BNP PARIBAS

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NEWS RELEASE

Another Sharp Rise in Interim Results

BNP Paribas, in its first full six months of business, posted 2.6 billion Euros in net income attributable to the Group.

This result earns the Group the number 2 ranking among Euro zone banks.

It marks a 60% rise over the first half 1999 pro-forma results, or 17.3% excluding the restructuring charge, and is driven by the good operating performance of all the core businesses.

The merger is being carried out with no loss of customers and no disruption in business. BNP Paribas is ahead of schedule on its industrial plan and achieving the cost synergies announced more rapidly than forecasted.

In its three areas of businesses – retail banking, corporate and investment banking and asset management and private banking – BNP Paribas has defined the business development strategies commensurate with its size and level of performance and undertaken the far-reaching actions required to implement them.

(In millions of Euros)

	1st half 2000 (*)	1st half 1999 pro forma	Change
Net banking income	8,385	7,307	+ 14.8 %
(Operating expenses and depreciation)	(5,142)	(4,704)	(+ 9.3 %)
Gross operating income	**3,243**	**2,603**	**+ 24.6 %**
(Provisions)	(431)	(333)	(+ 29.4 %)
Operating income	**2,812**	**2,270**	**+ 23.9 %**
Equity affiliates contribution to the income	132	165	- 20.0 %
Result of divestments and reserves on long-term investment	1,082	963	+ 12.4 %
Pre-tax current income	**4,026**	**3,398**	**+ 18.5 %**
Exceptional income, amortisation of goodwill and other	(149)	(58)	(+ 156.9 %)
Pre-tax net income	**3,877**	**3,340**	**+ 16.1 %**
(Income tax)	(1,037)	(927)	(+ 11.9 %)
(Minority interests)	(246)	(202)	(+ 21.8 %)
Net income attributable to the Group before the restructuring charge	**2,594**	**2,211**	**+ 17.3 %**
(Restructuring charge, net of tax)	-	(595)	N.S.
Net income attributable to the Group after the restructuring charge	**2,594**	**1,616**	**+ 60.5 %**

(*) As part of a limited interim audit, these results have been verified by statutory auditors to ensure that they are true and correct in accordance with professional standards.

BNP Paribas' board of directors, convening on 5 September under the Chairmanship of Michel Pébereau, examined the accounts of the first half of 2000.

I – THE GROUP'S RESULTS.

In the first half of 2000, the BNP Paribas Group posted 2,594 million Euros in net income (attributable to the group), up 60.5% compared to the first half pro forma income in 1999. With respect to the sum of the BNP and Parbas' incomes before restructuring charge for the first half of 1999, which was historically very high, the Group thus marks a new rise of 17.3%. This fresh increase is due to a combination of positive factors, especially in the first quarter of the year, and the core businesses' operating performance, while the impact of other factors on the results has remained stable year-on-year.

Net banking income rose 14.8 % to 8.4 billion Euros (+ 10 % on a comparable basis and assuming a constant exchange rate). With a 9.3% increase in operating expenses (+5.0% on a comparable basis and assuming a constant exchange rate), gross operating income (GOI) reached 3.2 billion Euros, up 24.6% (+19.0% on a comparable basis and assuming a constant exchange rate).

The cost/income ratio was 61.3%, three points better than in the first half of 1999. This improvement reflects a control over operating expenses at a time when revenues were very high.

Net increase in provisions, 431 million Euros, was up 29.4% (17.1% on a comparable basis and assuming a constant exchange rate), and operating income came to 2.8 billion Euros (+ 23.9% or 19.3% on a comparable basis and assuming a constant exchange rate).

The non operating factors (equity affiliates, results of equity divestitures, exceptional income and others) totalled 1.1 billion Euros (- 0.5%). Thus, pre-tax income rose 16.1% (15.7% on a comparable basis and assuming a constant exchange rate) to 3.9 billion Euros.

As of 30 June 2000, the Cooke ratio was 10.7% and the Tier 1 7.7% (10.2% and 7.3% respectively, allowing for the maximum possible impact of paying out the contingent value rights in 2002).

II – IMPLEMENTATION OF THE MERGER.

This growth in business and income occurred in the first half of the year during the integration of the BNP and Paribas teams. It shows that the merger has been carried out with no loss of customers or major disruption, including our financial markets activities which were more affected by departures, in particular of a certain number of managers that have already been replaced.

BNP Paribas is ahead of schedule on its industrial plan and is achieving the cost synergies announced more rapidly than forecasted. Actions already taken have generated 90 billion Euros in savings in the first six months of 2000. Their impact on the entire year 2000 will be 220 million Euros, or 30% of the total amount of forecasted savings under the industrial plan by the year 2002. As of 30 June, 215 million Euros of the restructuring reserve was used, 18% of the total.

Lastly, the Group initiated a dynamic and constructive employee relations policy which involved a capital increase specifically reserved for employees, new profit-sharing arrangements, an agreement to reduce working hours and a new employee restructuring plan designed to cut the total number of jobs provided for in the industrial plan all the while recruiting a large number of new people.

III – RETAIL BANKING.

1°) Domestic Retail Banking continued focussing its sales strategy on the most profitable products and customer segments while continuing to improve its cost/income ratio and confirming its position as a leader in e-banking.

In millions of Euros	1st Half 2000	Change compared to 1st Half 1999
Net banking income	2,148	+ 6.5 %
(Operating expenses and depreciation)	(1,544)	(+ 2.0 %)
Gross operating income	**604**	**+ 19.8 %**
(Provisions)	(85)	(+ 6.3 %)
PRE-TAX NET INCOME	**528**	**+ 17.9 %**
ALLOCATED EQUITY in billions of Euros	**4.6**	**+ 0.3**

Revenues from the banking network in France rose 6.4% to 2,148 million Euros. This sharp rise was obtained due to an exceptional first quarter. Business conditions in the second quarter, marked by a context of intense competition that weighed on profit margins, were more representative of the present state of the market.

Operating expenses remain under control (+ 2,0 %) despite the fact that they include rising costs in connection with developing new products and new distribution channels.

Gross operating income from Domestic Retail Banking, based on allocated equity, was 604 million Euros, up 19.8% compared to the first half of 1998.

The Group's cautious reserve policy resulted in a slight increase in the cost of risk, totalling 85 million Euros (+ 6.3%). Pre-tax income rose 17.9% to 528 million Euros.

These results were obtained focussing development on the most profitable segments and products, such as checking and current accounts (+ 11.8%), mutual funds (+ 18.4%), life insurance (+ 15.9%) and consumer lending (+ 9,8 %) ([1]). BNP Paribas became the number 1 retail bank in France in terms of revolving credit. It consolidated its leading position with respect to Visa credit cards with 4 million cards.

Fees, which again rose in volume, account for 45% of NBI (+ 15%)([1]).

With over 300,000 customers as of 30 June, BNP Net is by far the leader in e-banking (with 24% market share).

The integrated multi-channel banking project, developed over the past two years, will begin operations starting in June 2001 and give BNP Paribas a major competitive advantage in its home market. BNP Paribas is thereby positioning itself as one of the forefront European retail banks.

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[1]) Scope: BNP network of branches + Banque de Bretagne.

2°) **International Retail Banking** maintained a high level of profitability in a broader scope.

In millions of Euros	1st Half 2000	Change compared to 1st Half 1999
Net banking income	768	+ 35.0 %
(Operating expenses and depreciation)	(446)	(+ 27.8 %)
Gross operating income	**322**	**+ 46.4 %**
(Provisions)	(113)	(+ 44.9 %)
PRE-TAX NET INCOME	**205**	**+ 45.4%**
ALLOCATED EQUITY in billions of Euros	**1.3**	**+ 0.3**

Compared to the first half of 1999, International Retail Banking expanded its scope by fully integrating Sierra West, a west coast US bank (Nevada, California), taken over by BancWest, and by fully integrating four retail banking subsidiaries in Africa.

In total, revenues from International Retail Banking rose 35.0% to 768 million Euros, for 322 million Euros in gross operating income (+ 46,4 %).

On a comparable basis and a constant exchange rate, International Retail Banking maintained a satisfactory dynamic with net banking income up 10.9%, operating expenses 5.5% higher and gross operating income up 18.7%.

BancWest continued operating in a positive economic context: strong economic growth in California and economic recovery in Hawaii. Its exposure in Asia was very limited, as well as its technology, media and telecommunications (TMT) commitments.

With a cautious increase in provisions (113 million Euros) up 44.9% (30.1% on a comparable basis and a constant exchange rate), International Retail Banking's pre-tax income came to a total of 205 million Euros (+ 45.4), reflecting a continued high level of profitability.

3°) **Specialised Financial Services** remained profitable while stepping up the pace of development-related investments.

In millions of Euros	1st Half 2000	Change compared to 1st Half 1999
Net banking income	1,007	+ 11.6 %
(Operating expenses and depreciation)	(648)	(+ 12.3 %)
Gross operating income	**359**	**+ 10.5 %**
(Provisions)	(115)	(+ 9,5 %)
PRE-TAX NET INCOME	**261**	**+ 12.0 %**
ALLOCATED EQUITY in billions of Euros	**2.4**	**+ 0.2**

Revenues from Specialised Financial Services totalled 1,007 million Euros in the first six months of 2000, up 11.6%. Operating expenses rose 12.3% driven by international expansion. Gross international income increased by 10.5% to 359 million Euros and pre-tax income rose 12.0% to 261 million Euros.

Despite the impact of rising interest rates on profit margins in France, in a context of fierce competition, this core business accentuated its sustained organic growth strategy and simultaneously carried out several acquisitions, including a major one.

The acquisition of PHH Europe for 800 million Dollars enabled the Group, which also just took 100% control of Eurocar Lease in France, to become number 1 in long-term multi-brand vehicle fleet leasing in Europe, and develop new related services in this fast growing industry that has recurring revenues and high profits. This acquisition was precisely reflects the objectives set forth in the industrial plan for the Specialised Financial Services business.

Cetelem continued pursuing its international expansion, opening offices in three new countries (Brazil, Slovakia, Korea) and increased international lending by 38%. BNP Paribas Lease Group, created out the merger between BNP lease and UFB Locabail, increased its lending outside France by 15%.

Cortal has increased its business and technology investments and undertaken ambitious action to expand its business. It confirmed its number 1 position in e-brokerage services in France with 33% market share and close to 100,000 online customers.

New business opportunities – like UCB distributing selected products and services of the Group's Domestic Retail Banking – are arising out of synergies within the Group.

IV - CORPORATE AND INVESTMENT BANKING

In millions of Euros	1st Half 2000	Change compared to 1st Half 1999
Net banking income	3,392	+ 16.7 %
(Operating expenses and depreciation)	(1,778)	(+ 12.1 %)
Gross operating income	**1,614**	**+ 22.3 %**
(Provisions)	(164)	(+ 50.4 %)
PRE-TAX NET INCOME	**1,436**	**+ 19.2 %**
ALLOCATED EQUITY in billions of Euros	**8.2**	**- 0.6**

Corporate and Investment Banking had a very good six months due to a combination of positive factors. After an exceptional first quarter, the slack in business reported in the second quarter was limited despite less buoyant markets and increased risk allowances.

NBI (3,392 million Euros) grew by 16.7% compared to the first half of 1999, a level that was already very high. It is sharply higher than the rise in operating expenses (+ 12.1% at 1,778 million Euros). Assuming a constant exchange rate, the NBI and operating expenses rose by 9.6% and 4.4% respectively.

Gross operating income rose 22.3% to 1,614 million Euros. Given a cautious reserve for risks (164 million Euros, + 50.4%), pre-tax net income came to 1,436 million Euros (+ 19.2%).

In accordance with the BNP Paribas industrial plan, the equity allocated to Corporate and Investment Banking was reduced, despite the rise in the dollar. It totalled on average, for the first six months of the year, 8.2 billion Euros down 5% compared to 1999. Return on allocated equity was further improved by this, reaching an exceptional level, much higher than the target set in the 2002 plan.

BNP Paribas has a large corporate customer base in Europe, as well as in North America and Asia, and a portfolio of diversified businesses, in several of which it is among the global leaders.

The Group is determined to capitalise on these competitive advantages to further strengthen its position by focussing its efforts on achieving greater penetration in Europe and developing a strong presence in Asia and its speciality businesses in the United States. Increasing cross-selling, enhancing customer profitability through a segment-based approach and continuing an aggressive reallocation of capital into specialised financing, financial markets and corporate finance are all top priorities.

V – ASSET MANAGEMENT AND PRIVATE BANKING

In millions of Euros	1st Half 2000	Change compared to 1st Half 1999
Net banking income	1,075	+ 29.2 %
(Operating expenses and depreciation)	(583)	(+ 10.0 %)
Gross operating income	**492**	**+ 62.9 %**
PRE-TAX NET INCOME	**478**	**+ 59.9 %**
ALLOCATED EQUITY in billions of Euros	**2.4**	**+ 0.4**

In the first six months of the year, this business had a sharp rise in its business and its profits.

BNP Paribas' Private Banking, the leader in France with 75,800 customers and 49 billion Euros in assets, ranks among in the top ten world-wide with a total of 120,000 customers for 104 billion Euros in assets.

In total, assets managed by the Group came to 222 billion Euros as at 30 June 2000 (+ 34.7% compared to 30 June 1999).

The insurance business continued its international expansion setting up new operations in Japan, Brazil and Slovakia. Life insurance assets rose 23.4% in one year.

The assets of securities in custody rose to 1,309 billion Euros (+ 61% compared to 30 June 1999). The volume of transactions and the leading business indicators were up in the same proportions.

For this core business, total NBI was up 29.2% to 1,075 million Euros and pre-tax net income rose by 59.9% totalling 478 million Euros.

With respect to the real-estate business, as part of the industrial plan, Klépierre will increase its assets significantly by acquiring 150 shopping malls in Europe from Carrefour. In line with the strategy announced in the industrial plan, this acquisition will enable Klépierre to position itself in the shopping centres segment, the least cyclical segment in the real-estate market, and, through the contemplated capital increase, BNP Paribas' stake in Klépierre would fall from 61% to around 50%.

VI – BNP PARIBAS CAPITAL

In millions of Euros; attributable to the group	1st Half 2000	Change compared to 1st Half 1999
Capital gains	552	- 9.4 %
PRE-TAX NET NCOME	**599**	**- 4.8 %**

In the first six months of 2000, BNP Paribas Capital posted 599 million Euros in pre-tax net income, close to the level in the first half of 1999 (-4.8%).

This business actively pursued its strategy of selling off direct investments and developing private equity funds. The divestitures totalled 1.2 billion Euros and generated 552 million Euros in capital gains (attributable to the group). As of 30 June 2000, the business had 4 billion Euros in unrealised capital gains (3.4 billion attributable to the group).

As part of this strategic realignment, the Group launched a take-over bid on its subsidiary Cobepa. It has given the minority shareholders the choice of remaining partners in developing Private Equity in Europe, an activity in which Cobepa will become the central vector, or of selling their shares at a price 27% higher than the average price over the three months preceding the offer.

The results of this public tender offer are expected by the end of September. They could result in the Group having to slightly increase BNP Paribas Capital's allocated equity by 2002.

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Commenting on these results in the Board meeting, the Chairman Michel Pébereau said, "*As in previous years, we should not expect in the second half a repeat performance of the first half especially because, this year, it was driven by an exceptional first quarter for the Group's Domestic Retail Banking and Corporate and Investment Banking.*

BNP Paribas' employees have managed to capitalise on these market conditions all the while rapidly implementing the integration process which generates the synergies forecasted in the industrial plan. I would like to take this opportunity to commend and thank them for this.

Looking to the future, our Group has the resources required to achieve its ambitions in terms of expansion in each of its three areas of business."

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