

General Information

Legal information concerning Banque Nationale de Paris

Corporate Name and Principal Office

Banque Nationale de Paris
16, boulevard des Italiens
75009 Paris

The Corporation's official documents may be consulted at its principal office.

Trade and Companies Register, Primary Business Sector

BNP is registered under the number B 662 042 449 in the Paris Trade and Companies Register (*Registre du Commerce et des Sociétés*). Its Primary Business Sector Code (*Code APE*) is 651C.

Duration and Fiscal Year

The duration of the Corporation is ninety-nine years from 17 September 1993. Each fiscal year begins on 1 January and ends on 31 December.

Legal Form, Regulatory Framework, and Corporate Purpose

Banque Nationale de Paris (BNP) is a French *société anonyme* registered as a credit institution and commercial bank (*établissement de crédit, agréé en qualité de banque*) under the 1984 Banking Act (*loi n° 84-646 du 24 janvier 1984*). It was founded pursuant to a decree dated 26 May 1966.

BNP is governed by the 1966 French Companies Act

(*loi modifiée n° 66-537 du 24 juillet 1966 sur les sociétés commerciales*), its Articles of Incorporation, and specific regulations pertaining to its status as a credit institution. It engages in the full range of investment and related services as construed by with the 1996 Investment Services Act (*loi n° 96-597 du 2 juillet 1996*), banking and related operations, and all equity investments.

In accordance with regulations applicable to banks, BNP may also conduct business in all other areas or carry out operations other than those referred to above, particularly all arbitration, brokerage, and commission operations.

Generally speaking, BNP may conduct for its own account, for others, or in participation, all financial, commercial, industrial, or agricultural activities, as well as all activities concerning securities and real estate, that may be directly or indirectly related to the activities referred to above or that may facilitate their execution.

Patents, Licenses, Contracts

Banque Nationale de Paris is not dependent upon any patent or license, nor any contract for industrial, commercial, or financial supplies for its conduct of business.

Extraordinary Events, Legal Proceedings Pending

At 31 December 1998, there are no extraordinary events nor legal proceedings pending which would have a material adverse effect on the financial position, results, or operations of Banque Nationale de Paris or the BNP Group.

Combined annual and extraordinary Stockholders' Meeting of 4 May 1999

ANNUAL MEETING

First resolution

Approval of the balance sheet at 31 December 1998 and the statement of income for the year ended at that date

The Annual Meeting, having reviewed the reports of the Board of Directors and the Auditors on the financial statements for the year ended 31 December 1998, approves the balance sheet at 31 December 1998 and the statement of income for the year then ended. The Annual Meeting notes that net income for the year amounted to FRF 7,070,703,732.19 (EUR 1,077,921,835.15).

Second resolution

Appropriation of 1998 net income and dividend

The Annual Meeting resolves, in accordance with the provisions of Section 20 of the bylaws, to transfer from net income for the year, in the amount of FRF 7,070,703,732.19 (EUR 1,077,921,835.15):

- an amount of FRF 12,916,207.50 (EUR 1,969,063.14) to the legal reserve to raise this reserve to 10% of the Company's capital (transfer limited by law to 5% of net income).

Following this transfer, the balance to be appropriated by the Annual Meeting amounts to FRF 7,057,787,524.69 (EUR 1,075,952,772.01). Including unappropriated retained earnings of FRF 1,327,025,135.03 (EUR 202,303,677.68) brought forward from the prior year, the total to be appropriated amounts to FRF 8,384,812,659.72 (EUR 1,278,256,449.69). The Annual Meeting resolves to appropriate this amount as follows:

1. To the special long-term capital gains reserve: FRF 1,139,541,489.30 (EUR 173,721,980.15), thereby raising the amount of this reserve to FRF 5,769,462,642.51 (EUR 879,548,909.84).

2. To other reserves: FRF 2,285,796,849.68 (EUR 348,467,483.33), including:

- FRF 9,159,406.00 (EUR 1,396,342.44) to the "Investment reserve" corresponding to the reversal of the investment provision recorded in 1992;
- FRF 2,276,637,443.68 (EUR 347,071,140.89) to "Other reserves".

Thereby raising reserves to FRF 39,613,000,000.00 (EUR 6,038,962,919.83).

3. To the payment of a total dividend of EUR 327,733,200.00 to BNP SA stockholders, corresponding to a dividend of EUR 1.50 (FRF 9.84) per share with a par value of EUR 4.0. The total payout will therefore amount to EUR 2.25 (FRF 14.76), including the *avoir fiscal* tax credit of EUR 0.75 (FRF 4.92) corresponding to tax already paid to the Treasury. Full powers are given to the Board of Directors to credit dividends payable on shares held in treasury stock to unappropriated retained earnings.

The 1998 dividend will be payable as from 21 May 1999 in cash.

As required under Section 47 of the Act of 1 July 1965 (Act 65-566), the Board of Directors has informed the Annual Meeting that a dividend of FRF 3.60 per share with a par value of FRF 25 was paid out of 1995 earnings, representing a total payout of FRF 5.40 including the *avoir fiscal* tax credit of FRF 1.80, that a dividend of FRF 5.40 per share with a par value of FRF 25 was paid out of 1996 earnings, representing a total payout of FRF 8.10 including the *avoir fiscal* tax credit of FRF 2.70 and that a dividend of FRF 7.00 per share with a par value of FRF 25 was paid out of 1997 earnings, representing a total payout of FRF 10.50 including the *avoir fiscal* tax credit of FRF 3.50.

4. To unappropriated retained earnings: FRF 2,809,685,454.02 (EUR 428,333,786.21).

Third resolution

Approval of transactions and agreements governed by Sections 101 to 106 of the Companies Act of 24 July 1966

The Annual Meeting notes the terms of the Auditors' special report on transactions and agreements governed by Sections 101 to 106 of the Companies Act of 24 July 1966 and approves the transactions and agreements referred to therein.

Fourth resolution

Issuance of bonds and equivalents and other debt securities

The Annual Meeting authorizes the Board of Directors to issue, in France and abroad, any and all types of debt securities, including subordinated notes, equity notes and perpetual bonds, denominated in euros, in foreign currency or in any monetary unit determined by reference to a basket of currencies. The securities may be issued on one or several occasions, at the Board's discretion, provided that the aggregate face value of the issues may not exceed EUR 6 billion (FRF 39,357,420,000) or the equivalent in foreign currency or monetary units. The securities may be secured by a mortgage or other collateral or be unsecured. The Board shall have full powers to determine the type of securities to be issued, the timing of the issues, the interest rate and other terms and conditions of issue and repayment.

The Annual Meeting gives full powers to the Board of Directors and, by delegation, to any person duly authorized by the Board, to carry out the above issues, to determine the terms and conditions thereof and the characteristics of the securities. Any bonds or equivalents issued under this authorization may pay interest at a fixed or variable rate and may be redeemable at par or at a fixed or variable premium, in which case the premium will be in addition to the ceiling specified above. Issues in foreign currencies will be converted into euros on the basis of the exchange rate prevailing on the date of issue for the purpose of determining whether they fall within the above ceiling.

In accordance with the law, this authorization is given for a period of five years from the date of this Annual Meeting.

Fifth resolution

Share buy-backs

The Annual Meeting, having reviewed the report of the

Board of Directors and the information memorandum approved by the *Commission des Opérations de Bourse*, resolves, in accordance with Section 217-2 of the Companies Act of 24 July 1966, to authorize the Board of Directors to buy back up to 10% of the shares representing the issued capital of the Company.

The shares may be acquired in order to stabilize the share price or for allocation or sale to employees in connection with the employee profit-sharing scheme, employee share-ownership plans or corporate savings plans, or in order to be cancelled at a later date, on a basis to be determined by the stockholders in Extraordinary Meeting, or for the purpose of being sold or exchanged or otherwise transferred, or in connection with the management of the Company's equity holdings.

The shares may be purchased, sold or transferred at any time and by any appropriate method, including by means of options.

The maximum price at which shares may be acquired under this authorization is set at EUR 120 per share and the minimum price at which they may be sold is set at EUR 50 per share.

These maximum and minimum prices may be adjusted following any transactions that have the effect of altering the Company's issued capital.

The Annual Meeting gives full powers to the Board of Directors and, by delegation, to any person duly authorized by the Board, to place any and all buy and sell orders, enter into any and all agreements, carry out any and all formalities and take any and all other action required to use this authorization.

This authorization is given for a period of eighteen months.

The Board of Directors will be required to report to stockholders at each Annual Meeting on the share buy backs, transfers, sales and cancellations carried out under this authorization.

Sixth resolution

Ratification of the appointment of a director and re-election

The Annual Meeting:

- ratifies the appointment as director of Mr. Bernhard Walter at the Board Meeting of 26 February 1999 to replace Mr. Jürgen Sarrazin, for the remainder of Mr. Sarrazin's term expiring at the close of the Annual Meeting to be

called to approve the 1998 financial statements.

- notes that Mr. Bernhard Walter is due to retire at this Meeting and resolves to re-elect him for a six-year term expiring at the close of the Annual Meeting to be called in 2005 to approve the 2004 financial statements.

Seventh resolution

Re-election of a director

The Annual Meeting re-elects Mr. Jacques Friedmann as director for a six-year term expiring at the close of the Annual Meeting to be called in 2005 to approve the 2004 financial statements.

Eighth resolution

Re-election of a director

The Annual Meeting re-elects Mr. Jacques Henri Wahl as director for a six-year term expiring at the close of the Annual Meeting to be called in 2005 to approve the 2004 financial statements.

Ninth resolution

Re-election of a director

The Annual Meeting re-elects Mr. René Thomas as director for a six-year term expiring at the close of the Annual Meeting to be called in 2005 to approve the 2004 financial statements.

Tenth resolution

Election of a director

The Annual Meeting elects Mr. Jean-Marie Messier as director for a six-year term expiring at the close of the Annual Meeting to be called in 2005 to approve the 2004 financial statements. Mr. Jean-Marie Messier is due to replace Mr. Jean Gandois whose term expires at the close of the present Annual Meeting.

Eleventh resolution

Election of a director

The Annual Meeting elects Mr. François Grappotte as director

for a six-year term expiring at the close of the Annual Meeting to be called in 2005 to approve the 2004 financial statements.

Twelfth resolution

Directors' fees

The Annual Meeting resolves to set at EUR 400,000 (FRF 2,623,828) the total annual fees payable to the Board of Directors. This amount shall apply until a further resolution is adopted on this matter by a subsequent Annual Meeting.

EXTRAORDINARY MEETING

Thirteenth resolution

Issuance of shares and share equivalents with pre-emptive subscription rights

The Annual Meeting, having reviewed the report of the Board of Directors and the Auditors' special report, resolves, in accordance with the provisions of paragraph 3 of Section 180-III of the Companies Act of 24 July 1966 (Act 66-537):

1. To give the necessary powers to the Board of Directors to issue shares and share equivalents in France and abroad on one or several occasions. The amounts and timing of such issues shall be decided by the Board at its discretion, subject to the limits specified herein.
2. That the maximum aggregate par value of the shares issued under this authorization, either directly or on conversion, redemption, exchange or exercise of share equivalents, may not exceed EUR 500 million (FRF 3,279,785,000). This ceiling shall not include the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents.
3. That the maximum aggregate face value of debt securities issued under this authorization may not exceed EUR 7.5 billion (FRF 49,196,775,000).
4. That stockholders shall have a pre-emptive right to subscribe for the shares or share equivalents, as provided for by law, pro rata to their existing holdings. The Board of Directors may also give stockholders a pre-emptive right to subscribe for any shares or share equivalents not

taken up by other stockholders. There shall be no limit on the number of shares or share equivalents that may be subscribed by stockholders exercising their secondary pre-emptive right, unless the issue is oversubscribed in which case the shares or share equivalents will be allotted pro rata to each stockholder's subscription rights.

If the total issue is not taken up by stockholders exercising their pre-emptive rights, as provided for above, the Board may:

- limit the amount of the issue to the subscriptions received, provided that at least three-quarters of the issue has been subscribed, and/or
 - freely allocate all or some of the unsubscribed shares or share equivalents among stockholders, and/or
 - offer all or some of the unsubscribed shares or share equivalents for subscription by the public.
5. That, in accordance with Section 339-5 of the Companies Act of 24 July 1966, stock warrants may be offered for subscription as provided for above or allocated to existing stockholders without consideration.
 6. Having noted that the above authorization implicitly requires the waiver, by stockholders, of their pre-emptive right to subscribe for shares to be issued on conversion, redemption, exchange or exercise of any share equivalents issued under this authorization.

To waive stockholders' pre-emptive right to subscribe for shares to be issued on conversion, redemption, exchange or exercise of said share equivalents.

7. That the amount received by the Company in respect of each of the shares issued under this authorization, either directly or on conversion, redemption, exchange or exercise of share equivalents, may not represent less than their par value.
8. To give full powers to the Board of Directors and, by delegation, to the Chairman, to use the above authorization, subject to compliance with the law, and to determine the timing and conditions of the issues, the form and characteristics of the securities to be issued, the issue price and other conditions, the amount of each issue, the date from which the securities will carry dividend or interest rights, which may be set retroactively, the method

by which the shares or share equivalents are to be paid up and, if appropriate, the conditions under which they may be bought back on the stock market. The Board of Directors may also decide to suspend the right to exercise the rights attached to the share equivalents, for a period not to exceed three months. The Board shall also have full powers to determine the method to be used to ensure that the rights of existing holders of shares and share equivalents are protected, in accordance with the applicable laws and regulations. The Board of Directors or the Chairman may charge the securities issuance costs and any other amounts against the related premium and take all necessary or useful measures, enter into any and all underwriting agreements, place on record any capital increases resulting from primary or secondary issues of shares carried out under this authorization and amend the bylaws accordingly.

In the case of issuance of debt securities, the Board of Directors and, by delegation, the Chairman, will have full powers to determine the securities' ranking for repayment purposes, to fix the interest rate, the life of the securities, the redemption price—which may be fixed or variable and may or may not include a premium—the terms and conditions of repayment, depending on conditions in the financial markets, and the conditions of conversion, redemption, exchange or exercise of the securities for shares.

9. That this authorization cancels and replaces all earlier authorizations to issue shares and share equivalents with pre-emptive subscription rights.

This authorization is given for the period provided for in the third paragraph of Section 180-III of the Companies Act of 24 July 1966 (Act 66-537).

Fourteenth resolution

Issuance of shares and share equivalents without pre-emptive subscription rights

The Annual Meeting, having reviewed the report of the Board of Directors and the Auditors' special report, resolves, in accordance with the provisions of paragraph 3 of Section 180-III and Section 193-1 of the Companies Act of 24 July 1966 (Act 66-537):

1. To give the necessary powers to the Board of Directors to issue shares and share equivalents, including shares and

share equivalents issued in application of Sections 194-1 and 339-3 of the Companies Act, in France and abroad, on one or several occasions. The shares and share equivalents may be issued in payment for securities of one or several other companies quoted on one of the regulated markets referred to in Section 193-1 of the Companies Act which are tendered under a public exchange offer made by the Company.

2. That the maximum aggregate par value of the shares issued under this authorization, either directly or on conversion, redemption, exchange or exercise of share equivalents, may not exceed EUR 2.4 billion (FRF 15,742,968,000). This ceiling shall not include the par value of any shares to be issued pursuant to the law to protect the rights of existing holders of share equivalents.

3. That:

- if the public offers made by the Company for Société Générale and Paribas are not taken up by the two banks' stockholders, the ceiling provided for in paragraph 2 above shall be reduced to EUR 600 million;
- if one or other of the above public offers is not taken up by the stockholders of the bank concerned, the ceiling provided for in paragraph 2 above shall be reduced to EUR 1,500 million.

4. That the maximum aggregate face value of debt securities issued under this authorization may not exceed EUR 7.5 billion (FRF 49,196,775,000) or the equivalent in the case of any issues denominated in foreign currency or a monetary unit determined by reference to a basket of currencies.

5. To waive stockholders' pre-emptive right to subscribe for the shares or share equivalents to be issued under this authorization. The Board of Directors may, however, offer stockholders a priority right to subscribe for all or part of the issue, within a period and on terms to be decided by the Board. Said priority right shall be non-transferable but stockholders may, at the Board's discretion, be offered a secondary priority right to subscribe for any shares or share equivalents not taken up by other stockholders.

6. That if the entire issue is not taken up by stockholders and the public, the Board of Directors may limit the

amount of the issue to the subscriptions received, provided that at least three-quarters of the issue has been subscribed.

7. Having noted that the above authorization implicitly requires the waiver, by stockholders, of their pre-emptive right to subscribe for shares to be issued on conversion, redemption, exchange or exercise of any share equivalents issued under this authorization.

To waive stockholders' pre-emptive right to subscribe for shares to be issued on conversion, redemption, exchange or exercise of said share equivalents.

8. That the amount received by the Company in respect of each of the shares issued under this authorization, either directly or on conversion, redemption, exchange or exercise of share equivalents, may not represent less than the minimum amount provided for by law. In the case of shares issued on exercise of stock warrants issued on a stand-alone basis, the amount received by the Company shall be considered to include the issue price of the warrants.

9. To give full powers to the Board of Directors and, by delegation, to the Chairman, to use the above authorization, subject to compliance with the law, and to determine the timing and conditions of the issues, the form and characteristics of the securities to be issued, the issue price and other conditions, the amount of each issue, the date from which the securities will carry dividend or interest rights, which may be set retroactively, the method by which the shares or share equivalents are to be paid up and, if appropriate, the conditions under which they may be bought back on the stock market. The Board of Directors may also decide to suspend the right to exercise the rights attached to the share equivalents, for a period not to exceed three months. The Board shall also have full powers to determine the method to be used to ensure that the rights of existing holders of shares and share equivalents are protected, in accordance with the applicable laws and regulations. The Board of Directors or the Chairman may charge the securities' issuance costs and any other amounts against the related premium and take all necessary or useful measures, enter into any and all underwriting agreements, place on record any capital increases resulting from primary or secondary issues of shares carried out under this authorization and amend the bylaws accordingly.

In the case of issuance of shares or share equivalents in payment for securities tendered under a public exchange offer made by the Company, the Board of Directors shall have full powers to determine the exchange parity and any balance to be paid in cash; to place on record the number of securities tendered for exchange and the number of shares or share equivalents to be issued in payment therefore; to determine the dates and conditions of issue, including the price and the date from which new shares or share equivalents will carry dividend or interest rights; to credit the difference between the issue price of the new shares and their par value to additional paid-in capital, to which all stockholders shall have equivalent rights and, if appropriate, to charge all costs and expenses incurred in connection with the authorized issue against additional paid-in capital.

In the case of issuance of debt securities, the Board of Directors and, by delegation, the Chairman, will have full powers to determine the securities' ranking for repayment purposes, to fix the interest rate, the life of the securities, the redemption price—which may be fixed or variable and may or may not include a premium—the terms and conditions of repayment, depending on conditions in the financial markets, and the conditions of conversion, redemption, exchange or exercise of the securities for shares.

10. That this authorization cancels and replaces all earlier authorizations to issue shares and share equivalents without pre-emptive subscription rights but with priority subscription rights, including all authorizations to issue shares and share equivalents in payment for securities tendered under a public offer made by the Company.

This authorization is given for the period provided for in the third paragraph of Section 180-III of the Companies Act of 24 July 1966 (Act 66-537).

Fifteenth resolution

Issuance of shares to be paid up by capitalizing earnings, retained earnings or additional paid-in capital

The Extraordinary Meeting, having reviewed the report of the Board of Directors, gives the Board of Directors full powers to increase the Company's capital on one or several occasions by an aggregate amount of EUR 600 million (FRF 3,935,742,000) by issuing bonus shares and/or raising the par value of existing shares, to be paid up by capitalizing earnings, retained earnings or additional paid-in capital.

Any rights to fractions of shares shall be non-transferable and the corresponding shares will be sold and the proceeds allocated among the holders of rights to fractions of shares within thirty days of the date on which the whole number of shares to which they are entitled are recorded in their share account.

The Extraordinary Meeting gives full powers to the Board of Directors and, by delegation, to the Chairman, subject to compliance with the law, to determine the dates and conditions of issuance of bonus shares, as well as the amounts of such issues, and to take all necessary measures to complete the issues, to carry out any and all formalities to affect the related capital increase or increases and to amend the bylaws accordingly.

This authorization is given for the period provided for in the third paragraph of Section 180-III of the Companies Act of 24 July 1966 (Act 66-537).

Sixteenth resolution

Issuance of shares while the Company is the target of a takeover bid

The Extraordinary Meeting, having reviewed the report of the Board of Directors, resolves, in accordance with the provisions of Section 180-IV of the Companies Act of 24 July 1966 (Act 66-537), that the authorizations to issue shares and share equivalents given to the Board of Directors in the thirteenth, fourteenth and fifteenth resolutions of this Meeting may be used while a public tender or exchange offer for the Company's shares is in progress.

This authorization is given for a period of one year expiring at the Annual Meeting to be called to approve the 1999 financial statements.

Seventeenth resolution

Blanket ceiling on financial authorizations

The Extraordinary Meeting, having reviewed the report of the Board of Directors, resolves, by virtue of the adoption of the thirteenth, fourteenth and fifteenth resolutions, to:

- set at EUR 10 billion (FRF 65,595,700,000) or the equivalent in foreign currency or monetary units determined by reference to a basket of currencies, the

maximum aggregate face value of debt securities that may be issued under the authorizations given in the above resolutions;

- set at EUR 2.4 billion (FRF 15,742,968,000) the maximum aggregate par value of shares that may be issued under the authorizations given in the above resolutions, either directly or on conversion, redemption, exchange or exercise of share equivalents, provided that said ceiling does not include the par value of any shares to be issued to protect the rights of existing holders of share equivalents, as required by law.

Eighteenth resolution

Cancellation of shares and capital reduction

The Extraordinary Meeting, having reviewed the report of the Board of Directors and the Auditors' special report, authorizes the Board of Directors to cancel shares acquired under the authorization given in the fifth resolution of this Meeting—provided that the number of shares canceled during any period of twenty-four months does not exceed 10% of the Company's issued capital—and to reduce the capital accordingly and to debit any difference between the price paid for the cancelled shares and their par value against additional paid-in capital or revenue reserves.

The Extraordinary Meeting gives full powers to the Board of Directors and, by delegation, to the Chairman, to amend

the bylaws to reflect the new capital, to carry out any and all formalities and to take all other action required in connection with the use of this authorization.

Nineteenth resolution

Changes in disclosure thresholds

The Extraordinary Meeting, having reviewed the report of the Board of Directors, resolves to amend the seventh paragraph of Article 5 of the bylaws concerning disclosure thresholds, as follows:

“In the case of failure to disclose any interest in excess of the legal disclosure thresholds or the disclosure thresholds specified in the bylaws, the shares corresponding to the undisclosed interest will be stripped of voting rights in application of Section 356-4 of the Companies Act of 24 July 1966, at the request of one or several stockholders together holding at least 2% of the Company's capital or voting rights.”

Twentieth resolution

Power to carry out formalities

The Stockholders' Meeting gives full powers to the bearer of an original, copy or extract of the minutes of this Meeting to carry out all legal or administrative formalities and to make all filings and publish all notices required by the applicable laws.

Notes



Notes

*The English-language version of this annual report is a free translation of the original French text. It is not a binding document. In the event of conflict in interpretation, reference should be made to the French version, which is the authentic text.
The auditors' reports apply to the French version of the financial review and the financial statements.*

Concept and Design

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Paris trade and companies register (RCS): B 662 042 449
French corporation (sa) with capital stock of EUR 873 955 200

Stockholder relations

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