BNP PARIBAS

BEST IN CLASS RETURNS IN EUROPE AND STRONG CAPITAL GENERATION

Jean-Laurent Bonnafé
Group Chief Executive Officer

Goldman Sachs Conference, Paris
9 June 2016

BNP PARIBAS

The bank for a changing world

Disclaimer

The figures included in this presentation are unaudited. On 29 March 2016, BNP Paribas issued a restatement of its quarterly results for 2015 reflecting, in particular (i) an increase in the capital allocated to each business line to 11% of risk-weighted assets, compared to 9% previously, (ii) the charge of subordination costs of Additional Tier 1 and Tier 2 debt issued by the Group to the divisions and business lines, a review of the way it charges and remunerates liquidity between the Corporate Centre and the business lines and the adaptation of the allocation practices for revenues and operating expenses of Treasury activities within CIB, (iii) the allocation to the divisions and business lines of the contribution to the Single Resolution Fund, the reduction of the French systemic tax and new contributions to the deposit guarantee funds of BNL and Luxembourg Retail Banking which had been temporarily booked in the operating expenses of the Corporate Centre and (iv) some limited internal transfers of business activities and results. The 2015 quarterly result series have been restated reflecting these effects as if they had occurred on 1st January 2015. The slides related to 1Q16 results are based on the restated 2015 quarterly series.

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. It should be recalled in this regard that the Supervisory Review and Evaluation Process is carried out each year by the European Central Bank, which can modify each year its capital adequacy ratio requirements for BNP Paribas.

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.

The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.

Overview

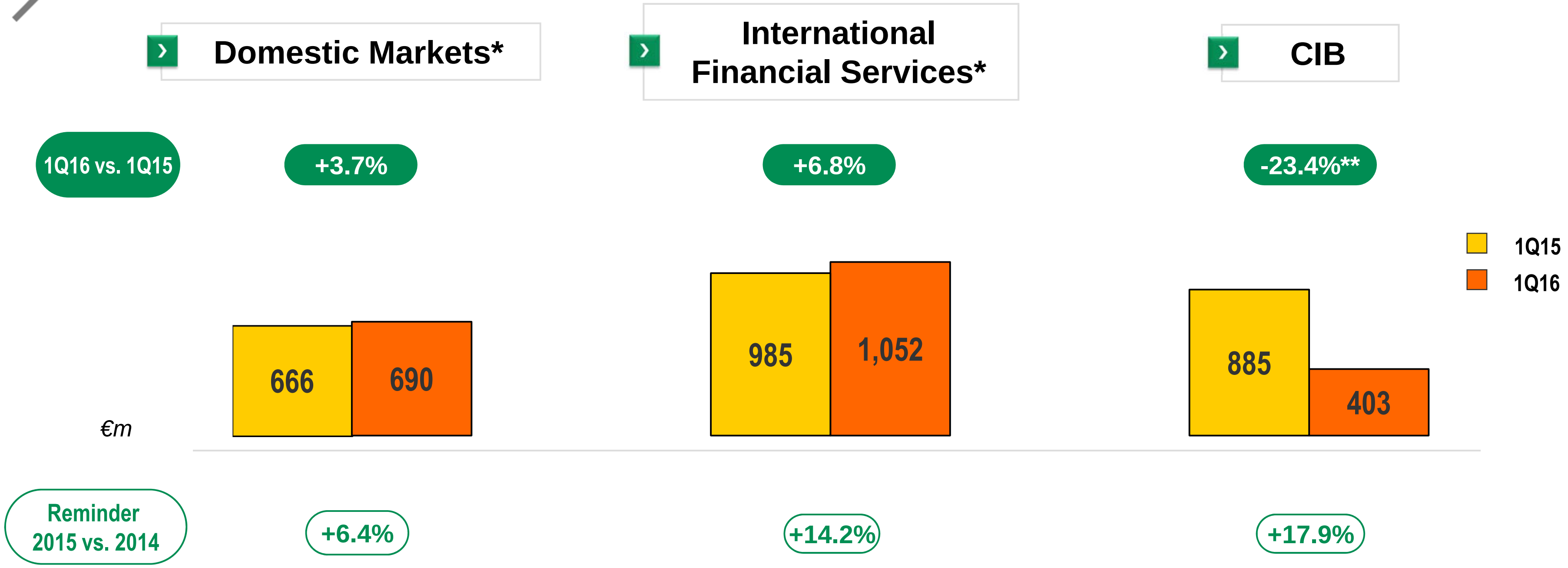
Solid results thanks to
the integrated and diversified client-centric model
1Q16 annualised ROTE: 11.2%*

Strong and recurrent organic capital generation
11% fully loaded Basel 3 CET1 ratio at 31 March 2016

€2.31 per share full cash dividend paid on 2015 results
45% pay-out ratio

** Excluding one-off items (positive in 1Q16: +319M€) with contribution to the Single Resolution Fund and systemic taxes not annualised*

1Q16 - Pre-tax Income of the Operating Divisions



- Good growth at Domestic Markets and IFS due in particular to the decline in the cost of risk
- CIB: sharp decrease in Global Markets due to the very challenging market environment in the first quarter

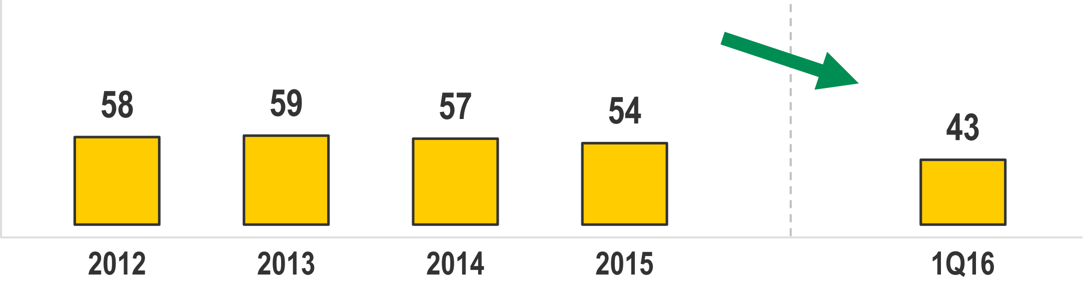
**1Q16: growth at Domestic Markets and IFS,
decrease at CIB in a very challenging market environment**

** Including 2/3 of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium, Luxembourg, at BancWest and TEB; ** Excluding one-off items, FVA and impact of IFRIC 21*

1Q16 - Group Cost of Risk

Group Cost of Risk

Net provisions/Customer loans (in annualised bp)

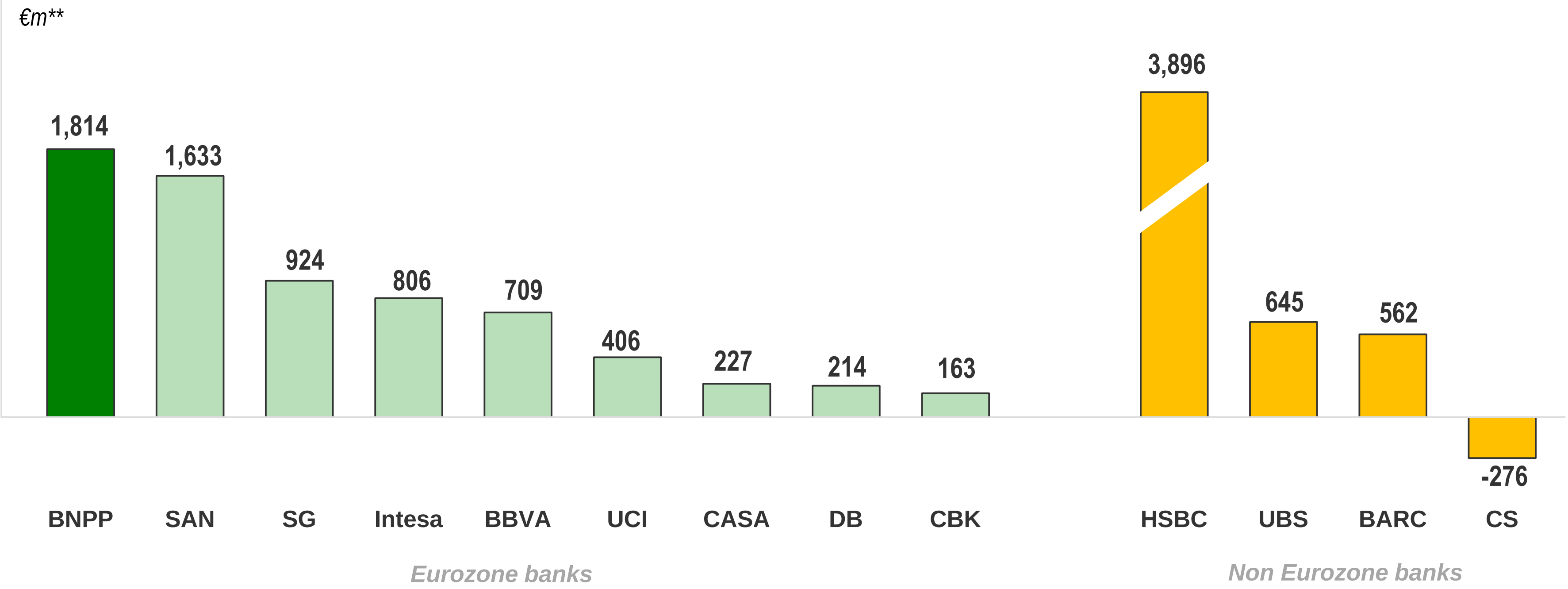


- Significant decrease in the cost of risk this quarter
  - Good control of risk at loan origination & effect of the low interest rate environment
  - Positive impact notably in Personal Finance
  - Continued decrease of the cost of risk in Italy

Strong risk management and low rate environment contributing to lower cost of risk

1Q16 - Strong Profitability

1Q16 Net Income*



- ROE excluding exceptional items***: 9.4%
- ROTE excluding exceptional items***: 11.2%

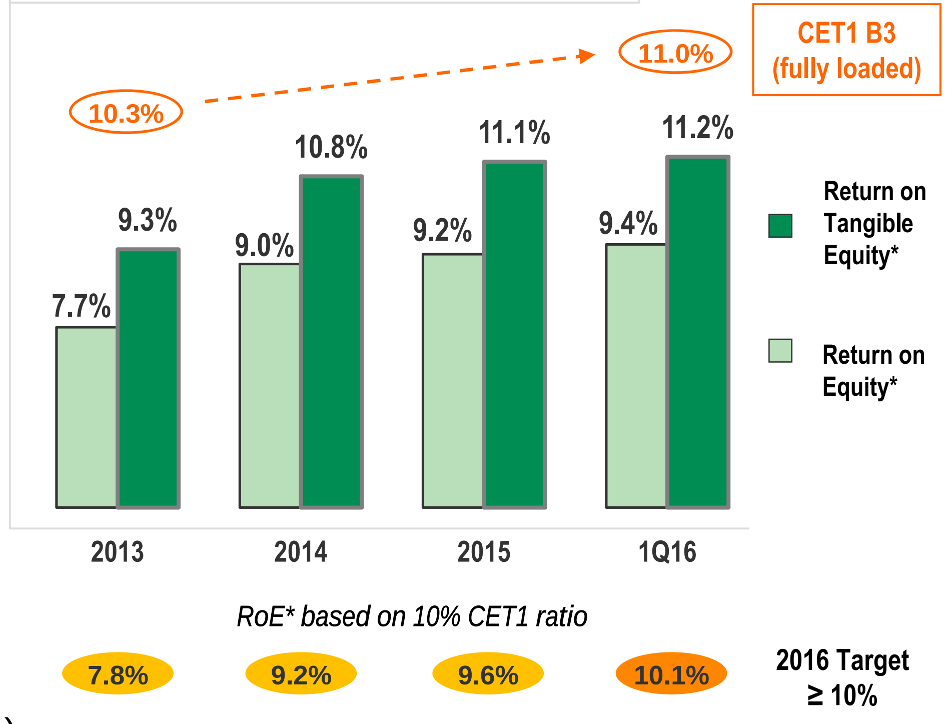
Strong profit generation capacity & best in class ROE and ROTE

*Attributable to equity holders, as disclosed by banks; **Average quarterly exchange rates; *** Excluding one-off items (positive in 1Q16: +319M€) with contribution to the Single Resolution Fund and systemic taxes not annualised

Delivering on 2016 RoE Target

- Several levers contributing to Return on Equity improvement…
  - Simple & Efficient: ramping up of recurrent cost savings
  - Progressive loan volumes pick up in the context of a better European economy
  - Success of the regional plans
  - BNL balance sheet de-risking
- … despite headwinds
  - Low interest rates environment
  - New taxes and regulations
  - Higher capital requirements
- 2016 RoE target of the plan confirmed
  (reminder: 10% ROE calculated on 10% CET1 ratio)

RoE / RoTE (excluding exceptionals)



Steady increase of the RoE and RoTE over 2014-2016 together with higher CET1 ratio

---

** Excluding exceptionals. For 1Q16, with contribution to the Single Resolution Fund and systemic taxes not annualised*

Solid Group Results

Strong Financial Structure and Value Creation

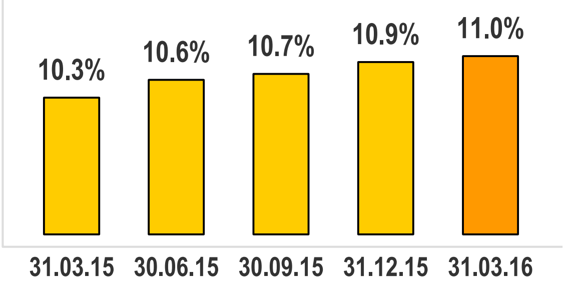
Operating Divisions Going Forward

Appendix

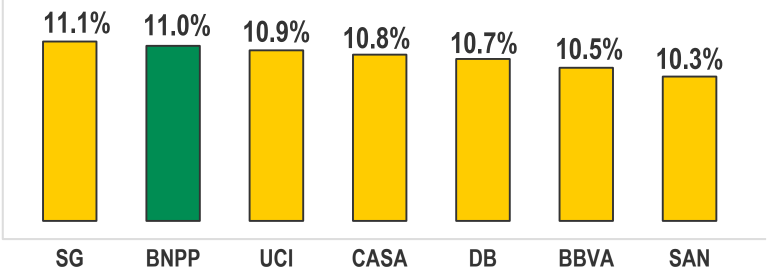
A Rock-solid Financial Structure

- Fully loaded Basel 3 CET1 ratio*: 11.0% as at 31.03.16 (+70 bp vs. 31.03.15)
  - Essentially due to the results after taking into account a 45% dividend pay-out ratio

Fully loaded Basel 3 CET1 ratio*

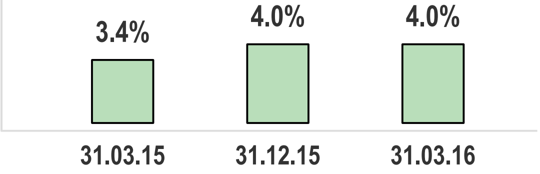


CET1 ratio Eurozone Peer Group**



- Fully loaded Basel 3 leverage***: 4.0% as at 31.03.16

Fully loaded Basel 3 leverage ratio***

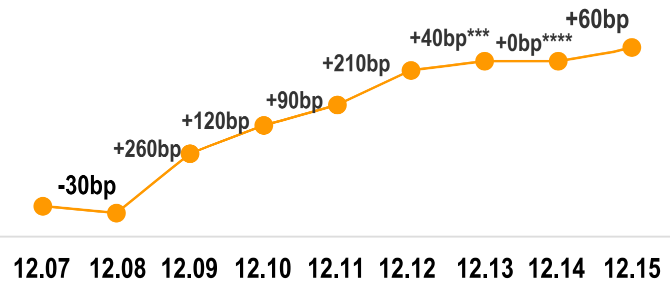


** CRD4 "2019 fully loaded"; ** Eurozone banks with similar business profile; *** CRD4 "2019 fully loaded", calculated according to the delegated act of the European Commission dated 10.10.2014*

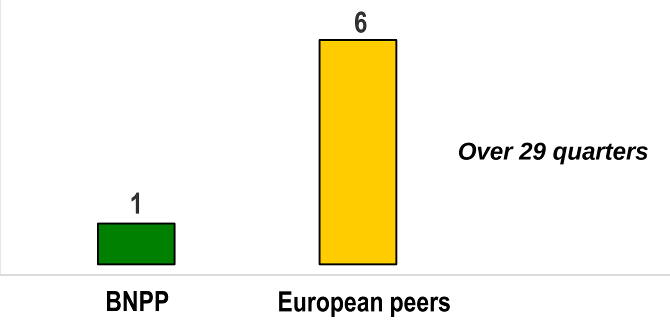
Evolution of CET1 Ratio by 2019

- Capital requirement (CET1) following the ECB's SREP: 10.0% in 2016
  - Including G-SIB buffer of 0.5% in 2016
  - Phased-in CET1 ratio of 11.1% as at 31.03.16, well above the minimum requirement
- Anticipated level of fully loaded Basel 3 CET1 ratio requirement of 11.5% in 2019
  - Given the gradual phasing-in of the G-SIB buffer to 2% in 2019
- Target to achieve this level by mid 2017 thanks to:
  - Organic generation and active capital management policy (~35 bp per year)
  - Sale or initial public offering of First Hawaiian Bank (~40 bp*)
- Target of a fully loaded Basel 3 CET1 ratio of 12.0% as of 2018
  - Taking into account a 50 bp management buffer, coherent with the Group's strong and recurring organic capital generation throughout the cycle

Annual evolution of the CET1 ratio**



Number of quarters of negative CET1 ratio evolution (2009-1Q16, European peers)*****



Target of a fully loaded CET1 ratio of 12%
Steady organic growth of CET1 ratio across the cycle

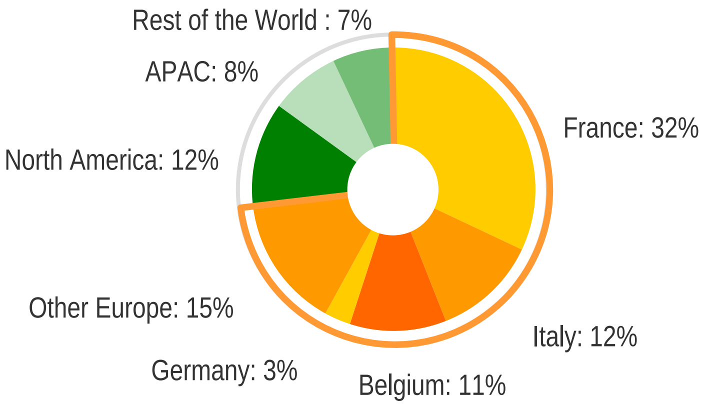
---

* Subject to market conditions and regulatory authorisations; ** Basel 2 from December 2007 to December 2011, Basel 2.5 as at December 2012, then fully loaded Basel 3 for the years after; *** Including the buy-back of the Fortis shares held by the minority shareholders (~-50bp); **** +100bp excluding costs related to the comprehensive settlement with the U.S. authorities; ***** Q/Q-1 CET1 ratio evolution restated of capital increases and acquisitions; average number of quarters of negative CET1 ratio evolution for 10 European peers

An Integrated Business Model with Strong Diversification Resulting in Recurrent Earnings Generation

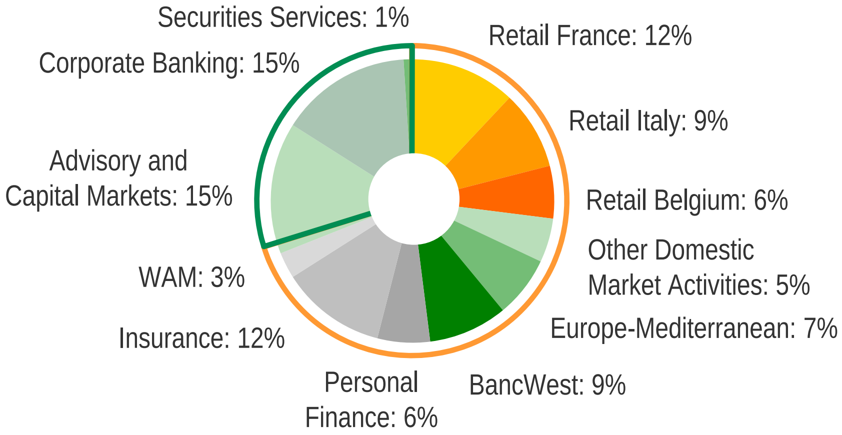
2015 Revenues by geography:

>85% in wealthy markets



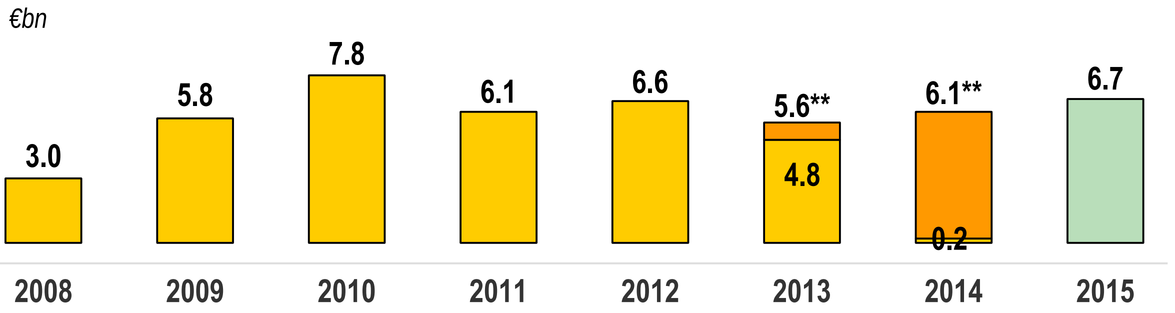
2015 Allocated equity* by business

No single business line > 15%



Recurrent earnings generation through the cycle

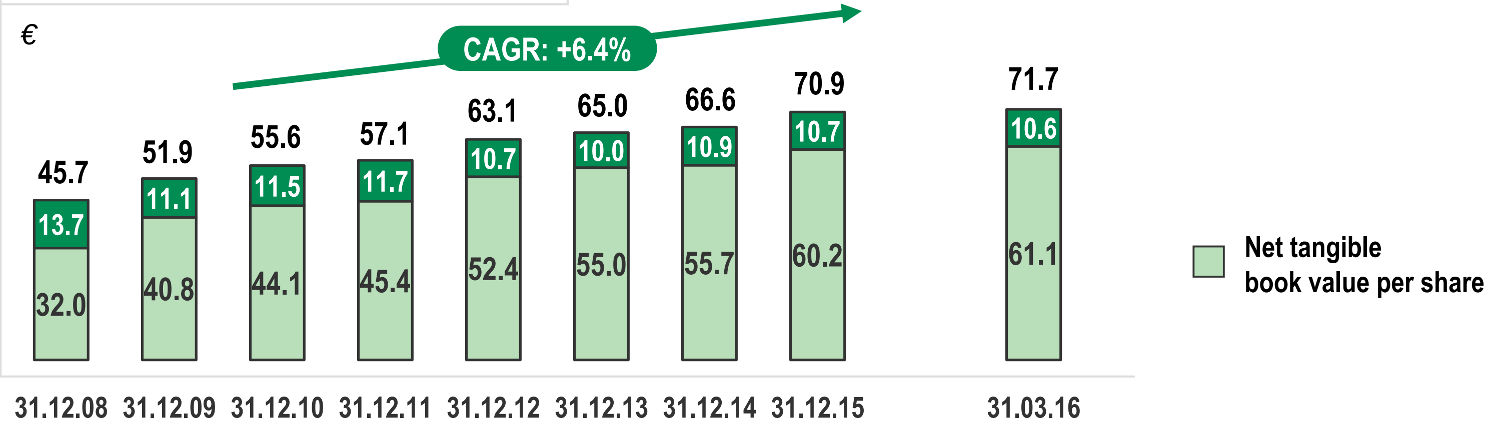
Net Income Group Share (2008-2015)



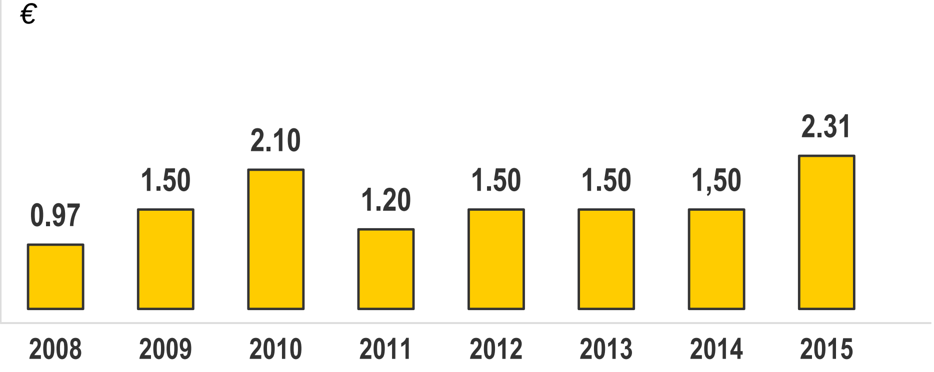
** Operating divisions; ** Adjusted for costs and provisions related to the comprehensive settlement with US authorities*

Strong and Recurrent Value Creation for Shareholders

Net book value per share



Dividend per share

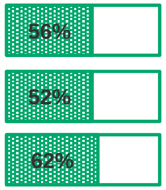


- Dividend paid on 2015 results: € 2.31 per share
- Fully in cash
- 4.9%* dividend yield
- 45% pay-out ratio

** Based on the closing price of 2 June 2016 (€47.51)*

Domestic Markets
Continued Transformation of the Retail Networks

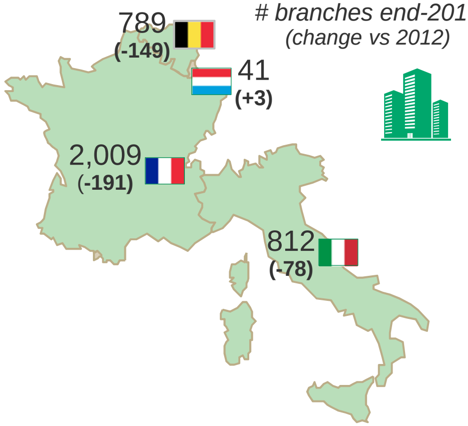
- Branch network optimisation with differentiated branch formats
  - Continued footprint optimisation
  - Full range of services available in “hub” branches
  - Lighter branch formats developed to maintain proximity at a lower cost
- Revamped commercial set up
  - Opening hours reviewed and adapted to client needs
  - Meeter/Greeter as a shared role in most branches
  - Personalized approach and reinforced expertise for some client segments
- Digitalised branches
  - Videoconference support
  - Wi-Fi for customers
  - New mobile workstation tablet-based



% of branches already equipped

Ongoing footprint optimisation

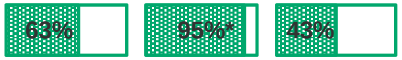
 # branches end-2015 (change vs 2012)



New branch formats

🇫🇷	🇧🇪	🇮🇹
EXPRESS		
ADVISORY	ADVISORY	OPEN BNL
PROJECTS	FULL	FULL

% of branches already revamped



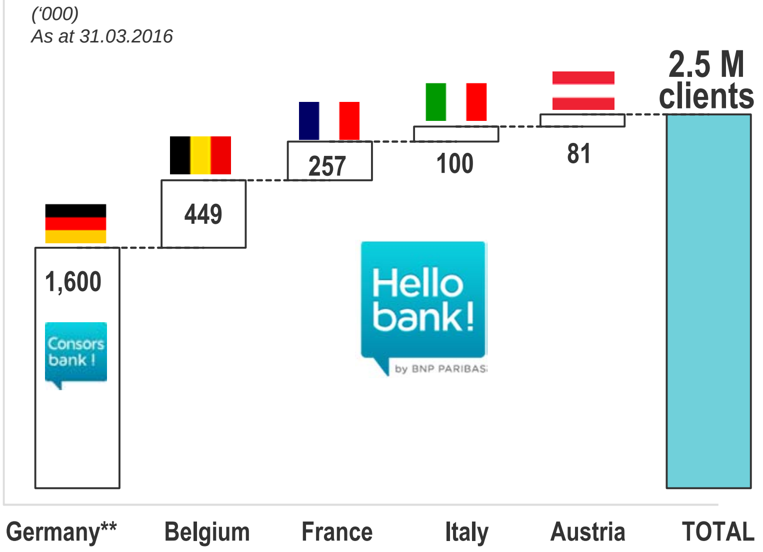
Footprint optimisation and modernisation of branch formats

* *% of targeted branches*

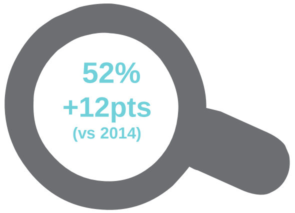
Domestic Markets
Continued Development of Hello bank!

- A fast growing customer base
  - Strong organic client acquisition (~+500,000 clients as at 31.03.16 vs. 31.12.14)
  - Acquisition of DAB Bank in Germany in 2014 and merger in 2015 with Consorsbank!
  - Direktanlage.at became Hello bank! in Austria in 2015
- A new brand successfully rolled-out in the Eurozone
  - Brand positioning "100% mobile"
  - Promising spontaneous awareness
  - New features and services
  - €24bn deposits and €80bn assets under management
  - Generating 8.7% of individual clients revenues* in 2015 (x2 vs. 2014)
- Shared assets with the network and across Hello bank!
  - Use of existing infrastructures and resources in each country: IT systems, back-offices, call centres,…

Client base



Hello bank! awareness (France)



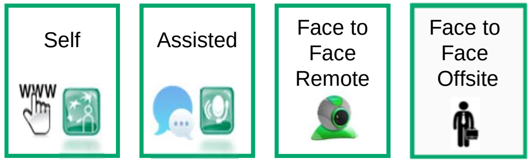
Hello bank! successfully developing in 5 countries
2.5 million clients

* FRB, BRB, BNLbc and Personal Investors revenues, excluding Private Banking; ** Including DAB customers

Domestic Markets - Medium-term Ambitions
More Digitalisation, More Customisation

Create digitalised service models

- **Differentiated models** with choice offered to customers
- **More digital** and **adapted interactions**
- **Common platforms** for product offering, remote expertise…



Reinvent customer journeys

- **Effortless & value-added** client experience, tailored to client needs end-to-end
- **Efficiency improvement**: process optimisation
- Further development of **cross-selling** within the Group

Already launched

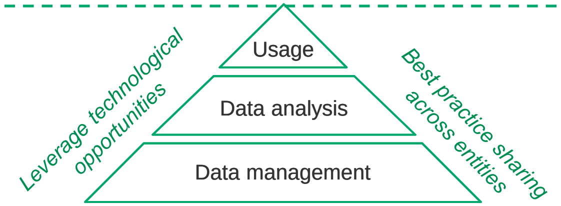
I NEED CASH NOW

I WANT TO BECOME A CORPORATE CUSTOMER

I WANT TO BUY MY HOME / I WANT TO BUY MY TV

Enhance customer knowledge

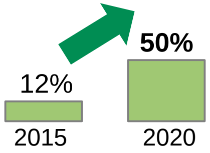
- Optimize **commercial proactivity and reactivity**
- Improve **pricing and risk scoring** management



Boost digital acquisition & sales

- **Digitalisation of the whole product offering subscriptions**
- Boost digital communication and marketing
- **Specific client acquisition offers** with ambitious targets

Targeted digital sales



Develop comprehensive service offers

- New **aggregation service offers** (e.g. Arval Active Link)
- **Innovation** and **FinTechs partnerships**

Aggregation of optional services

→ ***Active Journey*** *(route analysis)*
→ ***Active Routing*** *(real-time geo-localization)*
→ ***Active Sharing*** *(management of shared vehicles)*

International Financial Services Action Plan (1/2)

GROWTH AND DIVERSIFICATION

CLIENTS

- Optimise the **client experience** for all segments
- **Private banking client base:** continue growing it in the domestic markets, in the U.S. and in Asia
- **Corporate and institutional clients:** launch of new offerings
- **SMEs:** structure and roll-out of the offering in the international networks

INTERNATIONAL

- **International banking networks:** continue branch network transformation
- **Asia and Latin America:** continue growing in specialised businesses
- **China:** continue developing partnerships

PARTNERSHIPS

- **Personal Finance:** forge new partnership alliances and agreements in the automotive sector, as well as with distributors, banks and energy providers
- **Insurance:** continue strengthening partnerships by leveraging our expertise
- Develop **partnerships** with new actors (FinTech, InsurTech, etc.)

CROSS-SELLING

- Continue rolling out the enhanced cooperation model of **Personal Finance** with the Group's banking networks: Poland, U.S.
- Increase asset inflows in **asset management** and grow sales of **insurance products** in the banking networks
- Step up **cross-selling with CIB**

International Financial Services
Action Plan (2/2)

INDUSTRIAL EFFICIENCY

INDUSTRIALISATION AND ADAPTATION

- Industrialise the platforms and enhance **operating efficiency**
- **Finalise integrations** with LaSer (Personal Finance) and Bank BGZ (Poland)
- Continue adapting to **regulatory changes** (MiFID II, …)

DIGITAL & INNOVATION

DATA AND ANALYTICS

- Initiatives in all the business units
- **Unite data labs** to pool best practices

INNOVATION

- Put **open innovation** in general practice in all the businesses
- Capitalise on innovative approaches (Cardif Lab, PF Echangeur, Hackathon…)
- Analyse and test the roll-out of new services

BANKS AND DIGITAL OFFERINGS

- Continue the **expansion of mobile and digital banking services**, including in new countries
- Develop the **digital solutions offering** in all the businesses
- Bring innovation to the **payment offering** (new offerings and technologies)

Corporate and Institutional Banking 2016-2019 Transformation Plan

Three Levers Across All Regions & Business Lines

Focus

Free-up capital and balance sheet to fuel targeted growth

- Reduce unproductive RWAs through portfolios' optimisation
- Selective rightsizing of businesses, countries and client portfolios
- Reinvest to capture market growth and increase market share

RWA gross reduction: -€20bn
RWA reinvestment: +€10bn

Revenues: +€0.5bn
Costs[2]: -€0.05bn

+€~0.2bn in pre-tax income[4]

Improve

Optimize CIB operating model

- Industrialise the set up
- Improve operating efficiency
- Deliver enough savings to support growth, while structurally reducing C/I ratio

12% total cost savings[1,3]

Revenues: no impact
Costs[2,3]: -€0.95bn

+€0.95bn in pre-tax income[4]

Grow

Specific strategic growth initiatives

- Further develop strategic clients
- Invest in processing businesses: i.e. Securities Services and Transaction Banking
- Specific investments in Americas and APAC

+€21bn RWAs

Revenues: +€1.6bn
Costs[2]: +€0.5bn

+€~0.5bn in pre-tax income[4]

One-off costs to achieve transformation: €800m over 2016-2019[5]

---

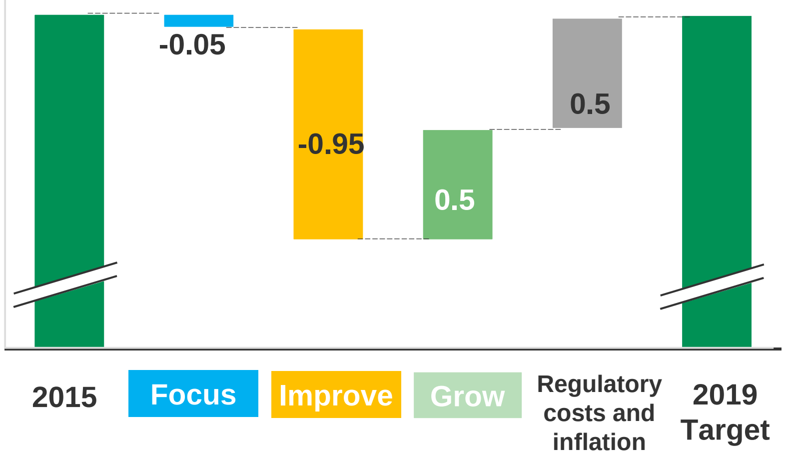
1. Gross savings based on 2015 total CIB costs base including €50m cost savings linked to Focus initiatives; 2. Excluding regulatory costs and inflation; 3. Including ~€90m of residual S&E savings; 4. After impact of regulatory projects, inflation and variable on costs, cost of risk and non operating revenues, before effects of the 29 March 2016 restatement; 5. Booked in Corporate Centre (€300m in 2016, 250m in 2017 and 2018)

Corporate and Institutional Banking
Implementation of the Transformation Plan

- Improve cost efficiency: >€1bn savings vs. 2015
  - Implementation of the plan in all regions in accordance with local regulations
  - Industrialisation of platforms: 55 projects launched to align IT systems in Global Markets
- Focus: improve capital productivity
  - Wind-down of €12bn unproductive RWAs in Global Markets: €3.7bn already completed*
  - Repositioning of cash equity business in Asia

Evolution of CIB cost base

In €bn, excl. variable compensation



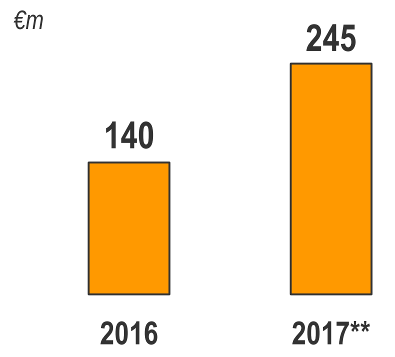
- Grow less capital-intensive businesses
  - Cash management: on-boarding of 166 business groups* in the context of the RBS referral agreement
  - Shift from voice to electronic markets: good development of Centric, the Global Markets & Transaction Banking's online and mobile portal, >5,000 clients, 22 applications and 35 countries

** As at 31 March 2016*

ROE Accretive Bolt-on Acquisitions in 2014 and 2015

Year of acquisition			Bolting onto existing businesses
2014	**Bank BGZ** Poland	- Creation of the 7th largest bank in Poland with ~4% market share - Broadening Group's digital banking offer BGZoptima	**BNPP Polska**
	50% of LaSer Europe - France	- Merger completed on 1.09.2015 - Targeting 1% market share growth per year in France in 2016-2018	**Cetelem**
	DAB Bank Germany	- ~1.6 million clients - #1 online broker*** and Top 5 digital bank in Germany	**Consors bank!**
2015	**GE Fleet Services** Europe	- +164,000 vehicles - Arval now #1 in Europe with strengthened positions in all countries, ~950,000 vehicles	**Arval**

Additional synergies expected by 2017*



Levers for additional profit generation going forward

---

* Excluding restructuring costs ; ** Cumulated ; *** In terms of retail trades and securities accounts

Conclusion

› **A well balanced and integrated business model resulting in a recurrent profit generation capacity**

› **1Q16 annualised ROTE: 11.2%***

› **Preparation of a new 2017-2020 plan**

** Excluding one-off items (positive in 1Q16: +319M€) with contribution to the Single Resolution Fund and systemic taxes not annualised*

Solid Group Results

Strong Financial Structure and Value Creation

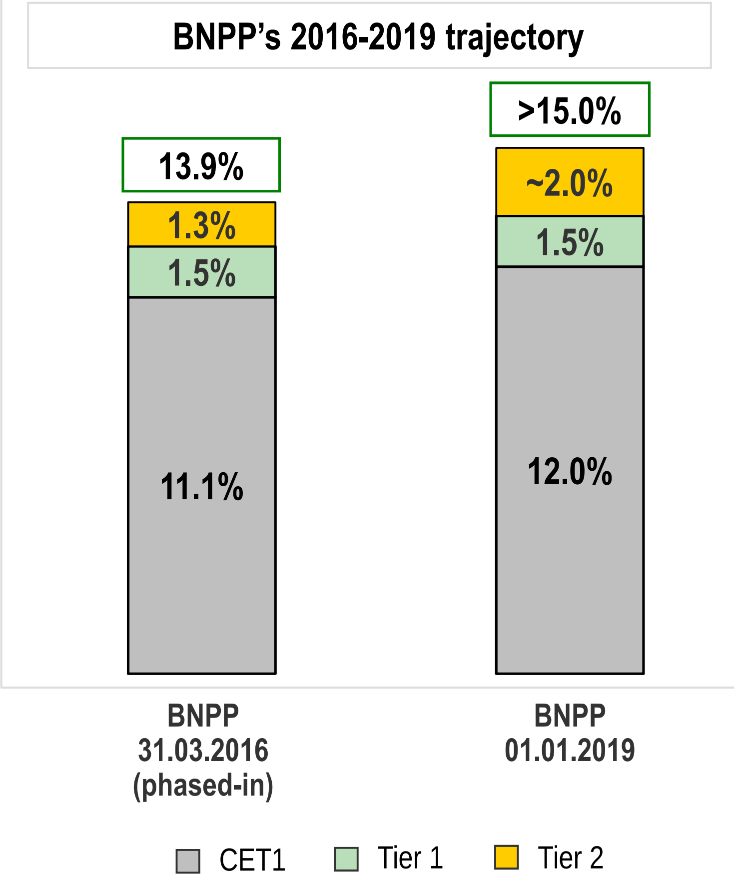
Operating Divisions Going Forward

Appendix

Evolution of the Total Capital Ratio by 2019

- Target of a Total Capital ratio above 15% in 2019
  - Target of a fully loaded CET1 ratio of 12.0%
  - Issuance of €1.5 to €2bn of Additional Tier 1 per year during 3 years to remain at 1.5% of Tier 1
  - Issuance of €2 to €3bn of Tier 2 per year during 3 years to achieve ~2.0% of Tier 2
- Bringing the Total Capital to over €100bn
- Further strengthening the excellent credit quality of BNP Paribas' debt securities

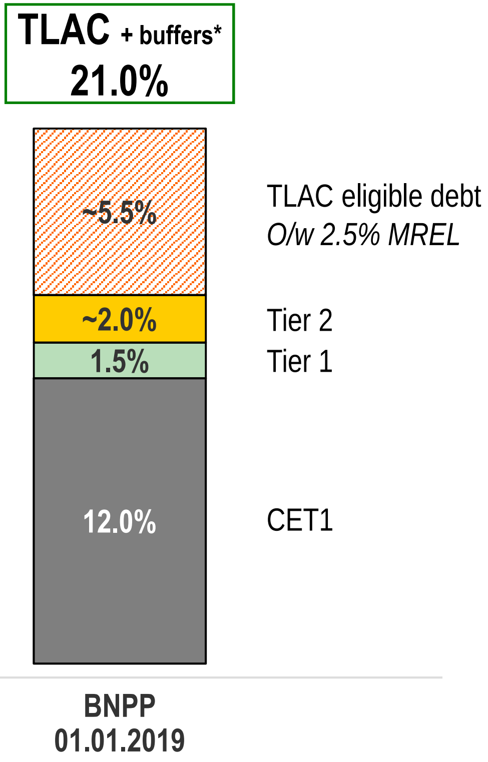
Total Capital Ratio



Total Loss Absorbing Capacity (TLAC) Ratio by 2019

- Target of a TLAC ratio of 21.0% in 2019
- Issue of ~€30bn of TLAC eligible senior debt by 01.01.2019*
  - Given a MREL allowance of 2.5% eligible for TLAC
  - Equivalent to ~€10bn per year, to be realised within the usual medium long term funding programme of about €25bn per year

TLAC Ratio – 2019 BNPP



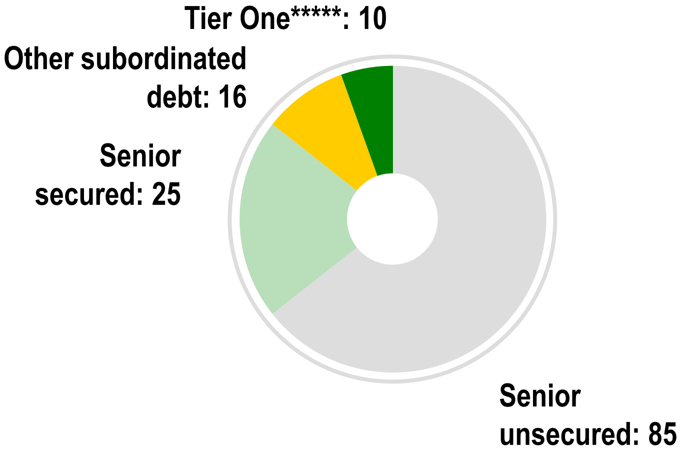
* *Conservation buffer and G-SIB buffer*

Wholesale Medium/Long-Term Funding

- 2016 MLT funding programme of €25bn, of which:
  - Additional Tier 1: €1.5 to 2bn*
  - Tier 2: €2 to 3bn*
  - TLAC eligible senior debt: ~€10bn*
- Additional Tier 1: €1.3bn issued**
  - Success of the AT1 issuance in USD on 23 March, 325 investors across Europe, Americas and Asia, $1.5bn, perpetual Non Call 5, coupon of 7.625%
- Tier 2: €3.0bn issued**
  - Mid-swap +206 bp on average, average maturity of 10 years***
  - Of which €750m at 10.6 years, issued in March 2016 (mid-swap +227 bp)
  - Of which $1.25bn, 10 year bullet, issued in May 2016 (T+265bp)
- Senior debt: €9.8bn issued**
  - Average maturity of 6.7 years, mid-swap +64 bp on average

Wholesale MLT funding structure breakdown as at 31.03.16: €136bn******

€bn

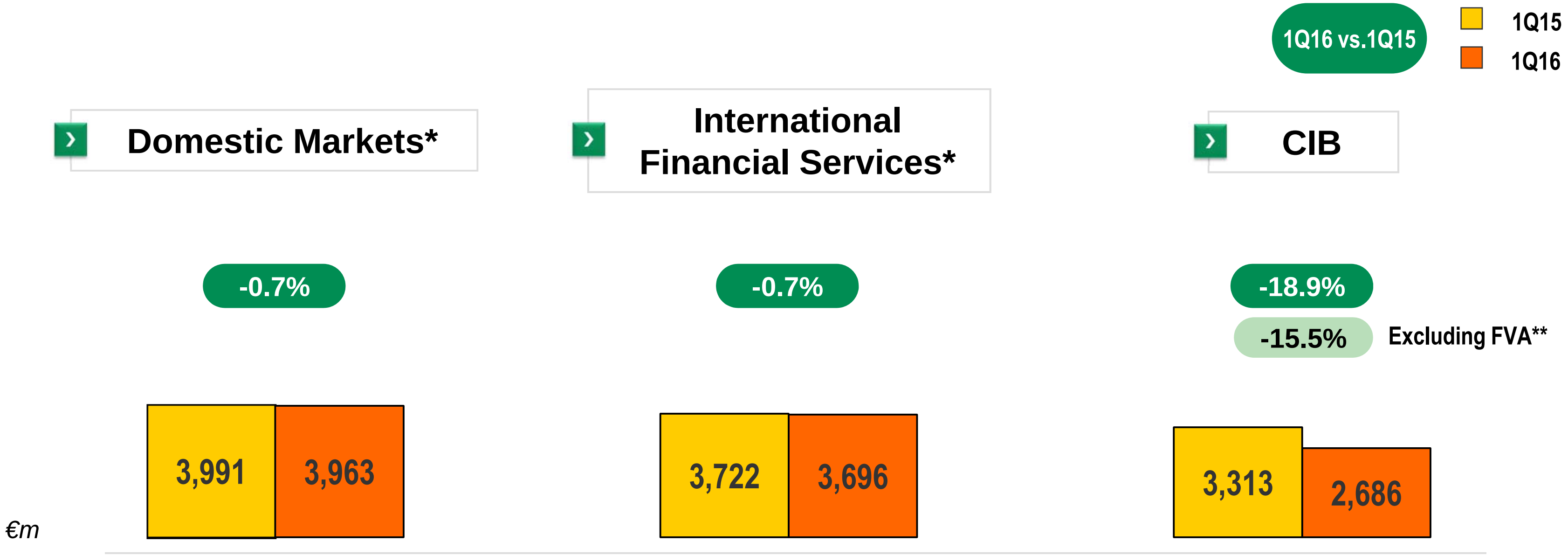


Issuance programme proceeding well despite volatile markets

---

* Depending on opportunities and market conditions; **As at 26 May 2016;
*** Including the Tier 2 prefunding of €750m issued in November 2015; **** Excluding TLTRO; ***** Debt qualified prudentially as Tier 1 booked as subordinated debt or as equity

Revenues of the Operating Divisions - 1Q16

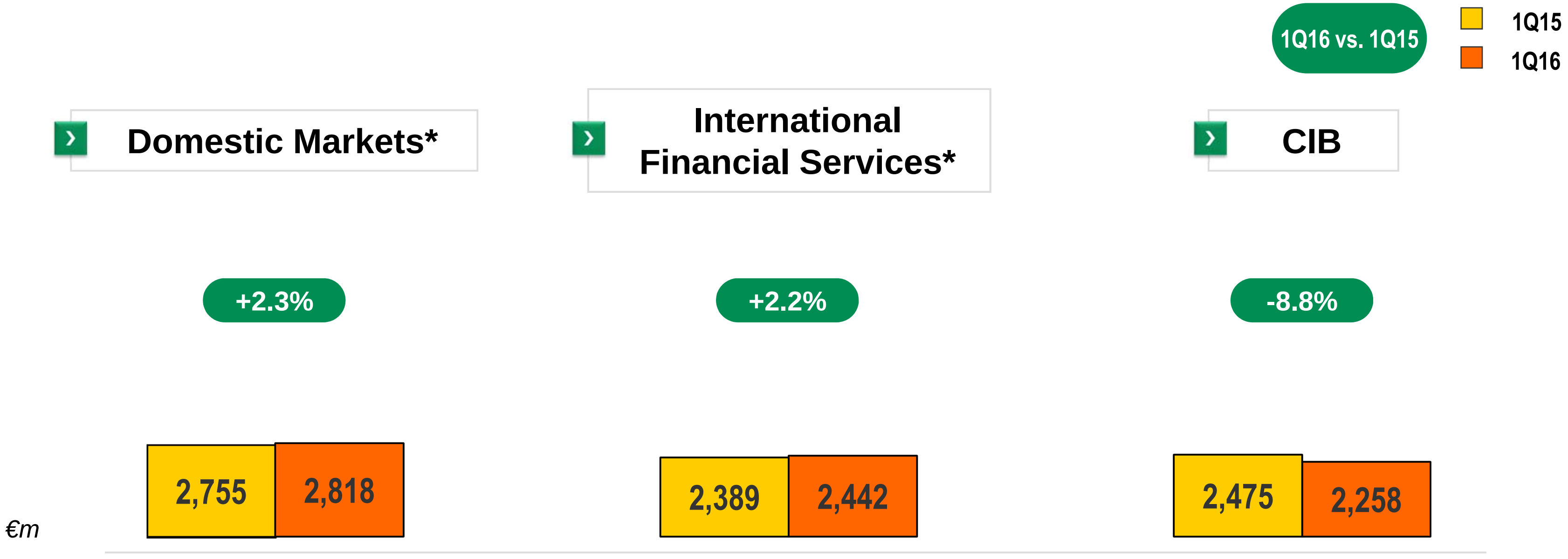


- Impact of a particularly unfavourable market environment
  - Domestic Markets: decrease in financial fees
  - IFS: spot effect on revenues of Insurance; revenues up 3.0% excluding Insurance
  - CIB: sharp decline in the revenues of Global Markets

Spot effect of a particularly unfavourable market environment

** Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium, Luxembourg, at BancWest and TEB; ** FVA: -€57m in 1Q16 and +€68m in 1Q15*

Operating Expenses of the Operating Divisions - 1Q16



- Impact of the application of IFRIC 21
  - Booking of the entire increase in banking contributions & taxes for 2016 (impact of +1.0%)
- Implementation of new regulations and reinforcement of compliance
- Decline in operating expenses at CIB as a result of lower business activity this quarter

Control of operating expenses and effects of Simple & Efficient but rise in regulatory and compliance costs

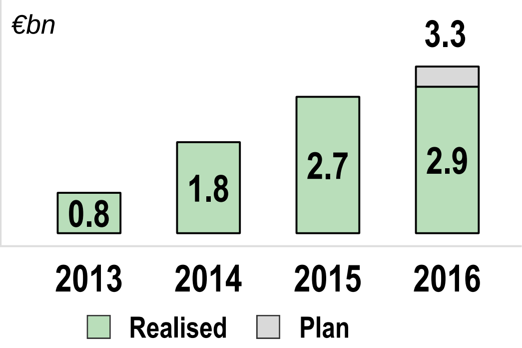
---

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

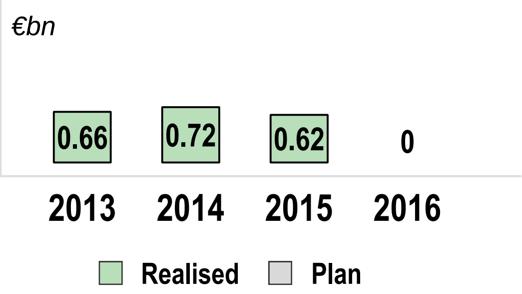
Simple & Efficient

- Continued the momentum throughout the entire Group
  - 1,385 programmes identified including 2,693 projects
  - 85% of projects initiated since 2013 already completed
- Cost savings: €2,917m since the launch of the plan
  - Of which €179m booked in 1Q16
  - Reminder: cost savings target raised from €3.0bn to €3.3bn to offset the additional compliance costs in 2016
- Breakdown of cost savings by division since 2013
  - Domestic Markets (44%), IFS (26%) and CIB (30%)
- Reminder: no transformation costs in 2016

Cumulative recurring cost savings



One-off transformation costs

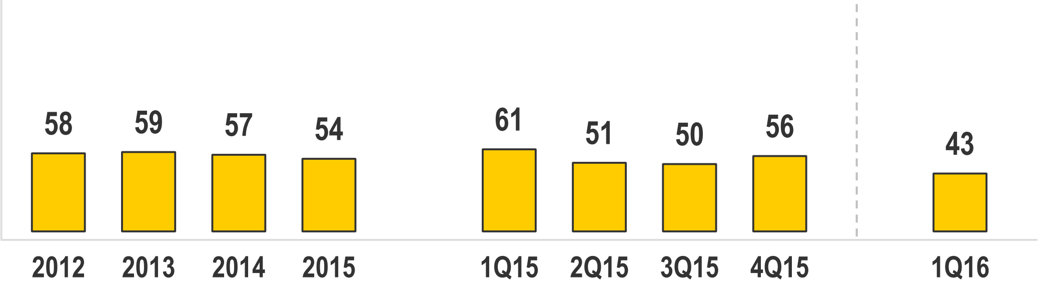


Cost savings achieved in line with the new target

Variation in the Cost of Risk by Business Unit (1/3)

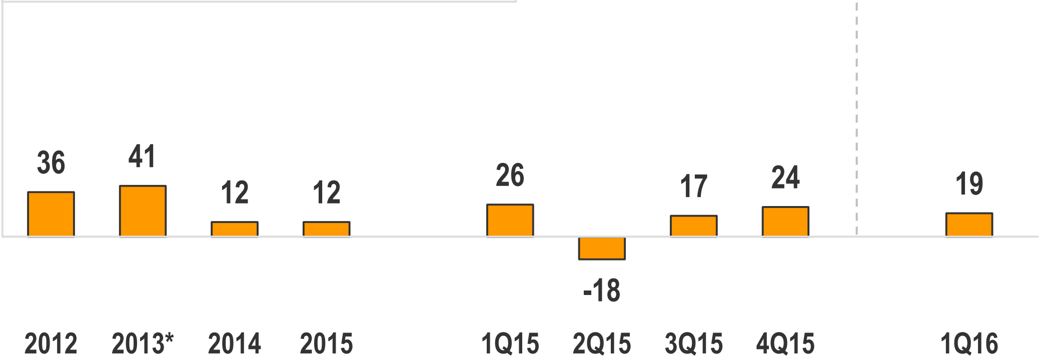
Net provisions/Customer loans (in annualised bp)

Group



- Cost of risk: €757m
  - -€211m vs. 4Q15
  - -€287m vs. 1Q15
- Decline in the cost of risk

CIB - Corporate Banking

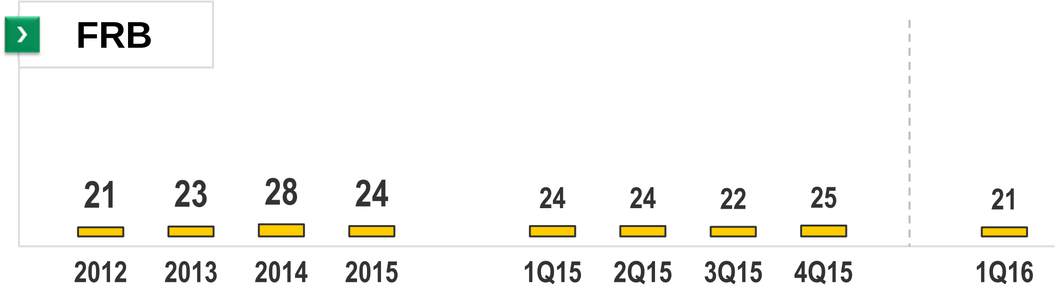


- Cost of risk: €55m
  - -€14m vs. 4Q15
  - -€18m vs. 1Q15
- Low cost of risk

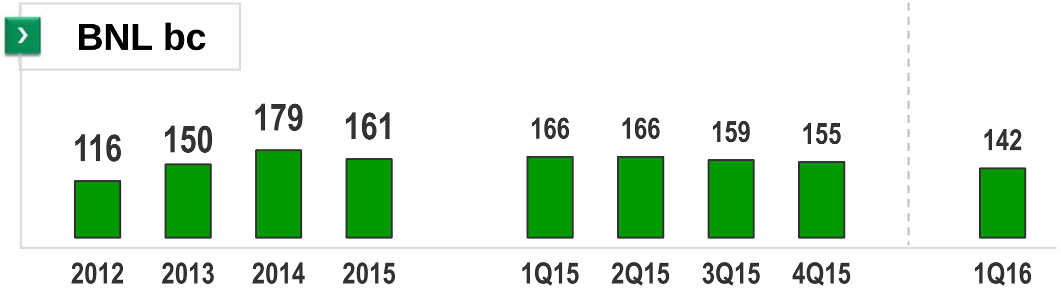
** Restated*

Variation in the Cost of Risk by Business Unit (2/3)

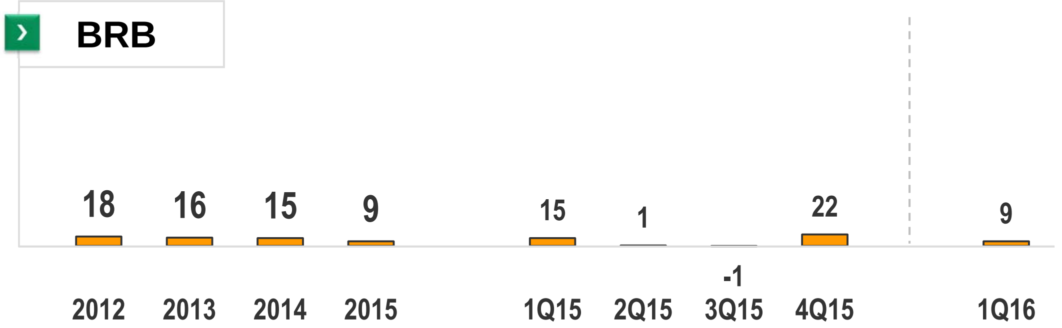
Net provisions/Customer loans (in annualised bp)



- Cost of risk: €73m
  - -€14m vs. 4Q15
  - -€15m vs. 1Q15
- Cost of risk still low



- Cost of risk: €274m
  - -€27m vs. 4Q15
  - -€47m vs. 1Q15
- Decline of doubtful loan outstandings
- Continued decrease in the cost of risk

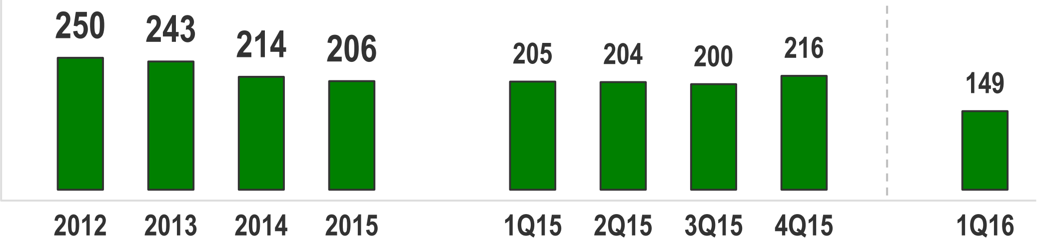


- Cost of risk: €21m
  - -€31m vs. 4Q15
  - -€13m vs. 1Q15
- Cost of risk very low

Variation in the Cost of Risk by Business Unit (3/3)

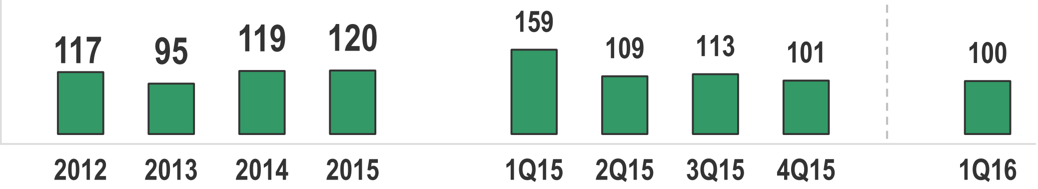
Net provisions/Customer loans (in annualised bp)

Personal Finance



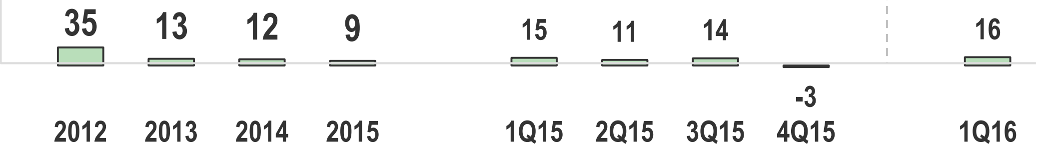
- Cost of risk: €221m
  - -€87m vs. 4Q15
  - -€71m vs. 1Q15
- Sharp decline this quarter
  - Effect of the low interest rates and the growing positioning on products with a better risk profile
  - Significant provisions write-backs following sales of doubtful loans

Europe-Mediterranean



- Cost of risk: €96m
  - stable vs. 4Q15
  - -€53m vs. 1Q15
- Moderate cost of risk
- Reminder: high base in 1Q15

BancWest

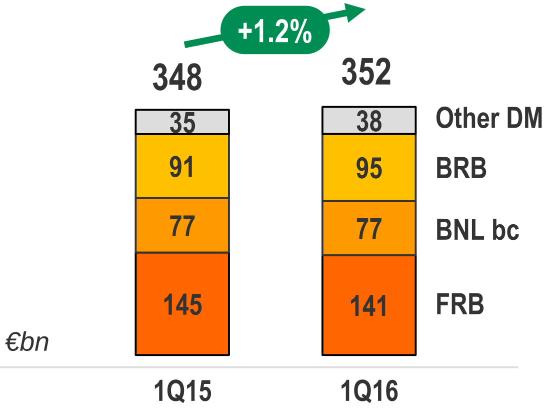


- Cost of risk: €25m
  - +€29m vs. 4Q15
  - +€5m vs. 1Q15
- Cost of risk still very low
- 4Q15 reminder: provisions offset by write-backs

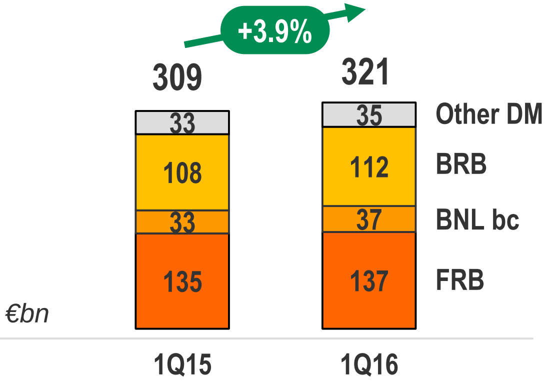
Domestic Markets - 1Q16

- Business activity
  - Loans: +1.2% vs. 1Q15, moderate recovery in loan demand
  - Deposits: +3.9% vs. 1Q15, good growth across all the networks
  - Hello bank!: +103,000 new clients in 1Q16
- Arval: implementation of the integration of GE Fleet Services in Europe (+164,000 vehicles)
- Revenues*: €4.0bn (-0.7% vs. 1Q15)
  - Persistently low interest rate environment
  - Drop in financial fees in all the networks due to a very unfavourable market environment this quarter
  - Good performance of the specialised businesses and BRB
- Operating expenses*: €2.8bn (+2.3% vs. 1Q15)
  - +1.5% at constant scope and exchange rates
  - Driven by the growing business lines: Arval, Leasing Solutions…
- Pre-tax income**: €0.7bn (+3.7% vs. 1Q15)
  - Decline in the cost of risk across all the networks

Loans



Deposits



Higher income in a low interest rate environment

*Including 100% of Private Banking, excluding PEL/CEL; ** Including 2/3 of Private Banking, excluding PEL/CEL*

Domestic Markets - Medium-term Ambitions
Capitalise on BNPP's Differentiating Capabilities

Multi-channel distribution model

Integrated, multi-channel distribution platform fully deployed in the Domestic Markets networks

→ **Better capitalise on digital tools and technologies mutualised across DM**

🇧🇪 **BNPP Fortis**
- 3.6M clients

🇫🇷 **FRB**
- 7.7M clients

🇱🇺 **BGL BNPP**
- 209k clients

🇮🇹 **BNL**
- 2.6M clients

Networks optimisation

Ongoing optimisation of geographical footprint and format modernisation

→ **Structural evolutions needed to cope with massive digitalisation of banking interactions**

New branch formats

Proximity	*Full services*

More digitalised branches

- Videoconference
- New mobile workstations
- Wi-Fi for customers

Hello bank!

Pan-European model successfully rolled out

→ **Further adaptation to the competitive specificities of each country**

- **2.5M clients**
- **5 countries**

Hello bank! by BNP PARIBAS 🇫🇷 🇮🇹 🇧🇪 🇦🇹

Consors bank ! 🇩🇪

Products & services innovation

Fast roll-out of technological innovations, notably in payments

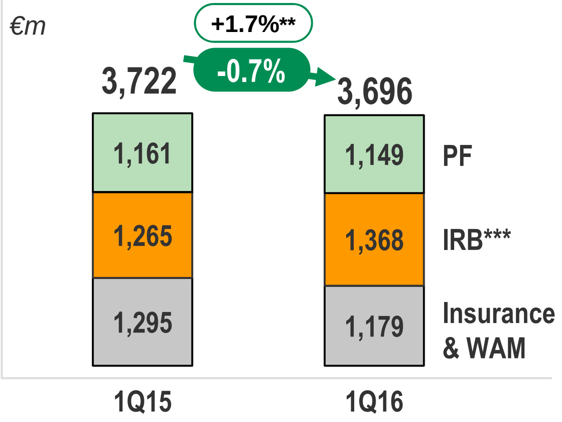
→ **Agile implementation of new internal solutions developed in house or through partnerships**

Trends & Sourcing	L'ATELIER BNP PARIBAS GROUP ECHANGEUR
Incubation/Acceleration to support start-ups	🇫🇷 WAI 🇧🇪 CO.STATION 🇮🇹 LUISS EnLabs 🇱🇺 Future Lab
Tests/Prototypes	BNP PARIBAS INTERNATIONAL HACKATHON
Venture Capital	PARTECH VENTURES

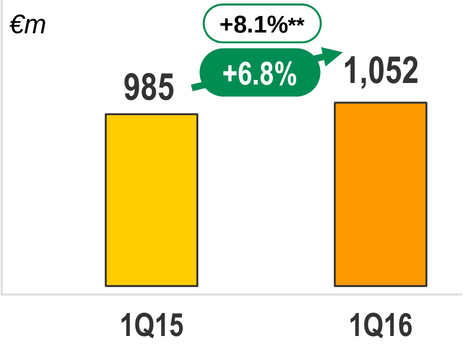
International Financial Services - 1Q16

- Business activity
  - Personal Finance: continued strong business drive
  - International Retail Banking*: good business growth
  - Insurance and WAM: positive asset inflows (+€2.2bn in 1Q16) in an unfavourable market environment this quarter
- Revenues: €3.7bn (-0.7% vs. 1Q15), negative foreign exchange effect
  - +1.7% at constant scope and exchange rates
  - Good performance of IRB, growth at Personal Finance and WAM, impact of an unfavourable market environment on Insurance this quarter
- Operating income: €915m (+5.1% vs. 1Q15)
  - +7.1% at constant scope and exchange rates
  - Decline in the cost of risk
- Pre-tax income: €1.1bn (+6.8% vs. 1Q15)
  - +8.1% at constant scope and exchange rates

Revenues



Pre-tax income



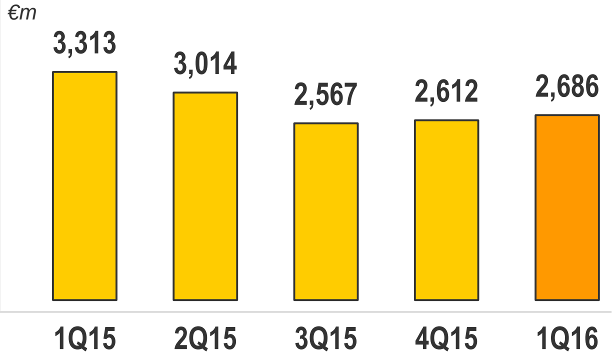
Good sales and marketing drive and income growth

** Europe Med and BancWest; ** At constant scope and exchange rates; *** Including 2/3 of Private Banking in Turkey and in the United States*

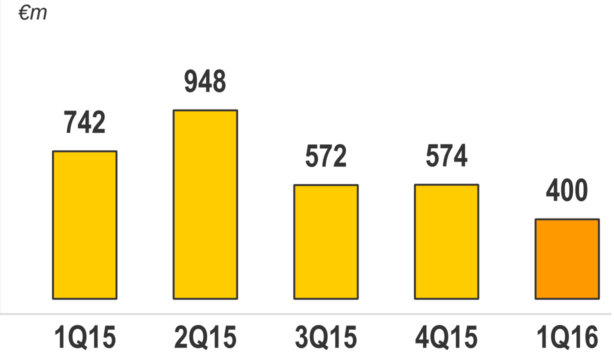
Corporate and Institutional Banking - 1Q16 Summary

- Launch of the 2016-2019 transformation plan
- Revenues: €2,686m (-18.9% vs. 1Q15)
  - -15.5% vs. 1Q15 excluding FVA*
  - Very challenging market environment for Global Markets (-24.4%**), moderate decline at Corporate Banking (-6.0%) and slight increase at Securities Services (+0.3%)
  - Reminder: very favourable environment in 1Q15
- Operating expenses: €2,258m (-8.8% vs. 1Q15), good control
  - Despite the impact of the rise in banking contributions and taxes
  - In relation with the decrease in business activity
  - Effect of savings from Simple & Efficient and from the implementation of the transformation plan
- Pre-tax income: €403m (-54.5% vs. 1Q15)
  - €768m excluding the impact of IFRIC 21*** and FVA (-23.4% vs. 1Q15****)
  - Reminder: high level of other non operating items in 1Q15 (one-off capital gain from a sale and high capital gains on day-to-day business)

Revenues



Operating Income



Very challenging market environment in Europe this quarter

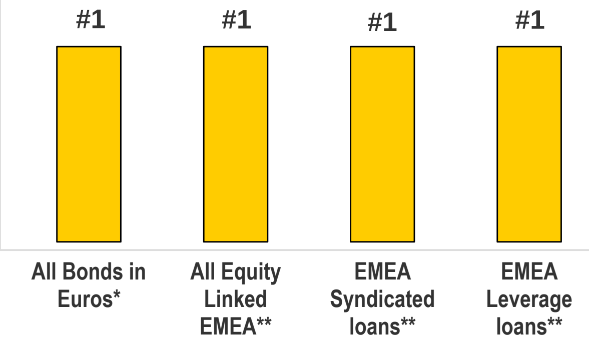
---

* FVA: -€57m in 1Q16; +€68m in 1Q15; ** Excluding FVA; *** Annualisation of the taxes and contributions under IFRIC 21: +€308m in 1Q16 and +€259m in 1Q15; **** Excluding one-off capital gains in Other Non Operating Items in 1Q15 (€74m)

Corporate and Institutional Banking - 1Q16 Business Activity

- Global Markets: very challenging environment in Europe at the beginning of the year
  - Limited client volumes due to concerns about global growth, banking regulations on subordinated debt and uncertainties over monetary policies
  - VaR still at a low level (€43m)
  - Positions strengthened on bond issues: #1 for bonds in euros and #8 for all international bonds*
- Securities Services: unfavourable market environment
  - Assets under custody: -2.7% vs. 1Q15, due to the decreasing markets
  - Number of transactions: +16.1% vs. 1Q15
  - New significant mandates (e.g. Sampo Group, €25bn in assets)
- Corporate Banking: moderate business activity this quarter
  - Client loans: €126bn (+5.0% vs. 1Q15), #1 on syndicated loans in the EMEA region**
  - Client deposits: €110bn (+19.5% vs. 1Q15), strong growth as a result of market shares gains in cash management
  - Advisory businesses: small number of M&A deals in European markets

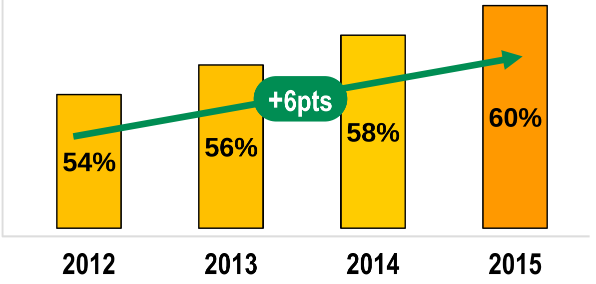
1Q16 European rankings



Corporate Banking in Europe

Market penetration (%)

#1 European Top-Tier Large Corporate Banking***



Weak business level this quarter

** Source: Thomson Reuters 1Q16; ** Source: Dealogic 1Q16, Europe, Middle East & Africa in number of operations; *** Source: Greenwich Associates Share Leaders 2016*

CIB: a Solid and Profitable Platform

Improving Global Positioning

- Gaining market shares from peers' retrenching context
- Success of regional initiatives launched in APAC and in the US
- Generating best-in-class profitability among European peers

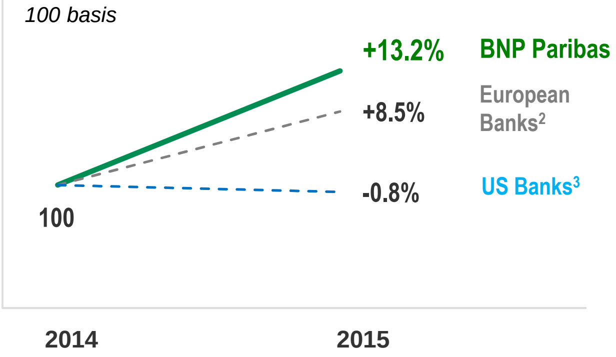
Integrated within BNP Paribas Group

- Client focused: a CIB built up organically on the Group's historic client franchises
- 2 well-balanced client franchises: Corporates and Institutionals
- Cross-selling at the heart of the business model
- Right size within the Group business mix (31% of allocated equity)

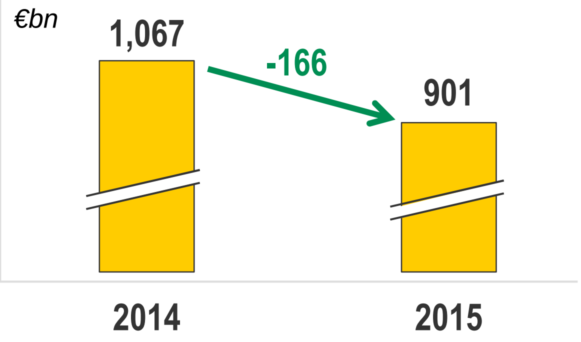
Disciplined and Agile

- Early adaptation to Basel 3 (2011-2012 deleveraging) and ongoing reduction of leverage exposure
- E&C[1] downsizing largely completed at end-2015
- New organisation implemented since the end of 2014 to speed up the evolution
- Compliance, control and conduct: reinforcement of rules and set up

Revenues evolution vs. peers



CIB leverage exposure



1. Energy & Commodity business line; 2. Evolution in Euros for 8 European CIB; 3. Evolution in USD for 6 US CIB

CIB 2016-2019 Transformation Plan
Improve Cost Efficiency

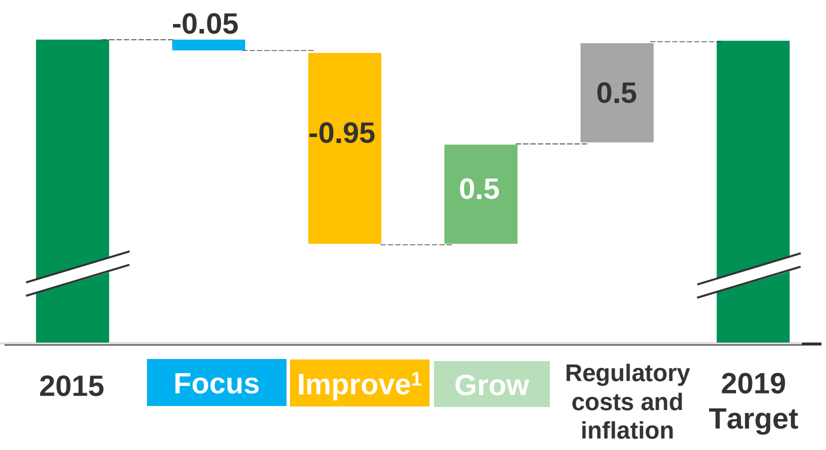
- **Cost savings: >€1bn vs. 2015**
  - All regions, businesses & functions contributing to the savings target
  - 200 efficiency projects to improve operating efficiency

- Industrialisation and deep changes in terms of set up
  - Optimised organisation of business lines (simplification, standardisation, etc.): -€260m
  - Smart sourcing including the development of mutualised platforms in Portugal, Canada and India: -€230m
  - Industrialisation of IT and operational process: -€365m
  - Digital solutions, expense discipline and other initiatives: -€180m

- Cost/income target: >-8pts by 2019[2]
  - Continued cost effort to offset impact on the costs of regulatory costs, inflation and growth initiatives

Evolution of CIB cost base

In €bn, excl. variable compensation



---

1. Including -€90m of residual effect from S&E; 2. Excluding constraints already partly incurred by the Group and not allocated to the business units, and potential future constraints, before effects of the 29 March 2016 restatement

CIB 2016-2019 Transformation Plan
Focus and Grow: Improve Capital Productivity

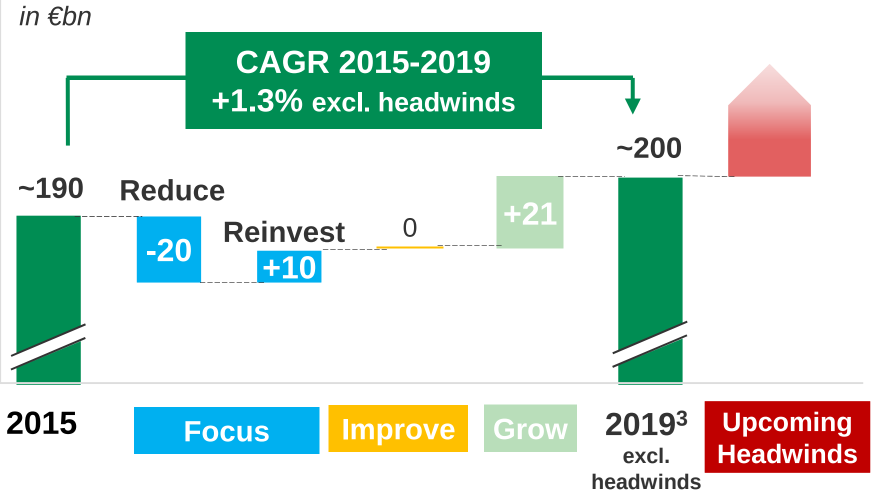
Focus initiatives

- Wind-down unproductive RWAs and residual legacy (-€12bn[1])
- Right-size low return activities and portfolios (-€8bn RWAs) and continue to develop the approach Originate to Distribute
- Adjust the set up in all regions (MEA[2] and Russia already under implementation)
- Contain leverage exposure
- Reinvest in existing businesses (~€10bn RWA) to capture market growth and gain market shares from competitors' retrenching

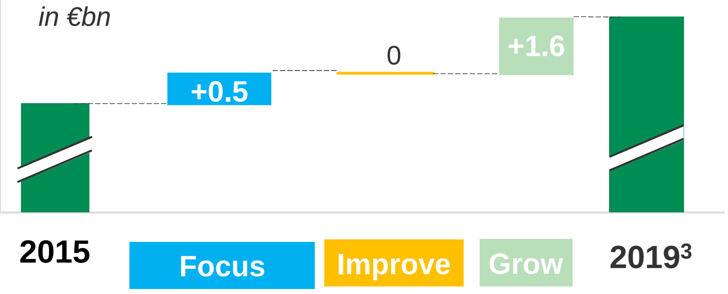
Growth initiatives

- Develop less capital-intensive and fee-driven businesses (processing or advisory content)
- Leverage competitive edge in derivatives
- Develop digital platforms in all businesses
- Selective geographic initiatives

CIB RWAs evolution



Estimated impact on revenues



1. Global Markets; 2. Middle East-Africa; 3. At constant FX rate and before effects of the 29 March 2016 restatement

CIB Transformation Plan : Develop Less Capital-intensive Businesses & Advisory / Processing Activities

		Business lines	Transformation path	Trajectory 2016-2019
Corporate Banking	**Processing Businesses**	• Securities Services • Transaction Banking	■ Become top 4 global multi-asset servicer – Leveraging Group's financial institutions franchise and Global Markets platforms ■ Become leading multi-regional flow provider – Reinforce Cash management franchises – Selectively enhance trade finance capabilities	↗ *Competitive positioning* ⇗ *RWA resources*
Global Markets	**Financing Businesses & Advisory**	• Financing Solutions • Advisory • Primary • Prime Solutions & Financing	■ Increase shift towards fee-driven products ■ Develop advisory, leveraging on Group's close relationships with corporates ■ Leverage Corporate Debt Platform to structure debt solutions and further grow corporate bonds origination ■ Benefit from market repricing in prime services	→ *Competitive positioning* ⇢ *RWA resources*
	Market Intermediation Businesses	• Equities • Credit • Forex • Rates • Commodity Derivatives	■ Invest in businesses with competitive edge or supporting the Group franchises (derivatives, credit, FX,…) ■ More efficient use of capital and balance sheet resources ■ Shift from voice to electronically traded markets	↗ *Competitive positioning* ⇘ *RWA resources*

CIB 2016-2019 Transformation Plan
Transformation Path Adapted to Regional Positioning

Competitive Positioning[1]

EMEA
(57% of 2015 revenues)

BNP Paribas' home market:
among **European leaders**

Positionning:
#1 Financing business and Securities Services
Top 3 Transaction Banking and Equity Derivatives
Top 5 Fixed Income

APAC
(22% of 2015 revenues)

Good positioning
in selected businesses

Positionning:
Top 5 Equity Derivatives
Top 9 Transaction Banking and Financing business
>Top 10 Fixed Income

Americas
(21% of 2015 revenues)

Opportunistic positioning,
behind firms with large US franchises

Positionning:
Top 10 Transaction Banking
>Top 10 in other businesses

Strategy

EMEA

- Intensify focus on strategic clients to maximize wallet share
- Grow in fee-driven businesses and Securities Services
- Global Markets: focused investments in specific segments
- Strong cost effort and resource optimization

An even stronger European leader

APAC

- Capitalizing on the success of the APAC plan
- Grow Europe-APAC cross-border business for Corporates
- Grow franchise of large local clients with regional needs
- Continue to develop cross-selling with Wealth Management

Taking advantage of LT regional growth

Americas

- Benefit from the momentum created by the CIB US plan
- Focus on strategic clients with global needs to grow cross-selling
- Grow wallet share of cross-border flow banking businesses
- Optimise cost structure and benefit from investments on IHC[2]

Better align the platform
with the Group strategy and franchises

---

1. Source: Oliver Wyman 2014, Dealogic and internal; 2. Intermediate Holding Company