



BNP PARIBAS

# BNP Paribas

Leveraging our strengths

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**Baudouin Prot**

Chief Executive Officer

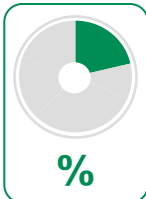
Lehman Conference, New York

*10 September 2008*



*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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*Unless otherwise specified, share of the businesses' 1H08 revenues as a % of the total operating revenues*

*Yearly results presented up to 2007 included reflect normative equity under Basel I. Results from 1Q08 onwards, as well as quarterly 2007 results used for comparative purposes, reflect normative equity under Basel II, as released on 2 April 2008.*



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## **A Robust Model in the Face of the Crisis**

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A Stringent Risk Management Culture and a Solid Financial Structure

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A Strong Business Development Momentum

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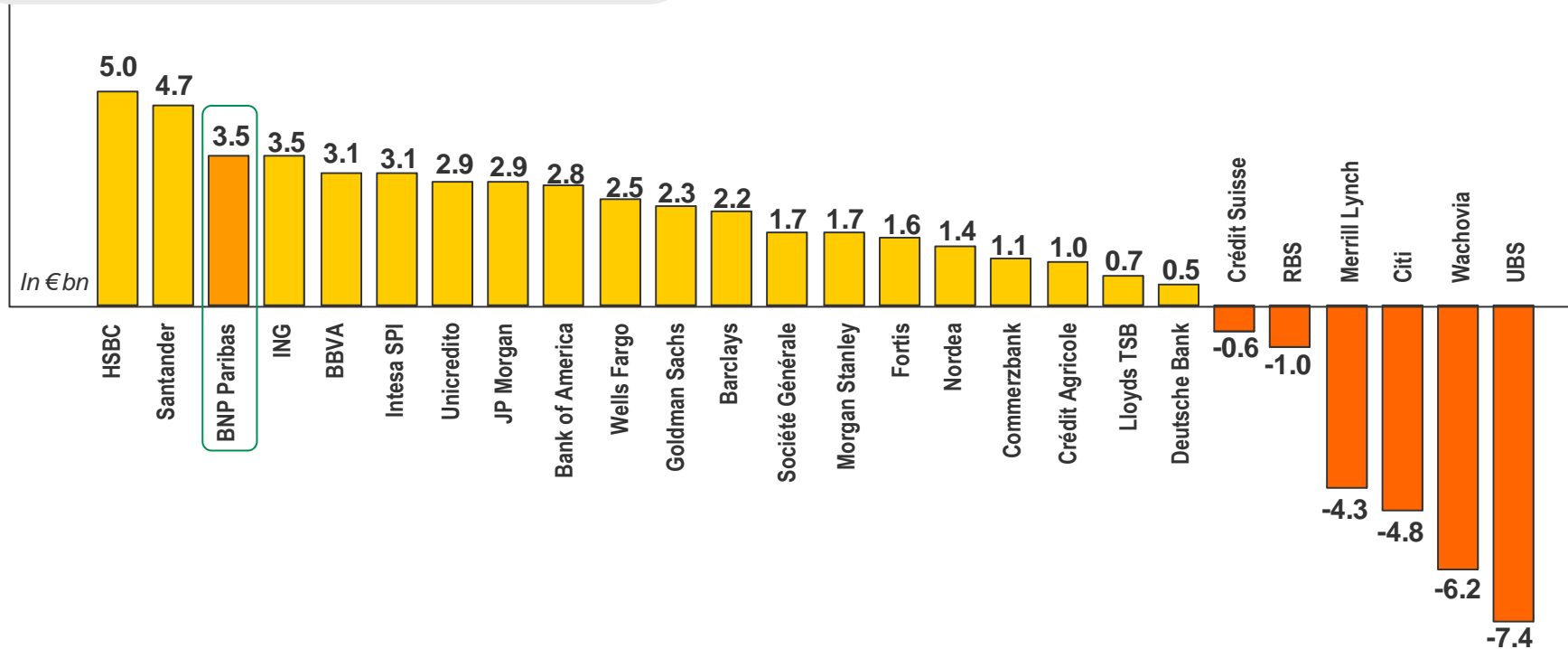
Conclusion





# A European Leader With a Global Reach

1H08 Net Income  
Top US and European banking groups

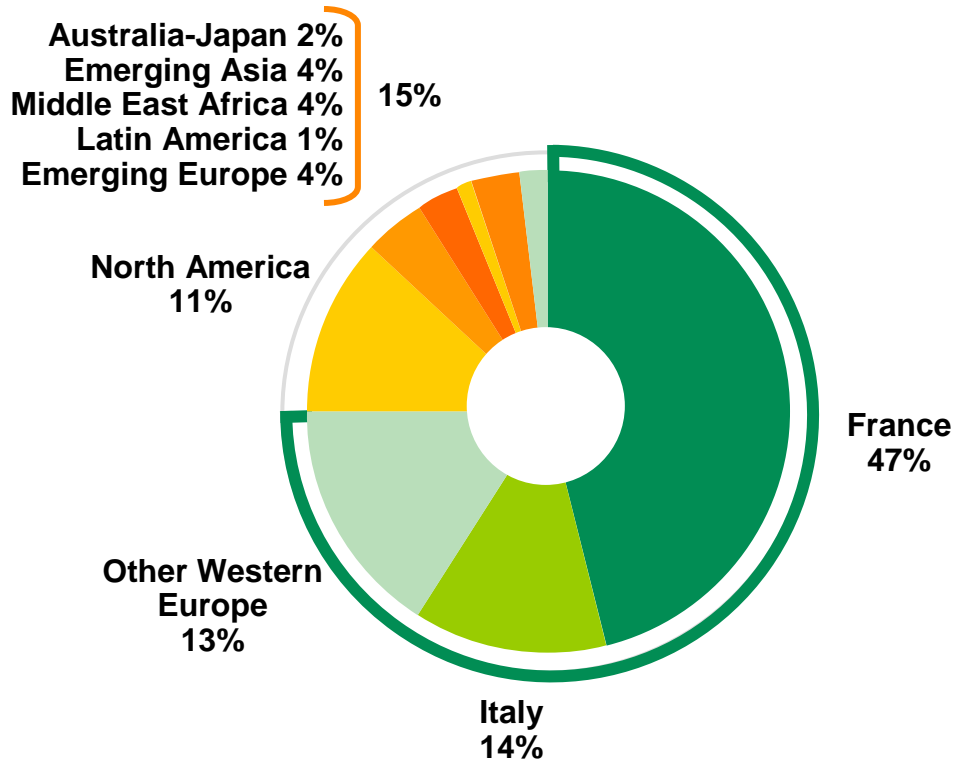


**#3 net income in 1H08 : €3.5bn, up from #7 in 2007**

# Strong and Diversified Revenue Streams

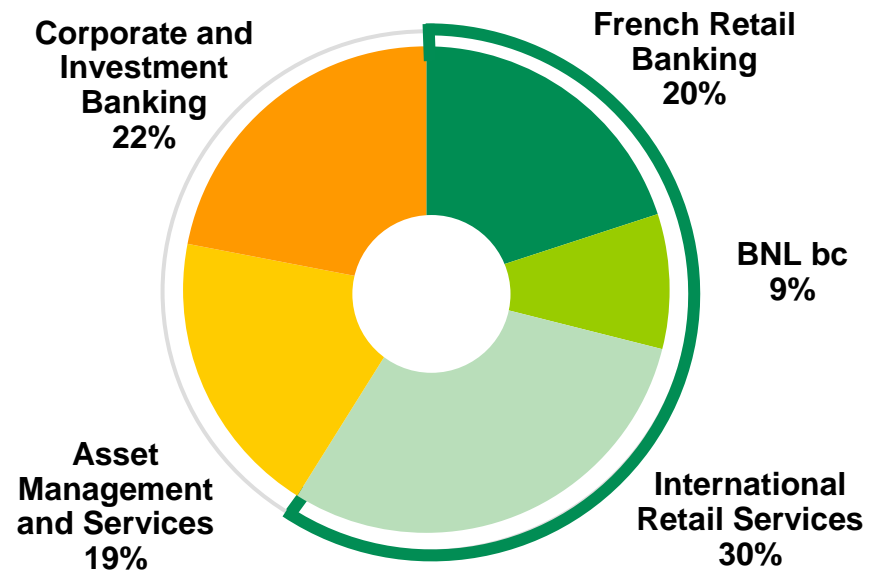
**1H08 Revenues from operating divisions: €14.3bn**

Split by geography



**Western Europe 74%**

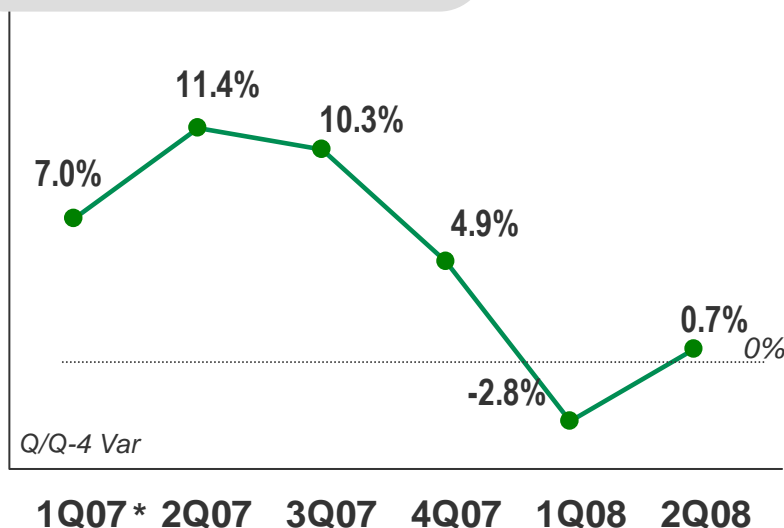
Split by division



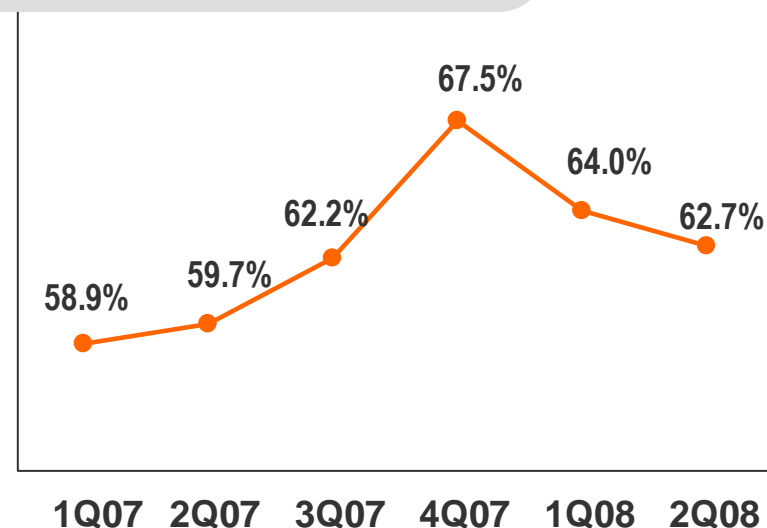
**Retail 59%**



Operating expenses \*\*



Cost/income ratio \*\*

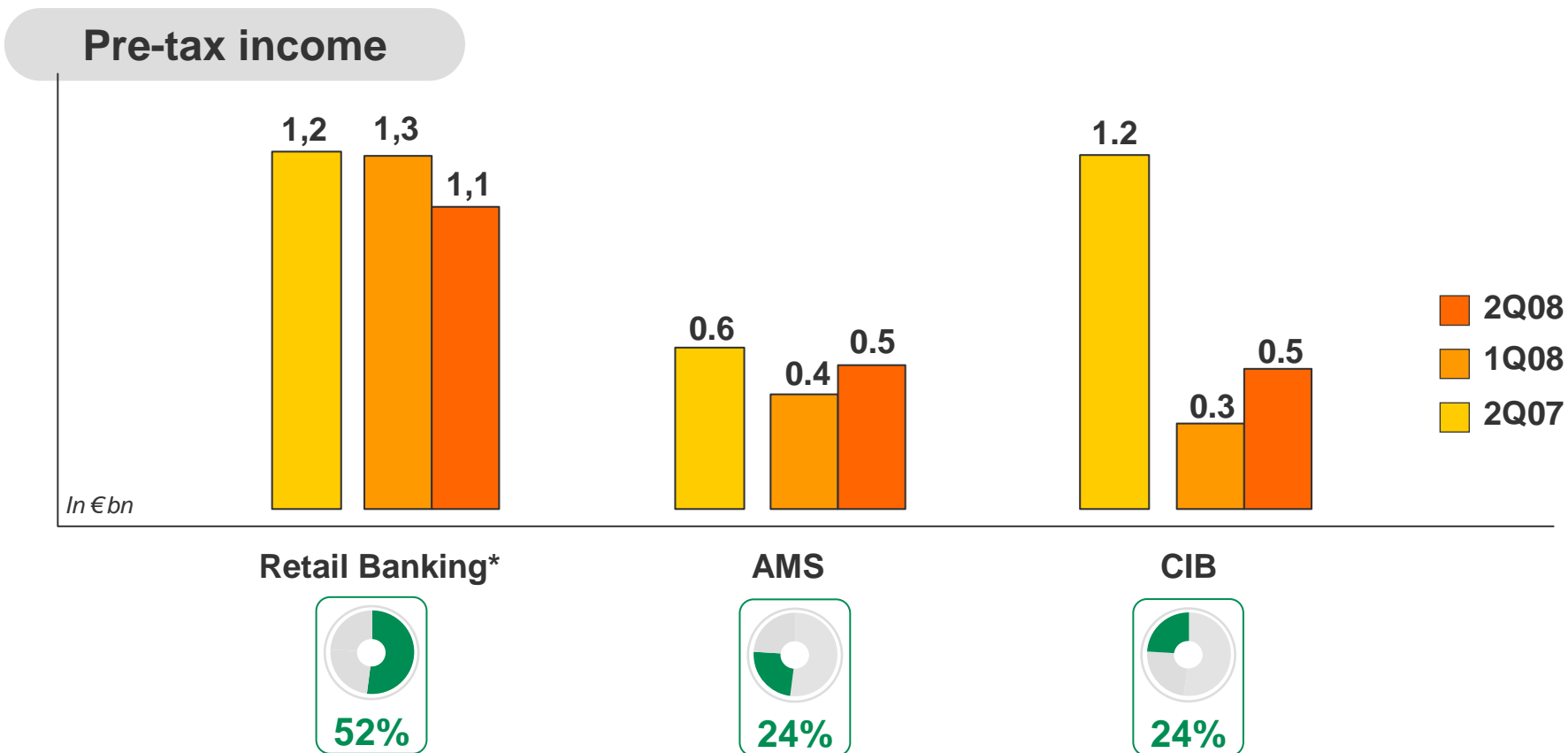


- Significant positive jaws in retail businesses : 2.6pts 2Q08/2Q07
- Slow down in Asset Management and Services : +6,5%/2Q07 vs double digit growth in previous quarters
- CIB cost/income ratio brought down to 68.7% in 2Q08
- Continued expansion in key franchises

**Proven flexibility in business areas most affected by the crisis**

# Positive Pre-tax Income in all Divisions

- Pre-tax income of operating divisions : +6% / 1Q08



**A robust model in the face of the crisis**



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A Robust Model in the Face of the Crisis

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**A Stringent Risk Management Culture and  
a Solid Financial Structure**

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A Strong Business Development Momentum

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Conclusion







# Stringent Risk Management Culture

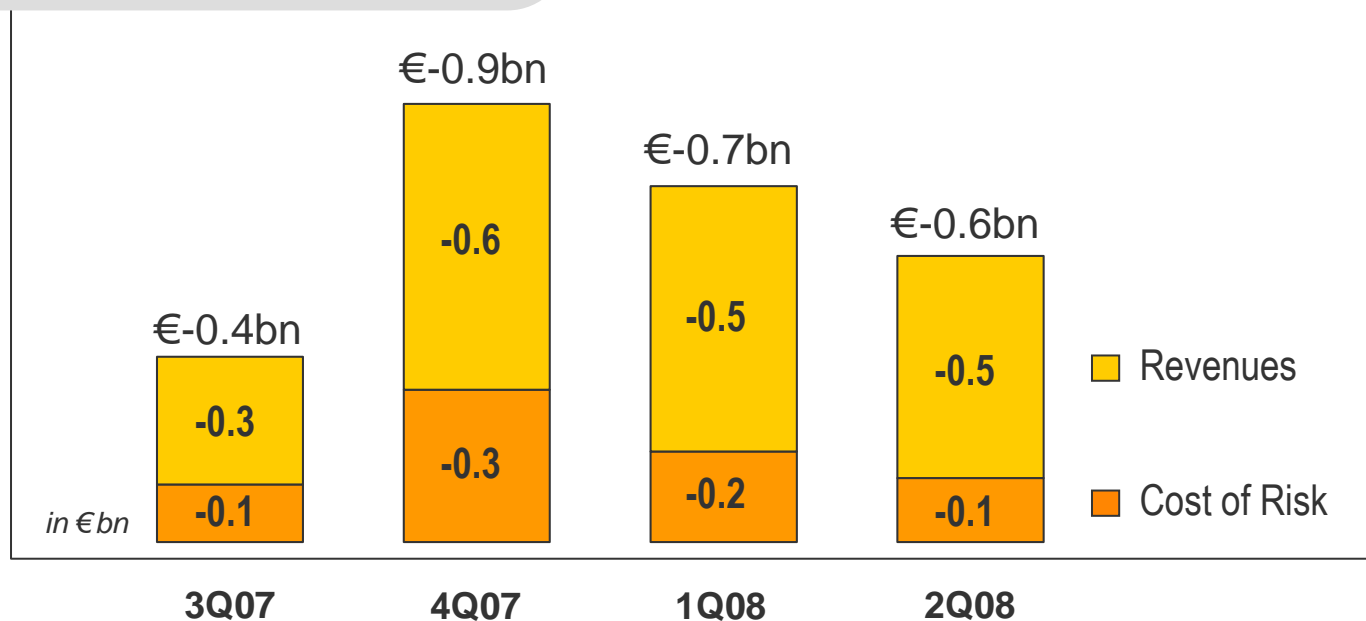
- Close attention paid to the risk/reward balance throughout the cycle
  - Best-in-class technical expertise combined with highly experienced management
  - Long-term approach of customer relations and risk management
  - Committed management at all levels
  - Powerful and independent oversight functions : Group Risk Management, Compliance and Internal Audit = 2,480 staff at the end of 2007, +21%/2005
- Limited exposure to the more toxic assets
  - See disclosure of selected exposures in appendix
- Proven track-record of out-performance throughout the cycle
  - Thanks to a high quality portfolio

**Reaping the fruits of a stringent risk policy**



# Limited Exposure to the More Toxic Assets

Direct impact of the crisis on operating divisions



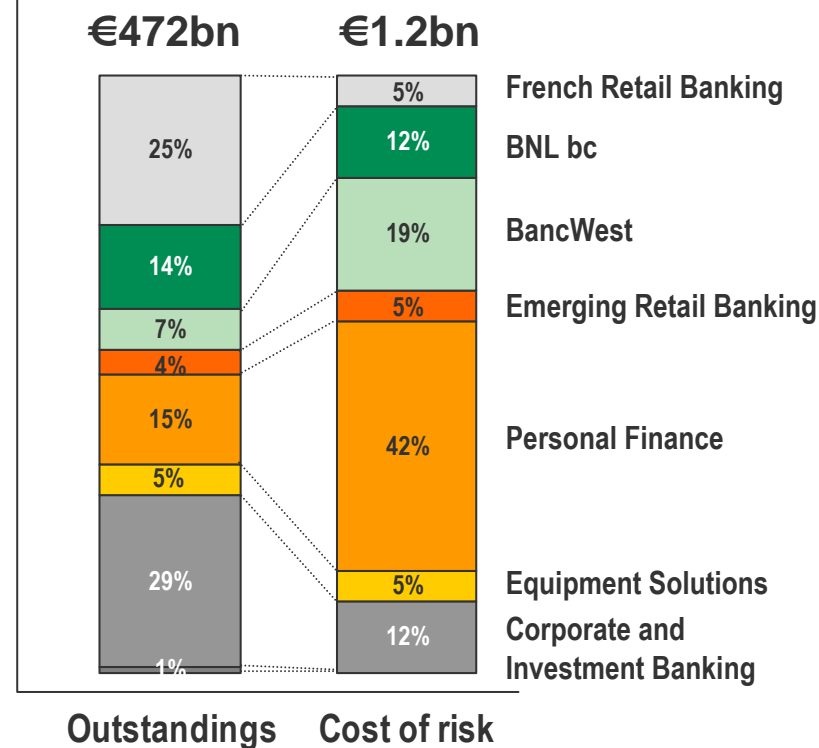
- A pre-tax total of €-2.6bn over 12 months in operating divisions
- Limited compensating effect from temporary “gains” on own debt : €+0.2bn, booked in the Corporate Centre
  - BNP Paribas has one of the lowest CDS spreads

**Moderate impact throughout the crisis compared to the other leading CIB players**

# Good Quality Credit Portfolio

- French retail
  - Outperforming in a sound market
- BNL bc
  - Good quality portfolio and sound provisioning policy
- BancWest
  - High quality portfolio, but in the US context
- Emerging Retail Banking
  - Limited exposure
- Personal Finance
  - By nature, a higher risk profile, but mainly western European portfolio
- Equipment Solutions
  - Sound and well collateralised portfolio
- CIB
  - High quality and diversified portfolio

## Customer loans and receivables (1H08)

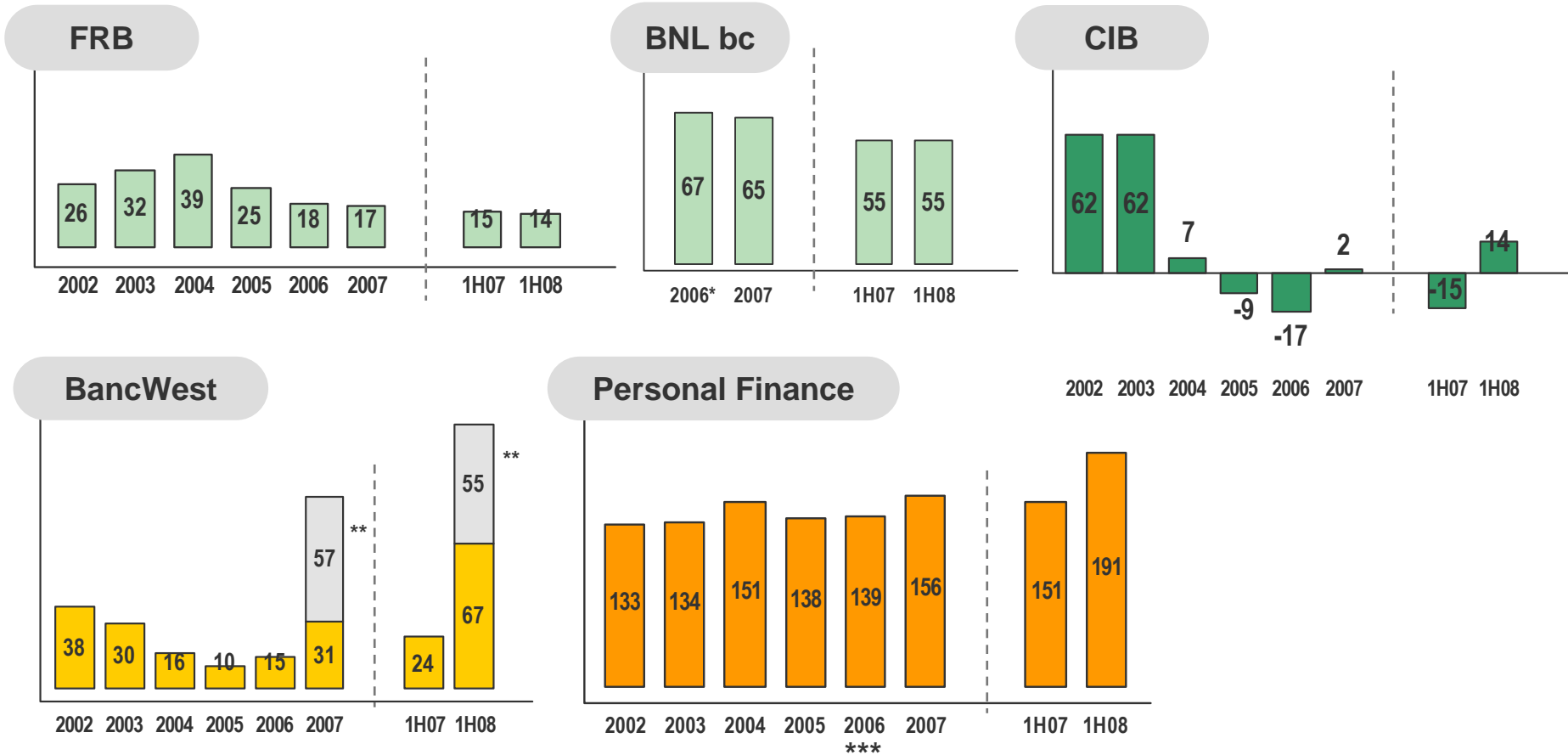


**Well positioned to weather a deteriorating environment**

# Good Track Record Through the Cycle

## Cost of risk

Net provisions/Basel I risk-weighted assets (in bp)

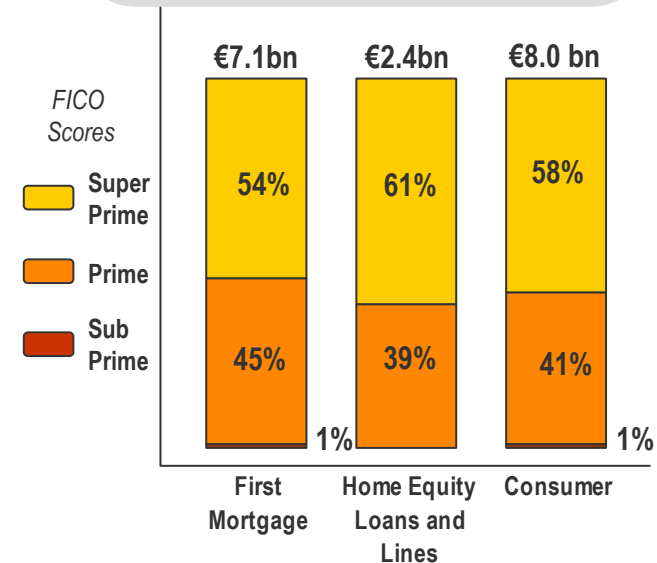


**Cost of risk increase only in BancWest and Personal Finance**

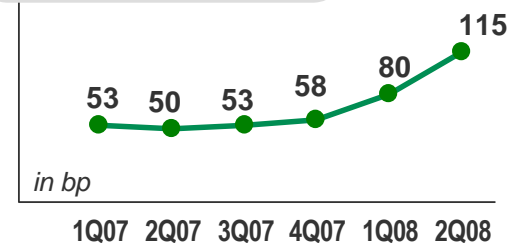
\* Full year proforma \*\* Exceptional provision on a portfolio basis and impairment charges on the investment portfolio  
 \*\*\* Excluding exceptional write-backs

- Good quality mortgage portfolio
  - Negligible exposure to subprime clients: €0.1bn
  - Limited share of Alt A first mortgages: €0.3bn
  - Good quality Home Equity Loan portfolio: limited 30-day delinquency rate (72bp as at 30 June 08)
- Rise in the Non Performing Loans/Loans ratio primarily due to the home builders sector and consumer loans
  - Exposure to home builders: €1.8bn of which €1.2bn drawn
  - Majority of the consumer loan portfolio comprised of loans to super-prime customers
  - Low consumer loan delinquency rate: 114bp as at 30 June 08
- Lower NPL/Loans ratio than that of the peer group

Segmentation of individual customer loans as at 30/06/08



NPL/Loans

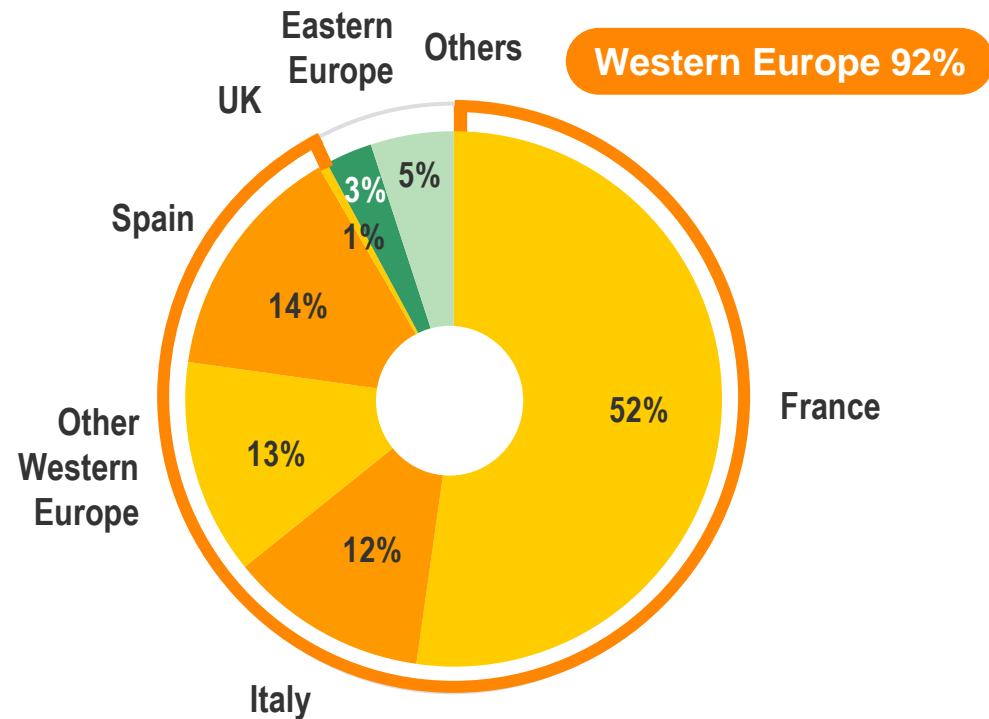


**Moderate deterioration given the US environment**

# Personal Finance Mainly Western European Portfolio

- Spain: 14% of outstanding
  - Significant deterioration of environment
  - Swift adjustment of local operations to the new environment
- UK: limited exposure
  - €0.4bn, no mortgage
- Western Europe excluding Spain
  - Very limited deterioration overall including in France
- Eastern Europe: 3% of outstanding
  - Cost of risk on the rise
- Other Emerging Markets (Brazil, North Africa, Asia)
  - No deterioration

2H08 consolidated loans  
outstandings : €74.2bn

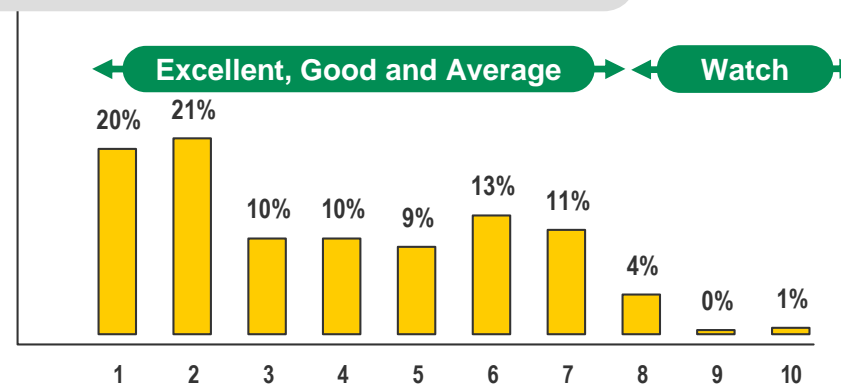


**Asset quality deterioration mainly in Spain**

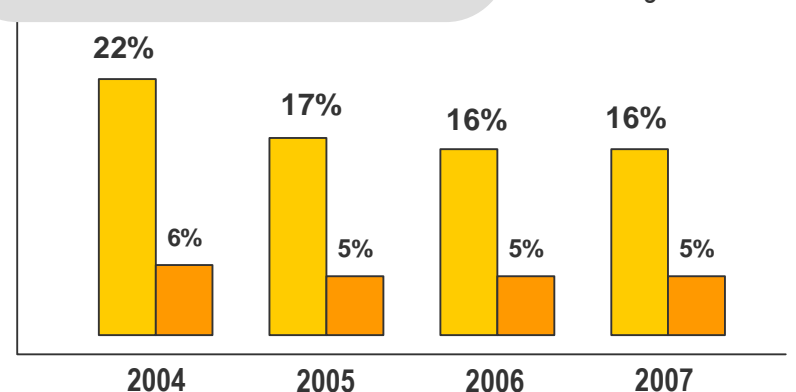
# Corporate and Investment Banking High Quality and Well Diversified Portfolio

- A selective credit policy
  - 95% of Excellent, Good and Average exposure
  - Consistently prudent in sensitive sectors : Subprime, LBOs, Real Estate...
- Large proportion of specialised finance with lower loss given default
  - Strong collateral
  - Plain vanilla loan book <20% of CIB's RWA
- Highly diversified portfolio
  - Average top 20 exposures = 6.2% of S&P's Adjusted Tangible Equity vs a median of 7.7% for the top 50 European banks\*\*
  - Granularity maintained through time
- Limited downgrading trend observed
  - S&P upgrade to downgrade ratio 0.8 for BNP Paribas clients rated by S&P\* vs 0.5 for the full S&P universe in 1H08

Exposure by internal rating (Dec. 07)



Average Top 20 exposures in % of CIB allocated equity



**A consistently prudent risk policy throughout the cycle**



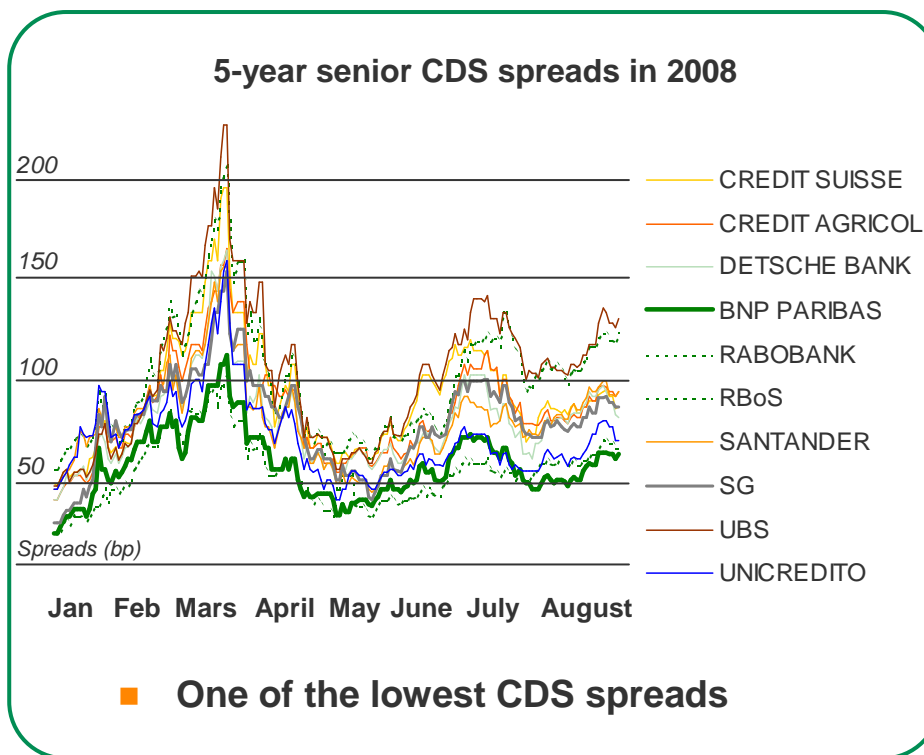
# Adequate Capitalisation ...

- A 7.6% Tier 1 ratio which, given BNP Paribas' risk profile, ensures the sector's best credit quality, as confirmed by:

## Rating agencies

- AA+ rating reaffirmed on 01.07.08 **STANDARD & POOR'S**  
*"Strong and highly diversified business profile; sound financial position, characterized by contained risk, satisfactory profitability, **adequate capitalization, and high financial flexibility; ...**"*
- AA rating reaffirmed on 03.07.08 **Fitch Ratings**  
*"... high income diversification, respectable and stable profitability, strong risk management, **sound and good-quality capital ratios...**"*

## The market



**No pressure to raise capital**

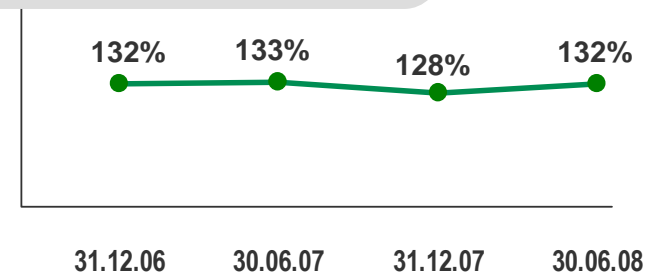




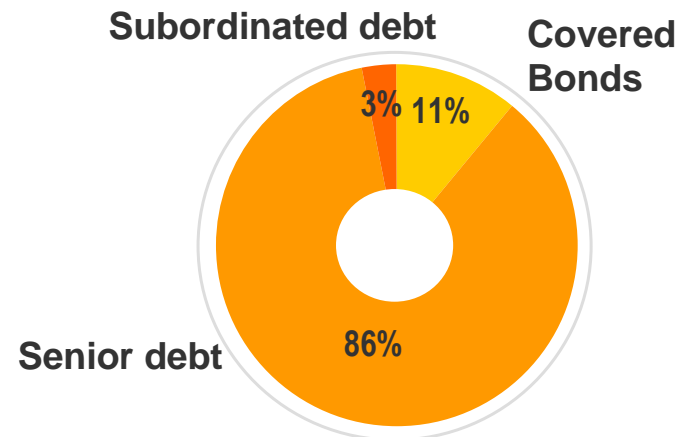
# ...and Above Average Access to Liquidity...

- Limited impact of the crisis on the loan/deposit ratio
- €34bn in medium- and long-term funds raised in 1H08
  - On terms substantially better than those of main competitors
  - Compared to €29bn raised in 1H07
- Expanded investor base and reinforced security of funding
  - Strong attractiveness of the Group's signature
  - Increased level of funding raised from institutional & corporate customers across all regions
  - Raised the liquidity reserve that can potentially be mobilised from central banks

Loan/Deposit Ratio



MLT funds raised in 1H08

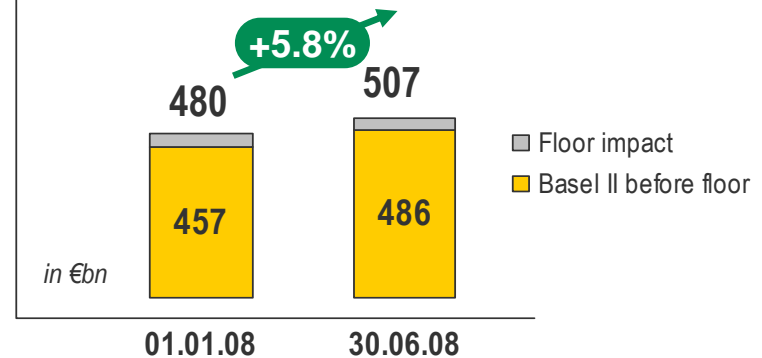


**An increasing competitive advantage  
for profitable business development**

## ... Allowing Substantial RWA Growth

- Sustained growth of risk-weighted assets
  - In line with the 10% a year forecast
  - Volume growth across all the business units
  - Only a slight increase in the level of drawing on confirmed facilities
- Tier 1 capital up 5.6%/01.01.2008
- Tier 1 ratio stable at 7.6% as of 30.06.2008

### Risk Weighted Assets



### Tier 1 Capital



**A capital generation enabling to finance a sustained organic growth**



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A Robust Model in the Face of the Crisis

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A Stringent Risk Management Culture and a  
Solid Financial Structure

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**A Strong Business Development  
Momentum**

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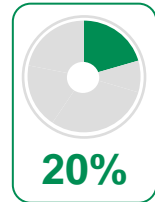
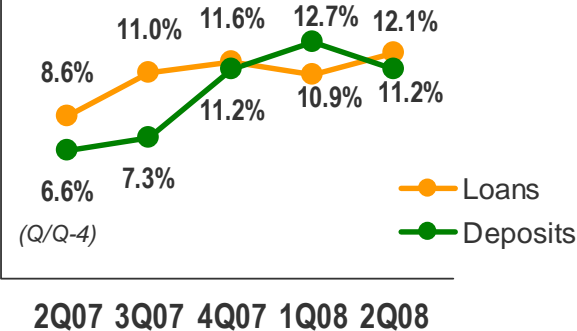
Conclusion



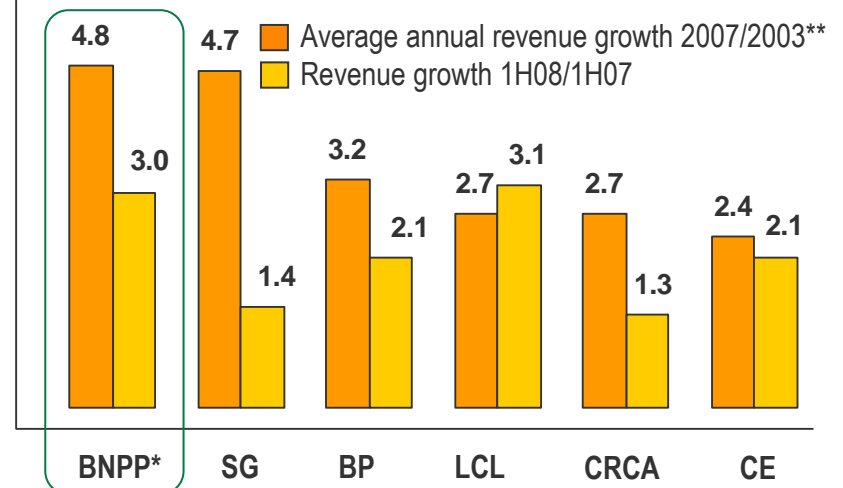
# French Retail Banking Outperforming in a Sound Market

- One of the safest retail banking markets
  - Prudent mortgage practices: essentially fixed-rate, guaranteed either by Crédit Logement, a specialised mortgage agency, or by a mortgage on the property
  
- Revenue outperformance confirmed in 1H08
  - Franchise focused on the more profitable urban areas
  - Record customer acquisition : +230,000 in 2007, +100,000 in 1H08
  - #1 in Private Banking
  - Corporate customers: a unique business model in France to foster cross selling and target high quality clients
  - Sustained growth in both loans and deposits outstandings

**Growth in average loan and deposit outstandings**



**Revenue Growth**



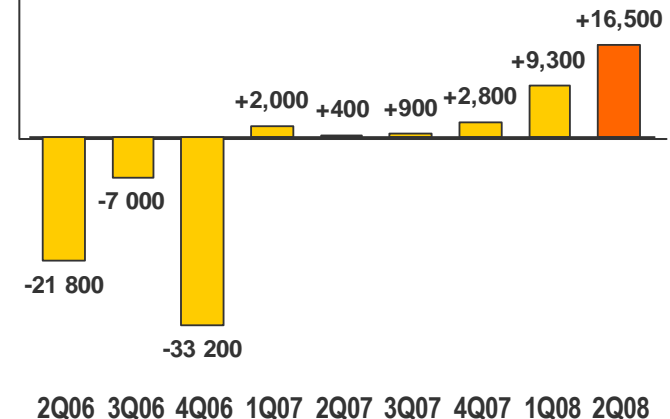
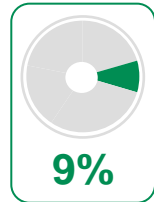
**Well positioned to grow market share**



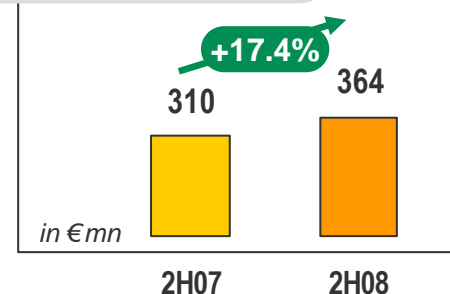
# BNL banca commerciale Growing Contribution to Group's Earnings

- Italy: an attractive banking market
  - Low growing economy, but under-penetrated market
  - Higher margins/higher risk
  - Sound mortgage practices, similar to France
- BNL: an attractive franchise
  - Nationwide presence with strong corporate franchise
  - Integration ahead of schedule
  - Expected synergies raised 15%
- Leverage the Group's expertise and economies of scale
  - Individual customers: roll out a multi-channel offering unparalleled in Italy
  - Corporate customers: become the benchmark bank in Italy thanks to a best-in-class CIB platform and a leading position in the Mediterranean area

Increase in the number of individual cheque and deposit accounts



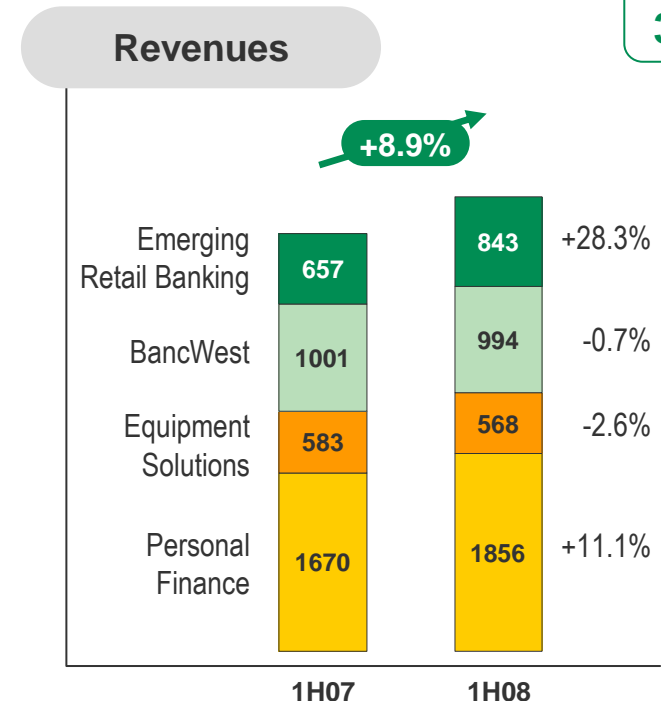
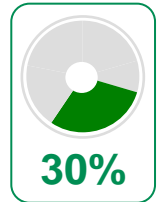
Pre-tax Income



**Major growth driver thanks to the integration dynamics**

# International Retail Services Strong Business Development Drive

- Growing the Customer Base through branch banking and specialised finance
  - Won 1.4 million new customers since 30 June 2007 in the emerging retail banking networks
  - Opened 200 branches since 30 June 2007, target 600 branches by 2010
  - Win over 20 million new customers, including close to 6 million in branch banking by 2010
- 1H08 revenues: €4,3bn, +12.1%\*
  - Sharp growth in loans and deposits outstandings
  - BancWest : +13.7%\*
- Improving operating efficiency
  - Share platforms and reduce their number
  - Cost/income ratio: 57.2% vs 57.6% in 1H07\*
- Strong gross operating income growth: +13.3%\*



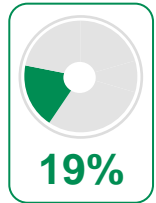
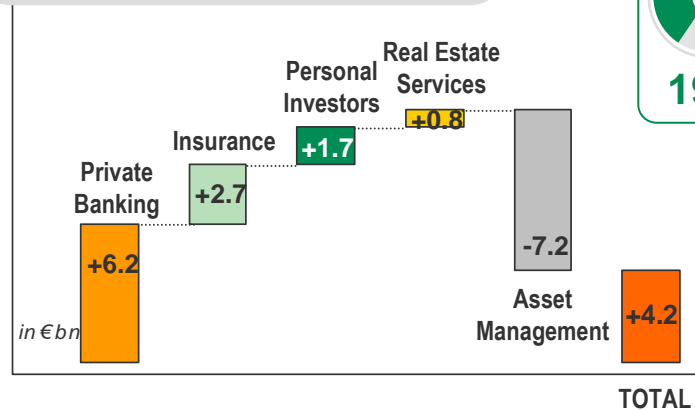
**Sustained business growth**



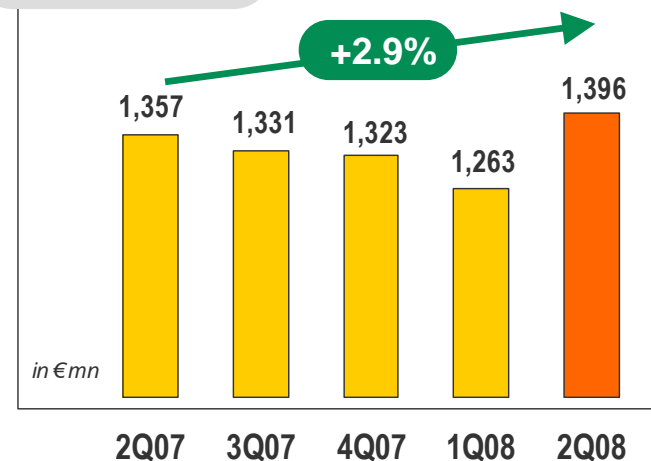
# Asset Management & Services Revenues at Historic High in a Difficult Market

- Assets under management: €546bn as at 30/06/2008
  - Net asset inflows: €4.2bn in 1H08
- Recognised expertise in all business areas
  - #1 for Private Banking in France
  - #1 for Securities Services in Europe
  - #1 for Corporate Real Estate Services in Continental Europe
- Resilient business model
  - Integrated businesses that cover the entire range of investment services (asset gathering, asset management, asset protection and asset administration)
  - Large access to clients through complementary distribution channels
  - Individuals represent 62% of AuM
- Accelerate international expansion
  - Europe: continue to grow market shares
  - Double the share of revenues in emerging markets from 5% in 2007 to 10% in 2010

Net asset inflows in 1H08



Revenues

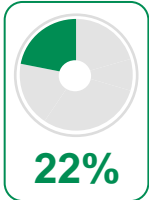
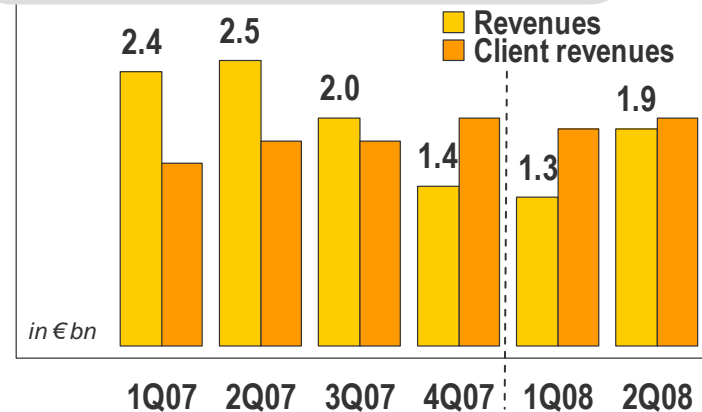


**Robust sales and marketing drive in a challenging environment**

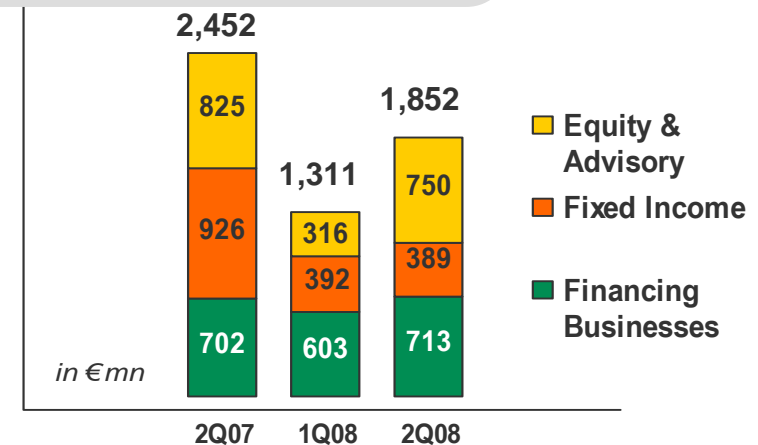
# Corporate and Investment Banking Very Good Operating Performance

- Strong rebound in revenues in 2Q08
  - + 41% /1Q08
  - Despite -€457 mn net impact from monolines
- Steady growth in client driven business
  - Improving competitive position
- Worldwide leadership in Equity derivatives confirmed
  - To be further accelerated following to the acquisition of Bank of America's Prime brokerage
- Good relative performance in Fixed Income
  - Record revenues in 2Q08 in interest rates, forex, and commodities derivatives
- Very resilient financing businesses
  - Strong revenue growth in Energy, Commodities, Project and Corporate acquisition Finance
  - Significantly improved conditions

Revenues and Client Revenues



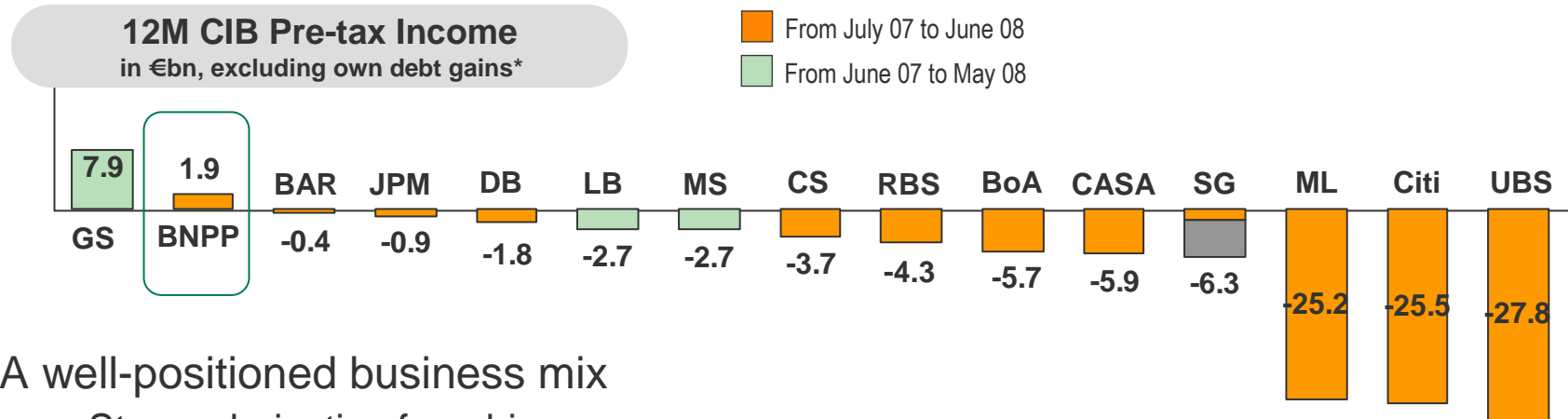
Revenues by business line



**Strong business development momentum**



# Corporate and Investment Banking Robust Model in the Face of the Crisis



- A well-positioned business mix
  - Strong derivative franchise
  - High added value specialised finance businesses
  - Limited portion of businesses directly affected by the crisis
- A favourable geographic breakdown
  - 1/3 of revenues in Asia and in emerging markets
  - ~20% of revenues in the US : focus on key areas of expertise

*Short listed as best  
global investment bank  
along with GS and JPM by*



**One of the very few CIBs to remain profitable every quarter  
since the beginning of the crisis**



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A Robust Model in the Face of the Crisis

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A Stringent Risk Management Culture and a  
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A Strong Business Development Momentum

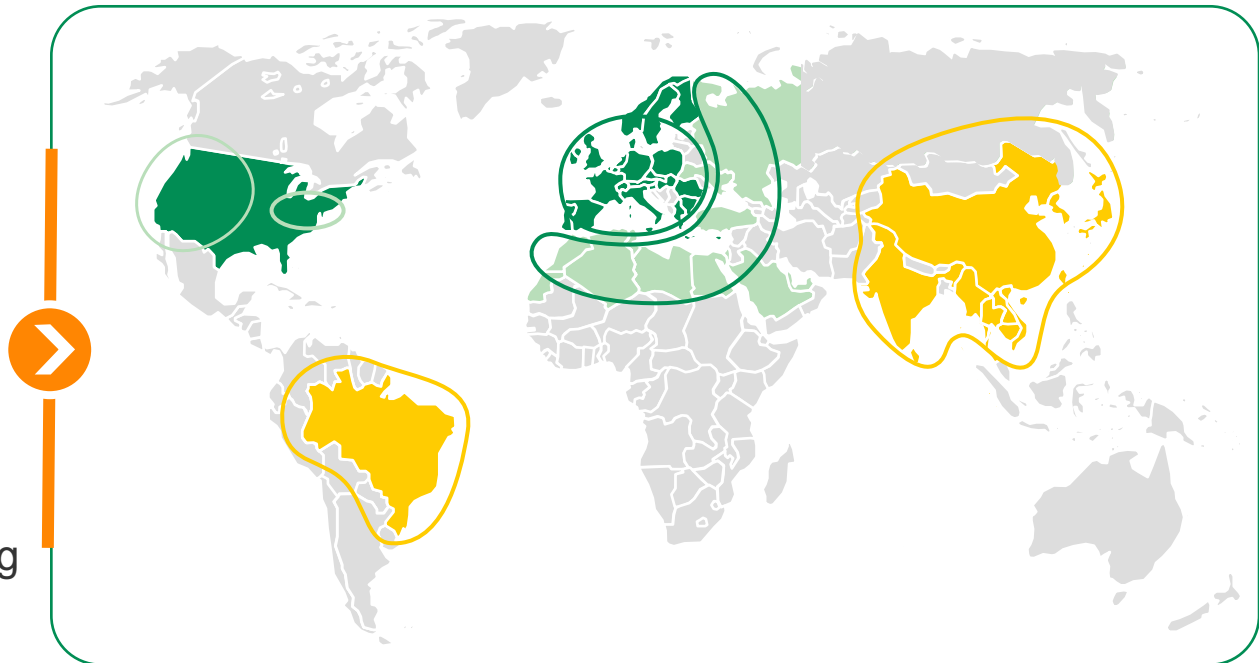
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**Conclusion**



# An Ambitious Growth Strategy ...

- Pursue the deployment of the integrated banking model in Europe as well as across the Mediterranean and Far Eastern Europe
- Leverage the enhanced competitive positioning to grow revenues in the Western US retail network
- Capitalise on already strong positions in Greater China, India and Brazil
- Reinforce the global leadership in derivatives and energy and commodities finance



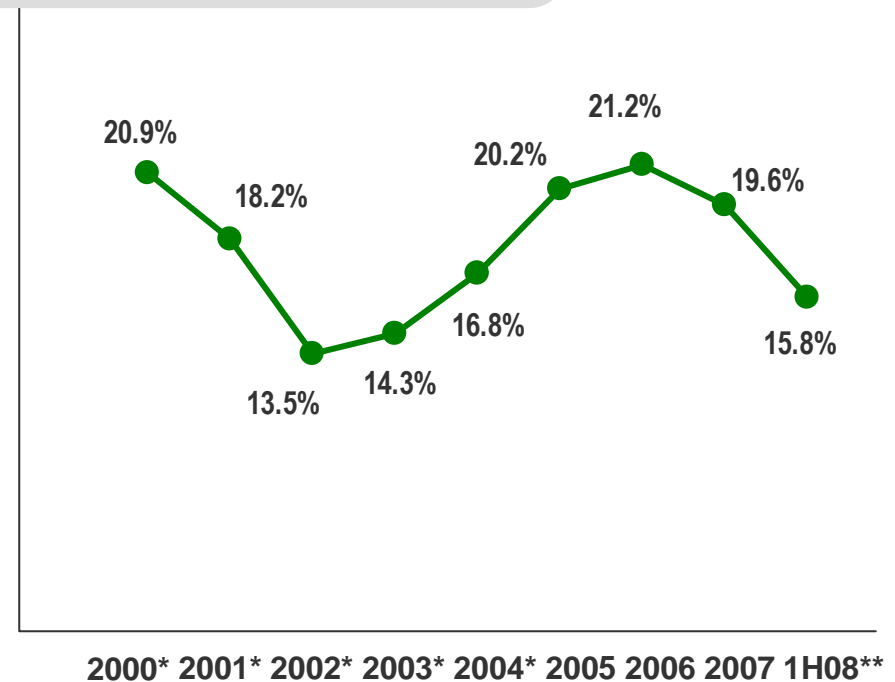
**Selected growth in key markets and areas of expertise**



# ... Fuelled by Strong Internal Capital Generation

- Business model delivering strong profitability despite the crisis
  - 3.5 bn€ net income after tax in 1H08
  - ROE above 15% in 1H08
  - Half year EPS €3.8 vs full year EPS 2007 €8.5
- Priority to organic growth : 10% RWA growth expected for 2008
  - Leveraging improved competitive position
  - Benefiting from better margins
  - While maintaining strict risk policy
- Solid dividend policy

Return on Equity (after tax)



**Well placed to leverage our strengths to deliver shareholder value**



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# Appendices

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# Number of Shares, Net Earnings and Assets per Share

## Number of shares

<i>In millions</i>	<b>30-Jun-08</b>	<b>30-Jun-07</b>
Number of Shares (end of period)	906.4	932.9
Number of Shares excluding Treasury Shares (end of period)	894.8	898.0
Average number of Shares outstanding excluding Treasury Shares	895.3	901.3

## Net Earnings Per Share

<i>In euros</i>	<b>1H08</b>	<b>1H07</b>
Earnings Per Share (EPS)	3.77	5.22

## Net assets per share

<i>In euros</i>	<b>30-Jun-08</b>	<b>30-Jun-07</b>
<b>Book value per share (a)</b>	<b>48.1</b>	<b>50.9</b>
<i>of which net assets non reevaluated per share (a)</i>	48.9	45.9

(a) Excluding undated participating subordinated notes



## Equity

<i>In billions of euros</i>	30-Jun-08	31-Dec-07	30-Jun-07
<b>Shareholders' equity Group share, not re-evaluated (a)</b>	42.4	40.7	39.4
<b>Valuation Reserve</b>	-0.7	3.3	4.5
<i>incl. BNP Paribas Capital</i>	1.6	1.7	2.1
<b>Total Capital ratio</b>	11.0%	10.0%	10.2%
<b>Tier One Ratio</b>	7.6% (b)	7.3% (c)	7.2% (c)

(a) Excluding undated participating subordinated notes and after estimated distribution

(b) On estimated Basel II risk weighted assets of €507.0bn as at 30.06.08

(c) On Basel I risk weighted assets of €540.4bn as at 31.12.07 and €513.6bn as at 30.06.07

## Coverage ratio

<i>In billions of euros</i>	30-Jun-08	30-Jun-07
<b>Doubtful loans and commitments (1)</b>	15.0	13.7
<b>Allowance for loan losses</b>	13.0	12.7
<b>Coverage ratio</b>	87%	93%

(1) Gross doubtful loans, balance sheet and off-balance sheet

## Ratings

S&P	<b>AA+</b>	Stable Outlook	<b>Reaffirmed on 1 July 2008</b>
Moody's	<b>Aa1</b>	Stable Outlook	Reaffirmed on 6 March 2008
Fitch	<b>AA</b>	Stable Outlook	<b>Reaffirmed on 3 July 2008</b>



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# Selected Exposures

based on the recommendations of the Financial  
Stability Forum

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# Limited Exposure to the More Toxic Assets

## SIVs: Liquidity lines €0.1bn

- No BNP Paribas sponsored SIV

## ABCP Conduits

Liquidity lines €12.6bn  
of which drawn: €0.0bn

- Amount of assets in sponsored conduits: €11.2bn
- Assets essentially auto loans, consumer loans, trade receivables and equipment finance
- 45% US, negligible subprime exposure

## US Mortgage-Backed Securities

- Subprime, Alt A and CMBS securities  
- Related CDOs

Net exposure €0.4bn in the trading book and  
0.5 bn€ in the banking book

- [Net subprime RMBS exposure: €0.3bn
- Net Alt-A RMBS exposure: €0.4bn
- Net related CDO exposure: -€0.1bn]

## Monoline Insurers

Net counterparty exposure €1.15bn

- Net of hedging (€0.6mn) and credit adjustments (€1.3bn)
- €0.96bn AAA/AA and €0.19bn A/BB, negligible residual net exposure to monolines rated B and below

## LBO portfolios

Final take exposure €6.3bn  
Net underwriting exposure €1.7bn

- Final take portfolio 78% European and 96% senior debt
- Underwriting portfolio spread over 15 transactions, more than 90% in Europe



# Exposure to Conduits and SIVs

As at 30 June 2008

In €bn

Entity data		BNP Paribas exposure				
Assets funded	Securities issued	Liquidity lines		Credit enhancement (1)	ABCP held and others	Maximum commitment (2)
		Line outstanding	o/w cash drawn			

### BNP Paribas sponsored entities

ABCP conduits	11.2	11.2	11.2	-	0.5	1.8	13.8
Structured Investment Vehicles	-	-	-	-	-	-	-

### Third party sponsored entities (BNP Paribas share)

ABCP conduits	n.s	1.1	1.3	-	-	0.1	1.4
Structured Investment Vehicles	n.s	-	0.1	-	-	0.1	0.1

(1) Provided by BNP Paribas. In addition, each programme benefits from other types of credit enhancement

(2) Represent the cumulative exposure across all types of commitments in a worse case scenario

- No liquidity lines drawn as at 30.06.08
- 16% of the ABCP securities issued by sponsored conduits held in a trading portfolio as at 30.06.08 (€1.8bn)
- No sponsored SIVs



Throughout this chapter, figures highlighted in yellow are the most significant figures

# Sponsored ABCP Conduits

## Details by Maturity and Geographic Region

Sponsored ABCP conduits as at 30 June 2008  
(in €bn)

	Starbird United States	Matchpoint Europe	Eliopee Europe	Thesee Europe	J Bird 1 & 2 Japan	Total
Ratings	A1 / P1	A1+ / P1	P1	A1 / P1 / F1	A1 / P1	
BNP Paribas commitments	6.3	3.9	2.2	0.8	0.6	13.8
<b>Assets funded</b>	<b>4.5</b>	<b>3.6</b>	<b>1.7</b>	<b>0.7</b>	<b>0.6</b>	<b>11.2</b>

<b><u>Breakdown by maturity</u></b>						
0 - 1 year	44%	28%	45%	84%	44%	41%
1 year - 3 years	33%	22%	28%	16%	46%	29%
3 year - 5 years	10%	26%	27%		5%	17%
> 5 years	12%	24%			5%	13%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b><u>Breakdown by geography*</u></b>						
USA	97%	3%				45%
France		10%	59%	72%		17%
Spain		30%				9%
UK		9%		15%		3%
Asia		15%		13%	100%	11%
Diversified and Others	3%	33%	41%			16%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\* Convention used is: when a pool contains more than 50% country exposure, this country is considered to be the one of the entire pool. Any pool where one country does not reach this level is considered as diversified

# Sponsored ABCP Conduits

## Details by Asset Type

Sponsored ABCP conduits as at 30 June 2008	Starbird	Matchpoint	Eliopee	Thesee	J Bird 1 & 2	Total	
	United States	Europe	Europe	Europe	Japan	by asset type	o/w AAA
<b>Breakdown by asset type</b>							
Auto Loans, Leases & Dealer Floorplans	41%	35%				28%	
Trade Receivables	7%	7%	100%	70%		24%	
Consumer Loans & Credit Cards	13%	11%		14%	100%	15%	
Equipment Finance	12%	1%				5%	
Student Loans	7%					3%	
<b>RMBS</b>		<b>6%</b>				<b>2%</b>	<b>100%</b>
<i>o/wUS (0% subprime)</i>		<b>2%</b>				<b>1%</b>	
<i>o/wUK</i>		0%				0%	
<i>o/wSpain</i>		3%				1%	
<b>CMBS</b>		<b>16%</b>				<b>5%</b>	<b>100%</b>
<i>o/wUS, UK, Spain</i>		0%				0%	
CDOs of RMBS (non US)		7%				2%	100%
CLOs	15%	9%				9%	79%
CDOs of corporate bonds		7%				2%	100%
Insurance				16%		1%	100%
Others	5%	1%				3%	36%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	



# Funding Through Proprietary Securitisation

*Cash securitisation as at 30 June 2008*

*In €bn*

	Amount of securitised assets (Group share)	Amount of securities issued (Group share)	Securitised positions held	
			First losses	Others
<b>IRS</b>	<b>5.8</b>	<b>6.4</b>	<b>0.2</b>	<b>0.3</b>
o/w Residential loans	4.0	4.6	0.1	0.1
o/w Consumer loans	0.6	0.6	0.0	0.1
o/w Lease receivables	1.2	1.2	0.1	0.1
<b>BNL</b>	<b>5.0</b>	<b>5.1</b>	<b>0.1</b>	<b>0.2</b>
o/w Residential loans	5.0	5.1	0.1	0.2
o/w Consumer loans	-	-	-	-
o/w Lease receivables	-	-	-	-
<b>Total</b>	<b>10.8</b>	<b>11.6</b>	<b>0.3</b>	<b>0.5</b>

- Only €10.8bn loans refinanced through securitisation vs. €13.3bn as at 31.12.07
- SPVs consolidated in BNP Paribas' balance sheet since IFRS' first time application
  - since BNP Paribas is retaining the majority of risks and returns



# Sensitive Loan Portfolios Personal Loans

*Personal loans  
as at 30/06/08, in €bn*

	Gross outstanding				Provisions		Net exposure	
	Consumer	First Mortgage Full Doc	Alt A	Home Equity Loans	Total	Portfolio		Specific
US (BancWest)	8.0	6.9	0.3	2.4	17.6	- 0.1	- 0.0	17.4
Super Prime <i>FICO &gt; 730</i>	4.6	3.7	0.1	1.4	10.0	-	-	10.0
Prime <i>600 &lt; FICO &lt; 730</i>	3.3	3.1	0.1	0.9	7.4	-	-	7.4
Subprime <i>FICO &lt; 600</i>	0.1	0.1	-	0.0	0.2	-	-	0.2
UK (Personal Finance)	0.4	-	-	-	0.4	-	-	0.4
Spain (Personal Finance)	4.0	6.0	-	-	10.0	- 0.1	- 0.3	9.6

- Good quality of US portfolio
  - Only €0.2bn in subprime loans
- Negligible exposure to the UK market
  - No residential mortgage exposure
- Exposure to risks in Spain well secured
  - Property collateral on the mortgage portfolio
  - Large proportion of auto loans in the consumer lending portfolio

Commercial Real Estate as at 30/06/08, in €bn	Gross exposure				Provisions		Net exposure
	Home Builders	Property companies	Others (1)	Total	Portfolio	Specific	
US	2.2	0.1	2.9	5.3	- 0.1	- 0.0	5.2
BancWest	1.8	-	2.9	4.8	- 0.1	- 0.0	4.6
CIB	0.4	0.1	-	0.5	-	-	0.5
UK (CIB)	0.1	1.0	0.2	1.3	-	-	1.3
Spain (CIB)	-	0.1	0.7	0.8	-	-	0.8

(1) Excluding owner-occupied and real estate backed loans to corporates

- Exposure to the US home builder sector
  - BancWest: €1.8bn, of which €1.2bn drawn
  - CIB: €0.4bn
- UK exposure concentrated on large property companies
- Limited exposure to commercial real estate risk in Spain
  - No home builder exposure



# Real-Estate related ABS and CDO Exposure Trading Book

- Continued to reduce US RMBS positions
- Negligible exposure to subprime, Alt-A, US CMBS and related CDOs
- Predominant European good quality exposure
  - 85% rated AAA
- Booked at fair value through profit or loss
  - Valuation essentially based on market prices or observable parameters

<i>Net exposure in € bn</i>	31.12.2007	31.03.2008	30.06.2008
<b>TOTAL RMBS</b>	<b>4.2</b>	<b>3.7</b>	<b>3.0</b>
<b>US</b>	<b>2.1</b>	<b>1.5</b>	<b>1.2</b>
Subprime	0.1	0.0	0.1
Mid-prime	0.5	0.4	0.3
Alt-A	0.5	0.3	0.2
Prime *	1.0	0.8	0.7
<b>UK</b>	<b>0.5</b>	<b>0.7</b>	<b>0.4</b>
Conforming	0.0	0.1	- 0.1
Non conforming	0.5	0.6	0.5
<b>Spain</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>
<b>Other countries</b>	<b>0.7</b>	<b>0.6</b>	<b>0.6</b>
<b>TOTAL CMBS</b>	<b>1.0</b>	<b>0.8</b>	<b>1.1</b>
US	- 0.1	- 0.1	0.3
Non US	1.1	0.9	0.8
<b>TOTAL CDOs (cash and synthetic)</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>RMBS</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>
US	- 0.2	- 0.1	- 0.1
Non US	0.3	0.3	0.3
<b>CMBS</b>	-	-	- 0.1
<b>Real Estate Investment Trust (REIT)</b>	-	-	-
<b>TOTAL Subprime, Alt-A, US CMBS and related CDOs</b>	<b>0.4</b>	<b>0.1</b>	<b>0.4</b>

\* Excluding agencies backed securities (€2.1bn as at 30.06.08)



# Real-Estate related ABS and CDO Exposure Banking book

- Negligible exposure to subprime, Alt-A, US CMBS and related CDOs
- Good quality exposure
  - 88% rated AAA
- Booked at amortised cost
  - With the appropriate provisions in case of permanent impairment

	31.12.2007	31.03.2008	30.06.2008		
	Net exposure **	Net exposure **	Gross exposure *	Impairment	Net exposure **
<i>Net exposure in € bn</i>					
<b>TOTAL RMBS</b>	<b>1.7</b>	<b>1.7</b>	<b>2.9</b>	<b>- 0.0</b>	<b>2.8</b>
<b>US</b>	<b>1.3</b>	<b>1.2</b>	<b>1.6</b>	<b>- 0.0</b>	<b>1.6</b>
Subprime (1)	0.1	0.1	0.2	- 0.0	0.2
Mid-prime	-	-	0.1	-	0.1
Alt-A	0.1	0.1	0.2	-	0.2
Prime ***	1.1	1.0	1.1	- 0.0	1.1
<b>UK</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>	<b>-</b>	<b>0.4</b>
Conforming	0.0	0.0	0.4	-	0.4
Non conforming	0.0	0.0	0.0	-	0.0
<b>Spain</b>	<b>0.2</b>	<b>0.2</b>	<b>0.6</b>	<b>-</b>	<b>0.6</b>
<b>Other countries</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>
<b>TOTAL CMBS</b>	<b>0.2</b>	<b>0.1</b>	<b>0.3</b>	<b>-</b>	<b>0.3</b>
US	0.1	0.1	0.1	-	0.1
Non US	0.2	0.1	0.3	-	0.3
<b>TOTAL CDOs (cash and synthetic)</b>	<b>0.5</b>	<b>0.5</b>	<b>0.7</b>	<b>- 0.1</b>	<b>0.6</b>
<b>RMBS</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>- 0.1</b>	<b>0.3</b>
US	0.0	0.0	0.1	- 0.1	0.0
Non US	0.1	0.2	0.3	-	0.3
<b>CMBS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Real Estate Investment Trust (REIT)</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>- 0.0</b>	<b>0.3</b>
<b>TOTAL Subprime, Alt-A, US CMBS and related CDOs</b>	<b>0.3</b>	<b>0.3</b>	<b>0.6</b>	<b>- 0.1</b>	<b>0.5</b>

\* Entry price

\*\* Exposure net of impairments, excluding unrealised gains and losses accounted for through equity (-€0.2bn as at 30.06.08)

\*\*\* Excluding agencies backed securities (€2.4bn as at 30.06.08)

# Monoline Counterparty Exposure

- Gross counterparty exposure up slightly compared to 31.03.2008

In € bn	31.03.2008		30.06.2008	
	Notional	Gross counterparty exposure	Notional	Gross counterparty exposure
CDOs of US RMBS subprime	2.75	1.60	2.75	1.85
CDOs of european RMBS	0.28	0.02	0.28	0.03
CDOs of CMBS	1.19	0.29	1.19	0.33
CDOs of corporate bonds	6.75	0.62	6.80	0.50
CLOs	5.22	0.35	5.30	0.32
Non credit related	n.s	0.02	n.s	0.01
<b>Total gross counterparty exposure</b>	<b>n.s</b>	<b>2.90</b>	<b>n.s</b>	<b>3.05</b>

(1) Gross exposure: replacement cost based on market indices

- Net counterparty exposure down compared to 31.03.2008

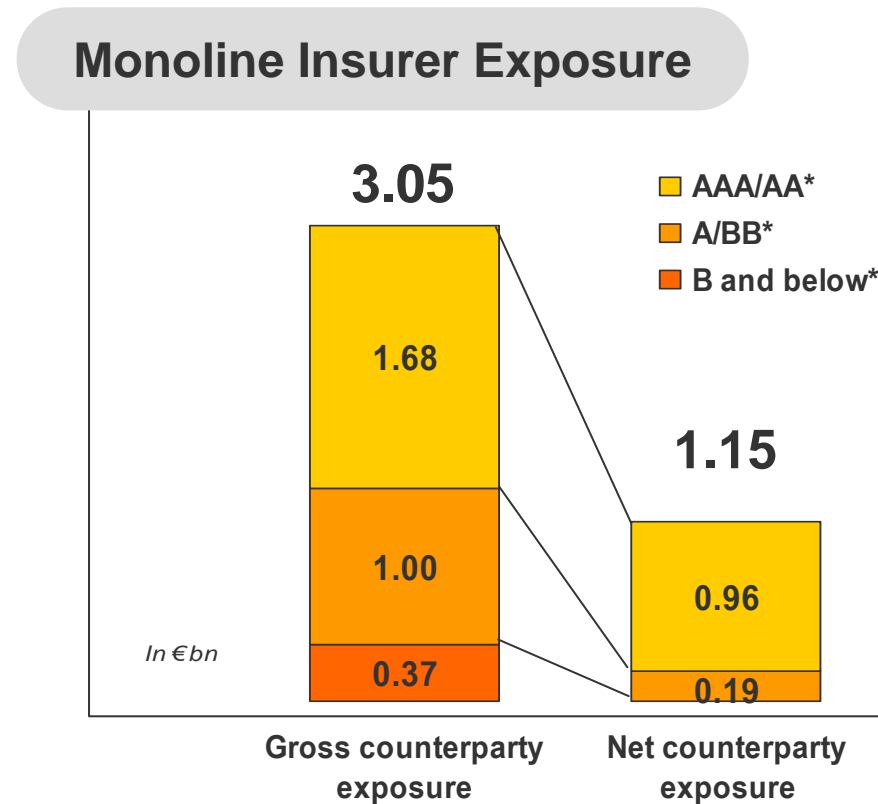
In € bn	31.03.2008	30.06.2008
<b>Total gross exposure before hedge</b>	<b>2.90</b>	<b>3.05</b>
Credit derivatives bought from banks or other collateralized third parties	-0.79	-0.60
<b>Total unhedged gross exposure</b>	<b>2.11</b>	<b>2.45</b>
Credit adjustments and allowances (1)	-0.57	-1.29
<b>Net counterparty exposure</b>	<b>1.54</b>	<b>1.15</b>

(1) Including, as at 30 June 2008, allowance for €0.09bn related to monolines classified as doubtful

Rq: Excludes ACA, fully marked down since 31.12.07

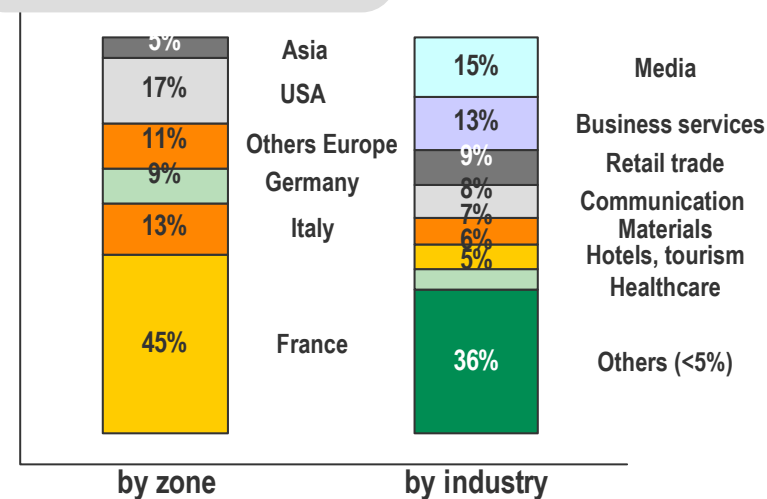
# Monoline Insurer Exposure Details by Rating

- Negligible residual net exposure to counterparties whose credit ratings have deteriorated the most



- Stable final take portfolio (€6.3bn as at 30.06.08)
  - Over 350 transactions
  - 96% senior debt
  - Booked as loans and receivables at amortised cost
  
- Underwriting portfolio down
  - Exposure spread over 15 transactions, over 90% in Europe
  - 93% senior debt
  - Booked at fair value through profit or loss

### LBO final take portfolio



### LBO underwriting portfolio

