



RESULTS FOR THE FIRST NINE MONTHS OF 1999

- **Pretax income:** EUR 1,840 million (+ 46%)
- **Net income** excluding discontinued activities and before provision for restructuring costs: EUR 1,172 million (+ 36%)
- **Pretax return on equity (on an annualized basis)** posted by all core businesses equal to, or greater than, 24%, with a particularly strong performance by Corporate & Investment Banking
- **Net earnings per share** excluding discontinued activities and before provision for restructuring costs: EUR 7.6 compared with EUR 5.6 at September 30, 1998 (+ 36%)

(Paris, November 10, 1999)--During the first nine months of 1999, Paribas generated net income (excluding minority interests) of EUR 1,125 million (+ 30%). Net income, excluding minority interests and discontinued activities and before provision for restructuring costs, rose 36% to reach EUR 1,172 million against EUR 859 million for the first nine months of 1998. It is already 17% greater than the net income for the 1998 financial year as a whole.

Income before tax, goodwill amortization and provision for restructuring costs increased by 46% to reach EUR 1,840 million. This strong growth is chiefly the result of the extremely satisfactory performance achieved by Corporate & Investment Banking and the Asset Management & Banking Services core business lines.

The provisions retained by the Corporate & Investment Banking core business have declined substantially because the third quarter of 1998 suffered the impact of the Russian crisis and its indirect repercussions on the markets.

This increase in the Bank's income is the result of continued growth in terms of business activities and the total number of customers during the third quarter of 1999.

Net return on equity, on an annualized basis, is equal to, or greater than, 24% for each core business line. Return on equity after tax, on an annualized basis, stands at 17%.

Paribas' results for the first nine months of 1999 are presented for each of the following core business lines, presented as in previous publications:

- **Retail Financial Services**
- **Asset Management & Banking Services**
- **Corporate & Investment Banking**
- **Proprietary Investments**
- **Real Estate**

The accounts for the period ended September 30, 1999 have been drawn up on the basis of constant accounting policies and subject to a review by the external auditors identical to that completed before the publication of the interim financial statements. The coherence and relevance of the information have been checked with the figures for the period ended September 30, 1998. The review also examined the conformity of the evaluation and presentation policies with the methods used to draw up the interim activity statements and the annual consolidated accounts.

REVENUES AND INCOME

The business activities and income of the third quarter of the year confirmed the growth observed in the first half of 1999. Thus, income before tax, goodwill amortization and the provision for restructuring costs stood at EUR 1,840 million at September 30, 1999, representing growth of 46% compared with the first nine months of 1998. All the business units have seen their revenues increase to reach a total of EUR 5,165 million, equal to growth of 18% compared with the same period last year.

Net return on equity (on an annualized basis) stands at 17% against 13% for the first 9 months of 1998.

The appropriation (net of tax) to the provision for restructuring costs amounts to EUR 56 million. It includes costs related to the SG PARIBAS project (fees paid to investment banks and consultants, advertising expenses, severance pay, etc.) adjusted to include provisions for the BNP- Paribas operation.

Net income, excluding minority interests, of discontinued activities stands at EUR 9 million.

The provision for restructuring costs and income from discontinued activities are excluded from the figures presented in the following charts.

Consolidated net income

<i>In millions of euros</i>	1st 9 months '98	1st 9 months '99	1999/1998
Revenues of core business lines	4,393	5,165	+ 18%
General and administrative expenses	(2,605)	(2,952)	+ 13%
Provisions	(526)	(373)	- 29%
Pretax inc. before goodwill amortization	1,262	1,840	+ 46%
Goodwill amortization	(66)	(61)	
Tax	(246)	(455)	
Minority interests	(91)	(152)	
Net income excl. minority interests and discontinued activities and before provision for restructuring costs	859	1,172	+ 36%

Revenues, pretax income and ROE per core business line excluding goodwill amortization

<i>In millions of euros</i>	Retail Financial Services	Asset Management & Banking Services	Corporate & Investment Banking	Proprietary Investments	Real Estate	Others	Total
Revenues ⁽¹⁾	1,190	899	2,098	645	126	207	5,165
% September 98	+ 5%	+ 18%	+ 39%	- 3%	+ 71%	ns	+ 18%
Pretax income excl. goodwill amort.	325	200	643	624	106	(59)	1,840
% September 98	+ 6%	+ 29%	ns	- 3%	x 2.3	ns	+ 46%
Average allocated equity (EUR bn)	1.7	0.8	3.5	1.8	0.6	2.0	10.4 ⁽²⁾
Pretax ROE (on an annualized basis) excl. goodwill amort.	26%	33%	24%	47%	24%	ns	24%

(1) Including revenues on average allocated equity

(2) This figure represents average shareholders' equity excluding minority interests

1. Retail Financial Services

The Retail Financial Services core business posted pretax income of EUR 325 million, equal to 6% growth compared with the same period last year and a pretax ROE (on an annualized basis) of 26%.

The revenues posted by the business units (+ 6.5% excluding UCB) continued to grow, driven by the increase in the average volume of loans outstanding.

Loans produced outside France now account for 30% of the total.

The 8% increase in expenses, to EUR 708 million, testifies to the rapid international development of the core business. If the cost of international development is excluded, the increase in expenses is limited to 5.5%.

The cost of risk declined by 7% to reach EUR 156 million. This reduction is partly due to Cetelem (- 6%) whose coverage rate on outstandings (net appropriation for the period on average outstandings) declined from 1.7% to 1.5%.

By focusing its development on the international market - which represents one of the Retail Financial Services' key strategic objectives - the core business is working actively to ensure the future growth potential of its results.

2. Asset Management & Banking Services

The pretax income of this core business enjoyed strong growth, reaching EUR 200 million (+ 29%), equal to a pretax return on equity (on an annualized basis) of 33%.

All the business units contributed to the growth in pretax income. It should be noted in particular that Institutional & Private Asset Management achieved 34% growth in income and the Securities Services activity doubled its income to EUR 50 million.

The international development of the business activities (Cardif, for example, has started operations in nine new countries since January 1998) and the search for new partnerships are continuing to ensure future growth potential.

3. Corporate & Investment Banking

The pretax income of this core business stood at EUR 643 million for the first nine months of 1999, compared with a loss of EUR 21 million during the same period last year. Pretax return on equity (on an annualized basis) stands at 24%.

The first 9 months of the year, and the third quarter in particular, were marked by a substantial growth in revenues, increasing by 39% to reach EUR 2,098 million. The specialized activities of the Corporate Banking activity (Media-Telecommunications, Energy, etc.) enjoyed an excellent third quarter.

Expenses remained under control, increasing by 6% to EUR 1,252 million. Overall expenses declined by 1% if variable items, foreign currency translation effects and IT expenses related to the Year 2000 are excluded.

Provisions, down 49% to EUR 84 million, included losses incurred in 1998 on unmarketable portfolios and the specific provisions of Corporate Banking activity related to the financial crisis in emerging markets.

As of the third quarter of 1999, general provisions (EUR 119 million) include an appropriation of USD 90 million to provide for an anticipated downturn in the American economy, currently at the top of its business cycle. This total was calculated using Paribas' internal default rate forecasts for the different economic sectors based on creditors' ratings.

The coverage rates for risks on Asian and Russian outstandings have been maintained at 27% and 100% respectively.

The proportion of capital allocated to the business units declined from 35% at September 30, 1998 to 34% at September 30, 1999.

4. Proprietary Investments

With pretax income of EUR 624 million, Paribas Principal Investments (PAI) confirmed its strong recurrent earning capacity.

Paribas Principal Investments realized substantial capital gains during the period (EUR 530 million), chiefly during the first half of the year. The principal equity disposals were Sema, Poliet and Aegon via Cobepa.

Unrealized capital gains (excluding minority interests) stood at EUR 3.1 billion. Despite the major equity disposals completed in 1999, they remain substantially unchanged from December 31, 1998, and up 18% compared with June 30, 1999.

The equity allocated to the core business amounted to EUR 1.8 billion, representing a decline of EUR 170 million compared with September 30, 1998.

5. Real Estate

The current return on assets has improved: rental income increased by 10% compared with September 30, 1998. The restructuring of Klépierre's office buildings was completed in July 1999 and should allow the core business to enjoy continued improvement in its results.

The disposal of certain assets (excluding Klépierre) continued, representing EUR 21 million for the 3rd quarter of 1999 alone (and EUR 54 million since the beginning of the year).

Klépierre completed new investments in shopping centers in Lombardy (Italy) with its local partners.

The real-estate activities are making a significant contribution to Paribas' overall results, with pretax income of EUR 106 million. The pretax return on equity of the core business line stands at 24% (on an annualized basis) against 10% at September 30, 1998.

Other Activities

The losses posted by other activities amount to EUR 59 million, compared with a profit of EUR 129 million for the first 9 months of 1998. This decrease is due to the sharp decline in income generated by the financial portfolio (no significant capital gains) and to the extraordinary charges carried during the third quarter (provisions for litigation, provisions for severance pay and early retirement not related to current operations).

Internet site: <http://www.paribas.com>

Appendix 1: Consolidated statement of income

(in millions of euros)	1st 9 months 1999	1st 9 months 1998	1998
Interest receivable and similar income	8,258	8,883	11,174
Interest payable and similar charges	(7,198)	(8,374)	(9,970)
Net commissions	892	628	888
Net income from securities transactions and other banking operations	1,730	1,675	1,680
Net income from insurance operations	291	242	365
Other net income	245	232	254
Net gains on sale of long-term shareholdings and properties	816	697	748
Net change in provisions on long-term shareholdings and properties	(85)	(65)	(27)
Share in net income of companies accounted for by the equity method	216	475	554
Total Revenue from Operations	5,165	4,393	5,666
General and administrative expenses	(2,824)	(2,486)	(3,409)
Depreciation of fixed assets	(128)	(119)	(165)
Goodwill amortization	(61)	(66)	(89)
Net income before provisions and tax	2,152	1,722	2,003
Net provisions for loan losses and other risks	(373)	(526)	(561)
Net income before tax	1,779	1,196	1,442
Income tax	(455)	(246)	(301)
Net income	1,324	950	1,141
Minority interests	(152)	(91)	(143)
Net income excluding minority interests and discontinued activities	1,172	859	998
Net income excluding tax and minority interests on discontinued activities	0	(4)	(4)
Capital gains excluding tax on discontinued activities	12	8	8
Minority interests on capital gains on discontinued activities	(3)	0	0
Net income from discontinued activities excluding minority interests	9	4	4
Net income excluding minority interests and before provision for restructuring and integration costs	1,181	863	1,002
Provision for restructuring and integration costs, net of tax	(56)	-	(400)
Net income excluding minority interests	1,125	863	602
Earnings per share (in euros):			
- before provision for restructuring costs	7.66	5.60	6.52
- - after provision for restructuring costs	7.30	5.60	3.92
Weighted average number of shares outstanding during the period	154,162,506	154,108,676	153,795,045

Appendix 2: Revenues and pretax income from the Retail Financial Services core business

Activities

New loans produced by the "Retail Financial Services" core business line amounted to EUR 13.6 billion, representing an increase of 25% compared with the first three quarters of 1998. Growth remained at a high level both in France and on the international market. New loans generated outside France now account for 30% of the total (27% last year).

New loan production (in billions of euros)	30/09/99	Change/ 30/09/99
Financial Services to Businesses (UFB Locabail)	2.00	+ 25%
. Outside France	0.82	+ 56%
Vehicle Fleet Rental (Arval)	0.38	+ 54%
. Outside France	0.18	+ 88%
Consumer Finance (Cetelem Group)	9.03	+ 18%
. Outside France	2.42	+ 32%
Housing and Property Finance (UCB)	2.29	+ 57%
. Outside France	0.73	+ 51%
Total new loan production ⁽¹⁾	13.63	+ 25%
. Outside France	4.15	+ 41%

(1) after elimination of the double counting of new loans produced by one company in the core business line but managed by another (UCB/Cetelem)

In France, all the companies enjoyed substantial growth, in particular thanks to the development of partnerships.

UFB Locabail's business activities in France grew by 10% compared with September 30, 1998. New loans generated by partnerships rose by 43% thanks, in particular, to the partnership with JCB (public works equipment) which increased by 71%, and to increased business generated by new agreements (Case, Same Deutz Fahr, CLF, Claas).

The activities of the Cetelem Group in France during the first three quarters of the year increased by 13%. This growth was driven by the company's own network (+ 11%) and by partnerships (+ 31%). New loans distributed by Cofica were marginally greater than their 1998 performance.

Loans distributed by UCB increased significantly (+ 60%) thanks to a good pricing position and efficient communications campaigns.

New loans produced on the international market enjoyed extremely rapid growth(+ 41%) in all business activities. This new growth is the result of the increased commercial presence of new operations (Czech Republic, Argentina, Austria, Poland, Hungary) and the good performance of more established companies (Italy, Spain, Portugal, Germany, United Kingdom).

The value of invoices acquired by the Bank's factoring activities amounted to EUR 1.9 billion, equal to growth of 15% compared with September 30, 1998. Outside France, growth was particularly strong in Germany.

The fleet of vehicles managed by Arval reached 131,000 units at the end of the period, representing growth of 60% compared with September 30, 1998.

Total funds managed by this core business (excluding UCB's discontinued activities) now exceed EUR 34.5 billion, representing growth of 10% compared with the end of September 1998, including + 5% increase in France and +33% on the international market.

Revenues

<i>(in millions of euros)</i>	1st 9 months 1999	1st 9 months 1998	1999/1998
Financial services to businesses (UFB Locabail)	142	150	+ 6 %
Long-term rental and vehicle fleet management (Arval)	38	52	+ 36 %
Consumer finance (Cetelem)	724	761	+ 5 %
Housing and property finance (UCB)	228	227	- 1 %
Total revenues	1 132	1 190	+ 5 %

Pretax income

<i>(in millions of euros)</i>	1st 9 months 1999	1st 9 months 1998	1999/1998
Financial services to businesses (UFB Locabail)	27	24	(8 %)
Long-term rental and vehicle fleet management (Arval)	11	14	+ 28 %
Consumer finance (Cetelem)	235	244	+ 4 %
Housing and property finance (UCB)	35	43	+ 23 %
Total pretax income	307	325	+ 6 %

Appendix 3 : Revenues and pretax income from the Asset Management & Banking Services core business

Activities

At the end of September 1999, the assets managed by the Asset Management businesses reached EUR 80.9 billion, equal to growth of 22% compared with the end of September 1998. These assets are divided between Institutional & Private Asset Management (EUR 57.7 billion), Cardif (EUR 21.4 billion) and Cortal (EUR 6.7 billion), after the elimination of double counting.

The growth in assets recorded during the first nine months of 1999 is equal to more than EUR 10 billion. It is divided into EUR 6.7 billion in net inflows and EUR 3.6 billion related to the performance effect.

Activity indicators (in billions of euros)	30/09/99	Change/ 30/09/99
Net inflows (Institutional & Private Asset Management)	3.4	- 14%
. Private asset management	2.2	+ 8%
. Institutional asset management	1.2	- 38%
Premiums and annuities collected (Cardif)	2.7	+ 29%
. France	1.6	+ 18%
. Outside France	1.1	+ 49%
Individual Savings Management (Cortal)		
. New savings deposits	0.9	+ 7% ⁽¹⁾
. Stock market transactions	3.7	+ 51%
Global Securities Services		
. Assets in custody (external customers)	590	+ 36%

(1) change calculated before taking charge of EUR 0.3 billion of assets managed for American Express and AGF in June 1998.

Net savings deposits generated by Institutional & Private Asset Management during the first nine months of 1999 decreased by 14% compared with the same period last year. Despite this decline, they still amount to EUR 3.4 billion, including EUR 2.2 billion for the Private Asset Management segment, and EUR 1.2 billion for Institutional Asset Management. The institutional segment of this business has suffered from the uncertainties related to the bids targeting Paribas during the first half of the year.

Under the combined impact of net inflows, the buoyant capital markets and the appreciation of the US dollar, total assets have increased by EUR 5.8 billion since the beginning of the year (+ 11%) to reach EUR 57.7 billion at the end of September 1999.

Cardif's revenues at the end of September 1999 (EUR 2.7 billion) increased by 29% compared with the first nine months of 1998.

In France, the Cardif network continued to enjoy rapid growth in the area of personal savings (+ 48% compared with the end of September 1998).

Outside France, the strong growth is due to the continuing rapid development of activities in Italy, Belgium and the Netherlands and to significant new revenues generated in South Africa, Argentina and Chile.

The assets managed by Cardif amounted to EUR 21.4 billion at the end of September 1999, up 23% over the same period last year.

Cortal's activities during the first nine months of the year were marked by the continuing growth in the number of stock market transactions (2 million orders were processed, representing an 80% increase over the same period last year). Customers of its brokerage services made even greater use of electronic channels to place their orders: 87% of the orders were sent via Internet or Minitel during the third quarter, against 79% at the end of 1998. New savings deposits increased by 7%; total assets managed by Cortal stood at EUR 6.7 billion at the end of September 1999, representing growth of 46% over the previous twelve months.

On September 30, 1999, the assets held in custody by the Securities Services (on behalf of external customers) reached EUR 590 billion, up 36% compared with the same period in 1998. The business again enjoyed sustained levels of activity on the European markets.

In addition, by the terms of an agreement signed at the beginning of September, AXA Banque will contract out to Paribas the management of the account and the custody of securities worth a total of EUR 116 billion held by all the different French entities within the AXA Group.

Almost 11,000 new accounts were opened with Banque Directe in the first nine months of the year. The direct banking business had a total of 58,400 customers at the end of September 1999, representing growth of 29% compared with the end of September 1998.

Revenues

<i>(in millions of euros)</i>	1st 9 months 1999	1st 9 months 1998	1999/1998
Institutional and Private Asset Management	318	365	+ 15 %
Life Insurance and Annuities (Cardif)	227	257	+ 13 %
Discount Brokerage (Cortal)	62	70	+ 14 %
Banque Directe	3	5	ns
Securities Services	154	202	+ 31 %
Total revenues	764	899	+ 18 %

Pretax income

<i>(in millions of euros)</i>	1st 9 months 1999	1st 9 months 1998	1999/1998
Institutional and Private Asset Management	64	86	+ 34 %
Life Insurance and Annuities (Cardif)	68	71	+ 5 %
Discount Brokerage (Cortal)	13	15	+ 14 %
Banque Directe	(17)	(22)	ns
Securities Services	27	50	x 1,9
Total pretax income	155	200	+ 29 %

Appendix 4: Revenues and pretax income from the Corporate & Investment Banking core business

Activities

The first nine months of the year were favorable for the Investment Banking activities. Paribas obtained the following rankings in the international league tables (*source: IFR # 1303 dated October 2, 1999*):

- 5th lead manager for euro-denominated bond issues
- 9th lead manager for euro-bond issues
- 12th lead manager for all bond issues (all currencies)
- 2nd lead manager for asset-backed bonds, excluding the US dollar

The principal activity indicators of the core business line point to stronger growth, particularly as far as Corporate Banking and Advisory Services are concerned:

Corporate & Investment Banking (in billions of euros)	30/09/99	Change/ 30/09/99
Corporate Banking		
. Loans outstanding (average)	31.5	+ 3%
Fixed Income		
. All international issues	33.6	+ 6%
. Primary issues in euros	24.8	+ 48%
. Primary euro-issues	31.7	+ 27%
Equity		
. Brokerage transactions	45.7	+ 3%
Corporate Finance		
. Volume of consultancy mandates signed (1)	90.4	x 2.8
. Primary equity issues (2)	3.6	(25%)

(1)- *The strong increase in the volume of ongoing consultancy mandates is chiefly due to the new TotalFina/ELF mandate (EUR 52 billion)*

(2)- *Volumes of issues completed in 1999 as bookrunner, global coordinator and lead or joint lead.*

Corporate Banking again enjoyed a particularly high level of activity in the third quarter. The unit is still extremely active in Europe in the area of Acquisition Financing (Rhodia, L'Air Liquide, Fimalac, etc) and in the Energies and Natural Resources sector. The recovery of business in Asia was confirmed in the third quarter.

The **Fixed Income** business enjoyed an extremely high level of activity and confirmed the good performance achieved in the first half of this year.

The **Equity** business generated higher revenues in the third quarter of 1999 compared with the same period last year. The quarter nevertheless saw a significant decline in customer transactions owing to less buoyant markets and to doubts related to the merger operations.

The primary equities activity of **Corporate Finance** declined marginally, while the business generated by Advisory Services increased. The volume of mandates rose significantly. During the third quarter, 39 mandates were signed and 46 operations brought to a successful conclusion.

Revenues

<i>(in millions of euros)</i>	1st 9 months 1999	1st 9 months 1998	1999/1998
Corporate Banking	601	672	+12%
General Corporate Banking	151	141	(6%)
Specialized sectors and products	416	489	+18%
Other	35	41	
Capital Markets	799	1,320	+65%
Global market activities (Fixed Income & Equity)	480	962	+100%
Central and local asset and liability management	296	331	+12%
Other	23	27	
Corporate Finance	112	106	(5%)
Primary equity	55	42	(24%)
Advisory services	57	65	+13%
Total revenues	1,513	2,098	+39%

Pretax income

<i>(in millions of euros)</i>	1st 9 months 1999	1st 9 months 1998	1999/1998
Revenues	1,513	2,098	+39%
General expenses	(1,179)	(1,252)	+6%
Provisions	(164)	(84)	(49%)
Pretax income and general provisions	171	762	x4.5
General provisions	(192)	(119)	(38%)
Total pretax income	(21)	643	ns

Appendix 5: Activities of Paribas Principal Investments

New investments during the first nine months of 1999 amounted to EUR 300 million (excluding minority interests), or EUR 230 million if the acquisition of IPC and Stoeffler by PAI LBO Fund is excluded. Asset disposals reached a total of EUR 1,170 million (1,070 if transfers to PAI LBO Fund are excluded).

Paribas Principal Investments sponsored the LBO for Sanofi Santé Animale and Polaris (world leading manufacture of swimming-pool equipment) and invested in Mobilix, a Danish telecom operator.

Appendix 6: Activities of the Real Estate core business (Klépierre)

Office buildings:

The restructuring programs adopted for the Espace Kléber, Marignan Elysées and Général Foy office buildings in Paris were completed and delivered on August 31, 1999. When they are fully rented, these building will generate rent worth EUR 6 million in a full year.

Shopping centers:

Within the framework of its association with the Italian group FINIM, Klépierre has reinforced its presence in Italy by proceeding with new acquisitions with its partner for a total of EUR 48 million.