



**BNP Paribas**  
**A solid bank well positioned  
to move forward**

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*Goldman Sachs Conference, Brussels*  
*14 June 2012*



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

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*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 1<sup>st</sup> January 2011. This presentation is based on the restated 2011 quarterly data.*

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# Overview

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**A solid bank which has swiftly adapted to the new environment, with a proven track record in risk and liquidity management**



**A resilient performance through the crisis with a strong presence in wealthy domestic markets and a client driven CIB model**



**Significant presence in growing markets**



## Solid Bank with Proven Track Record

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Strong Presence in Wealthy Domestic Markets

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Client Driven CIB Model Adapting to the new Environment

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Significant Presence in Growing Markets

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# Adaptation Plan

## > Solvency

	Ratio (bp)		Risk-weighted assets (€bn equivalent)	
	Plan	Realised at 31.03.2012*	Plan	Realised at 31.03.2012*
CIB	57	41	-45	-32
Retail	7	3	-6	-3
Other activities	36	36	-28	-28
<b>Total</b>	<b>100</b>	<b>80</b>	<b>-79</b>	<b>-63</b>

- 80% of the target already achieved as of 31 March 2012

## > Sovereign debt

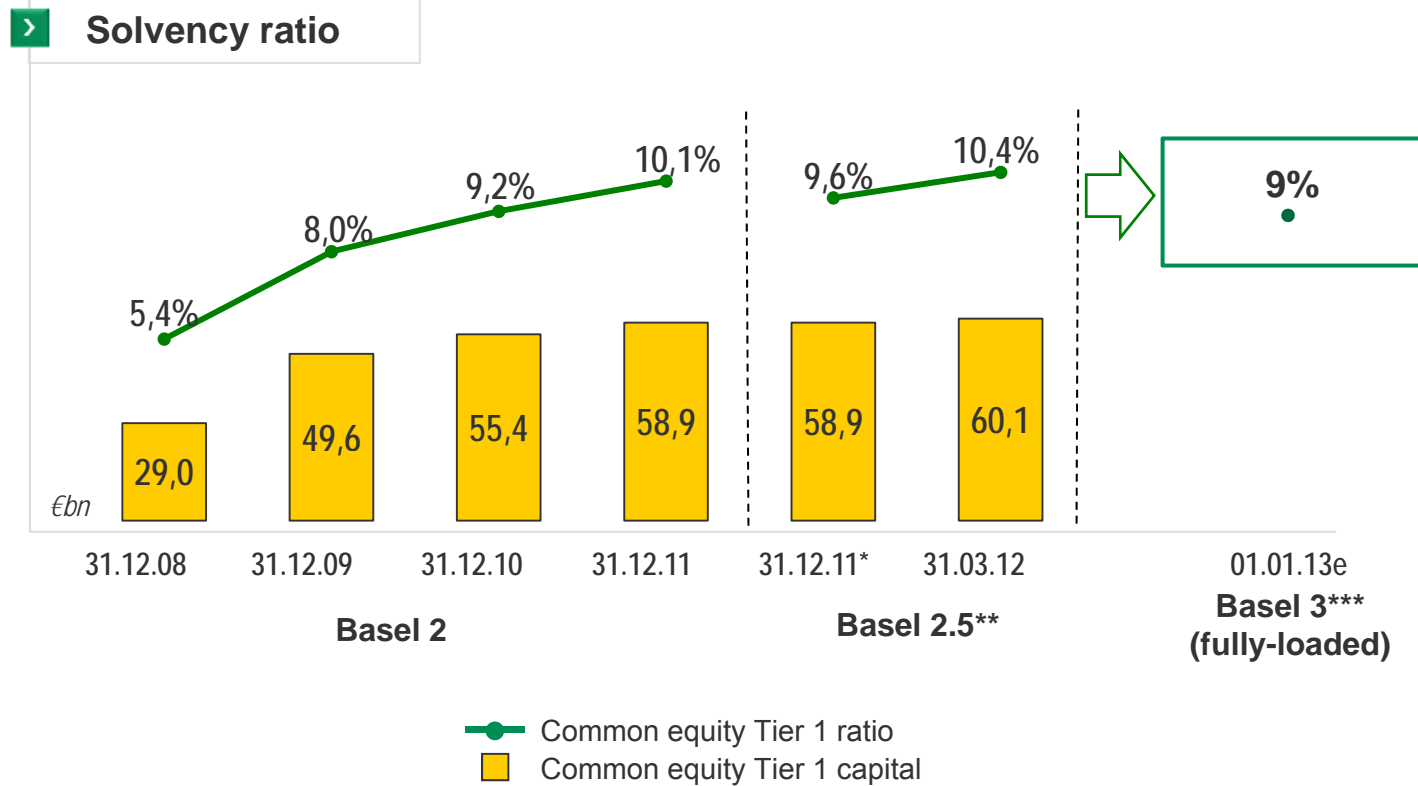
Sovereign exposures (€bn)*	30.06.2011	30.04.2012*	30.04.2012 Group Share
Programme countries	5.3	1.5	1.1
Other euro zone countries	68.6	48.3	41.0
<b>Total euro zone</b>	<b>73.9</b>	<b>49.8</b>	<b>42.1</b>
Rest of the world	32.3	16.2	15.7
<b>Total</b>	<b>106.2</b>	<b>66.0</b>	<b>57.8</b>

- Greek sovereign debt: €0.2bn
- Total for programme countries: Group share exposure substantially reduced

## > Swift adaptation to the new environment



# A Solid Bank: Solvency

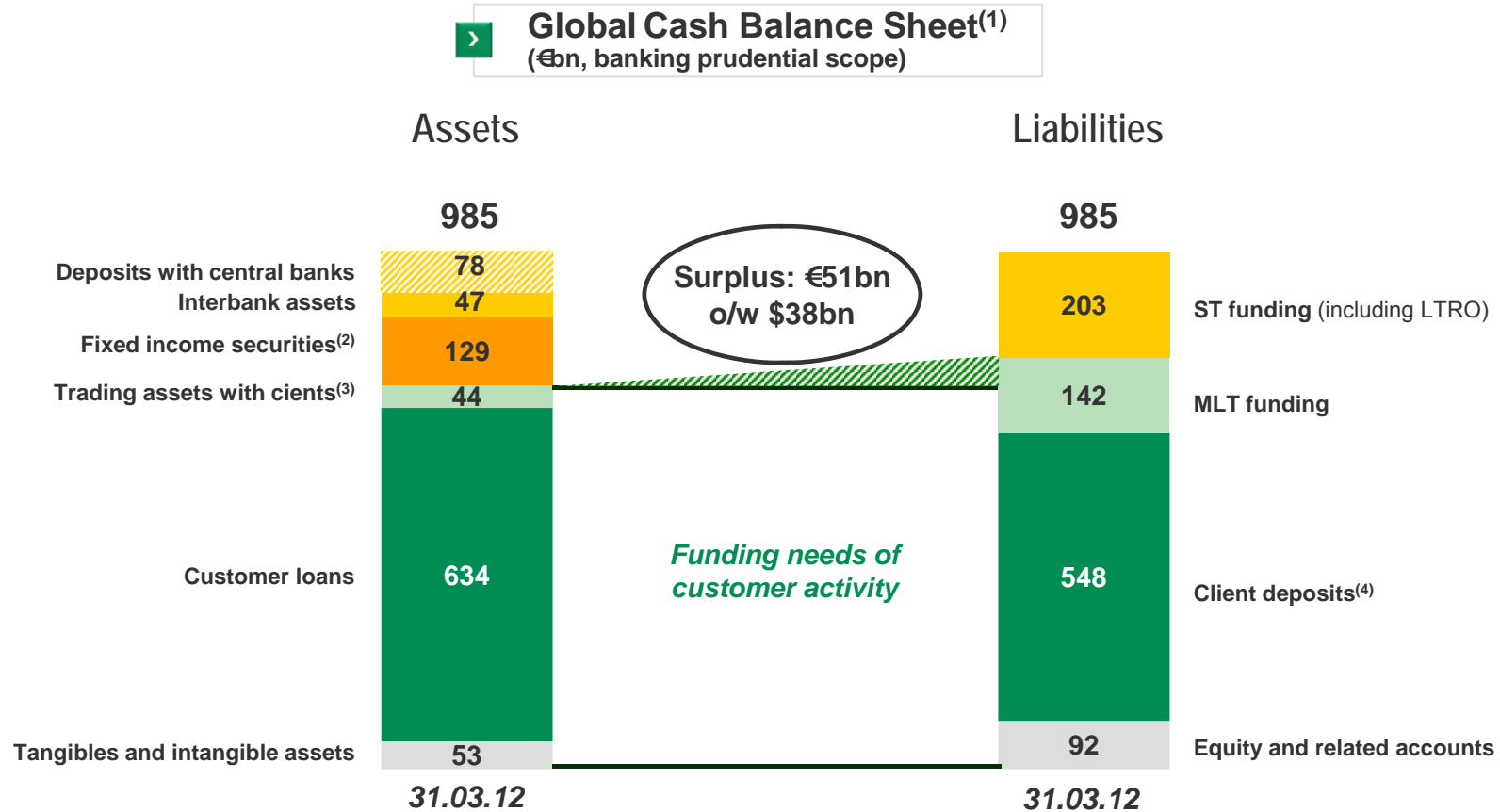


> **9% Basel 3 (fully loaded) CET1 ratio on 01.01.13**

\* Pro forma Basel 2; \*\* CRD3; \*\*\* CRD4 as anticipated by BNP Paribas



# A Solid Bank: all Currencies Cash Balance Sheet



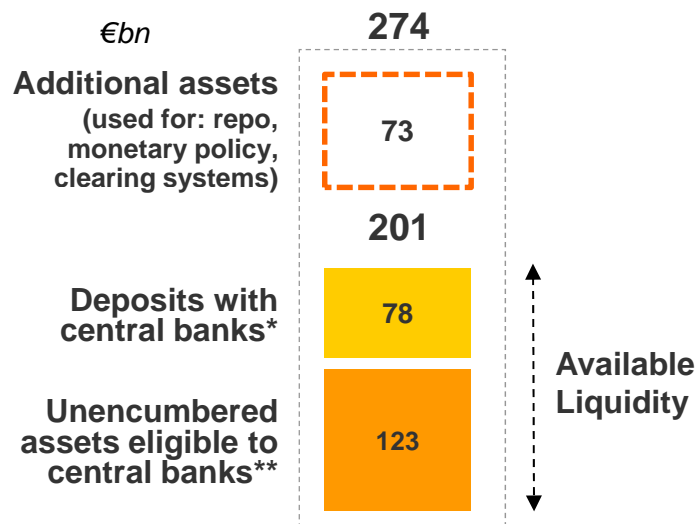
**€51bn surplus of stable funding**

<sup>(1)</sup> Balance sheet with netted amounts for derivatives, repos, securities lending/borrowing and payables/receivables; <sup>(2)</sup> Including HQLA; <sup>(3)</sup> With netted amounts for derivatives, repos and payables/receivables; <sup>(4)</sup> o/w MLT funding placed in the networks: €48bn



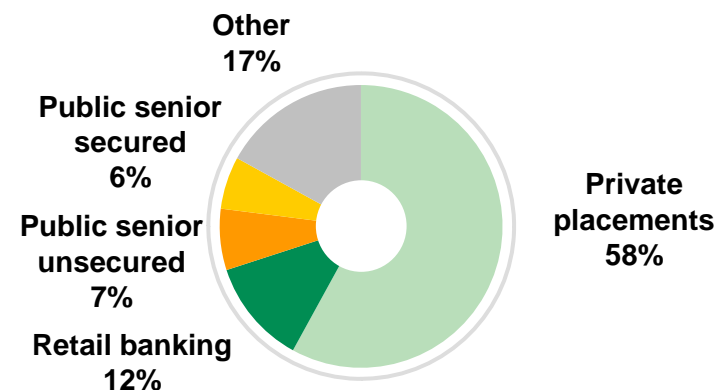
# A Solid Bank: Liquidity and Medium/Long-Term Funding

## Liquidity buffer as at 31.03.12



- Liquid asset reserve immediately available : €201bn\*\*
  - Amounting to ~100% of short-term wholesale funding

## 2012 MLT funding structure – €18bn – breakdown by source



- 2012 MLT programme: €20bn
- €18bn completed\*\*\* by end-May 2012
  - Average maturity: 5.7 years
  - At mid-swap +108bp

## 90% of the MLT funding programme already completed

\* O/w deposits with the Fed: \$41bn as at 31.03.12; \*\* After haircuts;

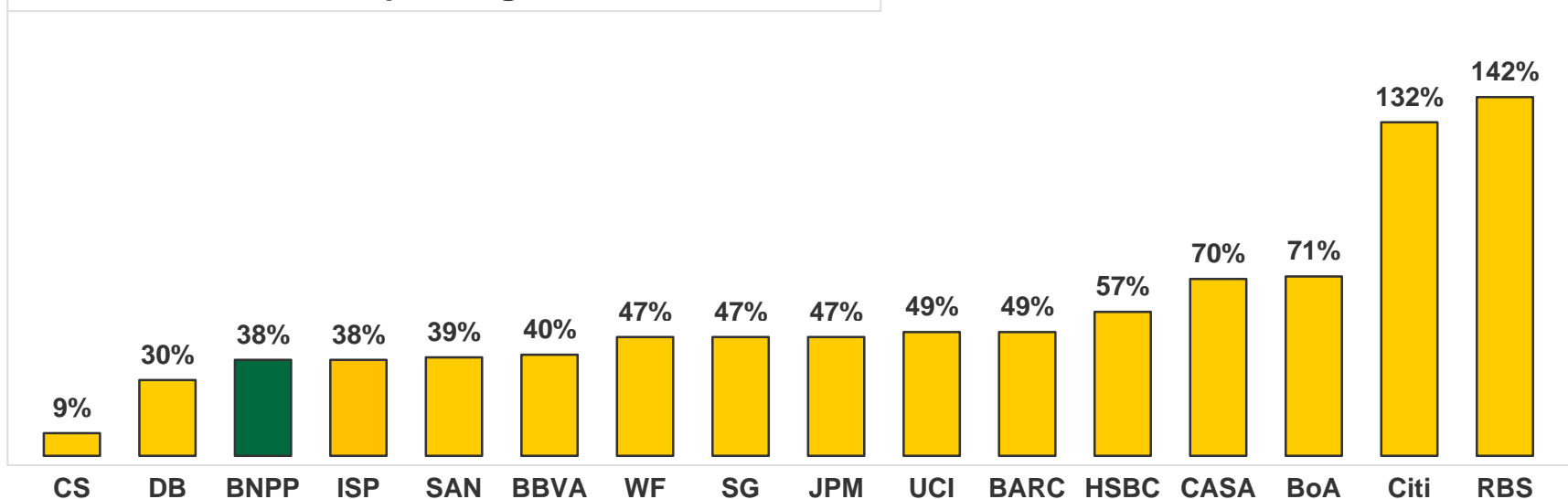
\*\*\* Including issues at the end of 2011 on top of the €43bn completed under the 2011 programme





# A Proven Risk Management Track Record (1/3)

## > Cost of risk/Gross operating income 2007-2011\*



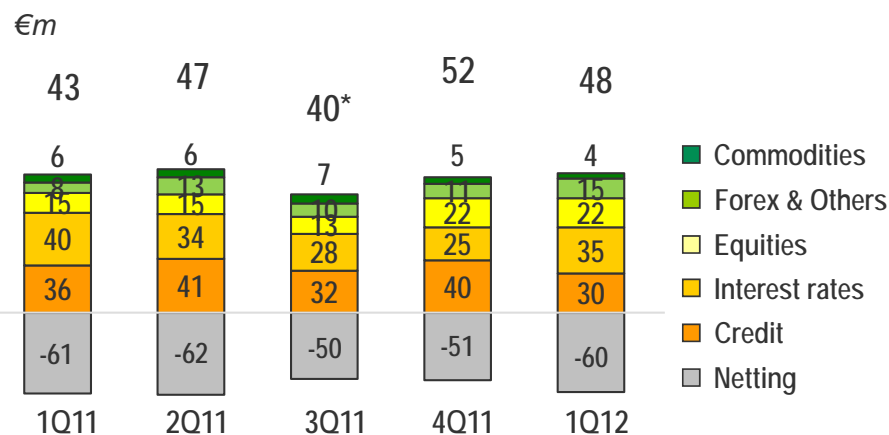
## > Stringent risk policy with proven effectiveness

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

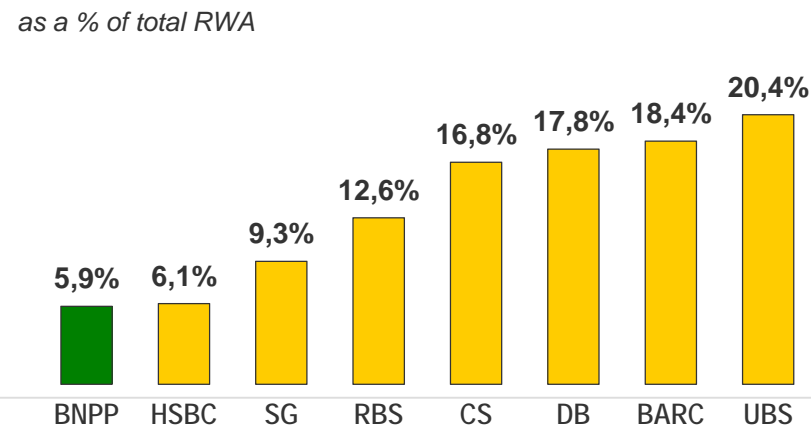


# A Proven Risk Management Track Record (2/3)

## > Average 99% 1-day interval VaR



## > Benchmarking Market risks RWA\*\*



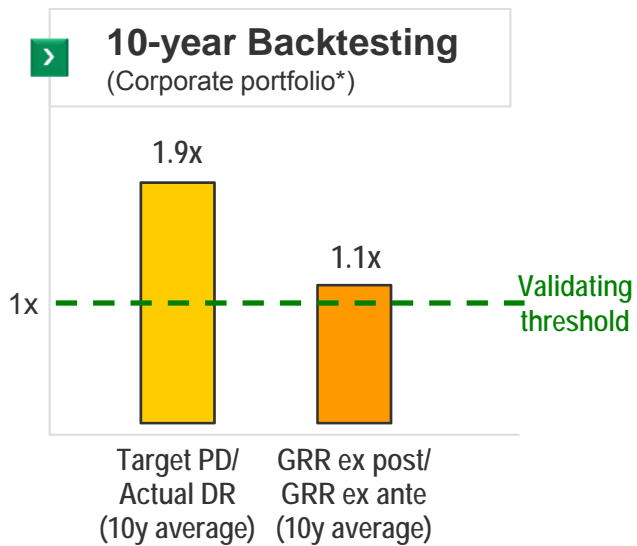
- Low Value at Risk: ~€50m in average 2010-1Q12
  - No day of losses > VaR in 2011-1Q12 despite some extremely high levels of volatility
  - Only 10 days of losses > VaR since 2007, validating the theoretical approach
- Market risk diversified across various asset classes and representing the lowest percentage of total RWAs amongst comparable banks

## > Cautious and successful management of market risks

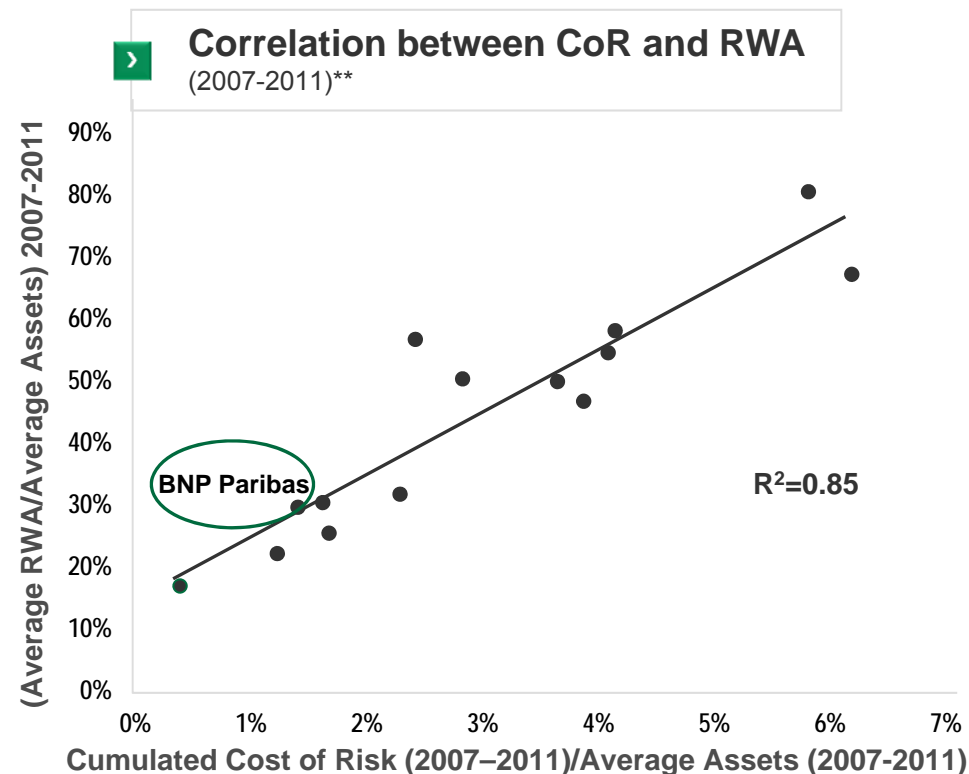
\* Including BNP Paribas Fortis integrated as of 01.07.2011 (BNP Paribas Fortis: average VaR €3.7m in 4Q11); \*\* Banks (31.12.11)



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



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



## Validation of the internal model

\* CIB and French Retail Banking; \*\* Diversified European Banks and JPM, WF and BoA for the US



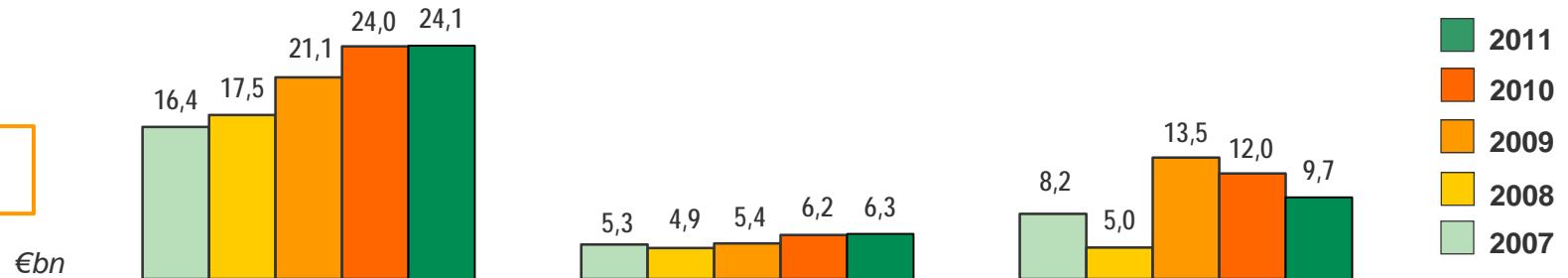
# A Solid Bank: Group Performances

> Retail Banking

> Investment Solutions

> CIB

REVENUES\*



NET INCOME\*\*



> Good resilience through the crises

\* Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy and Belgium; as published in February 2012 for 2011;

\*\* Attributable to equity holders



Solid Bank with Proven Track Record

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**Strong Presence in Wealthy Domestic Markets**

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Client Driven CIB Model Adapting to the new Environment

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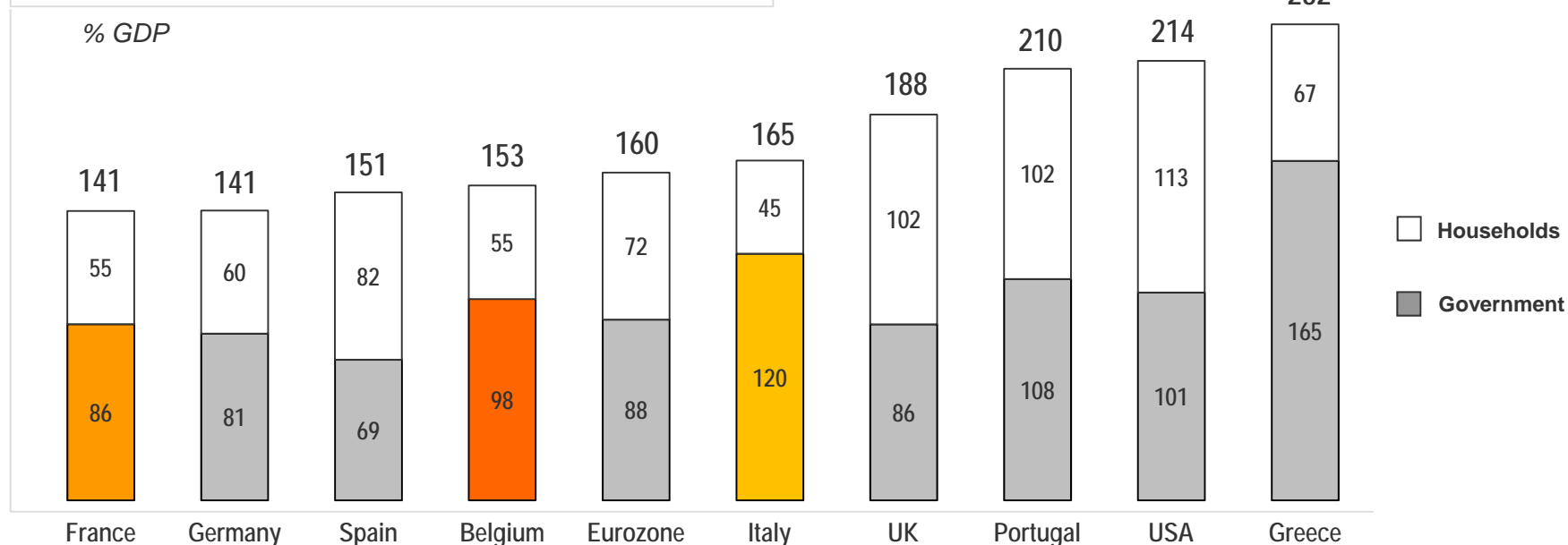
Significant Presence in Growing Markets

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# Strong Presence in Wealthy Domestic Markets (1/2)

## > Government and Households debt (2011)\*



## > Low household indebtedness in Domestic Markets

\* Source: Eurostat and FED for US, 4Q11 BdF data for households debt in France, Italy, Spain and Germany (last available figures)



# Strong Presence in Wealthy Domestic Markets (2/2)

4,200 branches  
~10% market share  
(on a population of 135m inhabitants)

## 4 domestic networks\*

### BNP Paribas Fortis

- 980 branches
- 3.7m clients



### BGL BNP Paribas

- 38 branches
- 0.3m clients



### French Retail Banking

- 2,250 branches
- 7.4m clients



### BNL bc

- 890 branches
- 2.7m clients



## 4 specialised businesses

With leading positions in Europe

- Consumer Finance



- Leasing



- Car fleet management



- On line Broker

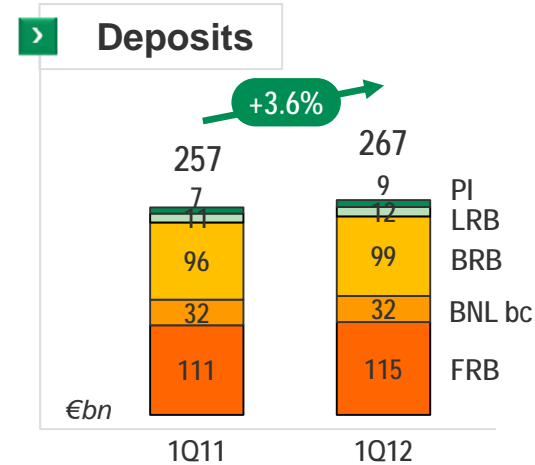
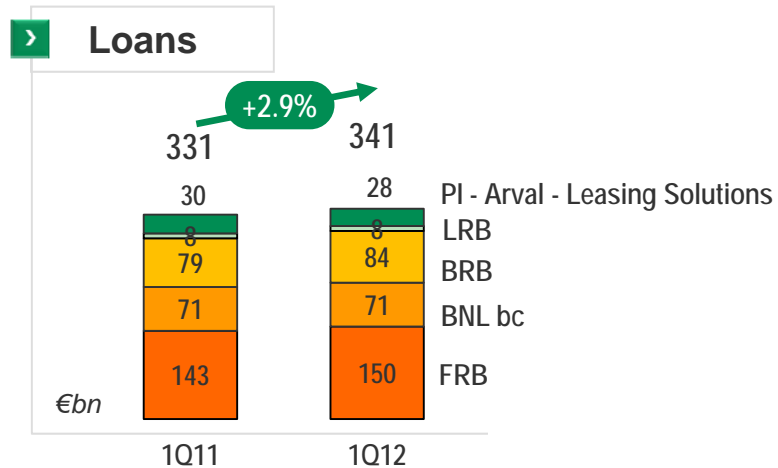


Strong retail networks franchise  
serving over 14 millions clients

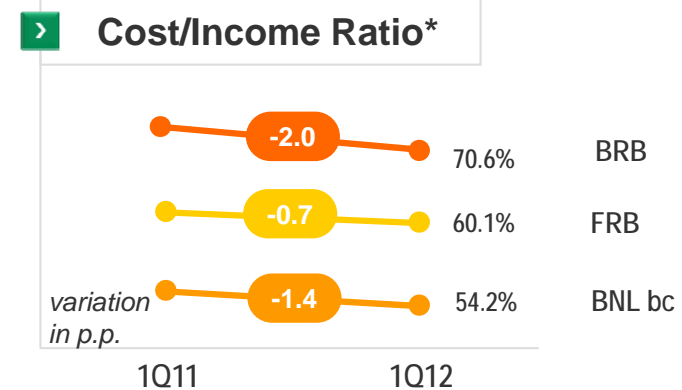
\* As at 31.12.2011



# Retail Banking - Domestic Markets Volumes



- Operating efficiency improvement and positive jaws effect in all domestic markets in 1Q12



**A resilient commercial performance with a significant increase in deposits**

\* Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy and Belgium





Solid Bank with Proven Track Record

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Strong Presence in Wealthy Domestic Markets

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**Client Driven CIB Model Adapting to the new Environment**

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Significant Presence in Growing Markets

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# Corporate & Investment Banking Towards a new Framework

- Adaptation of financial resources consumption well advanced
  - Deleveraging plan largely completed
  - Adaptation of the platform to maintain competitive advantages on costs
  
- Adjustment of the model already implemented at CIB business level
  - New regulatory framework to be stabilized soon
  - Several initiatives to serve clients in Capital Markets & Advisory and in Corporate banking

	> Target	> Realised*
USD Funding	-\$65bn	100%
RWA (equivalent)	-€45bn	71% 29%
Workforce	-1,400 FTE	70% 30%

## > Swift adaptation to the new environment

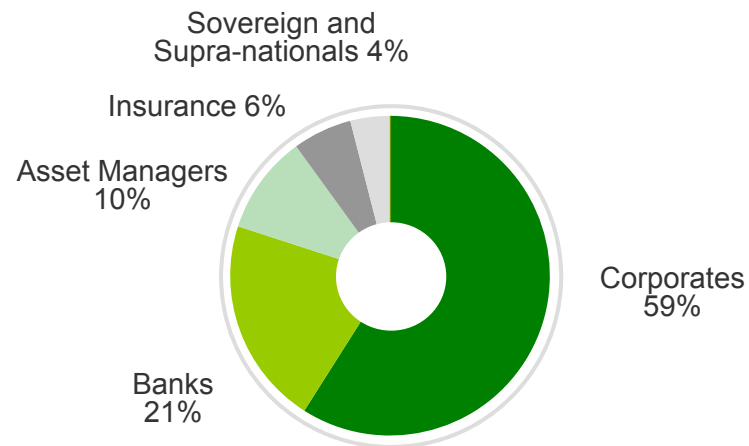
\* As at end of May 2012; As at 31.03.2012 for RWA, including the disposal of Houston Reserve-Based Lending whose main closing was on 20 April 2012



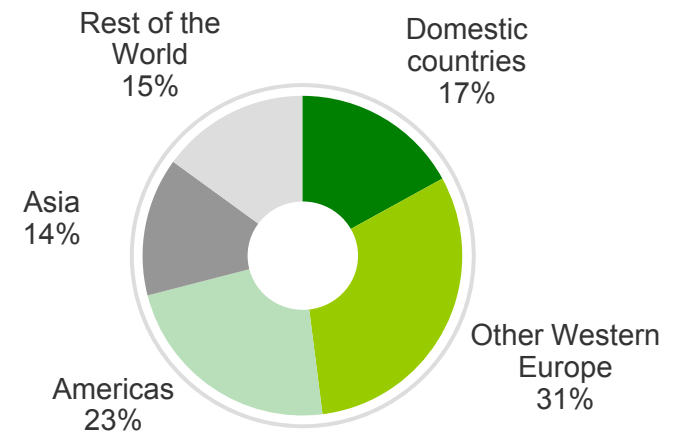
# Corporate & Investment Banking A Strong Client Franchise

- 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

## > Client revenues by type (2011)



## > Client revenues by geography (2011)



## > A strong franchise driven by client activity



# Corporate & Investment Banking Capital Markets & Advisory - a Solid Client Franchise

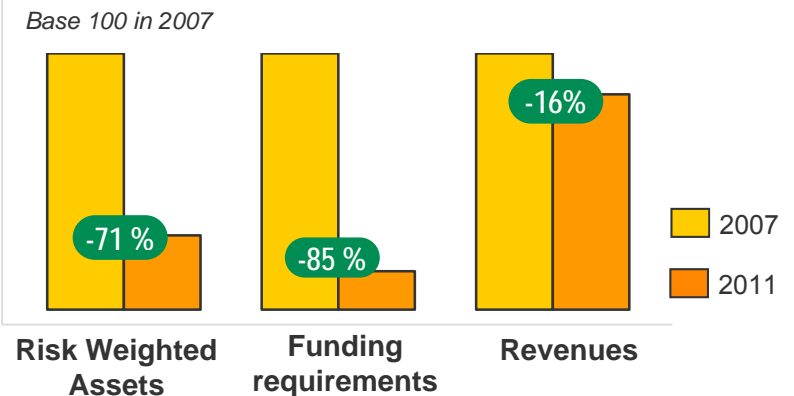
## ● Equity derivatives

- A client driven model: more than 3,250 clients and 1,000 retail distributors
- Top 3 worldwide equity derivatives franchise\*
- An optimised business model: since 2008, active reduction of risks and resources consumption while maintaining revenues

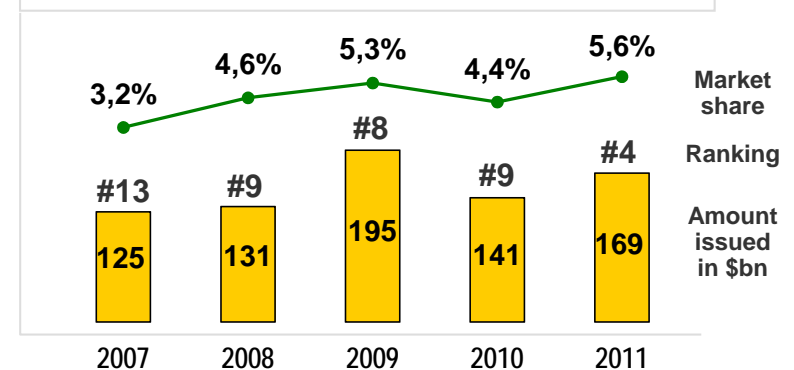
## ● Fixed Income

- Strong contribution to financing the economy through bonds issuance: 51 first time issuers brought to the market since 2010
- Leading franchises: #1 “All bonds in euros”\*\*, Top 10 “All international bonds in USD”\*\*
- Strong and growing distribution platform in Europe and in the US

### > Equities derivatives model



### > “All International bonds issues”\*\*\*



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

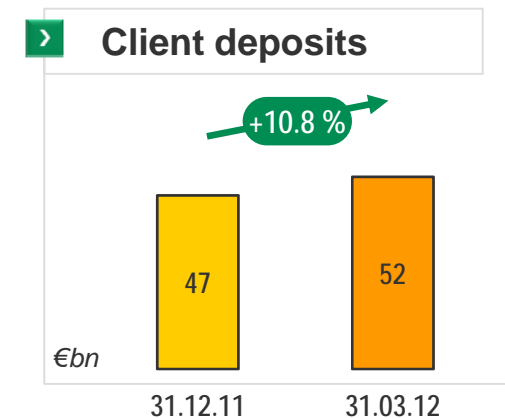
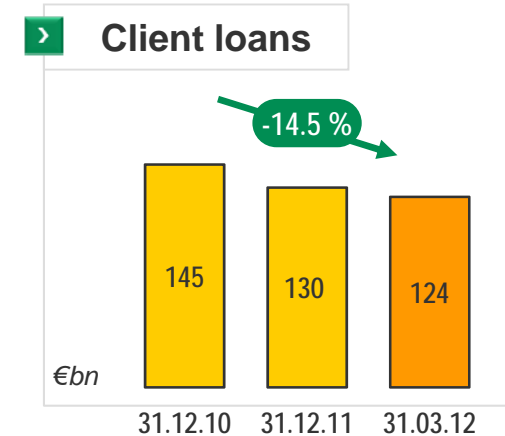
\* By revenues – Source: bank disclosure and BNP Paribas estimates; \*\* Source: Thomson Reuters / BNPP Arranger, as at 31.03.12



# Corporate & Investment Banking

## Corporate Banking - Adapting to the new Environment

- Continue to develop Financing solutions
  - Selective reduction of outstandings with a focus on cross selling opportunities and fee based revenues
  - Combine strong specialized finance capabilities with Fixed Income through an “Originate to Distribute” approach, providing new credit solutions to clients
  
- Accelerated effort on Deposits and Cash Management
  - Focus on growing the deposit base thanks to a proactive and targeted client approach
  - Development of the global Cash Management platform



> **Corporate Banking: a new approach to the business**



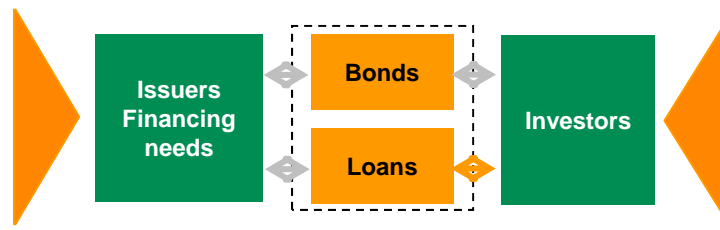
# Focus on "Originate and Distribute"

- Provide our clients with new credit solutions, as a result of the origination and the distribution of specialized finance assets

## Specialized Finance

Short term	Trade	#2 <sup>1</sup>
	Commodity	#1 Energy <sup>2</sup>
Medium to long term	Media Telco	#1 EMEA <sup>3</sup>
	Acquisition	#1 EMEA <sup>3</sup>
	Leveraged	#3 Europe <sup>5</sup>
	Real Estate	#1 <sup>8</sup>
	E&C	#1 MLA <sup>3</sup>
	Shipping	Top 10 <sup>3</sup>
	Export	#3 <sup>3</sup>
	Aircraft	#2 <sup>4</sup>
Project	Top 3 <sup>3</sup>	

## New credit solutions



## Fixed Income

All bonds in €	#1 <sup>5</sup>
All Int. bonds	#4 <sup>5</sup>
All Int. bonds in USD	#10 <sup>5</sup>
All Covered bonds	#2 <sup>5</sup>
Interest rate Credit & EM	#4 Europe <sup>6</sup>
Credit derivatives	House of the Year <sup>7</sup>
Interest Rates derivatives	#4 for corporate <sup>1</sup>

## Case studies

Sector	Deal	
Project	Dolphin Energy	USD 1.3bn 9Y Project bond
Aircraft	Lion Air	US Exim bank guaranteed USD 138m bond
Export	Reficar	Advisory on a USD 3.5bn 16Y Debt with Exim bank funding
Corporate	Schaeffler	€2bn Bond issue and € 1.4bn 5y loan sold to investors



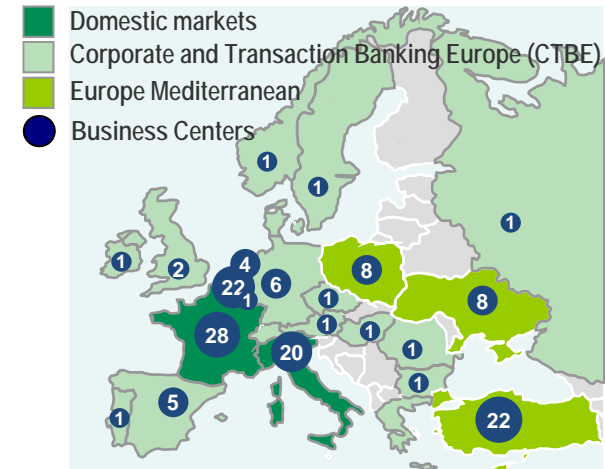
## Combine existing expertise and competitive edge

Ranking by :1) Euromoney; 2)Trade Finance magazine; 3) Dealogic; 4) Air Finance journal 2010; 5) Thomson Reuters; 6) Greenwich; 7) Asia Risk Award; 8) Core markets

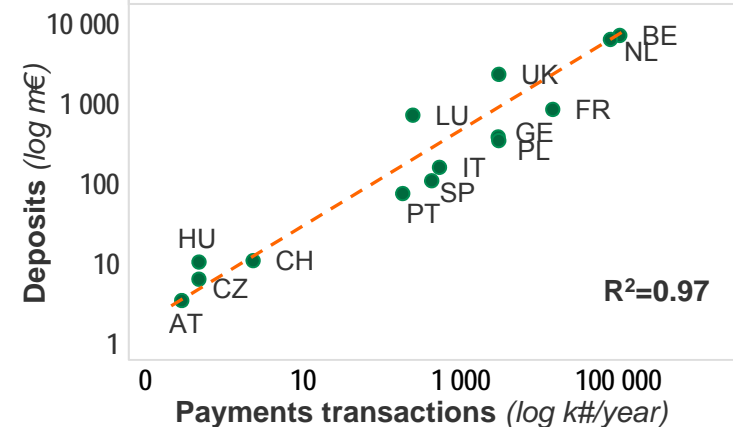


# Focus on Deposits and Cash Management

- Proactive development of deposits and cash management
  - A broad worldwide network combining CIB and Retail banking offering
  - Example of the initiative launched in Europe in 2010: “One bank for corporate”
  - Benefit from platform upgrade investments (e.g. 50m€ in Asia over the past 2 years)
  
- An already proven leadership
  - #1 positions in Europe and in the Euro zone\*
  - #5 on a worldwide basis in 2011\*\*
  
- Strong opportunities going forward
  - Strong correlation between cash management flow and deposits



➤ Deposit /payments correlation



## ➤ A key strength in the new business environment

\* Quality and Market Share Leader in Cash Management for Europe & Eurozone (Greenwich 2012); \*\* Euromoney 2011



Solid Bank with Proven Track Record

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Strong Presence in Wealthy Domestic Markets

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Client Driven CIB Model Adapting to the new Environment

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**Significant Presence in Growing Markets**

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# Presence in Asia-Pacific (1/2)

- BNP Paribas has been present in Asia-Pacific for over 150 years

## CIB

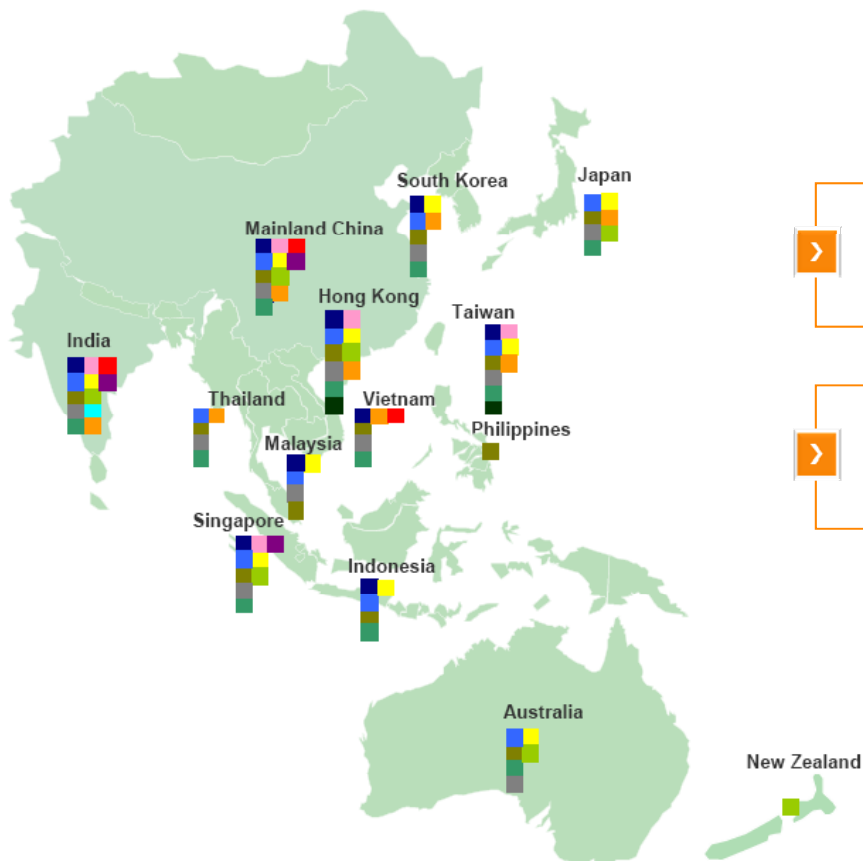
- Corporate Finance
- GECD
- Fixed Income
- ALM/Treasury
- Structured Finance

## Investment solutions

- Wealth Management
- Investment Partners
- Securities Services
- Real Estate
- Cardif

## Retail Banking

- Retail presence
- Personal Investors



> Operating platform covering 14 markets

> 5.6% of the Group's workforce

> An extensive client franchise to capture fast growth in Asia

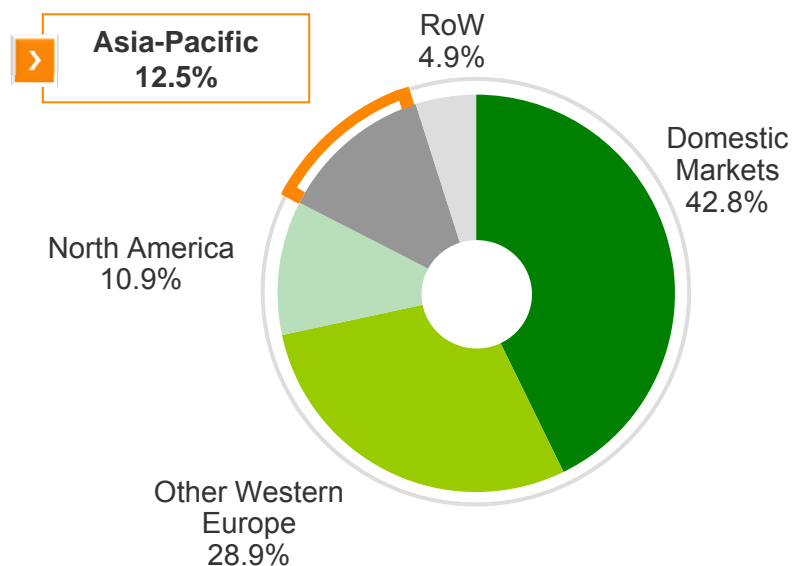


## Development in Asia-Pacific (2/2)

- Sustainable and profitable business set-up
- Critical size of the platform thanks to historical presence
- Ambition to become the transaction bank of selected international and regional clients
  - Building up origination capacity and continuing to invest in IT
  - Seizing current European clients' expansion needs and attracting growing Asian clients' needs in Europe
- Fostering cross selling opportunities and increasing co-operation between CIB and Investment Solution (e.g. Corporate Finance and Wealth Management)
- BNP Paribas tops *AsiaRisk* interdealer rankings
  - #1 Currency and Interest Rate Derivatives Dealer
  - #2 Credit and Equity Derivatives Dealer

### CIB - IS Geographic Mix

Revenues 1Q 2012

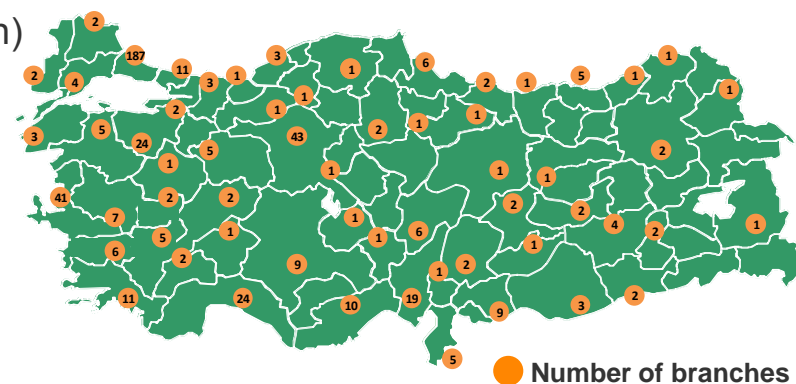
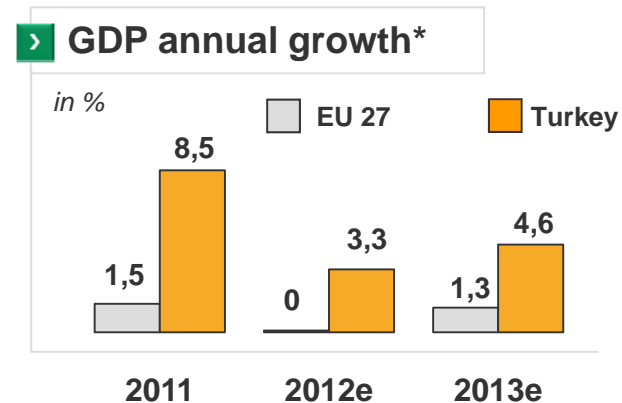


**BNP Paribas remains in expansion mode in Asia-Pacific**



# Focus on Turkey: TEB

- A robust, dynamic and promising market
  - Sizeable market (76m inhabitants)
  - Strong lending (+26%) and deposit (+18%) growth over the last 5 years
  - Low banking penetration rate
  
- Merger of TEB & Fortis Bank Turkey completed, leading to a #9 ranking in Turkey\*\*\*
  - Improvement of the network efficiency with the closing of 95 branches in 2011 (526 as at 31 March)
  - Roll-out of the integrated model
  
- Contribution\*\* to Retail results in 2011
  - Revenues: €536m
  - Cost Income ratio: 83% down to 72% in 1Q12
  - Pre-tax income: €61m



> **A dynamic and attractive market**

\* Source: Eurostat June 2012 ; \*\* 70% consolidated; \*\*\* Loans & deposits outstandings as disclosed by companies as at 31.12.11



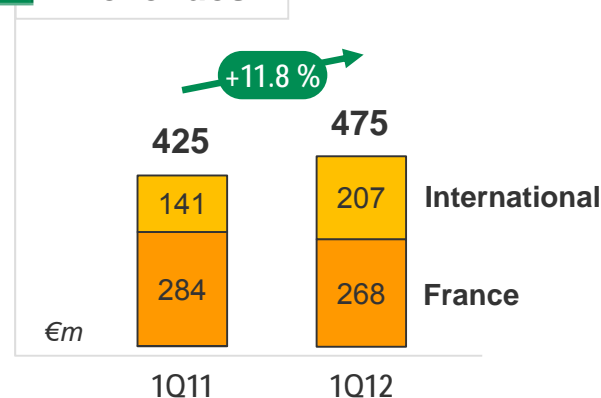
# BNP Paribas Cardif (Insurance)

- A significant contributor to the Group's profitability
  - Net asset inflows +€1.1bn in 1Q12 with Asia contributing ~50% of net inflows
  - Revenue growth driven by international activity, benefiting from increasing managed assets (+7.1% vs. 1Q11) and protection insurance outside France
- Continuing to invest in business development
  - Maintaining focus on Latin America and Asia; aiming to double Asian contribution over the next 5 years (currently ~12% of total gross written premiums)
  - Further developing joint ventures with top tier local partners
  - Developing protection offering in Domestic Markets and Turkey
  - Expanding creditor insurance offer with new individual protection solutions

## > Key figures (as at 31.12.11)

Technical provisions	€151bn
Workforce	> 7,000
Geographical presence	39 countries

## > Revenues



> **A major player on the global market for personal insurance**



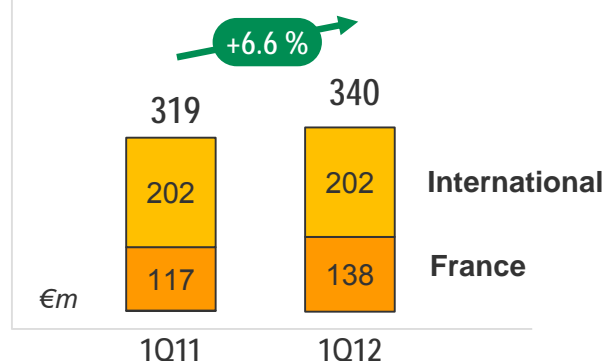
# BNP Paribas Securities Services

- A recognised leading player
  - Undisputed #1 in Europe with unique access to fragmented exchanges
  - Best rated custodian in the world
- A growing and profitable business with low capital consumption and high potential liquidity contribution
  - Assets under custody (+4.2% vs. 1Q11), assets under administration (+12.7% vs. 1Q11)
- Creating synergies for the Group: “the cash management equivalent for institutional clients”
  - Cross selling opportunities for institutional clients and joint offer with CIB
  - Continued business development, particularly in Asia Pacific and Latin America

## > Key figures (as at 31.12.11)

Assets under administration	€28bn
Assets under custody	€4,517bn
Workforce	7,700
Geographical presence	30 countries

## > Revenues



**A top 5 global provider in Securities Services**



# Conclusion

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**Swift adaptation to the new regulatory environment  
and strong risk management track record**



**Retail Banking activity focused on wealthy markets  
CIB adapting its business model to “originate to distribute”**



**Continuing to invest in growing markets**

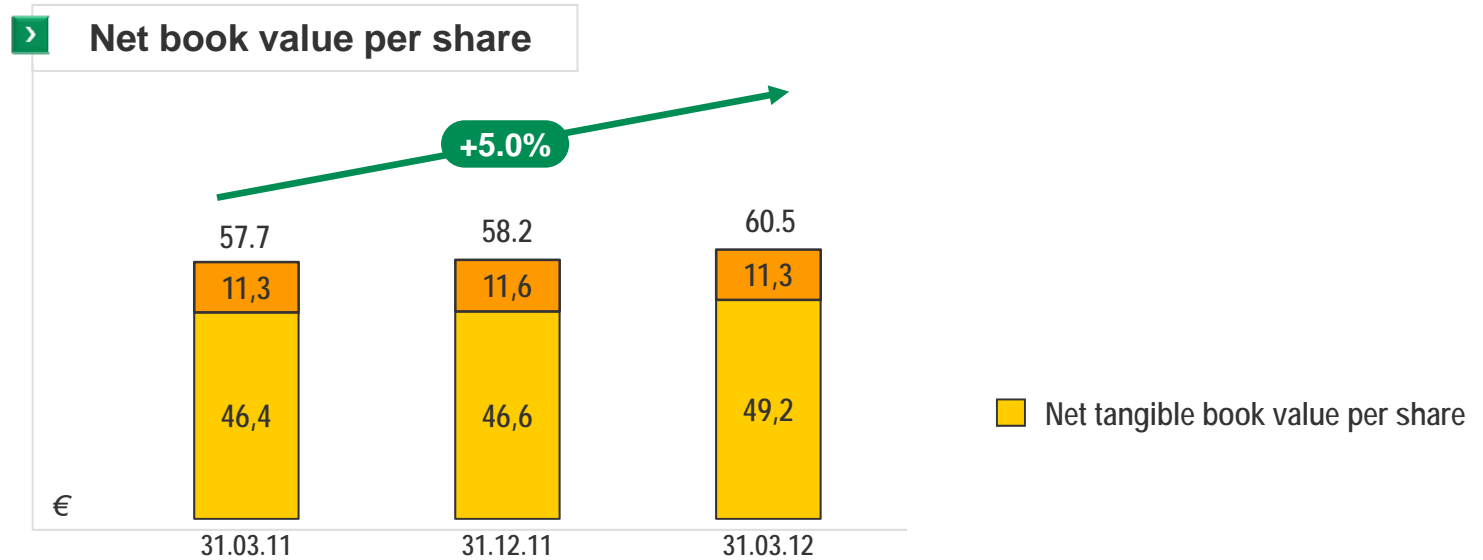


# Appendix

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# A Solid Bank: Net Book Value per Share

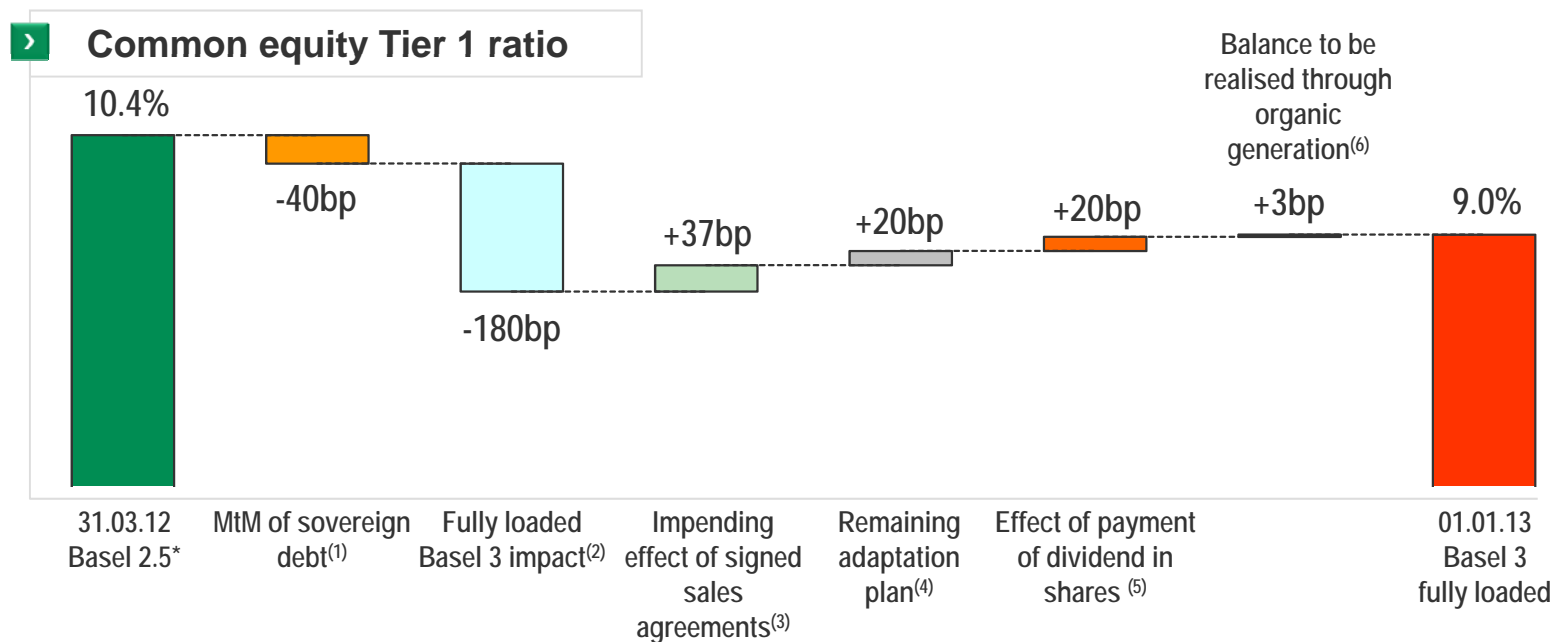


> Continued to grow the net book value per share





# A Solid Bank: Switch to Basel 3



(\*) CRD3

(1) Retained at -40bp under the convention (as an extension of the EBA rule for 30 June)

(2) According to CRD4 as anticipated by BNP Paribas as at 31.01.2012, excluding mark-to-market of sovereign debt

(3) Disposals of the Reserve-Based Lending activity in the U.S. and of a 28.7% stake in Klépierre S.A.

(4) 100bp (total plan) - 80bp (completed as at 31 March 2012)

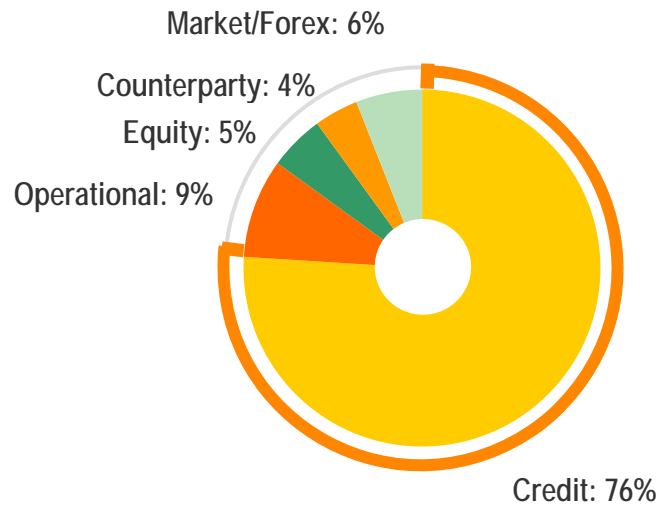
(5) Assumption that on average 50% of the dividend is paid in shares for both 2011 and 2012

(6) Balance to be realised through organic income generation in 2Q12, 3Q12 and 4Q12, given assumptions (1) to (5) and a 25% payout ratio

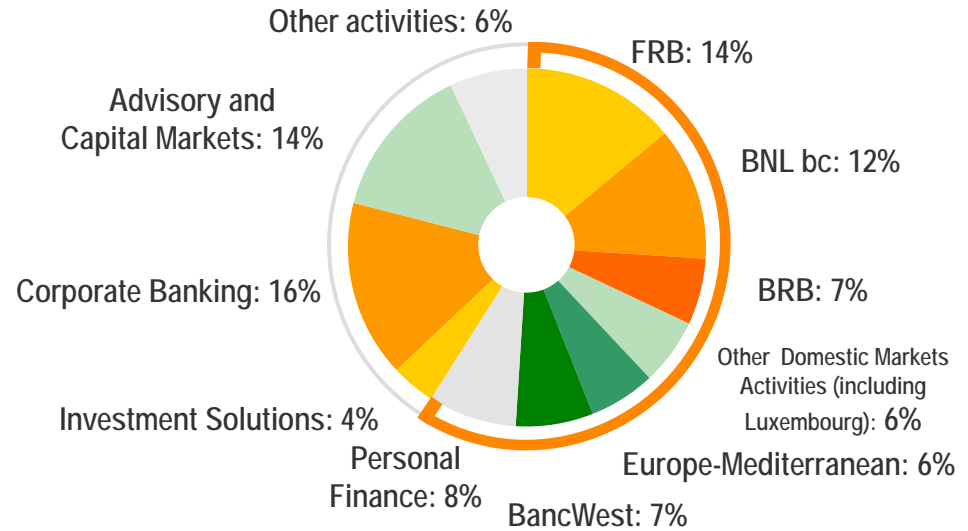


# Basel 2.5\* Risk-Weighted Assets

> **Basel 2.5\* risk-weighted assets by type of risk as at 31.03.2012**



> **Basel 2.5\* risk-weighted assets by business as at 31.03.2012**



> **Retail Banking: 60%**

> **€576bn**



\* CRD3

# Sovereign Debt Exposure in the Banking Book as at 30 April 2012

Sovereign exposures (€bn)*	30.06.2011	31.12.2011	30.04.2012	Change vs. 31.12.2011	30.04.2012 Group Share
<b>Programme countries</b>					
Greece	3.5	1.0	0.2		0.2
Ireland	0.4	0.3	0.3		0.2
Portugal	1.4	1.4	1.0		0.7
<b>Total programme countries</b>	<b>5.3</b>	<b>2.6</b>	<b>1.5</b>	<b>-42.7%</b>	<b>1.1</b>
Germany	3.9	2.5	1.0		0.8
Austria	1.0	0.5	0.3		0.2
Belgium	16.9	17.0	17.2		13.0
Cyprus	0.1	0.0	0.0		0.0
Spain	2.7	0.4	0.4		0.3
Estonia	0.0	0.0	0.0		0.0
Finland	0.4	0.3	0.3		0.2
France	14.8	13.8	10.3		9.7
Italy	20.5	12.3	11.6		11.4
Luxembourg	0.0	0.0	0.0		0.0
Malta	0.0	0.0	0.0		0.0
Netherlands	8.4	7.4	7.2		5.4
Slovakia	0.0	0.0	0.0		0.0
Slovenia	0.0	0.0	0.0		0.0
<b>Other euro zone countries</b>	<b>68.6</b>	<b>54.3</b>	<b>48.3</b>	<b>-11.0%</b>	<b>41.0</b>
<b>Total euro zone</b>	<b>73.9</b>	<b>56.9</b>	<b>49.8</b>	<b>-12.5%</b>	<b>42.1</b>
<b>Other EEA countries</b>	<b>4.5</b>	<b>2.8</b>	<b>2.3</b>	<b>-18.4%</b>	<b>2.0</b>
<b>Rest of the world</b>	<b>27.8</b>	<b>15.6</b>	<b>13.9</b>	<b>-10.6%</b>	<b>13.7</b>
<b>Total</b>	<b>106.2</b>	<b>75.3</b>	<b>66.0</b>	<b>-12.3%</b>	<b>57.8</b>

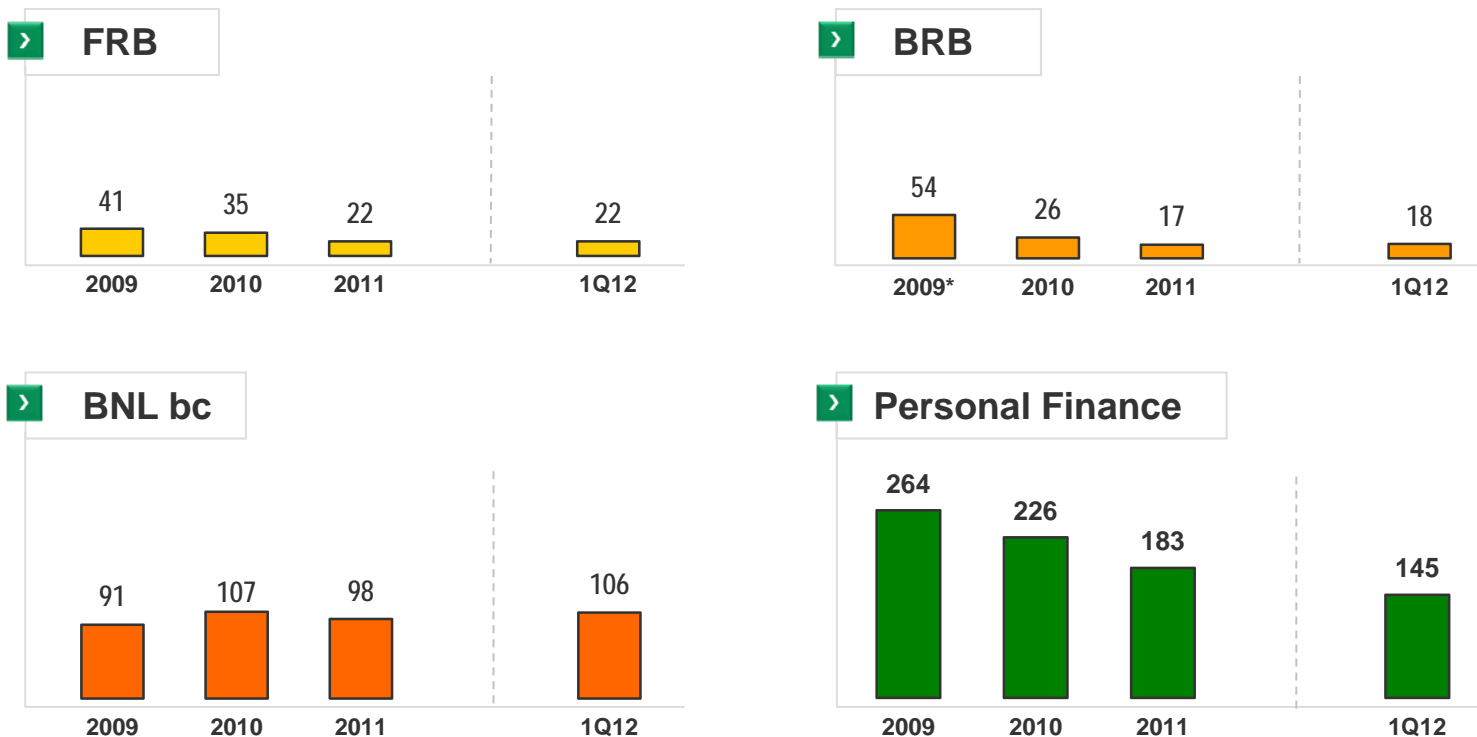
\* After impairment, excluding revaluations and accrued coupons



# Retail Banking - Domestic Markets

## Cost of Risk

Net provisions/Customer loans (in annualised bp)



> **Cost of risk still moderate in France and Belgium, limited increase in Italy and decrease at PF**

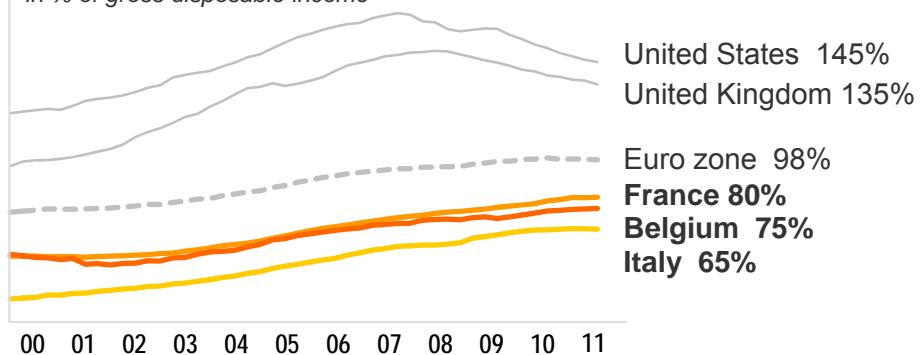
\* Pro forma



# Strong Presence in Wealthy Domestic Markets

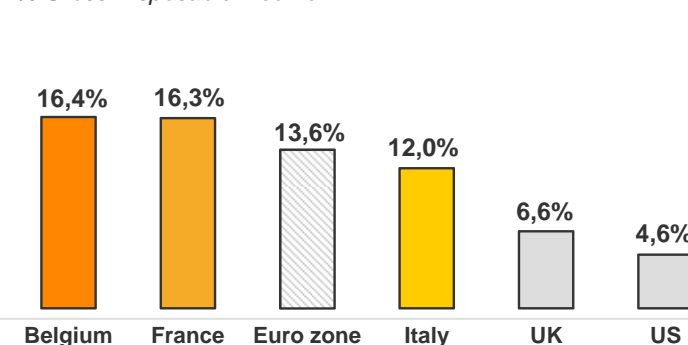
## > Household debt\*

in % of gross disposable income



## > Gross households savings rate (31.12.2011)\*\*

% Gross Disposable Income



- Low level of household debt
- Sound mortgage markets
  - Mainly fixed rates
  - Based on affordability rate
  - Well guaranteed, very low delinquencies
- High savings rate
  - Potential room for further selling savings products, including deposits

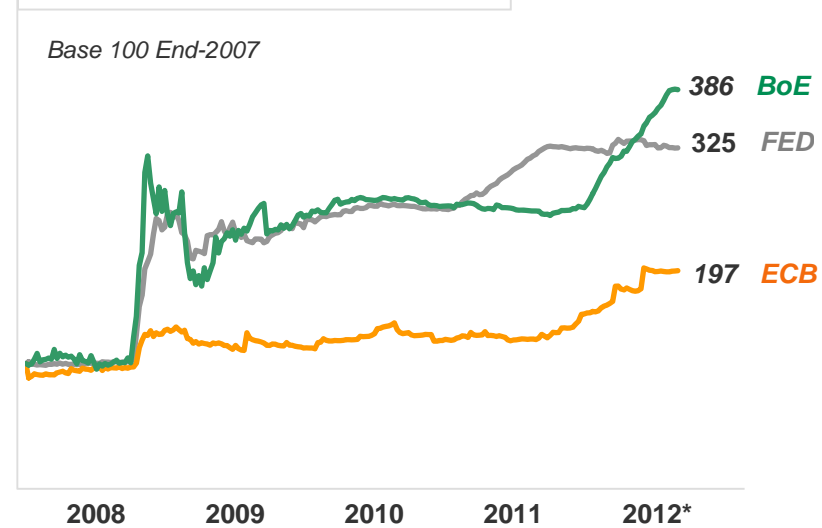
## > Wealthy and sound domestic markets

\* Source: Banque de France, Belgostat for Belgium; \*\* Source: Eurostat and BEA for US



# Non Conventional Monetary Policies

## > Central banks assets



**Even after LTROs, ECB assets have increased much less than BOE and FED**

