



BNP PARIBAS | The bank for a changing world

BNP Paribas Well Positioned in the 2009 Environment

Philippe Bordenave

Chief Financial Officer

UBS Conference, New York

12 May 2009

Disclaimer

This presentation contains forward-looking statements about BNP Paribas, Fortis Bank NV/SA and certain of their affiliates and the proposed tie-up that had been announced. Forward-looking statements include financial projections and estimates and their underlying assumptions and perspectives regarding plans, objectives and outcomes expected with respect to future events, operations, products and services, and assumptions regarding future performance and synergies. Many factors, a number of which are beyond BNP Paribas' control, could cause actual outcomes to differ significantly from expected outcomes. Among these factors are the securing of required regulatory authorisations, the approval of BNP Paribas shareholders, the development of the businesses of BNP Paribas or Fortis Bank NV/SA and their subsidiaries, banking and financial services and insurance industry trends, future capital expenditures and acquisitions, changes in the global economy or in BNP Paribas' and Fortis Bank NV/SA's key local markets, the competitiveness of the market and regulatory factors. The occurrence of these events is uncertain and their outcomes may differ from current expectations which may in turn significantly affect expected outcomes. Actual outcomes may differ materially from those expected or implied in forecasts. BNP Paribas undertakes no obligation to publicly revise or update any forecasts.

The information contained in this presentation, to the extent it relates to parties other than BNP Paribas or comes from external sources, has not been independently verified and no expressed or implied representations or warranties are made or given in relation thereto, and no certainty is given that information or opinions contained herein are true, correct, accurate or complete. Neither BNP Paribas nor its agents or representatives may be held any liability for any negligence or for any other reason in connection with any losses arising from any use of this presentation or its contents or otherwise arising from this presentation or any other materials or information to which it may make reference.

2008 & 1Q09 results of operating divisions with Basel II normative equity





1Q09 Results

Structural Strengths

Adjustment to a New Environment

Fortis: Two New Domestic Markets

Conclusion

Key 1Q09 Figures

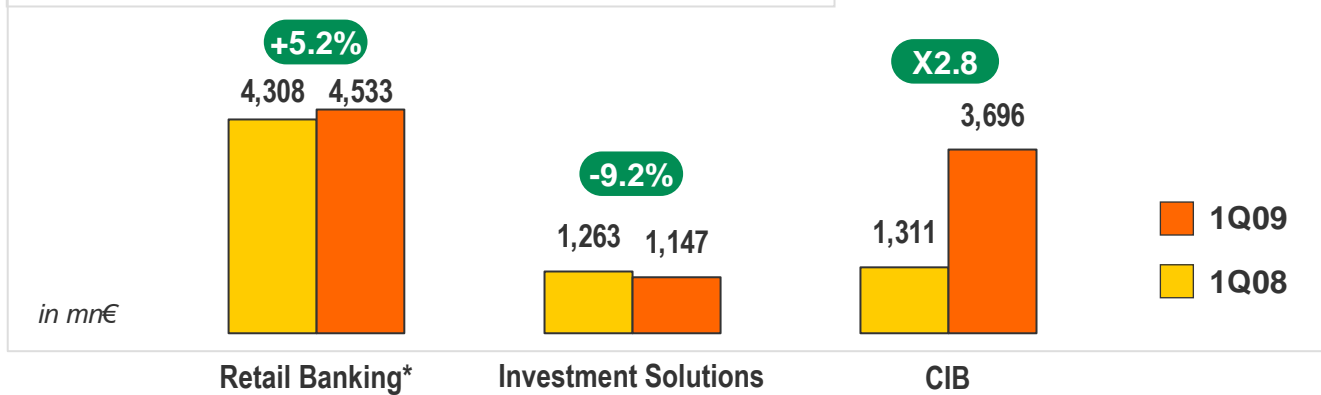
	> 1Q09	> 1Q09/1Q08
● Revenues	€9,477mn	+28.2%
● Operating expenses	-€5,348mn	+16.1%
● Gross operating income	€4,129mn	+48.0%
● Cost of risk	-€1,826mn	x3.3
● Operating income	€2,303mn	+2.6%
● Pre-tax income	€2,290mn	-14.4%
● Net income group share	€1,558mn	-21.4%

> **Net income of €1.56bn in an environment that remains challenging**

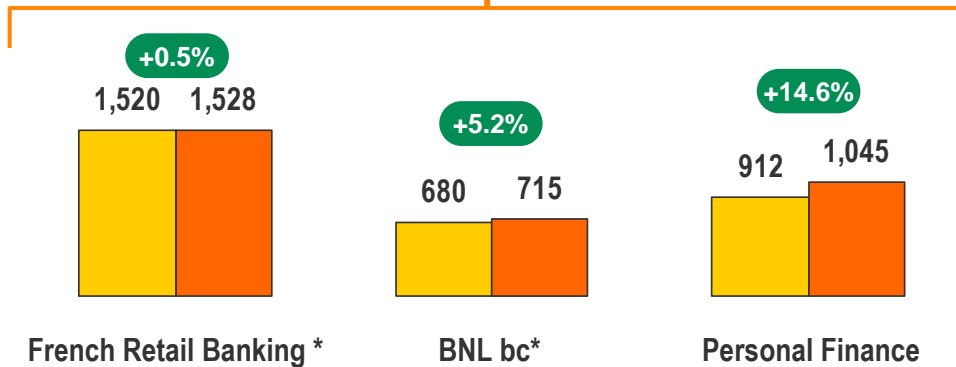


1Q09 Revenues

> Revenues *(including the impact of the financial crisis)*



of which:



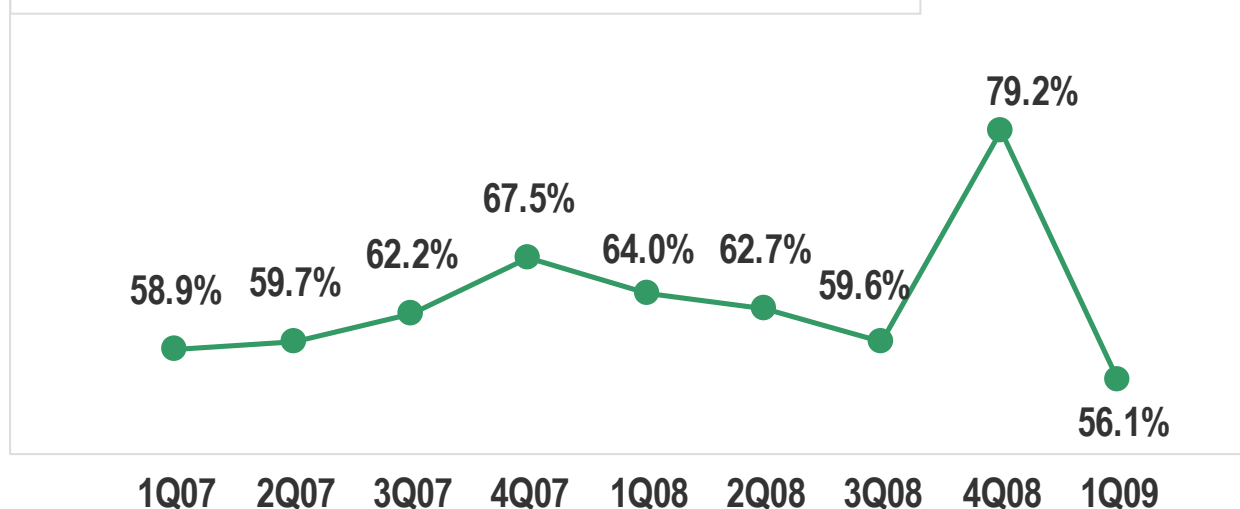
> **Good sales and marketing drive**



Fast Adjustment of Costs to the Environment

- Measures to adjust costs introduced in all businesses
- Group's operating expenses at constant scope and exchange rates and excluding variable compensation: -2.4%/1Q08

> Cost/income ratio of operating divisions



Target to stabilise costs* reached in the first quarter

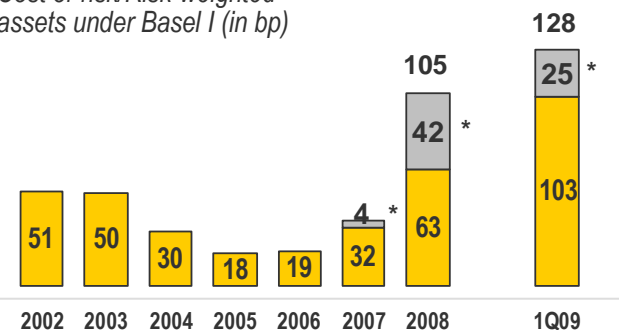


Cost of Risk

- Sharp rise in the cost of risk in 1Q09: €1.8bn vs €0.5bn in 1Q08 (+€1.3bn)
- Impact of the economic downturn
 - On retail customers in the U.S. (BancWest: +€0.2bn), in Personal Finance (+€0.2bn) and in Ukraine (+€0.1bn)
 - On corporate clients (CIB Financing Businesses: +€0.5bn)
- Receding impact of counterparty risk (-€0.2bn)
- Domestic markets: lowest household indebtedness ratios in Europe
 - France: mortgages primarily at fixed rate and well secured
 - Italy: contained household exposure and good quality mortgages, close monitoring of lending to small and medium enterprises

> Cost of risk

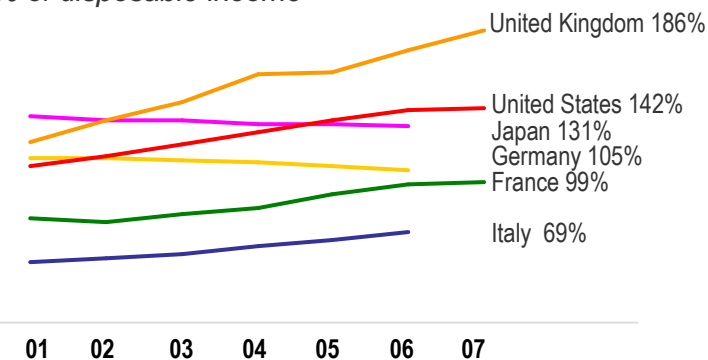
Cost or risk/Risk-weighted assets under Basel I (in bp)



* Impact of capital markets and of BancWest's investment portfolio

> Household debt **

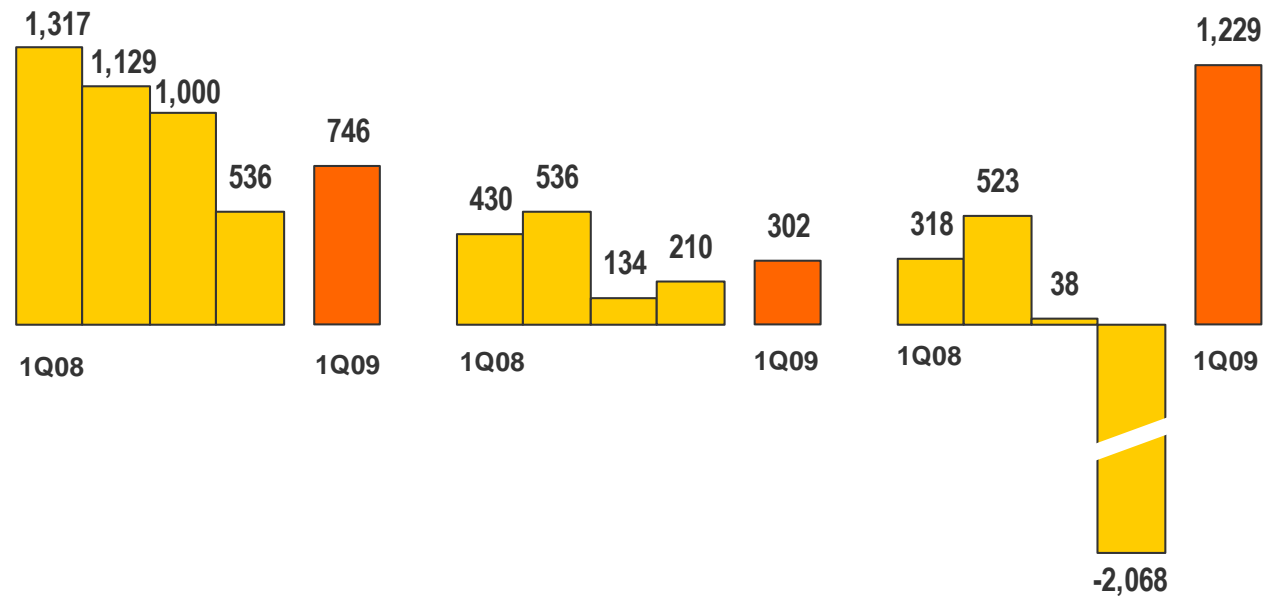
in % of disposable income



1Q09 Pre-tax income

> Pre-tax income

in €mn



Retail Banking*

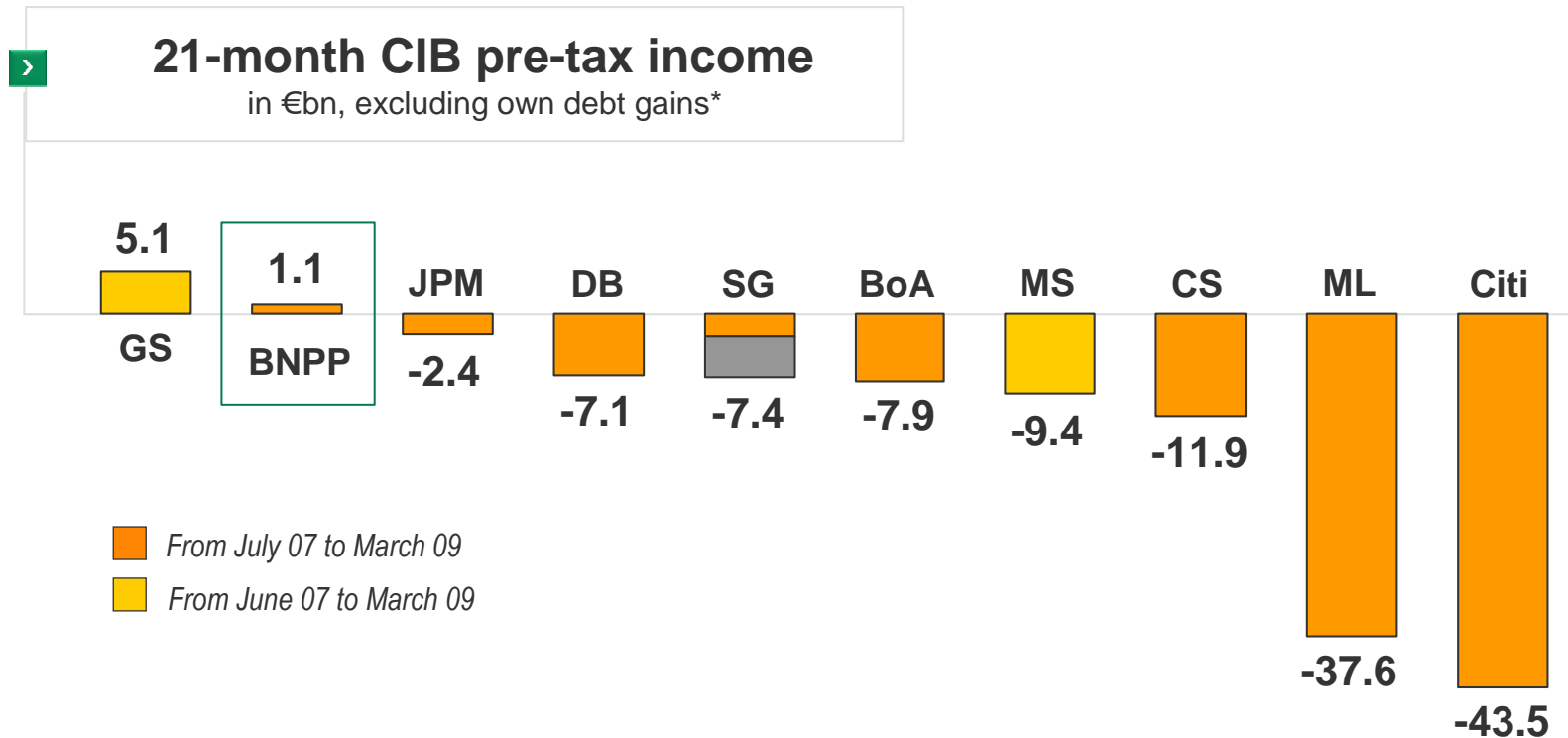
Investment Solutions

Corporate and Investment
Banking

> Good profit generating capacity in the 3 divisions



CIB Results Since the Beginning of the Crisis



€1.1bn pre-tax income since the beginning of the crisis





1Q09 Results

Structural Strengths

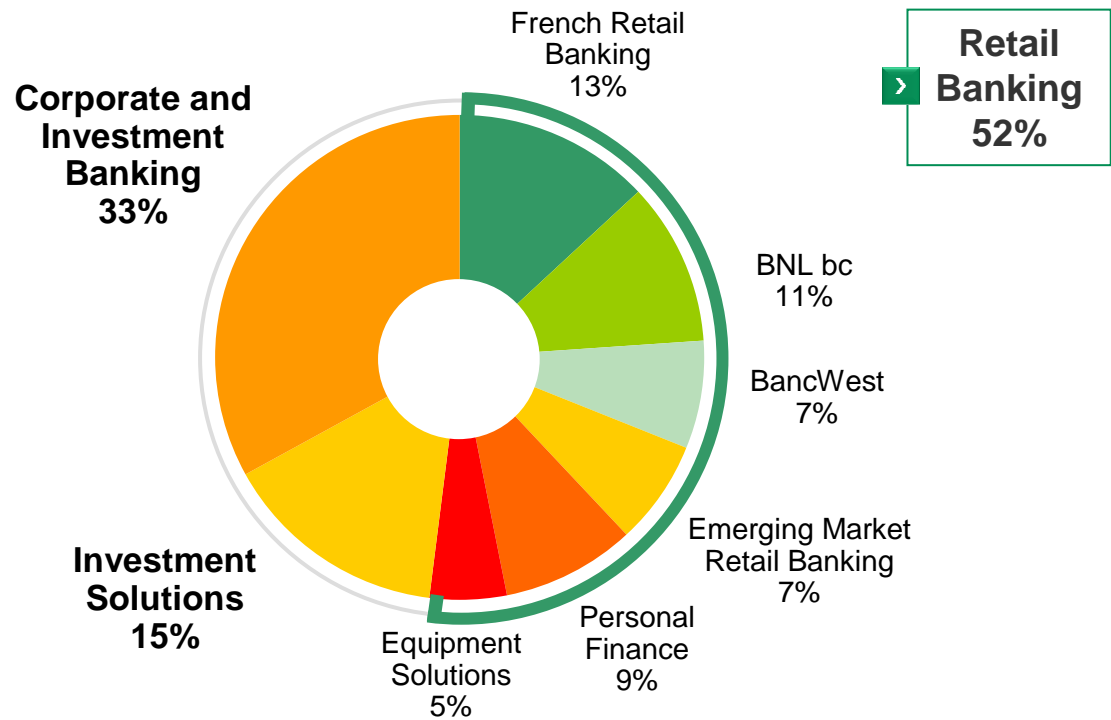
Adjustment to a New Environment

Fortis: Two New Domestic Markets

Conclusion

Business Mix

> **2008 allocated equity**
31.2bn€*

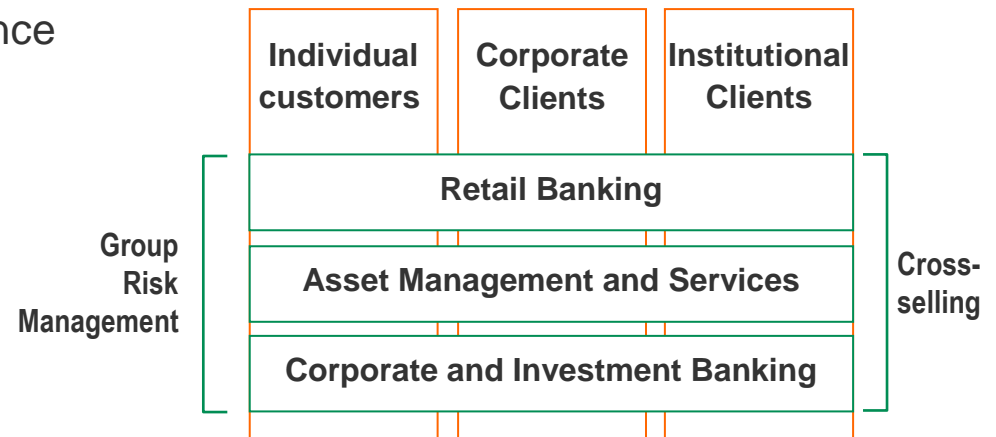


> **Well diversified business mix with a strong retail base**



Integrated Banking Model

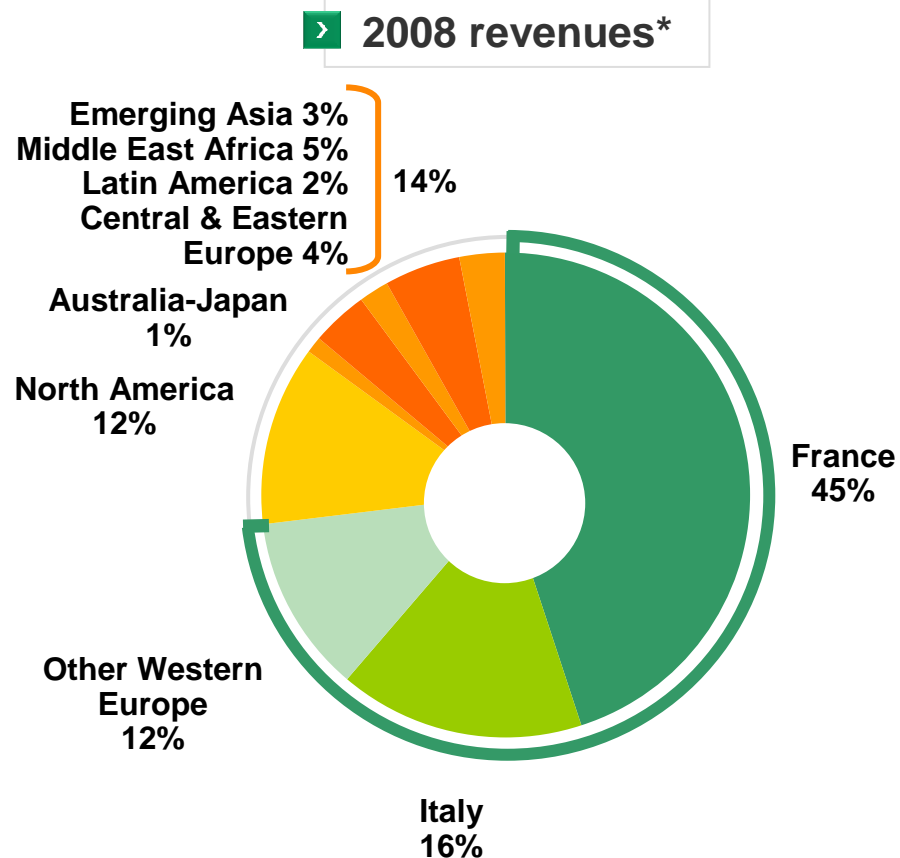
- All group activities are core
 - Retail banking provides critical mass of customers
 - Investment Solutions: asset gathering arm of BNP Paribas
 - Corporate and Investment Banking: clear action plan to adapt the platform to the new environment
- Important cross selling skills developed since the creation of BNP Paribas
 - Initially implemented in France
 - Rolled out in full in Italy and selectively in Emerging Markets
- Unified risk management
 - Independent from the businesses
 - Reports directly to the CEO



> Extract further value from the franchise



Geographic Mix

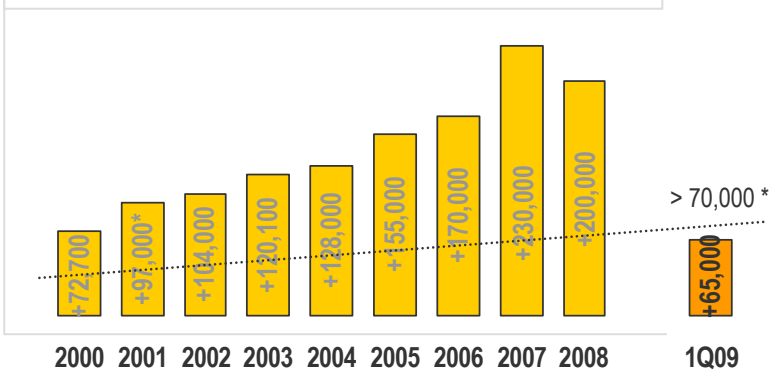


> **73% Western Europe: a pan European Group
o/w 61% in France and Italy**

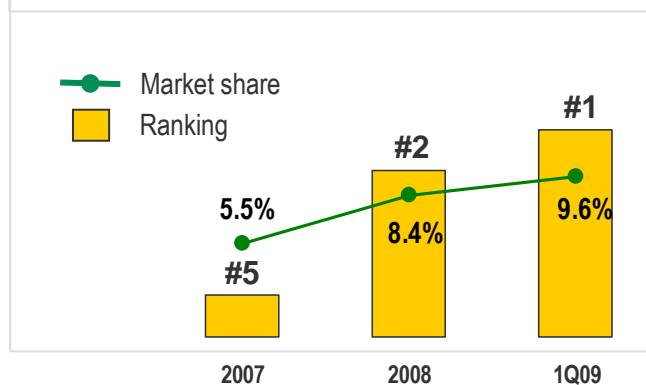


Market Share Gains

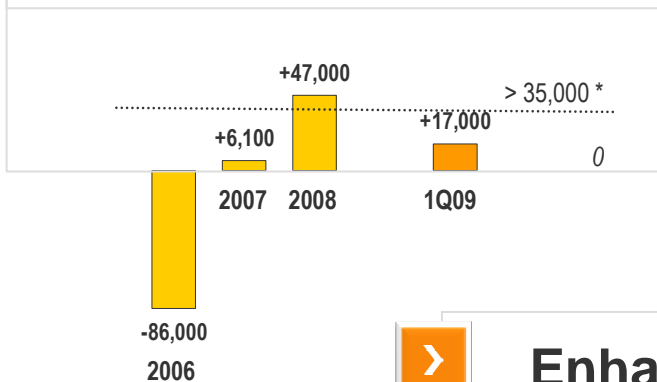
> FRB: net increase in the number of individual accounts



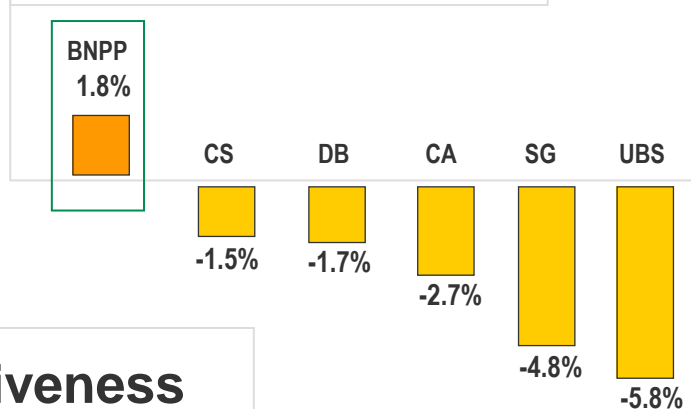
> "All bonds in euros" league table**



> BNL bc: net increase in the number of individual accounts



> Investment Solutions: 2008 net asset inflows



> Enhanced attractiveness



BNP PARIBAS

Cost Management Discipline

- Adapt the cost base to the 2009 environment
- CIB: reduce costs
 - Adapt the US platform and operations in emerging countries
 - Reduce the cost base (excluding variable compensation) by 5% on a full year basis
- Investment Solutions: very selective acquisitions
 - Optimise the international network
- Retail Banking: very selective growth
 - FRB and BNL bc: maintain costs at their 2008 level
 - BancWest and Personal Finance: improve operating efficiency
 - UkrSibbank: downsize and streamline the branch network

Operating efficiency targets

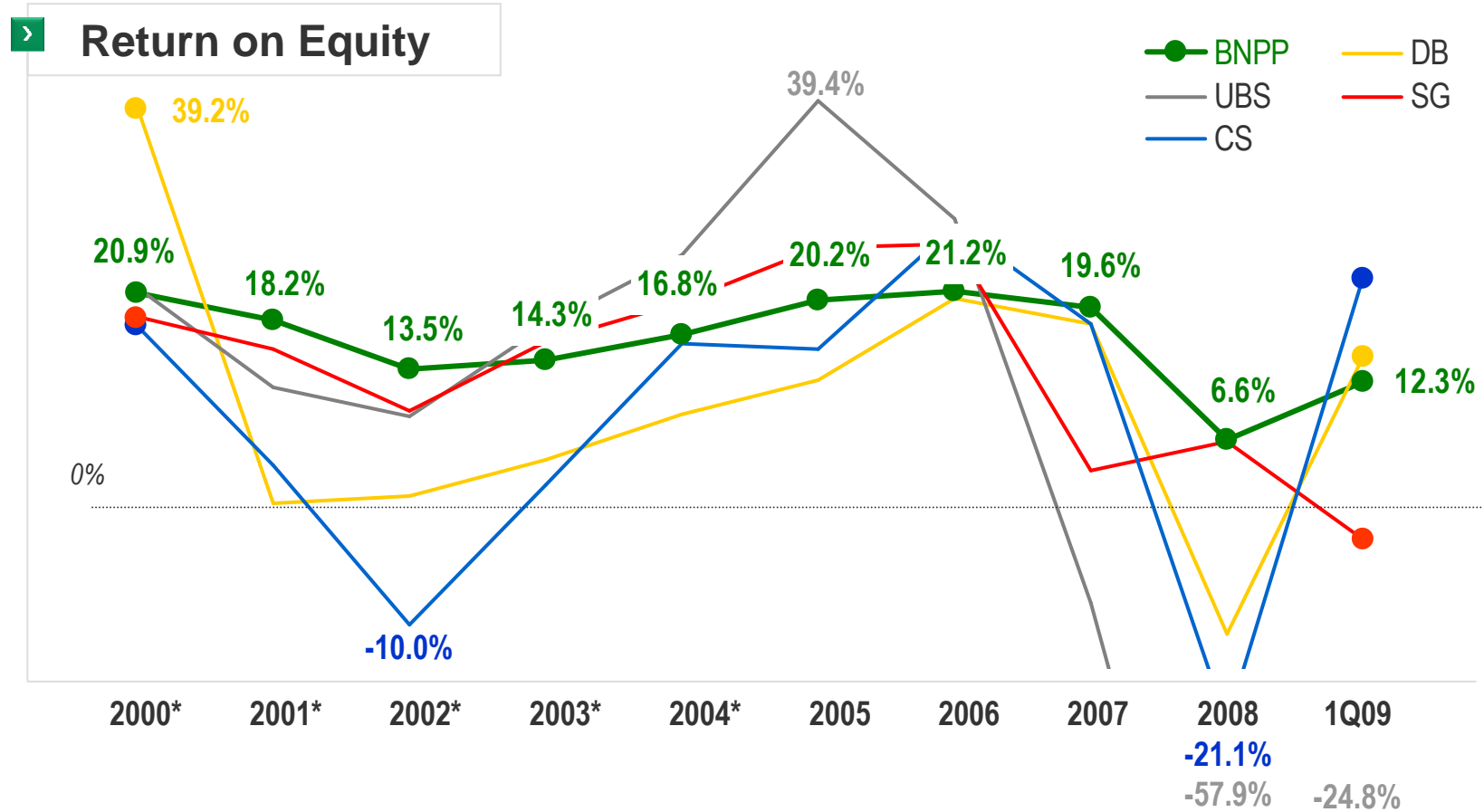
<i>Operating jaws</i>	2009 target	1Q09 realised
French Retail Banking	+1.0%	+1.0%
BNL bc	+5.0%	+5.3%
Personal Finance	+2.0%	+11.0%



Group: stabilise costs in 2009*/2008, excluding variable compensation



RoE



Attention paid to the risk/return ratio across the cycle





1Q09 Results

Structural Strengths

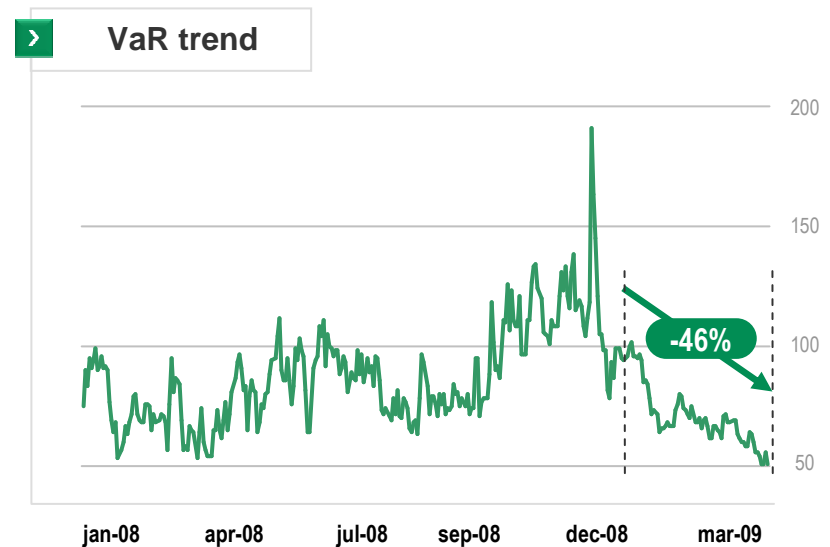
Adjustment to a New Environment

Fortis: Two New Domestic Markets

Conclusion

Corporate and Investment Banking 2009 Action Plan (1/2): Reducing Market Exposure

- Exposures cut to target level
 - Equity derivatives: substantial reduction of exposure to volatility and dividends
 - Fixed Income: substantial decrease in corporate bond portfolio and therefore exposure to basis risk
- Sharp fall in the VaR
 - -46% between 31.12.08 and 31.03.09

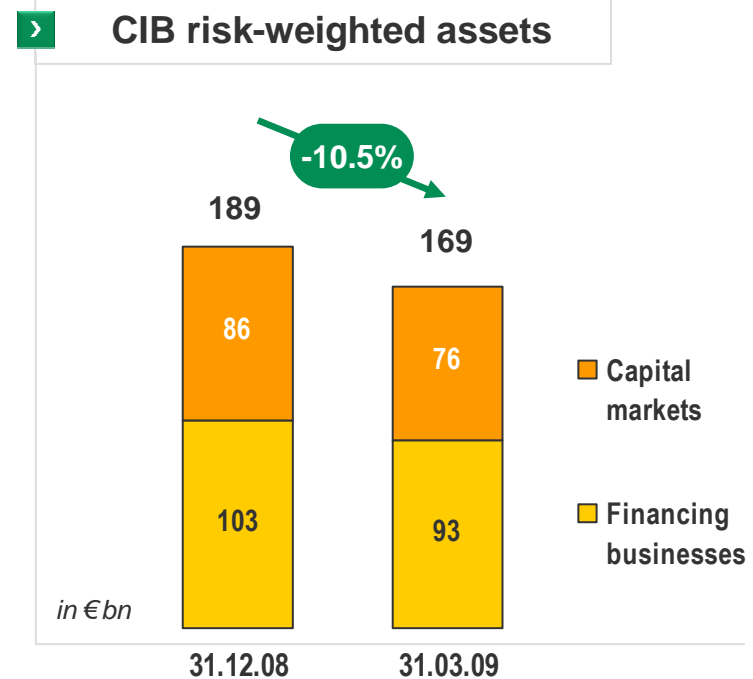


> **Market risk reduction target reached
in an environment that remains very volatile**



Corporate and Investment Banking 2009 Action Plan (2/2): Adjusting the Set Up

- Reducing risk-weighted assets:
-€20bn/31.12.08
 - Capital markets: -€10bn, thanks to reduced exposures
 - Financing businesses: -€10bn
- Streamlining of platforms
 - US and Asia: already completed
 - Europe: under way



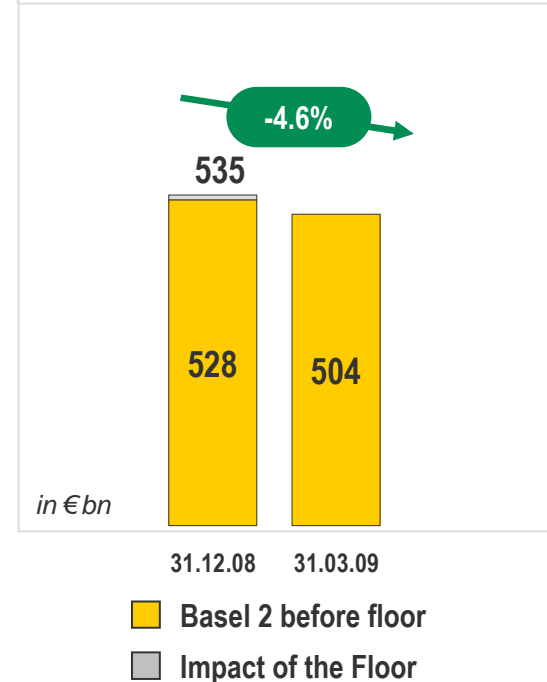
> Proactive streamlining of the set up



Risk-Weighted Assets (Basel 2)

- Drop by €24bn to €504bn (-4.6%/31.12.08)
 - Mainly CIB: -€20bn
- 2009 target to reduce risk-weighted assets by €20bn throughout the Group, at constant scope and exchange rates, already achieved

> Risk-Weighted Assets

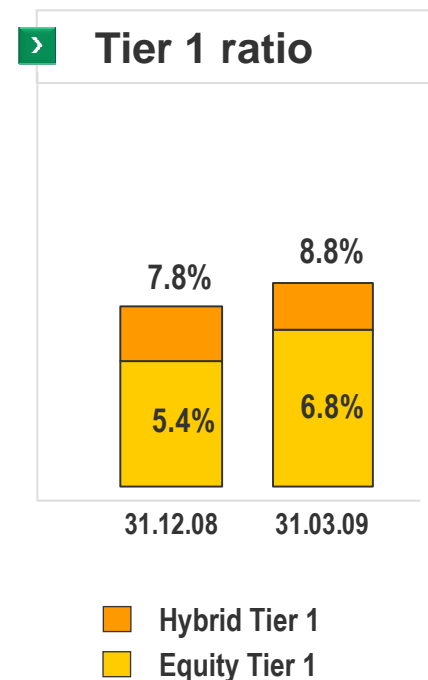


Effects of the 2009 risk-weighted assets reduction programme



Solvency

- Tier 1 ratio at 8.8% as at 31.03.09 (+100bp/31.12.08)
 - Basel I floor lowered on 01.01.09: +10bp
 - Capital generation in 1Q09: +20bp
 - Drop in the risk-weighted assets net of unrealised capital losses on the AFS equities portfolio: +20bp
 - Participation in the second stage of the French economic stimulus plan (31.03.09): +50bp
- Medium-term target: maintain a Tier 1 ratio always above 7.5%



> **Solvency: a significant safety margin**

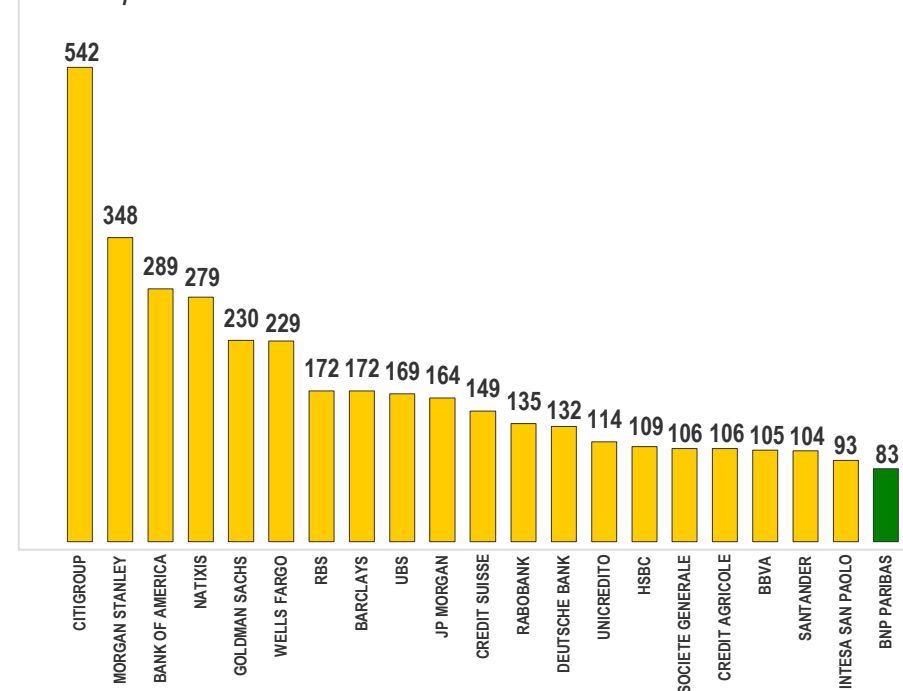


Liquidity

- CDS spread still the lowest of its peer group
 - One of the 6 best rated banks by S&P
- MLT issue programme
 - Diversified by type of issue, by distribution channels, by type of investors
 - 2009 programme: €30bn, of which €17.1bn already completed
 - Latest 3-year senior debt issued on 15 April: €1bn at swap +120bp
- Portfolio of assets potentially mobilised to central banks: €120bn

> 5-year senior CDS spreads

in bp as at 06.05.09



**A proactive approach
drawing on a major competitive advantage**





1Q09 Results

Structural Strengths

Adjustment to a New Environment

Fortis: Two New Domestic Markets

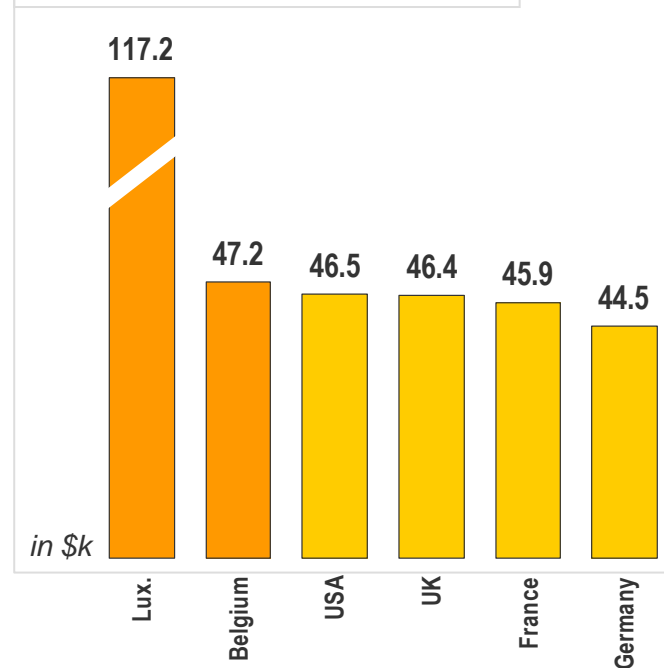
Conclusion

Fortis Market Shares

- Network
 - Branches
 - Private banking centres
 - Business centres
- Clients
- Market position
 - Retail banking (deposits)
 - Consumer lending

	Belgium	Luxembourg
Branches	1,064	37
Private banking centres	10	3
Business centres	22	1
Clients	3mn	280k
Retail banking (deposits)	#1	#1
Consumer lending	#2	#2

> 2008e GDP per capita

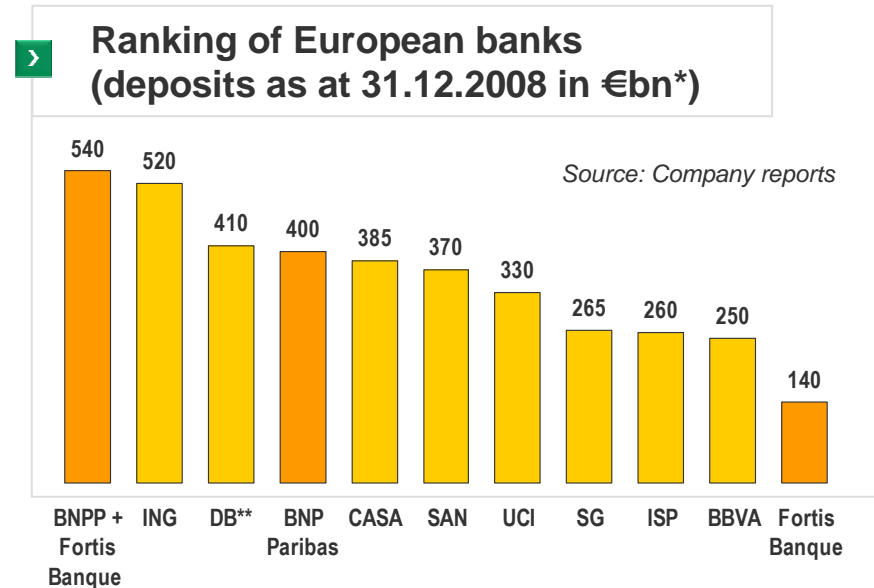


> **A unique opportunity to acquire a #1 position in two of the wealthiest countries in Europe**



Fortis Industrial Project

- Become #1 deposit base in the Eurozone with more than €540bn and a loan to deposit ratio of 120%
- Extension of BNP Paribas' integrated retail-banking model to Belgium and Luxembourg
 - Includes strong bancassurance partnership with Fortis Insurance Belgium
- Greater scale in the strategic businesses of asset management and private banking
 - #1 private bank in the Eurozone (€187bn assets)
 - #4 asset manager in the Eurozone (€475bn assets under management)



Creation of a leading European banking group with 4 domestic markets in retail banking



Fortis

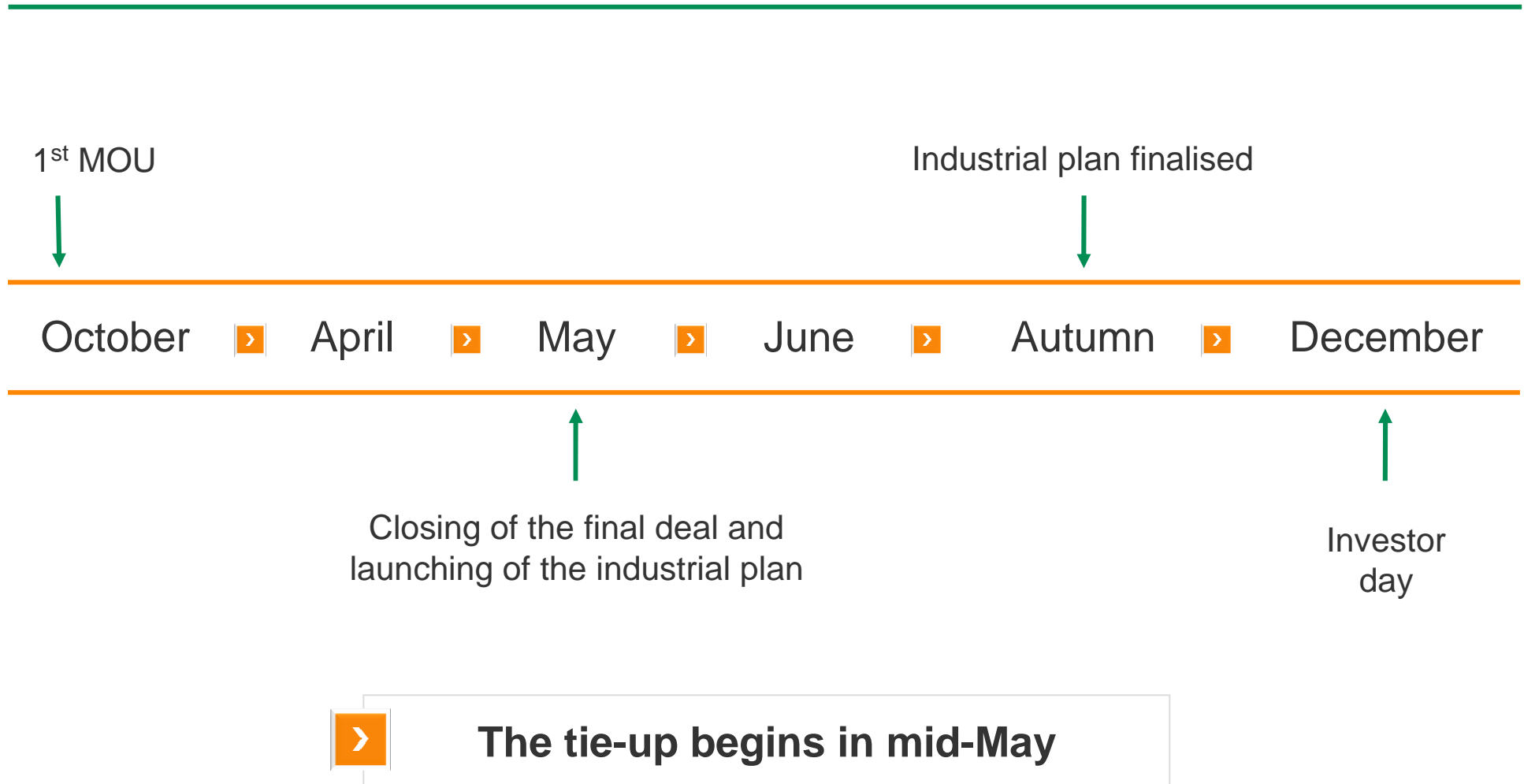
Structure of the Deal

- BNP Paribas to acquire 75% of Fortis Bank Belgium and 16% of BGL
 - In exchange for shares of BNP Paribas
- Fortis Bank Belgium to acquire 25% of Fortis Insurance Belgium
 - Paid in cash
 - Strategic business partnership alliance between Fortis Bank Belgium and Fortis Insurance Belgium
- Most risky structured credit assets ring fenced
 - Equity: €1.7bn, of which 12% held by BNP Paribas
 - Senior debt: €4.85bn, of which 10% granted by BNP Paribas and the remainder by Fortis Bank (this latter part guaranteed by the Belgian Government)
 - Super senior debt: €4.85bn loaned by Fortis Bank
- Belgian Government's partial guarantee of the portfolio of structured credit assets remaining on Fortis Bank Belgium's balance sheet (nominal value ~ €21.5bn)
 - Guarantee of up to €1.5bn against losses beyond €35bn
- New mechanism to maintain Fortis Bank Belgium's Tier 1 ratio at 9.2%

 **Improved guarantees**



Fortis Timeline*





1Q09 Results

Structural Strengths

Adjustments to a New Environments

Fortis: Two New Domestic Markets

Conclusion

Conclusion



**A proven ability to adapt rapidly
to the new environment**



**Fortis: creation of a European leader
based on an integrated bank model**



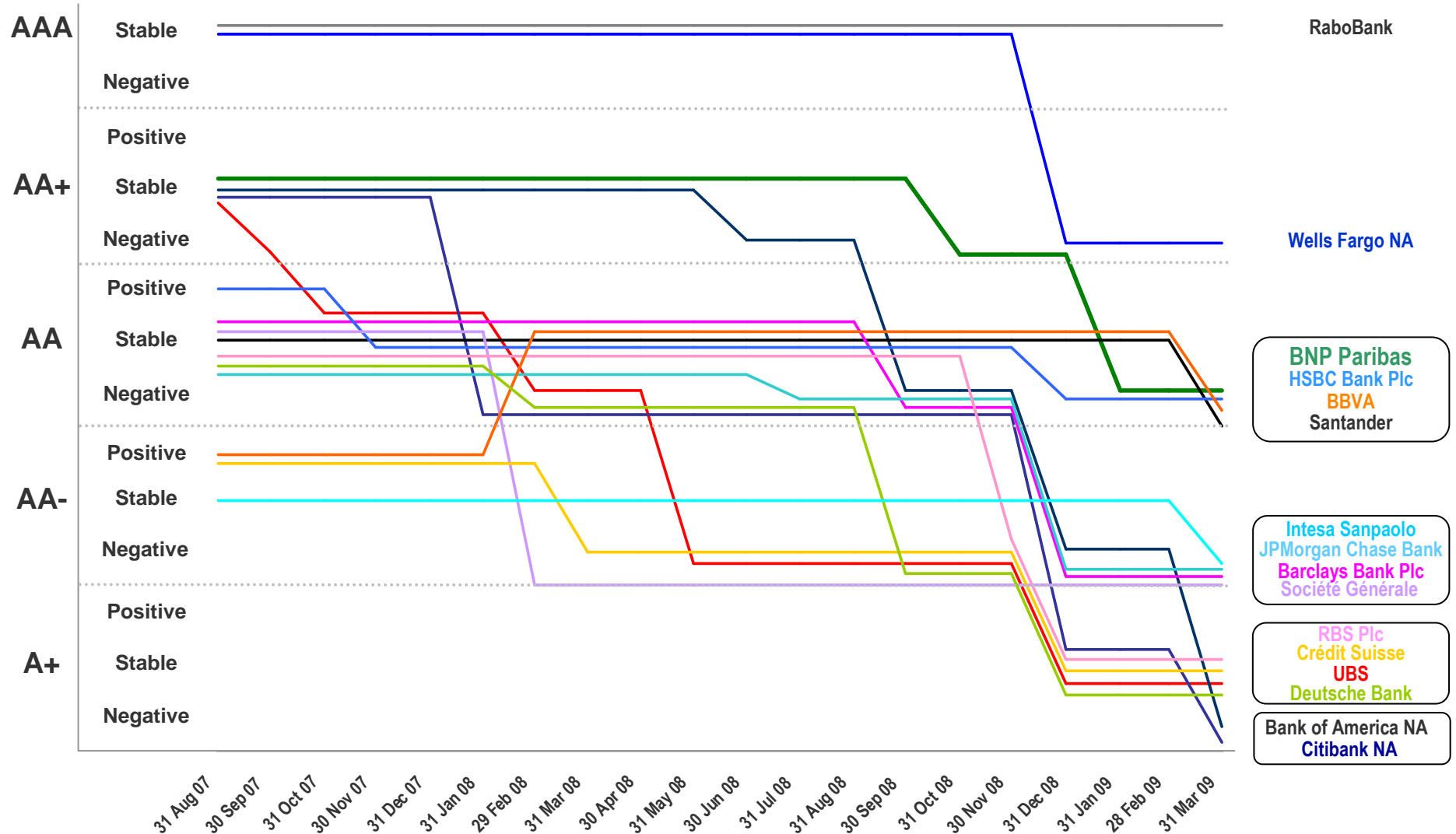
**A diversified and integrated business model
adapted to meet the challenges of 2009**





Appendices

A Major Competitive Advantage: BNP Paribas Ranks Amongst the 6 Most Solid Banks According to S&P



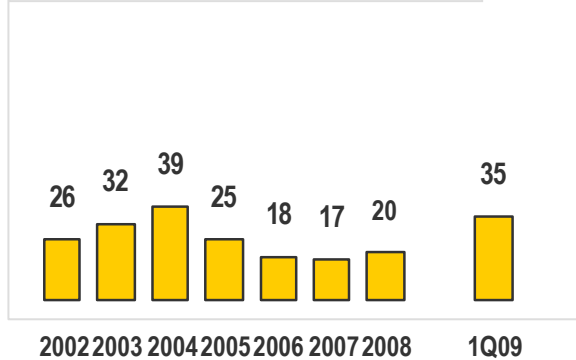
BNP PARIBAS

Variation in the Cost of Risk by Division (1/2)

Cost of risk

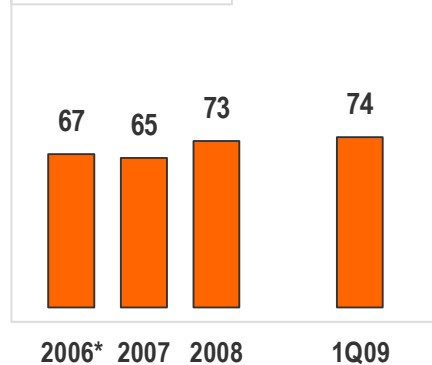
Cost of risk/Risk-weighted assets under Basel I (in annualised bp)

> French Retail Banking



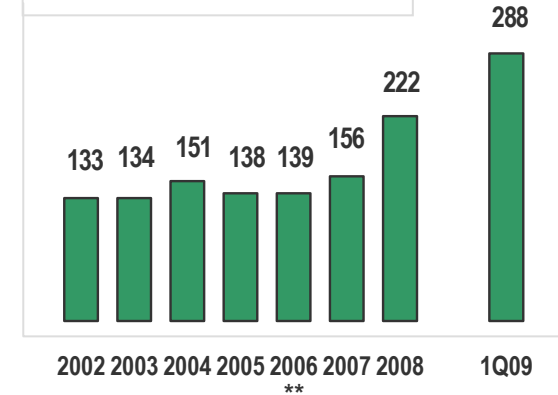
- Cost of risk: €89mn
 - +€61mn/very low base in 1Q08
- Mortgages primarily fixed rate and well secured
- Very good quality corporate loan portfolio

> BNL bc



- Cost of risk: €107mn
 - +€23mn/1Q08
- Sound mortgage market
- Past dues > 90 days already provisioned

> Personal Finance



- Cost of risk: €421mn
 - +€191mn/1Q08
- Deterioration, including in Italy and in France, in a context of economic slowdown and rising unemployment

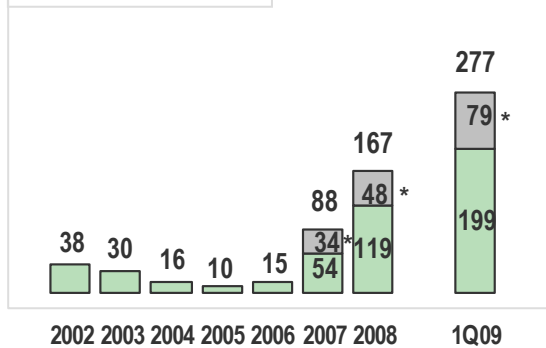


Variation in the Cost of Risk by Division (2/2)

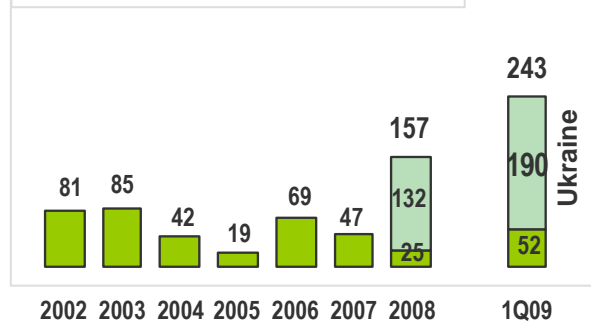
Cost of risk

Cost of risk/Risk-weighted assets under Basel I (in annualised bp)

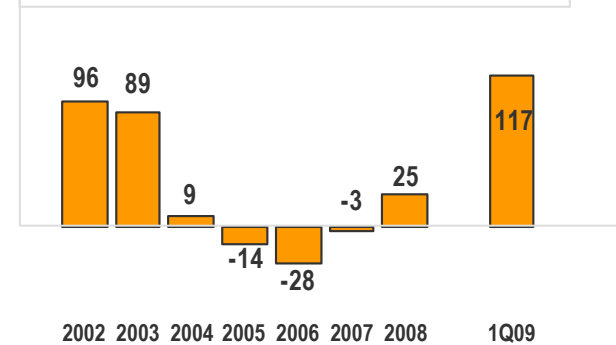
> BancWest



> Emerging Markets Retail Banking



> CIB-Financing Businesses



- Cost of risk: €279mn
 - +€178mn/1Q08
 - Of which €79mn related to the investment portfolio vs €35mn in 1Q08
- Impact of the economic recession on all loan books

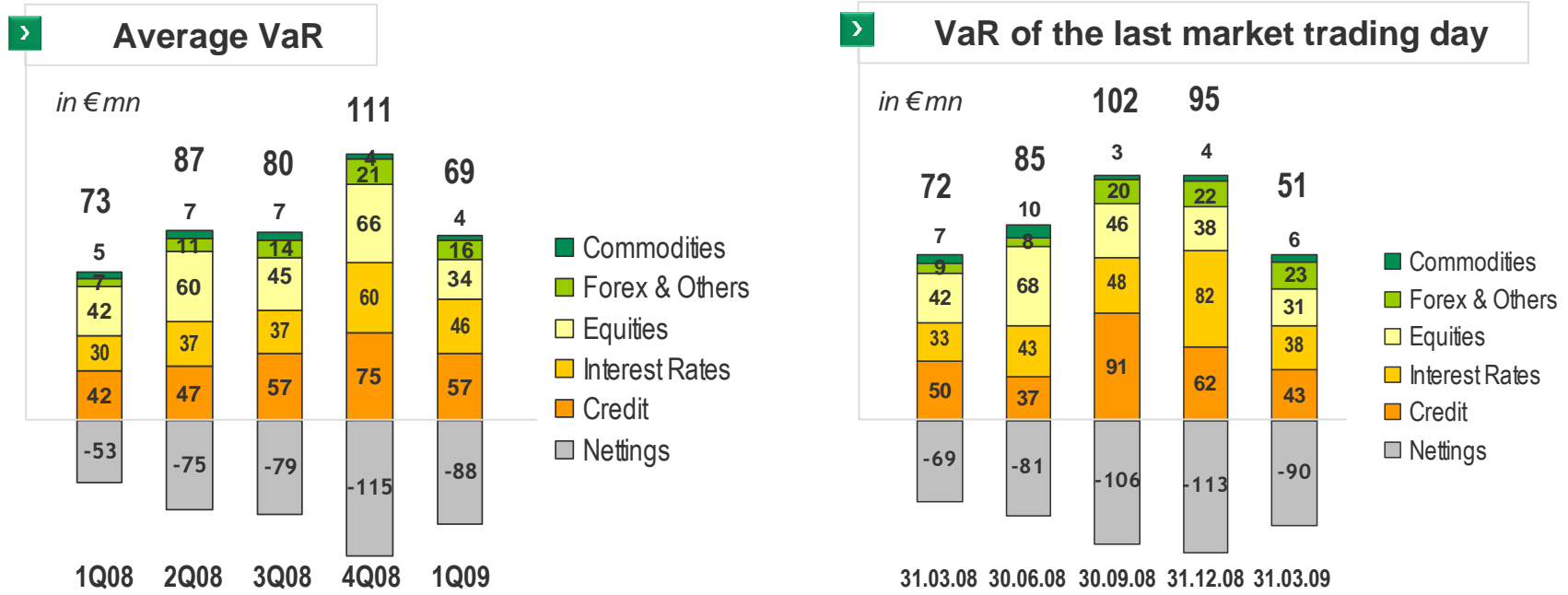
- Cost of risk: €162mn
 - +€125mn/very low base in 1Q08
 - Of which €127mn in Ukraine
- Ukraine set aside, no significant downturn

- Cost of risk: €420mn
 - Vs a write-back in 1Q08
- Impact of the strong global economic downturn



* Impact of provisions related to the investment portfolio

VaR (1 day at 99%) by Type of Risk



- Average VaR down sharply (-38%/4Q08), despite markets that are still turbulent
 - No losses beyond the VaR in 1Q09
- VaR at the end of the period: (-46%/31.12.08)
 - Exposure reduction target reached by 31.03.09
 - Despite market parameters that are still very high

Fortis

Details of the Process

- 88.2mn shares to be issued by the Board of Directors on the day of the closing
 - As compensation for SFPI's contribution of its 54.55% stake in Fortis Bank Belgium (FBB)
- 44.7mn shares to be issued (subject to shareholder approval on 13 May)
 - 33.0mn as compensation for SFPI's contribution of its additional 20.39% stake in FBB
 - 11.7mn as compensation for the Luxembourg State's contribution of its 16.57% stake in BGL (in addition to the 50.06% that FBB already holds)
- 0.5mn shares to be issued (subject to the approval of the Board of Directors)
 - As compensation for the Luxembourg State's contribution of the 34% of the BGL shares issued in connection with a €100mn capital increase
- For a total of 133.4mn shares issued with a right to the 2008 dividend
 - After the whole process is completed, the Belgian State will own 11.6% of the common shares* and the voting rights and the Luxembourg Government 1.2%
 - Belgian State pledged to keep the first 88.2mn shares until 10/10/2010 and the Luxembourg State pledged to keep 6.1mn shares until 23/10/2009

