

# BNP Paribas

***Vision 2007  
An ambitious business  
development strategy***

***Baudouin Prot  
Chief Executive Officer***

## Disclaimer

*This presentation contains forward-looking statements and objectives with respect to the financial situation of BNP Paribas. These items are by their very nature subject to risks and uncertainties to the extent that they are contingent upon future circumstances. Such forward-looking statements and objectives were determined based on a central scenario including a number of economic forecasts and assumptions over the regulatory environment; they notably preclude the occurrence of an economic recession or financial crisis. Such statements and objectives may therefore not be construed as financial forecasts.*

*All growth rates and comparisons indicated in this presentation are on a comparable accounting standard basis, except where expressly stated. These figures are the result of a comparison of Q1 2005 results calculated on the basis of IFRS accounting standards as adopted by the European Union for 2005 and a simulated restatement of Q1 2004 and Q4 2004 results on the basis of these same accounting standards. The corresponding simulated figures have not been audited.*

## Presentation Overview

- **The Group's 1Q05 Results at a glance**
- Vision 2007 : an Ambitious Business Development Strategy
  - French Retail Banking
  - International Retail and Financial Services
  - Asset Management and Services
  - Corporate & Investment Banking
  - Group-wide projects and initiatives
  - Capital management

#### French Retail Banking

Accelerating revenue growth trending towards 5% due to new sales and marketing systems and infrastructure

#### International Retail and Financial Services

Strong growth in Net Banking Income (+13%) due to buoyant organic growth (+6%), enhanced by acquisitions  
New growth levers in emerging markets

#### Asset Management and Services

Strong growth in Net Banking Income (+17%) due to organic growth above 10% and added growth via acquisitions  
Record levels of net new inflows

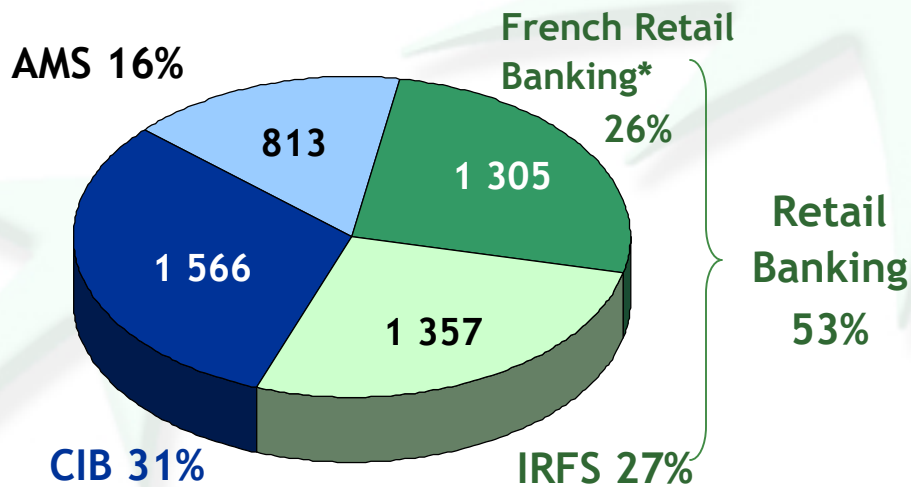
#### Corporate and Investment Banking

Revenues up 10%, Pre-tax Income up 35%  
Positioned as a leader in highly technical business segments

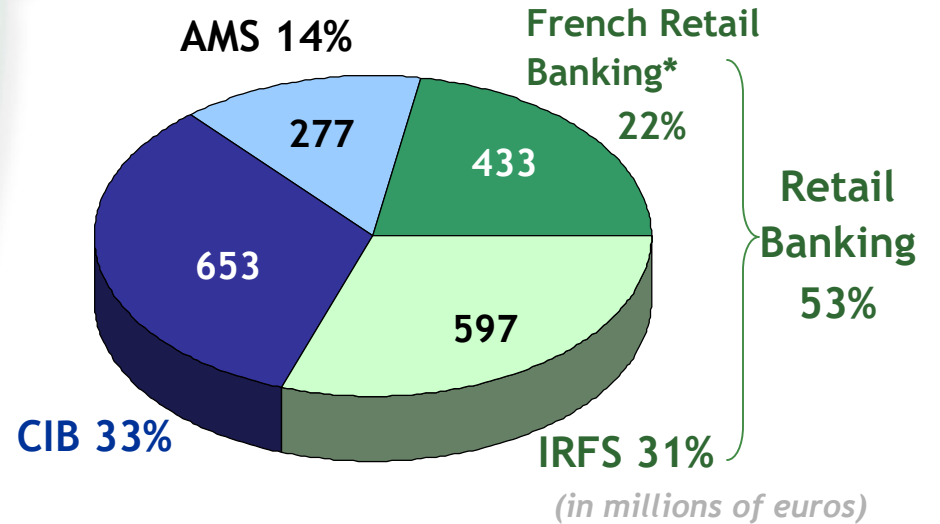
# Group 1Q05

## Strong Momentum Across All Core Businesses

### Net Banking Income



### Gross Operating Income



#### Net Banking Income - % Change 1Q05/1Q04 EU-IFRS

Retail Banking :	+10.7%
AMS :	+17.0%
CIB :	+9.9%

#### Gross Operating Income - % Change 1Q05/1Q04 EU-IFRS

Retail Banking :	+16.6%
AMS :	+11.7%
CIB :	+14.4%

\* including 2/3 of French private banking

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### **French Retail Banking**

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*An objective to grow faster than the market by fully capitalising on the new commercial organisations*

**Private Banking**

- Leverage the n°1 position to grow the customer base and assets under management

**Individual Customers**

- Maintain the drive to win new customers
- Internet: double the number of users

**Professional and Small Business Customers**

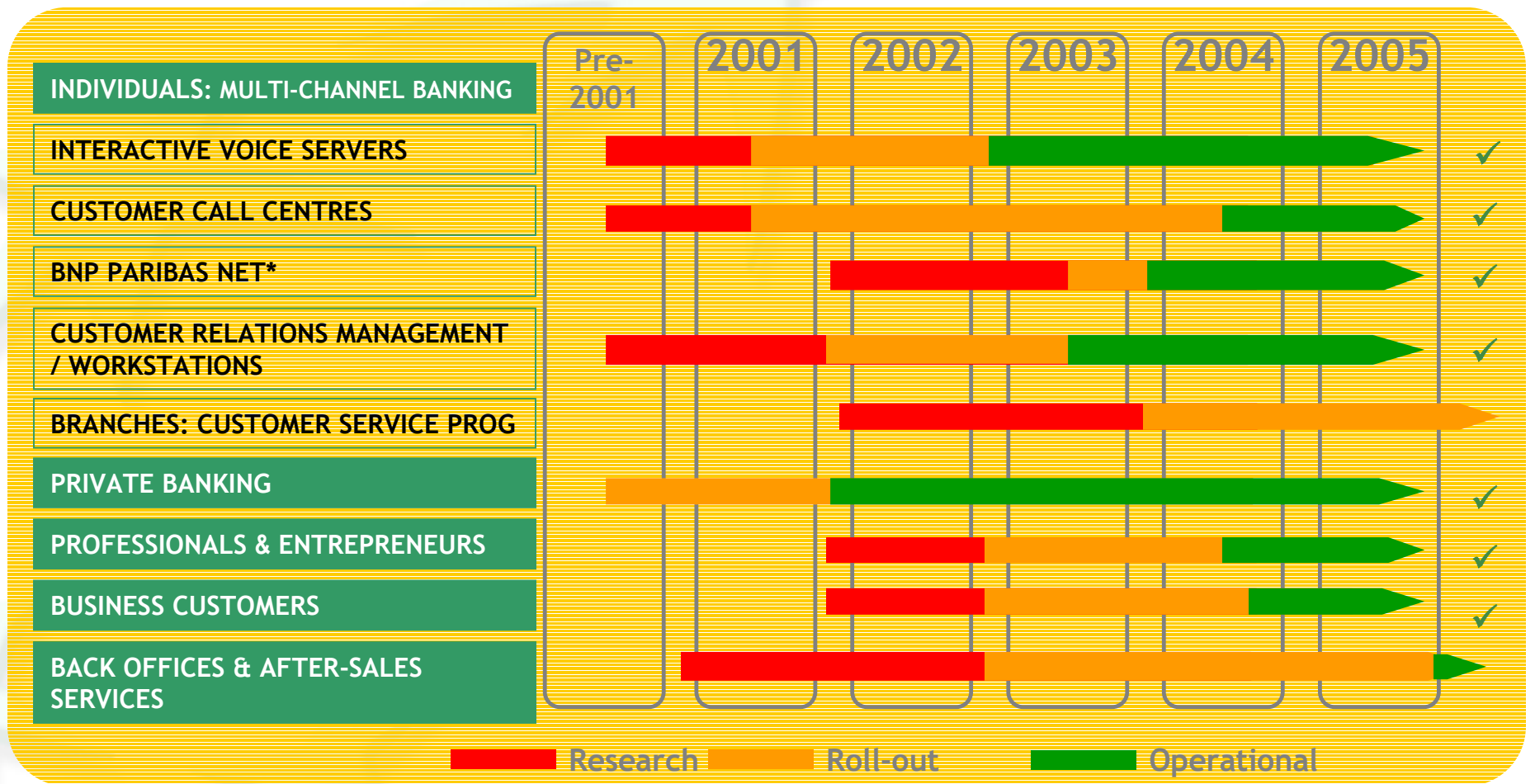
- Win new customers, develop customer loyalty and dual relationship (private/commercial)

**Corporates**

- Increase wallet share
- Cross-sell high added-value products and services



# FRB - Innovative & High-Performance Commercial Structure

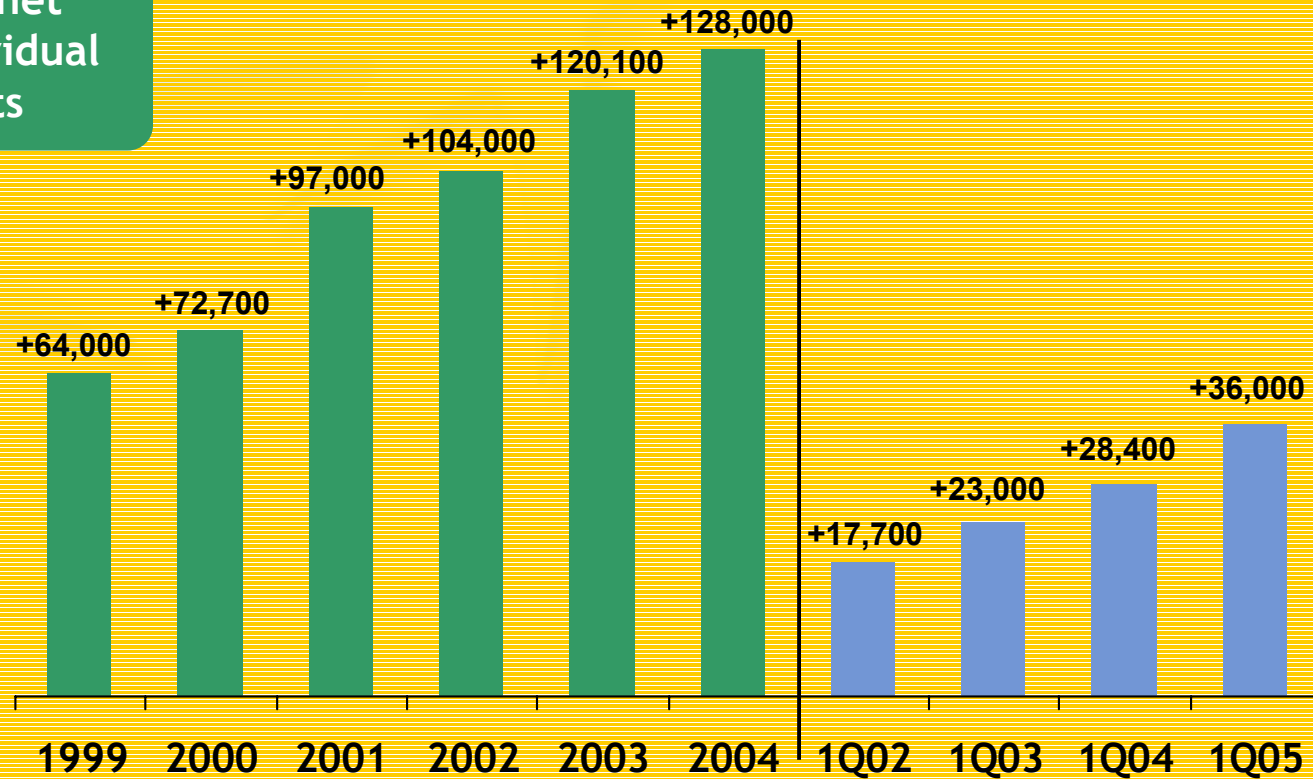


\* New version of BNP Net



## FRB - Individual Customers Strong Commercial Drive

Increase in the net number of individual current accounts



### ■ Mortgage lending momentum

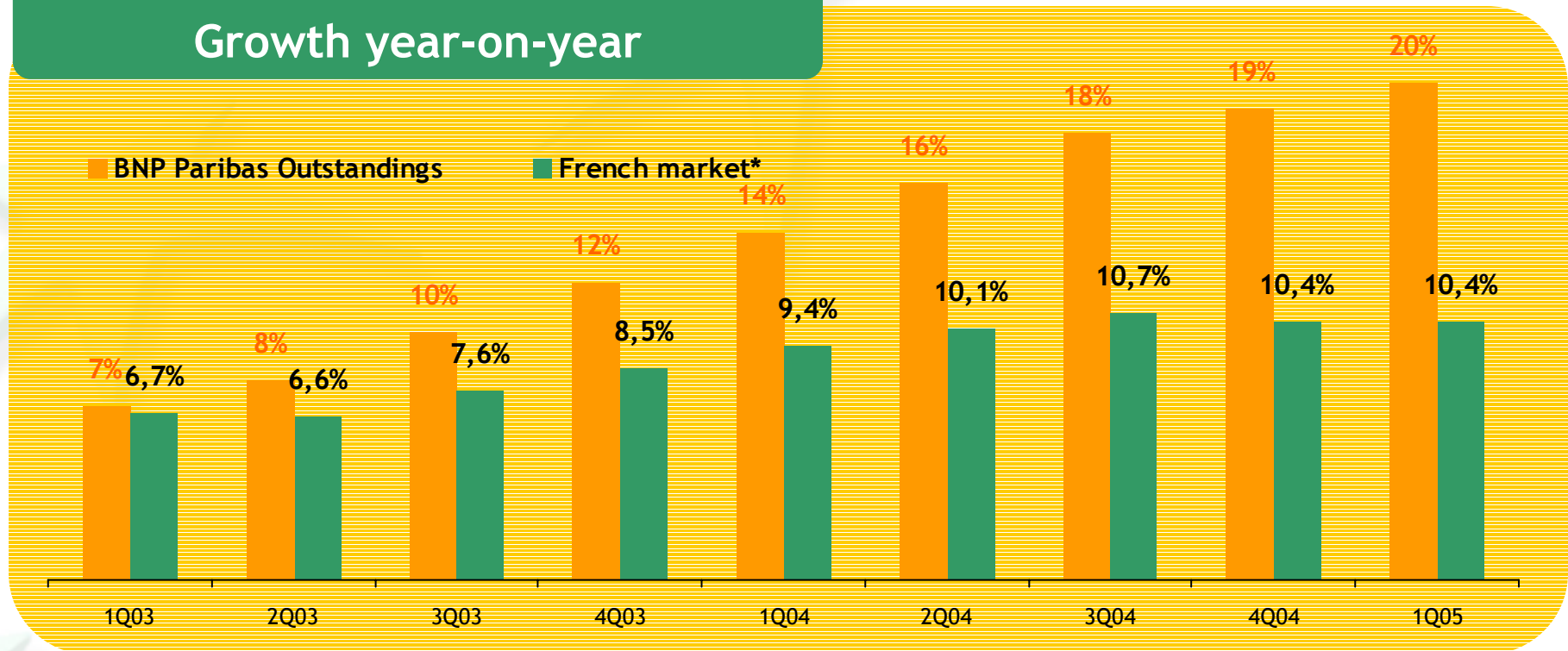
- a source of new customers generating much higher profitability than average new clients

### ■ Success of “Young Customer” set-up

- new initiatives and innovative partnerships (Sony PlayStation, “*printemps du cinema*”, etc.)

### Outstanding loans - Individuals

#### Growth year-on-year



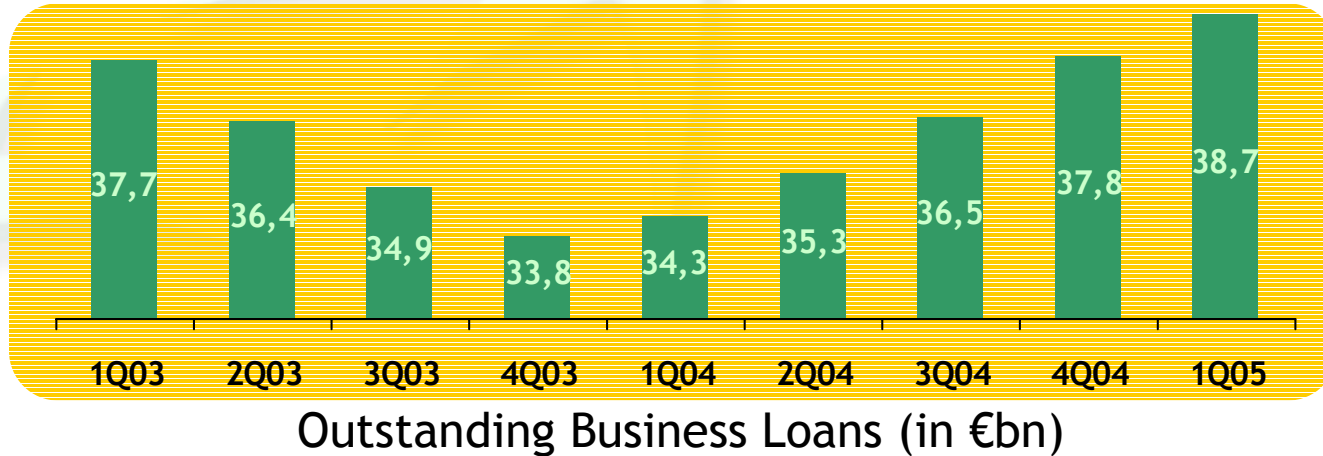
- The result of improvements made to sales and marketing organisation as well as processing quality standards
- Pricing in line with market averages\*\*

\* Source : monthly statistics of the Banque de France

\*\* As is generally the case with regards to individual banking services (sources: Le Monde, survey of January 2005; Institut National de la Consommation, survey of March 2005)

## FRB - Growth in Outstandings and Cross-Selling

- Business loan growth outperformed the market, while respecting the same quality profitability and risk criteria



- Continued growth of cross-selling across business lines

### Income 1Q05 vs. 1Q04

Structured Finance	x 2
Corporate Finance	x 3
Derivatives	+70%
Factoring	+40%
Leasing	+15%

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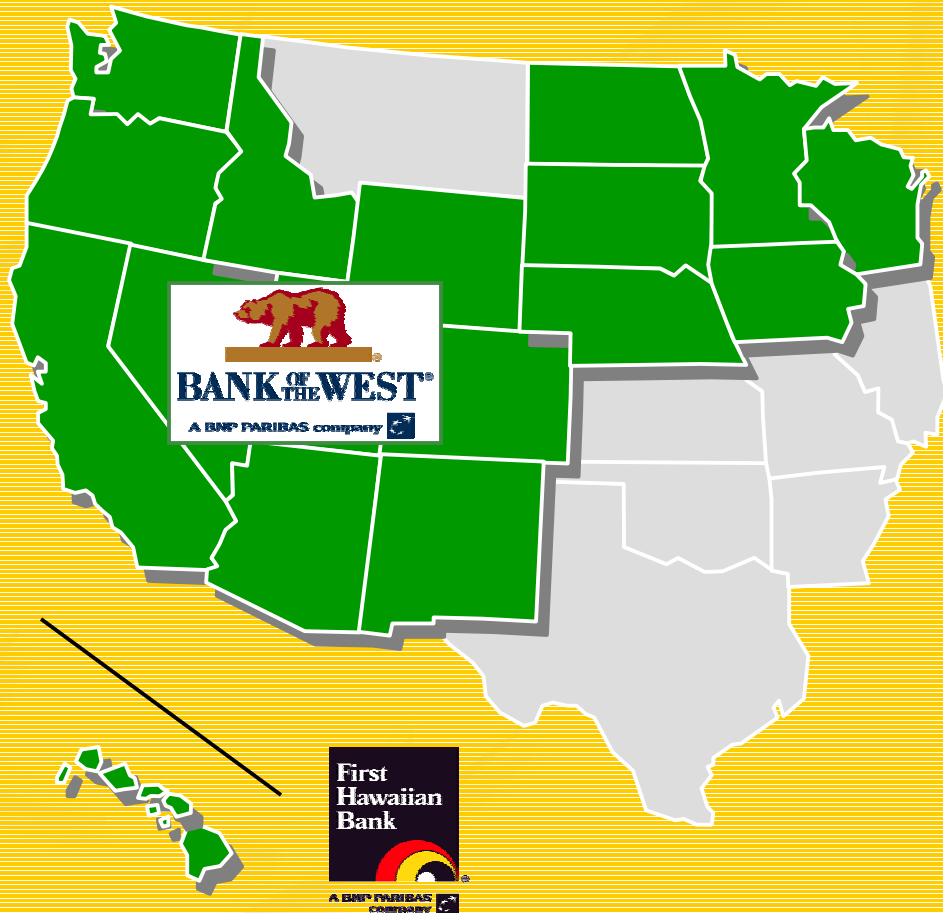
- *Implement an aggressive sales and marketing strategy in France*
- *Bolster leadership position in financial services in Europe*
- *Continue expansion in the US and in selected emerging countries*

**Multiple  
growth  
levers**

- **Significant organic growth**
- **Acquisitions**
- **Systematically seek synergies**

## IRFS - BancWest - An Expanded Footprint

BancWest network  
541 branches in 17 States



- Strong and differentiated business model
  - Community bankers: relationship focused
  - Nationwide business lending capabilities: consumer finance, church lending, SBA
- Significant organic and acquisition-related growth (CAGR p.a. since 1999)
  - Loans & lease + 21.3%
  - Deposits + 21.1%
  - Net Income 22.4%
- Experienced integration know how: IT and brand migration accomplished in
  - 6 months for UCB
  - 5 weeks for CFS
  - 12 weeks for USDB

*BancWest is now the  
7<sup>th</sup> largest Western US bank  
in a fast consolidating market*

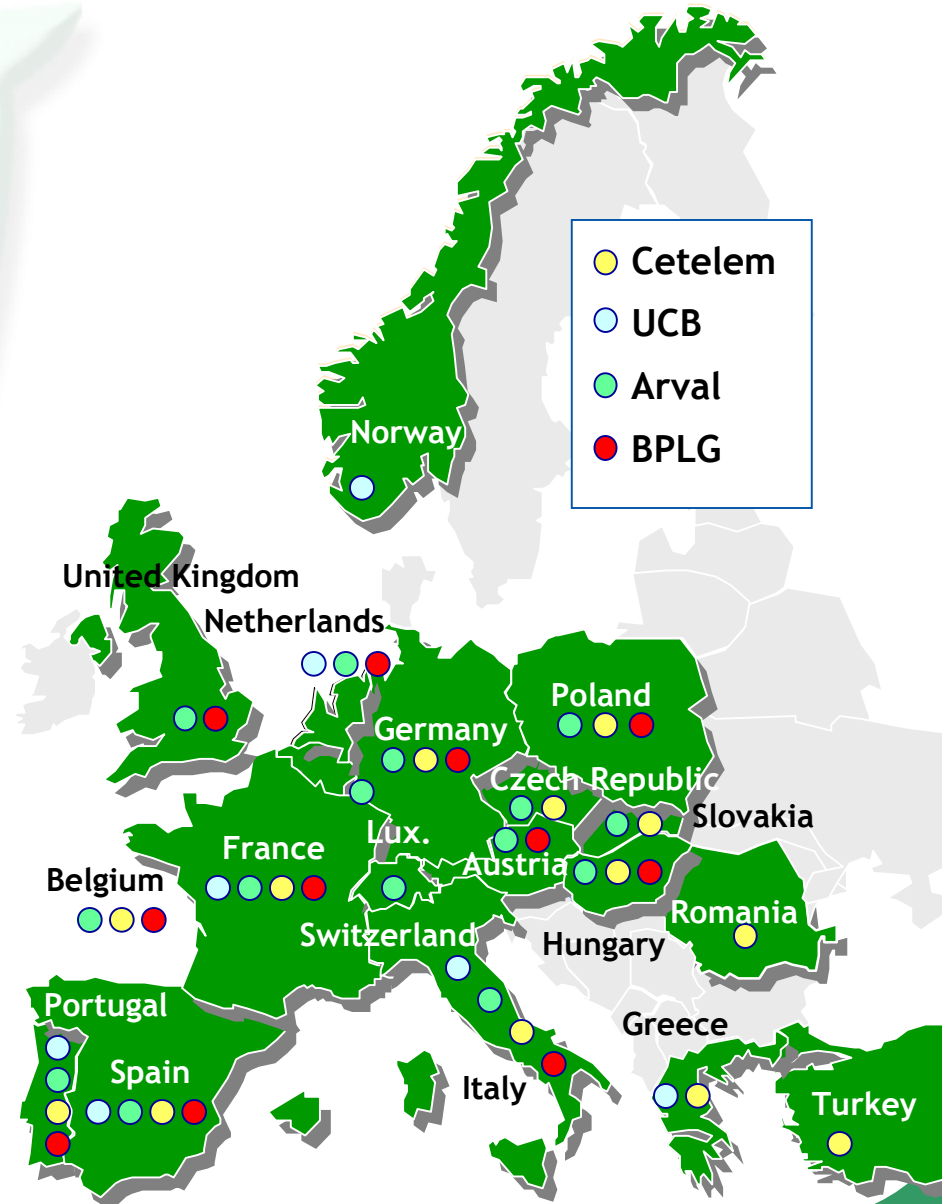
## Consumer finance: Cetelem #1 in France and in Continental Europe

- France: Leading position
  - reinforcement of position in Cofinoga
- Outside of France: outstandings up 15.4% 1Q05 vs 1Q04
  - Southern Europe: :#1 Italy, #3 in Spain
  - Eastern Europe, :#1 Hungary, #2 in Romania, #3 in the Czech Republic and Slovakia

## Financial services



- Leadership positions in Europe
- Recent expansions in France (Abbey National France) and Benelux ( Arma, Leaseco)
- Outstandings exceeding €43bn at 31.03.05, up 17% year on year



# IRFS - Emerging Markets: Turkey, Middle-East, North Africa

Strong growth reinforced by cross-selling,  
in a rapidly-growing geographic zone

## ALGERIA

- 5 branches
- 30 branch openings through 2007 of which 10 in 2005

- Total population 255mn
- Total GDP 2004 USD930bn (+6% vs. 2003)

## TURKEY

- TEB (50%)
- 87 branches
- 63 branch openings through 2007 of which 15 in 2005
- Opening of 3 Trade Centres in 2005

## LEBANON

- 5 branches
- Develop private banking

## MOROCCO

- BMCI (65%), Cetelem and Arval
- 154 branches
- 46 branch openings through 2007 of which 16 in 2005

## QATAR BAHRAIN UAE

- 4 sites
- Strong cross-selling with AMS and CIB

## TUNISIA

- UBCI (50%)
- 52 branches
- 45 branch openings through 2007 of which 15 in 2005

## EGYPT

- BNP Paribas Cairo (87%)
- 7 branches
- 23 branch openings through 2007 of which 10 in 2005

## KUWAIT

- Branch opened in March 05

## SAUDI ARABIA

- License obtained
- Opening 1st half 05

Population and GDP: source Economist Intelligence Unit



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*An objective to increase revenues faster than the market by strengthening positions in Europe, including in France, and selected business expansion in the rest of the world*

### Wealth and asset management

- Strengthen position as one of the leading global players in Private Banking
- Asset management : double the amount of highly technical assets to €40bn and grow total assets under management by €50bn

### Insurance

- Maintain double-digit annual growth in revenues

### Securities Services

- Confirm the leading position in Europe for the full securities product range

# Leading Business Lines in Europe

**Assets under management\*: €361bn**  
**Assets under custody: €2,621bn**

## Private Bank

- # 1 in France
- # 4 in Europe



## Insurance

- # 4 in France
- Within world top 3 for creditor insurance



## Asset Management

- # 2 promoter in France for fund distribution
- # 7 asset manager in the Eurozone



## Securities Services

- # 1 in France
- # 1 in Europe, one of the few Pan-European players



## Saving and brokerage

- European leader in personal investment and online trading
- # 1 in France, # 2 in Germany



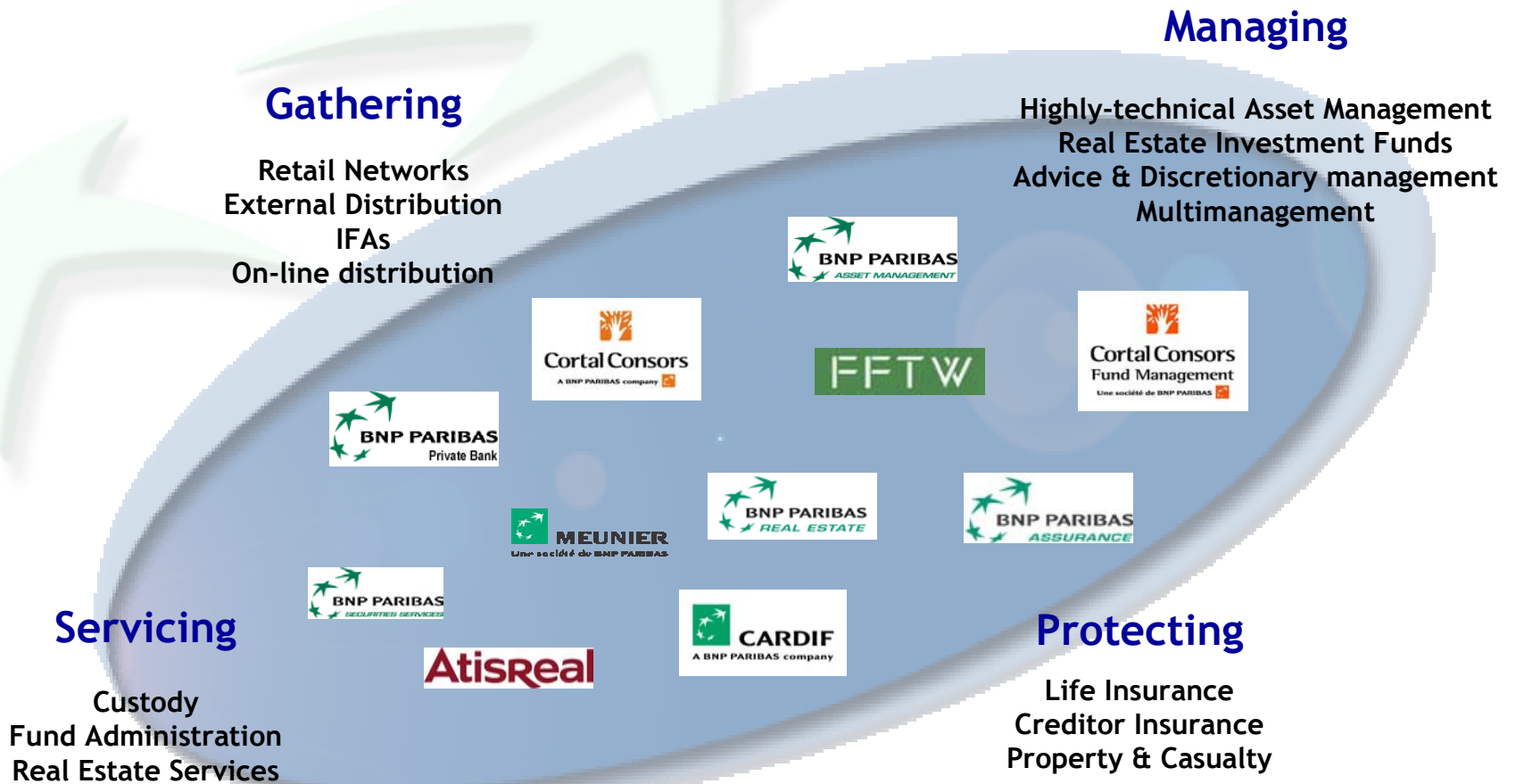
## Real Estate Services

- # 1 in Continental Europe for corporate real estate services
- # 2 in France for real estate investment funds



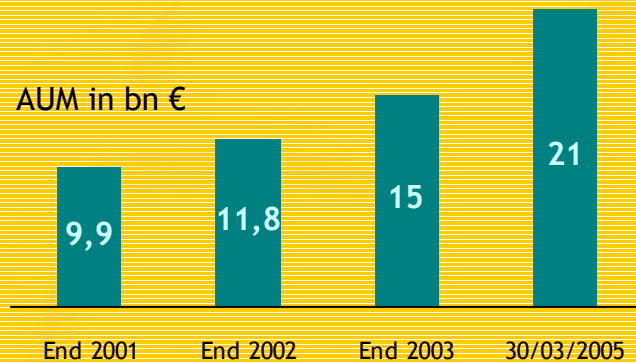
\* Total assets under management as at 31 March 2005 including cross-selling among AMS business lines

# AMS - A Unique set of Businesses Dedicated to Investors



**AMS covers the entire Investment Cycle**

## Fast growth in alternative and structured products



## Targeted external growth

- International Private Banking (Switzerland, Monaco, Miami, The Netherlands)
- Funds of Hedge Funds with Fauchier Partners
- Real Estate Services with Atis Real

## Vibrant organic growth drive in emerging countries

	India	Brazil	China & Korea	Russia
Private Banking	X	X	X	
Insurance	X	X	X	X
Asset Management		X	X	

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*Ambitious growth objectives through expanded coverage across Europe and targeted business expansion in the United States and Asia*

Maintain a high ROE and keep the cost/income ratio amongst the lowest in the market

- Focus on organic growth enhanced by targeted acquisition opportunities
- Maintain strict cost control and stringent risk policy
- Industrialise processes

- **No. 1 world-wide in project finance**
- **No. 1 mandated arranger of syndicated credit (EMEA)**
- **No. 1 in sovereign bonds in euros**
- **No. 1 in European leveraged loans**
- **No. 2 world-wide in euro-denominated corporate bonds**
- **No. 2 world-wide in euro-denominated structured finance**
- **No. 2 bookrunner of emerging market syndicated credit**

*Sources: Thomson Financial 1Q05, Dealogic 2004*



## CIB - Capacity to structure and place highly-technical products

### Securitisation

« Best Cross-Border Securitisation Deal » (The Asset & Finance Asia)

### Specialised Finance

« Aircraft Finance House of the Year » (Jane's Transport Finance); « European Telecom Bank of the Year 2004 » (Telecom Finance Magazine)

### Energy, Commodities

« Crude Oil House of the Year » (Energy Risk Magazine); « Bank of the Year » (Global Water Intelligence)

### Derivatives

« Best provider of Interest rate options » (Corporate Finance Magazine); « Best Equity Derivatives Provider » (Global Finance Magazine, 2004); « First Dealer and First Issuer of Equity-Linked MTNs » with 30% and 25% of global market share (MTN-I)

### Leveraged Financing

### Fund Derivatives

### Acquisition Financing

« Best Arranger of Acquisition Financing; Best Arranger of Project Financing » (EuroWeek)

### Research

« N° 1 for Investment Grade Credit Research » (Euromoney survey)

### US

**Achieve combined growth of business lines**

- Expand the product range by drawing on the global franchises
- Step up coverage

### BRAZIL

**Bolster our market position**

- Expand the customer base

### EUROPE

**Firmly position ourselves amongst the leading players**

- Focus on deepening relations with large corporate customers,
  - expand the customer base from 330 to 450
- Expand our position in the mid-caps segment outside France:
  - double our revenues on this segment

### JAPAN

**Reinforce our positions**

- Grow the number of large corporate customers
- Become a first tier bank for financial institutions

### CHINA

**Take advantage of the high potential by capitalising on our existing positions**

- Roll-out the product offering in corporate finance and structured finance
- Develop product offering in local currency

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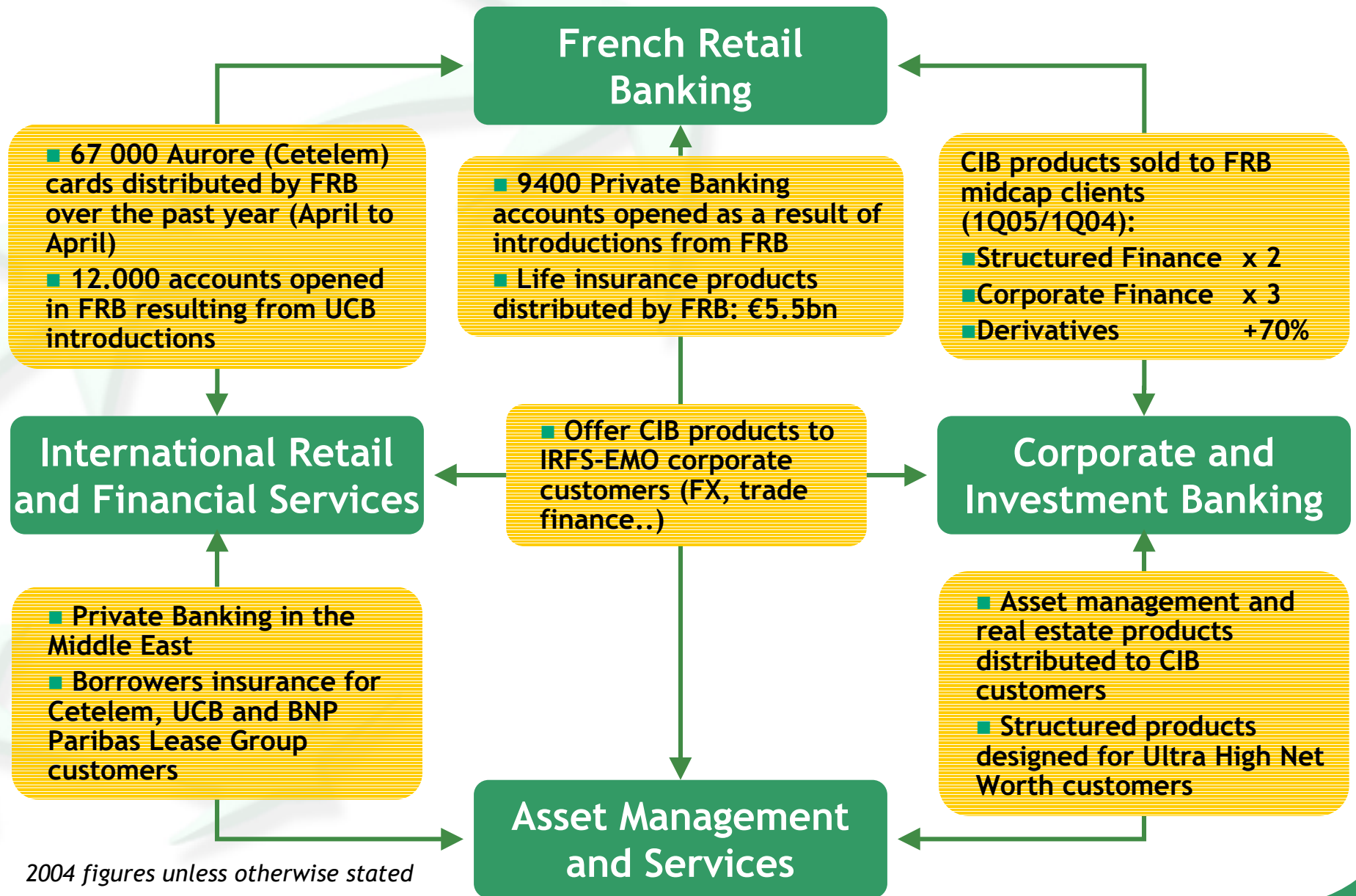
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# Cross-Selling Systematised in Order to Outperform the Market - *Examples*



# A Brand Strategy Designed to Foster Business Development

- BNP Paribas brand worth 4.7 billion Euros (*source: Interbrand, May 05*)
- A new brand and visual identity architecture

## Subsidiaries making use of BNP Paribas' visual identity



## Subsidiaries keeping their own visual identity

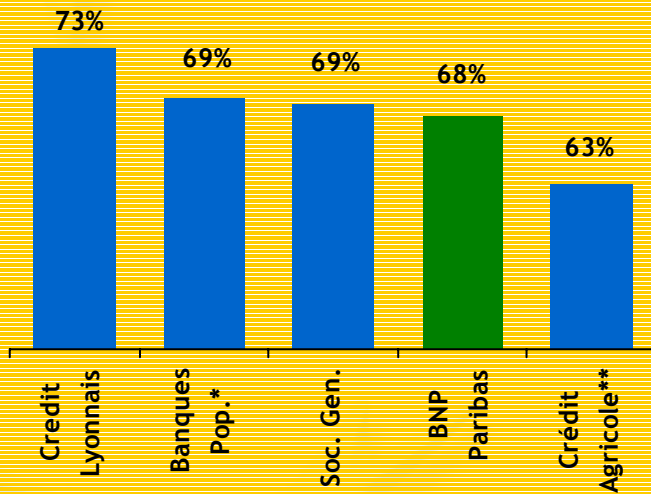


# An Objective to Continuously Improve the Organisation's Efficiency

## ■ Cost / income ratio:

- continue streamlining and pooling the business lines' platforms and information systems in order to improve the Group's cost/income ratio
- maintain the best competitive positioning of each of the core businesses

2004 Cost/Income ratios of French Retail Banking activities

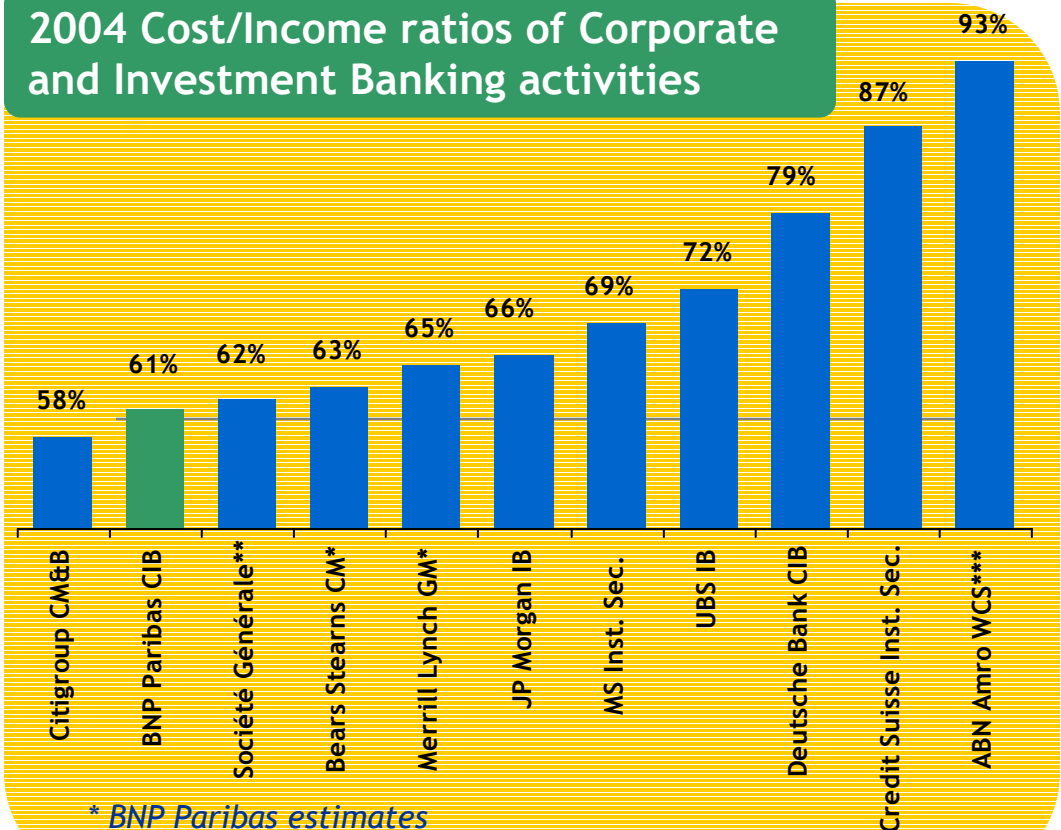


Estimations BNP Paribas :

\* Excluding excess capital

\*\* Excluding excess capital and dividends

2004 Cost/Income ratios of Corporate and Investment Banking activities



\* BNP Paribas estimates

\*\* Excl. IAS 32, 39 and IFRS 4 \*\*\* Excl. special items

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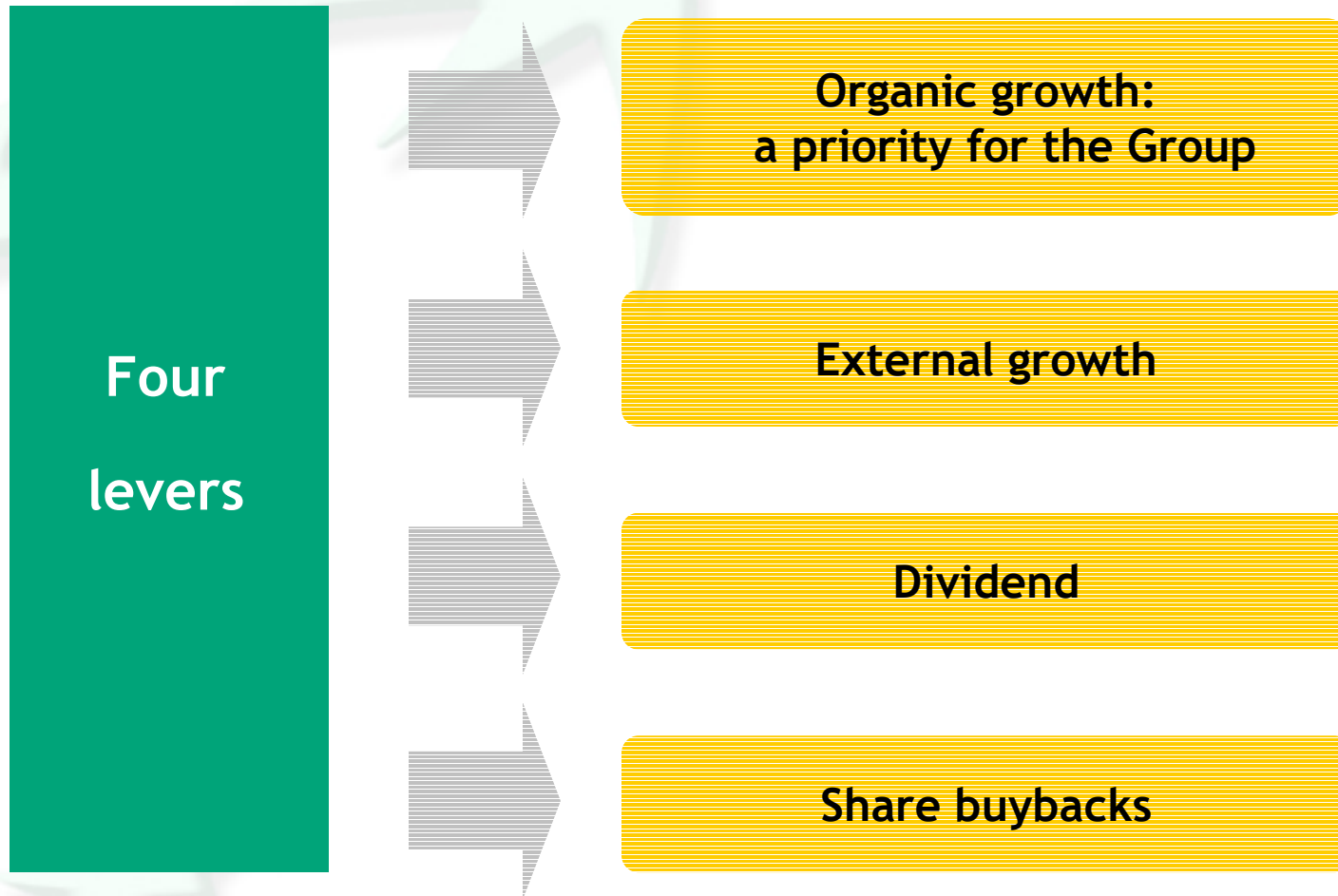
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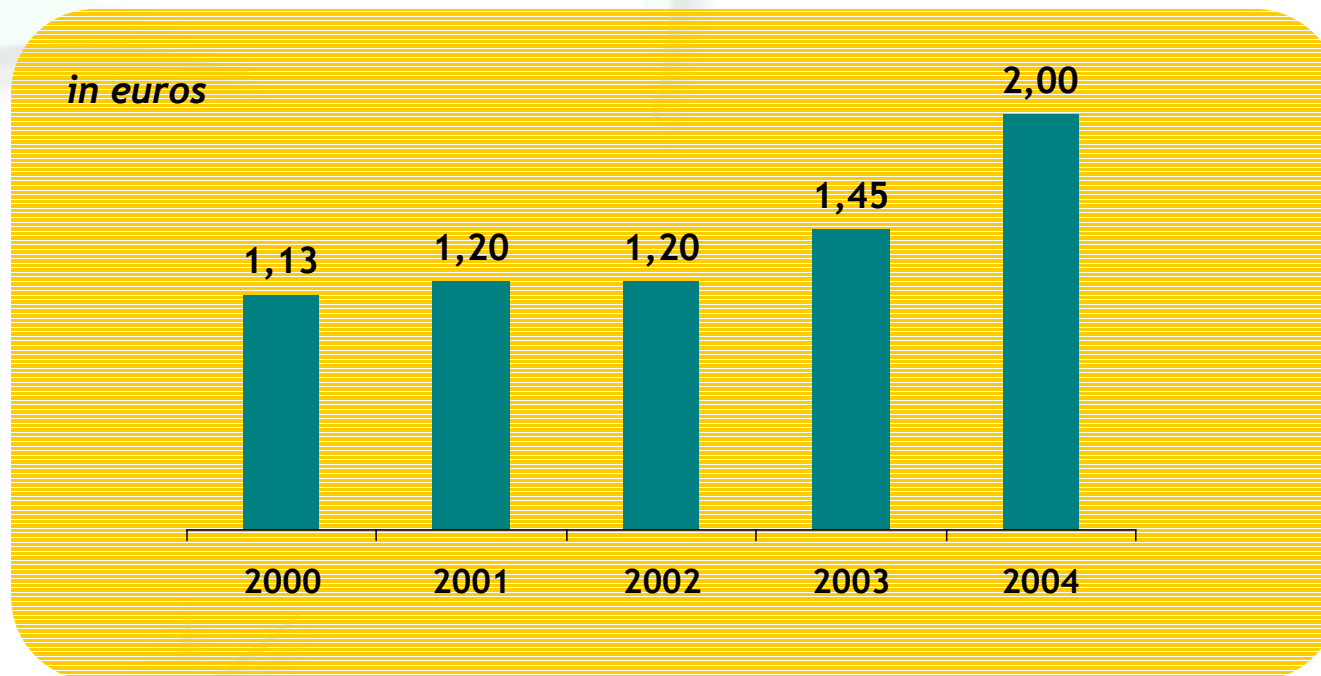
- **Clearly defined business sector-based and geographic priorities**
  - **business lines: strengthen retail banking as a matter of priority, add-on acquisitions in other areas of business**
  - **regions: focus on Europe and the US**
- **A broad array of options thanks to the diversity and quality of the Group's franchises**
- **Strict acquisition standards maintained**
  - **limited execution risks**
  - **return on investment above cost of capital**

### **Significant impact on growth**

- **contribution of acquisitions realised in 2004 to 1Q05 NBI of €140mn, adding 3 points of growth**

■ **Dividend:**

- 38 % increase in the 2004 dividend to 2.00 euros per share



2003-2004 €2bn plan completed

New €600mn plan to buy back of shares in 2005

- over and above the neutralisation of shares issued to employees
- decision taken in light of healthy cash flow generation, and after taking into account the financing of the Group's sustained growth (Tier 1: 7.4% as at 31 March 2005)

*\*subject to the approval of the CECEI*

**Strong growth well established across all  
core businesses**

**Active and targeted acquisition strategy**

**Strict discipline in cost control  
and risk management**

**Capital management geared towards  
value creation**