



BNP PARIBAS | The bank for a changing world

BNP Paribas Coming Out Stronger

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Chief Executive Officer

Morgan Stanley Conference, London

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2009 Results

Divisional Highlights

Solvency and Liquidity

2010 Action Plan

Conclusion

2009: Consolidated Group Results

	> 2009	> 2008	> 2007
● Revenues	€40,191mn	€27,376mn	€31,037mn
● Operating expenses	-€23,340mn	-€18,400mn	-€18,764mn
● Gross operating income	€16,851mn	€8,976mn	€12,273mn
● Cost of risk	-€8,369mn	-€5,752mn	-€1,725mn
● Operating income	€8,482mn	€3,224mn	€10,548mn
● Pre-tax income	€9,000mn	€3,924mn	€11,058mn
● Net income attributable to equity holders	€5,832mn	€3,021mn	€7,822mn
● ROE	10.8 %	6.6 %	19.6%

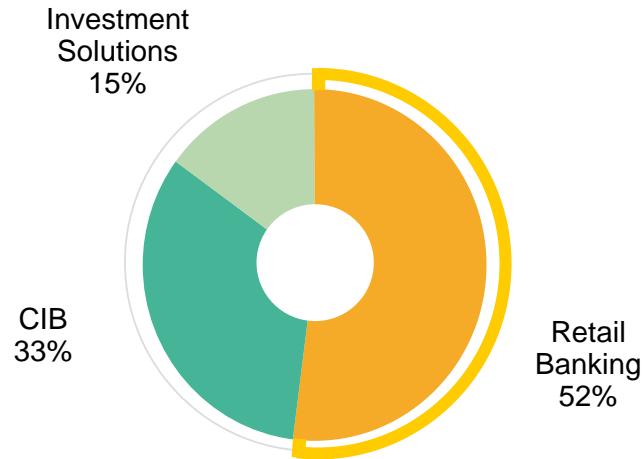
> **Rebound in profit generation**



Group Overview

Business Mix

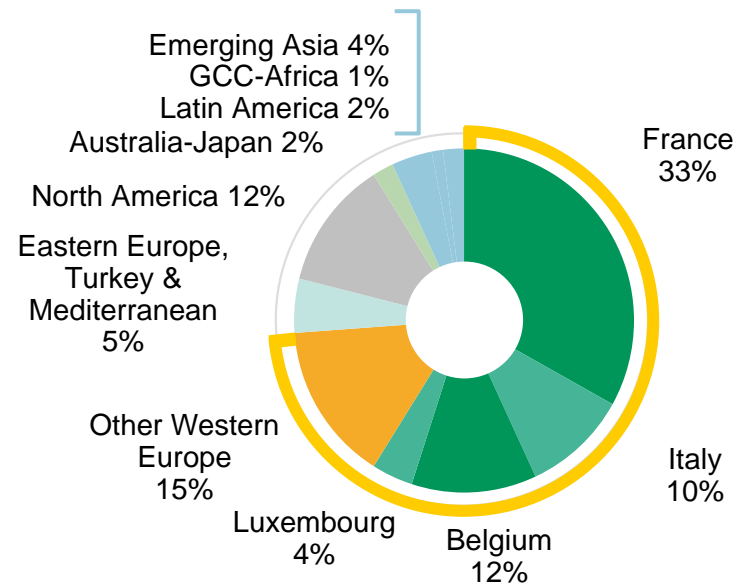
Allocated capital as at 31/12/2009*



1/2 Retail, 1/3 CIB, 1/6 IS

Geographic Mix

2009 revenues*

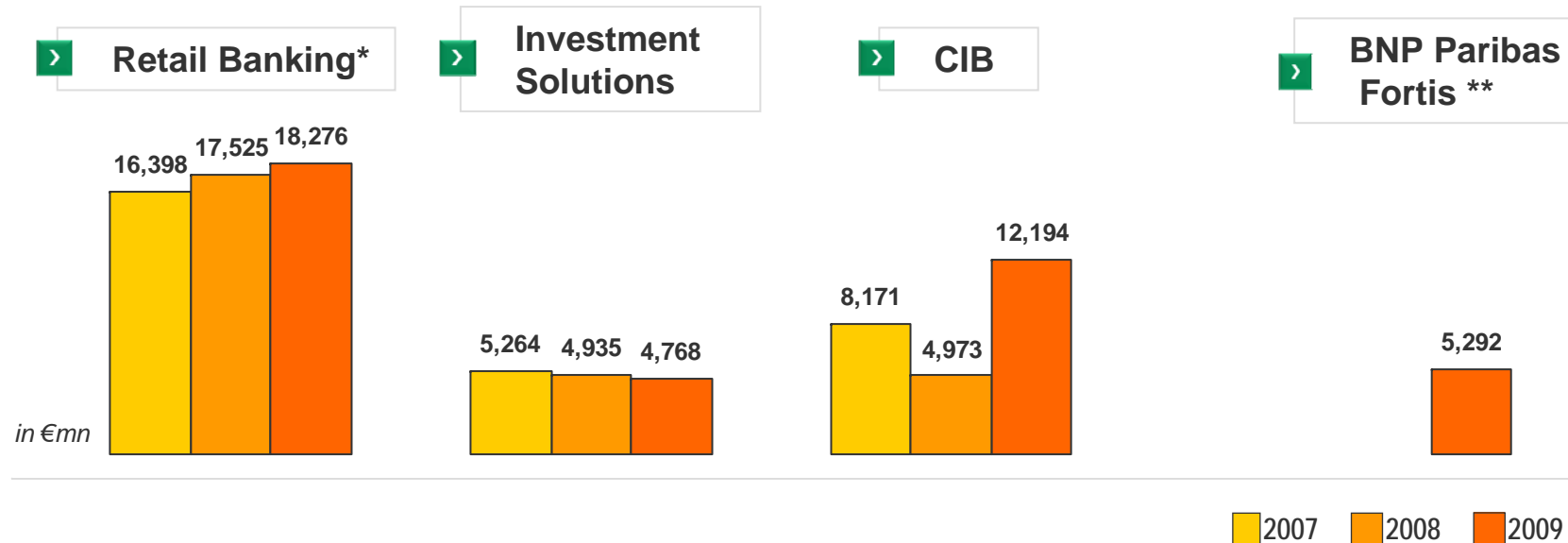


74% Western Europe, o/w 60% domestic markets

* Operating divisions, including Fortis broken down pro forma



Revenues of the Operating Divisions



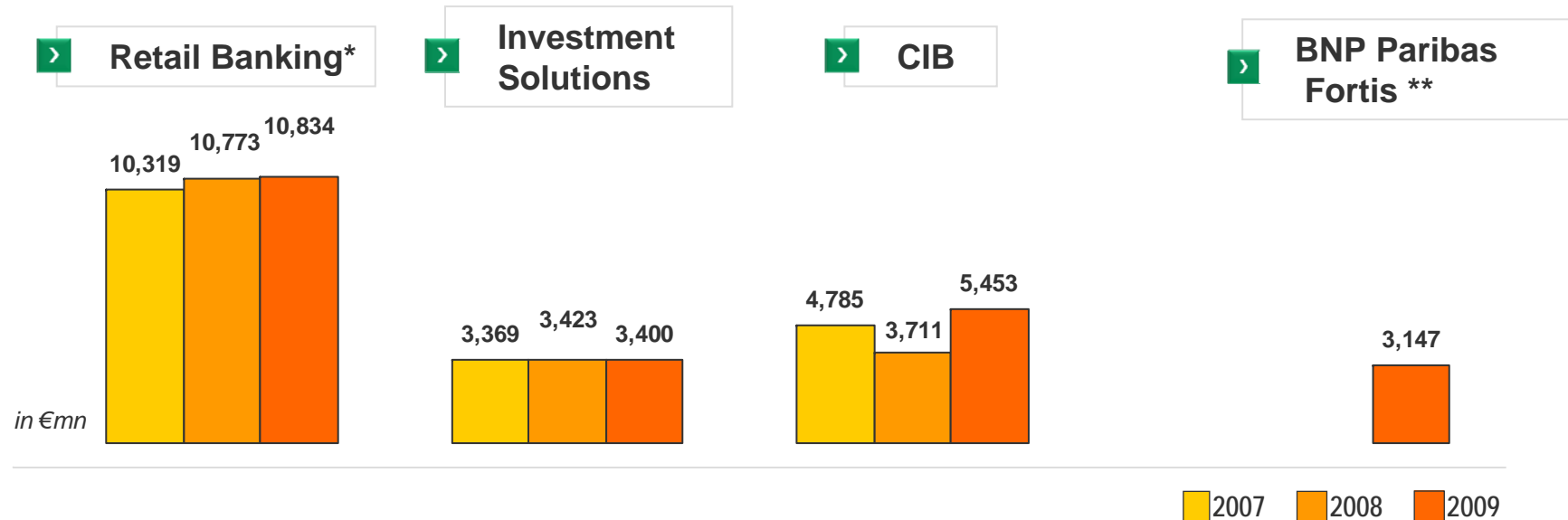
- Retail Banking: very good sales and marketing drive
- Investment Solutions: revenues held up well during the crisis
- CIB: diversified, customer-driven platform; market share gains
- Fortis: first contribution over 7 and a half months

Revenues up sharply during the period

*Including 100% of French Private Banking excluding PEL/CEL effects and including 100% of Italian Private Banking
 ** Since the date it was consolidated: 12 May 2009



Costs of the Operating Divisions



- Retail Banking: strict cost control
- Investment Solutions: costs stabilised thanks to cost-cutting measures across all business units
- CIB: rise in costs very slight in relation to revenues
- Fortis: first effects of the industrial plan

Good cost control in all businesses

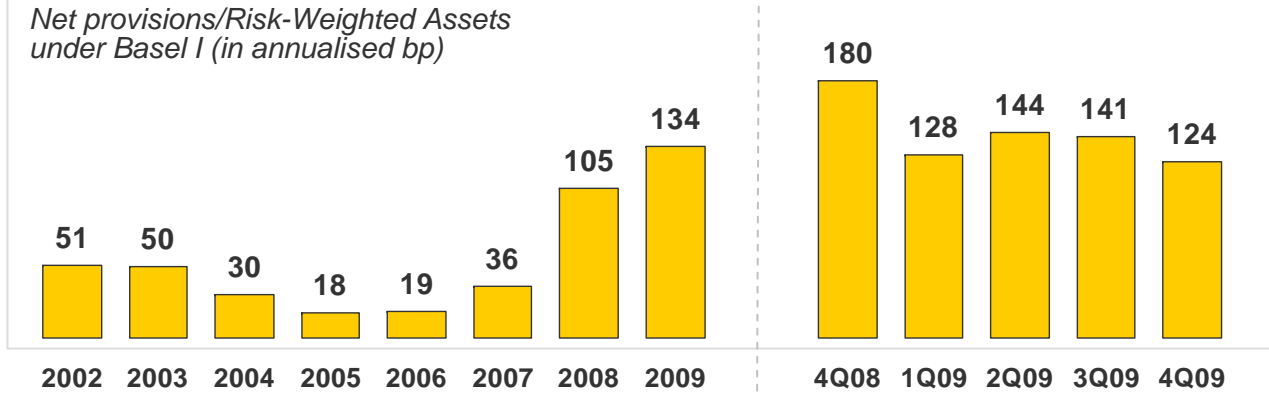
*Including 100% of French Private Banking excluding PEL/CEL effects and including 100% of Italian Private Banking
 **Since the date it was consolidated: 12 May 2009



Group Cost of Risk (excluding BNP Paribas Fortis)

> Cost of Risk

Net provisions/Risk-Weighted Assets under Basel I (in annualised bp)



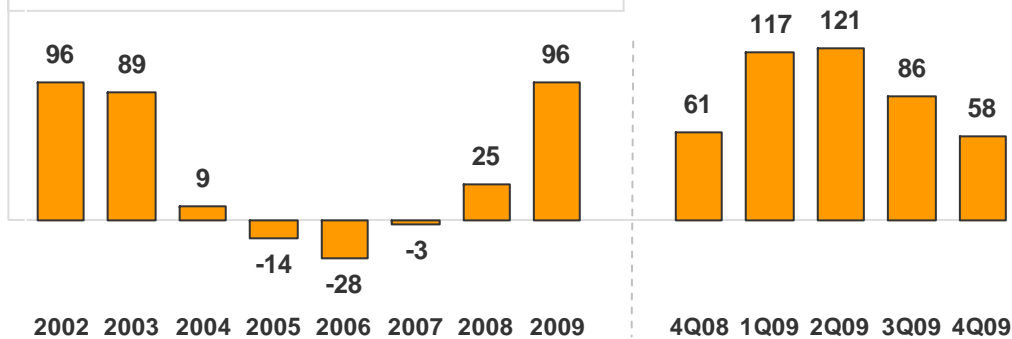
- 2009: rise of €2,617mn/2008
- +34.1%/2008 at constant scope and exchange rates
- 4Q09: decrease of -€402mn/3Q09

> **Decline started at the Group level**



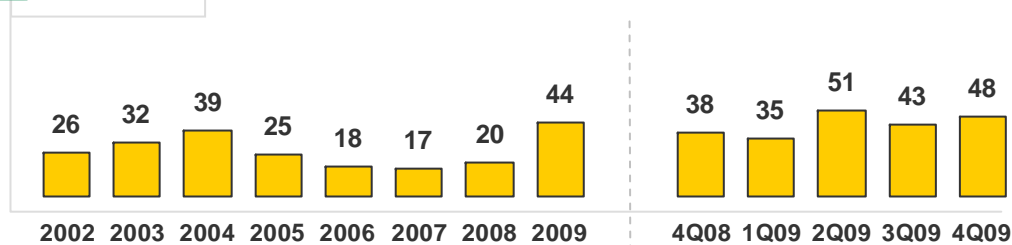
Cost of Risk by Business Unit (1/2)

> CIB–Financing Businesses



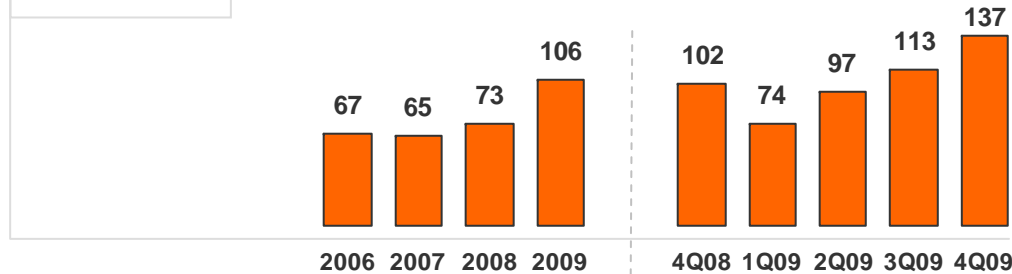
- Cost of risk 4Q09: €190mn
- Limited number of new doubtful loans in 4Q09

> FRB



- Cost of risk 4Q09: €122mn
- Moderate increase
- Rise in the individual customers and entrepreneurs segment
- Decline for corporate clients

> BNL bc

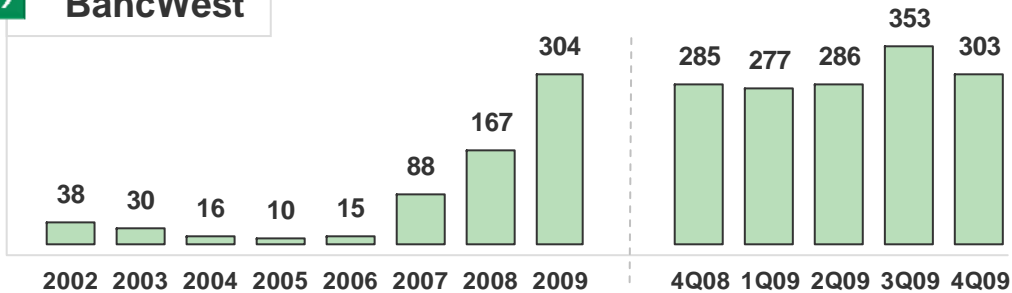


- Cost of risk 4Q09: €205mn
- Rise in all customer segments



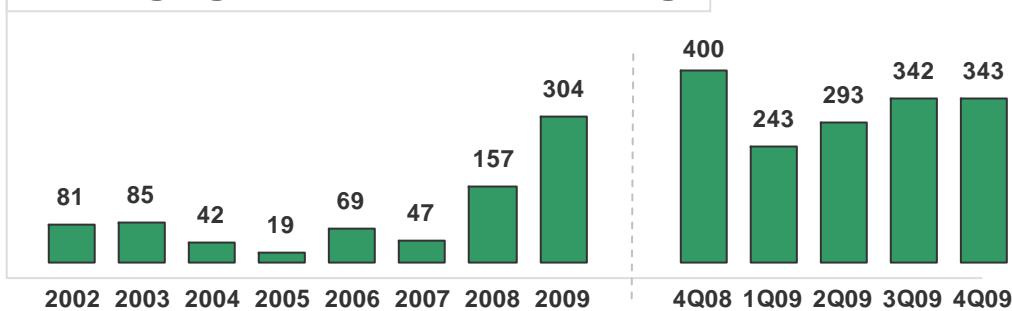
Cost of Risk by Business Unit (2/2)

> BancWest



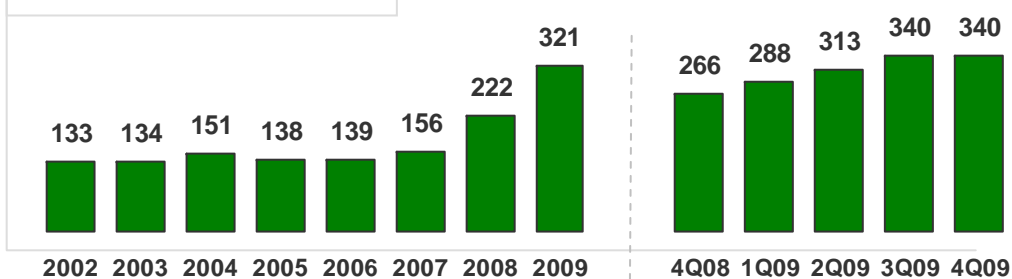
- Cost of risk 4Q09: €275mn
 - Rise in provisions for loans to individual customers but decline on the investment portfolio
 - Peak reached in 2009

> Emerging Markets Retail Banking



- Cost of risk 4Q09: €212mn
 - Of which Ukraine €108mn
- Ukraine
 - Delinquencies stabilised /3Q09
 - Increase in coverage ratio

> Personal Finance

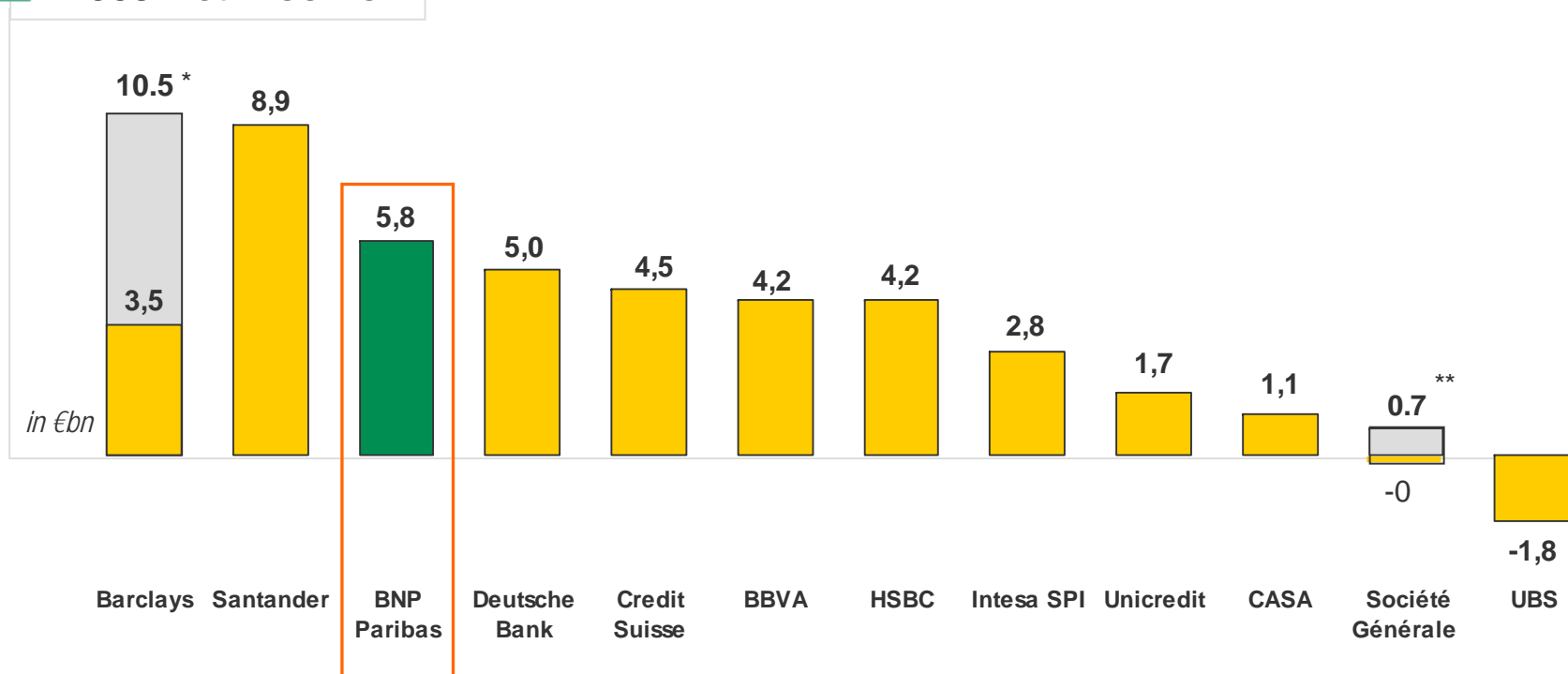


- Cost of risk 4Q09: €519mn
 - +€18mn/3Q09 of which €21mn from the scope effect from the full consolidation of Findomestic
- Stabilised at a high level /3Q09



Net Income Benchmark

> 2009 Net income



> Top 3 net income in Europe

* Gain from the sale of Barclays Global Investors (£6.3bn); ** Gain from the contribution of the asset management business to Amundi (€0.7bn)

Source : bank reports, average 2009 exchange rates





2009 Results

Divisional Highlights

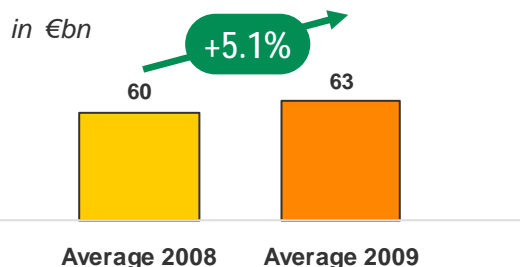
Solvency and Liquidity

2010 Action Plan

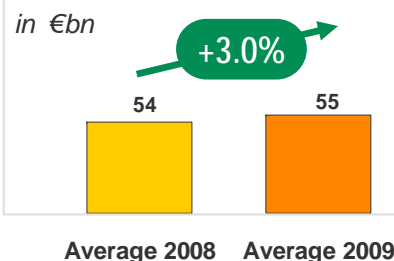
Conclusion

French Retail Banking

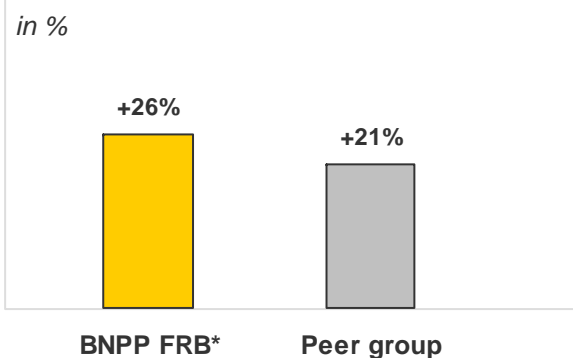
> Individual customer loans



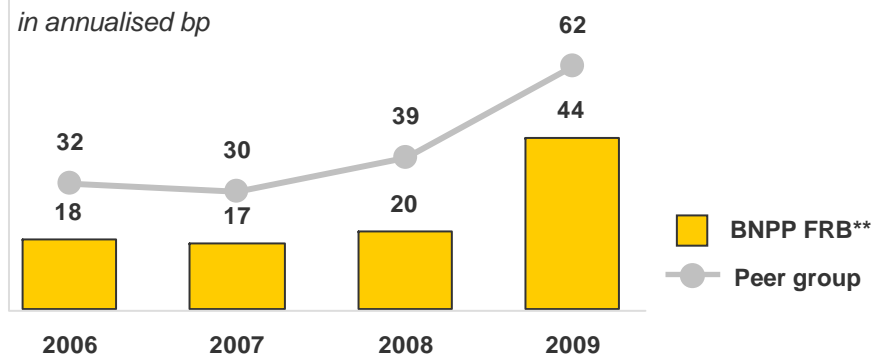
> Corporate loans



> Revenue evolution 2009/2003 vs peers



> Cost of Risk vs peers /Risk-weighted assets under Basel I

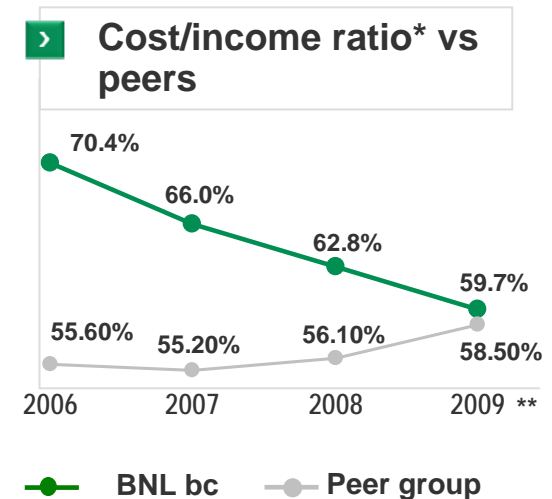
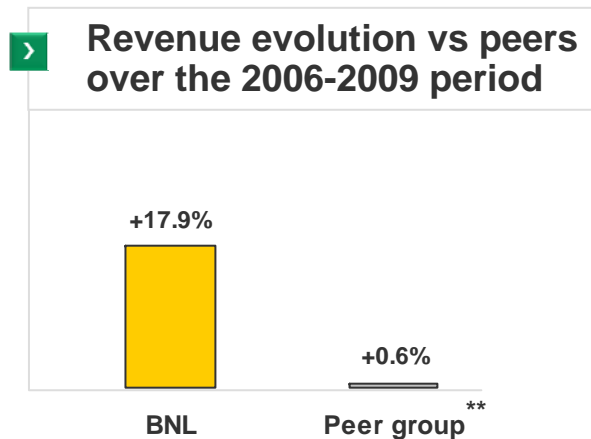
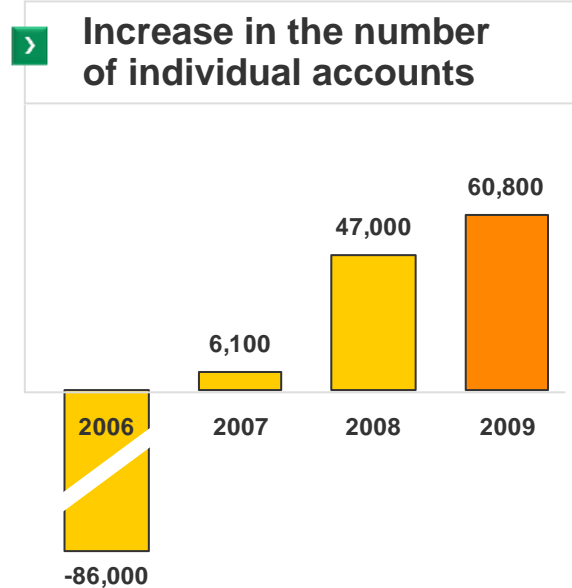


> **Market share gains with lower risk profile,
2010 objective: 1pt positive jaws effect**

* Including 100% of French Private Banking, excluding PEL/CEL, IFRS and Basel II effects; ** including 2/3 of French Private Banking



Italian Retail Banking



- Successful BNL industrial plan: €550mn synergies realised vs €400mn announced at inception
- Strong outperformance vs peers in revenues
- Global efficiency gap closed: cost/income ratio down by 10.7 pts / 2006, despite investments realised, notably in the network.
- 2010 objective: 3pts positive jaws effect

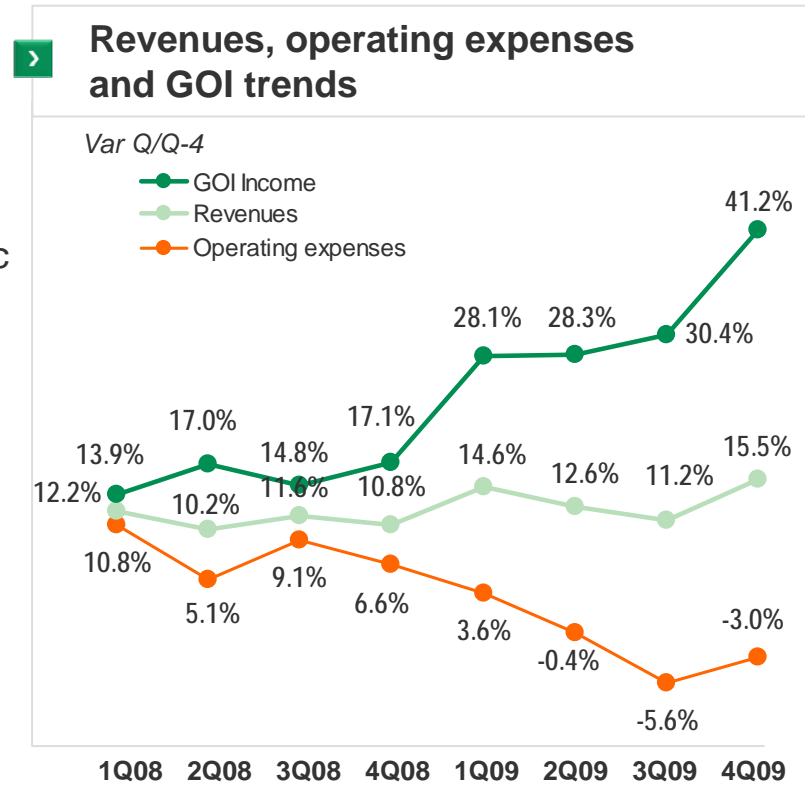
> Successful integration despite adverse market environment

**Including 100% of Italian Private Banking; ** 9M09 for the Peer group since all annual results have not been published yet*



Personal Finance

- Profitable throughout the crisis
 - Reacted strongly to the rise in cost of risk
 - Break-even point brought down
- New projects launched
 - Italy: realise synergies between Findomestic & BNL bc
 - Spain: shift business model to lower risk revenue sources
 - Portugal: become #1 after the take over of LaSer's subsidiary
- Increase synergies with branch banking networks
 - Belgium: leverage new customer base
 - France: enlarge offering to savings and insurance products
 - Germany: Dresdner partnership extension to Commerzbank signed
- 2010 objective: 2pts positive jaws effect



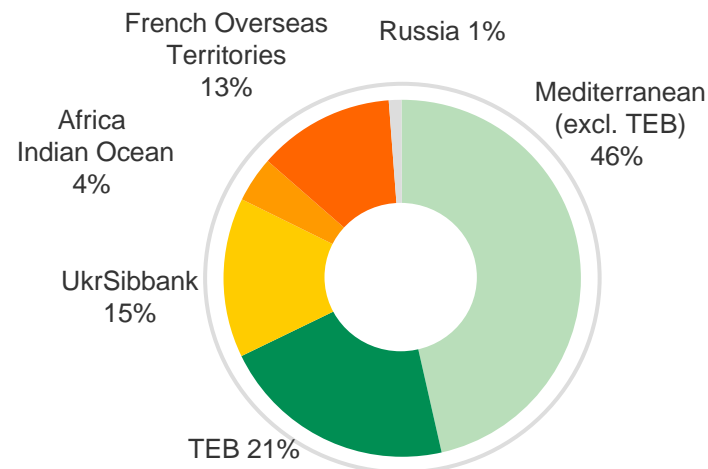
Significantly accelerated gross operating income growth



Emerging Markets Retail Banking

- Improved positions in 2009
 - 5 million customer threshold reached
 - Turkey: upturn in business
 - Mediterranean: continued hiring
- Reinforce plan to optimise the set-up and cut costs
 - Continued restructuring plan in Ukraine
- Cost of risk stabilised in Q4 09/Q3 09
- Refocus on 3 priority regions with high growth potential
 - Mediterranean: continue opening branches and expand commercial synergies with Personal Finance, CIB and IS
 - Turkey: strong potential for Fortis and TEB (roll-out of the commercial platforms)
 - Central and Eastern Europe: business development potential in Poland after the integration of Fortis

> 4Q09 outstanding loans* (€21.9bn)



Major ambitions in fast growing markets



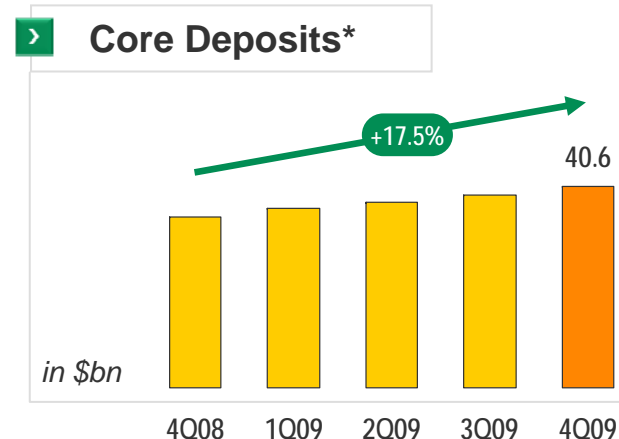
BNP PARIBAS

* Excluding BNP Paribas Fortis

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BancWest

- 2009 commercial drive
 - Core deposits: good growth
 - Loans: weak demand across all segments (outstanding: +2.3%/2008)
 - Impact of falling interest rates on interest margin
- Operating expenses
 - Impacted by increased FDIC assessment (+\$84mn)
 - Benefiting from the first effects of the cost cutting program (\$72mn booked in 2009)
- Drop in the cost of risk in Q4 09/Q3 09
- Targeting to improve effectiveness and reduce costs
 - Step up commercial effectiveness of the network: customer acquisition, cross-selling and modernisation
 - Continued cost-cutting efforts: savings plan increased to \$130mn (full year effect starting in 2010)
 - Cost of risk: less impairment charges from the investment portfolio

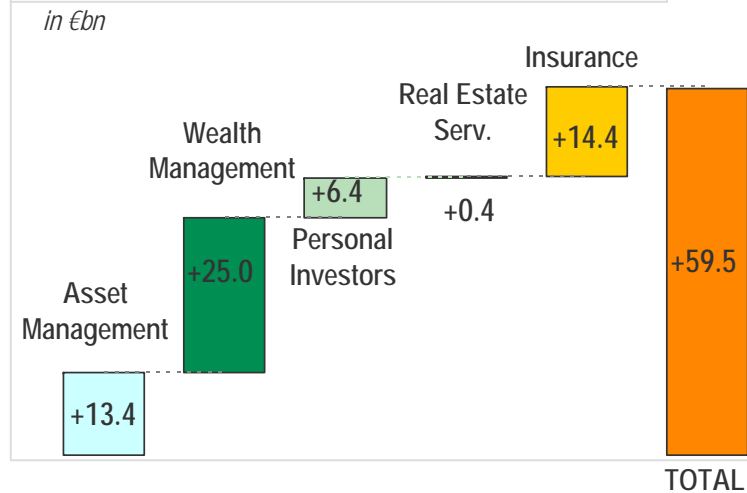


> **2010 objective: return to profits**



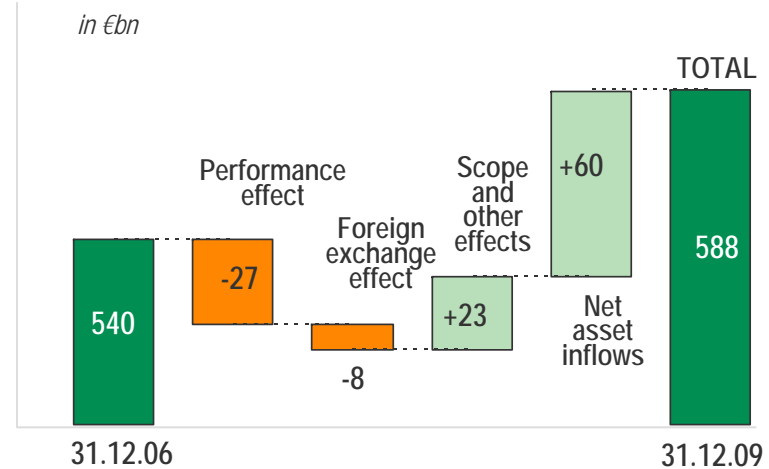
Investment Solutions (1/2)

> Net asset inflows 2007-2009



- Very strong inflows throughout the crisis
 - +€60bn in 3 years
 - Positive across all business units

> Assets under management change since 31.12.06



- Assets under management: €588bn as at 31.12.09
 - +€48bn in 3 years
 - Greater than at the end of 2007

> Enhanced brand attractiveness



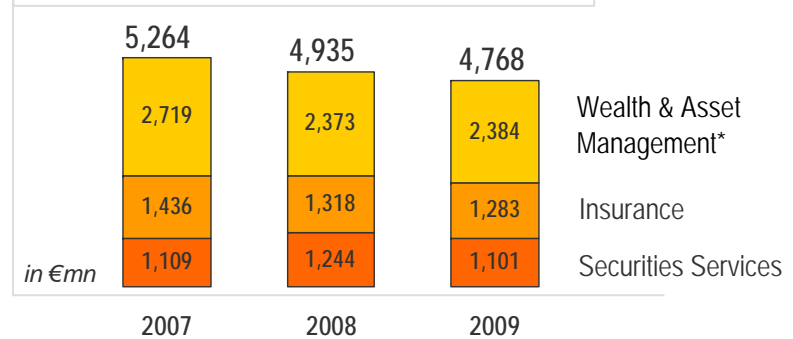
Investment Solutions (2/2)

- Resilient business model
 - Integrated businesses that cover the entire range of investment services (asset gathering, asset management, asset protection and asset administration)
 - Large access to clients through complementary distribution channels
 - Individuals represent 62% of AuM

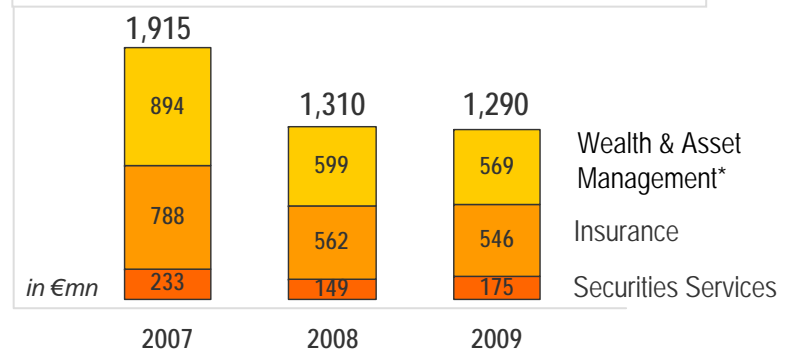
- Recognised expertise in all business areas
 - #1 for Private Banking in Eurozone
 - #1 for Securities Services in Europe
 - #1 for Corporate Real Estate Services in Continental Europe
 - #5 Asset Manager in Europe

- All businesses are core

Revenues per business unit



Pre-tax income per business unit



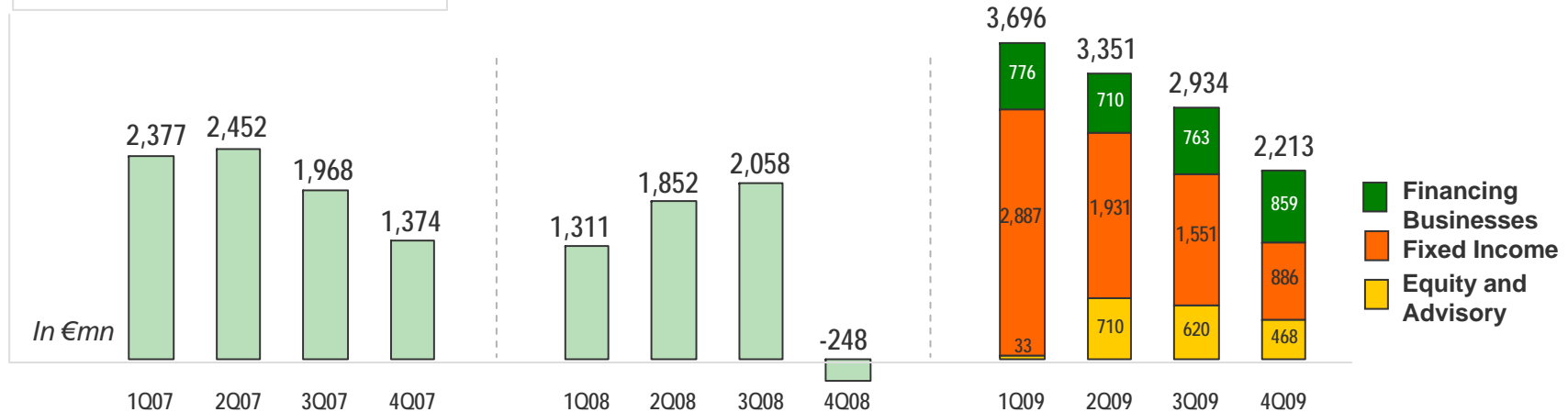
Strong resilience in the crisis

*Asset Management, Private Banking, Personal Investors, Real Estate Services



Corporate and Investment Banking (1/2)

> Revenues 2007-2009



- Record business in 2009
 - Capital markets: market share gains, significant volume of securities issues (corporate bonds, capital increases, convertible bonds, etc.) and widening of the bid-offer spreads
 - Financing Businesses: strong platform with steady contribution to revenues
 - Reduction in market risks and risk-weighted assets

> **Well diversified business mix,
more resilient in the crisis, stronger after the crisis**



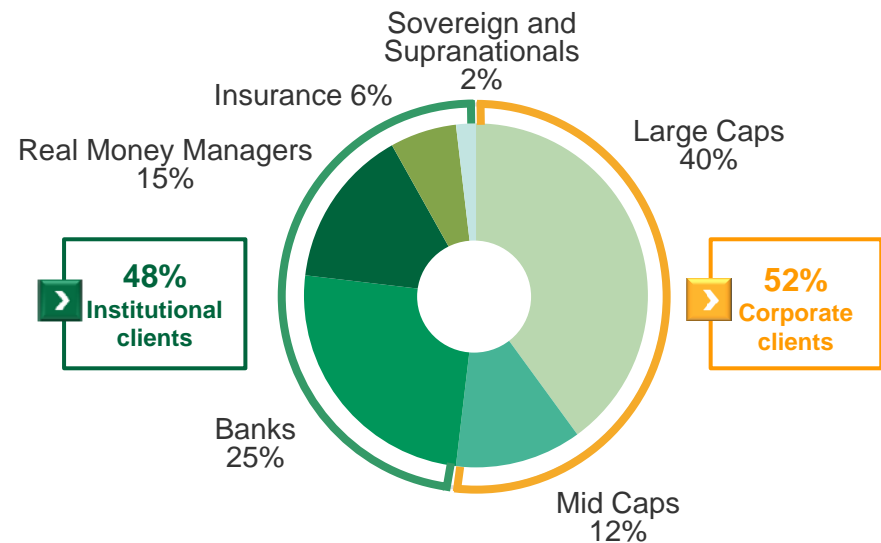
Corporate and Investment Banking (2/2)

- Client centric business model
 - Business model adapted to client demand

- Limited reclassified assets (from the trading book to the banking book)
 - €6.9bn as at 31.12.09
 - Flat shadow P&L*

- All variable compensation components booked in 2009
 - Including exceptional taxes in France and in the UK (paid in 2010)
 - Including the deferred and conditional part (payable in 2011, 2012 and 2013)

> CIB client revenues (2009)



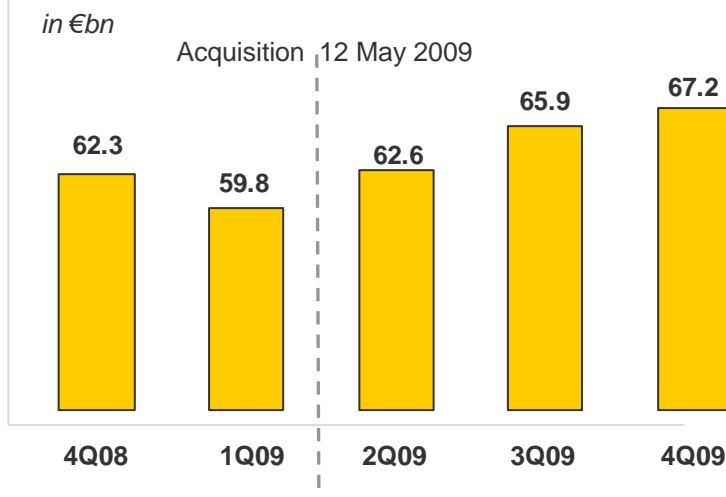
> No overhang on future earnings

* If no reclassification had been implemented, the aggregate pre-tax income since the first reclassification would have been quite similar (€0.5bn lower in 2008 and €0.5bn higher in 2009)

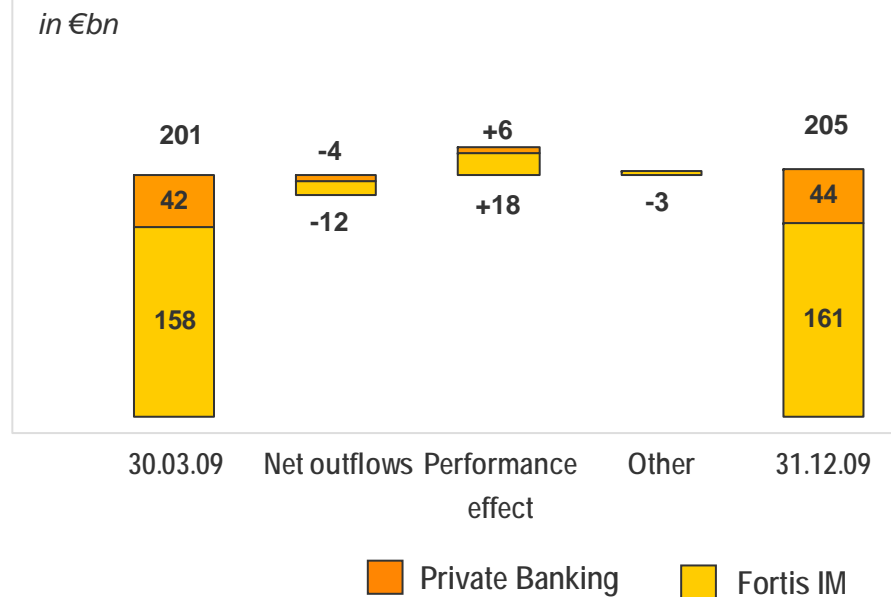


BNP Paribas Fortis

> Belgian Retail Banking Deposits*



> Assets under management



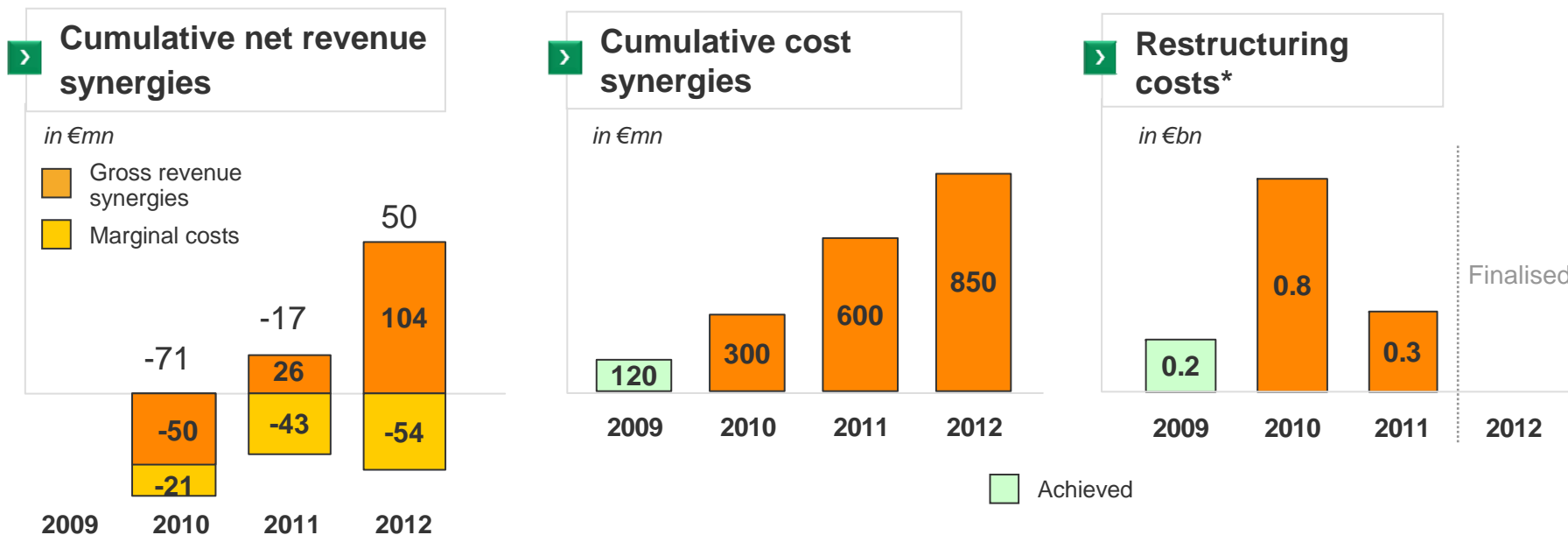
> Continued deposit growth in Belgium since acquisition

> €205bn in assets under management



* Monthly averages

BNP Paribas Fortis Synergies



- €120mn in cost synergies realised in 2009, ahead of the announced schedule (+€10mn), thanks to the introduction of the Group's procurement policy and immediate efficiency gains

> €900mn total synergies expected by 2012





2009 Results

Divisional Highlights

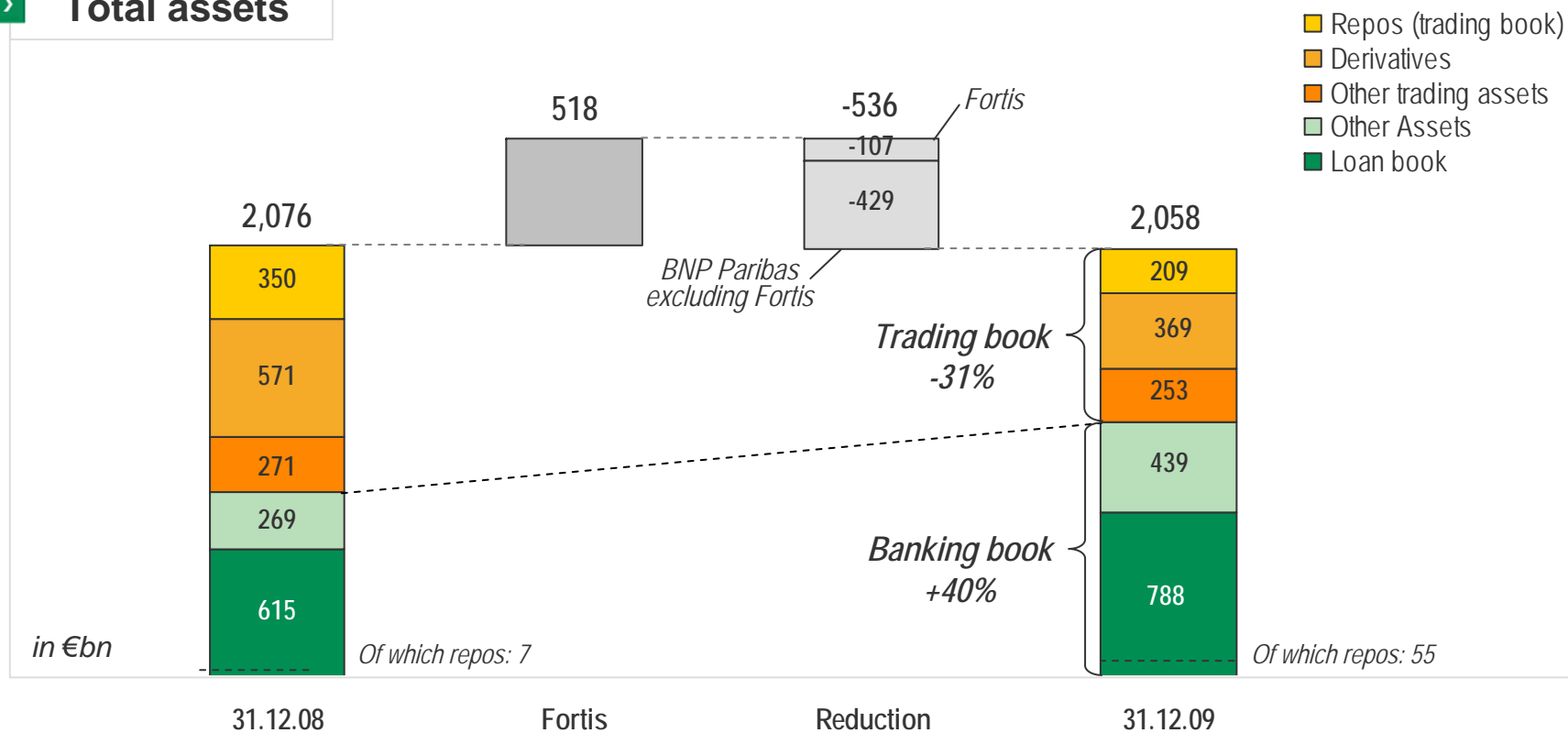
Solvency and Liquidity

2010 Action Plan

Conclusion

Balance Sheet

> Total assets

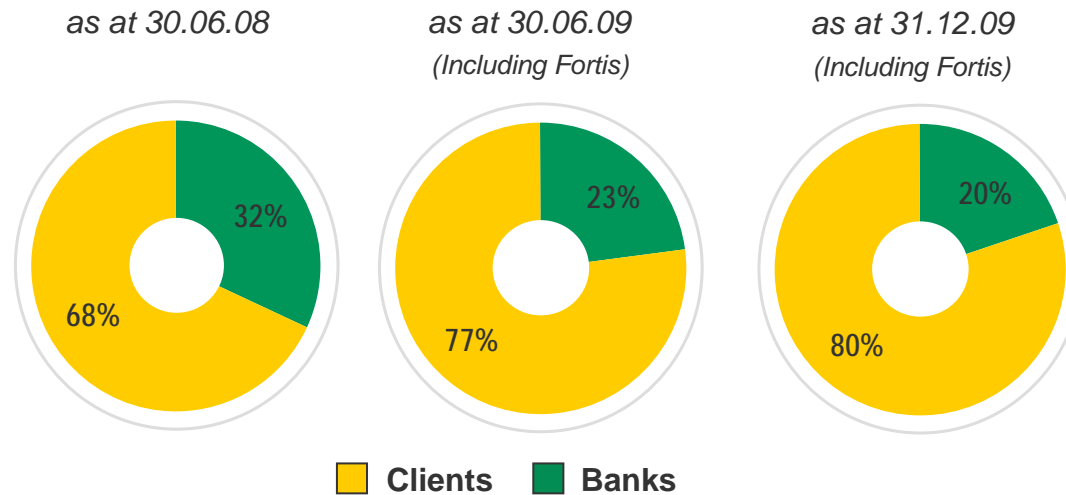


> **Balance sheet total back to end of 2008 level including the BNP Paribas Fortis integration**



Liquidity (1/2)

Short term funding



- Short term funding
 - BNP Paribas: the Eurozone's number 1 bank in terms of deposits
 - A constant diversification strategy

Limited reliance on interbank money market

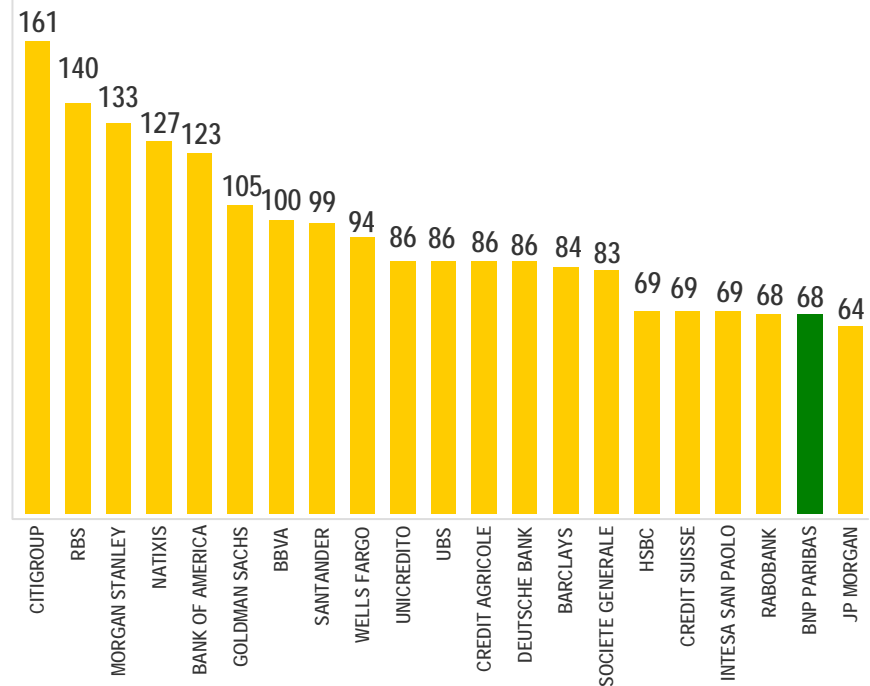


Liquidity (2/2)

- Proactive liquidity management
 - Centralised at Group level
 - Model testing the Group's ability to withstand a liquidity crisis
 - Portfolio of securities eligible with central banks: €190bn
- Loan/deposit ratio: 112% as at 31.12.09
 - Vs. 128% as at 31.12.07
- Very competitive refinancing cost
 - One of the lowest CDSs in the peer group
- 2010 MLT issue programme down /2009
 - €38bn issued in 2009
 - €10bn already raised in 2010

> 5-year senior CDS spreads

in bp as at 16 March 2010



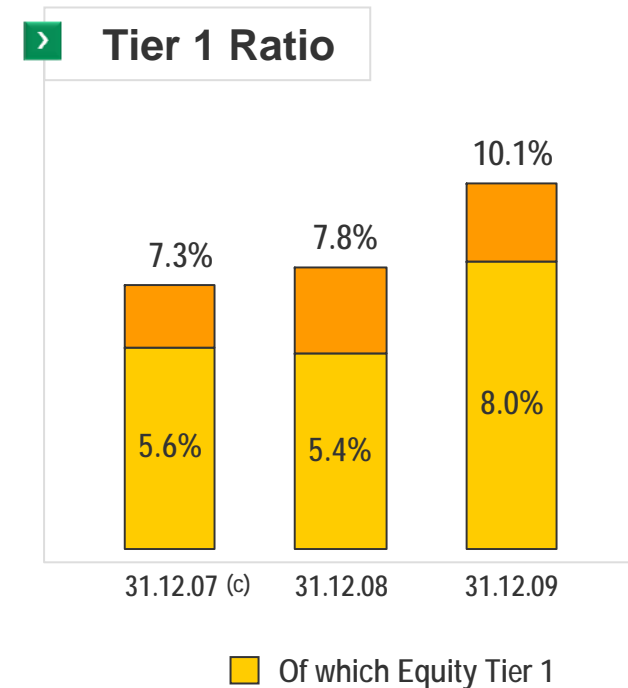
Source : **Bloomberg**

> **Favourable liquidity situation**



Solvency

- Tier 1 Ratio: 10.1% as at 31.12.09 (+230bp/31.12.08)
- Equity Tier 1 ratio : 8.0% as at 31.12.09 (+260 bp/31.12.08)
 - Organic equity generation in 2009: +85bp
 - Variation in risk-weighted assets 2009: +75bp
 - Capital increase^(b) including dividends paid in shares: +100bp
- Adequate level of solvency confirmed during the crisis
 - No losses in 2007 nor in 2008...
 - ... thanks to BNP Paribas' risk profile
 - Equity Tier 1 Ratio reinforced by one-half in 2009



**Powerful capacity to generate equity,
continued optimal management of risk-weighted assets**

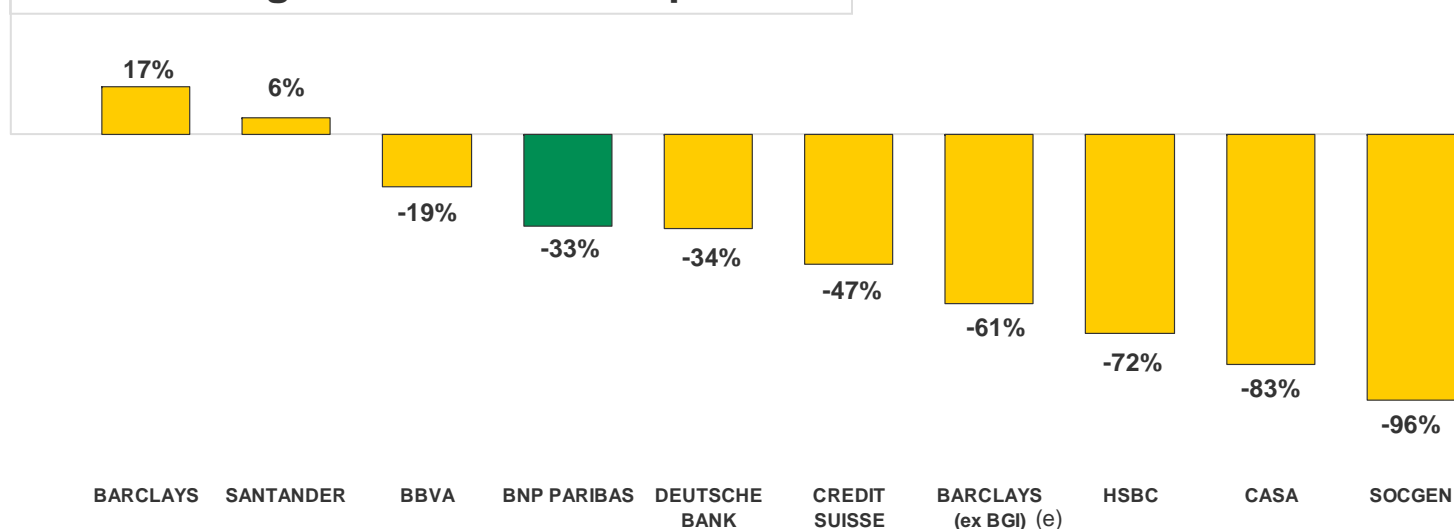
^(a) Proforma redemption of preferred shares and capital increase,

^(b) including the dividend paid in shares and the capital increase open only to employees, ^(c) Basel 1



Earnings Per Share

> EPS change in the 2006-2009 period

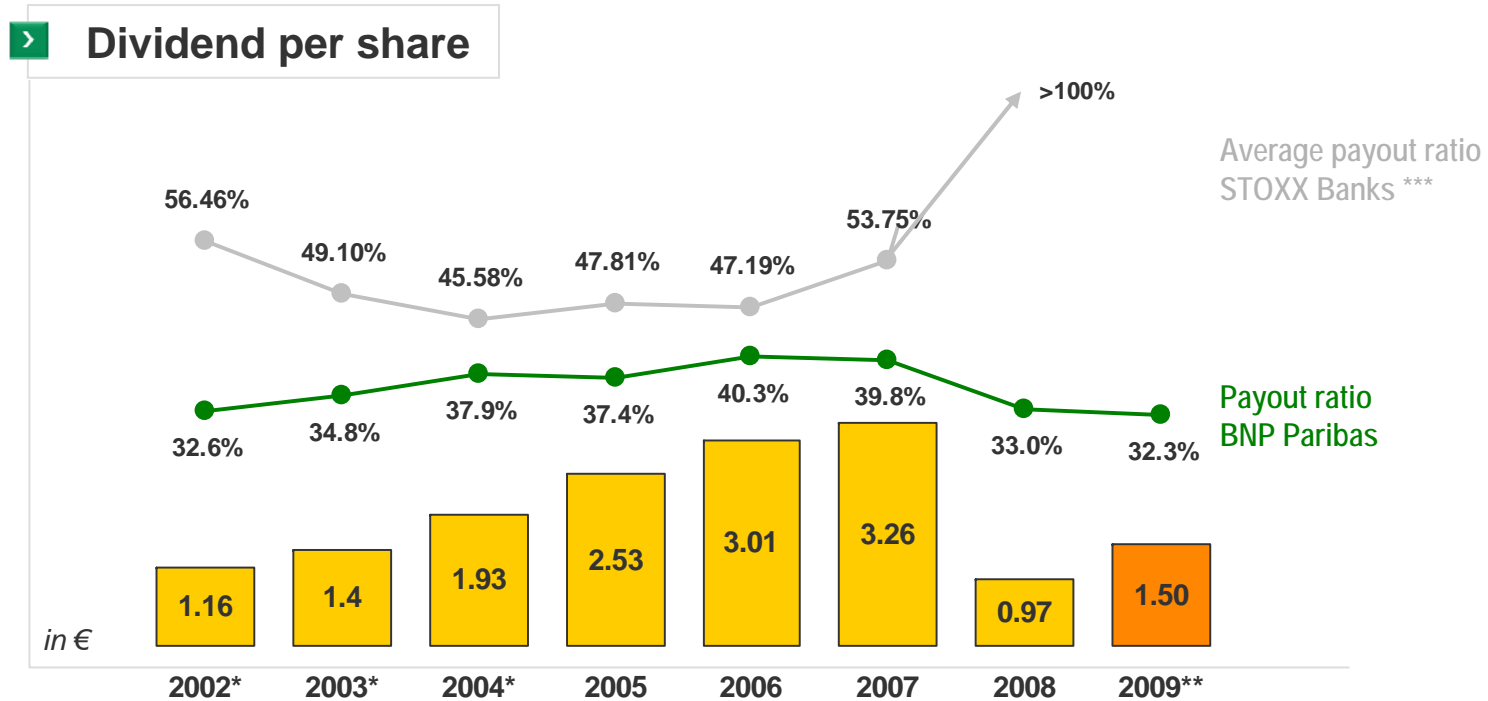


- Limited contraction during the crisis: -33% 2009/2006
- Sharp rise in 2009: +74%/2008
 - Net income group share +93% in 2009/2008
 - Capital increase resulted in limited dilution

> Capacity to create value throughout the cycle



Dividend



The dividends per share for financial years 2002 to 2008 were adjusted to factor in the capital increases with maintained preferential subscription rights, carried out in 2006 and 2009

A responsible dividend distribution policy throughout the cycle

* French accounting standards; ** Subject to shareholder approval, payable in cash or shares; *** source: FACTSET





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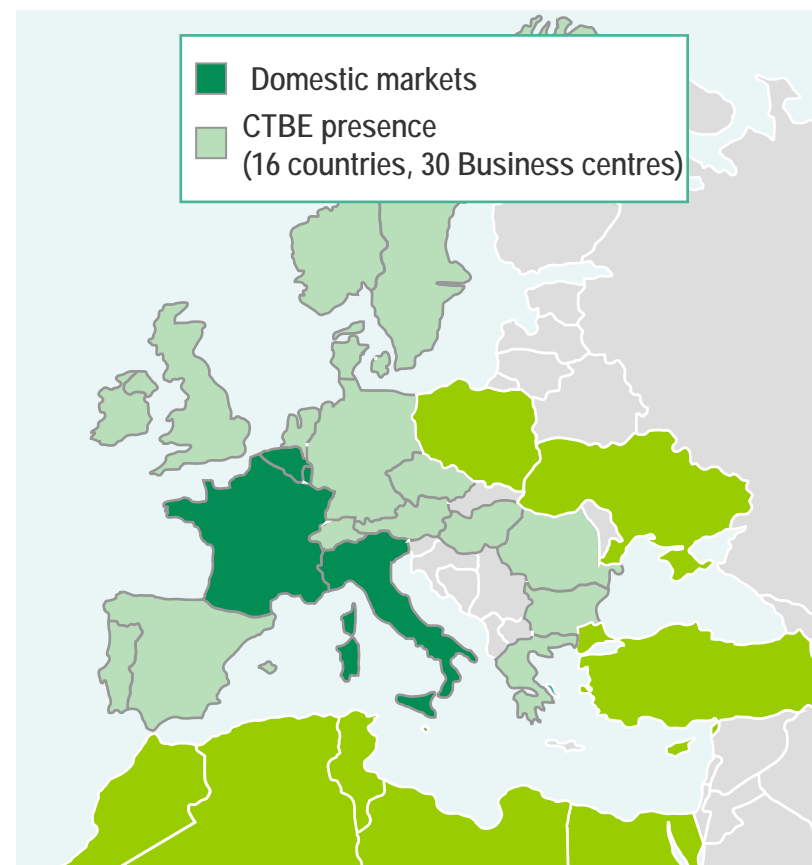
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Europe

- 4 domestic markets
 - Fully roll out the diversified and integrated business model with cross-selling
 - Share platforms
- Heighten presence in the other countries
 - CIB: bolster leading positions and increase market share
 - Corporate and Transaction Banking Europe (CTBE)*: a new integrated and expanded offering for corporates
 - Investment Solutions: successfully complete the integration of Fortis and BGL's business units

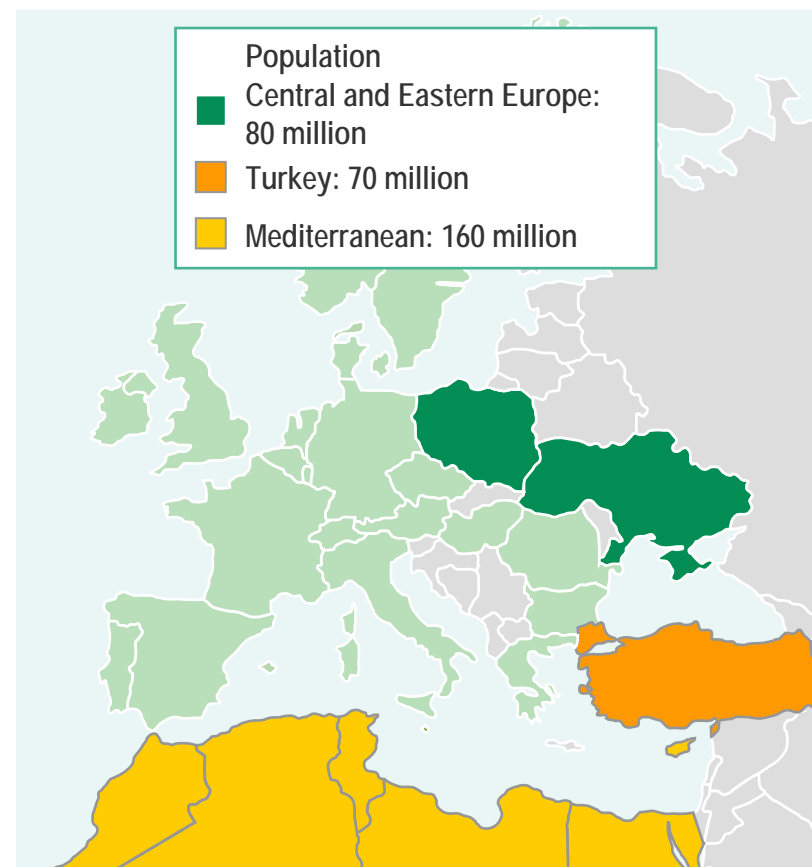


> Roll out the integrated model within the new scope



Europe Mediterranean

- Roll out the Retail Banking model
 - Adapted to local conditions
 - Share platforms
- Expand cross-selling of Personal Finance and Investment Solutions products to individual customers
- Expand the offering to corporate clients
 - Cross-sell with CIB and Investment Solutions
 - International desks for transactions with domestic markets
 - Trade centres

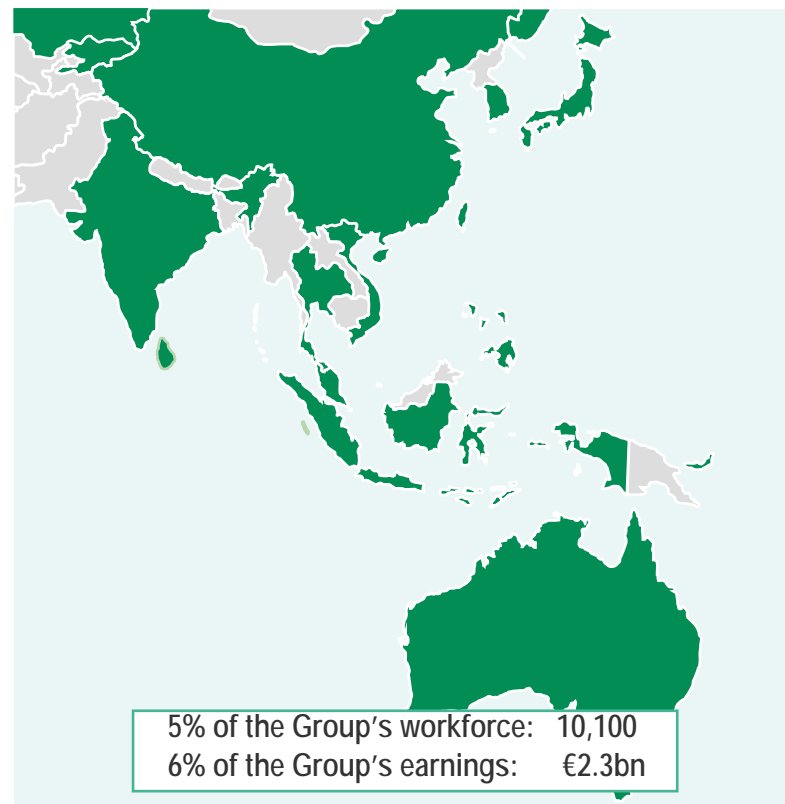


New ambitions in growing markets



Asia

- CIB: strengthen long established and strong positions
 - 3 regional hubs: Hong Kong, Singapore, Tokyo
 - Leading positions in derivatives, energy and commodity financing, project and export finance
- Investment Solutions: become a major player
 - Asset Management: create a top tier player in Asia Pacific
 - Private Banking: become one of the premier players on financial centres (Hong Kong, Singapore, etc.)
- Joint business development between IS and CIB
 - Target institutional clients and expand product range



**Rely on established hubs to seize opportunities
in a fast growth region**





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Conclusion

-  **Resilience of the business model demonstrated during the 3 years of the crisis**
-  **One of the few players in Europe having been able to expand its domestic market**
-  **Solvency already reinforced, profit generation capacity available for organic growth**



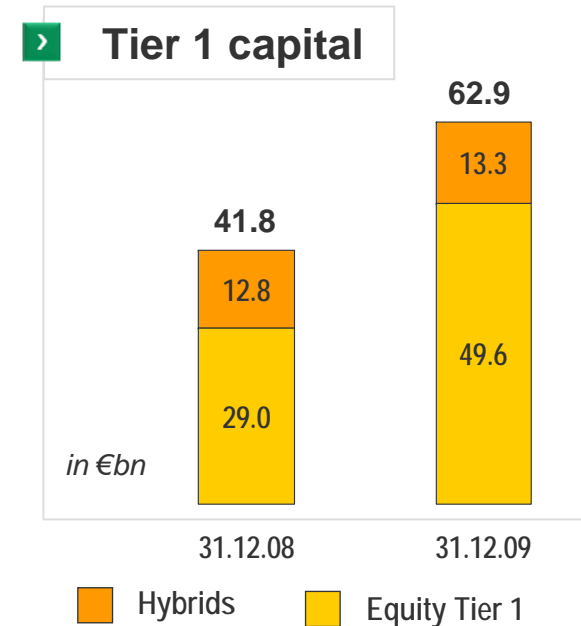


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Appendices

Tier 1 Capital

- Equity Tier 1: €49.6bn, +€20.6bn/31.12.08
 - Organic equity generation: €4.6bn after distribution
 - Capital increase*: +€5.2bn
 - Effect of the Fortis deal: +€10.8bn



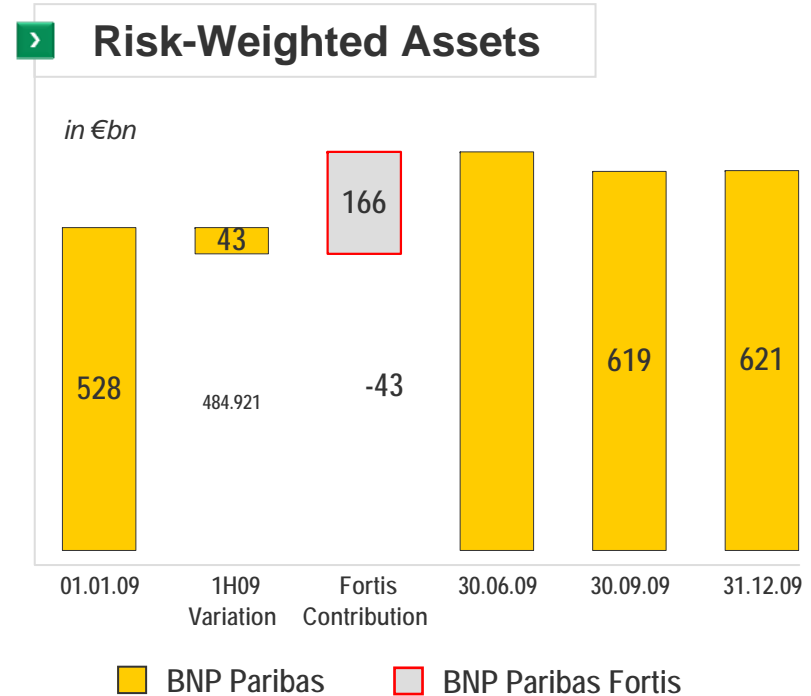
> Powerful capacity to generate equity organically

* Having made it possible to reimburse the government, and broken down into €4.2bn in capital increases with preferential subscription rights, €0.7bn in dividends paid in shares and €0.3bn in capital increases open only to employees



Risk-Weighted Assets (Basel 2)

- €166bn contribution with Fortis acquisition
- €73bn reduction achieved in 2009
 - Of which Retail Banking: +€4bn
 - Of which CIB: -€48bn
 - Of which BNP Paribas Fortis: -€20bn (primarily Merchant Banking)
- Increase by +€2bn in 4Q09
 - Of which Findomestic: +€4bn
 - Of which forex effect: +€4bn
 - Of which Fortis: -€7bn (primarily Merchant Banking)
















> Continued optimal management of risk-weighted assets



Earnings Per Share

> 2009-2006 % change

	LOCAL CURRENCY				% change
	2006	2007	2008	2009	2009/2006
 Barclays (incl. BGI)	0,70	0,67	0,58	0,82	17%
 Santander	0,98	1,18	1,21	1,04	6%
 BBVA	1,39	1,70	1,35	1,12	-19%
 BNPP	7,80	8,30	2,99	5,20	-33%
 Deutsche Bank	11,48	13,05	-7,61	7,59	-34%
 Intesa SanPaolo	0,37 (*)	0,57 (*)	0,20 (*)	0,22 (e)	-41%
 Credit Suisse	9,63	6,78	-8,01	5,14	-47%
 Barclays (excl. BGI)	0,70	0,67	0,58	0,27 (e)	-61%
 HSBC	1,21	1,42	0,41	0,34	-72%
 Unicredit	0,53 (*)	0,53 (*)	0,26	0,10	-81%
 Crédit Agricole SA	3,00	2,31	0,51	0,5	-83%
 Société Générale	10,94	1,75	3,20	0,45	-96%
 UBS	4,64	-2,41	-7,63	-0,75	-116%

Source: Banks reports

(*) Historical figure



BNP PARIBAS