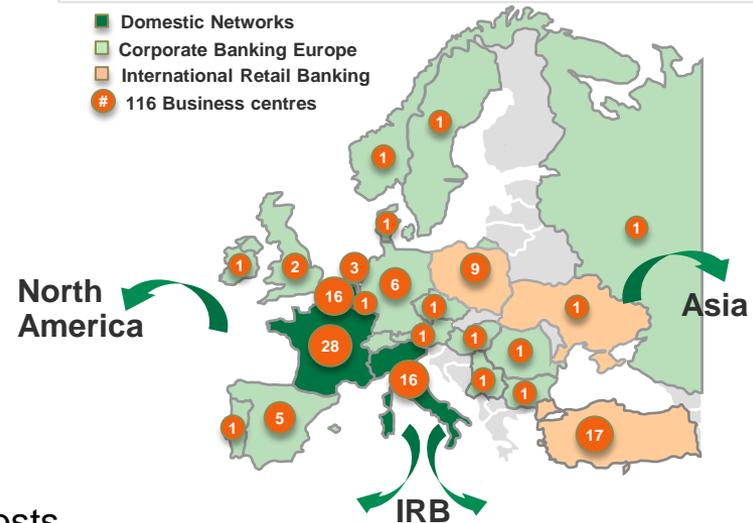
- Strong dynamic for the past 3 years with key awards
- Consolidate #1 ranking in Europe and leading position worldwide
- Industrialise to improve service and reliability, reduce costs

- Germany

- Key role of Cortal Consors (leader in online investment advisory services) to finance the development plan
- Leverage on strong positions in CIB (6 regional business centres), Arval and Leasing (#1 in farm equipment)

## > One Bank for Corporates in Europe

- Domestic Networks
- Corporate Banking Europe
- International Retail Banking
- 116 Business centres



## > Cash management awards



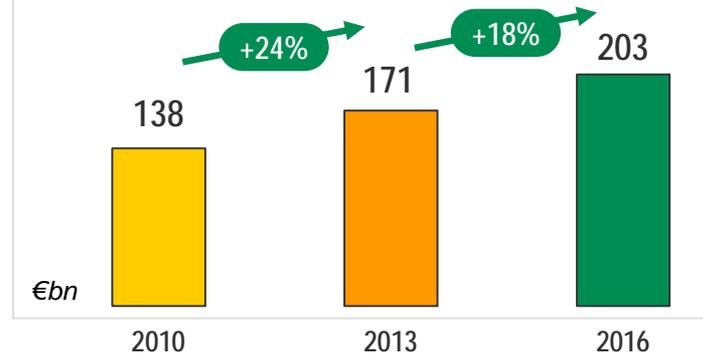
## Three shared initiatives with CIB



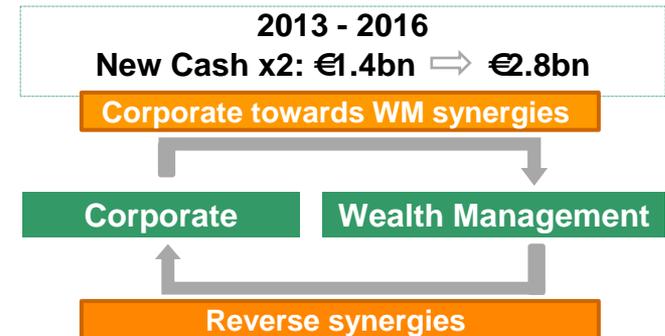
# Client Focus and Services (2/2): Wealth Management

- Key positions in Domestic Markets
  - #1 in France<sup>(1)</sup>, Best Private Bank in France<sup>(2)</sup>
  - #1 in Belgium<sup>(1)</sup>, Best Private Bank in Belgium<sup>(3)</sup>
  - #4 in Italy<sup>(1)</sup>
- Strong integration with the Retail networks: an original and successful model
- Boost client acquisition and net new cash
  - Leverage on up-streaming potential (~ 140,000 potential additional clients)
  - Focus on entrepreneurs & corporates
  - Strong potential for growth with VHNWI<sup>(4)</sup>
- Optimise resources
  - Leverage Retail Banking Platform projects
  - Mutualize IT developments within WM DM

## > DM Assets under Management



## > Synergies with corporates



> **Strengthen #1 position in Eurozone and grow to top 3 in Italy**

<sup>(1)</sup> In terms of AuM; <sup>(2)</sup> Euromoney 2014 and PWM/The Banker 2013; <sup>(3)</sup> PWM/The Banker 2013; <sup>(4)</sup> Very High Net Worth Individuals: clients with net assets of 5-25 m€



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Domestic Markets at a Glance

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**Overview of the Retail Evolution**

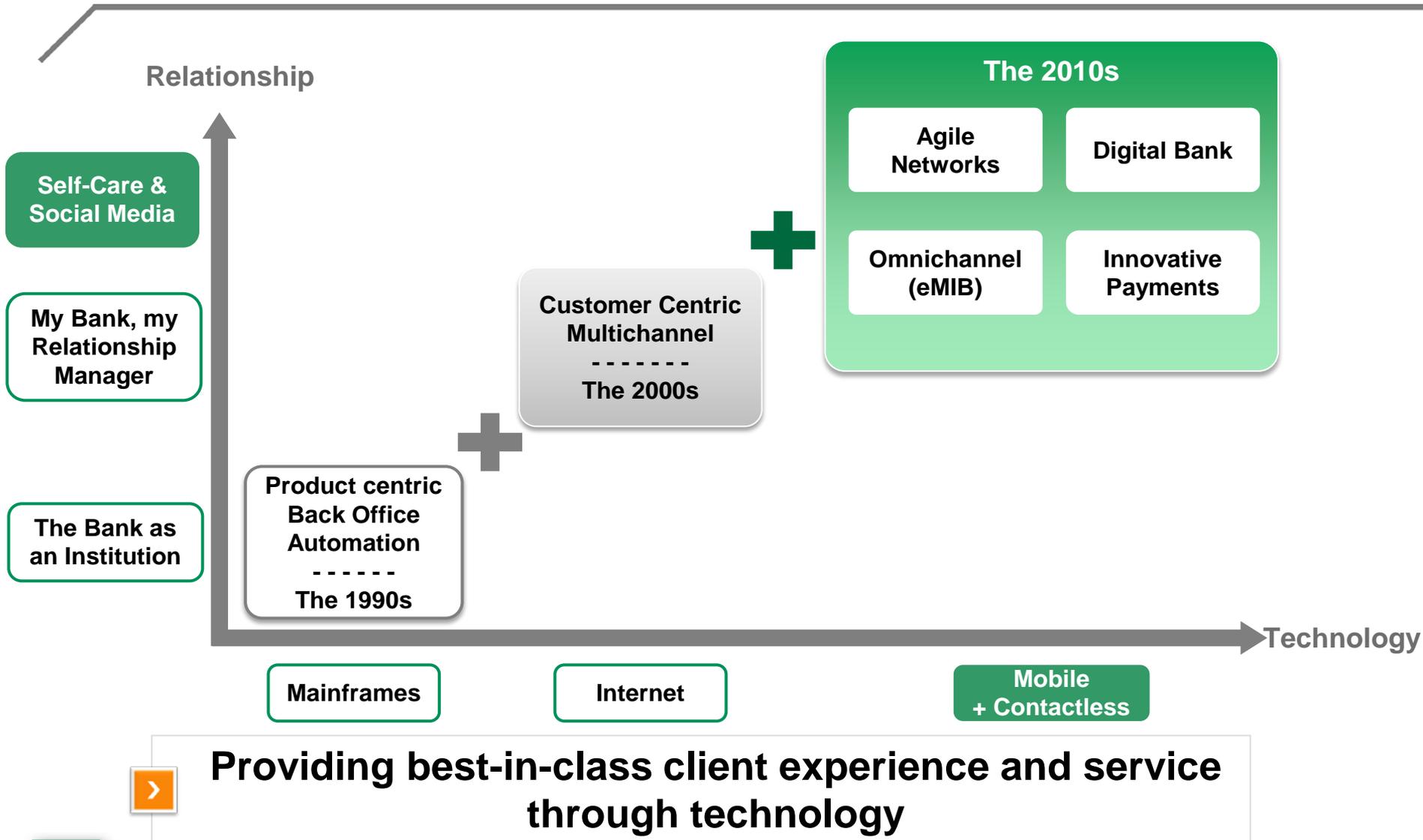
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Development Plan by Business

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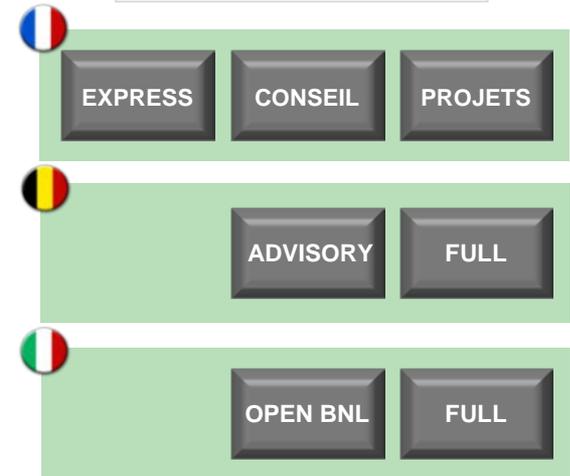
# Our Position in the Current Retail Evolution



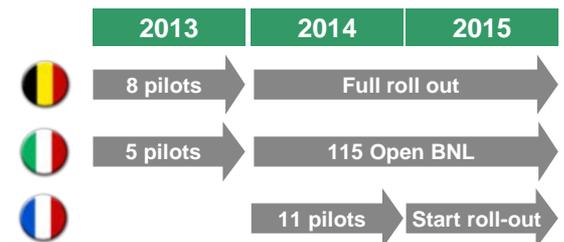
# Retail Network Transformation

- Customer experience: main focus of transformation
- New model defined in each country with shared guidelines
- Target to have 2 main branch formats organised in clusters
  - Full Services branches
  - Proximity branches (+ *Express* in high density areas in France)
- Set up a new relational model
  - Shared front-desk function: team at the heart of the branch
  - Advisors' mobility and different touch points offered to customers
  - Strengthened expertise leveraging new technologies
- Pursue automation and digitalise branches while reinforcing human assisted self-services
- Constant adaptation through redesign network management and new tools to measure client satisfaction

## > Branch formats



## > Roll out timetable



**Swift roll out of new formats thanks to agile methods**



# Hello bank! (1/2)

## “Mobile, just like you”

Hello  
bank!

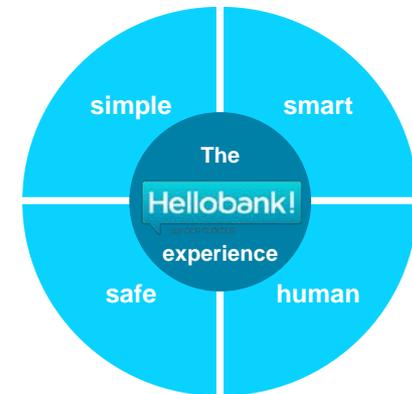
by BNP PARIBAS

- The first 100% Digital Mobile Bank in Europe
  - A mobile-native bank adapted to smartphones and tablets
  - A full-service bank, focusing on becoming the core bank of its customers
  - A new European brand
  - A new customer experience in line with the very best digital providers
- A cost-effective set up
  - No legal entity created: a business unit within the local retail banking in France, Belgium and Italy, Cortal Consors in Germany
  - Extensive use of existing infrastructures and resources (IT systems, back-offices, call centres,...)

### > Launched in 4 markets



### > Strong brand strategy



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



# Hello bank! (2/2)

## A Promising First Year

- 177,000 clients at end 2013 and more than €1.8bn collected

### > Germany

- ~113,000 new clients<sup>(1)</sup>
- Best positions for current accounts offers according to main comparison websites

### > Belgium

- ~49,000 clients<sup>(1)</sup>
- Initial focus on young clients with the *Hello4You* offer

### > France

- ~13,000 clients<sup>(1)</sup>
- 2/3 of new clients
- Successful partnership with *vente-privee.com*

### > Italy

- ~2,000 clients<sup>(1)</sup> after only 8 weeks
- Very successful partnership with *MediaWorld*

- Good brand unaided awareness and high engagement of customers

### > Awards for innovative services

*Favorite Website  
Award for Hello bank!  
Mobile Application*

*2 awards by Cerchio  
d'Oro dell'Innovazione  
Finanziaria*



### > Communication expressing mobility



- 2017 targets confirmed

- Objective to attract 1.4 million clients by 2017, mainly through new client acquisition
- Over €10bn deposits and net liquidity provider
- Break-even in all 4 countries

<sup>(1)</sup> At year-end 2013



# Innovative Payments (1/2)

- New technologies and devices are booming
  - Cloud, data, mobile, social networks, NFC...

- Leading to new usage, needs and expectations



- Regulatory pressure
  - Lower interchange rates expected on debit and credit cards
  - Revision of Payment Services Directive

- Competitors from various horizons challenge the bank on the value chain

## BNP Paribas strategy for consumers and merchants

Today	Tomorrow	
PAY	Anytime, anywhere, any device	FLUIDITY
Hello Sir	Welcome back Mr. Smith!	RECOGNITION
30 minutes to buy a train ticket	10 seconds through smartphone, and safely	SPEED
Fear and difficulty to enter card data into devices	Simple and secure solution	TRUST

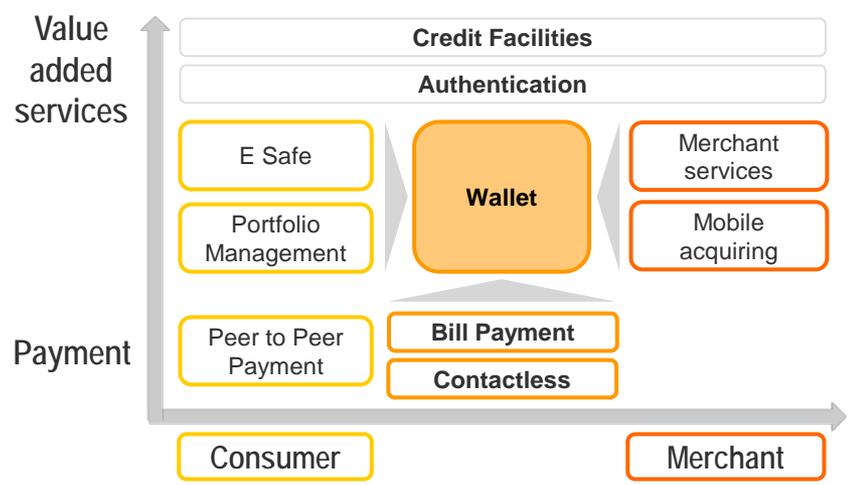
FROM "PAY" TO "SHOP & PAY"

## BNP Paribas Shop & Pay strategy to enhance shopping/payment experience and generate value



# Innovative Payments (2/2)

## > BNPP positioned everywhere on the payment value chain



## > BNPP competitive strengths

- 1 Consumer and merchant knowledge
- 2 Safety /client trust
- 3 International

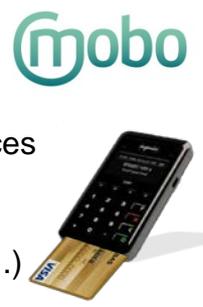
## > Wallet

- Simplified payment experience on digital devices (contactless, ...)
- Smart services included in the wallet
- Next Step: Retailer Mobile Wallets, a merchant oriented wallet that will create a shopping revolution



## > Mobile acquiring

- Hardware plugged on the smartphone allowing merchants to accept card payments on the move
- Portal Merchant: value added services for Merchant and consumers (cash register, loyalty, accounting, apps to manage the shop or taxes ...)



## > Competitively positioned to meet customer and merchant needs



# eMIB: New Client Relationship Model

## Today

### > An asset: the multi-channel distribution model



- Based on integration of all contact channels and client services
- Deployed for 12 million Domestic Markets clients
- Supported by an **industrial multi-channel distribution platform**
- Roll-out in **International Retail Banking**



## Tomorrow

### > Target: adapt the distribution platform to new Retail Banking challenges

- From multi-channel to **omni-channel**:
  - End-to-end integration of client digital experience
  - Seamless management of client processes
- Adaptation of our set up to client new uses and expectations
  - **Rising power of mobile**
  - New customer journeys
- **Dynamic and personalised offers**



**Evolving towards an industrialised new generation distribution platform**



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Domestic Markets at a Glance

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Overview of the Retail Evolution

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**Development Plan by Business**

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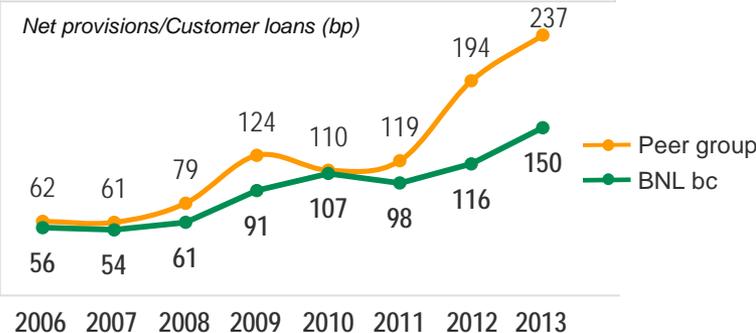
# BNL bc (1/3): Key Financial Targets

- New commercial initiatives on Retail & Private banking
- Developing our franchise focusing on large and export oriented corporates
- Better operating efficiency through continuing cost control
  - Stable operating expenses, while safeguarding investments for development
- Strict risk management leading to significant pre-tax RONE improvement
  - Cost of risk below comparable peers, with higher coverage ratio of non performing loans
  - Decreasing cost of risk to <100 bp in 2016 also thanks to the plan of corporate assets repositioning
- Optimise BNP Paribas Group in Italy
  - Comprehensive multi-business set up
  - Deliver cost and revenue synergies
  - Simplify governance and speed up decision processes and reinforce brand visibility

## Financial targets<sup>(1)</sup>

	2013	2016 targets
Revenues	€3,239m	>+0.5% <sup>(2)</sup>
Cost/income	55.0%	-1 pt
Allocated Equity	€6.0bn	-4.5% <sup>(2)</sup>
Pre-tax RONE <sup>(3)</sup>	4.2%	~15%

## Cost of risk vs. peer group<sup>(4)</sup>



## Restoring BNL's profitability while continuing to adapt to the economic environment

<sup>(1)</sup> Restated, including 100% of Private Banking for the Revenues and Expenses; <sup>(2)</sup> CAGR; <sup>(3)</sup> Including 100% of Private Banking (respectively 3.9% in 2013 and >14% as 2016 target, including 2/3 of Private Banking); <sup>(4)</sup> Italian peer group weighted average



# BNL bc (2/3): Focus on Risk Reduction

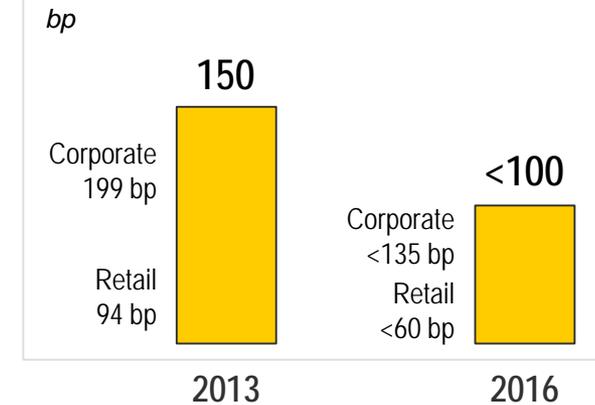
- Continue the implementation of the adaptation plan already started in 2013

- Focusing on Large Corporates and export oriented mid-corporates
- Selective lending to local mid-corporates and small businesses, set up of a dedicated organisational structure
- Progressively repositioning exposure towards lower risk sectors

- Strengthen credit recovery management approach

- Enhance workout through industrialisation and acceleration of credit recovery process
- Share know-how and best practices among Group entities

## > Cost of risk



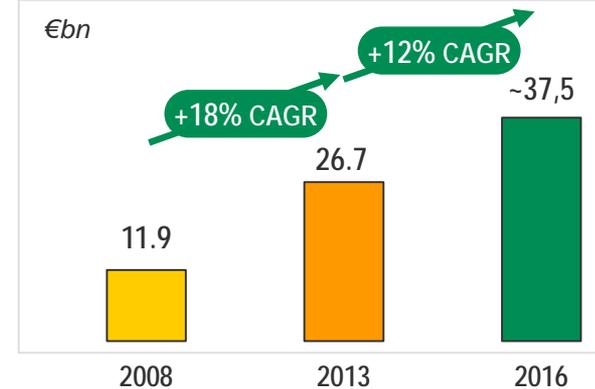
**Business model refocusing  
leading to significant risk reduction**



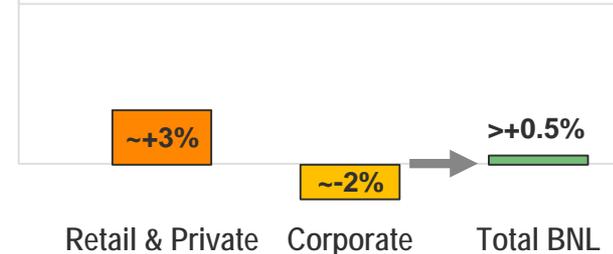
# BNL bc (3/3): Revenues Evolution by Segment

- Retail & Private: ~+3% revenues CAGR 2013-16
  - Average yearly new cash 2014-16: > €3bn
  - Development of Private banking with a target total asset growth of ~ €11bn
  - Increased cross-selling (Cardif, Findomestic) and adaptation of the commercial model (Hello bank!, Financial Advisors)
  
- Corporate: ~-2% revenues CAGR 2013-16
  - Impact on small and mid-corporate volumes of the adaptation plan
  - Selective development of assets, focusing on better corporates and export oriented companies
  - Leverage on comprehensive product offering (cash management, products supporting internationalisation and disintermediation)
  - Increased synergies and cross-selling (CIB, Private Banking,...)

## > Italian Private Banking AuM



## > Revenues by division (CAGR 13-16)



**Maintaining a positive dynamic for revenues despite selective de-risking**



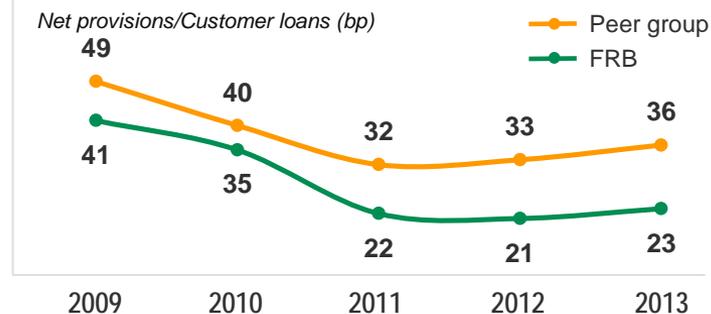
# French Retail Banking: Key Financial Targets

- Reinforce commercial drive by capitalising on areas of strength:
  - High market share in affluent and urban areas
  - Strong position with liberal professions, mid and large corporates
  - Innovation and cross-selling
- *Préférence clients*: create new bank relationship reference in France for individuals
- BNP Paribas Entrepreneurs 2016
  - Grow footprint with entrepreneurs focusing on export oriented and innovative companies
  - Foster cross-selling with other businesses
- Stabilisation of costs to further reduce cost/income ratio
- Maintaining best-in-class risk management

## > Financial targets<sup>(1)</sup>

	2013	2016 targets
Revenues	€6,855m	>+0.5% <sup>(2)</sup>
Cost/income	66.3%	-1 pt
Allocated Equity	€6.9bn	~stable
Pre-tax RONE	27.6%	29%

## > Cost of risk vs. Peer group<sup>(3)</sup>



> **Continue to enhance operating efficiency**

<sup>(1)</sup> Restated, including 100% of Private banking for the Revenues and Expenses, excluding PEL/CEL effects; <sup>(2)</sup> CAGR;

<sup>(3)</sup> Weighted average, Peer group: Caisses Régionales du Crédit Agricole, CA-LCL, Caisses d'Epargne, Banque Populaire, Société Générale



# Belgian Retail Banking: Key Financial Targets

## ● Bank for the Future

- Network reorganisation: merger of branches (-150 branches in 2013-2015, o/w ~1/3 already closed)
- New branch formats, evolve towards more advisory
- Digital offering development (Hello bank!, Easy Banking, Sixdots)
- Process simplification and federation from front to back

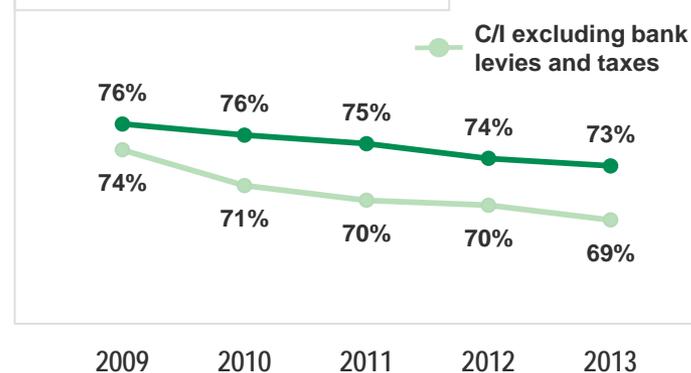
## ● Grow revenues while keeping costs stable

- Strengthen #1 market position in Private Banking
- Focus on entrepreneurs & enterprises: develop cross-selling and leverage on One Bank for Corporates
- Impact of the network reorganisation as well as process and managerial streamlining

### > Financial targets<sup>(1)</sup>

	2013	2016 targets
Revenues	€3,237m	>+2.5% <sup>(2)</sup>
Cost/income	74.3%	-6 pts
Allocated Equity	€3.3bn	+3% <sup>(2)</sup>
Pre-tax RONE	19.4%	23%

### > Cost/income BRB<sup>(3)</sup>



**Improve cost/income ratio by 6 points**

<sup>(1)</sup> Restated, including 100% of Private banking for the Revenues and Expenses; <sup>(2)</sup> CAGR; <sup>(3)</sup> Historical data

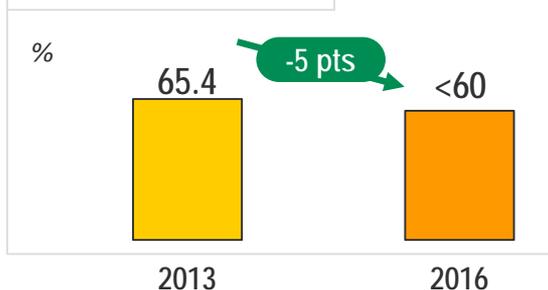


# Luxembourg RB and Personal Investors

## > Luxembourg Retail Banking

- #1 bank for Corporates in Luxembourg
- Key elements of the development plan
  - Strong decrease in costs
  - Adaptation of the network to grow local customer base (Meng-agence project)
  - Corporate: increase local and foreign customer base and share of wallet
  - 2016 pre-tax RONE target: ~24%

## > Cost/income<sup>(1)</sup>



> Adapt to the new regulatory environment

## > Personal Investors

- Leading European specialist with strong footprint in Germany



- Key elements of the development plan
  - Hello bank!: confirm its success in Germany
  - Expand brokerage services in the networks
  - 2016 pre-tax RONE target: ~90%
  - Low capital consumption business

> Transform the business model

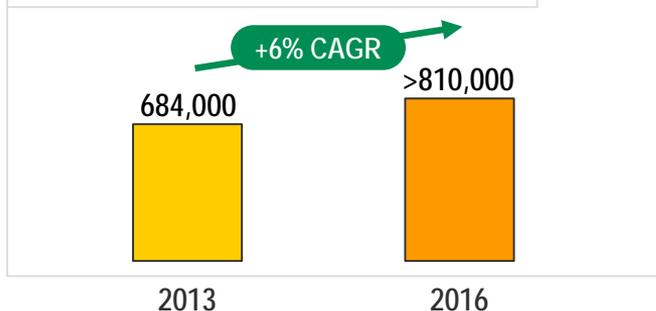


# Arval and Leasing Solutions

## > Arval

- #3 in Europe
- #1 in France and in Italy
- Key elements of the development plan
  - Grow the fleet with increased cross-selling in the Group and development of the business with SMEs as well as in the BRICT<sup>(1)</sup> area
  - 2016 pre-tax RONE target: ~35%

## > Financed fleet evolution

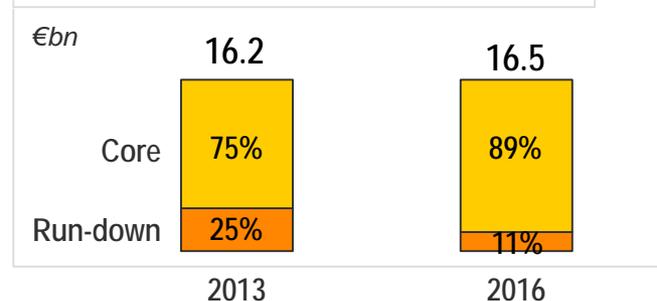


**Grow the business maintaining strong profitability**

## > Leasing Solutions

- European leader in equipment leasing
- #1 in France and in Italy
- Key elements of the development plan
  - Develop opportunities in Germany, UK, Turkey and with Fiat industrial
  - Active management of the run-down portfolio
  - 2016 pre-tax RONE target: ~22%

## > Core business outstandings



**Improve profitability thanks to the core business**



# Key Take-Aways

➤ Cross-border	➤ Cross-assets & innovation	➤ Cross-selling
<ul style="list-style-type: none"><li>● Corporates<ul style="list-style-type: none"><li>■ Success of One Bank for Corporates</li><li>■ Cash management initiatives</li><li>■ Strong synergies with CIB</li></ul></li><li>● Retail with Priority initiative<ul style="list-style-type: none"><li>■ Successful new servicing model for our clients</li><li>■ ~ 480,000 Priority clients as of 31.12.2013</li><li>■ 60% of 2016 target already achieved</li></ul></li></ul>	<ul style="list-style-type: none"><li>● Hello bank!</li><li>● Innovative payments</li><li>● eMIB: shared assets for our multi-channel banking model</li><li>● Back-office mutualisation<ul style="list-style-type: none"><li>■ Payment operations</li><li>■ Securities production platform</li></ul></li><li>● Common products<ul style="list-style-type: none"><li>■ Economies of scale benefitting from launch in several markets</li></ul></li></ul>	<ul style="list-style-type: none"><li>● Leasing/Arval</li><li>● Wealth Management</li><li>● Cortal Consors</li><li>● Insurance/Protection</li><li>● Consumer Finance</li><li>● Investment Partners</li></ul>
➤ <b>Cross-HR: enhance diversity of management teams and exchange of ideas</b>		
<ul style="list-style-type: none"><li>● Senior management geographic and functional mobility</li><li>● Transversal retail innovation and marketing team</li></ul>		

➤ **Building the first Multi-Domestic Retail Bank in Europe**



# International Retail Banking Driving for Growth



**Stefaan Decraene**

Head of International Retail Banking

**Michael Shepherd**

Chairman and Chief Executive Officer of BancWest

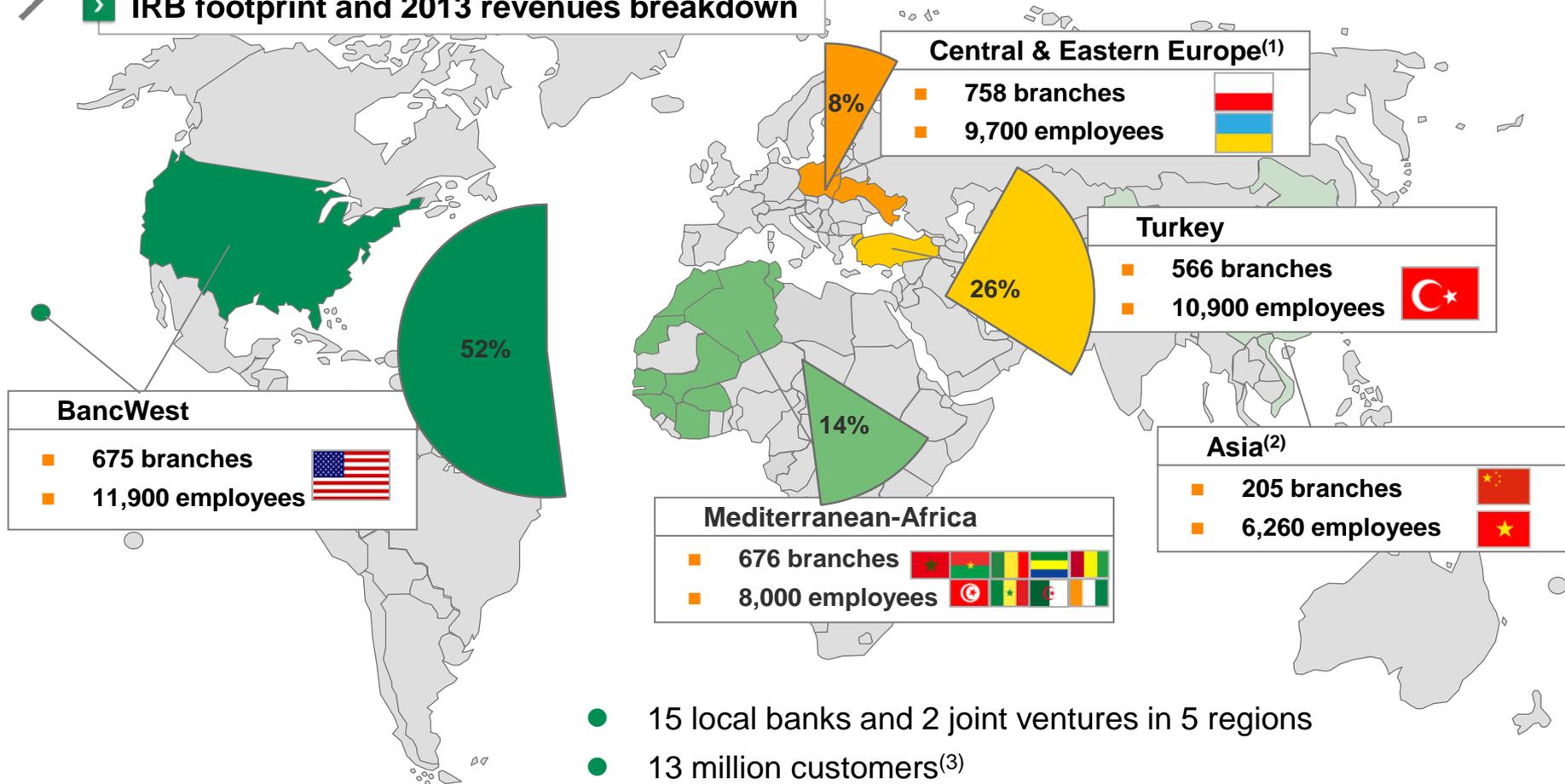


**BNP PARIBAS** | The bank for a changing world

24 March 2014

# International Retail Banking (1/3)

## > IRB footprint and 2013 revenues breakdown



**A diversified presence in dynamic markets**

<sup>(1)</sup> Bank BGZ not included; <sup>(2)</sup> Accounted as associated companies; <sup>(3)</sup> Excluding Asia



# International Retail Banking (2/3)

## > IRB business presence<sup>(1)</sup>

 Deployed activity  
 Currently being deployed

	BANCWEST	CENTRAL AND EASTERN EUROPE (2 countries)	TURKEY	MEDITERRANEAN (3 countries)
<b>RETAIL</b>				
TRADE FINANCE	■	■ ■	■	■ ■ ■
CASH MANAGEMENT	■	■ ■	■	■ ■ ■
LEASING	■	■ ■	■	■ ■ ■
PERSONAL FINANCE	■	■ ■	■	■ ■ ■
FLEET MANAGEMENT	■	■	■	■
MULTI-CHANNEL DISTRIBUTION MODEL	□	■	□	■ □
<b>IS</b>				
INSURANCE JV		■	■	■ ■ ■
PRIVATE BANKING	■	■ ■	■	■ ■ ■
ASSET MANAGEMENT	■	■ ■	■	■ ■ ■
<b>CIB</b>				
STRUCTURED FINANCE	■	■	■	■ ■ ■
FIXED INCOME	■	■ ■	■	■ ■ ■



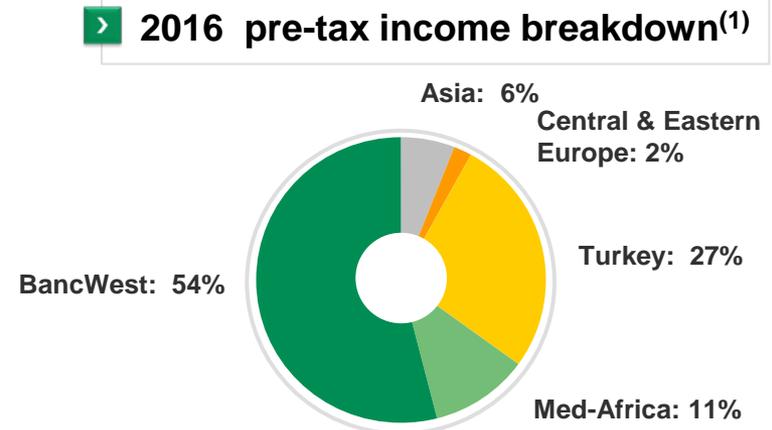
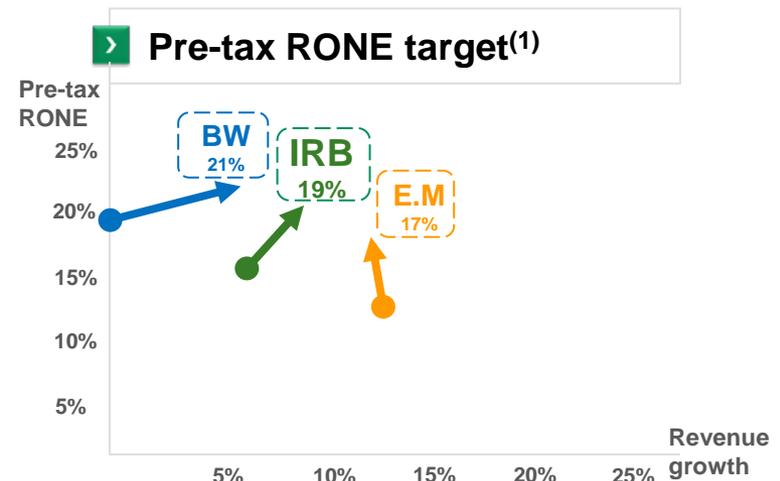
## Rolling out of the integrated retail model

<sup>(1)</sup> Excluding Africa and Asia



# International Retail Banking (3/3)

- Combination of growth and profitability improvement
  - Double digit annual organic growth
  - Cost/income ratio down by 8 pts<sup>(1)</sup> 2016 vs. 2013
  - Pre-tax RONE at 19%<sup>(1)</sup> (+4 pts 2016 vs. 2013)
- Results volatility kept below peers' level
  - Continued application of a stringent risk policy
- Preparation of the bank for the future
  - Investment in digital
  - Branch networks transformation



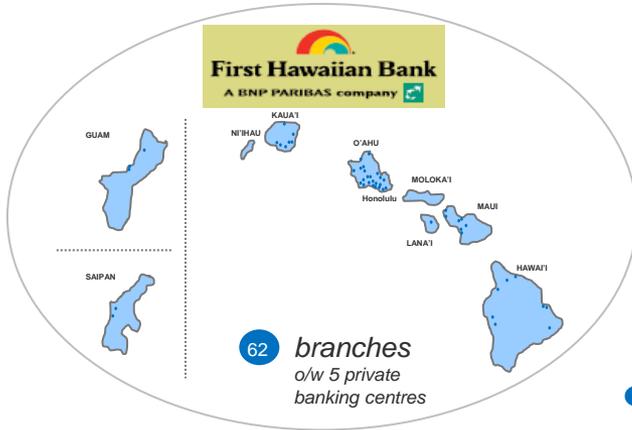
## An ambitious but realistic 2014-2016 plan

<sup>(1)</sup> Bank BGZ not included, at constant scope and exchange rates; 2013 Pre-tax RONE excluding gains on sale of Egypt



# BancWest (1/4)

## > BancWest footprint

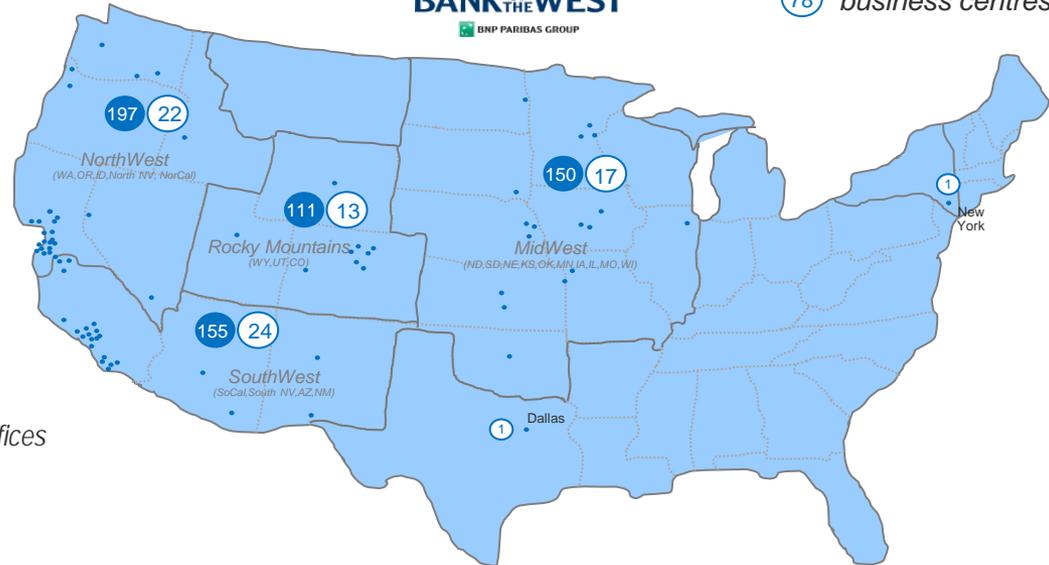


● Branches/offices

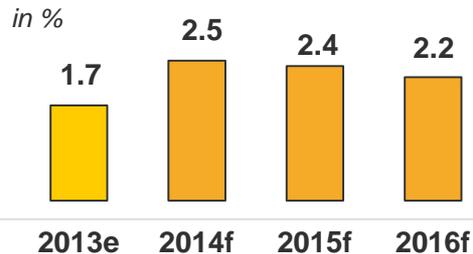


613 branches  
o/w 8 private banking centres

78 business centres



## > US GDP annual growth<sup>(1)</sup>



## ● Strong local footprint

- BoW: presence in 19 states, 7<sup>th</sup> largest commercial bank in the western US<sup>(2)</sup>
- FHB: 42% market share<sup>(2)</sup> in Hawaii



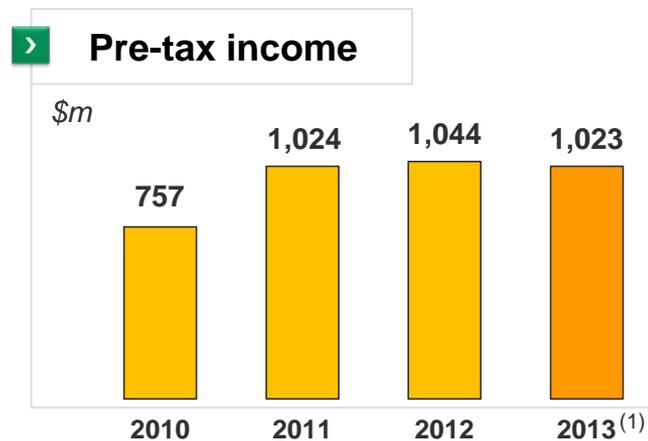
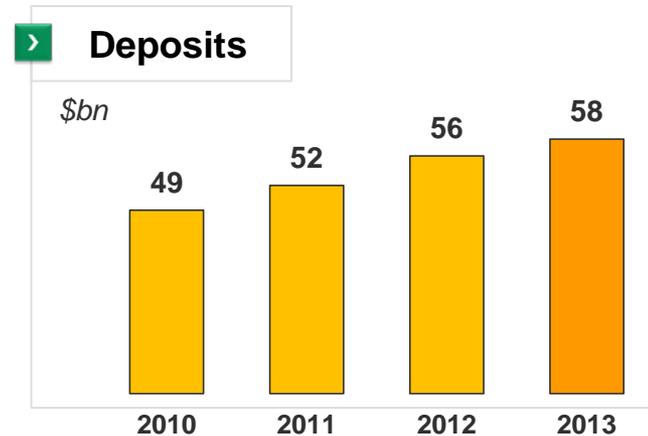
## Well-positioned to benefit from US growth

<sup>(1)</sup> Source: BNPP forecasts; <sup>(2)</sup> By deposits (Source: SNL Financial 30 June 2013)



# BancWest (2/4)

- A well-positioned regional bank
  - Strong deposit funding
  - Award-winning services and niche areas of expertise (e.g. agricultural)
  - Leveraging Group expertise and referrals
- Expanded customer relation set up
  - Business investments in the SME and corporate segments
  - Private Banking expansion: \$7.1bn AuM as at 31.12.13 (+39% vs. 31.12.12)
  - Full digital platform
- Significant contribution to Group results
  - In a low interest rate environment
  - Despite higher costs due to the strengthening of the corporate and SMEs as well as Private Banking set ups and investments in IT, compliance and risk
  - Benefiting from continued decrease in the cost of risk since its 2009 peak



**A core business with a strong profit-generation capacity**



# BancWest (3/4)

- Diversified sources of revenue growth
  - Four engines of revenue growth: retail, Wealth Management, consumer finance and corporates
- Retail: investments to start bearing fruit
  - Continue to draw upon Group expertise in digital banking services (Mobile App launched in 2013 with already 223,000 monthly users in 1 year)
  - Acceleration of Wealth Management roll out, benefiting from high customer satisfaction, and launch of a full mass affluent offer
- Consumer finance: expand products and channels
  - Develop product offering with Personal Finance expertise
- Corporates: further develop the synergies with the Group
  - Global cross selling with CIB and full activation of One Bank for Corporates
  - Reinforced cooperation with Leasing Solutions



**Priority set on revenue growth, rolling out the Group expertise  
Preparing for the future with business innovations**

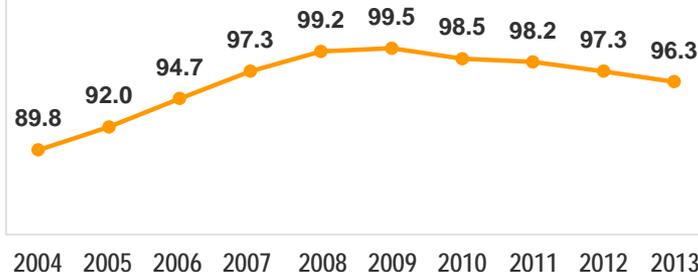


# BancWest (4/4)

- Continue adaptation of the network
  - Accelerate adoption of multi-channel delivery model
  - Relocate and rationalise branches to meet client needs (69 branches closed in the last 9 months)
  - Modernise branches: change design/staffing and role of branches including distant expertise (tablets and video)
  
- Permanently adapt to challenging banking and regulatory environment
  
- Estimated normative cost of risk in 2016 compared with an especially low level in 2013

## > US banks retail branches evolution<sup>(1)</sup>

N° of branches in thousand



## > Financial targets<sup>(2)</sup>

	2013	2016 targets
Revenues	€2,204m	>+6% <sup>(3)</sup>
Cost/income	62.9%	-7 pts
Allocated Equity	€4.2bn	+4.5% <sup>(3)</sup>
Pre-tax RONE	18.3%	21%

## > Strong improvement of the operating efficiency

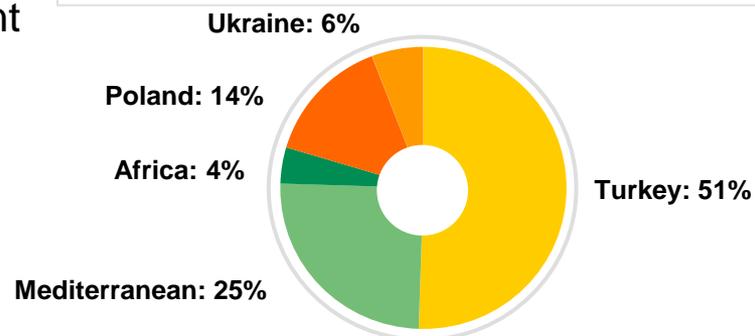
<sup>(1)</sup> Source: FDIC, June 30 of each year, excluding non-retail branches; <sup>(2)</sup> Restated, 100% of Private banking for the Revenues and Expenses; <sup>(3)</sup> CAGR



# Europe-Mediterranean

- A selective and dynamic management of the footprint
  - Priority on populated regions with growth potential
  - Active monitoring of environment leading to strategic arbitrage (e.g. sale of Egyptian entity in 2013)
- A business model based on a solid local presence leveraging Group expertise
  - Strong local anchor: solid brand recognition, strategic local partners and local management
  - Exploiting the Group know-how
  - Leverage Group centres of excellence: systematic cross-selling with CIB, Investment Solutions and Retail specialised financing businesses

## > Outstanding loans by country<sup>(1)</sup>



## > Financial targets<sup>(2)</sup>

<i>Excluding Bank BGZ</i>	2013	2016 targets
Revenues	€2,086m	+12% <sup>(3)</sup>
Cost/income	70.9%	-9 pts
Allocated Equity	€3.7bn	+10% <sup>(3)</sup>
Pre-tax RONE	14.5%	17%



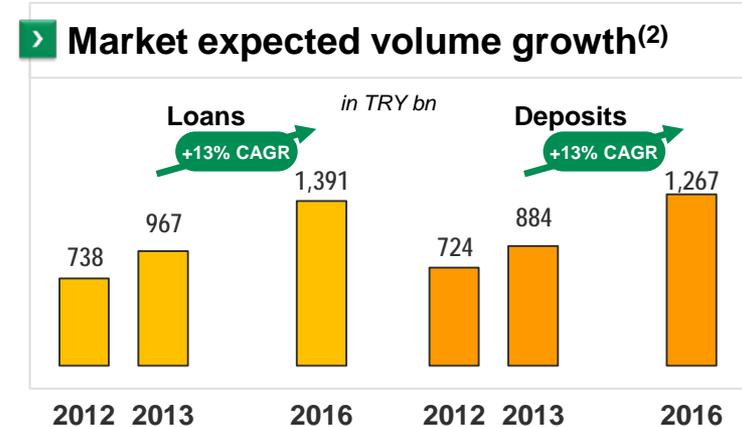
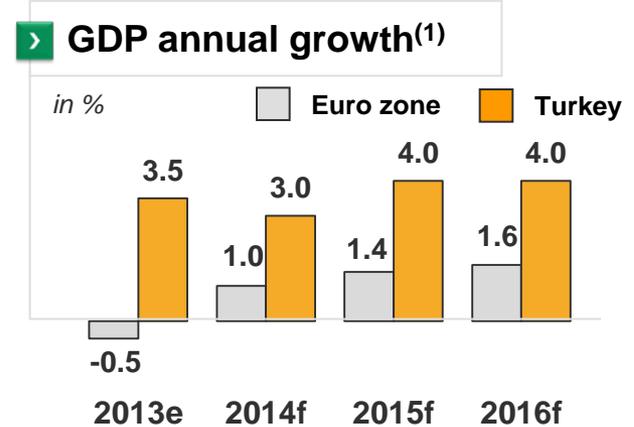
## Strong ambitions in selected growing markets

<sup>(1)</sup> As at 31.12.13, with TEB consolidated at 100%; <sup>(2)</sup> Restated, with TEB consolidated at 100% and 100% of TEB Private banking for the Revenues and Expenses; <sup>(3)</sup> CAGR



# Turkey (1/3)

- A sizeable market with strong growth potential
  - Sizeable population (76m inhabitants), educated and young (~50% of population under 30 years old)
  - Significant medium term GDP growth potential despite current economic turmoil
  
- A promising banking market
  - Low banking penetration rate and branch density
  - Strong deposit growth: +18% CAGR over the past 5 years
  - Resilient profitability throughout the crisis
  
- A strategic geographic situation
  - Gateway between Europe and Asia
  - Strong economic links with regions where BNP Paribas operates: Western Europe, Central Eastern Europe & the Mediterranean



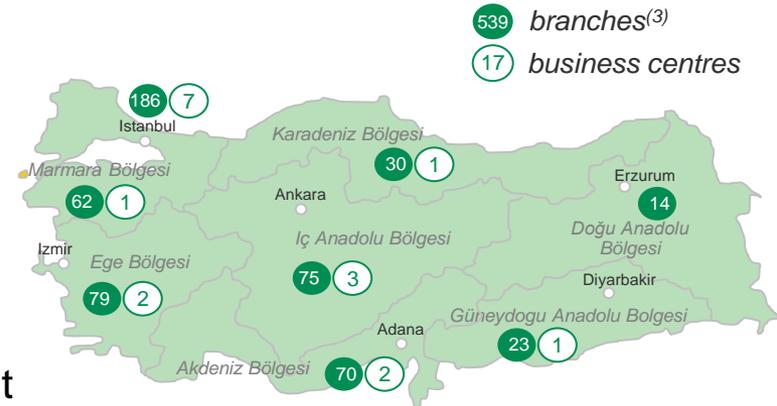
**A dynamic and attractive market**



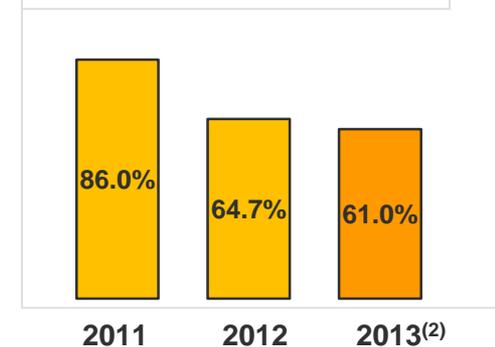
# Turkey (2/3)

- 9th largest Turkish Retail bank<sup>(1)</sup>
  - 4% market share following the merger of TEB & Fortis Bank Turkey
  - Continued improvement of the operating efficiency thanks to the streamlining of the network
  - Strong digital presence (#2 Turkish bank on Facebook)
  
- Well equipped to adapt to fast changing environment
  - Diversified business mix limits impacts of recent regulatory changes on overdraft fees on retail and consumer activities
  - Stringent risk policy
  - Solid and liquid balance sheet, self-funded bank
  - Lower exposure than peers to FX denominated loans
  
- A complete set of well positioned financial services

## TEB branch network in Turkey



## Cost/income Turkey



**A strong position**

<sup>(1)</sup> In terms of customer loans, as at 31.12.13; <sup>(2)</sup> Excluding 3 pts impact of the new regulation on overdraft; <sup>(3)</sup> Excluding branches outside Turkey



# Turkey (3/3)

- A multi-business presence fostering cross-selling
  - Rise in cross-selling revenues<sup>(1)</sup> by 56% between 2011 and 2013 to ~€80m
- Growth effort focused on clients with higher potential
  - Retail and SME: first class digital offering, Wealth Management deployment, cross-selling with Personal Finance
  - Corporate: One Bank for Corporates model roll out, CIB products offer deployment, increased cross-selling with Leasing
- Branch network transformation: a drive to further improve the cost/income ratio
  - Accelerate network adaptation (70 branches opening, 50 branches relocation, 400 new ATMs by 2016)
  - Differentiated and complementary branch formats
  - Omni-channel through a strong push in our digital leading position

## > A comprehensive range of banking services<sup>(2)</sup>

<b>TEB Investment</b> #4 Brokerage & investment house	<b>TEB Faktoring</b> 9% market share	<b>TEB Asset Management</b> #7 Asset management company
<b>TEB Retail Banking</b> #10 Turkish bank		<b>BNPP Cardif (Emeklilik)</b> 3% market share in protection insurance and pension
<b>TEB Arval</b> Operating since October 2007 (5% market share)	<b>TEB Cetelem</b> #2 Consumer finance company (8% market share)	<b>TEB Leasing</b> #4 Leasing company

## > Financial targets<sup>(3)</sup>

	2013	> 2016 targets
<b>Revenues</b>	€1,084m	>+15% <sup>(4)</sup>
<b>Cost/income</b>	64.0%	-7 pts



**Continue the medium & long-term business development**  
**Priority set on efficiency improvement**

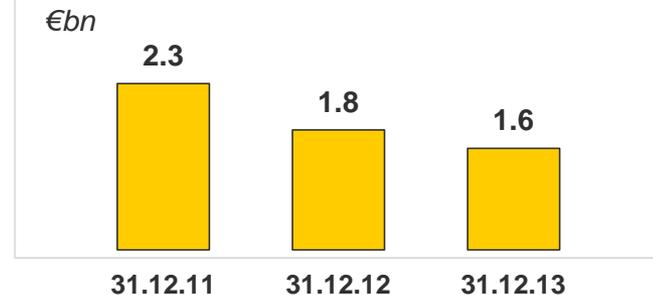
<sup>(1)</sup> With CIB, IS, PI, PF & Arval; <sup>(2)</sup> Rankings as at 31.12.13; <sup>(3)</sup> Restated, with TEB consolidated at 100%, including 100% of Turkish Private banking; <sup>(4)</sup> CAGR



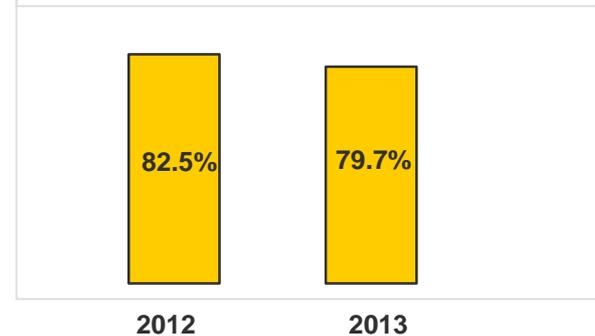
# Central Eastern Europe

- Ukraine: continue to adapt the activity in a difficult environment
  - Challenging environment bolstered by political uncertainties
  - Continued decrease in the loan outstandings, targeting multinationals and agriculture clients
  - Ongoing network rationalisation with 84 branches closed in 2013 and ~-1,600 FTE planned by 2015
- Poland: ongoing restructuring plan for BNPP Polska
  - Structural cost optimisation programme launched in 2012 (~95 initiatives) to lower cost/income ratio
  - Continued programme of upgrading the existing network (already 72 branches in new BNP Paribas format)
  - 1.3% market share<sup>(1)</sup>...
  - ...a strategic move with the acquisition of BGZ

## UkrSibBank loan outstandings



## Cost/income BNPP Polska



## Optimisation of the networks



# Focus Poland (1/2)

## Bank BGZ Acquisition Project

### ● Description of the process<sup>(1)</sup>

- Agreement reached with Rabobank on 5 December 2013 for the transfer to BNPP of its 98.5% stake held in Bank Gospodarki Zyrnosciowej (BGZ), valuing Bank BGZ at PLN 4.2bn (€1bn<sup>(2)</sup>)
- Completion of the transaction subject to the execution of the final documentation and to the necessary regulatory approvals

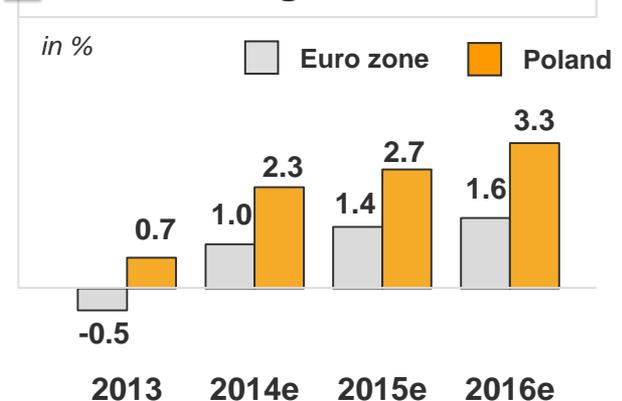
### ● Strategic rationale

- Increase presence in an attractive market with GDP growth prospects above Euro zone and moderate banking penetration (~70%)
- Improve critical mass by reaching ~4% of market share, positioning the Group as the 7<sup>th</sup> largest local bank
- Limited overhang and complementarity of the franchise

### ● BGZ profile: a well-established brand

- 397 branches mostly in small and medium sized cities
- Strong expertise in the agri and food business
- Successful internet banking tool (Optima) with ~100,000 users
- Self funded bank with a L/D ratio of 99% as at 31.12.13
- Limited profitability over the last years, partly due to high C/I ratio; ongoing restructuring plan

### > GDP annual growth<sup>(3)</sup>



> **Towards the critical mass in a dynamic market**

<sup>(1)</sup> Subject to regulatory approval; <sup>(2)</sup> Exchange rate as at 30.09.13 (€1 = PLN4.22); <sup>(3)</sup> Source: BNPP forecasts



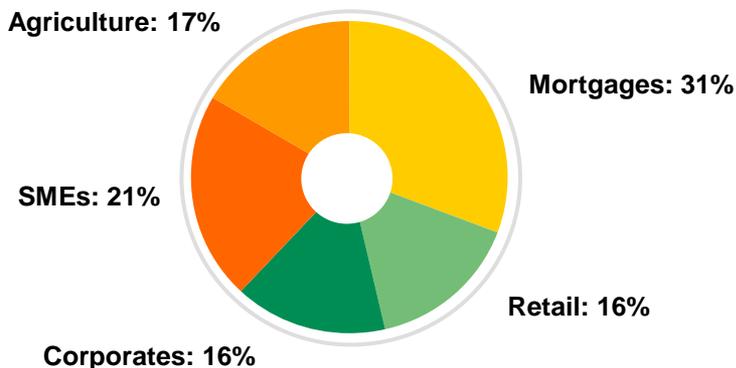
# Focus Poland (2/2)

## Strong Complementarity Between Bank BGZ & BNPP Polska

- Limited overhang
  - Bank BGZ mostly in small and medium sized cities
  - BNPP Polska presence in major urban areas

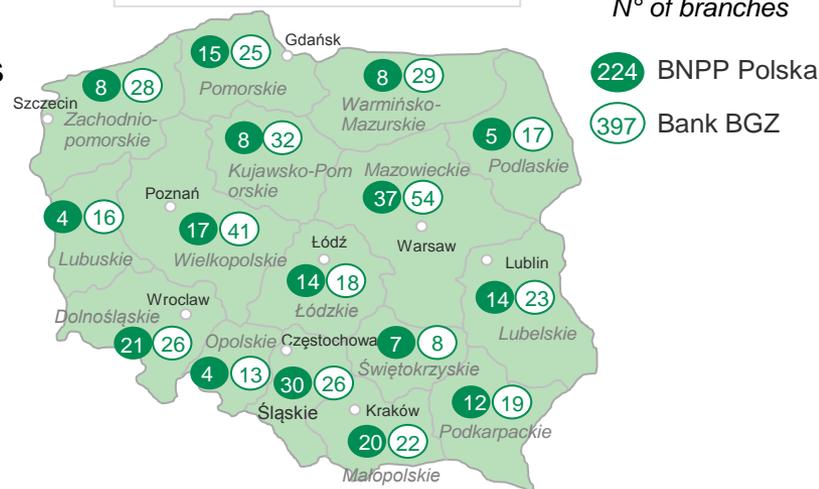
- Well diversified portfolio mix

### Loan book by type



- Significant cost and revenue synergies achievable, after one-off restructuring costs

### Branch network



### 2013 combined key figures in €m<sup>(1)</sup>

Balance Sheet	Deposits market share	4.1%
	Total loans	10,217
	Total deposits	8,797
Profit and Loss	Revenues	545
	Net income	62
Other	Employees	8,070
	Branches <sup>(2)</sup>	630

<sup>(1)</sup> Pro forma; local accounts; exchange rate 2013 (€1= PLN4.2) <sup>(2)</sup> Branches + business centres



# Mediterranean & Africa Asia

- Mediterranean & Africa: growing markets

- 9 local banks in South Mediterranean Basin & Sub Saharan Africa with sound market shares
- Roll out of the integrated model for retail (Multi-channel, Private Banking...) and Corporates (One Bank for Corporates, cash management and trade finance)
- Improve efficiency with shared platforms and enhanced Mobile offering in a strong market potential (young population with high appetite for digital and mobile)
- Increase revenues by ~+7% CAGR<sup>(1)</sup> in 2013-2016

## > Footprint and market shares

	Branches	Market shares <sup>(3)</sup>
Morocco	355	6.2%
Algeria	70	2.3%
Tunisia	111	4.8%
Ivory Coast	37	9.2%
Senegal	42	9.9%
Mali	8	4.3%
Burkina Faso	17	8.1%
Guinea <sup>(2)</sup>	23	23.0%
Gabon <sup>(2)</sup>	13	18.3%

- China: minority stake<sup>(2)</sup> in Bank of Nanjing, a leading regional bank

- 111 branches, 3.6m individual customers and 70,000 corporate clients
- Technical support, business development and cooperation agreements in targeted areas
- Significant and increasing contribution to IRB pre-tax results (€71m in 2013)



> **Mediterranean & Africa: a solid franchise**  
**Asia: a key partnership in a dynamic region**

<sup>(1)</sup> At constant scope and exchange rate; <sup>(2)</sup> Accounted as associated companies; as of 31.12.13, BNPP owned 16.2% of Bank of Nanjing; <sup>(3)</sup> As a percentage of customer deposits, last available data





# Personal Finance Transformed, Simpler and Profitable

**Thierry Laborde**  
Chairman and Chief Executive Officer of Personal Finance

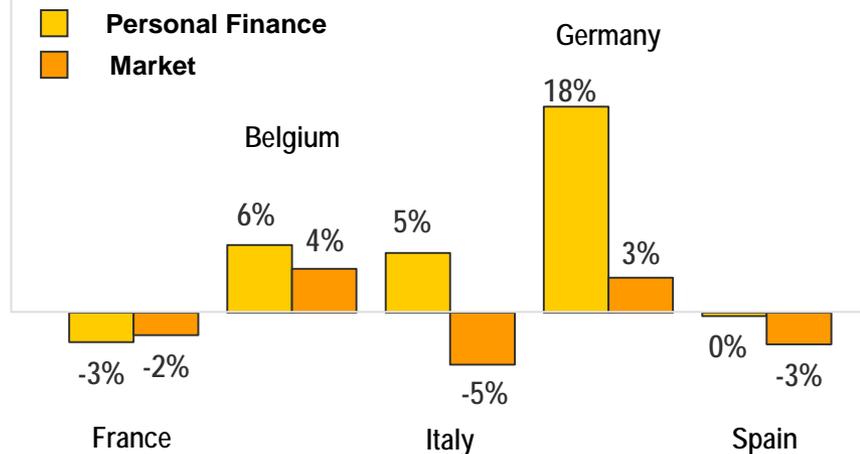


# BNP Paribas Personal Finance (PF)

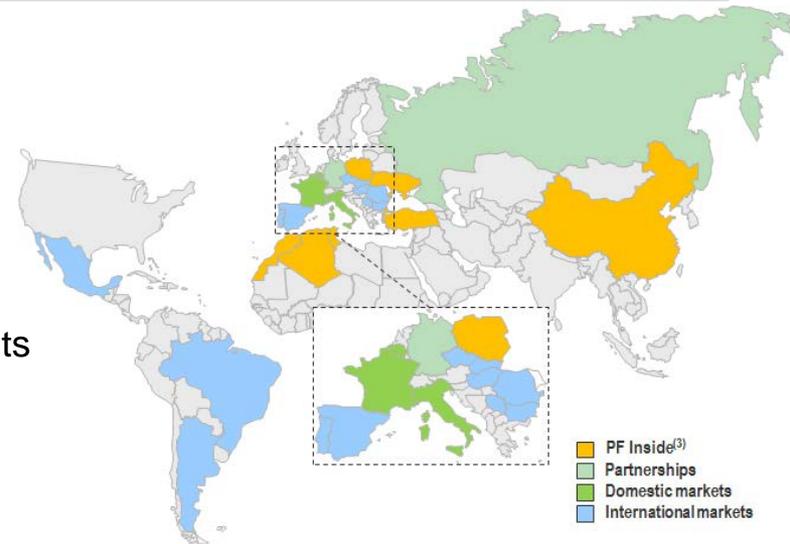
## A Leading Consumer Finance Player in Europe

- Consumer credit specialist, #1 in Europe
- 2013 consumer lending key figures:
  - 20 million customers, of which 62% are active
  - €64bn<sup>(1)</sup> in outstandings under management
  - €50bn<sup>(1)</sup> in consolidated outstandings
  - €26bn in new loan production
- Market share: good resilience amid overall declining markets

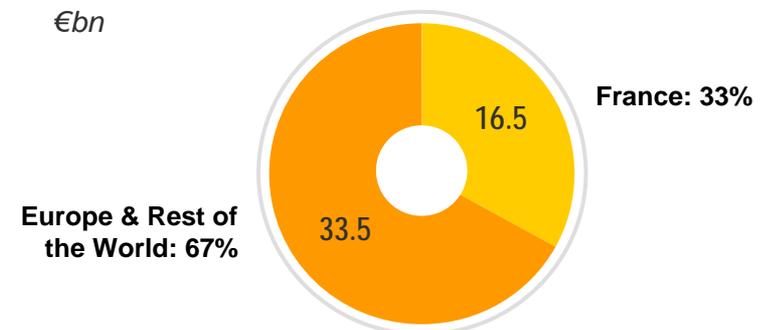
### > Market evolution by geography<sup>(2)</sup>



### > Global presence in over 20 countries



### > Breakdown of outstandings<sup>(4)</sup> by region

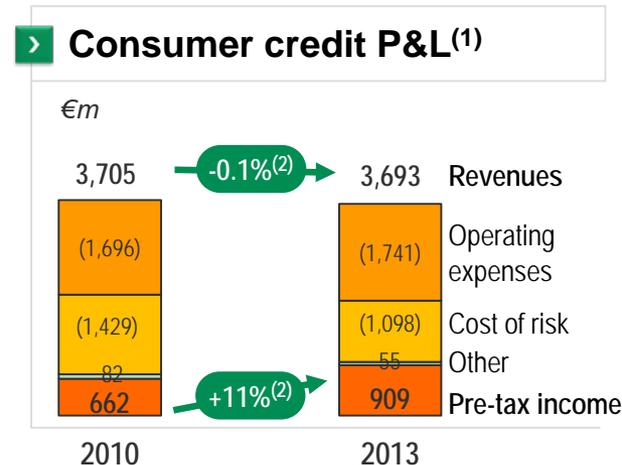
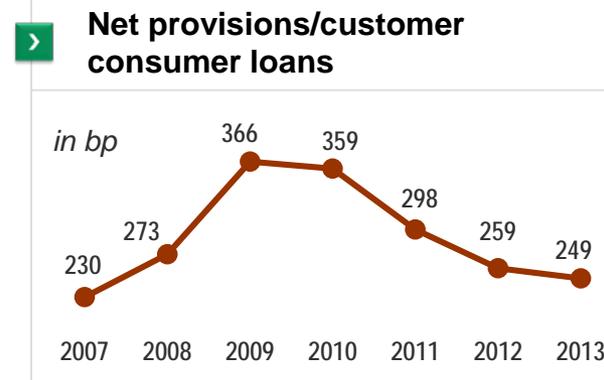


<sup>(1)</sup> Average outstandings; <sup>(2)</sup> 2009-2012 CAGR production; <sup>(3)</sup> PF operations within the IRB networks; <sup>(4)</sup> 2013 average consolidated outstandings



# A Transformed Business Model

- The business faced several challenges
  - An extended economic crisis in Europe
  - Consumer finance regulatory overhaul, especially in France (*Lagarde law*)
  - Adaptation plan launched in 2011 in response to Basel 3 regulation, with the run-down of certain mortgage specialised businesses in non-domestic markets
- The business was transformed
  - Invested in digital offering: websites (15 countries), mobile offers (6 countries), credit solutions for web merchants (9 countries)
  - Grew savings with already 60,000 clients in France (*Cetelem Banque*)
  - Signed partnership agreements : Commerzbank in Germany, Sberbank in Russia...
- Improved operating efficiency
  - Industrialisation of granting and debt collection processes
  - Renovated IT platform in France, shared with Natixis Financement, managing all consumer loans
  - Launched a common IT platform outside France
- Strengthened scoring at origination resulting in lesser cost of risk
- Despite a challenging environment consumer loan pre-tax income was resilient: up 11% (CAGR 2010-2013)



**Good resilience through the crisis**

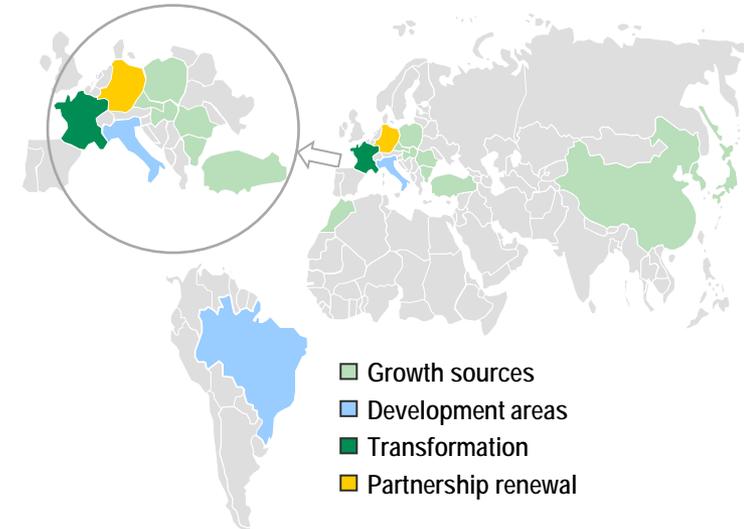
<sup>(1)</sup> Laser restated using equity method in 2010 for comparison purposes; <sup>(2)</sup> 2010-2013 CAGR



# Strategic Geographic Priorities

- France: continue transforming the business model
  - Adapt the cost base in response to new regulation
  - Improve profitability of the business with retailers
  - Step up auto financing
- Italy: continue growth of Findomestic
  - Develop synergies with BNL and the Group
  - Roll out of Findomestic Banca (marketing of deposit accounts)
- Brazil: further develop business
  - Develop card business, secure consigned loans & step up digital
  - Significantly improve the cost/income ratio
- Germany: step up the pace of development
  - Improve the partnership with Commerzbank
  - Consolidate VEB's<sup>(1)</sup> position in personal loans & secured loans via broker
- Sources of growth
  - Central Europe: continue developing franchises and secure funding via deposit gathering
  - PF Inside: focus on China, Poland, Turkey and Morocco; step up auto and digital

## > Differentiated strategies by country



## Continue international business development



# Strategic Business Priorities

- Become a leader in digital offering

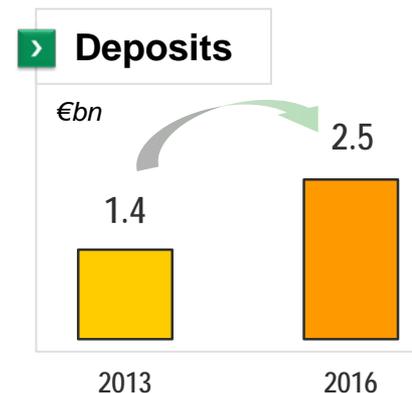
- Create a digital experience with customers including at point of sale
- Develop an omni-channel customer relation
- Dematerialise online and point of sale loan applications

- Step up auto financing

- Expand scope of existing partnerships and sign new agreements with automobile makers while developing further relationship with dealers
- Priority given to 6 mature countries<sup>(1)</sup> and 4 emerging markets<sup>(2)</sup>
- Target: €15bn in outstandings and €120m in revenues by 2016

- Deepen the customer relation

- An expanded product offering (*Cetelem Banque* model) in France, Germany, Italy, Bulgaria, Hungary and Czech Republic: protection insurance products, insurance and savings
- In France, launch of service offers which help consumers prepare their projects and manage their finances (*Jegeremesfinsdemois.com*)
- Customise the relationship and the offering – combine products and services in order to have a balanced customer relation



> **Increase revenues through 3 strategic priorities**

<sup>(1)</sup> France, Italy, Spain, Portugal, Belgium and Germany; <sup>(2)</sup> China, Turkey, Poland and Mexico



# Strategic Partnerships (1/2)

- Germany: a successful banking partnership with Commerzbank
  - Creation of a JV in 2010 (49.9% Commerzbank - 50.1% Personal Finance)
  - #3 in point of sale consumer lending in 2013
  - Strategic priorities: improve the partnership to increase market share in all businesses and become a leading player in e-commerce
- Russia: signed an ambitious banking partnership with Sberbank
  - Creation of a JV in 2012 (74% Sberbank - 26% Personal Finance); scope recently extended with the transfer to the JV of Sberbank's car financing business
  - Strategic priorities: support the bank's local development ambitions and become a major player in consumer finance with over €10bn in outstandings<sup>(1)</sup> in 2016
- China: a promising banking partnership with the Bank of Nanjing
  - Bank of Nanjing is present in one of the richest provinces of China and in ten major cities (including Nanjing, Beijing and Shanghai)
  - Partners since 2005, creation in 2013 of a JV within the Bank of Nanjing dedicated to consumer credit
  - Strategic priorities: sustained growth ambition (2020 outstandings > €2bn)



**> Continue development of strategic partnerships**



# Strategic Partnerships (2/2)

## ● Synergies with Domestic Markets

- Partnerships in France with FRB since 2003, in Belgium with BNPP Fortis since 2008, and in Italy between Findomestic and BNL since 2011
- Strategic priorities: strengthen synergies to develop new offers



## ● Grow European commercial and industrial partnership with Carrefour Banque

- In France, Belgium, Italy, Spain
- Over €5bn managed outstandings as at end-2013
- Extend product range, enhance customer relationship management
- Improve operating efficiency and performance
- Develop portfolio: +25% in outstandings by 2016



## ● Develop domestic partnerships with French retailers: CORA and Leclerc

- A 5-year tripartite agreement with Leclerc and Edel Bank (started in 4Q13)
- A tripartite agreement with Cora and Banque Revillon (started in 3Q13)
- Bringing in more than 500,000 new customers for Personal Finance



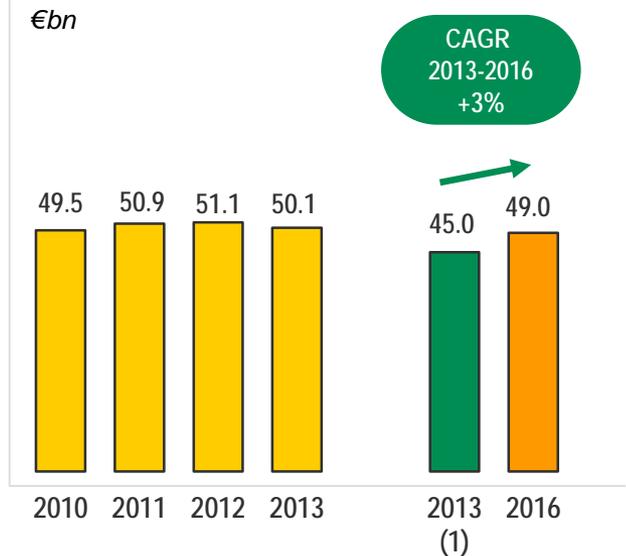
**Continue development of strategic partnerships**



# Financial Targets

- Restore revenue growth
  - Revenues: +2.5% CAGR
- While containing costs
  - Simple and Efficient: ~€200m in recurring savings by 2016
- A proven track record in cost of risk
- Strong growth in net income
  - 8% CAGR between 2013 and 2016

## > Consumer loan outstandings



## > Financial targets

	2013	2016 targets
Revenues	€3,693m	+2.5% <sup>(2)</sup>
Cost/income	47.1%	-2 pts
Allocated Equity	€3.2bn	stable
Pre-tax RONE	28.6%	35%



**A pre-tax RONE at 35% by 2016**

<sup>(1)</sup> Laser restated following the change in accounting consolidation method from proportional integration to equity method; <sup>(2)</sup> CAGR





# Investment Solutions

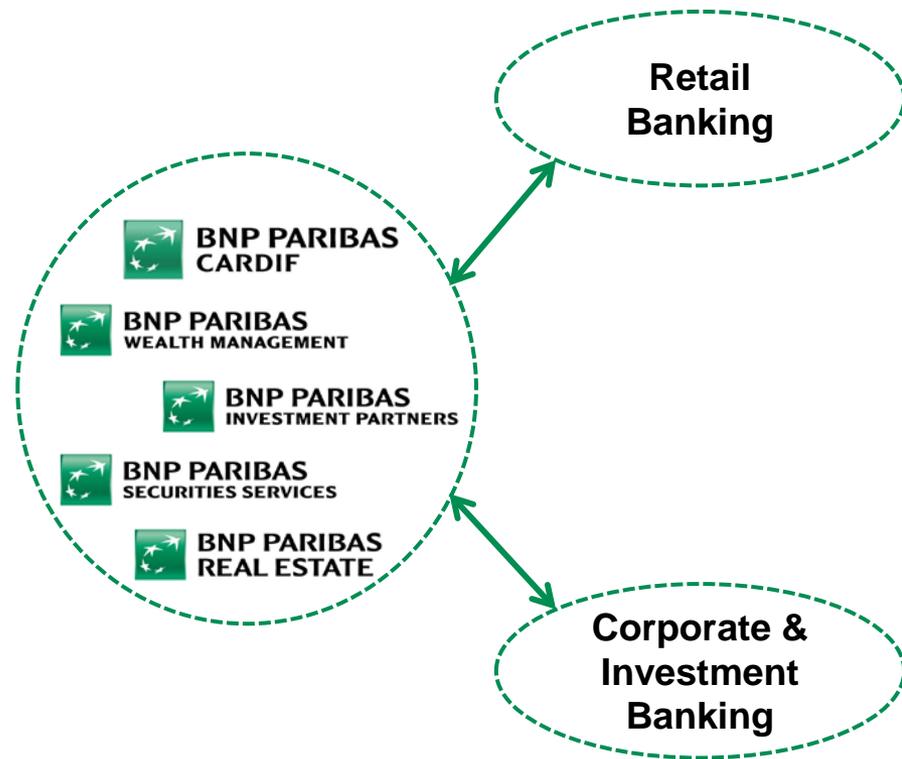
## Keep Growing in a new Environment

**Jacques d'Estais**  
Deputy Chief Operating Officer



# Investment Solutions (1/2)

- Main figures (as of 31.12.2013)
  - Presence in 68 countries
  - 26,160 employees
  - €854bn Assets under Management<sup>(1)</sup>
  - €6,064bn Assets under Custody
  - 16% of Group revenues
  - €2.1bn of pre-tax income
- Main areas of activity
  - Collection, management, development, protection and administration of client savings and assets
  - Diversified and complementary areas of expertise
  - Comprehensive range of products and services to meet all investors' needs



**5 complementary global business lines  
addressing institutional and private clients**

<sup>(1)</sup> Restated including BancWest and TEB Turkey under WM



# Investment Solutions (2/2)

## Leveraging Structural Strengths to Offset Headwinds

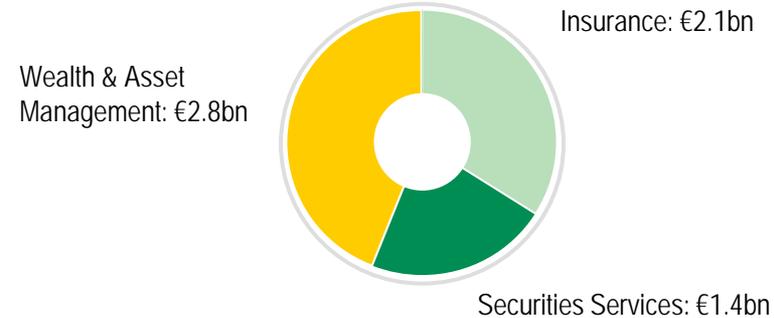
### Structural strengths

- Highly profitable business lines with low capital requirement
- A broad range of clients from UHNWI to Corporates and Institutionals
- Significant contribution to the Group's liquidity requirements
- Strong potential for long-term growth

### Main challenges

- Sustained low interest rate environment
- Changing regulatory and fiscal framework
- Prudent investor sentiment

### > 2013 revenues<sup>(1)</sup> by business



### > Financial targets

	2013 <sup>(1)</sup>	2016 targets
Revenues	€6,325m	~+5% <sup>(2)</sup>
Cost/income	69.3%	-2 pts
Allocated Equity	€8.1bn	+4% <sup>(2)</sup>
Pre-tax RONE	25.7%	28%



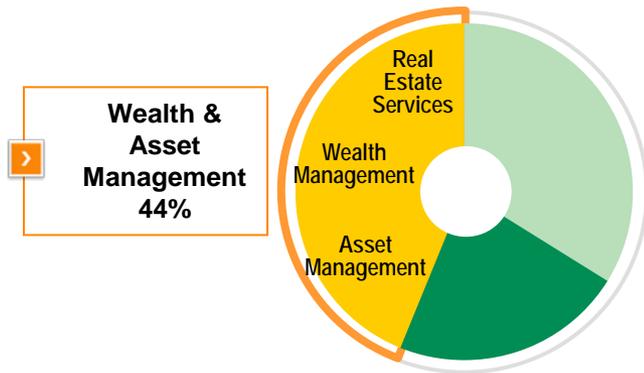
**A well balanced and growing division**



# Wealth & Asset Management

## The Asset Gathering arm of the Group

### > WAM contribution to IS 2013 revenues



- 3 liquidity provider business lines
- Low capital requirement
- €676bn AuM<sup>(1)</sup> as at 31.12.2013

### > Financial targets

	2013 <sup>(2)</sup>	2016 targets
Revenues	€2,780m	>+4% <sup>(3)</sup>
Cost/income	76.2%	-2 pts
Allocated Equity	€1.5bn	>+1% <sup>(3)</sup>
Pre-tax RONE	45.6%	>50%

### > Increasingly profitable business lines

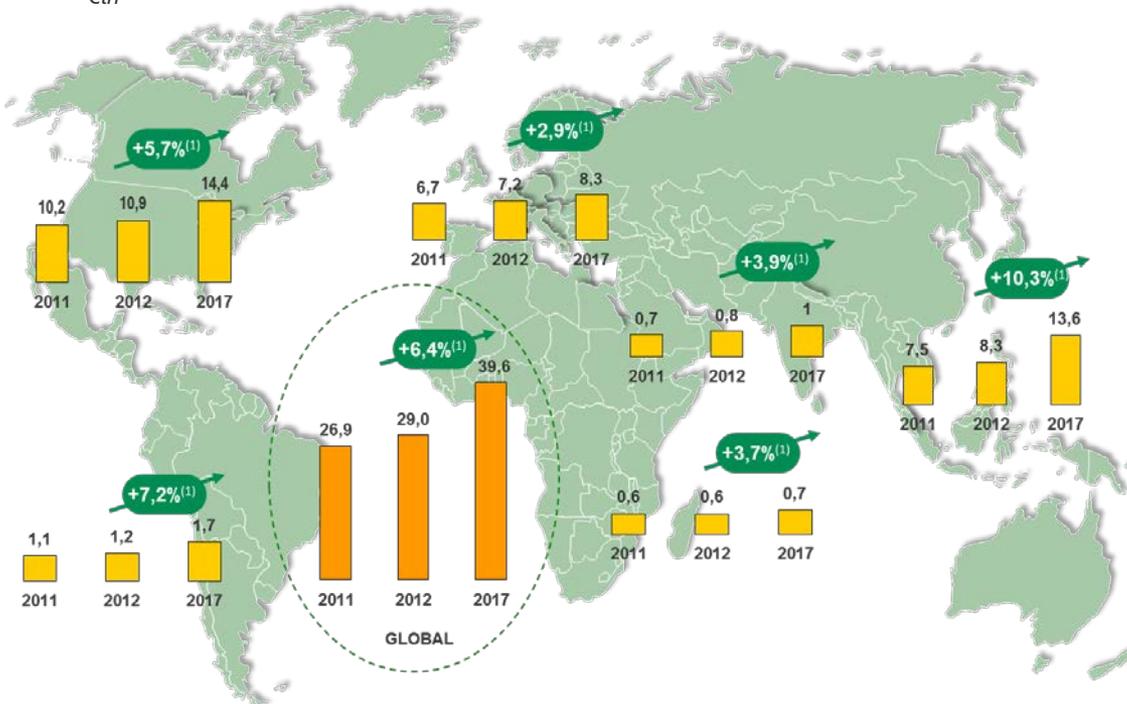
<sup>(1)</sup> Restated including BancWest and TEB Turkey under WM; <sup>(2)</sup> Restated; <sup>(3)</sup> CAGR



# Wealth Management (1/4)

## Global wealth pool<sup>(1)</sup>: a growing market

€tn



Industry appeal

- A growing global market
- High structural growth from UHNW segment, entrepreneurs and new markets
- High return on equity and excess liquidity generation

New environment

- Changing regulatory framework
- Evolving client needs
- Low interest rate environment
- Global consolidation
- More competition from retail banks

BNPP WM structural strengths

- 6,300 dedicated private banking staff
- #1 private bank in the Eurozone
- Client up-streaming from retail banking network in Domestic Markets
- Strong development in Asia
- Dedicated products & services and coverage for UHNWI



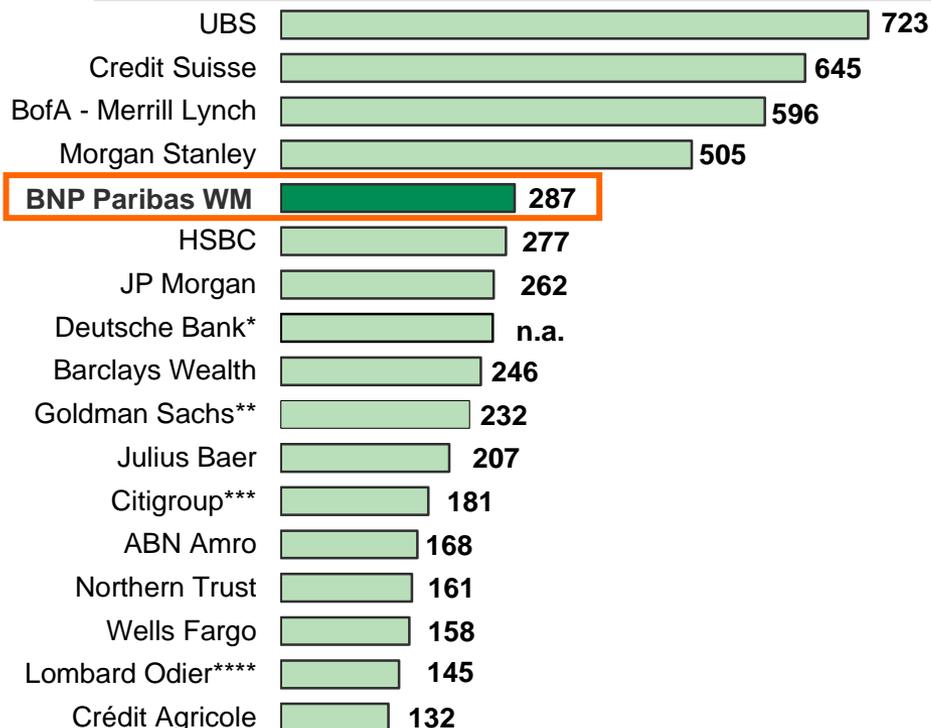
## Growing industry in an evolving environment

<sup>(1)</sup> Source: Roland Berger, August 2013, 2012-2017 CAGR



# Wealth Management (2/4)

## > A global leader - AuM at 31 December 2013 (€bn)



\* €298bn at 4Q2012 latest figure available less the sale of its BHF-Bank unit (AuM €37.5bn), Wealth Management now consolidated with Asset Management (DeAWM)

\*\* HNW

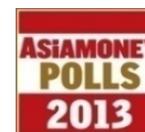
\*\*\* Citi private bank without Citi Smith Barney

\*\*\*\* 31.12.2012 AuM and deposited assets

Source: Banks

## > Improved visibility and recognition

- **#1 in Europe**  
Outstanding Private Bank Europe<sup>(1)</sup>
- **#1 in France, #1 in Belgium**  
Best Private Bank in France<sup>(2)</sup>  
Best Private Bank in Belgium<sup>(2)</sup>
- Best Private Bank for **Socially Responsible Investing**<sup>(2)</sup>
- **Best Private Bank in Hong Kong**  
(Foreign)<sup>(3)</sup>
- **#3 Best Global Private Bank in Asia**  
(US\$25m+)<sup>(4)</sup>



## > A leading player combining local and international expertise

<sup>(1)</sup> Private Banker International 2013; <sup>(2)</sup> PWM/The Banker 2013; <sup>(3)</sup> Private Banker International Greater China Awards & Global awards 2013; <sup>(4)</sup> Asiamoney 2013



# Wealth Management (3/4)

## A Global Business Line with Different Regional Dynamics

	AuM (€bn) Dec. 2013	
> Domestic Markets	171	<ul style="list-style-type: none"> <li>● Accelerate client acquisition and net new cash                             <ul style="list-style-type: none"> <li>■ Leverage on up-streaming from retail clients and &gt; 360 dedicated private banking centres</li> <li>■ Focus on entrepreneurs and corporates</li> </ul> </li> </ul>
> International Retail Banking	8 <sup>(1)</sup>	<ul style="list-style-type: none"> <li>● Ensure a strong development of 4 main private banking markets (USA, Turkey, Morocco and Poland)</li> </ul>
> International Markets	71	<ul style="list-style-type: none"> <li>● Adapt to new environment</li> <li>● Capture international growth (Middle East and Eastern Europe, mainly on UHNWI)</li> </ul>
> Asia Pacific	37	<ul style="list-style-type: none"> <li>● Continue rapid expansion of client base (AuM growth: +18.6% in 2013 vs. 2012) in Greater China, India, Singapore, Indonesia and Malaysia</li> <li>● Strengthen the development of the UHNW segment</li> </ul>
	287	



**A strategy adapted to each geographical region**

<sup>(1)</sup> BancWest and TEB Turkey



# Wealth Management (4/4)

## 2016 Business Development Plan

- Consolidate leadership in the Euro zone
- Evolve into a first tier bank in Asia
- AuM growth target: +7.5% CAGR (2013-2016)
- Key levers
  - Client: enlarge UHNW segment in all markets by enhancing Corporate and CIB synergies
  - Talent: attract and retain talents, in particular in fast growth markets
  - Brand: invest in the brand
  - Innovation: develop digitalised private banking and further differentiate offering (Philanthropy, Sustainable and Responsible Investment)



**Reinforce top 5 global position**

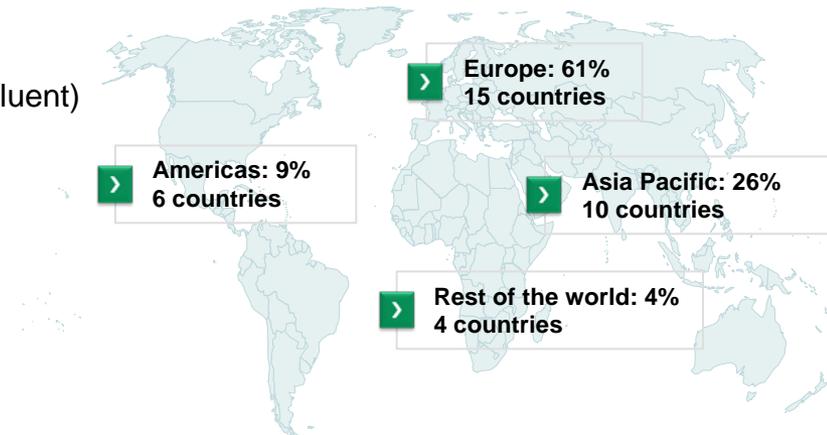


# Asset Management (1/3)

## A Strategic Business for the Group

- A strategic business for the Group
  - A key business for institutional clients
  - Management of our clients' assets (particularly private/affluent)
  - Substantial return on equity
- A global presence
  - 3,200 people in 35 countries
  - €370bn in assets under management as at 31.12.2013
- A major player in the institutional segment
  - Top 10 in Europe<sup>(2)</sup>
  - Investment management recognised by leading consultants and industry reviews in various capabilities: European equities ("Gold Trophy best equity fund range"<sup>(3)</sup>), 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 (e.g. Shinhan in South Korea, HFT in China)

### > Global workforce breakdown<sup>(1)</sup>



### A multi-local approach to customer service

<sup>(1)</sup> As at 31 December 2013; <sup>(2)</sup> IPE ranking 2013; <sup>(3)</sup> Le Revenu



# Asset Management (2/3)

## 2016 Business Development Plan

### Targets 2014-2016



- +€40bn cumulated net new cash
- +10% revenue growth

#### > Institutional

- Strengthen recognition by leading international consultants through high quality investment solutions & processes:
  - Develop new areas of expertise (loans and CLOs)
  - Accelerate development of the European equities offering and solutions adapted to the needs of insurers and pension funds

#### > APAC & Emerging

- Be in the top 10 foreign asset managers in APAC and top 5 in LatAm:
  - 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<sup>(1)</sup>

- Create a top distribution platform 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

#### > Corporate Functions

- Upgrade infrastructures and services
- Industrialise operational process

 **A new set up to boost development, benefitting from selective investments especially with institutionals**



# Asset Management (3/3)

## 2016 Business Development Plan

- Successful strategic initiatives already launched and being implemented in the various segments

### > Institutional

- Reinforcing of loans/CLO expertise with additional teams and new hirings: ~€1bn collected in 2013
- Incentive scheme rolled out for key investment teams in line with market practices
- Consultants recognition gained for strategic capabilities
- Upgrade of institutional reporting

European equities

«*Strong buy*» from main anglo-saxons consultants

### > APAC & Emerging

- Strong performance from certain Asian capabilities: e.g. Asian Fixed Income, Australian equities,...
- Consolidation of set up in Brazil: hirings in sales/ investments
- China initiative: launch of a fixed income RMB product

Asia Asset Management  
THE JOURNAL OF INVESTMENTS & PENSIONS

Best Institutional House in Korea

### > Distributors<sup>(1)</sup>

- Launch of the revamped Parvest platform: website, on-line services, communication campaign
- Ambitious commercial targets set with internal networks

 PARVEST  
by BNP PARIBAS Investment Partners

LOOK NO FURTHER.

### > Corporate Functions

- Digital programme
- Simplification towards target operating model

- Recognised investment performances

MORNINGSTAR®

 LIPPER  
FUND AWARDS 2013

<sup>(1)</sup> Retail and Private banking clientele

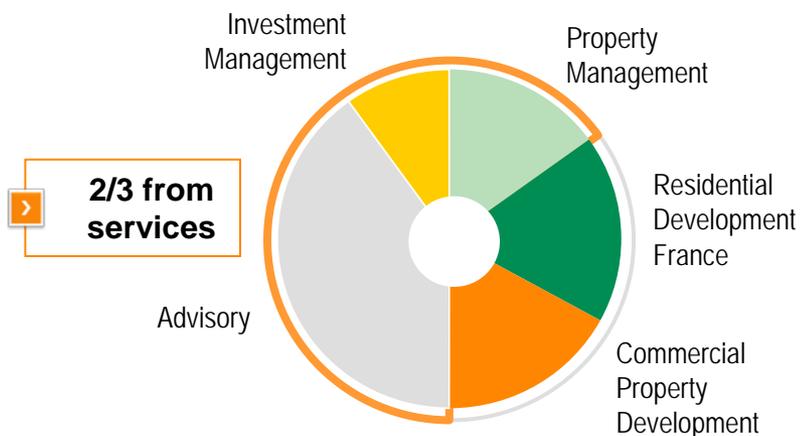


**BNP PARIBAS** | The bank for a changing world

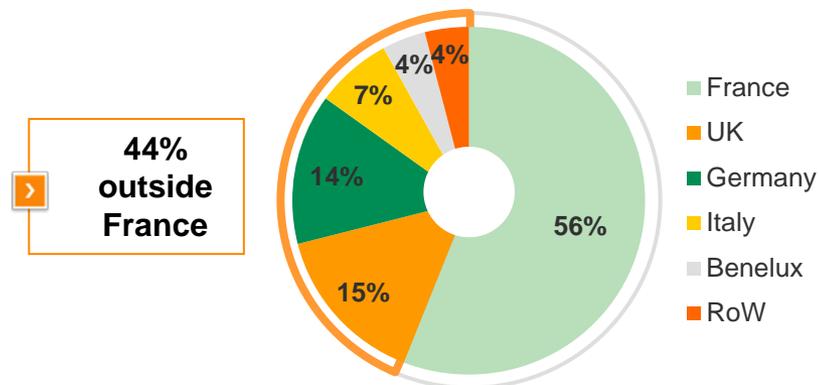
Investor Day – 24 March 2014 | 101

# Real Estate Services

## > 2013 Revenues by business line



## > 2013 Revenues by geography



- A strong and balanced business model
  - 2/3 of revenues from services
  - 44% of revenues generated outside France
  
- An ambitious development plan in spite of cyclical headwinds
  - Reinforce leadership in services in France, UK and Germany (e.g. acquisition of Imoplan in Germany in 2013)
  - Become a European leader in Investment Management (e.g. acquisition of iii-investments in Germany in 2013)
  - Develop a coverage platform in Asia and in the Middle-East

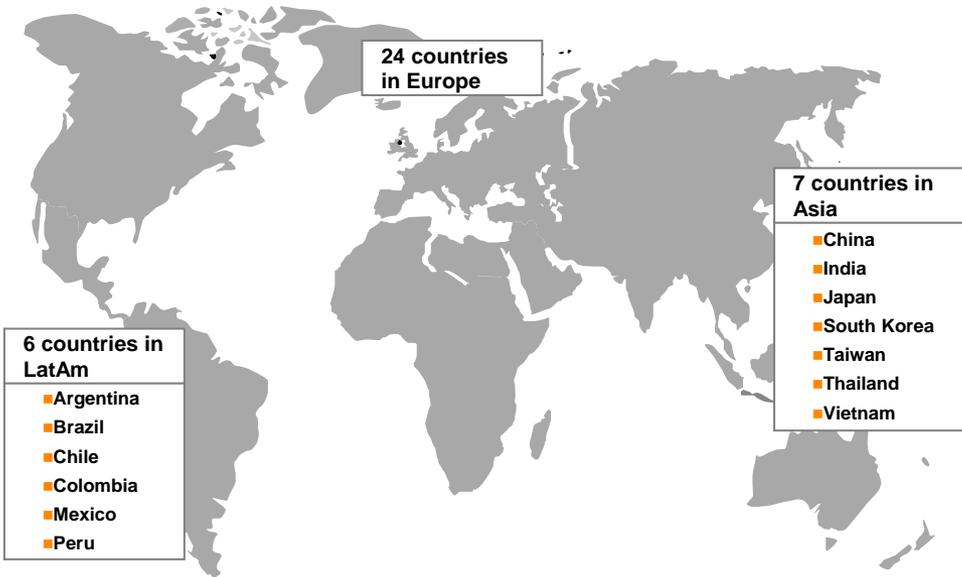


**Reinforce leading positions across Europe**

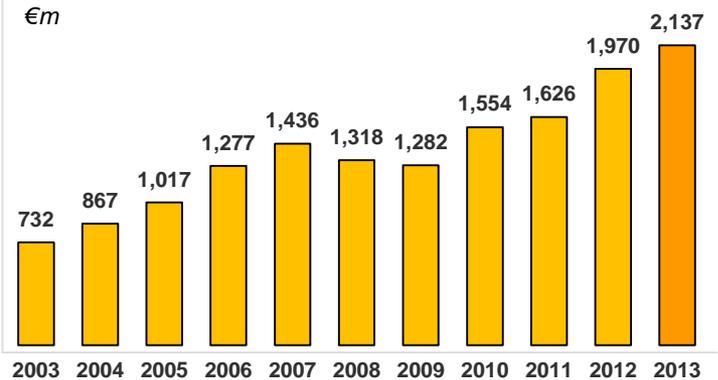


# Insurance (1/4)

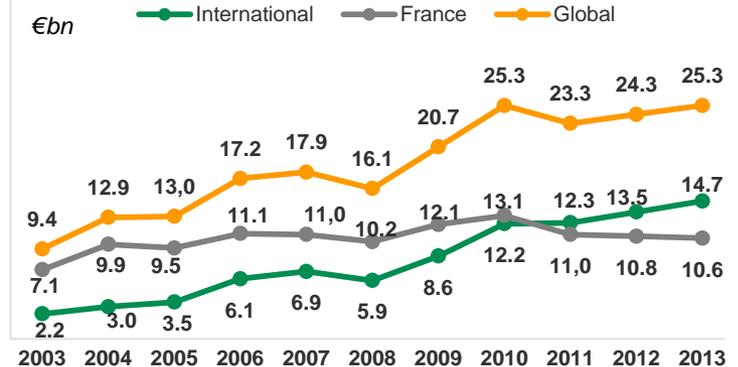
> **BNPP Cardif:**  
37 countries in Europe, Asia and LatAm



## > Revenue growth track record



## > GWP<sup>(1)</sup> growth by geography



> **A fast growing business in attractive geographies**

<sup>(1)</sup> Gross Written Premiums



# Insurance (2/4)

## A Model Based on Partnerships

- Unique expertise of partnerships with banks thanks to close relationships with retail networks
- Extensive know-how in terms of distribution management: multi-channel approach, optimisation of customer behaviour, continuous product innovation
- Strong partnerships in fast growing markets: over 450 local and global partnerships, JV with major players, a diversified offering

### Retail networks



France



Turkey



Italy



Luxembourg

### International networks



India



China



Vietnam



Europe, LatAm



South Korea



Europe



Taiwan



Italy

### Main partnerships



Brazil



World



World



Volkswagen  
Financial  
Services



Carrefour  
Asia  
Europe  
Latam



groupe RENAULT



**Leverage BNPP Cardif expertise to foster international expansion**

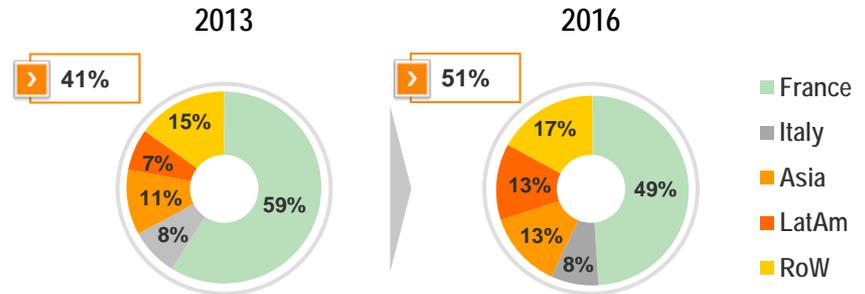


# Insurance (3/4)

## 2016 Business Development Plan

- Geographic diversification
  - Non domestic activities: double digit growth (>10%) in 2014-2016
  - Bank of Beijing JV: first results expected in 2014
  
- Grow Protection products
  - A growing share of Property & Casualty insurance, health insurance and extended Warranty

### > GOI<sup>(1)</sup> by country (2013-2016)



### > Revenues by product (2013-2016)



> **Continue to grow partnerships and diversification**



# Insurance (4/4)

## 2016 Business Development Plan

### > Levers for expansion

- Growth driven by LatAm and Asia Pacific markets
- Enlarge relationships with partners
- Diversify product offering in order to adapt to the changing regulatory environment
- Deploy digital strategy

### > Financial targets

	2013 <sup>(1)</sup>	> 2016 targets
Revenues	€2,136m	>+4% <sup>(2)</sup>
Cost/income	50.4%	-2 pts
Allocated Equity	€6.0bn	>+4% <sup>(2)</sup>
Pre-tax RONE	19.2%	20%

> Insurance confirming a dynamic growth trend



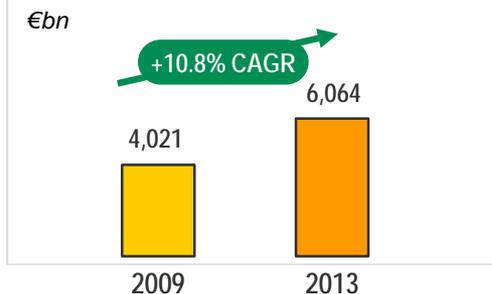
# Securities Services (1/4)

- Three stages of targeted growth

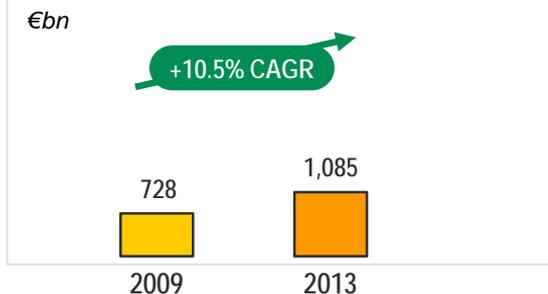


- One of the few successful global securities services players
  - The unique European global player: #1 in Europe, #5 worldwide
  - Present in Europe, Asia Pacific and Americas
  - Global size and delivering strong growth

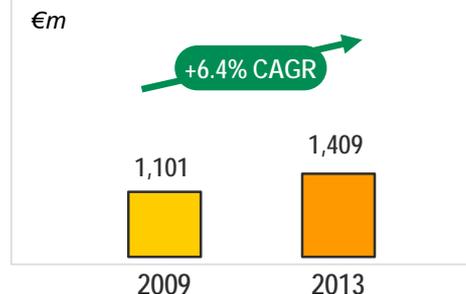
## > Assets under Custody



## > Assets under Administration



## > Revenues



> **A successful combination of expertise and long-term commitment**



# Securities Services (2/4)

## A Differentiating Model in the Industry

➤ **Business mix well diversified across services, clients and geographies**

Services	Asset and Fund services	Clearing and Custody services	Corporate Trust services	Financing (cash & securities), Forex and Dealing services
Clients	Asset owners, Asset managers	Broker-dealers, Investment banks	Corporates, Issuers	All
Geographies	AMERICAS		EUROPE	ASIA PACIFIC

- Resilient business model with ~1,800 clients
- Global reach with local expertise
- Strategic value for the Group
  - Cornerstone flow banking with institutionals
  - Reference provider for other Group businesses (Asset Management, Insurance, CIB)
  - Deliver differentiating joint offers with CIB (e.g. global clearing offer for listed and OTC derivatives)



**A well diversified global player**



# Securities Services (3/4)

## Ambitious Growth Path Across all Regions

### > Varying dynamics across regions

#### Europe

- Consolidate leadership with further penetration of the asset owner and asset manager segments (e.g. 2Q13 migration of Caisse des Dépôts global custody, 3Q13 acquisition of Commerzbank depot bank business)

#### Asia Pacific

- Leverage well-established presence covering key markets and innovative regional solutions to support APAC and international clients, including RQFII<sup>(1)</sup> programmes

#### North America

- Leverage newly rolled out custody solutions to support US and international clients at par with other regions

#### LatAm

- Boost commercial franchise already well established in Brazil, Chile and Colombia. Pursue the development of a local footprint

### > 2013 - 2016 Revenues CAGR

>5%

>10%

>30%

>20%<sup>(2)</sup>

### > Leveraging recognised expertise worldwide

#### Funds Europe Awards 2013

- European custodian of the year

#### European Pensions Awards 2013

- Custodian of the year

#### Asia Asset Management's Best of the Best Awards 2013

- Best Fund Administrator for Traditional Products
- Best Specialist Custodian in APAC

#### HFM Week US Hedge Fund Services Awards 2013

- Best administrator - consultancy

#### Global Custodian Agent Banks in Major Markets Survey 2013

- 27 top rated awards across 14 markets



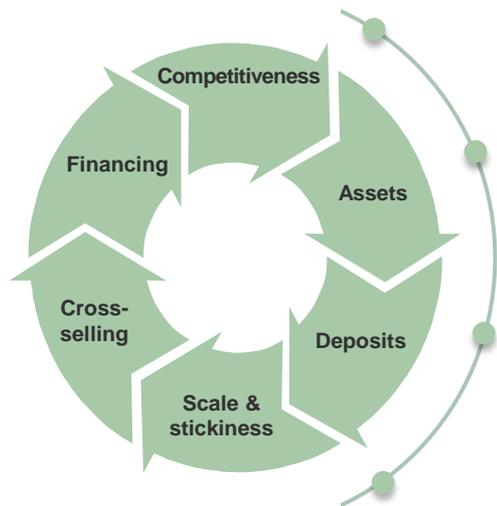
**Continue strong development beyond Europe**



# Securities Services (4/4)

## Develop the Franchise while Increasing Operating Efficiency

### > Strategic priorities



Serve the **funds globalisation** agenda

Develop **regulatory-driven new solutions to accompany clients** (collateral, derivatives)

Pursue **organic and external growth path**

Keep **streamlining our global operating model**

Develop **common industrial & commercial solutions** with other Group businesses

### > Financial targets

Assets under Custody  
**USD10 trillion**  
**(+8% increase per annum)**

	2013 <sup>(1)</sup>	>	2016 targets
Revenues	€1,409m		+7% <sup>(2)</sup>
Cost/income	84.5%		-3.5 pts
Allocated Equity	€0.5bn		+7% <sup>(2)</sup>
Pre-tax RONE	42.0%		45%

> **A growing and profitable business with increasing synergy potential within the Group**





# Corporate & Investment Banking

## A Strong Position for Growth

**Alain Papiasse**

Deputy Chief Operating Officer

**Frédéric Janbon**

Head of Fixed Income

**Yann Gérardin**

Head of Global Equities



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## **CIB: A Strong Position for Growth**

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Corporate Banking

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Advisory and Capital Markets

Focus on Fixed Income & Currencies

Focus on Global Equities

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Conclusion

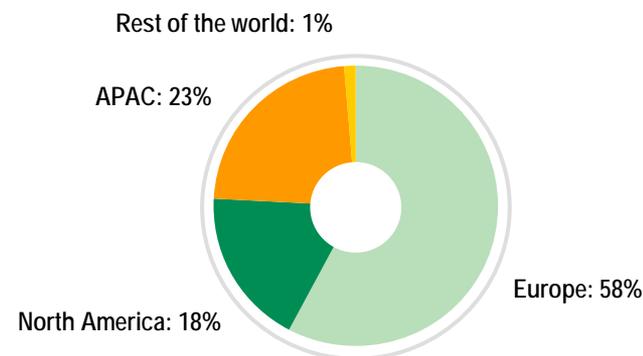
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# A Strong Position for Growth

- Early adaptation to Basel 3
  - Ahead of our peers
  - Deleveraging completed in 2012
  - Focus on client needs at the heart of the model
- Large and balanced client franchise
  - ~13,000 clients<sup>(1)</sup> (~10% increase since 2011), well balanced revenues (53% corporates, 47% institutionals)<sup>(2)</sup>
  - Presence in EMEA<sup>(3)</sup>, Americas and Asia Pacific: >50% of revenues from clients doing business in at least 2 regions
  - In addition, service of the large retail networks' client base
- Strong position to cope with new challenges
  - Well capitalised, with ample funding: €63bn deposits at year-end 2013
  - Choice to preserve diversified business and geographic mix (vs. more polarised competitors)
  - Regionalised and closer to clients

## > 2013 revenues by region<sup>(4)</sup>



## > New environment for CIBs

Moderate growth of industry revenues

New regulations putting pressure on resources and margins

Client demand evolving (disintermediation, simplification of products, electronic platforms)

Specialisation of some players after strategic reviews



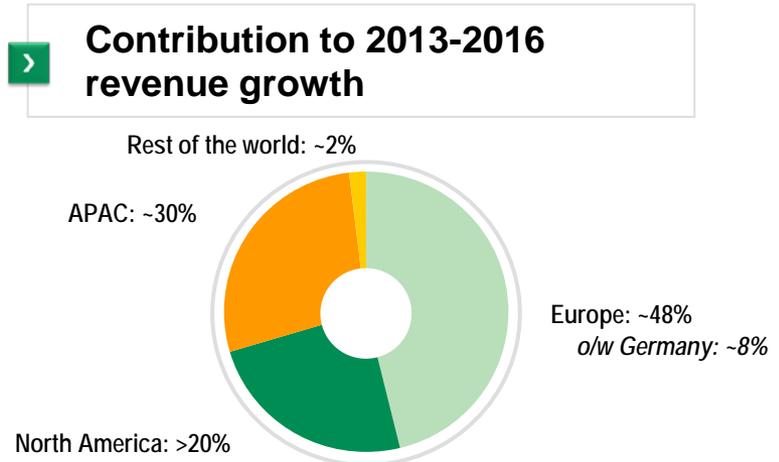
## Ready to support clients and foster growth

<sup>(1)</sup> Business Groups covered by CIB in 2013; <sup>(2)</sup> Based on contribution to 2013 CIB client revenues; <sup>(3)</sup> Europe, Middle-East & Africa; <sup>(4)</sup> Restated



# Three Levers to Expand Client Franchise

- Leverage strong European home base
  - European leader for corporate financing: #1 DCM in euro<sup>(1)</sup>, #1 bookrunner syndicated loans<sup>(2)</sup>
  - #1 Corporate bank in Europe<sup>(3)</sup>, with an extensive transaction banking network
  - German plan to consolidate our top position in Europe: +75% clients in Germany by 2016
  - Capitalise on European leadership to develop US distribution
  
- Capture cross-border flows
  - Strong cash management and trade finance
  - Provide European companies with financing and banking solutions outside Europe
  - Strategic partner of MNCs<sup>(4)</sup> looking for a pan-European flow banking solution
  
- Gain clients outside Europe
  - Regional push in APAC and North America
  - Focused presence in Latin America and MEA
  - Incremental revenues: >50% outside Europe by 2016

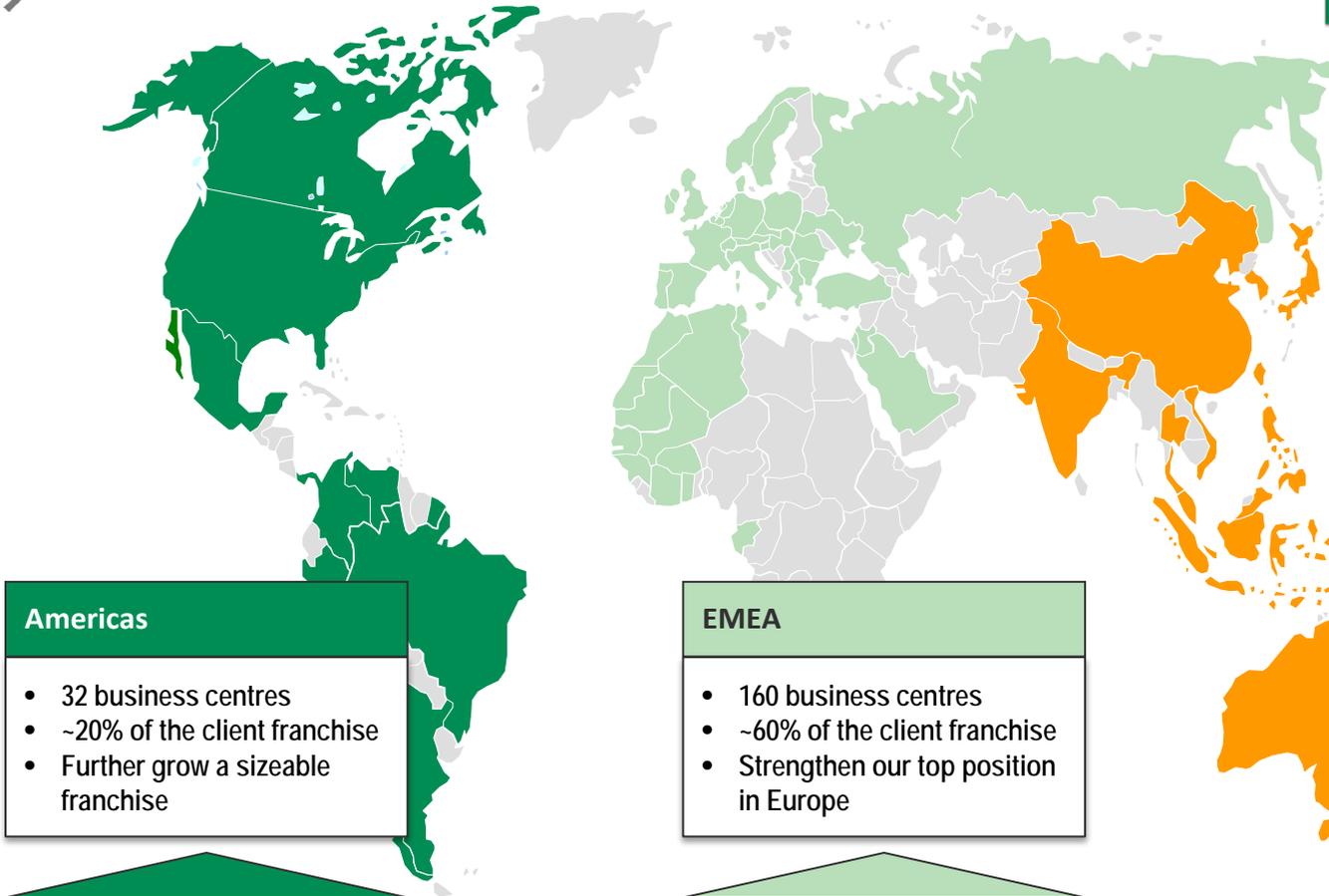
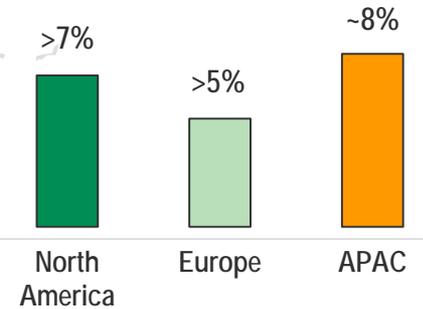


<sup>(1)</sup> Thomson Reuters volume 2013; <sup>(2)</sup> Dealogic EMEA volume 2013; <sup>(3)</sup> Greenwich Share Leader 2014 (Large Corporate Banking market penetration); <sup>(4)</sup> Multinational companies



# Geographical Plans Tailored to Local Specifics

2013-2016 revenue growth by region (CAGR)



**Americas**

- 32 business centres
- ~20% of the client franchise
- Further grow a sizeable franchise

Bank of the West

**EMEA**

- 160 business centres
- ~60% of the client franchise
- Strengthen our top position in Europe

Domestic Markets  
Europe-Mediterranean

**APAC**

- 24 business centres
- ~20% of the client franchise
- Broaden and deepen footprint in APAC markets

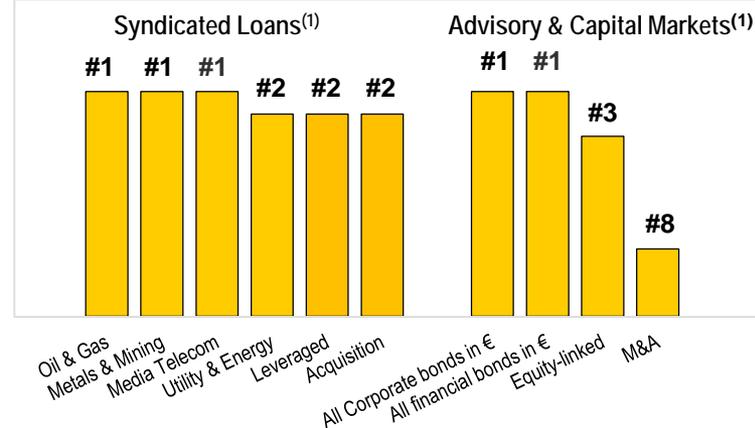
Wealth Management  
Securities Services



# Bring More Value to Clients Across our Expertise

- Evolution towards an integrated debt platform
  - Offer best in-class financing solutions
  - Leverage our unique network in Europe with origination teams closer to clients
  
- Enhance sectorial coverage
  - Strong expertise in Energy, Media Telecom, Transportation, Real Estate, Metals & Mining
  - Recognised European advisory franchises (M&A, Equity-linked and ECM)
  - Merge various existing sectorial products and coverage teams into product-neutral sectors
  
- Design state-of-the-art client solutions
  - Segment our capital market offering and promote efficient low touch execution systems
  - Combine Capital Markets and Securities Services expertise to address new market regulations (derivatives clearing joint business unit)

## > Ranking EMEA 2013



## > Case study: Aviation Finance

- USD5.2bn originated in 2013 through 45 deals (of which USD2.8bn in bonds)
- Over 70% of the total amount distributed
- "Aircraft leasing Innovator" in GTF award<sup>(2)</sup>

 Asset Backed Secured Notes USD636m Joint Lead Bookrunner September 2013	 Japanese Operating Lease for 7 aircrafts USD450m Global Arranger 2013	 Asset Backed Secured Term Loan USD650m Joint Lead Arranger January 2013
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<sup>(1)</sup> Thomson Reuters volume/Dealogic volume; <sup>(2)</sup> Global Transport Finance awards Nov.2013



# Further Optimise our Operating Model

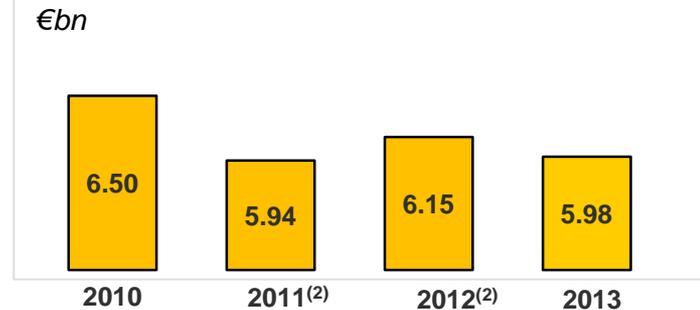
- Disciplined cost management

- Cost savings of ~€1bn<sup>(1)</sup> since 2010 with the 2011-2012 adaptation plan further pursued through S&E
- Impact of increased taxes (+€128m), adaptation costs to new regulations and investments in development plans (~€120m in 2013)

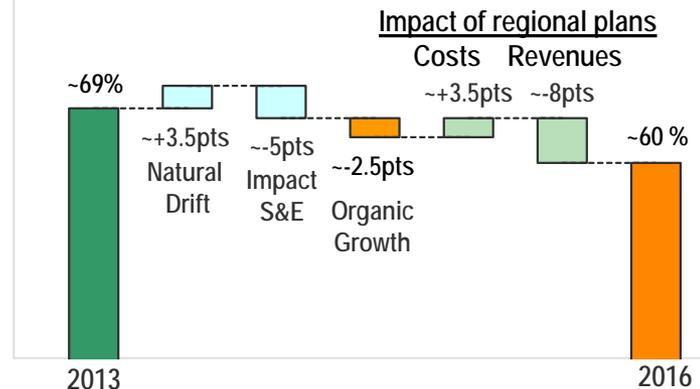
- Improve efficiency to support development

- S&E: additional savings of ~7% of the 2013 cost base more than offsetting the natural drift by 2016
- Some interim adaptation costs to be incurred in 2014-2015 (dual run, adaptation to new regulations)
- Gradual development efforts over the 3 years: only 1/3 of costs planned in 2014

## > 2010-2013 cost evolution



## > 2013-2016 cost/income



**> Target a cost/income of ~60% in 2016**

<sup>(1)</sup> Taking into account the impact of natural drift (inflation...); <sup>(2)</sup> Net of adaptation costs



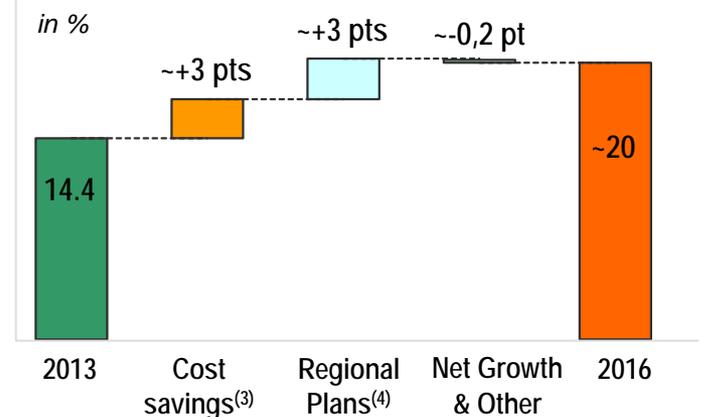
# CIB Key Targets

- Grow revenues and commit resources
  - Expand client franchise: geographic plans represent ~60% of revenue growth
  - Bring more value to our clients
  - Increase wallet share on existing clients
- Optimise our operating model
  - Increase deposit gathering to fund additional commitments: >+11% deposits per year in 2013-2016
  - Manage efficiency thanks to S&E and strongly improve cost/income
- Maintain risk discipline
- Improve profitability
  - Absorb regulatory impact
  - Flexibility and agility in implementation of the plan

## Financial targets

	2013 <sup>(1)</sup>	2016 targets
Revenues	€8,701m	>+6% <sup>(2)</sup>
Cost/income	69%	-9 pts
Allocated Equity	€15.5bn	>+6% <sup>(2)</sup>
Pre-tax RONE	14.4%	20%

## Pre-tax RONE evolution



<sup>(1)</sup> Restated; <sup>(2)</sup> CAGR; <sup>(3)</sup> Simple & Efficient, etc.; <sup>(4)</sup> Development plans (APAC, North America, Germany)



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CIB: A Strong Position for Growth

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## **Corporate Banking**

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Advisory and Capital Markets

Focus on Fixed Income & Currencies

Focus on Global Equities

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Conclusion

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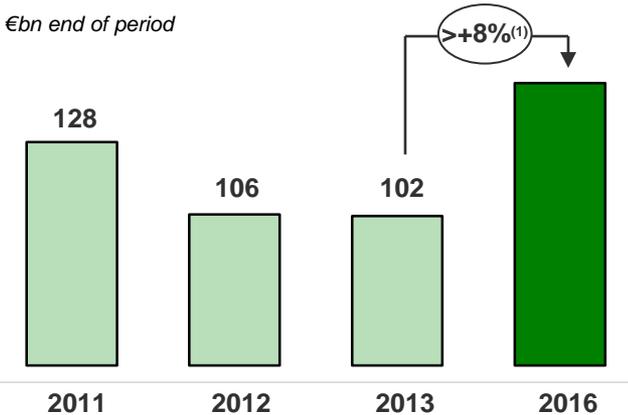


# Corporate Banking: Roll out of the New Model

- Increased agility of balance sheet management
  - Combination of additional commitments and distribution volumes to access larger deals
  - More revenues from fees: ~25% of revenues by 2016 vs. ~20% in 2013 (development in the disintermediated American market and increased distribution)
- Funded assets: >+8% CAGR in 2013-2016
  - With selected clients on the basis of global banking relationships/cross-selling potential
  - Asia Pacific, North America & Germany plans represent half of additional commitments
  - Funded through additional deposits and funding synergies with other Group entities locally (e.g. Germany, APAC...)
- Development of deposits and funding
  - Continue to grow cash management
  - Develop deposit gathering from corporates, institutionals and official institutions

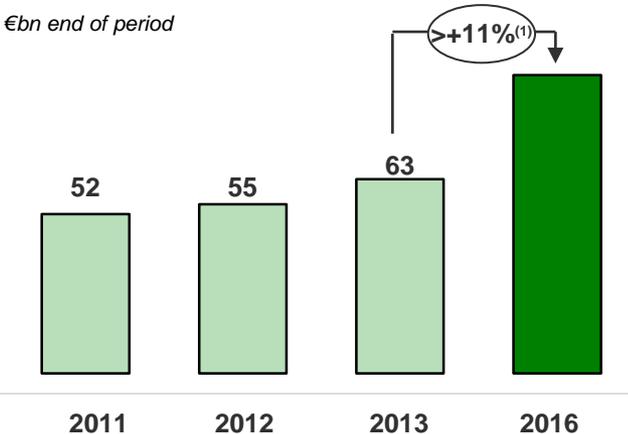
## > 2011-2016 funded assets

€bn end of period



## > 2011-2016 deposits

€bn end of period



# Corporate Banking: Deepen Client Relationships

- Leverage close relationships and leading positions to cross-sell and to provide global solutions to clients

## > Case study: Centric

An integrated electronic platform of front to back transaction banking and flow products incl. trade finance, cash management, FX hedging and research



<https://centric.bnpparibas.com>

### Financing

#1 Syndicated loans EMEA<sup>(1)</sup>  
Top 10 Global syndicated loans<sup>(1)</sup>

### Transaction Banking

#1 Cash management Europe<sup>(3)</sup>  
#4 Cash management worldwide<sup>(4)</sup>  
Tier 1 Trade Finance Europe<sup>(3)</sup>

### Advisory & Coverage

Strong sectorial expertise across products (Transportation, E&C, Media-Telecom, Real Estate, Infrastructures,...)<sup>(1)</sup>

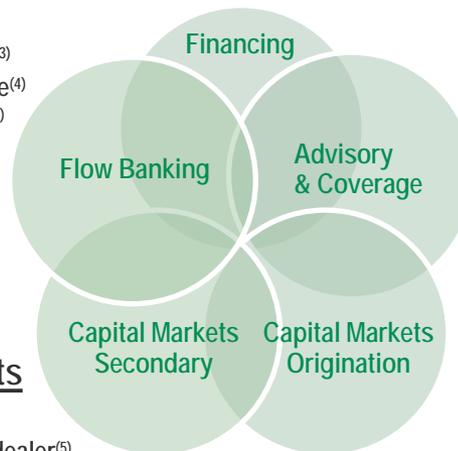
#8 M&A Europe<sup>(1)</sup>  
#13 M&A worldwide<sup>(1)</sup>

### Capital Markets Secondary

#6 All rates derivatives dealer<sup>(5)</sup>  
#2 Forex best bank for Eurozone<sup>(6)</sup>  
Exane BNP Paribas #4 European research<sup>(7)</sup>

### Capital Markets Origination

#1 All bonds in Euros<sup>(2)</sup>  
#8 All international bonds<sup>(2)</sup>  
#10 Domestic US bonds<sup>(2)</sup>  
#3 Equity-linked EMEA<sup>(1)</sup>  
Top 10 ECM EMEA<sup>(1)</sup>



<sup>(1)</sup> Dealogic 2013 volumes; <sup>(2)</sup> Thomson Reuters 2013 volumes; <sup>(3)</sup> Greenwich share leader 2014; <sup>(4)</sup> Euromoney survey 2013; <sup>(5)</sup> Total Derivatives Dealer Ranking 2013; <sup>(6)</sup> FX Week Award; <sup>(7)</sup> Extel June 2013

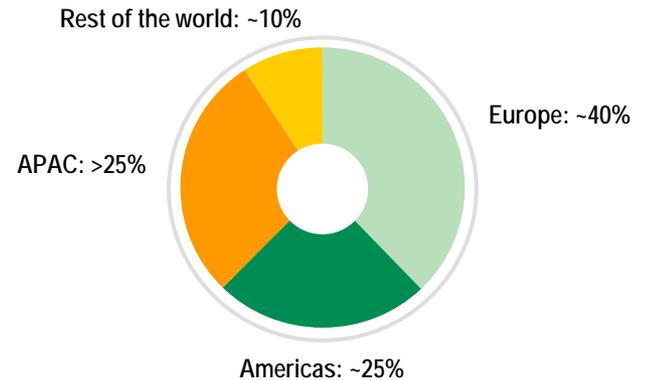


# Corporate Banking: Key Targets

- An ambitious growth target
  - Selective and agile use of balance sheet
  - Continuous adjustment of the platforms to client needs with close regional monitoring
  
- Europe, Middle-East & Africa
  - Focus on Northern Europe: Germany, the Netherlands, Scandinavia,...
  - Stronger specialised approach (Aviation, Export, Acquisition Finance...)
  - Common ambition with Domestic Markets and Europe-Med (Turkey, Poland, MEA)
  
- Asia Pacific: very good start of the plan
  - Strong revenue growth in 2013
  
- North America: a targeted growth plan
  - Reload the activity with targeted sectors and product expertise (e.g. Media, Reserve Based Lending)
  - Develop synergies with BancWest (CIB desk, East coast branch)

Financial targets		
	2013 <sup>(1)</sup>	2016 targets
Revenues	€3,275m	>+8% <sup>(2)</sup>
Cost/income	53%	-5 pts
Allocated Equity	€7.4bn	>+8% <sup>(2)</sup>
Pre-tax RONE	15%	19%

## Contribution to 2013-2016 revenue growth



<sup>(1)</sup> Restated; <sup>(2)</sup> CAGR



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CIB: A Strong Position for Growth

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Corporate Banking

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**Advisory and Capital Markets**

Focus on Fixed Income & Currencies

Focus on Global Equities

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Conclusion

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# Advisory and Capital Markets: Key Targets

- Sound base in a challenging context for the industry
  - A profitable platform which has already started its adaptation to new challenges
  - A strong focus on corporates, institutionals and investor client needs
- Revenue growth: >+5% CAGR
  - Fixed Income, Currency & Commodities (FICC): >+7% CAGR from a low 2013 base
  - Advisory & Equities: >+2% CAGR from a favourable 2013 base
- Strong cost management
  - Cost/income ratio down by 9 pts by 2016 despite increased regulatory and control costs
- Increase profitability in the new regulatory framework

Financial targets		
	2013 <sup>(1)</sup>	2016 targets
Revenues	€5,426m	>+5% <sup>(2)</sup>
Cost/income	78%	-9 pts
Allocated Equity	€8.1bn	>+3% <sup>(2)</sup>
Pre-tax RONE	13.9%	>20%



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CIB: A Strong Position for Growth

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Corporate Banking

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Advisory and Capital Markets

**Focus on Fixed Income & Currencies**

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Conclusion

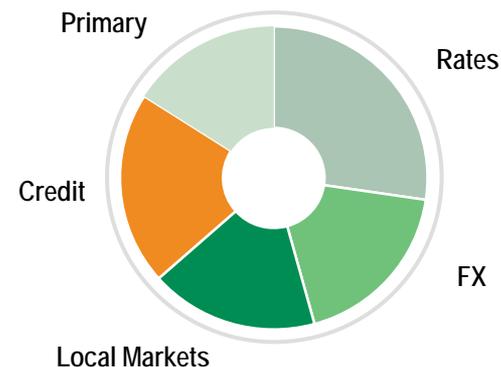
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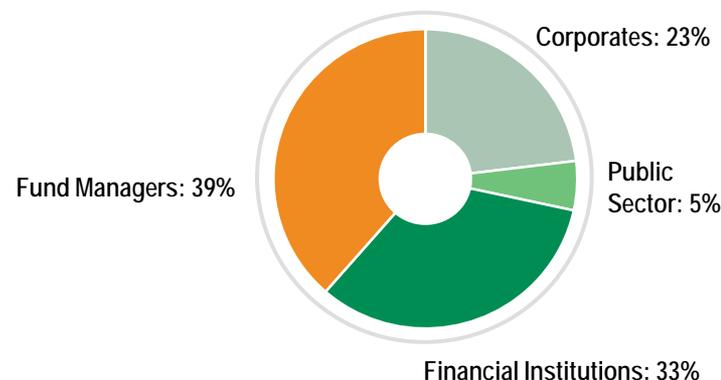
# Fixed Income & Currencies: a Global and Diversified Franchise

- Top 5 franchise in Europe and top 10 globally<sup>(1)</sup>
  - Undisputed leader in Euro bonds: #1 since 2009<sup>(2)</sup>
  - #5 in FX Options globally, #5 in FX emerging markets<sup>(3)</sup>
  - Leading European govies platform, #3 globally in IR Options<sup>(4)</sup>
  - Credit Derivatives House of the Year 2013<sup>(5)</sup>
- Balanced franchise providing two broad sets of services
  - Origination, distribution and trading of bonds
  - Structuring, distribution and trading of hedging products (FX, Rates and Credit)
- Diversified client base, overweight corporates
  - Large corporate client base with a stable revenue profile (~25% for BNPP vs. ~15% for the industry client pool<sup>(6)</sup>)
  - Balanced investor client base across public sector, financial institutions and fund managers
- Integrated global platform
  - Powerhouse in the Eurozone; depth in a number of strategic markets (Turkey, Brazil, China, Japan)
  - Globally managed business lines with the ability to bring depth of regional expertise to clients

## 2013 revenues by product<sup>(7)</sup>



## 2013 revenues by client segment<sup>(7)</sup>

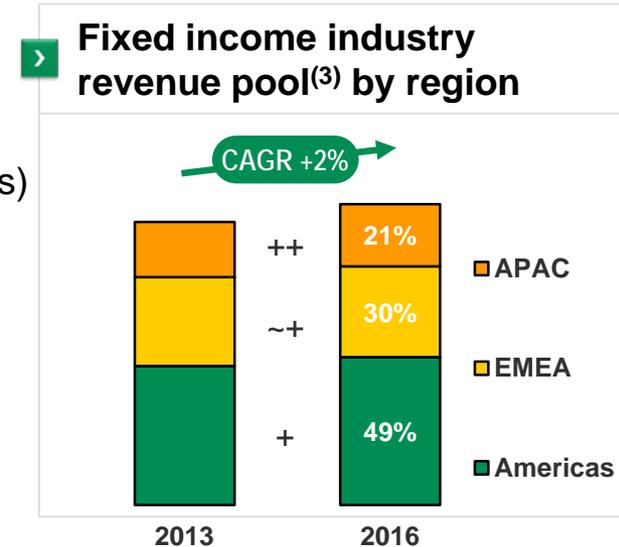


<sup>(1)</sup> FICC and DCM peers' reported revenues for FY 2013; <sup>(2)</sup> Thomson Reuters volume; <sup>(3)</sup> Euromoney 2013; <sup>(4)</sup> Interest Rate Options, Risk Magazine institutional survey 2013; <sup>(5)</sup> Derivatives Week 2013; <sup>(6)</sup> Management Data and Oliver Wyman 2012; <sup>(7)</sup> Management Data



# Supportive Environment in the Medium-Term Despite Immediate Challenges

- Regulatory changes significantly impacting the industry
  - OTC markets reforms (e.g. SEFs/OTFs<sup>(1)</sup>, clearing, initial margins)
  - Bank structure reforms (e.g. Dodd-Frank, FBO<sup>(2)</sup>, Banking laws)
  - Basel 3 (e.g. leverage ratio, LCR, trading book review)
- Modest growth of Fixed Income revenue pool by 2016
  - Revenue pool expected to grow +2% CAGR 2013-2016
  - Growth driven by APAC and Americas; Europe expected to recover
  - Fixed Income still represents more than 50% of the global CIB industry fee pool<sup>(3)</sup>
- Strong demand in the medium-term
  - Lending disintermediation in Europe
  - Deepening of financial markets
  - Increase in global trade
  - Ageing population (growth of pension funds, life insurance, etc.)
- Changing competitive landscape: an opportunity to gain market share

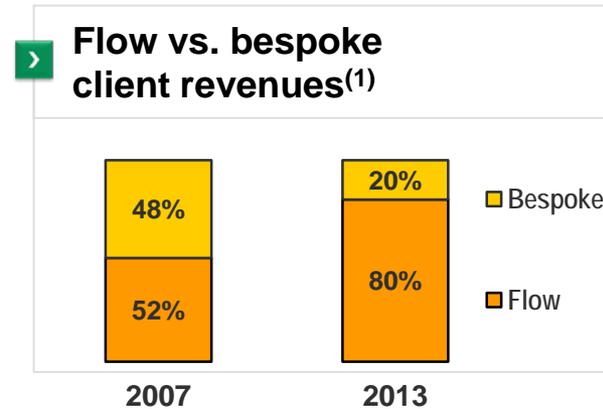


<sup>(1)</sup> Swap Execution Facilities / Organised Trading Facilities; <sup>(2)</sup> Foreign Banking Organisation; <sup>(3)</sup> Coalition 2013 (Rates, Credit, FX and DCM), BNPP internal analysis



# Actively Adapting Business Model to new Market Structure

- Responding to challenges from a position of strength
  - Adaptation plan to Basel 3 completed
  - Already rebalanced the platform towards flow products
  
- Investing in technology to prepare for the future
  - Strong track record on Cortex/Centric, our e-trading platforms
  - Upgrading our e-trading capabilities in Rates and Credit
  - Investment in venue connectivity and client access solutions
  - Growing our derivatives clearing offering (listed and OTC), in cooperation with Securities Services
  
- Adapting the business model
  - Differentiate coverage and service model based on client profile
  - Provide competitive electronic execution services, optimising the balance between agency and principal models
  - Develop dedicated e-sales teams to drive volumes on our platforms
  - Drive operational efficiencies to reduce the transaction costs



➤ **Cortex: key awards**

THE 2012 PROFIT & LOSS DIGITAL FX AWARDS  
**Best Research Portal**

THE 2013 PROFIT & LOSS DIGITAL FX AWARDS  
2013 Profit & Loss Innovation Award

THE 2013 PROFIT & LOSS DIGITAL FX AWARDS  
Algo Provider of the Year

**Winner**  
**FX-Week**  
e-FX Awards 2013  
Most innovative bank e-trading platform

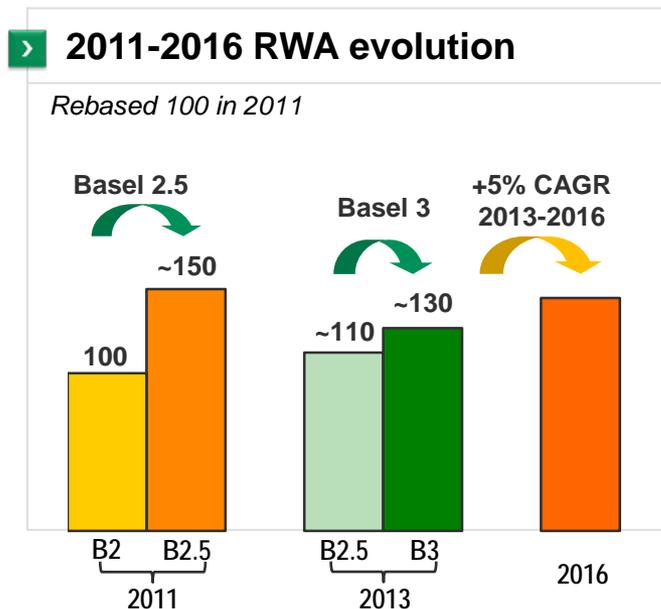
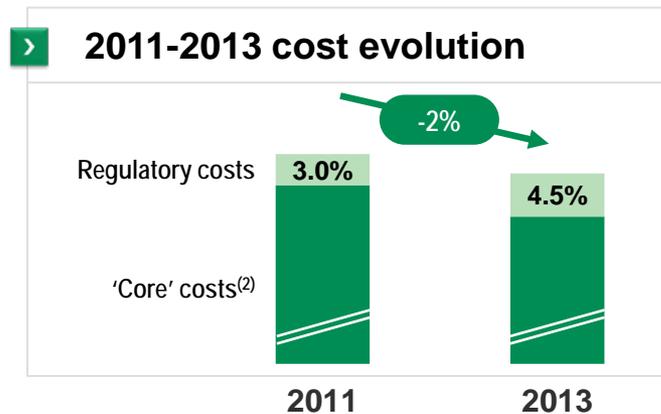
**Winner**  
**FX-Week**  
e-FX Awards 2013  
Best algorithmic trading technology provider

<sup>(1)</sup> Management Data



# Managing Resources Efficiently

- Continue strong cost discipline through S&E
  - Achievement to date: total costs 2% below 2011, while absorbing a 38% increase in regulatory costs
  - Realise cost savings from IT investments and migration of derivatives to CCPs<sup>(1)</sup>
  - Simplify processes and eliminate duplication
  - Leverage technology to adapt platforms and resources
  
- Managing financial resources to support growth
  - Deleveraging completed since 2012 and proactive adaptation to Basel 3
  - Cost of scarce resources (capital, liquidity, funding) charged at deal level, driving efficient pricing decisions
  - Natural roll-off of unproductive RWA-intensive trades to come in the next few years
  - Room for RWA and balance sheet growth to support market share gains



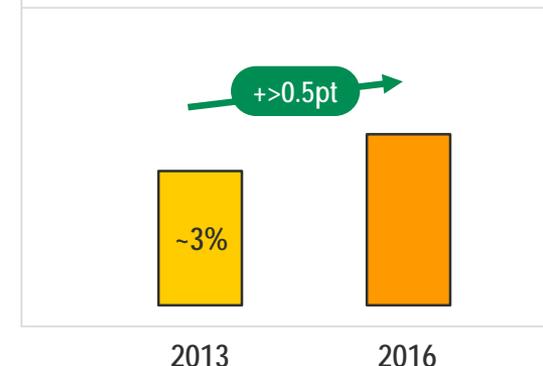
<sup>(1)</sup> Central counterparties; <sup>(2)</sup> Excluding variable compensation; at constant exchange rates (management data)



# Focused Revenue Growth in our Areas of Strengths

- Deepen relationships with existing client base
  - Implement an industrial approach to client relationship, aligning resources to each accessible client wallet
  - Cross-sell Rates & FX hedging products to the Group's sizeable corporate client base via electronic channels (e.g. Centric)
  - Increase institutional wallet share in flow to capture block orders
- Grow products where the Group has a differentiated capability
  - Become top 3 in primary and secondary Credit in Europe capitalising on disintermediation
  - Build on our strong European presence to increase market share in government bond market-making
  - Grow share in bespoke derivatives, leveraging our strong derivatives DNA and capitalising on peers' exit
  - Local Markets: leverage Rates & FX strengths to grow Credit platform and drive global distribution
- Capitalise on the Group's regional development plans
  - Asia: leverage relationships with MNCs and large local clients
  - Germany: develop new corporate relationships
  - North America: develop relationships with large investors and corporates

## Target market share gain<sup>(1)</sup>



**Gain >0.5 point of global market share**

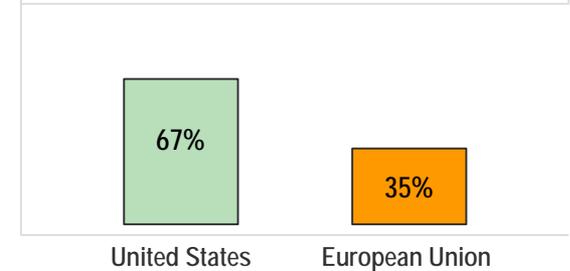
<sup>(1)</sup> Coalition (Rates, Credit, FX, EM, DCM) and management data



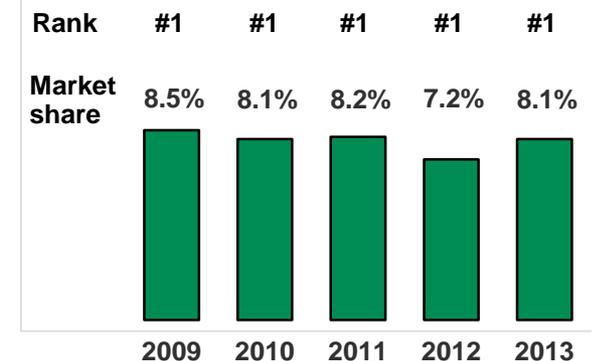
# Well Positioned to Grow the DCM Franchise Globally

- BNP Paribas' competitive advantages
  - Undisputed leader in euro bonds, #1 since 2009, and #8 all international bonds in 2013<sup>(1)</sup>
  - Global corporate client base, with depth in domestic markets
  - #1 in corporate Investment Grade and #6 in High Yield in Western Europe<sup>(2)</sup>
- Capitalise on European bank lending disintermediation
  - Benefit from global Group effort on corporates and dedicate additional resources to the mid-cap segment
  - Further develop High Yield and private placement capability
- Strong push on financial institution clients in Europe
  - Dedicated resources and increased underwriting capacity
  - #4 in financial institutions in Western Europe in 2013<sup>(2)</sup>
- Capitalise on the Group's Asia growth plan to gain share
- Grow market share with US Investment Grade corporates
  - Leveraging existing and new Group relationships
  - #10 in US domestic bonds in 2013<sup>(1)</sup>

## > Financing of corporates via capital markets<sup>(3)</sup>



## > BNPP Primary Euro bonds<sup>(1)</sup>



<sup>(1)</sup> Thomson Reuters volume; <sup>(2)</sup> Dealogic fee rankings 2013; <sup>(3)</sup> McKinsey Global Institute



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CIB: A Strong Position for Growth

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Corporate Banking

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Capital Markets & Advisory

Focus on Fixed Income & Currencies

**Focus on Global Equities**

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Conclusion

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# Equities: Diversified Activities and Global Presence

## ● Diversified activities

- Structured Equity: structured savings products for retail and private banks and strategic solutions for corporates and institutions
- Flow and Prime Brokerage: flow derivatives and services for professional investors
- Market-making: providing liquidity to ensure smooth, efficient and consistent functioning of markets

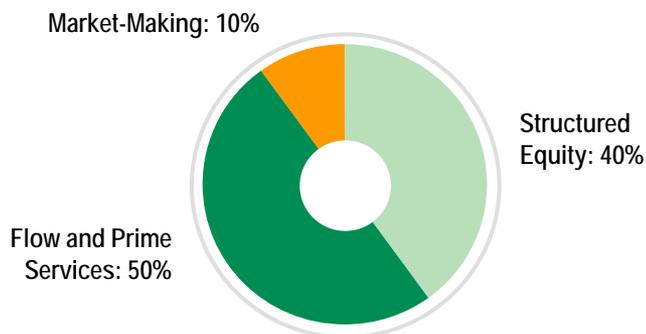
## ● Large client base

- ~1,000 banks and retail distribution networks, ~200 corporates and official institutions
- More than 1,000 fund managers, around 100 pension funds and 200 insurance companies

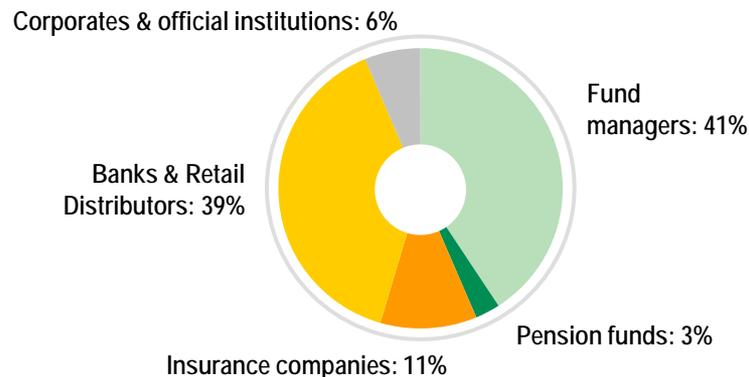
## ● Balanced global presence

- ~50% of revenues coming from Europe, ~25% from Americas and ~25% from Asia

### > 2013 revenues by activity



### > 2013 revenues by client segment



**Balanced business model based on client needs**



# BNP Paribas: a Leader in Equity Derivatives

- Leading franchises in Equity Derivatives
  - Structured Products House of the Year<sup>(1)</sup>
  - Leading Flow provider in Europe<sup>(2)</sup>
- A strong international set up
  - More than 1,000 front office professionals, of which 400 sales and 200 in research and structuring
  - Located in the Americas, Europe and Asia
  - ~1,800 IT, risk and mid- & back-office professionals
- A culture of innovation in products and technology
  - Investment in online platforms (e.g. Smart Derivatives)
  - Most Innovative Bank for Equity Derivatives<sup>(4)</sup> and Best Wholesale Bank for Technology innovation<sup>(5)</sup>

## Rankings and awards

Structured Products: #2 worldwide, #3 in Europe<sup>(3)</sup>

Flow Derivatives: #4 worldwide, #1 in Europe<sup>(3)</sup>

Awards:



## Smart Derivatives platform

A one-stop shop online platform for structured products launched in May 2012: >300 firms onboarded in 29 countries; 100,000 pricings per month; 3,000 trades per month

3 major industry awards:



## Solid foundations for future development

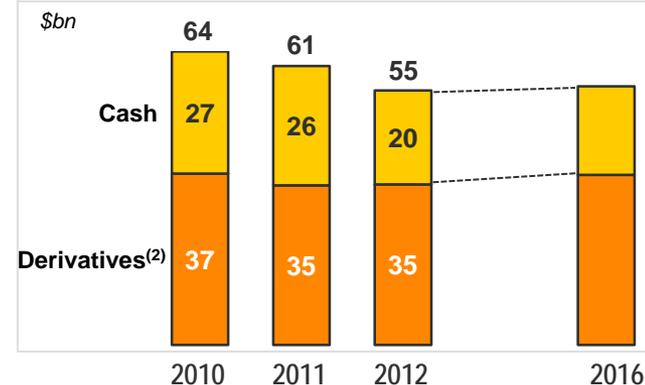
<sup>(1)</sup> Structured Products Europe Awards 2013; <sup>(2)</sup> Greenwich 2013; <sup>(3)</sup> Coalition; <sup>(4)</sup> The Banker 2013 Invest. Banking Awards; <sup>(5)</sup> Euromoney Global Awards 2013



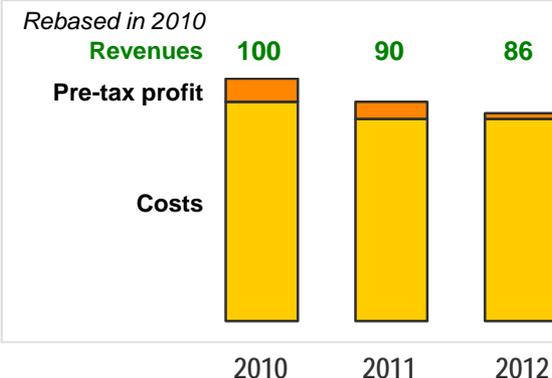
# A Challenged Global Equities Industry

- Crises and new constraints reshaped the industry
  - Industry revenues steadily decreasing from 2010 to 2012, led by cash equities decline
  - Derivatives revenue pool expected to grow moderately in the next 3 years (~1.5% per year)
  
- Industry profitability under pressure, only a handful of players are profitable
  - Margins and volumes decreasing
  - Switch to electronic platforms and streamlining of set up
  - New constraints increasing the cost of doing business
  
- BNP Paribas generates a high profitability
  - Focus on derivatives with a more stable revenue pool than cash equities

## > Equities industry revenue pool<sup>(1)</sup>



## > Equities industry profit pool<sup>(3)</sup>



**BNP Paribas well positioned and highly profitable**

<sup>(1)</sup> Coalition and BNP Paribas estimates (2016); <sup>(2)</sup> Including Convertibles, Prime Services and F&O; <sup>(3)</sup> Oliver Wyman 2013



# Early and Swift Adaption to Market Trends

**2007**

**2011**

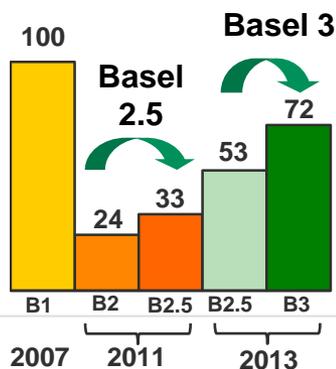
**2013**

**BNP Paribas' adaptation**

- Strong reduction of RWA (2007-2011) to adapt to Basel capital requirements
- Sevenfold reduction in funding usage
- Efficiency gains at front office to adapt to decline in revenue pool
- Launch of electronic platform (Smart Derivatives) to adapt to changing client demand
- Set up innovative distribution partnerships
- Leverage cost efficient set up to attract portfolios of exiting players

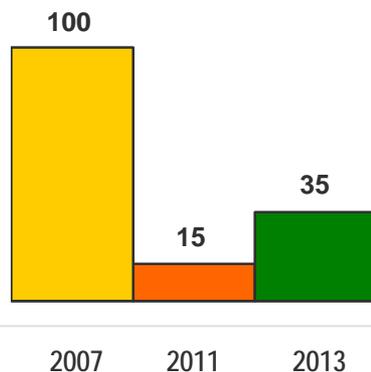
**> Risk-weighted assets<sup>(1)</sup>**

Rebased 100 in 2007



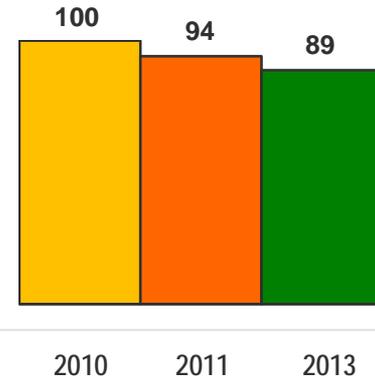
**> Funding (all currencies)**

Rebased 100 in 2007



**> Costs**

Rebased 100 in 2010



**> Anticipate on constraints and regulations**

<sup>(1)</sup> Excluding operational risk



# A Consolidation of the Industry

- Some players decided to reposition their equity business
  - Overcapacity in Equities globally, in particular in Europe<sup>(1)</sup>
  - Some banks reviewed their portfolio of activities and retrenched from some business segments
- BNP Paribas selectively participated to the consolidation
  - Facilitate the transition of some players
  - An edge in successfully managing this type of process thanks to a proven track record
  - Macquarie in 2012, CA-CIB in 2013 and the recently signed transaction<sup>(2)</sup> with RBS (February 2014)

## BNP Paribas' consolidation transactions



Acquisition of Macquarie's European Structured Products and Exotics



Hedging and full servicing (MO/BO/Finance) of Credit Agricole Equity Derivatives



Transfer from RBS to BNP Paribas of a portfolio of Structured Investment Products and Equity Derivatives



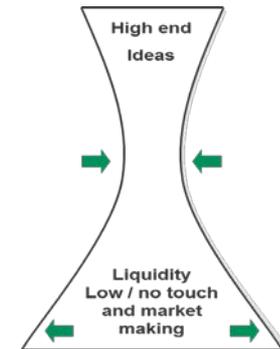
## A disciplined and selective approach



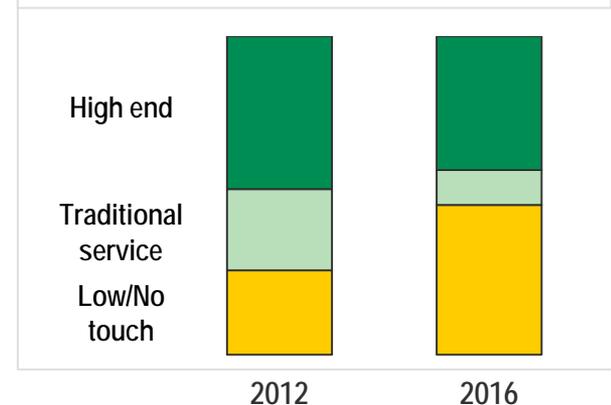
# Continue the Adaptation to new Client Demand

- Clients demand differentiating
  - High end: customised bespoke solutions, ideas and capital commitment
  - Low touch: high volume or small size transactions requiring low cost and efficient product delivery
  - Same client can require both approaches
  - In between traditional servicing shrinking
- Further roll out a low cost automated platform
  - A straight-through-processing execution platform (including e-pricing, e-booking, direct confirmation)
  - Client oriented technology (e.g. e-channels, downstream integration)
  - New solutions designed with Securities Services (e.g. clearing, collateral management, cross-margining)

## > Evolution of client demand



## > Industry client revenues<sup>(1)</sup>



## A new segmentation of the market



# Key Priorities for 2016

- Gain market shares thanks to a marketing drive adjusted to clients' new needs

Client Segments	Actions	2016 targets
Retail and Private banks	<ul style="list-style-type: none"> <li>• Continue to develop electronic platforms to deliver the required low touch structured products in an efficient and profitable way</li> </ul>	#1 in Europe, Top 3 in Asia and Top 5 in the US
Asset Managers, Pension Funds and Insurance Companies	<ul style="list-style-type: none"> <li>• Invest further in innovation capabilities (research, structuring,...) to provide high end and low touch services, both required by the Tier 1 clients</li> </ul>	Top 3 global provider of Equity Derivatives
Alternative Investment Funds	<ul style="list-style-type: none"> <li>• Provide both high end and low touch products and services</li> <li>• Continue the global development of the Prime Brokerage platform and extend its product range</li> </ul>	Global provider of Prime services

- Improve cost/income through an adapted set up
  - Develop an e-commerce mind-set
  - Maintain stable costs for Global Equities by 2016 in nominal term
  - Optimise Group platforms: synergies to be developed with Securities Services



**Generate an attractive return**



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CIB: A Strong Position for Growth

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Corporate Banking

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Capital Markets & Advisory

Focus on Fixed Income & Currencies

Focus on Global Equities

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**Conclusion**

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# Key Take-Aways

- A strong position to grow after an early adaptation to Basel 3
  - Capitalise on Group's top position in Europe, in a context tending towards concentration
  - Regional push in Asia Pacific and North America
  - Leverage our global reach to capture cross-border flows
- Develop our revenues and commit additional balance sheet resources
  - Increase wallet share on existing clients stepping up cross-selling
  - Expand client franchises, notably with financial institutions and investors
  - Bring more value to our clients through sectorial expertise and bespoke solutions
- Increase profitability on a sustainable basis
  - Sharply improve efficiency (implement S&E initiatives on operating platforms)
  - Increase the velocity (asset rotation) of our balance sheet
  - Act as a responsible bank with all clients





# Asia Pacific Maintain Momentum

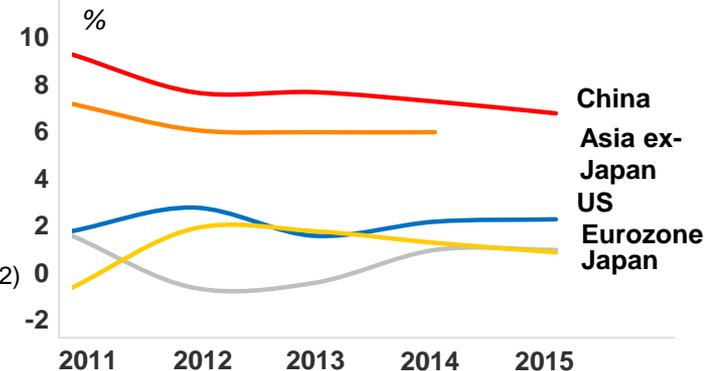
**Eric Raynaud**  
Head of the Asia Pacific Region



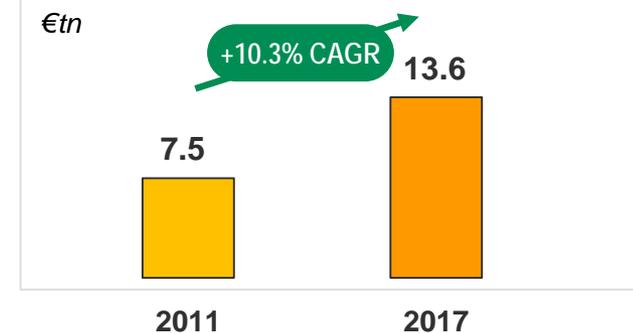
# Why is Asia Important for BNP Paribas Strategy?

- A fast growing market
  - Asian growth: +6% in 2014 vs. 3% for the global economy
- An increasing share of world trade
  - Over 35% of world trade by 2020 vs. 25% in 2001<sup>(2)</sup>
  - Asia-Europe flows: +10% per year over the next 10 years<sup>(2)</sup>
- A key growth area for corporates
  - 58 out of 100 global challengers are coming from Asia<sup>(2)</sup>
  - Large European corporate clients generate over 20% of their turnover in Asia<sup>(4)</sup>
- Progressive internationalisation of RMB
  - Moving from trade currency to investment and reserve currency
  - China: 2<sup>nd</sup> largest equity market in the world<sup>(5)</sup>, and 3<sup>rd</sup> largest bond market in the world<sup>(6)</sup>

> GDP growth rates<sup>(1)</sup>



> Asian wealth pool 2011-2017<sup>(3)</sup>



**BNP Paribas well placed to capture this growth**

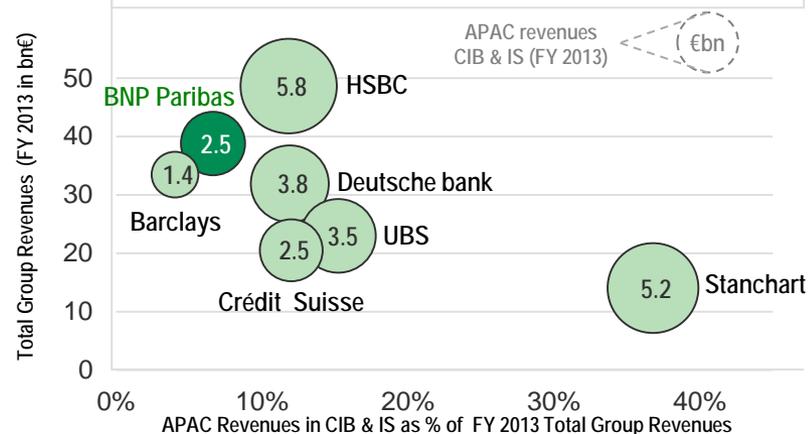
<sup>(1)</sup> BNPP forecasts; <sup>(2)</sup> BCG; <sup>(3)</sup> Roland Berger; <sup>(4)</sup> Internal estimates; <sup>(5)</sup> Bloomberg 2014; <sup>(6)</sup> Bloomberg HSBC 2014



# BNP Paribas: a Recognised Player in Asia Pacific

- An already sizeable footprint
  - Presence in 14 countries (12 full banking licences)
  - More than 8,000 employees<sup>(1)</sup>
- 24 business centres ideally positioned to serve
  - Asian clients' needs in the region and globally
  - European and US clients in Asia
- Large CIB and Investment Solutions presence
  - Significant franchises in cash management, trade, capital markets and diversified services to investors
- A strong and diversified client base
  - ~2,000 corporate clients, ~700 MNCs<sup>(3)</sup>
  - ~700 investors and >5,000 private banking clients
- Successful long-lasting partnerships
  - China: Bank of Nanjing, Haitong Securities
  - Korea: Shinhan Financial Group
  - State Bank of India, Taiwan Cooperative Bank

## > Benchmark vs. European peers in Asia<sup>(2)</sup>



## > 24 business centres



**> One of the best positioned international banks**

<sup>(1)</sup> Excluding partnerships; <sup>(2)</sup> Disclosed figures in companies reports 2013, Deutsche bank 2013 estimates based on 2012 breakdown; <sup>(3)</sup> Multinational Companies



# Roadmap for BNP Paribas in Asia Pacific

- Continue to reinforce our footprint
  - Better anchored in Asian economies, enlarging our Asian customers client base
  - Serve more the subsidiaries of our MNC clients
  - Develop relations with investors and asset owners in Asia and sell Asian markets in the rest of the world
  - Leverage partnerships to access retail customers
- Targeted approach
  - Specific focus: local corporates with international needs, financial institutions and wealthy individuals
  - Specific focus on China, India and Indonesia on top of our current hubs (HK, Singapore)
- Cross-selling at the heart of the plan
  - Between CIB and Investment Solutions and within different Group businesses

## > Growth targets adapted to each country



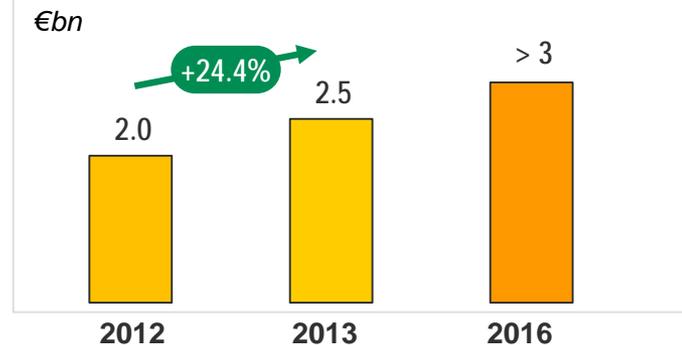
## > Strengthening platforms to build future development



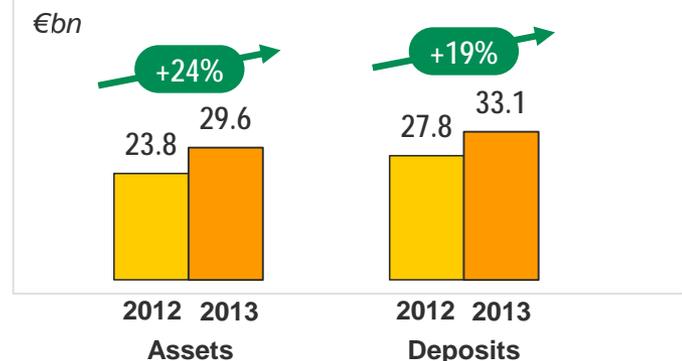
# APAC plan: Where do we stand in December 2013?

- Generate over €1bn additional revenues by 2016<sup>(1)</sup>
  - +24.4% in 2013, with strong growth in all CIB and key achievements for Investment Solutions
- Strengthen the workforce (~+1,300 staff in 3 years)
  - ~+400 net increase of FTEs in 2013
- Grow financed assets (>50% in four years) with parallel increase in deposits gathering
  - Strong growth of both commercial assets and deposits thanks to a complementary mix of businesses
- Development of new partnerships in 2013
  - China: Bank of Nanjing (consumer finance and leasing), Bank of Beijing (insurance) and Geely (car financing)
  - Insurance: several partnerships signed in Korea and in Vietnam

## > CIB & IS revenues



## > Commercial assets and deposits<sup>(2)</sup>



**A strong first year in the execution of the plan**

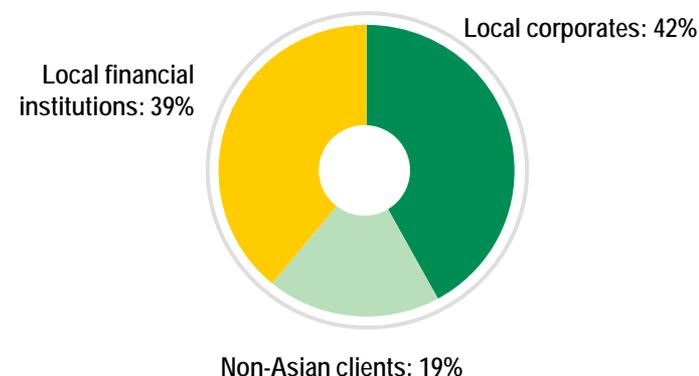
<sup>(1)</sup> Vs. 2012; <sup>(2)</sup> Corporates, Wealth Management and Securities Services (excluding wholesale deposits)



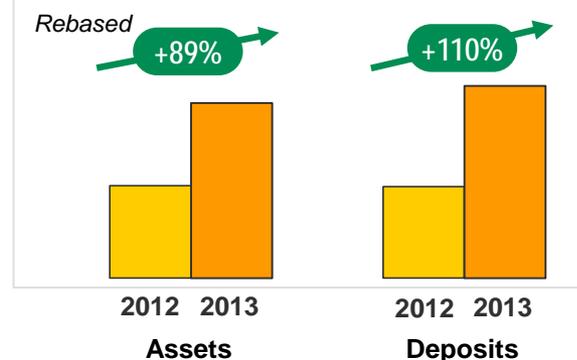
# Selectively Reinforcing our Footprint

- Enlarge our footprint in Asian economies
  - Leverage and deepen the existing strong franchises with large Asian corporates
  - Pearl River Delta initiative in China, aiming at export-based Guangdong corporates
  - Launching a local corporate banking effort in specific areas in India (Mumbai, Delhi), backed by stable deposits
  - Launch of a dedicated initiative in Indonesia to increase business with local corporate clients
- Roll out One Bank for Corporates in Asia
  - 350 new clients on-boarded in 2013
  - A team of more than 50 professionals in main locations, dedicated to MNCs
  - Regional account managers to support clients which have a regional structure (e.g. regional treasury centre)
  - Focus on corporate banking needs (cash management, trade, flow hedging solutions)

## 2013 CIB client revenues



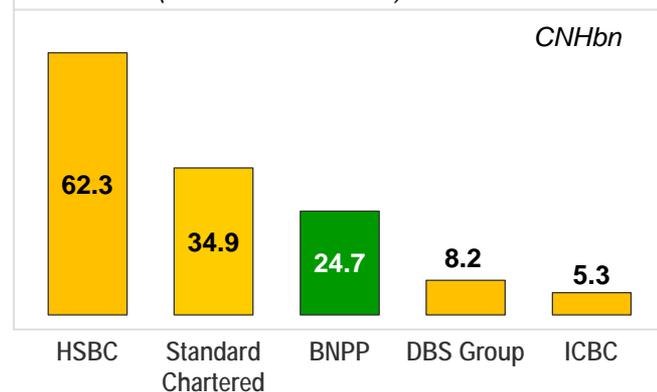
## India initiative



# Maintain Strong Momentum (1/2)

- Develop cash management and trade solutions
  - Launch in 2013 of Centric, the Group flow banking electronic platform (forex, payments, deposits, trade)
  - Further enhance our local capabilities with a 3 years investment plan (70m€)
- Develop further our commodities platform
  - Overall best regional commodities derivatives, Overall best regional commodities research and Overall best regional commodities sales<sup>(2)</sup>
- Reinforce Debt Capital Market platform
  - Take advantage of the growing access to capital markets by local corporates
  - Leverage our leading position on “Dim sum” bonds
- New CIB sector approach already implemented
  - Integrated sectors: Energy and Natural Resources, Transportation, Real Estate

> **League table “Dim sum” bonds<sup>(1)</sup>**  
FY13 (CNH/offshore RMB)



> **Landmark transactions**

 <b>vallourec</b> Vallourec (Changzhou) Oil & Gas Premium Equipments Co., Ltd. Pan China Cash Management Mandate March 2013	 <b>Marubeni</b> Acquisition of a 50% stake in GDF Suez Portuguese platform Exclusive Financial Advisor to Marubeni August 2013	 <b>airtel</b> Bharti Airtel Limited USD1.5bn 10Y Reg-S EUR1bn 5Y Reg-S CHF350m 6Y Joint Bookrunner March, December 2013 March 2014
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## Leveraging on competitive strengths

<sup>(1)</sup> IFR/Thomson Reuters; <sup>(2)</sup> AsiaMoney 2013



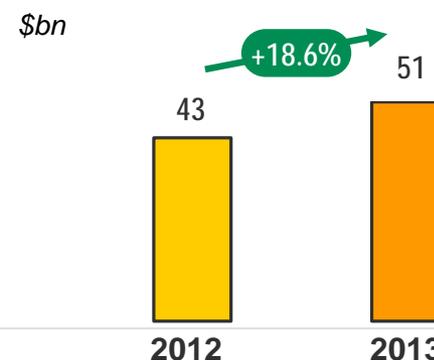
# Maintain Strong Momentum (2/2)

- Increase client base in Wealth Management
  - >600 new clients gained in 2013
  - Institutionalise links with CIB on referrals and deals
  - “Best foreign Private Bank” in Hong Kong in 2013<sup>(1)</sup>
- Continue to build up the Securities Services platform
  - Growing player, 4<sup>th</sup> consecutive year of investments in the region recognised by several major awards
  - Providing large regional players (e.g. AMP, Nikko AM) and global players (e.g. Aberdeen) with full solutions
  - Support RMB internationalisation through QFII/RQFII<sup>(2)</sup> business liaising with other Group entities
- Expand the Insurance franchises
  - New partnerships signed in China and Vietnam in 2013
  - Leverage strategic alliances (covering ~230m potential clients)
  - Enter into new distribution channels (retailers, automobile and web)



## Develop offering for investors

### > Wealth Management: AuM



### > Securities Services: awards



Best custody specialist Asia  
2 years in a row

Best transfer Agent

Best Middle office  
outsourcing mandate



Top rated in sub custody  
2013 survey for 4 countries:

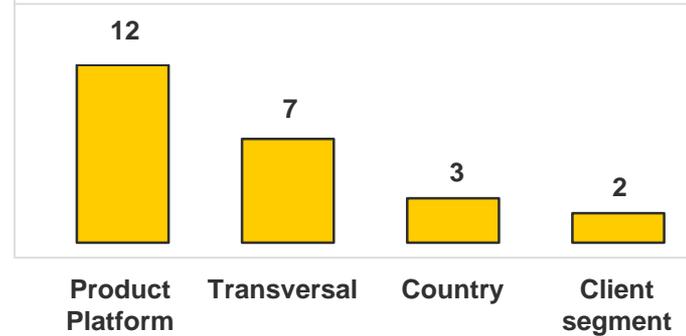
Australia  
Hong Kong  
India  
Singapore



# Key priorities

- Capitalise in 2014 on the good start of the plan
  - Deepen our local corporate and MNC franchises
  - Institutionalise cross-selling and cross referrals to accelerate growth
  - Further develop our partnerships
- Investing with a sustainable long term vision
  - Overall staff growth with selectivity and flexibility
  - A new training campus for the region (located in Singapore) and specific learning tracks
  - Continue to invest in IT and platforms
  - Maintain the cost/income at 2013 level
- 2016 Targets
  - Increase the already significant positive contribution to the Group pre-tax profit
  - Strengthen the franchise in the long term

➤ **24 programmes launched to monitor APAC growth**



➤ **A plan well underway**



# Investor Day 2014-2016 Business Development Plan



**Jean-Laurent Bonnafé**  
Chief Executive Officer



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

24 March 2014

# BNP Paribas well positioned to support its clients

**European leader in all its businesses and global presence**  
**Cross-selling at the heart of the model**  
**Complete range of products and strong focus on innovation**

**Prudentially ready with a rock-solid balance sheet**

**Differentiated growth among businesses and regions**  
**with targeted investments**  
**Positive jaws effect in all divisions**

**Earnings per share growth  $\geq 12\%$  CAGR over the period**  
**from 4.7€ in 2013<sup>(1)</sup>**



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