

BNP PARIBAS

GOOD START

OF THE 2020 PLAN

September 2017



BNP PARIBAS

The bank for a changing world

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Introduction



Sustained business growth and solid results



Fully loaded Basel 3 CET1 ratio: 11.7% as at 30.06.17



Good start of the 2020 plan



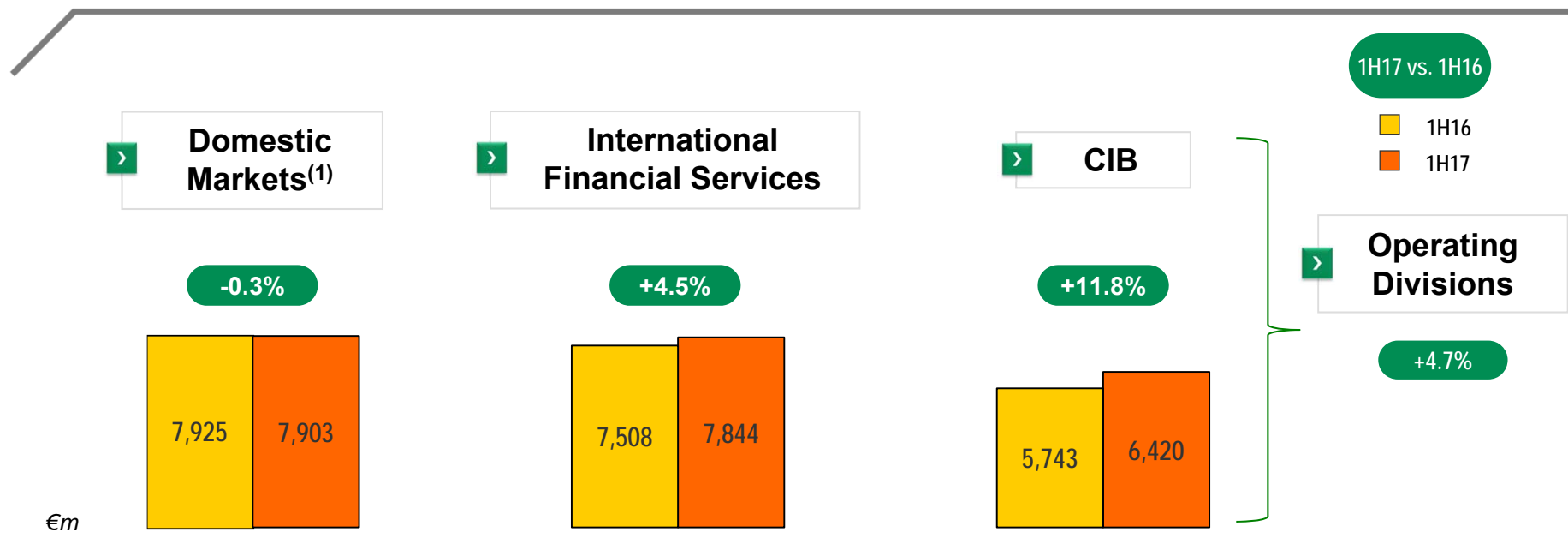
Solid Group Results

Good Start of the 2020 Plan

Appendix



Revenues of the Operating Divisions - 1H17



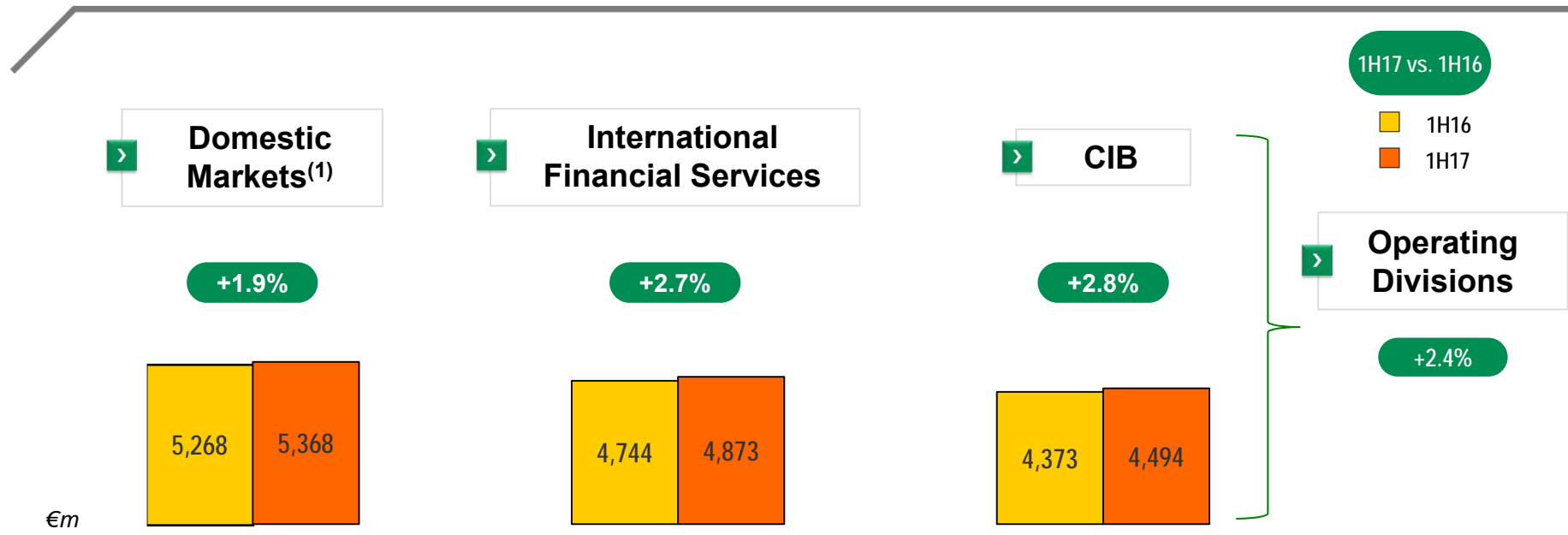
- Strong rebound in the revenues of CIB
 - Reminder: very challenging market context in 1Q16
- Significant growth at IFS
- Slight decrease in the revenues of Domestic Markets due to the low interest rate environment but good business development

Good growth in the revenues of the operating divisions

⁽¹⁾ Including 100% of Private Banking in France (excluding PEL/CEL effects), in Italy, Belgium and Luxembourg



Operating Expenses of the Operating Divisions - 1H17



- Impact of the application of IFRIC 21
 - Booking in 1Q17 of the increase in banking contributions and taxes accounted in 2Q16 and 3Q16⁽²⁾
- Domestic Markets: rise as a result of the development of the specialised businesses (only +0.5% on average for FRB, BNL bc and BRB⁽³⁾)
- Effects of business growth in IFS and CIB (reminder: weak base in CIB in 1Q16)
- Effect of cost savings measures (e.g. CIB operating expenses: -6.0% in 2Q17 vs. 2Q16)

Good cost containment

⁽¹⁾ Including 100% of Private Banking in France (excluding PEL/CEL effects), Italy, Belgium and Luxembourg; ⁽²⁾ Increase in particular in the contribution to the Single Resolution Fund booked in the Corporate Center in 2Q16 (€61m) and increase in the Belgian systemic tax in 3Q16 (€23m); ⁽³⁾ Excluding the impact of IFRIC 21

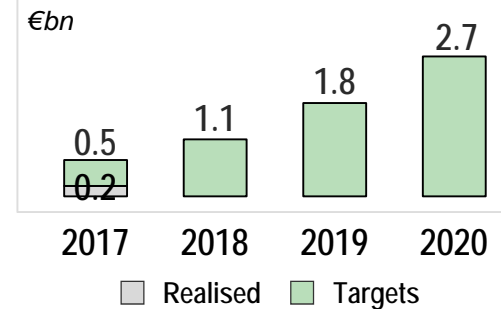
2020 Transformation Plan

5 levers for a new customer experience & a more effective and digital bank

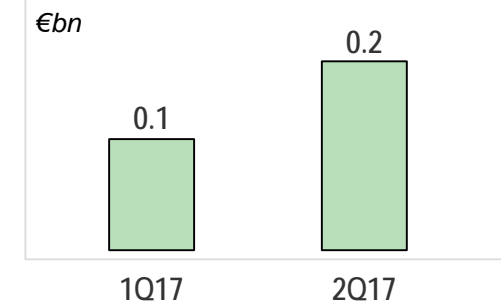
1. Implement new customer journeys
2. Upgrade the operational model
3. Adapt information systems
4. Make better use of data to serve clients
5. Work differently

- An ambitious programme of new customer experience, digital transformation & savings
 - Build the bank of the future by accelerating the digital transformation
- Active implementation of the transformation plan throughout the entire Group
 - ~150 significant programmes identified⁽¹⁾
- Cost savings: €186m since the launch of the project
 - Of which €112m booked in 2Q17
 - Breakdown of cost savings by operating division: 63% at CIB (reminder: launch of the savings plan as early as 2016 at CIB); 15% at Domestic Markets; 22% at IFS
 - Reminder: target of €0.5bn in savings this year
- Transformation costs: €243m in 1H17
 - Of which €153m in 2Q17
 - Gradual increase to an average level of about €250m per quarter
 - Reminder: €3bn in transformation costs by 2019

Cumulated recurring cost savings



One-off transformation costs

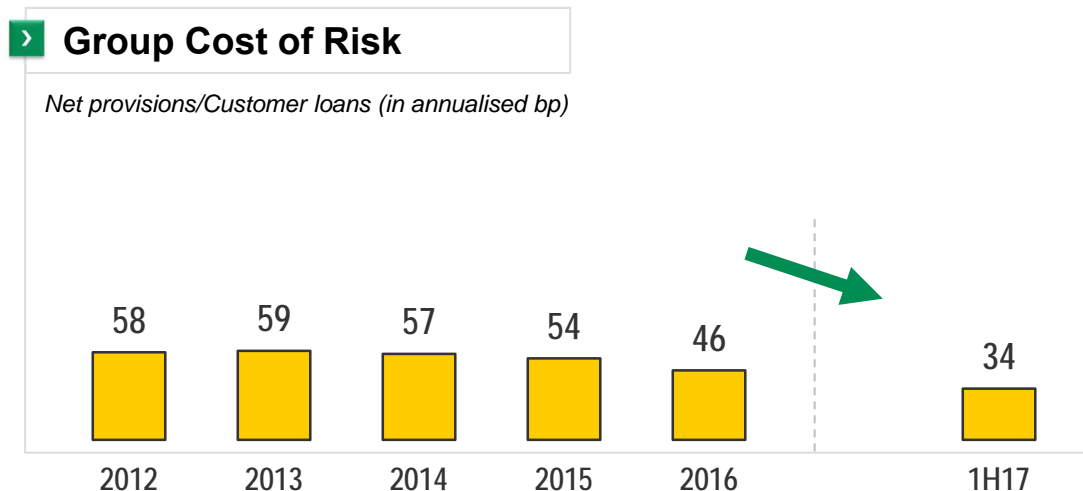


Active implementation of the 2020 transformation plan

⁽¹⁾ Savings generated > €5m



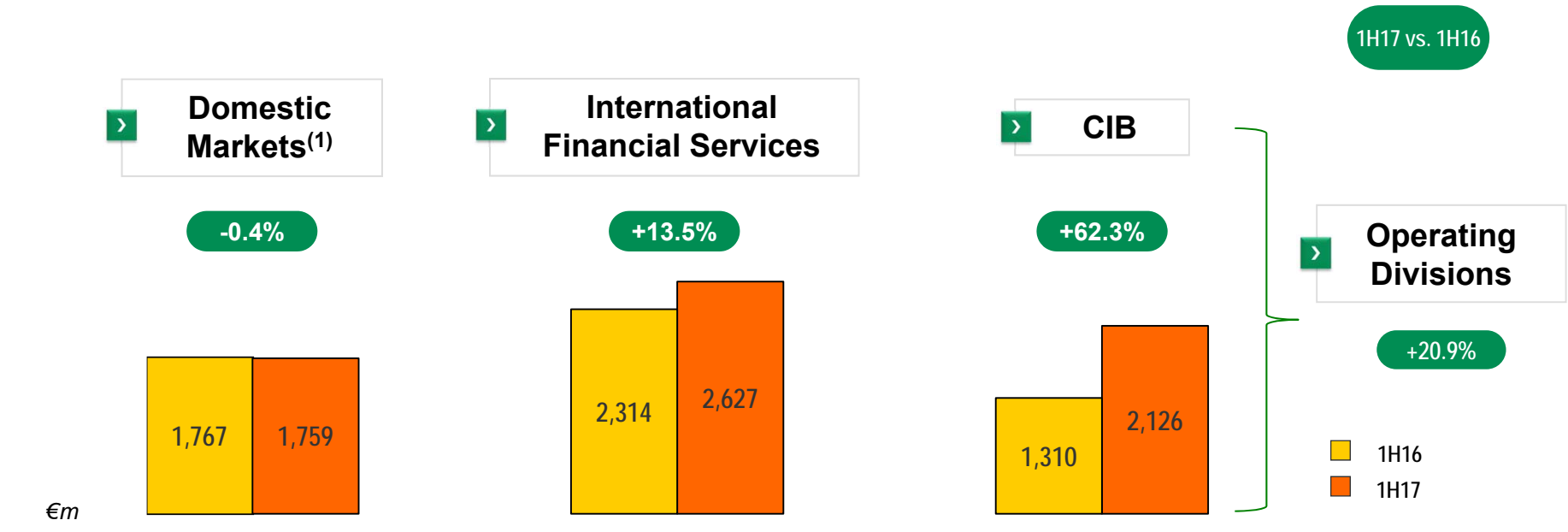
Group Cost of Risk - 1H17



- Decrease in the cost of risk in 1H17, at €1.254m:
 - -19.0% vs. 1H16
- Cost of risk at a low level this semester
- Decrease in BNL bc and Personal Finance each currently representing ~1/3 of Group cost of risk
- Good control of risk at loan origination & effects of the low interest rate environment
- Positive impact of provision write-backs in some businesses



Pre-tax Income of the Operating Divisions - 1H17



> **Very good operating performance in the first semester**

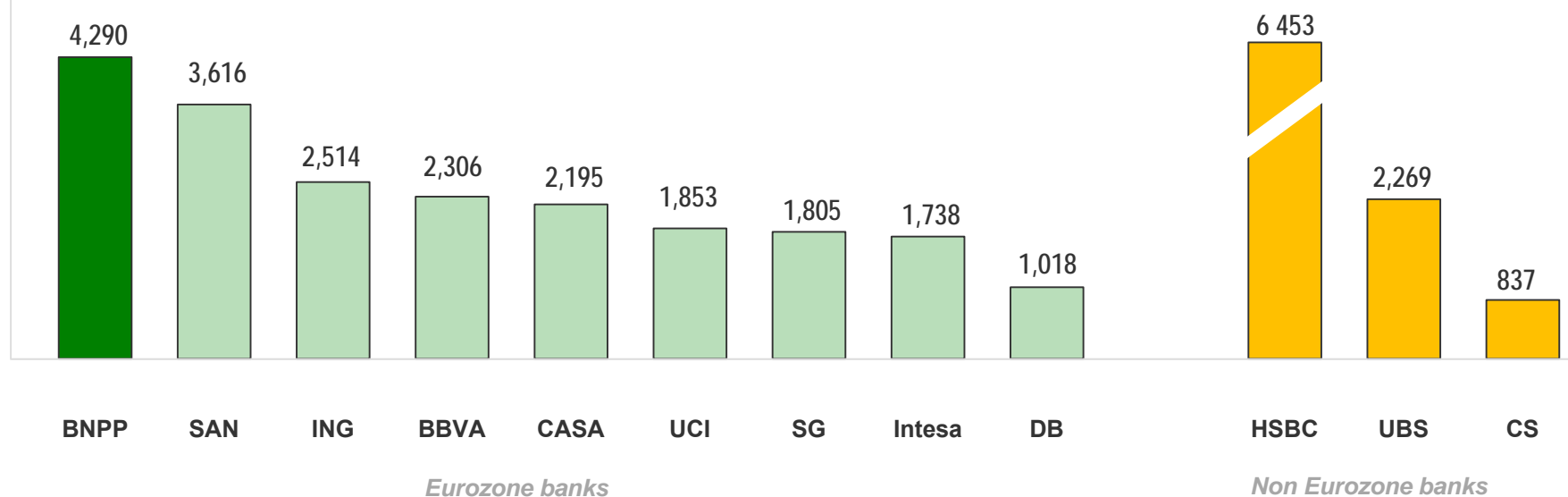
⁽¹⁾ Incl. 2/3 of Private Banking in France (excl. PEL/CEL effects), Italy, Belgium, Luxembourg



Net Income - 1H17

> 1H17 Net Income⁽¹⁾

€m⁽²⁾



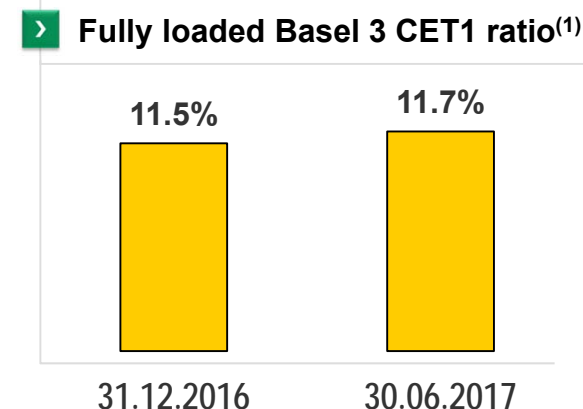
Strong profit generation capacity

⁽¹⁾Attributable to equity holders, as disclosed by banks; ⁽²⁾Average quarterly exchange rates



Financial Structure

- Fully loaded Basel 3 CET1 ratio⁽¹⁾: 11.7% as at 30.06.17 (+20 bp vs. 31.12.16)
 - 1H17 results after taking into account a 50% dividend pay-out ratio (+20 bp)
 - Overall negligible foreign exchange effect on the ratio
- Fully loaded Basel 3 leverage⁽²⁾: 4.2% as at 30.06.17
- Liquidity Coverage Ratio: 116% as at 30.06.17
- Immediately available liquidity reserve: €344bn⁽³⁾ as at 30.06.17
 - Equivalent to over one year of room to manoeuvre in terms of wholesale funding



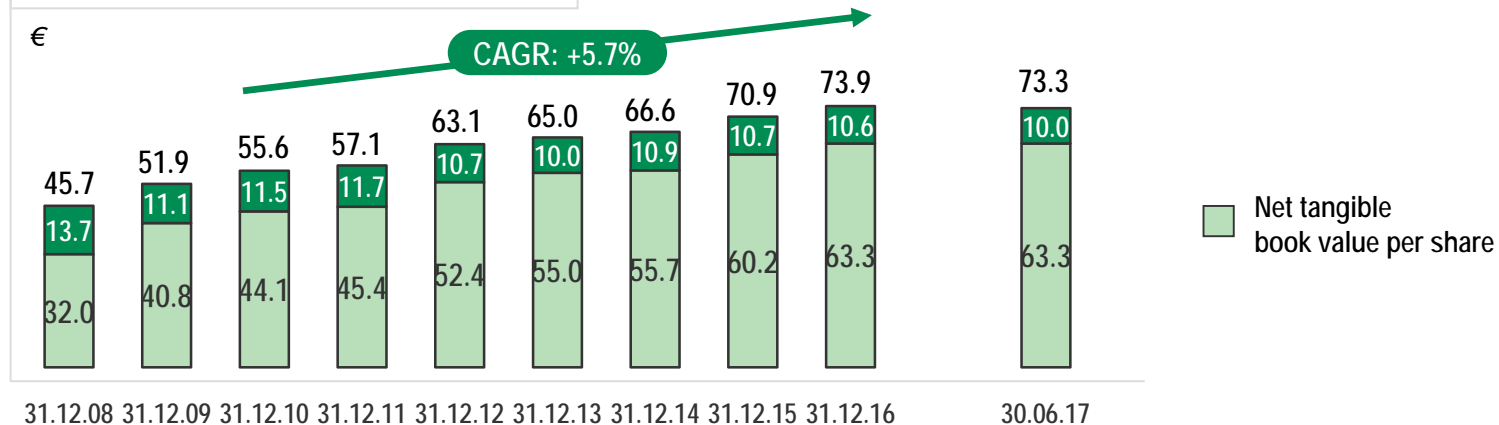
Increase in the fully loaded Basel 3 CET1 ratio

⁽¹⁾ CRD4 "2019 fully loaded"; ⁽²⁾ CRD4 "2019 fully loaded", calculated according to the delegated act of the EC dated 10.10.2014 on total Tier 1 Capital and using value date for securities transactions;
⁽³⁾ Liquid market assets or eligible to central banks (counterbalancing capacity) taking into account prudential standards, notably US standards, minus intra-day payment system needs

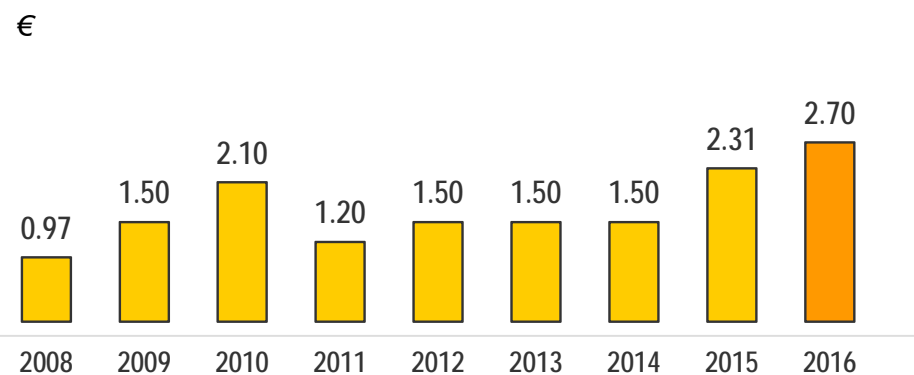


Steady Value Creation for Shareholders Throughout the Cycle

> Net book value per share



> Dividend per share



- Payment on 1st June 2017 of a € 2.70 dividend per share
- Fully in cash
- 4.2%⁽¹⁾ dividend yield
- 45% pay-out ratio on 2016 results

⁽¹⁾ Based on the closing price of 1 September 2017 (€64.35)



Solid Group Results

Good Start of the 2020 Plan

Appendix



Group's 2020 Business Development Plan Financial Targets

			2020 Target
Growth	Revenue growth		2016-2020 CAGR ⁽¹⁾ ≥ +2.5%
Efficiency	Plan's savings target		~€2.7bn in recurring cost savings starting from 2020
	Cost income ratio	2016: 66.8% ⁽²⁾	63%
Profitability	ROE	2016: 9.4% ⁽²⁾	10%
Capital	Fully loaded Basel 3 CET1 ratio	11.5% in 2016	12% ⁽³⁾
	Pay-out ratio	2016: 45%	50% ⁽⁴⁾

- Average growth of dividend per share⁽⁴⁾ > 9% per year (CAGR) until 2020

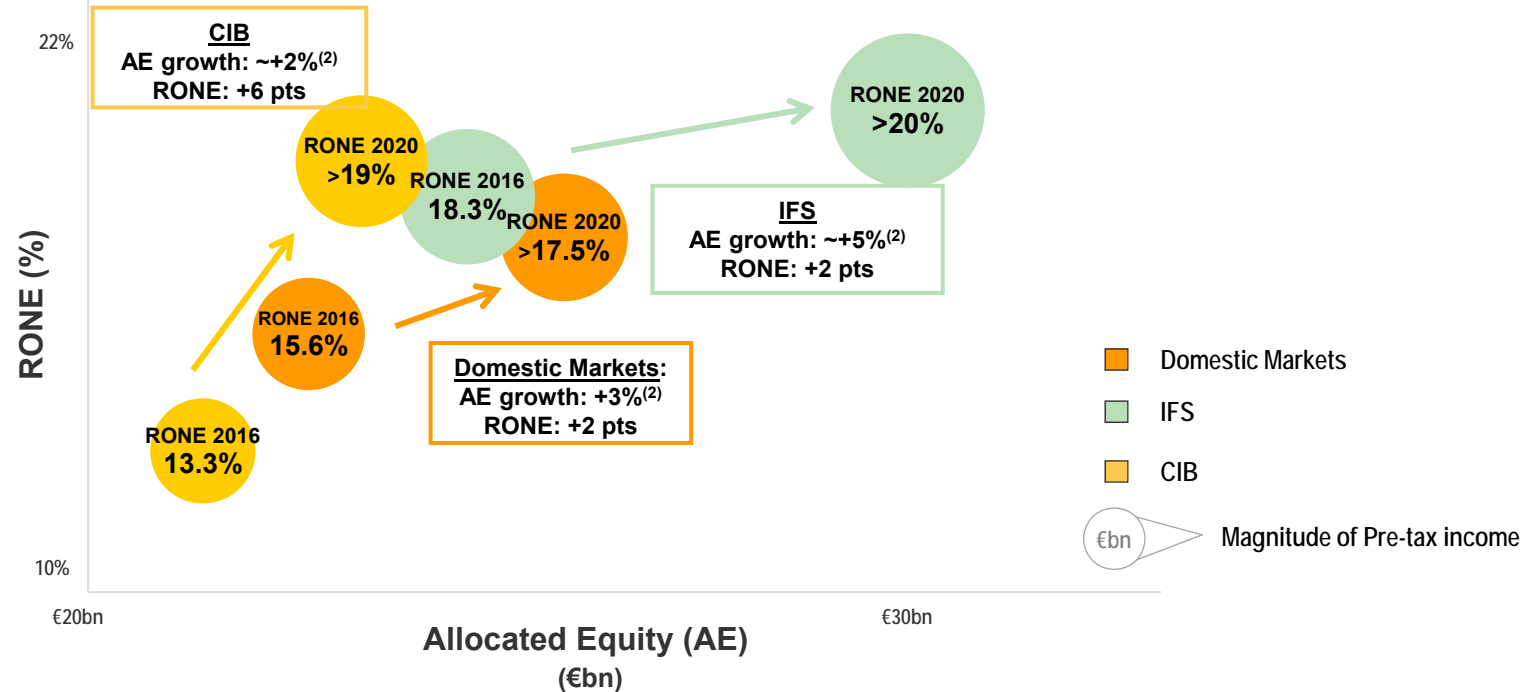
> An ambitious plan that aims to generate an average increase in net income > 6.5% a year until 2020

⁽¹⁾ Compounded annual growth rate; ⁽²⁾ Excluding exceptional items; ⁽³⁾ Assuming constant regulatory framework; ⁽⁴⁾ Subject to shareholder approval



Evolution of Allocated Equity and RONE by Operating Division

> 2016-2020 Evolution of Allocated Equity (AE) and RONE⁽¹⁾



- Disciplined overall increase of RWA: +3% CAGR (2017-2020)
 - Capturing growth and preparing for interest rates increases

> Significant increase in each division of Return on Notional Equity

⁽¹⁾ RONE: Return On Notional Equity pre-tax; based on 11% allocated equity; for Domestic Markets, including 100% of Private Banking, excluding PEL/CEL; for IFS, excluding FHB; ⁽²⁾ CAGR 2016-2020



A Strategy Differentiated by Division

► Domestic Markets

- **Strengthen the sales & marketing drive**
 - Headwinds (low interest rates, MIFID 2) still in 2017 & 2018
 - Enhance the offering's attractiveness & offer new services
 - Disciplined growth of risk-weighted assets
- **A risk environment that continues to be favourable**
 - Continued improvement in Italy
- **Improve operating efficiency**
 - Actively continue to adapt the branch networks by 2020
 - Transform the operational model & adapt the IT systems

► International Financial Services

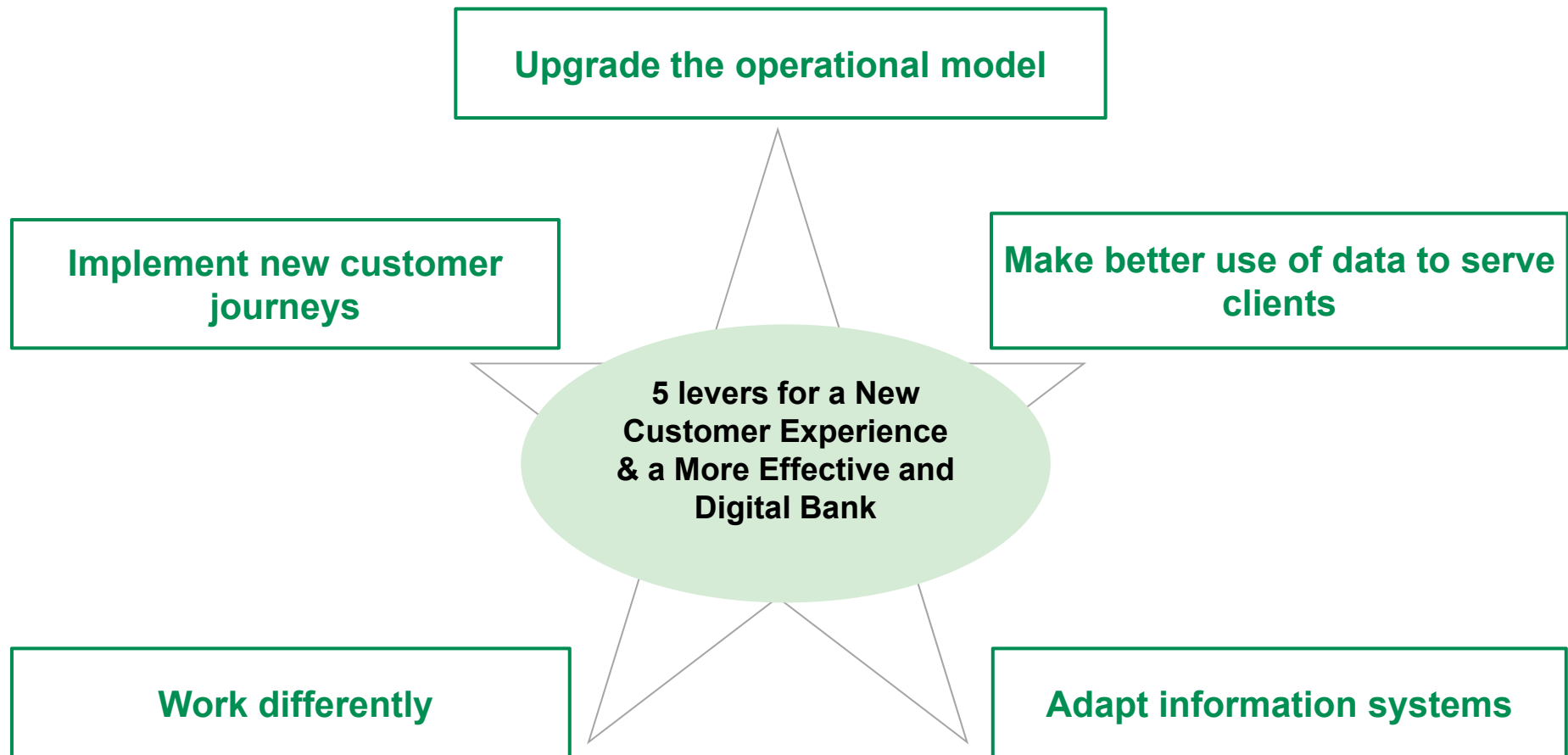
- **Strengthen our positions in a context of transformation**
 - Consolidate leading positions: leveraging best in class offers
 - Step up the pace of growth (new offerings, new partnerships, new regions)
 - Adapt to evolving customers' habits
 - Develop cooperation with other business units in the Group
- **Improve operating efficiency**
 - Streamline & pool processes that support business units

► Corporate and Institutional Banking

- **Extend the transformation plan to 2020**
 - Continue resources optimization, cost reduction and revenue growth
 - Grow the corporate and institutional client franchises
 - Continue growing fee businesses
 - Leverage well adapted regional positioning & develop cross-border business
- **Step up the expansion of the customer base in Europe**
 - Specific focus on Northern Europe (Germany, The Netherlands, UK, Scandinavia)
 - Develop cooperations with other business units in the Group
- **Improve operating efficiency**



An Ambitious Programme of New Customer Experience, Digital Transformation and Savings



Domestic Markets: New Customer Experience & Accelerating Digital Transformation



- Acquisition of Compte-Nickel* in France External development
 - > 630,000 accounts** already opened since launch 3 years ago (of which > 81,000 in 2Q17, +41% vs. 2Q16)
 - Extended the exclusive partnership with the French *Confédération des Buralistes*: already 2,675 points of sale (expected to increase to ~10,000)
- Rationale: differentiated service models adapted to client needs
 - Strengthen the Group set-up designed to new banking uses: a distinct offering complementary to BNP Paribas branch network and Hello bank!
 - Accelerate Compte-Nickel's development: targeting 2 million accounts by 2020



- New high value-added app launched in France*** Internal development
 - Universal mobile payment solution combining payment cards, loyalty programmes and discount offers
 - Resulting from the merger of Wa! by BNP Paribas and Fivory by Crédit Mutuel****
 - In partnership with leading retail groups such as Carrefour, Auchan and Total
 - Providing a service platform that can be customised according to partners' preferences

* Closing of the acquisition on 12 July 2017 (results will be accounted in Other Domestic Markets); ** As at 12 July 2017; *** May 2017; **** CM11-CIC



Launch of New Digital Banks in Europe Leveraging Personal Finance's Customer Base



- Alongside Hello bank! operated by Domestic Markets in 5 countries...
- Launch of new digital banks by Personal Finance in Europe (Hello bank! by Cetelem) leveraging Cetelem's key strengths:
 - Strong brand legitimacy
 - A broad customer base: 27 million clients in 28 countries
 - Strong flow of new distribution & direct clients and large partners network (130 strategic partners⁽¹⁾)
- Launch of Hello bank! by Cetelem
 - By year-end 2017 in the Czech Republic
 - By 2020 in 4 new countries: Slovakia, Hungary, Romania and Bulgaria
 - More than 50 million inhabitants in these 5 countries



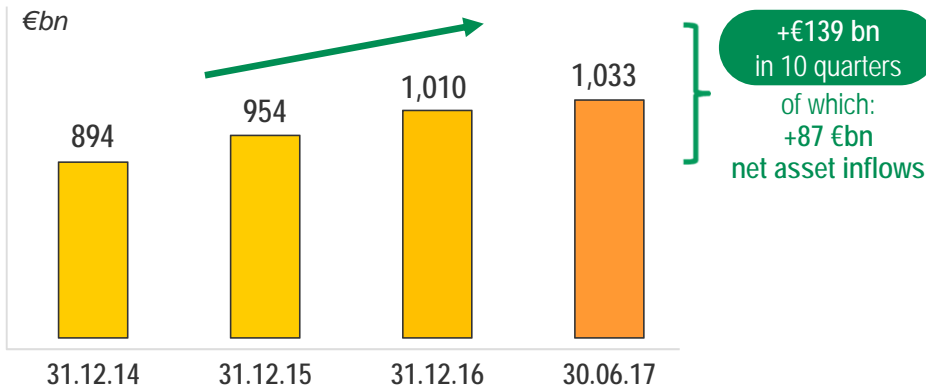
⁽¹⁾ With a production > €25m; ⁽²⁾ 205,000 clients as at 31.03.17



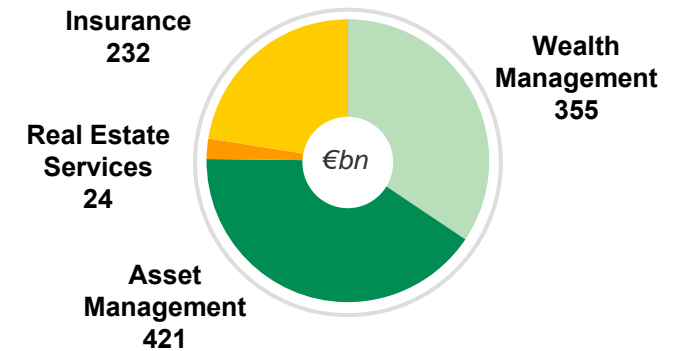


International Financial Services: Continued Development of Insurance and Wealth & Asset Management

> Assets under Management⁽¹⁾ evolution



> Assets under Management⁽¹⁾ as at 30.06.17



Insurance

- Strengthening of Cardif's **strategic alliance** with Sumitomo Mitsui (SMTB) in **Japan**⁽²⁾: objective to launch new insurance products leveraging SMTB's distribution network
- Renewed partnership with **Volkswagen** in creditor insurance & guaranteed automobile protection in **Germany**

→ **Further expanding partnerships**

Wealth Management

- Winner of 5 awards at the including:
 - ✓ **Best Private Bank in Europe & in Asia**
 - ✓ **Best UHNW Team in Europe** (3rd year in a row)
 - ✓ **Best Innovative Client Solution**

→ **Recognised leader in Europe**

Asset Management

- Adoption of the single brand **BNP Paribas Asset Management** as of 1 June 2017
- Creation of a **Private Debt & Real Asset** investment group (targeting Infrastructure, Real Estate,...)



- Global Finance 2017 awards** for Best Pension Manager:
 - Best Knowledge of Local Markets
 - Best Pension Manager in APAC

→ **Leading provider of quality investments**

⁽¹⁾ Including distributed assets; ⁽²⁾ Agreement signed on 12 April 2017, subject to the approval of relevant authorities

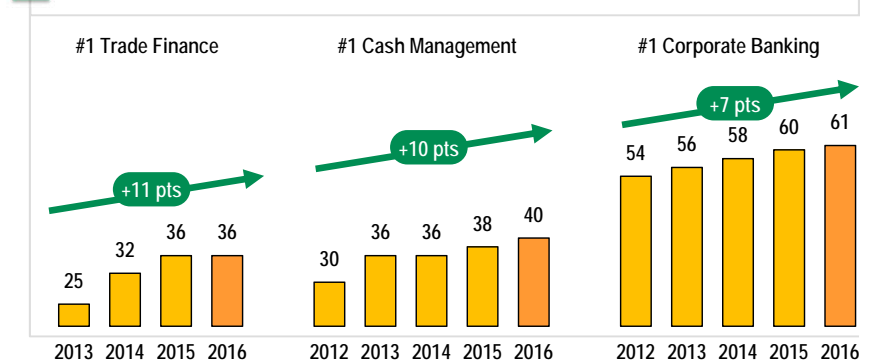




Corporate & Institutional Banking: Good Development and Ongoing Digital Transformation

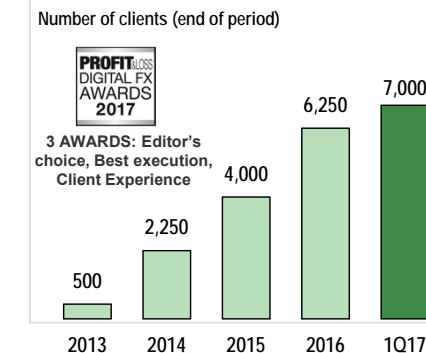
- Growing the corporate franchise in Europe
 - Expanding the customer base with a specific focus on Northern Europe (Germany, The Netherlands, United Kingdom, Scandinavia)
 - Continued market shares' gains
- Strengthening positions in Global Markets
 - Revenue growth above market average in particular vs European peers
- Widening Securities Services' footprint
 - New significant mandates in Asia for AIIB⁽²⁾ (~€18bn) and in Europe for Mapfre (€60bn) and Actiam (€56bn)

European Market Penetration on Corporates⁽¹⁾



- Accelerating industrial and digital transformation
 - Ongoing development of **Centric**: online platform for corporate customers offering full e-Banking services (Cash, Trade, FX, payments,...) now available in 40 countries
 - Announcement in May 2017 by Global Markets of a strategic minority investment in **Symphony** Communication Services (Palo-Alto), provider of a communications and workflow automation tool to enhance digital interaction with clients

Centric



Fintechs' partnership



Symphony is an innovative, secure and efficient communications and workflow automation tool with over 200,000 users across buy-side and sell-side.

It allows enhancing our digital interaction with clients while meeting the unique security and compliance needs of the industry

⁽¹⁾ Greenwich Share Leader Survey: European Large Trade Finance (no survey on 2012), European Top-Tier Large Corporate Cash Management, European Top-Tier Large Corporate Banking; ⁽²⁾ Asian Infrastructure Investment Bank



Conclusion



Good business and income drive in 1H17



Implementation of the new 2020 business development plan

Leverage the strength of the integrated and diversified business model

Build the bank of the future by accelerating digital transformation



10% ROE and 11.5% ROTE by 2020 with 12% CET1 ratio



Good start of the 2020 plan



Recovery of the Eurozone Economy

Solid Group Results

Good Start of the 2020 Plan

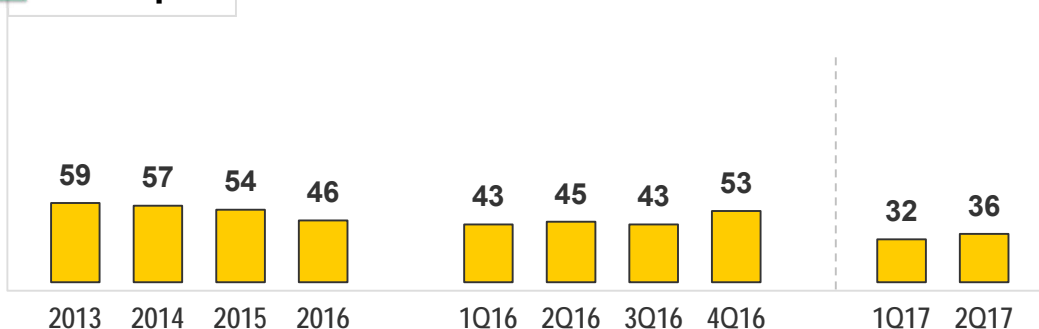
Appendix



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

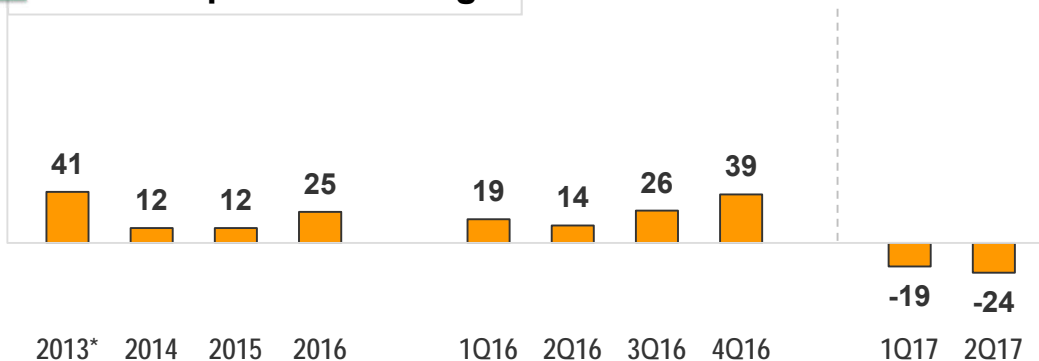
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

> Group



- Cost of risk: €662m
- +€70m vs. 1Q17
- -€129m vs. 2Q16
- Cost of risk at a low level

> CIB - Corporate Banking



- Cost of risk: -€78m
- -€21m vs. 1Q17
- -€120m vs. 2Q16
- Provisions more than offset by write-backs again this quarter

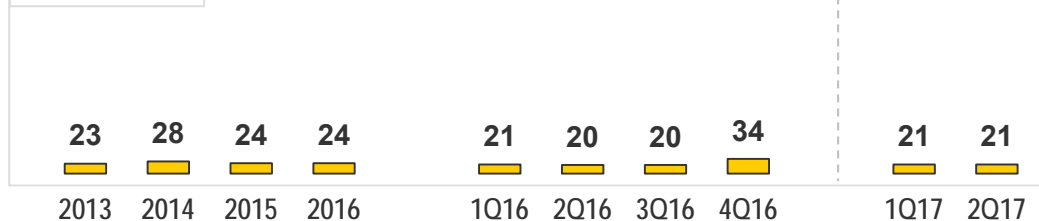
* Restated



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

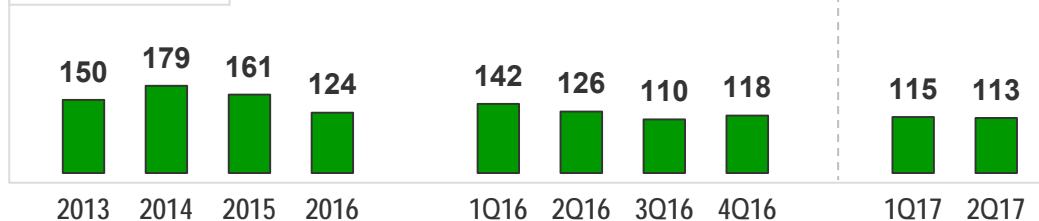
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

> FRB



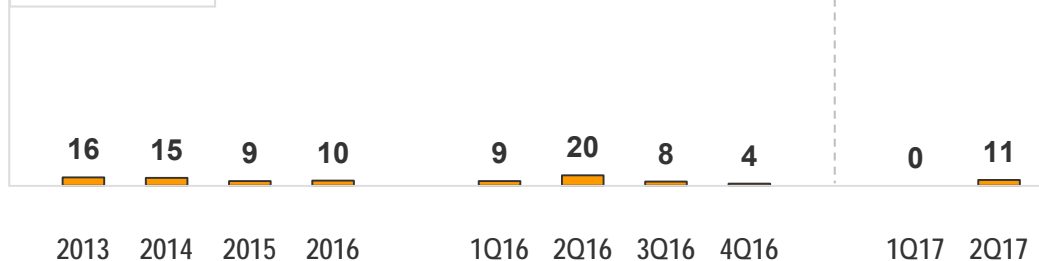
- Cost of risk: €80m
 - +€1m vs. 1Q17
 - +€7m vs. 2Q16
- Cost of risk still low

> BNL bc



- Cost of risk: €222m
 - -€6m vs. 1Q17
 - -€20m vs. 2Q16
- Continued decrease of the cost of risk

> BRB



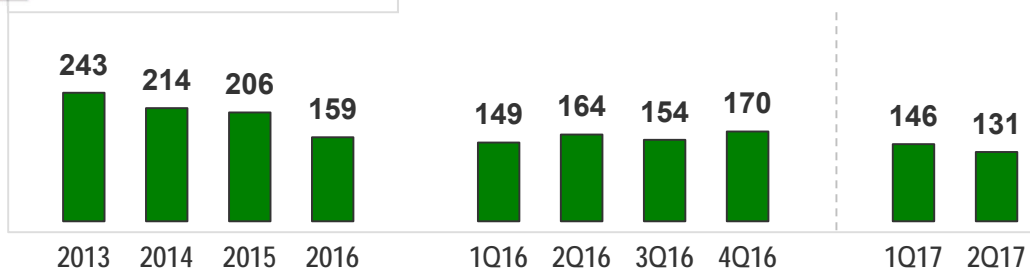
- Cost of risk: €28m
 - +€29m vs. 1Q17
 - -€21m vs. 2Q16
- Very low cost of risk
 - Reminder: provisions offset by write-backs in 1Q17



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

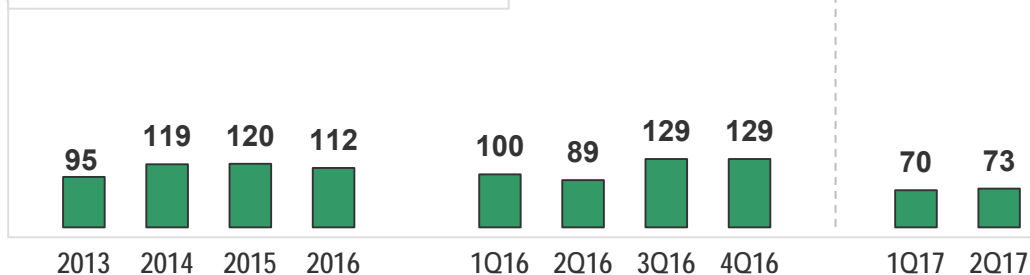
Cost of risk/Customer loans at the beginning of the period (in annualised bp)

> Personal Finance



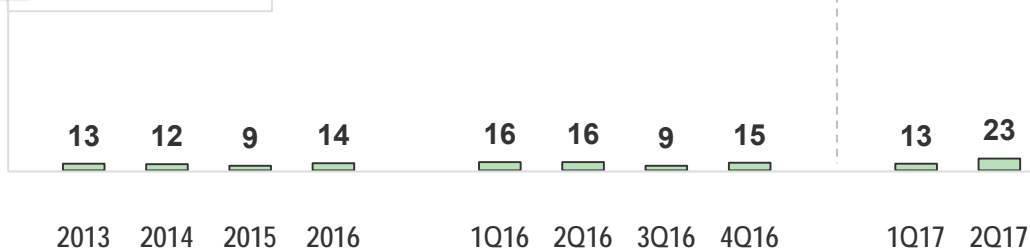
- Cost of risk: €225m
 - -€14m vs. 1Q17
 - -€23m vs. 2Q16
- Low cost of risk
 - Effect of the low interest rates and the growing positioning on products with a better risk profile
 - Provision write-back this quarter following sale of doubtful loans (€15m)

> Europe-Mediterranean



- Cost of risk: €70m
 - +€4m vs. 1Q17
 - -€17m vs. 2Q16
- Impact of a provision write-back this quarter (€21m)

> BancWest



- Cost of risk: €38m
 - +€16m vs. 1Q17
 - +€15m vs. 2Q16
- Cost of risk still low



Domestic Markets - 1H17

- Business activity

- Loans: +5.5% vs. 1H16, good growth in loans in the retail banking networks and in the specialised businesses
- Deposits: +9.1% vs. 1H16, strong growth in all countries
- Private banking: increase in assets under management (+7.9% vs.30.06.16)
- New customer experience and accelerating digital transformation: acquisition of Compte-Nickel and launch of Lyf pay

- Revenues⁽¹⁾: €7.9bn (-0.3% vs. 1H16)

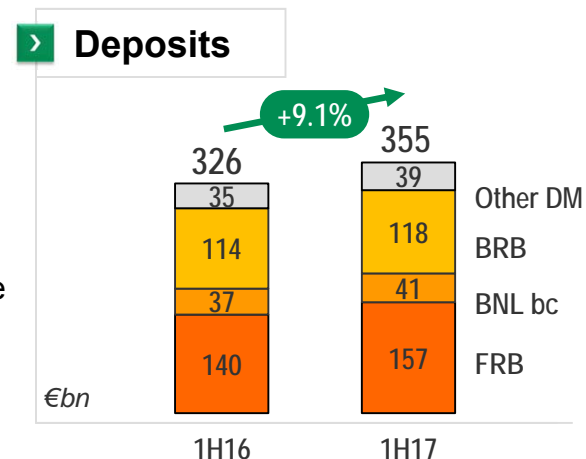
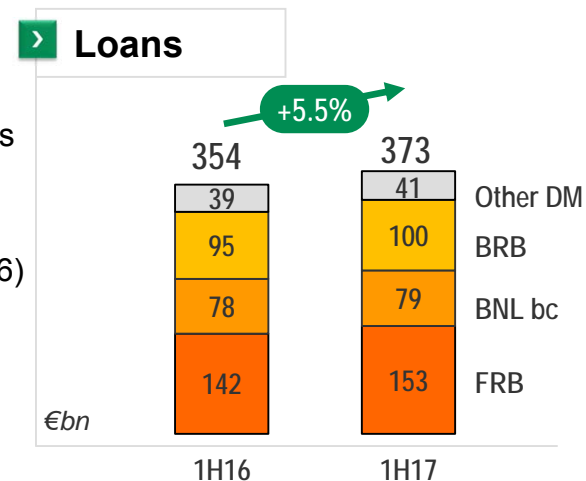
- Growth in the business but impact of the persistently low interest rate environment
- Growth in fees in all the networks

- Operating expenses⁽¹⁾: €5.4bn (+1.9% vs. 1H16)

- +1.1% excluding the impact of IFRIC 21⁽²⁾
- As a result of the development of the specialised businesses (Arval, Personal Investors, Leasing Solutions), growth of only +0.5%⁽³⁾ on average for FRB, BNL bc and BRB

- Pre-tax income⁽⁴⁾: €1.8bn (-0.4% vs. 1H16)

- Decline in the cost of risk, in particular in Italy



Good drive in the business activity
Income at a high level

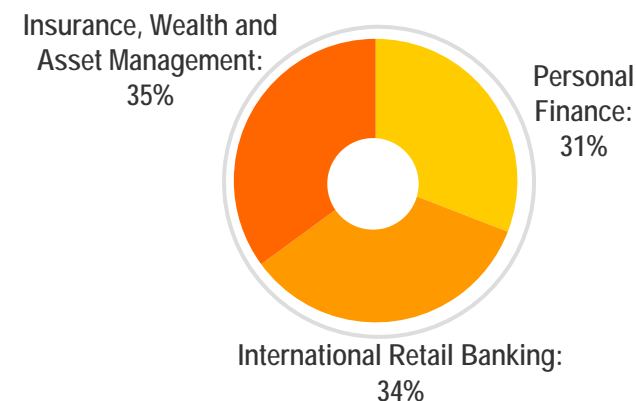
⁽¹⁾ Including 100% of Private Banking, excluding PEL/CEL; ⁽²⁾ In particular booking in 1Q17 of the increases of contributions and banking taxes accounted in 2016; ⁽³⁾ Excluding the impact of IFRIC 21; ⁽⁴⁾ Including 2/3 of Private Banking, excluding PEL/CEL



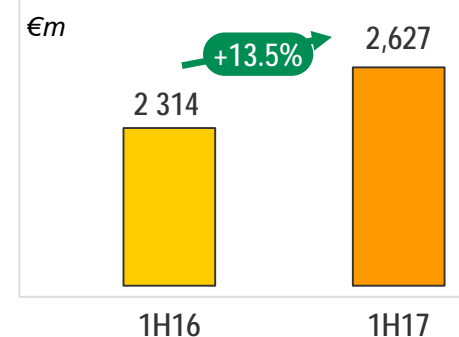
International Financial Services - 1H17

- Good Business activity
 - Personal Finance: continued good drive and announcement of the acquisition with PSA of General Motors Europe's financing activities⁽¹⁾
 - International Retail Banking⁽²⁾: good business growth
 - Insurance and WAM: good growth in assets under management (+6.8% vs. 30.06.16) and good asset inflows (€16.2bn in 1H17)
- Revenues: €7.8bn (+4.5% vs. 1H16)
 - +5.1% at constant scope and exchange rates
 - Growth in all the businesses as a result of good business growth
- Operating expenses: €4.9bn (+2.7% vs. 1H16)
 - +3.5% at constant scope and exchange rates
 - Largely positive jaws effect
- Pre-tax income: €2.6bn (+13.5% vs. 1H15)
 - +14.1% at constant scope and exchange rates
 - Decrease in the cost of risk

> Revenues



> Pre-tax income



Good business drive and significant rise in income

⁽¹⁾ Deal announced on 6 March 2017, closing expected in the 4th quarter 2017 subject to regulatory approvals; ⁽²⁾ Europe Med and BancWest



Corporate and Institutional Banking - 1H17

● Business activity

- Global Markets: #1 for all bonds in EUR and #9 for all International bonds⁽¹⁾
- Securities Services: increase in assets under custody (+10.7% compared to 30 June 2016)
- Corporate Banking: increase in client loans (+4.9% vs. 1H16) and increase in client deposits (+19.4% vs. 1H16) driven by the development of cash management

● Revenues: €6,4bn (+11.8% vs. 1H16)

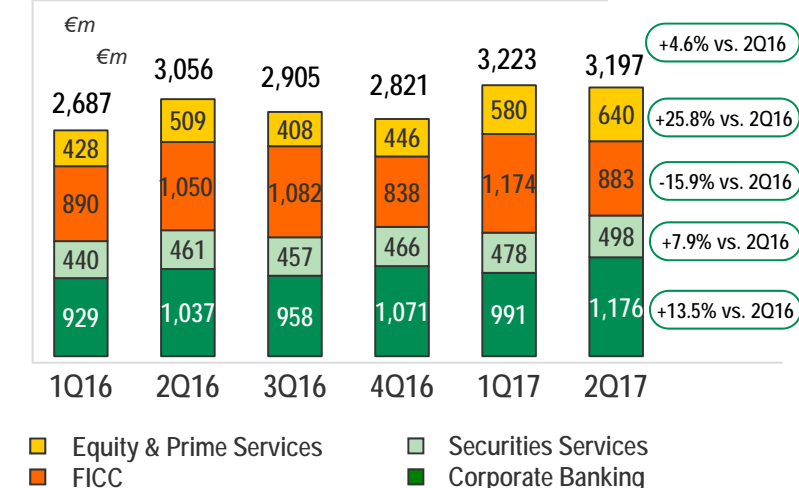
- Strong growth in all the business units
- Reminder: low comparison basis in 1H16 due to the lacklustre environment at the beginning of the year

● Operating expenses: €4,5bn (+2.8% vs. 1H16)

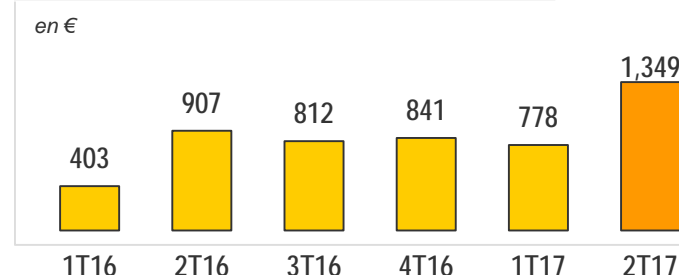
- Very good cost containment: effect of cost-saving measures implemented since the launch of the CIB transformation plan at the beginning of 2016
- Very positive jaws effect: significant improvement of operating efficiency
- Reminder: impact of IFRIC 21 in 1Q17⁽²⁾

● Pre-tax income: €2,1bn (+62.3% vs. 1H16)

> Revenues by business unit



> Pre-tax income



Significant rise in income

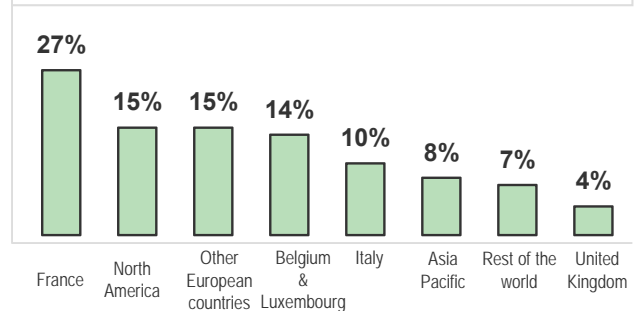
⁽¹⁾ Source: Dealogic 1H17 in volume ; ⁽²⁾ €451m in taxes and contributions in 2017 booked in 1Q17 for the year 2017 (€431m in 1Q16)



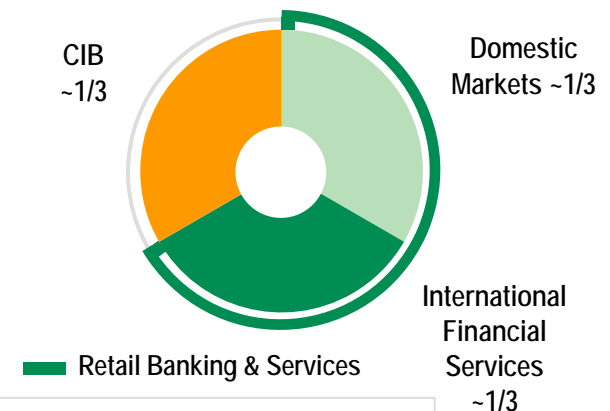
2020 Business Development Plan: Leverage the Strength of the Integrated and Diversified Business Model

- Activities focused on customers' needs
 - A strong cooperation between businesses & regions
- A business model diversified by country and business which has demonstrated its strength
 - No country, business or industry concentration
 - Presence primarily in developed countries (>85%)
 - No business unit >20% of allocated equity
 - Business units and regions evolving according to different cycles
- A clear strength in the new environment
 - Sizeable retail banking operations allowing significant investments in digital banking and new technologies
 - Critical mass in market activities that helps to support credit disintermediation
 - A growing presence in stronger potential areas

> **Gross commitments⁽¹⁾ by region: €1,438bn as at 31.12.2016**



> **Allocated equity in 2020**

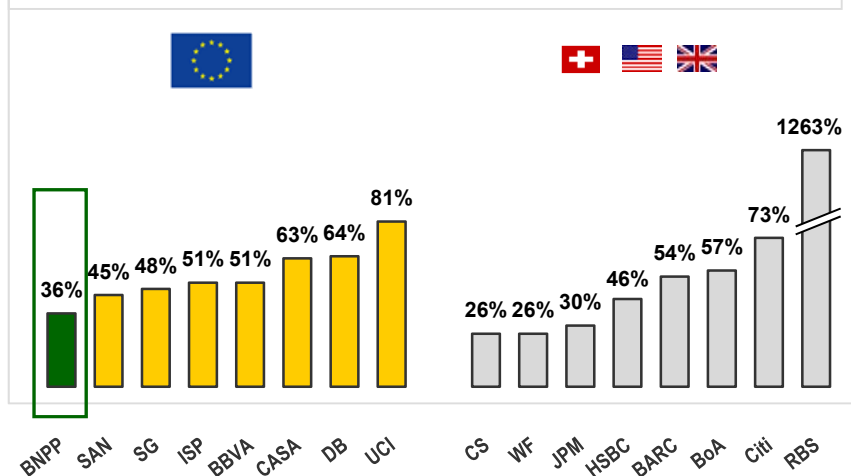


> **Confirmation of the well-balanced business model based on 3 pillars: Domestic Markets, IFS and CIB**

⁽¹⁾ Gross commitments on and off-balance sheet

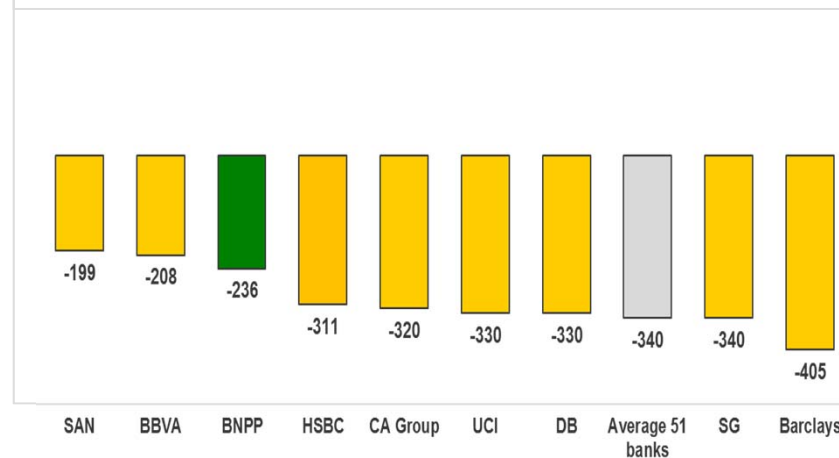
Strong Diversification Resulting in low risk Profile and very Good Resilience in Stress Tests

Cost of Risk/Gross Operating Income 2008-2016



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

2016 EU Stress Tests Impact of Adverse scenario on CET1 ratio - peer group ⁽¹⁾



- Adverse scenario impact for BNPP was ~100bp lower than the average of the 51 European banks tested

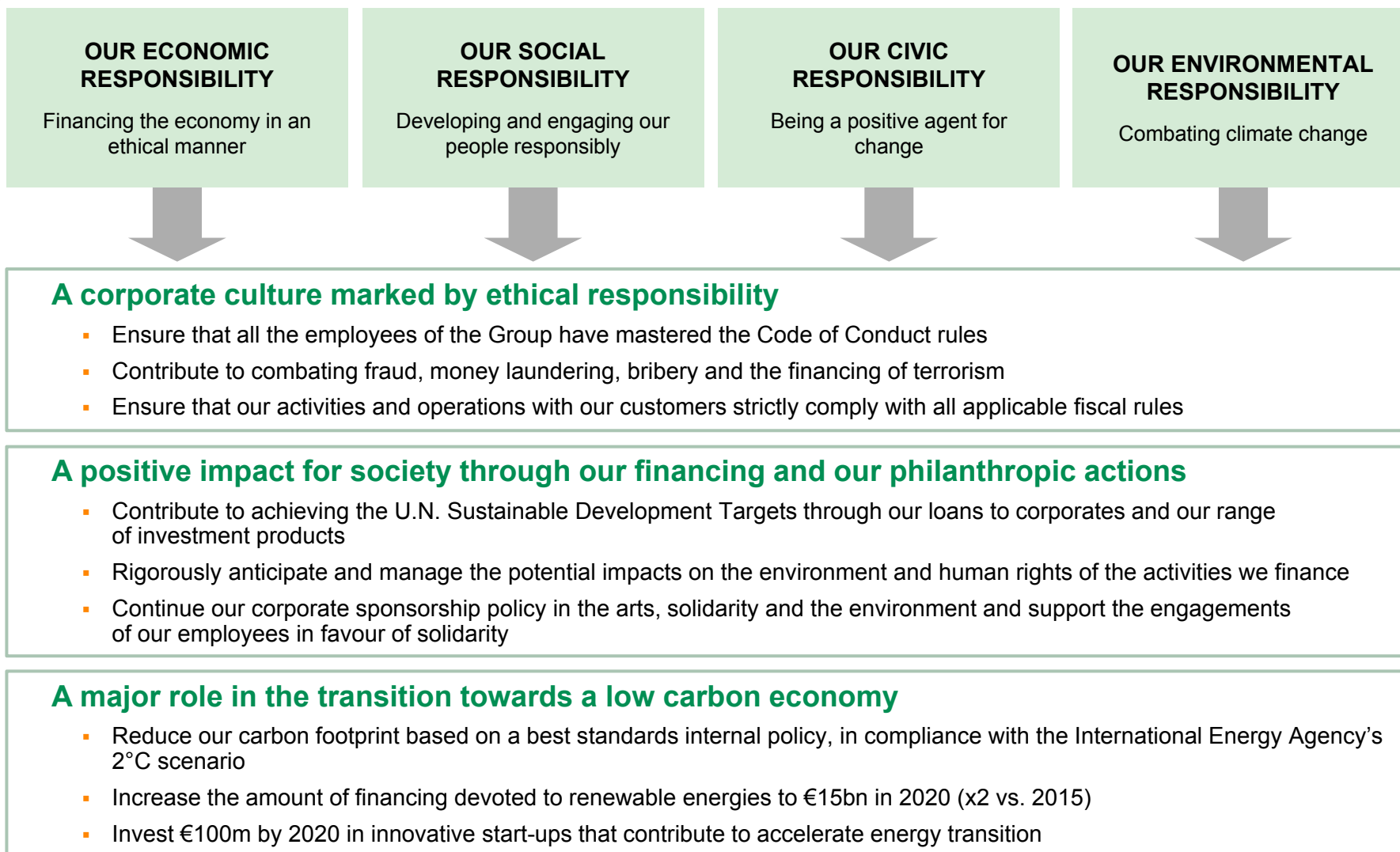


Diversification => lower risk profile

⁽¹⁾ Based on the fully loaded ratio as at 31.12.2015



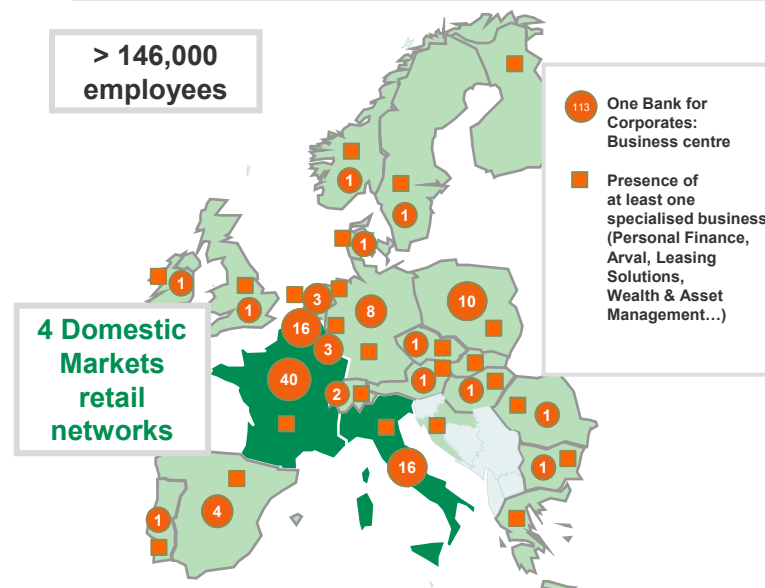
An Ambitious Corporate Social Responsibility Policy (CSR)



Continue to Strengthen our Unique Position in Europe (1/2)

- Retail networks in our 4 domestic markets with large customer bases: France, Belgium, Italy and Luxembourg
- Very broad product offering in all European countries fostering cross-selling
- Top positions in all businesses:
 - #1 consumer finance specialist
 - Best Private Bank in Europe for the fifth year⁽¹⁾
 - #1 all bonds in €⁽²⁾, #1 EMEA syndicated loan⁽³⁾
 - #1 in cash management in Europe⁽⁴⁾,
 - #1 European provider in Securities Services⁽⁵⁾...
- Offering seamless financial services across the continent thanks to the “One Bank for Corporates” set-up
- Gain of market shares thanks to good organic growth...
 - Corporate Banking: +7 pts gain in European market penetration among the #1 Top-Tier Large Corporate Banking between 2012 and 2016⁽⁴⁾
 - Wealth Management: now #1 in the Eurozone in terms of client assets
- ... and bolt-on acquisitions in targeted businesses and countries

> A unique position in Europe



> Bolt-on acquisitions in existing businesses in 2014 & 2015

Bank BGZ Poland	Creation of the 7 th largest bank in Poland with ~4% market share
50% of LaSer Europe - France	Reinforcement of Personal Finance leading position in consumer finance
DAB Bank Germany	Consors bank!, a digital bank with already 1.5 million of clients as at end 2016
GE Fleet Services Europe	Arval now #1 in Europe with > 1 m financed vehicles as at end 2016

⁽¹⁾ Private Banker International; ⁽²⁾ Dealogic 2016; ⁽³⁾ Dealogic 2016 by volume and number of deals; ⁽⁴⁾ Greenwich 2016; ⁽⁵⁾ In terms of assets under custody



Continue to Strengthen our Unique Position in Europe (2/2)

- Objective to continue strengthening businesses' leading market positions thanks to organic growth
 - Generating economies of scale and cross-selling
- Specific focus on some targeted countries: Germany, Netherlands, Nordic countries...
 - Client acquisition with a focus on value-adding service offer through cross-business cooperation and cross-border service & product competence
- Continue bolt-on acquisitions in targeted businesses and countries: e.g. recent acquisition of Opel's financing activities⁽¹⁾
 - Acquisition of 50%, together with PSA, of Opel's financing activities
 - Perfect fit with our strategy to strengthen in car loans and in Germany
- Launch of new offers leveraging strong existing client base
 - New digital banks: Hello bank! by Cetelem at Personal Finance



Germany: a broad customer franchise and a target for development

CORPORATE & INSTITUTIONAL BANKING

BNP PARIBAS CORPORATE & INSTITUTIONAL BANKING
Corporate client business, consultancy and capital market transactions

BNP PARIBAS SECURITIES SERVICES
Securities services

RETAIL BANKING & SERVICES

INTERNATIONAL FINANCIAL SERVICES

BNP PARIBAS REAL ESTATE
BNP Paribas Real Estate Investment & Management
Transaction, consulting, valuation and management of commercial real estate

BNP PARIBAS WEALTH MANAGEMENT
Wealth management and consultancy

BNP PARIBAS INVESTMENT PARTNERS
Investment and wholesale management and solutions

BNP PARIBAS CARDIF
Insurance, consultancy on premiums and distribution

BNP PARIBAS PERSONAL FINANCE



RETAIL BANKING

ARVAL
ARVAL GROUP
Full service leasing and fleet management

BNP PARIBAS FACTOR
Factoring

BNP PARIBAS LEASING SOLUTIONS
Financing, leasing and rental solutions for commercial investments

ConsoBank!
Direct bank, online banking, brokerage and private investment advice

DAB BNP PARIBAS
BNP partner for independent asset manager

Acquisition of 50% of Opel's financing activities⁽¹⁾

- € 9.6bn loan outstandings (YE 2016)
- Presence in 11 countries in Europe
- Acquisition price: €0.45bn (50%)
- 0.8x pro-forma book-value
- Will be fully consolidated

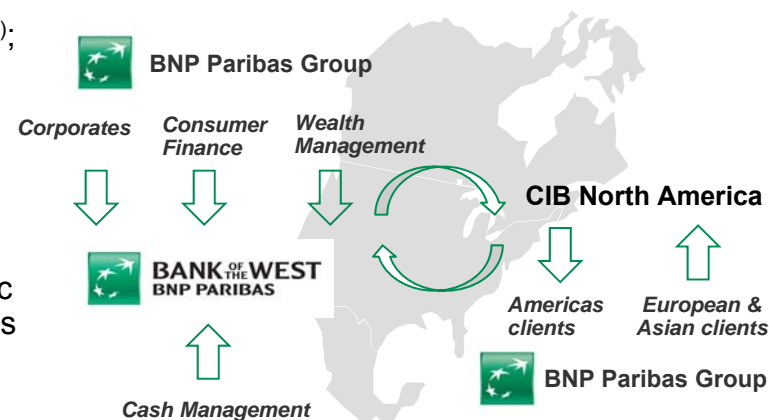
⁽¹⁾ Announced 6 March 2017; transaction expected to close in the fourth quarter of 2017



North America: Continue to Consolidate our Presence in a Major Market

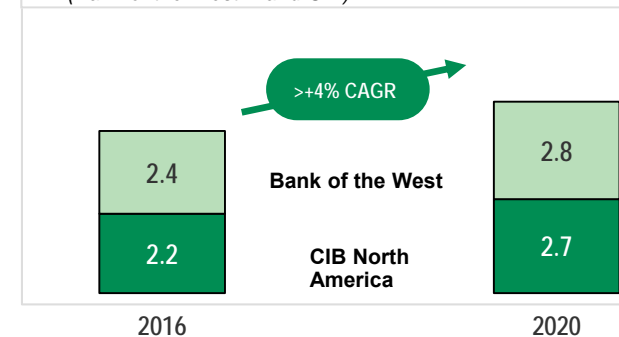
- A sizeable regional platform
 - 16,000 employees, 15% of Group's commitments
 - Strong franchise in retail with BancWest: 611 branches, 81 bc⁽¹⁾; good business drive (loan growth: +7.2% 2013-16 CAGR)
 - Sizeable & diversified CIB franchise dedicated to corporates and institutional clients (4,000 professionals)
 - Creation of the Intermediate Holding Company (IHC): a large commitment and transformation in the U.S.
 - Well-positioned to benefit from generally better macro economic perspectives than in Europe & the increase in U.S. interest rates
- CIB: grab targeted growth opportunities in world #1 market
 - Deliver the Bank's platform to our global Strategic Clients, growing our share of cross-border flows
 - Continue to grow Americas Strategic Client franchise, leveraging the North and Latin American footprint, and targeting clients with cross-border activities
- BancWest: accelerate growth & improve operating efficiency
 - Focus on customer acquisition; rethink customer journeys, utilizing also digital platform for customer acquisition
 - Leverage expertise of other BNP Paribas entities: corporates, retail, consumer finance & wealth management
- Strengthen cooperations between BancWest and CIB
 - Taking advantage of the IHC

Develop connectivity with the Group



Revenues in North America

(Bank of the West⁽²⁾ and CIB)



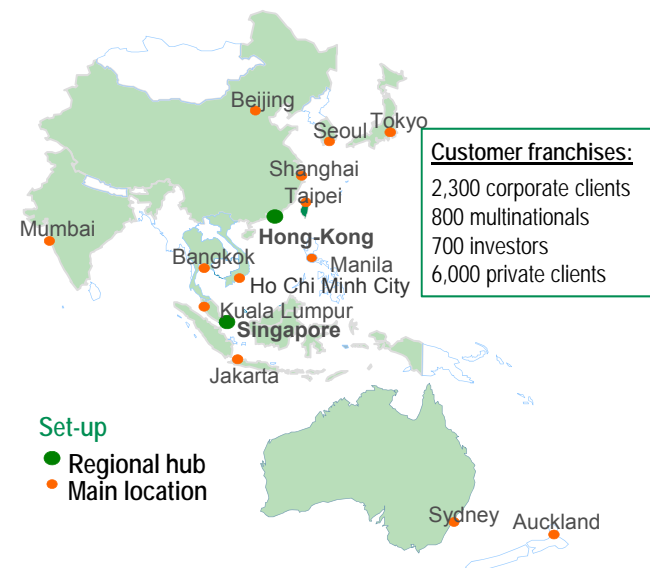
⁽¹⁾ Business Centres; ⁽²⁾ Including 100% of Private Banking



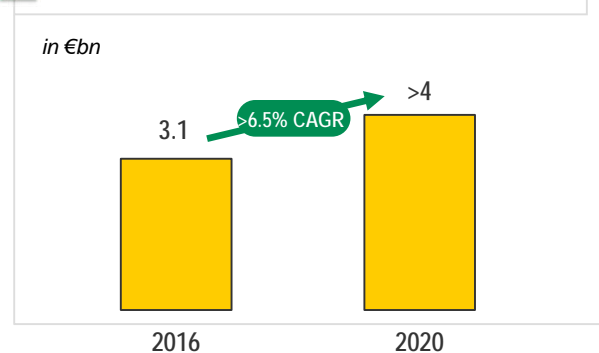
Asia-Pacific: Continue Development of the Franchise and Take Advantage of Regional Growth

- One of the best positioned international bank
 - Presence in 14 countries (12 full banking licences); > 15,000 employees⁽¹⁾, ~7% of Group revenues in 2016
 - Successful partnerships with large domestic players⁽²⁾
 - >€3bn revenues achieved in 2016 (vs €2bn in 2012)
 - Increased funded commercial assets⁽³⁾ and deposits⁽⁴⁾ with good development of cash management & cross-border transaction banking
- Confirmation of CIB roadmap
 - Accelerate cross-regions connectivity supporting Global and Asian clients' international development
 - Increase CIB offering to fast growing Asian Private Banks
 - Continue to extend Securities Services regional footprint⁽⁵⁾
 - Focus on China, build up of Indonesian franchise
- Continue to grow specialized businesses
 - Wealth Management: accelerate the development of onshore platforms and grow assets under management⁽⁶⁾
 - Insurance: reinforce protection, develop alternative distribution channels
 - Personal Investors: develop distribution of retail financial services in India following the acquisition of Sharekhan
- Continue to support Bank of Nanjing's development
 - Foster partnerships with Group's businesses

> A strong footprint in Asia-Pacific



> Asia-Pacific total revenues



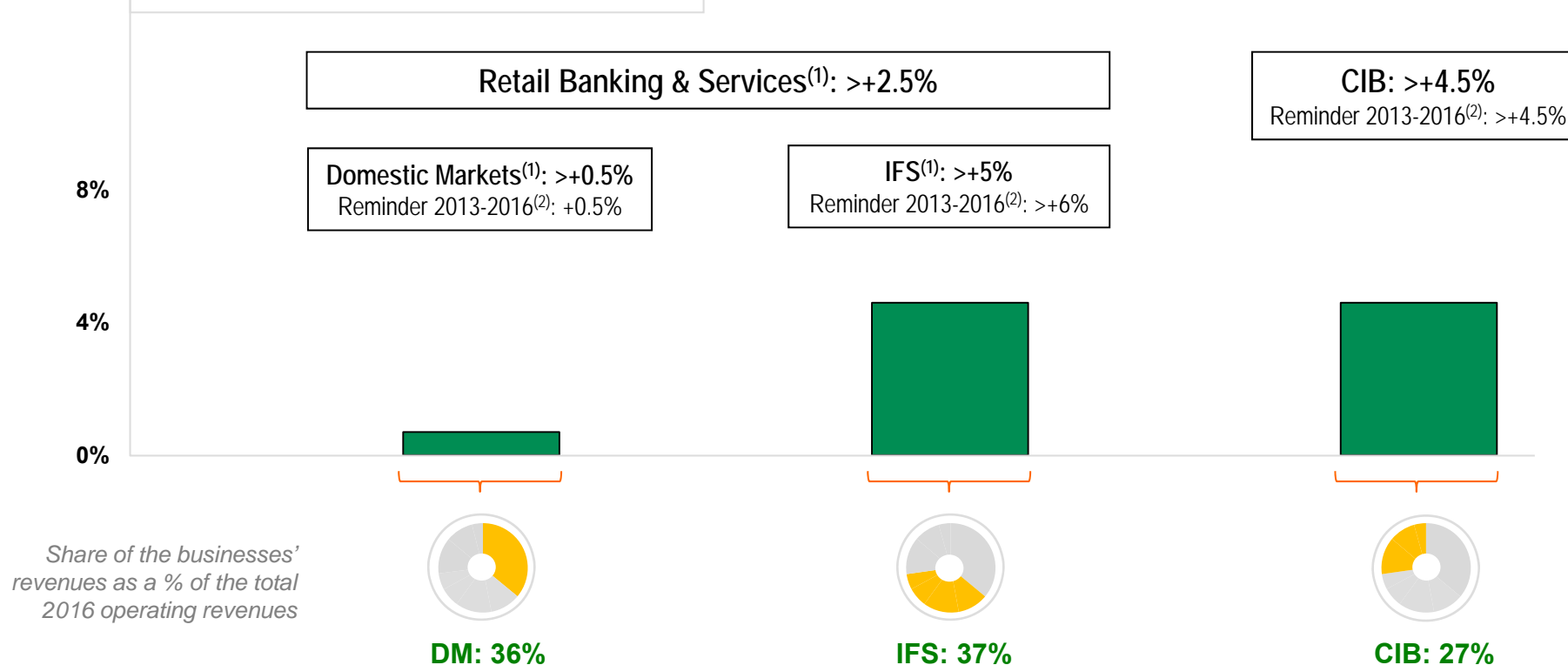
⁽¹⁾ Excluding partnerships; ⁽²⁾ Bank of Nanjing, Haitong Securities, State Bank of India, Shinhan Financial Group...;

⁽³⁾ €43bn at 31.12.16; ⁽⁴⁾ €66bn; ⁽⁵⁾ \$305bn of assets under custody in 2016 (+102% vs. 2012); ⁽⁶⁾ \$72bn AuM at 31.12.16 (+70% vs. 2012)



2016-2020 Revenues Evolution

2016-2020 revenues CAGR in %

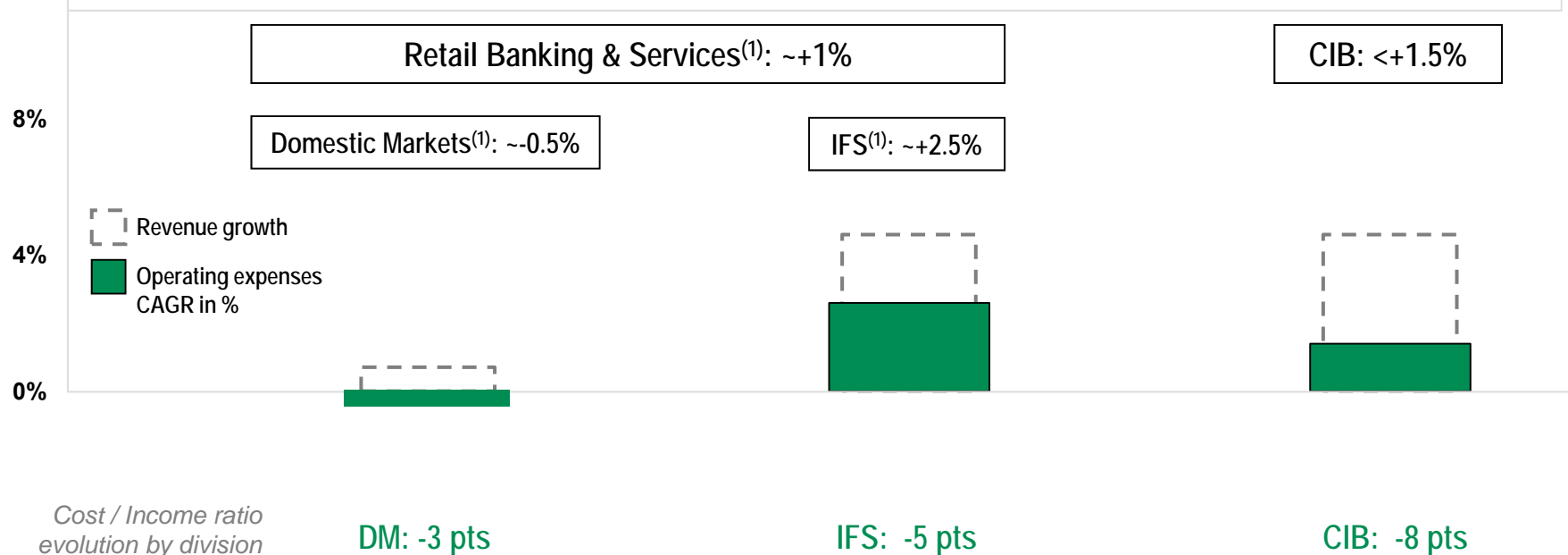


Impact of low interest rates in Domestic Markets
Good revenues growth in IFS and CIB

⁽¹⁾ Including 2/3 Private Banking; for IFS, excluding FHB; ⁽²⁾ Excluding effect of the 29 March 2016 restatement

2016-2020 Operating Expenses Evolution

➤ **2016-2020 operating expenses CAGR in %** ⇒ **Positive jaws effect in all divisions**



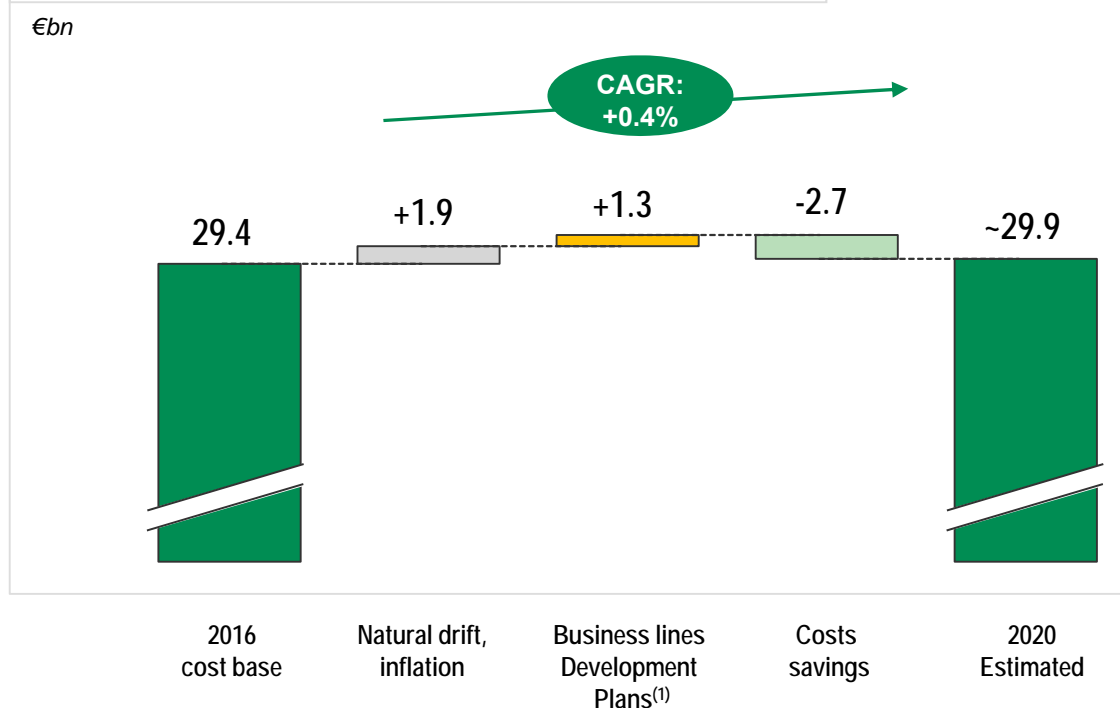
➤ **Strong improvement of cost/income ratio in all divisions**

⁽¹⁾ Including 2/3 Private Banking; for IFS, excluding FHB



2016-2020 Operating Expenses Evolution

> 2016-2020 operating expenses evolution



> **Overall stability of costs despite business growth
Savings offsetting natural costs evolution**

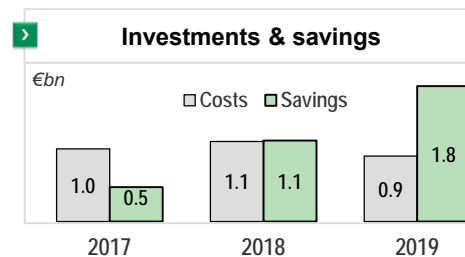
⁽¹⁾ Domestic Markets (specialised businesses): €250m; IFS: €500m; CIB: €550m



An Ambitious Programme of New Customer Experience, Digital Transformation & Savings

Invest in a new customer experience, digital transformation and operating efficiency...

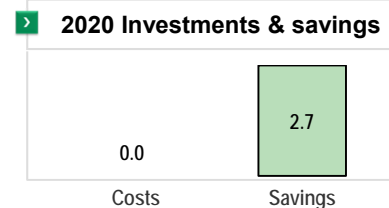
~€3bn in transformation costs between 2017 and 2019 ...



... financed by ~€3.4bn in savings during the same period

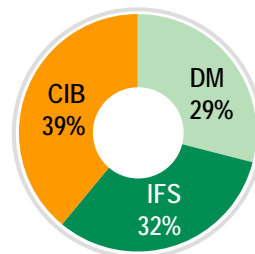
...and generate ~€2.7bn in recurrent annual savings starting from 2020

- No transformation costs in 2020
- ~150 programmes
- A new IT function organisation in the Group

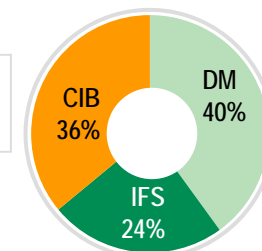


Balanced contribution of all the Group businesses to the programme

Transformation costs by Operating divisions

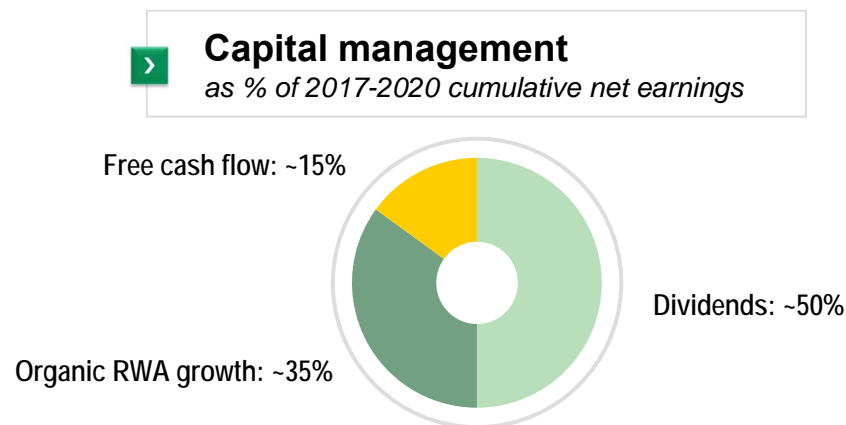


Savings by Operating divisions



Capital Management

- Strong organic capital generation
- Regulatory constraints based on current Basel 3 regulatory framework
- Increase pay-out ratio to 50%
- ~35% of earnings to finance organic growth
 - RWA: ~+3% (CAGR 2017-2020)
- ~15% of earnings qualifying to:
 - Capture external growth (bolt-on acquisitions), depending on opportunities and conditions
 - Deal with remaining uncertainties
- Potential for higher free cash flow in case of better interest rate scenario



Pay-out ratio increased to 50%



2020 Business Development Plan: a Trajectory Based on Expected 2020 Regulatory Constraints

		2016	2020 Target ⁽²⁾
CET 1 ratio	<ul style="list-style-type: none"> ■ CRD IV (Basel 3) ■ 2016 SREP: anticipated level of fully loaded Basel 3 CET1 ratio of 10.25% in 2019⁽¹⁾ 	11.5% Fully loaded Basel 3 CET1 ratio	12%
Total capital TLAC MREL	<ul style="list-style-type: none"> ■ 2016 SREP: anticipated level of Total Capital requirement of 13.75% in 2019⁽³⁾ ■ TLAC requirement: 20.5% in 2019⁽⁴⁾ ■ MREL: thresholds to be determined on a case by case basis by the resolution authorities (SRB) according to the CRD V/CRR 2 (under discussion) 	Total Capital (fully loaded) ratio: 14.2% • CET1 ratio: 11.5% • Tier 1 and Tier 2: 2.7%	Total Capital (fully loaded) ratio: 15% • CET1 ratio: 12% • Tier 1 and Tier 2: 3% TLAC ratio: 21%
Liquidity	<ul style="list-style-type: none"> ■ LCR: CRD IV/CRR ■ NSFR: CRD V/CRR 2 (under discussion) 	LCR: 123%	LCR > 100% NSFR > 100%
Leverage	<ul style="list-style-type: none"> ■ CRD IV (minimum level of 3%) ■ Additional requirements for G-SIB still under discussion 	4.4% Fully loaded Basel 3 leverage	4%



Regulatory constraints that continue to increase during the period⁽⁵⁾

⁽¹⁾ Excluding Pillar 2 Guidance; ⁽²⁾ Assuming constant regulatory framework; ⁽³⁾ Anticipated level of Tier 1 requirement in 2019: 11.75%; ⁽⁴⁾ Minimum requirement raised to 22.5% as at 01/01/2022; ⁽⁵⁾ In the current Basel 3 regulatory framework

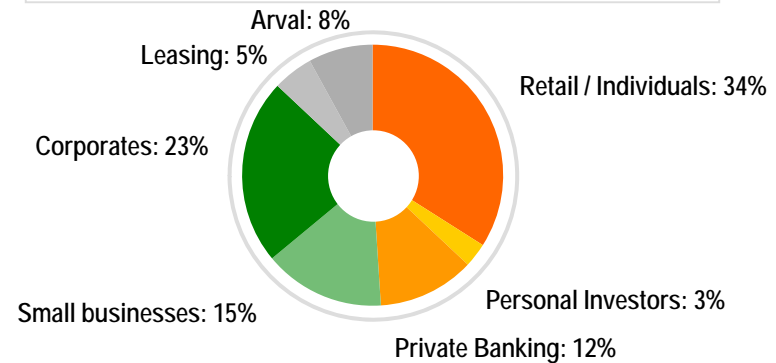


Domestic Markets

Well Positioned in its Main Markets

- 36% of Group 2016 revenues
- Retail networks mostly positioned in wealthier areas
- Strong and diversified customer franchises (Retail, Private Banking, Corporates, specialised businesses)
- Major player in specialised businesses (Arval, Leasing Solutions, Personal Investors) in diversified markets with different economic cycles

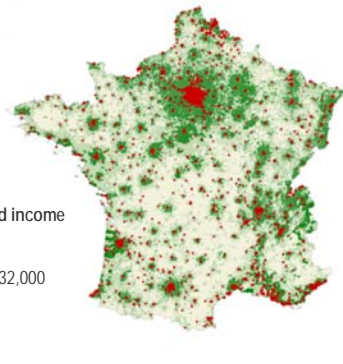
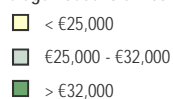
> 2016 DM revenues⁽¹⁾ by client type



> French RB

● Branches

Average household income

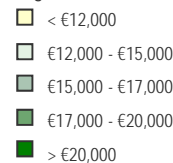


Private Banking ⁽²⁾

#1

> BNL bc

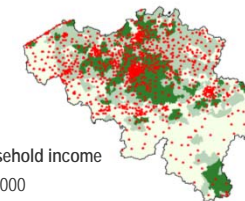
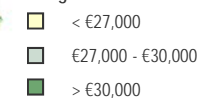
Average household income



#5

> Belgian RB

Average household income



#1

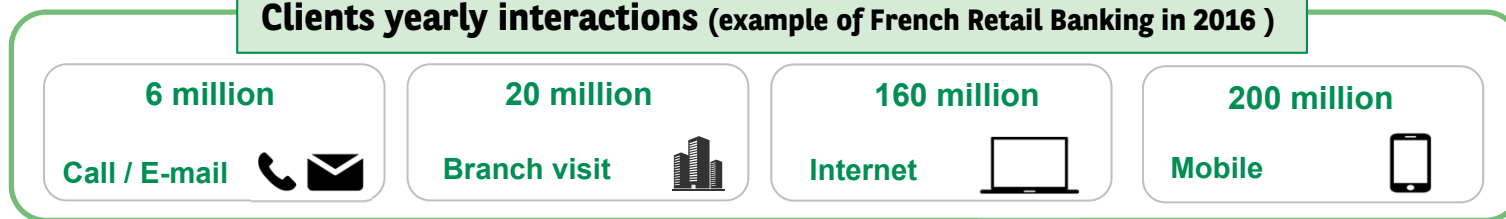
⁽¹⁾ Including 100% of Private Banking, excluding PEL/CEL effects; ⁽²⁾ In terms of Assets under Management



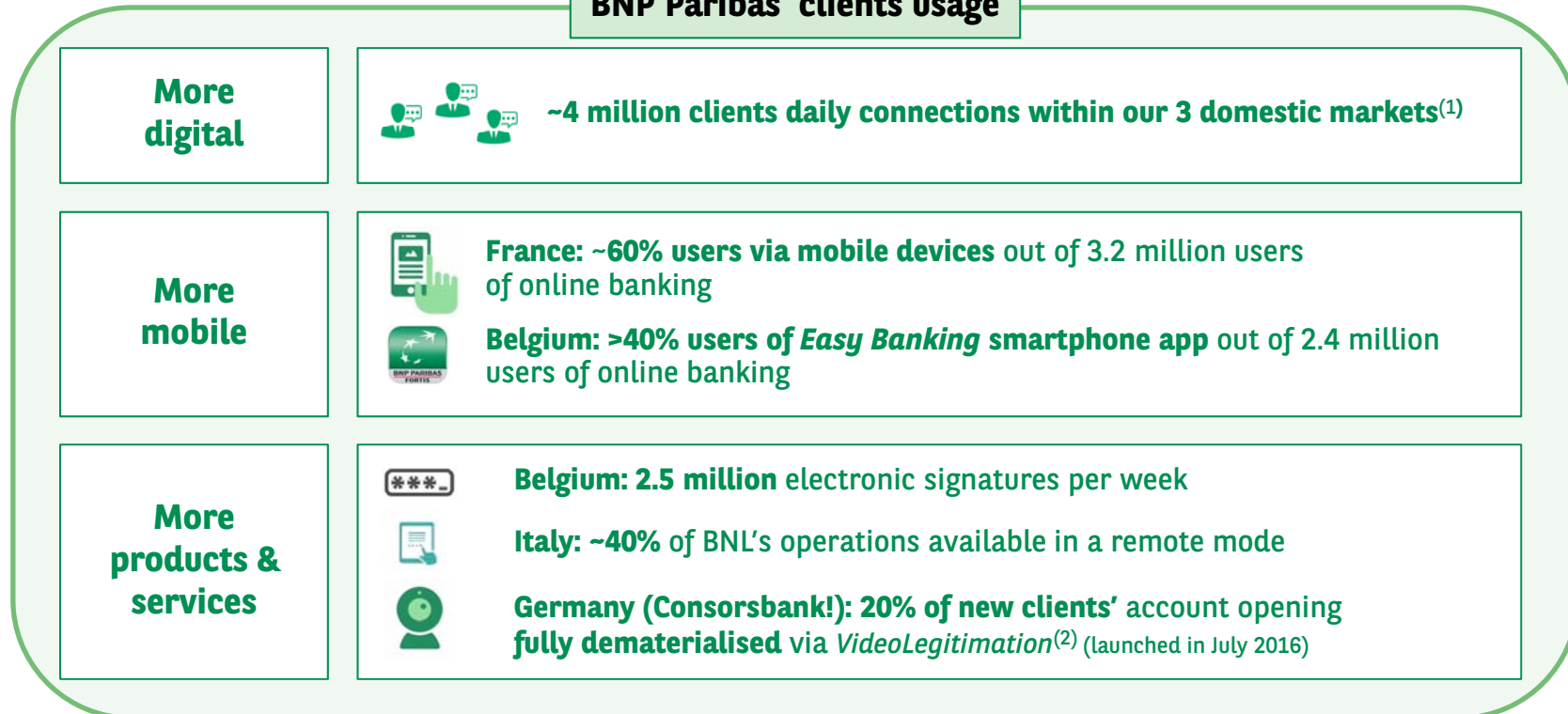
Domestic Markets

Client Behaviours are Changing

Clients yearly interactions (example of French Retail Banking in 2016)



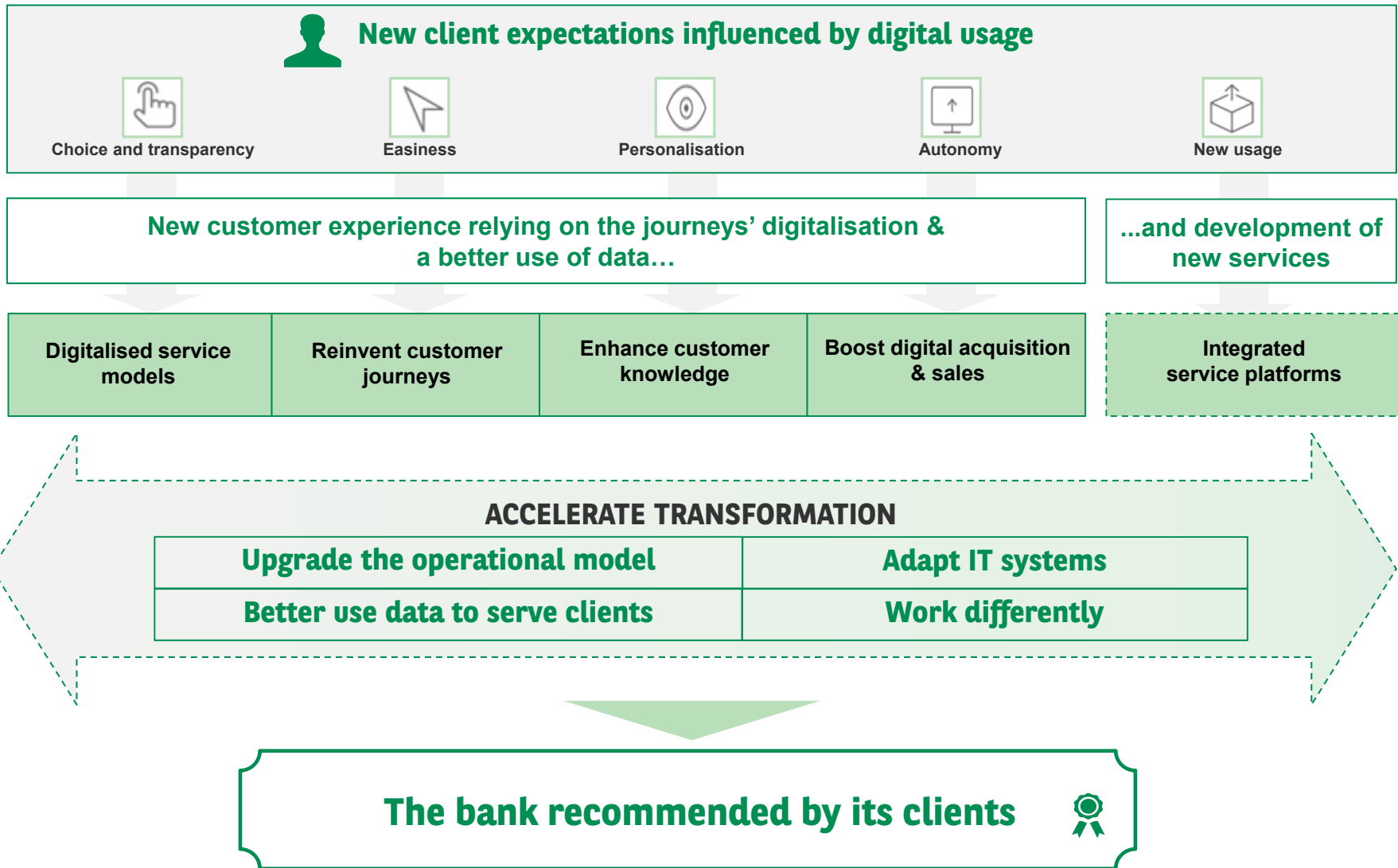
BNP Paribas' clients usage



⁽¹⁾ Web & Mobile - Average Jan 2017; ⁽²⁾ Application developed in cooperation with Deutsche Post Ident to legitimate by video chat from home, entirely paperless



Domestic Markets: Reinvent Customer Experience & Accelerate Digital Transformation



Domestic Markets' 2020 Business Development Plan (1/3): Key Financial Targets

Strengthen the sales & marketing drive in a context that is improving only gradually

- Headwinds (low interest rates, MIFID 2) still in 2017 and 2018
- Strengthen the sales and marketing drive: enhance the attractiveness of the offering, offer new services, gain new customers...
- Disciplined growth of risk-weighted assets
- Maintain leading position in Belgium, continue the commercial development in France and selective growth in Italy
- Sustained specialised businesses growth

A risk environment that continues to be favourable

- Continued improvement, in particular in Italy (BNL's CoR: 50 bp in 2020 vs. 124 bp in 2016)

Generate €1bn in recurring cost savings by 2020

- Actively continue to adapt the branch networks through 2020
- Transform the operational model and adapt the information systems
- 2017-2019 transformation costs: €0.8bn⁽¹⁾

> Financial targets ⁽²⁾	2016	> 2020 targets
Revenues	€15,715m	>+0.5% ⁽³⁾
Cost/income	67.6%	-3 pts
Allocated Equity	€23.2bn	+3% ⁽³⁾
Pre-tax RONE ⁽⁴⁾	15.6%	>17.5%

Improve efficiency in all the networks, reduce cost of risk in Italy in an environment that is improving only gradually

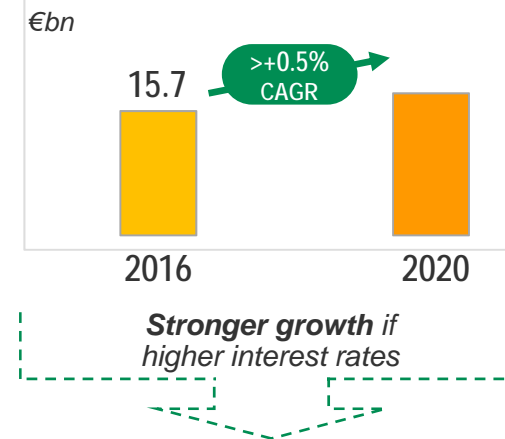
⁽¹⁾ Presented in the Corporate Centre; ⁽²⁾ Including 100% of Private Banking, excluding PEL/CEL; ⁽³⁾ CAGR, ⁽⁴⁾ Return on Notional Equity



Domestic Markets' 2020 Business Development Plan (2/3): Increase Revenues in a Gradually Improving Environment

- Lingered revenue headwinds...
 - Impact of low interest rate environment still in 2017 and 2018
 - Effect of MiFID 2 implementation on some revenue items
- ...but upside potential due to more favourable interest rate context
 - ~ +1.0% revenues 2016-20 CAGR vs. >+0.5% if current 10Y swap implied rates materialise⁽²⁾
- Accelerate business growth, bolstered by the digital capabilities
 - Full benefit of the upgraded omni-channel set-up (new branch formats and roll-out of modernisation programme completed)
 - Digital transformation to enhance the attractiveness of the offering, acquire new customers, facilitate cross-selling with Group businesses and seize new revenue opportunities
 - Continued development of off balance sheet savings in all the networks
- Sustained growth of the specialised businesses
 - Continued development of Arval, Leasing Solutions and Personal Investors
 - Boost commission income through new digital solutions

> Revenues evolution⁽¹⁾



> DM Interest rate sensitivity

Effect of the current 10Y swap implied rates vs. plan's scenario⁽²⁾

~ +1.0% total revenue growth vs. >+0.5% (2016-2020 CAGR)



A still challenging interest rate environment
Potential for outperformance if current interest rates materialise

⁽¹⁾ Including 100% of Private Banking, excluding PEL/CEL effects; ⁽²⁾ Implied rates as at the end of February 2017: ~+40bp in 2017 and ~+20bp in 2018-2020 vs. plan's scenario



Domestic Markets' 2020 Business Development Plan (3/3): Improve Cost Efficiency

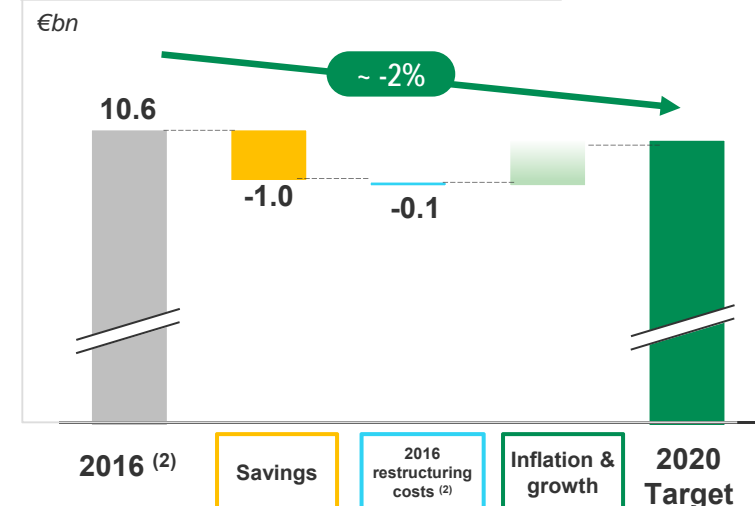
- Transformation costs: €0.8bn⁽¹⁾ in 2017-2019
 - Transform the operating model and adapt IT systems
 - ~60% of transformation costs related to French Retail Banking

● Recurring cost savings: €1bn vs. 2016

- ~70% coming from efficiency measures, ~30% from digital transformation
- Main contributions from domestic networks in the savings target (~60% from French Retail Banking)
- Optimised organisation of business lines (simplification, standardisation,...), expense discipline
- Industrialisation of IT and operational process
- Streamlining of the branch networks
- ~60 transformation projects identified

- Cost/income target: -3pts by 2020
 - ~ -2% decrease in cost base
 - Continued cost effort to offset impact of inflation and growth initiatives

> Evolution of DM cost base



⁽¹⁾ Presented in the Corporate Centre; ⁽²⁾ Reminder: -€130m of restructuring costs in 2016



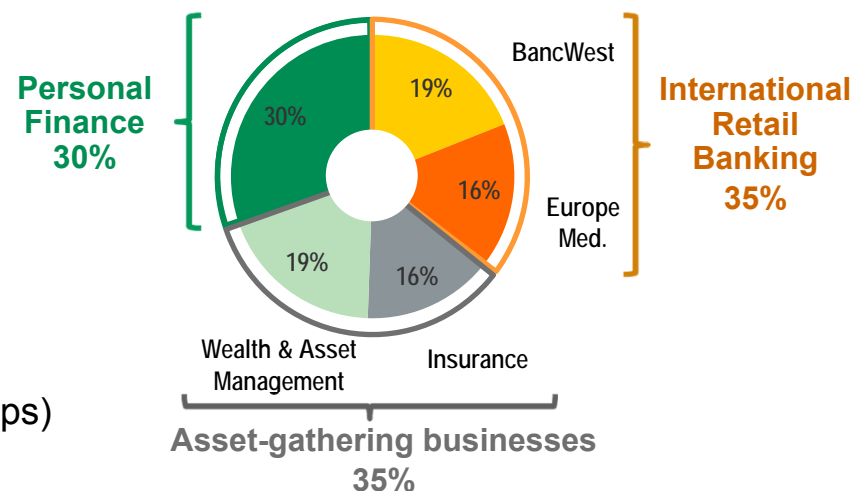
International Financial Services in a Snapshot

2016 Revenues
(2013-16 CAGR)



- IFS key figures
 - €15.5bn revenues⁽¹⁾ (36% of Group revenues)
 - €4.9bn pre-tax income⁽¹⁾ (~ +6.6% 2013-16 CAGR)
- ~80,000 employees in more than 60 countries
- Major player in diversified geographies with different economic cycles
- Large customer base: HNWI, Retail, SMEs, Corporates and Institutionals
- Leveraging on numerous partnerships
- Wide and diversified distribution channels (internal and external banking networks, direct distribution, partnerships)
- Strong cross-selling between IFS businesses, and with CIB and Domestic Markets

> Breakdown of IFS revenues⁽¹⁾



Well diversified revenue sources

⁽¹⁾ As of 31.12.2016



International Financial Services

Main Ambitions Across Business Units

> Develop new partnerships

- ▶ **Personal Finance:** forge new partnership alliances & agreements with car manufacturers, distributors, banks and in new sectors
- ▶ **Insurance:** continue strengthening partnerships by leveraging Cardif's expertise
- ▶ Develop partnerships **with new actors** (FinTech, InsurTech,...)



> Optimise client experience and enhance cross-selling

- ▶ **Private Banking client base:** grow further in the domestic markets, in the U.S. and in Asia
- ▶ **Corporate and institutional clients:** broaden product range in cooperation with CIB
- ▶ **SME clients:** structure and roll-out the offering in the international networks
- ▶ Continue implementing **PF's enhanced cooperation model** in the international retail networks (Poland, U.S.)
- ▶ Boost **asset inflows in Asset Management** and grow **Insurance products' sales** in banking networks



> Digitalisation, new technologies and business models

- ▶ **Data & analytics:** initiatives in all business units, unify 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,...)
- ▶ **Banks & digital offerings:** develop digital solutions offering in all the businesses and continue expanding mobile and digital banking services



> Continued industrialisation, transformation and adaptation

- ▶ Industrialise the platforms and enhance **operating efficiency**
- ▶ **Finalise integrations** with LaSer (Personal Finance) and Bank BGZ (Poland) to extract full cost synergies



International Financial Services 2020 Business Development Plan

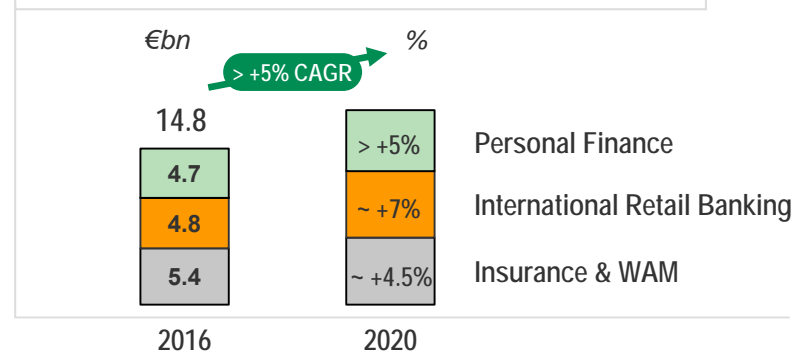
Strengthen positions in a context of ongoing transformation

- Step up the pace of growth (new offerings, new partnerships, new regions) and adapt to evolving customer needs
- Consolidate leading positions in the businesses by leveraging best-in-class offers
- Continue to develop retail banking outside the Eurozone (Poland, United States, Turkey, etc.) and cross-selling with the Group
- Prepare for upcoming regulatory evolutions (MIFID 2, regulatory impacts,...)

Improve operating efficiency: €0.6bn in recurring cost savings by 2020

- Digital initiatives specific to each business (customer distribution and acquisition, product lifecycle management, new full digital products, etc.)
- Initiatives to streamline and pool processes to support the businesses
- 2017-2019 transformation costs: €0.9bn⁽³⁾

> IFS revenue growth⁽¹⁾ 2016-2020



> Financial targets⁽¹⁾

	2016	2020 targets
Revenues	€14.8bn	> +5% ⁽²⁾
Cost/income	62.3%	-5 pts
Allocated Equity	€25.0bn	~ +5% ⁽²⁾
Pre-tax RONE	18.3%	> 20%



A growth engine for the Group

⁽¹⁾ Excluding FHB; ⁽²⁾ CAGR; ⁽³⁾ Presented in the Corporate Centre



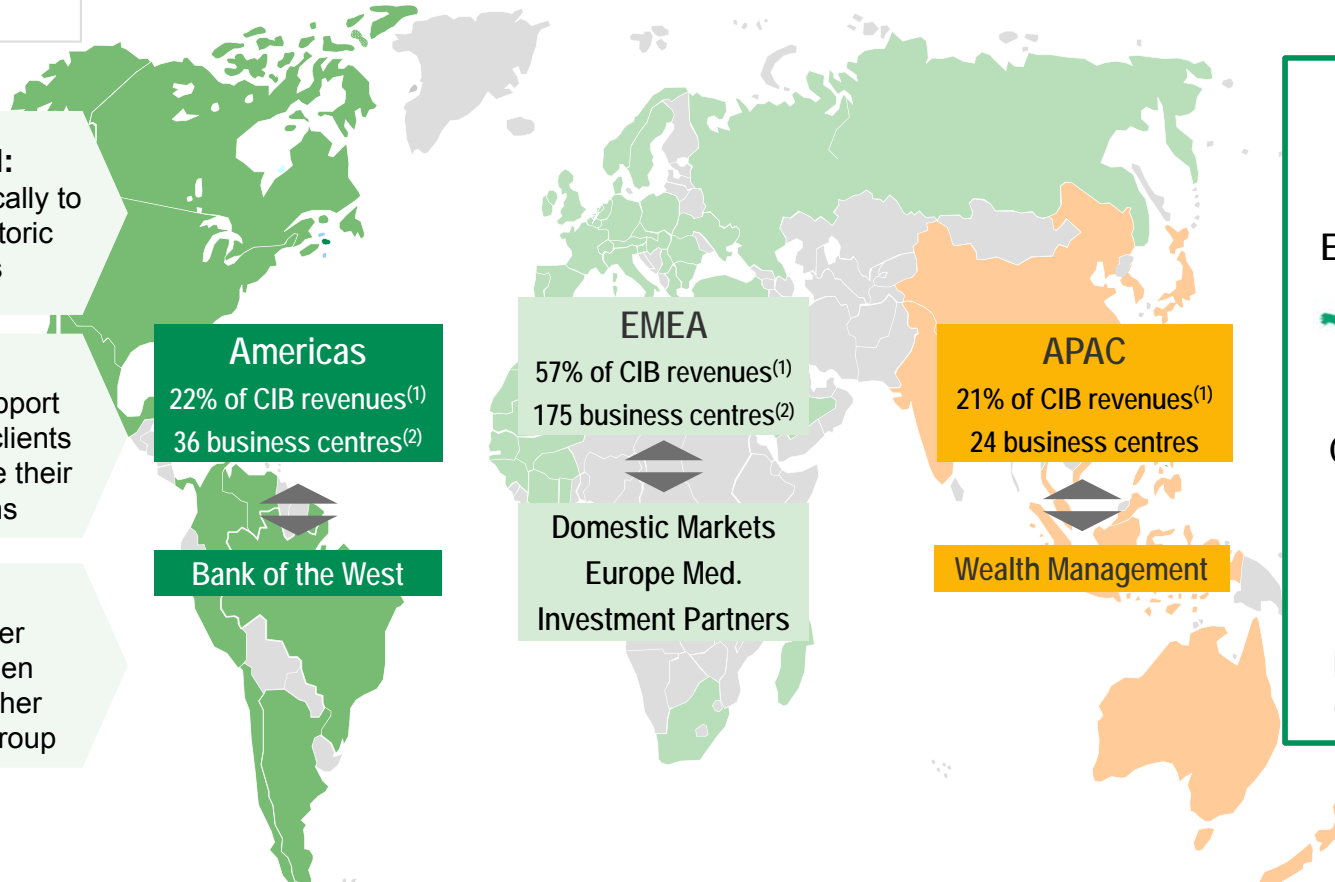
Corporate & Institutional Banking Strong European Home Base and International Reach

> CIB footprint

Client-focused:
built up mostly organically to serve the Group historic client franchises

Global reach:
tailored set-up to support the development of clients worldwide and handle their flows in all regions

Integrated:
strong cross-border cooperation between regions and with other businesses of the Group




~30,000
Employees


57
Countries


235
Business Centres⁽²⁾



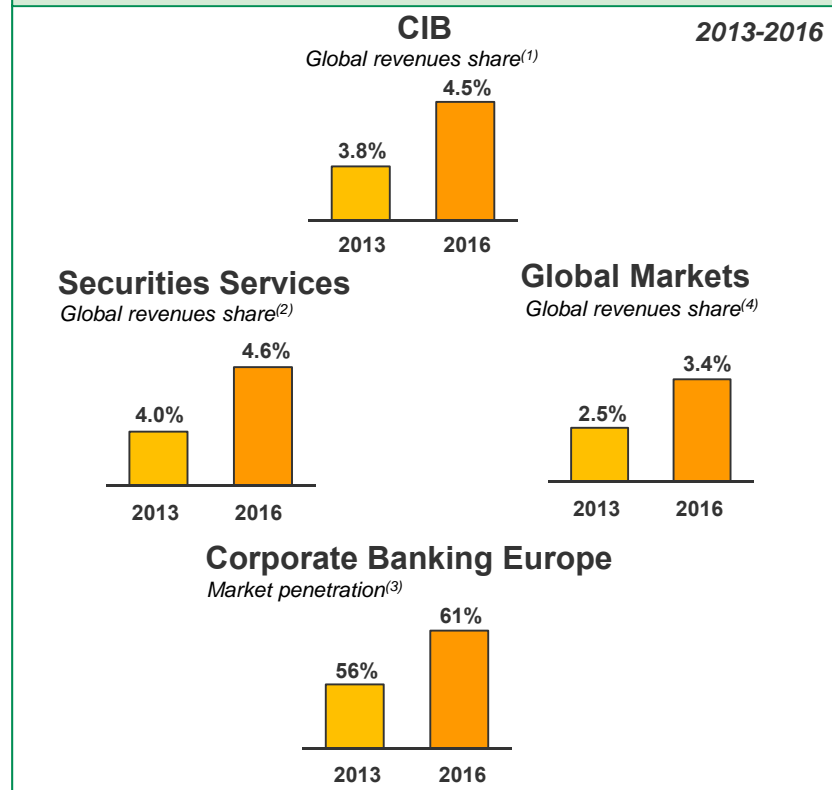
**A leading Europe-based integrated CIB
serving clients for their global flows**

⁽¹⁾ Revenues 2016; ⁽²⁾ Including "One Bank for Corporates" set-up



CIB: Growing Revenues Globally in all Activities and Consolidating Leadership in EMEA

CIB gained market share in all activities



Leading player in EMEA with global reach

2016 rankings

Top European Debt House⁽⁵⁾, both Loan and Bond

- #1 EMEA Syndicated loan bookrunner
- #1 All bonds in euros:
 - #1 Investment Grade corporate clients
 - #1 All FIG clients
- #9 All International bonds

Leader in Transaction Banking EMEA

- #1 Trade Finance in Europe (#2 globally)⁽³⁾
- #1 Cash Management in Europe⁽³⁾ (#4 globally)⁽⁶⁾

Top Global Markets player in EMEA⁽⁴⁾

- #3 Equity Derivatives and #3 Structured Credit
- #3 Repo business

Leading European Custodian

- #1 European Custodian, #5 globally, growing in Asia



A strengthened competitive positioning

Sources: ⁽¹⁾ Internal calculation based on Top 16 peers publications, at constant exchange rates; ⁽²⁾ Internal calculation based on Top 10 peers publications; ⁽³⁾ Greenwich Share leaders market penetration on Large Corporates; ⁽⁴⁾ Coalition market share vs. all industry, based on BNP Paribas scope of activities incl. DCM and excl. cash equities; ⁽⁵⁾ Dealogic 2016 in volume; ⁽⁶⁾ Euromoney Cash Management Survey



Corporate & Institutional Banking Building 2020 Ambition

Capitalise on a good momentum

- **Maintain our commitment** as announced last year to enhance operating efficiency and free up resources to support selective growth
- **Extend horizon of the plan from 2019 to 2020** across all dimensions

Accelerate on two key levers

- **Expand client franchise in Europe**, increase penetration and generate revenues for the Group
- **Embrace the industrial and digital transformation** to further improve client experience and enhance efficiency



A confirmed long-term vision for CIB

- **Europe-based preferred partner of clients**, offering solutions to help them achieve their goals in a fast-changing world

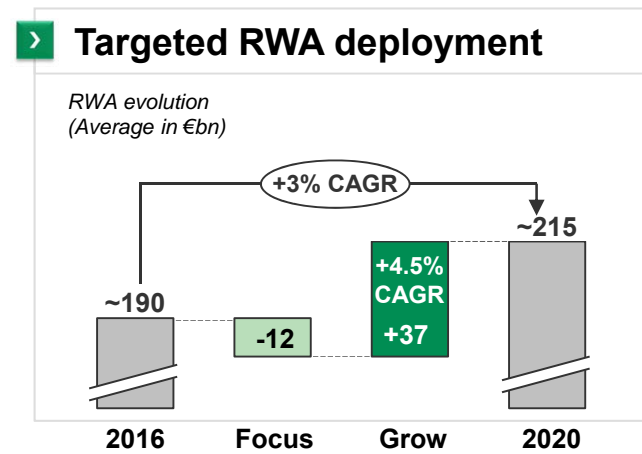
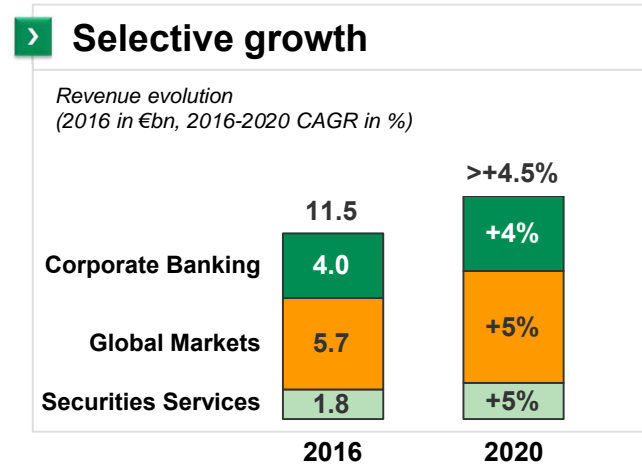
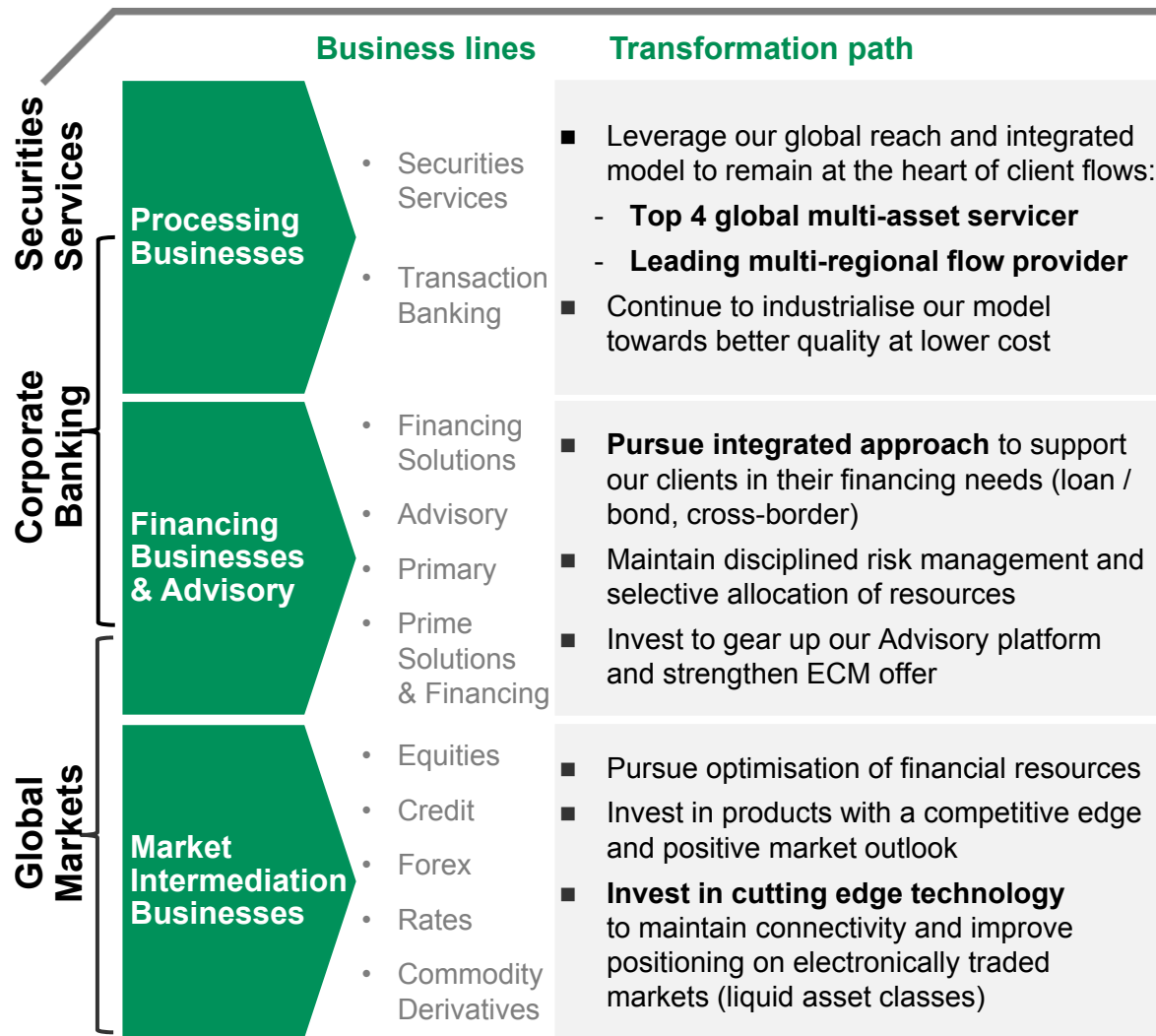
> Financial targets

	2016	>	2020 targets
Revenues	€11.5bn		> +4.5% (CAGR)
Cost/income	72.4%		-8 pts
Allocated Equity	€22.2bn		~ +2% (CAGR)
Pre-tax RONE	13.3%		> 19%



Corporate & Institutional Banking

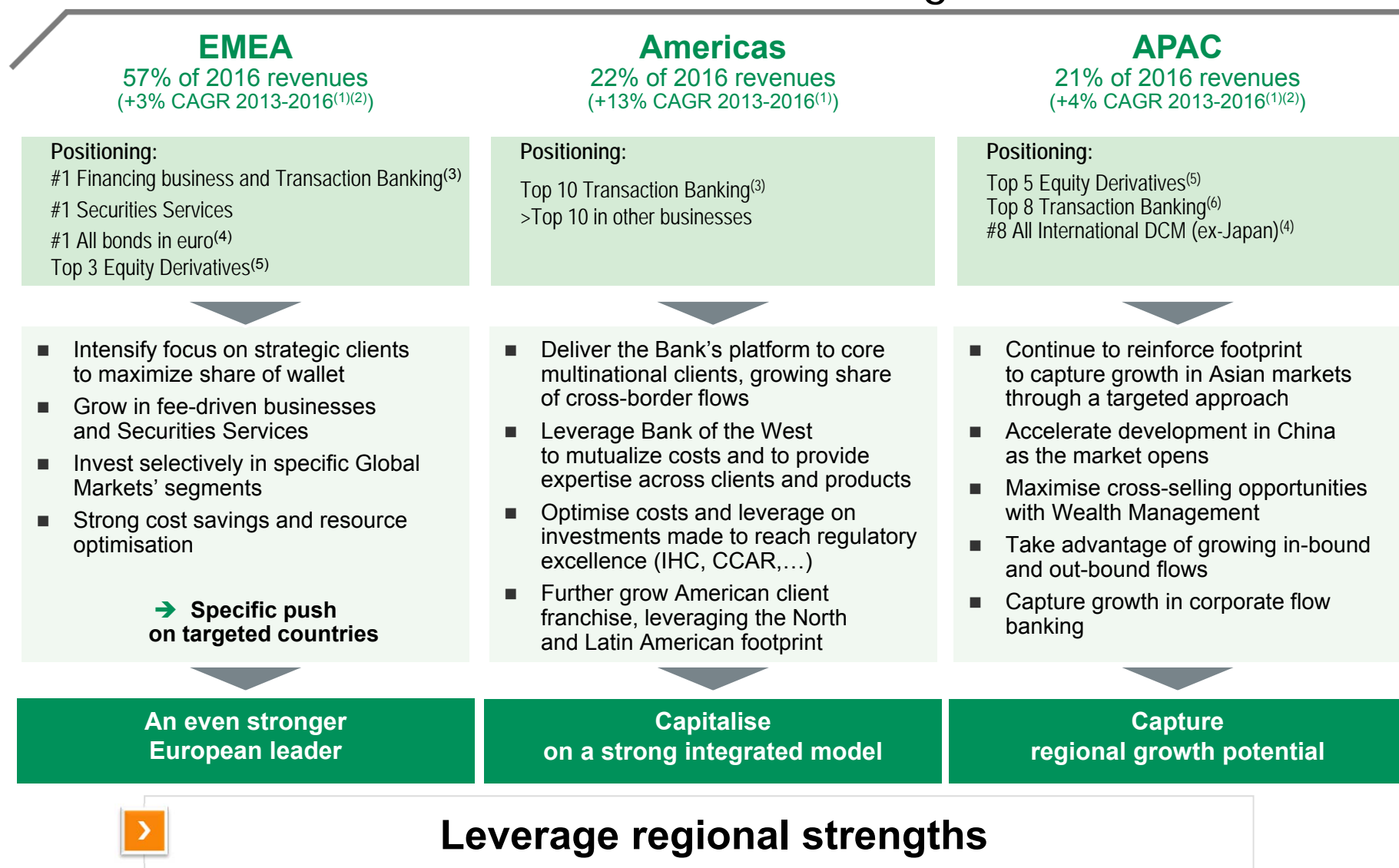
Extend Ambition to 2020 Across all Activities



Grow revenues faster than RWAs



Corporate & Institutional Banking Extend Ambition to 2020 across all Regions



⁽¹⁾ 2013 restated on current allocated equity; ⁽²⁾ Excluding Energy & Commodities; ⁽³⁾ Source: Greenwich associates; ⁽⁴⁾ Source: Dealogic league table in volume; ⁽⁵⁾ Source: Coalition; ⁽⁶⁾ Source: Greenwich associates, foreign/regional franchises

CIB: Invest to Accelerate Industrialisation and lay the Foundations of our Long-term Model

- Invest €1.1bn transformation costs over 2017-2019⁽¹⁾⁽²⁾



- Continue to extract cost savings from industrialisation and set-up optimisation

- Optimised organisation of business lines
- Smart sourcing and mutualised platforms
- IT industrialisation
- Digital solutions & expense discipline

-€0.7bn
cost savings
remaining out of
the initial 2019
target of €1bn

- Additional cost savings generated by the redesign of end-to-end processes: >-€0.2bn



- **Cost savings: ~-€0.9bn in 2020 vs. 2016**

- On top of the ~-€0.3bn achieved in 2016 vs. 2015

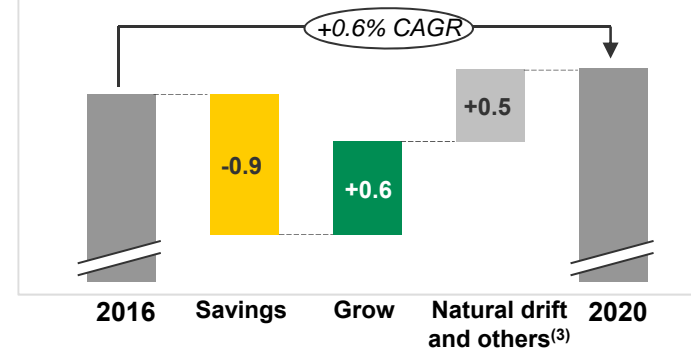
- Improved efficiency

- 2020 cost/income: >-8pts vs. 2016

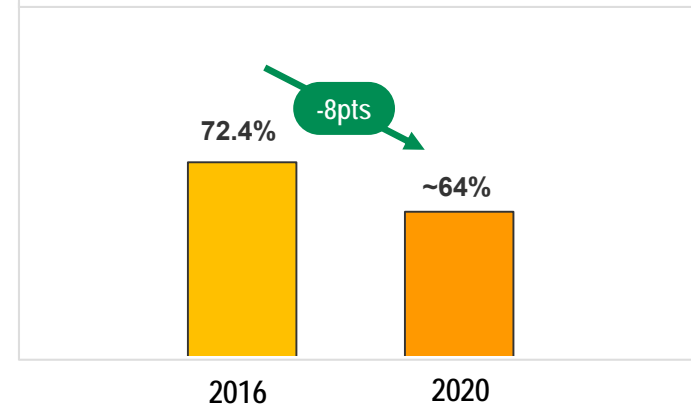
- Lay out the foundations of the future operating model

Evolution of CIB cost base

In €bn, excl. variable compensation
% CAGR 2016-2020



CIB cost/income ratio



⁽¹⁾ Presented in Corporate Centre; ⁽²⁾ Of which €0.5bn already included in plan communicated last year; ⁽³⁾ Based on ~2% average weighted inflation per year in connection with geographical footprint

