BNP Paribas
Project 2005

Investors Presentation
May 21, 2002

Disclaimer

This presentation contains certain forward-looking statements and targets with respect to the financial condition, results of operations, and businesses of the BNP Paribas Group. These statements are submitted to risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. Future results or developments could materially differ from those expressed or implied by these forward looking statements and forecasts. The statements have been made with reference to a base case scenario including specific economic forecasts and assumptions over regulatory environment. Nothing in these forward looking statements and targets should be construed as a financial forecast.

BNP Paribas Project 2005

Group

Outline

- BNP Paribas: delivering on our promises
- A superior platform fit for opportunities and challenges
- Project 2005: enhancing growth and sustainable value creation

Outline

- **BNP Paribas: delivering on our promises**
- A superior platform fit for opportunities and challenges
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Delivering on our Vision

September 1999 Vision
" A European Leader - A Powerful Platform for Further Growth and Value Creation"

€ bn	1999	2001	
Net banking income	€ 14.3	€ 17.4	+22%
Net income group share	€ 2.6	€ 4.0	+54%
Allocated equity	€ 20.4	€ 21.7	+7%
Market capitalisation*	€ 35.0	€ 53.7	+53%

* as of 21 Sep. 1999 and 13 May 2002

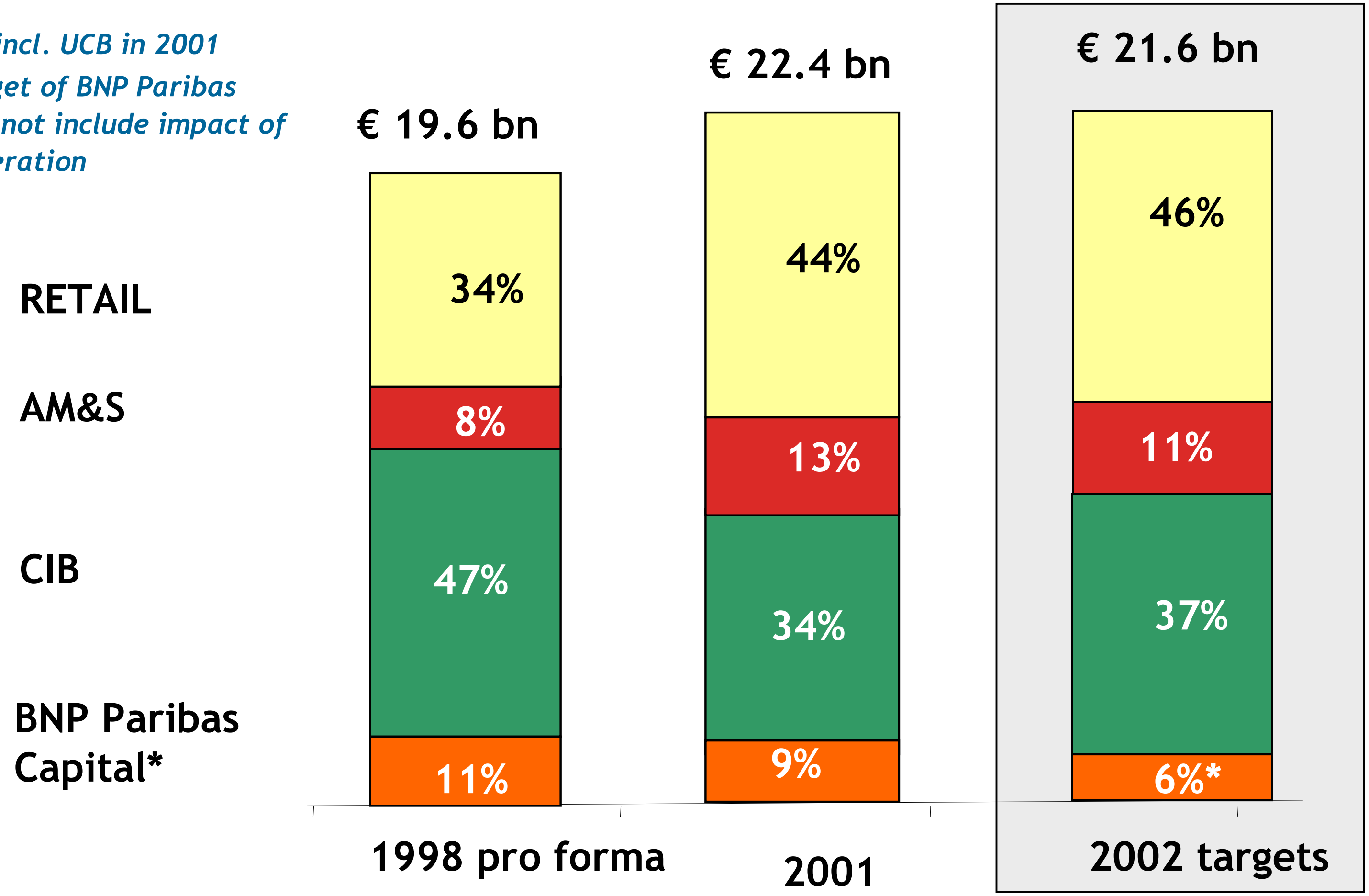
Delivering on our Targets

	Target (1998-2002)	Achieved at 31 Dec. 2001
Group ROE	> 16.0%	18.2%
Divisional ROE	ROE targets met or exceeded for 5 businesses out of 6 *(exception : RFS)*	
EPS (€)	4.67 in 2002 (+ 16% pa 98/02)	4.64
Tier-One capital ratio	> 7%	7.3%
Cost synergies	€ 700 m 50% achieved by year-end 2001	> 80% achieved
Revenue synergies	€150 m (2002)	On track to meet in 2002

Capital Reallocation Achieved

pro forma incl. UCB in 2001

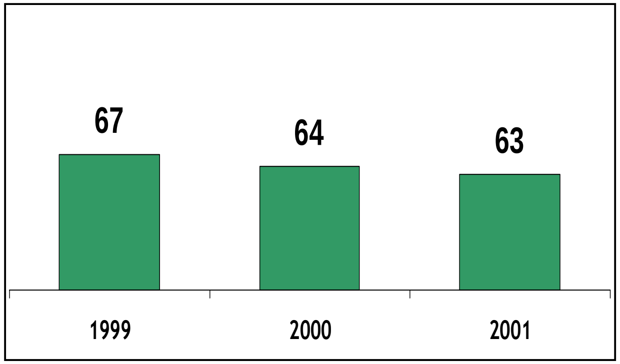
** 2002 target of BNP Paribas Capital did not include impact of COBEPA operation*



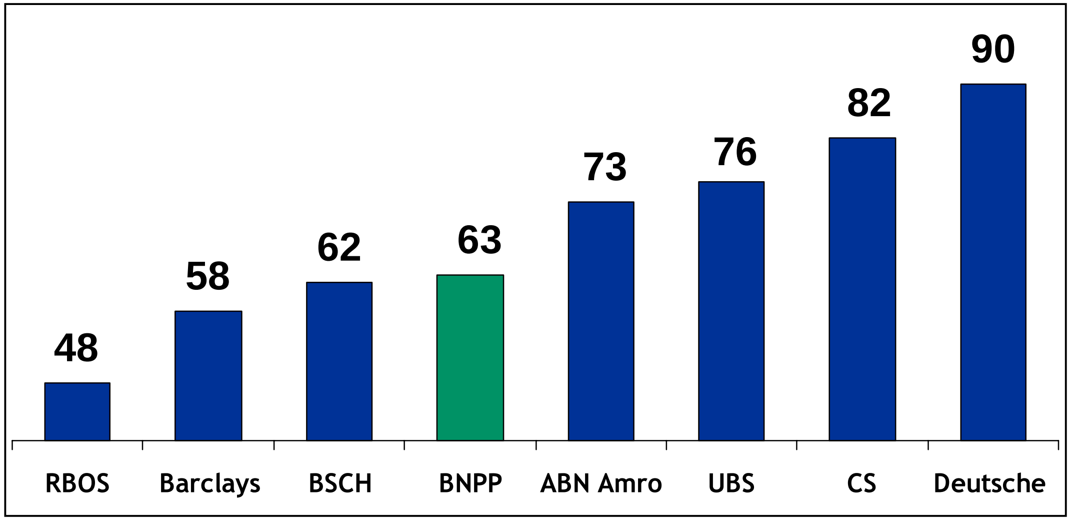
Project 99-02 - Share buy-backs target	Achieved
in 2000 : € 2.0 bn	€ 2.05 bn
in 2002 : up to € 2 bn depending on external growth	1H 02 : external growth

Continued Improvement in Cost/Income Ratio

- At group level

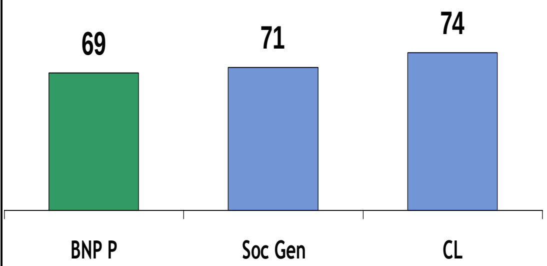


2001 Cost/Income ratio in %

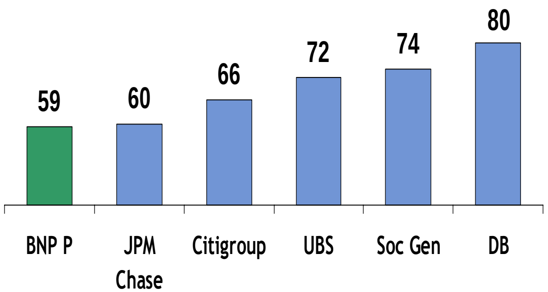


- Within each core business

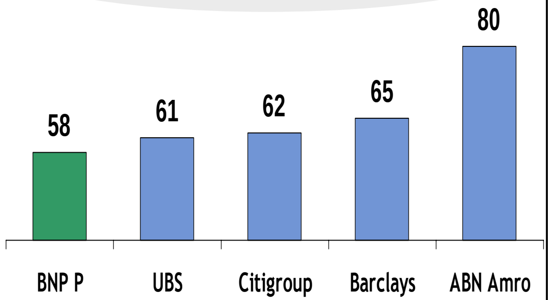
French Retail Bkg



Corp.& Inv. Bkg

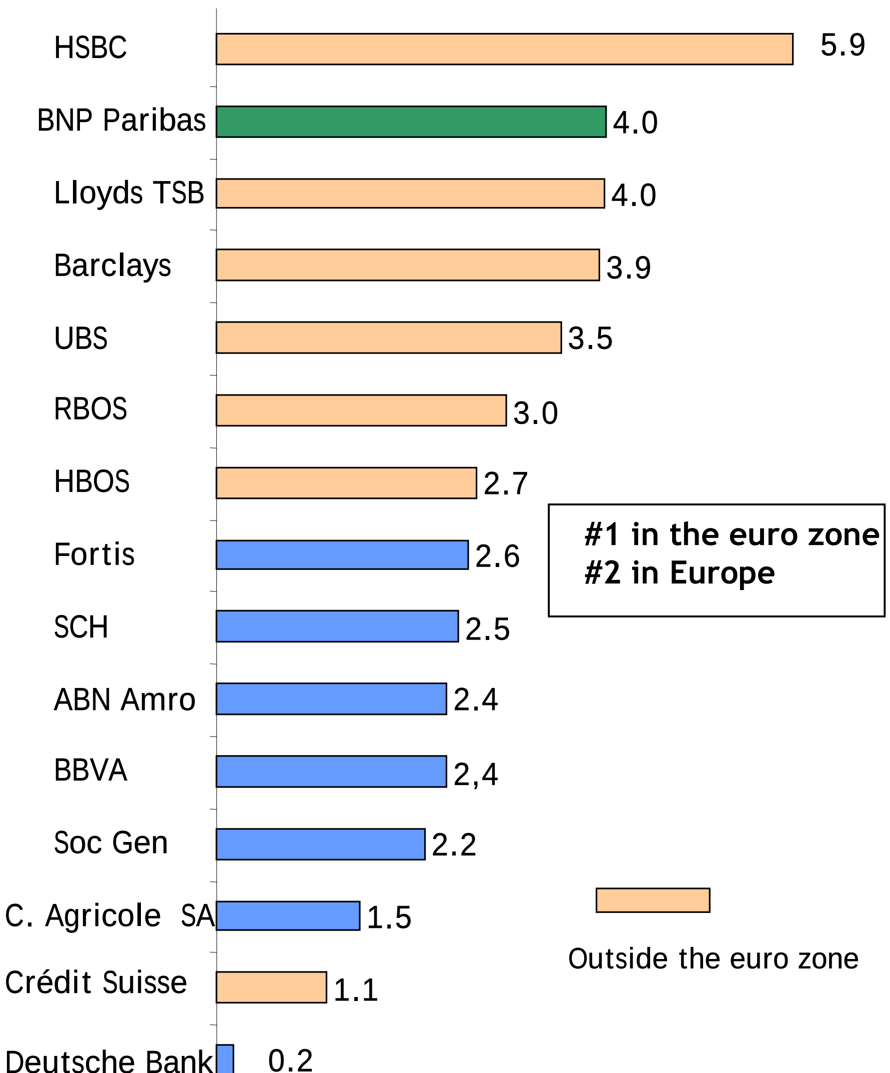


Asset Mgt & Services

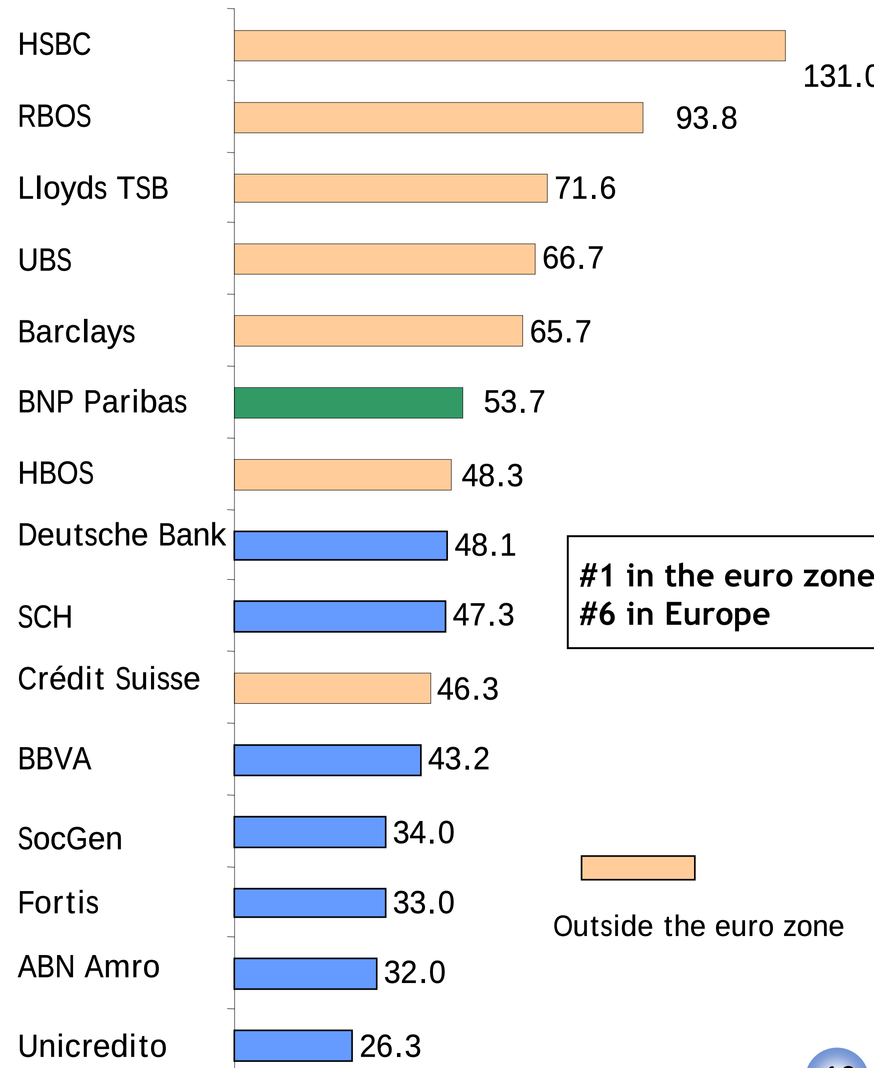


The Leading Bank in the Euro Zone

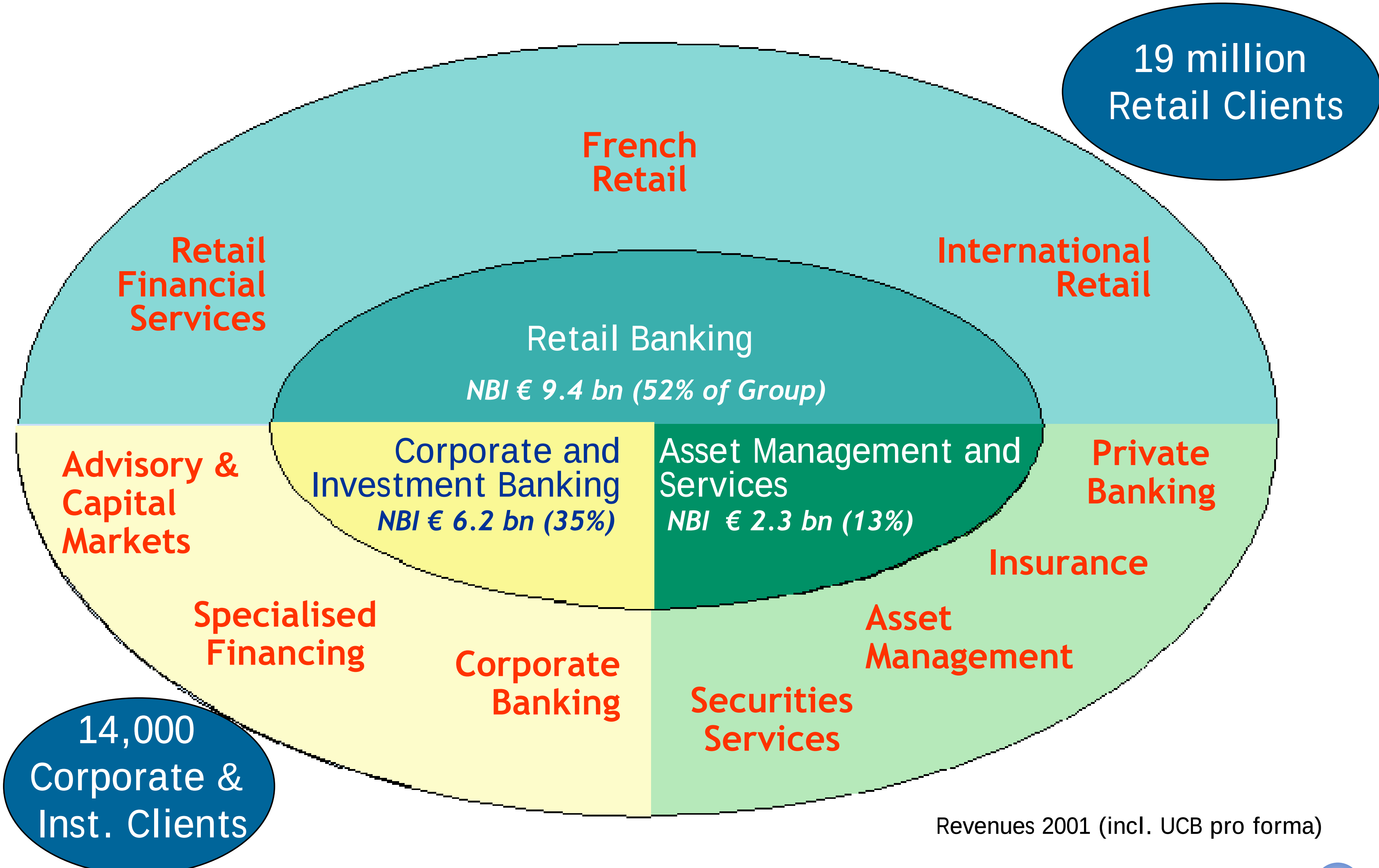
Net Income (Group) in 2001



Market Capitalization *(13/05/2002)*



A Superior Platform for Growth



Revenues 2001 (incl. UCB pro forma)

- Strong organic growth boosted by cross-selling and partnerships
- Continued cost control and risk management
- Efficient capital management
- Disciplined and opportunistic acquisition strategy

Outline

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- **A superior platform fit for opportunities and challenges**
- Project 2005: enhancing growth and sustainable value creation

Markets: Solid Prospects for Medium-term Growth

Growth drivers	Markets	Growth trends
Stronger influence of capital markets, customer sophistication	Fast-growing new markets - credit derivatives - alternative mgt - fund admin,...	> 15%
Population ageing expanding markets	Capital market activities, Savings and investment	+ 8 to 12%
GDP and credit growth	Retail banking (Europe)	+ 4 to 5%

Industry Trends

- Changes across all 3 customer categories (retail, corporate, financial institutions) - demand for
  - Broader and more differentiated product and service offering
  - Improved service quality

- European monetary integration
  - CIB: integration process well under way
  - AM&S and RFS: convergence in process
  - Branch banking: national markets still prevail

- Unbundling production / distribution
  - Distribution : Demand-driven emergence of open architectures (customers needs)
  - Production : Increasing sharing of platforms to optimize cost efficiencies

- Deeply changing regulatory environment
  - accounting regulation (IAS 2005)
  - regulatory ratios
  - higher ethical standards

A challenging environment offering opportunities for the best positioned players

A Customer-focused Organisation Leveraged by Intensive Cross-selling

19 million retail customers

4,000 Institutionals

10,000 Corporates

Strong branch networks *(France + US West Coast)*

Private Banking and IFA's

Distribution partnerships

Leading online distribution

Powerful Corp. + Inst. coverage

Mutual funds

Insurance

Mortgages

Cash Mgt

Structured finance

Derivatives

Fixed Income

Consumer credits

Credit cards

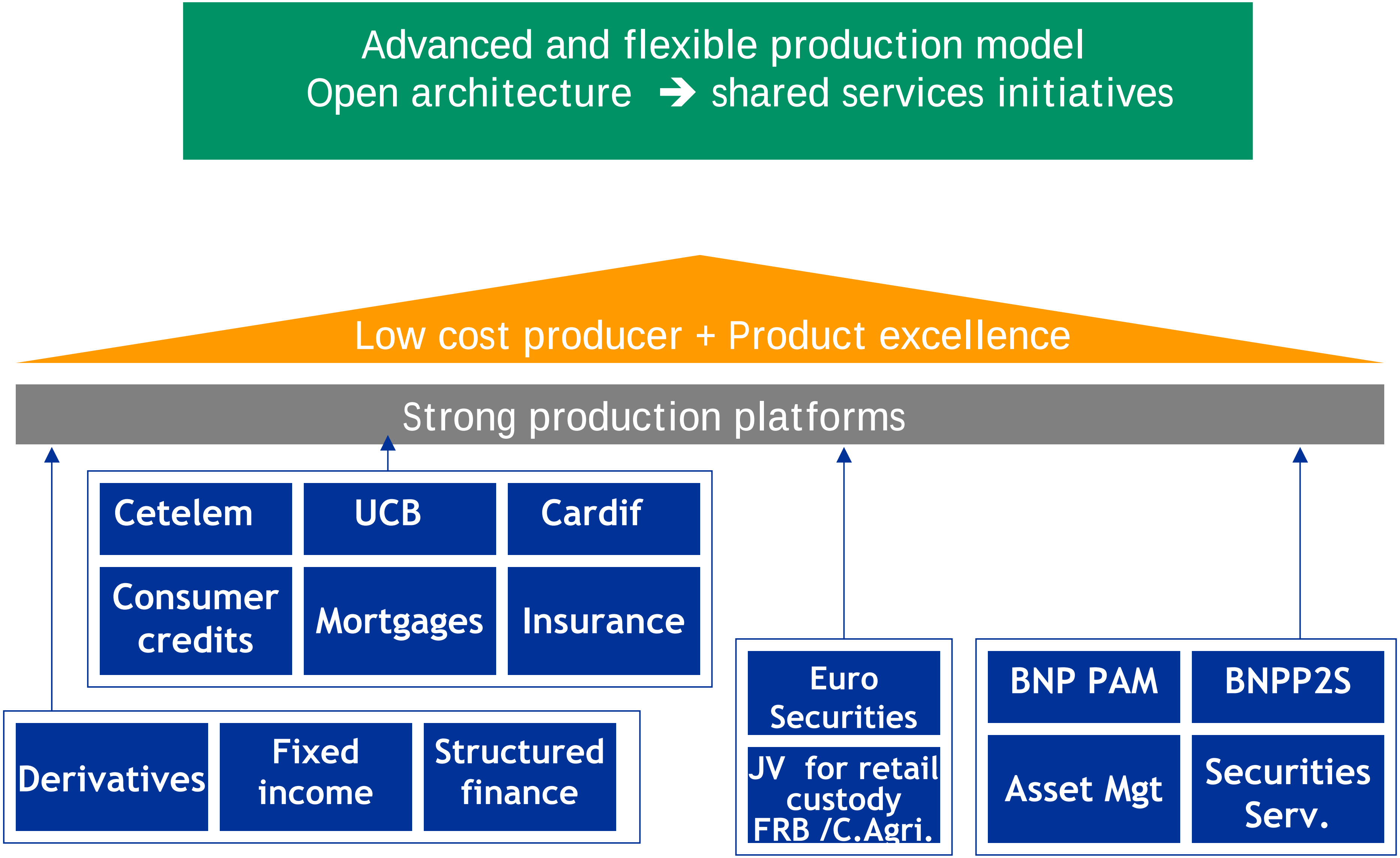
Fleet Mgt

Trade finance

Corporate Finance

Others…

High Quality and Low Cost Factories



A Strong and Well-positioned Platform

5.6 million customers
#1 for affluent customers

French Retail

#1 in Europe for consumer credit and retail on line brokerage (9 million clients)

Retail Financial Services

#1 in Europe in fleet management and leasing

West Coast :1.5 million clients
4th largest bank in California

International Retail

- Strong franchise
- Powerful brand
- Comprehensive product offering

Capital Markets

Top 10 worldwide in derivatives
Top 5 (bonds in €)

Specialised Financing

Top 5 worldwide

Corporate Banking

76% penetration rate within top 100 European corporates

Private Banking

Top 10 worldwide

Insurance

Top 4 in France in life insurance

Asset Management

€ 272 bn AUM

Securities Serv.

#1 Global Custodian in Europe

Values : Demanding Standards

Transparency

- Customers
- Shareholders
- Employees

Ethics

- Corporate governance
- Compliance
- Sustainable development

Corporate values

- Commitment
- Ambition
- Responsiveness
- Creativity

Human Resources and Information Technology : Two Sources of Competitive Advantage

Human Resources

- ➔ A motivating career and compensation policy based on performance
  - Training and competence development
  - High variable component, employee shareholding, stock options
- ➔ Internationalising management
- ➔ Responsible social practices
  - Social dialogue
  - Working conditions

IT

- ➔ Significant investments to maintain leading-edge technology and enhance cross-selling
- ➔ Cost savings and improved security through unified global infrastructure and centralized production (6 hubs)

Group Risk Management: Technical, Thorough and Responsive

- Independent and technical
  - Highly technical teams
  - Closely reporting to business lines but independent from
  - Reporting directly to Top Management
  - Covering all families of risks, worldwide

- Responsive
  - General allowance on US exposure set up as early as Q3 1999 and maintained with no specific allocation

- Preparing the future
  - Widespread use of economic capital : "one single measurement tool for all types of risks"
  - Preparation for Basle 2 (target: advanced approach under Mc Donough proposals)

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Project 2005
A Methodical Approach

2001...Jan 2002	Feb-May 2002
• Comprehensive external benchmarking • In-depth analysis of target markets and growth drivers • Fine tuning of economic assumptions	Strategic exercise involving each business's management team

A team output driven and endorsed by the Group's top 80 executives

Project 2005
Base Case Economic Assumptions

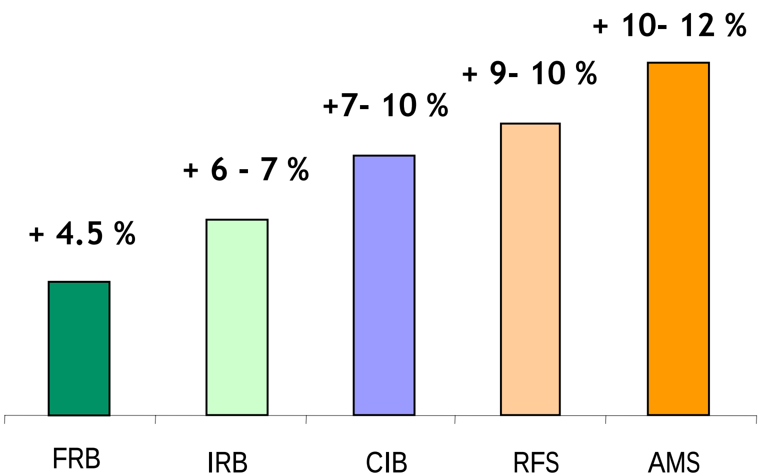
	Plan (Average annual change, 2002-05, in % unless stated otherwise)	Historical data
• France's GDP (value)	3.5 - 4	3.8 (*)
• Euro zone GDP (value)	3.5 - 4	3.8 (*)
• US GDP (value)	5.0 / 5.5	6.1 (*)
• California's GDP (value)	5.5 / 6.5	6.9 (**)
• 3-month euro rate	4.7 (2005)	4.3 (2001)
• 10-year euro rate	5.6 (2005)	4.8 (2001)
• EUR/USD exchange rate	0.85-0.95 (2002-05)	0.90 (2001)
• Growth in stock market indices	5% pa	16% pa (1995-2001)

* 1990-2000
** 1992-2000

A base case that does not factor in any major shock

Annual Revenues Growth > 10% under Base Case Economic and Markets Assumptions

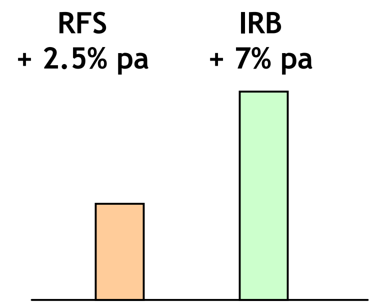
Organic growth



NBI Average
+ 7.0% to 8.5% pa

External growth

Jan- Apr 2002 Acquisitions: € 3.2 bn
Consors - UCB



Additional NBI
+ 1.3% pa

2002/2005
Potential
acquisitions
€ 5 - 9 bn

Additional NBI*
+ 2.0% to + 3.5% pa

Potential range +8.3% to +9.8% pa

NBI 2001-2005
> +10% pa

* Price to revenues ratio assumed to be identical to recent acquisitions

Divisional Priorities

Retail Banking

FRB

- Outperform the market in gaining new customers
- Differentiate through service quality and technology: multichannel banking
- Optimize costs

RFS

- Leverage the 4 number one positions in Europe
- Accelerate cross-selling
- Excel as a low-cost producer

IRB

- BancWest: pursue the model of internal growth and acquisitions
- EMO: rationalize the organization

Asset Management & Services

- Focus on faster growth outside France
- Gain market share in Europe
  - ➔ speed up net cash inflows
  - ➔ reinforce distribution capabilities

Corp. and Invest.Banking

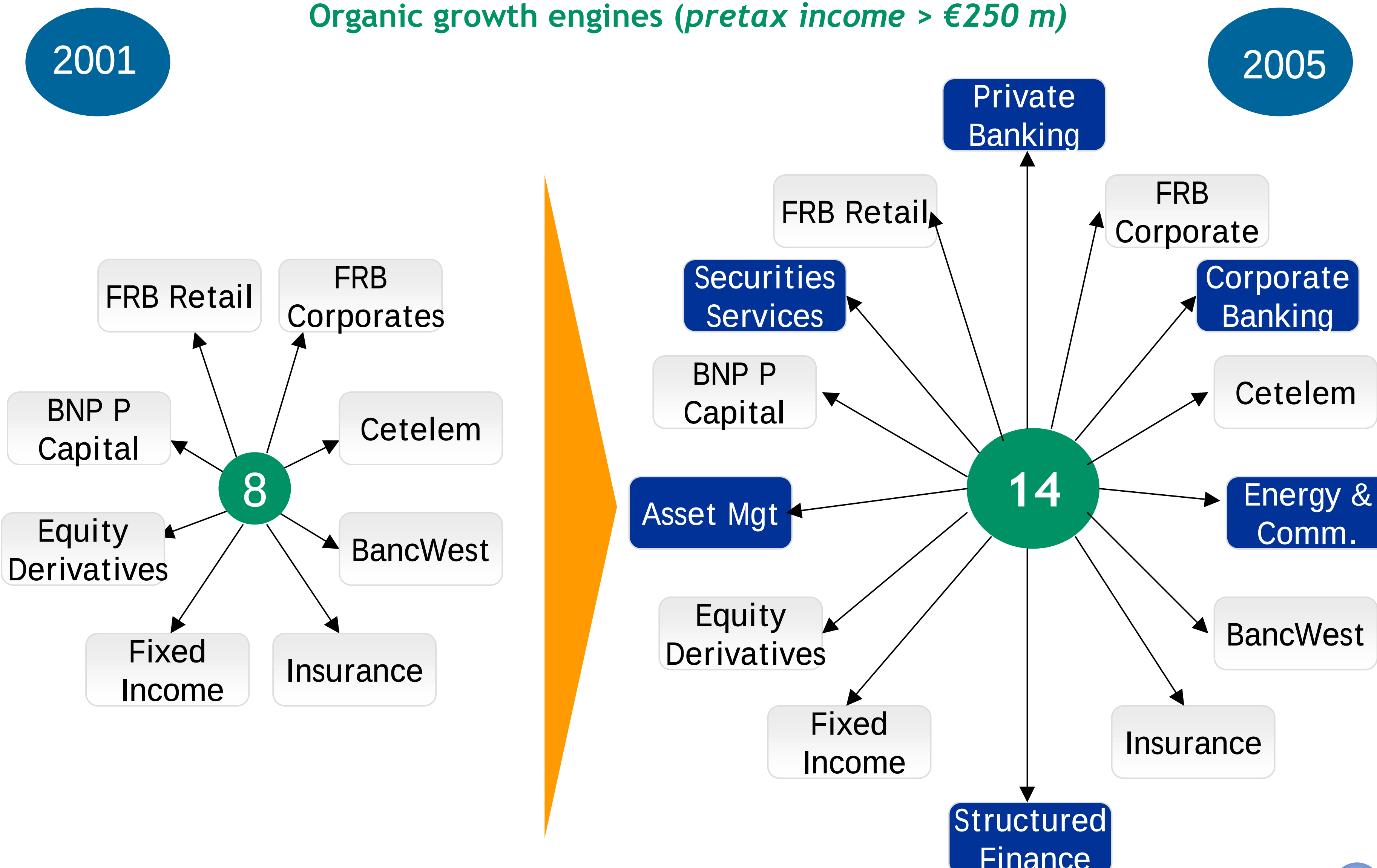
- Increase European market shares
- Maintain reactivity of business model to economic cycles
- Maintain a high and recurring level of profitability

BNP Paribas Capital

- Sponsor third-party funds
- Keep optimizing capital gains on BNP Paribas' existing portfolio

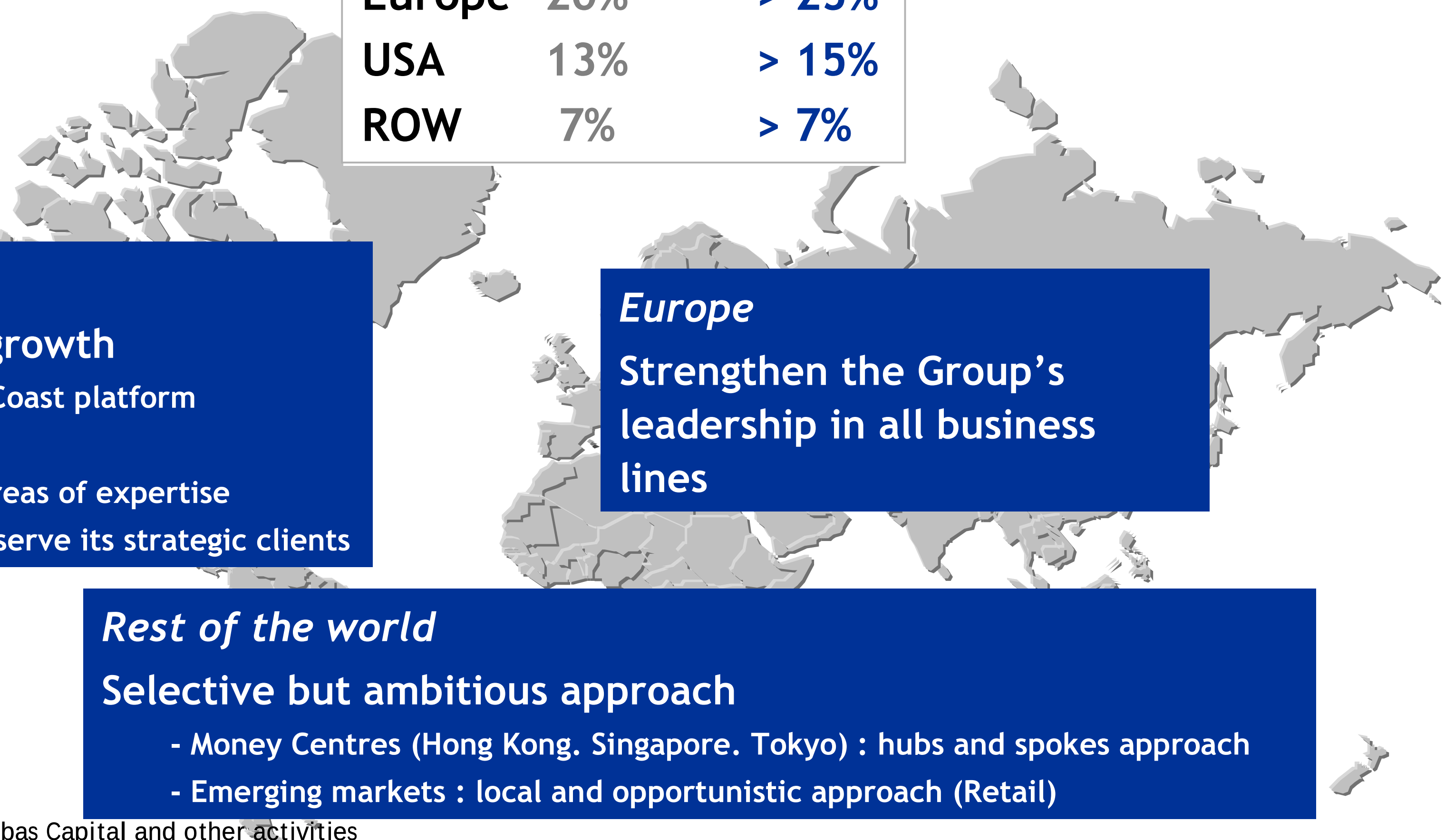
Rapidly Increasing the Number of Growth Engines

Organic growth engines (*pretax income > €250 m*)



Geographic Focus: Anchored in Europe and the USA

Pre-Tax Profit *	2001	2005 (obj)
France	60%	< 50%
Europe	20%	> 25%
USA	13%	> 15%
ROW	7%	> 7%



USA

Selective growth

Retail : West Coast platform

CIB :

- in Group's areas of expertise
- or to better serve its strategic clients

Europe

Strengthen the Group's leadership in all business lines

Rest of the world

Selective but ambitious approach

- Money Centres (Hong Kong. Singapore. Tokyo) : hubs and spokes approach
- Emerging markets : local and opportunistic approach (Retail)

* Excluding BNP Paribas Capital and other activities

Continuous Cost/Income Ratio Improvement

- Systematic and rigorous budgeting and business review process
- Specific monitoring at Group level of 40 major revenue-enhancing and cost control projects

10 examples

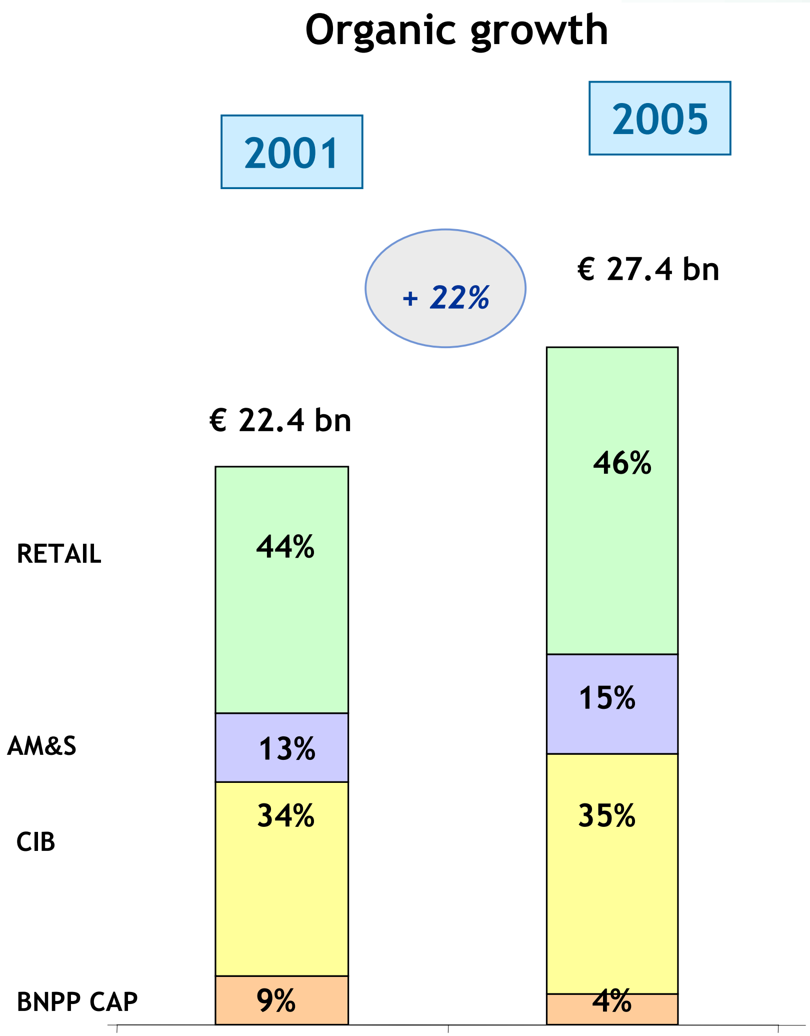
Revenues	*Costs*
❑ FRB/CIB : organizing the convergence of coverage of European Mid-Caps (« *Eurocorporates* »)	❑ FRB : complete reengineering of back offices and commercial support function
❑ CIB : development of financial institutions client base	❑ IRB : UCB/Banc West merger
❑ CIB/Other core businesses : acceleration of cross selling	❑ RFS/FRB : use of Cetelem platform by French network (consumer finance)
❑ AM&S : development of onshore private banking in Europe	❑ Systematic review and rationalisation of the Group's software portfolio
❑ AM&S : build-up of a leading European Investor Services platform	❑ Global Procurement : reinforce existing program

2005 Goal
Group Cost/Income Ratio close to 60%

1999/2002 Project	2005 Project
• Dynamic capital reallocation among core businesses	• Disciplined and balanced deployment of capital at Group level
	• Dynamic capital reallocation within each core business

Taking capital reallocation to the next level

Disciplined and Balanced Deployment of Capital at Group Level



- BNP Paribas Capital: allocated capital reduced from 9% to 4%
- CIB: allocated equity maintained around 35%, on a larger capital base
- Retail & Asset Management/Services: allocated capital > 60% *(2001: 57%)*

UCB and Consors pro forma in 2001
Capital allocation methods : same as 1999 industrial project

Dynamic Capital Reallocation within each Core Business

Retail banking

FRB

- Accelerated growth of private customers segment
- Reengineering of SME/corporates segment and tight control of risk weighted assets

IRB (Banc West)

- Capital reallocation towards consumer finance and specialty lending

RFS

- Higher growth rate for 3 businesses where RFS enjoys a European leadership (Cetelem - Arval PHH - Cortal/Consors)

Asset Mgt & Services

- 4 fast-growing profitable business lines with low capital consumption
- Highest growth rate in allocated equity among Group core businesses over 2001/2005

Corp.and Investment Bkg

- Growing faster in businesses with high ROE (capital market activities, specialised finance)
- Reducing Corporate Banking's portion of total capital allocated to CIB from 34% to 27%
- Adding value to Corporate Banking's relationships through intensified cross-selling

Priority to high growth/ROE segments

Significant Cash Generation Capacity

Free cash flow generation: around € 2.5 bn pa*

➔ **Funds available for acquisitions or share buybacks**

Acquisitions
€ 5 - 9 bn

Share buybacks
Minimum = € 1.3 bn
(neutralization of new issues
linked to stock based incentives)

** 2002/2005 average, base case*
Assumptions : Tier One 7% - Average Pay Out Ratio 30%
After UCB and Consors acquisitions

Continued Disciplined Approach to External Growth

- Acquisition parameters
  - ➔ Strict financial targets
    - near term EPS accretion
    - return on investment > cost of equity
  - ➔ Strong strategic fit
  - ➔ Limited integration risk

- Specific rationale for each core business
  - ➔ IRB
    - US West Coast : reinforcement of franchise
    - Emerging markets : opportunistic approach committing limited capital resources
  - ➔ RFS : reinforcement of platforms with a priority on Europe
  - ➔ AM&S : targeted acquisitions with a focus on retail distribution in Europe
  - ➔ CIB : selective acquisitions to strengthen the Group's product range / coverage

Financial Targets under Base Case Economic and Markets Assumptions

- **Group ROE** > 16 %
  - ➔ After tax and goodwill
  - ➔ Reduced contribution of capital gains

- **EPS 2005 (organic growth)** € 6.75
  - ➔ Amounting to a 13% CAGR based on the 2002 target of the 1999 industrial project (€ 4.67)

- **Tier One Ratio** ~ 7 %

Divisional Financial targets under Base Case Economic and Markets Assumptions

	Pretax ROE 2005	Cost / Income ratio 2005
FRB	≥ 25%	- 3 pts at least
IRB	≥ 35%	- 3 pts at least
RFS	≥ 26%	- 3 pts at least
AM&S	≥ 35%	- 3 pts at least
CIB*	≥ 25%	Stabilized around 60%

** average throughout the cycle*

Calculated excluding major acquisitions

French Retail Banking

Project 2005

Jean-Laurent Bonnafé

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French Retail Banking - Mission Statement

To outperform the market by providing our retail and corporate customers with a leading edge and differentiated offer supported by deeply revamped processes

French Retail Banking

30,000 staff members and 2,200 branches at year-end 2001

NBI in 2001: €4.6 bn

Retail customers: #1 for affluent customers*

- Individuals: 5.5 m
- Private Banking: 83,000
- Professionals: 400,000

Corporates and Institutionals : a leadership position

- Entrepreneurs: 40,000
- SME and Institutions: 17,000
- Major relationships: 1,200 (excluding Large Corporates)

Strengths

- Number of products per customer: 7.3
- Large market share and strong growth momentum in value-added products and services

Strengths

- The most complete product and services offering
- Established leader: cash management, trade finance, fixed income, leasing, and value-added financings
- Risk control

* source: Sofres 2001 : 18% penetration rate

2005 FRB Project: Four Commitments

• Private Banking	Accelerate the development of an organization that is already the leading one in a market that is growing by about 8% to 10% a year on average
• Individuals	Outperform the market by leveraging the multichannel retail bank
• Corporates	Optimize the business's profitability by selling value-added products and services (cross-selling) and by strictly controlling the growth in risk weighted assets
• Back-Offices	Ensure a higher level of service quality and continue to optimize costs by reengineering processes using the most advanced technologies

2002-2005 FRB Project: Significant investments to create a platform key to the cross-selling within the group

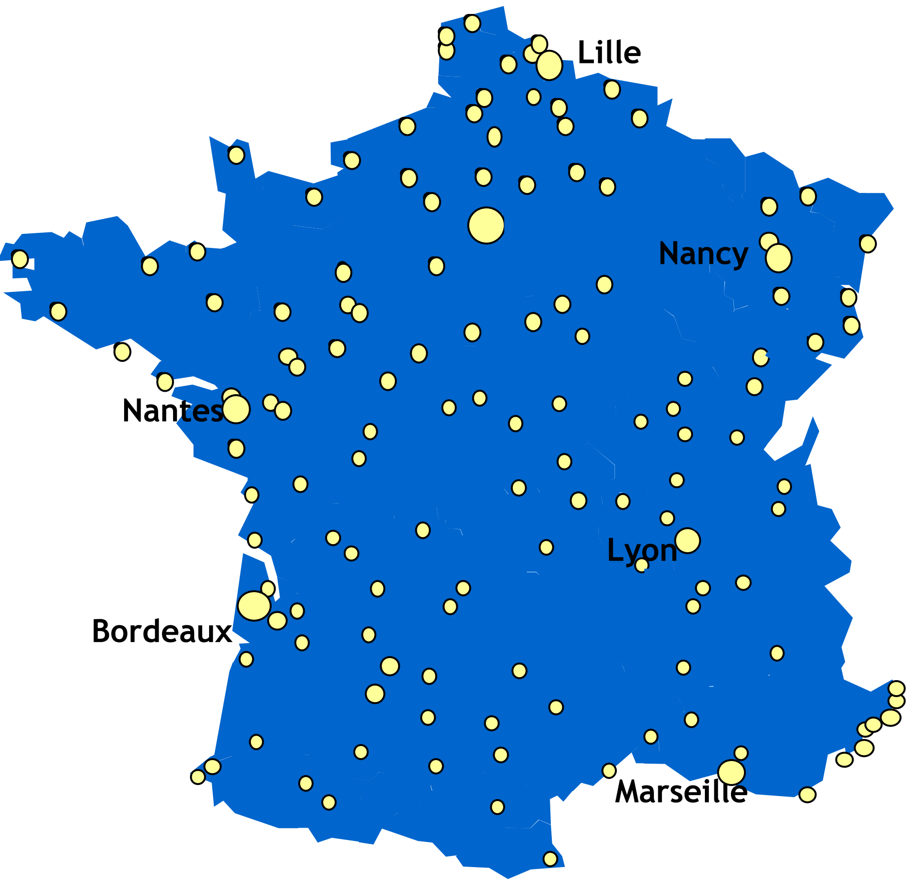
- A major investment effort
  - A dynamic recruitment policy in both quantitative and qualitative terms in order to match expected departures
  - A revamping of all distribution networks
  - A complete reengineering of the processes and support functions

- A favourable age structure
  - maneuvering room to adjust the number of staff members and their expertise at all times, up to 2005 and after

- French Retail Bank as a cross-selling platform
  - AMS for private banking, insurance and savings/investment
  - CIB for corporate clients
  - RFS for retail customers: mortgage and consumer loans
  - RFS for corporates: leasing and fleet management

Private Bank: leverage an unparalleled sales organization in France

200 Private Banking centres
(55 in Greater Paris area)



- 83,000 clients with €43 bn in assets
- 820 investment advisers
- Specialized teams: family shareholdings, estate planning and divestitures, support teams
- A complete, dedicated offering: life insurance, mutual funds, multi-management, private equity...

Private Bank in France: Two Engines of Growth

Affluent Segment: Actively exploiting the potential of the network's individual customers

- Potential : 93,000 additional clients with €30 bn in assets
- Target: 15,000 new clients a year to the Private Bank
- Optimizing the organization:
  - Centralized discretionary management
  - Creation of commercial support positions to ensure high-quality service

High Net Worth Segment: Operating a dedicated organization

- Strong potential: cross-selling with the network's corporate business (divestitures)
- 30 dedicated wealth management advisers
- A specific offering: multimanagement using dedicated funds, alternative management, private equity

2005 targets

- 50% increase in assets under management
- 50% increase in the number of customers
- Proportion of external new cash: 50% of assets gathered in 2005
- Control over the commercial operating costs

Multichannel Retail Banking: Now Exists

Successful construction already in place
migration to be completed at the end of 2002

- **Remote and Local Channels interconnected in real time, integrated at the database level, and interactive in terms of contacts, services and sales**
  - ➔ An IT architecture that offers greater security and higher performance

- **Two multimedia platforms (Paris and Orléans) opened in July 2001**
  - ➔ 400 remote advisers by the end of 2002
  - ➔ Call handling rate: 96%

- **New workstation : managing customer relationships in real time in a multichannel dimension**
  - ➔ 50% of the network will be equipped by the end of June 2002
  - ➔ 20,000 workstations in place by Dec 2002

- **Increasing use of an Event and Customer Contact database**
  - ➔ proposals prepared on the basis of past contacts, services, and sales, all channels combined

Multichannel Retail Banking: Offering Customers Better Service

Customer

0820-820-001

Customer choice

Migration of existing remote services

Migration of telephone reception services

(completed in late-2002)

- "BNP en Ligne"
- Voice servers Allosolde and AlloBNP
- Assistance and customer service
- Telephone reception services

Remote advisers

Customer Relationship Center comprising two platforms

PARIS and ORLEANS

open Mondays to Fridays from 8 am to 10 pm and Saturdays from 8 am to 6 pm

TELEPHONE CALLS AND E-MAILS

(Platforms operational since July 2001)

Interactive voice server access

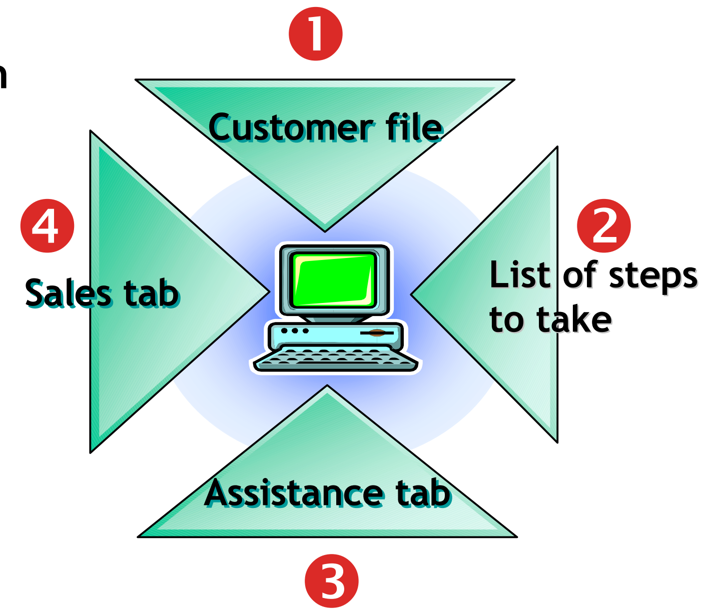
24 hours a day

7 days a week

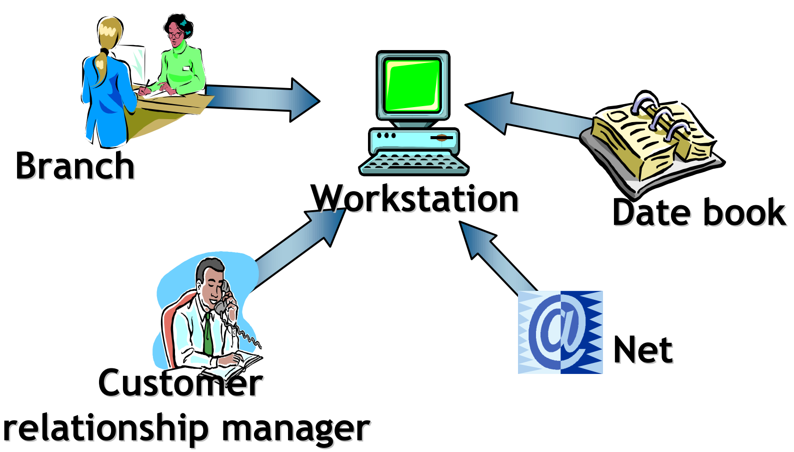
Multichannel Retail Banking: The New Commercial Workstation

- The commercial workstation is designed to manage customer relationships in a multichannel dimension

  1. Customer knowledge
  2. Management of contacts
  3. Service dimension: on-line assistance for all situations involving customers
  4. Sales dimension: on-line assistance for product sales and product information



- Date books and shared data are handled in real time

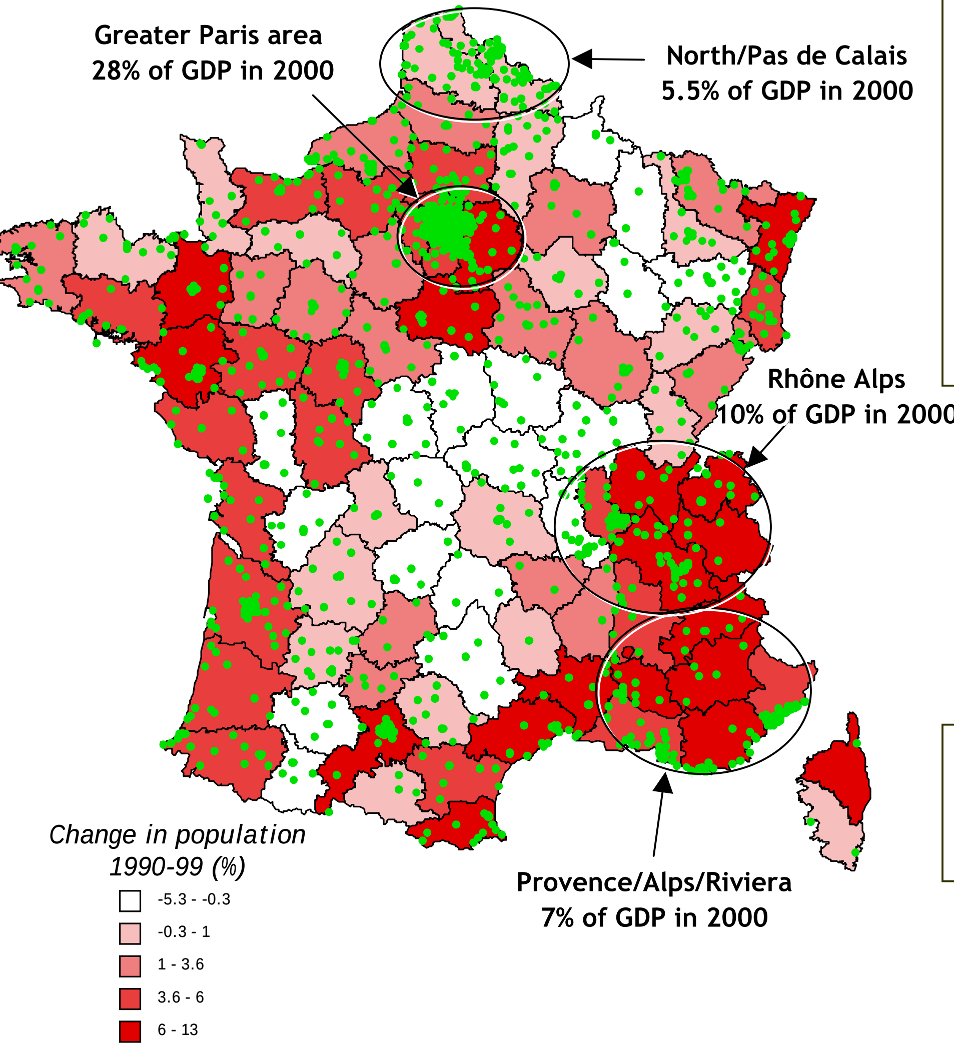


1. Improved navigation
2. Day-to-day assistance by the sales force manager
3. Integration of sales policy (contact management, service quality, sales)

Multichannel Retail Banking: Migrating the Branch Network Toward Self-Service Banking

BNP PARIBAS

2,200 branches, most of which are located in promising areas



- **2002-2005: Continued adjustments**
  - Branches with no back office
  - A new format featuring three dedicated areas:
    - Automated handling of current transactions
    - Reception and services
    - Advisory and sales

- Increased commercial efficiency
- Lower processing costs

Multichannel Retail Banking: Targets

- Enhancing the value of customer
  - ➔ Initiating and tracing customer contacts (over 300 mn per year)
  - ➔ Knowledge of changes in customers' banking behavior over time
  - ➔ Pertinent proposals

- Contacts ➔ Satisfaction ➔ Durable relationships ➔ Profitability

- 8 to 10% increase in the number of actual sales to individual customers in the first full year, i.e. +1% of additional CAGR
- Net expansion of the customer base by 120,000 a year

Corporates and Institutionals: A New Organization

- A new segmentation
- Specialization of organizations and operating modes
  - → Current organisation: 100 corporate branches (all SME and Corp clients excl. Large Corporates)
  - → New organisation:
    - Dedicated business centre (around 20) for major relationships and SME
    - Existing branches focusing on Entrepreneurs
- Implementation in 2002 / 2005

Corporates and Institutionals: A Differentiated Approach

	Needs	Levers	Targets
40,000 Entrepreneurs	Single, generalist customer service representative working in a local relationship Important personal financial assets management dimension Standard product range	Industrializing procedures and practices Combined relationships Leasing, factoring	Standardized in order to optimize processing costs
17,000 SME and Institutionals (incl large associations)	Expertise, technicity Broad range of financial services	Gauging the commercial potential Optimizing wallet share	Individualized in order to optimize commercial development
1,200 Major Relationships	Comprehensive approach to the banking relationship Domestic and international commercial coordination Recurring financial engineering requirements	Cross-selling with CIB Optimizing average weighted assets	

Corporates and Institutionals: the european coverage

- Joint approach between CIB and FRB with a « Eurocorporates » client segment
  - → 400 from FRB 1,200 Major Relationships
  - → 400 from CIB Europe network
- Global commercial relationship approach for european clients
- Provide a continuous geographic commercial relationship
- Benefit from european Cash Management organization

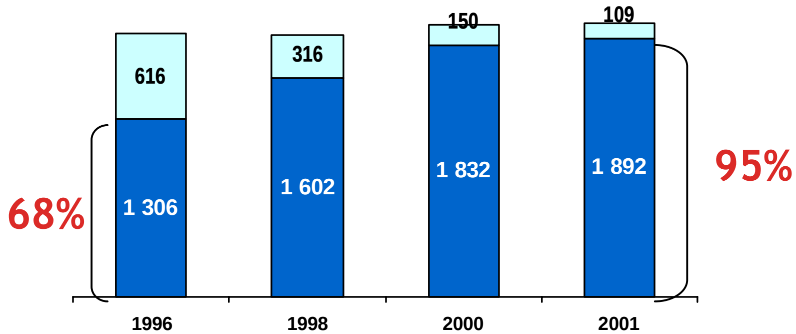
Corporates and Institutionals: the GATES Program

- The GATES framework program : overhauling the Cash Management information system
  - → €90 m in investments between 2001 and 2004
  - → Joint project between CIB and FRB
  - → Coordination with Trade Finance business line
- Two objectives:
  - → Consolidating our leadership position in France
  - → Ranking among the top three in Europe
- Gradual deployment through the end of 2004:
  - → Giving the various territories a substantial, homogeneous local offering
  - → Broadening our range of global services: multichannel access, multi-site Web banking, cash pooling
  - → Improving transaction processing performance and quality: payment instruments, account management, statements, invoicing
  - → Ensuring shorter time to market in a constantly changing market

Back Offices and Support Functions: Changes Under Way

Situation at the end of 2001

- 95% of all branches had no back office



- Back offices were concentrated in 109 main branches, 12 regional branches, and 13 support units
- Staff: 7,300 full-time equivalent

Target organization for 2005

- **80 Production and Commercial Support Branches specialized according to area of processing**
  - Flows and on-line processing
  - Trade
  - Financing for individual customers
  - Securities
- **Laid out across the country in the form of Production and Commercial Support Groups**
  - geographic proximity to branch groups for some activities (such as flow-related ones)
- **Staff: 6,200 full-time equivalent**

Back Offices and Support Functions: Reengineering Processes

- Targets
  - To improve service quality
  - To free up sales time in branches
  - To optimize costs
  - To minimize operational risks

- Levers of action
  - Processes organized from end to end and by work flow
  - Search for critical mass in teams to ensure predetermined efficiency and quality criteria

2002	2003	2004-05
Experimentation phase and pilot projects	Creation of overall organization	Final organization and migration

Targets:

Recurrent annual impact on operating expenses in 2005: -€50 m

Additional impact above and beyond the plan: -€30 m

Project 2005:FRB Targets under base case economic and markets scenario

	CAGR 2001/2005
• NBI	around +4.5%
• Operating expenses	< +3%
• Gross operating income	+8%
• Allocated equity	+4%

- Cost / income ratio: -3 points at least by 2005

- Pretax ROE: + 1 % per year,
  target ≥ 25% in 2005

Retail Financial Services

Project 2005

Jean Clamon

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Retail Financial Services - Mission Statement

Leveraging our position as Europe's #1 in retail financial services serving individuals and corporates

Four leaders in Europe (1/2)

cetelem

Consumer credit

Ranking	*Average rate of market growth **
#1 in Europe	n/a
#1 in France (market share: 11%)	+6%
#1 in Italy (market share: 14%—origination)	+11%
#3 in Spain (market share: 13%)	+6% - 8%

CORTAL Consors

Asset-gathering and brokerage

Ranking	*Average rate of market growth **
#1 in Europe (assets under management)	+10%
#1 in France (market share: 32%—on-line brokerage)	
#2 in Germany (market share: 27%—on-line brokerage)	

INDIVIDUALS

* Average annual growth in the market estimated over the duration of the project (BNP Paribas)

BNP PARIBAS

Four leaders in Europe (2/2)

C O R P O R A T E S

ARVAL PHH

Vehicle Fleet Leasing and Management + related services

Ranking	*Average rate of market growth **
#1 in Europe	+7%
#1 in France	+9%
#1 in the United-Kingdom (market share:27%, 55% for fuel cards)	+2%
#2 in Italy	+15%

BNP PARIBAS LEASE GROUP

Equipment Financing

Ranking	*Average rate of market growth **
#1 in Europe (outstandings) #1 in France (market share: 23%)	+ 5% - 7%

** Average annual growth in the market estimated over the duration of the project (BNP Paribas)*

Objectives of Retail Financial Services

- **In Europe (mature markets)** ➪ **focus on profitability**
  - ✓ Consolidate the positions of leading companies
  - ✓ Improve productivity
  - ✓ Create new synergies with French Retail Banking

- **In key developing markets** ➪ **focus on growth**
  - ✓ Strengthen and, if necessary, restructure existing organization
  - ✓ Complete market coverage
  - ✓ Seek out acquisition opportunities

- **In all markets** ➪ **promote partnerships**

Systematically Implement the synergies between the French Retail Bank and RFS

€ 50 m additional yearly synergies by 2005*

< 2000	2000	2001	2002 - 2005
FRB continues to refer corporate clients to BPLG	Aurore cards access FRB's automatic cash dispensers	UCB refers retail customers to FRB FRB refers corporate customers to Arval PHH	RFS provides its expertise and processing platforms to FRB ⇨ Consumer Credit ⇨ Mortgage Loans

** Synergies split between French Retail Banking and RFS*

Maintain French business at a high level of profitability

cetelem (1/3)

⇨ Keep proprietary business in France highly profitable

⇨ Implement synergies with FRB

⇨ Materialize the potential of new or recently renewed partnership agreements in the banking and insurance sectors

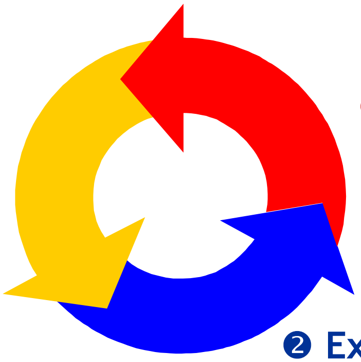
- ✓ Axa, Caisses d'Epargne, Banques Populaires

⇨ Grow with our other partners

Strengthen leadership in Europe cetelem (2/3)

⇨ **Increase growth in Southern and Eastern Europe by reproducing Cetelem's proven business model**

❶ Customer acquisition via a network of vendors



❸ Establish partnerships to lower break-even point

❷ Exploit the acquired customer base through direct marketing techniques

⇨ **Adapt this business model in the countries of Northern Europe, in Germany and in the United Kingdom**

✓ Lauch the activity through partnership (Halifax in the United Kingdom, Dresdner in Germany)

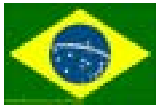
✓ Develop, during a second phase, a credit distribution network via vendors

⇨ **Complete market coverage through targeted acquisitions**

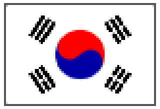
Expand in certain key markets outside Europe

⇨ **In emerging markets (*e.g.*, Brazil, South Korea, Thailand), develop through partnerships in order to minimize risks**

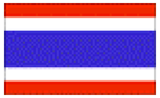
- ✓ Consolidate the partnership with Carrefour
- ✓ Seize other partnership opportunities
- ✓ Expand proprietary networks of vendors



Brazil



South Korea



Thailand

⇨ **In industrialized countries, actively seek acquisition opportunities**

Project 2005:Cetelem's objectives under base case economic and markets scenario

In France	Average Pretax ROE >30% over the period
Outside France	Average annual growth of outstandings >20% Pretax ROE* in 2005>30%
	Over 35% of Pretax income generated outside France by 2005 versus 11% in 2001

** Excluding the impact of a major acquisition*

Leasing : develop partnerships and widen product range

- An evolving European leasing market
  - ➔ Commoditisation of the product, and increasing interchangeability with credit
  - ➔ Steadily narrowing margins

⇨ **Accelerate the growth of partnerships in Europe**

- ✓ Synergies with FRB in France and CIB - Large Corporates in Europe
- ✓ Equipment manufacturers in Europe (agreement with CNH on a european scale)
- ✓ Network of local vendors

⇨ **Broaden the offering aimed at end-customers: additional products, packages including manufacturers' services**

⇨ **Generate productivity gains around a unified information system**

Target : focus on profitability

Capitalize on a European multi-country offering

- Offer a multi-country service for large corporates, via a european network of 13 entities

- Take further advantage of the positive effects of scale
  - ✓ Rationalization of tools (*e.g.*, computer software, assistance platform)
  - ✓ Rebates from manufacturers, dealers, and equipment suppliers
  - ✓ Exchange of best practices (*e.g.*, new services, monitoring of residual vehicle values, ...)

- Develop synergies with core businesses (FRB, CIB - Large Corporates)

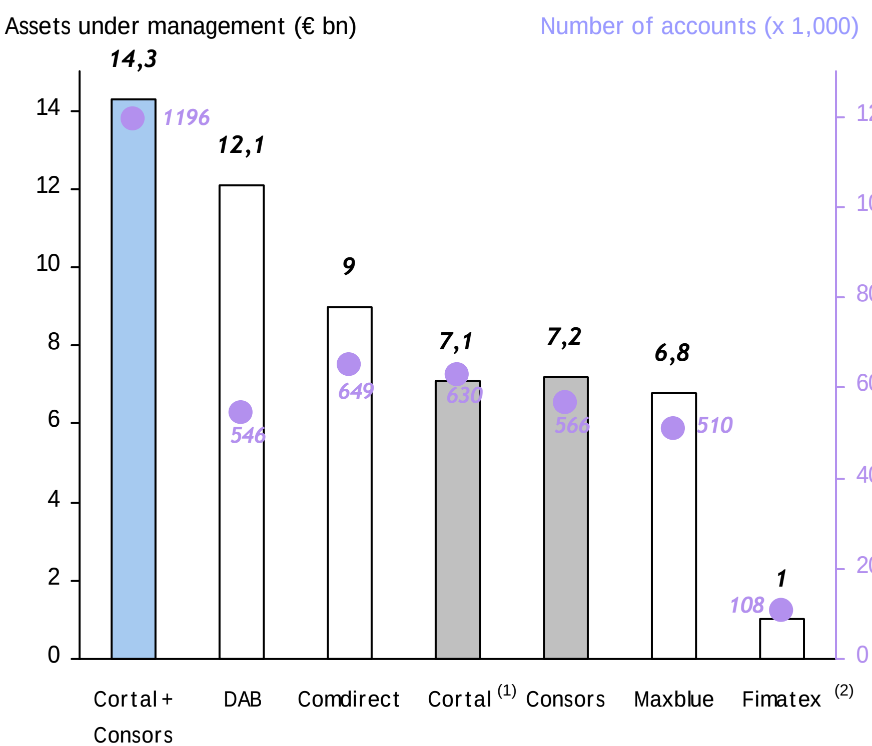
- Complete market coverage by creating new geographic entities, particularly in Central Europe

Target:
Growth in number of managed vehicles >1.5 times the market's growth rate

Number 1 in Europe CORTAL Consors (1/2)

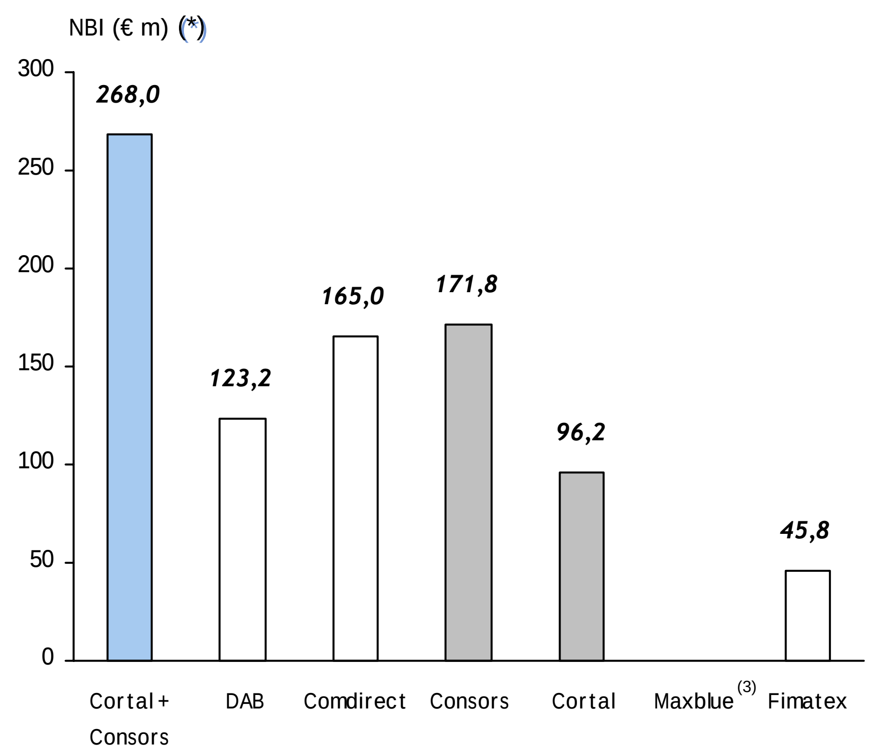
- Two complementary players, leaders in the Euro zone's two largest markets
  - ➔ Germany + France = 50% of private savings in the Euro zone

Assets under management and number of accounts at year-end 2001



(1) 630,000 customers serviced, including 391,000 direct customers
(2) Assets under management at 30 June 2001
(3) Not available

Net Banking Income in 2001



(*) Sources: annual reports

Successfully complete the merger in order to combine growth and profitability (2/2)

⇨ **Implement Cortal's multichannel model in Europe**

- ✓ Mutual fund distribution and asset management
- ✓ Multiple access for customers: phone, Internet, personal contact (advisers, "Investment Villages"), ...

⇨ **Generate more than €50 m in synergies by 2005 (incl. €38m of cost synergies)**

- ✓ Rationalize loss-making businesses
- ✓ Choice of a single brand
- ✓ Create shared IT platforms
- ✓ Reorganize in countries where both companies are present
- ✓ Accentuate the cost-reduction program in Germany

Targets:
€25 bn in assets under management by 2005 versus €14 bn in 2002
Pretax Income in 2005 > €100 m

Successfully implement partnership strategies for UCB and Banque Directe

UCB

a specialised lender leveraging the relationship with real estate profesionals

⇨ **In the highly competitive French market, increase synergies with FRB**

- ✓ Increase the number of bank accounts opened in the French Retail Network
- ✓ Make tools and expertise available

⇨ **In Europe, accelerate growth in markets offering higher margins, in particular through partnerships with retail banks (UCI in Spain and Portugal, Banca UCB in Italy, …)**

BANQUE Directe

⇨ **Adapt the business model by allying Banque Directe with a retailing network**

Project 2005: RFS Targets under economic and market base case

CAGR 2001-2005

- NBI > 11.5%
- Pretax income > 15%

- Cost / Income ratio : -3 points at least by 2005

- Pretax ROE[1] : ≥ 26% in 2005

(1) Excluding a major acquisition
ROE in 2002 and 2003 will be impacted by the acquisition of Consors

Project 2005

International Retail Banking

Project 2005

Pierre Mariani

IRB

GROUP RETAIL AMS CIB

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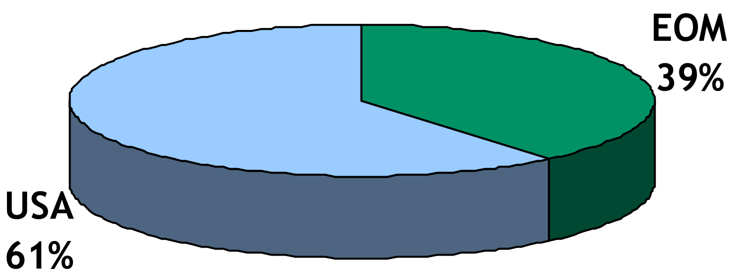
International Retail Banking — Mission Statement

- ***Developing a network of local banks that offers the Group***
  - ***A significant and recurring contribution to results***
  - ***A growth engine in retail banking***
  - ***A cross-selling platform for products of the core businesses and business lines***

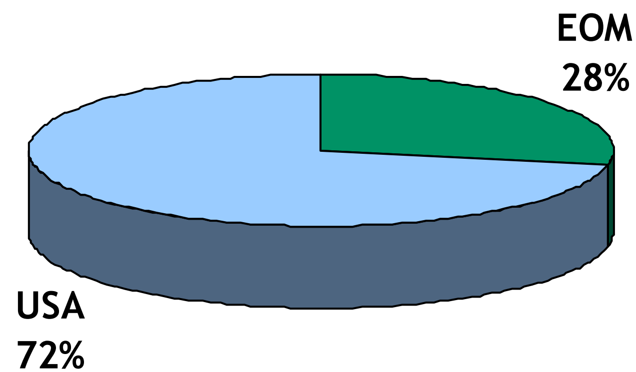
3/4 USA, 1/4 Emerging and Overseas Markets (EOM)

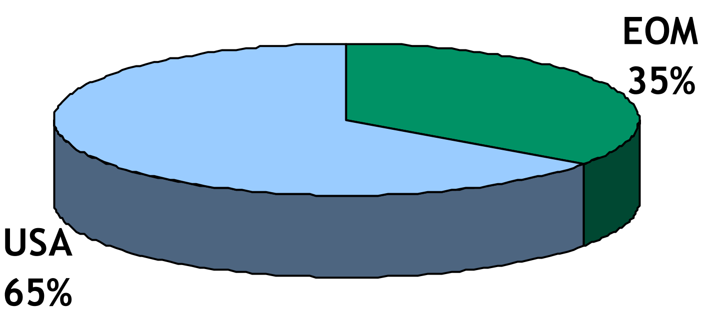
1999

2002 (e*)

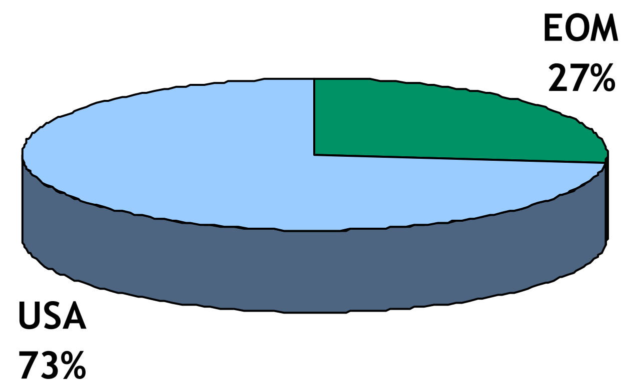


NBI



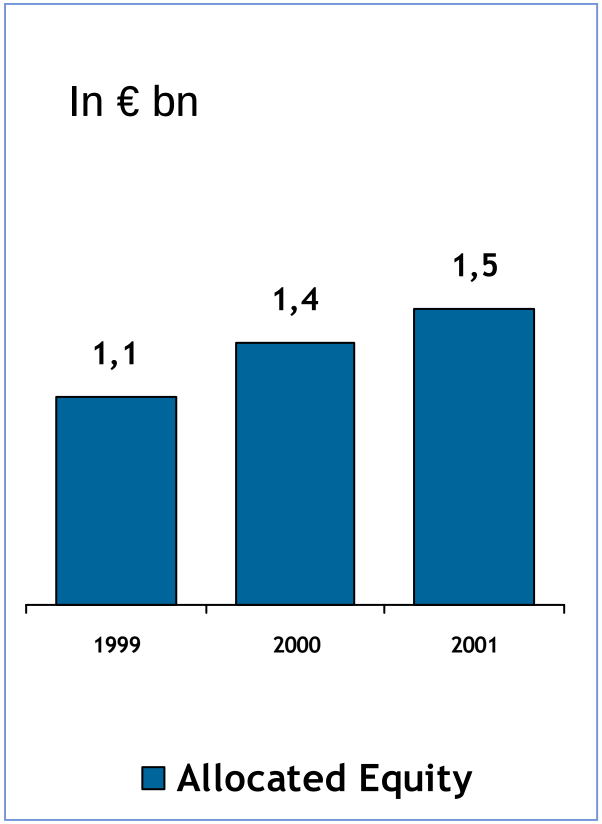


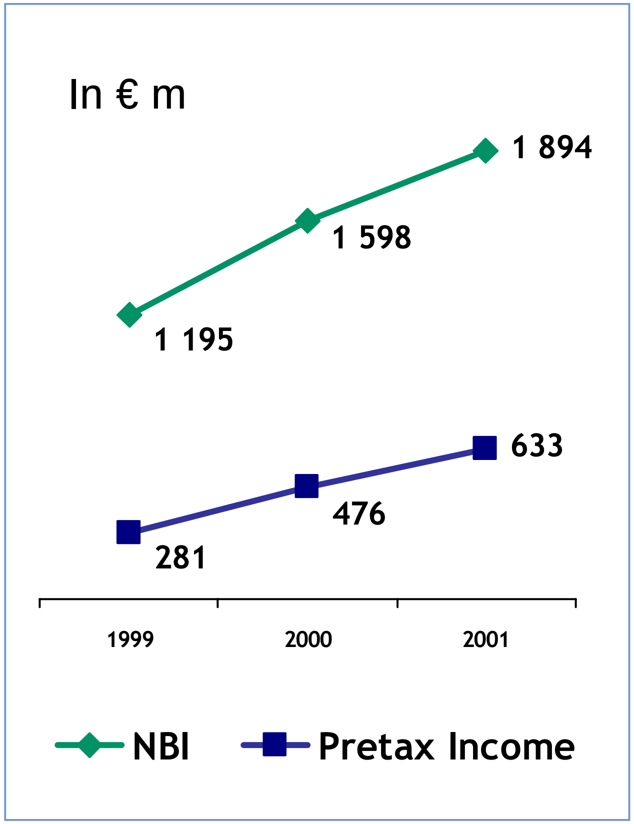
Pretax Income

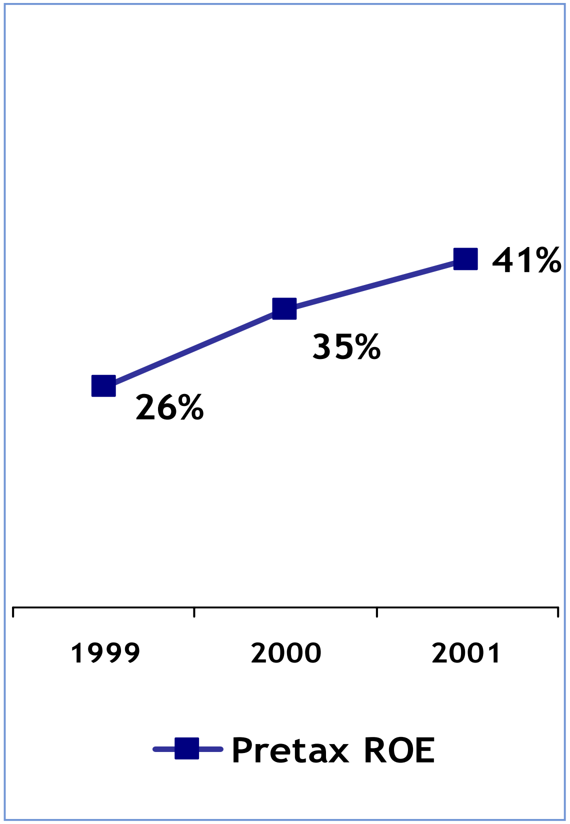


(*estimate reflecting UCB on a pro forma basis)

IRB Since 1999: Allocated Equity up by 40%, Pretax Income up by 100%, Pretax ROE up by15 points

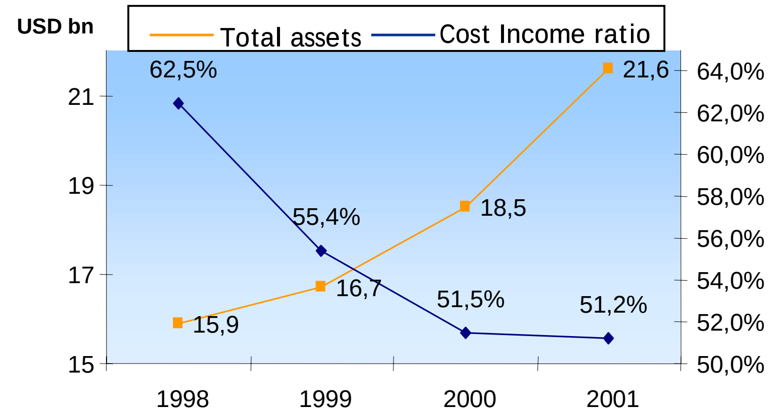


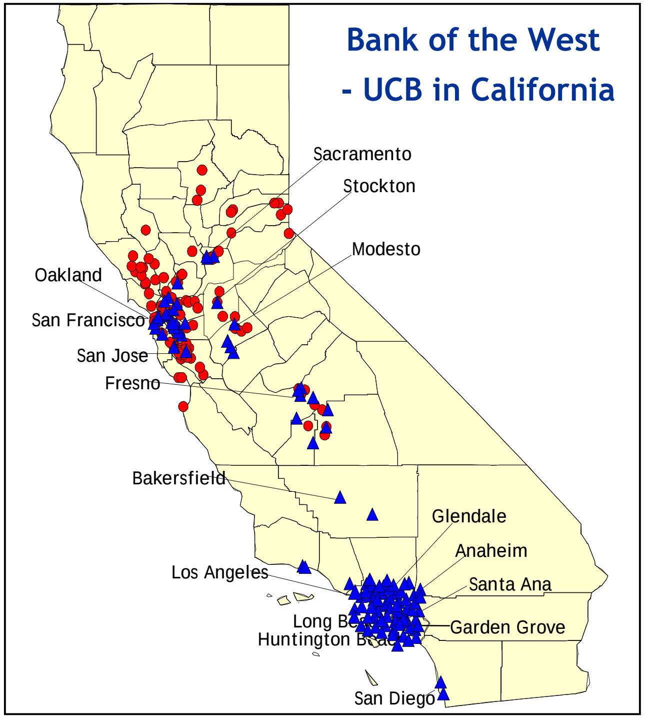




Western United States
Regional Position Strengthened by the acquisition of UCB

- **BancWest: A track record of growth and profitability**
  - A track record of successful acquisitions
  - Average annual business growth since 1996
    - Loans: 10%   Deposits: 8%
    - NBI: 9%
  - Net income (cash) has doubled since 1996
  - The community bank model has proven resilient during the recent economic slowdown



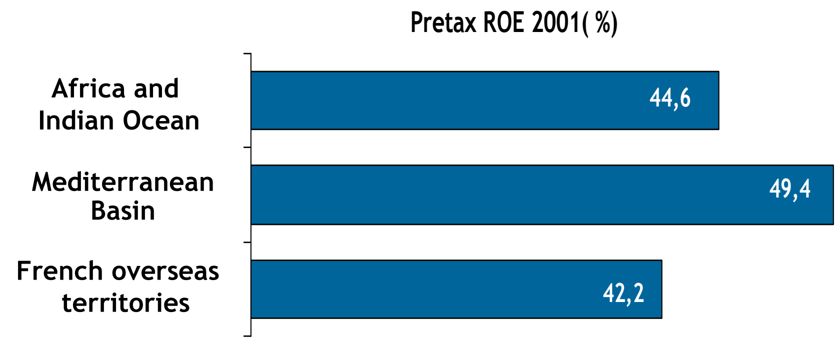


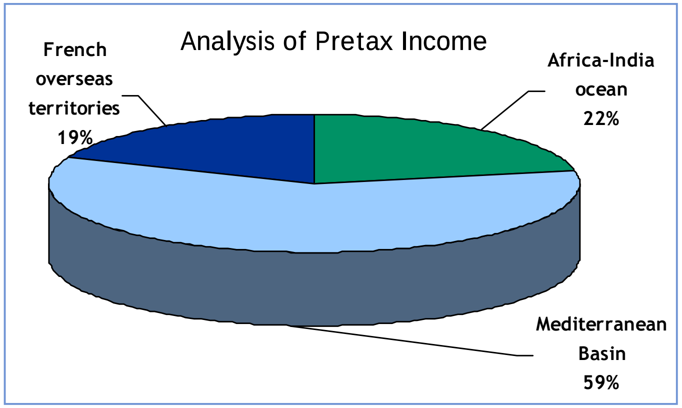
- **A reinforced position with the acquisition of UCB**
  - Excellent fit between networks and product mix
  - 368 branches - 1.5 m customers
  - Total assets: USD 32 bn
  - In California: 4th-largest bank (excluding thrifts)

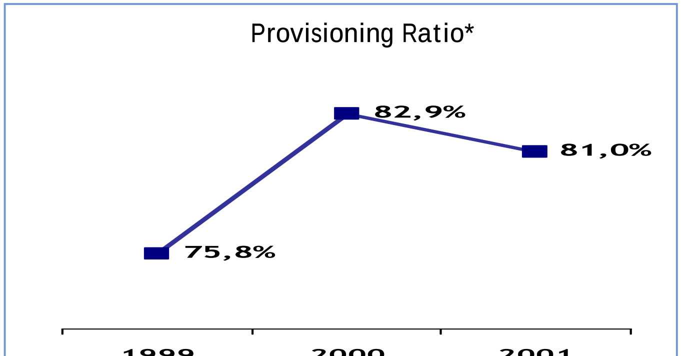
Position in Emerging and Overseas Markets

EOM

- 320 branches – 1.1 m customers – 7,000 employees
- Network of local banks in emerging markets and the French overseas territories
- Large market shares in many cases
- High profitability
- Conservative provisionning policy
- Geographic diversification and network effect which mutualize risks and costs
- Cross-Selling platform used by the Group (Trade Finance, Private Banking, Insurance, Cetelem,…)







*Provisions (stock)/doubtful loans (stock)

Strategic Directions for 2002-2005

● United States

Developing and adding value to the strategic asset

● Emerging and Overseas Markets

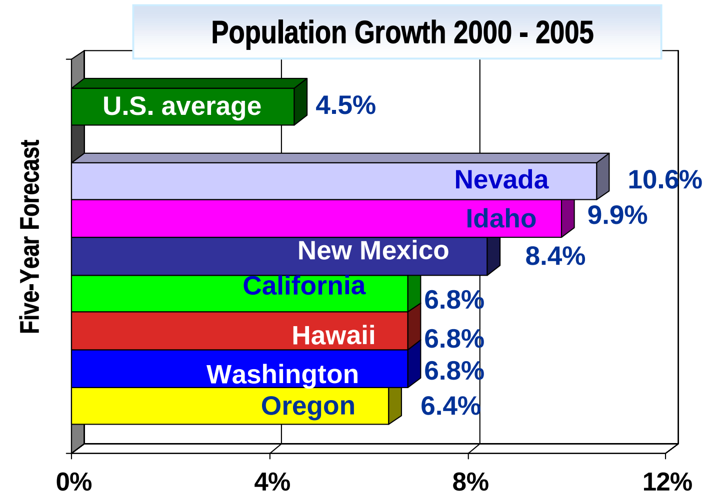
Rationalizing and supporting the network's growth while controlling risks

● Acquisitions

Seek out opportunities for growth with the priority on the United States

Western United States: Developing and Adding Value to the Strategic Asset (1/2)

- **California: exceptional market potential**
  - World's fifth-largest economy
  - Average household revenue of $46,775
  - Population of 34 million
  - Banking sector consolidation in progress
  - Increased cross-selling possibilities with the « Financial Holding Act »



Source: US Census Bureau

- **Successfully completing the integration of UCB**
  - **In 2002, successfully complete the operational merger with Bank of the West**
    - Merger of the networks and computer migrations by year-end 2002
  - **In 2003, achieve 100% of synergy targets**
    - Targets 2003: expenses USD 82 m, revenues USD 15 m
    - USD 14 m in expense synergies for 2002 already guaranteed

BNP PARIBAS

Western United States: Developing and Adding Value to the Strategic Asset (2/2)

- **Supporting internal growth**
  - Boost the cross-selling rate in each clientele segment
  - Systematically look for synergies with the Group
    - Initial achievements: Trade Centers, corporate credit cards
    - Under consideration: insurance, asset management, ...

- **Optimizing the internal allocation of capital**
  - Corporate lending ➜ consumer credit and specialized niches

- **Increasing the market share of the community bank in California and neighboring states**
  - Seize acquisition opportunities

BNP PARIBAS

Emerging and Overseas Markets: Rationalizing, Expanding, and Controlling Risks

- **Supporting internal growth while controlling risks**
  - Broaden the product and services offering by making widespread use of the shared IT platform
  - Enhance cross-selling within the Group
  - Reposition the network on value-creating segments
  - Increase risk control

- **Continuing to increase operational efficiency**
  - Reengineering efforts and sharing of resources

- **Continuing to rationalize the organization and optimize capital allocation**
  - Examples:
    - Withdrawal in progress from southern Africa
    - Sales of minority shareholdings in progress

- **Developing the network via selective and opportunistic acquisitions**
  - Consolidate market share or seek out new sources of growth

Project 2005 : IRB targets under base case economic and markets scenario

- **NBI** (CAGR 2001-2005) : **+13%**
- **Cost / Income ratio : -3 points at least by 2005**
- **Pretax ROE* : ≥ 35% in 2005**

** Excluding the impact of a major acquisition*

Asset Management & Services

Project 2005

Vivien Levy-Garboua

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Mission Statement

« A highly profitable pan-European asset gatherer outpacing the market growth »

AM&S - A Well Positioned European Asset Gatherer

- **A leading player in Europe**
  - An asset gatherer that has achieved critical mass: €272 bn* of assets under management in 2001
  - A European player
    - 96% of NBI was generated in Europe in 2001 (including 40% outside France)
    - Half of assets under management outside France

- **Well-positioned business lines**
  - Private Banking: #1 in France, #10 worldwide; €104 bn of assets under management
  - Asset Management: one of Europe's top distributors; €168 bn of assets under management
  - BP2S: First pan-European provider; €1,990 bn of assets under custody
  - Insurance: #4 in France; €55 bn in endowment insurance assets under management

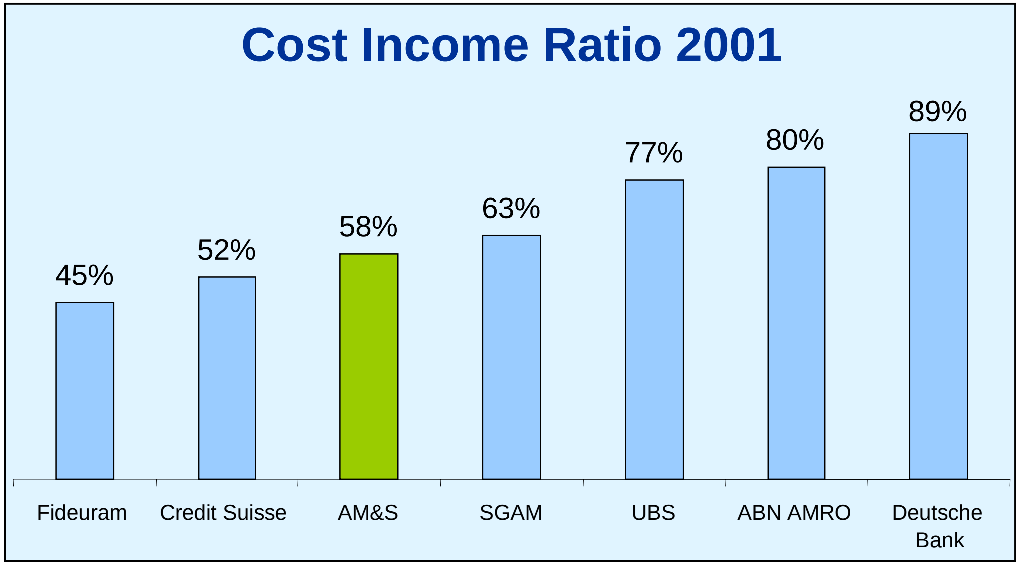
**After double accounting neutralisation*

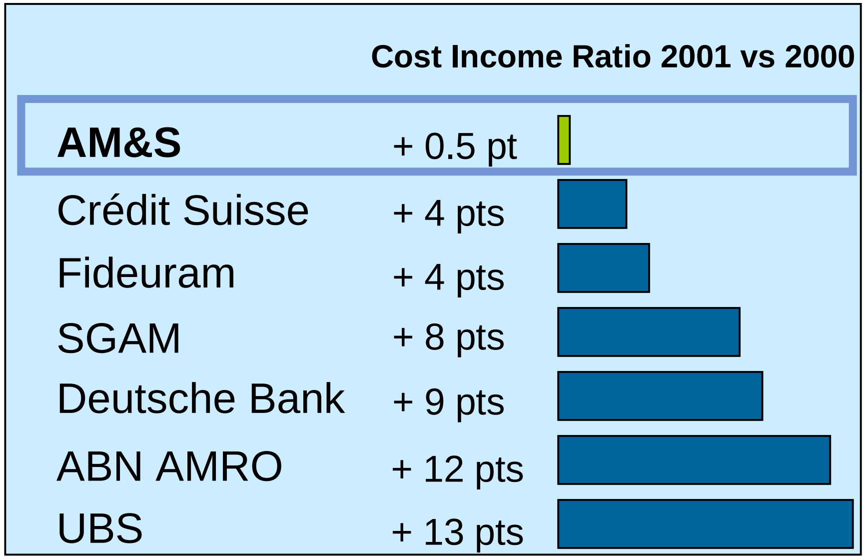
AM&S : A Profitable, Fast-Growing Asset Gatherer

- **Growing faster than the market:**
  - ➔ **NBI +16% per year** *(CAGR 1999-2001)*
  - ➔ **PreTax Income +26% per year** *(CAGR 1999-2001)*

- **One of the lowest cost/income ratios in the market: 58% in 2001**

- **A high degree of resilience to the worsening economic climate in 2001**





A Powerful and Diversified Production and Distribution Organization

Presence in all customer segments

% of 2001 NBI	Institutionals & Corporate	HNWI	Upper affluent	Affluent	Retail
	30%	30%			40%

Diversified channels

% of 2001 AUM	Direct distribution	External distribution	Internal distribution by the Group's networks
	57%	8%	35%

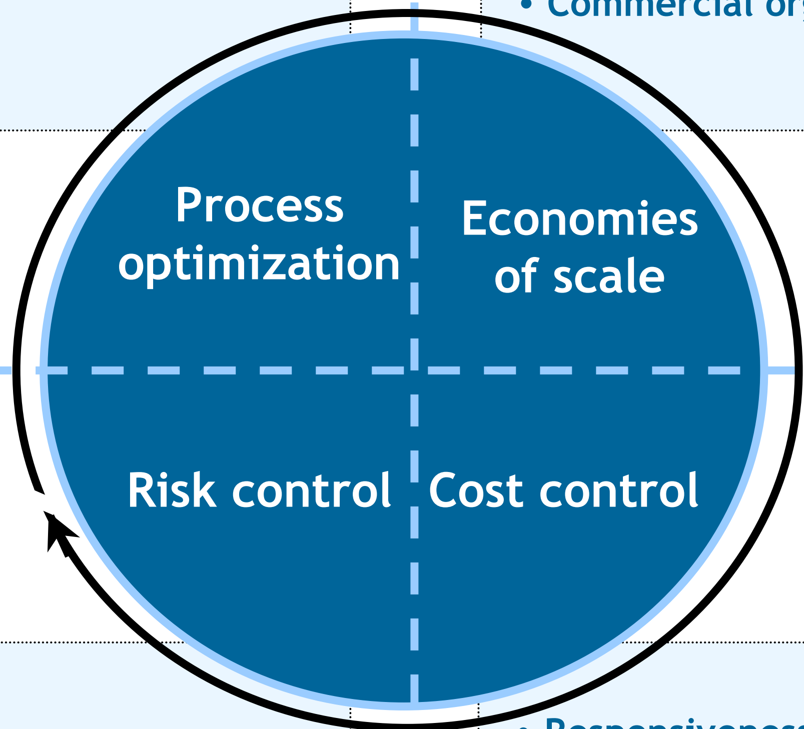
Comprehensive offering

	Asset Management	Private Banking	Insurance	BP2S
	Alternative and structured management	Discretionary management	Creditor Insurance	Fund Adminstration
	Fundamental management	Advisory Management	Property & casualty Insurance	Clearing & Custody
	Multi-management	Active advisory	Life Insurance	Liquidity management
		Financial planning	Protection	Issuer Services
		Tax & Estate planning		
% of 2001 NBI	47%		29%	24%

A Virtuous Model of Profitable Growth

- Centralization: Insurance, BNPP EE, BP2S
- Standardization/specialization: Private Banking and Asset Management
- Rating (Fitch AMR)

- Network effect, synergies, cross-selling
- Commercial organization



- Moderate degree of risk (diversified businesses, products and channels)
- Reliable, standardized procedures
- Strong « Know-Your-Customer » Program

- Responsiveness to the environment
- Variable cost structure
- Open architecture

- **Private Banking**
- Asset Management
- Insurance
- Securities Services

A Leading European Player in a Fast-Changing Business

- **Market growth expectations of 8% a year over the period 2002-05 in base case**
  - ➔ Stronger growth in the onshore European markets
  - ➔ Additional source of growth in the "Upper Affluent" segment (€0.3 m to 1 m of investable assets)
- **Sectoral dynamics pointing toward consolidation and/or specialization**
  - ➔ Strong but still fragmented competition
    - The top 10 players account for less than 10% of the market
  - ➔ Increased regulatory constraints and client sophistication

BNP Paribas Private Bank

- ➔ A player backed by an extensive network, especially in France
- ➔ Critical mass achieved (10th-ranked private bank worldwide) with a positive impact on profitability

A winning asset: Comprehensive, Innovative, and Suitable Offering

ESTATE PLANNING	ESTATE PLANNING PRODUCTS	INVESTMENT STYLES	INVESTMENT PRODUCTS
Financial planning (*e.g.*, retirement, stock options)	Tax-driven products and vehicles	Discretionary management	Deposits
			Securities
Asset allocation	Fiduciary Vehicles (trusts, foundations)	Advisory Management	Mutual funds
Tax & Estate Planning	Insurance and protection (*e.g.*, key man, term life)	Active advisory	Structured products and derivatives
			Alternative investments
Strategic advisory (entrepreneurs, families)	Diversification products (real estate, art)	Client-driven Management	

CORE PRODUCTS AND SERVICES

Custody	Execution	Transfers/Payments	Internet	Reporting	Loans

Increasing the "share of wallet"

Switching client assets toward the higher-margin management styles and asset classes

Private Bank in France: Two Engines of Growth

Affluent Segment: Actively exploiting the potential of the network's individual customers

- Potential : 93,000 additional clients with €30 bn in assets
- Target: 15,000 new clients a year to the Private Bank
- Optimizing the organization:
  - Centralized discretionary management
  - Creation of commercial support positions to ensure high-quality service

High Net Worth Segment: Operating a dedicated organization

- Strong potential: cross-selling with the network's corporate business (divestitures)
- 30 dedicated wealth management advisers
- A specific offering: multimanagement using dedicated funds, alternative management, private equity

2005 targets	
	50% increase in assets under management
	50% increase in the number of customers
	Proportion of external new cash: 50% of assets gathered in 2005
	Control over the commercial operating costs

- Europe on-shore
  - Internal growth : product offering adapted to client segmentation
- Off-shore markets
  - Strengthening positions in growing markets
- Commercial synergies within the Group
  - Leveraging on networks (International Retail Network and Corporate & Investment Banking)

- Leveraging on client segmentation
- Standardizing platforms and processes
  - Reducing the number of booking centers
  - Sharing back offices
  - Rationalizing of order execution desks
- Strengthening control of operational risks and compliance issues

2005 Targets

Lower significatly the Cost / Income ratio

Grow customer assets faster than the market

- Private Banking
- **Asset Management**
- Insurance
- Securities Services

AM

GROUP RETAIL AM&S CIB

Asset Management in 2001: A Leading Distributor

- ## A powerful distributor
  - 1,000 partner-distributors in 20 countries; Europe's sixth-largest distributor
  - BNP Paribas Epargne Entreprise : #3 in France in terms of assets and #2 in terms of number of employees in corporate savings plans managed

- ## A well-balanced economic model
  - Duty of excellence : management and distribution to Institutionals
  - Core profitability : fund distribution
  - Engines of growth : external distribution, alternative management, and multimanagement
  - Improved cost/income ratio
  - Diversification in terms of asset classes, geographic areas, and distribution channels

- ## A strong capacity to grow without significant additional investments
  - Sales teams are already present in 20 countries
  - A powerful production organization in Europe, to be reinforced by the acquisition of a US Equity platform meeting our criteria

Ambitious Commercial Development

- **Improve our position amid Europe's leaders in mutual fund distribution**
  - ➔ Increasing the number of distributors by 30% by 2005

- **Accelerating distribution outside Europe**
  - ➔ Strengthening the existing distribution network in Japan and Asia
  - ➔ Capitalizing on links with BancWest
  - ➔ Establishing positions in the markets of the future (Brazil, China, South Korea, India)

- **Developing distribution to Institutionals**
  - ➔ Maintaining our leadership in France
  - ➔ Pursuing our breakthrough among international institutional investors (500 clients in 2001)
  - ➔ Increasing our market share for corporate savings schemes in France

Global and specialized production platforms

Active fundamental management

FFTW
US and Global Fixed-Income

BNP PAM
Fixed Income/Equities and Diversified

Alternative and Structured Management

BNPP Fauchier Partners
Management of funds of hedge funds

OAM
Currency risk management

Partnership with Equity Derivatives

Multimanagement

Reaping the benefits of using an open architecture

Modularity that generates client and revenue synergies

Project 2005 : Asset Management and Private Banking Division targets under base case economic and markets scenario

CAGR 2001-2005

- **NBI :** **+ 9 %**
- **Pretax Income :** **+ 18.5 %**

- Private Banking
- Asset Management
- **Insurance**
- Securities Services

Insurance : Growing Markets

General trends in favor of personal insurance products

- **Endowment insurance:**
  - ➔ Longer lifespans
  - ➔ Uncertainties surrounding the strength of pension systems
  - ➔ Advantageous tax treatment in most countries

- **Protection:**
  - ➔ Increasingly affluent lifestyle and the desire to protect it

The growth in personal insurance products exceeds GDP growth across the world

Insurance division : a powerful and unique multi-distribution platform

- Development through partnerships
  - 26% of 2001 Premium Income
- Transposition to international markets of expertise gained in France
- Higher relative size of Protection
  - 16% of 2001 Premium income

- Presence in 27 countries (82% of world GNP)
- Particularly strong in Europe
- Expansion in key emerging marketsthrough partnerships

Multi-distribution approach

Endowment Life	Group networks
Protection	Outside partners
Property & Casualty	Deal flow providers / IFA's

Key figures 2001

- 3 m life insurance/ endowment customers;
- 7 m creditor insurance customers
- #4 in France (7.5% market share) and #15 in Europe in life insurance/ endowment

Ambitious commercial targets

	Ambitions	Means
Endowment/ Life insurance	• Consolidating our market share in France → Increasing the proportion of mutual funds in life/endowment insurance policies • Expanding business in Europe • Continuing to develop business in Asia • Gaining a foothold in the United States	• Leveraging on the growth of FRB and the Private Bank • Deploying *bancassurance* partnerships • Developing relationships with IFAs in Europe • Implement cooperation with BancWest
Protection	• Doubling premium income by 2005	• By capitalizing on exceptional technical expertise • By transposing our distribution models to new markets
Credit Insurance	• Becoming one of the Top 3 world leaders	

Project 2005 : Insurance targets under base case economic and markets scenario

- **NBI** (*CAGR 2001/2005*) **: + 12%**
  - ➔ Faster growth outside France
  - ➔ 50% of premium income in 2005 from partners outside the Group and from the network of IFAs
- **Pretax Income : 600 ME (+12.5% pa)**
  - ➔ Protection: 1/3 of Pretax Income in 2005

BNP PARIBAS

- Private Banking
- Asset Management
- Insurance
- **Securities Services**

BP2S—A European Leader Operating in 4 Business Segments

- **A Growing Market**
  - → Strong growth in global custody
  - → Consolidation of the sector now occurring in Europe

- **BNP Paribas Securities Services**

MDCC	• Clearing and custody for investors	GLM	• Financing of clearing flows
EIS	• Global custody and fund administration	GIS	• Issuer services

  - → Strong business growth between 1996 and 2001:
    - ■ Assets under custody multiplied by 4 (AUC at year-end 2001: €1,990 bn)
    - ■ Number of transactions multiplied by 10
    - ■ NBI multiplied by 5
  - → Focused on Europe
  - → Clientele of institutionals and professional financial intermediaries

Multi-Direct Clearing & Custody (MDCC)

- **Ambitions**
  - Coverage of the entire European Union
  - Increasing the number of products per country sold to any given client

- **Key success factors**
  - Quality of service
  - Economies of scale
  - Cash / transaction financing

- **Methods**
  - Staying at the cutting edge of innovation
  - Continuing to offer the best value for money on the market

Target :
Clearing volumes
+8% per year

European Investor Services (EIS)

- **Ambitions**
  - Becoming a European leader in:
    - Global Custody
    - Fund Administration

- **Key success factors**
  - Proximity to clients
  - Powerful technical infrastructure
  - Economies of scale

- **Methods**
  - Building a comprehensive offering
  - A unique decentralized technical organization (alternative hub and spokes)
  - Acquisitions & Partnerships

Targets 2005 :

Assets under Custody x2

Number of funds administered x5

GIS

- **Ambitions**
  - → Becoming a European partner for French issuers
  - → Capitalizing on the expertise of the BP2S network

- **Key success factors**
  - → Adapted/dedicated software
  - → Pan-European expertise
  - → Cost control

- **Methods**
  - → European commercial team
  - → Broadening of the offering (complex and international operations)

GLM

- **Ambitions**
  - → Assisting MDCC and EIS clients by offering liquidity service to support flows

- **Key success factors**
  - → Risk control
  - → Understanding clients' needs
  - → Service quality

- **Methods**
  - → Developing securities lending/ borrowing
  - → Cash and foreign exchange service offering

Project 2005 : BNP Paribas Securities Services targets under base case economic and markets scenario

	CAGR 2001/2005
● **NBI :**	**+13%**
● **Pretax Income :**	**+15%**

AM&S : Diversified levers with low capital consumption

INTERNAL LEVERS	EXTERNAL LEVERS
Gaining new customers *through existing networks*	Diversifying channels
Cross-selling	Opening new markets
Product innovation	Acquisitions

- Increased commercial development based on a client segmentation
- Strong momentum in revenues & costs synergies
- Profitable international growth based on partnerships
- Selective use of external growth to achieve wider geographical reach and comprehensive product offering

Project 2005 : AM&S targets under base case economic and markets scenario

	CAGR 2001/2005
• New Cash	around 5-6 %
• AUM	+10 %
• NBI	+ 11 %
→ Asset Management and Private Banking	+ 9 %
→ Insurance	+12 %
→ Securities Services	+13%

- Cost / Income ratio : -3 points at least by 2005

Strong Growth and Profitability in All Business Lines under base case economic and markets scenario

	Pretax Income 2005 in M€	2005/2001
Asset Management Private Banking	600	X 2.0
Insurance	600	X 1.6
Securities Services	350	X 1.8
AM&S	1,550	X 1.8

Project 2005

BNP Paribas Capital

Project 2005

Amaury-Daniel de Sèze

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BNP Paribas Capital - Mission Statement

Reducing the equity allocated to Private Equity by conducting business through managed or advised funds

Targets for the Period 2002-2005

- Substantially reducing allocated equity

  - 1999 = €2.2 bn
  - 2001 = €2.0 bn
  - 2005 = €1.2 bn

- Maintaining results at a significant, but decreasing level

  - Results that are significant but lower due to a reduction in the size of the portfolio
  - Pretax ROE generated over the period >30%
  - Net cash (proceeds of divestments + dividends - investments) generated by the business ≅ €5 bn

Targets for the Period 2002 - 2005

- Continuing to make private equity investments through investments in funds and co-investments
  - Private equity funds
    - → €700 m could be invested during the period
  - Co-investments
    - → €400 m has been earmarked for this activity during the period

Situation at the End of 2005

- **Downsizing of the portfolio of direct investments (excluding shares of funds and co-investments) in the Group's balance sheet by about 70% compared with year-end 2001**

- **A portfolio mainly composed of:**
  - Investments in funds
    (40% of the portfolio's net book value)
  - Co-investments (20%)
  - Residual direct investments

The Need for a Spin-Off

- **Confirming the teams' independence by spinning off PAI in two stages**

  - Independence of the management teams is a prerequisite for securing investment commitments from professionals—especially those from the English-speaking countries—in private equity funds linked to a bank or financial group:
    - → Avoiding conflicts of interest
    - → Ensuring that the management team is completely dedicated

  - Achieving independent ownership in two stages:
    - → 2002: acquisition of a 51% ownership interest by the managers
    - → From 31 December 2005 to 31 December 2007: acquisition of the remainder

→ **PAI's management will manage the PAI portfolio within the framework of an assistance and advisory agreement and in exchange for the payment of a management fee**

Project 2005

Corporate and Investment Banking

Project 2005

Georges Chodron de Courcel
Philippe Blavier

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Corporate and Investment Banking - Mission Statement

Increase our leading position in Europe, develop our strengths in the US and keep our solid position in Asia, while maintaining high return and competitive cost income ratio.

Outline

- An optimised platform generating stable and high returns
- Capturing opportunities in a fast-changing environment
- Project 2005: growing the business while maintaining high returns and competitive cost income ratio

Outline

- An optimised platform generating stable and high returns
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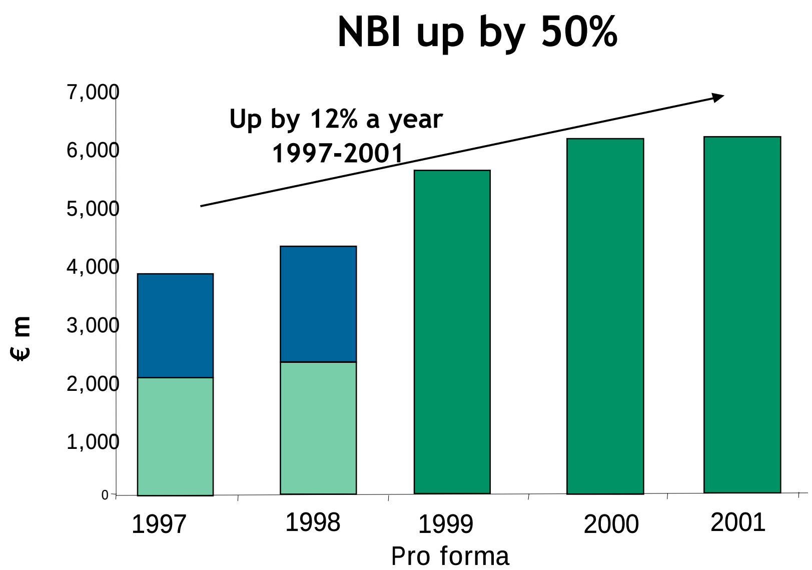
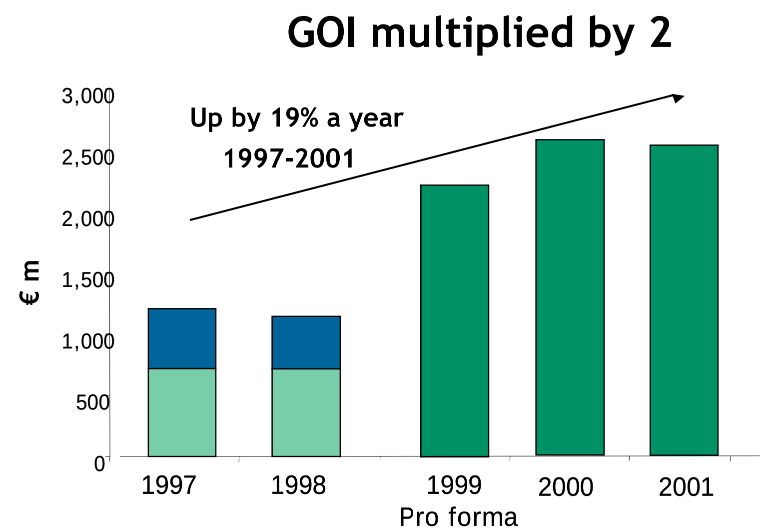
Delivering on Promises

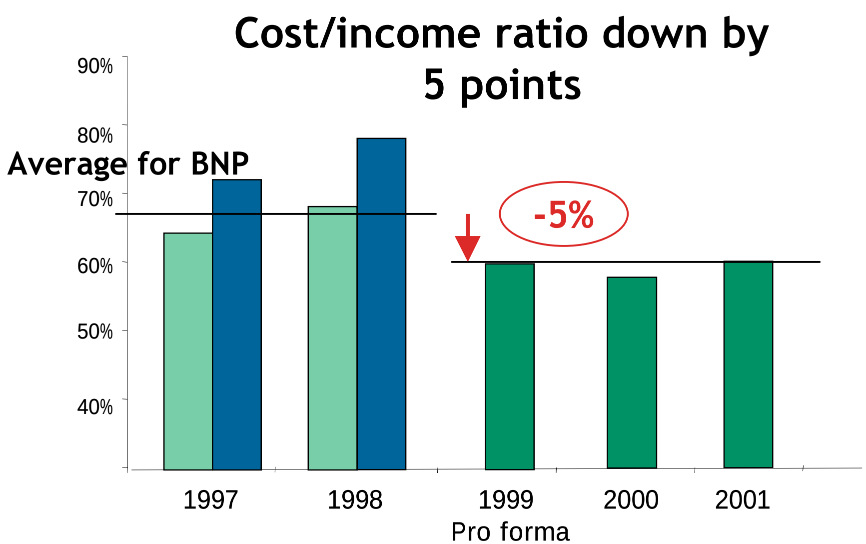
Industrial Project 2002	Assessment in 2001	
Controlling costs	Cost/income ratio lowered from 65% to 60%	✓
Decreasing capital allocated to CIB to €8.1 bn in 2002	2001: €7.7 bn in capital allocated	✓
Decreasing capital allocated to Corporate Banking	€2.6 bn in 2001 versus €3.4 bn in 1999	✓
Achieving pretax ROE of 21% over the cycle	Pretax ROE of 24.2% in 2001	✓

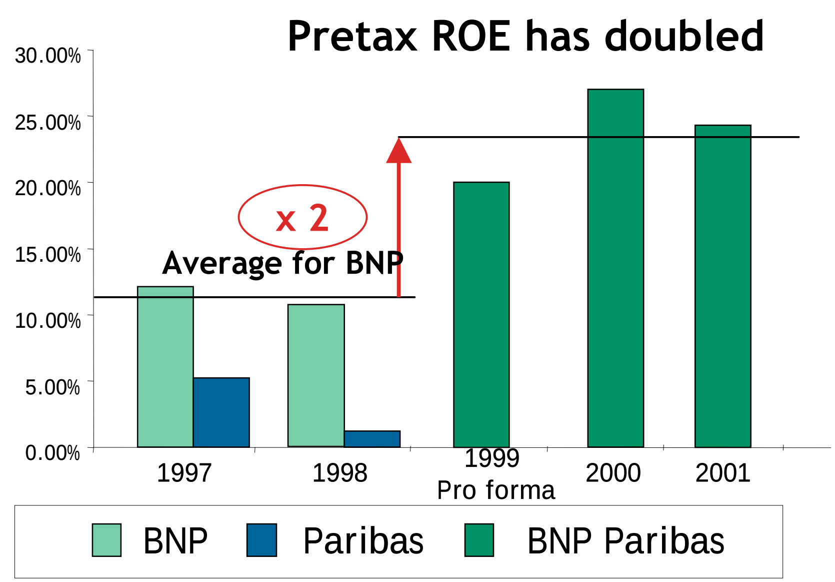
Size and position of CIB optimised

The Merger : a Transforming Transaction for CIB

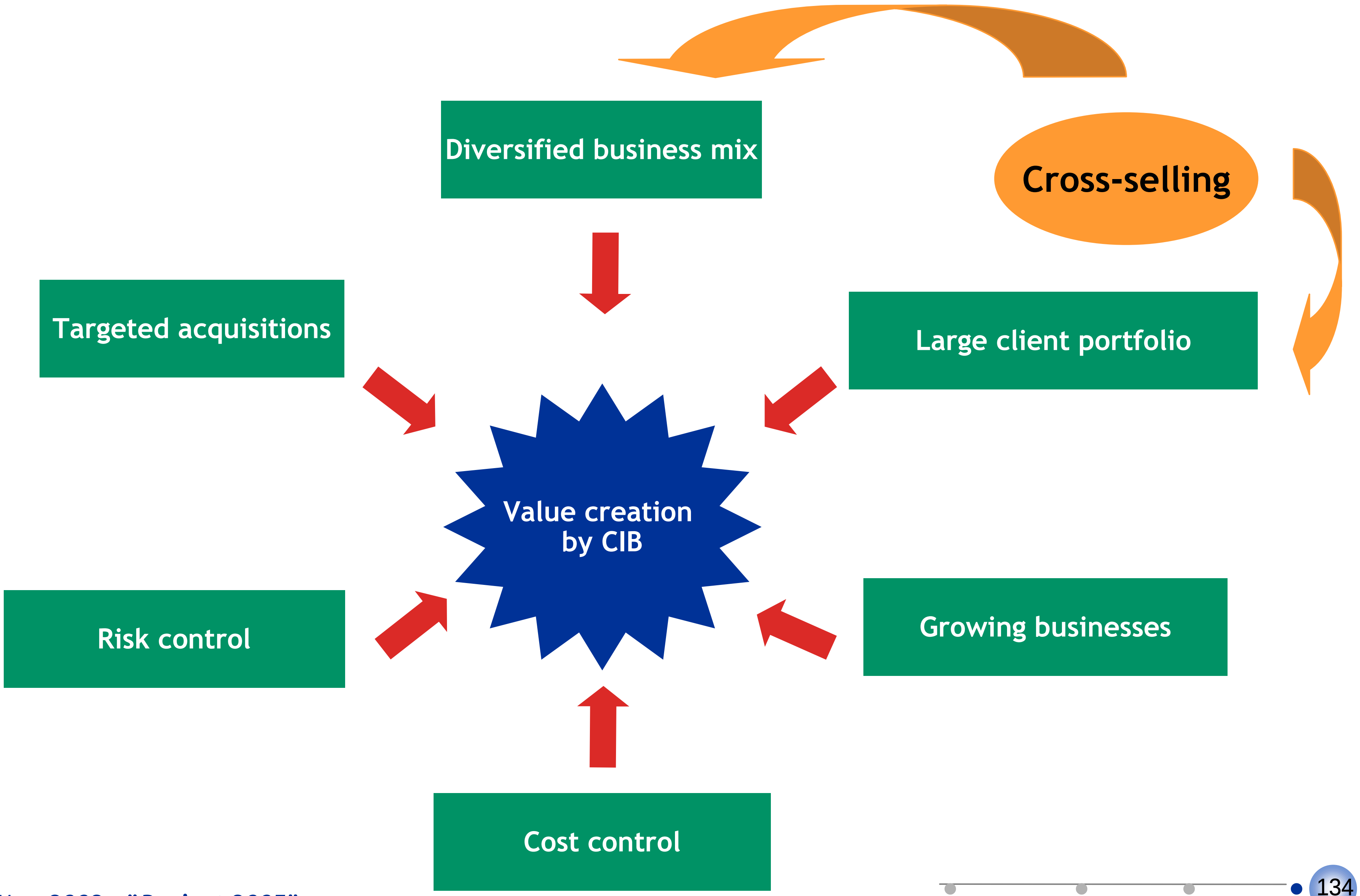








A Business Model Geared to Value Creation



Product Platforms Increasingly Recognized by League Table Rankings

INTEREST RATE DERIVATIVES
*Among **Top 3** in Europe*

FIXED-INCOME

	2000	2001
All corporate bonds in € (bookrun.)	*5*	***4***
All Euromarket issues (bookrun.)	*11*	***9***

ENERGY AND COMMODITIES
Global Leader in E&C Financing

STRUCTURED FINANCE

	2000	2001
Lead arranger project finance	*9*	***3***
Top arranger of synd. credits (vol.)	*12*	***9***
Top arr. of synd. credits for M&A, EMEA	*7*	***5***

EQUITY DERIVATIVES
*Among **Top 10** worldwide*

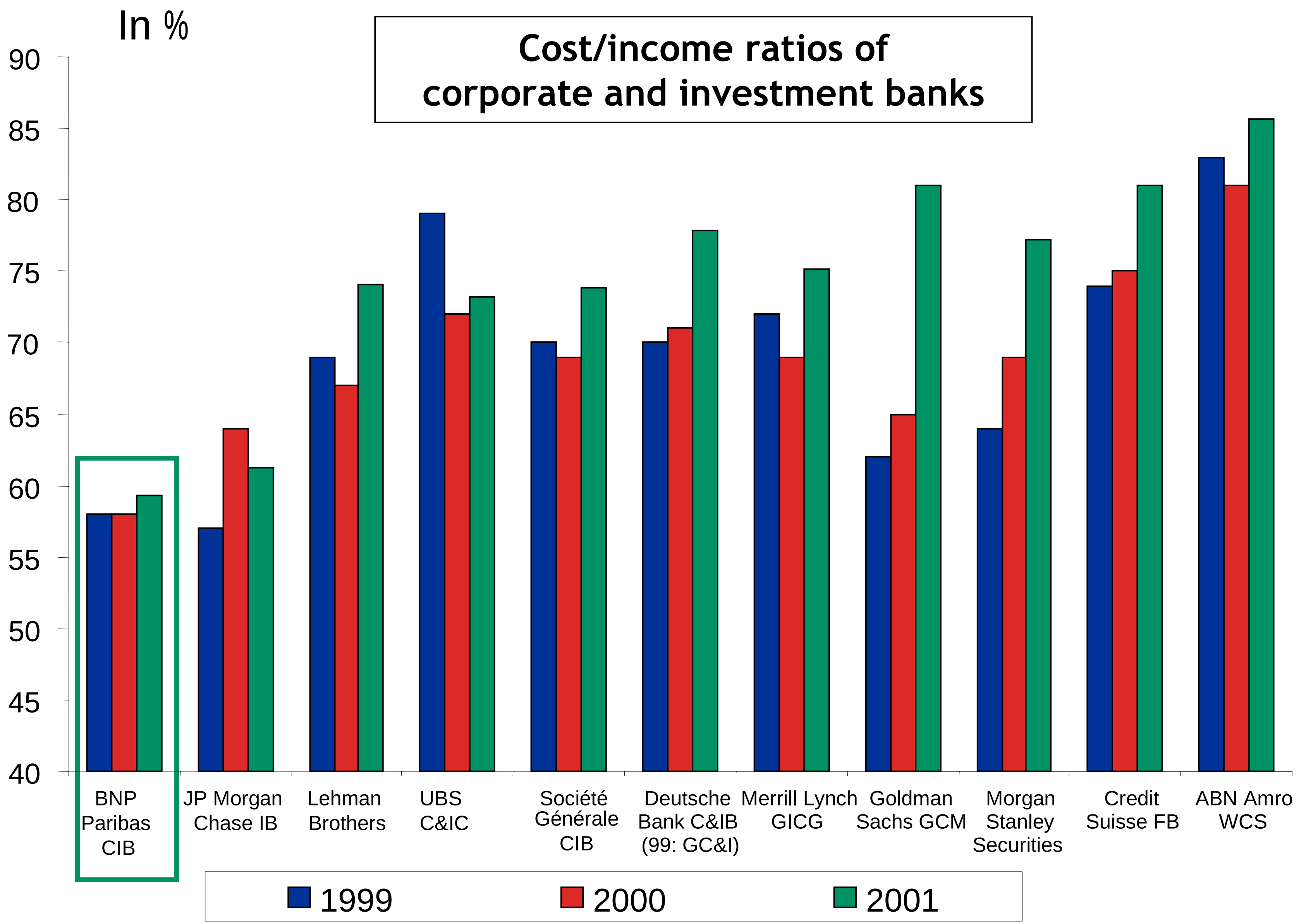
CORPORATE FINANCE

	2000	2001
International EMEA convertible issues	*6*	***6***
M&A France, completed deals (by amount)	*3*	***1***

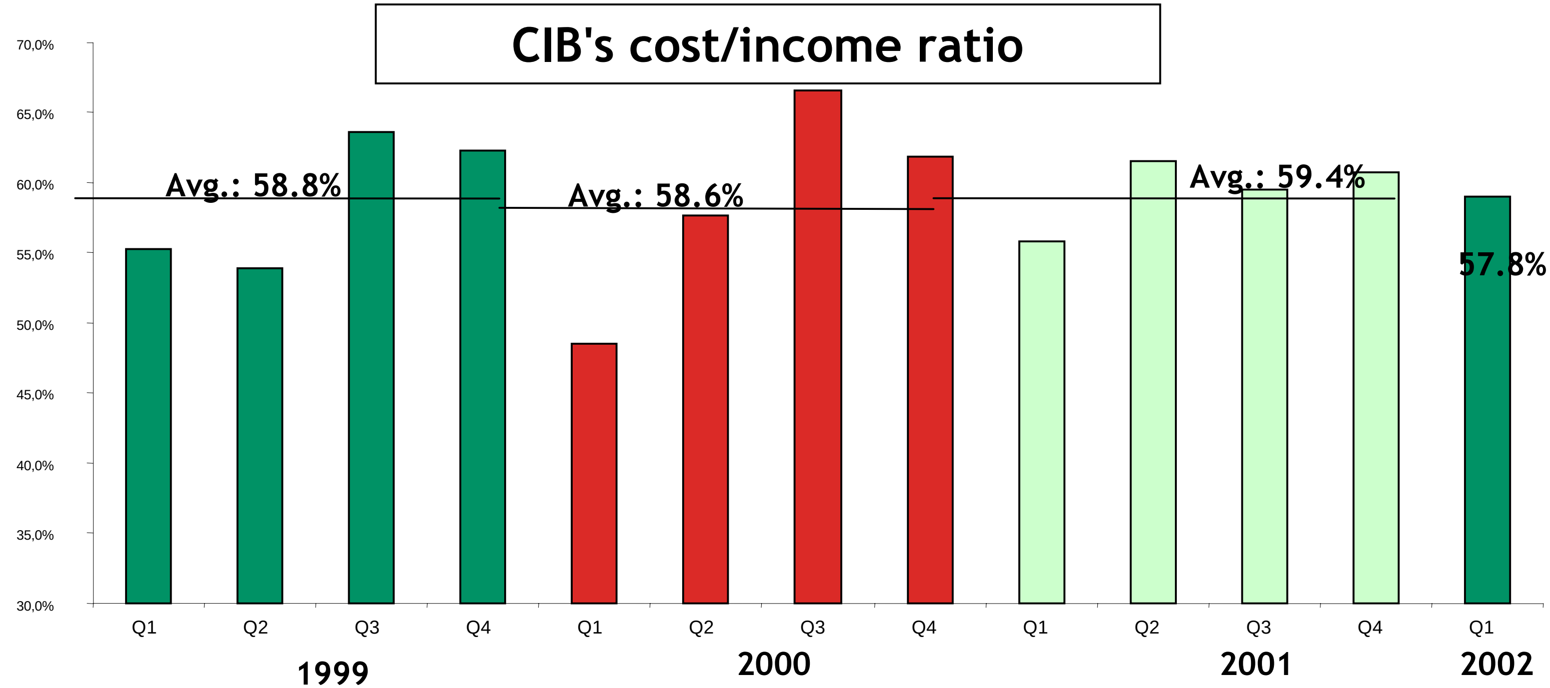
Rankings: 2000 **2001**

Sources: IFR Thomson Financial, Project Finance International, AT Kearney

A Competitive Position



An Ongoing and Responsive Cost Control



Some examples of cost control in 2001

Europe

- E&C: closure of Basle and Rotterdam sites
- Sale of 3 sites in Europe

The Americas

Downsizing of merchant banking teams

Asia / Australia

Closure: Myanmar
Downsizing: Australia, Singapore, Vietnam, Thailand

A Model That Resists Downturns and Leverages Upturns

- **Validation of CIB's economic model in a difficult environment**

Economic factors	CIB's responses
• Difficulties in the equity markets • General economic downturn • Increase in credit risk	• Strong use of the debt platform • Continued cost control efforts • Strict risk management • Selective withdrawals from emerging markets

- **Good capacity to benefit from the rebound when it occurs**

Economic factors	CIB's responses
• Economic upturn • Resumption of growth in the markets	• Continued focus on clients • In-depth knowledge of their needs • Powerful platforms • Available cash flow that can be mobilized on a high-priority basis for growth

Outline

- An optimised platform generating stable and high returns
- **Capturing opportunities in a fast-changing environment**
- Project 2005: growing the business while maintaining high returns and competitive cost income ratio

Positive Medium Term Growth Prospects

Growth drivers	Products	Market trends
• Players' sophistication • Risk management	Credit derivatives Energy derivatives/futures	> +15%
• Stronger influence of the capital markets • Consolidation in industry • Demographics	M&A and ECM Equity Cash Equity derivatives Bonds Interest-rate derivatives Value-added financings	+6 to 12%
• Global economic growth • Commoditization of products	Foreign Exchange E&C Financing Corporate lending	< +6%

+7% average (under base case scenario)

Sources: Morgan Stanley/Oliver Wyman, AT Kearney, BCG

Investment   Financing

Two Competing Models

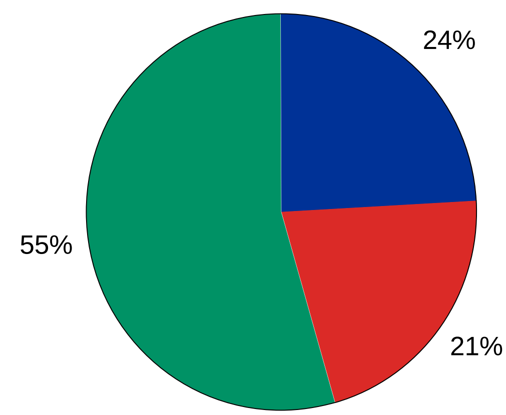
Corporate and Investment Banking	Investment Banking
Priority on relationships	Priority on transactions
Wide product range	Limited product range
Cross-selling	Specialized player

Europe: a Major Opportunity

- **European monetary integration**
  - ➔ **creating dynamic growth**

Structure of Europe's revenue pool per activity in 2001 for CIB activities

- **Large revenue pool: € 132 bn in 2001**
  - ➔ **40% of global industry (equivalent to US)**



- **Diversified revenue pool in 3 activities**

corporate finance + equities
fixed income
financing businesses

An Increasingly Demanding Clientele

Corporates

- Increasingly sophisticated financial management
- Active risk coverage

Financial institutions

- More active search for advice on markets and products
- Active asset/liability management

Retail customers

- Greater familiarity with products
- Increasing recourse to derivatives

- More complex and differentiated needs
- Greater demands
- Focus on a limited number of core banks

BNP Paribas CIB: a Winning Formula in a Fast-changing Environment

Trends	*Competitive advantages*
• Faster growth of sophisticated products	• Strong production platform → derivatives → fixed income → structured finance
• Competition between two business models	• Recent trend in favor of investment and corporate banking = business model of BNP Paribas
• European integration	• Leading European positioning → large customer base → strong European product platforms
• Increased diversity and complexity of customers needs	• Powerful coverage and cross-selling expertise • Diversified product offering

Outline

- An optimised platform generating stable and high returns
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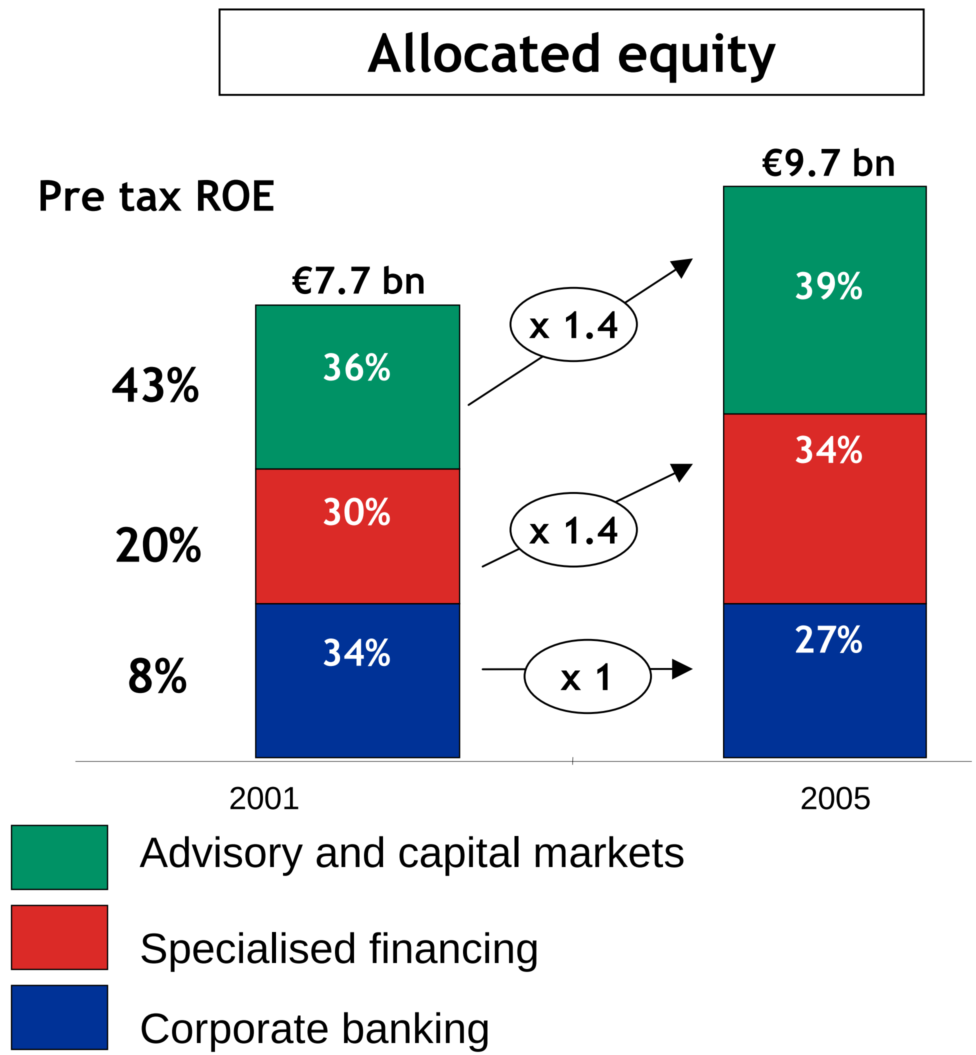
- **Project 2005: growing the business while maintaining high returns and competitive cost income ratio**

Dynamic Reallocation of Capital Within CIB



- Maintaining CIB share of Group's equity around 35%
- Dynamic reallocation to the most profitable activities and customers
- Ensuring pre tax ROE of 25% on larger capital base

Financing Growth by Plowing Back Part of CIB's Cash-flow

CIB :
Appropriate weight within the Group
35% of allocated equity

Cost/income ratio: approx. 60%
Pretax ROE: ≥ 25%

Strong CIB income before tax:
approx. € 2 bn per year

Partial Reinvestment to fund CIB growth

Preference to organic growth

Selective acquisitions, including US

Main 2005 Strategic Priorities

Client approach

- Corporates: enhance the value of the portfolio of clients
- Financial Institutions: leverage untapped demand

Product approach

- Specialised finance: reinforce leadership and widen product offering
- Fixed income: capitalise on the performing platform
- Credit derivatives: leverage fast growth
- Equity Derivatives: strengthen leadership position
- Equities: move from Top 15 to Top 10 in Europe
- Corporate finance: reinforce European platform

Geographic approach

- Europe: invest to complement platform and coverage
- USA: grow selectively
- International: optimise network

Corporates : Enhancing the Value of the Portfolio of Clients

- Competitive advantages
  - → 76% penetration rate within the top 100 European corporates
  - → 10,000 corporate relationships
  - → Segmented approach: 140 strategic accounts / 310 core accounts

- Success levers:
  - → Finalise deployment of GOAL (system for identifying and monitoring cross-selling opportunities)
    - Deployment 90% achieved, full coverage end of 2002
  - → Strengthen coverage in Germany, Italy and United-Kingdom
  - → « Eurocorporate » Project
    - Coordinate coverage for European midcaps jointly ensured by CIB and FRB
    - Leverage European cash management offer

Financial Institutions : Leverage Large and Untapped Source of Demand for Group's products

- Strong demand from Fin.Inst for Clients'CIB products largely untapped within BNP Paribas
  - Fin. Inst. = 36% of BNP Paribas CIB clients revenues versus 50% of European market*
  - High cross selling potential
    - Products: fixed-income, equity, securities serv., asset mgt...
- Competitive advantages
  - Large client base : 4,000 clients o/w 600 core clients
  - Powerful product portfolio
- Specific levers:
  - Stronger US presence
  - Stronger presence towards private equity and hedge funds

*Source: Morgan Stanley /Oliver Wyman

Corporate Banking: Optimise the Business

- **Competitive advantages**
  - Sectoral expertise
  - Distribution capabilities

- **Specific levers**
  - Allocate equity to clients with higher profitability or cross-selling potential
  - Promote porfolio management
    - securitisation
    - credit derivatives
  - Increase syndication role in cross-border transactions

- **2005 targets**
  - Stabilize the book
  - Reduce share of Corporate Banking within CIB allocated equity from 34% to 27%
  - Reduce costs through implementation of regional platforms

Specialised Finance: Reinforce our Leadership and Widen our Product Offering

- **Commodity: reinforce our leading positions**
  - ➔ Expand our leadership to soft commodities
  - ➔ Increase product offering in derivatives
- **Trade and Export finance: maintain Top 5 position**
  - ➔ Increase market share abroad
  - ➔ Streamline costs by automatisation of back-offices
- **Asset Finance: remain within Top 3 worldwide**
  - ➔ Leverage Capstar's expertise
  - ➔ Intensify cooperation with other business lines
- **Acquisition finance**
  - ➔ Maintain leadership position in Europe
  - ➔ Extent selectively operations in Asia

Two common success levers

- ➔ Systematise lead arranger positions
- ➔ Increase syndication capabilities

Fixed-Income: Capitalizing on a Performing Platform

- **A solid organization adapted to our clients' needs**
  - Effective coverage
  - Innovative products
  - Close coordination between fixed-income and the other financing business lines (Corporate Banking, Specialized Finance)

- **Specific levers**
  - Increase the commercial coverage of institutional investors
  - Conduct controlled expansion in the US

- **2005 targets**
  - Pursuing internal growth by capitalizing on the platform's strengths
  - Consolidating top 5 position in Europe for all products

Credit Derivatives: leveraging fast growth

- **A fast-growing market that benefits established players**
  - Growth fuelled by increased sophistication of portfolio management
  - Strong barriers to entry

- **Competitive advantages: a unique combination of skills**
  - Expertise in credit market
  - Expertise in derivatives
  - Sophisticated risk management
  - Structuring capabilities (tax, legal, hybrid products, quantitative research)

- **2005 target: revenues X 3**

Equity Derivatives: Strengthening Our Position Among Top 10 Global Leaders

- A position as global leader
  - Diversity of distribution channels
  - Quality of products
  - Performance of teams

- Specific levers
  - Strengthening our platform, particularly in the US
  - Strengthening sale forces and expanding access to all client segments (institutionals, corporates, private customers)
  - Pursuing our diversification and innovation efforts
    - Accelerating the growth of Equity Finance
    - Commercial innovation in trading and technology

- **2005 target: maintain leadership position and growth momentum**

Equities: Moving from Top 15 to Top 10 in Europe (1/2)

- A key business for CIB
  - → to provide our client base with a full offering
- An appropriate timing from the Group's and markets'standpoint
  - → Ability to attract best talents
- Competitive advantages
  - → Leadership in closely related businesses (Eq deriv, Eq linked...)
  - → Large client porfolio, significant presence in Europe with strong French base
- Existing significant platform
  - → 180 salespeople and traders
  - → 40 ECM originators
  - → 120 research analysts

Equities: Moving from Top 15 to Top 10 in Europe (2/2)

- **Strong profit potential limited to Top 10 players**

- **2005 target: moving from Top 15 to Top 10**
  - ➔ Upgrade research teams
  - ➔ Widen our distribution capabilities by targeting key markets (UK, Germany...)
  - ➔ Address new market segments (prime brokerage, portfolio trading)

- **A disciplined approach**
  - ➔ Increase cost base by € 100 m (<3% of 2001 CIB's cost base) per year, over the next 3 years
  - ➔ Limited effect in 2002
  - ➔ Closely monitor progress of the project, with an intermediate performance assessment in mid-2004

Strengthening Corporate Finance in Europe

- **Competitive advantages**
  - ➔ Sectoral expertise
  - ➔ Large customer base
  - ➔ Cross-selling opportunities with many business lines

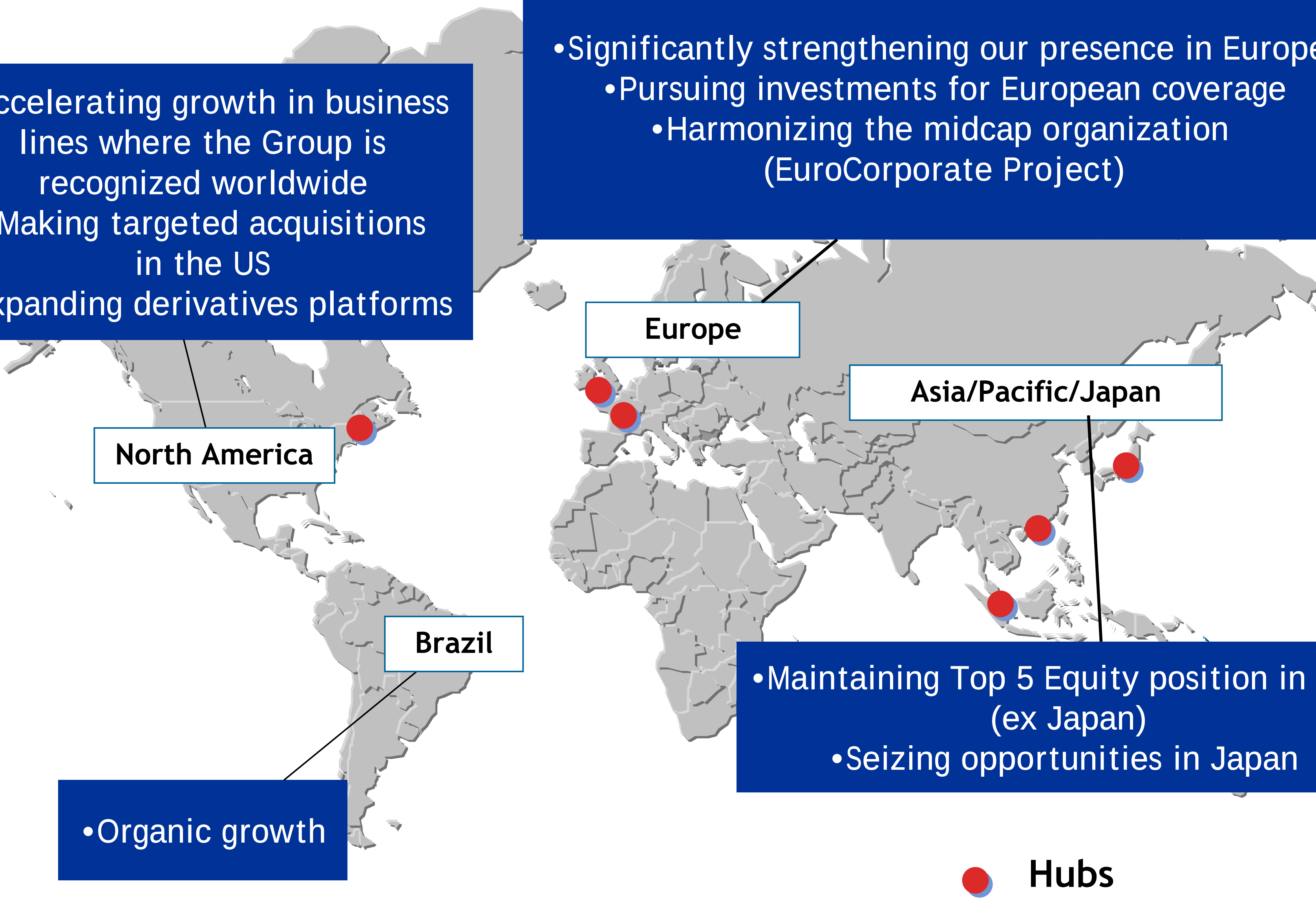
- **Success levers**
  - ➔ Strengthen coverage
    - adding Senior Bankers in Germany, Italy, Great-Britain
  - ➔ Continue to expand Corporate Finance in the UK and Germany

- **2005 targets**
  - ➔ To be in Europe's Top 10 for M&A business
  - ➔ To be in the Top 7 for ECM (and in the Top 3 for equity-linked) in Europe

Geographic Approach: Expanding in a Differentiated Manner

- Accelerating growth in business lines where the Group is recognized worldwide
- Making targeted acquisitions in the US
- Expanding derivatives platforms

- Significantly strengthening our presence in Europe
- Pursuing investments for European coverage
- Harmonizing the midcap organization (EuroCorporate Project)



- Organic growth

- Maintaining Top 5 Equity position in Asia (ex Japan)
- Seizing opportunities in Japan

2005 Project: Targets CIB under base case economic and markets assumptions

- Revenues: exceeding the market's growth trend
- Cost income ratio: stabilizing around 60%
- Allocated Equity: maintaining around 35% of the Group's equity
- Pretax ROE: ≥ 25% over the cycle

BNP Paribas Project 2005

Conclusion

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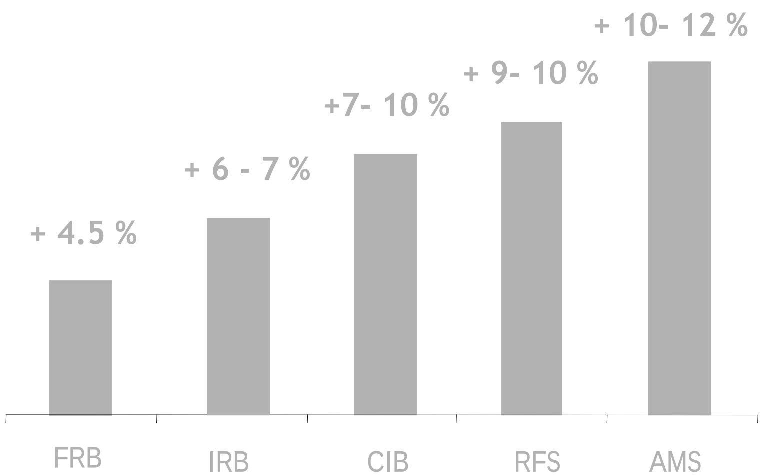
Project 2005
Four Core Priorities

- **Strong organic growth boosted by cross-selling and partnerships**
- **Continued cost control and risk management**
- **Efficient capital management**
- **Disciplined and opportunistic acquisition strategy**

Annual Revenues Growth > 10%
Under Base Case Economic and Markets Assumptions

Organic growth



NBI Average
+ 7.0% to 8.5% pa

External growth

Jan- Apr 2002 Acquisitions (€ 3.2 bn)
Consors - UCB

Additional NBI
+ 1.3% pa

2002/2005
Potential
acquisitions
€ 5 - 9 bn

Additional NBI*
+ 2.0% to + 3.5% pa

Potential range +8.3% to +9.8% pa

NBI 2001-2005
> 10% pa

* Price to revenues ratio assumed to be identical to recent acquisitions

Significant Cash Generation Capacity

Free cash flow generation: around € 2.5 bn pa*

➔ **Funds available for acquisitions or share buybacks**

Acquisitions
€ 5 - 9 bn

Share buybacks
Minimum = € 1.3 bn

Continued Disciplined Approach to External Growth

** 2002/2005 average, Base case*
Assumptions : Tier One 7% - Average Pay Out Ratio 30%
After UCB and Consors acquisitions

- **Balanced deployment of capital between core businesses at Group level**

- **Dynamic capital reallocation within each core businesses**

Disciplined and Balanced Deployment of Capital at Group Level

- **BNP Paribas Capital: allocated capital reduced from 9% to 4%**

- **CIB: allocated equity maintained around 35%, on a larger capital base**

- **Retail & Asset Management/Services: allocated capital > 60% *(2001: 57%)***

Financial targets under Base Case Economic and Markets Assumptions

- **Group ROE** — > 16 %
  - ➔ After tax and goodwill
  - ➔ Reduced contribution of capital gains

- **EPS 2005 (organic growth)** — € 6.75
  - ➔ Amounting to a 13% CAGR based on the 2002 target of the 1999 industrial project (€ 4.67)

- **Tier One Ratio** — ~ 7 %

- **BNP Paribas: the leading euro zone platform**

- **Project 2005: taking the platform to the next level**

→ Enhancing growth and sustainable value creation

Our Mission Statement

To consolidate our leadership in the Eurozone by offering comprehensive and competitive services to our customers, thereby delivering superior returns to our shareholders

Project 2005

BNP Paribas Project 2005

Appendix

Divisional ROE Targets (1999/2002)

Pre Tax ROE	1998 pro forma	2001	2002 target
FRB	16%	22%	23%
IRB	28%	41%	35%
RFS	23%	22%	27%
AMS	20%	36%	29%
CIB	4%	24%	21%
BNPP Capital	35%	36%	25%
Core businesses	**14%**	**29%**	**25%**

Targets for 2002 met or exceeded

Except for RFS: accelerated investments

1999: #1 in Europe in 2 business

2002: #1 in Europe in 4 businesses

To contact us :

Investor Relations & Financial Information

Philippe Aguignier : 33 1 40 14 63 58

Laurent Degabriel : 33 1 42 98 23 40

Irène Chesnais : 33 1 42 98 46 45

Fax : 33 1 42 98 21 22

IR Web Site http://invest.bnpparibas.com

e-mail : investor.relations@bnpparibas.com