

# *Outline of the Presentation*



**1** Results

**2** Update on the Integration

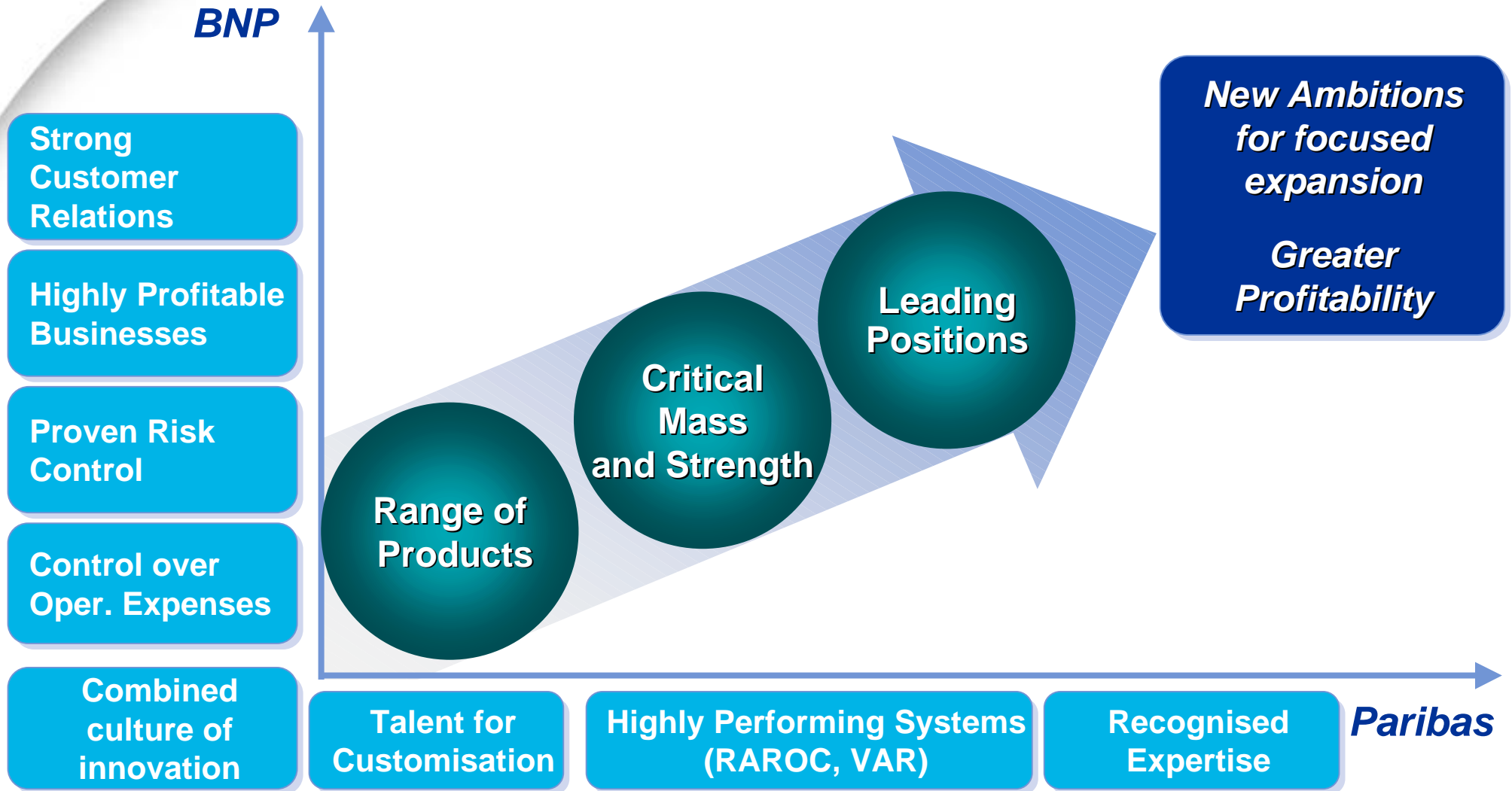
**3** **Corporate and Investment Banking**

**4** Private Banking and Asset Management

**5** Retail Banking

**6** The Internet revolution

# A New Force in Investment Banking



## Equities

- **Derivatives: remain a world leader**
  - reinforce our leading position on options
  - continue developing sales operations
  - growth in stock lending/borrowing business
  
- **Cash Markets: Top 5 in Asia  
Top 10 in Europe**
  - Continue reinforcing integrated operations in Europe and Asia
    - Consolidate industry-based research and sales
    - Expand market coverage
  - Consolidate quantitative products and research in Japanese equities
  - Develop European and Asian product sales in the US

## Corporate Finance

In Europe,

- **M & A: Top 10  
top 5 among European banks  
form an integrated operation**
- **Equity Origination: Top 5  
including among Top 3 European  
banks**

## Fixed Income

- **Top 3 world-wide in Euro bonds**
- **Top 5 world-wide in derivatives**
- **Improve profitability of flow products  
(forex, treasury, govt bonds) by  
streamlining back-office operations**
- **Continue developing electronic  
distribution platforms**

## Structured Financing

- A European leader with global ambitions with four core businesses
  - syndicated credits and acquisition financing, maintain its leading position in Europe
  - LBO and high yield: promote one-stop shopping
  - project financing: concentrate on utilities, securitisation: remain No. 1 for non-USD trans.
  - asset financing and optimisation

## Media & Telecoms

- Thanks to the complementarity between BNP (large corp.) and Paribas (mid-caps): strengthen our position as leader in Europe (Top 3)

## International Trade

- Top 5 worldwide
- Export financing: maintain our undisputed No 1 position in the French market
- Global trade services: set up 80 trade centres, including 20 in France
- Speed up development of multi-source export credits

## Energy and Commodities

- Capitalise on our position as Global leader and complementary product lines (Paribas: oil and energy; BNP: soft commodities)
- Reinforce our position in the metals market
- Develop cross-selling in brokerage services and derivative products

# Weighted Assets: Optimising Returns

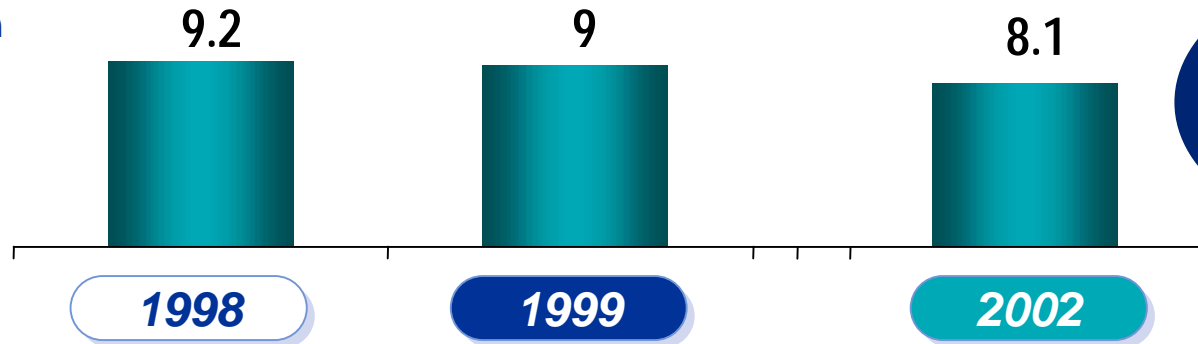
## 1. By Dynamic Selective Development

- **Develop specialised operations**
  - for 10 main entities (accounting for 80% of Corp. & Inv. Bking weighted assets):  
over half of the staff working on specialised financing
- **Promote origination and syndication capacity**
  - syndication: continue 1999 trend: total underwriting > €40 bn  
final share < €7 bn
- **Generalise RAROC Discipline**
  - definition of target RAROC for each business and geographic area
  - Training Programme:  
600 employees already trained, 1,000 to be trained by end 2000, all by 2001
- **Reduce exposure on plain vanilla credits with low margins**
- **Continue to accompany our customers in a favourable environment**

# Risk-Weighted Assets: Optimising Returns

## 2. By Active Balance Sheet Management

Allocated Capital  
in €bn



**1998 -2002  
target:  
- 12 %**

### Step Up Portfolio Management

- Set up a central team in Paris with a network of correspondents in leading locations

### Reduction of Weighted Assets at the Best Cost

- Securitisation: 1999: €3,845 mn
- Credit Derivatives: 1999: €500 mn
- Asset Sales: 1999: €519 mn

**Superior Goals for 2000**

**Maintain customer portfolio,  
Curb revenue losses**

## Environment

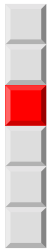
- Strong global economic growth  
low level of risk
- Soaring stock markets
- Considerable volatility
- Explosion in the volume of issues in €
- Revival of international trade  
after a slump in 1998
- Increased customer demands

## Results / Highlights

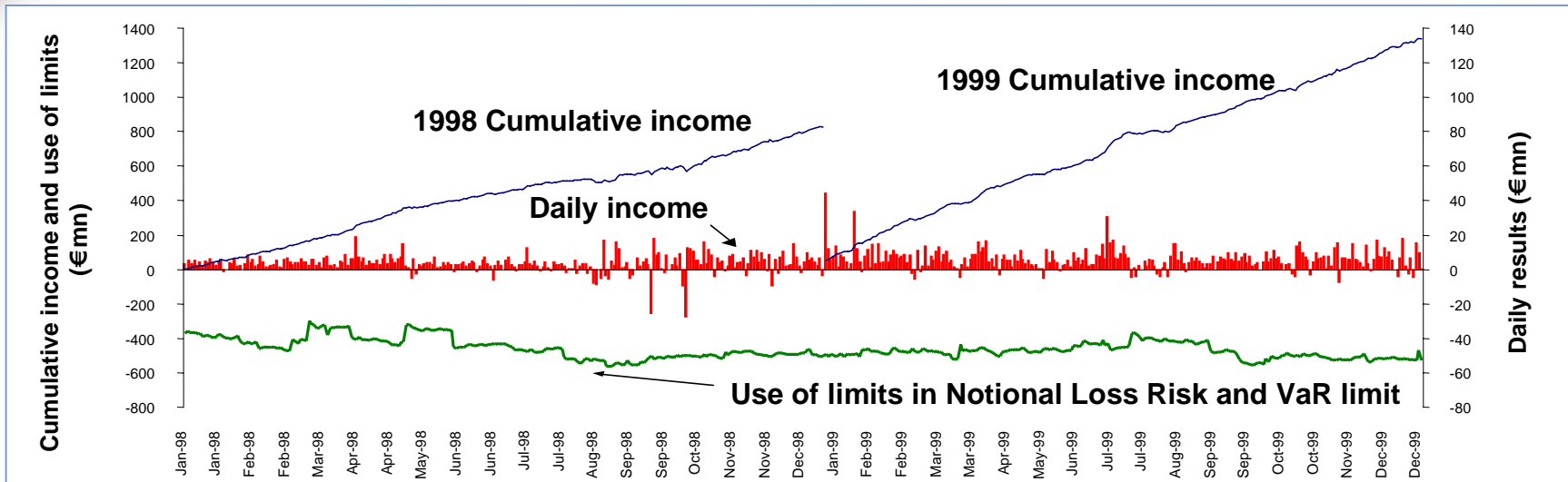
	In € mn	Var.
NBI	5,540	+ 30.4 %
Oper. Expenses	- 3,325	+ 11.2 %
GOI	2,215	+ 75.9 %
Provisions	- 434	- 56.8 %
Pre-Tax Income	1,783	x 6,6
ROE	20 %	+16 pts

- A record year for equities and equity derivatives
- Solid leadership in issues in €
- Acquisition financing: an unprecedented year
- Financing commodities and energy: a new record year
- ISO 9002 Documentary Credit Certification for France
- Critical mass now achieved (14 locations in OECD countries) in multi-source export credit

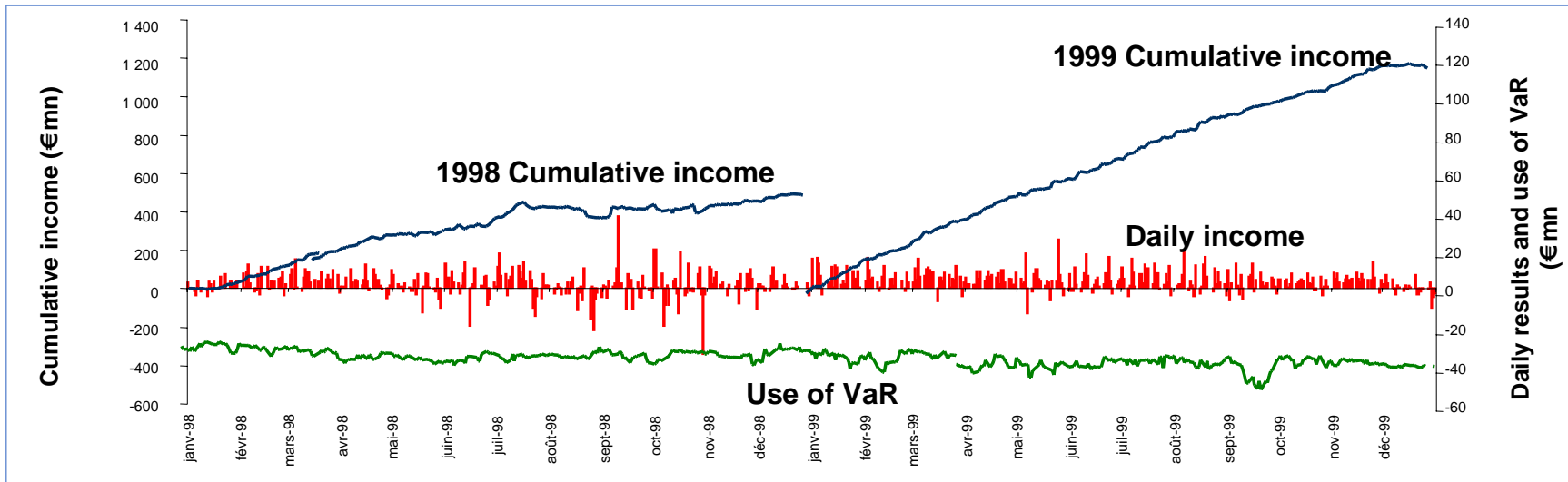
# Soaring Market Revenues with No Marked Increase in Risks



BNP



Paribas

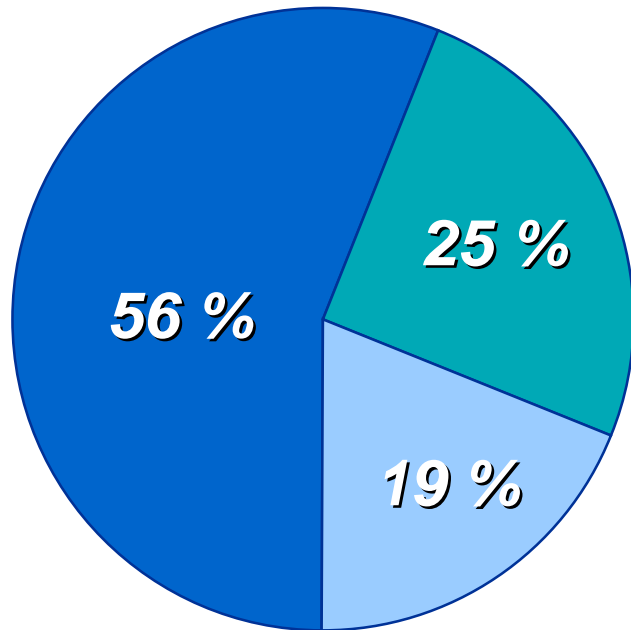




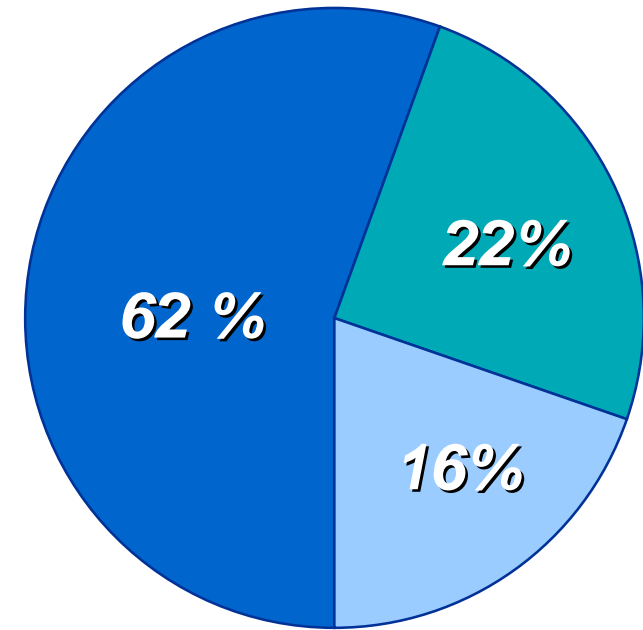
# Corp. & Invest. Banking: Breakdown of Net Banking income

*Excluding revenues from allocated equity capital*

**1998**



**1999**



- Markets & Corporate Finance
- Commercial banking
- Specialized financing

**BNP & Paribas complementary businesses give the group a high profile in the major global financial centres fuelling growth in local markets in Europe and Asia**



**Strong positions in  
en Europe**

- **Equities:** No. 1 in broking of French equities
- **Bonds:** No. 3 Euro Eurobond bookrunner  
No. 1 in Non-USD International Asset Backed Securities
- **Structured financing:**  
No. 9 Syndicated Credit Arranger  
No. 2 in Europe  
No. 2 High Yield Syndicated Credit Arranger