

Paris/Brussels, 1 December 2009

## Press Release: BNP Paribas Fortis Industrial Plan

- 900 million euros annual synergies forecast by 2012
- A major operation:
  - Retail Banking: two new wealthy domestic markets, Belgium and Luxembourg, and two markets with strong growth potential, Turkey and Poland
  - Investment Solutions: Eurozone number one in Private Banking and European number five in Asset Management, benefits for Securities Services and Insurance businesses
  - Corporate & Investment Banking: Larger corporate client base and stronger European platform
  - Resulting in the number one banking group in the Eurozone by deposit base
- A value enhancing industrial project
  - Earnings accretive as early as 2010 before restructuring costs
  - Tangible book value per share accretion of €2.2 per share as at 30.09.09 (1)
  - Return on invested equity >20% by 2012
- The best solution for all stakeholders and one that positions the combined Group for growth and value creation in the new environment

### *Integration Proceeding Well*

On 12 May 2009 BNP Paribas became the majority shareholder of BNP Paribas Fortis (ex-Fortis Bank Belgium) and BGL BNP Paribas (ex-Fortis Bank Luxembourg) and BNP Paribas Fortis acquired a 25% stake in AG Insurance (ex-Fortis Insurance Belgium). Since that date, employees of the new group have been working hard together towards the creation of a Eurozone financial services leader that serves nearly 20 million clients. BNP Paribas has established successful joint working groups, new governance procedures and re-branded significant parts of the business, measures that have instilled renewed confidence in and improved performance across BNP Paribas Fortis' businesses.

The integration project is proceeding well. BNP Paribas Fortis businesses have stabilised assets flows and even gained inflows in retail banking. They have contributed 538 million euros to Group profits from 12.05.09 to 30.09.09. They have also significantly improved their risk profile by reducing RWA assets in corporate and investment banking over the same period.

### *Synergies Raised to 900 million euros*

Synergies are expected to reach an annual amount of 900 million euros by 2012, of which 850 million euros in cost synergies that are driven through Organisational, IT, Facility and Procurement and Human Resources measures. Staff reduction will be mainly the result of natural attrition and voluntary departures.

(1) proforma of rights issue and repayment of non voting shares

Broken down by business area:

- Retail Banking (including Belgium, Luxembourg, France, Italy and International Retail Operations) to contribute 252 million euros, predominantly through cost synergies made possible by optimising networks and making best use of technology, such as CRM and card processing.

Of which in Belgium:

Retail and Private Banking to contribute 93 million euros, through a balance of cost and revenue synergies made possible by freeing up employees to drive sales and by leveraging BNP Paribas' CRM platform and Private Banking model.

Corporate and Public Banking to contribute 31 million euros, predominantly through revenue synergies made possible by maximising cross-selling opportunities and increasing proximity to clients.

- Investment Solutions: 131 million euros predominantly through cost synergies and combining investment expertise.
- Corporate and Investment Banking: 368 million euros through cost synergies made possible by the integration of Fortis' Merchant Banking businesses into BNP Paribas' global Corporate and Investment Banking platform.
- In addition, Group central functions will contribute 149 million euros cost synergies.

These synergies will incur estimated restructuring costs of 1.3 billion euros booked over 2009 - 2011 inclusive (200 million euros in 2009, 800 million euros in 2010 and 300 million euros in 2011). The integration of the businesses is a value enhancing industrial project: it is expected to be earnings accretive as early as 2010 before restructuring costs, and by 8.5% in 2012, the year when full synergies are expected. Return on invested equity is expected to be in excess of 20% by 2012.

Risk Weighted Assets savings due to Fortis integration should reach 42 billion euros, of which 30 billion euros in Corporate and Investment Banking by 2012 (15 billion euros already achieved), and 12 billion euros from structured assets portfolio attrition over time.

Total balance sheet size of BNP Paribas Group, increased by Fortis acquisition, has been brought down since the beginning of the year. It reached a total of 2,289 billion euros, Fortis included, as at June 30<sup>th</sup>, with a roughly even split between trading and banking books. Adjusted for collateralized repos and derivatives netting, it would be lowered to 1,556 billion euros.

### ***Reinforcing BNP Paribas Position in Europe***

With the addition of 3.9 million new clients in two domestic markets, Belgium and Luxembourg, the Group will have 14 million retail network customers in Europe, with an average market share of 10 % in its 4 domestic markets. By optimising production and distribution mechanisms and leveraging four newly created Competence Centres in Belgium, namely Corporate & Transaction Banking Europe, Global Factoring, Trade Services and Cash Management and one newly created Competence Centre in Luxembourg in funds servicing, BNP Paribas sees potential to further strengthen its franchise in Europe.

Outside the Eurozone, the Group will focus on neighbouring CEE, Turkey and Mediterranean with the addition of two subsidiaries from BNP Paribas Fortis, in Turkey and Poland.

### ***A Strong and Stable Partner for our Clients***

Its diversified business mix puts BNP Paribas in a strong position to become client's core banking partner. For retail and private banking clients BNP Paribas will invest in further improving client satisfaction by facilitating access to products and services and strengthening coverage of existing and target clients.

On the corporate side, BNP Paribas Corporate and Investment Banking will benefit from an enlarged client base. BNP Paribas' global CIB platform will be offering them a wider range of products and services. BNP Paribas will become the market leader in Belgium for Corporate and Investment Banking and benefit from the expertise of Fortis Merchant Banking's specialised business areas, notably in Commodities and Midcaps. Corporate and Transaction Banking Europe will offer a unique pan-European set-up for corporates, with a presence in 16 countries and over 30 Business Centres (especially trade and cash management services). Furthermore, platforms in the US, the UK and Asia will be reinforced by merging activities.

### ***Quantum Leap in Asset Management and Private Banking***

Following the integration of Fortis Investments and former Fortis Wealth Management operations BNP Paribas will boast an Asset Management franchise with 511 billion euros of AuM and a Private Banking operation with 237 billion euros of AUM as at 30.09.09, transforming both businesses.

Asset Management business will benefit from both distribution in its domestic markets and a reinforced institutional client base. Outside of Europe, for example, BNP Paribas is aiming at ranking among top tier pan-Asian asset managers. In Wealth Management it will replicate the internal JV model in Belgium that has proved successful in France and Italy. Moreover, it is now the #1 player in Luxembourg with 10% market share and has reinforced its presence in the Asian financial hubs. BNP Paribas Securities Services business will be the leader in Luxembourg and the European Leader, whilst the Insurance business will pursue its strategic partnership with AG Insurance.

With an even stronger asset gathering platform BNP Paribas aims at continuing to benefit from asset inflows that totalled an annualised 7.2% over the nine first months of 2009.

### ***Conclusion***

Since its creation a decade ago from the merger of Banque Nationale de Paris and Paribas, BNP Paribas has had a consistent track record of value creating mergers, notably its acquisition of BNL where the industrial plan has now been completed and BNP Paribas Group exceeded its stated synergies.

BNP Paribas has outperformed throughout the crisis and is keeping ahead: by combining forces with Fortis, BNP Paribas is not only deepening its European domestic retail presence but also transforming its asset gathering capabilities. Working together, BNP Paribas and BNP Paribas Fortis employees will implement this powerful project which is the best solution for all stakeholders.

The Group is well positioned for growth and value creation in the new environment.

## *More Information*

Presentations by management will start at 10 45 (CET) and will be webcast live with synchronized slides and available at BNP Paribas' Investor Relations site: <http://invest.bnpparibas.com/> . The slides will be available on the site from 10 15 (CET)

## **Press Contacts:**

Antoine Sire	☎ (33) 1 40 14 21 06	<a href="mailto:antoine.sire@bnpparibas.com">antoine.sire@bnpparibas.com</a>
Carine Lauru	☎ (33) 1 42 98 13 36	<a href="mailto:carine.lauru@bnpparibas.com">carine.lauru@bnpparibas.com</a>
Christelle Maldague	☎ (33) 1 42 98 56 48	<a href="mailto:christelle.maldague@bnpparibas.com">christelle.maldague@bnpparibas.com</a>
Ilias Catsaros	☎ (33) 1 43 16 82 04	<a href="mailto:ilias.catsaros@bnpparibas.com">ilias.catsaros@bnpparibas.com</a>
Céline Castex	☎ (33) 1 42 98 15 91	<a href="mailto:celine.castex@bnpparibas.com">celine.castex@bnpparibas.com</a>
Alia Ouabdesselam	☎ (33) 1 40 14 66 28	<a href="mailto:alia.ouabdesselam@bnpparibas.com">alia.ouabdesselam@bnpparibas.com</a>
Isabelle Wolff	☎ (33) 1 57 43 89 26	<a href="mailto:isabelle.wolff@bnpparibas.com">isabelle.wolff@bnpparibas.com</a>
Pascal Henisse	☎ (33) 1 40 14 65 14	<a href="mailto:pascal.henisse@bnpparibas.com">pascal.henisse@bnpparibas.com</a>

## *About BNP Paribas*

BNP Paribas ([www.bnpparibas.com](http://www.bnpparibas.com)) is one of the 6 strongest banks in the world according to Standard & Poor's\*. With a presence in over 80 countries and more than 205,000 employees, 165,200 of which in Europe, BNP Paribas is a global-scale European leader in financial services. It holds key positions in its three activities: Retail banking, Investment Solutions and Corporate & Investment Banking. The Group benefits from its four domestic markets: Belgium, France, Italy and Luxembourg. BNP Paribas also has a significant presence in the United States and strong positions in Asia and the emerging markets.

\* Within its peer group