



ANNUAL REPORT - COMPAGNIE FINANCIÈRE DE PARIBAS

PARIBAS

1997



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INVESTMENT BANKING

Equity

Fixed Income

Corporate Banking

Advisory Services

Securities Services

Paribas Principal Investments

(Paribas Affaires Industrielles)



P A R I B A S

ASSET MANAGEMENT

*Institutional and Private
Asset Management*

Cardif

Cortal

RETAIL FINANCIAL SERVICES

UFB Locabail

Arval

Cetelem

Cofica

UCB

Banque Directe

Profile

Paribas, a specialized international bank with a strong European base, implements a strategy focusing on selective growth in expanding markets, emphasizing technological innovation, creativity, worldwide presence and distribution.

With shareholders' equity of FRF 53 billion (USD 8.9 billion) and a Cooke solvency ratio of 8.6%, Paribas ranks among the world's premier banking groups. Paribas intends to strengthen return on equity — currently at 13% — to 15% by the year 2000.

In 1997, Paribas conducted a series of transactions aimed at integrating within a single organization all Group businesses. Following successful exchange offers for all Banque Paribas, Compagnie Bancaire and Cetelem shares held by outside investors, Compagnie Financière de Paribas will ask the Shareholder Meetings of the various companies involved to approve the merger of Banque Paribas, Compagnie Financière de Paribas, Compagnie Bancaire, and Compagnie de Navigation Mixte. The new entity

resulting from this merger will be renamed "Paribas".

This series of transactions is aimed at creating value for Paribas shareholders by streamlining its financial structure and nurturing the growth of profitable businesses in which the Bank already enjoys leading positions.

Paribas is now organized around three core businesses:

- **Investment Banking**, including Equity; Fixed Income; Corporate Banking; Advisory Services; Securities Services and Paribas Principal Investments (Paribas Affaires Industrielles);
- **Asset Management**, including the Institutional and Private Investment Management activities of Banque Paribas, Cardif and Cortal;
- **Retail Financial Services**, including UFB Locabail, Arval, Cetelem, UCB and Banque Directe.

Paribas' ambition is to be the European reference and one of the world leaders in each of its chosen businesses.



MICHEL FRANÇOIS-PONCET
Chairman of the Supervisory Board



ANDRÉ LEVY-LANG
Chairman of the Board of Management

Interview with the chairmen

“We are ahead of our own timetable. Net return on equity was 13% last year. Our ambition is to reach 15% by the year 2000.”

.....
In 1997, Paribas achieved record profits of FRF 6.6 billion — is this uptrend sustainable?
.....

1997 was a milestone year for Paribas, both structurally and in terms of results. Our goal is threefold:

- for our clients, to rank among the world's best banks in our chosen areas of specialization;
 - for our shareholders, to reliably generate net return on equity of 15%;
 - and for our associates, to provide exciting, high-quality international career opportunities.
- We are well on the way toward meeting all these objectives.

Our 1997 results are good: net income, at FRF 6.6 billion, was up 51%, and excluding the activities disposed of in 1997 — i.e., with our structure going forward — net income would have been up 68%. In terms of profitability, we are on track and

ahead of our own timetable: net return on equity was 13% last year, as compared to an interim target of 10% in 1998. Our ambition is to build on this progress to reach a 15% return by the year 2000.

A long-standing strategic objective — and an area of significant progress in all our businesses last year — is to increase the recurring portion of our results. In Corporate Banking, strengthened marketing capabilities have enabled us to considerably expand our volume of client-related revenues, reducing profit dependence on trading for our own account. Asset Management for third parties also had an excellent year, both in terms of performance and growth of assets under management. Paribas Principal Investments (*Paribas Affaires Industrielles*) confirmed its capacity to generate steady profits, thanks to the careful diversification of its portfolio, and turned in an outstanding performance, with return on capital invested of 30%.

Finally, Compagnie Bancaire is reaping the benefits of several years of effort, returning to net profitability and exceeding its targets for 1997.

Obviously, there is still work to be done in all areas. Our growth plans are ambitious, in line with the potential of the markets in which we operate. We are continuing to invest, particularly in our international development. And our results are providing us the financial resources we need to do this.

.....
How will the integration of Compagnie Bancaire and Paribas create value?
.....

This merger is a fundamental step in constructing the Paribas of tomorrow, and is value-creating both from a business and from a financial standpoint.

On the business side, with the support of Paribas' network of logistical capabilities and solid working relationships, the companies of the Compagnie Bancaire group will be able to accelerate growth of their activities outside of France, which already represent 25% of the total. Conversely, Paribas will gain direct access to several million Compagnie Bancaire customers in France and elsewhere, a client base which should over time benefit our asset management and brokerage activities. In addition, the merger will allow us to combine certain functions and achieve economies of scale, for example in purchasing and procurement. From a financial standpoint, the merger with Compagnie Bancaire will rebalance the structure of our income stream, toward stable, recurring activities with strong growth potential. Investors put a higher value on profitability based on solid business franchises serving a broad clientele. Virtually all the activities now integrated into Paribas enjoy double-digit growth rates, reflecting the potential of their markets and their international expansion. With the merger, we are emphasizing Paribas' appeal as a growth stock — and the markets and rating agencies have reacted favorably, as the share price has shown.

.....
What will the new Paribas look like?

The structure is considerably simplified. With the three-way merger of Compagnie Financière de Paribas, Compagnie Bancaire and Banque Paribas, the holding company structure will disappear. In its place will be a single bank, Paribas, encompassing a number of operating units specialized by line of business or operating as wholly owned subsidiaries, in three core businesses:

- Investment Banking, encompassing all activities conducted under the Paribas name, apart from asset management for third parties;
- Asset Management, comprising the Institutional and Private Asset Management activities of Paribas, Cardif and Cortal;
- Retail Financial Services, comprising the activities conducted by Compagnie Bancaire, UFB Locabail, Arval, Cetelem, UCB and Banque Directe.

So we can say that Paribas is a bank active in fast-growing businesses, with 20,000 employees, including 8,000 outside of France.

.....
Is the strategy modified by the merger?

Our strategy remains based on our perception that the worldwide financial environment is characterized by banking oversupply and increasingly skilled, well-informed and demanding customers. With the explosion of information technologies, our businesses are undergoing fundamental changes, and certain activities are becoming outdated. In this environment, we are pursuing a strategy of specialization, focusing on areas with strong growth potential where we can clearly add value. This is why we got out of retail network banking in France, Belgium and The Netherlands, markets we consider saturated. We are focusing on profitable, high-growth specialties where we already enjoy or can rapidly gain leadership positions, across which we see clear synergistic opportunities, both in terms of production and distribution.

“With the three-way merger of Compagnie Financière de Paribas, Compagnie Bancaire and Banque Paribas, the holding company structure will disappear. Virtually all the activities now integrated into Paribas enjoy double-digit growth rates. We are emphasizing Paribas' appeal as a growth stock.”

“Obviously, to deal with a clientele numbering in the dozens you use different techniques than for one numbering in the thousands, but the commitment to specialization and innovation stays the same.”

.....
But Paribas’ client base is quite different from Compagnie Bancaire’s. Is it possible to merge their people and cultures?
.....

Contrary to what you might think, there is a bigger cultural gap between a Paribas banker and the people you find in your average universal bank than between a Cetelem executive and a specialist in derivative products, for example. What these latter two have in common is a focus on specialization and innovation — and this is fundamental. Obviously, you use different techniques to deal with a clientele numbering in the dozens than for one numbering in the thousands, but we think the mindset and commitment to quality is the same in both.

.....
Do you think the crisis in Southeast Asia that affected the second half of 1997 is likely to affect 1998 as well, and how?
.....

Though we are not one of the European banks most exposed to the Asian crisis, we did decide to take the precaution of including a FRF 1.9 billion provision in our 1997 accounts, representing 11% of our exposure in the region, in addition to specific provisions on risks that have already materialized.

This being said, we continue to believe in the long-term future of this region. The fundamentals haven’t changed — demographics, market liberalization, high savings rates, growing needs, competitiveness, training levels. The region’s growth potential remains huge, and so we will continue to invest there.

.....
Aren’t there new opportunities for acquisitions in Asia?
.....

There are bound to be such opportunities. Some won’t appeal to us, because they concern retail banking, which is not one of our businesses. We’ll look carefully at the others, at their quality,

their profit potential as part of our group, and at how welcome a foreign investor is likely to be. The present situation is also creating recruitment opportunities, of individuals as well as entire teams. This option is less risky, and we’re already taking advantage of it.

.....
Are you being a bit too cautious?
.....

When we look back at Paribas’ history, we don’t see many missed acquisition opportunities that we still regret. On the other hand, looking around us, we see a lot of acquisitions that have turned out to be costly failures, with much energy wasted trying to combine teams and customers, and, in the end, destruction of shareholder value.

.....

Does this mean that Paribas has reached critical mass in all its businesses?

.....

Within the bank, there are still areas — such as asset management or certain capital market activities — where we want to continue growing, to leverage our capabilities and achieve economies of scale. But this is true in certain specific businesses, not across all of the bank's activities. We must not let the latest fads dictate our strategy. Experience shows that, once a certain level is reached, you don't become twice as efficient by becoming twice as big. All in all, we believe that we do have the critical mass we need to achieve our goals — to rank among the world leaders in our businesses and be the European benchmark, with a recurring profit stream. This certainly does not mean that we are just saying no to growth, quite the contrary. In 1997, our internal growth was quite impressive. Over 2,000 new positions were filled, 1,500 of them outside of France.

This represents a 10% increase in the workforce of the businesses we have retained. Internal growth is also a significant part of our 1998 budgets. And we will continue to look very carefully at all acquisition opportunities.

.....

Are you ruling out any form of combination with another major institution, either French or foreign?

.....

Today, Paribas is a well-rounded, well-balanced organization, focused on fast-growing businesses where it enjoys leading positions. This means that most potential mergers or large-scale acquisitions will almost inevitably result in considerable duplication. How, we must ask ourselves, could such a transaction, value-destroying, be in the interest of our shareholders?

This is the question we need to ask, and most of the time the answer is negative.

.....

What do you expect from the single European currency?

.....

The Euro will truly revolutionize the financial markets. We are prepared for this — not only because our extensive experience with the ecu and Euro as well as the refocusing of our activity put us ahead of the competition, but also because we enjoy some important structural advantages. We are more international and more European than most of our competitors, we won't have to start paying interest on demand deposits, and we don't earn much money from intra-European foreign exchange transactions.

Initially, the Euro should give a boost to capital market activities as well as mergers and acquisitions. Gradually, over the next five to ten years, the single currency will also encourage the development of mass markets, beginning with direct banking. We hold a strong hand in all these areas — we just have to play our cards well.

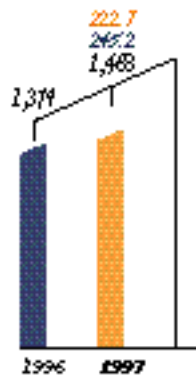
“The Euro will first give a boost to capital market activities and M&A. Then, over the next five to ten years, mass markets will gradually benefit as well, beginning with direct banking. We hold a strong hand in all these areas — we just have to play our cards well.”

Consolidated financial highlights

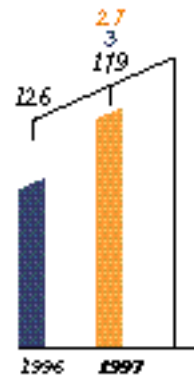
Dollar exchange rate based on the average 1997 Dollar exchange rate : USD 1 = FRF 5.9881

Euro exchange rate based on the average 1997. Ecu exchange rate : Ecu 1 = FRF 6.59070

TOTAL ASSETS
(in FRF billions, in USD billions,
in Euro billions)



UNREALIZED CAPITAL GAINS :
(in FRF billions, in USD billions,
in Euro billions)

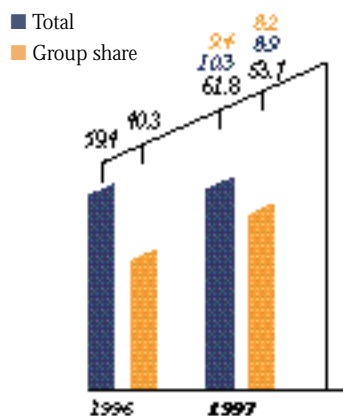


Financial strength

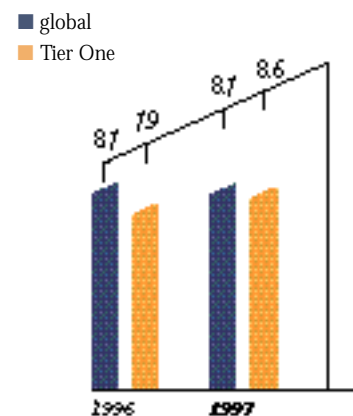
With net return on equity of 13%, the interim target of 10% set for 1998 is already exceeded. The objective is to build on this performance and reach 15% by 2000.

Net unrealized gains (excluding minority interests) rose from FRF 12.6 billion to FRF 17.9 billion. The Cooke Tier One ratio amounted to 8.6%.

SHAREHOLDERS' EQUITY
(after net income, in FRF billions,
in USD billions, in Euro billions)



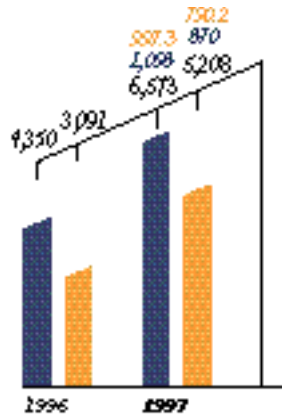
COOKE RATIO (in %)



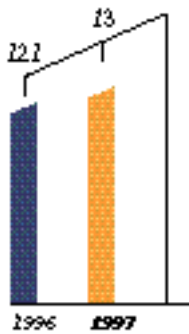
NET INCOME

(in FRF millions, in USD millions,
in Euro millions)

■ Group share
■ Group Share excluding discontinued activities



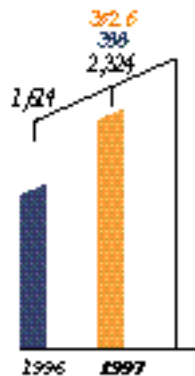
RETURN ON SHAREHOLDERS' EQUITY
(based on net income, Group share,
excluding discontinued activities, in %)



Results

Net income, Group share, rose by 51% to FRF 6.6 billion. Excluding activities sold during the year, i.e. in Paribas' new structure, net income jumped 68%.

TOTAL DIVIDEND DISTRIBUTION:
(in FRF millions, in USD billions,
in Euro billions)



1997 LONG-TERM RATINGS

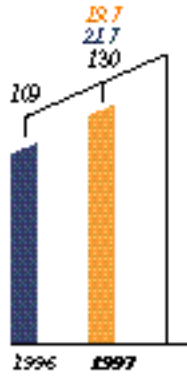
	BANQUE PARIBAS
Standard and Poors	A
Moody's	A2

CONTRIBUTION OF THE MAIN ACTIVITIES TO NET INCOME, GROUP SHARE
(former structure, in millions)

	1996 FRF	1997 FRF	1997 USD	1997 EURO
Banque Paribas	802	1,034	172.7	156.9
Paribas Principal Investments	3,197	3,504	585.2	531.7
Compagnie Bancaire	- 583	667	111.4	101.2
Structure	- 325	3	0.5	0.46
Net income, Group share excluding discontinued activities	3,091	5,208	867.0	790.2

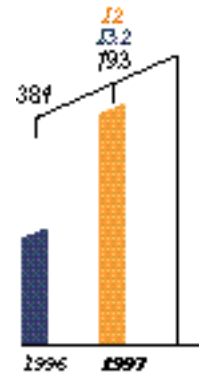
Activity

TOTAL CUSTOMER DEPOSITS
(excluding certificates of deposits,
in FRF billions, in USD billions,
in Euro billions)



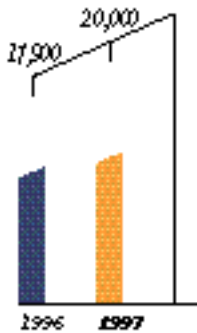
Share information

MARKET CAPITALIZATION
(at December 31, in FRF billions,
in USD billions, in Euro billions)

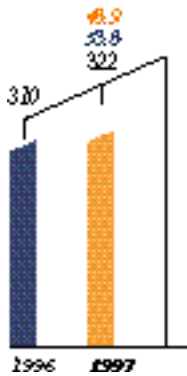


Employees

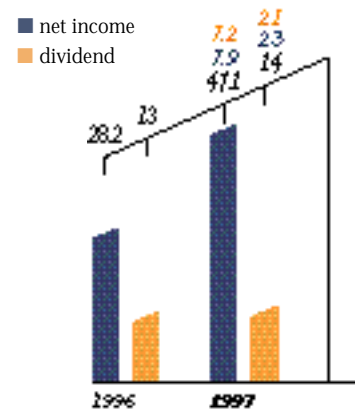
**EMPLOYEES EXCLUDING
DISCONTINUED ACTIVITIES**
(at December, 31)



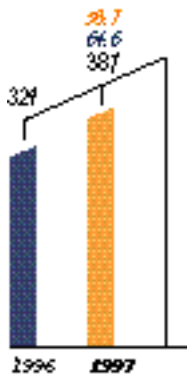
CUSTOMER LOANS OUTSTANDING
(in FRF billions, in USD billions,
in Euro billions)



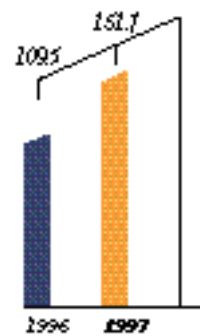
**NET INCOME, GROUP SHARE, EXCLUDING
DISCONTINUED ACTIVITIES AND DIVIDEND
PER SHARE** (in FRF, in USD, in Euro)



TOTAL ASSETS UNDER MANAGEMENT
(at December 31, in FRF billions,
in USD billions, in Euro billions)

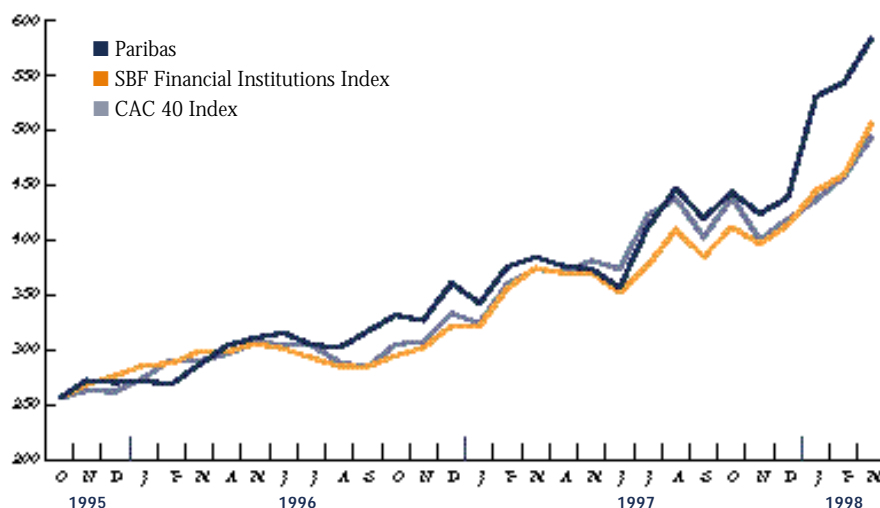


NUMBER OF SHARES OUTSTANDING
(at December 31, in millions)

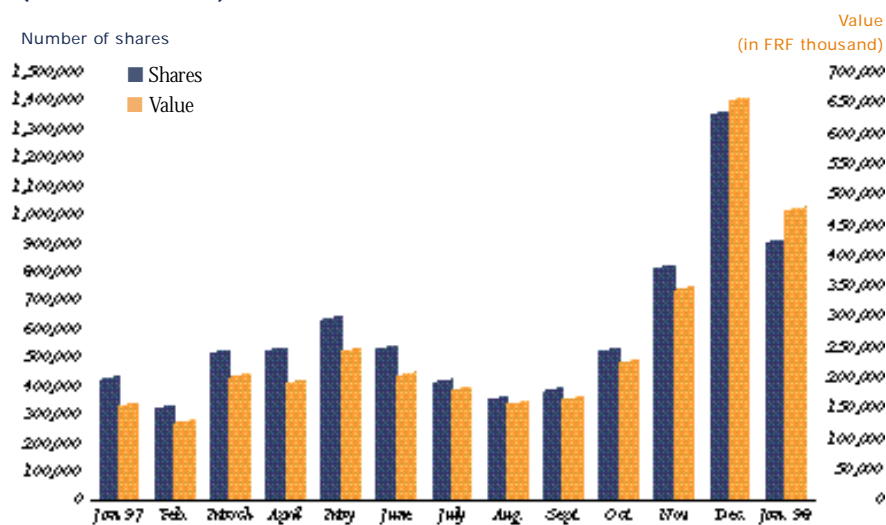


Shareholder's handbook

THE PARIBAS SHARE PRICE



DAILY TRADING VOLUME (MONTHLY AVERAGES)



PARIBAS' SHAREHOLDER BASE AT MARCH 13, 1998

	IN % OF SHARE CAPITAL	IN % OF VOTING RIGHTS
Shareholders holding more than 5% of voting rights	12.1	20.5
• Groupe AXA	7.8	12.4
• Groupe AGF	4.3	8.1
Other significant shareholders	26.8	29.2
Public	52.5	50.3
Treasury shares	8.6	-

The information below is subject to approval of the resolutions submitted to the Ordinary and Extraordinary Shareholder Meeting of Banque Paribas, to be held on May 11, 1998, which will be asked to approve the merger within Banque Paribas of Compagnie Financière de Paribas, Compagnie Bancaire and Compagnie de Navigation Mixte. It is also subject to approval of the resolutions submitted to the Ordinary and Extraordinary Shareholder Meeting of Compagnie Financière de Paribas, to be held on May 12, 1998, which will be asked to approve the merger of Compagnie Financière de Paribas within Banque Paribas. Completion of these transactions is also subject to consultation of the employee representatives of the various companies involved.

The Paribas share is listed in Paris and Tokyo.

.....
Corporate name
.....

Paribas

.....
Registered office
.....

3, rue d'Antin
75002 PARIS

.....
Paris trade register
.....

B 662 047 885

.....
APE code
.....

651 C

Form of the company

Public limited company with Management and Supervisory Boards governed by articles 118 to 150 of the Companies Act of July 24, 1966. The company has a finance company status, governed by the laws 84-46 of January 24, 1984 and 96-597 of July 2, 1996 on the modernization of the French financial sector.

Accounting period

From January 1 to December 31.

Share capital

Following the mergers, the share capital of Paribas will comprise 160,127,526 shares of FRF 100 par value, fully paid up.

Voting rights

Pursuant to article 28 of the by-laws, registered and fully paid up shares held for at least two years are granted double voting rights. Paribas shares issued from Compagnie Financière de Paribas shares enjoying double voting rights will retain this right following the mergers.

Statutory disclosure of shareholdings

Pursuant to article 7 of the by-laws, significant shareholdings in the Company must be reported.

Any individual or legal entity, acting jointly or severally, passing a threshold corresponding to 0.5% of the Company's total voting rights or any multiple thereof, through purchase or sale of shares, must report this to the Company, within ten days, by registered mail, stating the number of shares and voting rights held.

In the absence of such disclosure, any individual or group of shareholders, representing at least 2% of the share capital or voting

rights, may request that all unreported shares above the highest reported statutory threshold be deprived of voting rights on the occasion of a shareholder meeting where the failure to report has been discovered. This measure will remain in force for a period of two years following the filing of the necessary notification.

In addition, increases in share ownership or voting rights above the 5%, 10%, 20%, 33%, 50%, and 66% thresholds — either through the purchase of shares in the open market or through public offers — are subject to reporting requirements and authorization by the relevant authorities pursuant to French law on commercial companies and banking activities.

Shareholder information

Paribas shareholder information is available from two specialized departments:

Paribas Actionnaires:

3, rue d'Antin
75002 Paris
France

Fax: +33(0)1-42-98-66-75

in charge of relations with individual shareholders.

The investor relations department,

responsible for relations with institutional investors and analysts:

Tel.: +33(0)1-42-98-66-35

Fax: +33(0)1-42-98-15-25

Information on Paribas can also be accessed through the Group's web site (<http://www.paribas.com>), as well as through France's Minitel videotex service (3616 CLIFF).

In addition to its annual report, the following printed documents are available to Paribas shareholders and followers:

- Shareholder letters
Published twice a year following the announcement of the Group's full-year and interim results, as well as on the occasion of major corporate developments. Shorter than the annual report, shareholder letters convey information on Group developments and financial performance.
- The Annual General Meeting (AGM) report
Presenting the highlights of Paribas shareholder meetings.

Paribas Information Briefings

Each year, Paribas organizes four meetings with individual shareholders in France. In 1997, over 4,000 people attended meetings — and met the Paribas chairmen — in Toulouse, Nantes, Lyon and Versailles. In 1998, meetings are scheduled in Lille, Marseille, Lyon and Bordeaux. Last year, Paribas Actionnaires launched several new initiatives targeting individual shareholders, in response to a survey conducted in 1996, which indicated strong demand for events aimed at expanding their familiarity with the world of finance.

In particular, five visits to the Paribas trading floor enabled 75 people to discuss with specialists and better understand Paribas' role in capital market activities. In addition, seven one-day training seminars, attended by over 700 shareholders, provided a solid introduction to the stock exchange, asset allocation strategies, tax considerations, etc. Finally, Paribas organized a financial and economic trip to Hong Kong, attended by two dozen shareholders, who were given in-depth presentations on the region's economy and finance as well as Paribas' role in this part of the world.

Committee of Individual Shareholders

In 1992, Paribas became one of the first French companies to establish an ongoing dialogue with its shareholders through a dedicated committee.

The twelve-member Committee of Individual Shareholders includes a member of the Supervisory Board, Colette Neuville, as well as a representative of the employee shareholders, Frédérique Dambrine. The Committee meets twice a year under the chairmanship of Michel François-Poncet and André Lévy-Lang.

The Committee aims at encouraging new initiatives likely to improve the dialogue between the Company and its shareholders. Any shareholder is eligible. Members are elected for three-year renewable terms. Applications should be sent to Paribas Actionnaires.

The Committee's members include:

Michel François-Poncet,
Chairman
André Lévy-Lang,
Vice-Chairman
Jean Ballongue*
Hubert Bosch*
Frédérique Dambrine,
representing the association
of employee shareholders
Pierre-Emile Fournier*
Bertrand d'Illiers*
Jacqueline Mertz*
Grégory Molinaro*
Colette Neuville, member
of the Supervisory Board
Bernard Nottin*
Jean Pustelnick*
Joseph Sberro*
Gérard Vignerou*

**individual shareholder*

Supervisory board ⁽¹⁾

Michel François-Poncet

Chairman

Age 63. Joined the Group in 1961. Chairman of the Supervisory Board of Banque Paribas Suisse. Member of the Boards of Axa-UAP, Comit, LVMH, Schneider SA and Total.

Member since May 30, 1990.
Mandate expiring in 2000.
Owner of 10,048 Paribas shares.

Philippe Degeilh

Age 45. Employee representative elected March 14, 1996.

Mandate expiring in 1999.

Euan Baird ⁽²⁾

Age 60. Chairman of Schlumberger.

Member since May 26, 1994.
Mandate expiring in 2000.
Owner of 1,091 Paribas shares.

Paul Desmarais ⁽²⁾

Age 71. Chairman of the Executive Committee of Power Corporation (Canada). Member of the Boards of Great-West, Bruxelles-Lambert, CLT-UFA and Axa-UAP.

Member since September 27, 1990.
Mandate expiring in 2000.
Owner of 230 Paribas shares.

Claude Bébéar

Age 62. Chairman of the Management Board of Axa-UAP. Member of the Boards of Directors of Schneider SA, Saint-Gobain and Havas.

Member since May 30, 1990.
Mandate expiring in 2000.
Owner of 1,044 Paribas shares.

Thierry Desmarest ⁽²⁾

Age 52. Chairman of Total. Member of the Board of Directors of Cogema.

Member since September 27, 1995.
Mandate expiring in 2001.
Owner of 1,046 Paribas shares.

Antonio Borges ⁽²⁾

Age 49. Dean of Insead Business School.

Member of the Board of Directors of Cimentos de Portugal, of the Fiscal Board of Banco Santander de Negocios.

Member since May 12, 1998.
Mandate expiring in 2001.
Owner of 20 Paribas shares.

Jean Gandois ⁽²⁾

Vice-Chairman ⁽³⁾

Age 67. Chairman of Cockerill Sambre. Member of the Boards of Directors of BNP and Danone, and of the Supervisory Boards of Peugeot and Suez Lyonnaise des Eaux.

Member since May 30, 1990.
Mandate expiring in 1999.
Owner of 1,045 Paribas shares.

(1) Membership of the Paribas Supervisory Board as from May 12, 1998, subject to approval by the Compagnie Financière de Paribas and Banque Paribas Shareholder Meetings. The membership date represents the date as of which the member first joined either the Compagnie Financière de Paribas or the Banque Paribas Board.

(2) Independent Member.

(3) Subject to approval by the Supervisory Board of Paribas.

Paul-Louis Halley ⁽²⁾

Age 63. Chairman of Promodès.
Member of the Consultative Council
of Banque de France.

Member since April 25, 1997.
Mandate expiring in 2000.
Owner of 2,929 Paribas shares.

Antoine Jeancourt-Galignani

Age 61. Chairman of AGE Chairman of
the Supervisory Board of Euro-Disney Sca,
Member of the Boards of Directors
of Société Générale, Bouygues and Total.

Member since March 31, 1994.
Mandate expiring in 1999.
Owner of 219 Paribas shares.

Denis Kessler

Age 46. General Manager of Axa-UAP.
Vice-Chairman of CNPF, member
of the Conseil Economique et Social.

Member since April 23, 1996.
Mandate expiring in 1999.
Owner of 209 Paribas shares.

Alexandre Lamfalussy ⁽²⁾

Age 69. Former Chairman
of the European Monetary Institute,
Professor at Institut Catholique
de Louvain. Member of the Board
of Asbl Bruxelles-2000.

Member since May 12, 1998.
Mandate expiring in 2001.

Christian Manset

Vice-Chairman

Age 56. Joined the Group in 1965.
Member of the Boards of Erbé,
Cipaf and Cobepa, and of the Board
of Advisors of Finaxa.

Member since April 25, 1996.
Mandate expiring in 1999.
Owner of 2,833 Paribas shares.

Virin Moulin

Age 32. Employee representative
elected March 14, 1996.

Mandate expiring in 1999.

Colette Neuville ⁽²⁾

Age 61. Member of the Individual
Shareholder Committees of Paribas and
Rhône Poulenc. Member of the European
Shareholders Group, President of the
Association for the Defense of Minority
Shareholders.

Member since March 29, 1995.
Mandate expiring in 2000.
Owner of 300 Paribas shares.

Pierre Nourrit

Age 54. Employee representative
elected March 14, 1996.

Mandate expiring in 1999.

Pierre Scohier

Age 62. Chairman of Cobepa. Member
of the Boards of Directors of Groupe
Bruxelles-Lambert, Power Corporation
(Canada), Erbé and Parfinance.

Member since June 15, 1990.
Mandate expiring in 1999.
Owner of 710 Paribas shares.

Serge Tchuruk

Age 60. Chairman of Alcatel Alsthom.
Member of the Boards of Directors
of Aérospaciale, Total and
Compagnie Générale des Eaux.

Member since May 30, 1990.
Mandate expiring in 2001.
Owner of 242 Paribas shares.

Committees

Several Committees have been established to assist the Supervisory Board:

The Compensation Committee

Established in 1987, it recommends appropriate remuneration, stock option and stock purchase programs for corporate officers.

Membership:

Claude Bébéar, Paul Desmarais,
Jean Gandois.

The Accounting and Audit Committee

Established in March 1995, it assesses the quality of the financial information provided by the Company and monitors audit and control functions.

Membership:

Euan Baird, Denis Kessler,
Michel François-Poncet.

The Nominating Committee

It recommends Supervisory and Management Board appointments as well as measures to ensure management continuity.

Membership:

Claude Bébéar, Euan Baird,
Serge Tchuruk,
Michel François-Poncet.

The International Committee

Comprising members appointed for two-year terms on the basis of their international experience, the International Committee advises the Board on matters related to Paribas' international development.

Membership:

Michel François-Poncet
Chairman of the Supervisory Board of Paribas

André Lévy-Lang
Chairman of the Board of Management of Paribas

Nadhmi Shakir Auchy
Chairman, General Mediterranean Holding

Karl-Hermann Baumann
Member of the Supervisory Board of Siemens AG

Serge Boidevaix
Ambassador of France

Walter J.-P. Curley
Former Ambassador of the United States to France

Pierre Everaert
Former Vice-Chairman, Philips Electronics NV

Fouad Filali
Chairman, Omnium Nord-Africain (ONA)

Albert Frère
Chairman, Frère Bourgeois SA

Thierry de Montbrial
Chairman, IFRI (Institut Français des Relations Internationales)

Julian Ogilvie-Thomson
Chairman, Anglo American Corporation and De Beers Consolidated Ltd.

Sergio Romano
Former Ambassador of Italy, political journalist

Maitre Basile Yared
Managing Director, HPI (Holding de Participations et d'Investissements), Hariri Group

Secretary of the Supervisory Board

Pierre-Edouard Noyelle.

Statutory Auditors

Deloitte Touche Tohmatsu-Audit
Ernst & Young Audit.

Executive committee ⁽⁴⁾

André Lévy-Lang

CHAIRMAN



Age 60. Joined the Group in 1974 through Compagnie Bancaire. Chairman of the Board of Management of Paribas. Member of the Boards of Directors of Athéna, Elf,

Schlumberger and Finaxa.

Member since May 30, 1990.

Owner of 25,843 Paribas shares.

Philippe Blavier



Age 52. Joined Paribas in 1981. Head of banking activities since 1996. Member of the Boards of Directors of Banque Paribas Suisse, Paribas North America, Paribas Bank

of Canada, Paribas Futures Inc. and Banque Gabonaise et Française Internationale.

Member since May 12, 1998.

Owner of 260 Paribas shares.

Jean Clamon



Age 45. Joined the Group in 1976. Member of the Board of Management of Paribas. Member of the Boards of Directors of Cobepa, Erbé, Fibelpar, Compagnie Nationale à

Portefeuille and Compagnie Générale Mosane.

Member since February 20, 1997.

Owner of 758 Paribas shares.

Philippe Dulac



Age 55. Joined the Group in 1983. Member of the Board of Management of Paribas. Chairman of Banque Paribas Luxembourg. Member of the Boards of Directors of

Colgate-Palmolive (France) and Esso (France) and of the Supervisory Board of Cetelem.

Member since May 30, 1990.

Owner of 1,147 Paribas shares.

Véronique Guillot-Pelpel



Age 48. Joined the Group in 1983 through Compagnie Bancaire. Director of Human Resources and Communications. Honorary Chairman of Entreprises et Média.

Member since May 12, 1998.

Dominique Hoenn



Age 58. Joined Paribas in 1963. Member of the Board of Management of Paribas. Member of the Boards of Conseil des Marchés Financiers, Sicovam, Société des Bourses Françaises and Finextel.

Member since June 15, 1990.

Owner of 1,084 Paribas shares.

Robert de Metz



Age 47. Joined the Group in 1991. Member of the Board of Management of Paribas. Member of the Boards of Directors of Axa Ré Finance, Cobepa and Paribas International BV.

Member since February 26, 1997.

Owner of 600 Paribas shares.

Bernard Müller



Age 52. Joined the Group in 1971. Member of the Board of Management of Paribas. Chairman of the Supervisory Boards of Cetelem and Banque Cortal. Member of the

Boards of Directors of UFB Locabail, Ségécé and Klépierre, permanent representative of Paribas on the Boards of UCB, Banque Directe and Cardif.

Member since November 25, 1997.

Owner of 2,929 Paribas shares.

Amaury-Daniel de Seze



Age 51. Chairman of Paribas Affaires Industrielles since 1993. Member of the Board of Management of Paribas. Member of the Boards of Directors of Groupe

Bruxelles Lambert, Schneider SA, Sema Group Plc., Atos, La Poste, Clemessy, Ciments Français and IMS.

Member since May 28, 1993.

Owner of 523 Paribas shares.

(4) Membership of the Paribas Executive Committee and Board of Management subject to approval by the Supervisory Board of Paribas. The membership date represents the date as of which the member first joined either the Executive Committee or Board of Management of Compagnie Financière de Paribas or Banque Paribas.