



BNP Paribas

**Focusing on Operating Efficiency
Preparing for Sustainable Growth**

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Morgan Stanley Conference, London

20 March 2013



BNP PARIBAS | The bank for a changing world

Disclaimer

Figures included in this presentation are unaudited. On 18 April 2012, BNP Paribas issued a restatement of its quarterly results for 2011 reflecting, in particular, an increase of capital allocated to each business from 7% to 9% of risk-weighted assets, the creation of the “Domestic Markets” division and transfers of businesses between business units. In these restated results, data pertaining to 2011 has been represented as though the transactions had occurred on 1st January 2011. This presentation is based on the restated 2011 quarterly data.

This presentation includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally or in BNP Paribas’ principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation. BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events.

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Introduction



Recurrent profitability, strong solvency and cautious risk management



**Diversified and profitable businesses
Client driven activities with a global reach**



**Focusing on operating efficiency: Simple & Efficient
Preparing a 2014-2016 business development plan**



Strong Group Financials

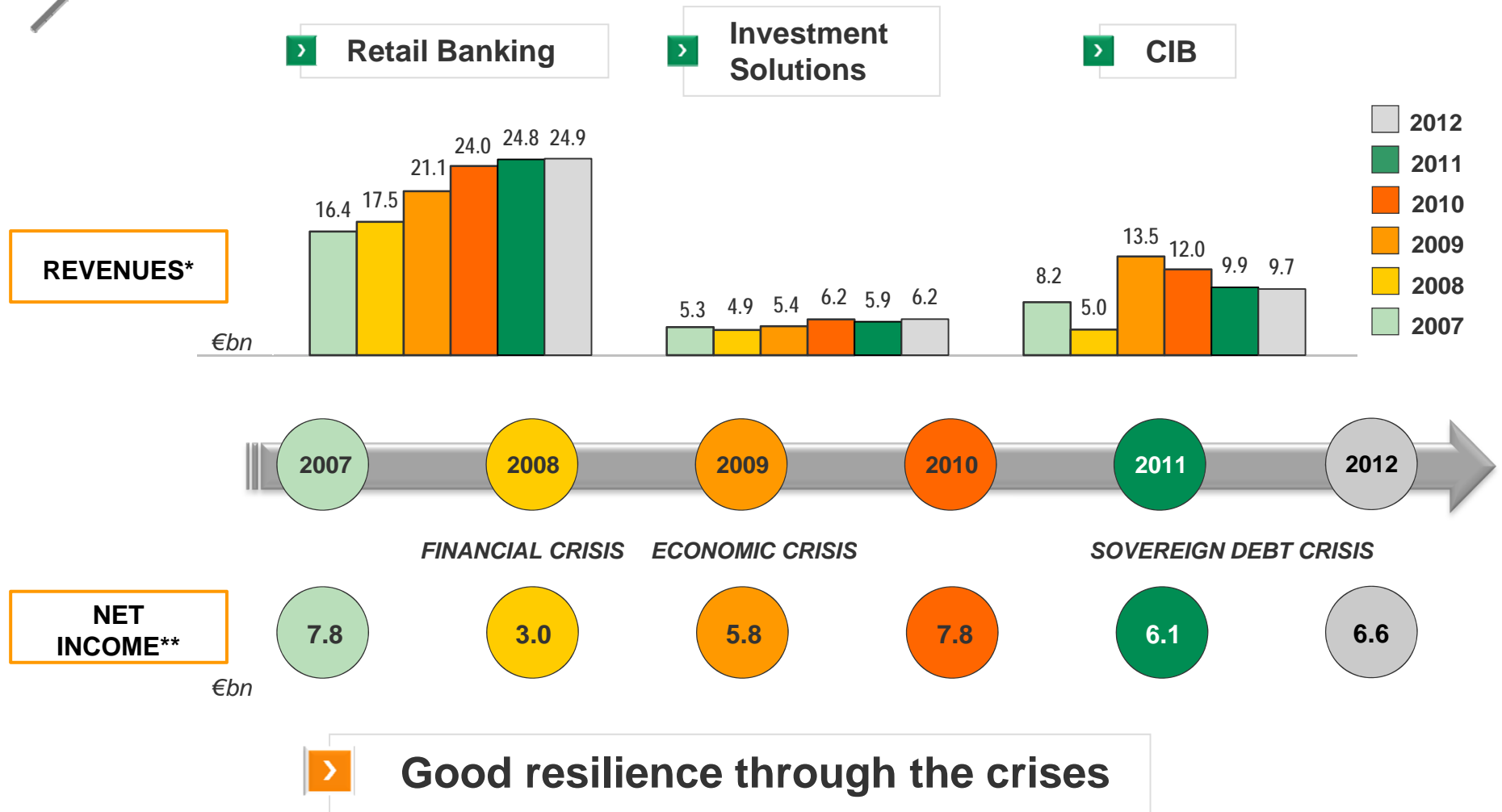
Diversified and Profitable Businesses

Preparing New Business Development Plan

Appendix



Consistent Group Performance

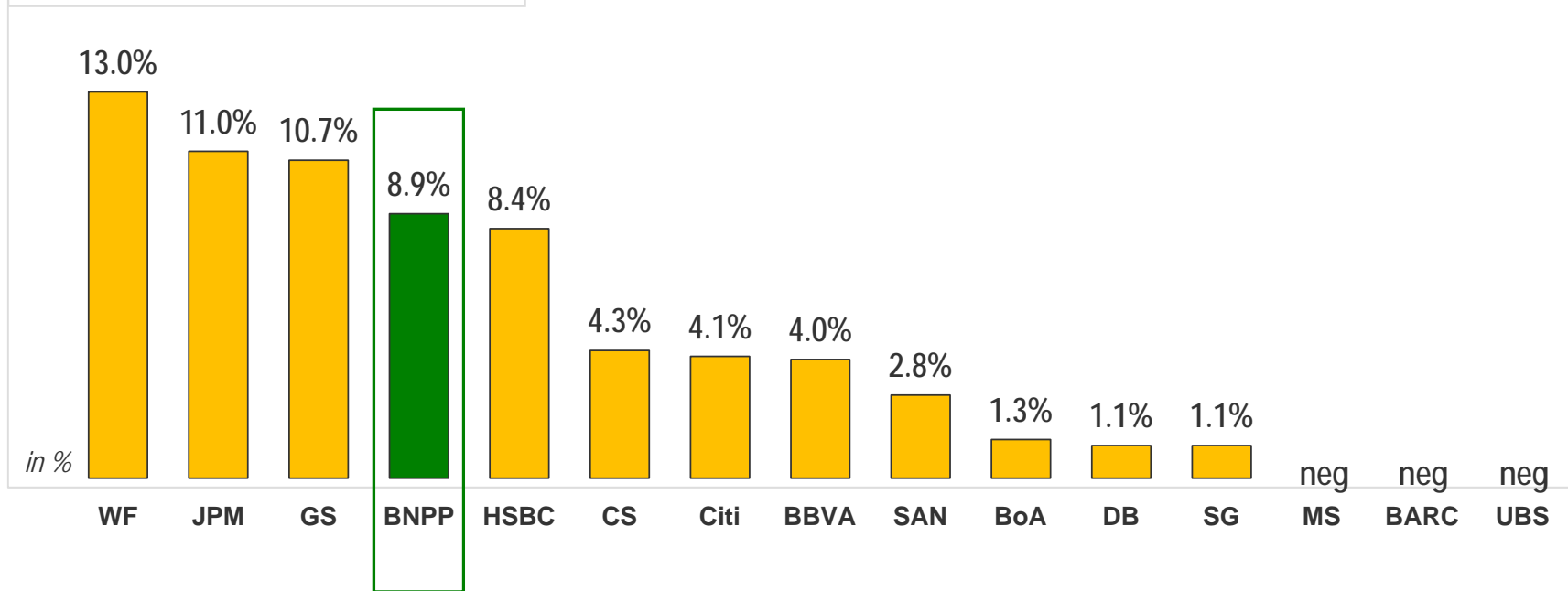


* Including 100% of Private Banking of the domestic markets in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg;
 ** Attributable to equity holders



Strong Profitability

2012 Return on Equity*

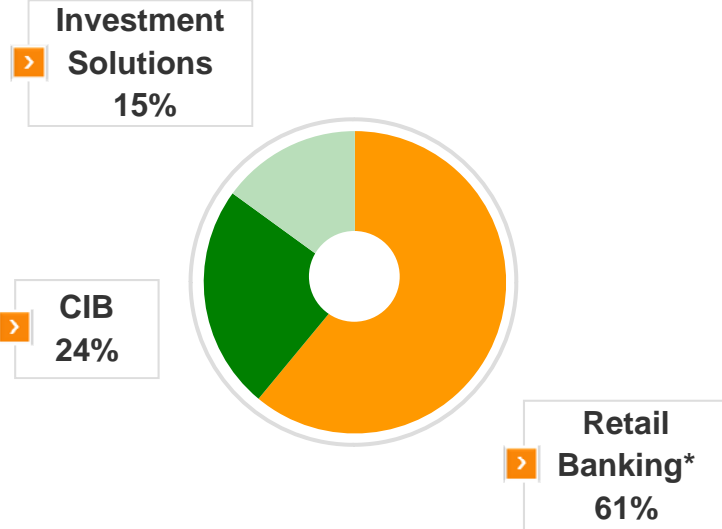


Among the best ROEs once again in 2012

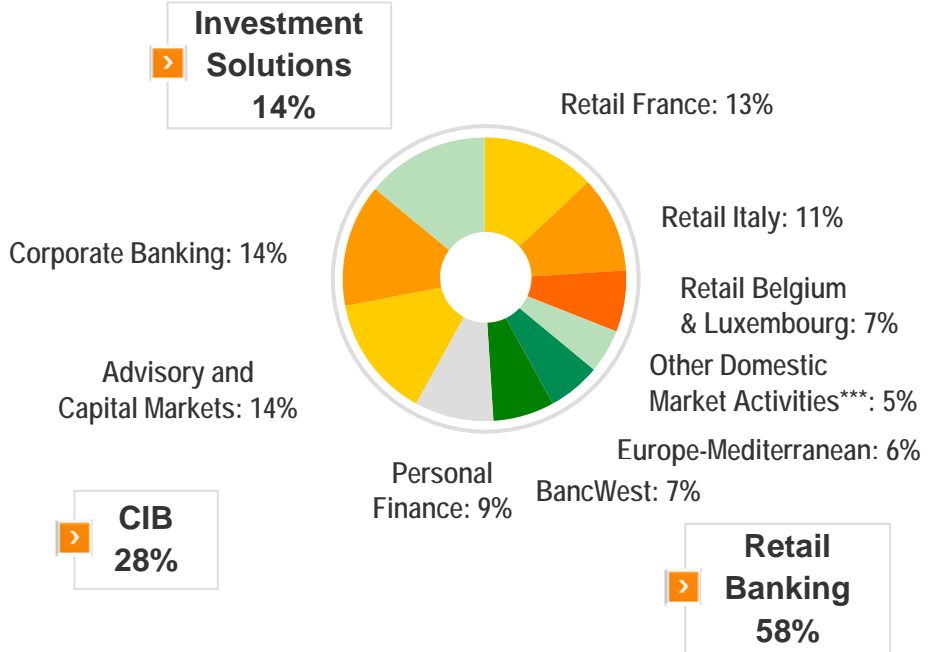


Well Balanced Business Mix

Revenues by operating division in 2012



Basel 2.5** Allocated equity by operating division in 2012



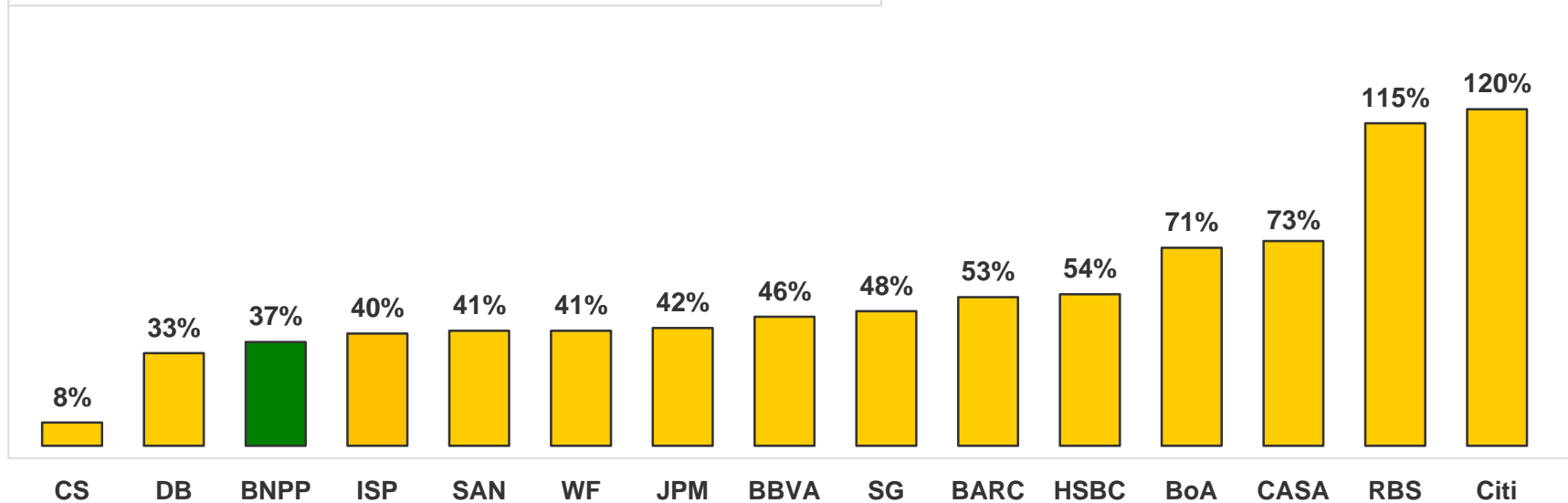
Balanced and diversified portfolio of activities

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



Proven Risk Management Track Record

> Cost of risk/Gross operating income 2007-2012*



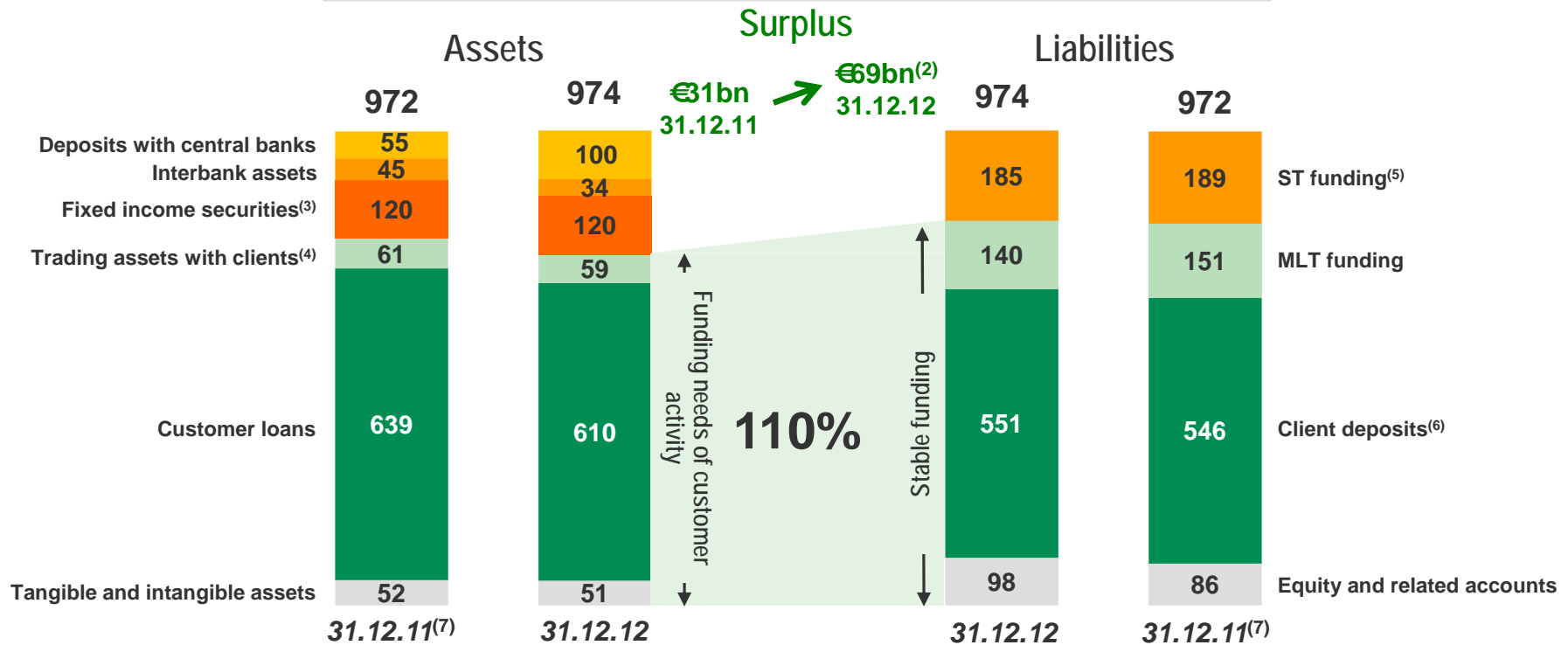
> Stringent risk policy with proven effectiveness

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



All Currencies Cash Balance Sheet

> Global Cash Balance Sheet⁽¹⁾ (€bn, banking prudential scope)



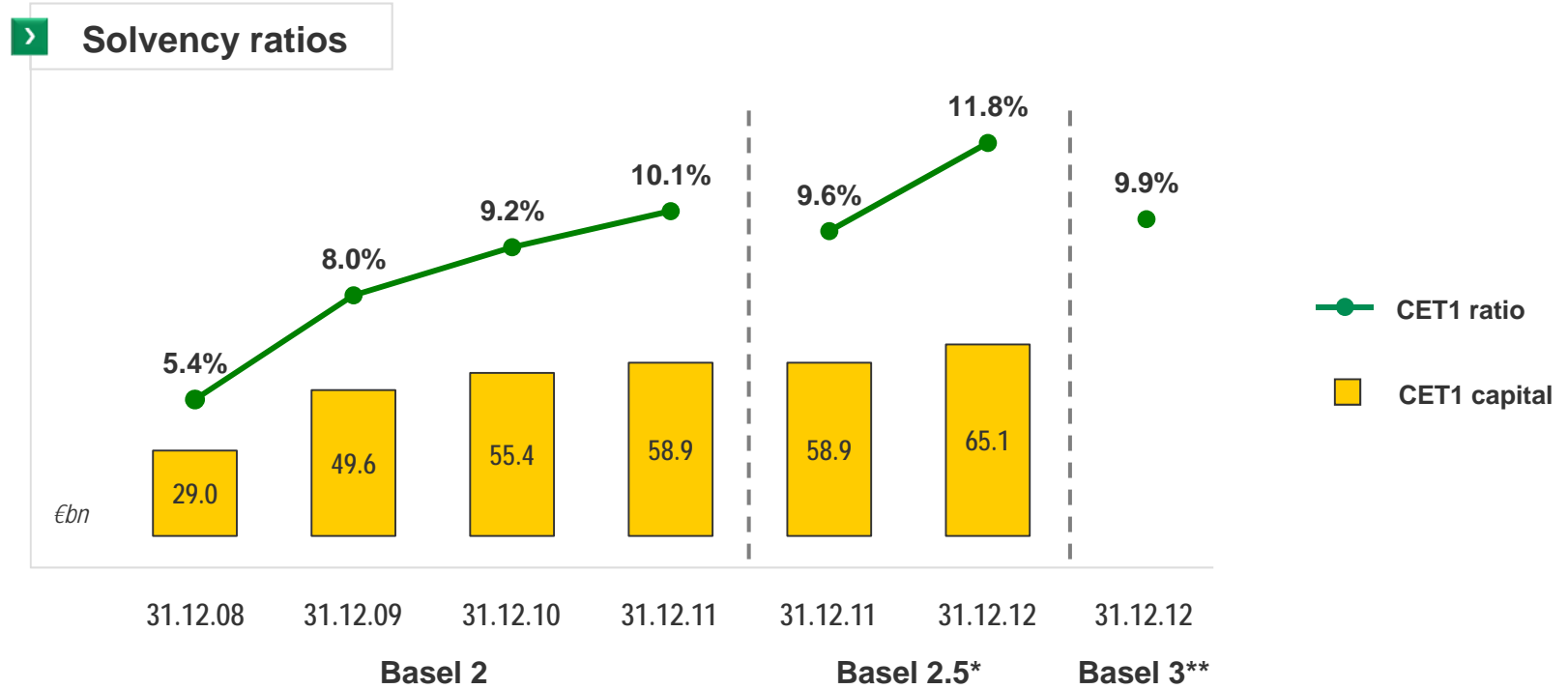
- Liquid and asset reserve immediately available: €221bn⁽⁸⁾ (€160bn as at 31.12.11)

> Stable funding surplus more than doubled in one year

⁽¹⁾ Balance sheet with netted amounts for derivatives, repos, securities lending/borrowing and payables/receivables; ⁽²⁾ O/w USD52bn; ⁽³⁾ Including HQLA; ⁽⁴⁾ With netted amounts for derivatives, repos and payables/receivables; ⁽⁵⁾ Including LTRO; ⁽⁶⁾ O/w MLT funding placed in the networks: €47bn as at 31.12.12 and €48bn as at 31.12.11; ⁽⁷⁾ Taking into account Klépierre consolidated under the equity method; ⁽⁸⁾ After haircuts



Strong Solvency (1/2)

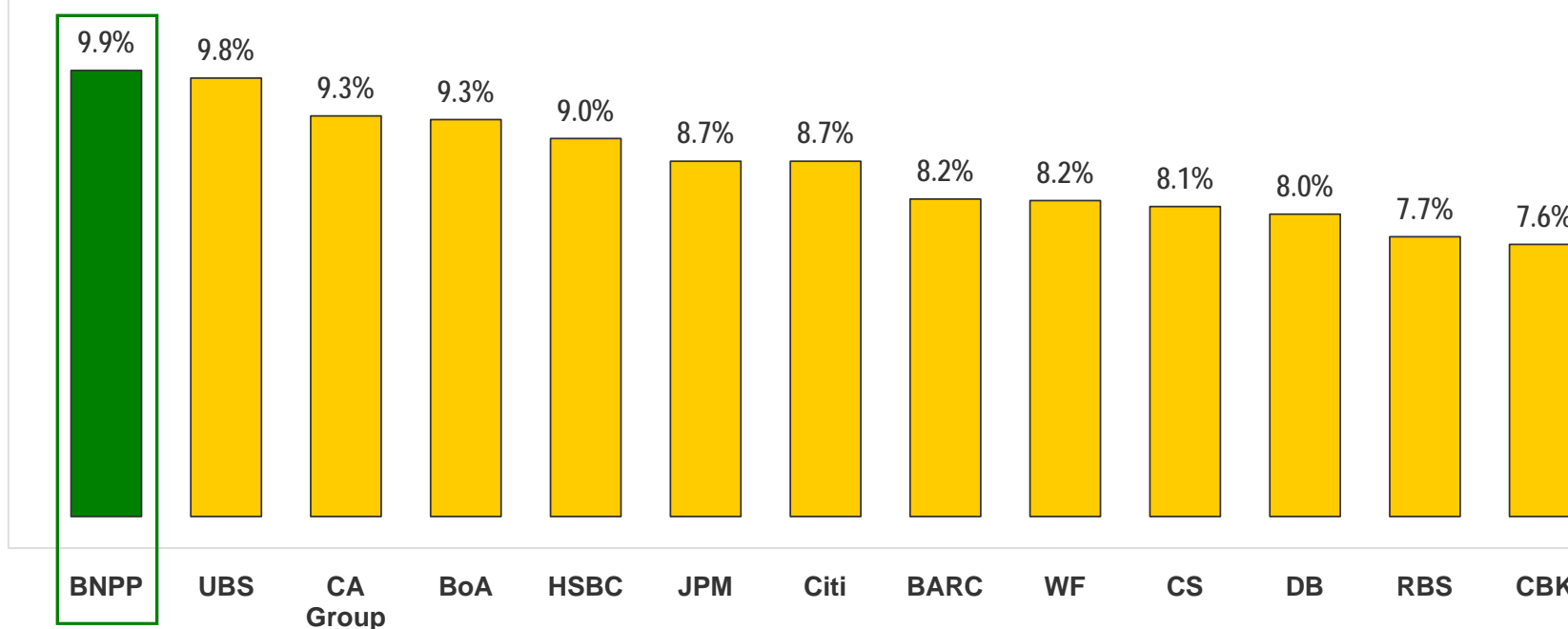


Basel 3 fully loaded ratio above 9% target



Strong Solvency (2/2)

> Disclosed 2012 Common Equity Tier 1 ratio under Basel 3* (fully loaded/fully phased-in)

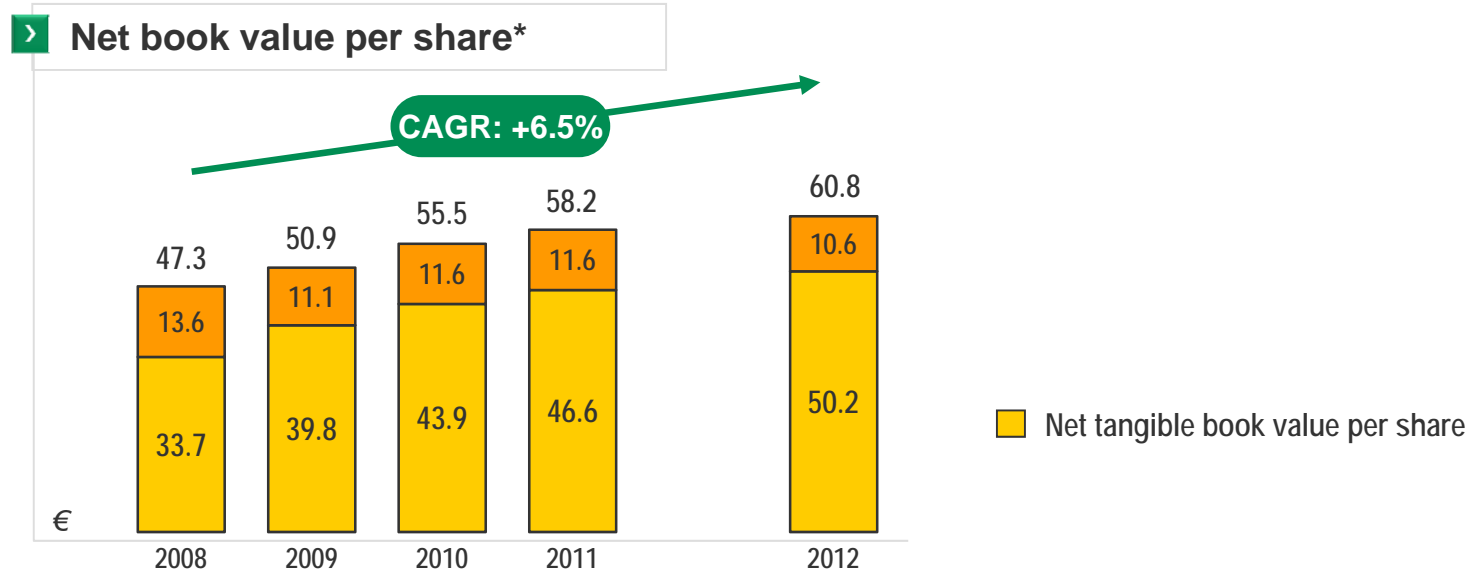


> One of the best capitalised banks in the new context

* Peer group, according to expected CRD4 for European banks & according to the Federal Reserve's Notice of Proposed Rulemaking (NPR) for US banks



Net Book Value per Share



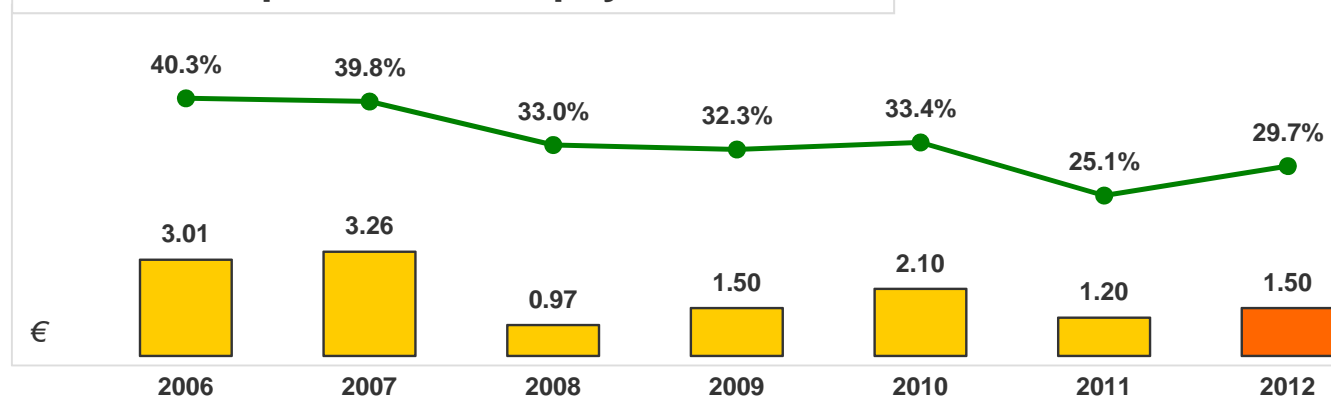
> Continued to grow the net book value per share throughout the cycle



Dividend

- Dividend*: €1.50 per share
 - 2012 pay-out ratio: ~30%
 - Cash only

> Dividend per share and pay-out ratio



- Implied dividend yield: 3.5%**

> Pay-out ratio picking up again

* Subject to shareholder approval, shares will go ex-dividend on 21 May 2013, and the dividend will be paid on 24 May 2013;

** As at 6 March 2013



Strong Group Financials

Diversified and Profitable Businesses

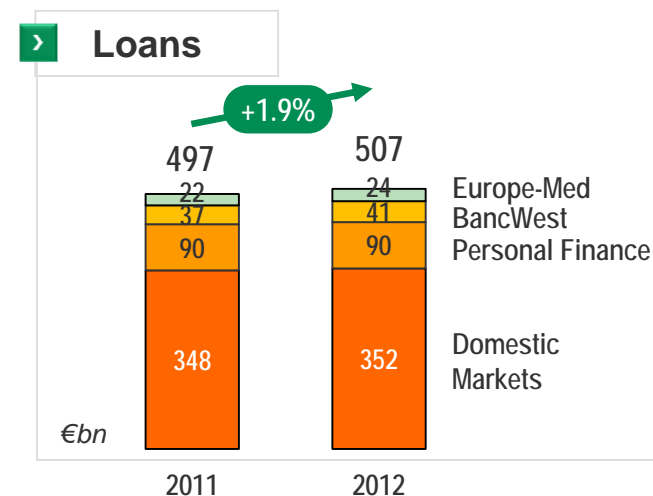
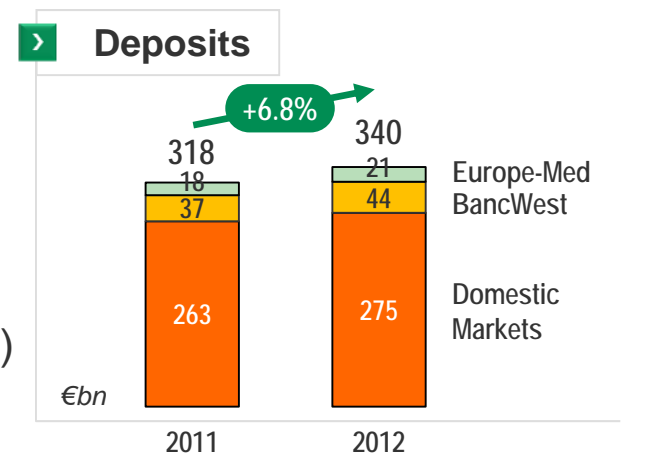
Preparing New Business Development Plan

Appendix



Retail Banking 2012 Overview

- Business activity
 - Deposits: continued growth trend in all the networks
 - Loans: slowdown in demand in Domestic Markets; growing volumes in Europe-Mediterranean and BancWest
- Revenues: slight increase over the year (+0.4%* vs. 2011)
- Cost/Income ratio*: 60.6% in 2012
 - Continuing improvement in Domestic Markets
 - Strong improvement in Turkey (-18 pts to 64.6%**)
 - Ongoing investments in BancWest
- Pre-tax income***: €6.4bn (+3.3% vs. 2011)
 - Domestic Markets: solid results at a high level
 - Growth in BancWest and Europe-Mediterranean
 - Pre-tax ROE: 19.0%



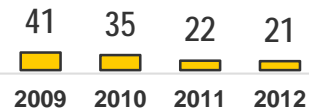
* Including 100% of Private Banking of the domestic markets in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg; **At constant scope and exchange rates; *** Including 2/3 of Private Banking of the domestic markets in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg



Retail Banking Cost of Risk

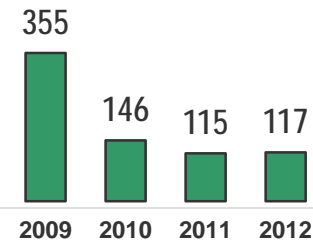
Net provisions/Customer loans (in annualised bp)

> FRB



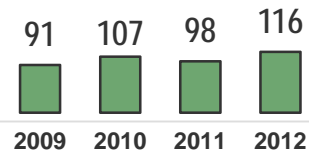
- Cost of risk still low despite a more challenging environment

> Europe-Mediterranean



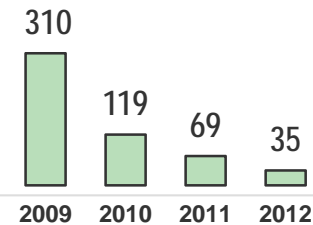
- Cost of risk still significant

> BNL bc



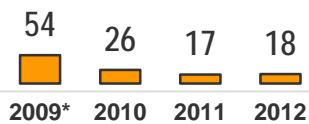
- Rise in the cost of risk as a result of the economic environment

> BancWest



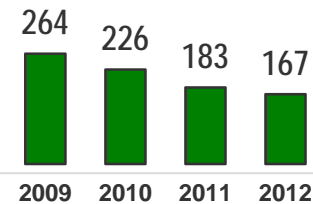
- Cost of risk still decreasing

> BRB



- Cost of risk slightly higher but remaining moderate

> Personal Finance



- Cost of risk still decreasing but tending towards stabilisation



Retail Banking Strong Presence in Wealthy Domestic Markets

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

4 domestic networks*

BNP Paribas Fortis

- 938 branches
- 3.6m clients



BGL BNP Paribas

- 38 branches
- 0.25m clients



French Retail Banking

- 2,200 branches
- 7.6m clients



BNL bc

- 890 branches
- 2.4m clients



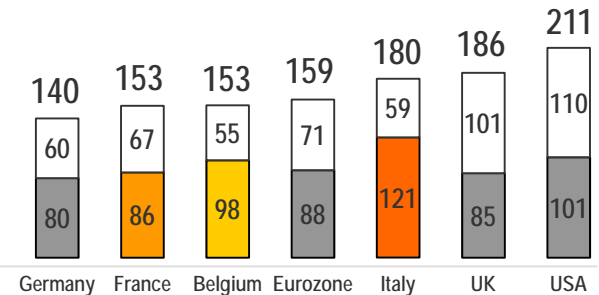
3 specialised businesses

- Arval
- Leasing Solutions
- Personal Investors



Public and households debt (2011)**

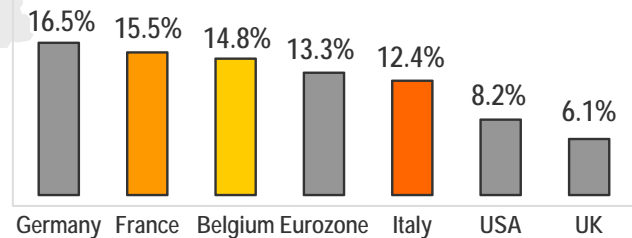
% GDP



□ Households ■ Public

Gross households savings rate (2012)***

% Gross Disposable Income

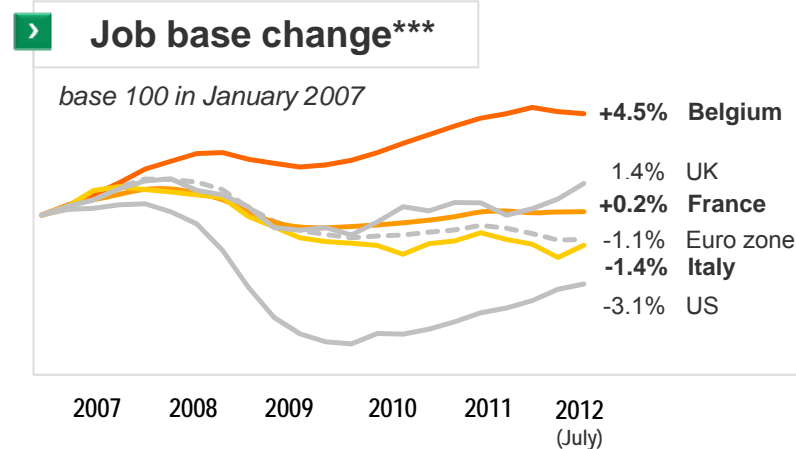
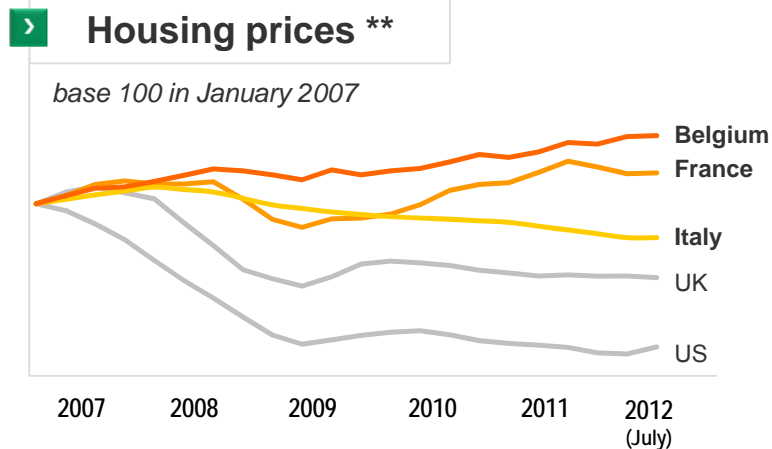
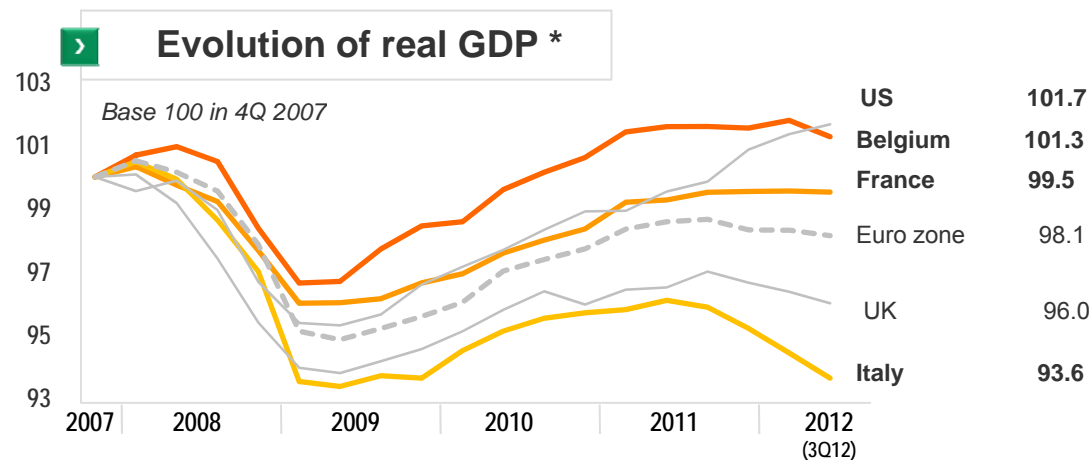


Strong retail networks serving over 15 million clients

* As at 31.12.12; ** Source: Eurostat and FED for US; *** Source: Ameco (Feb. 2013, excl Eurozone last available May 2012)



Domestic Markets



Contrasted underlying trends in BNPP domestic markets

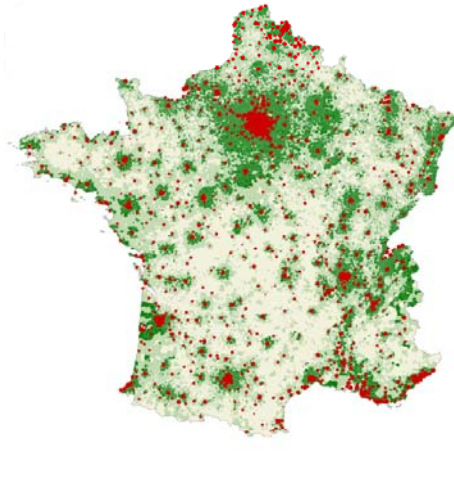
* Source: States and Eurostat; ** States; *** Source: Eurostat, BLS, ONS



Domestic Markets

Branch Networks Distribution

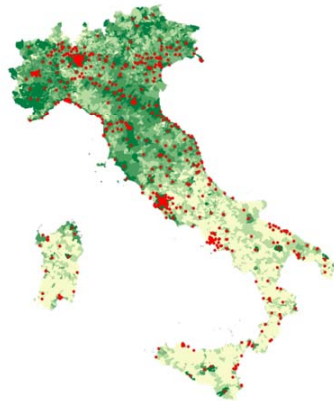
> French RB



● Branches

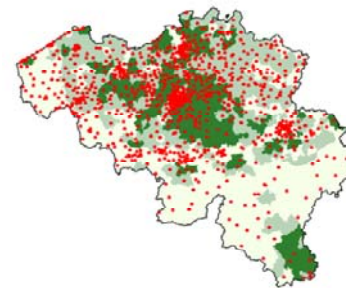
Average household income
 □ < 25 000 €
 □ 25 000 € - 32 000 €
 □ > 32 000 €

> BNL bc



Average household income
 □ < 12 000 €
 □ 12 000 € - 15 000 €
 □ 15 000 € - 17 000 €
 □ 17 000 € - 20 000 €
 □ > 20 000 €

> Belgium RB



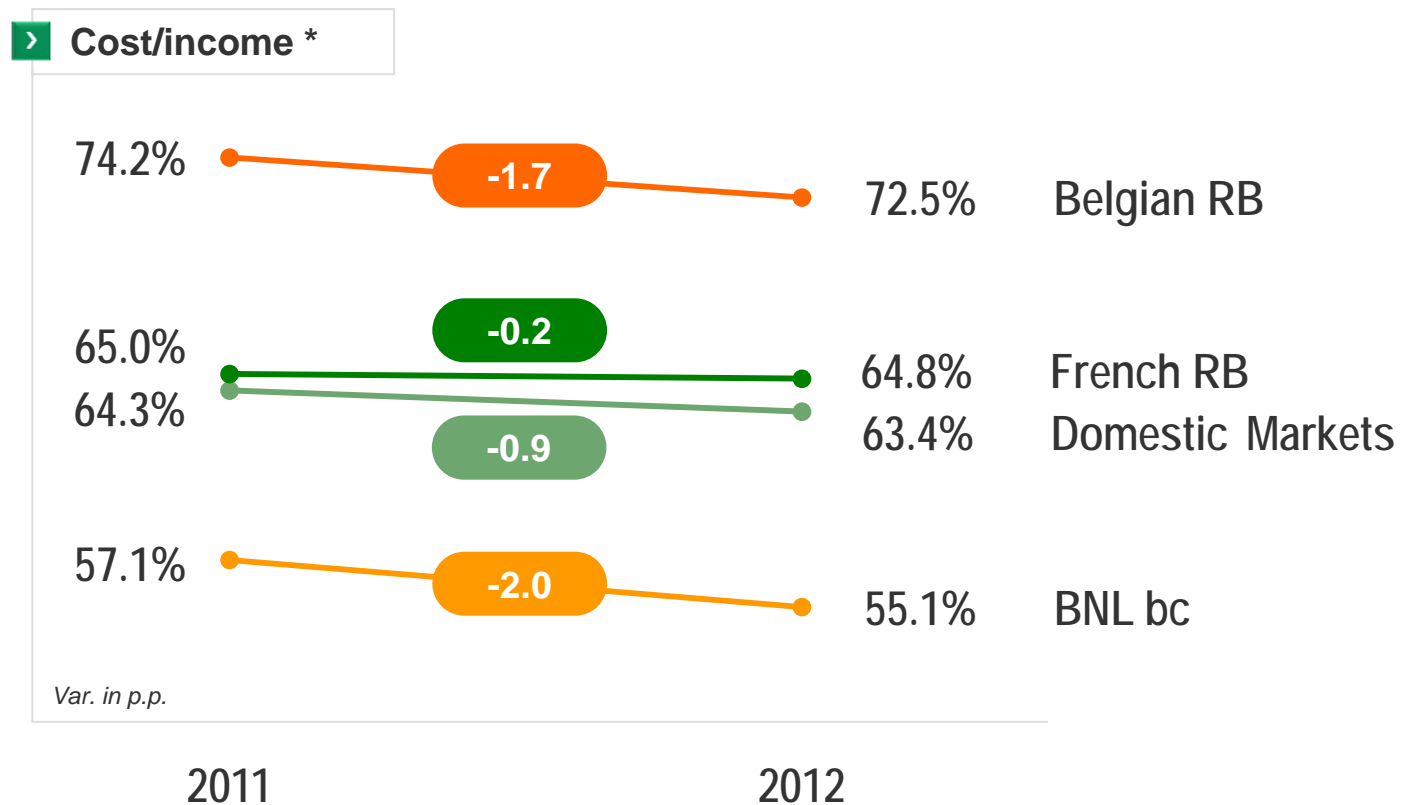
Average household income
 □ < 27 000 €
 □ 27 000 € - 30 000 €
 □ > 30 000 €



Mostly positioned in wealthier areas



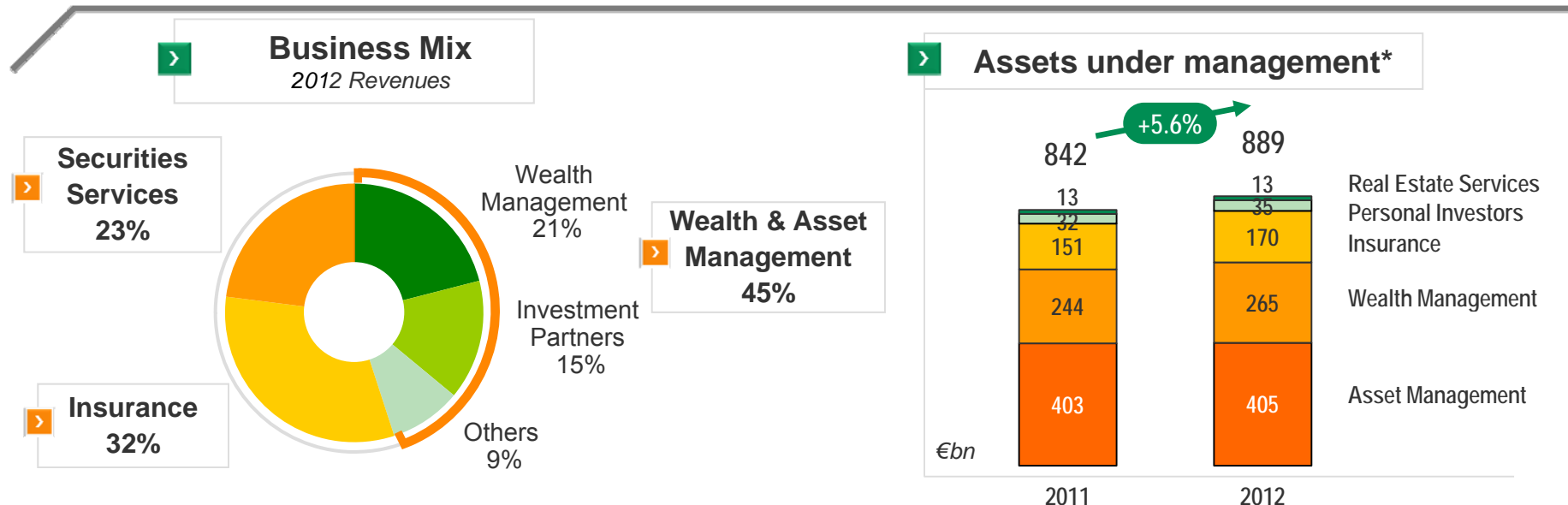
Domestic Markets Cost/Income Optimisation



> **Continued improving operating efficiency despite stable revenues**



Investment Solutions Profitable and Diversified Franchises



- Resilient business model
 - Integrated model with excellent complementary fit between businesses
- Assets under management: growth in all business units during the year
- Pre-tax income: €2.1bn in 2012
 - Pre-tax ROE: 25.9%

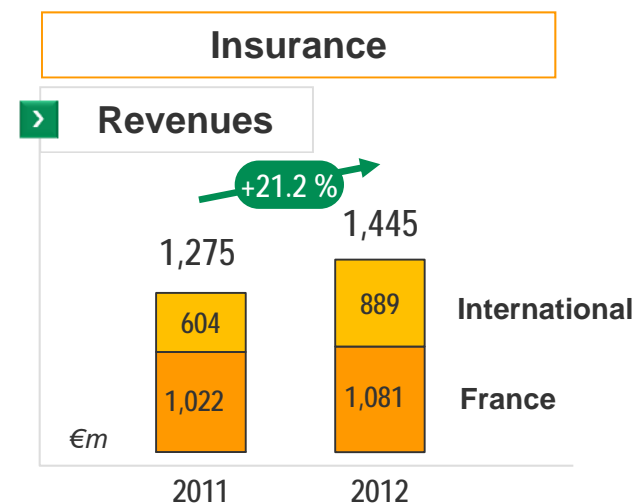
> **Integrated model generating strong profitability**

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



Investment Solutions

Focus on Securities Services and Insurance



- A recognised leading player
 - #1 in Europe
 - Hedge Fund Administration Services “Top Rated” and “Best in Class” in North America*
 - Best rated custodian in the world
- A growing and profitable business with low capital consumption and high potential liquidity contribution
 - Assets under custody: €5,524bn
 - Assets under administration: €1,010bn
- A significant contributor to the Group’s profitability
 - Becoming global: presence in 39 countries
 - Revenue growth driven by good performance of protection insurance and savings, especially outside France
- Continuing to invest in business development
 - Ambition to double Asian contribution over the next 5 years to 25%
 - Further developing joint ventures with top tier local partners

> **Major global players in their respective business**

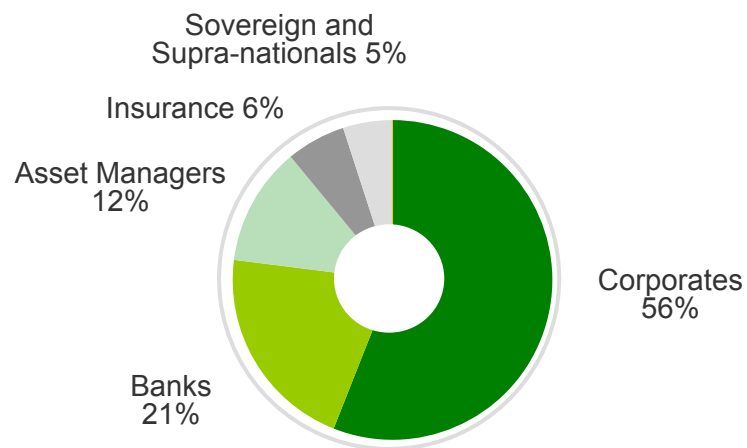


Corporate & Investment Banking A Strong Client Franchise

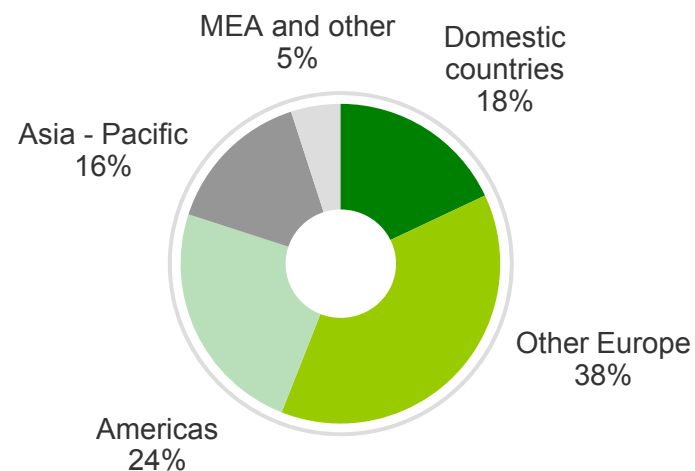


- Providing solutions to 15,000 clients across more than 50 countries
 - A well balanced portfolio between Corporates and Financial Institutions & Investors
 - An extensive and diversified franchise across geographies
 - Commercial set-up articulated with Domestic Markets (“One Bank for Corporates”) and International Retail Banking

➤ **2012 Client revenues by type**



➤ **2012 Client revenues by geography**



➤ **A strong franchise driven by client activity**



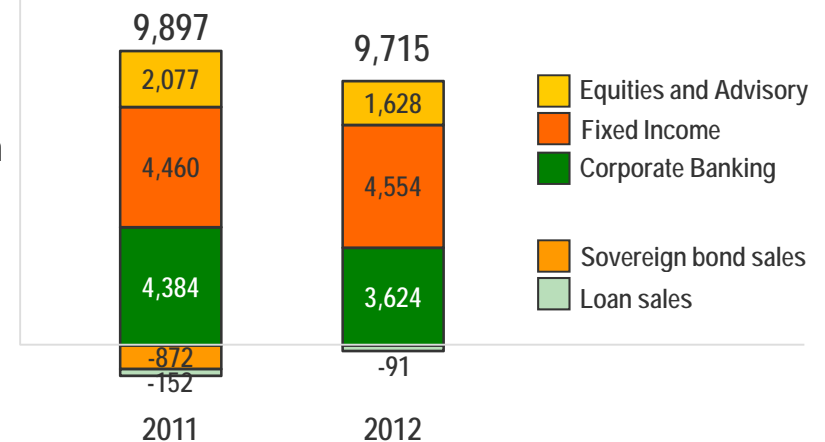
Corporate & Investment Banking 2012 Results

- Resilient revenues despite adaptation:
 - -10.2% / 2011 excluding the impact of asset disposals
 - A decrease in line with expectations (adaptation plan) and concentrated in Corporate Banking
 - Low activity and cautious risk management during market crisis periods in Capital Markets

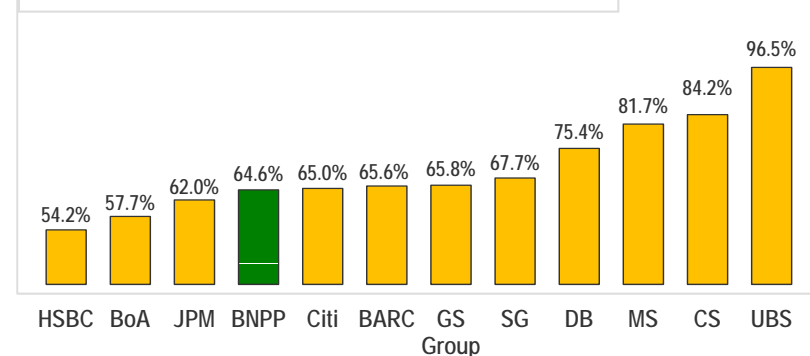
- Operating efficiency at a competitive level
 - Workforce adaptation provided for in the plan (~1,400 people) completed by year-end
 - Cost/income ratio: 62.3 %, excluding the adaptation plan and impact of loan sales

- Pre-tax income: €3bn (-20.9% vs. 2011)
 - Cost of risk at -€0.5bn after a particularly low level in 2011
 - Pre-tax ROE 18.3%

> 2012 CIB Revenues



> 2012 CIB Cost/Income ratio*



> **Results held up well in the adaptation context**



Corporate & Investment Banking Advisory and Capital Markets

- Solid 2012 performance in a challenging environment

- Pre-tax income: €1,553m
- Pre-tax ROE: 19.6%

- Fixed Income:

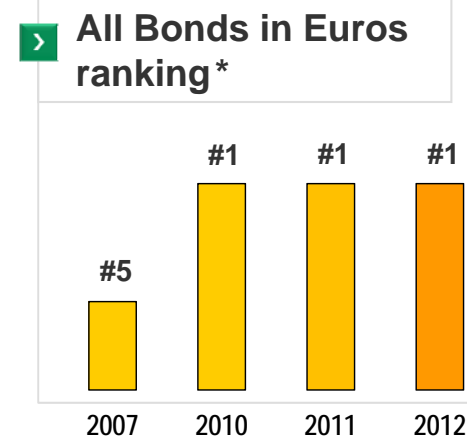
- Leading positions on bond issues : # 1 in euro and # 8 for all international issues*
- Strong and growing distribution platforms

- Equities and Advisory:

- A client driven model: over 3,250 clients and 1,000 retail distributors
- Derivatives House of the Year**, # 3 bookrunner for EMEA Equity-linked***

- Focus on expanding the product offering

- Strengthen flow product platforms
- Develop market infrastructure access and collateral management services
- Continue to grow the bond origination business



> **A strong platform serving issuers and investors**

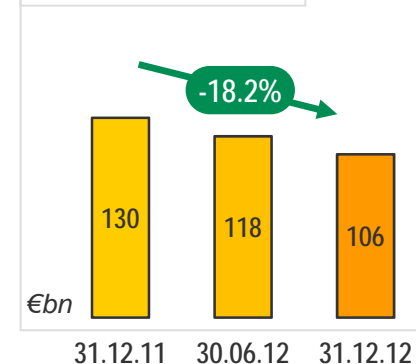


Corporate & Investment Banking

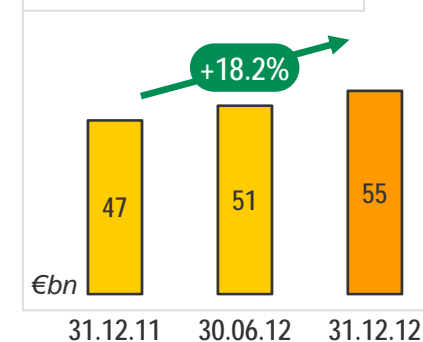
Corporate Banking

- Resilient performance in 2012 despite the adaptation plan
 - Pre-tax income: €1,433m
 - Pre-tax ROE: 17.1%
- Financing: maintain leading positions and step up the roll out of Originate to Distribute
 - # 1 bookrunner for syndicated loans in Europe by number and # 2 by volume*
 - Largely recognised expertise: # 2 “Best trade finance provider worldwide”**, “Aircraft Leasing Innovator of the Year”***
 - Leverage on strong positions in syndication and fixed income, develop innovative distribution channels (e.g. debt funds)
- Deposits and Cash Management: continue growing the business
 - Significant gathering of client deposits in all regions
 - Cash Management: # 5 global, #3 in Western Europe**

> Client loans



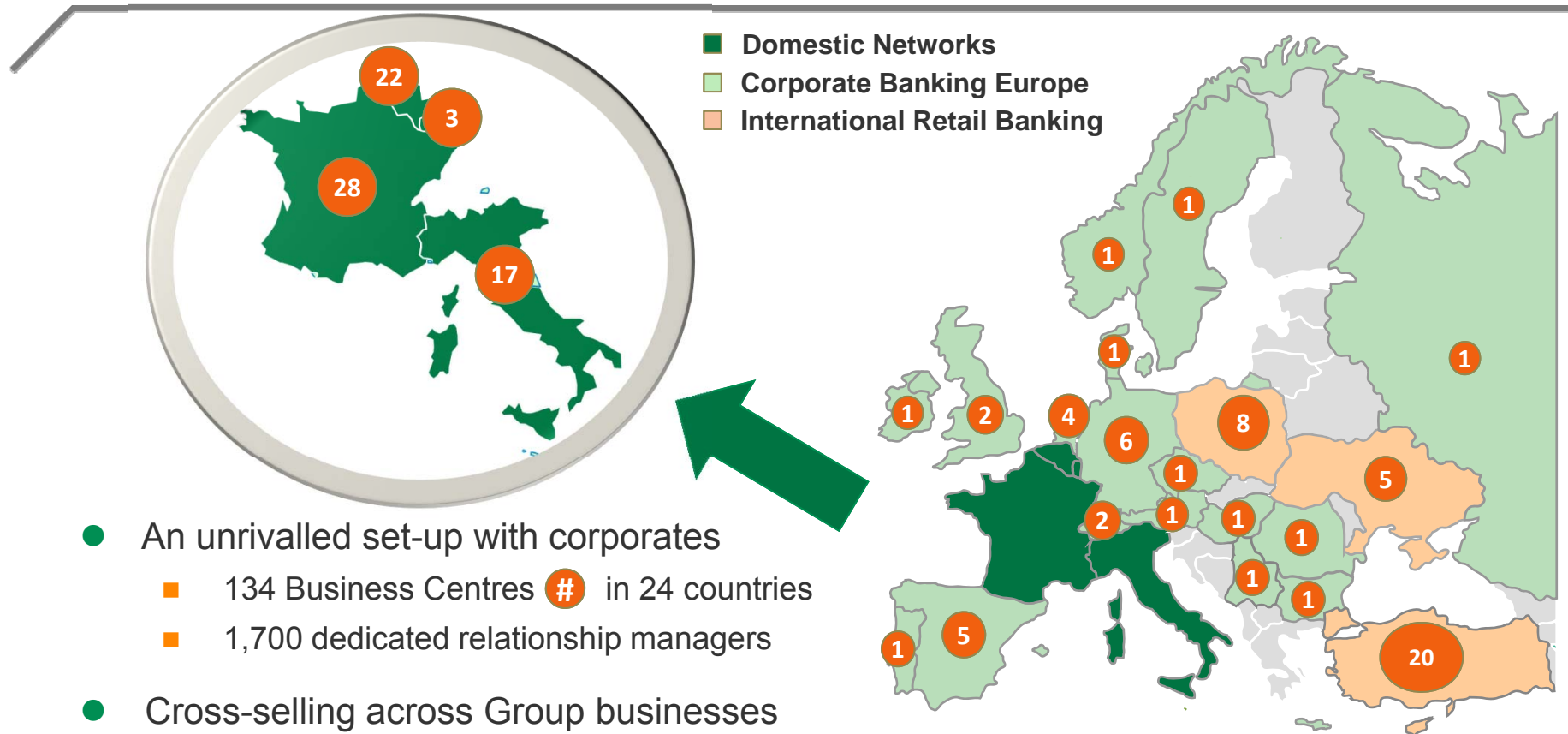
> Client deposits



Developing regional approach to leverage global reach



A Leading Position with Corporates in Europe (1/2)



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

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

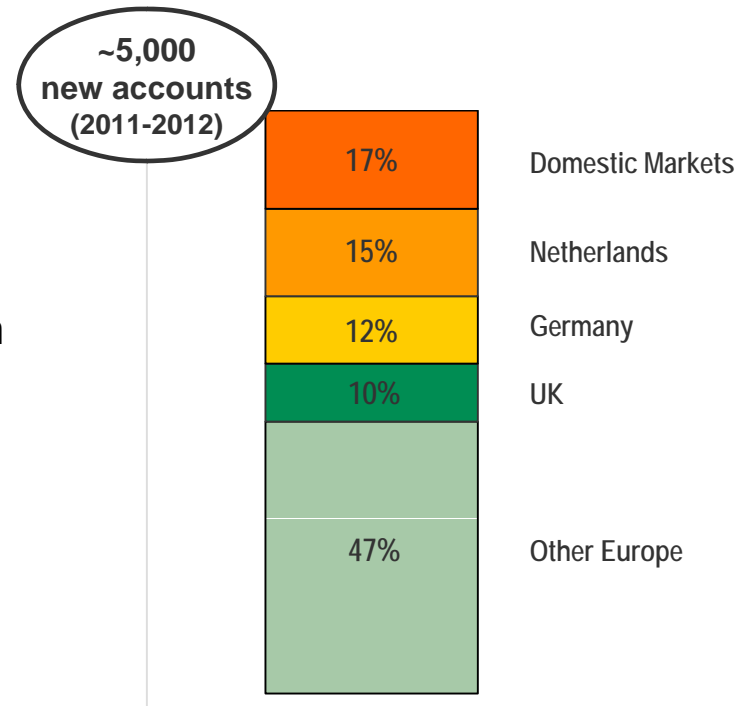


A Leading Position with Corporates in Europe (2/2)

Development Areas

- Develop corporate relationships on a global basis increasing account openings with subsidiaries
- Speed up development in selected European markets in order to gain market share
- Develop business approach with corporate clients' US subsidiaries and assist US clients in their European activities
- Accompany corporate clients in their business development in Asia Pacific and assist Asian clients in their globalization process

> New relationships with subsidiaries of existing clients in the European network



> Supporting our clients development in a globalized world



Strong Group Financials

Diversified and Profitable Businesses

Preparing New Business Development Plan

Appendix



2013 Action Plan

> Business development

Retail Banking

- Domestic Markets: prepare the retail bank of the future
- International retail: roll-out the integrated business model in attractive markets, especially in Turkey
- Personal Finance: develop engines of growth

Investment Solutions

- Strengthen leading positions in Europe
- Continue business development in countries with economic growth, particularly in Asia Pacific
- Insurance: further bolster growth

CIB

- Continue to roll-out the new business model
- Strengthen CIB in the United States
- Grow the business in the Asia Pacific region

> Preparing a 2014-2016 business development plan



2014-2016 Business Development Plan

- 1st phase: launch an ambitious plan to simplify the way the Group functions and improve operating efficiency
 - Simple & Efficient
- 2nd phase: implement specific business development plans by region and business unit
 - 1st plan unveiled: Asia Pacific



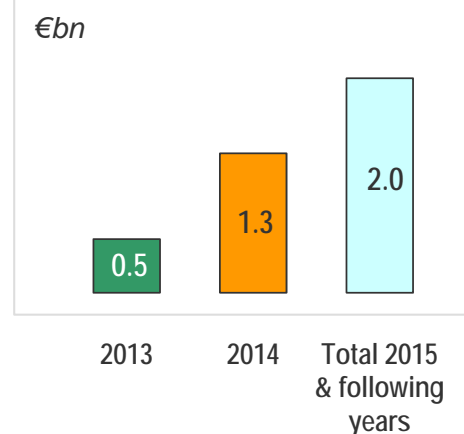
Towards a comprehensive presentation early in 2014



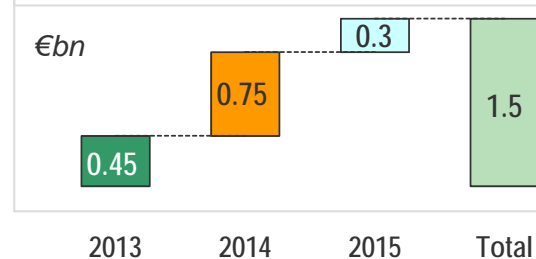
Simple & Efficient (1/2)

- A global programme to simplify the Group's way of functioning and improve operating efficiency
- An investment commensurate with the challenge
 - €1.5bn in transformation costs spread out over 3 years
- Speeding up operating efficiencies
 - €2.0bn in savings per year as of 2015
 - ~1/2 Retail Banking, ~1/3 CIB and ~1/6 Investment Solutions
 - Without closure of businesses
- Monitored across-the-board to maximise the implementation
 - Steering by the General Management

> Recurring cost savings



> One-off transformation costs



**An ambitious investment in
the Group's operating efficiency**



Simple & Efficient (2/2)

- Contribution by all business units and countries in which the Group has a presence

5 areas for transformation	Types of projects
Process review	Optimise, automate and converge processes, decentralise the decision-making process
Systems streamlining	Decommission IT applications, share resources
Operating simplification	Simplify hierarchical set ups and simplify organisations
Customer service	Make the product offering simpler, paperless documentation
Cost optimisation	Cut spending and review the procurement policy

> **Across-the-board approaches to improving operating efficiency**
(digitalisation of business processes, increased delegation, simplifying internal reporting ...)

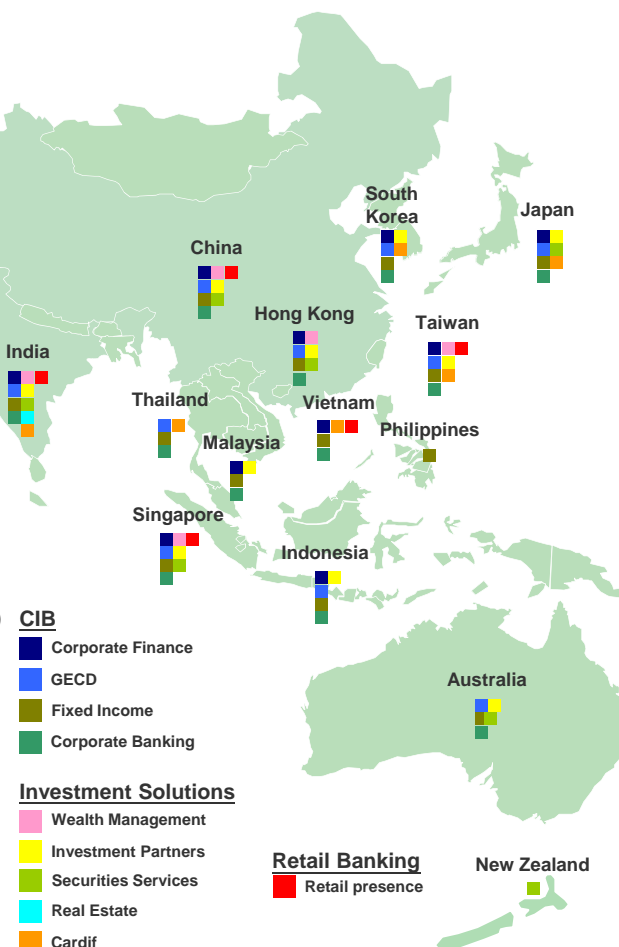
> **Over 1,000 initiatives already identified**



Asia Pacific

First Chapter of our Business Development Plan (1/3)

- One of the best positioned international banks
 - Presence in 14 countries (12 full banking licences)
 - ~12.5% of CIB and Investment Solutions revenues (€2bn)
 - Nearly 8,000 employees at CIB and Investment Solutions⁽¹⁾
- Recognised franchises
 - Trade Finance (25 trade centres)
 - Cash Management (# 5 in Asia⁽²⁾)
 - Fixed Income (# 1 Dealer⁽³⁾, FX and Interest Rate Derivatives)
 - Equities and Advisory (# 2 Equity Derivatives Dealer⁽³⁾)
 - # 8 in Private Banking⁽⁴⁾ (AuM €30bn); # 7 non-Asian insurer⁽⁵⁾
- Successful partnerships
 - With leading domestic players: State Bank of India, Shinhan (South Korea), Taiwan Cooperative Bank, Haitong Securities (China)
 - With the Bank of Nanjing in China



Solid platforms to build future development

⁽¹⁾ Excluding partnerships; ⁽²⁾ Source: Euromoney;

⁽³⁾ Source: Asia Risk; ⁽⁴⁾ Source: Private Banker International; ⁽⁵⁾ Source: Morgan Stanley Research



Asia Pacific

First Chapter of our Business Development Plan (2/3)

> Growth targets adapted to each country

- Corporates: bolster the commercial organisation
 - Grow the domestic customer base
 - Service our global clients in Asia and our Asian clients in their international expansion
 - Step up the effort in Trade Finance and Cash Management
 - Speed up on bonds, flow and hedging products
- Investors: grow footprint to expand resource gathering
 - Originate to Distribute
 - Strengthen Asset Management and Securities Services
 - Grow Private Banking client base (focus on Ultra High Net Worth Individuals)
 - Step up cross-selling between CIB / Investment Solutions
- Forge new partnerships
 - Especially in Insurance with the objective of developing business in China and Indonesia



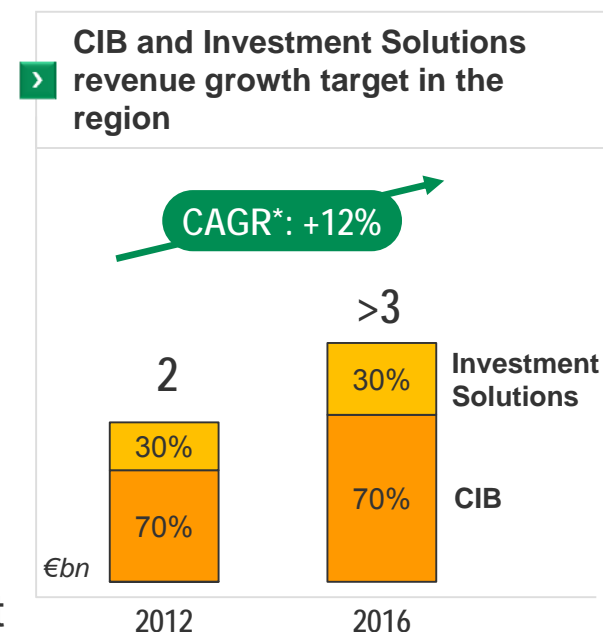
> Expand the organisation in a fast-growing region



Asia Pacific

First Chapter of our Business Development Plan (3/3)

- Grow revenues in Asia to over €3bn by 2016 (+12% per year*)
- Grow the workforce
 - +~1,300 staff at Investment Solutions and CIB in 3 years
- Grow financed assets: >50% in four years
 - Support growth of the customer base
- Parallel increase in deposits gathering
- A member of the Executive Committee, already based in the region, will steer the Group's business and development



> Target: grow revenues in Asia to over €3bn by 2016



Conclusion

> Solid results thanks to a diversified business model

> A Group already adapted to the new regulations, which enables the pursuit of business development

> Preparing our 2014-2016 business development plan with several plans to be announced during the year



Strong Group Financials

Diversified and Profitable Businesses

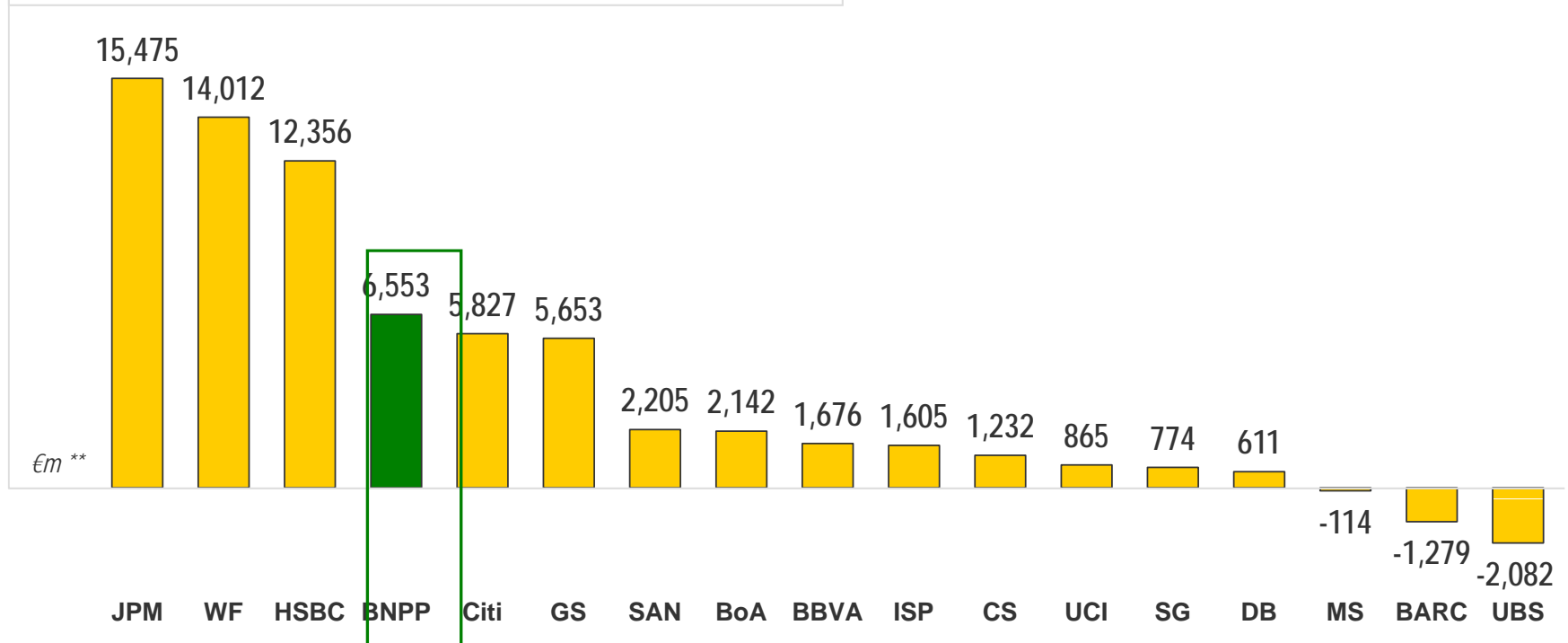
Preparing New Business Development Plan

Appendix



Strong Profitability

2012 Net income attributable to equity holders*

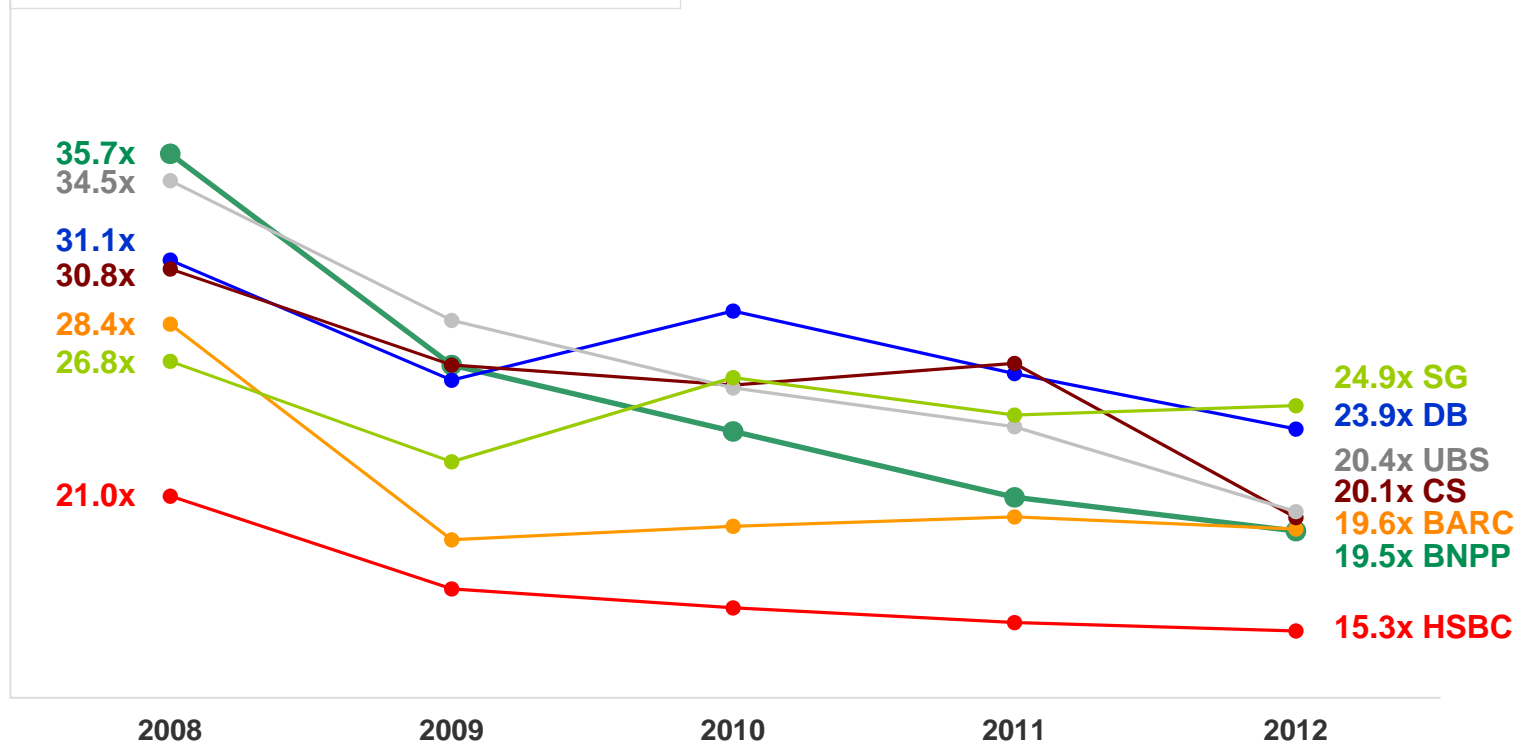


Good profit-generation capacity



Deleveraging Track-Record

> 2008 – 2012 Leverage ratio *



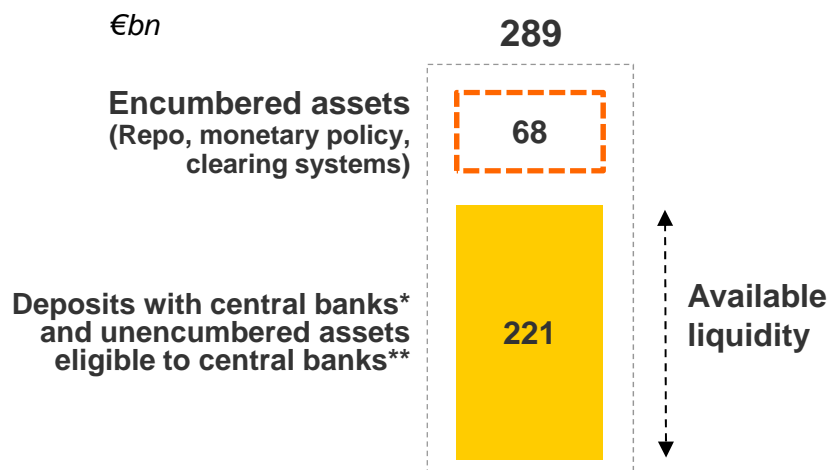
> Strong deleveraging track-record

* Defined as tangible assets (total assets less goodwill and intangibles) excluding derivative assets divided by Tier 1 capital, as published by banks.



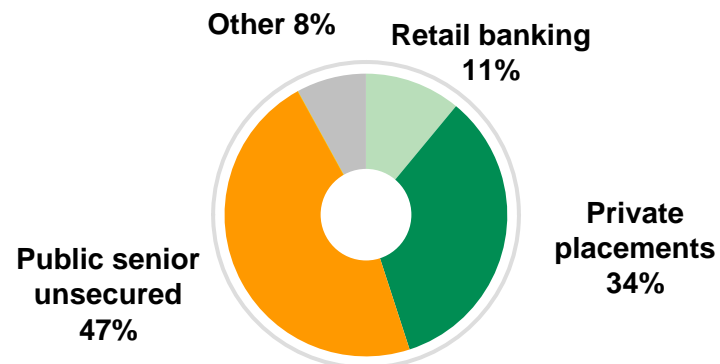
Short-Term Liquidity and Medium/Long-Term Funding

Global liquidity buffer as at 31 December 2012



- Liquid and asset reserve immediately available: €221bn** (€160bn** as at 31.12.11)
 - Amounting to 119% of short-term wholesale funding

2013 MLT funding structure - €15bn - breakdown by source



- 2013 MLT programme: €30bn
- €15bn realised*** as of 7 March 2013
 - Average maturity: 5.6 years
 - At mid-swap +84 bp on average (vs. +109 bp on average for the 2012 MLT programme)

Diversified MLT funding at competitive conditions

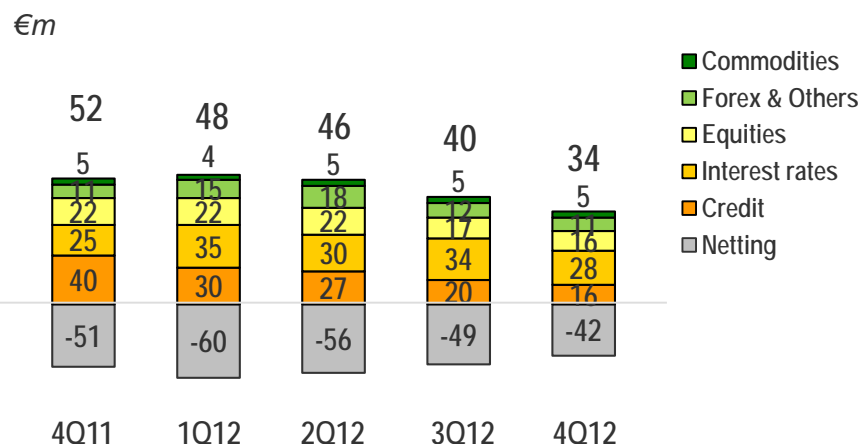
* Of which NY Fed deposits: USD32bn; ** After haircuts;

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

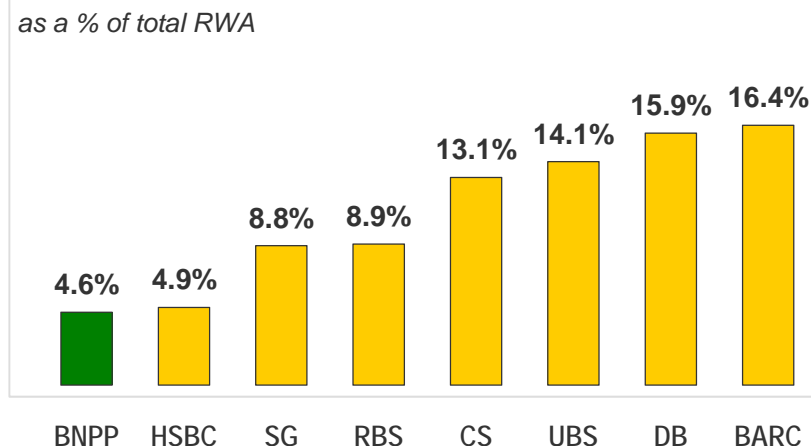


Risk-Weighted Assets: Market Risk

Average 99% 1-day Interval VaR



Benchmarking Market risks RWA*



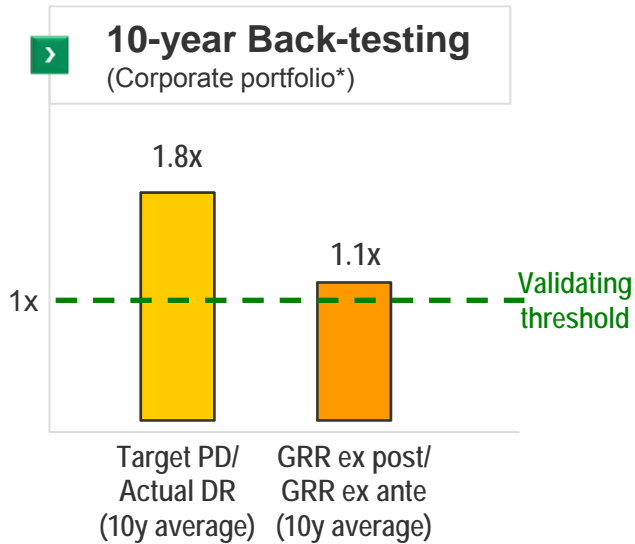
- Low Value at Risk: <€50m on average 2010-2012
 - No day of losses > VaR in 2011-2012 despite some extremely high levels of volatility
 - Only 10 days of losses > VaR since 2007, validating the theoretical approach and the internal model
- Market risk diversified across various asset classes and representing one of the lowest percentage of total RWAs amongst comparable banks

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

* Source: Banks (31.12.12)



Risk-Weighted Assets: Credit Risk



*PD: Probability of Default - DR: Default Rate
GRR: Global Recovery Rate*

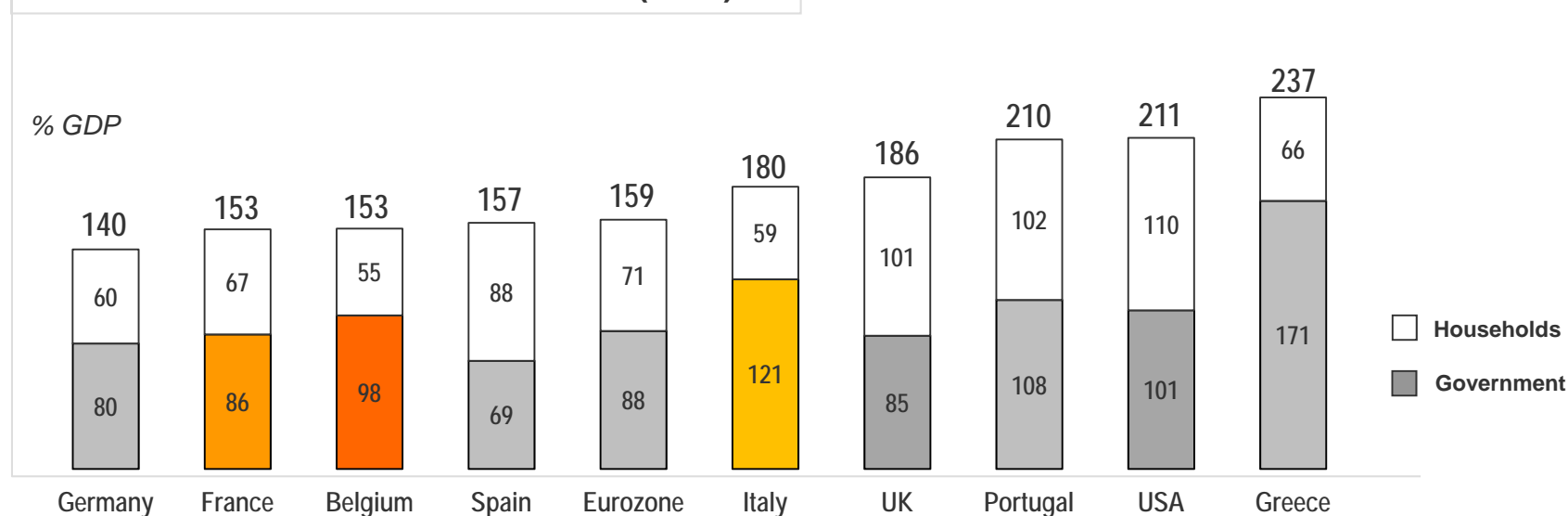
> Real life experience validates the internal model

* CIB and French Retail Banking 2001-2011

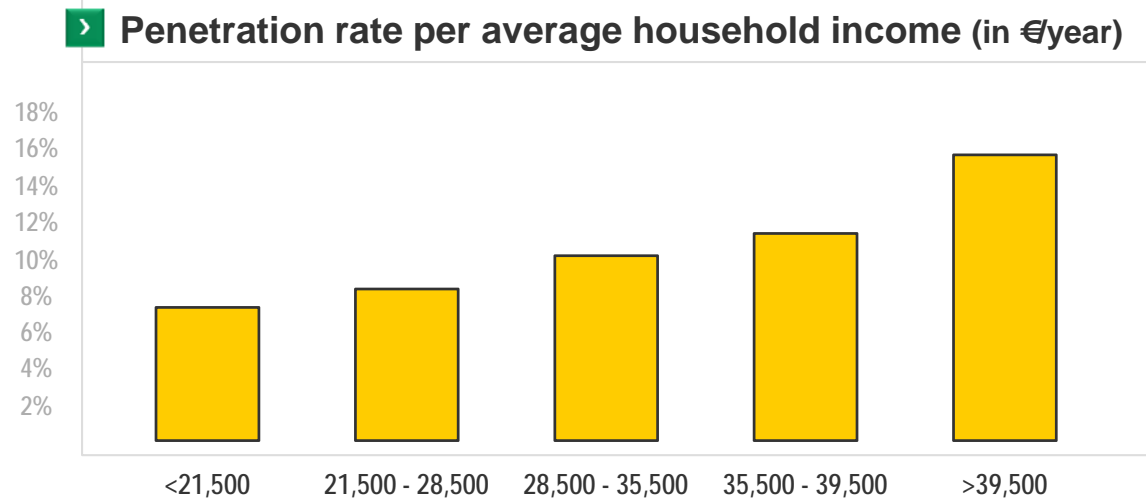


Consolidated Debt & Fiscal Balance by Country

Government and Households debt (2011)*



French Retail Banking Penetration Rate per Average Household Income



> French Retail Banking well rooted in wealthier segments



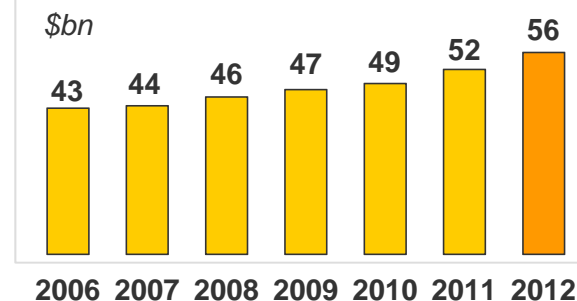
Retail Banking Focus on BancWest

- Dynamic business activity in a gradually improving environment
 - Deposits: +8.3%* vs. 2011
 - Loans: +3.5%* vs. 2011, decrease in mortgages, good growth in corporate loans (+14.7%*)

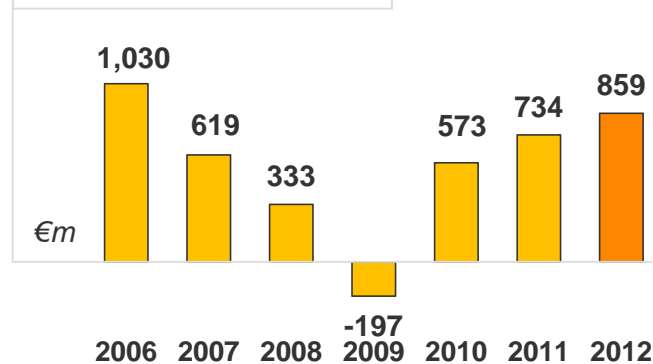
- Expanded customer relation set-up
 - Business investments in the SME and Corporate segments
 - New Private Banking offer deployed in 2011 and 2012
 - Broadening mobile banking offer

- Significant increase in Group contribution
 - Despite higher costs due to regulatory changes and ongoing investments
 - Benefiting from continued decrease in the cost of risk since its 2009 peak

> Deposits



> Pre-tax income



> **Strong rebound in the contribution to Group's results**



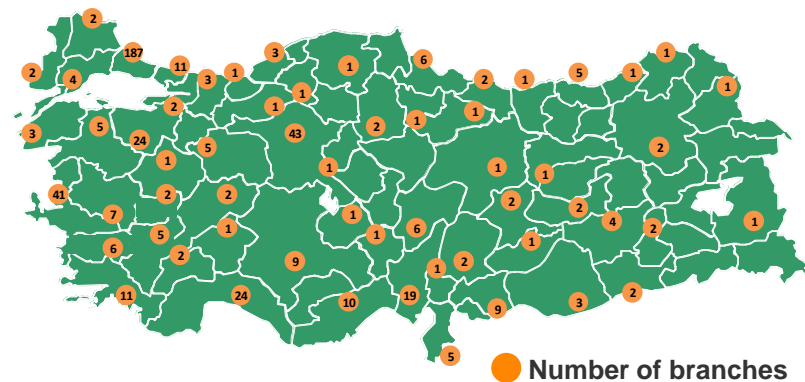
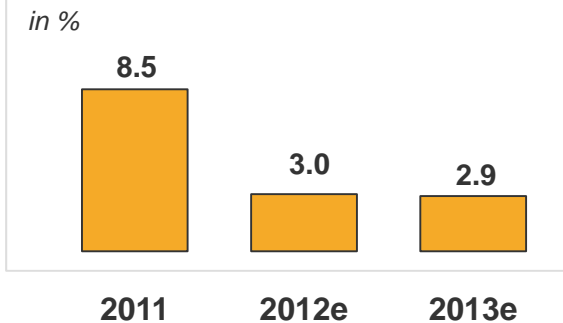
Retail Banking Focus on Turkey

- A robust, dynamic and promising market
 - Sizeable population: 76m inhabitants
 - Strong economic growth fuelling banking volumes
 - Low banking penetration rate yet

- Merger of TEB & Fortis Bank Turkey completed, leading to a #9 ranking in Turkey**
 - Improvement of the network efficiency; 528 branches as at 31 December 2012
 - Roll-out of the integrated model

- Contribution to Retail Banking results in 2012***
 - Revenues: €740m (+35% vs. 2011)
 - Cost Income ratio: 64.6% in 2012 (-18pts vs. 2011)
 - Pre-tax income: €194m (x3 vs. 2011)

> GDP annual growth*



A dynamic and attractive market

* Source: Eurostat January 2013; **Loans & deposits outstandings as disclosed by companies as at 30.09.12;

*** 70% consolidated, variations at constant scope and exchange rates

