BNP Paribas
The Strength of the Integrated Business Model of a Eurozone Leader

Philippe Bordenave
Chief Operating Officer

Exane BNP Paribas Conference, Paris
10 June 2015

Disclaimer

Figures included in this presentation are unaudited. On 24 March 2015, BNP Paribas issued a restatement of its quarterly results for 2014 reflecting, in particular, the new organization of the Bank's operating divisions as well as the adoption of the accounting standards IFRIC 21. This presentation is based on the published or the restated 2014 data as appropriate.

This presentation includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future events, operations, products and services, and statements regarding future performance and synergies. Forward-looking statements are not guarantees of future performance and are subject to inherent risks, uncertainties and assumptions about BNP Paribas and its subsidiaries and investments, developments of BNP Paribas and its subsidiaries, banking industry trends, future capital expenditures and acquisitions, changes in economic conditions globally or in BNP Paribas' principal local markets, the competitive market and regulatory factors. Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward looking statements. Any forward-looking statement contained in this presentation speaks as of the date of this presentation. BNP Paribas undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events.

The information contained in this presentation as it relates to parties other than BNP Paribas or derived from external sources has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on the fairness, accuracy, completeness or correctness of, the information or opinions contained herein. None of BNP Paribas or its representatives shall have any liability whatsoever in negligence or otherwise for any loss however arising from any use of this presentation or its contents or otherwise arising in connection with this presentation or any other information or material discussed.

Overview

Progressive recovery of the Eurozone economy

Good operating performance in 1Q15

Strong solvency and capital generation capacity

Progressive Recovery of the Eurozone Economy

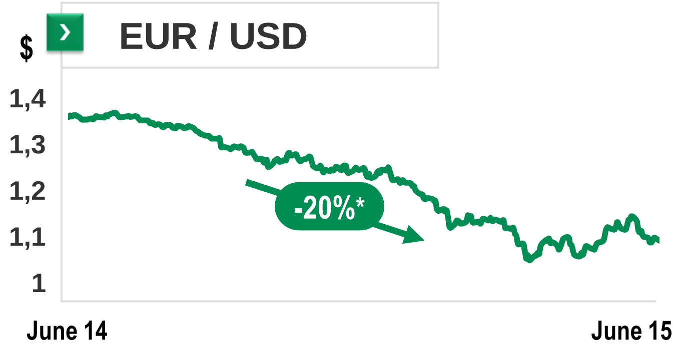
Good Operating Performance in 1Q15

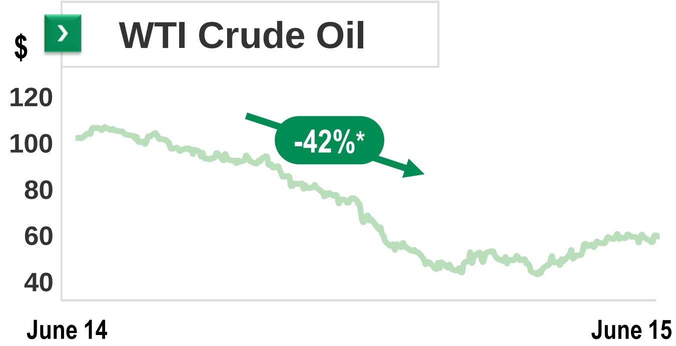
Strong Solvency and Capital Generation Capacity

Appendix

Eurozone Economic Outlook

- Positive macro factors for the EU economy in 2015
  - Depreciation of the Euro vs. USD benefitting exporting European corporates
  - Drop in oil price should translate into higher disposable income for households and lower charges for corporates (IMF estimated benefit: ~+0.5% GDP)
- Non-conventional measures by the ECB to re-launch economic growth
  - TLTRO: massive additional liquidity favouring credit development in the Eurozone
  - Quantitative Easing started on 9 March 2015
  - Resulting in prolonged very low interest rates which will be favourable for investments
- The “Juncker Plan”: a €315bn investment plan
  - Allocated to long-term investments & SMEs/Mid-caps



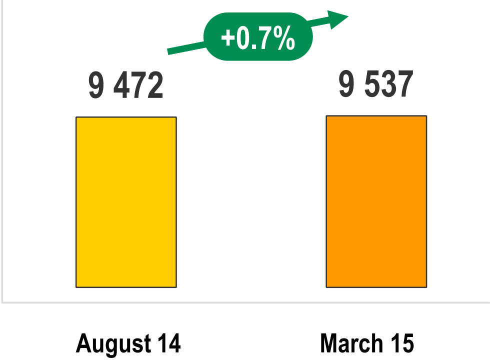


A favourable combination of positive factors to support economic recovery in Europe

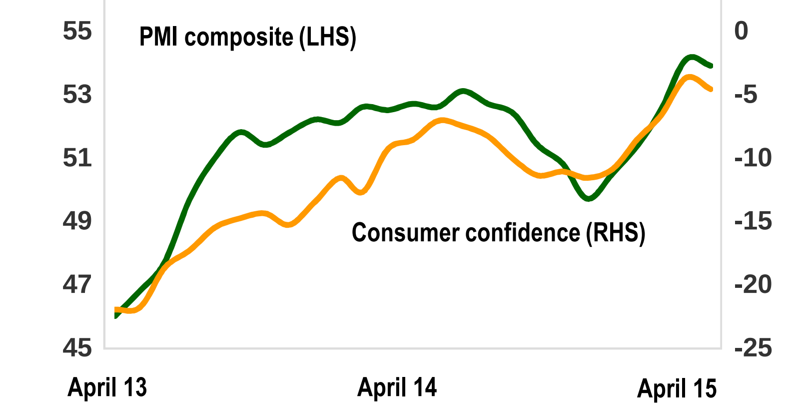
** As at 1 June 2015*

Eurozone Macroeconomic Indicators

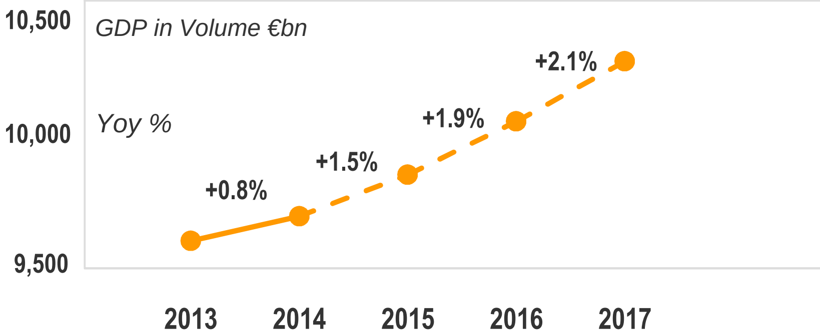
Eurozone lending*



Confidence indicators**



ECB growth forecast for Eurozone GDP



Confidence indicators pointing towards stronger EZ growth

** Lending from banks to non-financial corporates and households, source: ECB; ** PMI composite new orders Eurozone (Markit), European Commission Consumer Confidence survey EZ*

Progressive Recovery of the Eurozone Economy

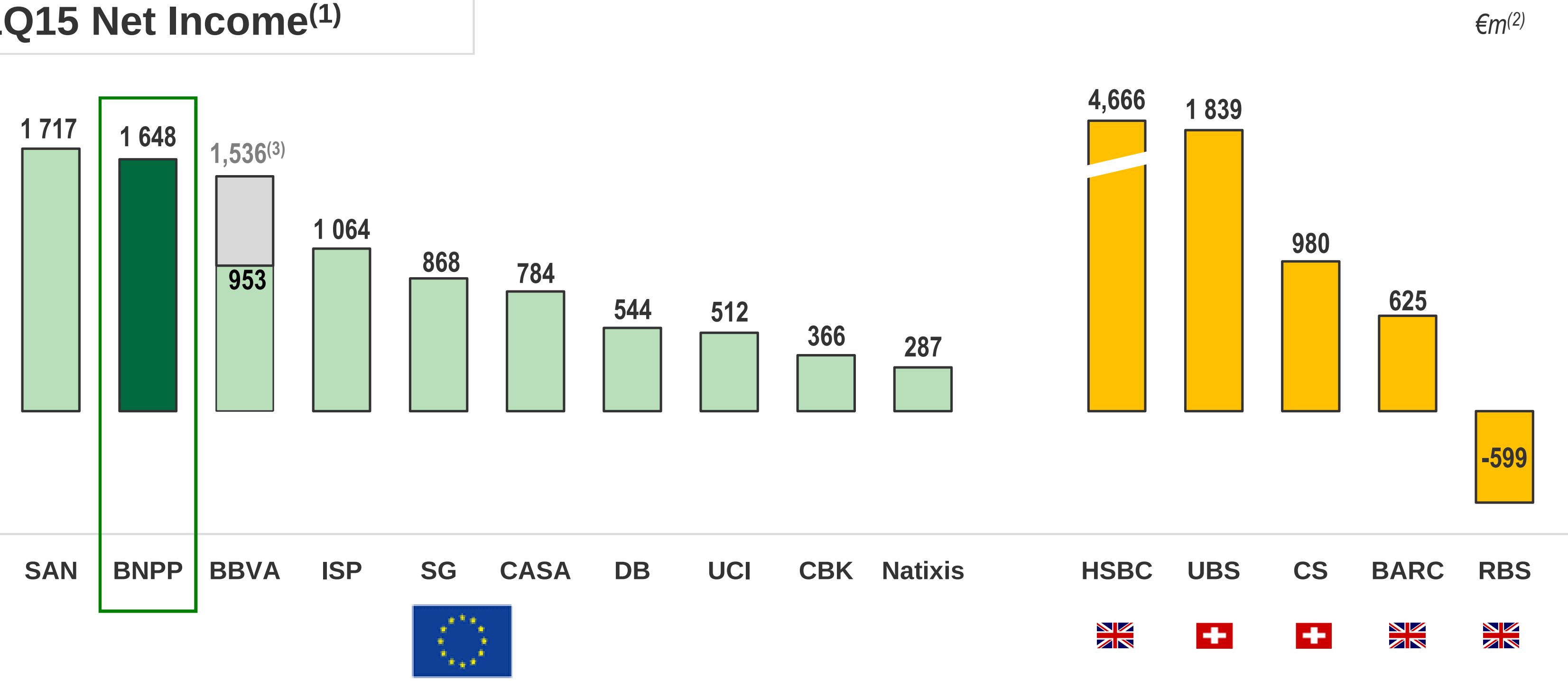
Good Operating Performance in 1Q15

Strong Solvency and Capital Generation Capacity

Appendix

1Q15 - Strong Underlying Profitability

1Q15 Net Income(1)



- Return on Equity excluding one-off items: 9.6%

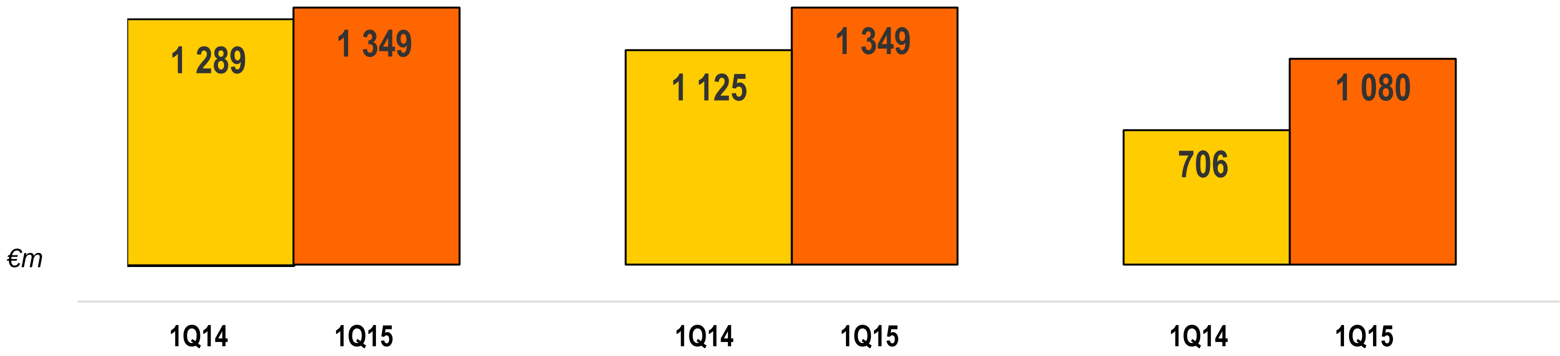
(but including the first contribution to the SRF)

Good profit-generation capacity and best-in class returns

(1) Attributable to equity holders, as disclosed by banks; (2) Average quarterly exchange rates; (3) Including €583m of capital gain on CNBC's stake disposal

1Q15 - Gross Operating Income

Domestic Markets*	International Financial Services	CIB	
+4.7%	+19.9%	+53.0%	1Q15 vs. 1Q14
+4.0% C/I: -0.9pt	+4.6% C/I: =	+34.0% C/I: -5.1pt	1Q15 vs. 1Q14 *at constant scope and exchange rates* Cost/Income



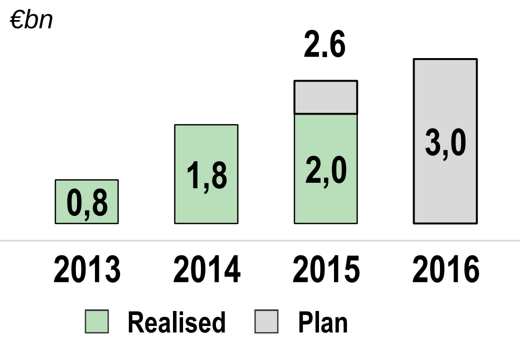
GOI growth and positive jaws effect in all the operating divisions

** Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium, Luxembourg*

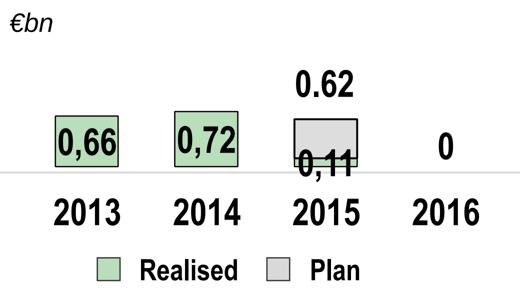
Simple & Efficient

- Continued the momentum throughout the entire Group
  - 1,357 programmes identified including 2,627 projects of which 98% are already under way
  - 46% of projects initiated since 2013 already completed
- Cost savings: €2,021m since the launch of the plan
  - €3.0bn target per year from 2016
  - €261m booked in 1Q15
- Transformation costs: €110m in 1Q15
  - Reminder: €620m target in 2015
  - No more transformation costs in 2016

Cumulative recurring cost savings



One-off transformation costs



Cost savings achieved in line with the plan

Progressive Recovery of the Eurozone Economy

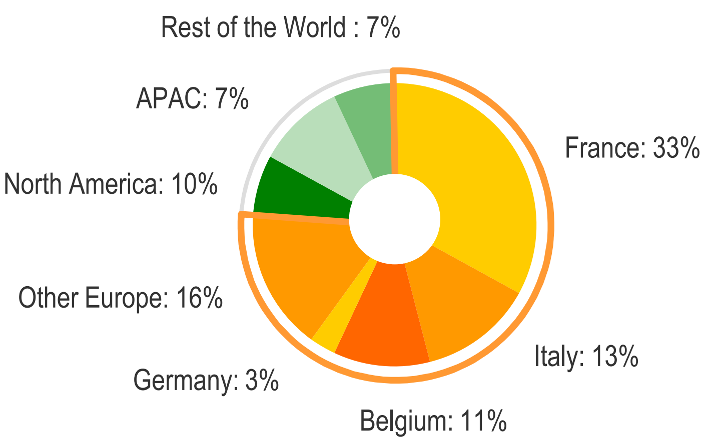
Good Operating Performance in 1Q15

Strong Solvency and Capital Generation Capacity

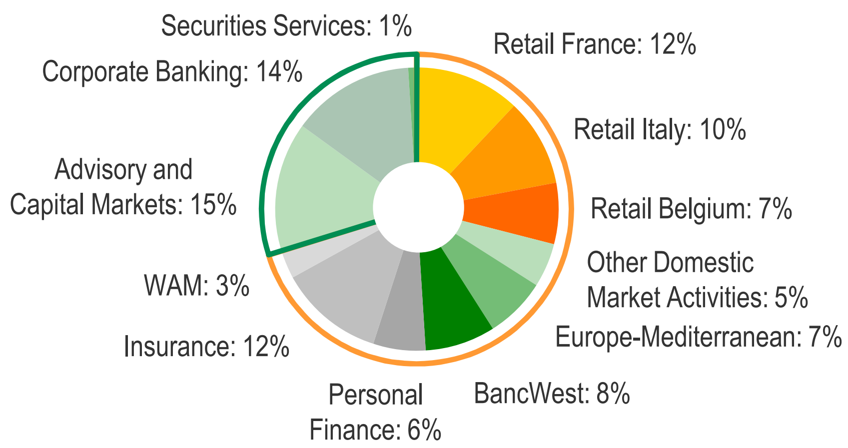
Appendix

An Integrated Business Model Resulting in Strong Diversification (1/2)

2014 Revenues by geography



2014 Allocated equity* by business



- A balanced business model: a clear competitive advantage in terms of revenues and risk diversification
  - Mostly in wealthy markets (>85%)
  - Revenues well spread among countries and businesses with different cycles
  - No single business line weighing more than 15% of allocated equity

A well balanced business model

** Operating divisions*

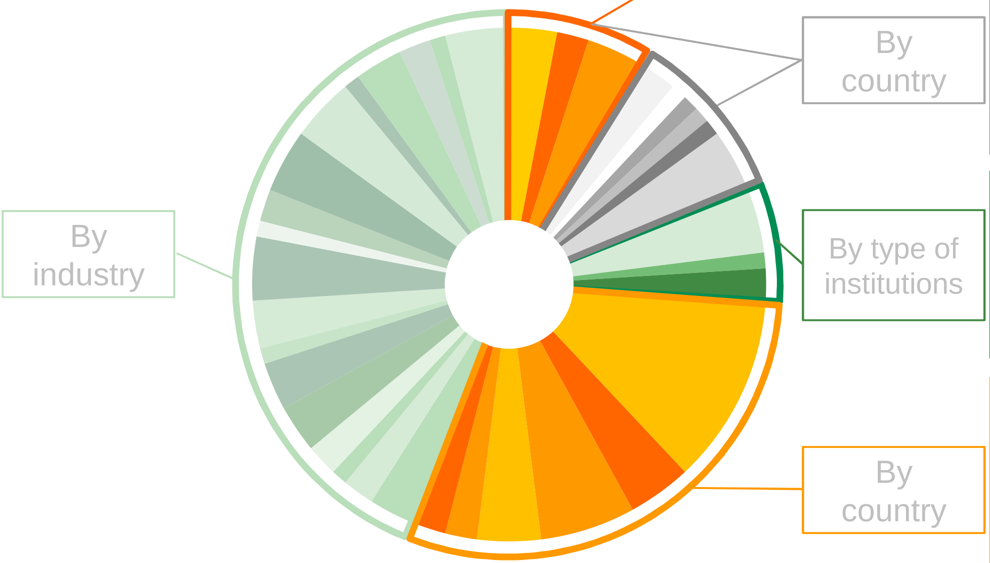
An Integrated Business Model Resulting in Strong Diversification (2/2)

Group's total Commitments on- and off-balance sheet by industry/country 2014*

Deposits to Central Banks: Mostly with ECB and Fed

Central Governments & Central Banks: well distributed with no country over 2% of total exposure

Corporates: no industry representing more than ~5% of Group's total gross commitments



Institutions: mainly commercial banks and administrations, extremely granular

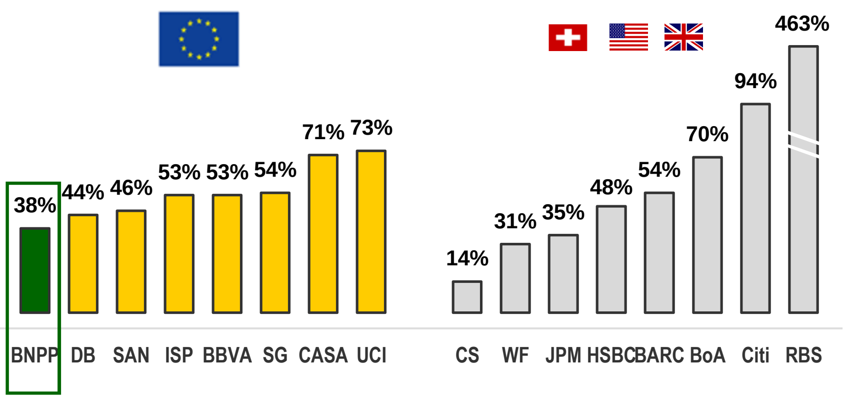
Individuals: no country representing more than 5% of Group's total gross commitments, except for France (12%)

Strong risks diversification of our commitments

** Total Group commitments: €1,298bn as at 31.12.2014*

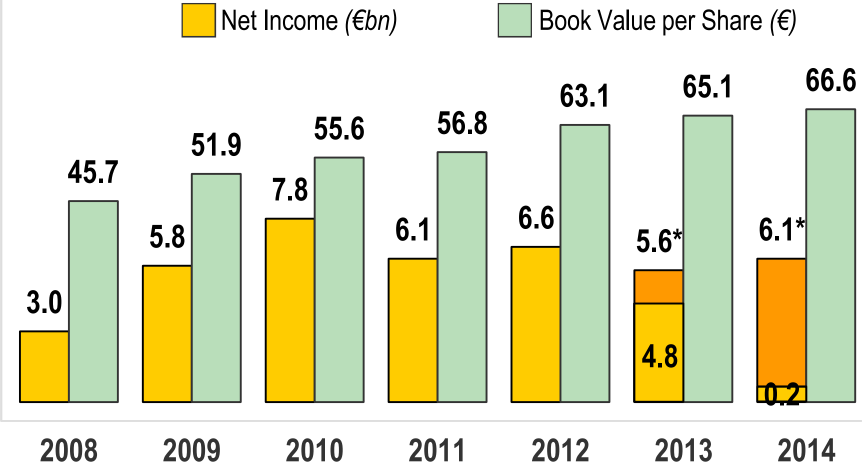
Leading to Recurrent Profitability and Value Creation Through the Cycle

Cost of Risk/Gross Operating Income
2008-2014



- Low risk appetite and strong diversification lead to low cost of risk
- One of the lowest CoR/GOI through the cycle

Net Income & Book Value per Share
2008-2014



- Recurrent value creation and good resilience of net income through the cycle
  - Thanks to diversification
  - Capacity to withstand local crisis and external shocks

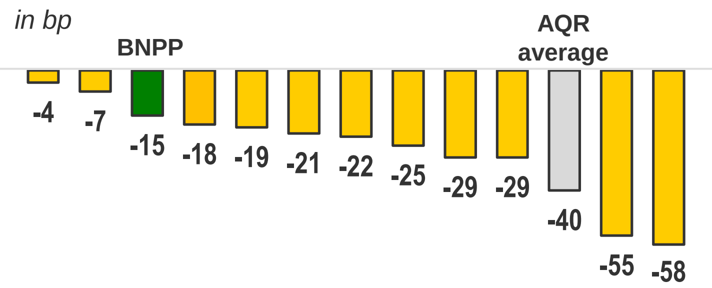
Low risk and limited volatility of earnings
Diversification => lower risk profile

** Adjusted for costs and provisions relating to the comprehensive settlement with U.S. authorities*

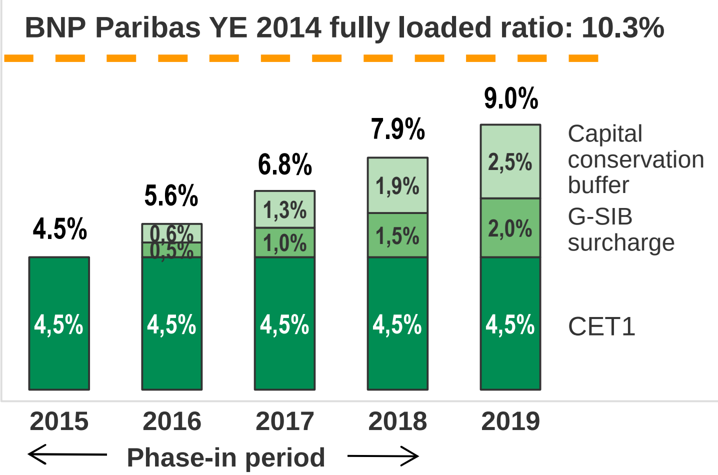
Capital Adequacy

- A risk-based approach by ECB as witnessed by its public statements and Comprehensive Assessment
- AQR and Stress test confirmed Group's asset quality and its capacity to withstand a very adverse scenario
- Group CET1 largely above regulatory requirements
- Tier 1 and Tier 2 instruments
  - Tier 1: resume issuance (€1bn to €2bn each year until 01.01.2019)
  - Tier 2: €2bn to € 3bn each year until 01.01.2019
  - Depending on opportunities and market conditions

AQR impact on CET1 ratio



BNPP's CET 1 requirements



CET1 well above applicable requirements

Banking Union Strengthens the Eurozone Banking Sector

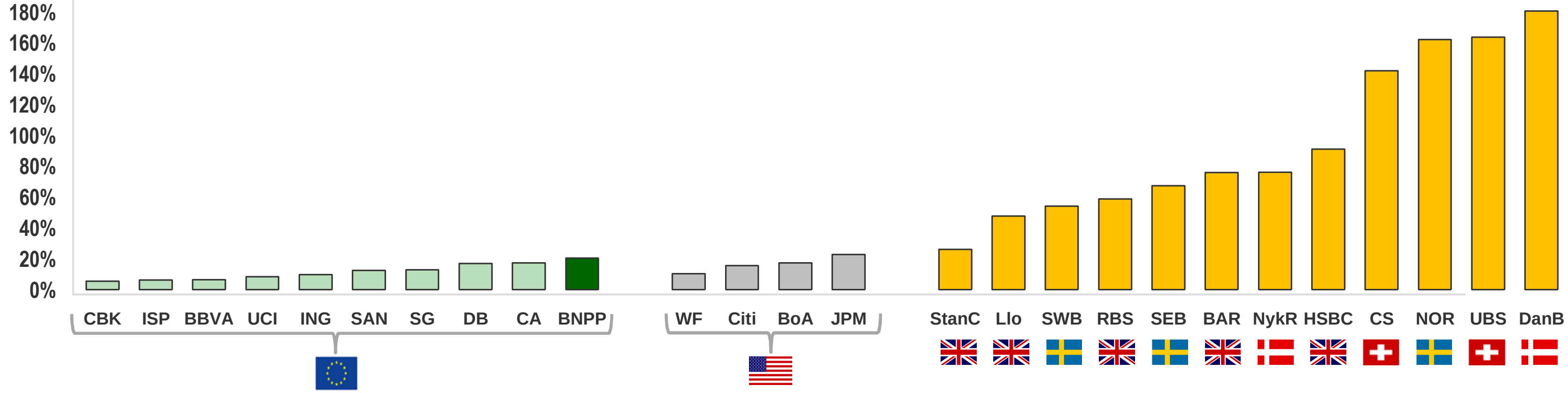
Banking Union
3 Pillars

Single Supervisory Mechanism (SSM)
- ECB in charge of the supervision of 130 Eurozone banks since Nov 2014
- Comprehensive Assessment successfully completed

Single Resolution Mechanism (SRM)
- Voted in April 2014
- Single Resolution Board operational
- Single Resolution Fund (banks' contributions starting in 2015)

Deposit Guarantee Scheme (DGS)
- Voted in April 2014
- To be transposed by July 2015
- Harmonisation of rules governing national DGS

Banks' Balance Sheet as a % of relevant GDP*

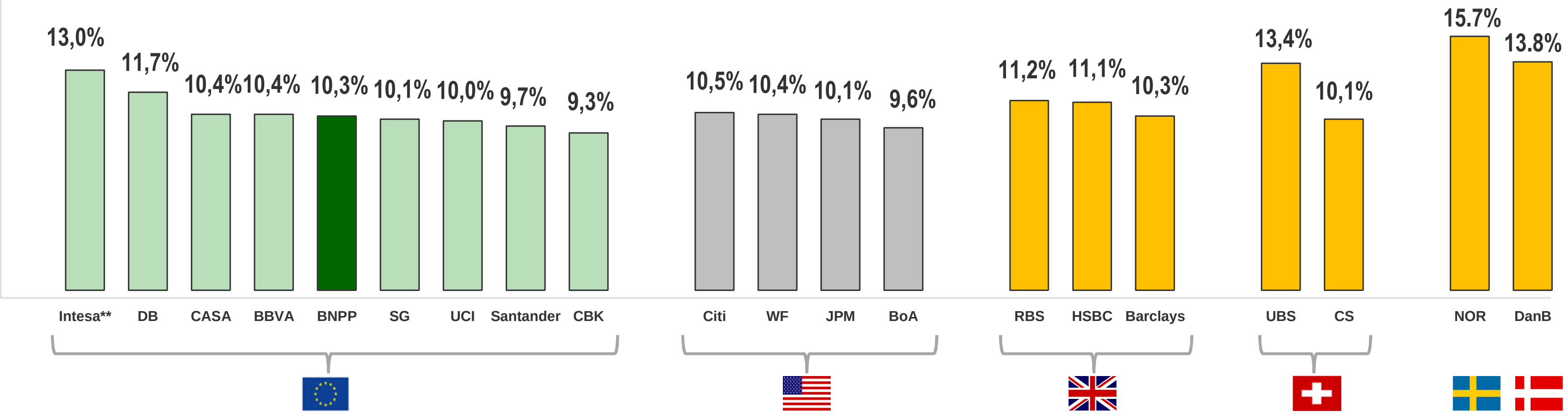


Banking Union: relative size of BNPP to relevant GDP smaller than non-Eurozone peers

** As at 31.12.14, IFRS estimates for US banks; based on the economic area under the jurisdiction of the Banking Regulator, i.e. Eurozone GDP for banks supervised by the SSM*

Strong Solvency Management

CET1 ratio under Basel 3* fully loaded (as at 31.12.14)



- 2014 CET1 ratio at 10.3% after expensing
  - U.S. Settlement (~-100bp)
  - Dividend payment (~-30bp)
  - Acquisitions (~-30bp)
  - AQR (~-15bp) and Prudent Valuation Adjustments***

  ~-175bp
- Dividend maintained at previous year's level: 1.50€ per share (€1.9bn) despite €157m net income in 2014
- Strong capital generation capacity: organic generation only, no dilution for shareholders

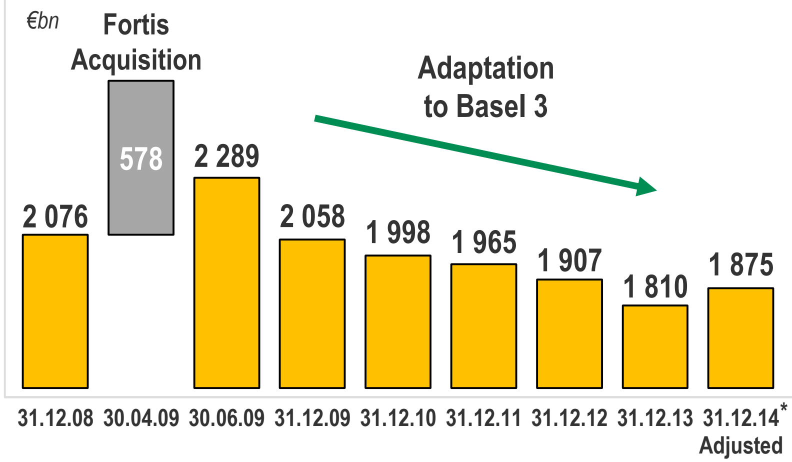
CET 1 at 10.3% despite 175bp capital consumption in 2014

** According to CRD4 or Fed FR; ** Excl. assumption on Tax Loss Carry Forward effects before 2019 (-24 bp); *** 0bp due to the reversal of RWA reserves for regulatory uncertainties*

Solid Track Record in Adjusting the Group

- Proactive capital management policy
  - Early and proactive compliance with Basel 3 new ratios
- Disciplined balance sheet management
  - Fortis acquisition: rapid adaptation of the new Group to the post crisis environment
- Proven capacity to adapt activities and assets
  - Deleveraging accelerated in 2011/2012 to swiftly adapt to Basel 3 fully loaded
  - Run-down of several activities as of 2011 (-€50bn of assets in CIB deleveraging, €8.5bn in non core leasing…)
  - Disposal of several subsidiaries or business units (~€3.5bn since 2011**)
  - Opportunistic sale of equity stakes (>€4bn since 2011)
- Disposal of 7% of Klépierre-Corio in May 2015
  - Net positive impact of 5bp on CET1 ratio
  - Retaining a 6.5% stake

Total Assets IFRS



Main disposals 2011-YtD 2015

		Proceeds
Subsidiary or business unit	Klepierre (partial), BNPP Egypt, Fauchier Partners, Fortis Reinsurance, Reserve-Based Lending, Arval Fuel Cards, Vostok Bank,…	**~€3.5bn**
Equity stake	Royal Park Investment, Erbe, Axa, Ageas, Shinhan, …	**>€4bn**

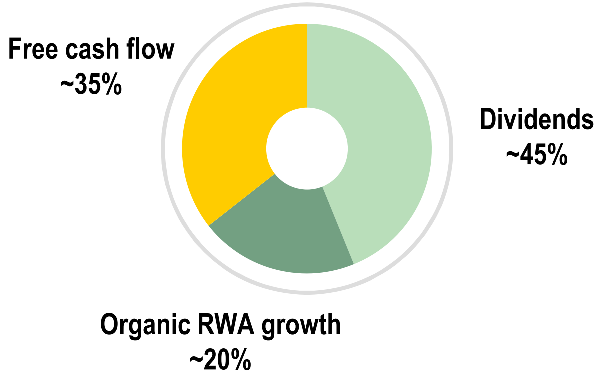
Proven capacity to adapt the balance sheet

** Adjusted for FX and impact of rates on derivatives, AFS and TLTRO ; **Including the disposal of 7% of Klépierre in May 2015*

Proactive and Flexible Capital Management

- Strong capital generation capacity in 2015-2016
  - ~100bp per annum (before dividend distribution)*
- Pay-out ratio of 45%
  - Implied dividend yield based on current share price**: 4.1% in 2015 and 4.8% in 2016
- Available free cash flow: ~35bp per annum
  - After devoting 20bp to organic growth
  - Provides capital flexibility (bolt-ons, buy backs,…)
- Dynamic management of the balance sheet
  - Strong track-record in swiftly executing disposals and adapting balance sheet if/when necessary

Capital management
as % of 2015-2016 cumulative net earnings



Capital management: considerable room to manoeuvre
Focus on delivering 45% dividend pay-out

**Based on current analysts' consensus ; **Based on current analysts' consensus and €56.4 share price as at 21 May 2015*

Conclusion

A European leader well positioned to benefit from EU economic recovery

Strong operating performance in 1Q15

Proven organic capital generation capacity

Progressive Recovery of the Eurozone Economy

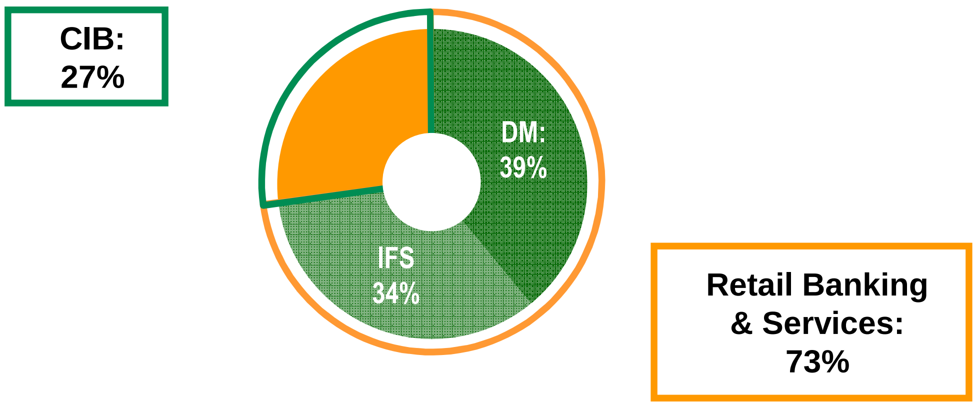
Good Operating Performance in 1Q15

Strong Solvency and Capital Generation Capacity

Appendix

New Organisation of the Operating Divisions

2014 Revenues of the Operating divisions



- Following the tie-up of Securities Services and CIB, the organisation of the Group's operating divisions now centres on:
  - Retail Banking & Services, covering Domestic Markets (DM, unchanged) and a new entity, International Financial Services (IFS)
  - CIB, now Corporate & Institutional Banking including Securities Services

Straightforward business structure with ~3/4 Retail activities

An Integrated Business Model based on Strong Client Franchises, Cross-selling and Risk Diversification

Risk diversification		Individual customers	Corporates	Institutional clients	Cross-selling
	DM	➢ 4 domestic markets (France, Italy, Belgium and Luxembourg) ➢ ~15 million individual clients and 1 million corporates and SMEs ➢ #1 online broker and #5 digital bank in Germany ➢ European leader in specialised equipment financing (leasing, fleet,…)			
	IFS	➢ Personal Finance: #1 in consumer credit in Europe ➢ Wealth Management: #1 in Eurozone and #5 worldwide ➢ Investment Partners: #7 European Asset Manager ➢ Insurance: #7 life insurer in Europe, 90 million clients worldwide ➢ Diversified international Retail Banking networks (~15 million clients)			
	CIB	➢ Fixed Income: #1 all bonds in euros, #8 all international bonds ➢ GECD: #1 European Equity Derivatives ➢ Corporate Banking: #1 for syndicated financing in Europe ➢ Cash Management: #1 in Europe, #5 Global Provider ➢ Securities Services: #1 in Europe, #5 worldwide			

Leveraging top ranking businesses
on strong and diversified client franchises

Significant Cross-selling at the Core of the Model

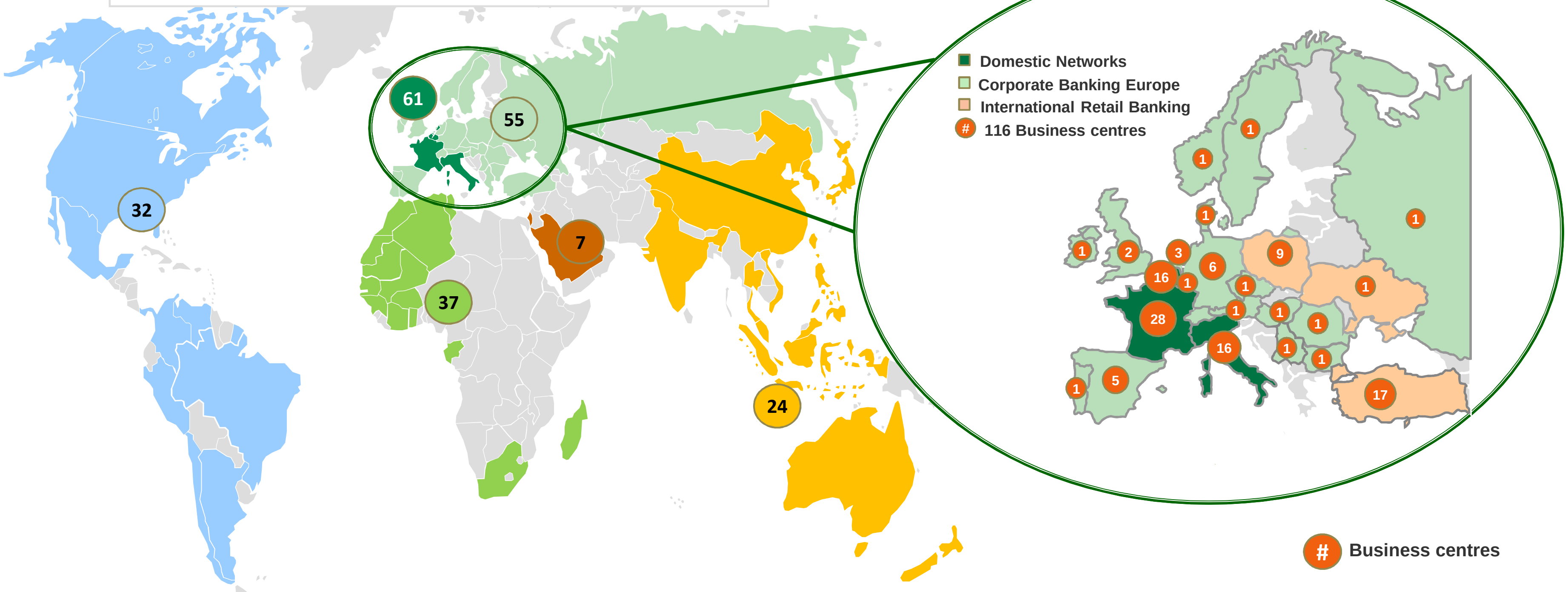
	Main cross-selling revenues (2014)*	Contribution to revenues
DM clients	✓ **Insurance: ~€1.3bn** ✓ **Wealth Management: ~€1.5bn**** ✓ **Asset Management: ~€0.7bn** ✓ **CIB & Specialised businesses: ~€0.8bn**	**~€4.3bn**
IFS clients	✓ **Insurance: ~€0.7bn** ✓ **CIB & other businesses: ~€0.4bn**	**~€1.1bn**
CIB clients	✓ **Retail: ~€1.1bn** ✓ **Securities Services & Asset management: ~€1.1bn**	**~€2.2bn**

>€7.5bn of cross-selling revenues generated at Group level

** Management accounting; aggregated revenues booked in client and business entities; ** 100% JV Private Banking*

One Bank for Corporates

A unique network for corporate clients



- One Bank for Corporates: a network of 216 business centres, o/w 116 in Europe
- A presence in 75 countries
- Cash management: #1[(1)] position strengthened in Europe

A leading position with corporates in Europe

(1) *Source: Greenwich*

Broad Product Offering Allowing Market Share Gains

- Cross-selling leading to improved market positions
  - Strong development following BNL's acquisition in 2006 and Fortis' in 2009
- Roll out of the model in International Retail Banking
  - BancWest's Wealth Management AuM: +68%** vs. 2012
  - TEB's Wealth Management AuM: +72%** vs. 2012
- One Bank for Corporates: success confirmed with improved market penetration in 2014
  - #1 European Corporate Banking and #1 Eurozone Corporate Banking***
  - #1 European Cash Management and #1 European Trade Finance***
  - Improvements also as a leader in several quality ratings

Italy

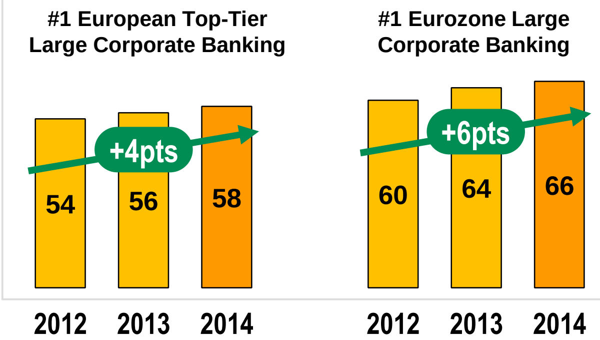
Wealth Management (market share)	3% in 2008	x2	6% in 2014
Cash Management (ranking)	>#10 in 2006		#1 in 2014*

Belgium

Wealth Management (market share)	#7 in 2009		#1 in 2014
Consumer Finance (outstandings)	FY2009	+84%	FY2014
Corporate Finance (ranking)	#10 in 2007		#1 in 2014

Greenwich Share Leaders - 2014

Market penetration (%)



Successful cross-selling leading to stronger market positions

* Euromoney survey; ** Constant exchange rate; *** Greenwich Associates, Share Leaders 2014

Economies of Scale at the Core of the Model
Significant Contribution to the Simple & Efficient Plan

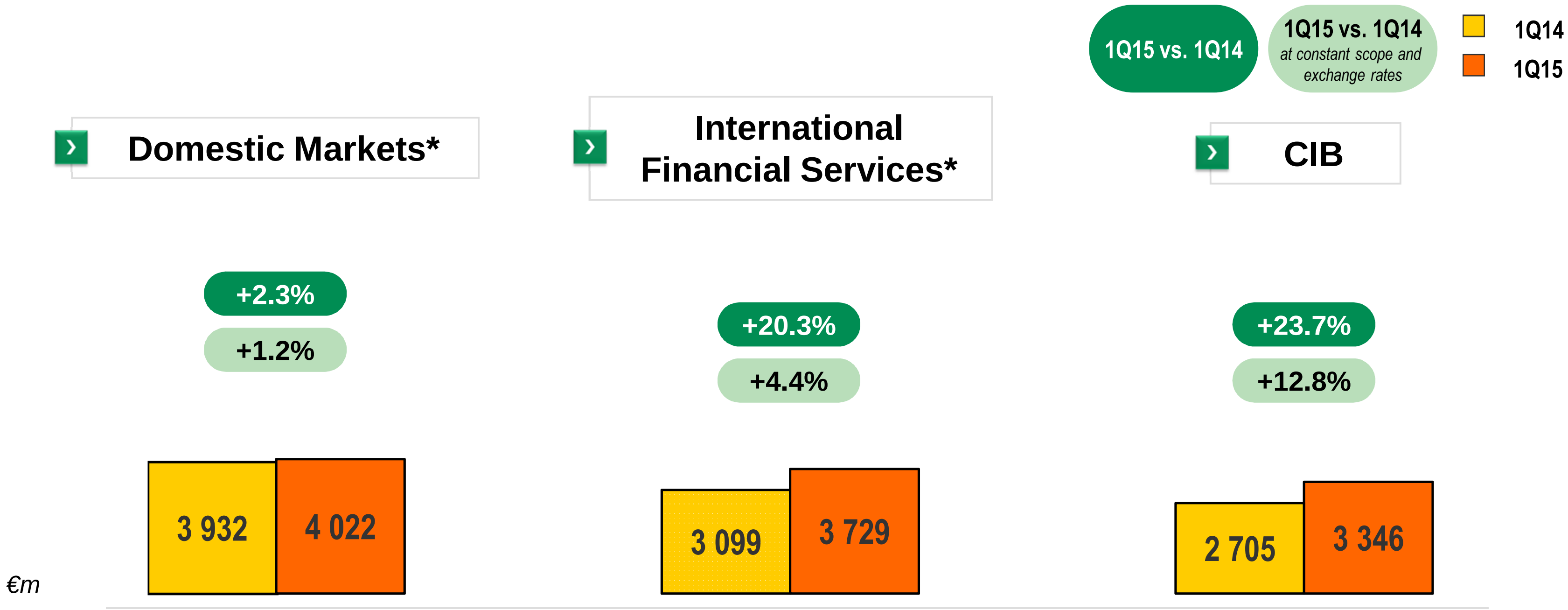
- Sharing of IT, operations, functions and procurement generating €0.7bn recurrent savings out of the targeted €3bn Simple & Efficient plan

	Representative examples	Contribution to 2016 S&E Savings
IT	▪ **Sourcing** ▪ **Data Centre / IT productions Systems consolidation** ▪ **Software optimisation …**	**~€320m**
Operations/ Functions	▪ **Shared platforms and applications** ▪ **Cross business premises policy** ▪ **Regrouping of Functions for all businesses per country …**	**~€210m**
Procurement	▪ **Massification, Group norms and standards** ▪ **Bargaining power…**	**~€170m**
		~€700m

- Also leads to increased security for clients through IT high standards (private cloud, data secrecy, closed IT architecture)

~25% of the total S&E plan linked to sharing

Revenues of the Operating Divisions - 1Q15

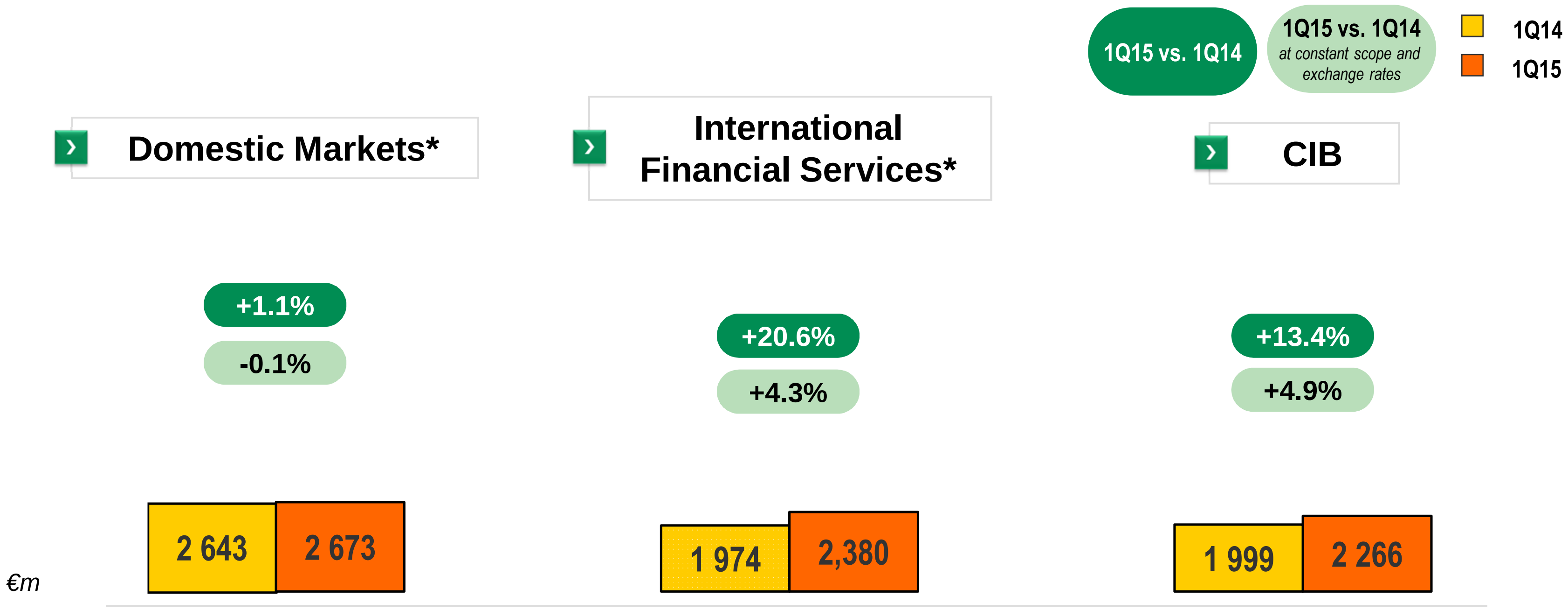


- Impact of acquisitions made in 2014 and significant foreign exchange effect

Good growth in the revenues of the operating divisions
Very good performance of Corporate and Institutional Banking

* Including 100% of Private Banking in France (excluding PEL/CEL effects), in Italy, Belgium, Luxembourg, at BancWest and TEB

Operating Expenses of the Operating Divisions - 1Q15



- Impact of acquisitions made in 2014 and significant foreign exchange effect
- Positive jaws effect in all the operating divisions**

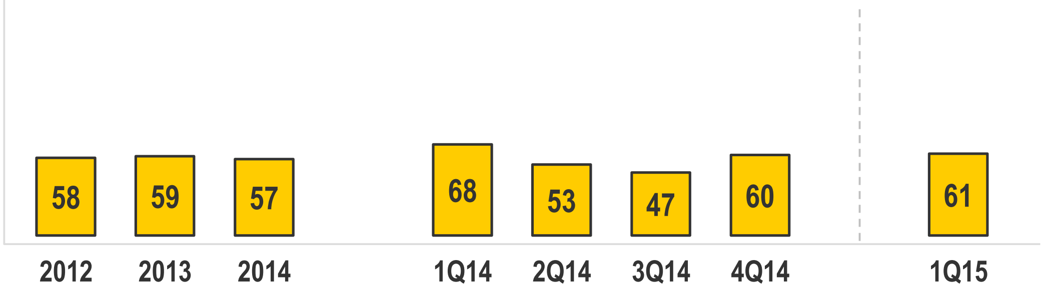
Effects of Simple & Efficient
Rise in regulatory costs and continued business development plans

** Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium, Luxembourg, at BancWest and TEB; ** At constant scope and exchange rates*

Cost of Risk by Business Unit - 1Q15 (1/3)

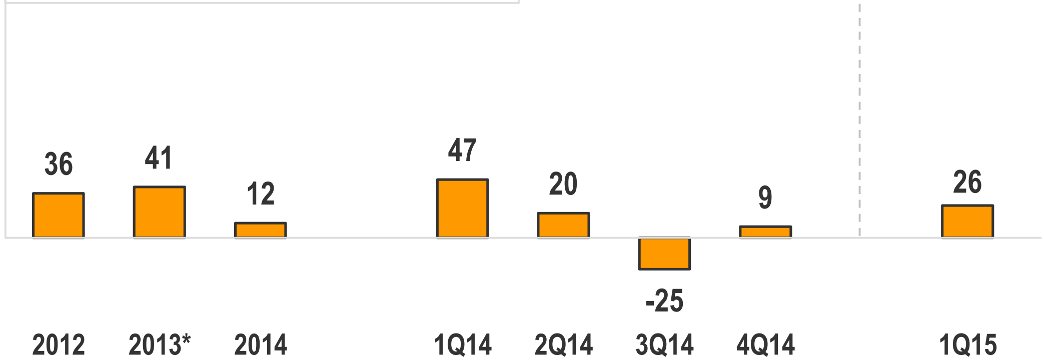
Net provisions/Customer loans (in annualised bp)

Group



- Cost of risk: €1,044m
  - +€32m vs. 4Q14
  - -€40m vs. 1Q14
- Cost of risk stable overall

CIB - Corporate Banking

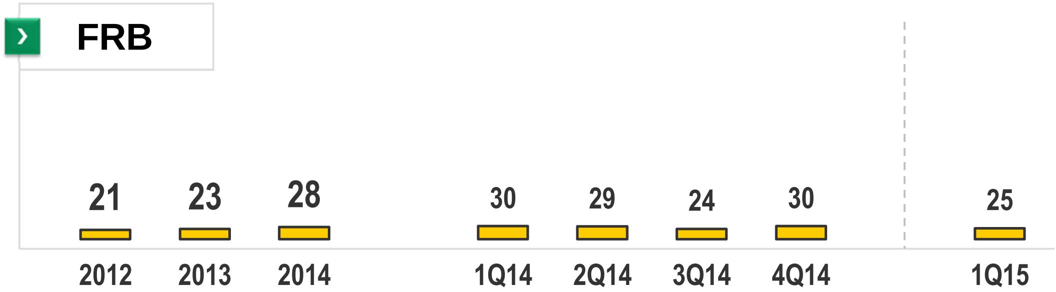


- Cost of risk: €74m
  - +€48m vs. 4Q14
  - -€48m vs. 1Q14
- Low cost of risk

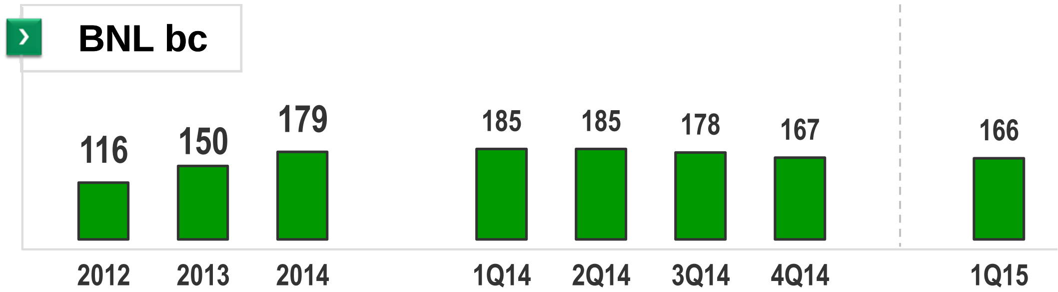
* Restated

Cost of Risk by Business Unit - 1Q15 (2/3)

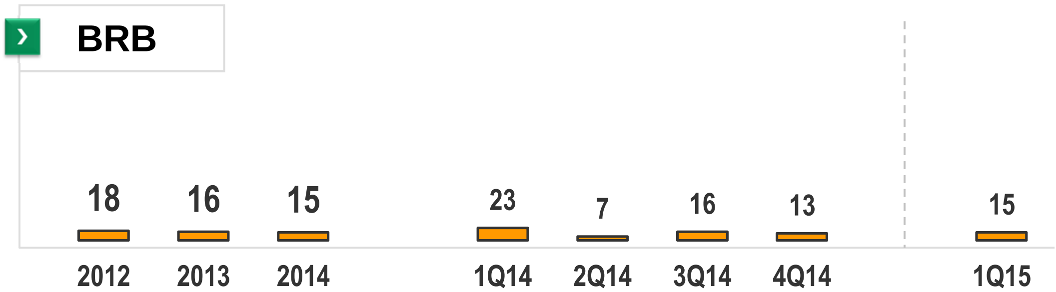
Net provisions/Customer loans (in annualised bp)



- Cost of risk: €89m
  - -€17m vs. 4Q14
  - -€19m vs. 1Q14
- Cost of risk still low



- Cost of risk: €321m
  - -€1m vs. 4Q14
  - -€43m vs. 1Q14
- Moderate decrease in the cost of risk this quarter

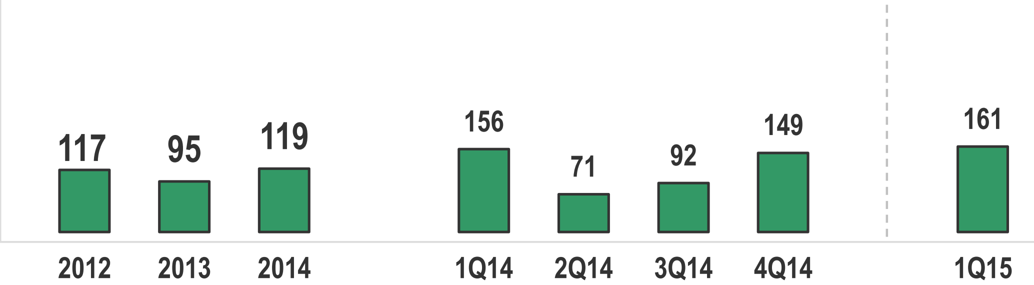


- Cost of risk: €33m
  - +€5m vs. 4Q14
  - -€19m vs. 1Q14
- Cost of risk still low

Cost of Risk by Business Unit - 1Q15 (3/3)

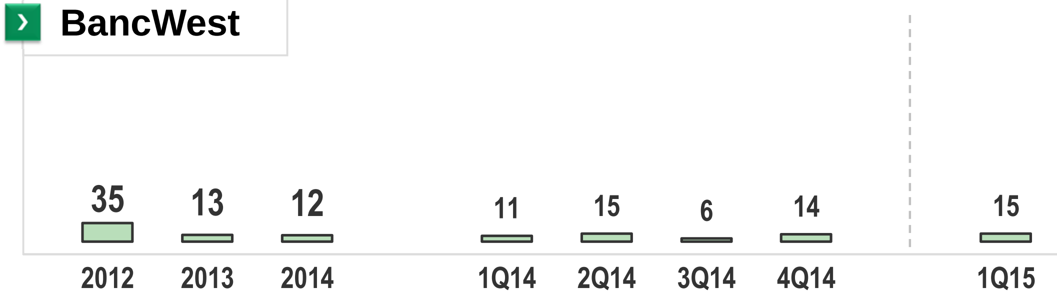
Net provisions/Customer loans (in annualised bp)

Europe-Mediterranean



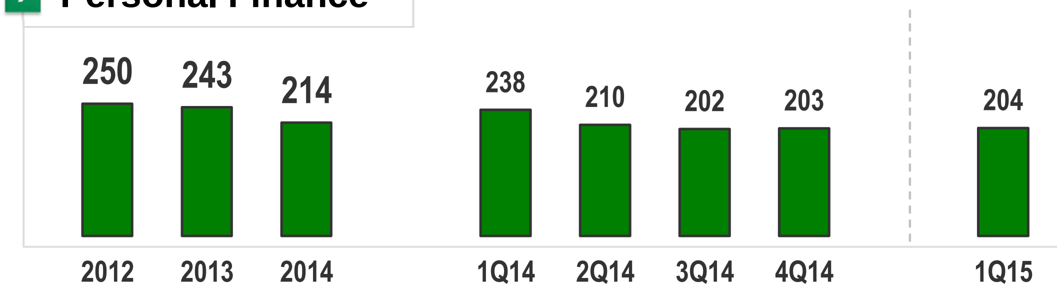
- Cost of risk: €151m
  - +€15m vs. 4Q14
  - +€45m vs. 1Q14
- Rise in the cost of risk this quarter

BancWest



- Cost of risk: €19m
  - +€2m vs. 4Q14
  - +€8m vs. 1Q14
- Cost of risk still very low

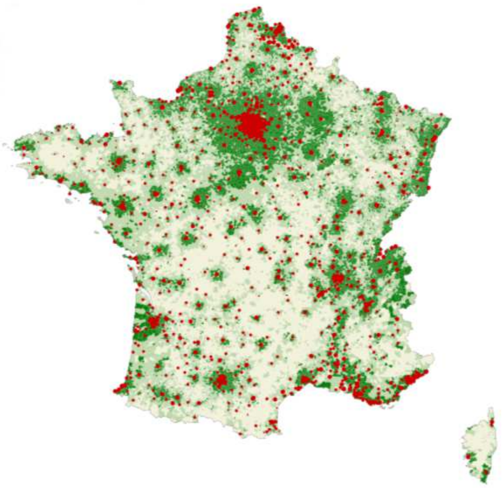
Personal Finance



- Cost of risk: €291m
  - -€1m vs. 4Q14
  - +€13m vs. 1Q14
- Scope effect linked to the acquisition of LaSer (+€50m vs. 1Q14)
- Decrease in the cost of risk vs. 1Q14 excluding this effect

Focus on Domestic Markets
Branch Networks Distribution

French RB



BNL bc

Belgian RB

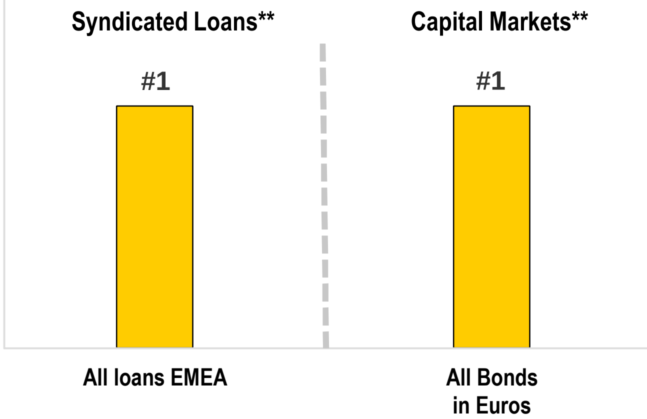
Mostly positioned in wealthier areas

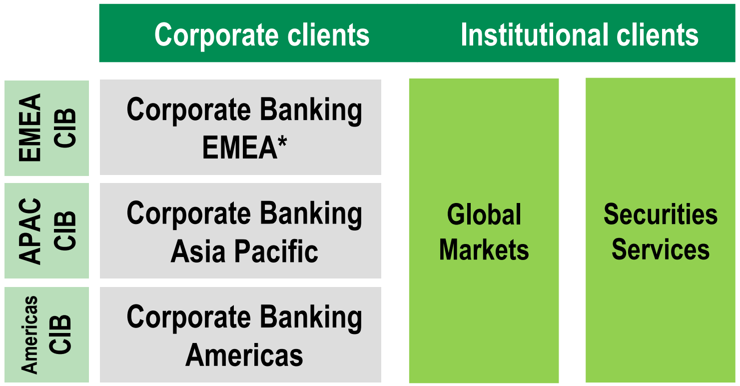
Corporate & Institutional Banking

- A European leader preparing for industry evolution
  - Very strong client and business franchises
  - Pre-tax income of €2.8bn (Return on Notional Equity*: 17.7%)
- Implementation of a new organisation
  - Creation of Global Markets, grouping all market activities
  - Securities Services part of the new CIB
  - Simplified regional approach with 3 major regions (EMEA***, Asia Pacific, the Americas)
- Better meet clients' expectations
  - Institutionals: reinforcing the Group's coverage and its global service offering
  - Corporates: strengthening the debt platforms and simplifying the commercial setup
- A commitment to improve operating efficiency and return
  - Structural reduction of costs
  - Industrialisation and sharing of platforms
  - Optimizing use of balance sheet resources

2014 European rankings

By volume





Speed up the evolution of the business model

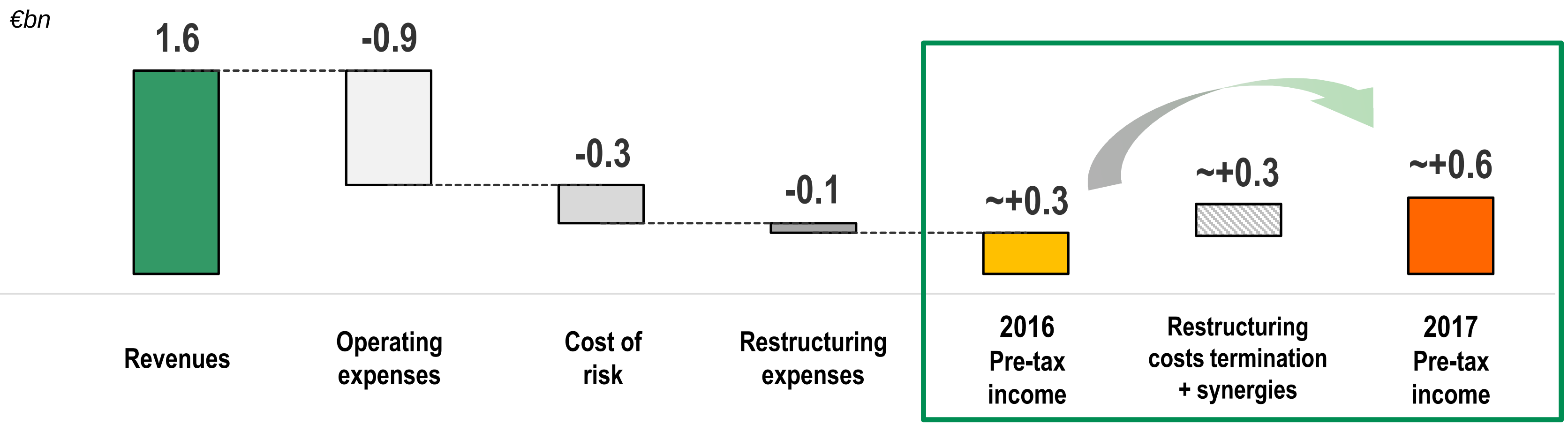
* Pre-tax; ** Source:Thomson Reuters; *** Europe, Middle East, Africa

ROE Accretive Bolt-on Acquisitions in 2014

Bolting onto existing businesses

Acquisition		Bolting onto
Bank BGZ Poland	• Becoming a reference bank in a growing market	**BNPP Polska**
50% of LaSer Europe - France	• LaSer now wholly owned: firming up PF's position as #1 specialised player in Europe	**Cetelem**
DAB Bank Germany	• Contributing to the development plan in Germany and to strengthen our digital banking offer in Europe	**Consors bank**

Contribution of acquisitions to pre-tax income in 2016-2017 (vs. €0.1bn contribution in 2014*)



Levers for additional profit generation going forward

** Closing dates: Bank BGZ (17 Sept. 2014); 50% of LaSer (25 July 2014); DAB Bank (17 Dec. 2014)*