



SUSTAINABLE DEVELOPMENT DYNAMICS

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EDITO

As you are aware, BNP Paribas issues every year a Sustainable Development Report (the 2005 edition was the 4th release of this document), along with its so called "Annual" Report, more "traditional business-oriented" which includes also the comprehensive Financial Statements of our Company for the previous Fiscal Year.

It nevertheless seemed to us that in the field of SRI, as it happens regarding the business-related items, you would like to be in touch with companies on an uninterrupted basis. We are therefore delighted to present you with the second issue of "*Sustainable Development Dynamics*", a periodic information tool regarding the achievements of BNP Paribas in the field of Sustainable Development/Socially Responsible Investment.

Our ambition in this process is to keep you posted of all the facts and events (and not only the "big things") occurring in the everyday life of our Company in these matters (whether they are related to sponsoring, environment, human resources, compliance,...), for you to be really associated with the way SD/SRI is "living and well", as a truly integrated part of the way BNP Paribas is conducting its business for a value creation process in the interest of all its stakeholders.

Should you not (or no more) be the person dealing with SRI matters within your firm, we thank you to be kind enough to pass this publication to the persons involved, as well as to keep us informed of such changes, so that the next messages could be correctly routed.

We wish you a good reading of this issue, and a happy New Year 2007.

BNP PARIBAS AUSTRALIA CELEBRATES ITS 125TH ANNIVERSARY

BNP Paribas was the first foreign bank to enter the Australian market, in 1881. In contrast to its initial business of financing the wool trade, it now offers financial solutions to ASX 150 companies and foreign multinationals.

For its 125th anniversary, the Bank arranged a celebration at the Art Gallery of New South Wales, during which Richard Tognetti conducted the Australian Chamber Orchestra in a performance that included the world premiere of "Chaconne", an original composition by Christopher Gordon that BNP Paribas commissioned to thank the people of Australia.

PEERS SALUTE BNP PARIBAS BULGARIA FOR SOUP KITCHEN PROJECT IN SOFIA

BNP Paribas Bulgaria has been named the country's most socially responsible business leader in 2006. The "Investor in Community" distinction was created several years ago by the Bulgarian Business Leader Forum, a not-for-profit organization sponsored by the Prince of Wales Foundation and whose members include most of Bulgaria's large corporates. BBLF's main goal is to promote and disseminate the highest ethical standards and best business practices.

This year's award was given to BNP Paribas Bulgaria for its soup kitchen project in Sofia, an initiative that began four years ago when 150 meals a day were provided for elderly and poor citizens throughout the winter of 2002-2003.

Thanks to the effective logistical cooperation with the City of Sofia, and to a very strict control over funds, the project attracted several outside sponsors and steadily increased the number of beneficiaries. This winter, 1,600 hot meals will be served every day until the end of March 2007.

CEO LEADS INNOVATION PUSH

BNP Paribas is committed to being on the cusp of innovation in all its businesses, as well as in central support functions.

To spur innovation momentum, BNP Paribas CEO Baudouin Prot has sent a message to all senior executives underscoring the fundamental importance of the Group's initiatives to stay ahead of the competition and recognize innovations by staff.

The four values that inspire the management mindset and principles across the Group are emphasized along with the key factors that drive innovation: responsiveness for a swift transition from ideas to actions, creativity to think differently and encourage fresh ideas, commitment to lay foundations of confidence through visible and ongoing involvement by managers, and ambition to continually identify new paths to progress.

GAZ DE FRANCE AND UCB SIGN AGREEMENT TO PROMOTE SUSTAINABLE HOMEBUILDING

Gaz de France and UCB (the subsidiary of the Bank specialised in real estate financing) have teamed up to offer a new loan product dubbed "Dolce Vita Bâtir Durable" enabling people buying or building a new home with a mortgage from UCB to obtain special financing terms for natural gas heating and hot water installations. Natural gas is an efficient energy solution that cuts consumption by 20% compared with conventional heaters. This very concrete initiative combines the benefits of ecology and equally tangible budget savings.

BANK OF THE WEST PLEDGES \$135,000 FOR DENVER FINANCIAL LITERACY PROGRAM

Bank of the West said it would provide \$135,000 to underwrite first year costs in the launch of the HOPE's Operation (a non governmental organisation) "Banking on Our Future" program in Denver Public Schools.

The program, announced at a presentation for students and media at Challenges, Choices and Decisions charter school, brings volunteer bankers into public schools to teach the basics of personal finance to elementary, middle and high school students.

Art Shingleton, senior Vice-President of Community Affairs for the bank said *"too many young people become consumers without understanding enough about saving, budgeting and credit. Often they get into trouble; operation HOPE is about preventing early financial failure, promoting 'silver rights' and fostering success."*

This project also receives the assistance of the SBC Foundation, whose help permitted previously the construction of a cybercafé where the customers of the Bank can use electronic resources for online training in the field of small business management.



PROGRAM FOR TROUBLED SUBURBS HAILED BY SOCIAL ACTION PROFESSIONALS

The BNP Paribas Program for Troubled Suburbs is one of 30 initiatives singled out by a panel of social action professionals for the 20th anniversary conference of IMS/Entreprendre pour la Cité.

This association promotes socially responsible corporate practices. Its panel members, in making their decision, stressed the Program's innovative nature as well as its management, which relies heavily on local representatives of the Bank.

The Program for Troubled Suburbs, created in late 2005, fosters employment and integration in difficult neighbourhoods. Another BNP Paribas initiative - ATMs for the sight-impaired - is also cited in the conference booklet.

GLOBAL MICROFINANCE BUSINESS

Capitalizing on its micro credit experience since 1993 - with ADIE in France and in three African countries - BNP Paribas has created a microfinance business at the Group level.

The medium-term goal is to position BNP Paribas among the world leaders in this field, principally by refinancing micro finance institutions in emerging markets via the sites of two core businesses of the Bank, International Retail Financial Services and Corporate and Investment Banking.

Micro credit, as extended by Grameen Bank (founded in Bangladesh by Nobel Peace Prize winner Muhammad Yunus), is recognized as a very powerful tool for combating poverty in the world. This innovative project will be hosted by Asset Management & Services, the third core business of BNP Paribas.

CETELEM SIGNS ONE OF THE FIRST MULTI-REGIONAL MICROCREDIT AGREEMENTS IN FRANCE

François Villeroy de Galhau (Chairman and CEO, Cetelem), Patrick Baquin (Head of Partnerships and Territories, Caisse des Dépôts et Consignations), and Gérard Obringer (Chairman of the participative association Cresus) signed a joint agreement and a Memorandum of Understanding formalizing cooperation between Cresus and Cetelem in granting loans to individuals who have no access to bank lending. In cooperation with Cresus, Cetelem will issue loans guaranteed by a social cohesion fund managed by Caisse des Dépôts et Consignations.

TWENTY YEARS SERVING THE TELETHON

BNP Paribas has been the official bank to the Telethon since its inception. In 2006 was celebrated the 20th anniversary of the cooperation with The French Muscular Dystrophy Association (AFM). This year, more than 3,000 employees volunteered to organize, or take part in, nearly 550 sport, music, and gastronomic fundraising events.

BNP PARIBAS WINS THIRD PLACE IN EMPLOYEE SHAREHOLDING SCHEME

Renault, Saint-Gobain and BNP Paribas took the top three prizes (in that order) for employee shareholding schemes in the category of CAC 40 listed companies.

The awards were announced during the Actionaria 2006 trade show.

This recognition reflects in particular the Group's internal information initiatives, coupled with proactive promotion of employee shareholding and governance for the funds in which the money is invested.

2006 RESULTS OF THE "IMMEDIATE INTERVIEWS" CAMPAIGN WITHIN THE FRENCH RETAIL BANKING BRANCH NETWORK

Two specific recruitment events have been organized in 2006, in order to fulfill the staffing needs of the Paris region retail banking network. The goal was to propose full time jobs on a permanent basis to undergraduates and graduates (from high school +2 to +5) with a first working experience, in order to strengthen the sales force within the BNP Paribas branches.

The first operation took place in April, and attracted 3,600 persons who were immediately interviewed by managers; 1,400 of them were preselected and pursued the recruitment process with a second interview by Human Resources Department, of which one hundred were actually hired.

During the second campaign, at the end of 2006, 3,000 candidates showed up in branches, among which more than 1,400 have again been selected for interviews; at the end of the process, around 100 were hired.

RESTORATION IN RENNES

The famous "Deposition" by Charles le Brun (1619-90), which has been held in storage at the Fine Arts Museum in Rennes since the French Revolution at the end of the eighteenth century, has been restored to its full splendour thanks in part to support from the BNP Paribas Foundation.

This monumental painting portrays a scene that was very popular among artists, particularly those of the Flemish school.



BNP PARIBAS IMPROVES ITS ACCOUNTABILITY RATING

BNP Paribas ranks 37th, up from the 50th position in 2005, in the 2006 *Accountability Rating* which compares the most important companies world wide since 2004; the results of this survey have been announced in Fortune magazine.

This annual evaluation is conducted jointly by *Accountability* (international think tank for the promotion of accounting practices leading to a more accurate reporting on the socially responsible initiatives within companies) and CSR Network, a British consulting firm.

Six criteria have been taken into account: dialog with stakeholders, CSR influence on the company's strategy, links between management and CSR, true and sincere information, CSR policy presentation and explanations, and governance.

ARIUS OBTAINS ISO 9001 CERTIFICATION

The BNP Paribas subsidiary specializing in open-ended leasing solutions for IT fleets has just received ISO 9001 certification for its entire organization associated with the production and delivery of LeasePark® services. These services, which are chosen in conjunction with more than 60% of leasing contracts, give customers full real-time visibility of their IT fleet, enabling them to optimize their technical, administrative, and financial management.

ISO certification exemplifies Arius' commitment to customer loyalty through ongoing improvements to service quality. Certification from AFAQ AFNOR, an accredited independent organization, proves that Arius' services comply with the demanding ISO 9001 standard benchmark, which is wholly oriented toward customer satisfaction.

BMOI INTERNATIONAL TRADE EXTENDS ISO CERTIFICATION TO ALL OPERATIONS

Starting in 2001, *Banque Malgache de l'Océan Indien* secured quality certification for its international trade activities. The scope of certification encompassed all levels of the bank and of its international trade department both back office and front office operated by the Trade Centre.

ISO 9001 certification was quickly obtained for processing credits and documentary collection, and subsequently renewed in 2004. Certification has recently been extended to all of the department's operations, including payment orders, transfer orders, and import/export domiciliation.

HIGHEST GRADES FOR BNP PARIBAS E&RE IN THE "DOSSIERS DE L'EPARGNE" GUIDE FOR 2007

The 2007 *Dossiers de l'Épargne* guide has given its "Label of Excellence 2007" to all the employee savings solutions ("PEE" company savings plans and "PERCO/PERCOI" company/intercompany group retirement savings plans) that BNP Paribas Epargne & Retraite Entreprises (Savings and Corporate Retirement Systems) offers mid-sized companies, entrepreneurs, and self-employed professionals.

It also issued a favourable opinion of E&RE's "Section 83" group retirement insurance products.

Each year, *Les Dossiers de l'Épargne* examines the market for employee savings and group insurance products, singling out those that excel in terms of quality of contractual documentation, flexibility, accessibility, transparency, competitiveness, performance, investment vehicles, among other criteria.



CORTAL CONSORS CONTINUES TO BE COMMITTED IN THE "ACTION CARBONE" PROJECT

Cortal Consors has done its first "Carbon Audit" in order to measure the emissions of CO2 generated by its activities. An audit of Cortal Consors French headquarters have been made in November 2006 to evaluate the emissions linked to the building, energy consumptions and employees trips.

To compensate these emissions, Cortal Consors finances environmental projects. 2 campaigns "Useful Investment" have been made in April and November 2006: Cortal Consors customers could invest on the website in a selection of mutual funds with reduced entry fees (0.5%). These entry fees have been abounded by Cortal Consors and the involved asset management companies, to reach 2% of the total amounts collected. This money has been given to the "Action Carbone" project of the association "GoodPlanet" led by Yann Arthus-Bertrand.

In April 2006 already, the money collected that way, financed the plantation of 120 000 trees in Chile. After having witnessed the success of the first operation, particularly through the implication of its customers and employees, Cortal Consors has then decided to launch a new campaign, whose funds will be used in Cambodia in an energy efficiency program aiming at the reduction of greenhouse gas emissions by limiting deforestation and in the same time improving access to alternative sources of energy for the inhabitants.