

Annual Report

07





BNP Paribas has a longstanding relationship with the Opéra district of Paris. The Group's headquarters and top management offices are located in this elegant part of the French capital, which is also the home base of 10,000 employees. BNP Paribas buildings are emblematic of France's prestigious architectural heritage from the 18th to the 20th centuries.

Front cover photo: Paris (France), Opéra area.
© Yann Arthus-Bertrand / Altitude

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Key figures

Results

(in millions of euros)

	31 December 2006	31 December 2007
Total assets	1,440,343	1,694,454
Customer deposits	393,133	445,103
Customer loans (gross)	298,652	346,704
Shareholder's equity ⁽¹⁾	49,512	53,799
International capital adequacy ratio	10.5%	10%
o/w Tier One	7.4%	7.3%

⁽¹⁾ Before income appropriation.

Number of Group employees

(Full-time equivalents)

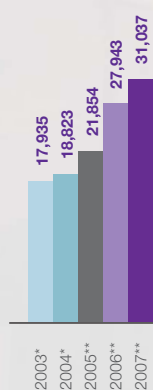
	2006	2007
World	141,911	162,700
Europe (including overseas department and territories)	110,584	126,000

Long-term ratings

Standard & Poor's	AA+	Stable outlook	upgraded on 10 July 2007
Moody's	Aa1	Stable outlook	upgraded on 23 May 2007
Fitch	AA	Stable outlook	reaffirmed on 16 May 2007

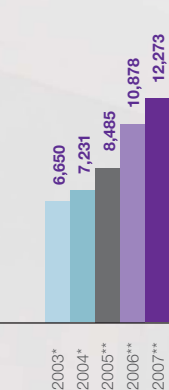
Net banking income

(in millions of euros)



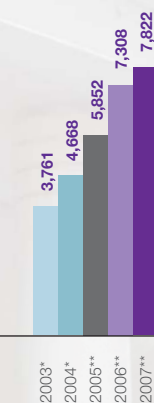
Gross income

(in millions of euros)



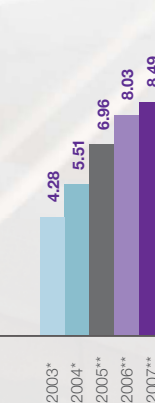
Net attributable income

(in millions of euros)



Earnings per share

(in euros) ^(***)





The BNP Paribas Group

BNP Paribas is a European leader in banking and financial services, with a significant and growing presence in the United States and leading positions in Asia. The Group has one of the largest international banking networks, a presence in over 85 countries, with almost 163,000 employees, including over 126,000 in Europe. BNP Paribas enjoys key positions in its three core businesses:

Corporate & Investment Banking (CIB)

Retail Banking, comprising three divisions:

- French Retail Banking (FRB)
- Italian Retail Banking: BNL banca commerciale (BNL bc)
- International Retail Services (IRS)

Asset Management & Services (AMS)

Return on equity

(in%) ^(****)



Market capitalisation

(in billions of euros)

Source: Bloomberg



^(*) Under French GAAP.

^(**) Under International Financial Reporting Standards (IFRS) as adopted by the European Union.

^(***) Adjusted for the impact of the 2006 rights issue on years 2003 to 2005.

^(****) Return on equity is calculated by dividing net attributable income (adjusted for interest on undated super subordinated notes deemed equivalent to preferred shares issued by BNP Paribas SA and treated as a dividend for accounting purposes) by average equity attributable to equity holders of the parent at 1 January and 31 December of the period concerned (after distribution and excluding undated super subordinated notes deemed equivalent to preferred shares issued by BNP Paribas SA).

Chairman's and Chief Executive Officer's statement

Despite a steep decline in the economic climate over the second half of the year, BNP Paribas delivered record results in 2007. Net banking income surged 11.1% year-on-year to EUR 31,037 million, while net income climbed 7% over the same year-ago period, to EUR 7,822 million. 2007 was a year of stark contrasts for the financial world: bullish economic sentiment in the first six months of the year gave way to deepening concerns about the implications of the US subprime crisis. The fall-out from the crisis continues to shake the markets and has sparked major difficulties in many banking firms, particularly in the United States. Share price volatility has affected all financial institutions and turned the ranking of the world's fifteen largest caps on its head. Our Group has been one of the least affected by the troubles rippling across the globe. When Standard & Poor's raised BNP Paribas' credit rating to AA+ in July 2007, our Group joined one of only a handful of banks worldwide considered as a beacon of financial strength. BNP Paribas is also one of the world's most valuable brands.

BNP Paribas' record results were powered by vigorous organic growth, with the subprime crisis having only a limited impact on earnings and provisions. Our business model proved its strength, and all core businesses posted fresh advances in revenues compared to an already strong showing in 2006. Retail Banking represents over half of the Group's revenues, and is the backbone of our activities, boasting more than 5,600 branches, 17 million network customers and over 20 million direct customers from specialised financing businesses. Our Corporate and Investment Banking arm delivered record results in the first half of the year and proved extremely resilient over the second. The Asset Management and Services Division was yet again one of the key drivers of the Group's growth momentum, and demonstrated a renewed capacity to beat analysts' expectations and outperform the market.

The Group also continued to expand its footprint in 2007, delivering both organic growth (180 new branches opened in emerging countries, launch of Cetelem and retail activities in Russia) and mounting a series of mid-size acquisitions. These included the brokerage firm Geojit in India, where UCB, Arval and BNP Paribas Lease Group began operations in the year; consumer finance specialists Banco BGN in Brazil and Jet Finance International in Bulgaria; Sahara Bank in Libya; and three Securities firms in Spain, Italy and the offshore markets of Jersey, Guernsey and the Isle of Man. Over the year, BNP Paribas brought in 20,000 new recruits, and now has 162,700 employees across the globe.

BNP Paribas at a glance

Record results in 2007

Net banking income

EUR 31,037 million

(up 11.1%/2006)

Net income Group share

EUR 7,822 million

(up 7.0%/2006)

A powerful organic growth

Operating expenses

EUR -18,764 million

(up 10.0%/2006)



Michel Pébereau, Chairman

Baudouin Prot, Chief Executive Officer

Unsettled and volatile markets will continue to put banks to the test in 2008. This persistent, far-reaching crisis will have long-lasting implications for the financial services industry, and no banking revenues or loan loss provisions will be left untouched. Banks will find themselves having to adjust costs and capital accordingly, while markets will have to contend with increased demand for transparency, liquidity and oversight. Our aim for the coming year will therefore be two-fold: to successfully manage our business in the face of the current market imbalances, and to make swift adjustments to our business models in response to the changing shape of the economy.

A number of priorities have been set for our three core businesses. In Retail Banking, we have already launched a project to converge IT platforms. On our two domestic markets of France and Italy, we will endeavour to improve operating efficiency and enhance our competitive edge. In International Retail Services, our aim is to unlock fresh growth gains and step up operating efficiency, with a sharper focus on risk management. In the United States, where we face a difficult short-term environment but can capitalise on strong growth potential, we will continue to upgrade our network and develop our commercial offering.

We will adopt a disciplined approach across our Corporate and Investment Banking arm (BNP Paribas CIB) in 2008, a year which will also see the development of a host of innovative products meeting heightened customer demands for transparency and liquidity. Asset Management and Services (AMS) should continue to be a key driver of the Group's growth momentum.

2008 should also see the launch of BNP Paribas' Microfinance project, which lies at the top of its social responsibility agenda. The Group has signed an agreement with the French Development Agency to promote microfinance and sustainable development initiatives. In connection with this agreement, a loan granted to one of India's largest institutions helped provide 20,000 borrowers with access to microcredit. In the United States, we were awarded the Social Responsibility prize for the efforts of employees from our New York office in helping to rebuild the devastated city of New Orleans.

Our performance in 2007 was one of the best among comparable banks, and our unmatched strengths will enable us to weather challenging conditions in 2008. We have full confidence in our business going forward and are firmly committed to leveraging the opportunities that the future will surely hold.

Strong business development drive: revenues grew in all the core businesses

**FRB⁽¹⁾:
EUR 5,919 million
(+4.4%)**

**BNL bc⁽²⁾:
EUR 2,634 million
(+6.5%)**

**IRS:
EUR 7,955 million
(+7.9%)**

**AMS:
EUR 5,329 million
(+20.9%)**

**CIB:
EUR 8,293 million
(+2.5%)**

A solid financial structure

**Earning per share:
EUR 3.35
(+8.1%)⁽³⁾**

⁽¹⁾ Excluding PEL/CEL effects, with 100% of French Private Banking.
⁽²⁾ 100% of Italian Private Banking - 2006 full year pro forma.
⁽³⁾ Subject to approval by AGM.

T. Pébereau *B. Prot*

Executive Committee



Philippe Bordenave

Head of Group Finance and Development

Jean-Laurent Bonnafé

Head of French Retail Banking and BNL banca commerciale

Alain Papiasse

Head of Asset Management and Services

Frédéric Lavenir

Head of Group Human Resources

Jacques d'Estais

Head of Corporate and Investment Banking



Fabio Gallia

44, joined BNP Paribas on 1 October 2007, and succeeded Mario Girotti as Chief Executive Officer of BNL with effect from 1 January 2008. He was previously Assistant General Manager of Banca di Roma. He will be appointed to the Executive Committee of BNP Paribas during 2008.



Michel Konczaty

Head of Group Risk Management, attends Executive Committee meetings on all matters within his sphere of competence.



Georges Chodron de Courcel

Chief Operating Officer

Baudouin Prot

Chief Executive Officer

Jean Clamon

Chief Operating Officer

Pierre Mariani

Head of International Retail Services

Alain Marbach

Head of Technology and Processes

Vivien Lévy-Garboua

Head of Compliance and Internal Control Coordinator

Corporate governance



Michel
PÉBEREAU

Principal function ⁽¹⁾:

Chairman of the BNP Paribas Board of Directors

- Born on 23 January 1942
- Elected on: 23 May 2006 – Term expires at the 2009 AGM
- First elected to the Board on: 14 May 1993
- Number of BNP Paribas shares held ⁽²⁾: 123,120
- Office address: 3, rue d'Antin – 75002 Paris, France

Functions at 31 December 2007 ⁽¹⁾

Director of:

Lafarge, Compagnie de Saint-Gobain, Total, Eads NV (Netherlands), Pargesa Holding SA (Switzerland)

Member of the Supervisory Board of:

AXA, Banque Marocaine pour le Commerce et l'Industrie (Morocco)

Non-voting director of:

Société Anonyme des Galeries Lafayette

Chairman of:

European Banking Federation, Investment Banking and Financial Markets Committee of Fédération Bancaire Française, Management Board of Institut d'Études Politiques de Paris, Supervisory Board of Institut Aspen France, Institut de l'Entreprise

Member of:

Académie des sciences morales et politiques, the Executive Committee of Mouvement des Entreprises de France, Haut Conseil de l'Éducation, European Financial Round Table, Institut International d'Études Bancaires, International Advisory Panel of the Monetary Authority of Singapore, International Capital Markets Advisory Committee of the Federal Reserve Bank of New York, International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC)



Patrick
AUGUSTE

Principal function ⁽¹⁾:

Real estate project manager

- Born on 18 June 1951
- Elected on: Director elected to a three-year term by BNP Paribas executive employees on 7 March 2006
- First elected to the Board on: 14 December 1993
- Number of BNP Paribas shares held ⁽²⁾: 33
- Office address: 20, avenue Georges-Pompidou 92300 Levallois-Perret, France

Functions at 31 December 2007 ⁽¹⁾

None



Claude
BÉBÉAR

Principal function ⁽¹⁾:

Chairman of the Supervisory Board of AXA

- Born on 29 July 1935
- Elected on: 23 May 2006 – AG 2009
- First elected to the Board on: 23 May 2000
- Number of BNP Paribas shares held ⁽²⁾: 3,074
- Office address: 25, avenue Matignon, 75008 Paris, France

Functions at 31 December 2007 ⁽¹⁾

Director of:

AXA Assurances IARD Mutuelle, AXA Assurances Vie Mutuelle

Member of the Supervisory Board of:

Vivendi

Non-voting director of:

Schneider Electric

Chairman of:

IMS-Entreprendre pour la Cité, Institut Montaigne

Member of:

International Advisory Panel of the Monetary Authority of Singapore, International Advisory Board of Tsinghua's School of Economics and Management, Beijing (China)



Jean-Louis
BEFFA

Principal function ⁽¹⁾:

Chairman of the Board of Directors of Compagnie de Saint-Gobain

- Born on 11 August 1941
- Elected on: 23 May 2006 – AG 2009
- First elected to the Board on: 22 October 1986
- Number of BNP Paribas shares held ⁽²⁾: 13,986
- Office address: "Les Miroirs" 18, avenue d'Alsace 92096 La Défense Cedex, France

Functions at 31 December 2007 ⁽¹⁾

Vice-Chairman of:

The Board of Directors of BNP Paribas

Chairman of:

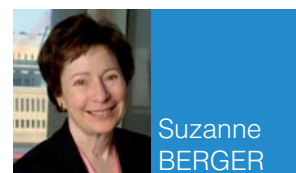
Claude Bernard Participations

Director of:

Gaz de France, Groupe Bruxelles Lambert (Belgium), Saint-Gobain Cristaleria SA (Spain), Saint-Gobain Corporation (USA)

Member of the Supervisory Board of:

Le Monde SA, Le Monde & Partenaire Associés (SAS), Société Éditrice du Monde



Suzanne
BERGER

Principal function ⁽¹⁾:

Professor of Political Science at the Massachusetts Institute of Technology, Cambridge, Massachusetts (USA) – Director of the MIT International Science and Technology Initiative (MISTI)

- Born on 11 March 1939
- Elected on: 8 March 2007 – Term expires at the 2008 AGM
- First elected to the Board on: 8 March 2007
- Number of BNP Paribas shares held ⁽²⁾: 250
- Office address: 30, Wadsworth Street, E53-451 Cambridge MA 02139-4307 USA

Functions at 31 December 2007 ⁽¹⁾

Member of:

American Academy of Arts and Sciences

Research associate and member of Executive Committee of: Center for European Studies at Harvard University



Gerhard
CROMME

Principal function ⁽¹⁾:

Chairman of the Supervisory Board of ThyssenKrupp AG

- Born on 25 February 1943
- Elected on: 18 May 2005 – 30 June 2007
- First elected to the Board on: 21 March 2003
- Number of BNP Paribas shares held ⁽²⁾: 400
- Office address: August-Thyssen-Strasse 1 Postfach 10 10 10 40001 Düsseldorf Germany

Functions at 31 December 2007 ⁽¹⁾

Chairman of the Supervisory Board of:

Siemens AG (Germany)



Member of the Supervisory Board of:
*Allianz SE (Germany),
 Axel Springer AG (Germany)*

Director of:
 Compagnie de Saint-Gobain

Chairman of:
*German Governmental
 Commission on Corporate
 Governance*

Member of:
*European Round Table
 of Industrialists (ERT)*

Gerhard Cromme
 resigned from his office,
 effective 1 July 2007



Jean-Marie
 GIANNO

Principal function ⁽¹⁾:
 Sales associate

- Born on 7 September 1952
- Elected on: Director to a three-year term by BNP Paribas employees on 7 March 2006
- First elected to the Board on: 15 March 2004 (Jean-Marie Gianni was an employee representative on the Board of Banque Nationale de Paris from 1993 to 1999)
- Number of BNP Paribas shares held ⁽²⁾: 10
- Office address:
 21, avenue Jean-Médecin
 06000 Nice
 France

Functions at 31 December 2007 ⁽¹⁾

Member of:
*Comité des Établissements
 de Crédit et des Entreprises
 d'Investissement (CECEI),
 "Confrontation" (a European
 think tank)*



François
 GRAPPOTTE

Principal function ⁽¹⁾:
 Honorary Chairman of Legrand,
 Director of companies

- Born on 21 April 1936
- Elected on: 18 May 2005 – AG 2008
- First elected to the Board on: 4 May 1999
- Number of BNP Paribas shares held ⁽²⁾: 2,537
- Office address: 128, avenue de-Lattre-de-Tassigny 87045 Limoges France

Functions at 31 December 2007 ⁽¹⁾

Director of:
 Legrand, Legrand France

Member of the Supervisory Board of:
 Michelin

Member of:
*Advisory Committee
 of Banque de France*



Alain
 JOLY

Principal function ⁽¹⁾:
 Director of Air Liquide

- Born on 18 April 1938
- Elected on: 23 May 2006 – AG 2009
- First elected to the Board on: 28 June 1995
- Number of BNP Paribas shares held ⁽²⁾: 5,227
- Office address:
 75, quai d'Orsay
 75007 Paris
 France

Functions at 31 December 2007 ⁽¹⁾

Director of:
 Lafarge



Denis
 KESSLER

Principal function ⁽¹⁾:
 Chairman and Chief Executive
 Officer of Scor SE

- Born on 25 March 1952
- Elected on:
 23 May 2006 – AG 2009
- First elected to the Board on:
 23 May 2000
- Number of BNP Paribas shares held ⁽²⁾: 2,000
- Office address:
 1, avenue du Général-de-Gaulle
 92074 Paris-La Défense Cedex
 France

Functions at 31 December 2007 ⁽¹⁾

Chairman of:
 Scor Global Life SE, Scor Global
 P & C SE, *Scor Global Life US
 Re Insurance Company (USA),
 Scor Holding (Switzerland)
 AG (Switzerland),
 Scor Reinsurance Company
 (USA), Scor US Corporation
 (USA)*

Director of:
 Bolloré, Cogedim SAS, Dassault
 Aviation, *Dexia SA (Belgium),
 Invesco Plc (United Kingdom),
 Scor Canada Reinsurance
 Company (Canada)*

Member of the Supervisory Board of:
 Fondation du Risque

Permanent representative of:
 Fegascor in SA Communication
 & Participation

Non-voting director of:
*Financière Acofi (formerly FDC SA),
 Gimar Finance & Cie SCA*

Member of:
*Commission Économique
 de la Nation, Conseil
 Économique et Social,
 Conseil d'administration
 du Siècle, Association
 de Genève, Comité
 des Entreprises d'Assurance,
 Board of the French
 Foundation for Medical
 Research Global Counsellor
 of the Conference Board*



Jean-François
 LEPETIT

Principal function ⁽¹⁾:
 Chairman of Conseil national
 de la comptabilité

- Born on 21 June 1942
- Elected on: 18 May 2005 – AG 2008
- First elected to the Board on:
 5 May 2004
- Number of BNP Paribas shares held ⁽²⁾: 825
- Office address:
 30, boulevard Diderot
 75572 Paris Cedex 12, France

Functions at 31 December 2007 ⁽¹⁾

Director of:
 Smart Trade Technologies SA,
 Shan SA

Member of:
*Board of the QFCRA –
 Qatar Financial Center
 Regulatory Authority – (Doha),
 Collège de l'Autorité
 des Marchés Financiers*



Laurence
 PARISOT

Principal function ⁽¹⁾:
 Chairman of the Board
 of Directors of IFOP SA

- Born on 31 August 1959
- Elected on: 23 May 2006 – AG 2009
- First elected to the Board on:
 23 May 2006
- Number of BNP Paribas shares held ⁽²⁾: 360
- Office address:
 6-8, rue Eugène-Oudiné
 75013 Paris, France

Functions at 31 December 2007 ⁽¹⁾

Chairman of:
*Mouvement des Entreprises
 de France (Medef)*

Director of:
 Coface SA

Member of the Supervisory Board of:
 Michelin

⁽¹⁾ Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.

⁽²⁾ At 31 December 2007.



Hélène
PLOIX

Principal function ⁽¹⁾: Chairman of Pechel Industries SAS, Pechel Industries Partenaires SAS and Pechel Services SAS

- Born on 25 September 1944
- Elected on: 18 May 2005 – AG 2008
- First elected to the Board on: 21 March 2003
- Number of BNP Paribas shares held ⁽²⁾: 1,371
- Office address: 162, rue du Faubourg Saint-Honoré 75008 Paris, France

Functions at 31 December 2007 ⁽¹⁾

Director of:

Lafarge, Ferring SA (Switzerland), Compleet NV (Netherlands)

Member of the Supervisory Board of:
Publicis

Legal manager of:

Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile

Member of:

Investment Committee of the United Nations Staff Pension Fund



Baudouin
PROT

Principal function ⁽¹⁾: Director and Chief Executive Officer of BNP Paribas

- Born on 24 May 1951
- Elected on: 18 May 2005 – AG 2008
- First elected to the Board on: 7 March 2000
- Number of BNP Paribas shares held ⁽²⁾: 87,685
- Office address: 3, rue d'Antin 75002 Paris, France

Functions at 31 December 2007 ⁽¹⁾

Director of:

Accor, Pinault-Printemps-Redoute, Veolia Environnement, Banca Nazionale del Lavoro (Italy), Erbé SA (Belgium), Pargesa Holding SA (Switzerland)

Member of:

Executive Board of Fédération Bancaire Française



Louis
SCHWEITZER

Principal function ⁽¹⁾:

Chairman of the Board of Directors of Renault

- Born on 8 July 1942
- Elected on: 15 May 2007 – AG 2010
- First elected to the Board on: 14 December 1993
- Number of BNP Paribas shares held ⁽²⁾: 6,255
- Office address: 860, quai de Stalingrad 92109 Boulogne-Billancourt Cedex, France

Functions at 31 December 2007 ⁽¹⁾

Chairman of the Board of Directors of:

AstraZeneca Plc (United Kingdom)

Vice-Chairman of the Supervisory Board of:

Philips (Netherlands)

Director of:

Électricité de France, L'Oréal, Veolia Environnement, AB Volvo (Sweden)

Chairman of:

Haute Autorité de lutte contre les discriminations et pour l'égalité (HALDE)

Member of the Advisory Committee of:

Banque de France, Allianz (Germany)

Member of the Board of:

Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du Louvre, Musée du Quai Branly

Other corporate officers



Georges
CHODRON DE COURCEL

Principal function ⁽¹⁾:

Chief Operating Officer of BNP Paribas

- Born on 20 May 1950
- Number of BNP Paribas shares held ⁽²⁾: 66,050
- Office address: 3, rue d'Antin 75002 Paris, France

Functions at 31 December 2007 ⁽¹⁾

Chairman of:

Compagnie d'Investissement de Paris SAS, Financière BNP Paribas SAS, BNP Paribas (Suisse) SA (Switzerland)

Director of:

Alstom, Bouygues, Société Foncière, Financière et de Participations SA, Nexans, Banca Nazionale del Lavoro (Italy), BNP Paribas ZAO (Russia), Erbé SA (Belgium), Scor Holding (Switzerland) AG (Switzerland), Verner Investissements SAS

Member of the Supervisory Board of:

Lagardère SCA

Non-voting director of:

Exane, Safran, Scor SA



Jean
CLAMON

Principal function ⁽¹⁾:

Chief Operating Officer of BNP Paribas

- Born on 10 September 1952
- Number of BNP Paribas shares held ⁽²⁾: 51,729
- Office address: 3, rue d'Antin 75002 Paris, France

Functions at 31 December 2007 ⁽¹⁾

Director of:

Arval Service Lease, BNP Paribas Lease Group, Banca Nazionale del Lavoro (Italy), Cassa di Risparmio di Firenze (Italy), Cetelem, Compagnie Nationale à Portefeuille (Belgium), Erbé SA (Belgium), Partecis

Member of the Supervisory Board of:

Galleries Lafayette, Euro Securities Partners SAS

Representative of BNP Paribas:
UCB

⁽¹⁾ Directorships and other functions shown in italics are not governed by the provisions of Act no. 2001-401 of 15 May 2001 concerning multiple directorships.

⁽²⁾ At 31 December 2007.

Remuneration

Remuneration payable to the Group's corporate officers for 2007

Remuneration payable for 2007 In euros	Remuneration		Directors' fees ⁽³⁾	Benefits in kind ⁽⁴⁾	TOTAL remuneration
	Fixed ⁽¹⁾	Variable ⁽²⁾			
Michel Pébereau Chairman of the Board of Directors					
2007	700,000	875,000	29,728	2,490	1,607,218
(2006)	(700,000)	(1,051,070)	(29,728)	(4,609)	(1,785,407)
Baudouin Prot Chief Executive Officer					
2007	900,000	2,272,608	142,278	5,362	3,320,248
(2006)	(883,333)	(2,324,348)	(129,551)	(5,227)	(3,342,459)
Georges Chodron de Courcel Chief Operating Officer					
2007	545,833	1,772,120	147,977	4,271	2,470,201
(2006)	(500,000)	(1,631,593)	(125,189)	(4,274)	(2,261,056)
Jean Clamon Chief Operating Officer					
2007	460,000	702,255	139,690	4,703	1,306,648
(2006)	(460,000)	(796,130)	(130,637)	(4,703)	(1,391,470)
<i>Total remuneration payable to the Group's corporate officers for 2007</i>					8,704,315
<i>(for 2006)</i>					(8,780,392)

(1) Remuneration actually paid in 2007.

(2) Variable remuneration payable for 2006 and 2007, paid the following year. The amount due to Michel Pébereau in respect of 2007 has been capped in accordance with the provisions on restrictions placed on the variable remuneration payable to corporate officers.

(3) The Chairman of the Board of Directors and the Chief Executive Officer do not receive directors' fees from any Group companies other than from BNP Paribas SA, and from Erbé and BNL in the case of the Chief Executive Officer. Directors' fees received in 2007 by the Chief Executive Officer from Erbé and BNL will be deducted from the variable remuneration paid to him in 2008.

Georges Chodron de Courcel receives fees in his capacity as a director of BNP Paribas Suisse, BNL and Erbé. Jean Clamon receives fees in his capacity as a director of Cetelem, BNP Paribas Lease Group, Paribas International, Erbé, CNP and BNL. The fees received by Georges Chodron de Courcel and Jean Clamon in their capacity as directors of these companies will be deducted from the variable remuneration paid to them in 2008.

(4) The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers each have a company car and a mobile telephone.

Directors' fees

Directors' fees paid in 2007

In euros	Board			Committees	Total 2007	2006
	Fixed	Variable	Total	Total		
M. Pébereau	14,864	14,864	29,728		29,728	29,728
P. Auguste	14,864	13,213	28,077	5,352	33,429	33,445
C. Bébéar	14,864	11,561	26,425	4,163	30,588	28,985
J.-L. Beffa	14,864	13,213	28,077	4,163	32,240	30,471
S. Berger	12,386	4,955	17,342		17,342	
G. Cromme	14,864	6,606	21,470	5,649	27,119	38,646
J.-M. Gianno	14,864	14,864	29,728	5,946	35,674	35,674
F. Grappotte	14,864	14,864	29,728	21,195	50,923	49,683
A. Joly	14,864	11,561	26,425	11,956	38,381	42,720
D. Kessler	14,864	11,561	26,425	5,352	31,777	31,215
J.-F. Lepetit	14,864	14,864	29,728	5,946	35,674	35,674
L. Parisot	14,864	8,258	23,122	991	24,113	11,892
H. Ploix	14,864	13,213	28,077	5,352	33,429	35,674
B. Prot	14,864	14,864	29,728		29,728	29,728
L. Schweitzer	14,864	13,213	28,077	19,956	48,033	46,710
Others ⁽¹⁾						49,794
Total	220,483	181,674	402,157	96,021	498,178	530,038

⁽¹⁾ L. Owen-Jones, L. de Palacio et J.-F. Truffelli, who were in office in 2005-2006 and were therefore listed in the table of beneficiaries of director's fees in the 2006 Annual Report.

Shareholder information

Share capital

As at 31 December 2006, BNP Paribas' share capital stood at EUR 1,860,934,954 divided into 930,467,477 shares. Details of the historical share performance are provided in the "Changes in share capital" section (p. 228).

In 2007, three series of transactions led to changes in the number of shares outstanding:

- 6,464,608 shares were issued upon exercise of stock options;
- 439,358 shares were issued in relation to the merger with BNL;

- 32,111,135 shares repurchased by the Bank were subsequently cancelled.

As at 31 December 2007, BNP Paribas' share capital stood at EUR 1,810,520,616 divided into 905,260,308 shares with a par value of EUR 2⁽¹⁾.

The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with the relevant legal provisions. **None of the Bank's shares entitle their holders to an increased dividend or double voting rights or limit the exercise of voting rights.**

Changes in shareholder structure

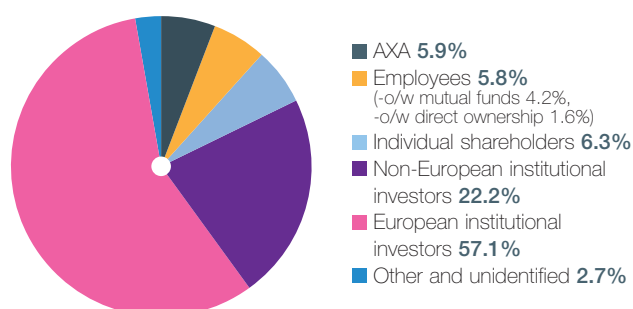
Changes in the Bank's ownership structure over the last three years are as follows:

Shareholders	31 December 2005		31 December 2006		31 December 2007	
	Number of shares (in millions)	% interest and voting rights ⁽¹⁾	Number of shares (in millions)	% interest and voting rights ⁽¹⁾	Number of shares (in millions)	% interest and voting rights ⁽¹⁾
AXA	47.64	5.7%	52.65	5.7%	53.56	5.9%
Employees	47.09	5.6%	49.36	5.3%	52.64	5.8%
- o/w corporate mutual funds	34.46	4.1%	35.86	3.9%	38.53	4.2%
- o/w direct ownership	12.63	1.5%	13.50	1.4%	14.11	1.6%
Corporate officers	0.22	nm	0.26	nm	0.36	nm
Treasury shares^(*)	9.06	1.1%	19.25	2.1%	9.14	1.0%
Public	57.00	6.8%	59.55	6.4%	57.00	6.3%
Institutional investors (o/w "Socially Responsible Investors")	621.11 (6.53)	74.1% (0.8%)	693.47 (7.50)	74.5% (0.8%)	717.40 (9.52)	79.3% (1.1%)
- Europe	509.64	60.8%	480.61	51.6%	516.54	57.1%
- Outside Europe	111.47	13.3%	212.86	22.9%	200.86	22.2%
Other and unidentified	56.13	6.7%	55.93	6.0%	15.16	2.7%
TOTAL	838.25	100.0%	930.47	100.0%	905.26	100.0%

(*) Excluding trading desks' working positions.

⁽¹⁾ Pursuant to Article 223-11 of the AMF General Regulation, voting rights must be calculated based on the total number of equities that have voting rights attached, including those whose voting rights have been suspended, e.g. treasury shares. As BNP Paribas rigorously applies a "one share, one vote" principle, percentage interest and percentage voting rights can be considered identical.

BNP Paribas ownership structure as at 31 December 2007



To the best of BNP Paribas' knowledge, no shareholder other than AXA owns more than 5% of BNP Paribas' capital or voting rights, nor does any agreement exist whose implementation could at a later date result in a change in BNP Paribas' form of control.

⁽¹⁾ Since the close of the financial year, a total of 435,137 shares have been issued upon exercise of stock options. As at 28 January 2008, BNP Paribas' share capital stood at EUR 1,811,390,890, divided into 905,695,445 shares with a par value of EUR 2.



Share performance

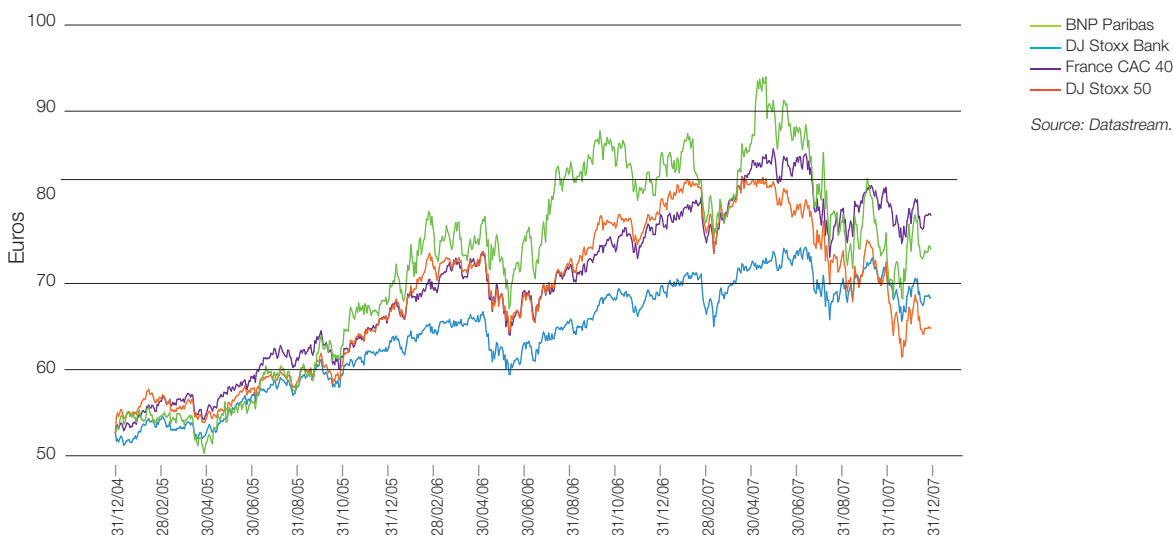
When the shareholders of BNP and Paribas approved the merger between the two banks at the Extraordinary General Meeting of 23 May 2000, BNP shares became BNP Paribas shares. The Euroclear-France code for BNP Paribas is the same as the previous BNP code (13110). Since 30 June 2003, BNP Paribas shares have been registered under ISIN code FR0000131104.

BNP shares were first listed on the Cash Settlement Market of the Paris Stock Exchange on 18 October 1993, following privatisation, before being transferred to the Monthly Settlement Market on 25 October of that year. When the monthly settlement system was eliminated on 25 September 2000, BNP Paribas shares became eligible for Euronext's Deferred Settlement Service (SRD). The shares are also traded on SEAQ International in London and on the Frankfurt Stock Exchange. Since 24 July 2006 they have been traded on the MTA International in Milan and have been listed on the Tokyo Stock Exchange since 13 March 2000 (and the First Section since 7 February 2005). Since privatisation, a Level 1 144A ADR programme has been active in the USA, where JP Morgan Chase is the depository bank (2 ADRs correspond to 1 BNP Paribas share).

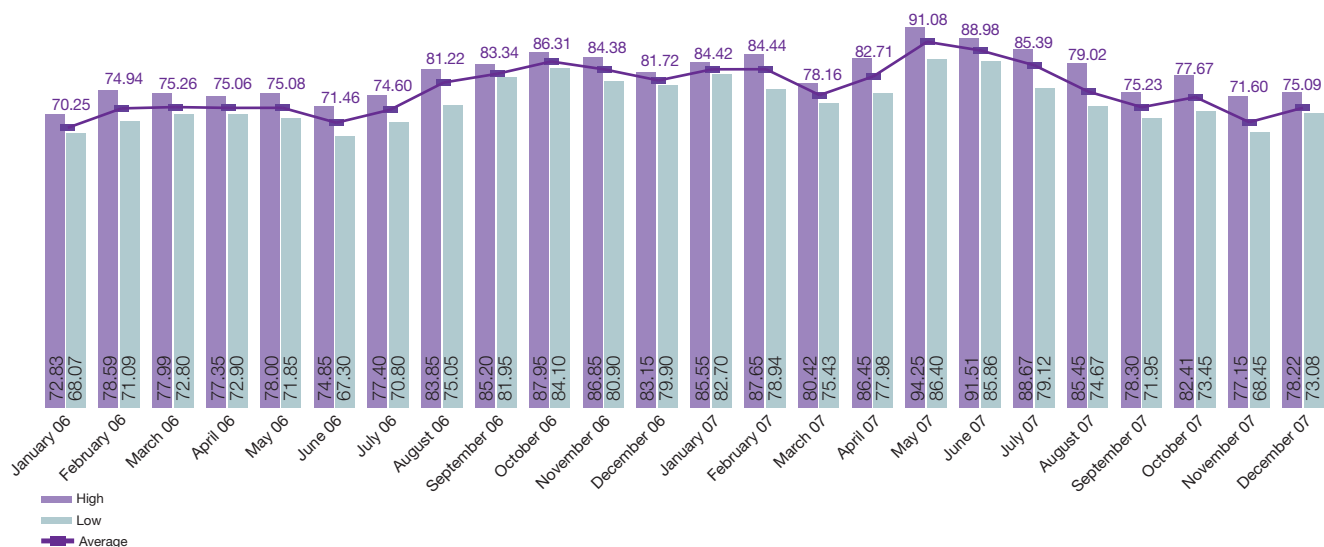
To help increase the number of shares held by individual investors, BNP Paribas carried out a two-for-one share split on 20 February 2002, reducing the par value of the shares to EUR 2.

BNP became a component of the CAC 40 index on 17 November 1993 and of the Euro Stoxx 50 index on 1 November 1999. Since 18 September 2000, it has been one of the companies making up the Dow Jones Stoxx 50 index. In 2007, BNP Paribas joined the Global Titans 50, an index comprising the 50 largest corporations worldwide. BNP Paribas shares are also included in the main benchmark indexes for sustainable development: ASPI Eurozone, FTSE4Good (Global and Europe 50), DJ SI World and the DJ SI Stoxx indexes. All of these listings have fostered liquidity and share price appreciation, as BNP Paribas shares necessarily feature in every portfolio and fund that tracks the performance of these indexes.

Share performance between 31 December 2004 and 31 December 2007 Comparison with the DJ Stoxx 50, DJ Stoxx Bank and CAC 40 (indexes rebased on share price)



Average monthly share prices and monthly highs and lows since January 2006



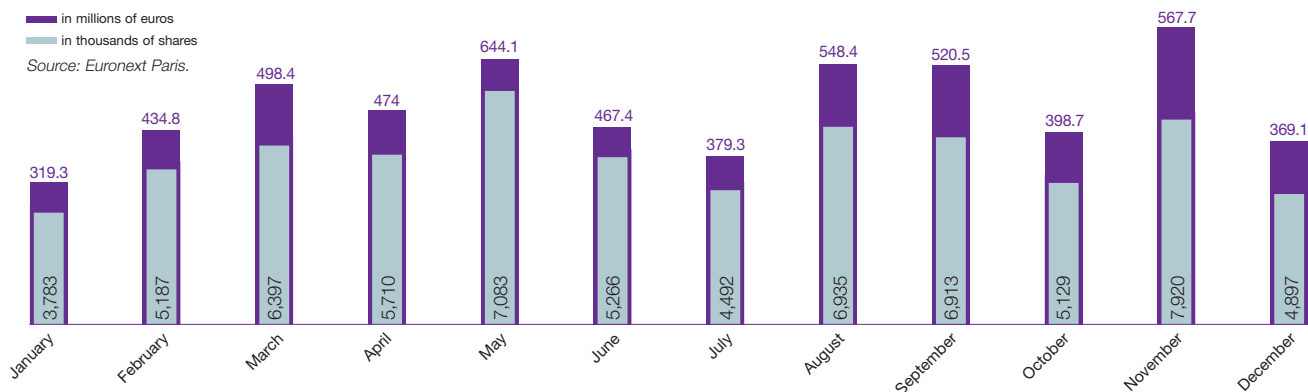
Source: Datastream.

As at 31 December 2007, the BNP Paribas share was listed at EUR 74.22, down 10.20% compared with 29 December 2006, when it was listed at EUR 82.65. By way of comparison, during 2007 the CAC 40 increased by 1.31%, the DJ Stoxx 50 dropped down by 0.36% and the DJ Stoxx Bank index fell by 16.87%. After marking an all-time high at EUR 94.25 in May, the BNP Paribas share was dragged down by the widespread loss of confidence affecting banks, triggered by the subprime mortgage crisis in the US. However, as BNP Paribas has lower exposure to the crisis compared with many competitors, the share performance over the full year outdistanced banking-sector indexes.

- From 3 January 2005 to 31 December 2007, the BNP Paribas share gained 40.33%, compared with rises of 46.92%, 32.76% and 19.58% by the CAC 40, DJ Stoxx 50 and DJ Stoxx Bank indexes respectively.

- BNP Paribas' market capitalisation totalled EUR 67.2 billion as at 31 December 2007, representing the 5th-largest capitalisation in the CAC 40 index after the Group dropped from fourth place due to the Arcelor/Mittal merger. In terms of free float, BNP Paribas is still the 3rd-largest in the Paris index. At the end of the period, BNP Paribas ranked 11th in the DJ Euro Stoxx 50 on the basis of free float.
- Daily transaction volume over the year averaged 5,821,304 shares, up 33.5% on the 4,358,733 shares traded on average per session in 2006. This is a clear indication of the stock's increasing liquidity.

2007 Trading volume on Euronext Paris (daily average)



Source: Euronext Paris.



Yield and performance data

In euros	French GAAP		IFRS		
	2003	2004	2005	2006	2007
Earnings per share ^{(1) (*)}	4.30	5.50	7.00	8.00	8.50
Net assets per share ^{(2) (*)}	32.70	35.90	45.80	49.80	52.40
Net dividend per share	1.45	2.00	2.60	3.10	3.35 ⁽³⁾
Payout rate (in %) ⁽⁴⁾	34.80	37.90	37.40	40.30	39.80 ⁽³⁾
Share price					
High ^{(5) (*)}	49.53	54.57	68.71	88.50	95.07
Low ^{(5) (*)}	32.40	45.71	50.31	66.65	67.54
Year-end ^(*)	49.53	52.89	67.82	82.65	74.22
CAC 40 index on 31 December	3,557.90	3,821.16	4,715.23	5,541.76	5,614.08

^(*) Data in the above table have been adjusted to reflect the share issue with preferential subscription rights in March 2006 (adjustment ratio = 0.992235740050131).

⁽¹⁾ Based on the average number of shares outstanding during the year.

⁽²⁾ Before dividends. Net book value based on the number of shares outstanding at year-end.

⁽³⁾ Subject to approval at the Annual General Meeting of 21 May 2008.

⁽⁴⁾ Dividend recommended at the Annual General Meeting expressed as a percentage of earnings per share.

⁽⁵⁾ Registered during trading.

Creating value for shareholders

Total shareholder return (TSR)

Calculation parameters:

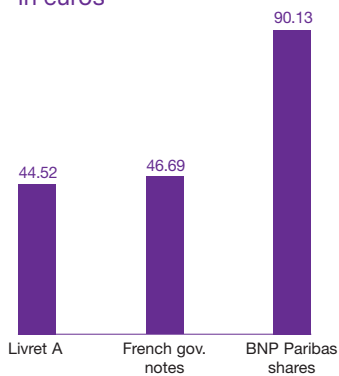
- The dividend is assumed to have been reinvested in BNP shares then BNP Paribas shares and includes the *avoir fiscal* tax credit at a rate of 50% (until it was abolished at the beginning of 2005);
- Returns are gross returns, i.e. before any tax payments or brokerage fees.

Calculation results:

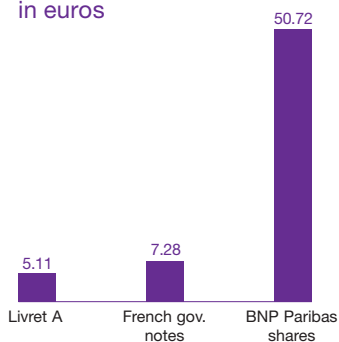
The following table indicates, for the various durations given and up to 31 December 2007, the total return on a BNP share, then a BNP Paribas share, as well as the effective annual rate of return.

Holding period	Investment date (opening price)	Initial investment multiplied by	Effective annual rate of return
Since privatisation	18/10/1993	x 6.89	+14.55%
14 years	03/01/1994	x 5.30	+12.65%
13 years	03/01/1995	x 6.06	+14.87%
12 years	02/01/1996	x 6.58	+16.99%
11 years	02/01/1997	x 7.05	+19.43%
10 years	02/01/1998	x 4.25	+15.57%
9 years	04/01/1999	x 2.78	+12.06%
Since inception of BNP Paribas	01/09/1999	x 2.72	+12.76%
8 years	03/01/2000	x 2.15	+10.05%
7 years	02/01/2001	x 2.04	+10.70%
6 years	02/01/2002	x 1.85	+10.85%
5 years	02/01/2003	x 2.29	+18.00%
4 years	02/01/2004	x 1.74	+14.93%
3 years	03/01/2005	x 1.56	+15.93%
2 years	02/01/2006	x 1.17	+8.24%
1 year	02/01/2007	x 0.92	-8.07%

Comparison of growth in investment of EUR 39.41 over 5 years in euros



Comparative total yields over 5 years for an investment of EUR 39.41 in euros



BNP Paribas uses two methods to measure the value created for shareholders, based on a long- to medium-term investment period reflecting the length of time that the majority of individual investors hold their BNP Paribas shares.

Five-year comparison of an investment in BNP Paribas shares with the “Livret A” passbook savings account and medium-term government notes.

In this calculation, we compare the creation of shareholder value over the same period through investment in BNP then BNP Paribas shares, with two risk-free investments: the “Livret A” passbook savings account offered by the French savings bank network and medium-term French government notes (OATs).

Total return on an investment in BNP Paribas shares:

Initial investment = 1 share at the opening price on 2 January 2003 = EUR 39.41.

Dividends reinvested.

Exercise of pre-emptive rights to subscribe for shares at the time of the March 2006 share issue.

Value at 31 December 2007:

1.2143 shares at EUR 74.22 = EUR 90.13.

Investment of EUR 39.41 on 1 January 2003 in a “Livret A” passbook account.

At the investment date, the official interest rate on Livret A accounts was 3%. The rate was decreased to 2.25% on 1 August 2003 and then to 2% on 1 August 2005. It was revised twice in 2006, on 1 February to 2.25% and 1 August to 2.75%, and once in 2007, to 3% on 1 August. As at 31 December 2007, the account balance was EUR 44.52, representing growth of EUR 5.11, barely more than 10% of the increase achieved by the BNP Paribas share – which gained EUR 50.72 over the same period.

The value created through an investment in BNP Paribas shares, reflecting the additional risk involved, amounts to $90.13 - 44.52 = \text{EUR } 45.61$ per share over five years.

Investment of EUR 39.41 on 1 January 2003 in French government notes.

The five-year interest rate (BTAN) on that date was 3.4719%; at the end of each subsequent year, interest income is reinvested in a similar note under the following terms:

- 3.3467% (BTAN) in January 2004 for 4 years;
- 2.7154% (BTAN) in January 2005 for 3 years;
- 2.87199% (BTAN) in January 2006 for 2 years;
- 4.028% in January 2007 for 1 year (Euribor).

At the end of five years, the accrued value of the investment is EUR 46.69, representing growth of EUR 7.28, less than 15% of the increase achieved by the BNP Paribas share.

The additional value created by choosing BNP Paribas shares as the investment vehicle is therefore $90.13 - 46.69 = \text{EUR } 43.44$ per share over five years.



Communication with shareholders

BNP Paribas endeavours to provide all shareholders with clear, consistent, high-quality information at regular intervals, in accordance with best market practice and the recommendations of stock market authorities.

The **Investor Relations** team informs institutional investors and financial analysts, in France and abroad, of the Group's strategies, major events concerning the Group's business and, of course, the Group's results which are published quarterly. In 2008, for example, the following dates have been set⁽¹⁾:

- 20 February 2008: publication of the 2007 annual results;
- 14 May 2008: results for the first quarter of 2008;
- 6 August 2008: publication of the 2008 half-year results;
- 5 November 2008: results for the third quarter of 2008.

Informative briefings are organised several times a year, when the annual and half-year results are released, or on specific topics, providing senior management with an opportunity to present the BNP Paribas Group and its strategy. There is also a Relations Officer responsible for liaising with managers of ethical and socially responsible funds.

The **Individual Shareholder Relations Department** informs and attends to queries of the Group's 601,000 or so individual shareholders (*source: 31 December 2007 TPI Survey*). A half-yearly financial newsletter informs both members of the "**Cercle BNP Paribas**" and other shareholders of important events concerning the Group, and a summary of the matters discussed during the Annual General Meeting is sent out in July. During the year, senior management presents the Group's policy to individual shareholders at meetings organised in various French cities and towns (for example, in 2007, meetings were held in Grenoble on 15 March, in Nantes on 25 September and in Toulouse on 2 October). Also, BNP Paribas representatives met and spoke with over 1,000 people at the "Actionaria" shareholder fair held in Paris on 16 and 17 November 2007.

In 1995, the "**Cercle BNP Paribas**" was set up for individual shareholders holding at least 200 shares. The Cercle currently counts 47,500 shareholder members. Three times a year, in alternation with financial newsletters, they receive *La Vie du Cercle*, a publication inviting them to take part in artistic and cultural events with which BNP Paribas is associated, as well as training sessions. These include seminars on trading in equities (including technical analysis and financial research), on private asset management and warrants, as well as economic-update sessions and seminars about how to manage one's finances on the internet, organised by BNP Paribas teams specialising in these fields. In addition, the Bank regularly organises scientific conferences and visits to industrial sites. The seminars are held

in Paris and the provinces, on weekdays and the weekend, to enable as many people as possible to attend. Illustrating the growing variety of the offering, in 2007, 389 events, a 9% increase on 2006, were organised for 16,351 participants. One-third of the events were held in the provinces and two-thirds in Paris and the Paris region. Shareholders can obtain information about these services by dialling a **special freephone number (in France): 0 800 666 777**. A telephone news service can also be accessed through the same number, offering a wide range of information to BNP Paribas shareholders, such as the share price, shareholders' events, news and interviews.

The **BNP Paribas website** (<http://invest.bnpparibas.com>) can be consulted in both French and English. Recently large portions of the website have also been viewable in Italian. It provides information on the Group, including press releases, key figures and details of significant developments and presentations. All financial documents such as Annual Reports and Reference Documents can also be viewed and downloaded. Publications compiled by the Bank's Economic Research unit can be viewed on the website as well. The latest share performance data and comparisons with major indexes are also obviously available on this website. Since 2007, it has been possible to calculate the return on an investment in BNP Paribas shares – one of the many tools that visitors to our website have at their disposal.

The Investors/Shareholders corner now includes all reports and presentations concerning the Bank's business and strategy, irrespective of the original target audience (individual shareholders, institutional investors, asset managers or financial analysts). The website also has a section entitled "To be a shareholder", which was specifically designed with individual shareholders in mind, offering information tailored to their needs and details of proposed events. In addition, there is a specific section dedicated to the Annual General Meeting of Shareholders, which includes information regarding the conditions for attending the meeting, ways of voting, practical questions, as well as a presentation of the resolutions and the complete text of all speeches made by corporate officers. Webcasts of the sessions can be viewed by visiting the section entitled "General shareholders meeting" then by clicking on Records in the submenu.

BNP Paribas Shareholders' Guide
The BNP Paribas Shareholders' Guide was designed to provide individual shareholders with full details on the share's performance and the Bank's achievements. Its main

purpose is to give these investors a better idea and a deeper understanding of the economic environment and the markets in which BNP Paribas operates. The Guide can be obtained on request from the Individual Shareholder Relations Department.

⁽¹⁾ Subject to alteration at a later date.

[BNP Paribas ranked among the winners of the BoursoScan 2007 website survey](#)

Boursorama and business partner OpinionWay, which has expertise in the analysis of individual shareholders, have for the past seven years conducted an annual survey in France, BoursoScan, with a view to finding the best websites of companies listed on the Paris Stock Exchange. As part of the 2007 edition, more than 6,340 internet users gave their opinion on websites they had visited. In total, 250 sites were ranked in terms of features that participants deemed to be important: topicality of the information shown, the transparency of financial news and ease of browsing.

The BNP Paribas website devoted to shareholders and investors, <http://invest.bnpparibas.com>, received the "Prix Coup de Cœur" (the eye-pleaser award), indicating that the website was the favourite among first-time visitors. This serves as an acknowledgment of the accessibility and instructiveness of the information supplied by BNP Paribas to individual investors.

[The French Minitel service](#)

Recent information about the BNP Paribas Group is also available on the French Minitel service 3614 BNPPACTION, at a cost of EUR 0.057 per minute. Through this service, shareholders can ask questions, leave messages or order documents.

Shareholder Liaison Committee

After its formation in 2000, the new BNP Paribas Group decided to create a Shareholder Liaison Committee to help the Group communicate better with its individual shareholders. At the Shareholders' Meeting that approved the BNP Paribas merger, the Chairman of BNP Paribas kicked off the nomination process, which culminated in the naming of the committee members at the end of 2000.

Headed by Michel Pébereau, the committee includes ten shareholders who are both geographically and socioeconomically representative of the individual shareholder population, and two employees or former employees. Each member serves a three-year term. When their terms expire, announcements are published in the press and in the Group's various financial publications, inviting new candidates to come forward. Any shareholder can become a candidate.

At 1 January 2008, the members of the Liaison Committee were as follows:

- Michel Pébereau, Chairman;
- Franck Deleau, resident of the Lot *département*;
- Nicolas Derely, resident of the Paris area;
- Jean-Louis Dervin, residing in Caen;
- Jacques de Juvigny, resident of the Alsace region;
- André Laplanche, residing in Cavaillon;
- Jean-Marie Laurent, resident of the Oise *département*;
- Dyna Peter-Ott, residing in Strasbourg;
- Jean-Luc Robaux, residing in Nancy;
- Marie-Nathalie Rodrigues, resident of the Allier *département*;
- Thierry de Vignet, resident of the Dordogne *département*;
- Roseline Labat, BNP Paribas employee;
- Bernard Coupez, President of ASRAS BNP Paribas (the Association of Employee, Retiree and Former Employee Shareholders of the BNP Paribas Group).



Shareholder Liaison Committee



In accordance with the committee's Charter – the internal rules that all members have subscribed to – the committee met twice in 2007, on 23 March and 14 September, in addition to taking part in the Annual General Meeting and attending the "Actionaria" shareholder fair. The main topics broached included:

- the periodical publications which provide information on the Group's achievements and strategy;
- the 2006 Annual Report;
- improvements required for the website devoted to relations with financial market participants;
- initiatives concerning preparations for the Annual General Meeting;
- BNP Paribas' participation in the "Actionaria" shareholder fair. At this event, several Liaison Committee members explained the role played by the committee to people who visited the Bank's stand.

Dividend

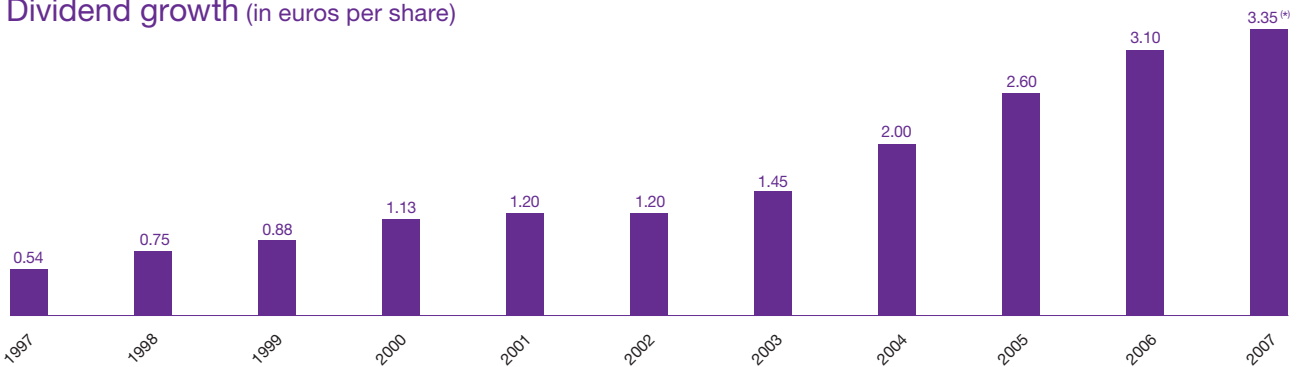
At the 21 May 2008 Annual General Meeting, the Board of Directors will recommend a dividend of EUR 3.35 per share, an increase of 8.1% compared with the 2007 dividend. The dividend will be payable as from 29 May 2008, subject to approval at the Annual General Meeting.

The total amount of the payout is EUR 3,034.1 million, an increase of 4.9% compared with EUR 2,891.9 million in 2007. The proposed payout rate is 39.8% ⁽¹⁾.

The Group's objective is to increase the dividend to reflect growth in income and the optimised management of available capital.

Timeframe for claiming dividends: after five years, any unclaimed dividends will be forfeited and paid to the French Treasury, in accordance with applicable legislation.

Dividend growth (in euros per share)



⁽¹⁾ Subject to approval at the Annual General Meeting of 21 May 2008. The dividends for the years 1997-2000 have been adjusted to reflect the two-for-one share split carried out on 20 February 2002.

BNP Paribas registered shares

As at 31 December 2007, 26,140 shareholders had shares registered with BNP Paribas.

■ Shares registered directly with BNP Paribas

Shareholders whose shares are registered directly with BNP Paribas:

- automatically receive all documents regarding the Bank which are sent to shareholders;
- are automatically entitled to call a **French freephone number (0 800 600 700)** to place buy and sell orders;
- benefit from special, discounted brokerage fees;
- have access to "GIS Nomi" (<http://gisnomi.bnpparibas.com>), a fully secure dedicated web server, in order to view registered share accounts and account movements as well as place and track trading orders;

- and, naturally, pay no custodial fees, and are systematically invited to General Meetings.

■ Registered shares held in an administered account

BNP Paribas is also extending its administered share account services to institutional shareholders. For institutional shareholders, this type of account combines the main benefits of holding shares in bearer form with those of holding registered shares:

- shares can be sold at any time, through the shareholder's usual broker;
- the shareholder can have a single share account, backed by a cash account;
- the shareholder is systematically invited to attend and vote at General Meetings, without the invitation being sent through a third party;
- the shareholder can take part in voting via the internet.

⁽¹⁾ Dividend recommended at the Annual General Meeting expressed as a percentage of earning per share.

Annual General Meeting

The last Annual General Meeting was held on 15 May 2007 on first call. The text of the resolutions and the video of the meeting can be viewed on the BNP Paribas website, which is where the original live webcast took place. The composition of the quorum and the results of the votes cast

were posted online the day after the meeting. In addition, the meeting was written about in the specialist press and a specific letter was sent to shareholders summarising the meeting.

The quorum breaks down as follows:

Breakdown of quorum

	Number of shareholders	(%)	Number of shares	(%)
Present	1,784	15.55%	96,725,671	23.45%
Proxy given to spouse or another shareholder	56	0.49%	46,699	0.01%
Proxy given to Chairman	6,560	57.19%	29,784,996	7.22%
Postal votes	3,070	26.77%	285,889,393	69.32%
TOTAL	11,470	100%	412,446,759	100%
Total no. of shares issued excluding treasury stock			903,146,769	Quorum 45.67%

All resolutions proposed to the shareholders were approved.

	Results	Rate of approval (%)
ORDINARY MEETING		
Resolution 1:	Approval of the consolidated balance sheet as at 31 December 2006 and the consolidated profit and loss account for the year then ended	98.59%
Resolution 2:	Approval of the balance sheet of the Bank as at 31 December 2006 and the profit and loss account for the year then ended	98.59%
Resolution 3:	Appropriation of net income and dividend distribution	99.83%
Resolution 4:	Agreements and commitments governed by Article L. 225-38 of the French Commercial Code	94.84%
Resolution 5:	Share buybacks	99.14%
Resolution 6:	Ratification of the appointment of Suzanne Berger Keniston as a director	94.66%
Resolution 7:	Renewal of the term of office of Louis Schweitzer as a director	86.95%
Resolution 8:	Powers to carry out formalities relating to the Ordinary Meeting	99.58%
EXTRAORDINARY MEETING		
Resolution 9:	Amendment of the fifteenth resolution of the Annual General Meeting of 18 May 2005 to promote employee profit-sharing and share ownership, in accordance with the French Act of 30 December 2006	97.23%
Resolution 10:	Amendment of the twenty-second resolution of the Annual General Meeting of 23 May 2006 to promote employee profit-sharing and share ownership, in accordance with the French Act of 30 December 2006	97.70%
Resolution 11:	Reduction in the Bank's capital by cancelling shares	99.51%
Resolution 12:	Approval of the merger of BNL into BNP Paribas	99.51%
Resolution 13:	Approval of the merger of Compagnie Immobilière de France into BNP Paribas	99.50%
Resolution 14:	Approval of the merger of Société Immobilière du 36, avenue de l'Opéra into BNP Paribas	99.51%
Resolution 15:	Approval of the merger of CAPEFI into BNP Paribas	99.80%
Resolution 16:	Amendment of the Bank's Articles of Association relating to attendance at General Meetings	99.81%
Resolution 17:	Powers to carry out formalities relating to the Extraordinary Meeting	99.82%

The 2007 Annual General Meeting was an additional opportunity for BNP Paribas to demonstrate its commitment to sustainable development. BNP Paribas seeks to create solid, recurring value, acting as a mark of quality and testifying to its respect not only for "traditional" partners comprising shareholders, clients and employees, but also for the community at large. It seemed appropriate that these principles be reflected in the Group's General Meetings. That is why it was decided, in conjunction with the Shareholder Liaison Committee, to donate EUR 10 for every attending investor to the "Coups de pouce aux projets

du personnel" programme (A helping hand for employee projects). The programme was specifically developed by the BNP Paribas Foundation to encourage public interest initiatives for which Bank staff personally volunteer their time and efforts; the sums collected (EUR 17,840 in 2007) are donated in addition to the funds that the Bank already grants to this programme via the BNP Paribas Foundation, which operates under the aegis of the Fondation de France. The total amount of these contributions was distributed among 44 projects, all of them initiated by Bank employees, in amounts ranging from EUR 500 to EUR 3,800. The



sums to be allocated were determined on the basis of project size, the quality of the application and, naturally, the degree of commitment of the staff involved in the project. As in previous years, a great deal of financial support was channelled into humanitarian initiatives. This was followed by projects working with various types of handicaps, community integration through sport and other activities, healthcare promotion and socioeconomic integration projects. Most of these projects were centred on initiatives in France. Of the other projects, two of them concerned another European country, one was conducted in South America, seven in Africa and five in Asia.

The allocation of funds is systematically detailed in the notice of invitation for the next General Meeting.

The procedures for BNP Paribas' General Meetings are defined in Article 18 of the Bank's Articles of Association.

The Board of Directors calls an Ordinary General Meeting at least once a year to vote on the agenda set by the Board.

The Board may call Extraordinary General Meetings for the purpose of amending the Articles of Association, and especially to increase the Bank's share capital. Resolutions are adopted by a two-thirds majority of shareholders present or represented.

The Ordinary and Extraordinary General Meeting may be called in a single notice of Meetings and held on the same date. BNP Paribas will hold its next Ordinary and Extraordinary General Meeting on 21 May 2008.

■ Notice of meetings

- Holders of registered shares are notified by post. The notice of meeting contains the agenda, the draft resolutions and a postal voting form.
- Holders of bearer shares are notified via announcements in the press, particularly investor and financial journals. In addition to legal requirements, BNP Paribas sends the following documents aimed at boosting attendance:
 - notices of meetings and a postal voting form for shareholders who own over a certain number of shares (set at 250 shares in 2007); these same documents may be accessed freely on the website;
 - information letters concerning the Annual General Meeting and the attendance procedures. In 2007, these were sent to all holders of at least 150 bearer shares.

In total, nearly 71,000 of the Bank's shareholders personally received the information needed to participate.

In addition, staff at all sales facilities of the BNP Paribas network are specifically trained to provide the necessary assistance and carry out the required formalities.

■ Attendance at meetings

Any holder of shares may gain admittance to Annual and Extraordinary General Meeting, provided that the shares have been recorded in their accounts for at least three days. Holders of bearer shares must in addition present an entry card or certificate stating the ownership of the shares.

■ Voting

Shareholders who are unable to attend a General Meeting may complete and return to BNP Paribas the postal voting form/proxy enclosed with the notice of meeting. This document enables them to either:

- vote by post;
- give proxy to their spouse or another shareholder (individual or legal entity);
- give the proxy to the Chairman of the meeting or indicate no proxy.

Shareholders or their proxies present at the meeting are given the necessary equipment to cast their votes. Since the General Meeting of 13 May 1998, BNP Paribas has used an electronic voting system.

Since the General Meeting of 28 May 2004, shareholders can use a dedicated, secure internet server to send all the requisite attendance documents prior to Annual General Meeting (<http://gisproxy.bnpparibas.com>).

■ Disclosure thresholds

In addition to the legal thresholds, and in accordance with Article 5 of the Bank's Articles of Association, any shareholder, whether acting alone or in concert, who comes to hold directly or indirectly at least 0.5% of the capital or voting rights of BNP Paribas, or any multiple of that percentage down to 5%, is required to notify BNP Paribas by registered letter with return receipt.

Once the 5% threshold is reached, shareholders are required to disclose any increase in their interest representing a multiple of 1% of the capital or voting rights of BNP Paribas.

The disclosures described in the previous two paragraphs shall also apply when the shareholding falls below the above-mentioned thresholds.

In the case of failure to comply with these disclosure requirements, the undisclosed shares will be stripped of voting rights at the request of one or more shareholders who hold a combined interest of at least 2% of the capital or voting rights of BNP Paribas.

INNOVATION

The spirit of innovation – the life blood of the Bank for a changing world

Constantly coming up with innovative new ideas is a major competitive challenge for BNP Paribas. Forging new ground in our business lines allows us to gain a significant advantage for the future. The Group brings its four core values into play in its endorsement of innovation. Creativity and responsiveness are the driving forces that lead to original new ideas, and ambition and commitment light the way for innovation and give us a clearer view of the resources we need to promote it. To reward and acknowledge the value of our employees' capacity to innovate, we organised two key events in 2007: the Innovation and Innov@ction Awards, and the Innovation and Technology Days.

The Innovation Awards, April 2007

These awards go beyond the framework of research activities alone, in keeping with a broader perspective intended to encourage the spirit of innovation among all our employees. Fourteen Prizes were awarded in recognition of a wide variety of innovative practices including business-and internal efficiency-related innovations resulting from initiatives taken by employees or teams for whom innovation is considered to be part of their daily work, and "innov@ction" innovations linked to ideas put forward on both an individual and team basis with the aim of improving products, services or processes that do not obviously fall within the remit of the employees concerned.

Business Innovation Awards

Asset Management and Services: Gestion Privilège and life insurance discretionary management mandates

Banque Privée France, BNP Paribas Asset Management and BNP Paribas Assurance launched the market's first discretionary management mandates in relation to life assurance products.

French Retail Banking: Tercéo

Tercéo is the first banking service to offer customers the option of paying with a bank card without using revolving credit.

Corporate and Investment Banking (CIB): Vega Vessel Securitisation

A world first for financing ships through securitisation, allowing the shipping industry access to AAA capital markets.

International Retail Services (IRS): Cetelem Web tools

Cetelem's mascot, "Credito", acts as an "intelligent agent" to assist internet users and offer them a variety of products. This is a revolutionary method of selling loans online.

BNL banca commerciale (BNL bc): marketing alert

BNL bc has created a model for attracting client business with a marketing plan that is activated the moment a customer enters the branch.

Innovation Awards for Internal Efficiency

AMS/BNP Paribas Securities Services (BP2S)

Complete transaction processing centre: a single centre for multiple territories and products.

AMS/BNP Paribas Assurance: K2 Sharing Days

Accelerating the exchange of best practices to increase business through an approach that places innovation and sharing at the heart of corporate culture.

CIB: Induction seminar for international executives

Executives from different countries and with different backgrounds came together at an international induction seminar. One of the initiatives involved participants singing together as a choir – a successful experiment that fostered a closer culture within the Corporate and Investment Banking Division, with music as a celebration of both diversity and unity.

Information Technology and Processes (ITP) in partnership with French Retail Banking

Business Services Management (BSM) approach: a system for monitoring a process from A to Z, from IT production to the performance of transactions, increasing responsiveness to clients.

IRS – TEB/Corporate Communications and Advertising: SME Academy

TEB has created a SME academy to help its clients in the small and medium business sector to improve their competitive edge. A novel and well-received form of banking assistance.

IRS/Bank of the West: Electronic Deposit Service

A unique service for depositing cheques online.



Innov@ction Awards

These prizes are awarded for suggestions made by employees, individually or as a team and irrespective of their role, to improve services or procedures and contribute to customer satisfaction.

Innov@ction Product & Service Award

French Retail Banking – Neuilly-sur-Seine branches: Children's play areas

Creation of dedicated children's play areas at retail banks in Neuilly-sur-Seine, just west of Paris. An original concept that benefits not only children, but their parents too.

Innov@ction Process Awards

AMS-BNP Paribas Securities Services (BP2S)

The Competition Dashboard: a sound benchmark analysis and unique source of information.

AMS-BNP Paribas Real Estate

A new digital pen: a pen that digitally stores handwritten information in order to save time and ensure reliability on worksites.

Innovation and Technology Days, June 2007: over 20 countries, 20 business lines, 57 speakers and 115 exhibitors. A total of 800 participants contributed to the success of this celebration of innovation.

At these two events innovation was put forward as both a tool for mobilising employees and a factor in improving customer service.



BNP Paribas, London, 10 Harewood Avenue



and
investment

banking

corporat

BNP Paribas Corporate and Investment Banking: a robust and diversified business model

With almost 16,000 employees, operations in more than 50 countries, 28% of the Group's revenues and 35% of its pre-tax net income, BNP Paribas Corporate and Investment Banking (BNP Paribas CIB) operates in advisory and capital markets (Corporate Finance, Equities and Fixed Income) as well as in financing businesses (Specialised and Structured Finance).

BNP Paribas CIB excels in three particular sectors:

- derivatives – it is a leading global player in interest rates, credit, forex, commodity and equity derivatives;
- capital markets – it is among the Top 10 European houses for both Equity Capital Markets and Debt Capital Markets (bond issues, securitisation, syndicated loans, etc.);
- specialised finance – it is a world leader for acquisition, export, infrastructure project, energy and commodity finance.

Clients – corporates, financial institutions and investors – are at the heart of BNP Paribas CIB's organisation. Coverage executives are focused on delivering the best mix of services in support of their clients' strategies, calling on specialists in derivatives, capital markets and specialised finance around the globe to deliver world class bespoke and innovative solutions.

In 2007, BNP Paribas CIB delivered exceptional results and was successful in weathering the credit liquidity squeeze of the second half of the year through a diversified and client-centric business model which showed resilience and sustainability compared to most of its competitors. Through constant innovation and the drive, commitment and excellence of its teams, BNP Paribas CIB gained increasing industry recognition in 2007 with a flurry of awards for its capital markets and financing businesses, as well as for its Corporate Finance Division in France and in Asia. BNP Paribas CIB's focus on emerging markets and Asia paid off with the growth of its market share and significant deals across the business lines in these regions of the world. In 2008, BNP Paribas CIB will pursue this international growth strategy and continue to build on strong fundamentals: a robust business model with a good geographic, product and client mix, strong franchises in capital markets and specialised finance; cutting edge professionals focused on delivering performance and innovation.



BNP Paribas, London

Servicing our clients

BNP Paribas CIB has made client relations the cornerstone of its strategy, with the primary aims of:

- developing long-term relationships with its clients;
- meeting all their needs by making available the Bank's entire product range and offering:
 - a single client interface,
 - coordinated access to the product specialists in all of the Group's business lines,
 - the ability to advise on and structure global, innovative solutions adapted to the client's specific requirements.

To achieve these aims some 1,000 staff – relationship managers and credit analysts – have been tasked with serving:

- 6,300 corporate clients:
 - major corporations,
 - medium-sized businesses with high development potential;
- 800 financial institutions:
 - general and specialised banks (public or private),
 - insurance companies, mutual health insurers, personal risk protection providers,
 - pension funds,
 - fund managers,
 - central banks and supranational entities;
- 65 investment funds focused primarily on the private equity sector,
- sovereign funds.

These resources are deployed in all of the regions of the world where BNP Paribas operates, particularly:

- France, Italy and western European countries, which today represent BNP Paribas' core domestic market;
- central and eastern Europe, identified by the Bank as a high potential development zone;
- the developed markets of North America, Japan and Australia;
- markets targeted for their high growth and business potential, particularly continental Asia, the Middle East – where the Bank has a deep footprint in most countries – and Latin America.

BNP Paribas CIB is also committed to reinforcing its resources in five high-growth countries/zones in order to better serve its clients: China, India, Russia, Latin America and the Middle East.



2007: expanding in Europe and in emerging markets

In France, BNP Paribas CIB once again confirmed its position as the leading partner of large corporates and financial institutions, thanks to the in-the-field effectiveness of its client coverage teams and their coordinated action with product teams. This successful strategy enabled it to win major advisory mandates and execute significant, high value-added transactions in capital markets, equity derivatives and structured financing.

In Italy, the bolstering of coverage resources and the working in tandem with BNL bc were rewarded by a substantial increase in financing and capital market transactions.

In Europe, BNP Paribas CIB overhauled its coverage of financial institutions, a key client segment slated for strong development.

Geographic coverage was enhanced in Scandinavia by opening a representation office in Stockholm, and in central and eastern Europe by reinforcing the expertise of corporate coverage teams.

In Asia, the Middle East and North America, BNP Paribas CIB extended its client coverage by building up local teams dedicated to financial institutions and to the energy and commodities sector.

In the Middle East, the Group's islamic bank also strongly expanded its activities in 2007.

The close collaboration and combined contribution of BNP Paribas' major businesses (Fixed Income, Equity Derivatives, Corporate Finance, Structured Financing and Asset Management and Services) and coverage teams resulted in innovative, high value-added transactions in each of these geographic areas.

Advisory and Capital Markets

Equities and Derivatives leadership and innovation

BNP Paribas CIB's Equities & Derivatives business line encompasses research, structuring, trading and sales of equities, equity derivatives, indices and funds. With some one thousand front office staff based across five core platforms, the business line is active on both the primary and secondary markets.

Equities & Derivatives solutions address the various needs of financial institutions, hedge funds as well as corporate and retail clients in over 60 countries worldwide. With a strong heritage in structured products, a product line which continues to grow, BNP Paribas, over the last few years, has also developed a comprehensive range of flow product solutions addressing financing, leveraging, hedging and market access needs.



BNP Paribas CIB has developed a global leadership in the equity derivatives industry by holding some of the largest trading positions and market shares worldwide as well as always differentiating itself through a capacity to innovate. Thanks to in-house quantitative skills for advanced product design and the significant resources dedicated to new product strategies, Equities & Derivatives (EQD) has developed a solid reputation for innovation, able to deliver the most appropriate tailor-made solutions to fit the specific needs of clients in all market climates.

2007: continued growth of the Equities & Derivatives business line

Equities & Derivatives experienced significant growth during 2007, once again confirming BNP Paribas CIB's global leadership in this industry.

The equity derivatives business received more industry awards than ever before:

- "Structured Products House of the Year" from *Risk* magazine;
- "Derivatives House of the Year, Asia-ex Japan" from *AsiaRisk* magazine;
- "Deal of the Year, Asia" from *AsiaRisk* magazine;
- "Structured Products House of the Year" from *Euromoney* magazine;
- "Equity Derivatives House of the Year" from *Structured Products* magazine;
- "Structurer of the Year, North America" from *Structured Products* magazine;
- "Equity Derivatives House of the Year" from *Futures and Options World* magazine;
- "Equity Derivatives House of the Year, Americas" from *Global Finance* magazine.

Equities & Derivatives continued to grow during 2007, particularly in the first half of the year. The market turbulence during the second half had a limited impact and EQD emerged from the crisis better than other counterparties, clearly outperforming most of its competitors. This was largely due to the diversity of EQD's business lines and regions of coverage.

Key developments for Equities & Derivatives during 2007 include

- **Continued growth of the flow platform** across all continents, in particular among the hedge fund client base. Increased market share in options and delta-1 markets as well as in complex flows where EQD is able to recycle significant risks generated by large structured product positions.
- **Significant growth of the Private Banking client segment for structured products businesses** worldwide, particularly in Asia. Increasing awareness among Private Banking clients that the returns and pay-offs generated by structured products cannot be replicated by other financial instruments.
- **Boom in Asian business** highlighted by the successful development of a comprehensive suite of complex flow products for hedge funds in Asia. The Asian market in general experienced rapid growth during 2007; nonetheless, BNP Paribas CIB gained significant Asian market share in Equities & Derivatives, completing major structured products transactions and making strong headway in the warrants market. It thus positioned itself as a true leader in this region.
- **Increased activity for the Strategic Equity business** across all regions, with a continued push in mature markets and key deals and successes in emerging regions. This move reflects the entire business line's focus on and expansion into emerging markets.
- Significant resources dedicated to the **search for new underlyings**, which provide clients with engines for growth and return. For example, **Private Equity funds** have served as an underlying for a structured product used by Private Banking clients.
- Lastly, the year was marked by **solid growth in the number of clients**, registered across all EQD products and regions.

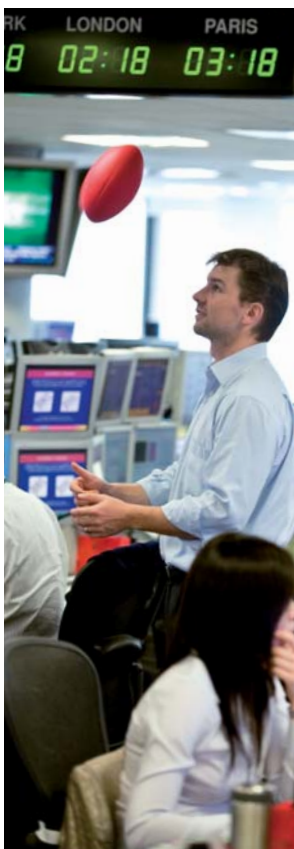


BNP Paribas, Paris

Fixed Income amongst the global leaders

Fixed Income's product expertise and distribution capabilities have positioned BNP Paribas CIB among the Top 3 Fixed Income players in Europe and Asia-Pacific, with strong franchises in Japan, the Americas and a number of emerging markets.

Taking advantage of both the size of its balance sheet and its strength and quality, as witnessed by the AA+ long term credit rating given by S&P in July 2007, the Bank has built a comprehensive fixed income offering with a client-driven approach that is backed up by strong legal, IT and operations expertise.



Fixed Income's client-focused approach to research, sales, trading, origination and distribution allows it to develop sophisticated solutions for a global client franchise in the fields of interest rates, credit and foreign exchange.

BNP Paribas CIB is a recognised leader in the global interest rates and credit derivatives markets, and has a growing franchise in global forex, especially in options.

The Group's broad range of fixed income products is delivered through an accomplished sales and marketing platform. Fixed Income's broad range of research products and services underpins its client-focused approach, with research analysts available for one-on-one client support, and an extensive array of research notes and reports that are available through a variety of channels, including the Global Markets web portal. The Bank's research methods are underpinned by pioneering quantitative techniques delivered by a group of world-class experts.

2007: continued investments in derivatives

In line with BNP Paribas' group-wide strategy, Fixed Income has continued to invest in its credit, interest rates, foreign exchange and hybrid derivatives platforms, in key emerging markets such as Russia, central and eastern Europe and the Middle East, and in fast-growing client segments such as hedge funds and pension funds.

This global network allows Fixed Income to provide clients with a complete range of tailor-made services on a global scale across a broad range of markets and currencies. With headquarters in London, five other trading floors in Hong Kong, New York, Paris, Singapore and Tokyo, and additional regional offices throughout Europe, the Americas, the Middle East and Asia-Pacific, Fixed Income employs more than 1,700 professionals globally.

2007: weathering the credit market crisis and gaining industry recognition

After a record year in 2006 and a strong start in 2007, Fixed Income emerged in relatively good shape from the liquidity crisis and credit crunch that hit global markets in the second half of 2007.

BNP Paribas CIB's Fixed Income division has gained increasing industry recognition in 2007 for its excellence across asset classes. The division has not only consolidated and improved its rankings across the full range of activities and regions, but also broken new ground in several areas, as demonstrated by a number of prestigious prizes awarded by the leading industry publications.

Awards include:

- For the first time, BNP Paribas won *Risk* magazine's "Structured Products House of the Year" award for its excellence in structured rates, credit, inflation and equity.
- For the second consecutive year, BNP Paribas won *Euromoney* magazine's "Best Structured Products House" award in recognition of its excellence across all asset classes (2006 and 2007).
- Breaking all previous records, BNP Paribas won three awards from *Structured Products* magazine in Europe, including "Interest Rates House of the Year" (for the second consecutive year) and for the first time "Credit House of the Year" (2007).

- BNP Paribas broke new ground in Asia-Pacific in 2007, winning *AsiaRisk*'s "Derivatives House of the Year" award for the first time and the "Credit Derivatives House of the Year" award for the second time in three years.

League table positions and industry rankings

The Group has the 14th-largest share of the total bond underwriting market, all currencies included. It is 3rd-ranked for all corporate issues in euros, 4th for all covered bonds in euros, 5th for all SAS (sovereign, agency and supranational) bonds and 5th for all bonds in euros. (source: *Thomson IFR 2007*).

In 2007, BNP Paribas CIB:

- ranked no. 2 for CMS spread options in euros, no. 3 for CMS spread options in US dollars and no. 3 for inflation caps/floors in US dollars in the exotic interest rate products category (source: *Risk institutional investor end-user rankings 2007*);
- was voted best overall provider of FX services by financial institutions in Asia Pacific for the second consecutive year (source: *Asiamoney FX Poll 2006 and 2007*);
- ranked no. 3 overall in Italy for derivatives dealers, no. 1 for structured products and no. 1 for risk management advisory services (source: *RiskItalia Derivatives Poll 2007*);
- was voted no. 2 by brokers and dealers for structured credit products overall for two consecutive years and no. 4 for exotic interest rates (source: *Risk's inter-dealer rankings 2007*).

Key transactions in 2007

BNP Paribas arranged an innovative EUR 200 million (20-year non-put 5-year privately-placed bond) – the first callable/puttable bond with multiple resets – for Hera SpA. BNP Paribas priced and closed "ZOO HF 3 Plc", a EUR 150 million (USD 197 million) transaction, managed by P&G Alternative Investments, the first collateralised fund

obligation to be managed by an Italian financial institution and one of very few in Europe.

BNP Paribas' restructuring of AMP Capital Investors Future Directions Total Return Fund won *AsiaRisk*'s "Deal of the Year" award.

BNP Paribas arranged "Stellar", a 5/7/10-year synthetic collateralised debt obligation managed by UOB Asset Management. Stellar was the first

transaction with an Asian asset manager and, with more than USD 165 million in notes issued, it proved to be very successful. Notes were issued in US dollars, Singapore dollars and Japanese yens and distributed in Singapore, Japan, Indonesia and the Philippines.

Corporate Finance

Corporate Finance offers advisory services for mergers and acquisitions and primary equity capital market transactions. The M&A teams advise both buyers and targets and also offer advice on other strategic financial issues, such as privatisations. Primary capital market services include flotations, equity issues, secondary issue placements, and convertible/exchangeable bond issues.

Corporate Finance has implemented a matrix organisation designed to give clients access to the best combination of specialists in each product, industry and geographical area, while optimising resource management. Corporate Finance employs some 400 professionals located throughout its worldwide network. Focused first and foremost on Europe, it is also present in North and South America and enjoys strong visibility in Asia (with more than 100 professionals) and in emerging countries.

Ranked no. 1 in France (source: *Thomson Financial*), BNP Paribas is among the leading banks in Europe advising on mergers and acquisitions (ranked 10th in Europe according to Thomson based on transaction volumes announced in 2007). *The Dealogic Equityware/Thomson* ranking placed the Bank among the 12 leading institutions for primary equity business in Europe.

Developing franchises in Europe and Asia

2007: a record year in Mergers and Acquisitions

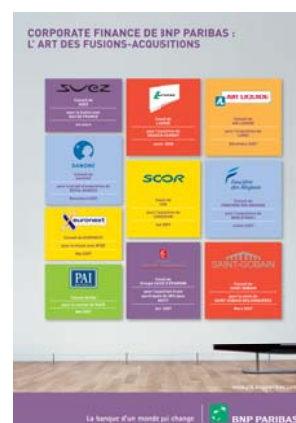
After the record results posted in 2006, the M&A market in Europe once again reported a sharp increase in volumes (up 43% in terms of announced transactions according to *Thomson Financial*).

In this fast-moving environment, BNP Paribas CIB reported robust activity for its Corporate Finance business, strengthening its undisputed leadership on the French market and stepping up its European expansion, particularly by assisting clients in cross-border transactions:

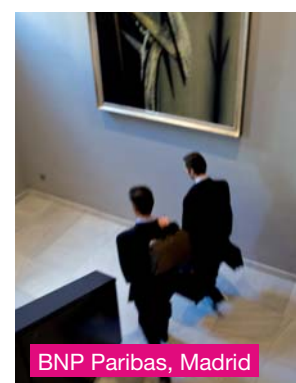
- in vibrant sectors such as:
 - energy: Endesa/Enel-Acciona,
 - consumer goods: Danone/Numico,
 - real estate: Foncière des Régions/Beni Stabili, Accor/Moor Park Real Estate Fund,
 - insurance: Allianz's acquisition of minority interests in AGF (the largest transaction in the European insurance sector), Scor/Converium.
- and through an array of other major deals: Air Liquide/Lurgi AG, Schneider/American Power Corporation, Geodis/TFM (TNT Freight Management), Tubos Reunidos/Condesa.

BNP Paribas CIB was also very active:

- with private equity funds in the first half of the year, notably on transactions between: PAI partners/Lafarge Roofing Division, PAI partners/Saur, TDF/Texas Pacific Group/Charterhouse, Apax Partners/Trader Media Group and Dubai International Capital/Mausser Group.
- on emerging markets, in particular:
 - in central and eastern Europe: the privatisation of the Serbian insurance company DDOR, HTCC's acquisition of Invitel in Hungary, and the reorganisation of the hydropower group RusHydro;
 - in Latin America: Colinversiones' acquisition of a power plant in Columbia and the Mexican government agency IPAB's sale of its AeroMexico holdings.



BNP Paribas, Paris



BNP Paribas, Madrid

Lastly, BNP Paribas CIB participated in several major transactions announced in the second half of 2007:

- Lafarge's acquisition of Orascom Cement;
- BHP Billiton's planned acquisition of Rio Tinto.

The Corporate Finance team is also involved in the GDF/Suez transaction, which is set to be France's largest-ever merger.

In total, the Bank advised on nearly 150 transactions in 2007.

■ European primary equity capital markets: a new mix of transactions

IPO market volumes in Europe held firm in 2007 and were characterised by:

- a predominance of "accelerated" book buildings (about EUR 59 billion). BNP Paribas managed book buildings for EDF (EUR 3.7 billion) and Sanofi Aventis (EUR 1.5 billion);
- an upturn in long-term placements (about EUR 15 billion). BNP Paribas notably managed the EUR 1.4 billion sale of HeidelbergCement's stake in Vicat;
- growth in the volume of convertible bond issues (about EUR 25 billion). In particular, BNP Paribas managed convertible bond issues for Michelin (EUR 700 million) and Pargesa (CHF 920 million);
- a slight decline in initial public offerings (about EUR 51 billion). BNP Paribas managed the flotations of Bureau Veritas (EUR 1.2 billion), Rexel (EUR 1 billion) in France, and Il Sole 24 Ore (EUR 232 million) in Italy;

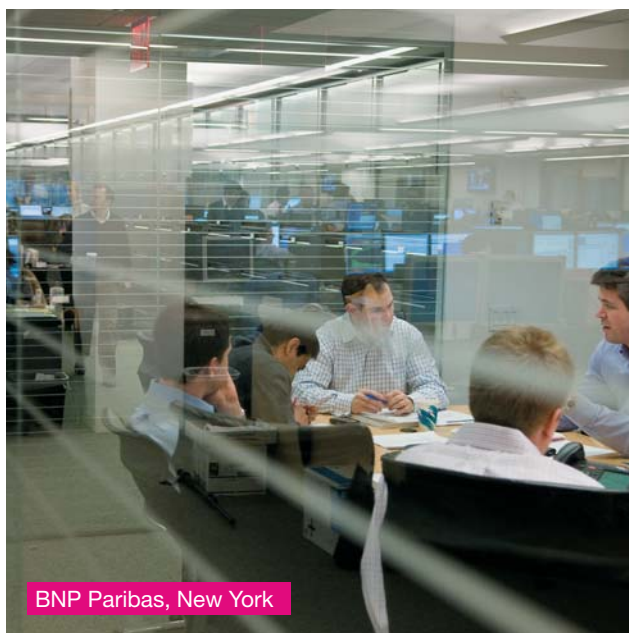
- stabilisation of share issues with preferential subscription rights (about EUR 43 billion). BNP Paribas managed capital increases for Schneider Electric (EUR 979 million) in France, Merck (EUR 2.1 billion) in Germany and GBL (EUR 1.2 billion) in Belgium.

■ Continued expansion in Asia

BNP Paribas CIB once again reported strong growth in Asia, doubling its revenues with:

- advisory mandates in Japan (Tepco), South Korea (S-Oil), China (Zijin Consortium), Singapore (Pan United) and Malaysia (RHB Capital);
- robust development on primary markets, spanning all types of products. BNP Paribas managed in particular:
 - the convertible bond issues of Man Industries in India, Red Dragon Group in Singapore, Neurotech Pharma in South Korea and Truba's exchangeable bond issue in Indonesia;
 - seven initial public offerings in Hong Kong, of which two for subsidiaries of the CITIC group (CITIC 1616 and Dah Chong Hong), as well as flotations in Vietnam (VMEP), Singapore (Lippo – Mapletree REIT), and China (Pacific Online);
 - share issues for Mediacorp in Singapore and Lutronic Corp in South Korea.

In 2007, BNP Paribas was named "Rising Star Equity House – Equity Capital Markets" by *The Assets* magazine.



BNP Paribas, New York

BNP Paribas, a prominent player on the energy market in 2007

Against the backdrop of the restructuring of the European energy market, BNP Paribas was very active in 2007, participating in several transactions, including:

- Acciona and Enel's acquisition of Endesa. BNP Paribas advised Endesa in connection with three successive purchase offers from Gas Natural, E.On and Acciona/ Enel. Acquired for EUR 42.5 billion (ranking the transaction within the Top 5 on the European market), Endesa boosted Enel's position in Spain and France and increased

Acciona's portfolio of renewable energies;

- France's largest-ever merger: Gaz de France and Suez, with BNP Paribas acting as advisor to Suez;
- the largest acquisition in the wind power industry carried out in France: advised by BNP Paribas, Suez acquired a majority stake in Compagnie du Vent;
- the entry of a major energy supplier into the French market: BNP Paribas advised on ENI's acquisition of a controlling interest in Altergaz.

Financing businesses

Specialised Finance a global franchise in pole position

The Specialised Finance teams offer a comprehensive range of dedicated financing solutions for the energy and commodities sectors, as well as for transport, infrastructure and capital goods. The team's offerings are typically centred on made-to-measure solutions, covering short- to very long-term financing. These include:

- Dedicated energy and commodities financing, encompassing all of the requirements of customers in this segment, from exploration and production through to trading and refining. The Specialised Finance team provides cash flow financing as well as both structured and project-specific financing products.
- Asset financing, which comprises a wide variety of solutions such as import/export financing, infrastructure financing, aircraft and maritime financing, as well as tax efficient and structured leasing products.

With offices in more than 40 countries, the specialised finance teams have a strong presence in both emerging markets and the industrialised world.

BNP Paribas CIB confirms its global leadership

In 2007, BNP Paribas CIB confirmed its leading global position both in energy and commodities financing, where it has historically been a key player, and in asset financing, where the Group is no. 1 worldwide in project and export financing.

2007 worldwide rankings & awards

- No. 1 "Global Mandated Lead Arranger for Export Credit Agency Backed Transactions" (*Dealogic*).
- No. 1 "Global Mandated Lead Arranger for Project Finance" (*Thomson*).
- "Aircraft Finance Innovator of the Year and Aircraft Leasing Innovator of the Year" (*Jane's Transport Finance*).
- "Best Structured Commodity Bank" (*Trade Finance Magazine*).
- "Best Trade Bank in Oil and Energy" and "Most Innovative Bank in Trade" (*Trade & Forfeiting Review*).
- "Best Trade Finance Bank worldwide" (*Global Finance*).

BNP Paribas CIB also won the "Best Innovative Deal in Shipping" award from *Lloyd's Shipping Economist* for the deal relating to Compania Sud Americana de Vapores (CSAV).



BNP Paribas, Mumbai



BNP Paribas, Madrid



Energy and Commodities

New market players, additional needs

■ More hybrid solutions

In the energy and commodities sector, the emergence of new market players and a wave of major business linkups have brought about a shift in client needs towards hybrid, structured loans. In both industrialised and emerging countries, BNP Paribas CIB actively partnered with its clients to move in this new direction.

■ A new record year

Against a backdrop of intense competition and sharply contrasting commodity price movements – a fall in the first half of the year was followed by a surge to record levels – BNP Paribas was able to strengthen its leading global position in this sector. The financing of commodity flows was on par with the record levels of 2006, with a strong rise in inventory financing and an expanding client base.

■ A broader, more sophisticated range of dedicated products

Structured financing of energy and commodities, which now encompasses all structured products in this sector (including project financing and pre-export financing), gained ground in the United States, Russia and far eastern Europe, thanks in particular to acquisition financing. Specific measures were undertaken in 2007 to offer all bank clients active in the commodities sector a broader, more sophisticated range of dedicated products covering derivatives, capital markets and M&A advisory services.

Asset Finance

Innovation and global expansion

■ Sharp rise in aircraft and marine financing

2007 was a banner year for asset financing with a sharp rise in net income from aircraft and marine financing. The marine financing teams successfully launched operations in China and India and strengthened their position thanks to container ship financing transactions. Despite heightened competition, the aircraft financing teams substantially expanded their Latin American activities and boosted transaction volumes with operational lessors.

■ Leader on the export market from Asia

From an already strong business base, the highly experienced export financing teams amply confirmed their global leadership. This front-ranking position is particularly evident on the Asian export market (China, Korea and Japan).

■ Major advances in infrastructure project financing in Europe

The infrastructure teams turned in a sparkling performance, making major advances in Europe and taking advantage of the opportunities offered by acquisition transactions.

■ Development in Italy

Global Trade Services' project financing and marine financing business expanded significantly in Italy on the back of the BNL acquisition.

Financing sustainable development

Both in the energy and commodities sector and asset financing, BNP Paribas CIB continued to innovate, garnering widespread recognition from the specialised press in the process. Special efforts were made in 2007 to facilitate the financing of renewable energy and sustainable development. As a result, BNP Paribas CIB was appointed as advisor

for the financing of the United States' largest solar power plant, one of its teams' areas of expertise. In addition, the Group was the mandated arranger of financing for Namibia's Ministry of Health and Social Services. This transaction is the first Finnish Concessional Loan ever carried out in Namibia and the first in Africa in ten years.

CASH MANAGEMENT

a leading commercial offering

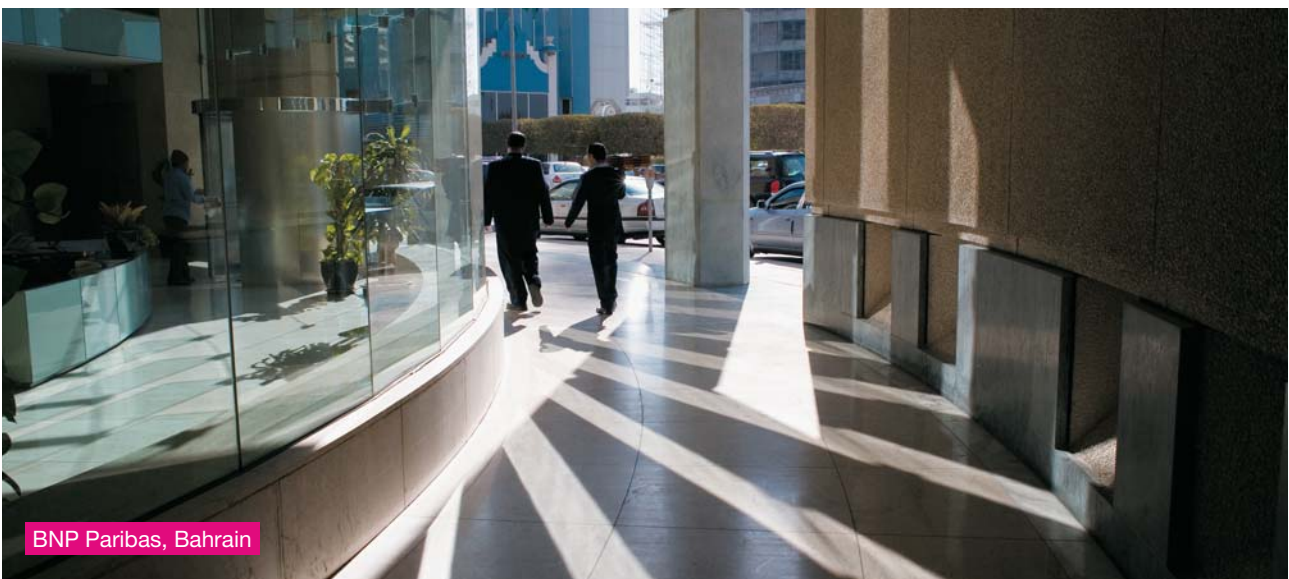
Within BNP Paribas CIB, the Cash Management business provides international companies with an extensive array of global cash management and liquidity solutions. These services developed in close cooperation with the French Retail Banking's Cash Management Department are based on state of the art technologies and on a wide geographical coverage encompassing Europe, Asia and the Americas.

In 2007, The Bank's offering continued to evolve to remain at the forefront of the latest market developments such as Payment Factory services and the launch in January 2008 of the Single Euro Payment Area (SEPA).

The quality of this international offering is demonstrated by *Euromoney* magazine's rankings of October 2007:

- no. 3 for cross-border cash pooling;
- no. 3 for global liquidity capabilities;
- no. 5 in Europe for international cash management services;
- no. 8 at global level.

In 2007, supported by a dedicated sales force organised around a central team as well as experienced professionals in some 30 countries, the Cash Management business continued to develop its market penetration. BNP Paribas has been chosen by numerous clients from all geographic areas thus strengthening client relationships and generating multi-year recurring revenues.



BNP Paribas, Bahrain

Structured Finance

bridging the gap between lending and capital markets

At the crossroads of lending and capital markets, the Structured Finance division of BNP Paribas CIB designs tailor-made financings for clients on a worldwide level. Structured Finance (SF) professionals bring their expertise to corporates, financial institutions, private equity sponsors and local government authorities. Whether for an acquisition, a structured or a plain vanilla financing, Structured Finance provides custom-made solutions with the latest financial architecture and the best placement on the appropriate debt markets. Structured Finance manages the full spectrum from origination and structuring to underwriting and distribution on the loan syndication markets.

Structured Finance operates around the world through three main platforms – Paris/London, New York and Hong Kong, with teams present in 18 locations, bringing to the local level the talents and specific skills of our experts to develop long-term client and investor relationships.

Awards & rankings:

- “Best Arranger of western European Loans”, *Euroweek Poll*, Jan. 2008
- No. 2 “EMEA Bookrunner (by volume) for 2007” *Thomson Financial & Dealogic*, Jan. 2008
- “Overall Asia Pacific Deal of the Year” for the Wesfarmers deal, *EuroWeek Asia*, Jan. 2008
- “European Telecom Loan Bank of the Year 2007”, *Telecom Finance*, Jan. 2008
- “European Leveraged Loan of the Year” for the TdF transaction (EUR 3.97 billion), *IFR Awards 2007*
- “Best Russian Loan” for the Norilsk Nickel loan (USD 6 billion), *Euroweek Poll*, Jan. 2008
- No. 2 “Bookrunner for 2007” for Singapore syndicated loans, *Thomson Financial & IFR*.

2007: strong corporate activity despite the impact of the summer financial crisis on leveraged finance

Structured Finance's booming activity in the first half of the year was balanced out in the year's second half, when leveraged finance was impacted by the summer's market inflection. Corporate activity was strong throughout the year.

In the Americas, Structured Finance managed to close landmark deals such as Baldor for the acquisition of Reliance Electric Company, Geo's for the acquisition of Centracore Property Trust, and Schering Plough's for the acquisition of Organon BioSciences NV, a wholly owned subsidiary of Akzo Nobel. CIB reinforced its cooperation with Bank of the West which led to the structuring and distribution for Select Remedy, one of the ten largest temporary staffing companies in the United States.

On the syndication side, 82 transactions were completed in 2007, compared to 73 in 2006. Lastly, despite the severely adverse debt market environment prevailing from August onward, the Group was successful in proactively managing LBO underwriting commitments, repricing risks and eventually reducing exposure substantially.

In Asia Pacific, BNP Paribas' footprint continued to gain recognition throughout the region, enabling the Group to be the **highest-ranked European bank in the syndicated loan bookrunner league table for the Asia Pacific region**. The Group's activities spanned the entire region, from the more developed, mature economies to emerging growth markets:

- In Australia, the Bank coordinated the biggest ever syndicated loan of AUD 10 billion to back Wesfarmers' acquisition of Coles, the largest take-over in Australian history.
- In Singapore, the Bank backed the privatisation of the largest rice cracker manufacturer in Asia, Want Want Holdings. On the emerging market front, the Bank consistently ranked among the five most active arrangers of loans in China, underscoring its strong involvement in the Asia Pacific region's fastest growing economy. Its financing transactions concerned entities ranging from the state-owned bank China Exim to the private sector company Suning Appliance.
- In India, BNP Paribas supported the growth aspirations of its global client, Vodafone, in a JPY 59.7 billion sole-led transaction for Vodafone Essar as well as domestic corporations like Reliance Industries (to finance the capital expenditure requirements for Reliances' oil and gas business) and financial institutions like ICICI Bank (USD 1.5 billion for general corporate purposes).

- In Vietnam, the Bank arranged financing for PetroVietnam to develop and construct the Nhon Trach 1 power plant, confirming its role as an active player in this fast growing market.

In Europe, the Bank's strength in arranging and book-running syndicated loans is highlighted by its **leading position in the EMEA region** in all bookrunner league tables. BNP Paribas' dominance in this sector reflects its multi-site origination and distribution platform and equivalent diversification in terms of transaction type – high grade, transactions related to such areas as energy, commodities, projects and exports, and structured transactions (including leveraged financing and the financing of the media/telecommunications sector).

- 2007 was a successful year for **corporate acquisition finance teams with a significant increase in the number of mandates**. The current crisis has not affected the level of activity and the deal flow remained high even after August, although the market environment impacted deal pricings and structures and tightened liquidity. Among the deals underscoring CIB's growing pan-European presence and capacity were the mandates obtained from: Danone for the acquisition of Numico (the Netherlands); Lafarge (France) for the acquisition of Orascom Cement (Egypt); Vodafone/Essar (UK/India) for the monetisation of a put option on Vodafone; Barilla (Italy) for restructuring Group indebtedness; Norilsk Nickel for the acquisition of Lion Ore and X5 (Russia) to finance future growth. The activity in eastern Europe picked up significantly. In line with the joint actions previously undertaken, Structured Finance worked with BNL's Corporate Group to develop a marketing approach targeting small/midcap clients. These joint actions have led to increased knowledge of Structured Finance products among BNL coverage teams and open the way for a promising pipeline of business opportunities.

- In a very active market, the **Leveraged Finance team closed a large number of LBO deals** in all European jurisdictions, the most significant being the EUR 2 billion financing of PAI partners' acquisition of a majority stake in Lafarge Roofing, the add-on facility for Dutch waste management company AVR to cover its acquisition of Van Ganswinkel and the financing of CDC Capital Investissement's LBO and taking-private of Quick.

- The year was very dynamic as regards European financing of **media and telecommunications operators**. BNP Paribas extended its geographic reach into the Middle East and eastern Europe and consolidated its **leading position**. In telecoms, it was awarded book-running mandates for financing TPG's LBO of TDF, refinancing Ypso Numericable, financing Swisscom's acquisition of Fastweb, and in Turkey for Otas' financing with proceeds applied toward the repayment of a seller's note issued in favour of the Turkish state. In the media sector, BNP Paribas CIB acted as bookrunner for the LBO of Trader Media Group by Apax and the Guardian Media Group, and the LBO of the Dutch publisher SDU by Allianz Capital and ABN PE. In emerging markets, the Bank also acted as bookrunner for the USD 2.5 billion financing of MTC for its acquisition of the third GSM licence in Saudi Arabia and the facility for the acquisition of Watanyia (Kuwait) by QTel (Qatar).

- 2007 was also a dynamic year for **real estate** financing with a **record level of investment in Europe**. BNP Paribas CIB maintained its strong position in France in real estate bank financing transactions and enjoyed significant growth in Italy.





BNP Paribas, Lyon



French retail business

French Retail Banking

French Retail Banking (FRB) has a client base made up of more than 6 million individual and private banking clients, 500,000 entrepreneurs and small business clients, and 22,000 corporate and institutional clients (numbers based on the new commercial structure). The division offers a comprehensive line-up of products and services, ranging from current account services to the most complex financial engineering services in the areas of corporate financing and asset management.

The network operated by the French Retail Banking Division has been reinforced with a view to enhancing local coverage and client service. As at 31 December 2007, it consisted of 2,200 branches, of which 900 had been updated with the new "Welcome & Services" concept, and close to 4,900 cash dispensers. As such, the network is more compatible with a multi-channel organisational structure. The division focuses on regions with high economic potential, and enjoys a 15% share of the greater Paris market (source: *BNP Paribas FRB market research, market share based on number of branches*). It also has a strong presence in the most attractive segments of the personal banking market – 22% of households with net annual revenues in excess of EUR 82,000 have their main bank account with BNP Paribas (source: *Ipsos*) – and a leading position in the corporate market.

The French Retail Banking Division employs close to 32,000 people working in the BNP Paribas domestic branch network, Banque de Bretagne, BNP Paribas Factor, BNP Paribas Développement, a provider of growth capital, and Protection 24, a telesurveillance firm.

In order to effectively respond to client expectations, French Retail Banking has reorganised its sales structure on the basis of network segmentation. The division is now made up of branches serving individuals and small businesses, Private Banking Centres, and Business Centres, all supported by a Client Relations Centre (CRC) and back offices in charge of after-sales operations.

In parallel, the division has continued to actively expand the personal banking business, drawing on the multi-channel structure (branch, telephone and online banking) that was rolled out from 2002. The underlying aim of this system is to offer clients the highest standard of service and to step up the role of in-branch client advisers. The Client Relations Centre's three platforms in Paris, Orleans and Lille deal with calls made to the branches and process client e-mails. To extend this service, a dedicated line was set up in 2006 for Private Banking clients. A client relationship centre for entrepreneurs and small business clients was opened in the Paris region in 2006, before being set up nationwide.

The new workstations operated by the client advisers are geared to managing client relations within a multi-channel framework. As such, they represent the very hub of the system, whose effectiveness has been clearly proved after several years of use.

French Retail Banking also has the largest network of Private Banking Centres, with 222 centres across France that ensure extensive local coverage.

The new business approach adopted for corporate clients led to the emergence at the end of 2005 of a structure that is unique in the French banking landscape. This new organisation is based on 24 Business Centres located throughout the whole of France, as well as a professional assistance service – Service Assistance Entreprise (SAE) – and Cash Customer Services (CCS).

Finally, the division is reengineering its back offices into Production and Sales Support Branches (PSSBs). Specialised by type of transaction, they span the whole of France and have fully integrated information. At the end of 2007, there were 83 PSSBs, combined into 12 Production and Sales Support Groups.



Individual clients

A record year for new accounts

2007 goes down as a record year for client acquisitions, with **more than 530,000 individual demand accounts opened, an increase of some 26% on 2006**. This strong momentum is confirmed by the net growth in the number of individual accounts, which reported a significant increase for the third year running (230,000 versus 170,000 in 2006 and 155,000 in 2005).

This performance reflects the targeted client acquisition strategy implemented several years ago with the goal of renewing and developing the individual client business:

- **the network confirmed its focus on proximity** by opening 34 new branches, bringing the total to 140 new branches in four years in sectors that offer strong development potential. The 104 point-of-sale relocations carried out over the same period also attest to the mobility of this strategy.
- **the very active campaign targeting the younger population** – clients' children, students and young working people (see inset) – also paid off. A remarkable 328,000 client relationships were established with under-30s in 2007.
- **the national client sponsorship campaign led to 21,000 new account openings**, which reflect the satisfaction of our clients and their willingness to recommend us.

The network's client advisors also strongly promoted Private Banking's services. As a result, they guided 12,800 clients towards Wealth Management Advisors. At the end of 2007, 110,000 households, representing more than EUR 60 billion in assets under management, were benefiting from Private Banking services in France.

A dynamic policy focusing on the young

Innovative offerings adapted to every age group:

- 140,000 BNP Paribas Multiplacement Avenir life insurance contracts have been set up for clients' children since the product was launched at the end of 2006;
- successful assistance to students with their everyday challenges and in their relations with the Bank: Jeun'Appart housing deposits, bank balance consultation via SMS, free overdraft facilities;

- new global approach to young people starting work, together with BNP Paribas Santé, a complementary healthcare package adapted to their budget.

Major partnership with student mutual insurance network:

- a common goal of providing students with access to banking services and healthcare coverage;
- more than 11,000 new clients in six months.

A highly original marketing and communication campaign:

- shock comics Erik and Ramzy bring the Bank closer to the under-30s through a multimedia campaign delivered largely via mobile phone and internet;

- updating of the under-30s space on *bnpparibas.net* to give it a clearer identity and to showcase the offering;
- strengthened online appeal with a chat room, music and game downloads, etc.
- Sunday Start: through its strong association with the tennis world, BNP Paribas is inviting 10,000 young people to the Paris Masters at Bercy sports stadium in the French capital.



Client satisfaction, key to loyalty

Thanks to the continued development of the multi-channel client contact system, Retail Banking improved the pro-activity of its commercial organisation by being close to its clients at the right time and by being able to provide personalised offerings. **Over 25 million contact opportunities were generated in 2007, a 25% increase on the 2006 level.** In parallel to the **strong increase in visits to *bnpparibas.net* (1.4 million unique visitors per month, up 43% on the previous year), the number of client contacts made via the internet has risen by 31% (compared to 2006).**

The enhancement of the bank relationship led to a substantial rise in client contacts and boosted the number of in-branch interviews (11.5 million client contacts, of which 7.2 million inside the branch):

- programme to monitor new clients (see inset);
- programme to provide ongoing assistance to young clients – who are the most mobile and therefore the most vulnerable – up through their first years at work;
- a more pro-active approach to clients whose main bank is not BNP Paribas.

The investment mix aligned with the multi-channel strategy gave clients a free choice of how they keep in contact with the Bank:

- proximity: since mid-2004, BNP Paribas has updated 902 branches with the new “Reception & Service” concept (i.e. one branch per working day), created children’s

play areas and provided close to 5,000 automatic cash dispensers with increased account management capabilities; 83% of clients like the new branch organisation, and 87% appreciated having standard banking services accessible via cash dispensers;

- distance: an updated version of the *bnpparibas.net* site which is more modern, easier to use and better adapted to clients’ daily needs with new functionalities, such as the possibility of setting up permanent standing orders and improved access for the partially sighted.

Additionally, **high quality, personalised service** remained at the heart of the commercial strategy:

- numerous diagnostic reviews focusing on client projects and needs were made available throughout the network: savings, protection, under-30s;
- strong commitments were made to clients during the “Savings Coach” campaign (see inset);
- the Retail Banking business kept fully abreast of the application of the MIF directive to be able to give savers accurate information;
- the BNP Paribas Business School (see inset) was created with the goal of ensuring quality service by providing advisers with better training.

Each of these developments has contributed to the **continued improvement in the annual barometer of client satisfaction**, with particularly strong progress in indicators showing how clients rate their relationship with their adviser and whether they would recommend BNP Paribas.

Steps taken to improve client satisfaction

To rapidly consolidate relationships with new clients, **the welcome programme has been significantly bolstered** so that at least four contacts are made in the first year with a view to:

- ensuring clients are satisfied with the quality of the services provided by the Bank;
- checking that clients are aware of the various methods available for contacting the Bank (through the branch, telephone, internet, etc.);

- marking the anniversary of the client’s first contact as a key stage in a long-term relationship.

The new “Savings Coach” concept was launched in early 2007 to help clients establish their savings targets. **Branch network financial advisers undertake to:**

- meet each client at least three times a year;
- create a savings plan that responds to their specific objectives;
- pass on knowledge in a clear and concise manner;

- prove themselves to be efficient over the long term.

With the Ecole du Commerce (Business School), Retail Banking has substantially invested in the training of client advisers. Programmes of 7 to 28 weeks, depending on the future role and experience of the employee, alternating between practical experience in the branch, and study. In 2007, the school provided training for 350 new employees.



Commercial momentum boosted by the continued renewal of the offering

Retail Banking continued to enjoy strong momentum in payment methods:

- the continued success of the innovative **Terceo offering**, which allows clients to pay for card purchases in three instalments or within three months. **More than 500,000 clients have taken advantage of Terceo in the 18 months since it was launched;**
- with 660,000 Visa Premier and Infinite cards distributed among its Retail Banking clients, **BNP Paribas has confirmed its leadership at the top end of the payment card market;**
- the introduction of the Carte Cadeau payment card in November 2007 (see inset).

Following the decision by the government to transform Codevi savings schemes into Sustainable Development savings schemes, **BNP Paribas became one of the first banks to offer reduced-rate loans, under the name of Energibio, which allow clients to finance energy-saving projects** in their primary or secondary places of residence. Eight months after the launch, 2,000 applications have been processed, representing a total of more than EUR 20 million.

A new offering to finance the exercising of stock options was also introduced in the spring to provide for the development of this type of remuneration offered to employees of large companies.

In savings, against a volatile financial market backdrop, **BNP Paribas stepped up its policy of regularly launching new guaranteed return funds:** excluding Private Banking, more than EUR 2.2 billion were collected by the nine innovative funds offered to clients in 2007 with varying durations, underlying assets and strategies (see inset).

Impressive commercial success

The Retail Banking business (Private Banking included) once again turned in very solid performances in investment savings despite a more demanding environment than in 2006, particularly in the second half of the year. In contrast to the situation seen by the majority of bancassurers, **life insurance inflows continue to grow, and are approaching EUR 7.5 billion.** The situation is also positive for mutual funds and unit-linked life insurance contracts, with inflows reaching close to EUR 10 billion. These performances reflect the strength of the offering, **the continued development of planned savings with more than 430,000 new contracts, an increase of 13% compared to 2006,** and regular, increasingly personalised contact with clients.

As regards loan business, Retail Banking continued to support its clients' projects:

- strong activity in consumer loans, resulting in an 9 basis point gain in market share in one year;
- a 25% rise in the number of student loans granted;
- a 9% increase in the mortgage portfolio with business remaining robust despite less favourable market conditions than in 2006.

Commercial momentum boosted by innovation

The Carte Cadeau prepaid and universal payment card has proven very popular with clients since its launch:

- 4 eye-catching designs with a mirror effect, and deluxe packaging as an option;
- more than 9,000 cards were offered as gifts in two months.

Guaranteed return funds highlighted by the financial press and popular among clients:

- Conquistador, Conquistador 5 and Conquistador 8, which track equity market growth in the eurozone, have attracted inflows of more than EUR 475 million;
- Mambo, which targets a 12% return in two years or a strong share of the average growth registered by a basket of 20 stocks over five years, has generated inflows of EUR 590 million.



DU 16 AVRIL AU 2 JUIN 2007

3,95%*
TEO ANNUEL FIXE

PRÊT ENERGIBIO
SPECIAL TRAVAUX D'ECONOMIE D'ENERGIE

UN LOGEMENT VERT,
C'EST BON POUR
VOTRE BUDGET !

Exemple : pour un crédit de 9 000 € sur 48 mois, avec paiement 48 mensualités de 214,24 €. Coût total du crédit : 779,52 €, soit un Taux Effectif Global annuel fixe de 3,95 % (hors assurance facultative). Frais de dossier offerts. Sous réserve d'acceptation du dossier.

BNP PARIBAS

Entrepreneurs and freelance professionals

BNP Paribas supports business creation in association with APCE and ADIE:

45,000 “*Succeed in creating your own business*” and “*Succeed in acquiring your own business*” guides were handed out in 2007 at trade fairs and in 2,200 BNP Paribas branches. Compiled in partnership with APCE (a government-sponsored business creation agency), these guides help to give those looking to set up or acquire a business a more professional approach by teaching them how to methodically prepare their project and implement it effectively.

Additionally, would-be entrepreneurs can now submit their projects to BNP Paribas online via www.apce.com. An appointment is then set up at a BNP Paribas branch of their choice within 48 hours.

Involved in the microfinance arena for many years alongside ADIE (Association for the Right to Economic Initiative), BNP Paribas helped finance more than 1,700 projects in 2007 (up 18% compared to 2006), for a total sum of close to EUR 5 million.



The Bank continued to step up efforts to capture loan business in 2007.

The freelance professional activity recorded a net increase of nearly 12,500 current accounts in 2007 (up 3.6% over 12 months). The number of active entrepreneur accounts grew by the same proportion.

These performances reflect constant efforts to develop in this area, as well as **regional and national partnerships established with key players** in healthcare, franchises, craft industries and agriculture.

They also illustrate **BNP Paribas' strong commitment to supporting business creation and acquisition and, more generally, providing the financing that helps to reinforce local economies:**

- through the 2007 edition of the campaign to attract entrepreneurs and freelance professionals and close relations with ADIE and APCE (see inset), nearly 6,300 projects were examined in 2007 (up 45% versus 2006);
- total equipment loans awarded to entrepreneurs and freelance professionals in 2007 were up 4% by value on the 2006 level despite the uncertain environment in the second half of the year;
- Also on the rise, business creation and business acquisition financing accounted for 31% of the number of loans set up (up 1 point relative to 2006).

Client relationships at the heart of commercial strategy

In 2007, substantial investment went into improving client relationship management and the pertinence of advice given to entrepreneurs and freelance professionals.

- **The development of a business segment-orientated approach** and various analytical tools helped business client advisers to get a better understanding of client needs.
- **The introduction of an effective client contact strategy** based on preference scores and personalised offerings also helped to boost the intensity, proactiveness and relevance of our commercial approach:
 - **close to 1.3 million contact opportunities were generated in 2007**, around key issues (financing, tax, retirement/estate planning, business and home protection, etc.) or important stages in the commercial relationship.
 - New clients now benefit from increased support for the first 12 months.

At the same time, the **ramp-up of remote banking channels** is reinforcing the number and quality of contacts established with clients and prospective clients:

- the roll-out of the CRPE support line, first opened in 2006, accelerated in 2007. By the end of the year it was available to more than 80% of BNP Paribas' 500,000 entrepreneurs and freelance professionals (see inset);
- **www.bnpparibas.net/entreprios, the website dedicated to BNP Paribas' entrepreneurs and freelance professionals reported close to 4.2 million visits in 2007 (up 34% versus 2006).**
- more than 60% of our clients, versus 55% at the end of 2006, now have a personalised solution for remote management of their accounts.

These investments have helped improve the satisfaction of entrepreneurs and freelance professional clients and thereby strengthened the relationship they have with BNP Paribas:

- satisfaction surveys carried out in 2007 indicate an **improvement in our commercial approach, particularly in the management of private banking relationships;**
- **the portion of clients for whom BNP Paribas is their main bank increased** in 2007, by close to 1 point in the freelance professionals segment and more than 2 points in the entrepreneurs segment.

In 2007 commercial momentum was directly driven by the competitiveness and innovation of BNP Paribas' offering.

- The Esprit Libre Pro package of services and the BNP Protection Pro offering recorded growth of around 25% in 2007. 49% and 34% of professional clients have now signed up for these two services respectively.
- Launched at the end of September 2007, the new Solutions Pro Santé service designed for healthcare professionals has been a resounding success: more than 5,500 contracts were signed in three months (of which 2,500 included a merchant payment agreement).
- BNP Paribas' retirement savings solutions received wide acclaim in 2007: **for the fourth consecutive year, the Bank was awarded the Label of Excellence from the investment magazine *Dossiers de l'Épargne* for its PEE and PERCO savings plans** – subscriptions to these schemes rose by almost 25% compared to 2006.



With the CRPE support line for entrepreneurs and freelance professionals, BNP Paribas completes its multi-channel offering

The final link in the multi-channel offering designed for small businesses, the CRPE call centre is available without subscription. Call centre advisers provide personalised responses to calls and e-mails sent by clients and are able to see requests through to resolution via a middle- and back-office interface. The call centre platform provides key support to the Bank's commercial drive by transmitting information on identified opportunities to the branches and proposing appointments with account managers.

This new service aims to accelerate response rates, boost client satisfaction and quality of relations, and improve the availability of the network's sales force.



Solutions Pro Santé, a new standard of efficiency for healthcare professionals

The complete and innovative Solutions Pro Santé offering responds to changes in the healthcare sector and meets the changing needs of practitioners. This specially designed offering combines a range of services that enable healthcare practitioners to manage their business more easily and therefore devote more time to patients:

- management of professional and private accounts;
- payment of fees by bank card;
- financing solutions;
- exclusive assistance.



Corporate and institutional clients

2007: continued success of Business Centres

Increasingly specialised client requirements have led BNP Paribas to differentiate its marketing approach according to the specific corporate client segment. The aim is to position BNP Paribas as the leading bank for companies, institutions and large associations by drawing on the wide array of services offered by the Group as a whole.

The strategy is built around the Group's 24 Business Centres located throughout France, which are exclusively devoted to corporate clients, institutions and large associations.

Major corporate accounts are overseen by key account managers based at the Bank's main regional offices. These high-level managers work closely with the Business Centres, the international network and the Group's other specialised businesses to create customised solutions for each client.

Additionally, two professional assistance services – Service Assistance Entreprise (SAE) and Cash Customer Services (CCS) – have been set up to deal with after-sales issues.

The continued increase in the Bank's share of the loan market (0.30-point gain in 2007 – *source: Banque de France*) and cash inflows (gains of 1.75 points for direct debits and 0.90 point for bank cards in 2007 – *source: GSIT*), as well as the growth in cross-selling (eight-fold increase in net banking income generated by CIB businesses between 2002 and 2007) and the improvement in client satisfaction, bear testimony to the success of this approach in meeting client needs.



BNP Paribas, Marseille

Regional Trading Rooms

Against a backdrop of volatile financial markets, flattening yield curves and the euro's appreciation against the dollar, the seven Regional Trading Rooms reaffirmed their commitment to their clientele of large- and medium-sized companies, as well as large associations and institutions, closely assisting them with debt management and currency hedging.

The trading rooms offer the full range of investment services, from monetary funds to structured medium-term notes (index-linked to the equity markets, interest rates, exchange rates, etc.), thus enabling clients to optimise cash investments via products of all maturities and all classes of underlying.

Since June 2007 the Regional Trading Rooms have allowed their clients to hedge against fluctuations in the commodities markets, including metals and energy (oil, gas, CO₂, etc.).

The Regional Trading Rooms work closely with the Business Centres and the Bank's CIB and AMS businesses. This efficient organisation allows us to offer our clients both financial market expertise and proximity.

Products and services offered by the Group as a whole

French Retail Banking develops its commercial offerings to corporate clients, institutions and large associations by drawing on the specialised skills of each of the Group's businesses. 2007 marked further progress in cross-selling in such areas as currency derivatives, investment financing, specialised financing (factoring, equipment finance leases, leasing and management of company vehicles), mergers & acquisitions and private banking.

These success stories have been achieved through the effective coordination of the sales teams from the Business Centres and the Group's specialised businesses so as to provide clients with the best possible service.

Delisting of Petit Forestier and entry of a financial investor into the company's share capital: an example of how BNP Paribas' businesses complement each other to serve its clients

Petit Forestier, Europe's leading refrigerated vehicle lease company, has based its success on an "all-inclusive" service offering. With a fleet of 30,000 vehicles the company generates annual revenues of nearly EUR 400 million and operates a network of 130 branches in France and eight other European countries. Keen to secure the future of the company created in 1907, Yves Forestier and his brother Jean-Claude had a think about how their company's share capital was organised. Thanks to a close and long-running relationship with the management of the eastern

Paris region Business Centre, BNP Paribas' corporate finance team was called on to advise Petit Forestier in this operation which brought a financial investor into the share capital and led to the company's delisting. The Structured Finance and Syndication teams arranged the loan and the underwriting, while the Key Accounts manager ensured smooth coordination between the various businesses. As a result, BNP Paribas demonstrated its capacity to assist and advise a family enterprise with the reorganisation of its share capital at a key point in its existence.



BNP Paribas, Paris

Some of the year's cash management success stories

BNP Paribas has become a preferred banking partner of **EDF** in the cash management domain having been entrusted with 25% of direct debit volumes following an invitation for tenders launched in 2007.

Alten, the European market leader in high technology consulting and engineering, chose BNP Paribas as one of its preferred banking partners for the development of its business. This new partnership was founded on the BNP Paribas SwiftNet service bureau, which is fundamental to the processing of cash flows and the optimisation of cash management.

J.-C. Decaux, the world leader in street furniture and public bicycle hire programmes, put BNP Paribas in charge of the payment side of the Velib project in Paris, which allows Parisians and tourists alike to hire one of the 20,600 bicycles available for collection at 1,451 points around the capital using a Carte Bleue or Moneo payment card (10-15 million transactions per annum). Velib has so far handled 14 million rentals.

BNP Paribas has become the preferred Bank of the French arm of **Diesel**, the world-renowned brand of jeans, and has been made responsible for managing all cash flows at the company's French stores.

BNP Paribas has been chosen by **UPS** to coordinate its payments across 7 countries, including Italy. The SwiftNet offering was a key part of the chosen solution.

Cash Management

BNP Paribas has emerged as one of the uncontested leaders in cash management in Europe.

With operations in 19 countries across Europe, BNP Paribas and its partner banks offer clients a network of 24,000 branches in 33 European countries and 28,000 branches worldwide.

This strong positioning means that the Group is included in the vast majority of invitations to tender issued by European and International companies.

In 2007, the largest developments initiated by Cash Management were focused on the "Payment Factory" and Europe with the introduction of a SEPA (Single Euro Payments Area) offering. This offering enables companies to process payments in the new European context. Our strategic achievements include the creation of a multi-channel European platform and the introduction of the XML "new standards of the future" and SwiftNet concepts.

Cash Management has sales and support teams located around the world and totally dedicated to clients, enabling it to combine a global offering with specific local features.

This strategy has led to numerous successes in response to invitations to tender from such companies as EDF, Alten, JCDecaux, Diesel France and UPS as well as strong market recognition with *Euromoney* naming BNP Paribas as "best for robustness of electronic banking platforms – customer service categories" in 2007.

Corporate card activities continued to make strong progress – BNP Paribas remained the leader in this field with 60% of the Visa market in France.

Lastly, Cash Management made quite a splash in November 2007 by launching the first Cash Management University in Paris, an opportunity for our main partners (SAP, IBM, Swift and PricewaterhouseCoopers, etc.) and more than 150 European clients to get together to talk, exchange ideas, visualise and understand the major regulatory, technical and organisational issues in the corporate cash management business.

The Cash Management University was an immense success and is to be repeated in 2008, making it the unmissable cash management event of the year.

After-sales organisation

2007 represented the beginning of a new phase for our production system, the goal being to continue consolidating our platforms, increasing their specialisation and updating their support systems.

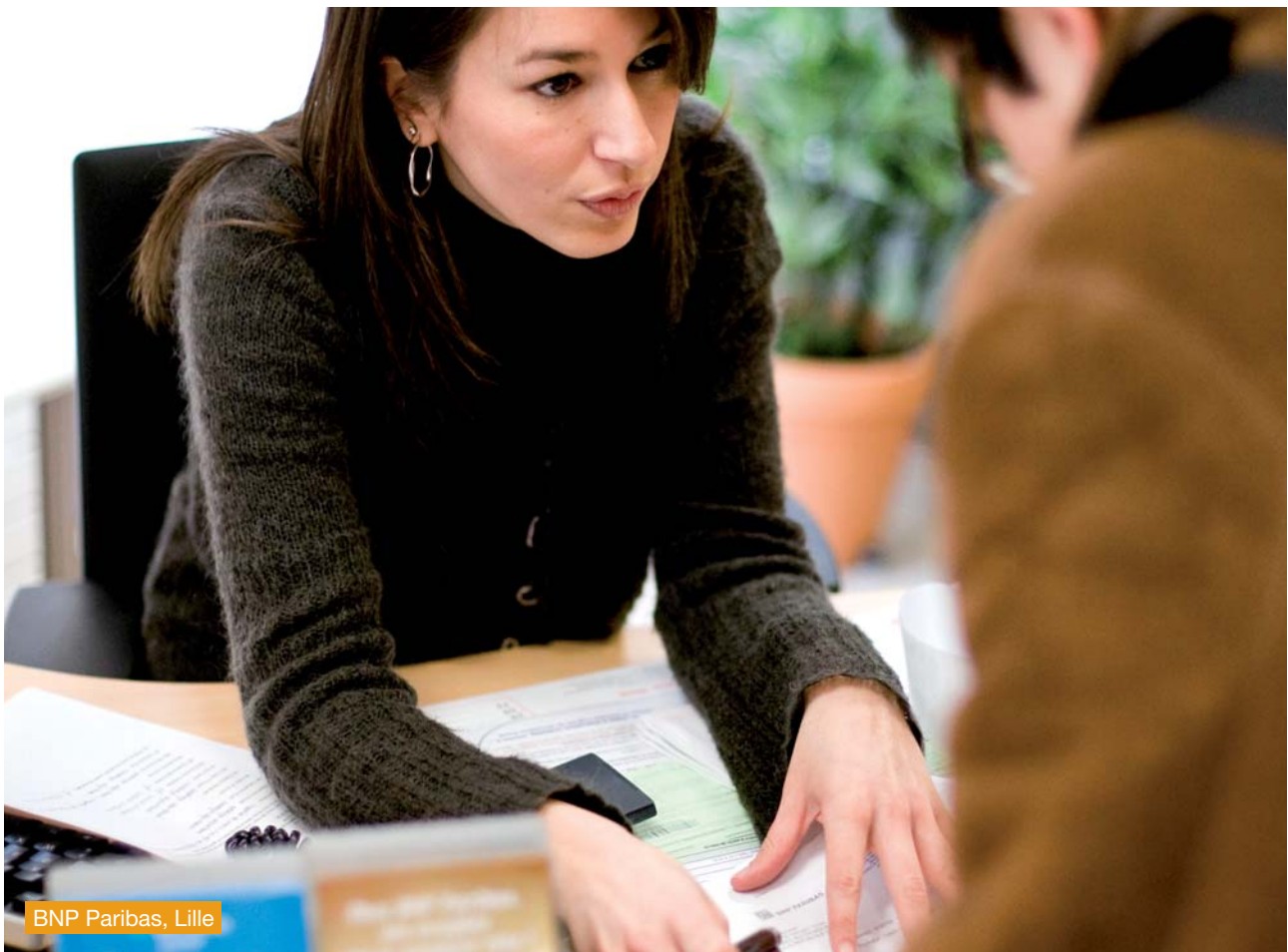
At 31 December 2007, there were 83 Production and Sales Support Branches (PSSBs) in operation, working within 12 Production and Sales Support Groups, with a total of 4,800 employees.

Productivity gains resulting from the grouping of activities continued, and focused on:

- having back-office platforms take on new tasks;
- bolstering sales support units within the PSSBs to smooth communication between the front and back offices.

Alongside these changes, the Bank continued to review all procedures with a view to optimising and standardising them. 50 "ACE" projects (BNP Paribas' adaptation of the Lean Sig Sigma method) contributed to these changes, while at the same time improving productivity and quality.

The ISO 9001 (version 2000) certifications for the three types of formatting platforms were renewed.



BNP Paribas, Lille



BANK OF THE WEST



International retail services

IRFS becomes BNP Paribas International Retail Services

In April 2008, the Core Business has adopted a new name that expresses fresh strategic momentum and an integrated organisation designed to optimise its growth within the Group. **BNP Paribas** reflects the fact that this Core Business, with 71,000 people and nearly EUR 8 billion in net banking income, spearheads the BNP Paribas Group's strategy and development. **International** expresses the very essence of the Core Business, whose footprint currently spans more than 60 countries. **Retail Services** as its different activities are all about delivering retail services to customers, both individuals and businesses.

International Retail Services

The International Retail Services (IRS) Division has some 71,000 employees⁽¹⁾ in over 60 countries. At the heart of BNP Paribas' growth strategy, it consists of three business lines, boasting well-known brands and in many cases market-leading positions.

In Retail Banking, IRS manages a network of banks which also serve as platforms for growth for the division's other businesses as well as for the Group's activities in their domestic markets. Retail Banking business is conducted in the United States via BancWest Corporation. This holding consists of Bank of the West (5th-largest bank in the US)⁽²⁾, present in 19 states) and First Hawaiian Bank (the leading bank in the state of Hawaii). The bank network in the emerging markets is growing strongly and is now made up of 1,993 branches in 34 countries. The business combines brisk organic growth and targeted acquisitions in a pragmatic way. In addition to strong positions across the entire Mediterranean basin and the Persian Gulf, a priority development zone, business is being developed in the far east of Europe. The division has also been present in Africa for many years, notably through BICI (Banque Internationale pour le Commerce et l'Industrie) which was one of the earliest banking networks in French-speaking Africa.

2007 was marked in household and consumer finance by the launch of BNP Paribas Personal Finance which combines all companies specialising in consumer finance (Cetelem) and mortgage financing (UCB and BNP Paribas Invest Immo), together with the new debt consolidation business (BNP Paribas MRC). BNP Paribas Personal Finance is the European leader in its market with 25,000 employees in 30 countries.

Finally, the corporate investment financing and business equipment management activities were grouped together within the Equipment Solutions business, which consists mainly of Arval, dedicated to the long-term management of cars and light trucks, and BNP Paribas Lease Group (BPLG), specialised in equipment leasing. Both these companies are no. 2 in Europe in their respective markets.

Thanks to this unique skill profile, the division serves 53 million clients around the world (including 28 million direct). Representing the main thrust of BNP Paribas' international development strategy in retail banking, all IRS businesses have a strong corporate culture and an ability to adapt to their changing environments.

⁽¹⁾ Number of employees at end-2007.

⁽²⁾ By deposits.



UkrSibbank, Kiev

Personal Finance

Creation of the leading European specialist in personal finance

In May 2007 Cetelem, UCB and their subsidiaries announced to the press their plan to create BNP Paribas Personal Finance. Confirmed in early January 2008 subsequent to the approval of the works councils, the merger of these companies, with domestic and international positions in consumer finance (Cetelem), mortgage financing (UCB and BNP Paribas Invest Immo) and debt consolidation (BNP Paribas MRC), has created the European market leader in personal finance solutions, with more than 25,000 employees, operations spanning 30 countries and four continents, and a EUR 100 billion loan portfolio at the end of 2007.

Cetelem and UCB team up to create BNP Paribas Personal Finance

An ambitious industrial and strategic project giving rise to a global player and European market leader in personal finance

The European mortgage and consumer finance markets had a combined valued of more than EUR 6,000 billion at the end of 2006 in terms of total loan portfolio. These markets are currently registering double-digit growth and changing fast. BNP Paribas Personal Finance is looking to respond to all the financing needs of individual clients by offering all loan products through all channels (i.e. direct, online, brokers, agents, partners, distributors, etc.) and by exploiting the increasing similarities that exist between these two types of lending. The target is to become an international player with a EUR 160 billion loan portfolio by 2010 and to be the only non-British/American entity in the global Top 5.

Brand architecture contributing to the commercial development of this new business

The aim is to capitalise on the strength of the BNP Paribas name for the identity of this new business and on the reputation and image of Cetelem for the commercial activity. The UCB brand will be used where necessary, notably for the BtoB activity.

The "Credito" character, a strong and well-recognised image that has already been deployed on a global level, is to become the brand and communication emblem of BNP Paribas Personal Finance, which places responsible lending at the heart of its development strategy.

Business activity and external growth of Cetelem, UCB and their subsidiaries: powerful moments of 2007

- In China, the alliance between Cetelem and Bank of Nanjing, whose main shareholder is BNP Paribas, began business operations in March with the launch of its first point-of-sale loans.
- On 3 April, LaSer, a 50%-owned subsidiary of Cetelem (with the other 50% owned by the Galeries Lafayette Group), acquired 5one Marketing Ltd, one of the European leaders in client marketing services.
- After 20 years of European expansion, in May UCB crossed continental borders to break into the Indian mortgage financing market, through the creation of a joint venture between UCB (49.9%) and Sundaram Finance (50.1%).



- On 18 July, Cetelem announced the acquisition of a 100% interest in Banco BGN, a specialist in consigned credit in Brazil. Banco BGN has 107 branches, 840 employees and more than 600,000 active clients. Brazil already represents the 4th-largest revenue stream for Cetelem after France, Italy and Spain, and the acquisition should significantly strengthen Cetelem's presence in the country.
- On 30 July 2007, LaSer consolidated its capital position in the Netherlands by buying up the remaining 40% stake held by SNS Reaal Invest (SNS Reaal Groep) in LaSer Nederland, making it a wholly-owned subsidiary of LaSer-Cofinoga.
- In August, Cetelem Russia began operations with the signing of its first agreement in Nijni Novgorod. By the end of 2007, Cetelem Russia had reached its objective of extending sales coverage throughout the country with offices in ten major Russian cities and a portfolio of more than 3,000 clients.
- On 3 August 2007, Cetelem acquired a 100% interest in JetFinance International, a leader in specialised consumer credit in Bulgaria. JetFinance International operates in more than 150 Bulgarian cities, has 800 employees and offers its products in more than 3,600 points of sale and via its own branch network. The acquisition is in line with Cetelem's aims to develop its activities in emerging countries and strengthens its regional coverage and its position as continental Europe's leader in consumer credit.
- In September, Cetelem opened the first European-wide e-credit portal dedicated to commercial websites. The

multi-lingual portal is perfectly integrated into commercial sites, regardless of their geographic location, and enables these sites to finance their European clients through a single liaison point. Cetelem also announced the signing of an agreement with its partner Pixmania related to the implementation of this solution on six of its European sites.

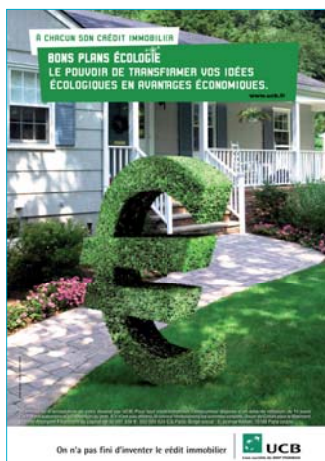
- In November 2007, UCB set up operations in the German real estate market, one of the largest in Europe.

Cetelem finalises the implementation of its new operational organisation in France

In September 2007, Cetelem finalised its ambitious project for growth and innovation "Defi 2008", through the opening of five new CRCs (Client Relations Centres), in addition to the twelve CRCs opened in September 2006. This reorganisation of Cetelem's French network, better adapted to its clients' evolving needs and its technological environment, strengthens the quality of its relationship with partners and clients and boosts overall competitiveness.

Doppie Fedelta, a cross-selling offer from Banca UCB and BNL

As part of the strategy of creating and developing synergies within the Group, a first cross-selling agreement was entered into between UCB's Italian subsidiary, Banca UCB, and the BNL retail network. This synergy offers Banca UCB clients preferential interest rates in exchange for the opening of a BNL deposit account and domiciliation of their income.



Eco-friendly loans

- On 26 June 2007, UCB launched "eco-friendly" loans: Bons Plans Écologie offers all prospective loan applicants who have a "green" project – i.e. a project to buy a new construction using energy-saving equipment or materials – the chance to add a 1% interest rate loan of up to EUR 6,000 to their UCB construction loan. With this complementary loan, UCB gives its clients

an opportunity to make their acquisition project friendly to both the environment and their budget.

- On 17 October, Cetelem launched its Oxygène programme, aimed at encouraging consumers to choose "green products" and at promoting environmental awareness among its employees.

Equipment Solutions

These companies use a multi-channel approach (direct sales, sales via referrals or via partnerships) to offer their corporate and business clients a range of solutions specific to each asset market, from financing to fleet outsourcing.

Equipment Solutions offers its end users and business providers the opportunity to outsource the credit, market or technical risks associated with corporate assets.

Equipment Solutions consists of three International Business Lines (IBLs) which are organised according to the assets and leasing solutions offered, more specifically:

- the car and light vehicle IBL managed by Arval, dedicated to long-term lease management services;
- the IT, telecom and copying equipment IBL run jointly by BNP Paribas Lease Group, specialised in equipment financing, and Arius, specialising in the leasing and management of IT equipment;
- the construction, agricultural and transport equipment IBL, which is run by specialists at BNP Paribas Lease Group and Artegy, engaged in the long-term management of heavy industrial vehicles.

Commercial real estate and other assets are managed by the local entities of BNP Paribas Lease Group.



Services offered by Arval

- Purchasing and financing of cars and light trucks under long-term leasing arrangements
- “Vehicle strategy” advisory services
- Strategic advice on fleet management through Arval Consulting
- Vehicle maintenance management, under either fixed-price or cost-plus invoicing models
- Roadside assistance and replacement vehicle management
- Insurance and claims management
- Fuel card management
- Fleet management reporting
- Fleet buyback

The development of Equipment Solutions gained momentum in Europe in 2007 with 74% of Arval's operations and 54.1% of BNP Paribas Lease Group's operations being conducted outside France.

At the end of 2007 Arval had a total fleet of 538,000 vehicles under lease, an increase of 8% from the previous year, and it ranked no. 1 in France and no. 2 in Europe (*source: SNLVLVD*).

BNP Paribas Lease Group has set up over 266,418 finance contracts totalling EUR 20.3 billion, making it no. 1 in Europe in equipment leasing (*source: Leaseurope 2006*).

In France, BNP Paribas Lease Group is no. 1 in the equipment leasing market, with an 18.6% market share (*source: ASF, 2007*).

In Italy, the link-up with Locafit, a subsidiary of BNL, has created a major player in the market: no. 2 in equipment leasing by value of outstandings (*source: Leaseurope 2006*).

Furthermore, the division's short-term wholesale finance business fared particularly well in 2007, registering growth of 19.8% across all countries.

Arval

2007 marked Arval's operational launch in Brazil, Russia and Romania.

The company also set up three new subsidiaries – in Turkey (in cooperation with TEB), India and Greece.

Moreover, a particular subsidiary – Greenval – was created to favour the development of insurance activity.

Arval Netherlands was chosen as the country's best employer (across all sectors) and best leasing company.

Lastly, Arval actively supported sustainable development through such initiatives as:

- Arval France's launch of a “green vehicle” catalogue;
- publication of a “12 Commandments of Sustainable Development” charter.

BNP Paribas Lease Group

2007 witnessed the signing of new partnerships in every country where BNP Paribas Lease Group operates and in all the sectors represented:

- opening of a Claas Financial Services (CFS) branch in Italy. The CFS/SAS joint venture is now operational in five countries: France, Germany, Spain, the United Kingdom and Italy;
- launching of Solutrailers, a full-service semi-trailers business activity in France;
- signing of a commercial partnership with Aloka, a Japanese manufacturer of ultrasound equipment;
- launching of a European-wide multi-brand assistance contract for industrial vehicles of over 3.5 tonnes in partnership with Truck Assistance International Transports Assistance (TAI TA);
- signing of a real estate lease with SCI Grand Cap to extend the “Grand Hôtel du Cap”, a legendary luxury hotel located at Saint-Jean-Cap-Ferrat;
- real estate lease-financing of a clinic for the Orpea Group, a leading player in the long-term care sector in Europe.

BNP Paribas Lease Group is now active in 22 countries – through its own establishments, those of BNP Paribas, or through cooperation agreements with local financial institutions.

BNP Paribas Lease Group's offerings

- Finance leases
- Operating leases and flexible leasing solutions
- Hire and fleet management
- Medium-term financing
- Property and personal insurance
- Financial management of distribution networks (Wholesale Finance)
- Management of brands and joint ventures
- Repurchase of leases and receivables
- Leasing of real estate assets



Services offered by Arius

- Leasing solutions:
 - hardware and software
 - France and abroad
- Dynamic desktop asset management:
 - taking into account administrative, financial, technical and physical aspects
 - online, real-time data management
- Equipment renewal:
 - recycling
 - compliance with waste processing standards relating to end-of-life equipment

Services offered by Artegy

- Full service long-term leasing for commercial vehicles:
 - joint vehicle design, followed by manufacture and delivery
 - inspection follow-up
 - maintenance and tyre management
- Fleet management
- Fleet buyback
- Resale of used vehicles

BancWest

In the United States, the Retail Banking business is conducted through BancWest Corporation, a company formed out of the 1998 merger between Bank of the West and First Hawaiian Bank, wholly-owned by BNP Paribas since the end of 2001. BancWest has completed a number of acquisitions since that date, the latest being Commercial Federal Corporation in December 2005.

Bank of the West offers a very large range of retail banking products and services to individuals, small businesses and corporate clients in 19 states in western and mid-western America. It also has strong national positions in certain niche lending markets, such as marine, recreational vehicles, church lending, and small business administration.

With a market share of close to 40% based on deposits (source : SNL Financial, 30 June 2007) First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and companies.

In total, with close to 12,000 employees, 742 branches and total assets of USD 74 billion at 31 December 2007, BancWest currently serves some 4 million client accounts. It is now the 6th-largest bank in the western United States by deposits.



Bank of the West, Los Angeles

After nine months of sustained growth, the American economy slowed significantly in the final quarter, with GDP dipping to 0.6%. For the year as a whole the economy grew 2.2%, the lowest rate since 2002 and 1% below the average for the 2004-2006 period.

The major downturn in the real estate market first made itself felt in the sub-prime segment before touching off a financial crisis and finally spilling over into the real economy. At the end of 2007, all economic indicators pointed to a slowdown extending far beyond the real estate sector alone.

In spite of the inflationary tensions generated by the weak dollar and rising prices for oil and other commodities, in September 2007 the US Federal Reserve embarked on a fast-paced, far-reaching programme aimed at loosening monetary conditions through successive cuts in key rates – bringing them from 5.25% down to 4.25% – and massive injections of liquidity.

After several years of strong growth and high profitability, operating conditions for American banks took a turn for the worse while competition for both loans and deposits increased. This unfavourable situation for banks was exacerbated by the ongoing inversion of the yield curve (short-term rates higher than long-term rates) leading to a general erosion in intermediation margins. Lastly, credit risks, which had been at historically low levels, deteriorated significantly, particularly during the second half of the year.

Despite this difficult business environment, BancWest kept to the organic growth plan initiated the previous year. Bank of the West's new sales organisation was systematically rolled out and the product and service range was uniformly offered throughout the network, to corporate and individual clients alike. The infrastructure and systems needed to develop cross-selling were put into place. Major investments were made with a view to strengthening the Bank's presence on the corporate market and ten specialised branches were opened during the year. Private banking services were extended to cover the entire network through the organisation of dedicated regional teams.





Bank of the West, Los Angeles

In those of its activities exercised throughout the United States, Bank of the West reported gains in market share, underscoring the quality of its specialised teams. The Bank is now the 3rd-ranking (source: *Ag Lender*) American bank in terms of agricultural financing and the national leader (source: *Statistical Savings Inc.*) in the financing of recreational vehicles.

The economic downturn and the pressure on intermediation margins were thus partially compensated by robust growth in loan volumes and in fees and commissions related to insurance products, capital markets, cash management, etc.

Although Bank of the West was only marginally exposed to subprimes, it had to deal with an increase in the cost of risk, mainly due to the sharp deterioration in the residential construction sector. Nonetheless, thanks to the prudent selection policy applied in previous years, the impact of the crisis was much more moderate than that observed for most market players.

In Hawaii, the economic environment remained much more favourable throughout the year, due to the specific characteristics of the local economy. First Hawaiian Bank strengthened its leading position, turning in excellent performances in terms of both sales and financial income.

At 31 December 2007, BancWest had total assets of USD 74 billion and 742 branches in 20 states. It is now the 6th-largest bank in the western United States in terms of deposits.

Emerging Markets

The Retail Banking in the Emerging Markets business is now present in 34 countries, covering the Mediterranean basin (with more than 670 branches), the Near and Middle East (55 branches), Africa (90 branches), the far east of Europe (1,000 branches), Asia (60 branches in China and 59 in Vietnam via 2 partnerships with local banks) and the French overseas departments and territories (55 branches). Across all these regions, the business operates a total network of 1,993 branches with more than 4 million individual, corporate and business clients and 23,700 employees.

The business has developed rapidly since 2004, and now consists of five times more branches and four times more clients. It has also set up operations in 10 new countries since the end of 2004, both through acquisitions (Turkey and China in 2005, Ukraine in 2006, Vietnam and Libya in 2007) and organic development (Saudi Arabia, Kuwait, Mauritania and Russia).

This change of dimension has been accompanied by restructuring measures, involving the creation of regional platforms and a new commercial strategy focusing on private individual clients and SMEs.

These networks with their fast-growing client bases constitute a unique distribution platform for all of the Group's businesses: partnerships with Personal Finance in Turkey, Ukraine, Algeria, Morocco and China; distribution of CIB's structured products across all networks and integration within CIB's network of Trade Centres; creation of a joint venture with the Private Banking business.

Accelerated expansion

In 2007, the Retail Banking in the Emerging Markets business experienced significant growth in its networks, activities and profitability. Against a deteriorating economic backdrop, the business confirmed its role as the Group's growth driver. The Bank pursued a pragmatic but ambitious strategy in all of its 34 operating territories, focusing on:

- organic growth and the enhancing of product and service offerings in countries with existing operations;
- launching operations in new countries through the creation or acquisition of networks;
- developing partnerships with other Group businesses, bringing together the distribution strength of the Emerging Markets networks and the expertise of BNP Paribas' various businesses.

Existing networks expanded significantly in 2007 with the creation of 187 branches, 103 of which in Turkey, 50 in North Africa and 13 in the Near and Middle East. The business now has 1,993 branches (including in China and Vietnam through partnerships).

The networks' product range was enhanced with new products, often breaking new ground on local markets: Crédit Réserve in Côte d'Ivoire, Kimi Crédit (based on the tontine principle) in Gabon, the Visa Platinum card in Morocco, the first Visa ATMs in Algeria, payment by mobile phone in Turkey and mobile phone banking in Ukraine. Moreover, several subsidiaries in the Gulf region provided their first Islamic financing.

In parallel, recently launched operations – in Saudi Arabia, Kuwait and Mauritania – continue to expand successfully.



In 2007, operations were set up in three new countries:

In **Russia**, the Group began its development in retail banking. Thanks to major recruitment and training efforts, the Russian subsidiary had nearly 300 employees by the end of 2007. With its current focus on corporate finance, the Bank's loan volumes are exceeding initial forecasts. The scope of activity will be broadened in the first part of 2008 through the launch of operations targeting individuals, professional clients, SMEs and development outside Moscow.

In **Libya**, the Group acquired 19% of the capital and operational control of the Sahara Bank in September, with the option of increasing its stake to 51% in three to five years. BNP Paribas and Sahara Bank will be developing several joint programmes, enabling the Bank to take advantage of the rapid expansion of the Libyan economy and the opening of its market to international operators. (see box)

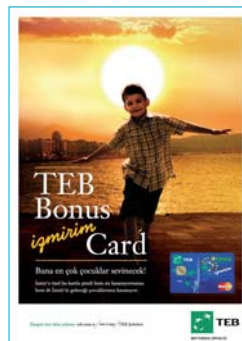
In **Vietnam**, BNP Paribas acquired 10% of the capital of Orient Commercial Bank (OCB) at the end of December and will be increasing its stake in this retail bank to 20%. The terms of the agreement provide for the creation of a strategic partnership to develop the Vietnamese bank's retail banking and consumer finance activities.

In all of these countries, the networks support the development of the Group's other businesses. The recent partnerships with TEB in Turkey and UkrSibbank in Ukraine have spearheaded this strategy. Most of the Group's businesses are already active in these two countries or are exploring opportunities to be so.

The Group is equally active in other geographic areas as witnessed by the operation launches by BNP Paribas Lease Group within BNP Paribas El Djazaïr in Algeria and the extension to Egypt of the partnership with International Private Banking. Collaboration with CIB's businesses is being developed in all operating territories with regard to export and commodity financing and distribution of market products through the networks (particularly in the Gulf countries). Cooperation with BNL was stepped up with the creation of Italian desks in Algeria, Tunisia and Turkey as well as Dubai for the Gulf region. Their services will enable the Bank to support the development of Italian companies in these countries.

The Group's first advances in Libya

Libya, one of the world's largest producers of oil and gas, is gradually opening up its markets and has undertaken far-reaching economic reforms (liberalisation of several business sectors, privatisation of the public sector and major investments, particularly in infrastructures). Growth prospects are therefore highly favourable. As part of the restructuring and privatisation of the banking sector, BNP Paribas was chosen by the local authorities as Sahara Bank's strategic partner. The Group has thus become the first foreign bank to operate as a full-service bank in this country. Tripoli-based Sahara Bank was founded in 1964 and has 1,500 employees. It is the 2nd-largest bank in the country in terms of assets and has a network of 48 branches in 26 cities. Its client base consists of major public companies, Libyan and foreign companies and more than 300,000 individual and small business clients. In terms of loans and deposits, its market shares are 17% and 22% respectively. This partnership reinforces the Group's presence in the Mediterranean basin, which is one of its priority development areas and a region where the Group can now boast an unrivalled platform. The partnership will provide opportunities for many synergies with the Group's various businesses and entities. BNP Paribas also opened a representation office in Libya in 2007.



Enhanced presence in high-potential countries

The Emerging Markets business concentrated its development efforts on countries where banking markets are expanding rapidly.

Mediterranean basin

In Turkey, Türk Ekonomi Bankası (TEB), whose holding company, TEB Mali, has been 50%-held by BNP Paribas since February 2005, is growing at an accelerated rate. Since December 2005, the network has grown threefold to more than 270 branches, enabling TEB to serve 1.3 million clients. This dynamism is bolstered by a strong capacity for product innovation. Through the creation of Turkish desks in Algeria, Egypt, Israel, Ukraine and Russia, and the opening of branches in neighbouring countries, TEB supports its clients' international development.

Now present throughout North Africa, the Group's over 400 branches represent a unified platform for this fast-growing market. Local subsidiaries hold leading positions in Morocco (no. 3) and Libya (no. 2) for the outstanding loans. Operations in Algeria are expanding rapidly. Launched in 2002, BNP Paribas El Djazaïr now has 36 branches. The subsidiary is mainly orientated towards corporate and trade finance and individual clients. In order to strengthen its position on the SME market and actively assist the development of Algerian companies, BNP Paribas El Djazaïr created the Académie des PME (the SME Academy) modelled after the TEB Kobi Akademi in Turkey. Similar programmes are planned in the business' other territories.





Far east of Europe

In Ukraine, UkrSibbank (in which BNP Paribas acquired a 51% stake in April 2006) has enjoyed fast-paced development since its acquisition with the opening of 217 new branches and the implementation of major restructuring efforts – simplification of processes, stronger training and management efforts, improved internal control and risk management, etc. In parallel, local partnerships have been set up with Cetelem, BPLG and Cardif. UkrSibbank is also supporting the launch of other Group businesses (Arval, Atisreal and BNPP Asset Management). A partnership with AXA, strengthened by the joint acquisition of the 6th-largest local player, enabled AXA and UkrSibbank to achieve the 4th-ranking position on the property and casualty insurance market. UkrSibbank is now the country's 3rd-largest bank in terms of assets and has been named bank of the year in Ukraine by Euromoney and Global Finance.

In Russia, the Group invested in the organic development of a local bank network.

Near and Middle East

BNP Paribas is currently implementing a large-scale expansion plan in Egypt. The Gulf States are served by the regional headquarters in Bahrain, which is responsible for six territories: Bahrain, Abu Dhabi, Dubai, Qatar, Saudi Arabia and Kuwait. A new branch was opened in Jebel Ali in the United Arab Emirates. The Group also has operations in Cyprus and Lebanon. A partnership with the International Private Banking business line offers comprehensive wealth management solutions for the entire region.



Asia

In China, the Group is developing a strategic partnership with Bank of Nanjing, in which it holds a 12.6% stake. The two banks have begun to cooperate closely in retail banking and consumer credit as well as processes, risk management and organisation. In 2007, Cetelem launched a consumer credit business in Nanjing. The listing of the Bank of Nanjing on the Shanghai Stock Exchange made it possible to raise the necessary funds to continue the geographic expansion begun in 2007.

In parallel, the Group signed a strategic partnership with the Vietnamese bank Orient Commercial Bank (OCB).

Africa – French overseas departments and territories

BNP Paribas' operations in Africa are organised around the network of Banque Internationale pour le Commerce et l'Industrie (BICI). With 90 branches located in six countries (Burkina Faso, Côte d'Ivoire, Gabon, Guinea Conakry, Mali and Senegal), the Emerging Markets business manages one of the largest banking networks in French-speaking Africa. The business also has operations in Madagascar. In the French overseas departments and territories, it has 55 branches and enjoys prominent market positioning.



[BNP Paribas and AFD, partners in microfinance and sustainable development](#)

In March, BNP Paribas signed a framework agreement with AFD (the French Development Agency) in the areas of microfinance and sustainable development. The agreement applies to countries where both organisations operate and strengthens institutional links as well as existing partnerships, particularly in North Africa, sub-Saharan Africa, Turkey and the French overseas departments and territories. Financing of microfinance institutions or SMEs, combined with the issuance of guarantees by AFD through its ARIZ fund or

its subsidiary Proparco, has already begun in Madagascar, Guinea, Senegal and, more recently, Mali. The Mali BICI has just granted a loan to the microfinance institute Miselini, which finances the small businesses and craft industries of about 14,000 women in the disadvantaged areas of Bamako. In several countries, the Group's subsidiaries also receive long-term refinancing from AFD for client projects related to sustainable development. Two agreements for EUR 40 million were signed in 2007: with TEB (Türk Ekonomi Bankası) in relation to social responsibility and with three Tunisian banks, including UBCI, for environmental projects.



BNL
O BNP PARIBAS



BNL
Wix
Il Segreto
del Regno Perduto
Vieni a scoprire
il mondo delle WIX

CONTO
BNL REVOOLUTION
ENTRA
E INFORMATI

CONTO
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E INFORMATI

BNL, Roma

E INFORMATI





BNL

commerciale

Banca BNL bc

BNL banca commerciale

BNL banca commerciale (BNL bc) plays an important role in the Italian banking system in a context of rapid restructuring marked by an acceleration in the consolidation process between Italian banks, particularly the larger ones, and by the introduction of a regulatory framework which is much more geared towards competition and consumer protection. BNL banca commerciale has a large and diversified client base consisting of:

- around 2.5 million individuals and 13,000 Private Banking clients;
- more than 112,000 small businesses;
- more than 36,000 mid-corporates;
- 16,000 local authorities and non-profit organisations.

BNL bc has a comprehensive and segmented offering of banking, financial and insurance products and services, which range from the traditional to the most innovative, and are structured to respond to the needs of each client category.

In Retail and Private Banking, BNL bc has particularly strong positioning in the loan business (especially residential mortgages with market share of over 6% and is gaining ground in the deposits segments (market share of more than 3.5% ⁽¹⁾).

Relationships with companies and local authorities are also a strong point, with BNL bc holding market share of around 4.5% ⁽¹⁾ and 6% ⁽¹⁾ respectively in these segments, along with a well-established reputation in cross-border transactions, project financing and structured finance, as well as factoring, which is offered through a specialised subsidiary Ifitalia (rated no. 3 ⁽²⁾ in Italy by portfolio).

With a view to developing this client base as much as possible, BNL bc has reorganised its distribution model so as to increase direct contact with clients, reinforce the central role and flexibility of the sales network and improve communication of commercial policy regarding both innovative and standard products. Within a multi-channel framework the network has been divided into 5 regions ("direzioni territoriali") with the Retail Banking and Corporate Banking activities being run as separate structures:

- 125 Retail Banking groups with more than 700 branches;
- 23 Private Banking Centers;
- 21 Corporate Centers with 51 branches dealing with SMEs, large corporates, local authorities and public sector organisations.

In addition, five Trade Centers have now been opened. These units offer companies a range of products, services and solutions for cross-border activities and complete BNP Paribas' international network which consists of 85 centers spread over 55 countries. At the same time, BNL has strengthened the network that assists Italian companies abroad as well as multinational companies with direct investments in Italy, by opening 8 Italian desks in different countries.

The multi-channel offering is rounded out by around 1,300 ATMs and 20,000 POS, as well as telephone and online banking services for both private clients and businesses.

The reorganisation also involved the adoption of a new structure that brings the back office closer to the distribution network through the creation of specialised local units in five regions. The aim of the new model is essentially to increase satisfaction of both internal and external clients through higher quality and more effective service and better management of operating risk.

⁽¹⁾ Source: Bank of Italy statistics.

⁽²⁾ Source: Assifact.



Strategy highlights

During 2007 BNL banca commerciale (BNL bc) effectively followed the value creation path defined in the 2007-2009 BNP Paribas Group integration plan, by focusing on three fundamental goals:

- investing for organic growth, especially through a revitalisation of its strong national franchise and relations' framework;
- boosting BNP Paribas' existing activities by plugging a powerful distribution network to world-class product factories;
- maintaining a close control on the cost base by optimising the efficiency of both the functions and operations (back offices), while ensuring an adequate programme of training and renewal of its staff.

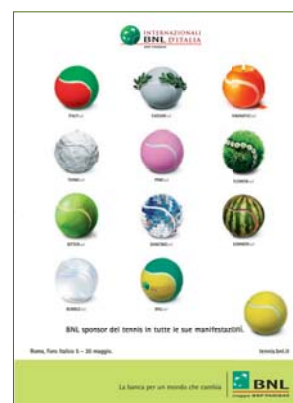
With regard to operating efficiency, 2007 initiatives have led to significant results, first of all, in terms of staff quality and cost optimisation: the early retirement plan has been substantially anticipated coupled with an innovative recruitment campaign designed to hire first-class young professionals almost entirely dedicated to commercial structures (around 770 people by year-end 2007); the training programme more than doubled in comparison to the previous year, covering the majority of the main commercial roles under the new organisational network; several activities have been dedicated to an effective change in management both at central and network level.

Tennis sponsorship

Since the acquisition by BNP Paribas Group, BNL is strongly engaged in developing tennis at all levels in Italy, in the belief that it is a powerful instrument for social aggregation and valorisation, which can boost BNL's awareness and help support business. In 2007 BNL has become Title Sponsor of the "Internazionali BNL d'Italia" with an agreement that will last until 2011. This tournament is the most important tennis event in Italy, with an attendance of 144,000 people, total

satellite TV coverage and with semi-finals and finals broadcasted by one of the leading Italian TV's, a total audience of 144 million people and a TV coverage of 270 hrs. BNL invited more than 4,000 guests from different markets and BNP Paribas poles, and enjoyed major visibility also thanks to a dedicated advertising campaign, and an important press coverage delivering almost 500 articles. During 2007 the partnership between BNL and tennis has further increased through the support of other important tournaments

such as the BNL Revolution Cup, Inter banks Italian and European tournaments as well as the organisation in Italy of the Davis Cup and the Fed Cup by BNP Paribas tournaments in Italy, including the World Juniores matches in Reggio Emilia. Furthermore BNL also supports handisport tennis (the Wheelchair tennis Master of Rome and the "3rd ITFR World Tennis Championship-Rotarians' Tennis Meeting").



Retail & Private business

First tangible results from new policies

The positive performance of BNL bc Retail & Private business is the result of a considerable number of key initiatives launched in the course of 2007:

- to carry out a reorganisation of the client segmentation and the definition of a revised service model;
- to revitalise customer acquisition potential, through a far-reaching and innovative programme of specific campaigns and initiatives, supported by competitive advertising and the creation of the basis for the development of a truly multi-channel distribution network;
- to strengthen customer retention, with the introduction of new prediction models and the monitoring of clients at risk whilst enhancing a proactive approach also through anti-attrition offers;
- to re-define product offering with a dual approach of rationalising the product range on the basis of the new segmentation whilst increasing product innovation;
- to increase Private Banking Assets Under Management in order to improve profitability and customer satisfaction by integrating upper affluent clients from Retail;
- to provide a new focus on communication with 5 advertising campaigns on an innovative cinema format, allowing a revamping of brand awareness and image towards progress and innovation.

A year of intense product innovation

BNL bc has committed to a complete overhaul of the product offer in the course of the year with the launch of new and innovative products exploiting BNP Paribas' know-how and world-class product factories.

■ An innovative approach to segmentation

An innovative approach, based on customers' real potential and adapted from the Group's French experience, has been introduced in BNL bc:

- the Individuals market has been divided into 7 segments based on income, wealth, age, product portfolio and profession, designing a specific strategy for each segment;
- business customers have been divided into two segments: small businesses (up to EUR 750,000 of annual turnover, branch service model designed to also capture individual side potential) and SME (up to EUR 5 million of annual turnover, service model based on dedicated relationship managers). In each category the focus is given to high potential/high income/low risk clients.

■ "Revolution" line of products

The "Revolution" line of products aims to introduce new attractive solutions on traditional products and to leverage on innovation to attract new clients. It covers a range of products like:

- "BNL Conto Revolution": flexible current account providing a unique pricing model payable only in the month the branch is used by the customer. This pricing model encourages the free usage of remote channels (ATM, phone, internet) transferring part of the cost benefits to the customer. The introduction of this product has resulted in an increase in account openings of nearly 40% compared to the previous year; coupled with decreasing closures. This has brought about a trend reversal in net current accounts which in 2007 returned to positive territory with 6,500 net new accounts after several years of significant net outflows;



- “BNL Mutuo Revolution”: residential mortgage offer with the unique combination of loan-to-value up to 100%, duration of up to 40 years and fixed interest rate and “BNL Prestito Personale Revolution”: personal loan with a duration of up to 120 months and for amounts up to EUR 100,000. With these two products BNL aims at increasing the accessibility of loans for young couples, one of the growing segments of the market, currently under represented in BNL’s customer portfolio. After the launch of these products, production of both residential mortgages and consumer credit have significantly accelerated;
- “BNL Libretti di risparmio Kids”: a successful co-marketing experience with major movies (*Arthur and the Minimei*, *Pirates of the Caribbean*, *The Winxs*) dedicated to young customers and generating 28,000 new savings accounts in 2007.

■ Asset Management products

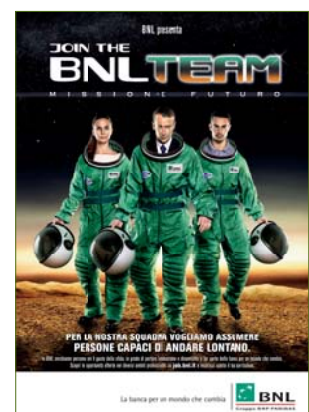
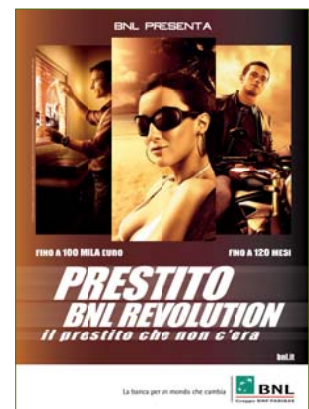
As a consequence of the strong co-operation between BNL bc and BNP Paribas product factories, BNL bc’s Asset Management offer has been characterised by wide-ranging innovation, targeting two main areas:

- revising and rationalising the mutual fund offer: “BNP Paribas Equipe”: structured around three different investment profiles to match clients’ risk appetite and with a flexible management style based on bonds and equity mix, “BNP Paribas 100% e più”: coupling capital guarantee with the possibility of benefitting from equity market trends in three different geographical areas Europe-wide. The two products have gathered EUR 1.7 billion in six months;
- in order to add value and attractiveness to the whole range of investment products, in the course of 2007 BNL has also started distributing certificates of BNP Paribas: equity protection, twin win, jet and other products dedicated to Private Banking clients, gathering a total of almost EUR 200 million.

■ Insurance and Credit Protection products

Insurance and Credit Protection products – strengthened by the effective co-operation with BNP Paribas product factories – have represented a key profitability driver in the 2007 performance of Retail & Private, thanks to:

- the placement of significant amounts of both unit-linked and index-linked life insurance products, allowing BNL bc to rank amongst the top banking players in the industry in terms of gross premiums;
- the revitalisation of credit protection offering: “BNL Serenity”: dedicated to residential mortgages protection, “BNL Continuity”: dedicated to protect business continuity from life events. Since the launch of these products, the percentage of capital protection on new lending has almost tripled, increasing from less than 20% at the beginning of the year to 50% over the last months of 2007;
- in October BNL bc has started selling “Serenity” also to the existing stock of mortgages, assuring EUR 210 million in mortgages in 2007.



Corporate business

The basis for sustainable growth in profitability

2007 was a year of far-reaching renovation for the Corporate business of BNL bc centred around the following areas:

- re-design of the network aimed to improve client service level also through a new segmentation approach designed to enhance cross-selling with CIB and introducing 25 senior bankers dedicated to top Mid Cap clients;
- introduction of product specialists and risk structures throughout the entire commercial network;
- enhancement of product offer especially in cash management, trade finance and structured finance deals with SMEs;
- full integration into BNP Paribas' international reach, thus providing client access to 85 countries and strengthening the presence in the Mediterranean area;

This business has achieved significant results in the year, confirming BNL bc's historical role as a reference bank for both companies and local authorities and leveraging on the vast synergies potential offered by the international presence and first-class product factories of BNP Paribas Group, notwithstanding a challenging market environment where the introduction of new regulations, especially penalising on loans' pricing, coupled with higher interest rates, has adversely impacted the margins at industry level.



BNL, Roma

Corporate Social Responsibility

In BNL Corporate Social Responsibility aims to achieve choices of sustainable development. The concept of sustainable development is based on three closely interrelated principles:

- 1) social equality, in the sense of fairness and impartiality between generations;
- 2) environment preservation, meant as maintenance of the stock of natural resources and biological diversity;
- 3) economic competitiveness, meant as the ability of the economic systems to create wealth assuring social cohesiveness and respect for the environment.

In particular, BNL's commitment to social needs finds its best example in the partnership with Telethon, the most important fund raising initiative in Italy and in Europe. BNL has been supporting Telethon Fondazione Onlus for the past 16 years, raising over EUR 172 million (about half the total amount gathered) for scientific research on

genetic diseases. In this way BNL has supported more than 2,000 initiatives and over 460 discoveries of great scientific value. In 2007 BNL enhanced its support for Telethon by launching a prepaid card "MyCash BNL per Telethon" and a three-year bond "BNL Step", whose transaction fees are devolved by BNL to Telethon. Furthermore BNL is an active supporter of sports, art, culture, music, theatre and cinema; as part of this, BNL is the main partner of "Cinema Festa Internazionale di Roma" a major event for both professionals and cinema lovers.



- structured finance deals with SMEs more than doubled whilst the first joint deals with CIB grew especially in the second part of the year;
- opening 5 Trade Centers in Italy and 8 Italian Desks in particular in countries of the Mediterranean area and Russia has created the conditions for a rapid expansion of cross-border and other international-related products and services;
- on the basis of a new integrated platform with BNP Paribas, the cash management offer was re-designed in the last months of 2007, coupled with an innovative advertising campaign;
- local authorities relations have been consolidated and strengthened, resulting in an improvement in the market position and a considerable growth of the related profitability.

A stronger control of risks

As part of the alignment to BNP Paribas' standards and of the strict attention placed by BNL bc on its risk profile, the credit approval process has been integrated with the "4 eyes" concept; as a result credit approval decisions are to be shared by commercial and risk management structures. The new concept introduces the following changes in the credit approval process:

- a binding credit opinion is to be provided by the risks structure which forms integral part of the credit approval;
- the commercial division is responsible for the credit approval;
- a team of specialised credit analysts has been set up to provide credit opinions;
- should the commercial and risk opinion diverge, the approval process escalates to a higher approval level.







Asset

management and services

Asset Management & Services

The Asset Management and Services core business comprises all of the Group's investor services businesses and leads the BNP Paribas asset gathering effort. One of the foremost players in Europe, AMS offers fund management and discretionary asset management services, backed by a range of high value-added investor services.

AMS leverages expertise in three main areas:

- Wealth and Asset Management, comprising Asset Management (BNP Paribas Investment Partners), online brokerage and personal investment services (BNP Paribas Personal Investors), Private Banking (BNP Paribas Banque Privée) and Real Estate Services (BNP Paribas Immobilier);
- Insurance (BNP Paribas Assurance);
- Securities Services for corporate clients, fund managers and financial institutions across the globe (BNP Paribas Securities Services).

Through these six businesses, which employ a total staff of 23,500 in some 60 countries, AMS offers a comprehensive range of products and services to a broad investor clientele, including institutional clients, corporations and private individuals.

In 2007 each AMS business was a leader in its market both in France and at a European level.



BNP Paribas, Madrid

BNP Paribas Private Banking

Private Banking offers high value-added products and services designed to respond to the expectations of a sophisticated, wealthy clientele.

The Private Banking offering includes:

- **wealth management services:** estate planning and advisory on holding structures;
- **financial services:** advisory on asset allocation, investment products, securities, discretionary portfolio management;
- **expert advisory in specific fields:** art, real estate and rural property in particular.

The Private Banking model is based on the notion of global advisory and servicing along the whole wealth cycle. To provide its clients with products and services that best fit their individual needs, BNP Paribas Private Banking has adopted an open architecture approach in terms of offering. It hence creates wealth solutions sourced from the Group's other businesses (Asset Management, Securities Services, Insurance, Corporate Finance, Fixed Income, Equity Derivatives, etc.), as well as external providers.

BNP Paribas Banque Privée employs over 4,300 dedicated professionals and is present in over 30 countries, primarily in the major private wealth management centres in Europe and Asia.

BNP Paribas Banque Privée is no. 1 in France with EUR 63 billion in client assets and a reinforced network of 222 Private Banking Centres nationwide, plus a wealth management department specialising in clients with more than EUR 5 million in assets. It ranks no. 5 in western Europe, where it is rapidly developing its presence in domestic markets (*source: 2008 Euromoney rankings*), and is one of the Top 3 private banks in Asia (*source: Asiamoney 2007 rankings*).

At end-2007, BNP Paribas Banque Privée overall held over EUR 157 billion of client assets on behalf of its clients.

Fast-paced expansion and a clear improvement in profitability

In a mixed context for the financial industry, BNP Paribas Banque Privée achieved a marked improvement in its results in 2007 and continued to develop its commercial operations at a brisk pace.

Product development

- Strong growth in transaction activity, driven by equities and increasingly sophisticated structured products.
- Significant enhancement of the alternative investment offering with the promotion of numerous private equity products (including PAI Europe V), continued development in hedge funds and the expansion of real estate and ethical funds (campaigns targeting sophisticated investors).
- Continued development of discretionary management following the expansion of the offering and innovative mandates carried out in 2007.
- Overhaul of broker monitoring and validation procedures and development of a product scoring system to comply with the European Markets in Financial Instruments Directive (MiFID).



Responsible investment, sustainable development and philanthropy are essential components of the advisory and investment services offered by BNP Paribas Banque Privée.

A specialised team assists clients with services such as a foundation specifically dedicated to helping private clients with their philanthropic ventures and a range of innovative investment funds focusing on micro-credit, renewable energies and waste or water treatment.

For its larger clients, mindful of the heritage to be passed on to future generations, the Private Banking activity organises a major conference on philanthropy and sustainable development each year. In 2007, the event was presided over by Amartya Kumar Sen (Nobel Prize for Economics) and drew speakers as diverse as Franck Riboud, the Chairman of Danone, Yann Arthus-Bertrand, Alice Dautry for the Institut Pasteur, Pamela Hartigan of the Schwab Foundation and Ronald Arculli of the Hong Kong Stock Exchange. This conference, which has become renowned in the world of philanthropy, brings together private clients of around 30 different nationalities.



P^r Amartya Sen

Customer development

- Improving commercial organisation with a view to optimising the efficiency of the sales force. Enhancing the management tools used by front-line commercial staff and adapting the offering to client needs through client segmentation.
- Setting up special Family Office and Independent Asset Manager structures in Europe.
- Strengthening the Corporate Advisory approach, particularly in Italy and France.
- Consolidating the organisation specialising in ultra high net work individuals and expanding the product offering.
- Developing the sales force, particularly in Asia.

Continued efforts to improve operating efficiency

- Adapting the Private Banking organisation to European MiFID rules and providing clients with specialised assistance in this domain.
- Launching a re-engineering programme aimed at improving the efficiency of processes in Private Banking as part of a quality drive.
- Overhaul of operating and technology systems at the branch office in Greece.
- Continued development of asset management tools and improvement of client reporting systems.
- Continued strengthening of the risk monitoring system.

Sustained profitable growth momentum

In 2007, BNP Paribas Banque Privée continued to implement its strategy focused on organic growth and targeted acquisitions.

The Private Banking activity significantly broadened its international reach again in 2007 in the world's new wealth regions, notably Asia, thanks to the intense recruitment of commercial teams.

Meanwhile, it continued to strengthen its positioning in southern Europe and Benelux. In Italy, the internal joint venture model with the BNL bc network was set up and should be running at full strength in 2008. In the Netherlands, the acquisition of the private banking arm of KAS Bank by Nachenius Tjeenk, the Dutch Private Banking subsidiary, underscoring BNP Paribas' leading status in this attractive market.

In France, BNP Paribas Banque Privée successfully acquired Dexia Banque Privée France which was merged with BNP Paribas SA on 1 January 2008 and renamed Banque Privée Anjou. As a result of this major operation, the Private Banking business confirmed its leadership in the French domestic market, a position which was further highlighted when it was awarded the title of "Best Private Bank" by *Euromoney* magazine in January 2008.

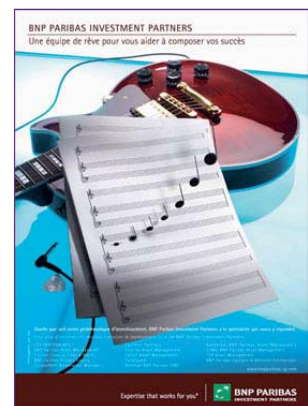
BNP Paribas Investment Partners

BNP Paribas Investment Partners combines all the Asset Management businesses of BNP Paribas. A single platform providing simplified and immediate access to a vast range of specialised partners, BNP Paribas Investment Partners is one of the biggest names in Asset Management in Europe. At 31 December 2007, total assets under management stood at EUR 344 billion ⁽¹⁾ of which almost half were held on behalf of institutional clients. With 2,000 professionals serving clients in more than 70 countries, BNP Paribas Investment Partners draws on more than half a century of experience in Asset Management and has enjoyed strong growth over the last decade, punctuated by targeted acquisitions and the creation of joint ventures.

This solid development reflects a clear multi-specialisation strategy and a partnership approach which has enabled BNP Paribas Investment Partners to consistently enrich its product and service offering with the support of companies who are experts in their particular field.

BNP Paribas Investment Partners is present in the major financial centres, including Paris, London, New York, Tokyo and Hong Kong. It also has first-rate knowledge of new markets thanks to its teams in Brazil, South Korea, China, India, Morocco and Turkey. With 250 client relationship managers in 30 countries, BNP Paribas Investment Partners has a local presence that brings it closer to its clients.

⁽¹⁾ Including assets under advisory



Record growth for EasyETF

In just over two years, EasyETF tracker assets under management have grown more than tenfold to exceed EUR 4.6 billion at the end of 2007 with a high degree of popularity in Asia. EasyETF trackers have more than lived up to their reputation as “off the beaten track” trackers by enhancing their offering with numerous innovative products including the first Islamic ETF on a global equity index.



2007 was marked by the launch in May of BNP Paribas Investment Partners, a brand which encompasses all the expertise of BNP Paribas' asset management businesses.

This brand shows how, building on the existing know-how of BNP Paribas Asset Management in fundamental asset management, the business has progressively developed new areas of expertise through a multi-specialisation strategy based on setting up innovative partnerships with leading specialists in each new domain.

BNP Paribas Investment Partners therefore combines the best of both worlds: the financial security and highly efficient control systems of a large organisation and the proximity of a large distribution network, combined with the responsiveness, specialisation and entrepreneurial spirit of smaller asset management companies.

In 2007, this unique model once again enabled BNP Paribas Investment Partners to achieve strong growth, despite a sharp deterioration in market conditions in the third quarter. Strong international development in recent years has provided BNP Paribas Investment Partners with a solid source of growth:

- In Italy, where synergies between local teams and BNP Paribas Asset Management teams in Paris resulted in the successful launch and placement through the BNL network of numerous structured products. At the

same time, the range of products distributed by BNL was entirely reworked in 2007 to respond to the needs of differing client categories;

- The portfolio of managed assets in the Middle East grew by more than 60% in 2007 thanks in particular to numerous mandates from large institutions;
- The "new markets", particularly South Korea and Turkey, enjoyed solid momentum which led to a greater than 50% increase in their managed assets. In addition to local demand which remained very buoyant, foreign investors showed a keen interest in these countries as they sought to improve their geographical diversification.

[Impax, BNP Paribas Investment Partners' specialist in environmental funds](#)

BNP Paribas Investment Partners has enriched its range of products and services by acquiring 29.4% of Impax, an asset management company specialised in environmental markets and listed on the London Stock Exchange. The partnership between the two companies began eighteen months ago with the launch of the Parworld Environmental Opportunities fund and will be strengthened to cover the management and distribution of funds in certain parts of Europe, Asia-Pacific and the Middle East.

[BNP Paribas Asset Management confirms progress in the field of sustainable and responsible investment](#)

With more than EUR 8 billion in assets under management and advisory at the end of December 2007, BNP Paribas Asset Management is a major player in sustainable and responsible investment. This commitment is illustrated by the driving role played by BNP Paribas Asset Management in numerous global initiatives focusing on key issues such as climate

change and supporting extra-financial research. Thus in 2007 BNPP AM became a partner to the Carbon Disclosure Project after signing the United Nations Principles for Responsible Investment at the end of 2006. Furthermore, BNPP AM holds the vice-presidency of the Institutional Investors Group on Climate Change (IIGCC) and is a founder member of the Enhanced Analytics Initiative (EAI).

[BNP Paribas Investment Partners: unique knowledge of new markets](#)

The asset portfolios managed by partners of BNP Paribas Investment Partners in new markets (Brazil, Argentina, India, China, South Korea, Turkey and Morocco) grew by more than 50% in 2007, reflecting growing investor interest in these regions. South Korea stands at the top of the list among these countries, having reported record net inflows over the year. At the end of December 2007, BNP Paribas Investment Partners was one of the largest global players in these new markets with EUR 33 billion in managed assets.



BNP Paribas, Mumbai



BNP Paribas, Madrid

BNP Paribas Investment Partners also continued to broaden its expertise by setting up a new partnership with Impax, a company specialised in environmental funds. Enriched by this recent addition, BNP Paribas Investment Partners' product and service offering has three main focuses:

- Clearly defined expertise:
 - fundamental asset management (BNP Paribas Asset Management);
 - management of international rates, credit and structured credit instruments (FFTW);
 - management of environmental funds (Impax);
 - alternative investment strategies (CooperNeff Alternative Managers, Fauchier Partners);
 - currency management (Overlay Asset Management);
 - private equity (BNP Paribas Private Equity);
 - multi-management (FundQuest).
- Specialised teams devoted to specific investor categories:
 - wealth management (Cardif Asset Management, BNP Paribas-Discretionary Portfolio Management);
 - company long-term savings and pension schemes (BNP Paribas Épargne & Retraite Entreprises).
- Pioneering entities in new fast-growing markets such as:
 - Latin America (BNP Paribas Asset Management Brazil and BNP Paribas Asset Management Argentina);
 - China (SYWG BNP Paribas Asset Management);
 - India (Sundaram BNP Paribas Asset Management);
 - South Korea (Shinhan BNP Paribas ITMC);
 - Turkey (TEB Asset Management);
 - Morocco (BMCI Gestion).

BNP Paribas Investment Partners has also formed strategic alliances with a view to offering:

- a complete range of trackers under the EasyETF banner;
- multi-currency AAA-rated money market funds under the Cash Funds International banner.

BNP Paribas Asset Management rethinks the organisation of its management teams

To optimise complementarities among its various business lines, BNP Paribas has chosen a new organisational structure built around three units:

- Alpha management, encompassing money-markets, European fixed income, European equities, US equities, Japanese equities, and global and emerging market equities.
- SIGMA portfolio management, which includes structured and capital-guaranteed investment management, index-linked portfolio management and ETFs, balanced fund management and asset allocation.
- IBS (Investment & Business Solutions), proposing expertise and solutions to assist all investment management teams in their bid to offer new sources of added value such as sustainable and responsible investment.

Increasing innovation at BNP Paribas Épargne & Retraite Entreprises

The first French company to adopt a global approach to employee savings and retirement schemes back in 2003, BNP Paribas Épargne & Retraite Entreprises strengthened its position as the market benchmark in retirement savings by once again turning in an excellent performance with more than EUR 2.5 billion in total inflows. 2007 was a year of major innovation with the extension of the Vision Globale e-service to stock options and company shares and the creation of websites to handle transactions relating to company retirement savings schemes and defined contribution pension plans.



BNP Paribas Personal Investors

BNP Paribas Personal Investors offers independent financial advice and a wide range of investment services across multiple distribution channels to high net worth individuals. This business line brings together three major players in the private investment field:

- Cortal Consors is the leading personal investment and online brokerage firm in Europe, providing personalised investment advice and online trading services in five European countries – Germany, France, Spain, Belgium and Luxembourg. Cortal Consors offers clients its investment advisory experience through several channels – online, telephone or face to face. It offers a broad range of independent products and services including short-term investment solutions, mutual funds and life insurance products, backed by leading-edge online brokerage technologies;
- B*capital, a brokerage firm, specialises in personalised advice on securities and derivatives as well as discretionary management for high net worth clients. It offers its clients direct access to all markets, financial analysis, personalised portfolio advisory and portfolio management services;
- Geojit is one of the leading retail brokers in India. It offers brokerage services for equities, derivatives and commodities as well as financial savings products, mainly to private individuals. Geojit also operates in the United Arab Emirates where it targets a non-resident Indian clientele. BNP Paribas is its main shareholder.



At 31 December 2007, BNP Paribas Personal Investors had 1.56 million clients and EUR 32.2 billion worth of managed assets, with 37% in equities, 43% in savings products or mutual funds and 20% in cash. BNP Paribas Personal Investors employs 4,147 people.

The goal of BNP Paribas Personal Investors is to be a leading broker in personal investment and online trading services in Europe and in international markets that offer strong savings potential, such as emerging markets.

Strategic development

BNP Paribas took a 27.18% stake in Geojit Financial Services Ltd and became its main shareholder.

BNP Paribas Personal Investors, the new business line within AMS, was created and includes Cortal Consors, B*capital and Geojit.

Cortal Consors Germany bought the Financescout24 advisory network and doubled the number of mobile advisers from 80 to 160. This acquisition strengthens the multi-channel strategy of Cortal Consors in Germany and meets clients' need for independent investment advice.

Cortal Consors Germany opened 15 new locations for its advisory unit Cortal Consors Select, which now has 21 offices throughout Germany.

The Singapore Expatriates Desk offers investment services to European expatriates in Asia with the support of Cortal Consors Luxembourg.

Geojit and BNP Paribas Securities Asia signed a joint venture to serve institutional clients.

Geojit obtained a licence to operate in Saudi Arabia through a joint venture Aloula Geojit Brokerage.

Geojit and Bank of Bahrain signed a partnership agreement to provide Indian brokerage services and mutual funds to Indian nationals residing in Bahrain.

Awards

Cortal Consors was ranked no. 8 (no. 3 at the retail level) in *Institutional Investor* magazine's "Online Finance" listing of the top international (non-US) financial technology innovators.

Cortal Consors Germany was elected "Online Broker of the Year 2007" by more than 50,000 traders voting via *brokerwahl.de*.

The German Institut für Vermögensaufbau (Institute for Personal Asset Creation) has certified the quality of management of Cortal Consors Germany's fund portfolios. The institute gave the portfolios a five star rating and noted "the portfolios are excellently suited for asset creation".

In France, Contrat Majeur + received two awards in *Le Revenu's* evaluation of life insurance contracts: the "Gold Trophy" in the multi-products category and the "Interactivity Award" for the flexibility of its Smart Account.

Dun&Bradstreet ranked Geojit 5th among India's equity brokerage houses. Geojit is the leading broker in South India.

Innovation in products and services

B*capital provides equity advisory services to Cortal Consors clients in 4 European countries: Service Conseil Expert B*capital for Cortal Consors France, Trading Beratung in Germany, Stock Advice in Luxembourg and Cuenta Asesorada in Spain. These services give access to B*capital expertise on local and European equities and combine three approaches: fundamental, technical and quantitative.

Cortal Consors and B*capital were the first in France to allow trading on 150 SRD-eligible French securities from 8 am to 10 pm through Tradegate, an alternative trading platform. The "best location order" is a free service which allows clients to optimise their transactions. The intelligent routing system automatically sends the client's order to the Stock Exchange offering the best price.

Cortal Consors France launched "Scenario Orders" to programme order strategies: orders are only sent to the market if and when the expected scenario(s) occur(s). Among the Scenario Orders, the "Conditional Order" is especially innovative as it allows clients to position themselves on a stock based on the trend of another stock or index.

Cortal Consors promoted a successful asset gathering "Goldrush" campaign, both in Germany and in France: clients received gold biscuits after transferring assets from other banks to Cortal Consors.

Cortal Consors France offered "Garantie 12", a new time deposit account for investors looking for a safe, easy-to-use product with an interest rate which is guaranteed for twelve months. The rate is updated each week on the website.

Geojit launched a mutual funds online platform.

Cortal Consors Spain launched Cuenta Multiplica to increase traders' purchasing capacity via a credit line. This product is focused on the most active investors and/or those needing medium term leverage lending. In the saving area, Cuenta Activa is a highly competitive, high interest-bearing account offering liquidity and monthly payment of interest.

Cortal Consors Belgium launched a structured product, "Ultim8", developed in cooperation with BNP Paribas in Belgium.

Cortal Consors Luxembourg developed a highly secure new website. From anywhere in the world, private investors can check their accounts, perform transactions and get access to information and help in decision-making in three languages: English, French and German.



In light of the success of the first two "Investir utile" initiatives in 2006, Cortal Consors France launched two new operations in 2007. Clients were given the opportunity to invest in a selection of environmental and sustainable funds with reduced entry fees. 2% of the amount collected was used to fund a sustainable development project in the

Hassan district of South India. The main aim of this project is to recycle waste while producing energy in the form of biogas and compost for agriculture.

Cortal Consors Germany was one of the three founders of the Börsianer Handeln initiative; the first project is the construction of a school in Ushpa-Ushpa,

a small city in Bolivia. The opening of the school is planned for spring 2008 and will have up to 1,600 pupils.

Geojit received recognition from the Governor of Kerala for its Corporate Social Responsibility efforts: working through the NGO CASP, for the last two years Geojit has been supporting the education and

personality development of 350 children from 3 villages in Kerala.

Geojit is the main sponsor for Nanma, an initiative providing educational support to 1,000 underprivileged students in Kochi (Kerala).

BNP Paribas Real Estate

With 3,500 employees, BNP Paribas Immobilier is continental Europe's leading provider of real estate services to companies and one of France's major players in residential property.

It offers a range of services that is unrivalled in Europe, both in terms of its geographical reach and the diversity of its business offerings.



© Photo Library BNP Paribas Real Estate: D. Boy de la Tour



European network

In commercial property, BNP Paribas Immobilier is active in 8 European countries: France, the United Kingdom, Germany, Spain, Belgium, Luxembourg, Italy and Ireland, and also has 2 offices in New York and Kiev.

In residential real estate, BNP Paribas Immobilier's main activity is in France.

Four complementary real estate businesses

Transactions, advisory services, valuations

In commercial property, Atisreal markets office space and industrial or business premises and provides advisory services (space use, technical engineering, market and location research, feasibility studies), and valuations:

- no. 1 in France and Germany⁽¹⁾,
- among the Top 10 in the United Kingdom⁽¹⁾.

In residential property, the Espaces Immobiliers BNP Paribas network is one of the major selling groups for new and previously-occupied residential units.

Property Management

BNP Paribas Real Estate Property Management manages 21.5 million sq.m. of commercial property in Europe, including more than 10.5 million sq.m. in France where it is the market leader⁽¹⁾.

In residential properties, it manages more than 33,000 housing units, including more than 5,500 units in serviced residences.

Property Development

Meunier is France's 3rd-largest real estate developer⁽²⁾:

- no. 1 in commercial properties with Meunier Immobilier d'Entreprise;
- among the Top 10 in residential properties with Meunier Habitat.

Real Estate Investment Management

BNP Paribas Real Estate Investment Management and BNL Fondi Immobiliari manage EUR 7,4 billion of assets in France, where the Group is one of the leading SCPI property fund managers, and in Italy.

Sustained sales
and marketing momentum
and steady geographic expansion

2007 was another exceptional year for BNP Paribas Immobilier.

Organic growth in each of the four real estate businesses

■ Transactions, advisory services, valuations

During this record year for commercial property, Atisreal found occupants for more than 7 million sq.m. in Europe, completed 380 investment transactions totalling EUR 11 billion and carried out more than 86,000 valuations. Growth was reported in all regions, but the French and German businesses performed

⁽¹⁾ Data published by competitors.

⁽²⁾ "Classement des promoteurs" published by Innovapresse in June 2007.

particularly well, reinforcing both market share and leadership positioning. In the residential segment, Espace Immobiliers sold close to 3,400 new and existing properties.

■ Property Management

2007 saw the adoption of the BNP Paribas Real Estate Property Management brand in all countries covered by the business. The commercial property portfolio under management expanded by 5.3 million sq.m. to reach a total of more than 21.5 million sq.m.

■ Property development

2007 was a year of very strong activity:

- Meunier Immobilier d'Entreprise turned in an outstanding performance, pre-selling or pre-leasing more than 460,000 sq.m. of office and warehouse space (270,000 sq.m. of office premises and 190,000 sq.m. of warehouse space).
- Meunier Habitat started construction of 2,500 housing units and was awarded projects covering a total of 4,000 units to be built in the coming years.

■ Real Estate Investment Management

2007 was marked by:

- the development of the partnership between BNP Paribas REIM in France and BNL Fondi Immobiliari in Italy;
- the launch of the first "SCPI Borloo" (property investment trusts) in France;
- the signing of a brokerage agreement with PMA, a BNP Paribas Assurance subsidiary, to develop distribution channels for property products.



Headoffice of Casino group in Saint-Etienne, France, developed by Meunier Immobilier d'Entreprise

European development

A number of significant acquisitions had taken place in 2006, mainly in the United Kingdom and Spain.

In addition to the excellent commercial results, 2007 was a year of consolidation and continued European expansion for BNP Paribas Immobilier, with the development of:

- two pan-European teams to assist large clients in relation to their international strategies:
 - a team dedicated to international investment;
 - a team devoted to international corporate clients (ICS);
- a team specialising in acquisitions and development to facilitate the geographical expansion of the network;
- cross-sector European working groups to develop cross-selling and to pool commercial resources. The IT Revolution project was also launched. The project aims to provide BNP Paribas Real Estate in the immediate term with up-to-the-minute IT systems so as to enable it to optimise its resources;
- international mobility to enhance employee career opportunities.

BNP Paribas Immobilier promotes sustainable development

As a civic-minded company committed to environmental protection, BNP Paribas Immobilier actively supports sustainable development in all of its businesses. Here are just a few of its initiatives:

- in Property Development, by earning environmental labels for a large number of its commercial and residential real estate operations ("High Environmental Quality", "Very High Environmental Quality", "BREEAM" and "Habitat and Environment" certification, etc.);
- in Property Management, by ensuring that

its suppliers and partners sign its "Eco Property Management" quality charter;

- in Transactions, Advisory Services, Valuations, through the efforts of the working group "Next Office by Atisreal" to conceptualise the office of the future and through the "See and Think" initiative in the United Kingdom. BNP Paribas Immobilier's environmental initiatives are at the heart of its strategy, and involve all of its businesses and subsidiaries, as testified by its architectural sponsorship and the recent publication of a glossary of sustainable development terms in French and English.



BNP Paribas Assurance

BNP Paribas Assurance designs and markets its products and services under two brands: BNP Paribas for products distributed by the BNP Paribas network in France and Cardif for the other networks and distribution partners in France and international markets.

It operates in 42 countries including 25 in Europe, 7 in Asia, 6 in Latin America, 2 in North America and 2 in Africa.

- The savings business includes the sale of life insurance policies to individuals in 11 countries. In France, it offers companies Group pension products, end-of-career bonuses and early retirement benefits.
- In the protection business, it offers a broad range of products in 33 countries, including creditor insurance, bill protection, credit card protection, extended warranty, gap insurance and individual protection. In France, BNP Paribas Assurance markets both standard and personalised Group policies to large companies and SMEs.
- The property and casualty insurance business in France is provided through Natio Assurance, a company that is owned equally with AXA. The products offered cover a wide range of risks and include comprehensive home insurance, automobile insurance, educational insurance, travel insurance, and legal protection coverage.

BNP Paribas Assurance's partners comprise 35 of the world's 100 leading banks and a large number of financial institutions, including consumer credit companies, credit subsidiaries of car makers and major retail groups. BNP Paribas Assurance is the 4th-largest life insurer in France (source: FFSA) and a world leader in creditor insurance ⁽¹⁾.

International market boots growth ⁽²⁾

In 2007, BNP Paribas Assurance reported total revenues of EUR 18 billion, an increase of 5% in relation to 2006.

In France, 2007 net inflows came in close to the 2006 level despite 2006 having been an exceptional year thanks to momentum generated by the Fourgous amendment and the change in tax regulations on PEL home savings plans. Revenues reached EUR 11 billion, of which EUR 10.1 billion was generated by the savings business and EUR 0.9 billion by the protection business (welfare and non-life).

As a result, BNP Paribas Assurance outperformed the French insurance market (down 3% in 2007, source: FFSA) and the French bancassurance market (down 7%, source: Groupement Français des Bancassureurs) in terms of growth in net inflows relative to 2006. This indicates that BNP Paribas Assurance has won market share from other bancassurers.

This performance mainly reflects very strong commercial momentum in BNP Paribas branches and an increase in payments made by Private Banking customers in France.

BNP Paribas Assurance also remained the leader in the independent financial advisors market in 2007 thanks notably to the quality of its service.

In a less healthy financial market environment, BNP Paribas Assurance maintained its no.1 position in total unit-linked inflows (source: FFSA).

Meanwhile the protection business turned in a very robust performance (up 8%), thanks mainly to personal protection products.



SRI

BNP Paribas Assurance is committed to working towards the application of socially responsible investment (SRI) criteria to its investment decisions. BNP Paribas Assurance is the first private investor in France to have its euro fund reviewed by Vigeo, the European leader in extra-financial analysis.

The analysis covered the six SRI domains: human resources, business behaviour, human rights, environment, corporate governance and community involvement.

The company directly manages EUR 45 billion in assets, giving it significant leverage to exercise its social responsibility and offer the benefits of its SRI policy to nearly 1.3 million clients via the euro fund components underlying their life insurance contracts.

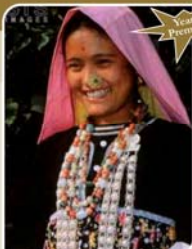
⁽¹⁾ In-house study based on information published by competitors.

⁽²⁾ Information relating to BNP Paribas Assurance is provided on a pro forma basis and includes the 2006 and 2007 life insurance revenues generated by BNL Vita, a joint venture between Unipol (51%) and BNL (49%). At end-2007, the portion of revenues contributed by BNL Vita to BNP Paribas Assurance stood at EUR 1.3 billion

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At the international level, BNP Paribas is now present in 41 countries under the Cardif banner which reported total revenues of EUR 6.9 billion in 2007, an increase of 14% on the previous year.

In 2007 BNP Paribas Assurance reinforced its already strong positioning in regions that offer extensive opportunities for development in bancassurance: Croatia, Colombia, Scandinavia and Turkey.

The international savings activity registered revenues of EUR 4.6 billion, up 20% on the previous year.

Europe, which now accounts for 75% of savings deposits outside France, posted substantial revenue growth in 2007 thanks in particular to products sold in the United Kingdom.

Elsewhere the savings business continued to thrive both in developed countries like South Korea and Taiwan and fast-growing countries like India.

Thanks to a comprehensive and innovative offering and a benign macroeconomic and sociological environment, the protection business generated total revenues of EUR 2.3 billion outside France.

2007 was marked by very prosperous conditions in countries such as Spain (up 48% versus 2006), Italy (up 26% versus 2006), Argentina (up 63% versus 2006) and Brazil (up 87% versus 2006).

Car-pooling

The employees of BNP Paribas Assurance expressed their interest in environmental issues during a consultation session which generated 150 proposals, including car-pooling. In a bid to encourage this environmentally-friendly practice, the company has set up a car-pooling website for its employees. Additionally, BNP Paribas Assurance supports its employees' efforts by financing the planting of five trees through the *Cœur de Forêt* association for every employee that registers with the scheme via the website.

Providing sick people with greater access to insurance

BNP Paribas Assurance, the world leader in creditor insurance, has taken steps to provide sick people with greater access to insurance in line with the AERAS agreement (*S'Assurer et Emprunter avec un Risque*

Aggravé de Santé – borrow and obtain insurance with an elevated health risk). As a result, the company launched an offering dedicated to asthmatics in November 2007. The offering simplifies the application process and has a special price scheme that takes into account the health of the policyholders based on regular medical checks, self-monitoring, etc.

Micro-insurance in India

SBI Life, a joint venture between BNP Paribas Assurance and the State Bank of India, has launched Grameen Shakti and Grameen Super Suraksha, two micro-insurance life products designed for self help groups (groups of people belonging to the poorest populations in India, 90% created by women). These products are distributed through the SBI branch network as well as through NGOs and microfinance establishments.

They enable vulnerable populations to obtain life cover at very advantageous prices (from less than EUR 1 per annum).

BNP Paribas Assurance takes part in the fifth Sustainable Development Week

From 2 to 6 April 2007 the Sustainable Development Week provided BNP Paribas Assurance with an opportunity to invite its 2,500 head office employees to take part in a series of conferences and events dedicated to this theme. Underscoring global warming and the threats to biodiversity, the week included a viewing of the documentary *An Inconvenient Truth* and a presentation given by astrophysicist Hubert Reeves. Also under discussion were sustainable development as a business model and the environmental programmes of the main French presidential candidates.

Employees particularly appreciated this “corporate citizenship” initiative and welcomed the awareness-raising campaign.



Semaine du développement durable
 Du 2 au 6 avril 2007,
 BNP Paribas Assurance vous propose
 un cycle de conférences et d'animations

Lundi 2 avril
 Le grand défi climatique, par le sport, au premier lundi d'avril

Mardi 3 avril
 Conférence "Analyse des programmes environnementaux des principaux candidats à l'élection présidentielle"

Mercredi 4 avril
 Conférence "Le développement durable en entreprise, quels en sont les enjeux?"

Jeudi 5 avril
 Conférence "Le développement durable, quel avenir dans l'après 2007?"

Vendredi 6 avril
 Conférence "Le développement durable, quel rôle pour les entreprises?"

Le nombre de places est limité. Inscriptions sur le site de la semaine du développement durable

Plus d'informations sur le site www.bnpparis.com

BNP Paribas Securities Services

BNP Paribas Securities Services ⁽¹⁾ is the leading European provider of securities services to companies, asset managers and financial institutions worldwide. BNP Paribas Securities Services provides innovative solutions to satisfy the specific needs of its clients at every stage of the investment cycle:

- Financial intermediaries (banks, broker-dealers) are offered customised services for settlement/delivery and global custody for all asset classes as well as outsourcing solutions for middle and back office activities;
- Institutional investors (fund managers, hedge funds, insurance companies, pension funds, sovereign funds and alternative funds) have access to an array of custodial and fund administration services, including fund distribution support, transfer agency services, depobank and trustee service, fund accounting, middle-office outsourcing and risk and performance measurement;
- Issuers are provided with a wide range of services, including administrative services, securitisation and stock-option and employee-shareholder plan management.



ClearSuite

BNP Paribas Securities Services' latest solution to its clients' ever-increasing challenges is a fully integrated broker-dealer service solution, ClearSuite. ClearSuite offers financial intermediaries worldwide, world-class clearing and custody services with a full range of outsourcing capabilities from execution to post-trade administration.

AREVA

BNP Paribas Securities Services was appointed by AREVA to provide custody and valuation services and to measure the performance of the asset portfolio dedicated to funding the dismantling of nuclear power stations. This new mandate further strengthens BNP Paribas Securities Services' relationship with AREVA, to which it already provides depository services.

As at 31 December 2007, assets under custody totalled EUR 3,801 billion and assets under administration EUR 834 billion. The number of transactions settled in 2007 reached 45 million.

BNP Paribas Securities Services is ranked no. 1 among European custodians, among the top five worldwide, and no. 1 in terms of the percentage of cross-border assets (*source: globalcustody.net*).

Close to two-thirds of BNP Paribas Securities Services' revenues are generated outside France. The business is present in all the main European financial centres – including Belgium, Greece, Guernsey, Ireland, the Isle of Man, Italy, Jersey, Luxembourg, the Netherlands, Portugal, Spain, Switzerland and the United Kingdom, as well as in Australia, New Zealand, Turkey (via TEB), Japan, the Cayman Islands, the United States and Singapore.

Accelerated growth driven
by organic development,
targeted acquisitions,
extended geographical footprint
and innovative products

BPSS is always seeking opportunities to strengthen its leading positions in existing markets and to move into new markets. 2007 was a resounding success in terms of expansion, with three key acquisitions and operation launches in four new countries. As a result, BNP Paribas can now boast on-the-ground service delivery capability in all major global time zones and regions.

Targeted Acquisitions

In June, BNP Paribas Securities Services bolstered its presence in the Spanish market with the acquisition of Exelbank, a dedicated provider of middle and back office service solutions for a broad base of both Spanish and international clients. The acquisition of Exelbank further strengthens an already solid position in one of Europe's major investment markets.

⁽¹⁾ BNP Paribas Securities Services includes all securities operations developed by BNP Paribas Securities Services, BNP Paribas SA and their subsidiaries.

June's acquisition of RBS International Securities Services completes BPSS' coverage of UK offshore markets and reinforces its broad-based offshore market expertise. RBS International Securities Services is a market leader in securities-related services and its addition consolidates BPSS' position in both traditional and alternative asset servicing.

In October, BNP Paribas Securities Services acquired RasBank's third party depository bank business, making BPSS a market leader in services for Italian funds of hedge funds. This acquisition brings its presence in Milan to more than 350 employees and assets under custody to over EUR 300 billion, underscoring BPSS' commitment to providing best-of-class services to Italian institutional investors and to asset managers and pension funds in particular.

Geographical expansion

BNP Paribas Securities Services' investment in four new markets is in line with its aim of operating on-the-ground in order to be closer to the markets and its clients, thereby offering a unique multi-local model.

The opening of a Singapore office fully establishes BNP Paribas Securities Services in Asia. BPSS' global clients can now benefit from its local expertise and knowledge in this strategic region.

BNP Paribas Securities Services launched operations in Poland and Hungary, providing local clearing and settlement solutions in these markets.

BNP Paribas Securities Services bolstered local custody and clearing services in Turkey with the launch of a dedicated securities services business line, offered through BNP Paribas' partner TEB (Türk Ekonomi Bankasi). With their combined resources, BNP Paribas Securities Services and TEB boast a custody and clearing offering that benefits from over ten years of experience in the Turkish market.

Product Leadership and Innovation

The implementation of the November MiFID directive within the European Economic Area saw the introduction of new multilateral trading facilities (MTFs). BNP Paribas Securities Services reacted to the important market changes by providing MTF trading members with an innovative bespoke operating model, as an extension to the comprehensive services provided to the financial intermediaries segment.

As the first General Clearing Member and the leading clearer of trades for Europe's first MTF to go live, Chi-X, Paribas Securities Services strengthens its relationship with leading banks and brokers for third party services.

These services were added to the existing global clearing and settlement offering launched as ClearSuite in 2007.

BPSS' alternative fund servicing business has grown steadily across both onshore and offshore markets by servicing all asset classes and being able to offer the regulatory environment best suited to clients' needs.

BNP Paribas Securities Services' customers have a full-service partner recognised for its quality and ability to deliver complex solutions to accompany them in their growth. Our on-the-ground presence in all major European centres allows BPSS to serve fund distributors' and promoters' pan-European distribution needs.

BNP Paribas Securities Services offers unique tailor-made reporting solutions in line with institutional investors' needs and fully adapted to an increasingly complex regulatory environment. BPSS' cutting edge reporting capabilities optimise performance measurement and risk management by giving access to the most advanced, comprehensive, yet user-friendly, analysis.

All clients have access to teams specialised in customised financing, securities lending and foreign exchange.

BNP Paribas Securities Services – NYFIX's partner of choice for Euro Millennium

BNP Paribas Securities Services was selected to provide pan-European integrated post-trade services for NYFIX's Euro Millennium. Euro Millennium is at the forefront of liquidity solutions, providing rapid, anonymous

matching for equity trading in European markets. This cornerstone deal with a leading provider of technology and services reinforces BNP Paribas Securities Services' position in the emerging and increasingly important Multilateral Trading Facility segment.



Klépierre

A real estate investment company listed on Euronext Paris™, Klépierre develops, owns and manages shopping centres in 10 European countries, mainly France, Spain and Italy. Klépierre is continental Europe's 2nd-largest listed property group specialised in shopping centres, with a market capitalisation of EUR 4.8 billion. Its property assets totalled EUR 11.3 billion at year-end, of which 86% consisted of shopping centres, 4% business premises – through its 84.1% holding in Klémurs – and 10% office space in the Paris region. More than 43% of Klépierre's business is conducted outside France.

Klépierre's strong momentum in the shopping centre activity is supported by the centralised management and development capabilities of its subsidiary Ségécé, which is continental Europe's no. 1 manager of shopping centres. Ségécé manages 342 centres – 240 of which belong to Klépierre – through a network of 8 subsidiaries. Through Klémurs, listed on the Stock Exchange since December 2006, Klépierre is playing an active role in the sale and leaseback of property portfolios by major retailers.

Klépierre also owns and manages upmarket office premises located in Paris and its inner suburbs. This is a secondary activity for Klépierre, the result of opportunities arising in the course of market cycles.

The Klépierre Group has more than 1,100 employees.



Champ de Mars in Angoulême (France)

Klépierre strives to design energy-efficient buildings by incorporating a bioclimatic approach and benefiting from its teams' experience in managing real estate assets. It also systematically investigates the potential offered by renewable energies, based on each site's characteristics. In line with this strategy, Klépierre has decided to install 900 sq.m. of photovoltaic solar cells in the planned extension of the Nîmes-Étoile shopping centre, which will open in 2008, representing an investment for Klépierre of EUR 320,000.

Klépierre continued to expand at a vibrant pace in 2007, investing a record sum of EUR 1,078 million:

An amount of EUR 949 million was invested in shopping centres, primarily in France (EUR 534 million), Hungary, Poland and Portugal. Nearly 40% of the investments concerned projects underway for new centres and extensions, in line with Klépierre's strategy of increasing proprietary development capacities in France and abroad.

Investments made by Klépierre's subsidiary Klémurs amounted to almost EUR 65 million. While pursuing the partnership agreement signed with Buffalo Grill in August 2006, Klémurs also diversified its portfolio by initiating other sale and leaseback transactions.

Klépierre invested EUR 15 million in the office property market, pressing ahead with the construction of the Sereinis building, which is located just outside Paris in Issy-les-Moulineaux and was acquired at the project stage in 2006. Pursuing the selective portfolio management policy launched in 1999, Klépierre sold four buildings for EUR 75 million.

Lastly, Klépierre bought up the minority stakes in Ségécé held by BNP Paribas and AXA Reim of 15% and 10% respectively.

In 2007 Klépierre's strategy of increasing proprietary development capacities both in France and abroad led to the setting up of international development teams modelled on the expert teams already in place in France. With a view to enhancing domestic growth opportunities, Klépierre relocated its French development teams to the regions so as to maximise their presence in the field.

Alongside its external expansion, Klépierre reported vigorous organic growth in lease income. Against a backdrop of brisk consumer spending, revenues from the Group's shopping centres continued to rise with rental reversions amplifying the major impact of index-linked rent adjustments. In the office premises segment, lease renegotiations carried out under favourable conditions also contributed to strong underlying revenue growth.

2007 was characterised by the following major developments:

- the acquisition of three shopping centres in Poland (Rybnik and Sosnowiec in May and Lublin in July);
- in July, the acquisition of the extension projects and the two Leclerc hypermarkets bordering the existing shopping centres of Blagnac and Saint-Orens (Toulouse), owned by Klépierre since 2004;
- the three-for-one split on 3 September;
- in September, the signing of an agreement to acquire the Corvin shopping centre construction project in the heart of Budapest (Hungary) and the opening of a shopping centre developed by Ségécé and located in the centre of Angoulême (France);
- the strengthening of Klépierre's capacity to finance its investments via a seven-year syndicated loan for an amount of EUR 1 billion.

After three years of sustained gains, Klépierre's share price, like that of all listed companies in the real estate sector, suffered from a sharp correction in 2007 amidst the less favourable economic and financial conditions that have prevailed since the summer financial crisis.

BNP Paribas Principal Investments

BNP Paribas Principal Investments includes BNP Paribas Capital and Listed Investment and Sovereign Loan Management.

BNP Paribas Capital

BNP Paribas Capital manages the Group's proprietary portfolio of unlisted investments outside of the banking sector.

This portfolio had an estimated value of EUR 3.9 billion at 31 December 2007 and is split into four segments:

- directly held strategic investments;
- directly held minority stakes;
- investments in funds;
- joint investments made simultaneously with funds or institutional investors.

In 2007, the main disposals concerned the interests in Bouygues Telecom, Vivarte and Elis. The Group forged ahead with its investments in private equity funds and its joint investments alongside these funds.

Listed Investment and Sovereign Loan Management

The Listed Investment and Sovereign Loan Management unit has two functions. Its overall mission is to derive the greatest possible value from its assets over the medium term. This perspective clearly differentiates the business from a trading activity.

The Listed Investment Management team is in charge of BNP Paribas' portfolio of minority stakes in listed companies.

Sovereign Loan Management's mission is to restructure sovereign loans through the London Club and to manage the portfolio of emerging market sovereign debt, such as Brady bonds, Eurobonds and restructured loans.



BNP Paribas Group's core values

Since its creation, BNP Paribas Group's four core values of responsiveness, creativity, commitment and ambition have guided its behaviour and that of its employees in all business lines and countries, in the service of customers, shareholders and society at large. These core values are embodied in BNP Paribas' slogan "the bank for a changing world" and in its logo of four stars taking flight, which symbolises progress and is now the banner for over 6,000 branches worldwide.

The core values are a source of motivation and help to ensure cohesion in a Group known for its diversity. Managers systematically refer to these values when assessing employee performance, and the HR communications teams are frequently asked to share their experiences and demonstrate best practices in this regard.

More than half of BNP Paribas' current employees were not yet with the Group at the time of its founding merger. With this in mind, a global communication campaign was organised in spring 2007, in 18 languages, to remind recent recruits of the importance of the core values in encouraging a cohesive group-wide culture.

RESPONSIVENESS

Speed in assessing new situations and developments and identifying opportunities and risks

Efficiency in decision making and in action

CREATIVITY

Encouraging initiatives and new ideas

Recognising contributions

COMMITMENT

Commitment to the service of clients and collective accomplishment

Exemplary behaviour

AMBITION

Aiming for challenge and leadership

Succeeding as a team in a competition where the client is referee

Human Resources development

The full report of this part is available in the Report on BNP Paribas' social and environmental responsibility on the following website: www.bnpparibas.com (Sustainable Development section).

The people of BNP Paribas

Workforce expansion ⁽¹⁾

Group staff expanded to 162,687 full-time equivalent employees (FTEs) at 31 December 2007, up 20,776 on 2006. The increase was a reflection of development across all businesses, but was primarily due to external growth in specialised financing solutions.

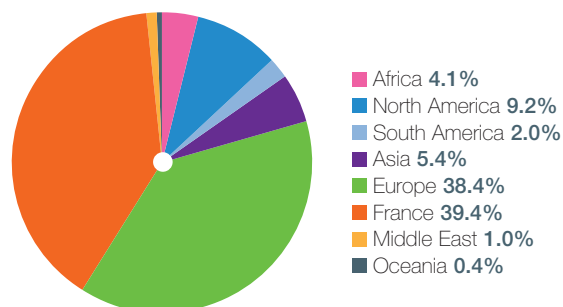
The consolidation of LaSer-Cofinoga and the acquisition of the Indian brokerage firm Geojit accounted for 7,496 and 2,464 extra employees respectively. At constant scope, organic growth gave rise to 8,174 FTEs (1,291 in France

and 6,883 in other countries), primarily in International Retail Services (IRS), Asset Management and Services (AMS) and Corporate and Investment Banking (CIB).

Outside France, the majority of territories created net new jobs in 2007. Northern Europe was particularly buoyant, especially Ukraine, Poland, the United Kingdom and Russia. Net increases also occurred in the Mediterranean zone, in Spain, Portugal, Turkey, Egypt, Algeria and Morocco.

The Group's workforce breaks down as follows:

By geographical area



	2005	2006	2007
France	55,499	57,123	64,080
Europe (excl. France)	25,205	53,461	62,473 ⁽¹⁾
North America	14,979	14,810	15,046
Asia	4,785	5,571	8,833
Africa	5,661	6,201	6,692
South America	2,363	2,924	3,287
Middle East	868	1,308	1,700
Oceania	420	513	576
Total	109,780	141,911	162,687

⁽¹⁾ Of which Italy accounts for 19,901.

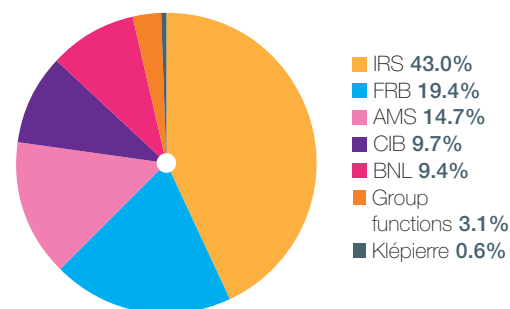
Workforce in France and outside France

The percentage of employees outside France continued to grow. Less than 40% of the Group's total headcount at 31 December 2007 was located in France.

By business

Compared with 2006, the portion of employees in IRS and AMS increased, while it decreased in French Retail Banking and BNL.

By business



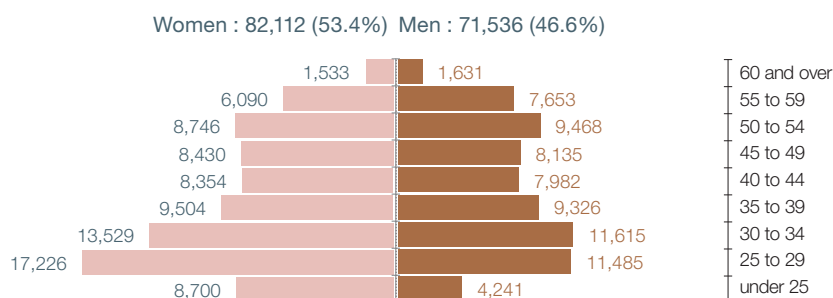
⁽¹⁾ For human resources growth data, this analysis takes into account all FTE staff managed by BNP Paribas as opposed to the consolidated workforce, which is limited to staff working for fully or proportionally consolidated entities calculated pro rata to the percentage consolidation of the subsidiaries concerned:

Full-time equivalents (FTEs)	2002	2003	2004	2005	2006	2007
Consolidated workforce	87,685	89,071	94,892	101,917	132,507	145,477
Total workforce	92,488	93,508	99,433	109,780	141,911	162,687

Age pyramid

The Group's age pyramid ⁽¹⁾ remains balanced overall. Lower age groups predominate in the IRS, AMS and CIB Divisions, while the opposite is true of French Retail Banking and BNL, which remain closer to standard employment demographics in continental Europe.

Physical headcount (December 2007)



Promoting diversity in all its forms and fighting discrimination

The Group's diversity policy focuses on guaranteeing equal opportunity and the principle of non-discrimination, in particular as regards the recruitment of visible minorities. Other key priorities include stepping up recruitment of disabled people and improving the actions already in place to help them remain employed, increasing the number of female senior executives, and fostering diversity in terms of age. The principle of non-discrimination has been clearly outlined in BNP Paribas SA's internal rules since 2003.

As a concrete manifestation of the importance it gives to diversity, BNP Paribas has formalised its policy by signing core charters that exist in this domain. The Group has also set up a dedicated management structure, takes part in regular discussions on diversity, and makes active commitments through specific business partnerships. As such, BNP Paribas offers significant tools and initiatives to deal with major diversity challenges, in particular the fight against discrimination, the promotion of gender equality and the integration of disabled people.

■ A Group-wide diversity policy

BNP Paribas is one of 40 French companies to have signed France's Diversity Charter. In a January 2006 review by HALDE (*Haute Autorité de Lutte contre les Discriminations et pour l'Égalité*), the French high authority fighting against discrimination and for equality, BNP Paribas was not found to discriminate in recruitment.

On 13 December 2006, the Group also signed the charter proposed by the French Education Minister, by which French companies commit to promoting equal opportunity in education. The purpose of this charter is to strengthen links and develop initiatives between businesses and schools. It is the most recent in a long line of initiatives taken by BNP Paribas in this regard and boosts its already strong commitment to the world of education.

⁽¹⁾ This pyramid has been based on total headcount without weighting for part-time work using individual company data available, representing 94% of the Group's headcount.



Baudouin Prot,
Chief Executive Officer
of BNP Paribas

Promoting diversity ⁽¹⁾

Diversity is one of our key strengths. We need to develop it further, to be even better at being the bank for a changing world – a bank that partners its customers and employees through the changes and challenges of the 21st century. Our Group welcomes all talented individuals, regardless of origin. The only way their capabilities should be assessed is by appraising contributions made and competencies demonstrated at every stage in their career development. In addition to being illegal, any discriminatory practices would run counter to the basic respect each person is entitled to and could seriously damage our reputation. Under no circumstances can they be allowed.

BNP Paribas is a very important employer and bank in some strongly multi-cultural areas, notably in France. In our banking and financial services, bringing together people from different backgrounds is a source of creativity, innovation and efficiency. We will also be closer to our customers if the composition of our staff mirrors the mix in society around us. Promoting diversity is therefore, for BNP Paribas, a matter of both performance and social responsibility. Each of us is invited to contribute, on a day-to-day basis, to advancing this goal.

⁽¹⁾ Excerpt from a letter from the Chief Executive Officer to all employees.

The Group has also shown its commitment to diversity by signing the Apprenticeship Charter in France in 2005 and, in 2007, an agreement with *Agefiph*, the French association promoting the integration of disabled people within the workforce. This agreement focuses on four main areas: (i) establishing the “Group Project Handicap” team, through local contacts and a recruitment and assistance programme; (ii) raising awareness and offering training to the main players in the recruitment process and facilitating integration with the help of internal communications; (iii) recruiting disabled workers for fixed-term or permanent contracts, work placements, temporary work or work/study programmes; and (iv) stepping up the current efforts made to keep disabled workers in the workforce.

BNP Paribas has also signed agreements to promote gender equality in the workplace and carries out frequent initiatives to offer women and men the same career opportunities and eliminate the “glass ceiling”. At subsidiary level, Cetelem was once again awarded certification for workplace equality during the year, and in December 2007 GIE BNP Paribas Assurance signed an agreement on workplace gender equality.

■ A dedicated management structure

A Head of Diversity at Group level

In 2005, a Head of Diversity was appointed within BNP Paribas’ Group Human Resources function, responsible for

defining overall policy and coordinating non-discrimination action plans, promoting equal opportunity and increasing the number of women and foreign nationals among senior executives. The Head of Diversity’s duties also include overseeing the Group’s policy in favour of disabled employees and disseminating the Group’s policies in this regard. A Diversity Committee, established in September 2007, coordinates the initiatives of the core businesses and shares good practices.

An anti-discriminatory promotion process

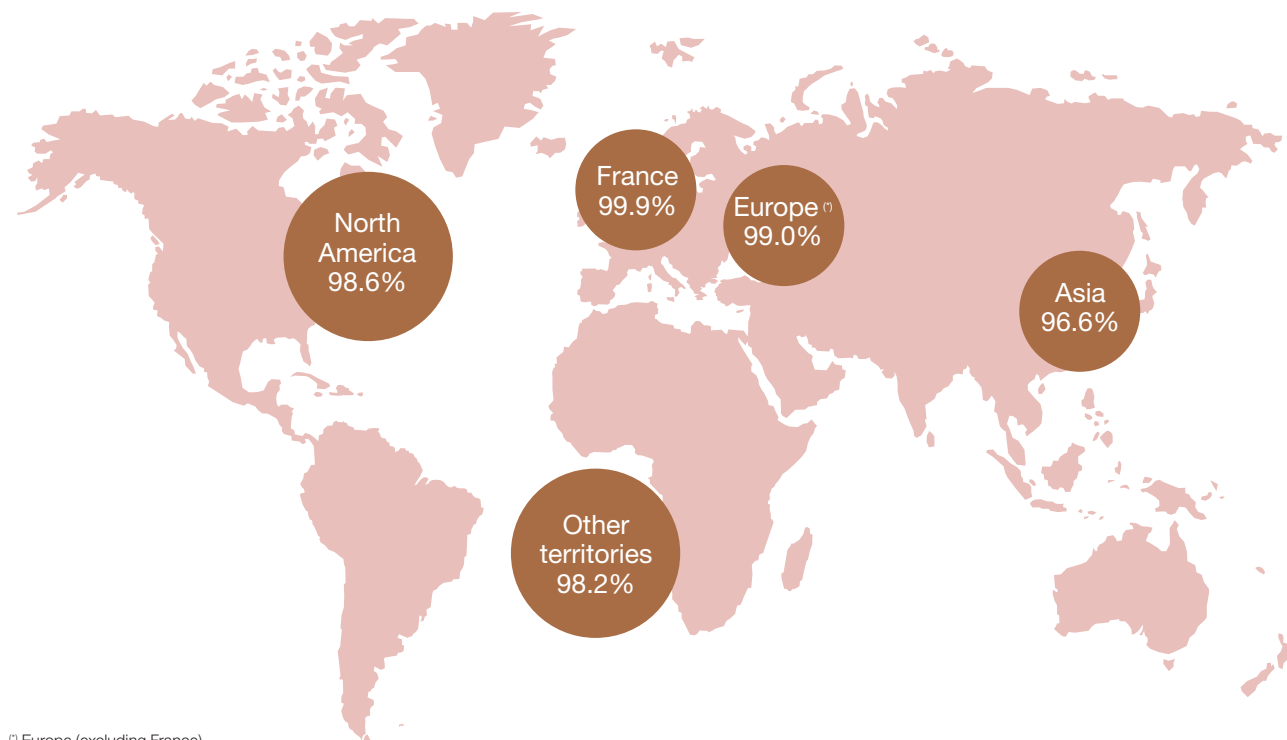
Since 2005, the Group has requested that the HR function pay particular attention to non-discriminatory practices with regard to promotions. A manager must be able to guarantee that there has been no discrimination of any kind (ageism, racism, sexism) at any stage of the nomination process.

The proportion of female employees receiving promotion is one of the indicators that is regularly monitored (See Registered Document, NRE Appendices – Social Chapter, indicator 19, p. 256).

International teams

By employing local people, BNP Paribas directly contributes to the development of the countries in which it operates and therefore is naturally integrated into the different cultures and communities concerned. Local employees can thus gain access to senior positions within subsidiaries and branches, and can pursue careers within the Group.

Percentage of local staff employed by geographic area



⁽¹⁾ Europe (excluding France).

Raising awareness through internal communication

The company takes a proactive approach to awareness-raising and has made ambitious commitments that are monitored on a quarterly basis using a set of indicators. Company-wide agreements signed in 2006 and 2007 are also monitored at regular intervals to ensure that they have been correctly applied.

An internal diversity review was carried out in 2006, involving interviews with more than 30 HR managers in France and abroad. The aim of this review was to (i) discover how the different BNP Paribas territories and entities view diversity; (ii) gain an insight into the various challenges and priorities of each of these territories and entities; (iii) assess the current state of affairs; and (iv) identify best practices that can be shared across the Group. In recent years, English-speaking countries, for example, have been developing a range of endeavours in favour of diversity with particular attention to raising awareness through internal communication and training.

Diversity is frequently discussed in internal paper, electronic and audio communications, which are widely disseminated throughout the Group and easily accessible. The visuals used for external recruitment and communication campaigns also feature diversity so that visible minorities do not feel that they cannot step forward.

At Group level, information on diversity has been published on the intranet and in the weekly newsletter accessible to all employees. Topics have included news of the launch of the documentary *Plafond de verre* (the glass ceiling) sponsored by IMS, an association of French companies – of which BNP Paribas is a member – that promotes corporate social responsibility; the results of the test performed on BNP Paribas recruitment processes by HALDE; and regular updates on *Projet Banlieues*, which addresses issues of employment and social inclusion in France's underprivileged suburbs. Several sites outside France, in particular in London, in Canada and within Bank of the West, have implemented internal communication strategies underscoring their commitment to diversity.

Since October 2007, the recruitment page of BNP Paribas' French website offers applicants a fuller presentation of the Group's approach to diversity:

<http://recrutement.bnpparibas.com/fr/qui-sommes-nous/diversite.asp>

Special training

Diversity and non-discrimination are frequently examined at conventions for senior executives, seminars and HR committee meetings.

The diversity training module for the HR function was established on the basis of a diagnostic review by IMS on recruitment methods. This review was completed in 2007 and consisted of individual and group interviews with more than 70 people within the Group, including recruitment managers, individual managers and line managers.

In France, training provided to almost 300 career and recruitment managers focused on the analysis of stereotypes, the presentation of BNP Paribas' diversity policy, and legal issues, in order to facilitate the day-to-day management of non-discrimination. This training was designed in conjunction with IMS and presented by external specialists: employment law experts, career management and diversity managers and an external consultant.

As early as 2006, the Group held an international career management seminar under the theme of "Managing Difference". One hundred and eighty HR managers attended presentations on the Group's diversity policy, and HR managers from countries with a long history of diversity and non-discrimination initiatives, notably the UK, the US, Hong Kong and Singapore, spoke about their experiences.



Entity Territory or Subsidiary	Examples of non-discrimination training and awareness-raising sessions
BNP Paribas Australia	For the past four years, annual training on non-discrimination and preventing harassment. Includes an information and awareness-raising session for all employees, and a more in-depth version for managers with advice on handling complaints and problems.
BNP Paribas Canada	Since 2004, introductory course on managing diversity provided to managers. 2006 project on the issue of disability: information and training sessions addressing feelings of uneasiness with difference, with respect to interviews, customer service and the workplace.
BNP Paribas Hong Kong	Sessions on non-discrimination and equal opportunity legislation: annual training for the HR team organised by the Equal Opportunity Bureau, a government body, at the company's request.
BNP Paribas New York	2005: mandatory Inclusiveness in the Workplace training, to raise awareness of difference and learn to respect it.
BNP Paribas United Kingdom	Diversity training for managers: more than 200 trained. New Workplace Behaviour training: two-hour role-play sessions run by actors, given to managers divided into groups of 20. This training is due to be expanded to accommodate 200 people.
Bank of the West	Diversity Awareness Programme: valuing diversity, understanding the difference between diversity and non-discrimination, and being aware of stereotypes and cultural differences. Training only for managers but due to be extended to all employees.
Cetelem	The 2005 recruitment campaign centred on diversity, its slogan being "Diversity is a matter of personality." The HR newsletter <i>Info RH</i> provides regular updates on the issue. The Diversity Charter, signed by Cetelem's Chairman, is posted on the intranet. An annual brochure published by the HR Department, <i>Regards sur le monde Cetelem</i> (a look at Cetelem's world), includes several pages on diversity. Cetelem's project group <i>Agir pour la diversité</i> (acting for diversity) presents the legal framework, relevant concepts, and sensitive situations. Awareness is raised through games and quizzes, and with the presence of an illustrator. During the sessions, the managers draft Cetelem's diversity action plans.
BPLG	Signature of an agreement on gender equality with employee representatives. This agreement was circulated to all employees, accompanied by a letter from the Chief Executive Officer.



Participating in forums and committing to partnerships

BNP Paribas takes part in various forums and working groups on recruitment and diversity. These include IMS, Africagora, AFIJ, the Zéro Discrimination initiative in Lyons, and the *Nos quartiers ont du talent* project with the French employers' organisation MEDEF. The Group frequently attends recruitment fairs in underprivileged areas.

Partnerships have been set up, particularly in poor suburbs, to help young people enter the corporate world. They are described in the section entitled A partner in society.

■ Tools and tangible results for diversity

Combating discrimination

Tools

- An appeals commission

Any employees who feel they have experienced discrimination in the form of a lack of promotion or pay rise can bring a complaint before the appeals commission, which was set up following an agreement with the five trade unions and is comprised of representatives from these unions and from the Group HR function.

- An ethics alert mechanism

An ethics alert mechanism also enables all employees to report any non-compliance risks they may come up against and, in particular, any practices they may find discriminatory.

- Anti-discriminatory recruitment tools

Recruitment procedures have been put in place to prevent discrimination and boost equal opportunity.

A statistical assessment of discrimination in recruitment and career development was carried out by the research group *Observatoire des discriminations*.

A central team processes more than 90% of the applications received in France, helping to ensure an objective recruitment process. The publication of information on vacancies and work placement opportunities on the Group's website helps to ensure transparency.

Based on a comprehensive review of recruitment methods, systems for assessing personality and behaviour at work were established to make interviews with recruitment managers more objective. A tool is used to sort *curricula vitae* based on the requirements of five standard positions that account for a large proportion of branches' recruitment. This automatic sorting helps recruitment managers by pre-selecting the most suitable candidates for each post. Candidates' nationalities no longer appear on application forms filled in on the Group's website. Cetelem now asks applicants not to put a photo on their curriculum vitae, with the objective of assessing candidates based on their skills and level of interest alone.

A new diagnostic tool was rolled out in 2007 to assess the workplace behaviour of applicants.



Collection Grand Palais / Jérôme Prince

"6 billion Others"

In 2006, BNP Paribas decided to sponsor a project by renowned photographer Yann Arthus-Bertrand, which involved conducting thousands of interviews with people throughout the world, to try to discover "otherness" and produce a portrait of humanity at the beginning of the 21st century, a portrait that highlights the individuality and universality of each person. In 2007, this project has been exhibited at BNP Paribas offices in London and in Montreuil. In 2009, "6 billion Others" will be presented at a major exhibition in Paris, at Grand Palais, at which the interviews will be screened, and then will be presented around the world. The Group's support for this project was born of a conviction that the diversity of the human race is a source of richness.

Results

- Implementing an action plan to combat the risk of discrimination

Discrimination, either at the recruitment stage or at any other time in an employee's career, has been identified as one of thirty major operational risks faced by the Group worldwide. A risk analysis was carried out to assess the potential causes of discrimination, define prevention controls, weigh up possible consequences (financial, legal or in terms of reputation) and prepare an action plan. A report is presented to the Executive Committee three times a year regarding this action plan.

The Group's model for assessing operational risk, which includes the risk of discrimination, was validated by regulatory authorities in 2007.

- Results in terms of equality in promotions

Special consideration is given to ensuring a balance in the proportion of male and female candidates going forward for promotion. 40.3% of BNP Paribas executives are female, meaning that the Group has already met the target laid down by the French Banking Association for 2010. At 1 January 2007, women accounted for 28.5% of employees promoted to senior management level.

Gender equality

Tools

- Implementing a women's working group

At the end of 2004, the Group HR Department brought together about ten female senior executives from across the spectrum of the Group's businesses within the "Mix City" initiative (a pun on the French *mixité*, meaning gender balance). The group is active in five main areas: services to facilitate day-to-day life, management of maternity leave, working hours, mentoring and coaching, and creating a women's network. This group presented a series of suggestions to the HR function on how best to facilitate the inclusion of women in senior management positions.

- Evaluation surveys

Surveys were used to assess ways to improve gender equality. In 2006, BNP Paribas took part in the latest survey by the French Banking Association: "*Carrières comparées hommes-femmes dans la banque*" (a comparative gender analysis of careers in banking sector), analysing the discrepancies found in the careers of men and women over a 15-year period.



Results

- Corporate concierge services
- Measures taken for maternity leave

After an initial agreement signed in 2004, BNP Paribas and the trade unions signed a subsequent agreement on gender equality in the workplace in July 2007. This agreement is based on, reinforces and supplements the provisions of the first agreement. In particular, it ensures equal treatment of men and women in terms of recruitment, salary and promotion, and includes measures for maternity leave. Employees going on maternity leave have an interview with their direct manager prior to their departure and again at least two months before their return to define the conditions under which they will resume their post. The age limit that had been set for detecting high-potential executives was replaced by a criterion of work experience to avoid penalising women who have gaps in their career due to maternity leave.

Group subsidiaries BPLG, Cetelem, BNP PAM and BNP Paribas Assurance have signed similar agreements. In 2006, another agreement was entered into with four BNP Paribas SA trade unions regarding the implementation of the French law of 23 March 2006 on equal pay during maternity, adoption and post-maternity leave. This agreement lays down the rules for determining minimum fixed and variable salary increases. Since the agreement was signed, it has enabled 743 women returning from maternity leave to have their situation reassessed.

Integrating disabled persons

Tools

- A review of the situation

The working conditions of BNP Paribas SA's handicapped employees were audited by TH Conseil, a human resources consultancy specialised in the recruitment of disabled persons. Following the audit, Project Handicap was put in place with a view to moving beyond an approach based on solidarity to reach for a true commitment in terms of the Group's corporate social responsibility. Group subsidiaries Arval, Cortal Consors, Klépierre, BNP Paribas Securities Services and Cetelem also established a Handicap diagnostic review in 2006 and 2007. A special project was launched in 2007 to improve the actions already in place to help disabled persons remain employed.

Results

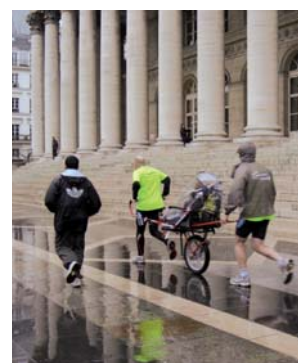
- Project Handicap

In order to improve the coordination of actions in place and facilitate the inclusion of handicapped persons, BNP Paribas created a dedicated team, Project Handicap, which is gradually establishing local contacts and a recruitment and assistance programme. These initiatives are promoted through internal communications aimed at the recruitment teams within the main businesses, functions and regional departments of the banking network. An action plan, which is set out in the one-year agreement signed in May 2007 with *Agefiph*, focuses on four main areas:

- raising awareness and offering training to the main players in the recruitment process;
- hiring a significant number of disabled workers on fixed-term contracts, permanent contracts and work placements, with emphasis on skills rather than degrees;

Corporate concierge services

Acting on the recommendation of one of the Mix City working groups, BNP Paribas Assurance started offering corporate concierge services at its Rueil-Malmaison site in spring 2007. A number of services are available to employees, such as dry cleaning, alterations, shoe repair, car detailing and access to a vending machine that sells public transport passes, stamps and parking vouchers. The concierge on duty ensures that the work is completed satisfactorily and is on call to answer any questions about where to go for other services – how to find an optician offering same day lens repair, a restaurant that costs less than EUR 20 for a quick lunch, or the nearest flower shop open on Mondays. As the goal is to help to improve the work/life balance of employees, the services offered will be expanded over time based on employee needs.





ATM for the visually impaired, Duroc branch, Paris (France)

- formalising and intensifying actions by social services and occupational health services to help employees dealing with disability (their own or a family member's) to remain in the workforce;
- stepping up the actions already in place to keep disabled workers in the workforce. BNP Paribas SA has approximately 1,000 disabled workers in mainland France.

Some 160 people – recruitment managers, Project Handicap contacts and managers from the network's regional departments – as well as employee representatives, have taken part in special training sessions that focus on disability.

In November 2007, during the French Handicap Week, BNP Paribas hosted an open day in its Paris offices for disabled persons. The goals were to promote awareness of jobs available in the banking sector, to allow applicants to apply for jobs, and to meet applicants.

BNP Paribas is developing the outsourcing of certain work to sheltered workshops. Since 1981, it has been working with the *Institut des Cent Arpents*, which was set up by Mutuelle BNP Paribas in the suburbs of Orléans. The facility, which is home to the Jean Pinault centre for assistance through work, has recently increased its capacity and now provides work to 107 disabled workers, compared with 80 previously. Eleven people with serious handicaps also live in its special accommodation centre.

BNP Paribas is seeking to significantly increase the number of handicapped employees by broadening the pool of candidates. It also wishes to improve support for employees confronted with a handicap either directly or in their family. Whenever necessary, the Bank adapts workstations and the working environment, and liaises with social services, the occupational health department and the Group's health insurance plan to improve personal living conditions and help disabled employees with the purchase of expensive equipment. A special project group was set up in 2007 to establish concrete initiatives and step up the efforts to keep disabled workers in the workforce.

BNP Paribas SA continued its *Accueil et Service* (reception and service) initiative aimed at improving access to its offices for customers and staff. A full audit is currently being carried out on the compliance of the Group's head office buildings in the Paris area. This initiative has been presented to BNP Paribas SA's employee representatives and will first be rolled out to all French subsidiaries, then extended to a certain number of other territories.

The Group has also improved access to its website for sight-impaired people and expanded the range of software available to employees to include voice synthesis software. In-depth studies are being carried out on ways to make it easier to communicate with hearing-impaired clients and staff. Work is continuing to bring head office buildings into compliance with the access plan, with particular attention being paid to the difficulties encountered by disabled employees.

In 2007, BNP Paribas, along with French training centre for the banking profession (CFPB) and seven other banks, founded the association *HandiFormaBanques*, which is currently chaired by BNP Paribas. This association works to train and recruit people with disabilities for certain strategic posts: banking call centre agents, receptionists and customer service representatives. The association set up a structure and implemented resources dedicated to integrating people, to make it easier to find applicants and communicate with them. It also establishes ties with other associations that focus on employment for disabled persons.



BMCI, Casablanca

Corporate social responsibility

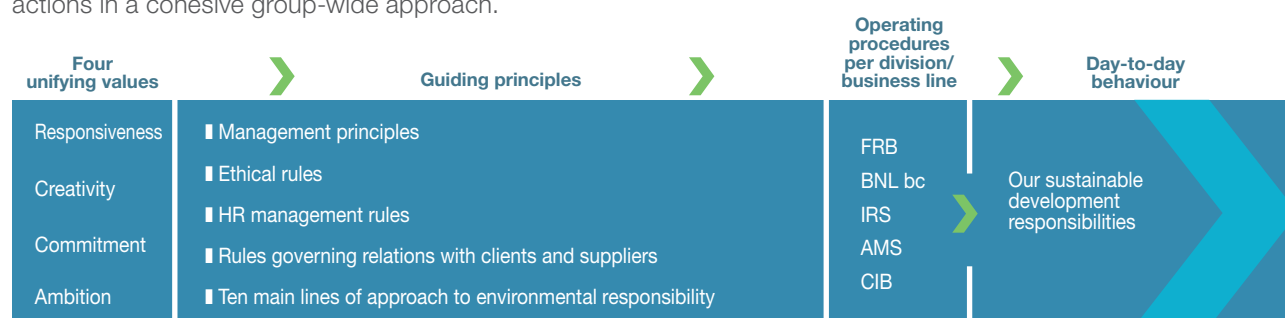
The full report on BNP Paribas' social and environmental responsibility is available from the Sustainable Development section of the www.bnpparibas.com website.

The Registration Document as well as this Annual Report have been printed on PEFC (Pan European Forest Certification) certified paper, containing only fibres obtained from sustainably managed forests.

The Group's approach to sustainable development

Responsibility based on core values and guiding principles

BNP Paribas does not take its approach to sustainable development lightly. The Group's economic, corporate and environmental responsibilities are an integral part of its business ethic and are rooted in its founding values of responsiveness, creativity, commitment and ambition, which combine individual actions in a cohesive group-wide approach.



A strong commitment to sustainable development

BNP Paribas bases its sustainable development efforts on targeted, coherent public commitments. In 2007, it actively pursued its participation in numerous initiatives, some of which are specific to the banking sector and others which are more wide-ranging. This allowed the Group to promote sustainable development in a range of areas and at different levels.

Global initiatives

BNP Paribas has been a member of the United Nations' Global Compact since 2003. The Compact's ten principles are embedded within the Group's policies and inform all of its operating principles. As in previous years, in 2007 the Group published its Communication on Progress (COP).

BNP Paribas contributes to the work of the *Observatoire de la Responsabilité Sociétale des Entreprises* (ORSE), the French study centre for corporate responsibility, and *Entreprises pour l'Environnement* (EpE), a coalition of forty French companies united by a commitment to the environment and sustainable development. BNP Paribas has also undertaken to run the meetings of the sustainable development club within ANVIE, the French association for the promotion of interdisciplinary research in humanities and social sciences in the business world.

The world's leading companies are paying increasing attention to their approach to human rights. Against such a backdrop, BNP Paribas has joined eight leading French and francophone groups to share best practices with a view to better incorporating respect for human rights into their business policies and promoting human rights issues. *Entreprises pour les Droits de l'Homme* (EDH – *Companies for human rights*) draws its inspiration from the



Business Leaders Initiative on Human Rights programme, set up in 2003 to help lead and develop the corporate response to human rights. EDH was created to enhance contributions from the French-speaking world.

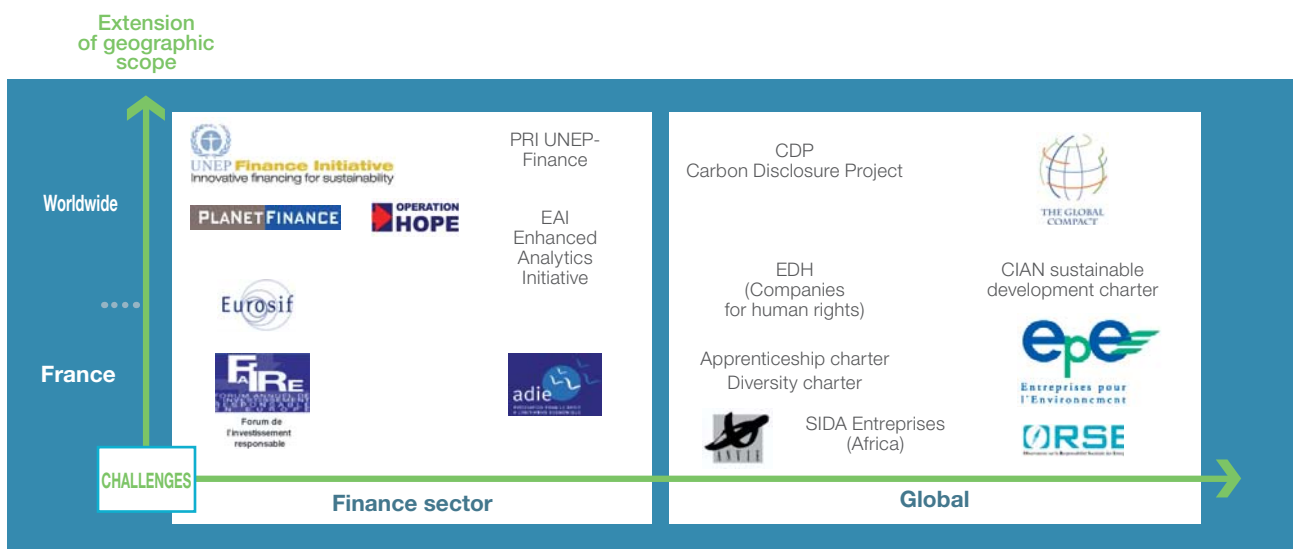
Finance sector initiatives

Alongside the Institutional Investors Group on Climate Change (IIGCC) and the Carbon Disclosure Project, BNP Paribas Asset Management (BNP PAM) strives to encourage companies to factor climate change issues into their investment decisions. BNP PAM is also one of the founding members of the Enhanced Analytics Initiative (EAI) through which it took the step of allocating 5% of its commission budgets to developing socially responsible investment (SRI) analysis. BNP Paribas is involved in the British-based Business in the Community (BITC) organisation, which brings together more than 700 companies that promote responsible behaviour by companies within society.

The Group is also a member of the French forum for socially responsible investment (FIR), which in 2007 awarded a prize for finance and sustainable development research in Europe for the third year running. By building bridges between universities, stakeholders and the financial world, this prize seeks to broaden the scope of social investment research, enabling players to be more innovative in their sustainable development practices. It helps to enhance the value of French and European university research and to legitimise socially responsible investment.

The Group's commitment can be witnessed in its involvement in initiatives that expand the reach of its main activities. At international level, BNP Paribas Investment Partners signed the Principles for Responsible Investment (PRI), launched under the auspices of UNEP Finance. These guidelines help companies to better embed environmental, social and corporate governance concerns into mainstream investment decision-making practices.

The public commitments of BNP Paribas

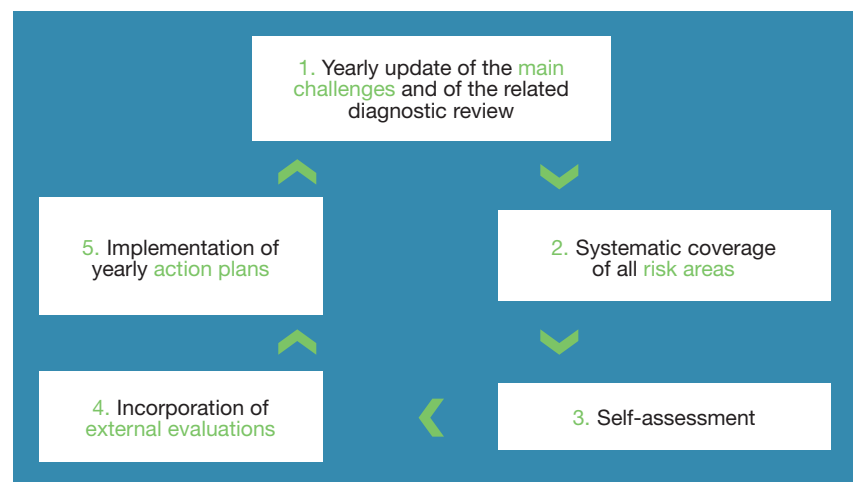


Combining CSR and economic performance

A duty of management

BNP Paribas does not consider corporate social responsibility (CSR) as a simple act of altruism, but rather as a duty of management helping to ensure that the economic, social and environmental aspects of a company, its employees and its corporate philosophy are working in harmony. The Group is particularly focused on CSR, with each business assuming responsibility for any effects its activities may have on its business partners and the environment.

The steps that need to be taken to counter the social and environmental impact of these activities on stakeholders is systematically charted and a diagnostic review is carried out incorporating the results of a self-assessment by the entity concerned with the findings of analyses performed by the principal SRI rating agencies and the Group's other stakeholders. The Group's approach becomes operational with the implementation of action plans at core business, business line, territory and function level. Any new direction is validated by the Executive Committee.



A cross-disciplinary function

The Group has over 40 business lines in over 85 countries around the world, all of which have a role to play in the Group's sustainable development approach. The cross-disciplinary Group Sustainable Development (GSD) function coordinates and runs the overall policy. As well as maintaining a direct link with all line managers, GSD coordinates a network of over 150 experts from all divisions, business lines, territories and functions.

Recognition from SRI rating agencies

SAM

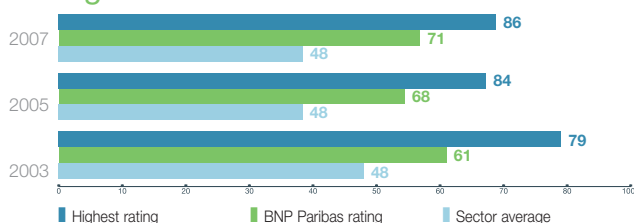
2007 was the sixth consecutive year in which BNP Paribas was included as a component in both Dow Jones indexes for socially responsible investment: DJSI World and DJSI Stoxx.

Each year, the companies listed on the SRI indices are selected by means of a questionnaire. In 2007, the banking sector's questionnaire comprised 93 questions on topics of economic, environmental and social concern. Sustainable Asset Management Inc. (SAM) identifies the top companies in each sector. Out of 2,500 companies rated, only 250 actually make it onto the DJSI World index, and only 24 from the banking sector.

This year the Group came in significantly higher than the sector average in almost all sections of the study, with an overall rating of 71/100, compared with an industry average of 48/100. This rating has been improving constantly since 2002, in particular with respect to economic and environmental concerns.

BNP Paribas' inclusion on SRI benchmarks is recognition of the initiatives it has taken to perform its sustainable development responsibilities.

Changes in overall score



Vigeo

Each year BNP Paribas publishes details of the score awarded to it by Vigeo, Europe's leading corporate social responsibility rating agency. This rating, which now also includes the company's emission rights, is available upon request from BNP Paribas.

At the end of 2006, Vigeo purchased the Italian agency Avanzi SRI Research, and became Vigeo – Avanzi SRI Research. In 2007, this new agency prepared a report for investors and asset managers on the European investment funds that exist for individual customers.

This report confirms the continued growth in the number of European SRI funds (up 13% in one year). In the classification of company shares that were most heavily represented in SRI funds, BNP Paribas moved from 8th to 5th position over the 2006/2007 period.

CFIE

Each year CIFE, an organisation providing information on the sustainable development performance of French companies, reviews how thoroughly the NRE Act has been taken into account in the annual reports of French listed companies. BNP Paribas' annual report is ranked in the top ten for the fourth time, and the Group is the only bank to appear in the ranking.

BNP Paribas – a leader in extra financial reporting

CIFE rated BNP Paribas' 2006 sustainable development report very highly, citing it as being "particularly well put together". This assessment was mainly due to improvements to three sections of the report, and helps the Group to confirm its place as leading banking sector player in the extra financial reporting domain. The section on human resources now contains more specific information, and includes more countries. Significant improvements have been made to data on the use of renewable energy in the environmental section, and, according to CFIE, "waste collection monitoring is particularly well explained". The social section is still "very well dealt with". CFIE points out, however, that efforts are still required to produce an even more detailed and precise report.

Capital Bridge evaluation

According to a recent study by Capital Bridge, a UK financial communications agency, BNP Paribas is the most attractive French company among SRI fund managers. Capital Bridge ranks BNP Paribas 1st among French companies and 3rd in continental Europe for the share of its capital held by SRI investors.

Among companies in continental Europe, BNP Paribas' share was the most purchased by SRI fund managers in 2007. Capital Bridge sees this renewed interest as a result of recent European trade fairs for SRI investors, at which BNP Paribas presented its sustainable development policy.

[BNP Paribas is present on all the major benchmark indices for socially responsible investment: DJSI World, DJSI Stoxx,](#)

[ASPI Eurozone, FTSE4Good Global and FTSE4Good 50. Worldwide, BNP Paribas is one of only a handful of banks featured on all indices.](#)



A partner in society

A deep commitment to microfinance

BNP Paribas has been promoting microfinance since 1993. Recognised as an effective weapon in the fight against poverty, microcredit is offered to people looking to set up their own business but who are unable to access traditional forms of financing. Microcredit is only one aspect of microfinance, which also includes for example microinsurance, microsavings and migrant workers' transfers.

Microcredit: a commitment in favour of social integration

Since 1993, both BNP and Paribas, and now BNP Paribas, have been tireless in their support of ADIE (*Association pour le Droit à l'Initiative Économique*), France's leading non-profit association for microfinance. Under the terms of the partnership, BNP Paribas grants ADIE a credit line of EUR 5 million, undertakes to cover part of the risk of non-collection, and helps to finance ADIE's operating expenses (for around EUR 350,000). BNP Paribas also offers entrepreneurs who are members of ADIE the *Esprit Libre Pro* package at no cost for six months. In 2007, 1,731 entrepreneurs, i.e. 18% more than in 2006, received support from BNP Paribas through ADIE. The average loan amount was EUR 2,800, granted over a period of nearly two years.

Through *Projet Banlieues*, launched in 2006, the BNP Paribas Foundation has consolidated the initiatives it has been financing through ADIE for the last 15 years or so. The additional funding, as described above, will enable ADIE to open seven new centres in disadvantaged neighbourhoods by the end of 2008. A centre was opened in Marseilles in 2006, followed by two others in 2007, in Toulouse and Lyons. Overall, the project should help to create and support approximately 800 additional small-scale businesses. In two years, nearly 400 companies and some 480 jobs have been created with the help of this project.

Within the context of its collaboration with ADIE and the agreement signed with Caisse des dépôts and the association CRESUS (which helps over-indebted individuals), the Cetelem Foundation grants microloans to members of society who do not normally have access to banking services. The programme draws on the assistance of CRESUS volunteers and is guaranteed in part by the *Fonds de cohésion sociale*, a scheme set up in France to develop community microcredit. Cetelem has added a solidarity option to its Happycard customer loyalty scheme, allowing customers to make donations to ADIE. After only one year, a total of EUR 20,000 has been donated in this way. Cetelem tops up the total amount donated by individuals by 50%.



Microcredit in Guinea



Microcredit in India

BNP Paribas in support of Microcredit Week

For three years, BNP Paribas has sponsored Microcredit Week, which is organised by ADIE. The aim of this initiative is to introduce the concept of microcredit to job seekers and those on long-term unemployment benefit who are looking to set up their own business but are unable to access traditional forms of financing, and to enable potential entrepreneurs to gain information and discuss their project with people who have already set up their own business and with ADIE's organisers. In 2007, 90 forums were held in public places throughout France, as well as in local business creation networks and in associations that provide social support and help fight social exclusion.

Expanding microfinance activities outside France

Building on its experience of microfinance in France and in a number of African countries since 1993, BNP Paribas set up a groupwide Microfinance business in 2006. The medium-term aim of this initiative is to position the Group as one of the world's leading banks engaged in microfinance, by supporting its development strategy in emerging countries, particularly around the Mediterranean basin.

The international microfinance project is ahead of schedule with its initial operating plan. A special team within Asset Management Services works closely with some 100 employees throughout the Group from the Corporate Investment Banking (CIB) and International Retail Services (IRS) international networks.

The project focuses mainly on refinancing, in local currency, the microfinance institutions in the areas where the Bank operates. Within one year, BNP Paribas has partnered 22 microfinance institutions in 11 countries, representing EUR 76 million in total credit granted. The project has been able to help more than 420,000 borrowers (78% of whom are women), impacting the lives of two million people when taking into account family members.

The countries involved in the project are Argentina, Brazil, Egypt, Guinea Conakry, India, Madagascar, Mali, Mexico, Morocco, Senegal and the Philippines. The agreement signed in March 2007 with the French Development Agency (AFD) to jointly support the microfinance sector was a major step forward for the project.

This partnership focuses primarily on refinancing microfinance institutions (MFIs) and financing small- and medium-sized enterprises based on guarantees issued by AFD through its Ariz guarantee fund or its subsidiary Proparco. This type of scheme is already in place in countries such as Senegal, Guinea, Mali and Madagascar.

BNP Paribas and AFD have also developed partnerships with respect to other corporate social responsibility and environmental projects. In several countries, AFD or Proparco make medium- and long-term financial resources available to the Group's local entities, which are then used by the entities to refinance clients' sustainable development projects. In 2007, agreements of this type were signed with TEB in Turkey and with UBCI in Tunisia. The Bank also offers subsidised investment loans (PAI), which are refinanced by AFD, to small- and medium-sized enterprises in the French overseas departments and territories.

A link-up with specialised rating agency Planet Rating, a spin-off from the international NGO PlaNet Finance, has fostered a better understanding of the business model specific to microfinance. Through this link-up a realistic risk policy has been established, which takes account of a project's social impact, as well as of traditional financial criteria.

Other areas of microfinance are gaining ground, notably micro-insurance. In December 2007, SBI Life, a joint venture between BNP Paribas Assurance and State Bank of India launched "Grameen Shakti" and "Grameen Super Suraksha", two micro-insurance life products designed for self help groups (groups of people belonging to the poorest populations in India, 90% created by women). These products, which are distributed by the SBI branch network and by NGOs and microfinance institutions, enable vulnerable populations to obtain life cover at very advantageous prices (from less than EUR 1 per annum).



An original plan in Gabon

Banque Internationale pour le Commerce et l'Industrie du Gabon (BICIG) launched an innovative product called *KIMI Crédit* (*kimi* meaning solidarity), designed in accordance with the tontine system, for low-income households and small businesses in the informal sector. A tontine is a group savings and mutual financial assistance programme for a small group of borrowers

who are jointly liable. Each member pays into the tontine on a regular basis and can, in turn, take out a loan for up to three times the amount saved.

BNP Paribas champions microfinance in Mali

Banque Internationale pour le Commerce et l'Industrie du Mali (BICIM), a BNP Paribas subsidiary, signed a EUR 230,000 loan agreement in July 2007 with

the microfinance institution *Miselini*. *Miselini*, which means "little needle" in Bambara, was set up in 1999 and has since expanded throughout underprivileged neighbourhoods in Bamako and the surrounding areas. *Miselini* has over 16,000 active borrowers and primarily targets women's groups, helping to support their business and/or craft activities.



Skills-based volunteer work

In addition to the microfinance programme, two skills-based volunteer initiatives were launched in 2007 in collaboration with BNP Paribas' Association of Retirees, which has over 21,000 members. These initiatives are based on the idea that microfinance needs skills as well as funding, and that a major banking group is well placed to provide these skills on a volunteer basis either through employees or retirees. The first initiative involves the nationwide development of the *Jacadie* project, launched in 2005 to help ADIE members plan their business ventures. The second initiative, "Microfinance Without Borders", offers microfinance institutions in emerging countries banking skills in the areas of risk management, management control and IT.

Community initiatives promoting integration and solidarity

BNP Paribas helps to further economic and social development in the regions in which it does business, by recruiting locally (see the section entitled "Human Resources development"), partnering local initiatives and forging alliances with key players from civil society.

Partnerships that nurture culture and education

■ Operation Hope in the United States

In 2000, the Group's Californian subsidiary became a partner of the US organisation Operation Hope Inc. (OHI). Operation Hope connects minority inner-city communities with mainstream financial services, and promotes financial literacy among populations living in under-served urban areas. Between 2000 and 2007, Bank of the West invested over USD 1 million in Operation Hope and around USD 1.2 million in contributions in kind and additional commitments not yet disbursed. Some 100 Bank of the West employees have already been taken part in Operation Hope ventures, providing 485 hours of tutoring to approximately 4,000 pupils.



Don McGrath (right), BancWest

A number of financial education initiatives are sponsored by Bank of the West, including "Banking On Our Future" (BOOF), aimed at school goers between 9 and 18 years of age in Oakland, Portland and Denver, and Hope Centers – dedicated shelters offering adult educational support and financial assistance, particularly with regard to business ventures or home buying. The Hope initiative also includes a "National Disaster Response" programme, whose beneficiaries have included victims of hurricane Katrina.

■ TEB finances schooling for children in Turkey

TEB Sigorta, the insurance subsidiary of Türk Ekonomi Bankasi (TEB), recently contributed to the "Baba Beni Okula Gönder" (Dad, send me to school) campaign, which finances the schooling of 145 pupils for three years. TEB got involved with this campaign in 2006, when an insurance product was launched to guarantee the payment of children's school tuition in the event of the death or disability of their parents. The bank undertook to donate a portion of revenues from the sale of this product to the initiative. As a result, tuition for 145 young girls from some of the rural areas most affected by illiteracy has already been covered for three years and TEB is planning to further increase its contributions.

■ In France

BNP Paribas allocated EUR 958,000 to institutions in underprivileged inner-city areas as part of the apprenticeship tax it pays. This amount is used to purchase, hire and ensure the upkeep of teaching and professional equipment and facilities and has helped some 100 institutions in priority areas. This funding enhances the initiatives led by BNP Paribas through its commitment to initiatives focusing on tutoring, scholarships, mentoring, coaching and discovery for pupils in underprivileged areas.

Coaching and mentoring in collaboration with AFEV.

The BNP Paribas Foundation has been providing support to AFEV for approximately ten years. This voluntary organisation enlists students to coach children from disadvantaged neighbourhoods. With an additional EUR 150,000 in funding each year thanks to *Projet Banlieues*, AFEV has been able to open three more centres in Evry, just south of Paris, Rouen and Nice, and improve the structures already in place in Lyons, Toulouse and Saint-Denis (one of Paris' northern suburbs). These initiatives all generated positive results within a very short time. With the new centres and the improvements made to existing centres, AFEV is now able to coach some 900 pupils in disadvantaged areas, with the help of 450 additional student volunteers. Today, the BNP Paribas Foundation is AFEV's largest private sponsor in France, irrespective of sector, and the second largest sponsor overall after the French Ministry of Education.

Solidarity and outreach programmes

BNP Paribas' commitment continued in 2007 through a number of outreach and solidarity initiatives. Some of the most important were:

Support for community projects by local associations.

In two years, the BNP Paribas Foundation, through *Projet Banlieues*, has contributed almost EUR 350,000 to 83 associations that work to provide "integration through knowledge" for children and teens in disadvantaged neighbourhoods. The initiatives mainly focus on education, professional integration, integration through sport and culture, and lifelong learning initiatives. The main regions to receive funding are Alpes-Maritimes, Eure, Haute-Garonne, Rhône, Seine-Maritime, Seine-Saint-Denis and Essonne.

Cannes et Banlieues festival by Luc Besson.

French film director Luc Besson created the *Cannes et Banlieues* (Cannes and the suburbs) festival in conjunction with the 60th anniversary of the renowned Cannes Film Festival. This initiative, sponsored by BNP Paribas, gave residents from ten Paris suburbs the opportunity to watch the films being shown in Cannes, on a giant outdoor screen set up in their neighbourhood. Retail Banking in France helped to advertise the free event with a poster campaign in the branches in the areas concerned.

Fête le mur.

Since 2000, BNP Paribas has sponsored the *Fête le mur* tennis outreach association created and led by Yannick Noah. As part of its involvement, the Group invited 30 children from *Fête le mur* in the south-east of France to attend the Monte Carlo Masters Series.



© "Pinguin"

[Philanthropy and Sustainable Development Conference by BNP Paribas Banque Privée](#)

For the first time in 2007, BNP Paribas Banque Privée invited 100 of its biggest clients from around the world to a conference in Paris on Philanthropy and Sustainable Development. This event featured top-notch speakers, each with a unique perspective on the issue: Professor Amartya Sen, Nobel Laureate in Economics, Yann Arthus-Bertrand of GoodPlanet, Alice Dautry of the Pasteur Institute, and Franck Riboud, Chairman and CEO of Danone. The BNP Paribas Philanthropy Award was created during this conference and will be given annually to an individual or family-owned group that has demonstrated an outstanding commitment to philanthropy.

Excellence and success with the French Chess Federation. Since 2006, BNP Paribas has been the official sponsor of the French Chess Federation, assisting in the promotion of chess among licensed players, the general public and school goers. In 2007, *Projet Banlieues* launched an introduction to chess initiative in Clichy-sous-Bois, enabling residents to take a basic course in the discipline during the school holidays.

A BNP Paribas London team renovates a Bulgarian orphanage. In 2007, 66 employees from BNP Paribas London's Loan Syndications and Trading team spent a day renovating a Bulgarian orphanage for physically and mentally handicapped children in the town of Mezdra. They painted walls, laid paving stones, set up a playground, and improved access to the orphanage. The team provided the orphanage with medicine, toys and building materials. This initiative came in addition to the corporate social responsibility projects carried out by the Sofia office.

Renewed commitment in New Orleans. After Hurricane Katrina hit Louisiana in 2005, BNP Paribas' employees showed that they wanted to be personally involved in the reconstruction effort by setting up the BNP Paribas New Orleans Aid Brigade. BNP Paribas Structured Finance and Corporate Coverage in the United States recently organised an in-house event in support of the initiatives of this brigade. In April 2007, 85 employees from the United States and France helped to rebuild a number of playgrounds that had been destroyed. In March 2007, BNP Paribas also funded the New Orleans Business Continuity Program which backs a number of projects to rebuild the city. The Group received the "Corporate Social and Environmental Responsibility" award in the United States in recognition of employees' commitment to reconstruction projects in New Orleans.

The Telethon in France and Italy. BNP Paribas has been the official bank for the French Telethon since its creation, handling cheques sent by donors and delivering the tax receipts for donations made. A large number of employees participate in the Telethon – devising and organising sports, musical and gastronomic events, and community initiatives. In 2007, over 500 initiatives were organised in France and French overseas departments and territories by 2,000 employees, in addition to 300 tennis tournaments for the Tennis Telethon. In Italy, BNL also offers considerable support to this fundraising campaign, bringing in almost half the amount raised. During the Telethon, hidden cameras are set up in BNL branches to take candid footage of Italian actors, who play the role of BNL advisors collecting donations. Many Italian employees take part in this fundraiser.



BNP Paribas Foundation: imaginative and in touch with the world

Operating under the auspices of the *Fondation de France*, the BNP Paribas Foundation has been promoting dialogue between the banking community and its social and cultural environment for over twenty years. As a meeting point for exchange and discovery, it gives new expression to the Group's core values of ambition, commitment, creativity and responsiveness.

Through its programmes, the BNP Paribas Foundation strives to preserve and promote cultural heritage and support artistic expression. It also provides funding for state-of-the-art medical research, as well as for innovative projects in the areas of education, social insertion and disability.

In addition to grants, the Foundation provides support for its partners and seeks to cater to their individual objectives, namely by developing programmes and providing advice and on-the-spot assistance, together with access to the BNP Paribas worldwide network of contacts.

The BNP Paribas Foundation is a member of Admical, the first business sponsorship association in France, and of the centre for charitable foundations in France.

Cultural patronage

As a recognised benefactor of museums, the BNP Paribas Foundation provides funding for the publication of art books that familiarise the public with museum collections, and awards grants for the restoration of masterpie-

ces. Its initiatives have benefited a wide variety of French and international institutions, helping to publish some 50 books on museums and enabling around 150 works of art to be restored and placed on display to the public.

The BNP Paribas Foundation also supports the performing arts by establishing close partnerships with modern dance companies, circus troupes, writers, jazz musicians and other performers working in disciplines that are often overlooked by other sponsors. At the same time, it helps to make rare or unperformed works more widely known and contributes to cultural cooperation programmes. It also makes use of its extensive links with festivals and production companies to bring new talents to a wider audience.

■ A partner in France and abroad

The Foundation supports international initiatives launched in partnership with cultural institutions in France, provides financial backing for concerts, organises programmes showcasing the international arts scene, and promotes and coordinates patronage within foreign branches. Like the BNP Paribas Group, the Foundation has its roots in France but its eyes are resolutely turned towards the international arena. It organises regular encounters between its sponsorship beneficiaries and the Group's staff, clients and shareholders. These exchanges enhance the Foundation's role as an instrument for mutual enrichment and human progress.

Corporate and Investment Banking works alongside the Foundation to aid research

At the end of 2007, Corporate and Investment Banking made several donations to charitable organisations. In France, it continued to back the partnership already in place between the BNP Paribas Foundation and the French Foundation for Medical Research (FRM) by providing funding to the **Biomedical Excellence**

programme. Through this cross-disciplinary initiative, Corporate and Investment Banking will enable young post-doctoral researchers from all different areas to complete their training in major international laboratories, thus allowing them to exchange their knowledge, discuss their techniques and create invaluable contacts for future projects.





Virgin Triptych by Macrino d'Alba. Detail: *Joachim and Anne Meeting at the Golden Gate in Jerusalem*.

© Städel Museum, Frankfurt am Main/Artothek

■ Städel Museum: restoration of the *Virgin Triptych* of Macrino d'Alba

In 2007, the BNP Paribas Foundation made it possible to restore a piece from the Quattrocento, the *Virgin Triptych*, kept at the Städel Museum in Frankfurt. This altar piece was painted in 1495 by Macrino d'Alba (1470–1528), from Alba in Piedmont, and is made up of three painted wooden panels representing *Madonna with Child*, *St Joachim and the Angel*, and *Joachim and Anne Meeting at the Golden Gate*. The triptych, which is displayed in a beautifully decorated and restored frame, is now once again a centrepiece of the Italian collection at the Städel Museum, one of the most important fine arts museums in Germany. This restoration was conducted as part of the BNP Paribas for the Arts programme, which has made it possible to restore more than two hundred works in various museums. The project demonstrates the Foundation's commitment to expanding its initiatives in many of the countries in which the Bank is present. Restoration projects are currently underway or scheduled in Australia, Egypt, the Netherlands, Greece and Singapore.

■ *Les Colporteurs*

The history of the modern circus troupe *Les Colporteurs* is linked to the history of its creator, Antoine Rigot. Ever since he first stepped onto a steel cable with his wife Agathe Olivier, this tightrope walker has never looked back. This demanding, lyrical activity has become his lifeblood, source of strength, and way of life, and his work has had a significant impact on the history of contemporary circus. In 2007, the BNP Paribas Foundation sponsored the troupe's new performance, *Fil sous la neige*, featuring three musicians and seven tightrope walkers. The show was once again an enormous success, performances were scheduled at more venues, and, thanks to the Foundation, new artistic creations took shape. In addition to touring and producing, *Les Colporteurs* are also working on setting up a centre that will offer opportunities for training, research, production, as well as performances. This centre is scheduled to open in 2008.

Medical research and volunteer activity

As part of its support for healthcare and research, the BNP Paribas Foundation assists researchers and physicians working in both medical research and applied clinical research. In this area, the Foundation works with pre-eminent scientific institutions to select beneficiaries. Funding generally takes the form of multi-year grants which are awarded to new research projects.

As part of its volunteer efforts, the BNP Paribas Foundation has been involved in a number of pilot projects aimed at promoting social cohesion and combating all forms of exclusion. These include *Projet Banlieues*, launched at the end of 2005, and the "*Coup de pouce aux projets du personnel*" programme, which in four years has helped fund associations in which employees are involved on a personal basis.

Two successful years for *Projet Banlieues*

At the beginning of 2006, with the support of its Foundation and the collaboration of its retail banking network in France, BNP Paribas launched the ambitious *Projet Banlieues* project. With a budget of EUR 3 million over three years, this project is dedicated to creating jobs and cultivating social cohesion in disadvantaged neighbourhoods, as well as to tutoring students in difficulty.

Projet Banlieues focuses on three main areas: supporting economic development and business creation through microcredit with ADIE (see above "Microcredit: a commitment in favour of social integration"); tutoring in disadvantaged areas in partnership with AFEV (see above "Partnerships that nurture culture and education"); and supporting community projects by local associations (see above "Solidarity and outreach programmes").

BNP Paribas Foundation: Grand Mécène prize from the French Ministry of Culture and Communication

In 2007, the BNP Paribas Foundation was awarded the *Grand Mécène* (literally: "major sponsor") prize by the French Ministry of Culture and Communication for its longstanding commitment to corporate sponsorship. The award was presented to Baudouin Prot, and the BNP Paribas Foundation was praised for the impact of its far-ranging patronage policy, which has been in place since the early 1980s.

BNP Paribas Real Estate: a patron of architecture

As the benchmark player in corporate and residential real estate services in Europe, BNP Paribas Real Estate has launched a patronage programme to support architecture. To get the programme underway, the entity sponsored the first major exhibition organised by the Cité de l'architecture et du patrimoine at the Palais de Chaillot in Paris, called *Avant après ou l'architecture au fil du temps* (Before and After: Architecture Through Time).



Glossary

Accretion	Reverse of dilution. Accretion is where a corporate action (share buyback or issue of shares in a smaller proportion than the increase in income following a merger or public tender offer, for example) leads to an increase in earnings per share.
ADR (American Depositary Receipt)	Negotiable certificates representing one or several shares. Their face value is stated in dollars and interest is also payable in dollars. ADRs allow American investors to buy shares in foreign-based companies that are not quoted on an American Stock Exchange.
AMS	Asset Management and Services.
Arbitrage	Activity that consists of attempting to profit by price differences on the same or similar financial assets. For example, in the case of a takeover bid, where the predator offers a price that exceeds the price at which the target's shares are trading.
Attribution right	Right to receive bonus shares issued in connection with a capital increase paid up by capitalising retained earnings. Attribution rights are quoted.
Avoir fiscal	Dividend tax credit available to individual shareholders resident in France on the dividends distributed by French companies. The purpose of the tax credit is to avoid double taxation of distributed earnings, in the hands of the company and the shareholder. The avoir fiscal granted to individual shareholders resident in France is equal to one-half of the net dividend. It is deductible from personal income tax. If the avoir fiscal cannot be set off against taxable income, it is refunded by the French Treasury.
B2B or BtoB	Business to Business: sales of products or services by one company to another.
B2C or BtoC	Business to Consumer: sales of products or services by a company to a consumer.
B2E portal	Intranet site for Group employees. The home page includes a browser, links to services and a wealth of information concerning the various functions within the Group, practical information for employees and career information.
Back office	Department responsible for all administrative processing.
BNL bc	BNL banca commerciale (formerly Banca Nazionale del Lavoro).
Bond/Debenture	Debt security whereby the issuer undertakes to pay the lender a fixed capital sum at a specific future date, plus twice-yearly or annual interest payments. Interest payments — generally at fixed rates — may vary over the life of the bond. Debentures are unsecured bonds.
Capital	Amount of cash or assets contributed by shareholders, plus any profits, retained earnings or premiums transferred to the capital account. The capital may be increased or reduced during the life of the company.
Capital increase	A method of increasing a company's shareholders' equity. The capital may be increased by issuing new shares for cash or in exchange for assets, such as shares in another company. Alternatively, it may be increased by capitalising additional paid-in capital, retained earnings or profits and either raising the par value of existing shares or issuing new shares without consideration. Existing shareholders may have a pre-emptive right to subscribe for the new shares or this right may be cancelled. A capital increase may be carried out to give new investors an opportunity to become shareholders. All capital increases must be authorised in advance by the shareholders, in Extraordinary General Meeting.
Cash flow	Cash generated by operations that can be used to finance investment without raising equity or debt capital.
CECEI	<i>Comité des Établissements de Crédit et des Entreprises d'Investissement</i> : Committee headed by the Governor of the Banque de France responsible for monitoring the proper operation of the French financial and banking system.
CIB	Corporate and Investment Banking, one of the BNP Paribas Group's core businesses.
Comité Consultatif des Actionnaires	Shareholder Consultation Committee. A group of individual shareholders selected to advise the company on its communications targeted at individual shareholders. The BNP Paribas <i>Comité Consultatif des Actionnaires</i> was set up in the first half of 2000, at the time of the merger.

Consolidated net income	Net income of the Group after deducting the portion of the profits of subsidiaries attributable to minority shareholders.
Convertible bond	Bond convertible into the issuer's shares on terms set at the time of issue..
Corporate governance	Series of principles and recommendations to be followed by the management of listed companies.
Coupon	The coupon represents the right of the security for a given year.
Custody fee	Fee received by a bank or broker to hold and service securities recorded in a securities account. Custody fees are payable annually in advance. They are not refunded if the securities are sold during the year, but no fees are payable on securities deposited during the year until the beginning of the next year.
CVR (Contingent Value Rights Certificate)	Financial instrument generally issued in connection with the acquisition of a listed company, guaranteeing the value of the underlying security at a pre-determined date. The CVR entitles the shareholder of the target to receive an amount equal to the positive difference between the offer price and a «reference» price.
Derivatives	Contracts whose value is based on the performance of an underlying financial asset, index or other investment, used to hedge or profit from future changes in the value of the underlying.
Dilution	Impact on the rights attached to a share of the issue of securities (in connection with a capital increase, a merger, a stock-for-stock tender offer or the exercise of rights), assuming that there is no change in the total income of the issuer.
Dividend	Portion of net profit that the Annual General Meeting decides to distribute to shareholders. The amount of the dividend is recommended by the Board of Directors. It represents the revenue on the share and the amount can vary from one year to the next depending on the company's results and policy.
EONIA	Euro OverNight Index Average.
EUREX	A derivatives market.
EURIBOR (European InterBank Offered Rate)	The most commonly used money-market rate in the eurozone.
Euroclear	Formerly Sicovam. Clearing house for securities transactions.
Euronext SA	Company that operates the Paris, Brussels and Amsterdam Stock Exchanges. Euronext SA establishes market rules, decides to accept or reject listing applications and manages all trading technologies.
FCP (Fonds Commun de Placement)	Fund invested in stocks, bonds and/or money-market securities. An FCP is similar to a SICAV, but is not a separate legal entity. FCPs are generally smaller than SICAVs and are easier to manage. They are subject to less restrictive regulations and can be more specialised.
FRB	French Retail Banking.
Free cash flow	Cash available after financing operations and investments, available to pay down debt.
Free float	The amount of capital which is not under the control of stable shareholders. In other words, capital that can be freely bought and sold and is therefore available to investors, excluding for example shares held by the State, or shares that are subject to shareholders' pacts and so on. On 1 December 2003, the stocks that make up the CAC 40 index became weighted according to their free floats, as opposed to their market capitalisations. This change was born out of a desire to be consistent with the major world market indexes which already function in this manner, and to ensure greater comparability between industries and shares. BNP Paribas has a free float of 95% – one of the highest on the Paris stock market.

Gain/loss on securities	Positive/negative difference between the sale price of a security and the purchase price.
Goodwill	Difference between the cost of shares and the Group's equity in the fair value of the underlying net assets.
Hedge funds	Funds that take both long and short positions, use leverage and derivatives and invest in many markets.
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards.
IFU (<i>Imprimé Fiscal Unique</i>)	French tax return issued by a bank or broker, listing all the securities transactions carried out on behalf of the taxpayer and all the coupon payments made to the tax payer.
Institutional investor	Financial institution which, by definition or by virtue of its articles of association, is required to hold a certain proportion of its assets in stocks and shares. Examples include insurance companies and pension funds.
Investment club	A variable- or split-capital company, which enables its members to jointly manage a portfolio of marketable securities formed from an initial investment and/or regular capital contributions. Clubs benefit from a favourable regime in respect of capital gains tax. The FNACI (National Federation of Investment Clubs), which is located at 39, rue Cambon, 75001 Paris, provides on request all the information required for the launching and smooth running of these clubs.
IRFS	International Retail Banking and Financial Services. Abbreviation replaced by IRS in 2008.
IRS	International Retail Services. Abbreviation that replaces IRFS.
ISIN code	The new identification number for securities listed on the stock market. The ISIN code replaces the well-known Sicovam code which had since become the Euroclear code. On 30 June 2004, Euronext Paris put an end to its existing system for identifying securities and replaced it with a system that uses ISIN codes. Having already been adopted by a number of European stock markets including Amsterdam, Brussels, Lisbon and Frankfurt, the new system gives a unique identity to each share and therefore facilitates cross-border transactions between investors, primarily by improving harmonisation within Euronext. The ISIN code comprises 12 characters: 2 letters to indicate the issuing country (e.g., FR for France and US for the United States) and 10 figures. BNP Paribas's ISIN code is FR0000131104.
LBO	Leveraged Buy Out. Company acquisition financed primarily by debt. In practice, a holding company is set up to take on the debt used to finance the acquisition of the target. The interest payments due by the holding company are covered by ordinary or exceptional dividends received from the acquired target.
LIFFE	London International Financial Futures and Options Exchange.
Liquidity	Ratio between the volume of shares traded and the total number of shares in issue.
LME	London Metal Exchange.
M & A	Mergers & Acquisitions.
Market capitalisation	Value attributed to a company by the stock market. Market capitalisation corresponds to the share price multiplied by the number of shares outstanding.
Market-maker/ Market-making contracts	Market-makers commit to maintaining firm bid and offer prices in a given security by standing ready to buy round lots at publicly-quoted prices. Market-making contracts generally concern mid-cap stocks and are intended to enhance the stocks' liquidity. In France, market-making contracts (contrats d'animation) are entered into between Euronext, the issuer and a securities dealer.
MONEP (<i>Marché d'Options Négociables de Paris</i>)	Paris traded options market, including CAC 40 index options and equity options.

OAT (Obligation Assimilable du Trésor)	French government bonds.
OCEANE (Obligation Convertible En Actions Nouvelles ou Existantes)	Bond convertible for new shares or exchangeable for existing shares of the issuer.
OPA (Offre Publique d'Achat)	French acronym for a public tender offer for cash.
OPE (Offre Publique d'Échange)	French acronym for a public stock-for-stock tender offer.
OPF (Offre à Prix Fixe)	French acronym for a public offering of securities at a set price.
OPR (Offre Publique de Retrait)	French acronym for a compulsory buyout offer (final stage in a squeeze-out).
OPRA (Offre Publique de Rachat d'Actions)	French acronym for an offer to buy out the minority shareholders of a company that is already largely controlled (first stage in a squeeze-out).
Option	Contract giving the buyer the right (but not the obligation), to purchase or sell a security at a future date, at a price fixed when the option is written (exercise price), in exchange for a premium paid when the option is purchased. Options to purchase a security are known as calls and options to sell a security are known as puts.
OPV (Offre Publique de Vente)	French acronym for a public offering of securities at a set price.
ORA (Obligation Remboursable en Actions)	French acronym for equity notes, representing bonds redeemable for shares.
P/E	Price/Earnings ratio. Ratio between the share price and earnings per share. The P/E serves to determine the multiple of earnings per share represented by the share price.
Par value	The par value of a share is the portion of capital represented by the share.
PEA (Plan d'Épargne en Actions)	French name for personal equity plans. Savings products designed to promote private share ownership, invested in shares of companies that have their headquarters in a European Union country or in units in qualifying unit trusts. Revenues and capital gains are exempt from personal income tax and capital gains tax provided that the savings are left in the plan for at least five years. Investments in PEAs are capped at EUR 120,000 per individual.
PEE (Plan d'Épargne Entreprise)	French name for employee share ownership plans. Payments into the plan and reinvested interest are exempt from personal income tax provided that they are left in the plan for at least five years (with early withdrawal allowed in certain specific cases). Surrender gains are also exempt from personal income tax.
Pre-emptive subscription rights	When a company issues shares for cash, each shareholder has a pre-emptive right to subscribe for a number of new shares pro rata to the number of shares already held. The right can be traded on the stock market. Companies can ask the General Meeting to cancel shareholders' pre-emptive subscription rights to facilitate certain operations or allow the company to open up its capital to new investors.
Preference shares	Preference shares are shares that pay dividends at a specified rate and have a preference over ordinary shares in the payment of dividends and the liquidation of assets. They do not carry voting rights.
Price guarantee	When a company acquires control of a listed target, it is required to offer the target's minority shareholders the opportunity to sell their shares at the same price as that received by the sellers of the controlling interest. The offer must remain open for at least fifteen trading days.
Primary market	Market where newly-issued securities are bought and sold.
Prime brokerage	Activity consisting of providing a wide range of services to hedge funds, including financing, securities settlement/delivery, custody, securities lending/borrowing, etc.

Public tender offer	Offer to buy shares of a company, usually at a premium above the shares' market price, for cash or securities or a combination of both. Where only a small proportion of the company's shares are traded on the market and the offer is followed by a compulsory buyout, the process is known as a «squeeze-out».
Quorum	General Meetings can take place only if there is a quorum. For Ordinary General Meetings, on first call there is a quorum if the shareholders present and represented hold at least 1/4 of the voting rights. There is no quorum requirement on second call. For Extraordinary General Meetings, the quorum corresponds to 1/3 of the voting rights on first call and 1/4 on second call. For Combined Meetings, the quorum requirements depend on whether the resolutions are "ordinary" or "extraordinary".
Quotation	The quotation determines the price of a security on the market at a given point in time. Prices are generally quoted on a continuous basis throughout the day (from 9:00 a.m. to 5:30 p.m.), providing a real-time indication of the prices at which the security concerned is changing hands. Continuous quotation allows market players to closely track market trends. Quotations for securities with a low trading volume are made once a day.
Rating/rating agencies	A rating represents an assessment of the default risk on debt securities. The rating awarded to an issuer has a direct impact on the issuer's borrowing costs. Changes in ratings also have a significant impact on the issuer's share price. The main rating agencies are Standard & Poor's, Moody's and Fitch.
Report	On the Euronext Paris market, transaction allowing an investor to carry forward a buy or sell position from one deferred settlement date to the next.
ROE	Return on Equity. Ratio between consolidated net income and consolidated shareholders' equity.
Secondary market	Market where securities are bought and sold subsequent to their issue.
Settlement	Monthly date when transactions with deferred settlement (Service de Règlement Différé) are unwound (or extended). This date corresponds to the fifth trading day before the last trading day in the month.
Share	A share is a transferable security representing a portion of the capital of a limited company or a partnership limited by shares. Ownership of shares is evidenced by an entry in the issuer's share register (registered shares) or in a securities account kept in the holder's name by a bank, stockbroker or other accredited intermediary (bearer shares). Shares quoted on the stock exchange are also referred to as "equities".
SICAV (<i>Société d'Investissement à Capital Variable</i>)	Variable capital investment company that manages a portfolio of securities on behalf of its shareholders. Shares may be purchased or redeemed at any time. The shares are not listed but their value (corresponding to the company's net asset value per share) varies each day based on changes in the value of the securities held in the portfolio.
SICOVAM (<i>Société Interprofessionnelle pour la Compensation des Valeurs Mobilières</i>)	Now renamed Euroclear France. Organisation responsible for clearing securities trades, centralising all stock market transactions and facilitating the transfer of securities between member institutions.
SPVT (<i>Spécialiste en Pension des Valeurs du Trésor</i>)	Primary dealer in French government bond repos.
SRD (<i>Service de Règlement Différé</i>)	French market where the main French and foreign equities are traded. Equities or bonds purchased with deferred settlement are purchased on credit. The buyer is required to settle the purchase price and the seller is required to deliver the securities on the next settlement date, unless one or other of the parties asks for the transaction to be carried over to the next settlement date (report).
Subscription right	Right to participate in a share issue for cash.
TBB (<i>Taux de Base Bancaire</i>)	Interest base rate.

TMO (<i>Taux Mensuel de Rendement des Emprunts Obligataires</i>)	Interest rate corresponding to the monthly bond yield.
TPI (<i>Titre au Porteur Identifiable</i>)	Procedure allowing issuers to obtain information about the identity of holders of bearer shares from Euroclear.
Trade Centre	Specialised sales force set up by BNP Paribas to partner its corporate customers' international development. The Trade Centres offer importers and exporters a wide range of customised services based on the "one-stop-shopping" principle.
Treasury shares	Shares held by the issuer. Treasury shares are stripped of voting and dividend rights and are not taken into account in the calculation of earnings per share.
TSDI (<i>Titre Subordonné à Durée Indéterminée</i>)	French acronym for perpetual subordinated notes.
TSR	Total Shareholder Return: corresponding to return on the capital invested by shareholders, including dividends and unrealised gains on the shares.
UCITS	Undertaking for Collective Investment in Transferable Securities. Term covering unit trusts and variable capital investment companies.
Voting right	Right of a shareholder to vote in person or by proxy at General Meetings.
Warrant	Certificate issued on a stand-alone basis or strippable from another security (share, bond) giving the holder the right to acquire securities (share, bond). Warrants issued by financial institutions acting as market-maker give the holder the right to purchase (call warrant) or sell (put warrant) various underlyings (interest rate, index, currency, equities) at a fixed exercise price during a fixed exercise period. Although these warrants constitute options, they cannot be sold short.
Work flow	Process automation technology allowing the sequential transmission of digital documents and files to the various people responsible for processing the data.
Yield	Indicator of the return on an investment, expressed in percent. For shares, the yield corresponds to the ratio between the last dividend paid and the last share price.



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