

## *Outline of the Presentation*

- 1 Results
- 2 Update on the Integration
- 3 Corporate and Investment Banking
- 4 Private Banking and Asset Management
- 5 Retail Banking
- 6 The internet revolution**

*A revolution in all sectors of the economy, particularly In financial services*

**Customers and Distribution**

- Power increasingly in the consumer's hands
- More and more products sold on the Web
  - increased disintermediation (liability as well as asset products)
  - diminished customer loyalty
- pressure on margins
- one-to-one marketing

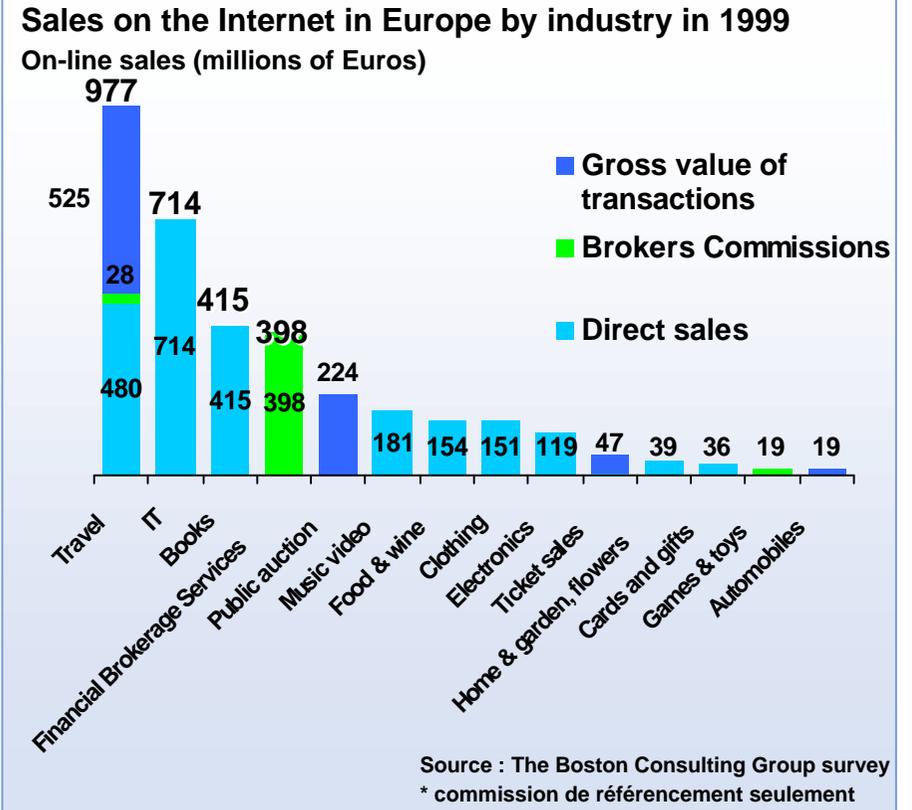
**Competition**

- globalization → from domestic market to regional and even global markets
- new entrants – a premium for the first arrivals

**Decision-Making and Organizational Process**

- attract new talents → new human resource management
- rapid decision-making → start-up culture

# The Internet Revolution



***BNP PARIBAS is already:***

- **An organization keeping up with and anticipating technological innovations with:
  - **The IT Workshop: a unit set up to monitor technological development**
  - **Investments by Banexi Ventures and Paribas Capital**
  - **An investment stake in the FT Ventures venture capital fund****
- **A Group with leading electronic banking, direct banking and direct brokerage brands and services**
- **A precursor in investments in internet over the past several years now stepping up the pace of its investments**
- **An active initiator of Internet partnerships**

***A major player in e-finance***

March figures

### **BNPNet**

- 240,000 Web customers
- 30% of the Internet home banking market
- 48,000 stock market orders per month (21% of the bank's retail orders)
- 550,000 connexions/month

**330,000 on-line customers(\*)**  
**9 millions visits to our Web page**

(\*) · *over 500,000 on-line customers incl. the Minitel [300,000 subscribers, 53,000 stock market order - 23% of orders are placed by the retail cust. - 1,300,000 calls per month]*  
· *Excluding B Capital \* (6,400 brokerage customers): brokerage service for high income private customers*

### **e-cortal**

- 95,000 brokerage accounts, including 63,000 on-line accounts, 40 % market share
- 2.9 million orders processed in 1999
- 88% orders placed on-line

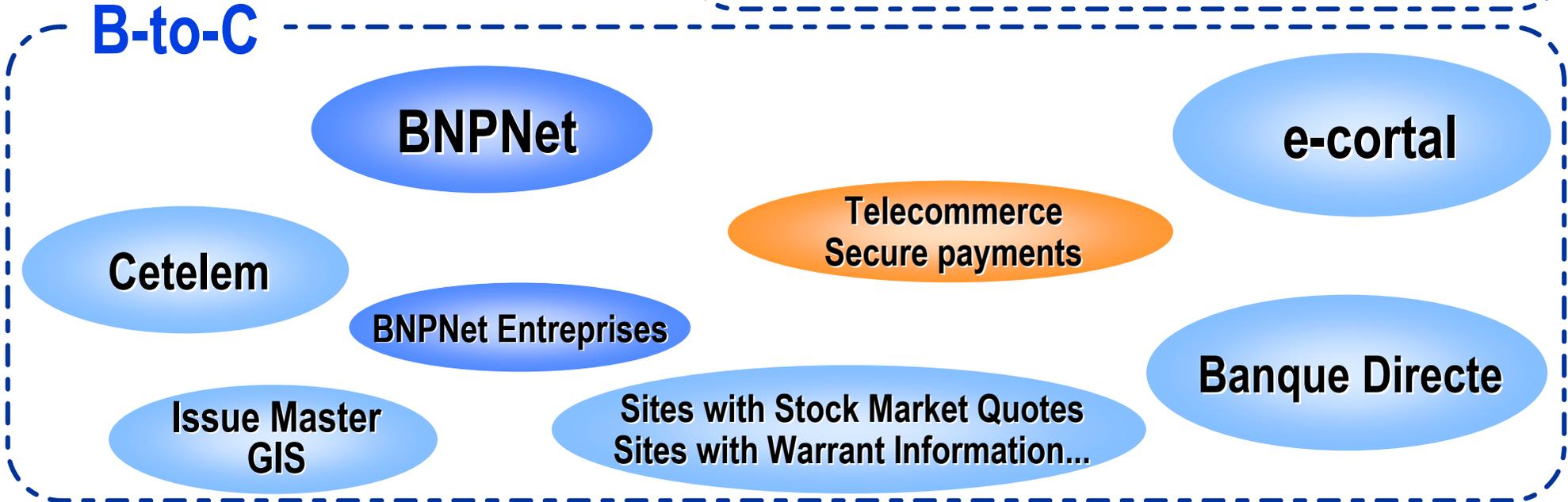
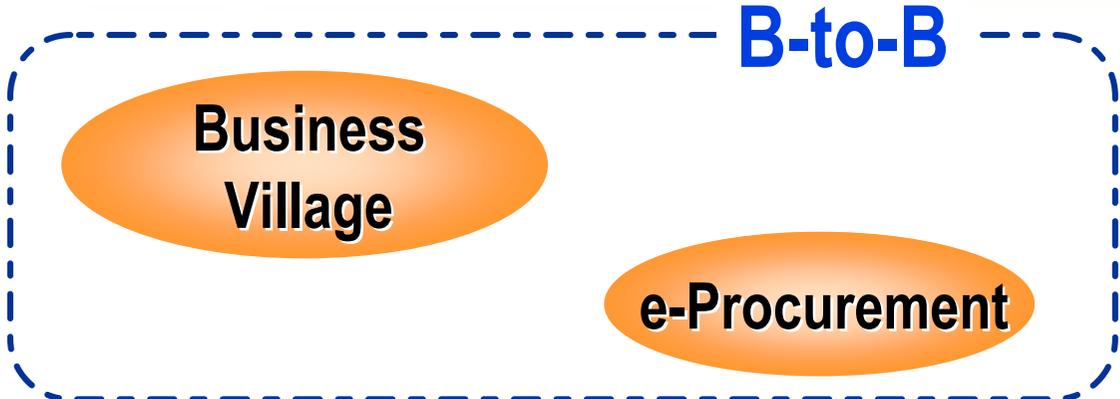
### **BANQUE Directe**

- 69,000 customers including 20,000 regular Web users
- On average: 7.8 contacts/month/client on Internet
- 52% of contacts already made via the Internet

# The group internet services : a broad and open field



-  e-commerce
-  e-banking



Clicks & mortar

Clicks only

Internet

# BNPNet: From the Web to Mobile Phones and Interactive Television

- **N°1 brand for financial internet services in France**

*survey Benchmark Group 99 - Internet professionals*

- **N°1 in brand recognition in France :**

**BVA Survey in March 2000 :**

**Spontaneous recognition of banks supplying e-banking services**

Question : According to you, among French banks, which bank supplies e-banking services ?

	Total	Web users
<b>BNP</b>	<b>17%</b>	<b>25%</b>
<b>Crédit Agricole</b>	<b>8%</b>	<b>5%</b>
<b>Crédit Lyonnais</b>	<b>7%</b>	<b>10%</b>
<b>Société Générale</b>	<b>5%</b>	<b>7%</b>
<b>Caisse d'Epargne</b>	<b>4%</b>	<b>3%</b>

*BVA-Brulé Ville Associés Survey made on 10 and 11 March 2000 on a 1005 people sample aged 15 and over. Among the 1005 people, 249 are Web users. Survey realised on a face-to-face basis.*

## ***BNPNet: From the Web to Mobile Phones and Interactive Television***

- **The market's most complete home banking service for private individuals**
  - view accounts, make transfers, place stock market orders, direct stock market quotes, download data, etc.
  - Personalized services adapted to different customer segments
- **A mobile telephone offer including the **WAP standard** (in partnership with France Telecom), available since end of March 2000**
  - consulting of accounts, latest operations, stock portfolio, executed orders statements
- **An **interactive TV** service (in partnership with Canal+) available 4th quarter 2000**

## *e-cortal: rapid expansion and increased investments*

**No. 1 in France with 40% market share, 6th in Europe  
Named Best European Internet Brand\***

- **A mission: help the customers set up and manage their savings on-line**
- **A broad range of services**
  - financial services for equity customers: 9 stock exchanges in real time, 5 languages, warrant clearing house, IPOs, international analysts and chartists, BNP Paribas research, etc.
  - stock market instruction and information for new comers: Cortal University, Stock Market Guide, etc.
  - increasing number of electronic channels: Internet Kiosque, Web, Minitel, voice servers, Itinérís (France Telecom) Kiosque
- **Rapid Expansion**
  - 95,000 accounts, including 63,000 on-line accounts (+72% over 1998, 40% market share in France)
  - buy-sell volume: +68% in 1999/1998, +220 in Jan.-Feb. 2000/1999
  - 88%of orders placed electronically at the end of 1999 (70% via the Internet)

***Increase Pace of Investments***  
***Goal : more than double the number of on-line accounts in 2000***

*\* Laferty Cyberforum, November 1999*

- **A Recognized Brand: 3rd Best Brand Recognition in France\***
- **BNP PARIBAS Group's All-Internet Bank**
  - 1999: +34% growth in the number of clients
  - More than 30% of the accounts opened by active Web users
  - More than 50% of contacts made via the Internet
- **Developing Our Product Offering**
  - Open and manage accounts on-line
  - On-line access to the stock market: e-cortal (mid-2000)
  - On-line credit applications: with Cetelem
- **Developing Partnerships**
  - Yahoo!
  - Other partners: Direct Assurance, Autovalley, Spray (free access)

- **Telecommerce in partnership with France Telecom**
  
- **The Group has invested in a number of innovation-driven companies to expand business and service new customers:**
  - **Cetelem alliances (ex. Marcopoly, Degriftour)**
  - **Autovalley (Automobile)**
  - **Smart Valley: BNP PARIBAS will be buying a 10% stake in Smart Valley (with e-Laser of the Galeries Lafayette Group, Intel, France Telecom), to develop a new medium simplifying Internet access (terminal and access service)**

## *The Group is at the forefront of secure payment technology*

- **Cyber-Comm:** → **Payment on the Internet and GSM (SET standard using smart cards)**
  - **Other non-bank shareholders:**  
**VISA, France Telecom, Gemplus, Cap Gemini, Alcatel**
- **MERCANET :** **Payment on the Internet (SSL standard)**
- **ItiAchat :** **Payment on GSM in partnership with France Telecom**

## ■ **Business-Village: B-to-B Portal**

- Virtual Business Centre
- Professional or theme based portals
- Professional community development and management
- 16,000 participating companies
- Partnerships with Vivendi

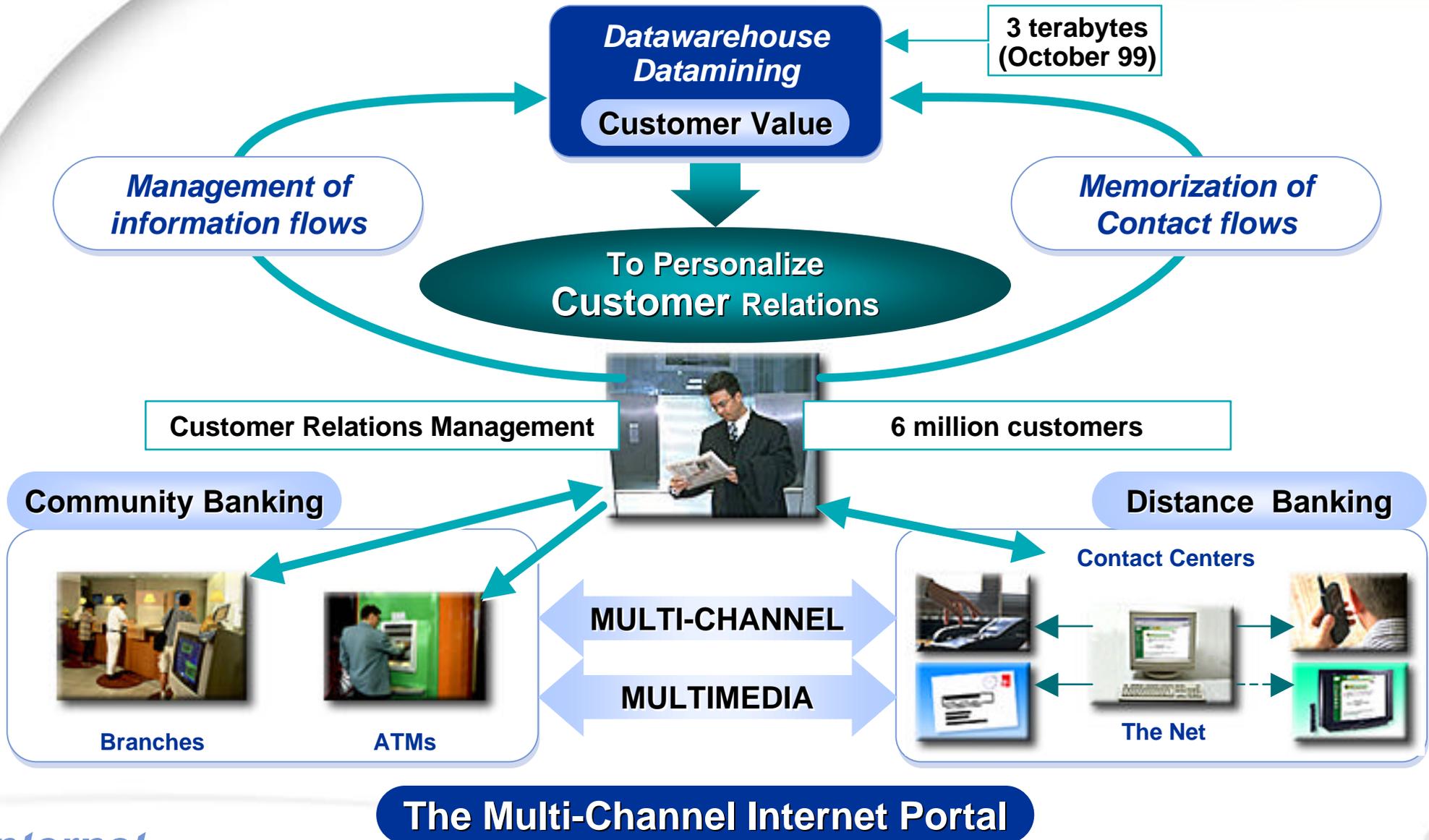
## ■ **Several projects currently under way in the field of:**

- e-procurement
- e-billing
- trade certification
- etc...

***Dynamic Marketing Base (DMB): a program to transform the Group's Domestic Retail Banking into multi-channel banking***

- **An ambitious plan, initiated in mid-1998**  
(June 1998: 50 people, January 2000: 200 people / €50 mn already invested; 2000-2002: €180 mn earmarked)
- **Delivery: gradual from mid-2001**
- **A premier reference in the European market**
- **A new multi-channel distribution model which meets customers expectations**
  - **Increased modes of access**
  - **improve customer access and services**
- ***BNP PARIBAS will be one of the first European Banks with a multi channel integrated model/CRM/multimedia***
- ***Internet will be a major component of this multi-channel organization***

# The Customer is central to the Multi-Channel Multimedia Organization



- **With the Group's support a monthly Internet Task Force** chaired by Michel Pebereau has been set up to drive strategy and monitor results and performance
  - An initial € 250 mn in funding have been earmarked for a dedicated entity, added to the organic growth investments
- **A dedicated entity which is both a start-up incubator and factor of coherence**
  - **Goals:**
    - shape the Group's Internet strategy
    - start-ups:   → incubate (non stabilized business model)  
                  → invest (promising business model)
    - pursue and develop partnerships
    - give impetus to cross-business Internet initiatives (a central theme of the 1st seminar of the Group's 80 senior executives held in February 2000)
  - The entity will report directly to Baudouin Prot
  - Manager: Jacques Campagne-Ibarcq.  
43 years, with 20 years experience at Cetelem, last 5 on the Management Board
- **A multidisciplinary team**

■ **The Group's ambition:**

- remain the leader of e-finance in France
- become one of the major players in Europe

■ **The devoted resources for 2000-2002:**

*New projects*

- dedicated entity → 1st funding : **€250 m**
- further development and acceleration of projects already launched : **€450 m**

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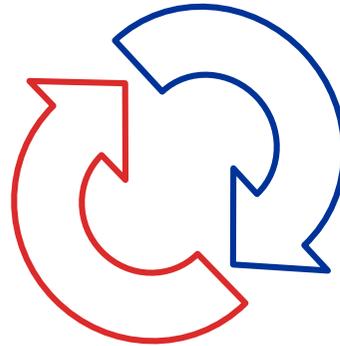
**Total**

**€700 m**

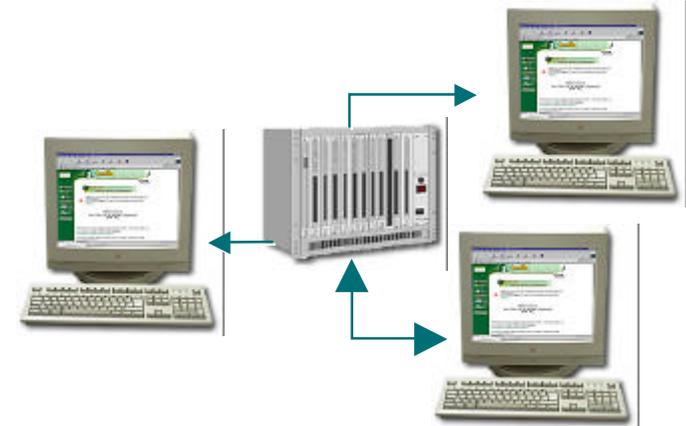
**BNP PARIBAS is already:**



80,000 workstations forming an integrated global network



stations + servers = **a global intranet**, one employee = one e-mail address. Monthly volumes: 9 million internal messages + 2.3 million e-mails exchanged

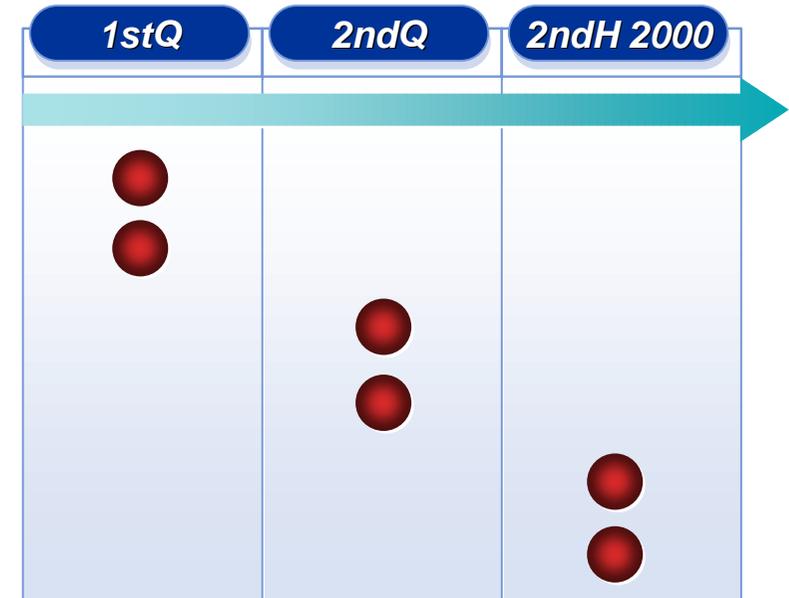


- French Network: **2 000 local servers**
- International Production Centers: **3,000 NT or UNIX servers**
- Domestic Retail Banking: 2 servers = 15 million computer transactions/day, 40% of which are linked to automated distribution channels

- **A technologically innovative Bank with powerful IT suited to the Internet and Intranet**

■ **2000: Continued Development of Products and Services:**

- Foreign stock exchanges (NYSE, NASDAQ, etc.)
- Access via GSM (WAP standard)
- New money transfer features
- Consult payments credited for shops
- Smart card ID (card scanner)
- Personalized features, warnings, etc.



# Businesses and Institutional Customers: Rapidly Changing Services



**Information**



■ Invest. C&B   
 ■ PBAM   
 ■ Retail

**Transactions**

*Internet*