



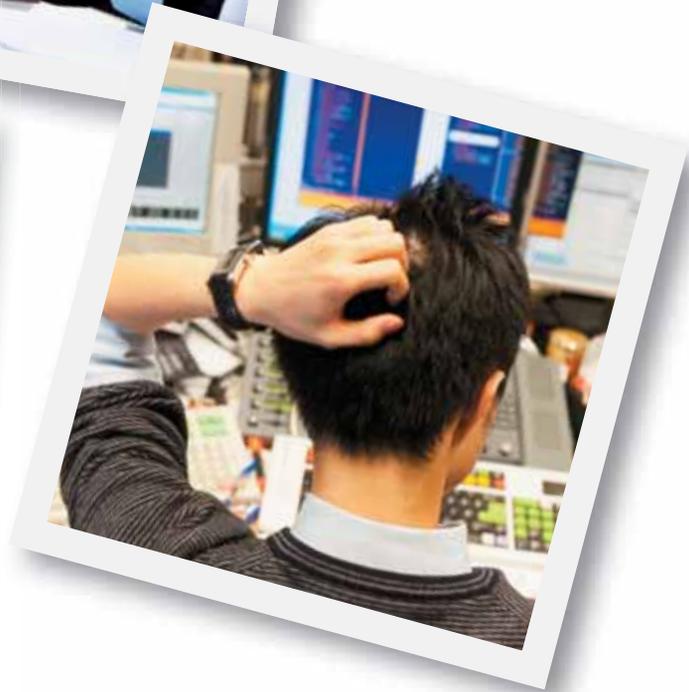
2009 ANNUAL REPORT



BNP PARIBAS

The bank for a changing world





Photos: MEETING OUR EMPLOYEES

Our thanks to the photography agency La Company, which provided photos for this 2009 Annual Report, and to the three photographers – Grégoire Korganow, Jean-Érick Pasquier and Gérard Uféras – who travelled around the world to meet BNP Paribas employees. Thanks also to the employees who took the time to speak with them in Paris, Lyon, Brussels, London, Rome, New York, Boston, Hong Kong, Istanbul, Casablanca, and Bahrain.

* Short stories: SUPPORTING OUR CLIENTS

Despite the challenging financial climate in 2009, BNP Paribas continued to play its essential role as a banker financing the economy and its clients' business development – for retail, professional, and corporate clients alike. As proof of BNP Paribas' commitment, this Annual Report contains thirty * Short stories illustrating some of the Bank's concrete actions for its clients in 2009. These eclectic short stories come from all four corners of the world, passing from Europe to Asia and going through the Maghreb, Caribbean, and United States. They describe clients that the Bank is proud to serve, as well as the exceptional deals and best practices that have made BNP Paribas the success it is today.

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MESSAGE FROM THE CHAIRMAN AND THE CEO

2009,
a structuring
year for a bank
dedicated
to serving
its clients
and financing
the economy

Since the summer of 2007, the global financial system has been grappling with a crisis of a magnitude not seen in the past 70 years. This crisis has brought down numerous financial establishments, some of them venerable institutions, and severely shaken the public's trust in the banking system. Governments and central banks in all countries have intervened; sometimes, as was the case in France, the intervention was done for the sole purpose of temporarily giving banks the financing they need to prevent credit from evaporating. But more often – and most notably in the USA, UK, and Germany – governments were forced to rescue large banks with heavy losses to prevent the crisis from becoming systemic. This catastrophe was avoided, but the financial crisis was followed by a sharp deterioration in the economic climate and a surge in unemployment, mainly in the USA and Europe.

BNP Paribas, with its development model focused on customer service and based from the very beginning on a balanced business portfolio, meticulous risk management, and genuine flexibility, is one of the rare financial institutions that remained profitable during the three years of the crisis. Thanks to its resilience, the Group was able to not only grow its market share around the world, but also cement the European ambition that formed part of its original goals. Ten years after the birth of BNP Paribas, which was the result of an unprecedented stock market battle, the Group completed one of the period's few cross-border transactions with the takeovers of Fortis Banque and BGL. Merger implementation work was started almost immediately, and the inte-

grations have already proven successful in several areas visible to clients.

The Fortis Banque and BGL acquisitions also mark a considerable increase in scale for the Group; BNP Paribas now has over 200,000 employees in more than 80 countries, and has become a major European financial institution with four domestic markets: France, Italy, Belgium, and Luxembourg. The Group has deep roots in these countries, and continues to carry out its primary mission of helping its clients – individuals, businesses, and institutions – realise their goals.

Following the integrations of Fortis Banque and BGL, BNP Paribas now stands as the eurozone's biggest deposit bank, with EUR 450 billion of deposits, and the leading bank for European companies, with an unparalleled network of over 100 Business Centres in 25 countries.

Throughout 2009, BNP Paribas staff worked incessantly to bring the Group's valuation back in line with its potential. Thanks to these efforts, BNP Paribas' share price has almost doubled in a year. BNP Paribas shareholders' confidence in the Group was reflected in the successful October 2009 share issue, which enabled the Group to both pay back the French government and shore up its capital so as to be better positioned to face the future.



2009 KEY FIGURES

NET EARNINGS
GROUP SHARE

5.8

BILLION EUROS

NET BANKING INCOME

40,191

MILLION EUROS

GROSS OPERATING
INCOME

16,851

MILLION EUROS

NET INCOME
GROUP SHARE

5,832

MILLION EUROS

RETURN ON EQUITY

10.8%

DIVIDEND PER SHARE

1.50*

EUROS

* Subject to the approval
of the AGM on 12 May 2010.

A sharp rebound in 2009 net income

Despite the sluggish economic climate in 2009, BNP Paribas performed well during the year with a 93% rebound in net income Group share to EUR 5,832 million.

The Retail Banking business faced strong headwinds in 2009 due to the global recession, but its employees put in a considerable effort to confront this challenge.

The Group's Retail Banking strategy, which aims to pool the resources and know-how of BNP Paribas' worldwide retail banking network, is now operational, and has been enhanced by the takeovers of Fortis Banque and BGL. These two subsidiaries' employees and operations have been successfully brought into the Group thanks to the efficient organisation of the Retail Banking business. This business as a whole has held up well during the landmark 2009 recession, in spite of the corresponding jump in its cost of risk.

French Retail Banking's 31,000 employees played an active role in 2009 to ensure that BNP Paribas could meet its com-

mitment to help finance the French economy. The Group's loans to consumers grew 5.1% during the year, and its loans to companies expanded 3%.

BNL completed its integration plan in 2009, thus exceeding the target it set three years ago in spite of the weaker-than-expected economic environment.

Personal Finance demonstrated remarkable flexibility and fully offset the rise in its cost of risk with higher gross income.

At BancWest and Emerging Markets, 2009 was a particularly tough year due to the persistently weak American economy and a severe recession in the Ukraine.

BNP Paribas Fortis and BGL BNP Paribas contributed EUR 708 million to the Group's net income Group share. This initial significant contribution was accompanied by renewed sales momentum in all activities. Belgian retail banking saw a rebound in client deposits and asset inflows following the launch of several popular new marketing campaigns in May 2009. Meanwhile, Luxembourg retail banking experienced moderate growth in loans and steady deposits.



Investment Solutions took on a new scale in 2009 thanks to its remarkable resistance during the crisis. Total net inflows across all its businesses reached EUR 25.5 billion in 2009, bringing the annualised asset inflow rate to 5.1% of assets under management. This rate is higher than that in 2007 and nearly 2.5 times that in 2008 (which was positive, extremely rare for a bank), proving that BNP Paribas' appeal remained strong throughout the financial crisis.

Corporate & Investment Banking (CIB) boosted its profitability substantially in 2009, fuelled in part by a return to more normal market conditions. However the main factor behind CIB's turnaround was the concerted effort by all its employees. By scaling back risky positions, controlling costs, and refocusing its product line, CIB's global platform was able to return to solid footing and make a sizable contribution to BNP Paribas' 2009 profit. This remarkable performance underscores the high quality and diversity of the CIB platform, as well as the strength of its customer-focused business model and its ability to quickly adapt to new market conditions.

Although BNP Paribas is one of the banks that best withstood the crisis, the Group has decided to take proactive measures to reform the variable pay policy for its traders. These reforms strictly adhere to the new national and international standards set forth by the G20, and reflect the Group's strong desire for moderate compensation schemes. For CIB as a whole, compensation represented 27.7% of revenue in 2009 – sharply lower than the ratio of around 40% in previous years.

**“BNP Paribas’
close client
relationships are
the competitive
advantage that
best weathered
the crisis.
Our clients’ trust
is our most
valuable asset.”**

Challenges in 2010

One of the main challenges facing our industry in 2010 will be to rebuild banks' image, which has been severely damaged by the crisis. All banks – even those not significantly affected by the crisis – have lessons to learn. Regulations must also be intensified, but not to such an excessive extent that banks can no longer finance the economy. They also must convince their shareholders, customers, employees, and the broader society of the crucial role they play in economic recovery as well as potential economic growth.

BNP Paribas' development model has always been based on a balance among its three core businesses – Retail Banking, Corporate & Investment Banking and Investment Solutions – all of which are dedicated to supporting the real economy. Each business will strive to continue to combine meticulous risk management and cost control policies with a permanent drive for customer satisfaction.

Retail Banking as a whole, now operational, generates over EUR 18 billion of annual revenue for the Group. Its priority in 2010 will be to continue to roll out its integrated model through further joint investments and greater knowledge sharing.

Corporate & Investment Banking's business model is now more customer-focused than ever. After a buoyant 2009, CIB will aim in 2010 to anchor its leadership position in Europe, expand selectively in North America, and leverage the rapid growth in the Asian market.

Investment Solutions will pursue its strategy to boost cross-selling with domestic retail branches and win new customers. A key challenge in 2010 will be the successful integration of Fortis Banque, as this merger dramatically increases the scale of the asset management and private banking businesses, establishes a strategic partnership in insurance, and expands the securities business' platform and network. Investment Solutions will also continue to penetrate the Asian

markets in order to become one of the region's leading players in asset management and private banking.

BNP Paribas' close client relationships are the competitive advantage that best weathered the crisis. The Group has always been centred on its three traditional businesses, and our clients are grateful – their trust is our most valuable asset. This trust is built on BNP Paribas' high-quality products and services as well as its extremely solid financial structure; the Group has doubled its capital since the start of the crisis. By continuing to focus on its fundamental mission while maintaining a challenger spirit, BNP Paribas stands to become the best-in-class in terms of expanding sales, restoring the public opinion of banks, and creating shareholder value.



THE GROUP'S VALUES

RESPONSIVENESS

- Swiftly assessing situations and developments, and identifying opportunities and threats
- Making decisions and taking effective action

CREATIVITY

- Promoting initiative and new ideas
- Rewarding people for their creativity

COMMITMENT

- Devoting best efforts to customer service and team success
- Maintaining the highest standards of behaviour

AMBITION

- Developing an appetite for challenge and leadership
- Working as a team to win a contest in which the client is judge

BNP Paribas celebrates its 10-year birthday

BNP Paribas has continuously evolved over the ten years since it was founded, adapting successfully to a rapidly-changing environment. The Group has seized numerous opportunities along the way without losing sight of its strategic goals, balanced business mix, careful risk management, and effective cost-cutting measures.

1999

1999-2000

BNP and **Paribas** merge after a long stock market battle to become Europe's 9th-largest bank in terms of market capitalisation with 80,000 employees.

2001

In the Boardroom, BNP Paribas acquires its American subsidiary **BancWest**, and on the tennis court, the Bank becomes an official sponsor of the Davis Cup.

2002

BNP Paribas expands its Retail Banking network in the Maghreb through the opening of **BNP Paribas El Djazaïr** in Algeria, its specialised financial services through the acquisitions of **Facet** and **Consors** (to reinforce Cortal), and its Securities business through the acquisition of **Cogent**. In the United States of America, BancWest becomes the 5th-largest general services bank in California following its purchase of **United California Bank**.

2003

BNP Paribas splits the roles of Chairman and CEO, with Michel Pébereau appointed as the former and Baudouin Prot as the latter.

2004

BNP Paribas acquires **Community First Bankshares** and **Union Safe Deposit Bank** in the United States of America, and **BNP Paribas Immobilier** merges with **Abbey National France** and **Atis Real International** in France.

In 2000, BNP Paribas had 80,000 employees and operated primarily in France, although it already had sites in 80 countries.

Ten years later, BNP Paribas has become the eurozone's largest bank with four domestic markets, a global footprint, a top-tier status, and over 200,000 employees. This past decade has been punctuated with several milestones, some more important than others, but all helping to turn BNP Paribas into a solid bank with a human touch.

2009

2005 2006 2007 2008 2009

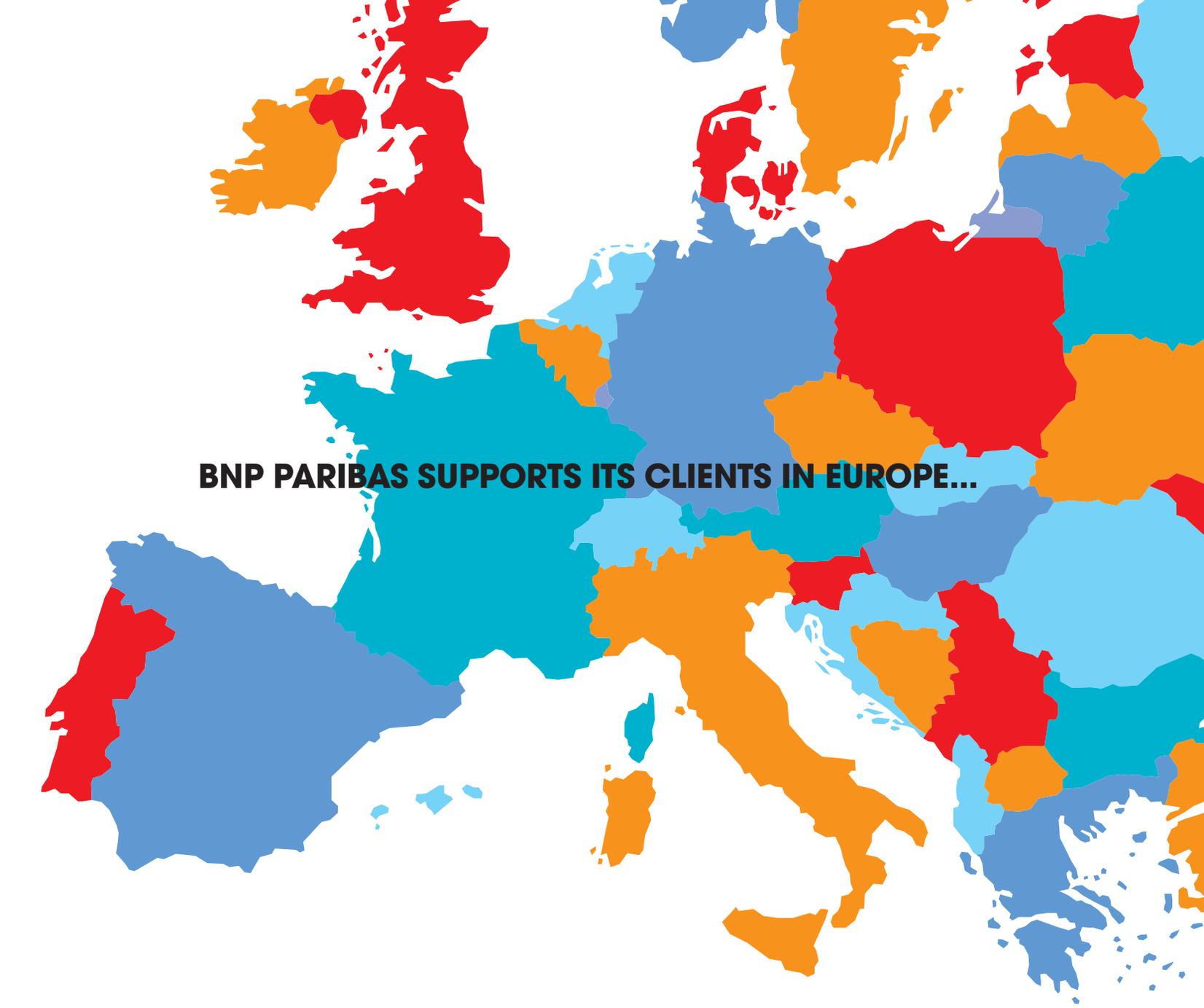
BNP Paribas acquires **Commercial Federal Corporation** in the United States of America and buys a 50% stake in **TEB**, the holding company that owns Türk Ekonomi Bankasi, Turkey's 10th-biggest private bank. The Group also buys a 51% stake in **UkrSibbank**, Ukraine's 3rd-largest bank in terms of assets. And acquisition of 19.2% equity interest in **Nanjing City Commercial Bank**, the 8th-largest city commercial bank in China.

BNP Paribas acquires **BNL**, Italy's 6th-biggest bank (founded in 1913), propelling the Group into the top tier of European banks with two domestic markets and 140,000 employees.

BNP Paribas introduces three new brands: **BNP Paribas Personal Investors** (comprising Cortal Consors, B*Capital, and a partnership with Geojit in India), **BNP Paribas Investment Partners** (an asset management business), and **BNP Paribas Personal Finance** (born from the merger of Cetelem and UCB).

BNP Paribas is named Global Bank of the Year 2008 by *The Banker* magazine (a *Financial Times* publication), and is one of the six top-rated banks worldwide by Standard & Poor's (with an AA rating).

BNP Paribas buys a 66% stake in **BGL** in Luxembourg, a 75% stake in **Fortis Banque**, and a 25% stake in **Fortis Insurance Belgium** through Fortis Banque – major transactions that further anchor the Group's presence in Europe and give it four domestic markets: France, Italy, Belgium, and Luxembourg. By end-December, BNP Paribas has over 200,000 employees.



BNP PARIBAS SUPPORTS ITS CLIENTS IN EUROPE...

BNP Paribas is one of Europe's leading banking and financial services companies with a global reach, and one of the 6 most solid banks in the world according to Standard & Poor's. All of the Group's businesses operate across Europe, with France, Italy, Belgium, and Luxembourg comprising its 4 Retail Banking domestic markets. BNP Paribas has one of the largest international networks in the world with operations in over 80 countries. BNP Paribas holds strong positions in each of its 3 businesses:

RETAIL BANKING

INVESTMENT SOLUTIONS

CORPORATE & INVESTMENT BANKING



... AND AROUND THE WORLD

Over
200,000
employees

Operations in over
80
countries

EUROPE
159,800
employees
including 64,600 in France

AMERICAN CONTINENT
19,800
employees
15,000 employees in the United States
4,800 employees in South America

ASIA
10,100
employees

AFRICA
9,200
employees

MIDDLE EAST
2,100
employees

OCEANIA
700
employees

KEY FIGURES

RESULTS

(IN MILLIONS OF EUROS)

	31 December 2008	31 December 2009
Total Assets	2,075,551	2,057,698
Customer deposits	413,955	604,903
Customer loans (gross)	494,401	678,766
Shareholder's equity	53,228	69,501
International capital adequacy ratio	11.10%	14.20%
Tier one ratio	7.80%	10.10%

WORKFORCE

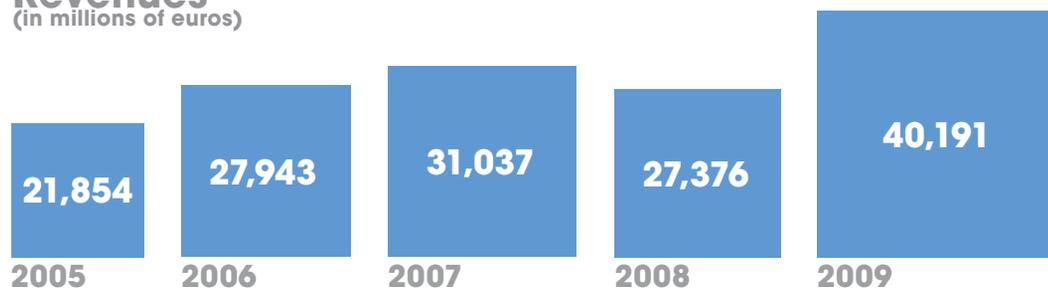
	31 December 2008	31 December 2009
World	173,200	201,700
Europe (including overseas department and territories)	132,700	159,800

LONG TERM CREDIT RATINGS

Standard & Poor's	AA	negative outlook	rating confirmed on 9 February 2010
Moody's	Aa2	stable outlook	rating revised on 21 January 2010
Fitch	AA	negative outlook	rating confirmed on 9 July 2009

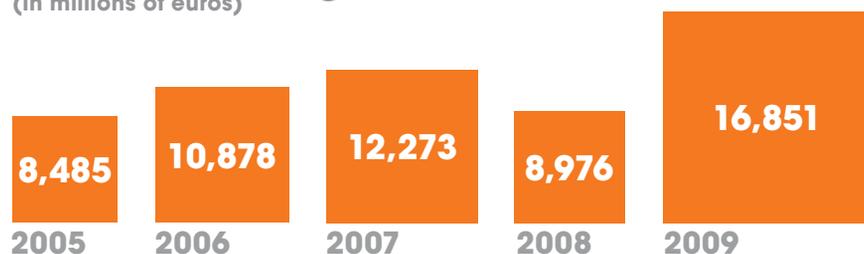
Revenues

(in millions of euros)



Gross operating income

(in millions of euros)



Net income Group share

(in millions of euros)



Earnings per share*

(in euros)



* Restated to account for the capital increases with maintained preferential subscription rights, carried out in 2006 and 2009.

Return on equity**

(in %)



** Return on equity is calculated by dividing net income Group share (adjusted for interest on undated super-subordinated notes deemed equivalent to preferred shares issued by BNP Paribas SA and treated as a dividend for accounting purposes) by average equity attributable to equity holders at 1 January and 31 December of the period concerned (after distribution and excluding undated super-subordinated notes deemed equivalent to preferred shares issued by BNP Paribas SA).

Market capitalisation

(in billions of euros)

(source: Bloomberg)



EXECUTIVE COMMITTEE



PHILIPPE BORDENAVE
SENIOR EXECUTIVE VICE-PRESIDENT,
CHIEF FINANCIAL OFFICER

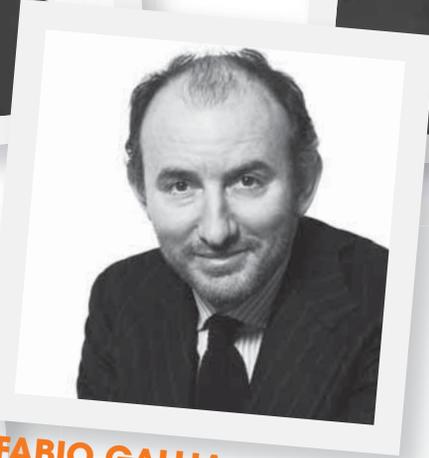


FRÉDÉRIC LAVENIR
HEAD OF GROUP HUMAN RESOURCES

FRANCOIS VILLEROY DE GALHAU
HEAD OF FRENCH RETAIL BANKING



JACQUES D'ESTAIS
HEAD OF INVESTMENT SOLUTIONS



FABIO GALLIA
HEAD OF BNL BC



ALAIN MARBACH
GLOBAL HEAD OF INFORMATION,
TECHNOLOGY AND PROCESSES

ALAIN PAPIASSE
HEAD OF CORPORATE & INVESTMENT
BANKING



BAUDOIN PROT
CHIEF EXECUTIVE OFFICER



MICHEL KONCZATY
CHIEF RISK OFFICER



**JEAN-LAURENT
BONNAFE**
CHIEF OPERATING OFFICER



**GEORGES
CHODRON DE COURCEL**
CHIEF OPERATING OFFICER



JEAN CLAMON
MANAGING DIRECTOR, HEAD OF COMPLIANCE
AND INTERNAL CONTROL COORDINATOR

THE BOARD OF DIRECTORS



**MICHEL
PÉBEREAU**

Principal function ⁽¹⁾ :
Chairman of the Board
of Directors of BNP Paribas

- Born on 23 January 1942
- Appointed on 13 May 2009
- Term expires at the 2012 AGM
- First appointed to the Board on 14 May 1993
- Number of BNP Paribas shares held ⁽²⁾: 214,260
- Office address:
3, rue d'Antin
75002 Paris, France

**Functions
at 31 December 2009 ⁽¹⁾**

Director of:
Lafarge, Compagnie
de Saint-Gobain, Total,
BNP Paribas SA (Switzerland),
EADS NV (Netherlands),
Pargesa Holding SA
(Switzerland)

**Member of the Supervisory
Board of:**
AXA, Banque Marocaine
pour le Commerce
et l'Industrie (Morocco)

Non-Voting Director of:
Société Anonyme
des Galeries Lafayette

Chairman of:
Investment Banking and
Financial Markets Committee
of Fédération Bancaire
Française, Management
Board of Institut d'Études
Politiques de Paris,
Supervisory Board of Institut
Aspen France, Institut
de l'Entreprise, European
Financial Round Table

Member of:
Académie des sciences
morales et politiques,
Executive Committee of
Mouvement des Entreprises
de France, Haut Conseil
de l'Éducation, Institut
International d'Études
Bancaires, International
Advisory Panel of the
Monetary Authority of
Singapore, International
Capital Markets Advisory
Committee of the Federal
Reserve Bank of New York,
International Business Leaders'
Advisory Council for the
Mayor of Shanghai (IBLAC)



**PATRICK
AUGUSTE**

Principal function ⁽¹⁾ :
Chief Technical Officer

- Born on 18 June 1951
- Elected to a three-year
term by BNP Paribas
executives on 22 January
2009
- First appointed to the Board
on 14 December 1993
- Number of BNP Paribas
shares held ⁽²⁾: 36
- Office address:
20, avenue Georges-
Pompidou
92300 Levallois-Perret,
France



**CLAUDE
BÉBÉAR**

Principal function ⁽¹⁾ :
Honorary Chairman of AXA

- Born on 29 July 1935
- Appointed on 13 May 2009
- Term expires at the 2012 AGM
- First appointed to the Board
on 23 May 2000
- Number of BNP Paribas
shares held ⁽²⁾: 3,074
- Office address:
25, avenue Matignon
75008 Paris, France

**Functions
at 31 December 2009 ⁽¹⁾**

Director of:
AXA Assurances Iard
Mutuelle, AXA Assurances
Vie Mutuelle

**Member of the Supervisory
Board of:**
Vivendi

Non-Voting Director of:
Schneider Electric

Chairman of:
IMS-Entreprendre pour
la Cité, Institut Montaigne

Member of:
International Advisory Panel
of the Monetary Authority
of Singapore



**JEAN-LOUIS
BEFFA**

Principal function ⁽¹⁾ :
Chairman of the Board
of Directors of Compagnie
de Saint-Gobain

- Born on 11 August 1941
- Appointed on 13 May 2009
- Term expires at the 2012 AGM
- First appointed to the Board
on 22 October 1986
- Number of BNP Paribas
shares held ⁽²⁾: 15,757
- Office address:
"Les Miroirs"
18, avenue d'Alsace
92096 La Défense Cedex,
France

**Functions
at 31 December 2009 ⁽¹⁾**

**Vice-Chairman of the Board
of Directors of:**
BNP Paribas

Chairman of:
Claude Bernard
Participations

Director of:
GDF SUEZ, Groupe Bruxelles
Lambert (Belgium),
Saint-Gobain Corporation
(United States)

**Member of the Supervisory
Board of:**
Siemens AG (Germany),
Le Monde SA, Le Monde
& Partenaires Associés (SAS),
Société Éditrice du Monde



**SUZANNE
BERGER**

Principal function ⁽¹⁾ :
Professor of Political Science
at Massachusetts Institute
of Technology, Cambridge,
Massachusetts
(United States),
Director of the MIT
International Science and
Technology Initiative (MISTI)

- Born on 11 March 1939
- Appointed on 21 May 2008
- Term expires at the 2011 AGM
- First appointed to the Board
on 8 March 2007
- Number of BNP Paribas
shares held ⁽²⁾: 850
- Office address:
30, Wadsworth Street,
E53-451, Cambridge,
MA 02139-4307, USA

**Functions
at 31 December 2009 ⁽¹⁾**

Member of:
American Academy of Arts
and Sciences

**Research Associate and
Member of the Executive
Committee of:**
Center for European Studies
at Harvard University

(1) Functions shown in italics are not governed by French Act no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2009.



JEAN-MARIE GIANNO

Principal function⁽¹⁾ :
Sales Associate

- Born on 7 September 1952
- Elected to a three-year term by BNP Paribas employees on 5 February 2009
- First appointed to the Board on 15 March 2004 (Jean-Marie Gianni was an employee representative on the Board of Banque Nationale de Paris from 1993 to 1999)
- Number of BNP Paribas shares held⁽²⁾: 10
- Office address:
21, avenue Jean-Médecin
06000 Nice, France

**Functions
at 31 December 2009⁽¹⁾**

Member of:
Comité des établissements de crédit et des entreprises d'investissement (CECEI), Confrontation (a European think-tank)



FRANÇOIS GRAPPOTTE

Principal function⁽¹⁾ :
Honorary Chairman of Legrand, Company Director

- Born on 21 April 1936
- Appointed on 21 May 2008
- Term expires at the 2011 AGM
- First appointed to the Board on 4 May 1999
- Number of BNP Paribas shares held⁽²⁾: 2,869
- Office address:
128, avenue de Lattre-de-Tassigny 87045 Limoges, France

**Functions
at 31 December 2009⁽¹⁾**

Director of:
Legrand, Legrand France

Member of the Supervisory Board of:
Michelin



ALAIN JOLY

Principal function⁽¹⁾ :
Director of Air Liquide

- Born on 18 April 1938
- Appointed on 23 May 2006
- Term expires at the 2009 AGM
- First appointed to the Board on 28 June 1995
- Number of BNP Paribas shares held⁽²⁾: 3,143
- Office address:
75, quai d'Orsay
75007 Paris, France

Alain Joly's term of office expired at the AGM on 13 May 2009



DENIS KESSLER

Principal function⁽¹⁾ :
Chairman and Chief Executive Officer of Scor SE

- Born on 25 March 1952
- Appointed on 13 May 2009
- Term expires at the 2012 AGM
- First appointed to the Board on 23 May 2000
- Number of BNP Paribas shares held⁽²⁾: 2,269
- Office address:
1, avenue du Général-de-Gaulle
92074 Paris-La Défense
Cedex, France

**Functions
at 31 December 2009⁽¹⁾**

Director of:
Bolloré, Dassault Aviation, Fonds Stratégique d'Investissement, Invesco Ltd (United States)

Member of the Supervisory Board of:
Yam Invest NV (Netherlands)

Non-Voting Director of:
Financière Acofi SA, Gimar Finance & Cie SCA

Member of:
Commission Économique de la Nation, Conseil Économique et Social, Board of Directors of Association de Genève, Board of the French Foundation for Medical Research, Comité des Entreprises d'Assurance, Strategy Board of Comité Européen des Assurances

Chairman of:
Reinsurance Advisory Board, Global Reinsurance Forum, Board of Directors of Siècle



JEAN-FRANÇOIS LEPETIT

Principal function⁽¹⁾ :
Chairman of Conseil national de la comptabilité

- Born on 21 June 1942
- Appointed on 21 May 2008
- Term expires at the 2011 AGM
- First appointed to the Board on 5 May 2004
- Number of BNP Paribas shares held⁽²⁾: 8,461
- Office address:
30, boulevard Diderot
75572 Paris Cedex 12, France

**Functions
at 31 December 2009⁽¹⁾**

Director of:
Smart Trade Technologies SA, Shan SA

Member of:
Board of the Qatar Financial Center Regulatory Authority (Doha), Collège de l'Autorité des Marchés Financiers, Conseil de normalisation des comptes publics

(1) Functions shown in italics are not governed by French Act no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2009.



LAURENCE PARISOT

Principal function ⁽¹⁾ :
Vice-Chairman of the Board of Directors of IFOP SA

- Born on 31 August 1959
- Appointed on 13 May 2009
- Term expires at the 2012 AGM
- First appointed to the Board on 23 May 2006
- Number of BNP Paribas shares held ⁽²⁾: 360
- Office address:
6-8, rue Eugène-Oudiné
75013 Paris, France

Functions at 31 December 2009 ⁽¹⁾

Chairman of:
Mouvement des Entreprises de France (MEDEF)

Director of:
Coface SA

Member of the Supervisory Board of:
Michelin



H  L  NE PLOIX

Principal function ⁽¹⁾ :
Chairman of Pechel Industries SAS and Pechel Industries Partenaires SAS

- Born on 25 September 1944
- Appointed on 21 May 2008
- Term expires at the 2011 AGM
- First appointed to the Board on 21 March 2003
- Number of BNP Paribas shares held ⁽²⁾: 1,557
- Office address:
162, rue du Faubourg-Saint-Honor   75008 Paris, France

Functions at 31 December 2009 ⁽¹⁾

Director of:
Lafarge, Ferring SA (Switzerland), Completel NV (Netherlands), Institut Franais des Administrateurs

Permanent representative of:
Pechel Industries Partenaires (part of Ypso Holding, Luxembourg)

Member of the Supervisory Board of:
Publicis Groupe

Manager of:
H  l  ne Ploix SARL, H  l  ne Marie Joseph SARL, Sorepe Soci  t   Civile

Member of:
Investment Committee of the United Nations Staff Pension Fund



BAUDO  N PROT

Principal function ⁽¹⁾ :
Director and Chief Executive Officer of BNP Paribas

- Born on 24 May 1951
- Appointed on 21 May 2008
- Term expires at the 2011 AGM
- First appointed to the Board on 7 March 2000
- Number of BNP Paribas shares held ⁽²⁾: 137,211
- Office address:
3, rue d'Antin 75002 Paris, France

Functions at 31 December 2009 ⁽¹⁾

Director of:
Accor, Pinault-Printemps-Redoute, Veolia Environnement, Erb   SA (Belgium), Pargesa Holding SA (Switzerland)

Chairman of:
F  d  ration Bancaire Franaise (from September 2009 to August 2010)

Member of:
Executive Board of F  d  ration Bancaire Franaise



LOUIS SCHWEITZER

Principal function ⁽¹⁾ :
Chairman of the Board of Directors of Renault

- Born on 8 July 1942
- Appointed on 15 May 2007
- Term expires at the 2010 AGM
- First appointed to the Board on 14 December 1993
- Number of BNP Paribas shares held ⁽²⁾: 6,825
- Office address:
8-10, avenue   mile-Zola
92109 Boulogne-Billancourt Cedex, France

Functions at 31 December 2009 ⁽¹⁾

Chairman of the Board of Directors of:
AstraZeneca Plc (United Kingdom)

Chairman of the Supervisory Board of:
Le Monde & Partenaires Associ  s (SAS), Le Monde SA, Soci  t     ditrice du Monde

Director of:
L'Or  al, Veolia Environnement, AB Volvo (Sweden)

Chairman of:
HALDE (Haute Autorit   de lutte contre les discriminations et pour l'  galit  )

Member of the Advisory Board of:
Banque de France, Allianz (Germany)

Member of the Board of:
Fondation Nationale des Sciences Politiques, Institut Franais des Relations Internationales, Mus  e du Quai Branly



DANIELA WEBER-REY

Principal function ⁽¹⁾ :
Partner at Clifford Chance, Frankfurt

- Born on 18 November 1957
- Appointed on 21 May 2008
- Term expires at the 2011 AGM
- First appointed to the Board on 21 May 2008
- Number of BNP Paribas shares held ⁽²⁾: 1,100
- Office address:
Mainzer Landstrasse 46
D 60325, Frankfurt-am Main, Germany

Functions at 31 December 2009 ⁽¹⁾

Member of:
Advisory Group on Corporate Governance and Company Law of the European Commission, Expert Group on "Removing obstacles to cross-border investments" of the European Commission, "Ad Hoc Group of Corporate Governance Experts for the Financial Services Area" of the European Commission, German Government Commission on the German Corporate Governance Code

Non-voting directors

MICHEL TILMANT

Principal function ⁽¹⁾ :
Managing Director of Strafin SPRL

- Born on 21 July 1952
- Appointed on 4 November 2009

EMIEL VAN BROEKHOVEN

Principal function ⁽¹⁾ :
Economist, Honorary Professor at the University of Antwerp

- Born on 30 April 1941
- Appointed on 4 November 2009

Other corporate officers

JEAN-LAURENT BONNAF  

Chief Executive Officer of:
BNP Paribas Fortis

Director of:
Carrefour, BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy), BancWest Corporation, Bank of the West

Principal function ⁽¹⁾ :
Chief Operating Officer of BNP Paribas

- Born on 14 July 1961
- Number of BNP Paribas shares held ⁽²⁾: 14,495
- Office address:
3, rue d'Antin
75002 Paris, France

Functions at 31 December 2009 ⁽¹⁾

Chairman of:
Steering Committee and Executive Committee of BNP Paribas Fortis

GEORGES CHODRON DE COURCEL

Principal function ⁽¹⁾ :
Chief Operating Officer of BNP Paribas

- Born on 20 May 1950
- Number of BNP Paribas shares held ⁽²⁾: 69,384
- Office address:
3, rue d'Antin
75002 Paris, France

Functions at 31 December 2009 ⁽¹⁾

Chairman of:
Compagnie d'Investissement de Paris SAS, Financiere BNP Paribas SAS, BNP Paribas (Switzerland) SA

Vice-Chairman of:
Fortis Bank SA/NV (Belgium)

Director of:
Alstom, Bouygues, Soci  t   Fonci  re, Financiere et de Participations SA, Nexans, Erb   SA (Belgium), Groupe Bruxelles Lambert (Belgium), Scor Holding (Switzerland) AG (Switzerland), Scor Global Life R  ckversicherung Schweiz AG (Switzerland), Scor Switzerland AG (Switzerland), Verner Investissements SAS

Member of the Supervisory Board of:
Lagard  re SCA

Non-Voting Director of:
Exane, Safran, Scor SE

(1) Functions shown in italics are not governed by French Act no. 2001-401 of 15 May 2001 concerning multiple directorships.
(2) At 31 December 2009.

Remuneration

The tables below show gross remuneration payable for the year to 31 December 2009, including benefits in kind and directors' fees for 2009.

Remuneration payable for 2009 In euros	Remuneration		Directors' fees ⁽³⁾	Benefits in kind ⁽⁴⁾	Total Remuneration
	Fixed ⁽¹⁾	Variable ⁽²⁾			
Michel PÉBEREAU Chairman of the Board of Directors					
2009	700,000	⁽⁶⁾	29,728	3,598	733,326
(2008)	(700,000)	-	(29,728)	(1,671)	(731,399)
Baudouin PROT Chief Executive Officer					
2009	950,000	⁽⁶⁾	90,318	5,212	1,045,530
(2008)	(945,833)	-	(118,907)	(5,064)	(1,069,804)
Georges CHODRON de COURCEL Chief Operating Officer					
2009	600,000	⁽⁶⁾	112,302	4,273	716,575
(2008)	(595,833)	-	(117,628)	(4,370)	(717,831)
Jean-Laurent BONNAFÉ Chief Operating Officer					
2009	563,172	⁽⁶⁾	51,638	3,329	618,139
(2008) ⁽⁵⁾	(166,667)	-	(18,958)	(1,445)	(187,070)
Total remuneration payable to the Group's corporate officers for 2009					3,113,570
(for 2008)					(2,706,104)

(1) Remuneration actually paid in 2009.

(2) Variable remuneration payable for 2008 and 2009.

(3) The Chairman of the Board of Directors and the Chief Executive Officer do not receive directors' fees from any Group companies other than from BNP Paribas SA, and from Erbé in the case of the Chief Executive Officer. Directors' fees received by the Chief Executive Officer from Erbé are deducted from his variable remuneration. Georges Chodron de Courcel receives fees in his capacity as a director of BNP Paribas Suisse, Erbé and BNP Paribas Fortis. These fees are deducted from his variable remuneration. Jean-Laurent Bonnafé receives fees in his capacity as a director of BNL and BNP Paribas Fortis. Given the executive duties he plays at BNP Paribas Fortis, the fees he receives in his capacity as a director are not deducted from his variable remuneration. Conversely, the fees received by Jean-Laurent Bonnafé in his capacity as a director of BNL are deducted from his variable remuneration.

(4) The Chairman of the Board of Directors, the Chief Executive Officer and the Chief Operating Officers each have a company car and a mobile telephone.

(5) For the period from 1 September to 31 December 2008.

(6) At the date of the AMF's approval of the 2009 registration document, the Board of Directors of BNP Paribas had not yet determined the variable component of corporate officers' remuneration for 2009. The Board of Directors' decision will be presented in an update of the registration document and this report in due course.

Directors' remuneration⁽¹⁾

- Directors who are not Group employees receive no remuneration from BNP Paribas other than Directors' fees.⁽²⁾
- Directors' fees have remained unchanged since 2005 at EUR 29,728 per Director, half of which (EUR 14,864) is fixed and the remainder is allocated based on a fee of EUR 1,061.71 per meeting. The Chairman of the Board does not receive any supplemental Directors' fees. Directors living outside France are paid 1.5 times the fixed portion of Directors' fees as compensation for their additional expenses.
- The fees paid to Board Committee members have also remained unchanged since 2005 at EUR 5,946, which includes a fixed fee of EUR 2,973 and a variable fee of EUR 495.50 per meeting. The Chairmen of the Financial Statements Committee and the Internal Control, Risk Management, and Compliance Committee are paid a fixed fee of EUR 15,000 and a variable fee of EUR 1,239 per meeting. The Chairmen of the Corporate Governance and Nominations Committee and the Compensation Committee are paid a fixed fee of EUR 2,973 and a variable fee of EUR 1,239 per meeting.
- Based on the above, the Board has decided to grant a total of EUR 532,509 as Directors' fees for 2009, compared with EUR 523,724 for 2008. The AGM on 18 May 2005 set the overall amount of Directors' fees at EUR 780,000.

(1) AFEP-MEDEF Corporate Governance Code (Point 18).

(2) The Directors employed by the Group are Patrick Auguste, Jean-Marie Gianni, Michel Pébereau, and Baudouin Prot.

BNP PARIBAS AND ITS SHAREHOLDERS

Share capital

At 31 December 2008, BNP Paribas' share capital stood at EUR 1,823,540,634 divided into 911,770,317 shares. Details of the historical evolution of the capital are provided in the "Changes in share capital" section of the management report. In 2009, six series of transactions led to changes in the number of ordinary shares outstanding:

- 1,098,006 shares were issued through the exercise of stock options;
- 9,000,000 shares were subscribed as part of a capital increase reserved for employees;
- 21,420,254 shares were issued as a result of shareholders opting to receive their 2008 dividends in shares;
- 133,435,603 shares were issued to pay for shares in Fortis Banque SA/NV and BGL;
- 219,294 shares were cancelled;
- 107,650,488 ordinary shares were issued to pay for the repurchase of 187,224,669 preferred shares issued on 31 March 2009 to the French go-

vernment as part of the second phase of France's growth support plan; the preferred shares were cancelled on 26 November 2009.

At 31 December 2009, BNP Paribas' share capital stood at EUR 2,368,310,748 divided into 1,184,155,374 shares with a par value of EUR 2 each⁽¹⁾.

The shares are all fully paid-up and are held in registered or bearer form at the choice of their holders, subject to compliance with the relevant legal provisions.

None of the Bank's shares entitle their holders to an increased dividend or double voting rights or limit the exercise of voting rights.

(1) Since the end of the financial year, 1,126,390 shares have been created following the exercise of options. As a result, at 21 January 2010, BNP Paribas' share capital stood at EUR 2,370,563,528 divided into 1,185,281,764 shares with a par value of EUR 2 each.

Changes in share ownership

Changes in the Bank's ownership structure over the last three years are as follows:

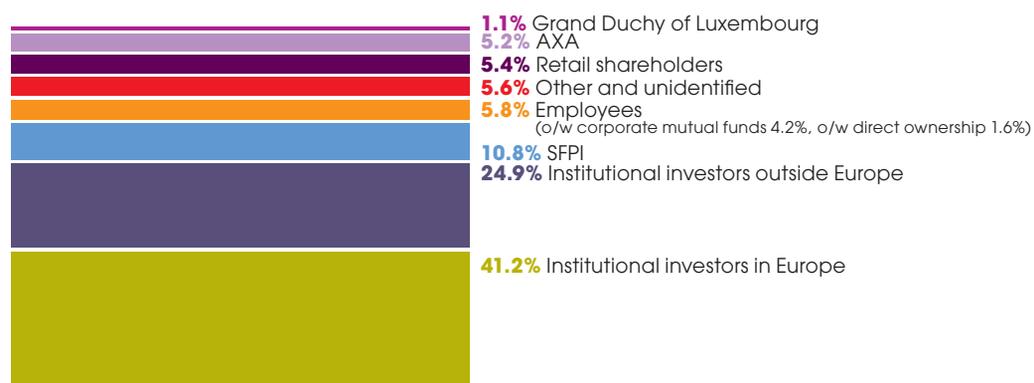
SHAREHOLDERS	31/12/07			31/12/08			31/12/09		
	Number of shares (in millions)	% of capital	% of voting rights	Number of shares (in millions)	% of capital	% of voting rights	Number of shares (in millions)	% of capital	% of voting rights
SFPI (*)	-	-	-	-	-	-	127.75	10.8%	10.8%
AXA	53.56	5.9%	6.0%	53.08	5.8%	5.9%	61.63	5.2%	5.2%
Grand Duchy of Luxembourg	-	-	-	-	-	-	12.87	1.1%	1.1%
Employees	52.64	5.8%	5.9%	57.69	6.3%	6.4%	67.69	5.7%	5.8%
- o/w corporate mutual funds	38.53	4.2%	4.3%	42.75	4.7%	4.7%	49.43	4.2%	4.2%
- o/w direct ownership	14.11	1.6%	1.6%	14.94	1.6%	1.7%	18.26	1.5%	1.6%
Corporate officers	0.36	nm	nm	0.43	nm	nm	0.48	nm	nm
Treasury shares (**)	9.14	1.0%		5.46	0.6%		3.66	0.3%	-
Retail shareholders	57.00	6.3%	6.4%	64.36	7.1%	7.1%	63.63	5.4%	5.4%
Institutional investors	717.40	79.3%	80.0%	717.75	78.8%	79.2%	780.17	65.9%	66.1%
- Europe	516.54	57.1%	57.6%	484.10	53.1%	53.4%	486.61	41.1%	41.2%
- Outside Europe	200.86	22.2%	22.4%	233.65	25.7%	25.8%	293.56	24.8%	24.9%
(o/w "Socially Responsible Investors")	(9.52)	(1.1%)	(1.1%)	(3.92)	(0.4%)	(0.4%)	(6.00)	(0.5%)	(0.5%)
Other and unidentified	15.16	1.7%	1.7%	13.00	1.4%	1.4%	66.27	5.6%	5.6%
TOTAL	905.26	100%	100%	911.77	100%	100%	1,184.15	100%	100%

(*) Société Fédérale de Participations et d'Investissement: public-interest société anonyme (public limited company) acting on behalf of the Belgian government.

(**) Excluding trading desks' working positions.

BNP PARIBAS OWNERSHIP STRUCTURE AS AT 31 DECEMBER 2009 (VOTING RIGHTS)

To the company's knowledge, no shareholder other than SFPI or AXA owns more than 5% of its capital or voting rights.



Société Fédérale de Participations et d'Investissement (SFPI) became a shareholder in BNP Paribas at the time of the integration of the Fortis group in 2009. During 2009, SFPI made two threshold crossing disclosures to the Autorité des Marchés Financiers (AMF).

— On 19 May 2009 (AMF disclosure no. 209C0702), SFPI disclosed that its interest in BNP Paribas' capital and voting rights had risen above the 5% and 10% disclosure thresholds following its transfer of a 74.94% stake in Fortis Banque SA/NV in return for 121,218,054 BNP Paribas shares, which

at the time represented 9.83% of its share capital and 11.59% of its voting rights. The disclosure stated that neither the Belgian government nor SFPI were considering taking control of BNP Paribas.

On the same day (19 May 2009), BNP Paribas informed the AMF (AMF dis-

closure no. 209C0724) that an agreement had been reached between the Belgian government, SFPI and Fortis SA/NV, giving Fortis SA/NV an option to buy the 121,218,054 BNP Paribas shares issued as consideration for SFPI's transfer of its shares in Fortis Banque, with BNP Paribas having a right of subrogation regarding the shares concerned.

— On 4 December 2009 (AMF disclosure no. 209C1459), SFPI disclosed that it owned 10.8% of BNP Paribas' capital and voting rights. This change mainly resulted from:

- BNP Paribas' issue of ordinary shares between 30 September and 13 October 2009;
- and the reduction in its capital through the cancellation, on 26 November, of preferred shares issued on 31 March 2009 to Société de Prise de Participation de l'État.

On 16 December 2005, the AXA Group and the BNP Paribas Group informed the AMF (AMF disclosure no. 205C2221) about an agreement under which the two groups would maintain stable cross-shareholdings and reciprocal call options exercisable in the event of a change in control affecting either group.

Listing information

When the shareholders of BNP and Paribas approved the merger between the two banks at the Extraordinary General Meeting of 23 May 2000, BNP shares became BNP Paribas shares. The Euroclear-France code for BNP Paribas is the same as the previous BNP code (13110). Since 30 June 2003, BNP Paribas shares have been registered under ISIN code FR0000131104.

BNP shares were first listed on the Cash Settlement Market of the Paris Stock Exchange on 18 October 1993, following privatisation, before being transferred to the Monthly Settlement Market on 25 October of that year. When the monthly settlement system was discontinued on 25 September 2000, BNP Paribas shares became eligible for Euronext's Deferred Settlement Service (SRD). The shares are also traded on SEAQ International in London and on the Frankfurt Stock Exchange. Since 24 July 2006 they have been traded on the MTA International exchange in Milan. Since privati-

sation, a Level 1 144A ADR programme has been active in the United States of America, where JP Morgan Chase is the depositary bank (2 ADRs correspond to 1 BNP Paribas share).

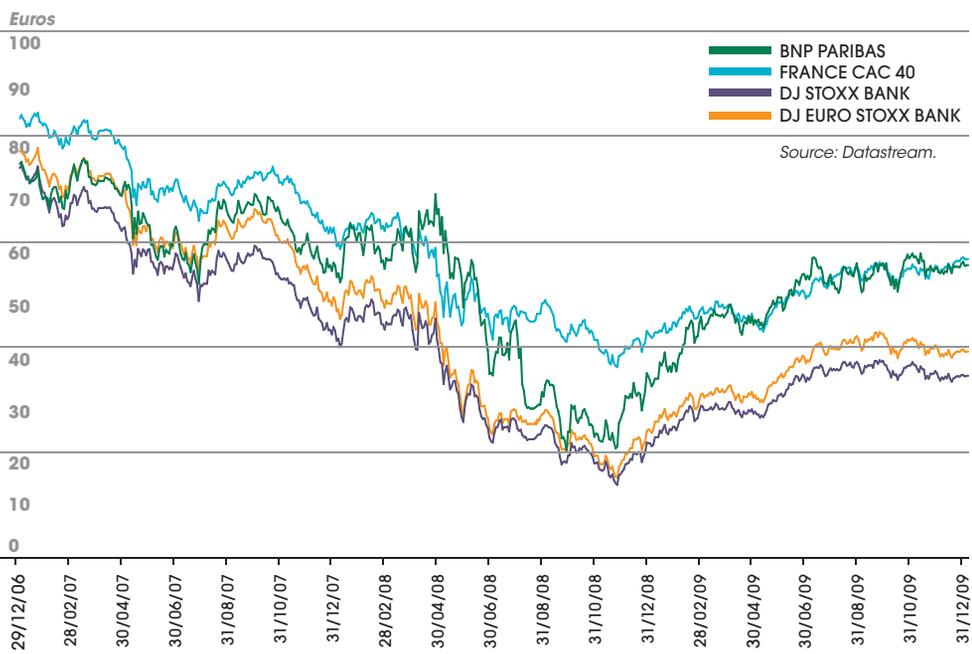
To help increase the number of shares held by individual investors, BNP Paribas carried out a two-for-one share split on 20 February 2002, reducing the par value of the shares to EUR 2.

BNP became a constituent of the CAC 40 index on 17 November 1993 and of the Euro Stoxx 50 index on 1 November 1999. Since 18 September 2000, it has been a constituent of the Dow Jones Stoxx 50 index. In 2007, BNP Paribas joined the Global Titans 50, an index comprising the 50 largest corporations worldwide. BNP Paribas shares are also included in the main benchmark indexes for sustainable development: ASPI Eurozone, FTSE4Good (Global and Europe 50), DJ SI World and DJ SI Stoxx. All of these listings have fostered liquidity and share price appreciation, as the BNP Paribas share is necessarily a component of every portfolio and fund that tracks the performance of these indexes.

— Between 29 December 2006 and 31 December 2009, **the share price fell by 30.41% against a 28.97% decline for the CAC 40, but a 50.79% fall for the DJ EuroStoxx Banks index** (index of banking stocks in the eurozone) **and a 56.50% drop for the DJ Stoxx Banks index** (index of banking stocks in Europe). After reaching an all-time high of EUR 91.60 in May 2007, BNP Paribas' share price was dragged down by the widespread loss of confidence in financial institutions, triggered by the subprime mortgage crisis in the United States of America. However, because BNP Paribas had much lower exposure to the crisis than many of its competitors, its share price performance compared very well with banking-sector indexes until October 2008. The market dislocation that followed the Lehman Brothers bankruptcy in mid-September 2008 affected the Group's activities and consequently its share price. As a result, much of its previous outperformance relative to broad bank indexes had disappeared by the end of 2008.

SHARE PERFORMANCE BETWEEN 29 DECEMBER 2006 AND 31 DECEMBER 2009

Comparison with the DJ Eurostoxx Bank, DJ Stoxx Bank and CAC 40 indexes (rebased on share price)



AVERAGE MONTHLY SHARE PRICES AND MONTHLY HIGHS AND LOWS SINCE JANUARY 2008*



(*) Share prices have been adjusted to account for the capital increase with preferential subscription right issue carried out from 30 September to 12 October 2009.

However, the trend turned in early 2009, and the share price rose from EUR 29.40 at 31 December 2008 to EUR 55.90 at 31 December 2009. This 90.14% increase comfortably beat the 22.32% rise in the CAC 40 index, the 48.92% rise in the DJEuroStoxx Banks index and the 46.92% rise in the DJStoxx Banks index over the same period.

Overall, since the financial crisis broke in early July 2007, BNP Paribas' share price has fallen by 34.91%, slightly less than the 34.99% decline in the CAC 40 index. Over the same period, the European and eurozone bank indexes are down 56.71% and 52.59% respectively. As a result, BNP Paribas has outperformed the eurozone bank index by 17.68% and the European bank index by 21.8%.

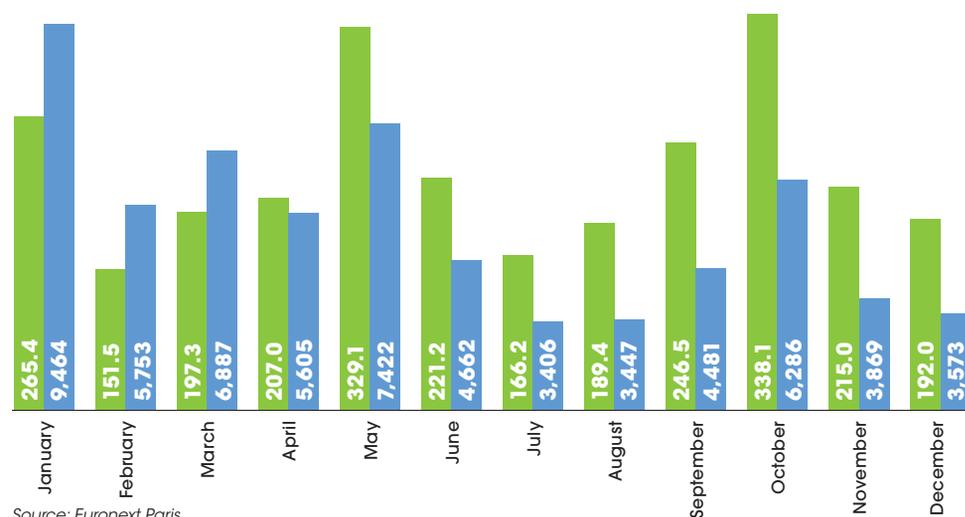
— At 31 December 2009, **BNP Paribas' market capitalisation was EUR 66.2 billion**, making it the 5th-ranked stock in the CAC 40, having been the 8th-ranked stock at end-2008. In terms of free float, BNP Paribas is the 3rd-ranked CAC 40 stock, having been the 7th-ranked stock at end-2008. BNP Paribas had the 6th-largest free float in the DJ EuroStoxx50 index at end-2009, up from 19th place a year before.

— Daily **trading volume** on Euronext Paris averaged 5,374,599 shares in 2009, down 22.5% on the 2008 figure of 6,936,205. Rather than a decrease in liquidity, this reflects the implementation of MiFID (Markets in Financial Instruments Directive) which, from 1 November 2007, abolished the concentration rule requiring orders to be routed through regulated markets. The abolition led to deregulation

of trading venues and growth in alternative securities trading methods, such as multilateral trading facilities (MTFs) and systematic internalisers.

TRADING VOLUME ON EURONEXT PARIS IN 2009 (DAILY AVERAGE)

IN MILLIONS OF EUROS
IN THOUSANDS OF SHARES



Source: Euronext Paris.

KEY SHAREHOLDER DATA

In euros	2005	2006	2007	2008	2009
Earnings per share ^{(1)*}	6.77	7.81	8.25	2.99	5.20
Net assets per share ^{(2)*}	44.51	48.40	50.93	45.68	51.9
Net dividend per share	2.53	3.01	3.26	0.97	1.5 ⁽³⁾
Payout rate (%) ⁽⁴⁾	37.4	40.3	39.8	33.0	32.3 ⁽³⁾
Share price					
High ^{(5)*}	66.78	86.01	92.40	73.29	58.58
Low ^{(5)*}	48.89	64.78	65.64	27.70	20.08
Year-end*	65.91	80.33	72.13	29.40	55.90
CAC 40 index on 31 December	4,715.23	5,541.76	5,614.08	3,217.97	3,936.33

(1) Based on the average number of shares outstanding during the year.

(2) Before dividends. Net book value based on the number of shares outstanding at year-end.

(3) Subject to approval at the Annual General Meeting of 12 May 2010.

(4) Dividend recommended at the Annual General Meeting expressed as a percentage of earnings per share.

(5) Registered during trading.

* Data in the above table have been adjusted to reflect share issues with preferential subscription rights maintained:

— March 2006 (adjustment ratio = 0.992235740050131);

— from 30 September to 13 October 2009 (adjustment ratio = 0.971895).

Creating value for shareholders

Total Shareholder Return (TSR):

Calculation parameters:

- dividends reinvested in BNP shares, then in BNP Paribas shares; 50% tax credit included until tax credit system abolished in early 2005;
- preferential subscription rights exercised in the March 2006 and October 2009 capital increases;
- returns stated gross, i.e. before any tax payments or brokerage fees.

Calculation results:

The following table indicates, for various periods ending 31 December 2009, the total return on a BNP share, then a BNP Paribas share, as well as the effective annual rate of return.

RETURNS AND YIELDS

Holding period	Investment date	Share price at the investment date (euros)	Number of shares at end of calculation period (31/12/2009)	Initial investment multiplied by	Effective annual rate of return
Since privatisation	18/10/1993	36.59	3.75	x5.73	+11.37%
16 years	03/01/1994	43.31	3.42	x4.41	+9.72%
15 years	03/01/1995	37.20	3.35	x5.04	+11.38%
14 years	02/01/1996	33.57	3.28	x5.47	+12.90%
13 years	02/01/1997	30.40	3.19	x5.86	+14.57%
12 years	02/01/1998	48.86	3.09	x3.54	+11.09%
11 years	04/01/1999	73.05	3.03	x2.32	+7.93%
Since inception of BNP Paribas	01/09/1999	72.70	2.94	x2.26	+8.22%
10 years	03/01/2000	92.00	2.94	x1.79	+5.99%
9 years	02/01/2001	94.50	2.86	x1.69	+6.03%
8 years	02/01/2002	100.40	2.77	x1.54	+5.57%
7 years	02/01/2003	39.41	1.34	x1.90	+9.62%
6 years	02/01/2004	49.70	1.29	x1.45	+6.39%
5 years	03/01/2005	53.40	1.24	x1.29	+5.30%
4 years	02/01/2006	68.45	1.19	x0.97	-0.66%
3 years	02/01/2007	83.50	1.14	x0.77	-8.55%
2 years	02/01/2008	74.06	1.10	x0.83	-8.71%
1 annual	02/01/2009	30.50	1.05	x1.93	+93.27%

BNP Paribas uses two comparative methods to measure the value created for shareholders, based on a medium- to long-term investment period reflecting the length of time during which the majority of individual investors hold their BNP Paribas shares.

Five-year comparison of an investment in BNP Paribas shares at an opening price of EUR 53.40 at 03/01/2005 with the “Livret A” passbook savings account and medium-term government bonds.

In this calculation, we assess the creation of shareholder value by comparing an investment in BNP Paribas shares with two risk-free investments: the “Livret A” passbook savings account offered by the French savings bank network and medium-term French government notes (OATs).

Total shareholder return on an investment in BNP Paribas shares

Calculation basis

Initial investment = 1 share at the opening price on 3 January 2005 = EUR 53.40

Dividends reinvested

Preferential subscription rights exercised in the March 2006 and October 2009 capital increases.

Value at 31 December 2009: 1.2363 shares at EUR 55.90, i.e. **EUR 69.11**.

29.4% increase in initial investment

Effective rate of return: 5.30% per year

Investment of EUR 53.40 on 1 January 2005 in a “Livret A” passbook account:

The interest rate on the investment date was 2.25%, reduced to 2% on 1 August 2005. The interest rate was increased twice in 2006, to 2.25% on 1 February and to 2.75% on 1 August, and to 3% on 1 August 2007. The interest rate was increased twice more in 2008, to 3.50% on 1 February and to 4% on 1 August. There were three changes in 2009, with the interest rate being reduced to 2.50% on 1 February, 1.75% on 1 May and 1.25% on 1 August. At 31 December 2009, this investment was worth **EUR 60.73**, an **increase of EUR 7.33 (+13.7%)**, as opposed to an increase of **EUR 15.71 (+29.4%)** per BNP Paribas share over the same period.

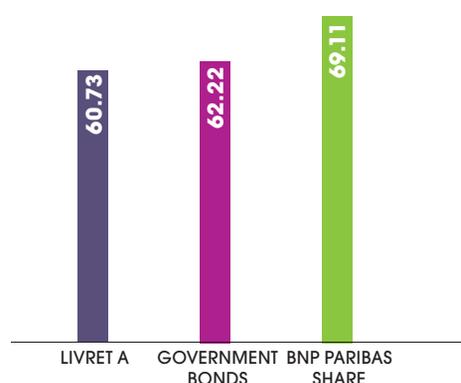
Investment of EUR 53.40 on 1 January 2005 in 5-year French government bonds:

The five-year BTAN interest rate on that date was 3.0825%. At the end of each subsequent year, interest income is reinvested in a similar note on the following terms:

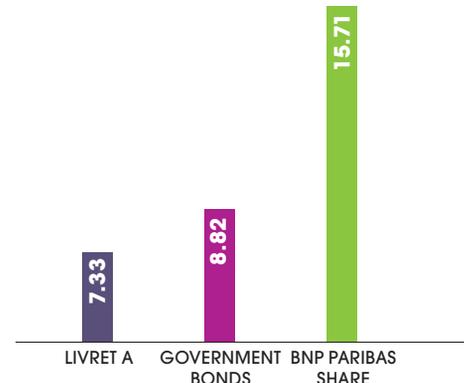
- 2.99393% (BTAN) in January 2006 for 4 years,
- 3.89016% (BTAN) in January 2007 for 3 years,
- 4.07272% (BTAN) in January 2008 for 2 years,
- 3.049% in January 2009 for 1 year (Euribor).

At the end of five years, the accrued value of the investment is **EUR 62.22**, an increase of **EUR 8.82 (+16.5%)**, just over half of the increase of **EUR 15.71 (+29.4%)** per BNP Paribas share over the same period.

VALUE AT 31/12/2009 OF A EUR 53,40 INVESTMENT MADE ON 01/01/2005



COMPARATIVE TOTAL 5-YEAR RETURN FOR A EUR 53.40 INVESTMENT ON 01/01/2005



Communication with shareholders

BNP Paribas endeavours to provide all shareholders with clear, consistent, high-quality information at regular intervals, in accordance with best market practice and the recommendations of stock market authorities.

The **Investor Relations** team informs institutional investors and financial analysts, in France and abroad, of the Group's strategies, major events concerning the Group's business and, of course, the Group's quarterly results. In 2010, for example, the following dates have been set⁽¹⁾:

- 17 February 2010: publication of 2009 results;
- 6 May 2010: results for the first quarter of 2010;
- 2 August 2010: publication of 2010 half-year results;
- 4 November 2010: results for the third quarter and first nine months of 2010.

Informative briefings are organised several times a year, when the annual and half-year results are released, or on specific topics, providing senior management with an opportunity to present the BNP Paribas Group and its strategy. There is also a Relations Officer responsible for liaising with managers of ethical and socially responsible funds.

The **Individual Shareholder Relations Department** provides information and deals with queries from the Group's 590,000 or so individual shareholders (*source: 31 December 2009 TPI Survey*). A half-yearly financial newsletter informs both members of the **"Cercle BNP Paribas"** and other shareholders of important events concerning the Group, and a summary of the matters discussed during the Annual General Meeting is sent out at the start of July. During the year, senior management presents the Group's policy to individual shareholders at meetings organised in various French cities and towns. For example, in 2009, meetings were held in Nancy

BNP Paribas Shareholders' Guide

The BNP Paribas Shareholders' Guide was designed to provide individual shareholders with full details on the share's performance and the Bank's achievements. Its purpose is to give these investors a better idea and a deeper understanding of the economic environment and the markets in which BNP Paribas operates. The guide can be obtained on request from the Individual Shareholder Relations Department, and can also be viewed online and downloaded (see below).

The "Cercle BNP Paribas"

In 1995, the "Cercle BNP Paribas" was set up for individual shareholders holding at least 200 shares. The Cercle currently has 57,200 shareholder members. Every year, alternating with three financial newsletters, three issues of "La Vie du Cercle" are sent to shareholders. This is a publication inviting them to take part in artistic and cultural events with which BNP Paribas is associated, as well as training sessions. These include seminars on trading in equities (including carrying out technical and financial analysis and placing orders), private asset management and warrants, as well as economic-update sessions, organised by BNP Paribas teams specialising in these fields. In addition, the Bank regularly organises scientific conferences and visits to industrial sites. The seminars are held in Paris and the provinces, on weekdays and the weekend, to enable as many people as possible to attend. To illustrate the variety on offer, 370 events were organised for 14,275 participants in 2009. Shareholders can obtain information about these services by dialling a special toll-free number (in France): **0800 666 777**. A telephone news service can also be accessed through the same number, offering a wide range of information to BNP Paribas shareholders, such as the share price, shareholders' events, news and interviews. There is also a Cercle des Actionnaires website (cercle-actionnaires.bnpparibas.com), which features all offers and services available to members.

on 16 June, Lyon on 30 June, Bordeaux on 22 September and Marseille on 20 October. BNP Paribas representatives also met and spoke with over 1,000 people at the "Actionaria" shareholder fair held in Paris on 20 and 21 November 2009.

The BNP Paribas website (<http://invest.bnpparibas.com>) can be consulted in both French and English. Large portions of the website are also available in Italian. It provides information on the Group, including press releases, key figures and details of the main events. All financial documents such as Annual Reports and Registration Documents can also be viewed and downloaded. Publications compiled by the Bank's Economic Research unit can be viewed on the web site as well. The website also naturally features the latest share performance data and comparisons with major indexes. Among the website's features is a returns calculation tool. The Investors/Shareholders section now includes all reports and presentations concerning the Bank's business and strategy aimed at all audiences (individual shareholders, institutional investors, asset managers and financial analysts). The website also has a section entitled "To be a shareholder", which was specifically designed with individual shareholders in mind, offering information tailored to their needs and details of proposed events. In addition, there is a specific section dedicated to the Annual General Meeting of Shareholders, which includes information regarding the conditions for attending the meeting, ways of voting, practical questions, as well as a presentation of the resolutions and the complete text of all speeches made by corporate officers. A webcast of the AGM can be viewed by going to the section entitled "General shareholders meeting" then by clicking on the relevant meeting in the submenu. In response to the expectations of individual shareholders and investors, and

(1) Subject to alteration.

Shareholder Liaison Committee

to meet increasingly strict transparency and regulatory disclosure requirements, BNP Paribas regularly adds sections to its website and improves existing sections with enhanced content (particularly as regards the glossary) and new functions. The financial calendar gives the dates of important forthcoming events, such as the AGM, results publications and shareholder seminars.



After its formation in 2000, BNP Paribas decided to create a Shareholder Liaison Committee to help the Group improve communications with its individual shareholders. At the Shareholders' Meeting that approved the BNP Paribas merger, the Chairman of BNP Paribas initiated the process of appointing members to this Committee, which was fully established in late 2000.

Headed by Michel Pébereau, the Committee includes ten shareholders who are both geographically and socio-economically representative of the individual shareholder population, along with two employees or former employees. Each member serves a three-year term. When their terms expire, announcements are published in the press and/or

in the Group's various financial publications, inviting new candidates to come forward. Any shareholder can become a candidate.

In accordance with the Committee's Charter – i.e. the Internal Rules that all Committee members have adopted – the Committee met twice in 2009, on 20 March and 25 September, in addition to taking part in the Annual General Meeting and attending the "Actionaria" shareholder fair. The main topics of discussion included:

- BNP Paribas' ownership structure and changes therein, particularly among individual shareholders;
- the periodical publications which provide information on the Group's achievements and strategy;

At 1 January 2010, the members of the Liaison Committee were as follows:

Michel Pébereau,
Chairman,

Franck Deleau,
resident of the Lot *département*,

Nicolas Derely,
resident of the Paris area,

Jean-Louis Dervin,
residing in Caen,

Jacques de Juvigny,
resident of the Alsace region,

André Laplanche,
residing in Cavaillon,

Jean-Marie Laurent,
resident of the Oise *département*,

Dyna Peter-Ott,
residing in Strasbourg,

Jean-Luc Robaux,
residing in Nancy,

Chantal Thiebaut,
resident of the Meurthe-et-Moselle *département*,

Thierry de Vignet,
resident of the Dordogne *département*,

Odile Uzan-Fernandes,
BNP Paribas employee,

Bernard Coupez,
Honorary Chairman of the Association of active, retired and former employee shareholders of the BNP Paribas Group.

Dividend

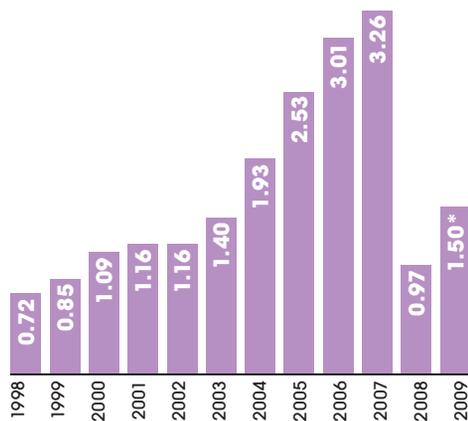
- the integration with the Fortis group;
- the draft 2008 Registration Document and Annual Report;
- quarterly results presentations;
- initiatives taken in preparation for the Annual General Meeting;
- BNP Paribas' participation in the "Actionaria" shareholder fair. At this event, several Liaison Committee members explained the role played by the Committee to people who visited the Bank's stand.

On 1 December 2009, Committee members took part in an "Investor Day" in Brussels, during which BNP Paribas Fortis' business plan was presented to the market.

At the 12 May 2010 Annual General Meeting, the Board of Directors will recommend a dividend of EUR 1.50 per share, an increase of 50% relative to 2009. The shares will go ex-dividend on 19 May and the dividend will be paid on 15 June 2010, subject to approval at the Annual General Meeting.

The total amount of the payout is EUR 1,778 million, compared with EUR 912.1 million in 2009, representing an increase of 94.9%. The proposed payout rate is 32.3%⁽¹⁾.

DIVIDEND (EUR PER SHARE)



Dividends for 1998-2008 have been adjusted to reflect:

- the two-for-one share split carried out on 20 February 2002;
- capital increases with preferential subscription rights maintained in March 2006 and between 30 September and 13 October 2009.

* Subject to approval by the 12 May 2010 AGM

The Group's objective is to adjust the dividend to reflect variations in income and to optimise management of available capital.

Timeframe for claiming dividends: after five years, any unclaimed dividends will be forfeited and paid to the French Treasury, in accordance with applicable legislation.

BNP Paribas registered shares

At 31 December 2009, 32,495 shareholders held BNP Paribas registered shares.

Registered shares held directly with BNP Paribas

Shareholders who hold shares in pure registered form:

- automatically receive all documents regarding the Bank which are sent to shareholders,
- can call a French **toll-free number (0800 600 700)** to place buy and sell orders⁽²⁾ and to obtain any information,
- benefit from special, discounted brokerage fees,
- have access to "GIS Nomi" (<http://gis-nomi.bnpparibas.com>), a fully secure dedicated web server, allowing them to view registered share accounts and account movements as well as place and track orders⁽²⁾,
- pay no custodial fees and are automatically invited to General Meetings.

Holding shares in pure registered form is not compatible with holding them in a PEA tax-efficient share saving plan, due to the specific regulations and procedures applying to those plans.

Registered shares held in an administered account

BNP Paribas is also extending its administered share account services to institutional shareholders. For institutional shareholders, this type of account combines the main benefits of holding shares in bearer form with those of holding pure registered shares:

- shares can be sold at any time, through the shareholder's usual broker;
- the shareholder can have a single share account, backed by a cash account;
- the shareholder is automatically invited to attend and vote at General Meetings, without the invitation being sent through a third party;
- the shareholder can take part in voting via the internet.

(1) Dividend recommended at the 12 May 2010 Annual General Meeting expressed as a percentage of earnings per share.

(2) Subject to their having previously signed a "brokerage service agreement" (free of charge).

Annual General Meeting

BNP Paribas held two General Meetings of shareholders in 2009.

— On 27 March, an Extraordinary General Meeting was held, on first call, to approve the creation of preferred shares to be issued to the French government under the second phase of France's growth support plan. The text of the resolutions and the video

of the meeting can be viewed on the BNP Paribas website, which is where the original live webcast took place. The composition of the quorum and the results of the votes cast were posted online the day after the meeting.

The quorum broke down as follows:

BREAKDOWN OF QUORUM

	Number of shareholders	(%)	Number of shares	(%)
Present	432	8.87%	56,715,703	10.64%
Proxy given to spouse or another shareholder	9	0.18%	6,852	nm
Proxy given to Chairman	1,877	38.55%	6,447,638	1.21%
Postal votes	2,551	52.39%	469,925,853	88.15%
TOTAL	4,869	100%	533,096,046	100%
				Quorum
Total number of shares issued excluding treasury stock			909,963,093	58.58%

All resolutions proposed to the shareholders were approved.

RESULTS	RATE OF APPROVAL (%)
Resolution 1: <i>Creation of a new category of shares, consisting of preferred shares, and according amendment of the articles of association</i>	98.21%
Resolution 2: <i>Issue of preferred shares to Société de Prise de Participation de l'État</i>	97.72%
Resolution 3: <i>Transactions reserved for members of the employee savings plan</i>	97.50%
Resolution 4: <i>Issue of shares to be paid up by capitalising income, retained earnings or additional paid-in capital</i>	98.39%
Resolution 5: <i>Powers to carry out formalities</i>	99.82%

— On 13 May 2009, BNP Paribas held a combined Ordinary and Extraordinary General Meeting on first call. The text of the resolutions and the video of the meeting can be viewed on the BNP Paribas website, which is where the original live webcast took place. The composition of the

quorum and the results of the votes cast were posted online the day after the meeting. Information about the meeting was also published in the specialist press and a specific letter was sent to shareholders summarising the meeting.

The quorum broke down as follows:

BREAKDOWN OF QUORUM

	Number of shareholders	(%)	Number of shares	(%)
Present	1,664	15.07%	100,690,994	20.64%
Proxy given to spouse or another shareholder	58	0.53%	71,907	0.01%
Proxy given to Chairman	5,972	54.09%	11,604,373	2.38%
Postal votes	3,347	30.31%	375,556,063	76.97%
TOTAL	11,041	100%	487,923,337	100%

Quorum

Number of ordinary shares (excluding treasury stock)	910,022,144	53.62 %
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All resolutions proposed to the shareholders were approved.

RESULTS

RATE OF APPROVAL (%)

ORDINARY MEETING

Resolution 1: <i>Approval of the consolidated balance sheet at 31 December 2008 and the consolidated profit and loss account for the year then ended</i>	95.94%
Resolution 2: <i>Approval of the parent-company balance sheet at 31 December 2008 and the parent-company profit and loss account for the year then ended</i>	96.01%
Resolution 3: <i>Appropriation of profit and distribution of dividends</i>	97.62%
Resolution 4: <i>Agreements and commitments governed by Article L. 225-38 of the Code de Commerce</i>	92.75%
Resolution 5: <i>Share buybacks</i>	97.90%
Resolution 6: <i>Renewal of the term of office of Claude Bébéar as a director</i>	97.02%
Resolution 7: <i>Renewal of the term of office of Jean-Louis Beffa as a director</i>	77.25%
Resolution 8: <i>Renewal of the term of office of Denis Kessler as a director</i>	75.19%
Resolution 9: <i>Renewal of the term of office of Laurence Parisot as a director</i>	92.24%
Resolution 10: <i>Renewal of the term of office of Michel Pébereau as a director</i>	94.09%

EXTRAORDINARY MEETING

Resolution 11: <i>Approval of the transfer of Fortis Banque SA shares</i>	99.55%
Resolution 12: <i>Approval of the transfer of BGL SA shares</i>	99.54%
Resolution 13: <i>Issue of ordinary shares to be given in exchange for unlisted securities tendered, up to a maximum of 10% of the capital</i>	95.91%
Resolution 14: <i>Amendment of terms of B shares</i>	99.62%
Resolution 15: <i>Reduction in the Bank's capital by cancelling shares</i>	98.89%
Resolution 16: <i>Powers to carry out formalities</i>	99.74%

The 2009 Annual General Meeting was an additional opportunity for BNP Paribas to demonstrate its commitment to sustainable development, and to social and environmental responsibility. BNP Paribas seeks to create value consistently, to show its quality and its respect not only for "traditional" partners comprising shareholders, clients and employees, but also for the community at large. The Group considered it appropriate that these principles be reflected in its General Meetings. As a result, a decision was taken, in conjunction with the Sha-

reholder Liaison Committee, to donate EUR 10 for every investor attending the meeting or voting online, to the "Coup de pouce aux projets du personnel" (a helping hand for employee projects) programme. The programme was specifically developed by the BNP Paribas Foundation to encourage public-interest initiatives for which Bank staff personally volunteer their time and efforts. The sums collected (EUR 18,030 in 2009, including EUR 1,390 through internet voting) are donated in addition to the funds that the Bank already grants to this

programme via the BNP Paribas Foundation, which operates under the aegis of the Fondation de France. Total 2009 contributions were divided between 62 projects (34 in 2008), all of which were initiated by BNP Paribas staff. The sums awarded vary according to the scale of the project, its nature and the commitment of employees. The projects relate mainly to education, international co-operation, healthcare, disabilities, and help for disadvantaged and socially excluded people.

The allocation of funds is contained in the notice convening the next General Meeting.

The procedures for BNP Paribas' General Meetings are defined in Article 20 of the Bank's Articles of Association.

The Board of Directors calls an Ordinary General Meeting at least once a year to vote on the agenda set by the Board.

The Board may call Extraordinary General Meeting for the purpose of amending the Articles of Association, and especially to increase the Bank's share capital. Resolutions are adopted by a two-thirds majority of shareholders present or represented.

The Ordinary and Extraordinary General Meeting may be called in a single notice of meeting and held on the same date. BNP Paribas will hold its next Ordinary and Extraordinary General Meeting on 12 May 2010⁽¹⁾.



Notice of meetings

For combined Ordinary and Extraordinary General Meetings:

- holders of registered shares are notified by post; the notice of meeting contains the agenda, the draft resolutions and a postal voting form;
- holders of bearer shares are notified via announcements in the press, particularly investor and financial journals; in addition to legal requirements, BNP Paribas sends the following documents aimed at boosting attendance:
 - notices of meetings and a postal voting form for shareholders who own over a certain number of shares (set at 250 shares in 2009); these same documents may be accessed freely on the website;
 - letters informing shareholders about the General Meeting and arrangements for taking part.

In total, nearly 64,000 of the bank's shareholders personally received the information needed to participate in 2009. In addition, staff at all BNP Paribas retail outlets is specifically trained to provide the necessary assistance and carry out the required formalities.

Attendance at meetings

Any holder of shares may gain admittance to a General Meeting, provided that shares have been recorded in their accounts for at least three days. Holders of bearer shares must in addition present an entry card or certificate stating the ownership of the shares.

Voting

Shareholders who are unable to attend a General Meeting may complete and return to BNP Paribas the postal voting form/proxy enclosed with the notice of meeting. This document enables them to either:

- vote by post;
- give their proxy to their spouse or another shareholder (individual or legal entity);
- give their proxy to the Chairman of the Meeting or indicate no proxy.

Shareholders or their proxies present at the Meeting are given the necessary equipment to cast their votes. Since the General Meeting of 13 May 1998, BNP Paribas has used an electronic voting system.

Since the Meeting of 28 May 2004, shareholders can use a dedicated, secure internet server to send all the requisite attendance documents prior to Annual General Meeting (<http://gisproxy.bnpparibas.com>).

Disclosure thresholds

In addition to the legal thresholds, and in accordance with Article 7 of the Articles of Association, any shareholder, whether acting alone or in concert, who comes to hold directly or indirectly at least 0.5% of the capital or voting rights of BNP Paribas, or any multiple of that percentage up to 5%, is required to notify BNP Paribas by registered letter with return receipt.

Once the 5% threshold is reached, shareholders are required to disclose any increase in their interest representing a multiple of 1% of the capital or voting rights of BNP Paribas.

The disclosures described in the previous two paragraphs shall also apply when the shareholding falls below the above-mentioned thresholds.

In the case of failure to comply with these disclosure requirements, the undisclosed shares will be stripped of voting rights at the request of one or more shareholders who hold a combined interest of at least 2% of the capital or voting rights of BNP Paribas.



(1) Subject to alteration.



RETAIL BANKING

BNP Paribas generated 45% of its 2009 revenues from Retail Banking. It has a strong international presence, with close to 4,000 branches of its 6,000⁽¹⁾ branches outside France, and 250,000 points of contact with clients in its specialist businesses of personal finance and business equipment loans. Retail Banking activities employ more than 119,000 staff⁽¹⁾ in 52 countries, representing 59% of the Group's headcount.

Retail Banking operates branch networks in France, Italy, the USA and emerging markets, together with specialised financial services. It is divided into six operating entities:

- French Retail Banking, the branch network in France;
- BNL bc, the branch network in Italy;
- BancWest, the branch network in the USA;
- Emerging Markets, renamed Europe Mediterranean in December 2009, the banking network covering the Mediterranean Basin, plus central and eastern Europe;
- Personal Finance, comprising the specialist consumer credit and mortgage financing businesses;
- Equipment Solutions, dedicated to financing equipment purchases by companies (Arval, BNP Paribas Lease Group).

In early 2009, the Group pooled all its Retail Banking activities into a single organisation, BNP Paribas Retail Banking, with the aim of:

- providing clients with the benefits of a truly global network;
- industrialising activities, pooling major investments and transferring know-how and innovation between the banking networks and the specialised personal finance and equipment solutions businesses;
- promoting the Group's expansion in these businesses, both through acquisitions and organic growth;
- developing cross-selling between the networks and the specialised retail financing businesses, and with BNP Paribas' other segments, notably Corporate & Investment Banking and Investment Solutions.

To support the expansion of BNP Paribas Retail Banking, six central missions have been created to provide operating units with the benefit of their expertise in cross-functional activities and projects. Thanks to this organisation, the operating entities increased their

exchanges and joint projects substantially during 2009, notably at the initiative of Distribution, Markets & Solutions (central mission responsible for business development of the retail banking segment), Wealth Management Networks (central mission responsible for the development of Wealth Management across the banking networks) and Retail Banking Information Systems. Communities comprising employees from all operating units were set up to facilitate the sharing of best practices and uptake of the Group's models, notably concerning multi-channel distribution and wealth management. During 2010, the Retail Banking businesses in Belgium and Luxembourg inherited respectively from BNP Paribas Fortis and BGL BNP Paribas are set to join the Retail Banking activity.

(1) Excluding Fortis.

FRENCH RETAIL BANKING

French Retail Banking (FRB) supports all its clients with their projects. It has a client base made up of 6.5 million individual and private banking clients, 565,000 entrepreneurs and small business clients, and 22,000 corporate and institutional clients. The division offers a broad line-up of products and services, ranging from current account services to the most complex financial engineering services in the areas of corporate financing and asset management.

The French Retail Banking Division network is strengthened every year with a view to enhancing local coverage and client service. At 31 December 2009, it consisted of 2,250 branches, of which over 1,300 had been refurbished with the "Welcome & Services" concept, and 5,400 cash dispensers. As such, the network is now more compatible with a multi-channel organisational structure. The French Retail Banking Division focuses on regions with strong economic potential and has especially an 18% market share ⁽¹⁾ in the Paris region. The French Retail Banking Division is characterised by a strong presence in the upper affluent segments of the retail market and a prominent position among businesses with market share of 38% ⁽²⁾ of companies with 50 or more employees.

The French Retail Banking Division employs 31,000 people working chiefly in the BNP Paribas branded branch network, as well as at Banque de Bretagne, BNP Paribas Factor, BNP Paribas Développement, a provider of capital, and Protection 24, a remote surveillance firm. The role of branch advisors has been strengthened in order to meet client expectations.

The network is segmented by client category:

- branches dedicated to individual, professional and business clients;
- 224 Private Banking Centres, representing the most extensive private banking coverage in France ⁽³⁾;
- a unique network of 27 Business Centres dedicated to business customers across the length and breadth of the country, as well as a professional assistance service – "Service Assistance Enterprise (SAE)" – and Cash Customer Services (CCS).

This organisation is rounded out by a Client Relations Centre (CRC) and back offices handling the processing of transactions. The Client Relations Centre's three platforms in Paris, Orléans and Lille deal with calls made to the branches and process client e-mails. As for back offices, the integrated Information Technology System is completed by Production and Sales Support units. Specialised by type of transaction, they span the whole of France. At year-end 2009, 63 production units were in charge of transaction processing.



Complementing the NetÉpargne area of the bnpparibas.net web site informing customers and enabling them to apply for savings accounts and life insurance products, the "Net Crédit Immo" contact centre handles mortgage requests in less than 48 hours.

The French Retail Banking Division is also pursuing development in personal banking through its multi-channel approach encompassing automated banking systems in branches, mobile internet account management, SMS text alerts, new online services and loans, and the creation of "Net Agence", an online bank.

(1) BNP Paribas French Retail Banking 2009 marketing research, percentage of adults living in the Paris region who are BNP Paribas clients.

(2) BNP Paribas French Retail Banking 2009 marketing research.

(3) Source: internal data.

Individual clients

French Retail Banking (FRB) underscores its commitment to excellent customer service in a tough economic climate

FRB's desire to **provide steadfast support to its clients** played a big role in increasing the number of client contacts in 2009; over 30 million qualified contacts were made during the year, up 9% from 2008. FRB advisors held over 6 million face-to-face meetings with clients in 2009, enabling the Bank to strengthen its client relationships.

These close relationships are built on personalised, reliable advice. In addition to stepping-up its diagnostic services, especially for savings accounts and personal insurance, FRB focused on tailoring its products and services to individual client needs. All of FRB's distribution channels implemented **targeted marketing campaigns based on individual client's interests and plans for the future.**

FRB took the following steps to respond to clients' top concerns:

- given the challenging market climate, **helping clients buy their own homes was a top priority for the Bank.** The volume of mortgages issued by FRB grew 4% in 2009 to EUR 11.1 billion, thanks to a steep drop in mortgage interest rates (from 5.10% in December 2008 to 3.82% in December 2009, on average) and concerted efforts by all distribution channels (for example, 6,000 loans passed through the Net Crédit Immo platform, 80% of which were for non-FRB clients). FRB also introduced a wide range of services related to buying a home – such as insurance, smoothed payment schedules, and rental deposits for the young – through a major advertising campaign called *Le mois de la maison* (Focus-on-the-Home Month);
- **FRB reinforced its commitment to young clients, whether students, interns, or new graduates.** The volume of student loans issued by FRB rose 9% in 2009, and over 1,000 interns signed up for a special loan developed specifically for their needs.

In addition, 13,500 new graduates opened a special savings account whereby a client's monthly deposits (made automatically) are supplemented by the Bank;

- as part of its aim to support clients through each phase of their lives, **FRB has introduced initiatives to help the retired.** It published a practical guide to managing retirement, available at BNP Paribas branches and online at www.bnpparibas.net. FRB also offered numerous products and services (loans, savings accounts, personal and family protection, and services to simplify daily life) designed to meet their financial needs, as well as their needs for trust and convenience;
- **in an effort to meet the specific needs of clients with a strong attachment to their home country,** in 2009 FRB worked with BNP Paribas divisions in Morocco, Tunisia and Algeria to lower the fees on online transfers, simplify the procedure for opening linked accounts, offer repatriation assistance through Mondial Assistance (so that clients can be buried in their home country and ensure help for their loved ones), and set up the first two "Banking Without Borders" centres in the Barbès branch in Paris and the Canebière branch in Marseille.

FRB affirmed its moderate fee policy, which makes it now one of the cheapest banks in Metropolitan France (according to a CLCV survey in February 2009).

Several other FRB initiatives anchored BNP Paribas' role as an **active member of society:**

- by sponsoring the *Immeubles en Fête* event during the 10th annual *Fête des voisins*, an initiative that encourages neighbours to get to know each other, around 900 BNP Paribas branches hosted **Café des voisins**, a neighbourhood coffee for staff to meet people living nearby and build stronger community ties;
- through **Simplidons, a free service allowing clients to make donations to 8 associations and human aid organisations,** BNP Paribas matched the donations made by new clients in December to double the amount of money received by the NGOs;

- the ISO 14001 certification received by BNP Paribas' "Welcome & Services" branches in 2008 for their commitment to **sustainable development** was extended in 2009 to the Bank's Private Banking Centres. The upgrades made as part of the ISO 14001 certification process will cut energy use 15% by 2011.



FRB speeds its roll-out of mobile and online services

FRB's multi-channel strategy lets clients choose how they want to do their banking, whether online, via a mobile phone, or at a local branch. In 2009 the Bank introduced a **plan to speed the roll-out of new online services** and make BNP Paribas France's leading online bank by 2012. The following first innovations under this programme were introduced during the year.

- **NET Agence**, a fully online branch, to win over active internet users looking for a more convenient way to communicate with their advisors (see inset).
- **online account statements** (more than 350,000 clients signed up for this hugely-popular service in six months) and an initiative to reduce the amount of mail sent to clients, which saved the equivalent of 20 hectares of forest in 2009 alone.
- **the ability to open accounts and sign up for services online**, already active for some savings accounts, is now available for personal loans and will soon be expanded to most of FRB's products.
- **more secure online card payment systems**, thanks to the new 3D Secure protocol through which a client's unique password is sent *via SMS*.
- the possibility to access **BNP Paribas' online banking website, www.bnpparibas.net, from an iPhone**, making BNP Paribas the first French bank to be an Apple Store partner. This move was made **in response to changing client needs**, and lets clients do their banking from their mobile phones (view account balances and transactions, access the stock market, run loan simulations, find a BNP Paribas branch or an ATM in the Global Alliance network when travelling abroad).

NET Agence

NET Agence is a fully online branch run by around a dozen BNP Paribas advisors. Each client is assigned a personal advisor who can be reached by email or a direct telephone line. NET Agence is open six days a week, from 8:00 am to 8:00 pm Monday to Friday and from 9:00 am to 6:00 pm on Saturday. Clients who contact Net Agence between the time it closes and 10:00 pm are directed to the Client Relations Centre. Through their NET Agence advisor, clients can schedule a meeting with an advisor in their local branch to discuss their plans and financing needs. NET Agence clients can give feedback directly on the website, to comment on the service quality, make suggestions, or take advantage of exclusive discounts available from partner retailers. Clients can open a NET Agence account in the "Devenir Client" ("Become a Client") section of the website www.bnpparibas.net. NET Agence has received 6,000 requests to open an account in just three months.

Livret A, a boon for BNP Paribas...

BNP Paribas has clearly overcome the challenge related to the opening of the market for France's Livret A savings accounts in 2009. Because clients were able to reserve these accounts as of end-2008, the Bank had already sold over one million of these accounts by the turn of the year. Clients opened these accounts and deposited money throughout 2009; by 31 December, 1,650,000 Livret A accounts had been opened with total assets of EUR 4.3 billion.

...Coupled with life insurance contracts

The Bank also began offering related life insurance contracts, named A+1, A+2, and A+2009, to clients when they open a Livret A savings account. These contracts double the possibility for clients to build their savings securely at an advantageous interest rate. BNP Paribas clients invested a total of EUR 960 million in these contracts in 2009.



FRB's strong sales momentum is fuelled by leading-edge products and services

With **Aveilla**, a new telephone assistance service, BNP Paribas can help the elderly, isolated, or ill continue to live independently. This service operates 24 hours a day, 7 days a week, and provides urgent assistance, moral support, security, and social ties. Around 2,000 clients have signed up for this exceptional service in just nine months.

The Bank has also introduced a life insurance policy called **BNP Paribas Obsèques**, which ensures that a client's loved ones will have enough money to pay for his or her funeral. This flexible policy comes in two options, and can be customised through a wide range of related services. The goal is to give clients peace of mind. BNP Paribas Obsèques is very popular among the Bank's older clients; over 30,000 policies have been sold in eight months.

FRB added two new types of home loans to its expansive range in 2009:

- **Prêt achat-revente**, which is a fixed-rate loan that can be used to buy a new home before selling an old one; the monthly payments on this loan are fixed throughout the lifetime of the loan; and
- **Éco-prêt à taux zéro**, which is a French regulated loan for financing home improvements that will improve the home's energy efficiency.

The level of coverage provided by **BNP Paribas assurance des emprunteurs**, the Bank's payment protection insurance, was awarded by *Dossiers de l'Épargne* for the fourth year in a row, and was enhanced with a new unemployment option.

FRB now offers a loan consolidation service, **Regroupement de crédits à la consommation**, that lets clients adjust their monthly payments to better suit their needs. This popular service was used to refinance over 11,000 loans totalling almost EUR 200 million in 2009. Although all French banks are now authorised to offer **Livret A** savings accounts, BNP Paribas is the only bank to also offer related life insurance contracts – a huge hit among its clients (see inset).

FRB continued to offer investments in **guaranteed-capital funds** during the year, for clients looking for security in an uncertain environment. These funds have collected around EUR 1 billion of inflows.



FRB strengthens its foothold in the French market

The number of personal accounts at FRB grew for the fourth year in a row, with 145,000 new accounts opened – bringing the total number of new accounts since 2005 to 900,000.

This rapid expansion is the result of BNP Paribas' targeted new customer acquisition strategy, which is based on the following:

- continuously adding new branches so as to cover high-potential regions effectively. In the past six years, FRB has opened 170 new branches, relocated 160, and upgraded around 1,000 to the new "Welcome & Services" model. The Bank also introduced a centralised maintenance programme in order to ensure that branch equipment can last several years;
- attracting more clients through the online channel. BNP Paribas revamped the "Devenir Client" ("Become a Client") section of its website, www.bnparibas.net (now backed by advisors at the Client Relation Centre), opened the Net Agence fully online branch, and successfully introduced online mortgage applications;
- a proactive mortgage policy and partnerships with the market's key advisors. One out of every five new accounts opened by a major client in 2009 was done so after the client obtained a mortgage from BNP Paribas;
- an active programme targeting the young through numerous national and local partnerships, coupled with intensive marketing efforts and special advisors for young clients. In 2009, 180,000 people between the ages of 18 and 30 opened accounts with BNP Paribas;
- BNP Paribas' positioning as a family bank, backed by relevant products and services (services for couples, a Livret A Baby savings account, etc.).

Private Banking anchored its leadership position in France by posting remarkable performance despite the difficult climate. 12,100 new clients with EUR 2.2 billion of assets were attracted by BNP Paribas' high-quality

Short story **CONSOGLOBE**

ENCOURAGING RESPONSIBLE CONSUMER BEHAVIOUR

ConsoGlobe's website was designed in 2005 with both personal and professional goals in mind. "On the one hand, I wanted to start a business in areas that are important to me: ethics, the environment, and responsible buying," recalls Jean-Marie Boucher, the Chairman and CEO of ConsoGlobe. "On the other hand, I saw that French consumers are aware of the benefits of organic products but don't have the resources to act." That is why he decided to set up ConsoGlobe, a website that sells organic products, provides practical information, and lets customers trade products for free – while upholding the founder's strong values of "responsible buying over excessive consumption, community support over individualistic thinking, and quality over quantity." A way to promote "a new kind of consumer behaviour." FRB assisted Jean-Marie at every step of the way, "acting as a major, long-standing partner that can provide both flexibility and excellent customer service," he adds.



advice and services. Private Banking now serves 124,000 households (up 6% from 2008) with over EUR 63 billion of assets under management.

BNP Paribas gained market share in 2009, in both savings and loans:

- the total deposits in BNP Paribas savings accounts grew 2.9% in 2009, while the market as a whole expanded just 1.9%. This achievement is partially due to the success of Livret A savings accounts, and comes despite a sharp fall in long-term savings as a result of lower short-term interest rates;
- close to EUR 8 billion of assets are invested in BNP Paribas' life insurance contracts, up from an already impressive 2008. High take-up for the euro fund more than offset sluggish demand for unit-linked contracts, and bolstered BNP Paribas' market share in the G11 (group of the leading bancassurance companies);
- mortgage loans outstanding leapt 7.1% in 2009 reflecting strong momentum in spite of a grim climate. BNP Paribas' share of this market rose 20 basis points;
- BNP Paribas supported clients by providing consumer loans; personal loan origination increased 10% on the back of a 23% climb in car financing.

Significant gains were also seen in sales of General Insurance products (up 6% in car insurance and up 15% in home insurance), **and of Protection products** (up 67% for personal accident cover, excluding payment protection insurance).



Entrepreneurs and freelance professionals

Despite a challenging market climate, BNP Paribas has anchored its status as a bank for the real economy

BNP Paribas has become a more attractive bank. It has affirmed that it is both healthy and profitable, put more advisors out in the field, expanded its range of products and services, and assured existing and potential clients that it is a bank they can trust.

- The proof lies in the 96,000 entrepreneurs and freelance professionals that decided to make BNP Paribas their bank in 2009. These new clients expanded the Bank's business with this segment by 2.6%, following a 2.7% increase in 2008.
- BNP Paribas' efforts to build personal relationships with small business owners through a proactive, novel, and coordinated approach – including specific account managers for both entrepreneurs and freelance professionals – continued to bear fruit throughout the year. The number of professional clients who have entered into a personal banking relationship with BNP Paribas rose by over 2% in 2009, and by over 5% for private banking alone.

BNP Paribas kept its promises through a commitment to steadfast support

The Bank undertook major initiatives to help finance the economy, such as:

- the fourth consecutive BNP Paribas Open House in April and May 2009, which led to the financing of 3,000 new projects and highlighted the most original and innovative ideas;
- a pledge made in September 2009 to meet with any entrepreneur, shopkeeper, craftsman, or small business owner within 48 hours after they contact the Bank; and
- a commitment made in October 2009 to offer car financing under attractive terms and simplified procedures, since cars are the most common asset owned by entrepreneurs and freelance professionals.

In terms of socially responsible banking, in 2009 BNP Paribas:

- strengthened its ties with APCE (*Agence pour la création d'entreprise*);
- sponsored a business acquisition award given by the CRA Association (French Association of Business Buyers and Sellers)
- began offering loans, in association with ADIE, to people wishing to set up their own business; and
- introduced special products and services for small entrepreneurs.

BNP Paribas staff worked side-by-side with their clients throughout 2009, offering advice and helping them take advantage of the assistance measures introduced by the French government. These efforts included:

- several speeches on economic support initiatives, in association with OSEO (French innovation agency) and SIAGI (a company that provides guarantees for small businesses); and
- active involvement in support programmes for farmers and forest industry workers in Aquitaine who suffered damages from cyclone Klaus.

In light of the current economic climate, BNP Paribas has decided to introduce a reasonable, appropriate pricing policy.

The Bank updated the terms of its current accounts, limited the average increase in banking fees, and capped the fees on payment incidents, direct debits, and bank bills of exchange. In addition, on 1 November 2009 the Bank brought forward the date on which funds are available following cheques issued and deposited, wire transfers issued and received, and bank card payments. Payments made with deferred debit cards are now debited the first working day of the following month.

In order to provide secure transactions amid the surge in e-commerce activity, BNP Paribas has adopted the 3D Secure protocol.

BNP Paribas continually invests in product innovation and multiple distribution channels so that it can efficiently meet clients' needs

One example of BNP Paribas' client focus is the many options available for contacting the Bank, including through its revamped website, www.bnpparibas.net/entrepres. This website, currently available only in French, allows users to run simulations of their personal or professional finances, or contact an advisor through a call centre devoted exclusively to entrepreneurs and freelance professionals.

In late 2009, BNP Paribas broke new ground on the French banking landscape by introducing the first online loan service for freelance professionals

A commitment to steadfast support

EUR 5 billion for 40,000 projects; as of 31 December 2009, 11,800 projects representing EUR 1,270 million had been proposed under this initiative.

BNP Paribas, in association with ADIE (*Association pour le Droit à l'Initiative Économique*), issued 2,200 micro-loans between June 2008 and June 2009, representing a volume of EUR 6.6 million. In 2009, 3,200 self contactors opened a current office account.

BNP PARIBAS | La banque d'un monde qui change

PME, ARTISANS, COMMERÇANTS,
VOUS AVEZ DES PROJETS,
VENEZ NOUS EN PARLER.

5

MILLIARDS D'EUROS
POUR 40000 PROJETS

Short story
GUILLAUMIE HABITATION

**CHERISHING
LONG-TERM
RELATIONSHIPS**

"My father was with BNCI, then BNP. And BNP Paribas is my company's main bank. We have a mutually trusting relationship where we can really listen to each other," remarks Jean-Claude Guillaumie, head of Guillaumie Habitation, a company that makes timber homes. Environmental protection is a priority for this family-run business, which is always on the leading edge. For example, it is the first home builder to construct timber homes meeting the thermal building regulations set by France's Grenelle de l'environnement summit, scheduled to go into effect in 2012. These environmentally-certified homes have walls that are three times as thick as regular homes as well as wooden rather than concrete floors – constituting a breakthrough in the field of energy savings. Guillaumie Habitation uses a highly-productive manufacturing system and plans to continue upgrading its equipment, *"thanks to funding provided by BNP Paribas, of course"* emphasises Jean-Claude.



Short story MINATEC

NURTURING INNOVATIVE COMPANIES

At Grenoble-based Minatec, scientists don't just research problems, they find solutions. This research complex was set up in 2006 by the French Atomic Energy Commission (CEA) and the Grenoble Polytechnic Institute (INP) in order to "create Europe's leading applied research centre for micro- and nanotechnology, where over 4,000 scientists and engineers can work together every day," explains Jean-Charles Guilbert, Director of Minatec. The goal of this research? To invent new applications for all industries: chemistry, agriculture, healthcare, textile, cosmetics, transportation, etc. FRB has been Minatec's bank from the very beginning, providing seed capital to the start-ups sprouting across the campus. It even has three branches on the site. "FRB's staff is highly competent and perfect for our needs," notes Jean-Charles. "Our entrepreneurs are often scientists who are occasionally sceptical because they are not used to the world of finance. You need to know how to talk to them. But FRB has been great at putting them at ease and building solid relationships," he adds.



- again demonstrating the Bank's aim to become the best online bank by 2012. This online service allows clients to take out equipment financing loans of up to EUR 21,500 for durations of 24 to 60 months. Numerous loans have already been issued since this service was introduced in mid-November 2009, and clients have run over 6,000 simulations on the website (as of end-December 2009).

The loan application process is simple: clients login to the website and are directed to a home page with a personalised loan offer. They can then request the loan online; the loan contract will be sent to them through the post within 48 hours, and the funds will be made available eight days later.

With this service, clients receive an immediate, online reply to their loan application - without having to provide a lot of paperwork, pay application fees, or provide a guarantee. Moreover, clients can follow the steps of their loan application through the email function on the website, www.bnpparibas.net/entrepres.

BNP Paribas' online banking system is always adding new services, such as the ability to send international wire transfers.

The Bank completely revamped its BNP Net to provide electronic account statements to entrepreneurs and freelance professionals, which can subsequently be stored online.

In terms of innovation, BNP Paribas now offers all its professional and small business clients complementary health insurance available through the Bank, with policies that are both simple and effective.

BNP Paribas also actively participates in several R&D programmes for its merchant activities in France, in association with the French Franchise Federation (*Fédération française de la Franchise*) and the French Board of Retailers (*Conseil du commerce de France*).

A conveniently-located bank

BNP Paribas has designed special areas for some of its large city-centre branches where advisors can meet with entrepreneurs and freelance professional clients.



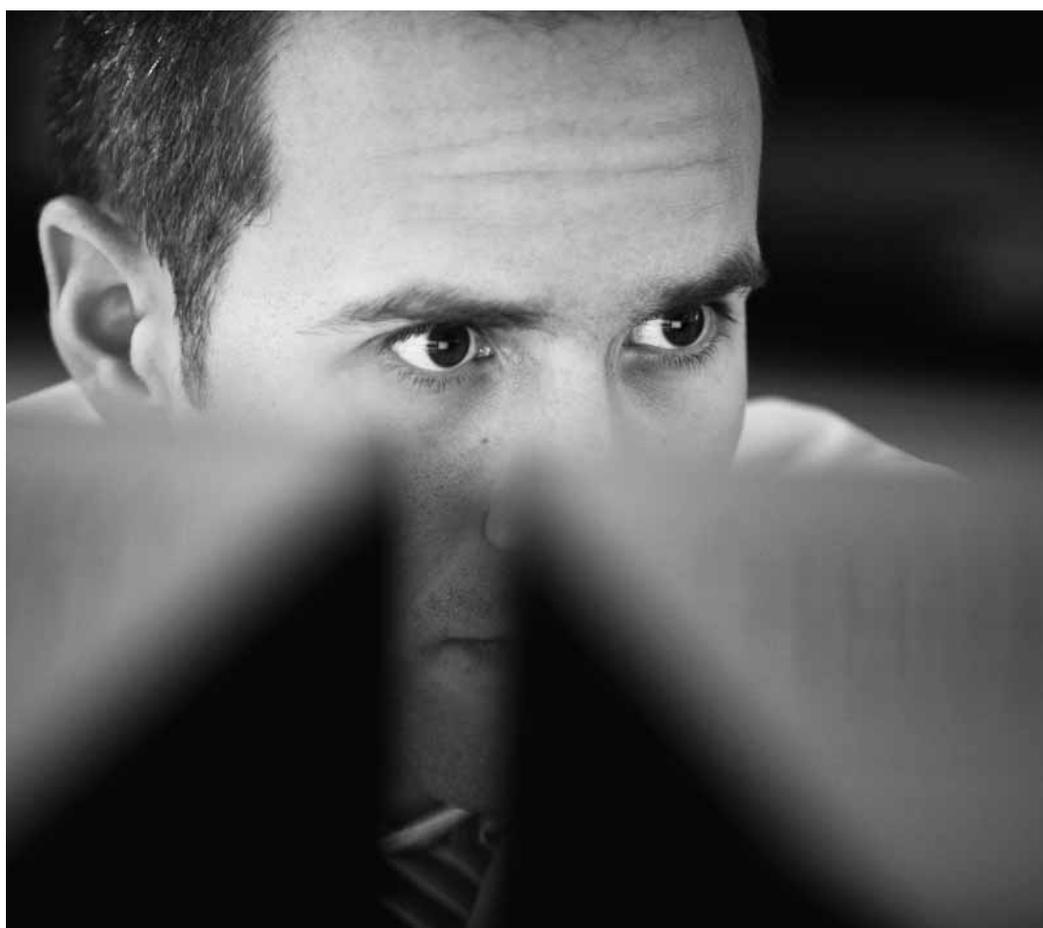
Corporate and institutional clients

Business Centres forge stronger client relationships in 2009

Increasingly specialised client requirements have led BNP Paribas to differentiate its marketing approach according to the various segments of corporate clients and large associations. The aim is to position French Retail Banking as the leading bank for this clientele by drawing on the wide array of services offered by the Group as a whole.

The strategy is built around the Group's 27 Business Centres located throughout France and devoted exclusively to corporate clients, and one new Business Centre devoted to large associations. Major corporate accounts are overseen by Key Account managers based at the Bank's main regional offices. These high-level managers work closely with Business Centres, the international network, and the Group's other specialised businesses to develop customised solutions for each client.

In addition, two highly-professional business support services – Service Assistance Entreprise (SAE) and Cash Customer Services (CCS) – have been set up to handle after-sales issues.



Regional Trading Rooms

Amid the extreme financial market volatility, the 7 Regional Trading Rooms worked closely with their client base of large- and medium-sized companies, large associations, and institutions to help them manage debt, currency transactions, and commodity price hedging – illustrating the Trading Rooms' commitment to this client segment.

The Trading Rooms also provided a full range of investment services, from money market funds to structured EMTNs (indexed to equity markets, interest rates, exchange rates, etc.), thus enabling clients to make the most out of their cash investments of all maturities and all classes of underlying assets.

The Regional Trading Rooms also supported the Business Centres and CIB and Investment Solutions, enabling them to provide local services coupled with financial market expertise.

Products and services provided by the Group as a whole

French Retail Banking serves corporate clients, institutions, and large associations by drawing on the specialised skills of each of the Group's businesses, and by cross-selling products and services in areas such as currency derivatives, short-term cash investments, international trade transactions, specialised financing (factoring, contract hire, and fleet management), and private banking. Cross-selling has proven successful thanks to the effective coordination between the Business Centre sales staff and the Group's business lines, so as to provide clients with the best possible service.



BNP Paribas Cash Management

Cash Management is a key growth driver for BNP Paribas, and lies at the heart of its bank-client relationships.

2009 was marked by BNP Paribas' **merger with Fortis Bank.**

- BNP Paribas is already a major player in large domestic markets like France and Italy, and plans to use Fortis Bank's operations to extend its European presence into Belgium and Luxembourg. The Cash Management business has over 700 specialists (including 300 correspondents) in Europe and around the world, to better understand clients' needs and work with cash managers.
 - BNP Paribas and BNP Paribas Fortis together have the largest number of clients connected to SWIFT, and offer powerful, innovative SWIFTNet services in Europe, Asia, and North America.
 - BNP Paribas Cash Management offers cutting-edge products like the SDD (SEPA Direct Debit) platform, and is a pioneer in eBAM (electronic Bank Account Management) and XML file transfers. The business also uses new-generation FLEX Technology to leverage online opportunities.
- In 2009 BNP Paribas Cash Management focused on client service and innovation, with the following important achievement:
- new contracts with Casino, Castorama, and Air Liquide;
 - an enhanced leadership position in the French business card market;

- a 40% jump in the E-Commerce business, one of BNP Paribas' key growth drivers as the Group aims to serve companies in this sector, in particular with their financing plans. For instance, the comprehensive Merc@net service includes several secure payment systems (Paypal, Presto, and private cards), as well as a wide range of reporting and simplified accounting features;
 - a new range of corporate cards that has become the market leader in France (with over 215,000 business cards) and is gradually spreading across Europe;
 - two new options, in addition to SWIFT-Net, to replace ETEBAC when it goes out of service in October 2011 (currently used by 90,000 companies):
 - EBICS, an electronic interbank communication system (operational since November 2009); and
 - NetCash, a multi-bank, multi-channel online system.
- As well as a novel communication system called CashManagementBOX®;
- four TMI Awards for Innovation & Excellence in Treasury Management:
 - Best Bank Cash Management, Southern Europe;
 - Best Bank Financial Supply Chain, Eastern and Southern Europe; and
 - Best Bank Swift for Corporates, Europe;
 - a successful third annual Cash Management University (now a key event for cash managers), during which 150 clients from 17 countries met to discuss the conference's topic, "Suc-

A SUCCESSFUL TRANSACTION FOR THE KEY ACCOUNTS TEAM

BNP PARIBAS STRUCTURED THE FINANCING FOR AN ACQUISITION BY ATALIAN, DEMONSTRATING HOW THE GROUP'S COMPLEMENTARY BUSINESSES CAN WORK TOGETHER TO SERVE ITS CLIENTS.

Atalian, founded by the Julien family in Paris in 1944 under the name *Technique Française de Nettoyage* (TFN), is now France's 2nd-largest cleaning services company and Europe's leading multi-services company. Its current Chairman, Franck Julien, took over as head of the company in the late 1990s and is the 3rd generation to lead Atalian. He oversaw over 100 acquisitions that turned Atalian into a major player with EUR 500 million of revenues in 2008. In mid-2009 Atalian acquired *Veolia Propreté Nettoyage* (VPN) and Eurogem, doubling the company's 2009 pro forma revenues to EUR 1 billion and bringing its total headcount to 45,000 employees.

BNP Paribas has been helping Atalian expand since the cleaning industry leader was founded. Over the years, the Bank has formed a close, trusting relationship with Atalian through the efforts of its Central Branch and the Key Account Manager responsible for coordinating the services provided by BNP Paribas' specialised businesses. This solid relationship prompted Atalian to choose BNP Paribas' Structured Finance team as the Global Coordinator and Mandated Lead Arranger for the EUR 225 million financing for these acquisitions. BNP Paribas was also involved in the mezzanine debt facility arranged by Euromezzanine. These transactions confirmed BNP Paribas' role as Atalian's top-tier banking partner. In 2009 Franck Julien won the Best Business Strategy award sponsored by Hervé Novelli, the French Secretary of State for SMEs, for Atalian's proactive acquisition policy.



FRB After-sales organisation

French Retail Banking continued to streamline its production system in 2009. The year was marked by:

- the creation of a single national publishing platform and the digitisation of client documents; and
- the continued outsourcing of cheque processing and archiving processes.

At 31 December 2009, French Retail Banking had 63 Production and Sales Support Branches (PSSBs) grouped into 10 Production and Sales Support Groups employing 4,500 people.

Productivity gains realised throughout the year freed the sales force from certain tasks; 280 sales agents were transferred from the front office to the back office.

French Retail Banking continued to implement Lean Six Sigma methods throughout 2009. Around 180 Lean Six Sigma projects have been completed since 2005, resulting in significant productivity and processing quality improvements.

The ISO 9001 (version 2000) certifications for the Securities and Publishing back offices were renewed in 2009.

Successful Liquidity and Risk Management in an Ever-Changing World." They heard talks from 40 speakers and listed to several clients share their experience (the 2010 event will be held on 25-26 November); and

- a new live broadcast event ("Atelier Sibos") held in Paris during the 2009 Sibos conference in Hong Kong, which allowed cash managers in Paris to participate virtually in an interactive round table discussion and hear clients' experience. The Sibos conference brings together SWIFT users from around the world, and thanks to AtelierSibos, cash managers could enjoy the conference and the Corporate Forum.

BNL BANCA COMMERCIALE

BNL banca commerciale (BNL bc) is Italy's 6th-largest banking group in terms of total assets⁽¹⁾. It is one of the major players in the Italian banking and financial system, which includes banks of international stature following the sector consolidation of recent years.

BNL bc provides a comprehensive range of banking, financial and insurance products and services, from the traditional to the most innovative, segmented to meet the needs of each client category. It boasts a large, diversified client base consisting of:

- around 2.5 million individual and more than 14,000 private clients (households);
- over 150,000 business clients (with turn-over of less than EUR 5 million);
- over 27,000 medium and large companies;
- 16,000 local authorities and non-profit organisations.

In Retail and Private Banking, BNL bc has a strong position in lending (especially residential mortgages, with a market share of nearly 7%⁽²⁾), and is gaining ground in the deposits segment (market share of about 3.5%⁽²⁾ well ahead of its network penetration (2.3%⁽²⁾ in terms of branch numbers).

Another of BNL bc's strengths is its relationship with large companies and local authorities, a segment in which it boasts a market share of around 5% and 6% respectively⁽²⁾, with a well-established reputation in cross-border payments, project financing and structured finance, as well as factor-

ing (the specialised subsidiary Ifitalia ranks 3rd in Italy in terms of credit outstandings⁽³⁾).

BNL bc has structured its distribution model so as to increase direct contact with clients, reinforce the central role and flexibility of the sale network and improve communication of commercial policies for both traditional and innovative products. Within a multi-channel distribution approach, the network has been organised into 5 regions ("direzioni territoriali") with the Retail & Private Banking and Corporate Banking activities being run as separate structures:

- 104 Retail Banking groups with 810 branches;
- 29 Private Banking Centres;
- 20 Business Centres with 52 branches dealing with small and medium enterprises, large corporate, local authorities and public sector organisations.

In addition, 5 Trade Centres are operational, providing companies with a range of products, services and solutions for cross-border activities and complementing BNP Paribas' international network which globally consists of 100 Trade Centres spread over 55 countries. At the same time, the net-

work of Italian desks that assist Italian companies abroad as well as multinational companies with direct investments in Italy now covers 11 countries, mainly in the Mediterranean area.

The multi-channel offering is complemented by more than 1,800 ATMs (Automated Teller Machines) and 26,000 points of sale with retailers, as well as telephone and online banking for both retail and business clients.

This organisation is supported by specialised local back-office units, which work closely with the distribution network to improve the satisfaction of both internal and external clients by delivering high-quality, effective services and better management of operational risk.

(1) Source: internal estimates based on published financial information as of 30 September 2009.

(2) Source: Internal data and Bank of Italy statistics as of 30 September 2009.

(3) Source: Internal data and Assifact as of 30 September 2009.

Implementing the strategy in a challenging environment

In 2008-2009 the Italian economy has been through its most severe recession in the past sixty years; however, in the second part of 2009, a moderate recovery started to materialise reflected by a trend inversion in mutual funds' net inflows and a pick up in households' demand for credit.

Despite the unfavourable operating environment during 2009, exacerbated by the progressive introduction of more stringent regulations for the banking system, BNL bc has continued to focus on the main guidelines of its business plan whilst ensuring the preservation of adequate capital ratios also *via* an optimisation of risk-weighted assets:

- Confirming planned investments for growth mainly consisting of:
 - network development and its refurbishing;
 - strengthening commercial assistance;
 - optimising and enhancing IT systems;
 - training, relocating and recruiting resources.

- Compensating for the expected slow-down in revenues and pressures on asset quality through:
 - selective lending approach and withdrawal from riskier sectors;
 - development of recurring fees based products, maximising cross-selling;
 - innovative savings products, especially in the asset management sector;
 - strengthened controls on asset quality;
 - improved internal controls and compliance in a context of an enhanced risk culture and awareness.
- Concentrating on improving operational efficiency *via*:
 - strengthening back-office structures in support of business services;
 - new redundancy plan;
 - rationalisation of IT and telecom platforms and alignment to BNP Paribas Group standards;
 - specific actions to contain general administrative expenses.



* Short story **ANTINORI** **HELPING CLIENTS EXPAND OVERSEAS**

Antinori, with 26 generations of successful wine making in the Tuscan and Umbrian hills, could have rested on its laurels and simply been happy to produce some of Italy's best wines. But ambition is in the Antinori family's genes, and in the 1990's the company began investing in a handful of prestigious Napa Valley vineyards. Today, following numerous acquisitions, Antinori – which also owns vineyards in Malta, Hungary, and Chile – has *"exceptional potential, ideas, scale, location, and capacity"* in California, making its California brands Antica and Stag's Leap *"absolute benchmarks in Napa Valley production,"* note its managers. BNL is Antinori's traditional bank and *"understands the company's goals perfectly."* It financed EUR 40 million of Antinori's investments and put the wine maker in touch with Bank of the West's specialised staff in California, *"who instantly grasped Antinori's strategy and potential for a fruitful banking relationship."*



Development of BNP Paribas' brand in Italy

In 2009 BNL ran the first institutional campaign in Italy. This aimed at strengthening the BNP Paribas brand locally and tell the new story of BNL as part of the leading banking group for deposits in the euro zone with 21 million clients. In the difficult economic and financial context, BNL has been positioned in a distinguished way, as a partner able to offer solidity and expertise to sustain clients' projects. Results were very encouraging. Internally it helped motivation and

recognition of being part of a leading Group; externally it contributed to build BNL and BNP Paribas' awareness to all time high levels (on average in 2009 prompted awareness reached 37% vs. 15% in 2006 with peaks of 55% when the campaign was on air). Within the Company, it motivated all employees and made them feel part of a top-tier organisation. Overall it helped sustain the business in a particularly tough year.

* Short story **BIANCAMANO**

FINANCING WASTE MANAGEMENT

The amount of waste generated by modern society – which is fortunately turning more and more to recycling – is huge and still growing. Therefore proper waste management, as required by environmental regulations, is more crucial than ever – prompting a boom in the waste management industry. In Italy, BNL provided EUR 60.5 million of financing to Biancamano to help it acquire, through its Aimeri Ambiente subsidiary, its main rival Manuencoop Servizi Ambientali. The acquisition “made Aimeri Ambiente Italy’s leading waste management provider,” explain its managers. In addition, its parent company Biancamano is currently “the only listed company in Italy operating in the waste management industry.” BNL supported its client through “all steps of the transaction” and stood apart thanks to “the trusting relationship we had with the bank’s employees, as well as their professionalism and the time they took to prepare all the elements needed,” add the managers.



Rome



Retail & Private Banking



The Retail Banking business has had to overcome a number of adverse factors such as historically low interest rates, a deteriorating asset quality, the impact of gross domestic product contraction on credit demand, the limited recovery expected from the asset management industry, which BNL bc has offset by focusing on the following top priorities in the course of 2009:

- Enlarging the current account base and improving customer satisfaction:
 - transparently priced offer to attract new customers;
 - improving service quality with introduction of a new internet banking and of cutting edge multi-function

- ATMs (Automated Teller Machines) to reduce queues in branches;
 - pursuing the reduction of current accounts churn rate.
- Improving credit quality:
 - new Head Office organisation with a Retail Credit Department responsible for credit risk management;
 - new recovery processes to manage sensitive situations.
- Developing a new investment advisory service:
 - improved analysis and evaluation of clients' investment portfolios in terms of risk and return;
 - adapting the model to a broader segment of clients and improving service quality for the "Affluent" segment. (quantify the range of AuM for this segment).
- Devising a new strategy in developing and distributing investment products:
 - renewal of product offer reducing product complexity and limiting up-front pricing component;
 - launching new flexible bancassurance products coupling a traditional and a unit-linked component where the client chooses asset allocation and risk profile;
 - keeping a focus on "formula funds" whose performance is linked to predefined and objective criteria.

- Continuing enhancement of distribution capacity
 - 50 new branches opened in 2009;
 - improving the sales platform with the roll-out of a "shared agenda" to manage sales appointments, introduction of suggested product lists, introduction of an alert list.



Innovation in client management and communication

Launch of Educare: a distinguishing initiative in Italian banking. After branch closing hours, BNL staff delivers very practical and tailor-made seminars on financial matters to increase clients' awareness on financial matters.

New product: introduction of the innovative product Mortgage BNL 2 in 1. A unique combination of variable rate in the first two years and fixed rate afterwards, well capturing the current opportunities of low rates with the long-term safety.

Private Banking communication: as of mid-October, for the first time in Italy, an integrated communication campaign on Private Banking business has been launched. The International Wealth Management campaign has been launched in the Press (dailies and magazines), airport banners, and online communication to better reach our high profile affluent client target.

Increased effort on digital communication favouring an interactive and more open approach towards clients and prospects:

- on the one hand an ongoing presence of BNL and its products/services on the most important platforms and a permanent activity on search engines;
- on the other hand, a monitoring of online comments and sentiments through blogs, forums and social media.



Corporate banking

Similarly to Retail, the Corporate Banking business has had to face the difficulties of a recessionary economic environment, increased competition on the funding side especially with local authorities, more stringent operating and administrative regulations. Nevertheless, thanks to a significant commercial effort, BNL bc has managed to reinforce its competitiveness and enhance its relative strength in its domestic market:

- Widespread adoption of value-risk pricing models:
 - enhancing efficiency in capital allocation;
 - confirming the capacity to support creditworthy clients;
 - generating a revenues growth rate outpacing that of loan volumes;
 - proposing *ad hoc* solutions to limit credit quality deterioration through a dedicated team.
- Cross-selling of value-added products:
 - exploiting the potential of the renewed business model with a dedicated support;
 - significant growth in businesses that are key for the Corporate strategy: cash management and trade finance, structured finance, fixed income (hedging derivatives);

- cross-selling with CIB and Investment Solutions.
- Successful client acquisition:
 - targeted commercial actions leading to a higher net client acquisition than in the previous year.
- Stronger commercial efficiency:
 - start up of new Corporate contact centre;
 - increasing net asset inflows for private banking.
- Leveraging the brand:
 - development of new advertising creativity for the Corporate Division;
 - production of a full range of communication material;
 - upgrade contacts with top customers: bank's senior management involvement and attendance of specific conventions and seminars.

Short story **LAVANDERIA**

BEING THERE IN TOUGH TIMES

"It was not easy to overcome the grief and get back to work," recalls Corrado Giallonardo. Like most residents of L'Aquila, Italy, he lost loved ones during the horrible earthquake that struck the region in April 2009. And his small dry cleaning business was hardly spared; most of his customers were hotels and restaurants, so the earthquake put an abrupt stop to his business. "I needed to do two things at the time: obtain an extension of my loan repayments, and find the money to upgrade my equipment so that I could quickly start-up again once the economy recovered." BNL has many clients in the region and immediately stepped forward. "The people I spoke with at BNL were very understanding, and they had confidence in me and my business goals," explains Corrado. "They found a way to reschedule my loan payments so that I could make plans for the coming years without having to worry."

* Short story

EMPORIUM ARREDAMENTI

STIMULATING ECONOMIC RECOVERY

Emporium Arredamenti, headed by Alessandro Spaziani, is a cornerstone of the local economy in L'Aquila, Italy, as it provides furnishings and advice to entrepreneurs opening new hotels in the region. So when the small town fell victim to a terrible earthquake in April 2009 that killed several hundreds of people, many of its customers found themselves suddenly unable to pay their bills. *"I found myself with no cash at the exact time when my business was needed to boost the local economy,"* explains Alessandro. BNL has been Emporium Arredamenti's bank since 1993, and assisted the company so that it could let its customers, hurt by the earthquake, pay their bills at their own pace and without any pressure. *"I've always found BNL to be both comprehensive and very professional. The bank gave me the financing capacity I needed to keep my business running, as well as renewed strength to face the future."*



BANCWEST

In the United States, the Retail Banking business is conducted through BancWest Corporation, a company formed out of the 1998 merger between Bank of the West and First Hawaiian Bank, wholly-owned by BNP Paribas since the end of 2001. BancWest has completed a number of acquisitions since then, the most recent being Commercial Federal Corporation in December 2005.

Bank of the West markets a very broad range of retail banking products and services to individuals, small businesses and corporate clients in 19 states in western and mid-western America. It also has strong positions across the USA in certain niche lending markets, such as marine, recreational vehicles, church lending, small business and agribusiness.

With a market share of almost 40% in deposits⁽¹⁾, First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and businesses.

In total, with 11,200 employees, 752 branches and total assets of almost USD 74 billion at 31 December 2009, BancWest currently serves some 5 million client accounts. It currently ranks as the 7th⁽¹⁾-largest commercial bank in the western United States by deposits.



(1) Source: SNL Financial, 30 June 2009.

Recent developments

US GDP picked up in the third quarter of 2009 after four consecutive quarters of decline, thanks to a massive federal stimulus plan and an excessively accommodating monetary policy that kept the Fed Funds rate between 0% and 0.25%.

Nevertheless, unemployment continued to climb throughout the year. Household consumption and business investment showed signs of enduring weakness, while real estate prices began to stabilise in late 2009 after an uninterrupted four-year freefall.

In this deeply grim and unstable economic climate, BancWest took advantage of its solid financial structure and steady cash position to continue expanding its business. Its average loan book grew a further 2% in 2009 and its core deposits registered double-digit growth. BancWest increased its margins on new loans and continued to modify its risk selection policy.

The bank also implemented a cost-cutting programme, although the initial benefits of this programme were partially offset in 2009 by a five-fold increase in the deposit insurance premiums imposed by US banking regulators, as they attempt to rebuild the deposit guarantee fund after it was drained by a swell in claims. BancWest managed to implement the cost cuts without slowing-down or halting its ongoing investment programmes, especially in the areas of products and services, distribution channels, and debt collection.

At Bank of the West, the retail bank was ranked the highest in customer satisfaction among retail banks in the western US for the second year in a row.⁽¹⁾ However, a persistent, sharp deterioration in the real estate market and a jump in unemployment, especially in California, triggered a steep hike in Bank of the West's cost of credit risk – although less than for most other market players – thus requiring the bank to make fair value adjustments to its investment portfolio. As a result, Bank of the West posted a loss in 2009.



The economic crisis hit Hawaii after it had already swept through the continental US, and its effects, although substantial, were less intense than in the other states.

First Hawaiian Bank posted remarkable sales performance again in 2009, anchoring its leadership position in the islands.

Thanks to this solid momentum, along with new preventative measures in the areas of risk management, risk selection, and operating costs, First Hawaiian Bank generated a profit in 2009 that was close to the record-breaking profit realised the previous year.



(1) Source: JD Power and Associates.

EMERGING MARKETS

The name change from “Emerging Markets” to “Europe Mediterranean” reflects the refocusing of BNP Paribas’ strategy on high-potential countries of central and eastern Europe (a region with a population of 80 million), of Turkey (76 million inhabitants) and of the Mediterranean Basin (160 million inhabitants).



Europe Mediterranean (EM) operates a network of 1,803 branches (including 785 in central and eastern Europe, 347 in Turkey, 525 in the Mediterranean Basin and also 77 in Africa, 61 in French overseas departments and territories and 8 in the Gulf). The business line has a total of 5.1 million individual, small businesses and corporate clients served by 28,880 employees. The integration with BNP Paribas Fortis adds a significant presence in Poland and is set to give the Group’s positions a major boost in Turkey. Europe Mediterranean is also present in Asia through two partnerships with local banks in China and Vietnam.

The new organisation intends to sharpen its focus on high-potential regions, step up the pace of business development and enhance credit and liquidity risk management through emphasis on a multi-pole presence throughout the geographies. These networks and their fast-growing client base provide a unique distribution platform for all the Group’s businesses, including partnerships with Personal Finance, distribution of structured products produced by CIB, integration with CIB’s network of Trade Centres and the creation of a joint venture with Wealth Management.



TEB/Istanbul

Short story TENESOL

DEVELOPING RENEWABLE ENERGY

"BNP Paribas was eager to expand further into the solar energy market, and Tenesol was looking for a large financial partner to help it move into the next league," explains Hervé La Touche, Head of the French Overseas Departments & Territories Division at Tenesol, EDF's solar energy subsidiary. Therefore it didn't take long to persuade BNP Paribas to finance Tenesol's solar power generators in Guadeloupe, Martinique, Guyana, Réunion Island, and Mayotte. Moreover, CIB and Emerging Markets joined forces to meet the client's needs as efficiently as possible. With undeniable success, according to the client: "I come from a very 'hands-on' business, but I did not feel that the BNP Paribas representatives we worked with were out of touch with our operational challenges. The Structured Finance team from CIB were highly professional, providing a major benefit to the project."



Continued growth with tight risk management despite an ongoing crisis

The countries in which the Mediterranean Europe Division operates have been affected to varying degrees by the current financial crisis:

- a deep crisis in eastern Europe, especially in Ukraine;
- a real estate and financial market crisis in the Gulf countries;
- an economic crisis in Turkey, with a return to growth in the second half of the year; and
- a slowdown in other countries, most notably those in the Mediterranean Basin, protected by currency controls.

Mediterranean Europe swiftly implemented the appropriate measures in each country so as to better manage operational and credit risk, shrink the cost base, continue to win new clients, and grow deposits.

Central and eastern Europe

UkrSibbank (USB) has restructured its operations by freezing new loans and halting the issuance of foreign currency loans to retail clients.

USB has focused its efforts on debt collection through a complete revamp of its procedures and a significant increase in staff, while continuing to pursue a marketing strategy geared towards growing deposits.

The bank has also adjusted its size and cost base to better suit Ukraine's economic and financial climate. It has opened 23 branches, closed 197 and laid off 1,344 employees.

USB has also taken substantial cost-cutting measures in all areas, and these measures should continue into 2010.

BNP Paribas increased its stake in USB from 51% to 81% in June 2009, reflecting the Group's desire to establish a permanent presence in the country.

* Short story

ENDA

SUPPORTING MICROCREDIT

Microcredit, with recovery rates that would make any bank on the planet green with envy, has proven its merits, especially in countries where financial services are hard to obtain. Enda Inter-Arabe, an NGO founded in Senegal but based in Tunisia since 1990, began offering microcredit in 1995 – first on a modest scale, and then more abundantly. “We currently have 125,000 ‘active’ clients (i.e., with an outstanding loan), 75% of which are women. We have granted over 300 million dinars (EUR 160 million) of loans in the past fifteen years, with a 99% recovery rate,” remark its managers. In addition to loans, Enda offers support services such as training, advice, sales and marketing assistance, informative workshops, and discussion groups – a rarity in its industry. BNP Paribas, through its local UBCI subsidiary, has backed Enda by providing a total of 7 million dinars (EUR 3.7 million) of financing. “UBCI’s staff is motivated and eager to help, and shares our commitment to Enda’s social development mission,” they add.



Turkey

Türk Ekonomi Bankası (TEB) implemented swift measures in response to the deteriorating economic climate in the first half of 2009. It froze new loans, quickly shrank its balance sheet, suspended capital expenditures (especially for new branch openings), reduced headcount, and stepped up debt collection measures in order to contain risk.

Economic conditions in Turkey improved at the end of the year following sharp declines in interest rates, allowing TEB to ramp up its marketing activities – especially for mortgages.



USB and TEB unveil new branch concepts

The LiBra project (or UkrSibbank Express) in Ukraine

Ukraine’s banking industry is still based largely on cash. Even simple transactions (like cash withdrawals) take considerable time at the teller, and ATMs are just starting to be widely used for deposits. Therefore UkrSibbank (USB) undertook a project called LiBra (Light Branch) to develop an effective response to these challenges. These light branches, called UkrSibbank Express, have neither counters nor bank tellers. They offer a limited, yet complete range of services and use streamlined processes to quickly execute automated transactions. For example, opening a bank card account and making a first deposit into the account (using an ATM) takes less than fifteen minutes. UkrSibbank Express branches are open seven days a week, as customers can walk in and use the ATMs themselves. They target the country’s growing urban middle class.

This light branch concept is new to Ukraine and has proven highly successful, with each agency attracting over 80 new clients per month. Six branches have already opened in Kiev; the schedule for the roll-out of additional UkrSibbank Express branches depends on the extent and timing of Ukraine’s economic recovery, which is expected to come in 2010.

TEBZip project in Turkey

Türk Ekonomi Bankası (TEB) has introduced a new branch concept in Turkey called TEBZip. These branches are smaller than the others and fully service-focused – with a price tag 60% less than conventional retail banking branches.

TEBZip branches are designed to be more appealing with agents focused on sales, similar to the Bank Light concept already used by BNP Paribas in France and Brazil; the only difference is that TEBZip branches can serve all the clients of a conventional retail bank, both individual and corporate. They aim to be more responsive to client needs and quickly attract new business.

Mediterranean Basin

Mediterranean Europe continued to invest in the Mediterranean Basin in 2009 through the opening of 34 new branches and the installation of 54 new ATMs.

It pursued its restructuring efforts in Libya, which include enhanced risk control procedures, the installation of BNP Paribas' IT system, and the hiring of key managers.

Mediterranean Europe also strengthened its partnerships with other businesses during the year, through:

- synergies with Personal Finance resulting from the merger between Cetelem and Retail Banking operations in Algeria, and the new Personal Finance operations in Egypt;
- partnerships with Private Banking in Morocco and Egypt; and
- new services for Moroccans living overseas, in association with French Retail Banking.

Other regions

BNP Paribas enhanced its risk management in the Gulf region and reduced its exposure to the most troubled sectors, but the region still carries a high cost of risk for the Group.

In Africa, BNP Paribas had to cope with difficult situations in Guinea and Madagascar, but saw good performance in Ivory Coast.

In Asia, BNP Paribas helped its partner Bank of Nanjing extend its Retail Banking operations to Shanghai, Beijing, and several cities in the wealthy Jiangsu province, and increased its stake in the Vietnamese bank Orient Commercial Joint Stock Bank (OCB) from 10% to 15%.



Short story ETAŞ AFYON TAVUKCULUK

SPURRING ENTREPRENEURS

Once upon a time a Turkish egg producer dreamed of seeing his business across the Anatolia border and into foreign markets. But he didn't know how to proceed, so he kept postponing his dream for another day. Until the morning when a TEB knocked on his door, and – drawing from his corporate training on SME consulting – easily persuaded the budding entrepreneur to take the leap. “He wrote a full report on my company's potential in foreign markets. He explained that there was no need to worry, State aid would be available, and that there wasn't too much paperwork to fill out. He said that such a step could only be beneficial.” And he was right; after a first test shipment of eggs to Iraq, international sales skyrocketed and the business now sells just as many eggs overseas as in Turkey. “It's this kind of service that sets TEB apart from its competitors. TEB has been a genuine guide for me, in both my business as well as my personal finances.”

An organisational structure tailored to BNP Paribas' market regions

- In December 2009, BNP Paribas created the following 3 regional divisions, each with a Regional Manager and an Executive Director:
 - Mediterranean, which includes Morocco, Algeria, Tunisia, Libya, and Egypt (it will also cover the rest of Africa);
 - Central and eastern Europe, which covers Ukraine, Poland, and Russia (it will also include BNP Paribas' holdings in Asia); and
 - Turkey.
- In 2010, activities in the French overseas departments and territories will be transferred to French Retail Banking, so as to ensure consistency with BNP Paribas' Retail Banking operations in continental France.
- The governance system was enhanced in 2009.
- Employees have been given greater resources and responsibilities, especially in the areas of Risk Control, Finance, and Compliance.
- Two business lines have been set up (Retail Clients and Corporate Clients), in order to boost business development.

Poland, a new country for Europe Mediterranean

Poland is one of the largest domestic markets in the European Union with a population of around 40 million. Its economy has been expanding recently through improved infrastructure, better-qualified workers, and increasingly diversified industries. The country's GDP grew 1.7% in 2009, making it one of the few European countries to escape a recession. BNP Paribas is well-positioned to expand in this profitable market thanks to Fortis' firm foothold in the country.

PERSONAL FINANCE

Within the BNP Paribas Group, BNP Paribas Personal Finance specialises in personal finance through its consumer finance and mortgage activities. With nearly 28,000 employees in more than 30 countries and on 4 continents, BNP Paribas Personal Finance ranks as the leading player in France and Europe ⁽¹⁾.

BNP Paribas Personal Finance markets a comprehensive range of solutions available at the point of sale (stores, car dealerships), through authorised business providers (brokers, estate agents, property developers) or directly via its customer relations centres and over the internet.

Furthermore, BNP Paribas Personal Finance has made partnerships an area of specialisation in its own right underpinned by its expertise in providing all types of financing and services geared to the activities and commercial strategy of its partners. As a result, BNP Paribas Personal Finance has be-

come a key partner for retail chains, service providers, banks and insurance companies.

Pursuing responsible growth

For over fifty years, BNP Paribas Personal Finance, via its main trading brand Cetelem, which was created in 1953, has been committed to Responsible Lending[®]. Its vision of personal finance consists of making a sustained contribution to improving the personal and social quality of consumers' lives. From 2004, Cetelem started to publicise in France its commitment to four major priorities:

- combating overindebtedness;
- improving access to lending for as many people as possible;
- supporting each customer with flexible solutions;
- handling every customer who runs into difficulties.

BNP Paribas Personal Finance makes information about personal finance available to the public on its website: www.moncreditresponsable.com.

2009, a year of consolidation and efficiency improvements for the new organisation

In 2009, BNP Paribas Personal Finance made targeted changes to its business model in response to the global financial crisis and the ensuing increase in risk, tighter access to liquidity, and decline in loan applications. The Bank outlined three strategy initiatives for three different regions: the PF Inside initiative for emerging countries outside the eurozone, which aims to ensure sustained growth with the backing of BNP Paribas; the Industrialisation initiative in developed countries, which aims to boost the Bank's operational efficiency and competitiveness; and the Cetelem Bank initiative in France, which aims to increase customer loyalty through an expanded range of products and services.

These changes were implemented throughout 2009, with significant progress made in integrating BNP Paribas' operating divisions in Algeria, Egypt, Ukraine, and Poland. BNP Paribas Personal Finance also completed two major transactions during the year with the acquisition of a controlling interest in Italy's Findomestic, and the signing of a cooperation agreement with Germany's Commerzbank to bolster BNP Paribas Personal Finance's presence in the country.

A new start for Findomestic in Italy

In 2009 BNP Paribas and Intesa Sanpaolo reached an agreement concerning Findomestic, a consumer credit company that was initially 50%-owned by each bank. Under the terms of the agreement, Intesa Sanpaolo will sell its 50% stake to BNP Paribas Personal Finance in two stages:

- 25% before the end of 2009; and
- the remaining 25% between 2011 and 2013.

The full integration of Findomestic will generate significant synergies in Italy, one of BNP Paribas' four domestic European markets, along with France, Belgium, and Luxembourg.



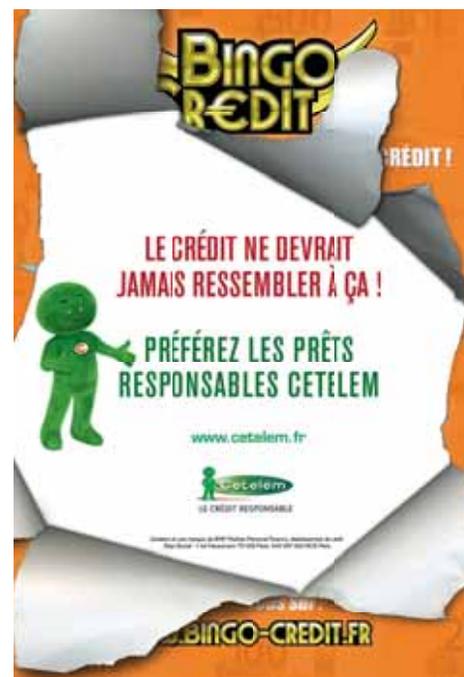
BNP Paribas Personal Finance strengthens its foothold in Germany

In 2009 BNP Paribas Personal Finance signed a major cooperation agreement with Commerzbank, Germany's leading private bank, to jointly offer consumer credit in Germany, Europe's biggest market for personal finance, in 2010. The new joint venture will be Commerzbank's exclusive provider of consumer credit. It will start with a staff of 500 employees based in Munich and Duisburg, and over EUR 2 billion of financing loans – making it a full player in the consumer credit market. The joint venture will be 50.1%-owned by BNP Paribas Personal Finance and 49.9%-owned by Commerzbank. It will operate through multiple distribution channels comprising around 14,000 customer contact points at Commerzbank branches, Allianz branches, and point-of-sale financing outlets.



Cetelem breaks new ground with its *Crédit Responsable*® (socially responsible lending) products

Cetelem launched a new multimedia advertising campaign in 2009 to promote its "socially responsible lending" products, underscoring its role as a responsible company.



EQUIPMENT SOLUTIONS

Equipment Solutions, through a multi-channel approach (direct sales, sales via referrals or via partnerships), offers corporate and business clients a range of rental solutions, ranging from financing to fleet outsourcing.

Equipment Solutions consists of four international business lines organised around assets and specially designed rental solutions:

- corporate cars and light commercial vehicles are managed by Arval, which is dedicated to full service leasing;
- Technology Solutions (TS) comprising IT, telecom and office equipment rental solutions is run jointly by BNP Paribas Lease Group, specialised in equipment financing, and Arius, specialising in the leasing and management of IT equipment;

- Equipment & Logistics Solutions (ELS) for construction, farm and transport equipment rental solutions is managed by specialists at BNP Paribas Lease Group;
- Retail & Industry (RI) encompasses rental solutions for real estate assets, medical and trade and retail equipment within the BNP Paribas Lease Group.

Despite the deteriorating economic and financial environment, the Equipment Solutions business has maintained firm commercial impetus.

Aside from real estate financing, the Equipment Solutions business ranks no. 1 in Europe in terms of both outstandings and new business ⁽¹⁾.

In 2009, Arval recorded a slight increase in its fleet (up 1% vs 2008) in spite of a significant downturn in the number of purchased cars (142,680 vehicles, down 32% vs. 2008).

At year-end 2009, Arval leased a total of 607,900 vehicles and its total managed fleet comprised 681,500 vehicles. Arval ranks no. 1 in terms of leased vehicles in France ⁽²⁾ and in Italy and no. 2 in Europe ⁽³⁾. BNP Paribas Lease Group arranged over 267,000 financing deals, bringing its total outstandings up to EUR 20.2 billion at year-end 2009.

(1) Source: Leaseurope 2008 reported in September 2009.

(2) Source: *Syndicat national des loueurs de véhicules longue durée (SNLVLVD)* data for 2008 published in September 2009.

(3) Source: internal data.

Arval

In 2009 Arval successfully limited the effects of the financial crisis on its credit risk and maintained a great deal of its sales momentum.

- Arval formed a partnership with Renault to speed the roll-out of joint, innovative solutions under the electric vehicle project resulting from the Renault-Nissan merger. Arval is convinced that electric cars are one way to tackle problems related to both energy and the environment, and plans to offer car hire services to promote this clean technology.

- In 2009 Arval unveiled Arval Analytics, a strategic online reporting system that lets corporate clients continuously manage their fleets. With this system, fleet managers can track their fleet's TCO* and CO₂ emissions – valuable data for decision-making.
- Arval has introduced the first True Cost of Operations model in the United Kingdom. This computer model was developed in association with Buckingham University, and can help Arval clients manage their fleets more effectively and cut costs. It won the 2009 Fleet News award for the best initiative in the leasing industry.

- Arval has unveiled a new online application, called Motor Trade, in Spain and Italy that allows professionals to sell vehicles that were formerly leased by companies in the Arval Group. Motor Trade will be introduced in France and Germany in early 2010.
- Arval has completely offset the CO₂ emissions of all its vehicles in every country in which it operates.

*TCO = Total Cost of Ownership .

Services offered by Arval

- Purchasing and financing of cars and light trucks under long-term contract hire
- Advice on effective fleet management (cost reductions, environmental concerns, employee loyalty, etc.)
- Strategic advice from Arval Consulting on implementing multi-year optimisation programmes
- Vehicle maintenance management, under fixed-price or cost-plus invoicing models
- Roadside assistance and replacement vehicle management
- Insurance and claims management
- Fuel card management
- Fleet management reporting
- Fleet buyback

BNP Paribas Lease Group

2009 was an exceptional year for BNP Paribas Lease Group in terms of new partnerships, extensions of existing partnerships, and new product launches.

- Technology Solutions had an outstanding year with six new European partnership agreements and over 30 national agreements, involving companies such as Alcatel Lucent, SAP, AXA, AutoDesk, HR Access, Cisco, Dassault Systems, and Epson France.
- Equipment & Logistics Solutions signed a cooperation agreement in Germany with Ammann, a large construction and public works company. This agreement gives BNP Paribas Lease Group exclusive access, under the name "A Finance," to all of Ammann's below-market financing programmes.
- Real estate leasing had an excellent year in France. BNP Paribas Lease Group secured new real estate contracts totalling EUR 353 million and new leases totalling EUR 485 million thanks to competitive rates, tax incentives, and a heavy investment in its sales force.
- BNP Paribas Lease Group introduced a novel billing system for the copier market, called Full Print Plan, that lets clients pay according to their actual copy machine usage (i.e., an invoice based on the number of copies) rather than the length of their lease.
- BNP Paribas Lease Group, in conjunction with the tractor maker Same Deutz-Fahr, introduced Agrental, the first full-service hire contract designed for the agricultural industry. Agrental contracts include maintenance and repairs, and can help farmers reduce their equipment expenses by providing and maintaining tractors in good working condition.



* Short story COCA-COLA LEVERAGING SYNERGIES TO BETTER SERVE CLIENTS

In May 2009, Coca-Cola Enterprises wanted to renew the leases on a large part of its corporate vehicle fleet in Luxembourg and Belgium. BNP Paribas Lease Group (BPLG) worked closely with Coca-Cola Enterprises and the leasing business of Fortis - which had just merged with BNP Paribas - to offer the same conditions and agreement framework in both countries. The resulting contract for 61 trucks was well-received by the client and beneficial for BNP Paribas. "BNP Paribas worked closely with us and our suppliers to make the transaction as simple as possible, and we knew they would deliver", said the multinational.

* Short story H&A LOCATION

THINKING OUT OF THE BOX

All it takes is a new idea. Leasing is used to finance cars, computers, and machinery - so why not wine barrels? The founders of H&A Location visited several wineries in Bordeaux to sell their idea, and found a very responsive audience. "In the six years since the business was created we have generated EUR 30 million of revenue, which has let us expand into Burgundy as well as other countries like Spain, where we have been very successful," comment the company's managers. BNP Paribas is now H&A Locations' main bank and provides 70% of its loans. BPLG works hand-in-hand with BNP Paribas' retail branches to offer leasing options through an original, win-win partnership; the branches sell the product to their clients and share the risks with BPLG. "The recognised efficiency of BNP Paribas' sales and administrative staff quickly prompted us to increase our volumes with the Bank," explains H&A.

Services offered by BNP Paribas Lease Group

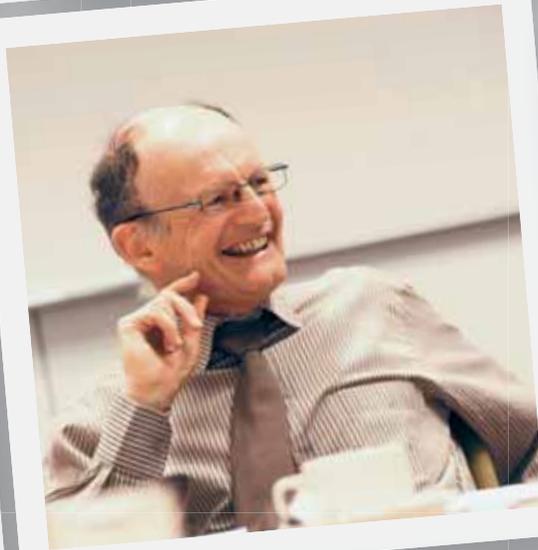
- Finance leases
- Operating leases and flexible leasing solutions
- Hire and fleet management
- Medium-term financing
- Property and personal insurance
- Financial management of distribution networks
- Brand management
- Repurchase of leases and receivables
- Leasing of real estate assets

For industrial vehicles:

- Full-service hire contracts
- Fleet management
- Fleet buyback
- Resale of used vehicles

Services offered by Arius

- Leasing solutions
 - Hardware and software
 - France and abroad
- Dynamic desktop management
 - Accounting for administrative, financial, technical, and physical aspects
- Online, real-time data management
- Equipment replacement
- Recycling
- Compliance with waste treatment standards for end-of-life equipment



BNP PARIBAS FORTIS

In 2009 the Belgian economy was hit by the most severe decline in economic activity since World War II. The peak of the recession came at the start of the year when the financial crisis was still in full force. Extensive government intervention stabilised the situation and in the second half of the year the Belgian economy saw growth comparable to the reviving international momentum.

BNP Paribas took control of Fortis Bank on 12 May 2009 and increased its stake in Fortis Bank to 74.93% on 13 May 2009. The Belgian State, through its holding and investment arm, SFPI/FPIM, now owns 25% of Fortis Bank while the remaining shares are held by the public.

Under the new ownership, the employees of BNP Paribas Fortis have all been working hard to create a eurozone financial services leader. More than 1,000 successful integration projects were established under the leadership of an integration team, new governance procedures worked out and measures taken that have instilled renewed confidence in BNP Paribas Fortis and improved performance across its businesses. Among the measures taken were:

- establishment of new governance, with the appointment of executives, refined business segmentation and integrated risk management;
- improvement in risk profile with reduced risk exposure and liquidity risk and funding fully returned to normal;

- restoration of the commercial franchise with a recovery in net customer asset inflows into retail networks, the stabilisation of assets under management, successful rebranding and commercial campaigns;
- enforcement of operational efficiency measures.

The second half of 2009 saw the launch of the reorganisation of BNP Paribas Fortis around four core activities: Retail & Private Banking, Corporate & Public Bank, Belgium, Corporate & Investment Banking and Investment Solutions. The rebranding of significant parts of the business in Belgium, Poland and other countries where BNP Paribas Fortis has a presence also went ahead in the second half of 2009. In the insurance sector, BNP Paribas Fortis entered into

a strategic partnership with Belgian market leader AG Insurance, in which it holds a 25% stake. As from 2010, the activities of BNP Paribas Fortis CIB and Investment Solutions will be integrated with those of BNP Paribas CIB and Investment Solutions. Retail Banking activities, including Retail & Private Banking and Corporate & Public Bank, Belgium, will constitute, for their part, a specific operational entity.

Taken together, the measures are creating synergies that are expected to reach EUR 900 million annually by 2012, of which EUR 850 million refers to cost synergies driven by organisational, IT, facility and procurement, as well as human resources measures. Staff reduction will be mainly the result of natural attrition and voluntary departures.



BNP Paribas Fortis/Brussels

Retail & Private Banking

BNP Paribas Fortis Retail & Private Banking occupies a leadership position in Belgium, with 9,700 staff serving 3.6 million clients (one third of the total Belgian population). The 1,023 branches operating under the BNPP Fortis brand are complemented by 322 franchises under the Fintro brand and 650 points of sale of the 50/50 joint venture with Banque de La Poste. A network of 2,297 ATMs (cash withdrawals and deposits) plus 1,217 non-cash machines (bank transfers) and 646 bank statement printers, online banking facilities (1.3 million users) and phone banking are linked up in the BNP Paribas Fortis client relationship management (CRM) platform, allowing the deployment of all systems across all channels. The long-term partnership with AG Insurance leverages the distribution power of the retail network and builds on the experience gained in bancassurance over the years.

The economic environment in which Retail Banking operates has changed significantly since the start of the crisis. At the same time, the banking landscape in Belgium remains very competitive with low interest rates, aggressive price setting on savings products, changed client expectations and an abundance of niche banks.

Business momentum recovered in Retail Banking in 2009 after the very difficult second half of 2008. The outflow of funds was reversed in April 2009 and the turnaround in net intake (+ EUR 3.2 billion) brought full-year net intake to EUR 1.5 billion, mainly thanks to BNP Paribas Fortis's offer on savings accounts and win-back actions.

Retail Banking reaches out to its clients by means of a multi-channel distribution strategy of which the Focus Project, launched in 2007, remains the linchpin. Focus combines a segmented market approach with a performance-oriented sales organisation. The branch network is divided into 82 areas, each comprising 12 branches on average. Branches operating in the same market work closely together, with customer need the overriding factor: specialists will be called in if they are required, irrespective of the size of the branch.

Building on the strength and support of BNP Paribas Group, Retail Banking aims to win back market share lost in the crisis and increase client satisfaction by investing in employees, distribution channels and locations. Long-term priorities include:

- upgrade of the branch network with the branch acting as the single local access point for all services, combining proximity and expertise;
- better knowledge of the client and better information sharing via CRM, leading to full application of the multi-channel model;
- freeing up time for advisory and maximisation of personal contacts to buttress trust and sustainable profitability.

With EUR 44 billion in assets under management ⁽¹⁾, the new private bank is the largest private banking services provider in the Belgian market. The current reorganisation of the private bank is resulting in upgraded customer service due to the embedded collaboration between Retail Banking and Private Banking and entails a new segmentation. Individual clients with assets of more than EUR 250,000 are now eligible for private banking services, creating a larger customer base. An expanded network of 35 Private Banking Centres opening in 2010 and 2011 will give the 65,000 clients in this segment easy access to personalised services.

(1) Without the contribution of BNP Paribas Wealth Management Belgium.



Sponsor of RSC Anderlecht

BNP Paribas Fortis has extended its sponsorship of leading Belgian football club RSC Anderlecht until the 2013/2014 season. The bank has been sponsor of the club since 1981. As well as sharing values such as teamwork, ambition and commitment, RSC Anderlecht and BNP Paribas Fortis have worked together on initiatives to help the socially disadvantaged and sick children.



Wealth Management caters to about 1,000 clients with potential assets of more than EUR 4 million. These clients benefit from a dedicated service model and access to the international network of BNP Paribas Group and are primarily served via two Wealth Management Centres, in Antwerp and Brussels.

Key commercial highlights of Retail & Private Banking Division in 2009 are:

- “James — Direct Personal Banking”, a service that provides customers with access to a personal banker during extended business hours via telephone, email and webcam. “James” targets affluent customers who are seeking flexibility as to when – and how – they communicate with the bank.
- BNP Paribas Fortis is the number one bank in the youth segment in Belgium, a hotly contested market. To stay ahead of the competition, the bank launched “Mine Pack”, an account package for young people that includes an e-newsletter, a magazine and the revamped Mine.be website.
- The large-scale “One billion euros” publicity campaign was launched in Belgium on 1 June 2009, aimed at the self-employed, professionals and businesses.
- Launch of the new BNP Paribas Private Banking on 10 December 2009 accompanied by a large-scale media campaign with a new website, brochures and events.

Short story KRAUTZ

ENCOURAGING INNOVATION

Today, goods are mostly transported by road, and according to research, this is not likely to change over the next few decades. Making road transport more effective and more eco-friendly is therefore absolutely crucial. Belgian company Krautz has taken this challenge to heart by developing a new revolutionary temperature control process.

“Unlike conventional processes, Triple Cooler provides a constant temperature throughout the vehicle through a system that takes in ambient air, cools it and sends it around the truck”, explains Tamer Can, Krautz’s Chief Executive. Triple Cooler uses less energy than conventional processes and, thanks to its multiple ventilation system, can also cool various parts of the truck to different temperatures. This means that only one vehicle is needed for products that usually have to be transported separately, thereby reducing the daily traffic load. BNP Paribas Fortis supports Krautz and finances its expansion. *“Their teams are very commercially aware. They are true partners who think and work with us to make sure that we get the most out of our projects”,* said Mr. Can.



Short story **AQUAFIN**

FINANCING WASTE WATER TREATMENT

Providing people with sustainable, eco-responsible access to clean water at a reasonable price is one of the key challenges of the 21st century. The government of Flanders understood this as early as twenty years ago, creating AquaFin, a company specialising in waste water treatment, in 1990. Supervised by the Flemish Environmental Agency – which means that it has to comply with the strictest Flemish and European environmental regulations – AquaFin is a “private company serving the interests of the region” and is a fully integrated “infrastructure design, build, finance and operate company”, explains AquaFin’s management. In 2009, BNP Paribas Fortis was AquaFin’s only partner for its bond issues, which totalled EUR 150 million. “An excellent knowledge of market practices, the availability of its retail team and attractive pricing” set BNP Paribas Fortis apart, said AquaFin.



BNP Paribas Fortis

Corporate & Public Bank, Belgium

BNP Paribas Fortis Corporate & Public Bank, Belgium, offers a comprehensive range of local and international financial services to Belgian enterprises, public entities and local authorities. With 457 corporate clients and 34,100 midcap clients, it is the market leader ⁽¹⁾ in both those categories, and is also a challenger in Public Banking (1,300 clients). The offering includes domestic banking products, specialist financial skills, and securities, insurance and real estate services. Skills include specialist ones such as trade services, cash management, factoring and leasing, as well as M&A and capital markets.

A central team of more than 60 corporate bankers, 200 relationship managers at 24 Business Centres and skills officers ensure that BNP Paribas Fortis stays close to the market. This team, combined with the European network of Business Centres managed within Corporate & Investment Banking, enables BNP Paribas Fortis to offer unified commercial management to its Belgian clients locally and abroad.

(1) Source: 2009 Internal and Banque Nationale de Belgique data



Brussels



Corporate & Investment Banking

Corporate & Investment Banking (CIB) acts as a hub for BNP Paribas CIB and supplies its product offering to Belgian clients. Outside Belgium it provides expertise to CIB globally and links up its network of Business Centres with the network of BNP Paribas as part of the pan-European network.

Global Markets handles Fixed Income business for Belgian clients and clients of Corporate and Transaction Banking Europe (except for trading of complex products or very large flows). It serves all Belgian clients in Belgium with regard to Fixed Income and Equity Derivatives, with local sales teams having access to the whole BNP Paribas Group product range. CIB Belgium acts as the structured finance regional platform for corporate acquisition finance, export finance and project finance activities, serving the Benelux countries, Northern and Central Europe (including Greece) and Turkey.

BNP Paribas Fortis's expertise is also leveraged in the management of public-private partnership financing in Europe.

Project competence centres are responsible for the development of trade finance and cash management products, including design and technical and marketing support. Corporate and Transaction Banking Europe (CTBE) leverages both the BNP Paribas CIB and the BNP Paribas Fortis CIB networks. CTBE is present in 16 European countries with over 30 Business Centres (outside the domestic Retail Banking networks).



Short story ELIA

SUPPORTING CLEAN ENERGY

When we switch on the lights or boot up our computers, we tend to forget that electricity somehow has to be brought to our homes, often from one end of the continent to the other. In Belgium, it is the Elia group, which owns virtually the entire high-voltage grid in the country, that "transmits electricity to local distributors and large industrial consumers in total transparency". Elia is also "a key relay point between France – Europe's leading electricity exporter – and the Northern European markets", said Elia's management team, which is committed to "developing a reliable, effective and eco-friendly European electricity market". When Elia decided to issue EUR 1 billion of benchmark bonds last year, BNP Paribas and BNP Paribas Fortis were among its banking partners and were in charge of marketing and organising the roadshows. BNP Paribas Fortis, a long-standing partner to Elia, was chosen in particular "for its reliability and flexibility, its competitive pricing, international reach and professionalism".

**COMMITTING
 TO TOMORROW'S
 ENERGY**

Of all fossil fuels, natural gas is the most ecological and underground pipelines are one of the most environmentally friendly means of its transportation. So it is no coincidence that the use of natural gas is likely to grow in the future. Fluxys, the independent natural gas transport, transit and storage infrastructure operator in Belgium, is now "a true crossroads for cross-border gas transportation in Europe", according to management. In 2009, BNP Paribas Fortis convinced the Belgian group – which was planning to invest EUR 2.8 billion in its infrastructure out to 2017 – to issue bonds to retail investors. The deal was so successful that the target of placing EUR 350 million was reached in two days. "BNP Paribas Fortis, the sole bookrunner for the deal, was chosen for its powerful branch network. The professionalism, support and constructive approach of its teams were also decisive factors", said Fluxys. After several decades of working together, the Belgian group also welcomed "the loyalty of BNP Paribas Fortis not only during the good times, but also – and even more appreciably – in more difficult times".



**Investment
 Solutions**

Fortis Investments, the asset management arm of BNP Paribas Fortis, has assets under management of EUR 161 billion at 31 December 2009, with approximately 65% of its revenues generated by third-party clients. Fortis Investments has a global presence, with sales offices and 40 dedicated investment centres in Europe, the United States of America and Asia. As a client-driven organisation, it offers international investment solutions, while meeting the requirements and needs of local investors, both institutional and wholesale/retail. As a diversified asset manager, its solutions-oriented approach provides its teams with the possibility and resources to investigate ideas and opportunities in every market and every asset class. Key developments achieved in 2009 include:

- synergies from the consolidation of ABN AMRO Asset Management resulted in lower costs;
- the transition of all 256 former ABN AMRO funds and mandates (worth EUR 55 billion) onto the Fortis Investments platform was completed;
- 93 new funds and mandates were launched;
- the Integration with BNP Paribas Investment Partners has started. It will offer clients some 60 specialist investment capabilities and enable BNP Paribas Fortis to provide local service to clients in 45 countries; and
- Fortis Investments and BNP Paribas Investment Partners launched their first co-branded fund, specifically for clients in the Netherlands. The BNP Paribas Convertible Bond Fund raised EUR 82.9 million during its subscription period.

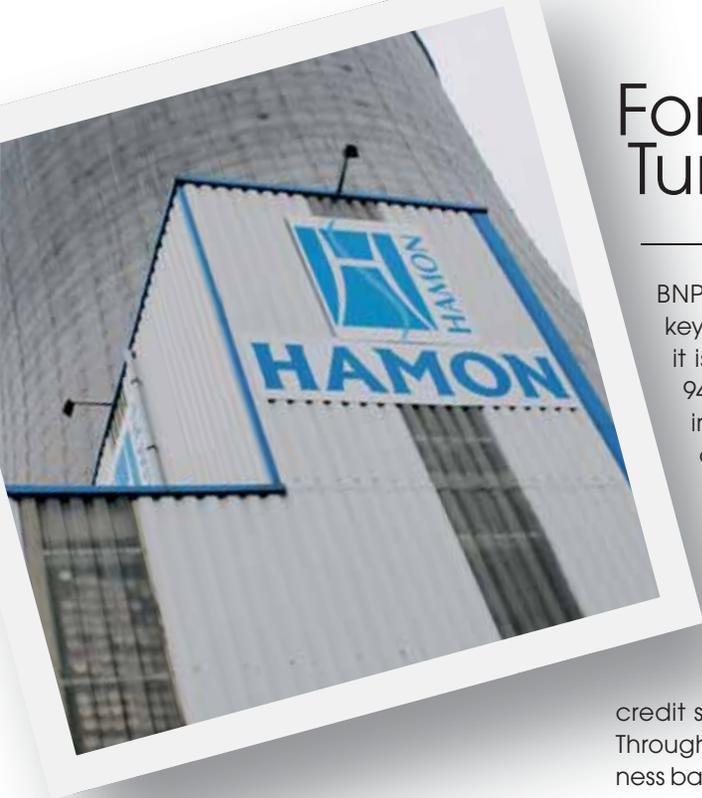
Fortis Investments will change its name to BNP Paribas Investment Partners in 2010, following the legal merger with this entity, which is expected to take place in the first half of 2010.

**BNP Paribas
 Fortis
 in Poland**

In Poland BNP Paribas Fortis is a universal bank providing savings, investment products and loans to individual customers and integrated solutions to companies for financing their business in local and international markets. It has a customer base of more than 400,000, served by 2,600 employees. The bank is ranked 11th among the banks in Poland.

For BNP Paribas Fortis the year was dominated by the simultaneous legal and operational merger with Dominet Bank, which was successfully completed at the end of July. The clients of both banks are able to execute basic banking transactions in each one of the 270 branches, 39 of which also offer savings and investment products and solutions for small and medium enterprises. Corporate clients are served by 8 Business Centres. BNP Paribas Fortis also revised its approach to account packages for retail and SME clients. New, simple packages called S, M, L and XL were brought onto the market for retail clients. Apart from standard services, each package offers complementary solutions e.g. a savings account with daily capitalisation of interest.





Fortis Bank Turkey

BNP Paribas Fortis operates in Turkey via Fortis Bank Turkey, of which it is the majority shareholder with 94.11% of the shares. Retail Banking offerings consist of debit and credit cards, personal loans, and investment and insurance products distributed through 297 branches and via internet and phone banking. Corporate Banking services include international trade finance, asset and cash management,

credit services, factoring and leasing. Through its commercial and small business banking departments, the bank offers various investment services to small- and medium-sized enterprises.

In a difficult economic environment Fortis Bank Turkey managed to keep its franchise in good shape throughout 2009. Fortis Bank Turkey continued to provide credit both to individuals and companies at a slower pace – in line with a decrease in demand – while closely monitoring the risk.

The market activities benefited from decreasing interest rates. Customer deposit gathering was a continued point of attention leading, for example, to the acquisition of 100,000 new customers whose salaries are paid into Fortis Bank Turkey accounts. A new credit card segmentation was launched with specific emphasis on affluent customers. More efficient and customer-friendly measures have been introduced, such as the increase in the number of cash-in ATMs and the possibility of processing credit card applications via Blackberry.

* Short story DELHAIZE

JOINING FORCES FOR BETTER CUSTOMER SATISFACTION

Strength through unity. The USD 500 million syndicated revolving credit managed by BNP Paribas Fortis for the American operations of Delhaize, a multinational Belgian retailer, is one of the many examples of the benefits brought by the merger between BNP Paribas and Fortis. Neither of the two groups, both of which worked for Delhaize, could have fulfilled the role of lead manager for the group. But thanks to the merger, BNP Paribas Fortis was able to combine the local service provided by Fortis to its major Belgian clients with BNP Paribas' syndication expertise in New York. It thus became the co-lead manager and co-bookrunner for the deal. Delhaize, "which offers consumers a broad range of competitively-priced, high-quality products and services, as well as purchasing experience geared to local customs", welcomed its "long relationship with a bank that has managed to retain its individuality whilst drawing the benefits of a group with a powerful international network".

* Short story HAMON

PROMOTING GREEN TECHNOLOGY

Hamon, a Belgian engineering company more than a century old, provides global energy companies with the latest in "green technology" to make their installations more environmentally friendly: cooling systems, chimneys, heat exchangers and air pollution control. A global leader in its field employing more than 1,000 engineers worldwide, Hamon called on BNP Paribas Fortis in 2009 to refinance its bank debt, which resulted in a EUR 275 million syndicated loan. BNP Paribas Fortis was coordinator and lead manager for the deal, chosen "mainly for its experience, but also because it has long been Hamon's main banker", said management. "BNP Paribas Fortis has always supported us even during the most difficult times in our history. Confidence, mutual understanding and knowledge based on many years of working together, means that its teams can offer us solutions that are perfectly geared to our needs".





B G L

BNP PARIBAS

The key event in 2009 was the commitment of all stakeholders to making the integration of BGL into BNP Paribas a success.

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On 13 May 2009, the BNP Paribas Group became the majority shareholder of BGL with a 65.96% direct and indirect interest. The Luxembourg government remains a major shareholder with 34%. On 21 September 2009, BGL was renamed BGL BNP Paribas, underlining the commitment of both partners to pool their strengths in order to best

serve their customers and the Luxembourg economy by combining BGL's strong national roots with BNP Paribas' financial strength and international reputation.

On 25 November 2009, the Board of Directors of BGL BNP Paribas approved BNP Paribas' business plan for Luxembourg, which is in keeping with the Group's overall plan. At the end of 2010, BNP Paribas Luxembourg will be integrated into BGL BNP Paribas.

BGL BNP Paribas has a 1st-class position in its domestic market (leader in business banking with 36% market share and second in personal banking with 16%), whilst extending its reach to the Greater Region around Luxembourg's borders with Belgium, France and Germany.

In 2009, BGL BNP Paribas had three business lines

Retail Banking

Retail Banking provides financial services to personal and small business clients through its network of 37 branches. It takes a segmented approach to its clientele in order to optimise its services and advisory offering in all fields of daily banking, savings, investments, lending and insurance.

Private Banking & Asset Management

Private Banking provides integrated asset and liability management solutions to resident and non-resident high net worth individuals. This high-potential clientele benefit from a multi-lingual offering comprising a broad array of international products and tailored banking services, including fund and investment management, trust and corporate services, property management and insurance.



* Short story **NEW CREDITS** **LAUNCHING NEW FINANCIAL PRODUCTS**

BGL BNP Paribas Luxembourg achieved a first in 2009, gaining a foothold in the "borrowing base" lending market. It is the only bank in the Grand-Duchy to offer this service, which consists of providing a personalised solution to financing a company's working capital requirement by granting a revolving credit line secured only on its short-term assets. For the contract signed in the summer, for example, "the credit line was secured on the company's inventory", explained the bank. In addition, the deal was an excellent example of successful cross-border cooperation. Completed in Luxembourg, the deal involved teams in Germany, Belgium and France. "A perfect example of the benefits brought to the client by an international network and the combined expertise of a group that operates in all four corners of the globe", said a spokesman at BGL BNP Paribas.



Merchant Banking

Merchant Banking provides a broad range of banking products and financial services geared to major multinational companies and institutional clients, including services for investment funds, a field in which Luxembourg is highly active and well-reputed.

The BNP Paribas Group has become the leading employer in the finance sector and the 2nd-largest private employer in Luxembourg.

The business plan aims to expand BGL BNP Paribas' position as a major player in the local market, now the Group's fourth domestic market. In terms of personal banking, the plan is to enable BGL BNP Paribas to use BNP Paribas' expertise to optimise its customer relations management and extend its product offering. By sharing best practices and major investments in training, the product offering and systems, the bank will be able to respond more quickly and effectively to client needs. As regards high net worth individuals, BNP Paribas' wealth management model will be tailored to meet the specific needs of the local market. Decentralised Wealth Management Centres will be introduced across the country. Combining the strengths of BGL BNP Paribas and the BNP Paribas Group's Wealth Management arm will significantly strengthen the commercial approach. In business banking, the plan is to create a single structure to serve Luxembourg companies and international compa-

nies working in and from Luxembourg. A specialised mid-market corporate team will be created, with services devoted to the public and semi-public sector, as well as property development.

The Trading Room will continue to offer a comprehensive product range and will provide clients with direct access to the Group's specialist expertise through a competitively priced, professional infrastructure.

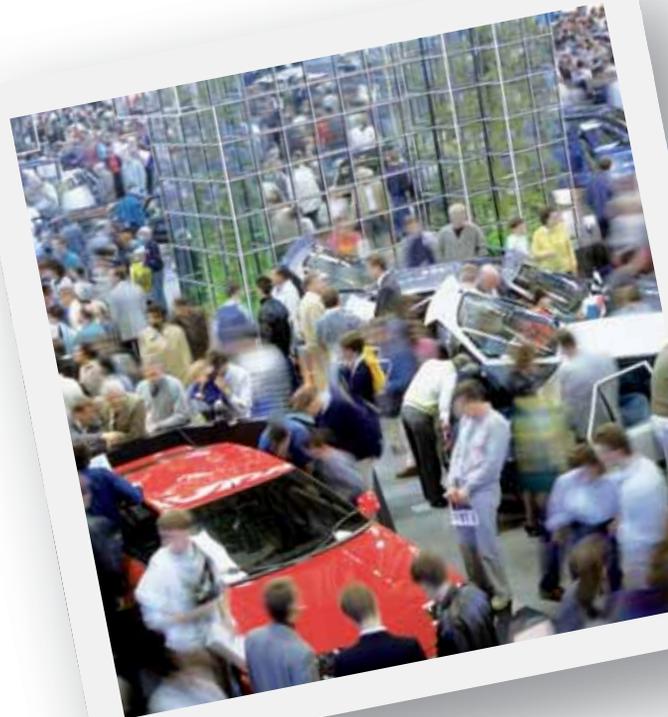
In Corporate and Investment Banking, clients will also benefit from all the expertise of BNP Paribas' international network. New development opportunities will be explored by promoting the specific features offered by the Luxembourg financial marketplace within the Group.

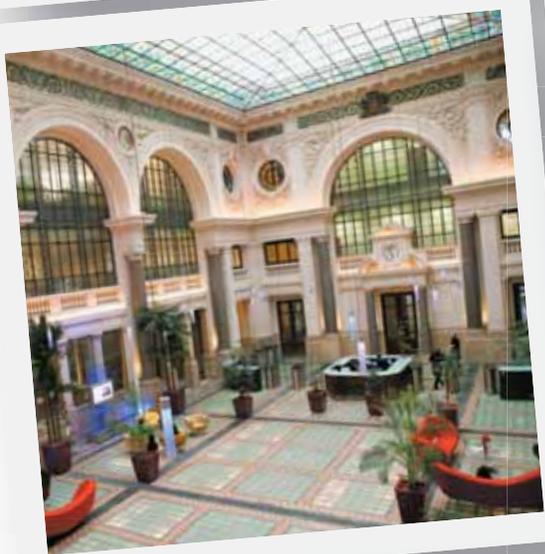
By providing access to a full range of products and to the Group's European network of Business Centres, BGL BNP Paribas will strengthen its position as partner of choice to the corporate world.

* Short story AUTOFESTIVAL

MAKING THE CUSTOMER'S LIFE EASIER

Selling car loans in the currently beleaguered state of the auto industry and the economy generally was never an easy bet. But that was without reckoning on the determination of BGL BNP Paribas, which placed its entire faith in Autofestival, the Luxembourg motor show held early each year. Apart from very attractive low rates, BGL BNP Paribas did everything to make the borrower's life easier. "Some branches opened on the Saturday and Sunday of the show, we provided a special phone number to speak to dedicated advisers able to give future borrowers an immediate answer, and we also put our website to the task, becoming the first bank in the market to give customers the ability to apply for a loan through all channels", explained the bank. The result made a mockery of the crisis, smashing all expectations: the number of validated contracts leapt by 41% in 2009.





INVESTMENT SOLUTIONS

Investment Solutions provides a unique range of solutions to meet all the needs of institutional, corporate and retail investors:

- Asset management (BNP Paribas Investment Partners);
- Insurance (BNP Paribas Assurance);
- Wealth management (BNP Paribas Wealth Management);
- Savings and online brokerage (BNP Paribas Personal Investors);
- Securities services (BNP Paribas Securities Services);
- Real estate (BNP Paribas Real Estate).

During 2009, the Investment Solutions businesses all held prominent positions in their market.

Investment Solutions operates in 61 countries and employs almost 26,000 people, with more than 70 different nationalities represented. It continues to expand its international reach, mainly in Europe,

Asia, Latin America and the Middle East, through new implantations, acquisitions, joint ventures and partnership agreements.

Focused on their clients and looking to the future, BNP Paribas Investment Solutions' experts always endeavour to offer the products and services that are best

suited to client expectations in terms of transparency, performance and security, while meeting the strictest sustainable development standards.

BNP PARIBAS INVESTMENT PARTNERS

Investment Partners combines all the Asset Management businesses of BNP Paribas. A unique platform providing simplified and immediate access to a vast range of specialised partners, BNP Paribas Investment Partners is one of the biggest names in asset management in Europe ⁽¹⁾. At 31 December 2009, the assets managed by BNP Paribas Investment Partners total EUR 357 billion ⁽²⁾, including almost half on behalf of institutional clients.

Taking into account the assets managed by Fortis Investments, this figure stands at EUR 518 billion and will lift BNP Paribas Investment Partners into 5th spot in the European asset manager rankings.

With 2,400 professionals serving clients in more than 70 countries, BNP Paribas Investment Partners draws on more than half a century of experience in asset management and has enjoyed

strong growth over the last decade, punctuated up by targeted acquisitions and the creation of joint ventures. This solid development reflects a clear multi-specialisation strategy and a partnership approach which has enabled BNP Paribas Investment Partners to consistently enrich its product and service offering with the support of companies that are experts in their particular field.

BNP Paribas Investment Partners is present in the major financial centres, including Paris, London, New York, Tokyo and Hong Kong. It also has first-rate knowledge of new markets thanks to its teams in Brazil, South Korea, China, India, Morocco, Turkey and Saudi Arabia. With 430 client relationship managers in 34 countries, BNP Paribas Investment Partners has a local presence that brings it closer to its clients.

⁽¹⁾ Source: Watson Wyatt rankings at year-end 2008, "World's 500 Largest Asset Managers".

⁽²⁾ Including assets under advisory.

PROMOTING RESPONSIBLE INVESTMENT

It's a little-known fact that around 4.6 million French civil servants pay into a supplemental pension fund managed by ERAFP (Établissement de retraite additionnelle de la fonction publique). According to Philippe Desfossés, ERAFP's Managing Director, "Investments made based strictly on return criteria ignore the social, economic, and environmental consequences of a company's activities." Investing in this way is dangerous because "an investment's value depends on its being sustainable over the long-term. By evaluating companies according to non-financial criteria, we can better assess their risks and identify the businesses and industries that will be the growth drivers of the future." Therefore ERAFP was set up in 2005 to be a Socially Responsible Investment (SRI) fund, investing in companies that uphold five values: "environmental protection, good corporate governance and transparency, respect for human rights and the rule of law, social development, and social democracy." BNP Paribas Asset Management, "with its solid SRI experience," was one of the asset managers that ERAFP selected to manage its eurozone equity portfolio. "We are pleased to see a major player like BNP Paribas Asset Management apply its skills to SRI," remarks Philippe.



FundQuest/Boston

A business model that produces durable results

BNP Paribas Investment Partners' business model generates revenues from a wide range of sources, as a result of its in-depth knowledge and broad product range designed to meet the needs of different client segments.

In an economic climate that remains uncertain, despite a slight improvement in 2009, BNP Paribas Investment Partners has again proved that its business model is solid and can generate recurring, satisfactory results.

The value of its assets under management increased over the year thanks to a gradual pick-up in the financial markets since the 2008 crisis. Net inflows moved firmly back into positive territory. BNP Paribas Investment Partners is now ranked 4th in Europe in terms of inflows for open-end funds.⁽¹⁾ Money-market funds continued to do well in 2009. Investors gradually returned to long-term asset classes in the second half of the year, most notably international equity, bonds, convertible bonds, structured products, and index products. Alternative investments also saw positive inflows, most notably in currencies, funds of hedge funds, private equity, and infrastructure.

(1) Source: Feri, February 2010.



BNP Paribas/Paris





Recent developments: three new partnerships

- A strategic partnership in Chile with BancoEstado SA Administradora General de Fondos, a subsidiary of Banco del Estado de Chile, a major player in asset management due to its retail banking distribution network.
- The purchase of a 49.96% stake in the fund distribution platform Fund Channel to create, in association with Crédit Agricole Asset Management (CAAM), one of Europe's leading service providers for investment fund distributors.

- A cooperation agreement with Northern Lights Ventures LLC, an independent private equity firm providing strategic resources and capital to the money management industry. This partnership will aim to identify, invest in, and support the growth of institutional investment firms, primarily in the United States but also in Asia and Europe.

Global Investor magazine names BNP Paribas Investment Partners "Best European Asset Manager 2009"

This prestigious award recognises "the standing and reputation of the firm and its executives in the market, the quality and innovation of its corporate strategy over the year, and the performance of one or more of its individual products, demonstrating a clear commitment to excellence and client service."



BNP Paribas/Paris



BNP Paribas/Paris

An expansive range of products and services built on:

- Recognised expertise:
 - fundamental asset management (BNP Paribas Asset Management);
 - fixed-income portfolio management (FTTW);
 - environmental funds (Impax);
 - hedge funds (Fauchier Partners, Fridson Investment Advisors, Malbec Partners);
 - currency management (Overlay Asset Management);
 - private equity (BNP Paribas Private Equity, Antin Infrastructure Partners);
 - funds of funds (FundQuest).
- Specialised investment teams for specific types of investors:
 - Wealth Management (CamGestion, BNP Paribas-Discretionary Portfolio Management);
 - long-term savings and pension plans (BNP Paribas Épargne & Retraite Entreprises).

- Pioneering subsidiaries in new markets:
 - Latin America (BNP Paribas Asset Management Brazil, BNP Paribas Asset Management Argentina, and BancoEstado Administradora General de Fondos in Chile);
 - China (SYWG BNP Paribas Asset Management);
 - India (Sundaram BNP Paribas Asset Management);
 - South Korea (Shinhan BNP Paribas ITMC);
 - Turkey (TEB Asset Management);
 - Morocco (BMCI Gestion);
 - Saudi Arabia (SAIB BNP Paribas Asset Management).

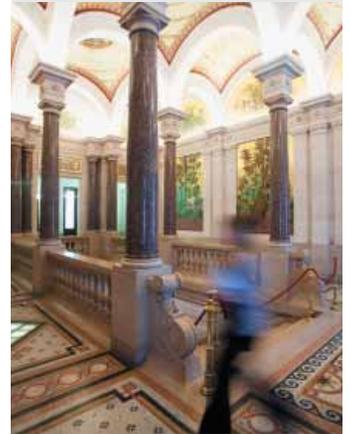
As well as a complete range of ETF funds under the EasyETF brand, offered in conjunction with BNP Paribas CIB.

BNP Paribas Investment Partners receives two Socially Responsible Investment (SRI) certifications

- Novethic, an SRI research organisation, has certified 3 BNP Paribas Investment Partners funds. The Novethic certification aims to encourage transparency in the management and investment decisions of SRI funds, and to offer retail investors a simple tool for identifying responsible funds.
- Three BNP Paribas Investment Partners funds have also been awarded France's only solidarity-based certification, Finansol. These 3 funds are focused on solidarity investments, and include 2 employee savings plans.

These certifications confirm BNP Paribas Investment Partners' role as a proactive player in responsible, sustainable investment.

New headquarters at 14, rue Bergère, Paris



In May 2009, BNP Paribas Investment Partners' French staff - previously spread across four different sites - moved into a single office building at 14, rue Bergère, in Paris. Over 1,400 employees now work in this historic building owned by BNP Paribas, which has been restored according to France's High Environmental Quality (HQE) standards. These standards aim to incorporate environmentally-friendly measures into each phase of a building's life cycle (design, construction, operation, and demolition).

BNP PARIBAS ASSURANCE

BNP Paribas Assurance designs and markets its savings and protection products and services under two brand names:

- BNP Paribas for products distributed by the BNP Paribas branch network in France;
- Cardif for the other networks and distribution partners, both in and outside France.

It holds strong positions on three continents (Europe, Asia and Latin America).

BNP Paribas Assurance ranks among the Top 15 insurers in Europe ⁽¹⁾ and is the world leader in creditor insurance ⁽¹⁾.

A diversified business model

BNP Paribas Assurance's partners comprise 35 of the world's top 100 banks plus a large number of financial institutions, including consumer finance companies, credit subsidiaries of car makers and mass retail groups.

Three major distribution channels

- BNP Paribas' retail banking activities.
- banks, financial institutions and mass retailers.
- alternative channels: major brokers, networks of independent financial advisers and the internet.

Strong culture of partnerships

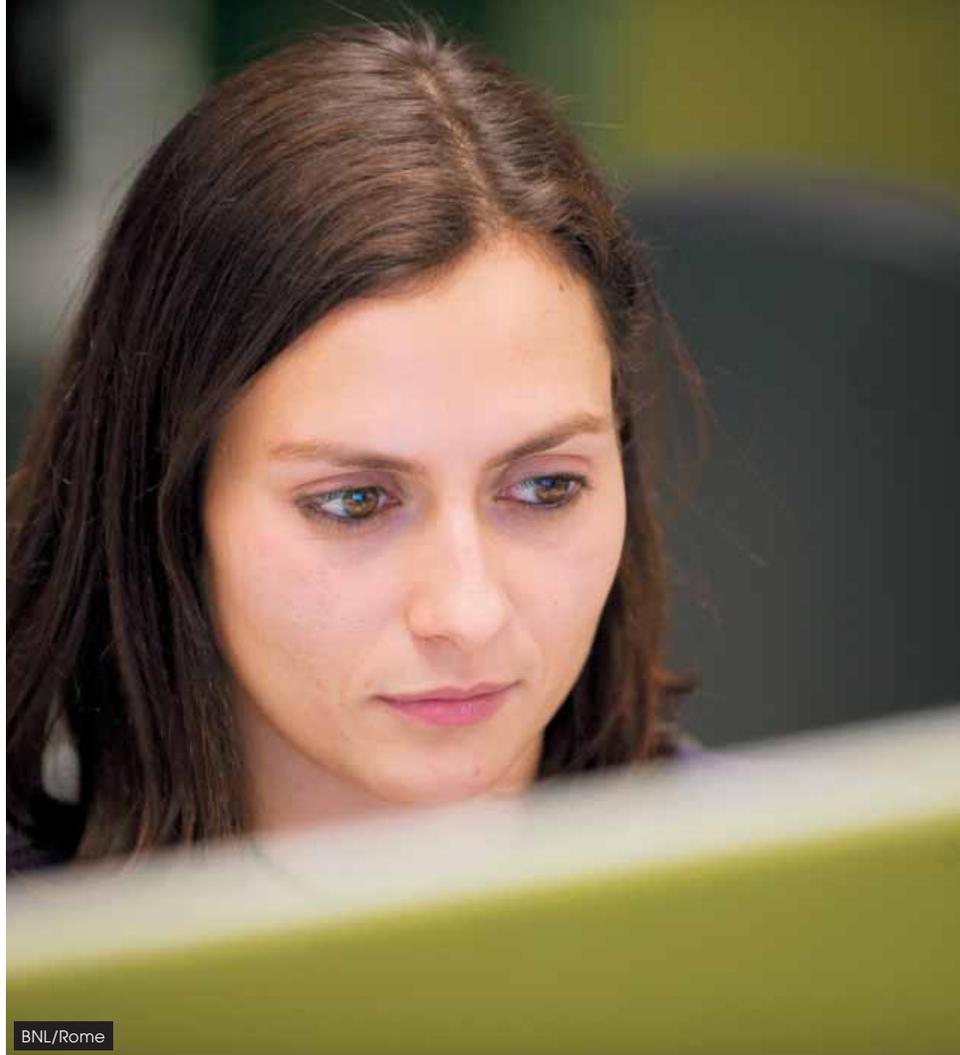
BNP Paribas Assurance's strength and distinguishing features are predicated primarily on its ability to:

- offer customised products to meet the needs of its various partners;
- build a major profit centre for its partners;
- satisfy its clients demand for high standards of service and transparency via its Customer Centric Program.

A commitment to act as a good and responsible corporate citizen

BNP Paribas Assurance has taken initiatives addressing various aspects of its corporate social responsibility. It supports the economic and social development of the countries in which it is active and aims to reduce its greenhouse gas emissions by 10%. Likewise, it applies socially responsible investment criteria to its investment decisions and has pledged to promote diversity (award of certification as an equal opportunities employer of men and women).

(1) Source: internal survey based on information published by competitors.



Recent events

BNP Paribas Assurance saw a sharp rebound in net inflows in 2009

Le Revenues at end-December 2009 totalled EUR 20.7 billion (including 100% of BNL Vita, against 49% in 2008), up 28% from 2008 (or 22% at constant accounting methods).

- Net inflows in France came in at EUR 12.1 billion, an 19% increase from the prior year. These inflows allowed BNP Paribas Assurance to outperform the French insurance market in terms of revenues growth (the market expanded 12% in 2009).⁽¹⁾
- In international markets, BNP Paribas Assurance increased its presence in Europe, Asia, and Latin America. International revenues jumped 45% in 2009 to EUR 8.6 billion.

- The savings business reported a 34% climb in revenues, to EUR 17 billion. This business scaled back its marginal operations in order to focus on high-potential regions and activities, shutting down its operations in Japan, Thailand, and the United Kingdom. At the same time, BNP Paribas Assurance increased its stake in joint ventures with large distribution networks in Asia, and stepped up its savings operations in Luxembourg and Italy.
- Revenues at the protection business rose 8% in 2009 to EUR 3.7 billion. BNP Paribas Assurance acquired two companies in the United Kingdom in 2008 and one of Italy's leading bancassurance providers (through Fortis), and set up a joint venture in Vietnam – all of which helped broaden BNP Paribas Assurance's skills and experience.

(1) Source: FFSA.

To face the challenges related to its rapid expansion, BNP Paribas Assurance has introduced a new organisational structure based on its three major distribution channels

BNP Paribas Retail Banking

This distribution channel includes all of BNP Paribas retail banking branches (in France, Italy, Belgium, Turkey, Ukraine, and Luxembourg). This channel generated revenues of EUR 12.5 billion in 2009, up 43% from 2008.⁽¹⁾

Retail banking in France produced EUR 8.1 billion of savings revenues in 2009, a 12% increase from the prior year. This revenues growth is the result of an effective sales and marketing strategy tailored to the market conditions in the wake of the financial crisis. The prevention business continued to grow in 2009 despite a slowdown in the credit market; protection revenues from the French retail banking channel jumped 13% over the year. In Italy, BNL branches made a significant contribution to BNP Paribas Assurance's revenues with EUR 3.1 billion of net savings inflows.

Banks, financial institutions, and major retailers

This "Partnership" distribution channel includes all banks (except BNP Paribas), financial institutions (consumer credit providers and the financing businesses of large car manufacturers), and major retailers that have a partnership agreement with BNP Paribas Assurance. Revenues from this channel totalled EUR 4.9 billion in 2009, comprised of EUR 2.1 billion from the savings business and EUR 2.8 billion from the protection business. This channel accounts for 77% of BNP Paribas Assurance's protection revenues. In the protection business, BNP Paribas Assurance has teamed forces with Ubi Assicurazioni to offer property and casualty insurance in Italy, and has created a joint venture in Vietnam with Vietcombank and Seabank. In the savings business, BNP Paribas Assurance has reinforced its partnerships through a new joint venture with Taiwan Cooperative Bank and an increase in its stake in its South Korean joint subsidiary with Shinhan Bank from 50% to 85%.

Other distribution channels

BNP Paribas Assurance's other distribution channels include large brokers, independent wealth management advisers, and online distributors. This channel generated EUR 3.2 billion of revenues in 2009, comprised of EUR 3.0 billion from the savings business and EUR 0.2 billion from the protection business.

Revenues from independent wealth management advisors in France 2008 rose 13% in 2009 for a total net inflow of over EUR 700 million. BNP Paribas Assurance is now well-positioned in the market for retirement savings funds thanks to several new large contracts that brought in over EUR 1.2 billion.

(1) Up 25% if the BNL Vita stake is held at 49%

Short story **CESKA SPORITELNA** **HELPING CLIENTS RETURN TO WORK**

Having insurance to cover your mortgage payments when you lose your job is good. Being able to find a new job quickly is even better. Cardif's subsidiary in the Czech Republic and the Czech bank Ceska Sporitelna both understand this, and in September 2009 joined forces to offer their unemployed clients with insurance concrete assistance to help them get back on their feet. "The aid offered through this socially-responsible initiative includes advice on writing CVs and cover letters, tips for job interviews, and the addition of the client to an employment agency's database," explains the head of the Back to Work initiative at Ceska Sporitelna. Thanks to Pojistovna Cardif Pro Vita, "the bank's long-time partner for payment protection insurance," Ceska Sporitelna was able to introduce "several insurance products in record time due to its innovative, flexible approach." Cardif has sponsored similar initiatives in Germany, the UK, the Netherlands, and Chile.





BNP Paribas/New York



BNP Paribas/Paris

Significant events

Agreement for the repurchase of Dexia Épargne Pension and acquisition of Ubi Assicurazioni

In France, BNP Paribas Assurance signed an agreement to acquire Dexia Épargne Pension, the 3rd-largest player in the French banking partner market, in order to build up its distribution network and bolster its skills in savings funds. **In Italy**, BNP Paribas Assurance teamed up with Fortis to buy 50% and one share of Ubi Assicurazioni, one of the leaders in non-life bancassurance. This transaction will expand BNP Paribas Assurance's non-life insurance operations in Italy.

Two new joint ventures in Asia

In Taiwan, BNP Paribas Assurance formed a joint venture with Taiwan Cooperative Bank (TCB), Taiwan's 2nd-largest bank, to sell savings products and personal risk insurance at TCB's 300 branches. **In Vietnam**, BNP Paribas Assurance established a presence

in the country through the start-up of VCLI, a new insurance company structured as a joint venture between BNP Paribas Assurance, Vietcombank, Vietnam's leading bank, and Seabank, a bank that caters to SMEs.

Cardif brings over 100 European partners together in Paris

At its third European Symposium in Paris in November 2009, Cardif brought together over 100 partner banks and financial institutions to discuss the topic "Bancassurance: it's time to invent a new client relationship." The event included talks from prestigious speakers such as the economist Jean-Hervé Lorenzi, Bernard Spitz, Chairman of the French insurance company federation (Fédération Française des Sociétés d'Assurances), Professor Avinash Persaud, an international expert in risk management, and Michel Pébereau, Chairman of BNP Paribas.

BNP Paribas Assurance launches 3 new Socially Responsible Investment (SRI) funds in France

As part of its Corporate Social Responsibility programme, BNP Paribas Assurance has added 3 SRI funds to the list of funds that clients can choose from for their life insurance savings plans.

Supporting the expansion of micro-insurance around the world

BNP Paribas Assurance already offers micro-insurance in India through a partnership with State Bank of India, and in 2009 bought a stake in PlaNet Guarantee, the micro-insurance division of PlaNet Finance.

BNP PARIBAS WEALTH MANAGEMENT

BNP Paribas Wealth Management encompasses BNP Paribas' Private Banking activities. As part of an integrated approach to client relationships, Wealth Management offers its targeted client base security through its affiliation with a robust, world-class banking group, as well as its ability to innovate and deliver sophisticated products and services.

BNP Paribas Wealth Management provides a range of high value-added products and services designed to meet the needs of a sophisticated clientele. This range includes:

- wealth management services: estate planning and advice on assets structures;
- financial services: asset allocation, investment products and securities, notably discretionary portfolio management;
- expert advice in specific areas, such as art, real estate and philanthropy.

Wealth Management (WM) is organised into two business lines, namely Wealth Management Networks (WMN) and Wealth Management International (WMI). Wealth Management Networks' role is to support the development of the wealth management business in countries where the Bank has a retail client base. Wealth Management International aims to pursue the development of the business in other markets in which the Group boasts affluent clients and intends to strengthen its positions through close cooperation with CIB, partnerships and acquisitions.

Wealth Management International and Wealth Management Networks draw on the expertise of BNP Paribas Wealth Management's support teams in terms of financial and estate management offer. It sources solutions from the Group's other businesses (Investment Partners, Securities Services, Insurance, Corporate Finance, Fixed Income, Equity Derivatives, etc.), as well as from selected external product and service providers.

In order to strengthen their ability to attract and advise the world's largest fortunes, Wealth Management International and Wealth Management Networks are supported by a "Key Clients" unit responsible for global coverage of this segment.

BNP Paribas Wealth Management ranks as no. 6 worldwide and no. 4 in Western Europe⁽¹⁾ in private banking with almost EUR 163 billion in assets under management at year-end 2009 and over 4,500 professionals in more than 30 countries. In France, it ranks no. 1⁽¹⁾, with EUR 63 billion in assets under management. Its extensive network comprises 224 wealth management centres covering the whole of France and a dedicated wealth management department for high net-worth clients with EUR 5 million or more of assets (plan currently being implemented to set up a wealth management department for high net-worth clients in the regions).

The acquisition of Fortis Bank gives it an additional EUR 44 billion in client assets under management⁽²⁾ at year-end 2009, thereby strengthening BNP Paribas Wealth Management's leadership in the eurozone.

(1) Source: Euromoney 2010 rankings.

(2) Excluding Fortis and BGL Personal Banking.

Greater visibility for Wealth Management

In response to 2009's challenging market climate, especially in the second half, Wealth Management adjusted its business model to suit the new environment while maintaining its key strategy goals, which include:

- extend the Wealth Management Networks (WMN) model to other international regions;
- focus efforts on Wealth Management International (WMI) sites and markets that have a critical size and offer attractive growth potential; and
- continue to implement strict risk management and cost control policies.

Product and service development

- begin offering new services, especially in the areas of wealth planning, real estate, and loans;
- develop a novel approach to portfolio-building that divides investments into 3 groups: active investing, market opportunities, and long-term capital protection;
- preserve discretionary assets under management by updating the products and services offered and introducing more flexibility in portfolio holdings;
- maintain sufficient transaction activity (equity, bonds, and structured products), especially for fixed-income products;
- continue to expand *Fondation de l'Orangerie*, a foundation established in 2008 to help private wealth clients achieve their philanthropic goals.

Clients and markets

- segment clients to provide better sales force coverage, and build up strategic client segments (Key Clients, Business Owners, and Financial intermediaries);
- win new clients and increase inflows from France, Italy, and Asia;
- establish agreements to include CIB (especially Corporate Finance) on clients' lists of recommended suppliers;
- continue to improve client satisfaction by accounting for changes in client needs after the crisis has passed;
- implement a new strategy for WMI: boost coverage in the most promising markets (China, Southeast Asia,

India, Middle East, Russia, and Brazil), and close sites in Panama and the Bahamas (as announced in September 2009) in line with the guidelines set forth at the G20 meeting.

Continue to invest in operational efficiency

- set up an IT Skills Centre in Singapore to serve all WMI sites;
- install the main performance tracking, reporting, and asset management software at new sites;
- carry out a global review of the business' IT systems and processes, in association with Retail Banking, in order to better share IT resources among WMN sites.

Sustained, profitable growth

In 2009, BNP Paribas Wealth Management pursued its strategy focused on organic growth and targeted acquisitions.

In Europe, the business formed a strategic partnership with Insinger de Beaufort and purchased a 58% stake in Insinger on 9 April 2009. This partnership secures WMI's position in the Dutch domestic market and among its international clients in London. In July 2009 BNP Paribas Wealth Management formed a partnership with Piraeus bank in Greece to expand its Wealth Management operations in the country. WMN set up several new private banking subsidiaries in 2009 – in Germany through a partnership with Cortal Consors, in Morocco with BMCI, and in Belgium with BNP Paribas Fortis – based on the WMN model that has already proven highly successful in France and Italy.



Short story PASCUAL

PROMOTING SOCIAL RESPONSIBILITY

When you are one of the biggest food companies in Spain, you don't take nutrition and healthy eating lightly. This is why the Pascual family, head of the company of the same name, founded the Tomás Pascual Nutrition and Health Institute, "a non-profit organisation that aims to boost public awareness about these important issues," explains its managers. The family believes firmly in the motto, "Healthy body, healthy mind," and also created the Human Values Research Centre (CIVSEM) to study and develop human well-being on a personal, social, and professional level. These two philanthropic organisations will soon be brought under a single foundation, and Wealth Management International (WMI) will offer "its advice and services to help set it up," adds the family.



BNP PARIBAS PERSONAL INVESTORS

BNP Paribas Personal Investors provides independent financial advice and a wide range of investment services to individual clients. This business line brings together three players:

- Cortal Consors, Europe's leading online savings and brokerage player for individuals ⁽¹⁾, provides personalised investment advice and online trading services in Germany, France and Spain. Cortal Consors offers clients its investment advisory experience through several channels – online, telephone and face to face. Its broad range of independent products and services includes short-term investment solutions, mutual funds and life insurance. The range is supported by leading-edge online brokerage technology;
- B*capital, an investment firm, specialises in personalised advice on securities and derivatives as well as discretionary portfolio management for affluent clients. It provides clients with direct access to all markets, financial analysis, personalised portfolio advisory and portfolio management services. B*capital is the majority shareholder in investment firm Portzamparc;

— Geojit BNP Paribas is one of the leading retail brokers in India. It provides brokerage services for equities, derivatives and financial savings products (funds and life insurance) over the phone, online and via a network of more than 500 branches. Geojit BNP Paribas also operates in the United Arab Emirates, Saudi Arabia, Oman, Bahrain and Kuwait, where it targets mainly a non-resident Indian clientele.

In Luxembourg and Singapore, BNP Paribas Personal Investors provides high-end products and services based on an open architecture to an international and expatriate clientele.

At 31 December 2009, BNP Paribas Personal Investors ⁽²⁾ had 1.31 million customers and EUR 28.3 billion in assets under management, of which 38% was invested in equity assets, 37% in savings products or mutual funds and 25% in cash. BNP Paribas Personal Investors employs over 3,800 staff.

BNP Paribas Personal Investors' goal is to strengthen its leadership position in Europe and in emerging markets that enjoy strong potential for savings.

(1) Source: in-house study based on information published by competitors.

(2) With Geojit included at a rate of 34.33%.

Strategic development



Benefit from Transparency

GEOJIT BNP PARIBAS Savings & Investment Advice

Call Toll Free: 1800 425 5501
www.geojitbnpparibas.com

BNP Paribas anchors its presence in India

In April 2009 BNP Paribas increased its stake in Geojit BNP Paribas Financial Services Ltd, one of India's leading brokers, to 34.33%, making it Geojit's primary shareholder. Geojit's name was subsequently changed to Geojit BNP Paribas. The new entity launched a widespread advertising campaign to announce the change, and its 500 branches now bear the BNP Paribas logo.

B*capital merges with the financial services company Portzamparc

In January 2009 B*capital acquired 51% of Portzamparc, a financial services company specialised in small- and mid-caps and corporate financial engineering. This merger will round-out B*capital's slate of services.

BNP Paribas Personal Investors introduces services for high net-worth clients in Asia

BNP Paribas Personal Investors in Singapore now offers a wide range of investment opportunities to Asian clients and European clients living in Asia.

Innovation

Cortal Consors France awarded for its innovative system for buying physical gold online

Cortal Consors France is the first online broker in France to allow clients to buy physical gold in the form of gold bars or French Napoleon gold coins through its website, www.cortalconsors.fr. This novel service won the 2009 Innovation Award, Retail Investors at the recent Paris Investment Forum.



Cortal Consors Spain goes mobile

Cortal Consors Spain has introduced an i-Phone application that lets users instantly access equity markets, derivative markets, and trading applications.

Cortal Consors and B*capital launch Contracts For Difference (CFDs)

Cortal Consors and B*capital have expanded their range of derivative products in France to offer their most active clients over 6,000 CFD shares on 22 international exchanges, as well as over 150 currency pairs (Forex).

In Germany, Cortal Consors is the first online bank to offer CFD trading on a regulated market, Contrex, Europe's leading CFD trading platform.

Geojit BNP Paribas introduces institutional brokerage services

BNP Paribas Securities India Ltd., an institutional brokerage joint venture between Geojit BNP Paribas and BNP Paribas, has become the first broker in India to give its institutional clients full, direct access to the National Stock Exchange of India.

Corporate Social Responsibility

Cortal Consors and GoodPlanet

Cortal Consors has become one of the founding members of GoodPlanet, created by Yann Arthus-Bertrand and along with BNP Paribas and Lombard Odier.

The Investir Utile (invest usefully) programme for responsible investing

In December 2009, Cortal Consors and B*capital introduced the Investir Utile (invest usefully) programme under which the two companies engage to donate the transaction fees on clients' investments in certain stocks (through B*capital) and funds (through Cortal Consors) to GoodPlanet – after adding in their own contribution – for the purposes of financing environmental projects.

In Luxembourg, BNP Paribas Personal Investors introduced Green World 95%, a certification issued by BNP Paribas to help clients invest in companies committed to protecting the environment. 1% of the funds collected are donated to GoodPlanet.

Awards

Cortal Consors Germany voted the 2nd-best online broker in 2009

Cortal Consors Germany was voted the 2nd-best online broker in 2009, and held its 1st-place position in the Day Trader and Futures Broker categories (*source: www.brokerwahl.de*). Cortal Consors Germany was also named the second-best direct bank in Germany by *Deutsche Institut für Service-Qualität*.

MoneyWeek names Cortal Consors the best online broker

MoneyWeek readers voted Cortal Consors the best online broker for its transparent fees, broad product range, powerful Active Trader software, free training, and online demos.

Short story **GOODPLANET**

SUPPORTING RESPONSIBLE INVESTORS

Investing in funds or an equity portfolio can be a socially responsible action, as demonstrated by Cortal Consors through its Investir Utile programme (which ran for the 5th time in 2009). During the fifteen days of the programme, clients who invest in any of 12 selected funds are charged reduced entry fees, which are subsequently donated to GoodPlanet.org (an environmental organisation founded by Yann Arthus-Bertrand) to finance an environmental project in India. Moreover, Cortal Consors and its partner asset management firms will supplement clients' entry fees to increase the amount of money sent to the NGO. *"I liked the idea that my entry fees would be supplemented; it benefits both me personally and the project we are funding,"* remarks Frédéric Sandei. *"It gives meaning to my investment; I have the impression that everyone wins. And I'm delighted to be able to contribute to the successful completion of a useful project, in whatever way I can,"* he adds.



BNP PARIBAS SECURITIES SERVICES

BNP Paribas Securities Services (BP2S) is a leading global provider of securities services and Europe's no. 1 custodian bank⁽¹⁾. Assets under custody increased in 2009 by +20% over 2008 to EUR 4,021 billion and assets under administration grew by +29% to EUR 728 billion. However, the number of transactions treated decreased by -7% to EUR 49.6 million, which reflects lower general activity in the financial markets.

BNP Paribas Securities Services provides integrated, innovative solutions for all operators involved in the investment cycle: sell side, buy side and issuers:

- financial intermediaries (banks, brokers-dealers, investment banks, market organisations) are offered customised solutions in clearing, settlement/delivery, and global custody for all onshore and offshore asset classes worldwide. Outsourcing solutions for middle- and back-office activities are also provided;
- institutional investors (asset managers, alternative funds, sovereign wealth funds, insurance companies, pension funds, distributors and fund sponsors) have access to an array of custodial and fund administration services, including fund distribution support, transfer agency services, depository bank and trustee services, fund accounting, middle-office outsourcing and risk and performance measurement;
- issuers (originators, arrangers and corporates) are provided with a wide range of solutions relating to administrative services, securitisation and management of stock option – and employee share ownership – plans.

(1) Source: BNP Paribas Securities Services' figures for assets under custody 31 December 2009; globalcustody.net competitors' assets under custody tables, 20 January 2010.

Global expansion continues

BNP Paribas Securities Services successfully furthered its sales and marketing strategy in 2009 despite the grim economic climate, which was marked by an industry-wide slowdown, low interest rates, and shrinking transaction volumes.

BP2S strengthened its position in Europe and extended its global presence, particularly in Asia, but also in the Middle-

East and America. It now operates in 28 countries, 37 locations and 100 markets. The company built upon its Indian and Singaporean operations, and began derivatives clearing on the National Stock Exchange in Mumbai. Significant mandates were won across the globe. In addition, it obtained a banking licence in Hong Kong. BP2S consolidated its "Follow the Sun" operating model, to

give clients access to services at any time around the world. Furthermore, a new office in Morocco (a cooperation agreement with BMCI) was launched.



BNP Paribas/Paris



Henderson Global Investors appointed BNP Paribas Securities Services

Henderson Global Investors appointed BNP Paribas Securities Services as exclusive service provider for operations and related banking services for almost all of their asset classes. BP2S offered them a single, strategic operating model to support their future growth.

In addition, the company is managing the integration of assets acquired from their acquisition of New Star Asset Management. The deal builds on a long-term relationship with one of the world's largest independent asset managers.

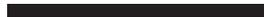


BNP Paribas/Paris

Anticipating and adapting to a changing world

Not content with having Europe's most comprehensive product offering, several new solutions were created to help clients meet today's challenges. These included **AlphaSuite** for asset managers, a four-pillared offer that is designed to protect investments, service assets, measure performance and optimise strategy. Similarly, **MasterSuite** for pension funds was developed. This service was conceived to protect investments, evaluate portfolios, monitor risks and enhance returns. Both solutions provide real-time information and a full range of reports in a highly secured environment through our web-based portal. BP2S demonstrated the ability to produce solutions tailored to clients' specific needs by forming an agreement with **ConvergEx** to introduce a transition management service. This enables as-

set owners and managers to restructure their investment portfolios as a result of geographic reallocation, changes in fund managers or for initial investment of new funds. Innovation is at the heart of these enhancements, such as the creation of the **e-convocation** solution to allow firms to communicate more efficiently and ecologically (paperless) with registered shareholders.



Investment Technology Group

The Investment Technology Group awarded BNP Paribas Securities Services the mandate to become its single clearing and settlement agent for the current and future European business. The service includes local clearing and custody, and global custody. It has gone live in 22 locations and covers clearing on 8 multi-lateral trading facilities (MTFs). This is a landmark sell-side deal: it is the first time a single service has been sold to all existing and new locations simultaneously.

Suez Environnement

Suez Environnement selected BNP Paribas Securities Services to manage its free global share plan and stock-option plan. Suez Environnement chose BP2S for the performance of its employee shareholder management service (Global Employee Custody Services) and the pan-European offer. The deal consolidates BP2S' leading position with CAC 40 companies.



BNP Paribas/Paris



BNP Paribas/Grands Moulins de Pantin

Corporate social responsibility

As part of its commitment to Corporate Social Responsibility, BP2S replaced its year-end presents by donations to the Institut Pasteur. This action supported the global fight against infectious diseases in a number of countries. In addition, BP2S started its move to new global headquarters at the Grands Moulins de Pantin (near Paris), a renovated former flour mill, which conforms to the highest environmental standards.

In pursuit of excellence

The company won several awards in 2009, against stiff competition. These included ICFA's "European Mutual Fund Administrator of the Year" and "Custodian of the Year - France", and Funds Europe's "European Administrator of the Year". The latter is chosen by fellow professionals. Also, Global Finance considered BP2S "Best Sub-Custodian for western Europe". This is awarded on criteria such as quality of service, technology platforms, business continuity plans or knowledge of local regulations and practices.



Short story

GRANDS MOULINS DE PANTIN

LEVERAGING IN-HOUSE SKILLS

When several skills reside within a single company, why not make the most of them? BNP Paribas Securities Services (BP2S) needed a new headquarter and BNP Paribas Real Estate (BNPP RE) found the perfect spot, Grands Moulins de Pantin, an exceptional complex coupled with an architectural gem.

"BNPP RE assisted with several steps of the project," explains BP2S: "field research, land purchasing, finding architects, financing and completing construction work, identifying specific safety needs, locating investors, drafting leases, etc". For the complex design and layout, BP2S consulted the future users of the office space and their feedback "guided the choices we made in terms of floor design, partitioning, and furniture." After three years of work and an exemplary makeover by the architecture firm Reichen & Robert Associés, BP2S staff moved into 46,500 sq.m. of new, state-of-the-art office space certified with France's High Environmental Quality (HQE) standard. "All on time and within budget." What more could you ask for?

BNP PARIBAS REAL ESTATE

With 3,300 employees, BNP Paribas Real Estate is continental Europe's leading provider of real estate services to corporates⁽¹⁾ and one of France's major players in residential property. Its multi-expertise offering is unique, both in terms of its geographical reach and the diversity of its business lines. Its client base encompasses occupiers, investors, local authorities, property developers and individuals.

International network

In commercial real estate, BNP Paribas Real Estate supports its customers in 28 countries worldwide:

- 14 countries with direct operations in Abu-Dhabi, Germany, Bahrain, Belgium, Dubai, Spain, France, India, Ireland, Italy, Jersey, Luxembourg, the United Kingdom and Romania;
- 14 other countries through alliances with local partners.

In residential real estate, BNP Paribas Real Estate's main activity is in France.

Multi-expertise offer through six complementary real estate business lines

Property development in France and Italy

BNP Paribas Real Estate is one of France's leading property developers and ranks 1st in commercial property development⁽²⁾.

Transaction

In commercial real estate, BNP Paribas Real Estate markets properties including offices, business premises and retail units, and ranks no. 1 in France, Germany and Luxembourg⁽³⁾.

In residential real estate, its French network markets the new housing units built by the property development line.

Consulting

In commercial real estate, BNP Paribas Real Estate advises clients with their real estate projects, helping them to design their work spaces and optimise their real estate assets.

Valuation

BNP Paribas appraises all types of real estate assets (offices, retail properties, hotels, warehouses, land, etc.) in line with the international standards defined by the Standards Board of the International Valuation Standards Committee (IVSC) and the Royal Institution of Chartered Surveyors (RICS) Red Book.

Property Management

BNP Paribas Real Estate Property Management manages 28,5 million sq. m. of commercial property in Europe, including over 16 million sq. m. in France where it is the market leader⁽⁴⁾, as it is, too, in Belgium and Luxembourg⁽⁵⁾.

In residential real estate, BNP Paribas Real Estate manages 5,800 serviced residences units.

Investment Management

In France, Italy, the United Kingdom and Belgium, this business manages EUR 10 billion in real estate assets. In France, BNP Paribas REIM is one of the leading managers of non-trading property investment trusts.

(1) Source: Property Week - June 2009

(2) Source: Property developer rankings published by Innovapresse in June 2009.

(3) Source: internal data.

(4) Euromoney - September 2009.

(5) Expertise - November 2009.

A single brand for the real estate activities

The commercial real estate market was again battered by the global financial crisis in 2009. Investments in Europe fell 41% over the year, while take-up shrank 28%. However the French market grew 35% in 2009 thanks to the Scellier and Bouvard tax incentives.

In this challenging climate, BNP Paribas Real Estate once more demonstrated its stability and capacity to quickly respond to changing market conditions:

- in residential property development, BNP Paribas Real Estate abandoned plans to build 1,000 new housing units, renegotiated its ground rent charges, and modified its product range to suit the current market. For example, it introduced a new product, short-stay business apartments marketed under the HiPark brand. This strategy let BNP Paribas Real Estate benefit from the market rebound and double revenues from its residential property business;
- in office property development, BNP Paribas Real Estate took advantage of opportunities to develop new, more competitive products better tailored to the market. It sold some of these new products at the end of the year, primarily to German funds;
- in office property transactions – the business the most hurt by the crisis – BNP Paribas Real Estate successfully finalised some large-scale deals, including the sale of 70,000 sq.m. of office space in Montrouge, France, and the leasing of 72,000 sq.m. of office space in the Silbertum tower in Frankfurt, Germany.

One of the strengths of BNP Paribas Real Estate's business model is the quasi-recurring fee revenues from Investment Management, Property Management, Valuation Services, and Advisory Services. These four businesses generated almost half of BNP Paribas Real Estate's 2009 revenues. The portfolio managed by Property Management grew 10% during the year, for an additional 2.6 million sq.m.

2009 also saw the consolidation of BNP Paribas' real estate activities under a single brand, BNP Paribas Real Estate.



BNP Paribas/Paris

This brand has clear advantages in terms of marketing, because it clarifies the company's position as a multi-service provider with extensive knowledge of the real estate market (these services were previously sold under many different brands), and leverages BNP Paribas' international reputation.

BNP Paribas Real Estate made significant advancements on the following strategic goals in 2009:

- clarifying the services it offers;
- outlining a new organisational structure for the sales force, effective in 2010, based on the following three elements:
 - Countries, since real estate is a business that requires local knowledge.
 - Business lines, since they must be coordinated at a European level to provide consistent service quality to all clients.
 - And three cross-business functions essential to supporting clients over the long-term:
 - a CRM system;
 - a Research Department to study the different real estate markets (existing conditions and outlook); and
 - a Client Solutions team responsible for managing key accounts.



BNP Paribas/Paris



BMCI/Casablanca

2 major projects for BNP Paribas



The commercial real estate sales team delivered over 250,000 sq.m. of office space in 2009, including offices for two major BNP Paribas restructuring projects:

- BNP Paribas Investment Partners' new headquarters at 14, rue Bergère, in Paris' 9th arrondissement (32,000 sq.m.); and
- BNP Paribas Securities Services' new headquarters at Les Grands Moulins de Pantin (46,500 sq.m.).



Both of these buildings comply with France's High Environmental Quality (HQE) standards. The building at rue Bergère won the Constructeco award from the French magazine *Le Moniteur*, and the building at Les Grands Moulins de Pantin won the Pyramide de Vermeil award from the French Federation of Property Developers (*Fédération Nationale des Promoteurs*).



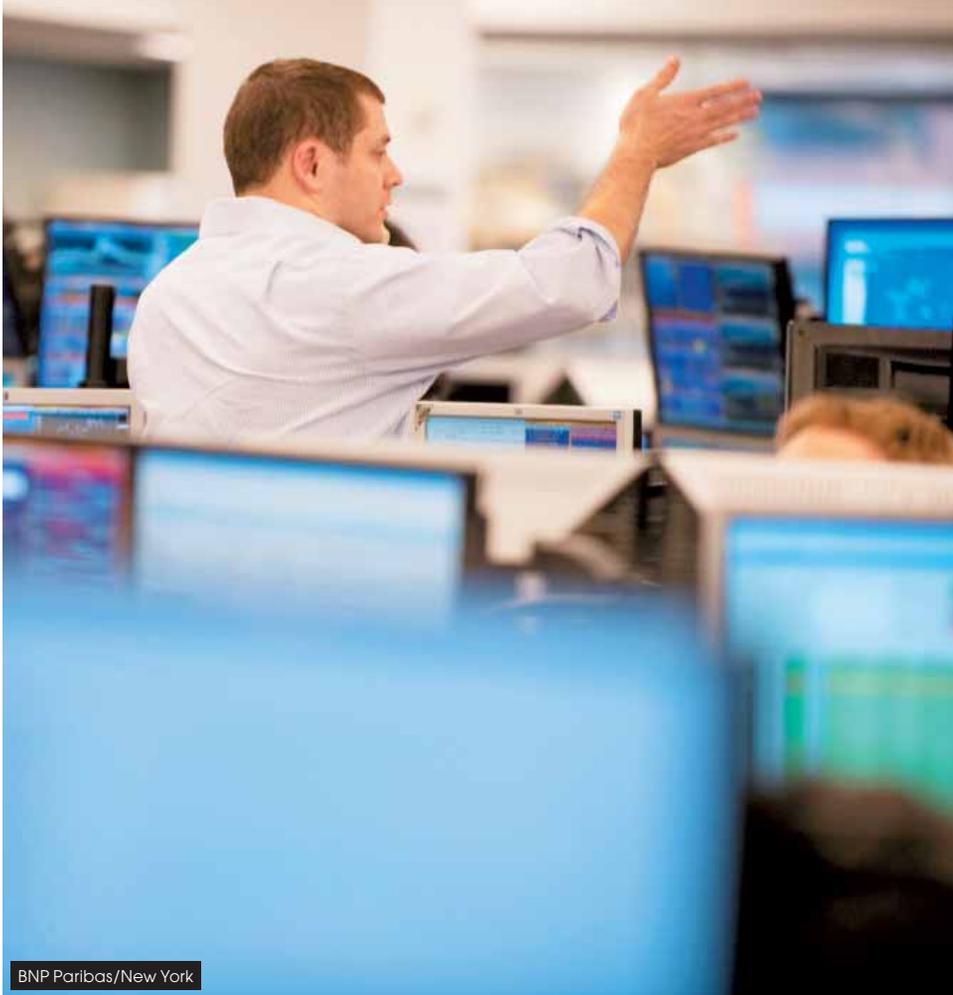
CORPORATE & INVESTMENT BANKING

2009 was a year of stark contrasts for the corporate and investment banking industry. The year opened with much uncertainty for both the industry as a whole and its customers. Capital markets were practically at a standstill; liquidity costs were skyrocketing; both bid/offer spreads and credit spreads were high. Capital was at a premium; risks elevated across the board and regulatory pressure increasing all around.

By the end of the first quarter of 2009 and continuing throughout the rest of the year, conditions began to improve and markets progressively normalise. The capital markets were moving once again: fixed-income markets, and especially the debt markets, were very active while the equity markets, where the activity may not have been so buoyant, returned to normal levels by the end of the year. Demand for flow products continued to grow throughout the year and in the third quarter, there was increased demand for guaranteed capital structured products. Clients were coming back to the Equity Capital Markets (ECM) for funding and in the financing businesses, liquidity costs dropped and capital was no longer quite as scarce.

In light of these changing market conditions, BNP Paribas Corporate and Investment Banking (BNP Paribas CIB) acted with its hallmark adaptability and demonstrated once again its tenacity and resilience. BNP Paribas CIB had had the foresight early on to adjust its capital and risk management strategies, monitor its market risks closely and reduce its exposure significantly, and right-sized its structure where and when necessary. Funding and liquidity management was proactive. Thanks to all these actions, BNP Paribas CIB has been able to leap ahead, posting high revenues, increasing market share and earning prestigious awards and ranking across many of its businesses.

One important factor to BNP Paribas CIB's success is its balanced business model with a proactive capital markets franchise and a strong financing platform in selected areas of expertise. Another key to BNP Paribas CIB's outstanding performance in 2009 was its client-centric approach serving customers in the economy. BNP Paribas CIB's 13,000 corporate and institutional clients have always been at the very heart of its business model. BNP Paribas CIB has over 16,000 employees in more than 50 countries, all of whom concentrated on providing clients with the top-notch products and services which they needed to weather and maneuver throughout the tough times of 2009.



BNP Paribas/New York



BNP Paribas/London



BNP Paribas/Hong Kong

Advisory and capital markets

Fixed Income

BNP Paribas CIB's Fixed Income client business grew rapidly in 2009, enhancing its reputation and growing its market share in all its areas of activity. This growth reflects two main trends in the markets. Firstly, financing continued to be a central concern for corporations, public and financial institutions alike. Against this backdrop, Fixed Income extended its leadership in the primary markets by providing issuers and investors the know-how and skill to interpret market trends and adapt to its new realities. Secondly, Fixed Income transformed its secondary markets offering to reflect the changing needs of its clients for liquidity and simpler, transparent products, and as a result its market share has increased significantly.

Unparalleled leadership in Debt Capital Markets

In 2009, BNP Paribas CIB pushed the boundaries of the international Debt Capital Markets. From guiding public-sector issuers through the market upheavals and providing optimal timing to help financial institutions re-finance, to leading global corporate borrowers to all pockets of demand and re-opening the emerging Europe Middle East Africa (EMEA) market, BNP Paribas CIB's Debt Capital Market teams are a world leader in combining critical analysis with excellent advisory and execution capabilities. The Euro-currency bond market is now firmly entrenched as one of the most important in the international bond markets. During the past year, BNP Paribas CIB has dominated Euro market issuance across all segments and countries, bringing the most significant transactions to the market. Across the Corporate, Financial and SSAR (supranational/sovereign/agency/regional) sectors; BNP Paribas CIB ranks no.1 in euros according to Thomson Reuters.

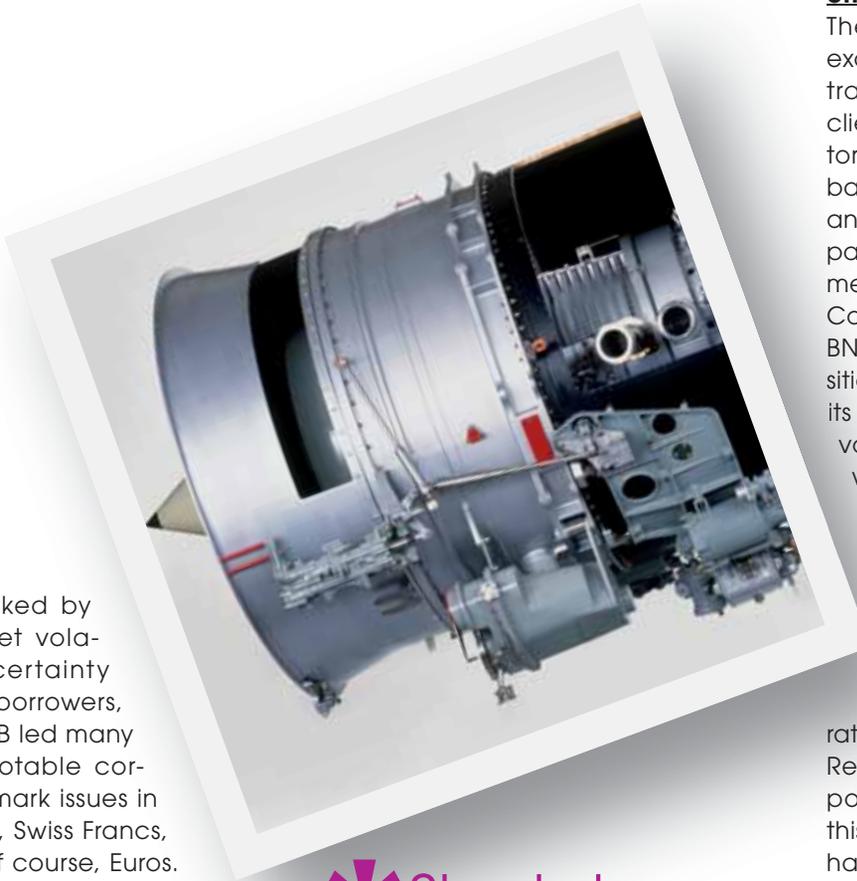
BNP Paribas CIB has also continued to expand rapidly outside its home Euro market. Nowhere is this more evident than in the corporate bond market: in 2009, the volume of transactions led for corporate borrowers in US Dollars, Sterling, Swiss Francs and Japanese Yen has risen rapidly. BNP Paribas CIB has steadily increased its market share across several other key sectors: Financial and Sovereign institutions throughout the world increasingly recognise BNP Paribas CIB unrivalled ability to provide solutions and to source liquidity in the international bond markets.

Adapting our secondary markets offering to the new environment

The credit, interest rate and foreign exchange markets have been deeply transformed in 2009. Fixed Income's clients, in particular institutional investors, have increasingly looked to their bank counterparties for scale, stability and the ability to offer simple and transparent products as well as risk management solutions.

Compared to many of its competitors, BNP Paribas CIB was in an excellent position to manage the crisis and to help its clients to manage it effectively. In a volatile and uncertain environment, with fears of counterparty credit risk running high, BNP Paribas CIB offered its clients the benefit of having one of the highest credit ratings of any major global bank, and a proven track record as a consistently reliable provider of cash and derivative products across interest rates, credit and foreign exchange.

Recognising the challenges and opportunities presented to investors by this new environment, BNP Paribas CIB has fundamentally transformed its offering to cater to a greater variety of client needs. The cash and simple derivative products platform has been expanded to meet increasing investor demand, institutional sales teams have been bolstered in all regions and the strategy has been refocused in order to capture large investor flows. Business with institutional clients has increased significantly thanks to the work of the Institutional Relationship Management (IRM) team which serves as the interface between BNP Paribas CIB and institutional investors as well as an active prospecting campaign by Fixed Income sales teams. Between December 2008 and December 2009, there was been a marked increase in the share of BNP Paribas CIB's business in foreign exchange, interest rates and credit business from asset managers, insurance firms and pension funds. Over the same period, volumes from primary credit and vanilla client business have also increased sharply.



In a year marked by extreme market volatility and uncertainty for corporate borrowers, BNP Paribas CIB led many of the most notable corporate benchmark issues in US Dollars, Yen, Swiss Francs, Sterling and, of course, Euros. This was the year BNP Paribas CIB arrived on the Dollar market, leading many of the key corporate transactions in 2009 for issuers such as British Petroleum (twice), Roche, AB InBev, Telecom Italia, Sky, Anglo American, WPP, France Télécom and EDF's debut USD issue. In the core European currencies of EUR, GBP and CHF, BNP Paribas CIB has the greatest market share with nearly 11% of all investment-grade corporate issuance by volume (*Thomson Reuters-2009*) – conclusive proof of the strength of our multi-currency franchise. This was supplemented by a strong roster of domestic business that included blue chip borrowers such as Time Warner Cable, Boeing, Comcast and Coca-Cola Enterprises.

*** Short story**

ROLLS-ROYCE

STANDING OUT FROM THE CROWD

When engine manufacturer Rolls-Royce decided to launch a GBP 500 million ten-year bond issue, it naturally put the deal out to competitive tender among the banks. This was the first time that Rolls-Royce had come to the bond market with an issue since 2004 and BNP Paribas was delighted to throw its resources into the fray. An initial selection resulted in a shortlist of nine candidates, three of whom were finally selected. BNP Paribas was one of them, tasked "more specifically with arranging the road show for investors, led by two teams", said a Rolls-Royce senior manager, adding that CIB's Fixed Income teams were selected, "on the basis of their excellent presentation but also because they were not afraid to express an original, independent point of view". In the end, he said with satisfaction, the deal was "executed perfectly".

Providing liquidity in the interest rate markets

In a year dominated by large vanilla flows and market normalisation, BNP Paribas CIB has achieved the goal of becoming a leader in the flow interest rate markets. Through the deliberate expansion of its client base and on the back of its strength in the Debt Capital Market league tables, volumes of client business in vanilla interest rate products have risen by more than 25% in 2009. The Fixed Income business has significantly expanded its cash and flow derivatives offering to meet increasing investor demand. The growth of the franchise has been particularly marked in North America, where BNP Paribas CIB has become a more significant dealer in USD cash and derivative interest rate products.

Expanding and completing the foreign exchange platform

BNP Paribas CIB remained present in foreign exchange markets throughout 2009 and has transformed its foreign exchange offering to cater to a greater variety of client needs. Two major developments illustrate this shift : In June 2009, BNP Paribas CIB acquired the intellectual property rights to AIG's foreign exchange prime brokerage business. This acquisition brings not only the expertise of one of the best-established foreign exchange prime brokerage teams in the industry, but a full front-to-back foreign exchange prime brokerage platform. In November 2009, BNP Paribas CIB launched its new electronic trading platform, BNP Paribas FX eTrader. The platform upgrades the existing eCommerce offering to foreign exchange clients and offers consistent and competitive pricing as well as access to deep market liquidity on foreign exchange spot, forward and swap trades. Commitment to completing the foreign exchange offering, coupled with a high credit rating and the robustness



of the global platform, has presented BNP Paribas CIB with new opportunities to deal with ratings sensitive counterparties such as central banks and pension funds. BNP Paribas has significantly increased its market share as a result: in the Euromoney FX Poll, its ranking jumped from 17th in 2006 to 10th in 2009.

A leader in Risk Management solutions

The financial crisis has transformed risk management benchmarks and practices. Essential corporate needs like re-financing or hedging are ever more challenging. In this environment, BNP Paribas CIB continued to provide innovative and relevant solutions to address the risk management challenges clients face in the day-to-day running of their businesses. BNP Paribas CIB went one step further by developing crisis management solutions to address the specific challenges provoked by the financial crisis and to help its clients benefit from the opportunities created by these market dislocations.

BNP Paribas CIB's proven structuring and products expertise allows it to offer customised solutions in all asset classes and to deliver integrated solutions across capital and risk management in order to bridge the gap between clients' needs and market conditions.



**PUTTING
EXPERTISE
TO WORK
FOR CLIENTS**

When capital markets transactions run into the billions of euros, amateurs need not apply. What clients want is impeccable expertise and unfailing support. So when the German cement giant HeidelbergCement decided to launch a share issue at a time when its main shareholders were selling out to institutional investors, it chose the best banks to back it up. BNP Paribas was on the list. BNP Paribas was the joint bookrunner for the deal, and “played a major role in its success by helping us find the best structure and placement strategy,” noted HeidelbergCement’s CFO, Dr. Näger. “In addition, BNP Paribas’ powerful distribution network and compelling ability to attract investors were a clear advantage during the placement phase” he added.



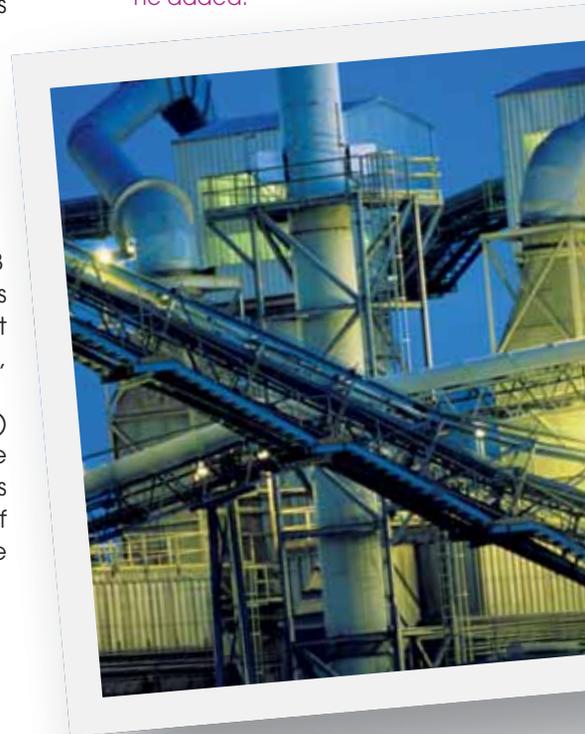
Corporate Finance

After a depressed first quarter, equity markets benefited from an impressive rally worldwide beginning in early March, fuelling a rise in investor confidence and risk appetite. At the same time, corporate and financial institutions clearly needed capital which led to a resumption in rights issues, capital increases and convertible bonds issues. BNP Paribas was involved as bookrunner in numerous European rights issues, among which HSBC (GBP 12.8 billion), Gas Natural (EUR 3.5 billion), Lafarge (EUR 1.5 billion), AXA (EUR 2.1 billion); in the building material sector, BNP Paribas enjoyed a very significant market share, with a senior role in all major rights issues (Heidelberg Cement, Lafarge, CRH, Holcim, Cemex, Cementos Portland). These transactions highlight the combination of BNP Paribas CIB’s ability to underwrite large transactions thanks to its balance sheet, rating strength and the quality of its equity brokerage arm Exane BNP Paribas, which enjoys a no. 5 Pan-European equity sales ranking (*Thomson Extel 2009*).

In Europe, equity-linked markets enjoyed 79.8% growth (*source: Thomson Reuters*). In this very buoyant market,

BNP Paribas emerged as a leader, acting as bookrunner in 19 transactions in 7 different countries (France, UK, Belgium, Switzerland, Germany, Norway and Spain). Some significant issues include the KfW exchangeable bonds into Deutsche Post AG shares (EUR 750 million, Germany), Eurazeo exchangeable bonds into Danone shares (EUR 700 million, France), Cable & Wireless convertible bonds (EUR 230 million, UK), REC convertible bonds (EUR 320 million, Norway), UCB senior unsecured convertible bonds (EUR 500 million, Belgium), Clariant convertible bonds (CHF 300 million, Switzerland).

On the Initial Public Offering (“IPO”) side, the market slightly reopened at the year-end and BNP Paribas CIB acted as bookrunner and joint lead manager of the largest IPO on Paris Euronext since 2007 (CFAO – EUR 927 million).



Asian equity capital market activity recovered significantly in 2009, particularly in the second half of the year, and 2009 was seen as the year of transition. Investors became more cautious and selective in the IPO market given the increasing supply and continue to be sector focused.

BNP Paribas CIB was involved in 3 significant transactions in 3 Asian countries, outlining its diversified geographical footprint and capabilities to underwrite large transactions:

- in Korea: Shinhan Financial Group rights issue (USD 947 million) – joint lead manager and joint underwriter and “Best Secondary Offering 2009” awarded by the *Asset Triple A*.
- in Singapore: K-Reit Asia underwritten renounceable rights issue (USD 440 million) – sole bookrunner, lead manager, underwriter and financial adviser.
- in Hong Kong: Sands China IPO (USD 2.5 billion) – joint bookrunner & joint lead manager.

The economic crisis once again strongly impacted the advisory business in 2009: in Europe, M&A activity dropped 45% relative to 2008, the lowest level since 2003 (*source: Thomson Reuters*). In Asia (excluding Japan), the trend was comparable with an 18.2% drop in volumes for announced deals.

In this very tough environment, BNP Paribas CIB confirmed its leadership in the French advisory market and continued its European expansion, especially in cross-border transactions. Key transactions include:

- Adviser to BNP Paribas in its acquisition of Fortis;
- Adviser to CNCE in its merger with Banque Fédérale des Banques Populaires to form the 2nd-largest banking group in the French market;
- Adviser to Vivendi in the acquisition of GVT (Brazil);
- Adviser to Alstom in the acquisition together with Schneider Electric of Areva T&D;
- Adviser to Alleanza in the incorporation of the insurance activities of Alleanza (50.3% held by Generali) and Toro Assicurazioni (100% held by Generali);
- Adviser to CNP Assurances for the creation of a life insurance joint venture with Barclays in Spain and Portugal;
- Adviser to Pernod Ricard in the sale of the Wild Turkey Bourbon business to Campari;
- Adviser to Enxsis in the sale of Enxsis High Voltage Grid to Tennet.

BNP Paribas CIB also played a key role in the two major international following transactions, highlighting its

breakthrough in large and strategic international transactions: adviser to Addax & Oryx in the Sinopec/Addax Petroleum deal and adviser to China’s WISCO in the deal with the Brazilian iron ore and pig iron producer MMX. Also reflecting the strong momentum in China for access to natural resources, BNP Paribas CIB advised China SOE’s CRCC and the Tongling Group on the CAD 680 million tender offer for TSX / NYSE listed Coriente Resources. In Asia, BNP Paribas CIB acted as Advisor to Wings Group in the divestment of their entire 90% equity interest in Bank Ekonomi (Indonesia) to HSBC Asia Pacific for USD 614 million, thereby further strengthening its leading position in banking-related M&A deals in the region. In Latin America, BNP Paribas CIB advised Colinversiones SA (Colombia) for the acquisition of a 63.8% stake in Empresa de Energia del Pacifico SA (Colombia) from Gas Natural SDG SA (Spain).

Reinforced international footprint in Energy & Commodities cross-border transactions involving first class operators

BNP Paribas CIB acted as adviser to Addax & Oryx Group, an independent and fully integrated petroleum company, with turnover exceeding USD 11.5 billion, in the tender of Sinopec, China’s largest producer and supplier of oil products and major petrochemical products, on Addax Petroleum (35% held by Addax & Oryx), an international oil and gas exploration and production company, headquartered in Geneva and listed in London and Toronto with a strategic focus on West Africa and the Middle East.



BNP Paribas/London

Joint bookrunner and joint lead manager of Sands China Ltd IPO (USD 2.5 billion)

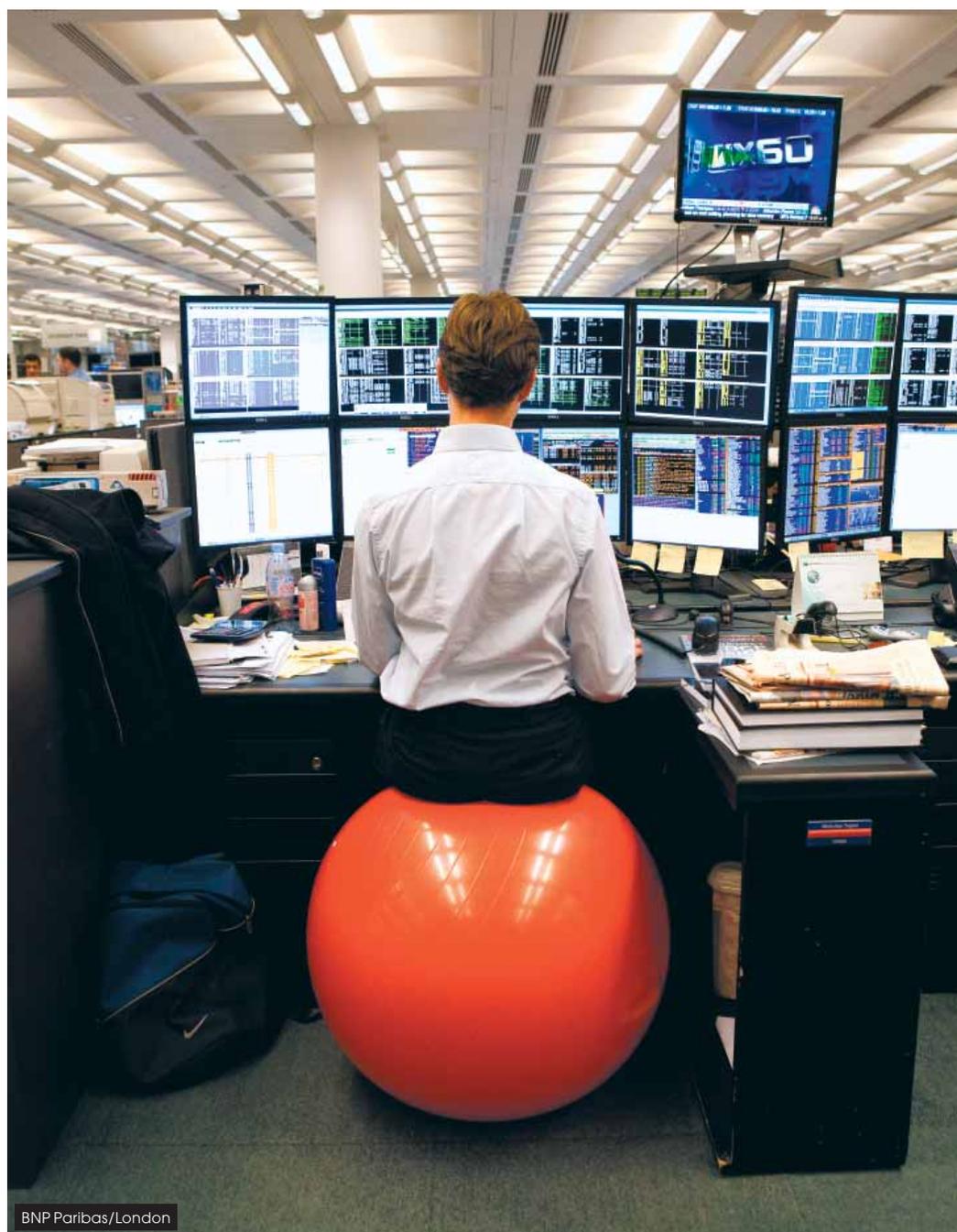
Sands China is the leading developer, owner and operator of integrated resorts and casinos in Macau. Upon listing, Sands China is the largest gaming company in Asia with a market capitalisation of USD 10.8 billion. Sands China IPO is the largest ever gaming industry IPO globally, the 3rd-largest Hong Kong IPO in 2009 and the largest Hong Kong listed spin-off since 2002. 90% of the IPO consisted of an international offering tranche which was approximately 2 times covered driven primarily by long-only US and Asian investors.

Global Equities and Commodity Derivatives (GECD)

The equity markets began to return to normal levels of business and activity starting in the spring of 2009 and BNP Paribas CIB's revenues were as a consequence more stable throughout the rest of the year. In response to the market turmoil that began in late 2007 and continued through early 2009, GECD shifted to a growth-controlled business model, carefully monitoring its strategic direction and constantly adapting to the new market environment. The business was proactive in decreasing its risks and making efficient risk management decisions. As a consequence, it has been able to move forward with confidence. Unlike many of its competitors, BNP Paribas' Equity Derivatives business has been able to maintain the full diversity of its activities for its clients' benefits but adapted these activities to shifting client demand.

The Equity Derivatives client-driven business posted a good trading performance thanks to these more favorable market conditions that began at the end of the first quarter, and in light of strong de-risking measures that it took. In the flow product areas for clients, positions were successfully managed through active trading with reduced market risks compared to previous years. The risk management of the structured products books has been refined to account for new market and risk configurations, and this has resulted in significant increase in revenues in these books, evidence of the risk management capabilities of BNP Paribas CIB's Equity activity.

BNP Paribas CIB has responded to increased client demand for simpler structured products and has successfully marketed to retail network clients new, less volatile capital-guaranteed products based on its own proprietary indices which offer lower risk than the traditional pre-crisis solutions, and which help to protect the client against issuer credit risk. The equity flow franchise continues to grow: institutional investor demand remains steady and BNP Paribas CIB has been able to further develop its institutional client base. An important initiative began in 2008, and which BNP Paribas CIB pursued in 2009, is the growth of its global



prime brokerage franchise. This growth has been undertaken in the context of BNP Paribas CIB's strengthened risk management infrastructure.

In Asia, BNP Paribas CIB has faced a tough environment with a decrease in demand for flow products from private banks and increasing restrictions from local regulators. However, this has been compensated by increased activity in its flow and convertible bonds businesses. Sustained cross-selling efforts and leveraging across all Asian platforms has created synergies and broadened the range of products BNP Paribas CIB offers. It was also able to improve efficiency in order to maximise the depth of its coverage.



* Short story XTO

CULTIVATING EXCELLENCE IN DERIVATIVES

XTO, the leading natural gas producer in the US, wanted to both “reduce its exposure to commodity price fluctuations and increase its available cash flow,” explained its managers. In line with BNP Paribas’ solid reputation in derivatives, its Global Equities and Commodity Derivatives (GECD) team set up a special financial arrangement that allowed the company to prepay some of its debt. “BNP Paribas has been an important ally for several years, from when we were just a start-up to our current position as a market leader. We have always had faith in the bank to support us as effectively as possible, while taking into account our specific needs.”

In Europe, the Equity activity has been able to capitalise on the strength of BNP Paribas CIB’s positioning to deepen its presence with both retail and institutional clients. BNP Paribas CIB worked with investors to help them capture new investment opportunities and has done new types of business, in particular developing quantitative strategies through Harewood Asset Management.

In the Americas, the Equity activity has posted a very solid and stable performance as a sustained client focus led to the on-boarding of a number of new flow and financing clients. Leveraging its expertise in proprietary systematic custom indices and quantitative strategies allowed BNP Paribas CIB to increase business with retail networks, pension funds and deepen its penetration with clients in Latin America.

In Commodity Derivatives, BNP Paribas CIB has continued to enjoy growth in revenues and expansion of its client franchise and footprint relative to 2008. BNP Paribas CIB is growing its brand recognition and positioning in the commodities markets.

For the over-the-counter (OTC) activity, the year started slowly for the Commodity Investors Group but showed significant volume towards end of 2009.



As a consequence, BNP Paribas CIB made several landmark transactions with private banking, retail and institutional clients. In its hedging activity for corporate clients, which allows them to manage their risks, BNP Paribas CIB continues to be particularly strong in the oil, carbon emissions and US natural gas markets. BNP Paribas CIB invested in building up its teams in European gas, power and coal, base metals, precious metals and soft commodities and this paid off with increased activity. The Structured Corporate Solutions activity was resilient despite more difficult lending and credit conditions in the first half of the year, which was compensated by hedge restructurings and portfolio monetisations.

Commodity Futures has seen strong growth in fee income due to an increase in clients and increased use of exchange derivative products in preference to OTC products. Against these gains, revenues from managing client funds have however decreased in line with the fall in interest rates.

In Asia, competition in commodity derivatives increased as other banks and trading companies grow their trading and marketing operations. In Europe, BNP Paribas CIB’s Commodity Derivatives activity has a strong footprint due to BNP Paribas CIB’s lending capabili-

ties in structured and trade finance and well established corporate hedging franchise, especially in oil and carbon markets. In the Americas, BNP Paribas CIB is focusing on the development of physical gas and power capabilities and has enjoyed continued growth of its oil, gas and metals hedging business across the region.



Financing businesses

Despite a very difficult and challenging year, BNP Paribas CIB's Structured Finance's resilient business model has performed well globally across the activities and platforms and BNP Paribas CIB's Structured Finance business has rebounded quickly. BNP Paribas CIB has closed numerous transactions this year and has therefore contributed to the financing of the economy in France as well as in the rest of the world.

2009 was a period of unprecedented volatility in the global financial markets: for the financing sector it was the year with the highest pricing that the loan market has seen in decades but also very limited liquidity in the market and high liquidity costs. In this adverse environment, BNP Paribas CIB's structured finance business consistently played a leadership role in the financing markets across all geographies, sectors and borrower classes. It has been able to provide sensible advice to clients facing liquidity constraints at the depths of the market and was instrumental in the development and implementation of refinancing in difficult conditions.

BNP Paribas CIB has been the leading European bank in the global **syndicated loans** in 2009 and has signed deals in 42 countries this year. In EMEA, it has been mandated on and arranged over EUR 32 billion of deals and 160 deals. BNP Paribas CIB's Structured Finance business has performed consistently well for the last few years, increasing market share and bookrunner rankings by volume and number of deals in some regions. This performance not only demonstrates its growing presence in the syndicated loan market but also reflects its ability to be mandated on and arrange transactions, whatever the market conditions. With a wide variety of dedicated product teams, BNP Paribas CIB Structured Finance is able to deliver a seamless service across all product areas: acquisition finance, transportation finance, export finance, energy & commodity finance, financial institutions, leveraged finance, media & telecom finance, project finance, real estate finance, and trade finance. For its European corporates, for instance, BNP Paribas CIB Structured Finance led the way in finding solutions for borrowers faced with maturity-driven refinancing needs. BNP Paribas CIB Structured Finance has been one of the first providers of forward start facilities enabling borrowers to refinance without risking an immediate reduction in available li-



BNP Paribas/Hong Kong



BNP Paribas/New York

quidity via a conventional refinancing. BNP Paribas CIB Structured Finance has also been a major solution provider for borrowers more comfortable with the amend & extend contractual execution alternative. BNP Paribas CIB's **energy and commodities finance business** has been one of the most consistent providers of financing to the commodity space for the past thirty years. The recent turmoil of the industry has reinforced BNP Paribas CIB's leading position in the sector; BNP Paribas CIB helped to restructure for its clients some of the most delicate credit situations this industry has ever met. BNP Paribas CIB remained committed to new business throughout the year and has continued to experience growth in its revenues.

The **corporate acquisition finance** business had a limited number of deals this year but some very sizeable transactions for prime names and enlarged club deals with good conditions. Though market volumes were down significantly, BNP Paribas CIB played a leadership role in all the major acquisition-driven "new money" transactions and has been one of the few banks that have been able to close acquisition financing during the crisis: Centrica (GBP 900 million), WPP (GBP 1.25 bn), Gas Natural (EUR 19 bn).

Project Finance has demonstrated its prominent position in the field, as evidenced by numerous remarkable projects. As a leader in advising, structuring and syndicating project financings, Project Finance offered creative

solutions to clients so that they could rapidly face the changing market conditions. It has adapted the structures to match banks' requirements for shorter tenors, provided incentives to refinancing and diversified the liquidity sources in order to offer the best available terms to its clients. Project Finance has been active across all sectors in all regions, advising and/or arranging landmark and ground-breaking transactions. R1 motorway PPP (EUR 1.016 billion). This transaction was the first "soft" mini perm structure presented to the market, Al Qatrana (USD 334 million), TCI Sanmar (USD 672 million).

2009 again saw high activity levels in media and telecom finance, with BNP Paribas arranging more loans in the Telecom sector than any other bank in Europe. Visible transactions led by

Wind Farm Project in Ethiopia

Structured Finance closed an 11.5-year Coface backed facility of EUR 130 million and a 5-year tied commercial facility to fund the Ashegoda 120 megawatt Wind Farm Project for the Ethiopian Electricity Power Corporation as sole mandated lead arranger ("MLA") and facility agent. The bank became involved in this transaction in May 2008; since that time BNP Paribas supported the Vergnet Group, a French contractor, in its bid process to supply the wind turbines and their installation. This Engineering Procurement Construction contract, involving the sale and the installation of 120 1-megawatt GEV HP wind turbines over a period of three years, with the first 30 units to be delivered in 2010, will result in the largest wind farm in sub-Saharan Africa.

This contract is in line with the government of Ethiopia's energy policy; in response to the fast paced growth of domestic demand its intention is to potentially export electricity to neighbouring countries. This is not only the largest contract signed by Vergnet, but also the largest contract ever signed between France and Ethiopia.

Short story MATIÈRE

STAYING A STEP AHEAD AND LOOKING AHEAD

"BNP Paribas was the only bank in 2007 to believe in Matière's project to develop the Unibridge® concept internationally", recalls Philippe Matière, Chairman and Chief Executive of the eponymous civil engineering group. He added "We weren't even clients of the bank at the time, but BNP Paribas supported us with a buyer credit for a EUR 150 million project in the Philippines". A good decision, as Unibridge®, a revolutionary concept in modular, easy to assemble steel bridges, was the perfect solution to infrastructure development needs in the Philippines. "Obviously, when other similar projects came up in the Philippines, we went to BNP Paribas, which had become our partner of choice". As a result, the Group was appointed lead manager for financing two new contracts won by Matière in the Philippines for the supply of 418 more Unibridges® and 70 Unibridge Marine Applications®, for a total of EUR 254 million. Mr. Matière also stressed the "perfect teamwork between his daily relationship manager and the BNP Paribas representative in Manila. Without these two highly professional people, things wouldn't have gone so smoothly!", he said frankly.

A carbon neutral seminar

Structured Finance organised the first BNP Paribas carbon neutral seminar in November in Évian (France). This offsite gathered the 110 Structured Finance top management executives worldwide to discuss the perspectives and challenges facing the business, as well as the objectives for the years to come. In order to offset carbon emissions associated with the seminar, BNP Paribas will buy Certified Emission Reduction credits from the Youngduk wind farm in Korea, registered as a Clean Development Mechanism project and in operation since May 2005. This project was chosen for this carbon offset operation as it actually reduces emissions using a zero emission technology. This wind farm, a project finance transaction for which BNP Paribas CIB acted as mandated lead arranger in 2004, is using Vestas wind turbines for a total generation capacity of 39.6MW. This project was the first commercially operated windmill project in Korea and the first limited-recourse financing for a greenfield project arranged and fully underwritten by a foreign bank in Korea.

BNP Paribas include the USD 2 billion, forward-start refinancing of Qatar Telecom and a GBP 350 million high yield bond for Virgin Media, reopening the sterling high yield market. As a result, BNP Paribas was awarded the title of 2009, "EMEA Loan and Bond House of the Year" by Telecom Finance magazine.

In **leveraged finance**, BNP Paribas CIB has been one of the leaders in the restructuring field (the Bank won the Restructuring Deal of the Year for the Monier transaction by *Acquisition Monthly*).

2009 has been bright year for the **export finance** activity in terms of presence, closing challenging transactions and entering new markets. BNP Paribas CIB signed transactions in countries where it had been totally absent up until now, such as Ethiopia. More and more players are present in the export finance business which is no longer limited to emerging markets. With an outstanding allocated amount of USD 11.8 billion and 70 deals arranged in 2009 (an increase of 118% on 2008's USD 5.4 billion and 58 deals), BNP Paribas CIB is ranked no. 1 global mandated lead arranger for Export Credit Agency backed trade finance loans by *Dealogic*. In a very challenging year this is a great achievement and it confirms BNP Paribas CIB's position as the undisputable worldwide leader in export finance for the third consecutive year.

The **transportation finance** activity had a record year as evidenced by the awards that were reaped in 2009: "Aircraft Finance House of the Year" (*Jane's transport Finance*), "Ship Financier of the Year" (*Lloyd's List*), no.1 worldwide positions in Japanese leases and in aircraft export credits (*Air Finance Journal*). At a time when these sectors were at the bottom of their cycle, the bank's leadership in these activities was further reinforced by the strength of its portfolio, its ability to offer its clients tailor-made solutions and its commitment to the economy. In shipping, the USD 1.3 billion financing of 2 drillships for Odebrecht chartered to *Petrobras* was testimony of the BNP Paribas CIB's ability to arrange and structure ground-breaking transactions in a difficult environment as was the issuance of a convertible bond for *Seadrill*.





BNP Paribas/New York



In aviation financing, BNP Paribas CIB financed the 1st A380 delivered, and structured and distributed the first Eximbond financings. BNP Paribas CIB contributed to opening up new liquidity sources in aircraft financing by putting together a dedicated capital markets fund.

In the **Global Transaction Banking** activity, Global Trade Solutions was the spearhead for the expansion of GTB abroad. Solid results were posted in the United States, Latin America, Italy, India, Hong Kong and China. The International Cash Management business experienced tough competition. Nevertheless the teams have reinforced considerably their positions among corporates thanks to a systematic approach in the new European markets. The International Cash Management also made some incursions in India.

Structured Finance continues to be a leader in supporting the economy adapting to clients constraints and financing needs in Europe, Middle East, Asia and the Americas. With market conditions returning to normal, BNP Paribas CIB's Structured Finance business is well positioned to expand its businesses in all global markets and to continue to better serve its clients.



2009 awards and rankings

Fixed Income

- No.1 bookrunner for euro-denominated bond issues and Top 10 bookrunner for global bond issues
Thomson Reuters – 2009
- “Euro Bond House” and “Swiss Franc Bond House of the Year”,
IFR – 2009

Structured Finance

- No.1 global mandated lead arranger for Export Credit Agency (ECA) backed trade finance loans,
Dealogic – 2009
- No.1 bookrunner and mandated lead arranger of Europe, Middle East, Africa, syndicated loans by volume and number of deals,
Dealogic – 2009
- “Gold Award for Excellence in Renewable Energy”,
Energy Business – Dec. 2009
- “Best Global Infrastructure & Project Finance House”,
Euromoney – 2009
- No.1 bookrunner and mandated lead arranger of Europe, Middle East, Africa corporate acquisition finance by volume and number of deals,
Dealogic – 2009

Corporate Finance

- No. 2 bookrunner for all European equity-linked ECM issues,
Dealogic and *Bloomberg* – 2009
- No. 9 bookrunner for all European ECM issues,
Dealogic – 2009
- Middle East, EMEA equity issue of the year: EUR 4.43 billion HeidelbergCement Equity Offering,
IFR – 2009
- No. 1 in M&A in France, completed deals,
Thomson Reuters – 2009
- No. 10 in M&A in Europe, completed deals,
Thomson Reuters – 2009
- No. 2 in M&A in Latin America, announced deals,
Thomson Reuters – 2009
- “France M&A Adviser of the Year”,
Acquisitions Monthly – 2009

Derivatives

- “Most Innovative in Risk Management and Most Innovative in Interest Rate Derivatives”,
The Banker – 2009
- “Currency Derivatives House of the Year”,
AsiaRisk – 2009
- “Best Structured Products House Asia”,
The Asset Asia – 2009
- “Derivatives House of the Year Asia”,
The Asset Asia – 2009
- “Index Innovation of the Year”,
Structured Products Americas – 2009

A go-to European partner for our clients around the world

Across its businesses and geographic platforms, BNP Paribas CIB has come out of the crisis stronger than before and with the ambition to build on this strength to become a top tier CIB in selected areas and regions. Europe is BNP Paribas CIB's backyard; here it has a world-class financing platform and is a European powerhouse in capital markets and derivatives. It enjoys a dynamic advisory franchise in Europe, and with Fortis, its overall European leadership will be further reinforced with the addition of two domestic markets and a dense commercial banking network in Europe. BNP Paribas CIB ambition is to consolidate and cement these leading positions in the Group's core market. BNP Paribas CIB will confirm its front-runner status in euro-denominated corporate bonds and financing businesses and will reinforce its advisory businesses in core European countries. It will continue to strengthen its structured finance and global equity and derivatives activities and will fully leverage its new strengths in commercial banking. Finally, BNP Paribas CIB will help the Group to roll out its integrated business model so as to capture all the potential that Europe has to offer.

In North America, BNP Paribas will be pursuing a selective growth strategy. BNP Paribas CIB already enjoys an established franchise and a strong leadership in the American energy & commodities financing market. It successfully integrated and has built on its US prime brokerage activities. Over the past year, it has made strong market share gains in fixed-income North American activities. BNP Paribas CIB's ambition for North America is to increase distribution capabilities and enlarge its "real money" franchise for the Fixed Income and Equity Derivatives activities and build out a strong investment banking plat-

form in the US, leveraging the established North American energy & commodities franchise. BNP Paribas will continue to grow market share in prime brokerage with the goal of becoming a top tier provider to the hedge fund and institutional investor community.

In Asia, BNP Paribas has a strong and long established CIB presence with distinctive strengths. It has three powerful regional platforms in Hong Kong, Singapore and Japan and has established a strong corporate client franchise and growing presence with institutionals. Its expertise and leading positions in energy and commodity finance, export and project finance and derivatives are uncontested. In order to capture the fast growth in Asia, BNP Paribas CIB has several goals: continue to lead the market in Structured Finance, take a leading position in Fixed Income, scale up its investment banking business in Mergers & Acquisitions, Equity Capital Markets and Debt Capital Markets, enlarge its client base in flow business, build up its franchise with and increase distribution capacity for institutional investors.

Behind this strategy is one goal: partner with its clients so that it can deliver to them the solutions that support their interests, their projects and their business.



* Short story AIR FRANCE-KLM

BEING EFFICIENT TO BUILD A CLIENT RELATIONSHIP

What could be more satisfying for a bank than knowing that its business efficiency is recognised? BNP Paribas was part of the banking pool mandated by Air France-KLM for a EUR 700 million seven-year bond issue – a first for the holding company as the Group's previous issues were made in 2006 and 2007 by its subsidiary Air France. BNP Paribas was selected "because the reputation of its teams and the bank's track record made it an unrivalled choice for this deal", said Sophie Bouvard, head of medium- and long-term financing at Air France-KLM, unequivocally. She added, "BNP Paribas provided invaluable support both upstream through the informed recommendations made by our advisory bank and its specialised teams, and during the deal through its contribution to placing the paper".



KLÉPIERRE & BNP PARIBAS PRINCIPAL INVESTMENTS

A major player in shopping centre real estate in continental Europe, Klépierre, a real estate investment company listed in compartment A of Euronext Paris™, enjoyed a brisk pace of expansion, driven by partnerships and acquisitions

that have taken it into Italy (1999), central Europe (2004) and Scandinavia (2008). Its portfolio is worth EUR 14,750 million at 31 December 2009.

BNP Paribas Principal Investments includes 2 activities:

- BNP Paribas Capital;
- Listed Investment and Sovereign Loan Management businesses.

KLÉPIERRE

As a property owner, manager and developer, Klépierre offers major international retailers an integrated European platform thanks to its 274 shopping centres in 13 continental European countries (France, Belgium, Norway, Sweden, Denmark, Italy, Greece, Spain, Portugal, Poland, Hungary, Czech Republic and Slovakia). Altogether, the company manages 374 shopping centres through its Ségécé and Steen & Strøm subsidiaries, which rank as the no. 1 shopping centre managers in continental Europe and Scandinavia respectively. Klépierre also supports its tenants in out-of-town and city-centre locations in France through Klémurs (real estate investment company in which Klépierre owns an 84.1% stake), which was listed in December 2006.

Furthermore, Klépierre owns and manages a portfolio of office buildings concentrated in the principal business districts of Paris and inner suburbs (5.3% of the portfolio at 31 December 2009). Klépierre has 1,519 employees (including 961 outside France).



La Gavia/Vallecas - Madrid

Sales at Klépierre shopping centres held up well in 2009 despite a sharp decline in overall consumer spending. Strong performance in the Group's three main regions (France, Scandinavia, and Italy) and countries such as Poland and the Czech Republic offset weakness in Spain and Hungary. The Group's occupation rate stood at 97.3% at 31 December 2009.

2009 saw the completion of several shopping centre expansion and renovation projects (mainly in France), such as the new Odysseum shopping centre in Montpellier and the expansions of the Blagnac shopping centre in Toulouse (see inset) and the Étoile shopping centre in Nîmes.

Klépierre also started other projects during the year; the most emblematic is the shopping gallery in the courtyard of the Saint-Lazare train station in Paris (see inset). Work also continued on the Le Millénaire shopping complex in Auberwilliers, near Paris. These two projects will make Klépierre one of France's largest shopping centre builders over the next few years.

Klépierre increased its presence in northern Italy through a long-standing partnership with Finiper, an Italian retailer, and in Scandinavia through four shopping centres developed by Steen & Strøm: Gulsbogen and Metro in Norway and Sollentuna and Marieberg in Sweden. In Portugal, the group laid the first stone for the Aqua Portimão shopping centre in October 2009.

Klépierre invested a total of around EUR 623.4 million in 2009. Klépierre also made EUR 384.0 million of targeted divestments during the year, mainly involving office buildings, minority stakes in shopping centres, and isolated assets with low growth potential. These transactions reflect the group's active management of its real estate portfolio.

THE KLÉPIERRE GROUP IN EUROPE

13
countries

1,519
employees

14.7
billion euros in assets

274
shopping centres owned

374
shopping centres managed



Blagnac: a regional shopping centre in Toulouse, France

The extension to the Blagnac shopping centre opened for business in October 2008, increasing the number of stores to 118 and doubling the centre's sales area to 24,000 sq.m.. Klépierre invested EUR 117 million in this project. Blagnac is located in one of Toulouse's most attractive suburbs, with an upper middle class population, several international businesses, and a nearby airport - making it the city's dominant shopping centre.



Saint-Lazare train station, at the heart of France's leading shopping district

Modernisation work on Paris' Saint-Lazare train station kicked off on 13 May 2009, following an alliance between Klépierre and SNCF (the French national railway operator) dating back to 1996. 83 stores are scheduled to open in the first quarter of 2012. 1.2 million people pass through the train station every day, as it is situated near Paris' leading business and commercial district. Klépierre expects to invest EUR 136 million in this project.

BNP PARIBAS PRINCIPAL INVESTMENTS

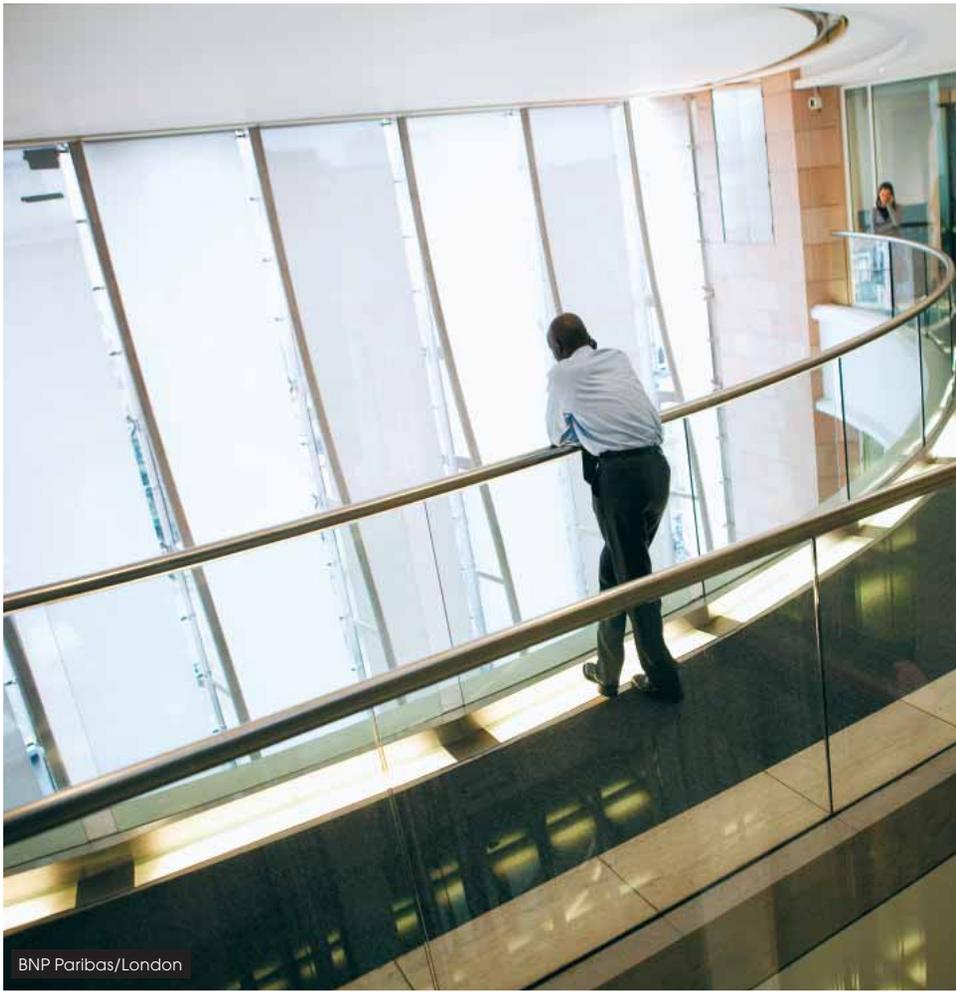
BNP Paribas Principal Investments includes BNP Paribas Capital, along with the Listed Investment and Sovereign Loan Management businesses.

BNP Paribas Capital

BNP Paribas Capital manages the Group's portfolio of unlisted investments outside of the banking sector.

This portfolio had an estimated value of EUR 2.8 billion at 31 December 2009 and is split into four segments:

- directly held strategic investments;
 - directly held minority stakes;
 - investments in funds;
 - joint investments made simultaneously with funds or institutional investors.
-



BNP Paribas/London



TEB/Istanbul



Listed Investment and Sovereign Loan Management

The Listed Investment and Sovereign Loan Management unit has two functions. Its overall mission is to extract the greatest possible value from its assets over the medium term. This aim clearly differentiates the business from a trading activity.

The Listed Investment Management team is in charge of BNP Paribas' portfolio of minority stakes in listed companies.

Sovereign Loan Management's mission is to restructure sovereign loans through the London Club and to manage the portfolio of emerging market sovereign debt, such as Brady bonds, Eurobonds and restructured loans.



INNOV



ATION

Technological advancements, globalisation, environmental concerns: many challenges lie ahead for both businesses and society. Faced with these challenges, BNP Paribas aims to continuously seek out new sources of progress by encouraging ideas and initiatives. For this reason, innovation has been a core component of the Group's strategy for many years. Innovation not only enables BNP Paribas to continuously improve the products and services it offers, but also to find innovative solutions that facilitate the day-to-day tasks of its employees.

In 2007, BNP Paribas launched its Spirit of Innovation programme to promote innovation throughout the organisation. One of the programme's main focuses is to reward innovative achievement through the annual Innovation Awards.

These awards aim to encourage employee creativity and expertise, and reward innovation in all its forms. This includes both the business innovation stemming from initiatives taken by employees or groups of employees whose responsibility is to innovate, as well as the Innov@ction initiative based on suggestions made by an employee or a group of employees, regardless of their position, to improve products, services, or processes and contribute to customer satisfaction.

18 Innovation Awards

In 2009, 18 Innovation Awards were given within BNP Paribas, in 9 countries in the 9 following categories: Sustainable Development, Brands, Process Performance, Managerial Practices Promoting Innovation, Products and Services, Re-Use, Customer Satisfaction, Employee Satisfaction, and Cross-Selling.

SUSTAINABLE DEVELOPMENT

ISO 14001 ENVIRONMENTAL CERTIFICATION FOR THE "WELCOME & SERVICES" BRANCH MODEL

— French Retail Banking

BNP Paribas' "Welcome & Services" branch model has obtained ISO 14001⁽¹⁾ environmental certification. It is the first French bank to have its branch model certified. "Welcome & Services" branches have a user-friendly yet functional interior design and offer customers:

- greater availability of advisers;
- improved customer reception through dedicated employees; and
- broader time bands for ATM use (6 a.m. to 10 p.m. every day)

(1) ISO 14001 aims to help companies control their environmental impacts within a continuous progress approach.

SOUP KITCHENS IN BULGARIA

— BNP Paribas Sofia Branch, Corporate and Investment Banking

The Soup Kitchens in Bulgaria, an initiative launched by employees of BNP Paribas Sofia Branch, provide free hot meals for the elderly and needy throughout the winter.

BRANDS

AN ECO CAFÉ FOR BANK BRANCHES

— French Retail Banking

The Eco Café is an evening event at which 30 to 50 volunteer employees, customers, and prospective customers exchange ideas and views on a topical economic issue.

PROCESS PERFORMANCE

THE FUTUREBANK INITIATIVE

— Bank of the West, Retail Banking

The FutureBank Initiative aims to improve the Retail Banking business model by upgrading and modernising the technological infrastructure.

CROSS-SELLING

A CENTRALISED BUY-SIDE TRADING DESK

— BNP Paribas Fin'AMS, Investment Solutions

The buy-side trading desk set up by BNP Paribas Fin'AMS (BNP Paribas SA's buy-side subsidiary serving asset management firms, insurance companies, and private banks) is built on an open architecture and offers direct access to the markets in all asset categories, including equities, trackers, convertibles, derivatives, fixed income, money market, FX, structured products, and stock lending.



MANAGERIAL PRACTICES PROMOTING INNOVATION

CREATIVE CAFÉ AND INNOVATION CAMPUS

— **TEB, Retail Banking**

The Creative Café developed by TEB brings employees and customers together for two days to exchange ideas about specific topics. Five sessions, each bringing together 100 customers and 300 employees, generated more than 4,000 ideas, some of which have since been put into practice. The Campus Innovation event brings together employees and students in sessions designed to be both entertaining and creative. The sessions take place on the campus and include contributions from experts in the academic world. They also help identify new young talent.

RE-USE

THE LIBRA PROJECT

— **UkrSibbank, Retail Banking**

LiBra, which stands for Light Branch, is a project inspired by the BNP Paribas' "Welcome & Services" branch model in France. It was launched by UkrSibbank in June 2008. The branches have no counter services and offer a simplified range of products with streamlined processes. They are the first fully-automated branches to be opened in Ukraine. The concept of quick, automated transactions (such as opening an account with an initial deposit in less than a quarter of an hour) marks a radical change.

EMPLOYEE SATISFACTION

ECHO' NET V2, THE GROUP'S NEW INTRANET

— **BNP Paribas, Brand Communication & Quality Department**

Echo' Net is the BNP Paribas Group intranet. The Echo' Net V2 project has made the intranet more modern, interactive, flexible and personalised.

LANGUAGE LUNCHES

— **BNP Paribas Technologies & Processes Department**

BNP Paribas ITP - Technologies & Processes* combines the useful with the agreeable by organising lunches for employees to practice and improve their language skills.



CUSTOMER SATISFACTION

QUALITY THROUGH ATTITUDE

— BNP Paribas Assurance, Investment Solutions

In 2008, BNP Paribas Assurance's savings management arm launched Qualitude, a set of innovative structured actions aimed at all employees, who take part on a totally voluntary basis. This project encouraged back-office staff to focus more closely on customer satisfaction.

LEVERAGE ITS GOODWILL GESTURES

— French Retail Banking

An initiative by the Feurs branch (Lyon area) consists of clearly indicating on documents sent to clients the amount or percentage of the goodwill gesture made. In this way, BNP Paribas can leverage the goodwill efforts it makes to enhance its image.

PRODUCTS AND SERVICES

EDF'S ACQUISITION OF BRITISH ENERGY WITH NUCLEAR POWER NOTES

— BNP Paribas Corporate Finance, Corporate & Investment Banking

In 2008 EDF was prepared to abandon plans to purchase British Energy because British Energy's shareholders felt that the offer was too low. BNP Paribas Corporate Finance helped EDF improve its offer by using Nuclear Power Notes. EDF was able to finalise the acquisition thanks to this solution, which gave the shareholders a stake in energy market prices and the returns from British Energy's nuclear plants.

HELPUCOVER, A NEW CHANNEL FOR DISTRIBUTING PERSONAL RISK INSURANCE

— BNP Paribas Assurance, Investment Solutions

BNP Paribas Assurance has developed helpucover.co.uk, a website that guides prospective customers in their choice of insurance by offering them a full review of their existing policies and their needs.

SUPPORT FOR INNOVATIVE BUSINESSES

— French Retail Banking

FRB Corporate Clients has created an effective, competitive offering (including complicated financing arrangements, advice for taking advantage of the French research tax credit, etc.) geared to the specific needs of innovative businesses.



EDUCARE: FINANCIAL EDUCATION WORKSHOPS FOR ITS CUSTOMERS

— BNL bc, Retail Banking

BNL offers its customers workshops to help them take informed financial decisions using tools provided by the bank.

IMPROVEMENT OF THE PRIORITY REWARDS LOYALTY PROGRAMME

— First Hawaiian Bank, Retail Banking

In January 2009, First Hawaiian Bank partnered with BreakAway Loyalty Inc. to develop a reward system using the travel booking engine Orbitz for Business. First Hawaiian is the first Hawaiian bank to have its own Orbitz page.

ORANGE MONEY, A HIGHLY MOBILE BANKING PARTNERSHIP IVORY COAST

— BICICI, Retail Banking

BICICI, in partnership with Orange, launches Orange Money. Orange Money turns a prepaid mobile phone into a real electronic wallet with money transfer and payment solutions. Ivory Coast is not only the first country to offer Orange Money, but also the first West African country to offer a mobile banking service. Orange Money will soon be available in other countries such as Senegal, Mali, Madagascar and Egypt.

SMART CARDS ISSUED DIRECTLY IN-STORE

— BNP Paribas Personal Finance, Retail Banking

Findomestic, Cetelem's commercial brand in Italy, has developed an in-house solution for instantly issuing multi-application EMV (Europay MasterCard Visa, an international standard for smart banking cards) cards directly in-store. The system can personalise a smart card with two applications: an EMV payment application and an application that associates the payment system with the store's loyalty programme.



CORPORA
AND ENVIR
RESPON

TE SOCIAL ONMENTAL SIBILITY

The full report on BNP Paribas' social and environmental responsibility is available from the Sustainable Development section of the www.bnpparibas.com.

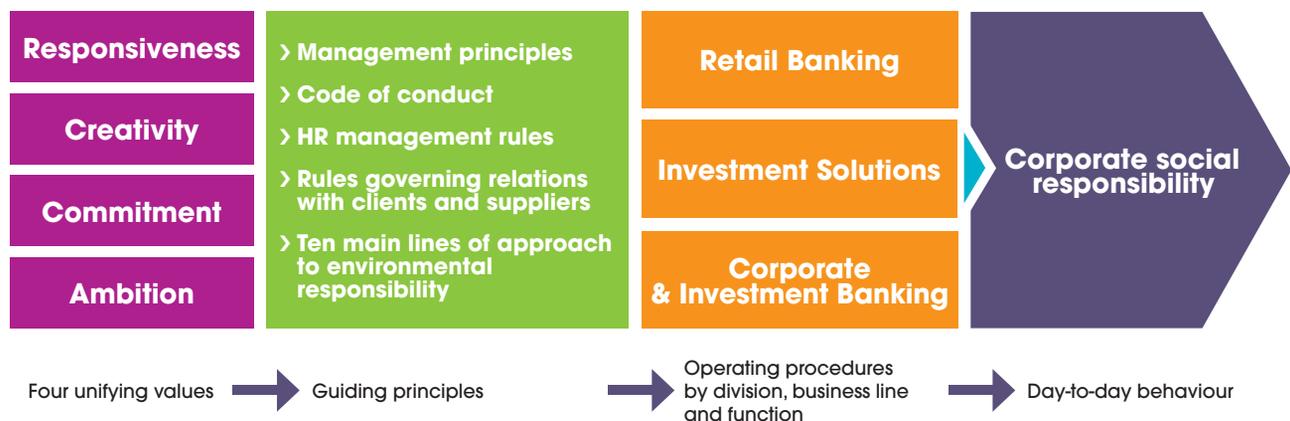
THE GROUP'S APPROACH



Responsibility based on core values and guiding principles

BNP Paribas does not take its approach to sustainable development lightly. The Group's economic, social, and environmental responsibilities are an integral part of its business ethic and are rooted in its founding values: **responsiveness**,

creativity, **commitment**, and **ambition**. These values unite individual actions into a cohesive Group-wide approach.



BNP Paribas, a strong commitment to sustainable development

BNP Paribas bases its sustainable development efforts on targeted, consistent public commitments. In 2009, it actively pursued its participation in numerous initiatives, some of which are specific to the banking sector and others of which are more far-reaching. This allowed the Group to promote sustainable development in a range of areas and at different levels.

Global initiatives

BNP Paribas has been a member of the United Nations Global Compact since 2003. The Compact's ten principles are embedded in the Group's policies and guide all operating decisions. As in previous years, the Group published a Communication on Progress (COP) report in 2009, presenting its ISO 14001 certification for the new Accueil & Services branch model.

BNP Paribas contributes to the work of ORSE (the French research centre for corporate social responsibility), EDE (a coalition of French companies committed to implementing the Universal Declaration of Human Rights), and EpE (a coalition of forty French companies united by a commitment to the environment and sustainable development). For several years now, the Group has also chaired meetings of the sustaina-

ble development club within ANVIE, the French association for interdisciplinary research in humanities and social sciences in the business sector.

BNP Paribas won the 2009 Alpha award for Best Diversity Report in the gender equality category. The jury of CSR specialists judged that the 2008 report fully met the criterion of "good quality of information provided to stakeholders on managing diversity".

Finance sector initiatives

In 2008 BNP Paribas formally adopted the Equator Principles for its project financing activities. These Principles constitute a benchmark for the finance sector to identify, assess, and manage the social and environmental risks related to project financing activities. They are based on the social and environmental performance criteria established by the World Bank and the International Finance Corporation. BNP Paribas also became a member of the Equator Principles Steering Committee in 2009.

In association with the Institutional Investors Group on Climate Change (IIGCC) and the Carbon Disclosure Project, BNP Paribas Asset Management (BNP PAM) encourages companies to consider climate change issues in their investment decisions. BNP PAM is one of

the founding members of the Enhanced Analytics Initiative (EAI) through which it allocates 5% of its brokerage commissions to developing extra-financial research. BNP Paribas is involved in the UK's Business in the Community (BITC) organisation, which brings together more than 700 companies that promote responsible corporate behaviour within society.

The Group's commitment is evident through its involvement in initiatives that expand the reach of its main activities. At an international level, BNP Paribas Investment Partners signed the Principles for Responsible Investment (PRI), launched under the auspices of UNEP Finance. These Principles help companies incorporate environmental, social, and corporate governance issues into their investment decision-making processes.

BNP PARIBAS' PUBLIC COMMITMENTS



Combining CSR and economic performance



FundQuest/Boston

An act of management

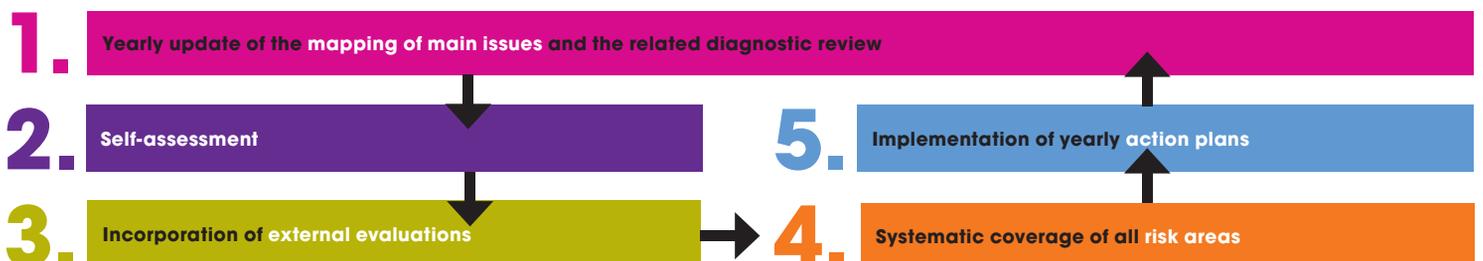
BNP Paribas does not consider corporate social responsibility (CSR) as a simple act of altruism, but rather as an act of management that helps ensure that a company, its employees and its environment are in line with its economic, social and environmental values.

The Group places a great deal of emphasis on CSR, with each business assuming responsibility for any potential impacts its operations may have on its stakeholders or the environment.



BNP Paribas systematically maps all issues involving the social and environmental impacts of the Group's business activities on all its stakeholders. It then carries out a diagnostic review, incorporating the results of self-assessments performed by each entity, ratings from the extra-financial rating agencies,

and input from other stakeholders. The Group's CSR policy is then put into practice through the implementation of action plans at each division, business unit, territory, and function. Any new initiative is approved by the Executive Committee.

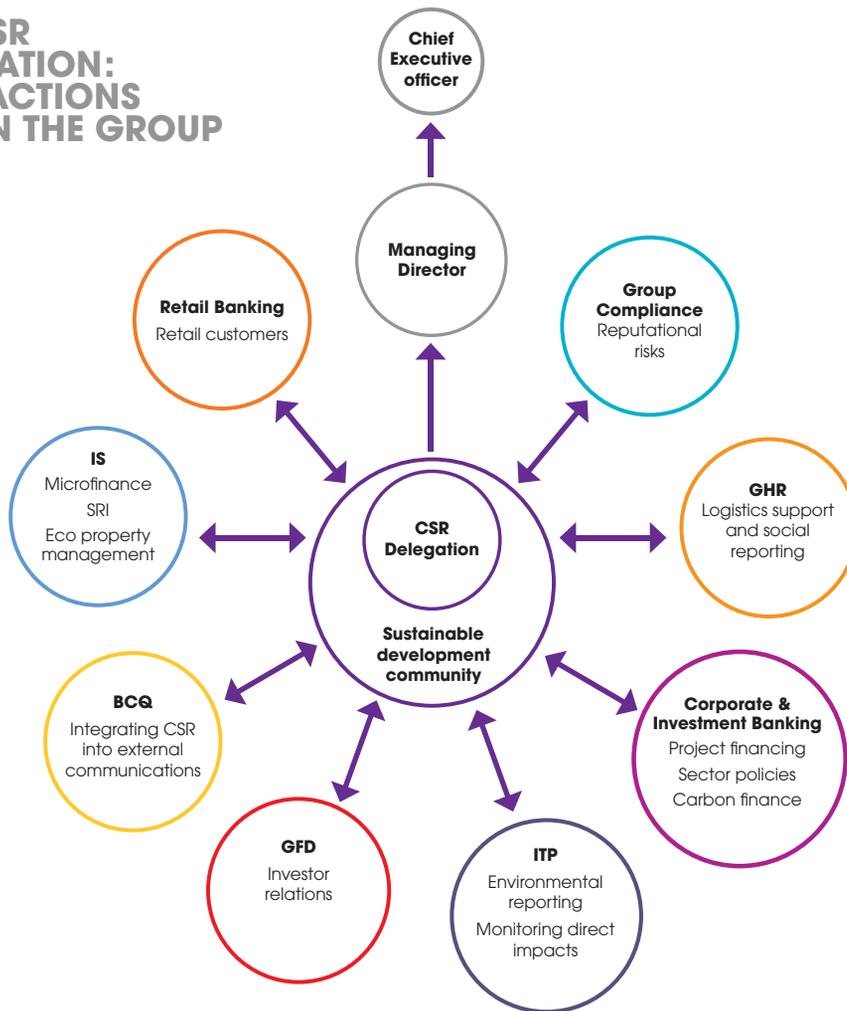


A Group-wide mission

All of BNP Paribas' business units, which operate in more than 80 countries around the world, play a role in the Group's approach. A Group-wide Corporate Social and Environmental Delegation oversees implementation of the overall policy. The Delegation maintains

a direct link with managers throughout the Group and coordinates a network of over 200 experts from all divisions, business units, territories, and functions.

THE CSR DELEGATION: INTERACTIONS WITHIN THE GROUP



The CSR approach at CIB

CIB has its own structure for implementing a wide scale CSR policy. CIB's CSR team is a centre of cross-functional skills in all environmental and social issues and makes its expertise available to clients and employees. It helps ensure that the Equator Principles are applied and develops sector policies for sensitive industries in conjunction with CIB

management and the business lines involved.

It also aims to introduce a widespread environmental and social screening process in its methods of assessing transactions and clients.



Internal controls

The Group has an elaborate internal control system whose various components contribute to the application of its CSR policy. These components include first-level controls by operational staff and their managers, as well as regular audits.

In 2004 the Internal Audit Department and the Corporate Social and Environmental Delegation introduced an audit methodology designed to ensure that all BNP Paribas entities apply directives in accordance with the Group's internal control system. Several controls were put

in place to ensure that all components of the Group's CSR policy are applied. This methodology was completely revamped in 2008 with updated reference documents and guides, and a more systematic treatment of the issues and challenges facing the Group's entities in France and the territories.

THE INTERNAL CONTROL MECHANISM



BNP Paribas/Lyon

Recognition by SRI rating agencies

BNP Paribas is included in all the main sustainability indices: DJSI World, DJSI Stoxx, ASPI Eurozone, FTSE4Good Global 100, FTSE4Good Europe 50, and Ethibel. It is one of only a handful of banks worldwide to feature in all these indices.

SAM

2009 marked the eighth year in a row in which BNP Paribas was included in both the Dow Jones sustainability indices: the DJSI World and DJSI Stoxx. In 2009, it was the only French bank to have been included in both these internationally renowned indices without interruption since 2002.

The companies included in the DJSI indices are selected by means of an annual survey. In 2009, the banking sector survey comprised 94 questions on topics of economic, environmental, and social concern. Sustainable Asset Management Inc. (SAM), a ratings agency, identifies the top companies in each sector based on their replies.

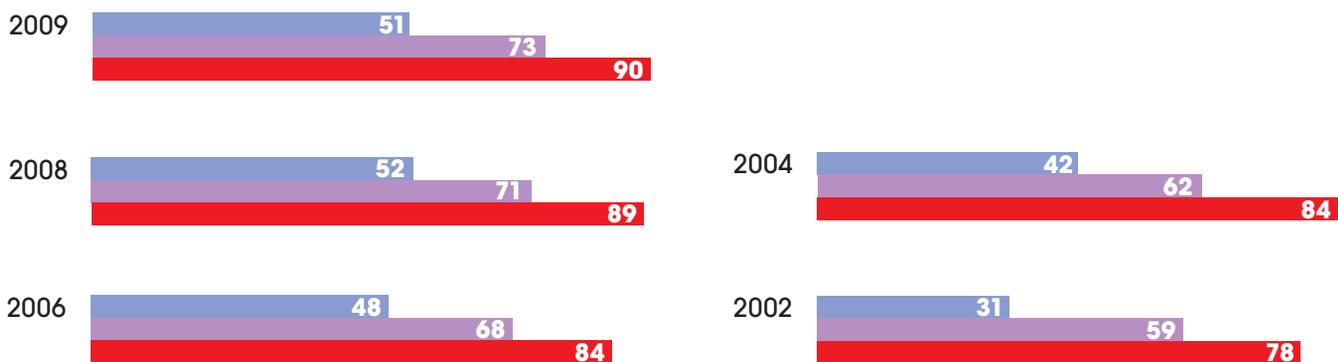
Out of 2,500 companies rated, only 250 actually make it into the DJSI World index. In the banking sector, BNP Paribas was one of only 11 European banks included in the DJSI Stoxx index.

In 2009 BNP Paribas came in significantly higher than the sector average in almost all segments of the survey, with an overall score of 73 out of 100 compared with a sector average of 51. The Group's

score has improved steadily since 2002, especially with respect to economic and environmental concerns. BNP Paribas' inclusion in these benchmark sustainability indices is an acknowledgement of the effectiveness of its Corporate Social Responsibility policy.



CHANGES IN OVERALL SCORES



SECTOR AVERAGE SCORE (%)
BNP PARIBAS SCORE (%)
BEST SCORE (%)





Vigeo

Vigeo is Europe's leading social and environmental rating agency.

The Group is highly rated, particularly for Human Resources, the Environment, Human Rights, and Contribution to Society.

Relevant comparisons cannot be drawn with its ratings in previous years due to changes in methodology.

BNP Paribas is included in:



ASPI Eurozone® index, comprising the Top 120 listed companies in the eurozone in terms of social and environmental performance. Index members are selected on the basis of Vigeo ratings.



Ethibel Excellence Index® Europe index, comprising 200 listed European companies (DJ Stoxx 600 Europe universe) and Ethibel Excellence Index® Global, which comprises listed companies in Europe, North America and Asia-Pacific (DJ Stoxx 1,800 universe). These are companies which have an above-average social and environmental performance based on Vigeo ratings and which apply the ethical criteria set out by the independent Forum Ethibel organisation.

Covalence

Covalence's EthicalQuote system measures the ethical reputation of multinationals based on how they are perceived by the world's key media. In 2009, BNP Paribas ranked among the Top 10 world banks, a strong advance in a sector that has suffered a sharp

decline in image since 2007 due to the financial crisis. The Group has therefore not only improved its position within the finance sector but also its overall ranking, moving up to 74th place at end-2009 out of a total of 541 companies.



Organised dialogue with stakeholders

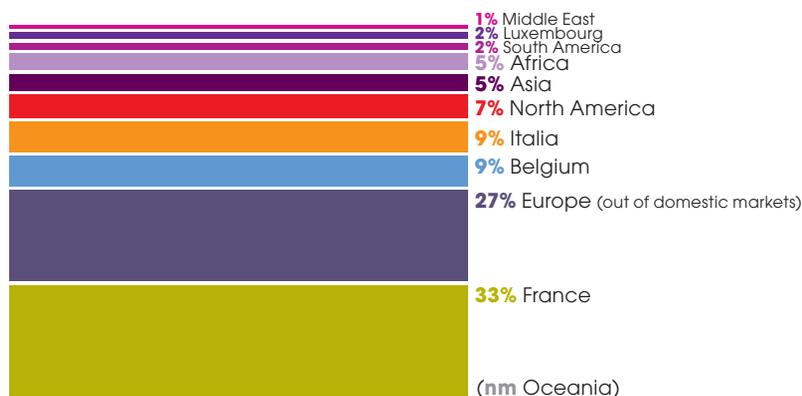
Stakeholder	Communication initiative
Shareholders	<ul style="list-style-type: none"> — In the last two years, meetings have been arranged with the main SRI investors in Finland, Sweden, the Netherlands, Switzerland, France and the United Kingdom — Shareholder Liaison Committee: Opinion on the CSR Report — Dialogue between Investor Relations and fund managers and analysts — Development of a periodical communication, specifically aimed at Socially Responsible Investors — A half-yearly financial newsletter — Annual Shareholder Meeting minutes — Meetings between shareholders and Executive Management in various French cities — Attendance at the Actionaria trade show for shareholders of French companies — <i>La Vie du Cercle</i> newsletter issued three times a year to members of Cercle BNP Paribas — Science and art seminars and visits to manufacturing sites — A toll-free number in France (0800 666 777) and a telephone news service “BNP Paribas en actions” — BNP Paribas’ corporate website, http://invest.bnpparibas.com/eng — A Minitel service: 3614 BNPPACTION — Cooperation with the French Federation of Investment Clubs — Regular earnings releases
Employees	<ul style="list-style-type: none"> — More than 163,000 employees in 75 countries surveyed as part of the Global People Survey on the working environment — European Works Council — Group Works Council in France — Structured dialogue with trade unions — Local BNP Paribas SA committees in France for making decisions at the appropriate level — Mix City, an association of female executives — Echo’Net intranet, which provides daily information on the Group’s strategy and projects to its 200,000 employees — Flu pandemic campaign
Clients and Suppliers	<ul style="list-style-type: none"> — Regular customer satisfaction surveys — A Cetelem booklet on responsible lending and a non-merchant site providing practical advice and services: www.moncreditresponsable.com — A guide for the disabled on access to BNP Paribas branches and ATMs — Relationships with consumer organisations -- dedicated relations with Cetelem and BNP Paribas’ French retail banks — A well-defined procedure for resolving customer complaints in branches through a mediator
Community	<ul style="list-style-type: none"> — Participation in the business forum (Forum des Entreprises) with government representatives — Over 1,300 partnerships formed by the Group’s retail banks in France, most notably with educational establishments — 124 local partnerships set up, including 41 in 2008, and 207 micro-businesses set up in 2009 through the <i>Projet Banlieues</i> social outreach initiative — Running ANVIE’s Sustainable Development Club — Member of working groups run by ORSE, EpE, Medef, AFEV, FBF and Europlace (French associations active in environmental and CSR issues) — A new citizen’s blog, http://www.forachangingworld.com and the “En Région” site which describes the Bank’s initiatives to help its customers in France
Environment	<p>Employee awareness building</p> <ul style="list-style-type: none"> — Use of the Group intranet, the in-house newsletter (<i>Ambition</i>), and internal agreements — A guide on how to be environmentally conscious at work (<i>P’tit Mémo Buro</i>) — Promotion of environmentally-friendly publications (Imprim’Vert) and numerous articles on the environment and new automotive trends posted on Arval’s website (http://www.arval.co.uk/eng) and on the Corporate Vehicle Observatory website (http://www.corporate-vehicle-observatory.com/eng) — A guide for employees written by Arval on responsible driving practices — Training on the Equator Principles given to employees in Paris, New York, and Singapore — A new car sharing site on the Echo’Net intranet for all Group employees.

HUMAN RESOURCES

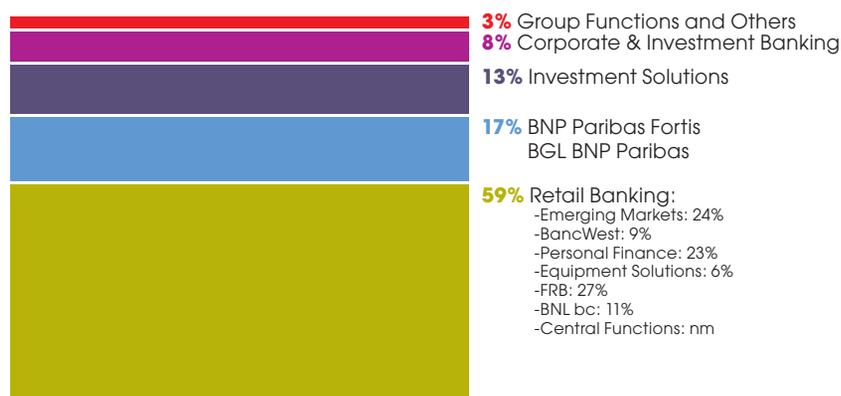
Change in workforce ⁽¹⁾

At end-December 2009, the Group had 201,740 net permanent paid (NPP) employees, representing an increase of 28,552 NPP employees compared with 2008. This increase was primarily attributable to the acquisition of Fortis Banque and BGL which consolidated the Group's presence in Europe. The Group's worldwide workforce breaks down as follows:

BREAKDOWN BY GEOGRAPHIC AREA



TOTAL WORKFORCE BY BUSINESS LINE



(1) For human resources development data, the scope of this analysis is the total NPP workforce managed by BNP Paribas as opposed to the consolidated workforce, which is limited to staff working for fully or proportionately consolidated entities calculated pro rata to the consolidation percentage of each subsidiary.

	2002	2003	2004	2005	2006	2007	2008	2009
Consolidated workforce	87,685	89,071	94,892	101,917	132,507	145,477	154,069	182,459
Total workforce	92,488	93,508	99,433	109,780	141,911	162,687	173,188	201,740



BREAKDOWN BY GEOGRAPHIC AREA

	2006	2007	2008	2009
France	57,123	64,080	64,217	64,635
Europe (excl. France)	53,461	62,473	68,542	95,201
North America	14,810	15,046	15,222	14,984
Asia	5,571	8,833	9,494	10,143
Africa	6,201	6,692	8,883	9,205
Latin America	2,924	3,287	3,957	4,801
Middle East	1,308	1,700	2,194	2,096
Oceania	513	576	679	675
TOTAL	141,911	162,687	173,188	201,740

The Group's workforce in France remained stable in 2009 and now represents less than one-third of the global workforce. The integration of Fortis Banque and BGL was chiefly attributable for the increase in the Group's headcount in Europe. In Eastern Europe, the Group's workforce was reduced significantly due to the extent of the economic crisis affecting the region's local markets.

Age pyramid

The Group's age pyramid remains balanced overall. The lower age groups are predominant in most of the Group's divisions, while the opposite is true of retail banking in France and Italy, while the age pyramid of the Group's retail banking operations in Western Europe is predominantly comprised of older employees. ⁽¹⁾

GROUP AGE PYRAMID - PHYSICAL HEADCOUNT - DECEMBER 2009

FEMALE: 105,718 - 53.13%
MALE: 93,244 - 46.87%

more 60	1,500	1,975
55 to 59	7,932	9,875
50 to 54	10,206	11,344
45 to 49	11,104	10,700
40 to 44	11,077	10,690
35 to 39	14,635	13,601
30 to 34	19,086	15,631
25 to 29	20,987	14,732
under 25	9,191	4,696

(1) Statistical data at December 2009 (excl. TEB, Fundquest and Sahara Bank JSC).

Key challenges of human resources management

Amid the crisis that has struck the financial services industry, BNP Paribas stands out as one of the most robust and profitable banking groups. This is in no small part a result of the personal commitment of each employee, day after day, in the service of the Group's goals. The diversity of BNP Paribas — in its business lines with their particular histories, in its languages, cultures, etc. — represents an ongoing challenge, as does employees' adherence to Group values and strategy: as an enterprise, the Group must be attentive to each person's expectations and must know how to be responsive to them by adapting its human resources policies and managerial practices.

In an extremely turbulent operating environment, the key HR management challenges for the Group revolve around keeping pace with development and change, valuing and motivating staff and retaining their loyalty, promoting diversity, and listening to employees' concerns.

Keeping pace with development and change

As a direct consequence of the major external growth initiatives, the Group's total workforce (NPP) has risen from 99,433 to 201,740 in the last five years. Staff numbers outside France have increased from 45,070 to 137,105 over the same period.

These developments pose two key challenges for HR management:

- anticipate employment trends by forecasting the cumulative effects of organic growth, productivity gains and the Group's age pyramid, which will bring about an average of 1,100 retirements per year by 2020 at BNP Paribas SA in France alone;
- develop the managerial resources needed not only to take the helm as key positions become available through natural attrition, but also to steer the Group's development and external growth plans.

The increasingly high levels of expertise required in the business lines and the Group's changing demographics make identifying and retaining talent a critical component of human resources management. This element presupposes a committed policy of adapting the job to the resource, taking into account the entire population of the Group without discrimination on the basis of age, sex or nationality.

Completing the integration of Fortis will remain a key challenge for coming years. Thanks to the unstinting efforts of more than 4,000 employees, an Industrial Master Plan was developed in less than 150 days. In its four domestic markets (France, Italy, Belgium and Luxembourg), BNP Paribas is uniquely positioned to offer carefully tailored solutions for customers in Europe. The industrial master plan was presented to investors and is being rolled out progressively over the 2009-2011 period.

Adapting quantitatively and qualitatively the workforce

Two specific measures have been adopted to support the Group's external growth initiatives: cross-divisional job mobility and tighter coordination of external recruitment. For this purpose, a dedicated staff unit coordinates workforce planning policy across divisions, business lines and support functions.

The workforce adaptation plan developed for the CIB business lines that were the worst affected by the economic crisis in France was initiated and completed in 2009. It concerned 200 people.

In managing the integration of Fortis' operations within BNP Paribas, the Group is committed to respecting the cultural backgrounds and individual capabilities of staff members in accordance with its corporate values and practices. The priority areas of focus for the Group are to: promote the internal redeployment of employees where positions are eliminated; comply with individual and collective employee benefit obligations; ensure that appointment procedures are fair and based on professional criteria.

To this end, all of the means available to implement restructuring measures in compliance with the terms of the Group's social agreement will be used. Thus, in Belgium, 1,250 jobs will be created through the consolidation of the Group's commercial position and the establishment of several international competency centres in the country.

Speed recruiting events

In France, the Group introduced a novel hiring initiative in October 2009 which focuses on recruitment for the Retail Banking network.

The speed recruiting format was introduced in 2009 and was tested at five job fairs in France. As another aspect of this original approach, Recruitment managers joined forces with the representatives from the Mozaik HR association to coach candidates from disadvantaged neighbourhoods prior to the interview sessions.

Ace Manager: Successful inaugural edition and launch of "the second set"

The inaugural version of this online banking adventure contest attracted a total of 4,364 students, from 106 countries on all 5 continents who competed in 1,091 four-person teams.

The operation showcased the BNP Paribas employer brand to over 700,000 students worldwide as part of the campus tours and promotional events organised to highlight the contest. During the operation, the Ace Manager website received more than 200,000 visitors.

Round two of the operation "Ace Manager - The Second Set" was organised for business school and university students in 26 countries. Ace Manager has been devised in collaboration with BNP Paribas bankers to give students an understanding of the Group's three core businesses: Retail Banking, Corporate and Investment Banking and Investment Solutions. Ace Manager is part of the Group's strategy for boosting its brand awareness as one of the leading employers of graduates worldwide.

Furthermore, natural employee attribution in Belgium and the other countries concerned by the merger (e.g. the other domestic markets of the Group, namely, France, Italy and Luxembourg) will provide possibilities for the redeployment of staff members whose positions are affected by the reorganisations planned in Belgium. To this end, the Group has developed specific resources to promote internal mobility (e.g. mobility centres, dedicated training budgets, support services for redeployed employees, etc.) and is committed to prioritising internal mobility ahead of external recruitment wherever possible.

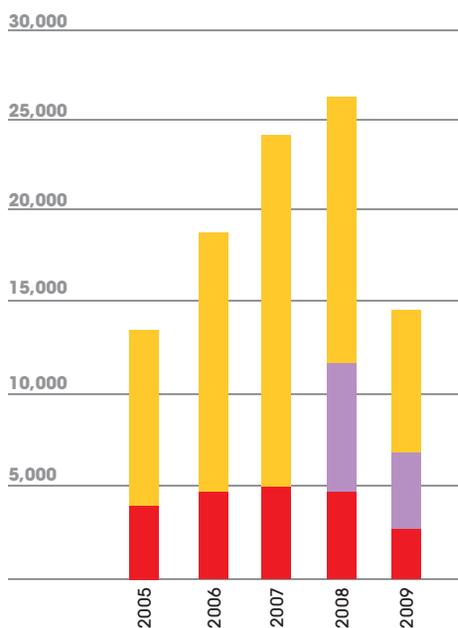
At BNL, the implementation of the workforce reduction plan progressed in consultation with local labour representatives. In view of the demonstrated effectiveness of the workforce planning tools used in France over the past two decades, the Group intends to extend these tools to Italy and Belgium where they will be used on a Europe-wide scale.

Ensuring recruitment that meets the specific needs of each business

In a turbulent economic and financial environment, recruitment remained at a high level in 2009. During the year, a total of 14,549 permanent hires were made by the Group while 2,691 permanent hires were made in France.



FRANCE MAIN EUROPEAN TERRITORIES EXCLUDING FRANCE* REST OF THE WORLD



(* United Kingdom, Italy, Russia, Turkey, Ukraine.)

The distribution of hires in France by age profile was stable in terms of relative shares, with recent graduates accounting for 50%. There were 1,234 hires on work-study contracts, including 764 in professional internships and 470 in apprenticeships, comparable to the levels in 2008. At 31 December 2009, 1,539 young people were employed under work-study contracts in France. The number of trainees taken on under the VIE (Volontariat International en Entreprise) programme was stable, with 190 volunteers sent on missions in 2009, compared with 205 in 2008. The number of work placements for master's students amounted to approximately 1,200.

Close links with schools and universities

The Group maintained and reinforced its policy of developing close ties with third-level institutions in France and Belgium and implemented a wide range of innovative approaches aimed at young people.

BNP Paribas – an attractive employer brand

For the fourth consecutive year, BNP Paribas received a top ranking from final-year business school students in the 2009 edition of the TNS Sofres survey on the best places to work. The Bank was rated in 7th place by engineering students. TNS Sofres polled 269 students from 21 business schools in France. Polls were conducted in the form of one-on-one interviews. Results demonstrate that despite the economic crisis and the recent damage to the reputation of the banking sector, BNP Paribas remains the most attractive employer for university students. The Group was the top company spontaneously named by respondents when asked about the company in which they would most like to work. This preference is attributable to the Group's global presence and the opportunities offered for international careers as well as by the superior working conditions, attractive compensation and extensive training offered by BNP Paribas.

Work-study training for students: a priority

In 2009, BNP Paribas's work-study programme was extended to a further 1,000 students, bringing the total number of work-study positions in the organisation to 1,539. Students following diploma and masters' courses receive work-study training in a specific business line and obtain the necessary experience to ensure that they are fully prepared for the world of work when they graduate. Students following diploma and masters' courses receive work-study training in a specific business line and obtain the necessary experience to ensure that they are fully prepared for the world of work when they graduate. Work-study training not only helps to promote social mobility and professional insertion for participants but also enables them to receive a salary during their studies and, in some cases, to obtain grant assistance from companies for their university fees. The scheme enables young people from all social backgrounds to obtain higher-level training and to enter the workforce.

Combating discrimination

In 2008, three policy documents were developed and circulated within the Group: a Code of Ethics for all Group employees with a role in the recruitment process, together with a methodology for individual hiring interviews and a scorecard to formulate and document decisions taken after interviews with candidates. During the year under review, a handbook on the employee recruitment procedure and ethics code was developed in English for circulation throughout the Group.

In 2009, guidelines on non-discrimination were issued to managers responsible for hiring decisions within Group entities. These guidelines aim to ensure that the recruitment process is managed in an objective, transparent and respectful manner. A series of awareness raising events were organised for managers in each business line and a "recruitment" portal was developed online for employees.

In France, the Group decided to participate in the French government's testing of recruitment via anonymous CVs and carried out studies to examine how to incorporate the approach into their recruitment process.

An ongoing control framework has been developed to verify that hiring decisions are based on skills assessments that are characterised as objective, factual and professional. This framework is designed to ensure the traceability, quality and compliance of the hiring process.

Developing skills of employees and teams

Given the rapid pace of transformation in businesses, work organisation and the labour market, training and skills development plays a critical role in:

- enhancing employees' performance levels;
- increasing their employability within the organisation;
- recognising employees and developing loyalty;
- transmitting the corporate culture and strategic vision of the Group.

Training, a tool for business effectiveness

Training is designed to provide employees with opportunities for learning so that they can achieve their career goals and prepare for future changes. Training also provides a means to become better acquainted with the Group and its corporate culture, its environment, and regulations governing banking activities. Lastly, training initiatives foster knowledge transfer between employees as a means of sharing skills.

To be effective, training initiatives must be closely coordinated and structured as a long-term training programme.

The Group's training catalogue is designed to meet these objectives by combining professional training for the business lines with cross-functional Group training which fosters a shared corporate culture and management principles.

In support of this training policy, BNP Paribas's training centre provides a venue for bringing together employees from across Group.

Enhancing employees' performance levels

Training provided by the business lines is intended primarily to raise the level of employees' professionalism and expertise in their field. For this reason, business lines establish training plans that seek to



maintain competencies at the requisite level for employees to exercise their responsibilities. Training programmes are then developed with input from training specialists in order to make optimal use of new learning technologies. Training initiatives combine classroom training with e-learning, and the training approach is supplemented by testing to ensure that knowledge is transferred. Effective performance also requires acquisition of more cross-cutting skills. In France, the key thrusts for training initiatives include:

- Proficiency in English – existing initiatives were overhauled in 2009 to ensure a closer linkage between requirements identified during testing and training content.
- Professional development -- training courses in project commissioning, project management, personal effectiveness and operational management are provided by the Group training centre in Louveciennes. Training also focuses on bringing together employees from a variety of horizons. In 2009, more than 1,800 employees attended a training course at the Louveciennes centre. To facilitate access to training, a dedicated training catalogue, *Formad'hoc*, has been

developed to assist staff in finding the training offering that best meets their needs.

Enhancing employees' employability with the Group

To confront the massive changes for banking sector business functions, the Group has focused on enhancing employees' cross-business mobility.

To this end, the support framework for employee mobility devised in 2008 was rolled out at Group level with the following objectives:

- realising the value for the Group to be gained from mobility in a context of ongoing and substantial changes within BNP Paribas;
- preparing employees for future mobility;
- supporting business reorganisations that involve employee mobility;
- fostering sharing and knowledge of the Group.

In 2009 a total of 14 sessions were organised for 145 people in order to support employees through major organisational changes.

BNP Paribas further facilitated access to training in 2009 by providing upskilling courses for eligible employees in France. A total of 2,500 training sessions were organised during the year, resulting in the provision of 57,500 training hours.

Induction and orientation for employees

Induction training enables new employees to learn about BNP Paribas and understand the role of their business units within the wider organisation. These programmes provide an occasion for new hires to develop a professional network. They help to create a sense of community by offering shared terms of reference as regards values, business principles and methodologies. Integration training also involves various other components for employees such as initial meetings with managers and fellow team members, discovering their workstations, and learning about the environment in which they will operate.

Louveciennes training centre

The Group training centre, in the magnificent setting of Louveciennes near Paris, is a fully-fledged corporate campus. It not only focuses on building competencies but also on providing a forum for sharing ideas and nurturing the corporate culture. The centre caters to employees from all businesses, countries and backgrounds. In 2009 close to 22,000 employees attended the centre to participate in integration seminars, business-specific courses, cross-functional training programmes and major Group events. The centre's facilities have been upgraded to ensure that they are environmentally friendly and that they comply with sustainable development objectives.

In 2009, the induction programme for new hires was structured into three key elements:

- First steps: New hires are received by their managers and by HR representatives. A specific training tool has been developed which couples new technologies and knowledge of the Group in a "serious game". The so-called "Star-bank" game teaches about banking activities as it is being played and can be used by BNP Paribas entities throughout the world.
- Professionalism: This involves preparing staff to take up their functions and familiarising them with the Group's management principles.
- Perspectives: Introducing employees to the wider Group and to their peers within the organisation. This final phase generally includes an induction seminar which provides participants with a strategic overview of the Group.

The induction programme also ensures that new hires are introduced to the organisation in a manner that is consistent with their level of seniority and business function while ensuring compliance with the Group's principles. It is particularly suitable for graduate recruits as it marks the transition from university into employment.

Transmitting the corporate culture and strategic vision of the Group

The Group's cohesive risk management culture is a key advantage and competitive strength. The rapid growth experienced by the Group in the last five years and the ongoing economic crisis have highlighted the need to reinforce, promote and proliferate BNP Paribas' risk management culture throughout the Group while tailoring this approach to suit the specific environment of each business line.



Risk Academy

To provide a pragmatic and flexible response to this need, the Group's Risk Management and Human Resources Departments launched a joint project, known as "Risk Academy", which is supported by the Group Executive Committee. The project has three goals:

- consolidating and disseminating the Group's risk management approach and capabilities;
- providing a coherent view of the Group's training offering in the area of risk management to all employees;
- developing a community of practitioners.

Valuing, motivating and inspiring loyalty

Inspiring loyalty through competitive remuneration

■ Remuneration

Work performed, skills and level of responsibility are remunerated by base pay which is commensurate with employees' experience and the market norm for each business. Levels of variable pay are determined by individual and collective performance over the year. Variable remuneration takes different forms in the various business lines. Variable pay for investment banking staff conforms to the criteria of the G20 agreement as promulgated by the order issued by the French economy and finance ministry on 3 November 2009 and the professional standards of the French Banking Federation of 5 November 2009. These principles are as follows:

- deferring payment of at least one-half of annual variable pay over a three-year period;
- implementing claw back arrangements with performance conditions for deferred payments;
- indexing the total amount of deferred payments to the performance of the BNP Paribas share, in order to align

the interests of beneficiaries and shareholders.

New practices with respect to the variable compensation of market professionals

The financial crisis highlighted the need for wide-reaching change to how bonuses are paid to traders. Although it is one of the banks to best withstand the crisis, BNP Paribas decided to be a driving force behind this change. The bonus payment policy and rules introduced fully comply with the G20's new international standards and reflects the willingness to exercise restraint. In this new environment, the Group intends to promote the need for consistency between the actions of the employees in question and the company's long-term objectives, in particular with regard to risks.

The bonus pool is determined after taking into account all the charges affecting CIB's market businesses, notably liquidity costs, cost of risk, allocated equity remuneration, exceptional taxes.

The method used to determine individual bonuses includes a quantitative and qualitative performance review of each employee. The evaluation of personal conduct, especially team spirit, and the observance of rules of ethics and compliance are explicitly a part of this process.

Information on the total compensation package

In 2009, more than 47,500 employees in France received a new document for the first time. This document provides a detailed breakdown of the monetary and non-monetary components of the employee's compensation package in 2008. It provides an easy-to-grasp summary of the employee's personal situation, combining

data which had previously only been available from a variety of sources. It will continue to be distributed to employees over coming years and the number of staff members concerned by the initiative will be increased.

Deferred bonuses will be subject to performance requirements over a number of years and pegged to BNP Paribas's share price, in keeping with the Group's determination to promote sustainable practices.

More generally, the Group's remuneration policy is founded upon principles of fairness and transparency which are supported by:

- a uniform process for annual variable pay applying to worldwide operations;
- a strict delegation system which operates in accordance with directives set at Group level;
- reinforced oversight performed by Remuneration Committees and, in the investment banking function, by Compliance, Risk and Finance Committees.

An extensive range of benefits

■ Employee share ownership

The Group has always encouraged employee share ownership through an annual share issue reserved for employees. Since the formation of the BNP Paribas Group in 2000, the worldwide employee share ownership plan has offered employees the opportunity to become shareholders of their company for a minimum period of five years. They are entitled to a discount on the shares they purchase and to top-up payments from the company. To date, nine share issues have been offered to Group employees.

■ Employee savings and pension plans

Employee savings plans enable employees to build up their savings, in particular with a view to retirement, while at the same time ensuring optimal local

tax treatment and social security benefits. In recognition of the demographic trends prevailing in a wide variety of nations, the Group has prioritised the issue of provision for retirement. In France, several thousand employees subscribe to the Group retirement savings plan (PERCO). Their savings become available on retirement, in the form of an annuity or a lump-sum payment. Top-up payments into PERCO amounted to EUR 3 million in 2009.

■ Other company benefits

The Group has a longstanding benefits policy which provides a high level of protection for employees. These mechanisms have been harmonised, particularly outside France, with the aim of ensuring greater consistency between local systems that are sometimes quite disparate. Outside France, the Group seeks to provide company benefits that cover medical consultations and hospital stays to its local employees and their families.



PROFIT-SHARING AND INCENTIVE PLANS – BNP PARIBAS SA (AMOUNTS IN EUROS)

Amount payable in respect of the year listed	2004	2005	2006	2007	2008	2009
Total gross amount	148,701,874	186,076,788	227,719,000	232,530,560	84,879,969	181,349,984
Minimum amount per employee	2,945	3,772	4,696	4,728	1,738	3,782
Maximum amount per employee	10,020	10,689	12,732	12,800	4,641	10,128

Employee savings plans

BNP Paribas organises employee savings schemes, which are eligible for top-up payments by the company and which provide a tax-efficient savings vehicle for staff. Employees can choose the investment vehicles that suit their objectives: funds invested in BNP Paribas shares, in diversified equities, in bonds, or simply a blocked cash account. In 2009, the range of investment vehicles proposed under the Group's employee savings scheme was extended to include solidarity and socially responsible savings plans.

A flexible, customised contingency plan in France

BNP Paribas' personal contingency insurance plan was set up under a company-wide agreement and has few equivalents in French companies. This flexible plan offers staff a high level of cover for absences from work due to illness, disability or death. Starting from a basic plan that applies automatically, employees can adjust the protection to their personal or family situation by choosing benefit amounts and supplementary cover as needed: higher benefit for accidental death, education annuity, temporary income for the spouse and a lump sum payment in the event of the death of a spouse. Plan options can be modified regularly.

Incentive and mandatory profit-sharing plans in France

The Group seeks to optimise collective profit-based incentive schemes according to the legal, social and tax context of each entity: profit-sharing (mandatory) and incentive (voluntary) plans in France, similar profit-sharing plans in many other territories.

Dynamic career and mobility management

Career development efforts in 2009 focused on improving career management processes in several areas such as expanding the scope for identifying high-potential executives, incorporating evaluations of managerial performance into the identification process, and ensuring effective succession planning.

Career management to prepare and support employee advancement

BNP Paribas' career management policy is designed to enable employees to progress continuously within a coherent and structured framework. The Group invests in various continuous training programmes which are tailored to individual profiles and aspirations. Career management is based first and foremost on the relationship between the employee and his or her manager. Human resources managers' role is to monitor this relationship and to follow up on each individual's career advancement.

A robust succession planning process

One of the Group's most important tasks in terms of career management consists of preparing for the future by ensuring long-term succession for executive management positions. Succession planning committees which bring together managers from the various divisions and functions and human resources managers meet once a year to identify promising executives who show the potential to take up key posts within the organisation. Executive roles within the Group provide a springboard

for talented individuals while promoting their integration within the Group and providing opportunities to develop leadership skills.

Specific training programmes (PRISM and NEXTEP) have been developed for high-potential executives within the Group and are provided by the Louve-ciennes training centre.

Transmitting the culture and strategic vision of the Group: Talent Development Program

BNP Paribas has developed a Talent Development Program which is designed to provide high-potential employees with international experience. The program is devised in a collaborative way, created with the help of HR and managers from the various divisions and territories. Its purpose is to ensure effective executive succession planning and to keep pace with the Group's growth. The Talent Development Program comprises three training cycles: "Leadership for Development", established in 2005 in partnership with Collège de l'École polytechnique, is intended for experienced high-potential managers and designed to enhance leadership abilities. Training is provided in two sessions and was extended to 105 participants in 2009. In addition, the two training programmes developed for high-potential junior managers and first deployed in 2008 were repeated in 2009: The "Go to Lead" module was provided to 117 employees and is designed to strengthen their ability to collaborate in multi-disciplinary and multi-cultural environments. The "Share to Lead" module for high-potential junior managers was completed by 113 participants and provides them with



BNP Paribas/London

CAREER MANAGEMENT



Executive development seminars

The objectives for the PRISM and NEXTEP programmes are closely aligned with those of the Group's career management process. They focus on creating and nurturing a community of senior executives in key positions (PRISM) and ensuring success in high-profile career promotions (NEXTEP). The aim is to ensure a linkage between training and career management policies and that conditions are in place to provide senior executives with the skills they need to drive the Group's expansion. In 2009, 127 people took part in four PRISM sessions which were focused on individuals taking up "manager of managers" positions within the organisation. In addition, NEXTEP seminars were organised for executives taking up positions of increased responsibility within the Group.

Anta Diagne Diack, named "Best Female Manager" in Senegal

Ms. Anta Diagne Diack, Deputy CEO of BICIS, BNP Paribas's subsidiary in Senegal, was voted the "Best Female Manager 2008" by the jury of the 5th Cauris d'Or, an annual business awards ceremony organised by the Senegalese employers' federation, MEDS. A gala award ceremony was held to present the prize on 9 May 2009. Ms. Diack expressed her gratitude on receiving this honour: "This award is symbolic. Through its decision, the panel has chosen to reward a female manager and to encourage her to pursue her efforts in her professional and personal life. Above and beyond the personal recognition, I am especially delighted about the positive impact that this may have on BICIS and BNP Paribas who gave me the opportunity to succeed in such a challenge."



insights on team leadership while helping them to identify their potential for improvement.

A dynamic mobility policy

Career mobility is not only a source of competitive advantage for BNP Paribas. It is also the preferred means of adapting human resources to organisational change. Mobility enables employees to enrich their professional experience and move ahead in their careers. Various forms of career mobility are used to develop employees' potential in new business lines and enable them to develop new capabilities:

- *functional mobility*. Mobility does not automatically involve a change of position; it may also encompass professional development through the enrichment of skills, abilities and knowledge;
- *geographical mobility*. This involves moving employees to new cities or, in the case of international mobility, to another country;
- *inter-company mobility*. Employees move from one Group entity to another.

Although the diversity of the Group's businesses provides enormous scope for career mobility, mobility decisions must take account of employees' individual aspirations while ensuring that opti-

mal use is made of their existing skills. Thus, the Group's performance evaluation framework encourages dialogue between employees and managers as a key prerequisite for career management. More generally, the size, scale and breadth of the Group's worldwide operations provide ample opportunities for career mobility. Despite the impact of the economic crisis, mobility opportunities were provided for several thousand employees in 2009.

A support framework has been developed for expatriate managers in order to facilitate cross-border mobility. This comprises intercultural awareness training, support for spouses seeking employment, administrative assistance, etc. In addition, an internal job vacancy postings service ("E-jobs") is also being deployed at Group level. The number of job openings posted on E-jobs currently stands at around one thousand across France, Italy and Spain.

In other countries, particularly in Belgium, France and Italy, the Group has put in place dedicated structures (staff, training, information, etc.) to promote career mobility.

Promoting diversity in all its forms

The Group has expanded rapidly into new business lines and operating territories in recent years. The Group's operating structure reflects this evolution and shows a balance across business lines and geographic areas.

BNP Paribas and its commitment to diversity: "The Spirit of Diversity"

With over 200,000 employees of more than 160 nationalities across 80-plus countries, BNP Paribas views employee diversity both as a major strength for "the bank for a changing world" and a source of performance enhancement. The Group has a duty to be a standard setter for corporate social responsibility. BNP Paribas also believes that mixing people from different backgrounds not only helps to spur creativity and efficiency, but also ensures that its organisation mirrors the societies in which it operates.

To fulfil its corporate mission statement as "the bank for a changing world", BNP Paribas has made a key investment in promoting diversity. The Group's Diversity policy is coordinated by the Group's executive management and the Executive Committee. Its overarching purpose is to ensure non-discrimination. The Diversity policy provides a common framework for the Group. Each country has developed an individual diversity policy which is designed to cater to its specific legal, cultural and social context.

BNP Paribas published its first Diversity Report in November 2009. The report is designed to measure the results of initiatives underway within the Group since 2004. Specific indicators have been developed for each cross-cutting component of the Group's Diversity policy. These include: diversity of backgrounds, gender equality, employment opportunities and integration of disabled persons and age diversity.

Group initiatives in the area of diversity are publicised on the corporate website: www.bnpparibas.com/diversité; as well as through BNP Paribas's corporate blog: www.forachangingworld.com.

Diversity of backgrounds

International teams

As BNP Paribas has grown and expanded internationally, the Group's worldwide workforce has increased over successive years since 2000, exceeding 200,000 employees at end-2009. In the last nine years, the percentage of employees outside France has risen from 40.8% to 67%. To accompany its rapid international expansion, BNP Paribas strives to include more international managers in its executive teams, as demonstrated by its appointment of a non-French national to the Executive Committee. The proportion of non-French nationals in the management cadre has increased significantly thus creating ever more international management teams.

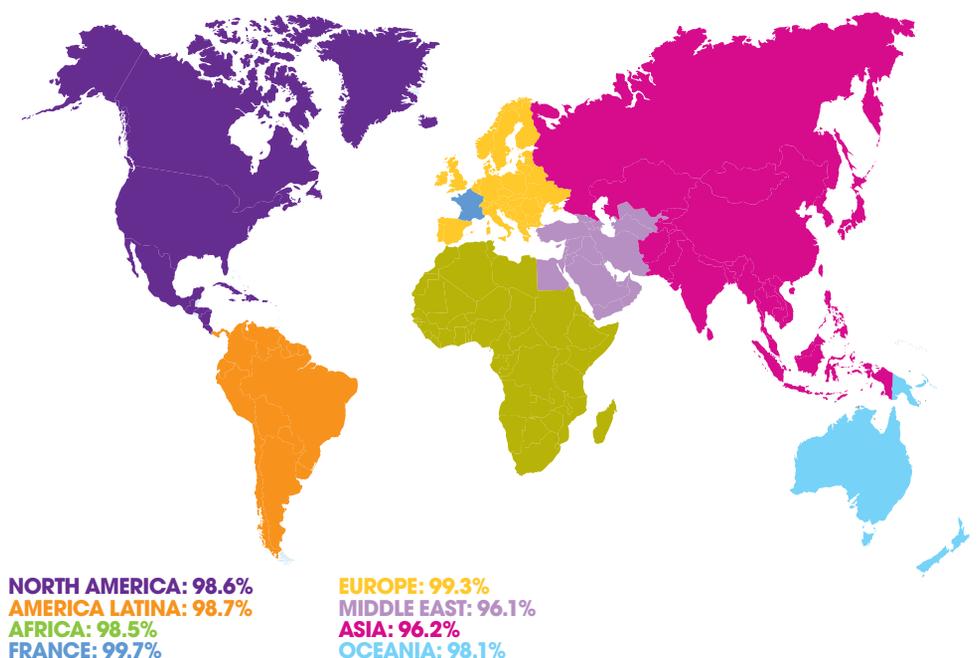
The Group's expatriation policy has been devised to foster an international corporate culture and to facilitate the formation of international teams: expatriation kit, support programme for spouses of expatriates, intercultural awareness training. In the United States, a new training programme has

been designed for employees transferred from other countries. The programme helps employees to understand cultural differences that can impact on their working methods, management styles and teamwork approaches.

By employing local people, BNP Paribas directly contributes to the development of the countries in which it operates. This not only ensures that the Group becomes closely embedded within each culture and community, but also provides local employees⁽¹⁾ with access to positions of higher responsibility within the subsidiaries and branches while enabling them to pursue careers within the Group.

In 2008, the Group pilot tested a new training course for HR managers entitled "Managing diversity as a component of performance". The training course was trialled across a variety of business lines and functions. In 2009, this training course was extended to managers outside the HR function. In France, a total of 1,200 managers had undergone the course by end-2009.

PERCENTAGE OF LOCAL STAFF EMPLOYED BY GEOGRAPHIC AREA



(1) Staff members who are not employed under expatriate agreements.

Diversity: a patchwork of local initiatives throughout the world

Diversity initiatives are being pursued by Group entities in a variety of countries. In the United States, BNP Paribas's subsidiaries in New York have established a Diversity Council which organises high-profile initiatives such as Diversity Day (scheduled for 28 October 2009). In Bahrain, gender equality is a key element in diversity initiatives and training efforts. In the United Kingdom, a Women's Internal Network has been established in London and mirrors a similar Group initiative in France. In Belgium, Fortis took steps to develop a diversity policy as part of its integration into the BNP Paribas Group. A series of audits have been performed and working groups established.



A diversity award in France

In 2009, BNP Paribas became the first and only French bank to be awarded the French government's "Label Diversité". This certificate recognises the initiatives pursued by the Bank since the signature of its Diversity Charter in 2004 and rewards BNP Paribas for its exemplary practices in terms of diversity in France. The "Spirit of Diversity" policy covers 18 forms of discrimination which are prohibited by law: origin, gender, age, marital status, pregnancy, physical appearance, surname, health status, disability, genetic characteristics, lifestyle, sexual orientation, political beliefs, membership of a trade union and belonging or non-belonging, whether actual or assumed, to an ethnic group, nation, race or religion. The award was conferred on the recommendation of a committee of representatives from government, trade unions, employer representative bodies and France's national association of human resources directors (ANDRH). It recompenses the Group's determination to play a key role in fostering social insertion, equal opportunity, social bonds and non-discrimination.



BNP Paribas/Paris

Outreach to visible minorities in France

BNP Paribas organises a range of outreach events for visible minorities in France. These actions are designed to enable the Group to diversify its candidate pool and to ensure that minority candidates are not dissuaded from applying to join the organisation. To promote equal opportunity, the Group participates in job fairs organised for visible minorities and in employment diversity forums in underprivileged areas. These include IMS, Africagora, AFIJ, the "Zéro Discrimination" initiative in Lyon, and the "Nos quartiers ont du talent" project with the French employers' federation (MEDEF), etc. As in 2008, the Group participated in the equal opportunity employment roadshow "Train pour l'emploi" organised in March 2009. This event enabled the ten companies taking part to meet job seekers who were pre-screened by public sector employment services, youth employment services and associations involved in promoting equal opportunities.

Please refer to section 3.1.2: Ensuring recruitment that meets the specific needs of each business for more information on initiatives to promote non-discrimination and professional insertion.

BNP Paribas stepped up its actions to promote diversity in the workforce in 2009. During the year, the Group marked the tenth anniversary of its presence in the Seine-Saint-Denis department with an inauguration ceremony for the Grands Moulins de Pantin office complex.



Initiatives in favour of visible minorities are coordinated in partnership with non-profit associations working in the area of professional insertion. Please refer to the CSR Report under A partner in society for more information on these partnerships.

Gender equality in the workplace

In 2004, as required by the law, BNP Paribas chose to examine the conditions under which gender equality was being upheld within the Bank's operations. Although well represented in the workforce, in some cases women face a "glass ceiling" which keeps them from rising above a certain level. In recognition of this issue, the Group has committed itself to foster equality of opportunity and treatment between men and women at all stages of professional life and to do more to promote women into managerial and supervisory positions.

Objective 2012: 20% of women in senior management positions within the Group

Diversity management is a key component of organisational efficiency. In this area, the Group CEO has set an ambitious goal. By 2012, women will occupy 20% of the key management positions within the Group. This will entail a concerted effort to promote at least 100 additional women to senior management positions.



FundQuest/Boston



BNP Paribas/Bahrain

In France, the percentage of women promoted into management positions (as defined in the banking industry collective agreement) or executive management positions (for subsidiaries not governed by that agreement) stood at 38% in 2009, versus 32% a year earlier, and 28.5% in 2007. At BNP Paribas SA, the proportion of women executives has been rising steadily in recent years; it was 38.8% in 2005, 40.3% in 2006, 41.4% in 2007, 43.1% in 2008 and 44% in 2009. See NRE appendix – Social chapter for more information. By 2007, BNP Paribas had already exceeded the 2010 target set within the banking industry for the feminisation of managerial employment. As of end-2009, BNP Paribas had achieved its 44% goal, one year ahead of schedule.

The Group's operations in Italy have also taken steps in this area. Thus, women accounted for 37.9% of the workforce in 2009, versus 31.3% a year earlier. Women accounted for 26.6% of managerial positions and 10.7% of executive management teams.

Gender equality networks

In France, the MixCity network was formally incorporated as a non-profit association — BNP Paribas MixCity. The objective is to create an active, value-added social network within the company and to serve as an advocate for diversity both

within the organisation and within society. Membership is open to all female executives with an employment status equivalent to that of the French "cadre". The association's purpose is to provide a forum for exchange between members and the Group's executive management bodies as well as with other women's groups in France and internationally. Its objective is to propose new "rules of the game" and to develop new possibilities for the advancement of women and to assist women in their day-to-day management roles by promoting measures which facilitate work-life balance. A wide range of activities are proposed: breakfast and lunch meetings, awareness-raising workshops, training sessions and meetings with motivational speakers who have specific experience to share (www.association-bnpparibas-mixcity.com).

As from 2008, the MixCity initiative was spread to other countries, starting in Luxembourg. In 2009, in the United Kingdom, a Women's Internal Network was established in London while in the Gulf Region, a similar initiative was organised in Bahrain. Other networks are in the process of being formed in Belgium and Spain.

In London, the women's networking group is coordinated by a steering committee of 25 women executives. The group has initially concentrated on mentoring efforts and on actions to increase the number of women applying for positions in investment banking.

2009 Prize for "Best Diversity Report"

Each year, France's "International Conference on Diversity" awards a prize for the CAC-40 listed company with the most comprehensive section on diversity in their corporate social responsibility report. In 2009, the French association "Défis de la Diversité" worked alongside the prospective research centre of Groupe Alpha to analyse corporate social and environmental responsibility reports using 33 different indicators. BNP Paribas's 2008 annual report fully satisfied the award jury's selection criterion of "high quality of information provided to stakeholders on diversity management". The jury, which comprised practitioners and academics specialised in the field of CSR and diversity management, awarded its first prize to BNP Paribas for the "Best Diversity Report" under the "gender equality" category.

Company agreements in France

BNP Paribas SA signed a long-term agreement on gender equality in the workplace in July 2007. The agreement replaced the previous three-year agreement, signed in April 2004. The agreement defines the principles to be observed to promote equal opportunity and gender equality at work. It provides for means of fostering work-life balance and for bridging, over a period of three years, pay differences between men and women working at the same grades and with comparable levels of qualifications, responsibility and professional effectiveness as determined by performance evaluations. A budget of EUR 3 million was set aside to reduce salary differentials in 2008 and 2009. The initiative will be repeated in 2010.

BNP Paribas, the leading CAC 40 listed company for its level of representation of women on its Board of Directors

A survey conducted by ORSE, the French observatory on corporate social responsibility, the French Institute of Company Directors, and the European Professional Women's Network – Paris, found that women accounted for 28.5% of the members of the Board of Directors of BNP Paribas, making it a leader among its peers. Only four CAC 40 companies had boards with more than 20% women directors.

Employment and integration of persons with disabilities in France

Integration of persons with disabilities is a key aspect of the Group's commitment to social responsibility. To this end, the Group strives to retain disabled employees and to be more effective in hiring disabled professionals.

Implementation of the 2008 agreement on employment of persons with disabilities

Year two of the implementation of the agreement on the employment of persons with disabilities for the 2008-2012 period saw the approval of an action plan for the recruitment of disabled employees and a target of hiring at least 170 disabled employees by the end of 2011. The plan is being implemented in partnership with Agefiph, the French agency responsible for collecting employer social security contributions. It will focus initially on disabled persons who have had uncommon career paths and varied professional experience outside the banking industry. The plan includes measures to facilitate the integration of disabled employees and provide training which is appropriate to their careers. As from 1 July 2009, the Group's Human Resources Department has borne the cost of payroll expenses for disabled employees who are newly hired under permanent and fixed-term contracts for the first twelve months of their employment. This initiative is designed to encourage operational entities to take part in the scheme.

In Italy, BNL has introduced measures to provide increased support for employees with disabilities, particularly in the areas of career planning, workplace ergonomics and information. In 2009, 52 persons with disabilities were hired by BNL, bringing the total number of disabled professionals employed by the Italian subsidiary to 509.



BNP Paribas/Bahrain

Parenthood: pilot initiatives in France

The Group has adopted a range of family-friendly initiatives and developed partnerships aimed at assisting employees who are or about to become parents:

The eleven-day paternity leave available to employees of BNP Paribas SA comes with full pay in order to encourage fathers to fulfil their parenting role; crèches and concierge services are provided at BNP Paribas Securities Services and BNP Paribas Assurance. BNP Paribas Assurance provides around 30 places in its crèches. Both subsidiaries have established partnerships in France to provide children's leisure activities on Wednesdays and during the school holidays; the MixCity women's network produced two brochures for employees: "Group agreement on gender equality in the workplace" and "Maternity or adoption";

The Group has formed a partnership with FEPEM, an association of in-home employers in the Paris region, to advise Group employees in France on the formalities of day-care: filing requirements for the hiring of care providers, collective agreements covering in-home workers, family allowance benefits, entitlements to reduced rates of social security contributions and income tax, etc;

The Group contributed to the publication of a guide on promoting parental responsibility among male employees by ORSE (observatory on corporate social responsibility) issued in November 2008. The guide was distributed to employees in France.

These initiatives were favourably received both by male and female employees. In 2009, the Group became a corporate member of the French "Parenthood Observatory", an organisation which seeks to promote work-life balance for parents.

Equality for employees in married and civil partnership couples

Since 1 January 2009, as part of BNP Paribas SA's commitments to promoting diversity and parenthood, the Bank has extended the same parental leave rights to employees in civil partnership couples as those in marriages. This non-discrimination measure follows on from the signature by BNP Paribas of a "Parenthood Charter" in 2008.

France's High Council for the Family

The High Council for the Family, in France, is chaired by the Prime Minister. Its purpose is to coordinate family-friendly policies and to monitor changes in social, economic and demographic patterns.

The 52 Council members are drawn from family organisations, employee representative bodies, regional authorities, social security funds and national government. Seven

expert members are appointed up a recommendation by the French Minister with responsibility for family affairs. On 30 July 2009, the Director of Human Resources of BNP Paribas Personal

Finance was appointed as an expert member by the Minister with responsibility for family affairs and will participate in the deliberations of the Council.

Under the aegis of “Projet Handicap”, ongoing efforts are being pursued to raise the awareness of non-disabled employees, to improve conditions for the inclusion and retention of disabled employees in the workforce. The project team coordinates the work of a variety of participants and seeks to develop new partnerships. The retention of disabled employees is optimised through physical and organisational accommodations and by providing secure transitions between jobs. Procurement of services from the sheltered employment sector will be increased. A commission meeting to monitor implementation of the agreement will be held each year in spring.

For more than twenty years, BNP Paribas has been working on behalf of persons with disabilities by supporting an employment rehabilitation centre (ESAT) that it formed, “Institut des Cent-Arpents”.

Outreach efforts for people with disabilities

Awareness-raising workshops: “Projet Handicap” organised a series of roving workshops to raise awareness about the capabilities of staff with visual and hearing disabilities as well as disability-friendly technologies. These workshops were organised over several months at a variety of office locations and gave participants an opportunity to meet with employees in their workplaces.

Promoting the recruitment of disabled persons: In spring 2009 BNP Paribas launched a communications initiative targeting disabled persons. The campaign used print media and online advertising to highlight the Group’s commitment to providing disabled professionals with positions that match their skills. The Group is committed to promoting the recruitment of disabled persons on permanent contracts and work-study contracts as well as improving workplace ergonomics to permit the retention of existing employees.

Open day for disabled persons: In November 2009, BNP Paribas held an “open house” at its Marché Saint-Honoré office building in central Paris for the third consecutive year. The event was held to coincide with France’s thirteenth annual “National week for the employment of disabled persons”. It provided participants with an introduction to the Group’s business lines and enabled them to submit their CVs. The event was attended by employees representing each of BNP Paribas’s divisions — Retail Banking, Investment Solutions, Corporate and Investment Banking, core functions and subsidiaries.



Age diversity

As part of its diversity and gender equality drive, BNP Paribas follows an employment policy designed to help extend employees’ working lives. At BNP Paribas SA, measures that allowed employees to leave on early retirement were restricted in 2004 and eliminated altogether in 2006. The proportion of employees aged 55 and over stood at 20.5% of the workforce at end-2009 versus 10% at end-2003.

With the lengthening of working lives, BNP Paribas seeks to provide career prospects for employees aged 45 and over by facilitating further development of their skills and responsibilities. Under the sectoral agreement of 9 July 2008 on age discrimination and the employment of seniors, the enterprise is committed to a gradually increasing average age of retirement, rising from 55 years to a target of 60 years by 31 December 2012. The enterprise is also committed to doing more to manage the latter part of employees’ careers and to producing an annual report on the employment of seniors.

The enterprise commits to the principles of equal access to professional training and individual right to training regardless of age.

The “Managing Diversity as a Performance Lever” seminar launched in 2008 is designed to draw managers’ attention to the issue of age diversity and remind them that all forms of age discrimination are prohibited.

By the end of 2009, all Group entities in France had defined their employment policies for seniors. These will be implemented as from 2010 over a three-year period. Policies set overall objectives for the proportion of senior employees within the workforce while identifying measures to promote the employment of seniors. The employment policy for seniors is a key component of the Group’s overall efforts in the areas of non-discrimination and equality of opportunity.

Listening to employees



“By asking us to participate in this survey, BNP Paribas has demonstrated that it is committed to achieving improvements. It gives me the feeling of working for a company that is attentive to its employees.”

Global People Survey

Global People Survey: **tracing the road ahead**

In 2008 the BNP Paribas launched an annual “Global People Survey” in 10 languages for a population of 25,000 employees around the world.

In 2009, the survey process was greatly expanded and was conducted online for the first time. The questionnaire was developed in 17 languages and included 80 questions in 15 different themes. It also included an open-ended question asking employees to comment on the direction for change within the organisation. The new edition of the survey provided an opportunity to gauge the level of commitment of the Group’s worldwide employees along with their opinions about their day-to-day work, their image of the Bank and of its management teams and BNP Paribas’s corporate social and environmental responsibility (CSR) efforts.

The second edition of the Global People

Survey was conducted with the assistance of Towers Watson which analysed and processed the survey results in a manner which ensured strict anonymity and confidentiality. The June 2009 edition of the survey was extended to a sample base of 163,000 employees in 75 countries and included employees from BNP Paribas Fortis. This larger sample base provided more representative survey results. The survey was one of the first corporate projects organised in collaboration with Fortis. The overall survey response rate for 2009 was 51%, giving 83,000 completed questionnaires.

The results provided data for each business area, division, function and country. Survey results were further broken down by age, seniority, etc. to provide an invaluable information source which enables comparisons between Group entities and facilitates sharing of good practices. The changes in survey responses from year to year helped to highlight areas of action for Group entities.



BNP Paribas/London

The open-ended question concerning the direction for change within the organisation elicited 32,152 responses (52% of respondents). In addition to expressing satisfaction at being able to participate in a worldwide survey, employees also expressed a wide range of expectations which were carefully analysed in order to plan the direction for future initiatives. The numerous suggestions helped to enrich the content of action plans for Group entities.

Despite the turbulent economic climate, the survey results demonstrated the extent of employees' commitment to the organisation and their confidence in the strategic choices of its executive management. Employees consider that the Group is well positioned to meet future challenges.

In relation to BNP Paribas's commitment to corporate social and environmental responsibility, employee perceptions were even more favourable in relation to 2008 and their comments provided a

variety of suggestions for locally-based initiatives.

The Group's CSR policy was cited as the second-most motivating factor for employees, next to leadership. The emphasis placed on the Group's commitment to CSR was consistent across the entire Group irrespective of the business line or function in which employees operate, age, hierarchical level, employment status (managerial or line positions) and regardless of whether staff belong to special population groups.

In the current economic crisis, the survey results underline the contrast between employees' perceptions of the Group's responsibility and the negative treatment of the banking industry in the French media.

A reference guide on best practice in CSR

BNP Paribas Wealth Management has developed a best practice guide for employees to showcase its initiatives in the field of corporate social and environmental responsibility (CSR). This informative guide educates staff about ways in which they can contribute to the company's sustainability drive. The guide is designed to be both practical and fun. It is presented in a quiz format which gives staff all of the relevant information they need to understand BNP Paribas Wealth Management's sustainability initiatives.

A formal psychological support programme

This dedicated assistance unit was created in France in 2008 as part of BNP Paribas's effort to provide support for victims, and members of the public suffering from trauma as well as staff members, service providers and clients in the wake of hold-ups, violence, hostage-taking, workplace suicides, attacks, terrorism, landslides, fires, explosions and other natural disasters. A 24-hour hotline is available seven days a week and provides psychological assistance to individuals throughout France and French overseas territories on behalf of BNP Paribas and its subsidiaries. The service is available for all employees and service providers working in the Group's premises in France.



Internal communications: contributing to social responsibility

Internal communications efforts had to respond to an unprecedented range of challenges in 2009, including a systematically negative treatment of the banking industry in the French media. Throughout the turmoil of the financial crisis, BNP Paribas took all available opportunities to keep its staff informed by circulating memos and informative brochures outlining the Group's strategy. In 2009 a series of communication activities were targeted at employees using a variety of media: "Ambition", the Group's in-house magazine is published in English, French, Italian, Dutch and Russian and serves as a source of news about BNP Paribas as well as insights into its strategy. "Starlight", the in-house video channel, is devoted to BNP Paribas innovations. Programming is presented in a six-minute newflash format. Clips can be viewed each month on the Group's intranet sites in French, English and Italian. Since 2009 a newflash in Dutch has also been introduced. A weekly newsletter, "Flash Groupe" is circulated to staff in 15 territories and provides a round-up of key news issues each week. Similarly, an annual review is also published while the Group's business-to-employee intranet was overhauled in 2008. The intranet website recorded 104 million page views in 2009. Finally, a dedicated electronic newsletter covering CSR issues is published on the Group's intranet each month.

Protecting employee health

The Group's occupational health policy goes beyond simply complying with changing legislative requirements. The major components of the policy are risk mitigation and support for employees who are at-risk or who have become unfit for work.

Preventing occupational hazards

Prevention begins with an assessment of occupational hazards: violence in bank branches, musculoskeletal disorders, air conditioning and ventilation malfunctions. A multidisciplinary team set up in 2006 pools the skills and knowledge of its members to prevent these risks and deal with pathologies stemming from multiple factors. This approach to working conditions offers greater opportunity for prevention and fosters concerted action. In 2009, particular emphasis was placed on the following areas:

- the approach to hazard evaluation and prevention (mandatory document required by the French ministerial order of 5 November 2001);
- the quality of ventilation and air conditioning;
- lighting, office floor plate ergonomics and new technologies (e.g. WiFi);
- ergonomics of staff workstations for employees working in Welcome & Services retail banking branches;
- ergonomic enhancements for call centres in Lille and Paris.

Medical assistance to employees that have been victims of attacks, in particular in the Paris region, is provided in conjunction with the city's emergency medical services. This initiative has been progressively reinforced in recent years,

and its effects can be seen in the reductions in both the number and length of leaves of absence in the wake of attacks and in requests for transfer to another position subsequent to an attack. In 2009, 46 employees received medical assistance after an attack. Five of them were referred to specialists for psychological help.

On behalf of the French Retail Banking Division, BNP Paribas SA's occupational health department participated in a working group set up to help to prevent and manage customer incivility and to assist and support customer-facing staff. In the area of prevention, for example, behaviour training is provided which combines role-playing games and experiencing sharing exercises. Staff learns how to identify factors that lead to aggressiveness, apply techniques for handling confrontational situations and cope with feelings of anger and humiliation. In 2009 close to 2,300 persons participated in incivility awareness training. Assistance and support for employees are provided by management. Psychological and medical assistance is provided by the occupational health department. In cases where death threats are made, an emergency psychological support team is mobilised. Similarly, administrative and legal assistance is provided for employees having to notify social security or policy authorities of workplace accidents or civil and criminal complaints. Specific initiatives are pursued to mitigate other occupational hazards: information campaigns, training, design ergonomics, remedial ergonomics and alert procedures. In 2009, the Group stepped up its

A medical observatory to monitor stress and mental health issues

Stress is the second most prevalent occupational pathology after musculoskeletal disorders. An observatory to monitor stress and mental health issues set up in collaboration with IFAS, the French institute for action on stress, in Paris and Lyon. At the beginning of each periodic medical visit, employees fill out a confidential, anonymous questionnaire that is immediately assessed by an occupational physician for purposes of a personal diagnosis. The data is then compiled and processed by IFAS, an independent body, which returns the results to BNP Paribas. Results are used to measure stress levels, pinpoint populations at risk and take appropriate preventive measures. In 2009 close to 7,000 persons completed this questionnaire. The medical observatory of stress and mental health issues was extended to BNP Paribas Personal Finances and BNPP Assurance in 2009.

Training employees in life-saving techniques

In 2009, the Group overhauled its crisis communications programme for workplace emergencies. Each employee of BNP Paribas SA received a guide outlining the life-saving techniques to be applied in crisis situations. A dedicated "emergencies" section of the Group's intranet was also created. The section includes an interactive graphical sequence which educates staff about their role and responsibilities.



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efforts in the area of workplace ergonomics: 13 plan studies, 122 premises inspections and 8 studies were conducted. The high degree of vigilance exercised jointly by the occupational health department, management teams, facilities management functions, the work of the ergonomics unit and works committees has contributed to the very low rate of musculoskeletal problems reported in BNP Paribas SA.

Public health issues

BNP Paribas SA's occupational health department has been working for many years to promote employee health. In the course of annual medical check-ups, occupational physicians provide personalised care in all areas of public health. Awareness campaigns, brochures and specific programmes are designed to address key health risks, including cardiovascular disease, cancer, obesity and smoking.

A variety of additional public health initiatives were pursued in 2009.

A working group comprised by operational HR managers from all Group divisions and functions was set up to engage in contingency planning for pandemic preparation and to define appropriate sanitary and organisational responses. The plan developed covers purchasing of hygienic masks, compiling a database of hygiene products, measures to raise awareness about personal hygiene (hand washing) and the display of posters in washrooms. More than 3,960 influenza vaccinations were administered in 2009. In addition, a business continuity plan was developed to deal with an outbreak of the A H1N1 virus.

The cardiovascular disease prevention programme, "PCV Métra", continues to screen for risk factors such as high cholesterol, hypertension, smoking and stress. Medical evaluations at Broussais Hospital of employees found to be at

risk and screening for coronary impairments with a view to early treatment have resulted in 226 blood tests and 5 one-day hospital admissions.

635 people took part in a programme to help employees and their family members in the Paris region stop smoking through the Allen Carr method; 47% of those who responded to the satisfaction survey stopped smoking in 2008. In other parts of France, 73 people participated in sessions held in Arras, Dijon, Orleans, Chartres and Marseille. A free-of-charge follow-up session was organised by the Allen Carr Foundation on 6 November 2009. This session was organised for staff who had resumed smoking after having been cigarette free.

Each occupational health office is now equipped with a tonometer to screen for glaucoma.

Screening tests for diabetes are also offered.

Support for employees with long-term illnesses or incapacity for work

As in the area of prevention of occupational hazards, the occupational health department, HR managers and line managers work closely together to redeploy employees returning to work after several months' absence due to illness. Given the rapid pace of change within the Group, the reintegration process must factor in an adjustment to the new circumstances, so as to dispel employees' worries and allow them the time to get back on their feet.

In some cases, employees can meet with the occupational physician before resuming work, either because they request it or because their general practitioner or the reviewing physician recommends it. In such instances the occupational physician helps the employee to prepare for a return to work, taking into consideration any after-effects or residual handicap the employee may be suffering.



The Group's entities outside France focus efforts on the mitigation of occupational hazards and improving access to care for employees through partnerships with local health authorities. In Ukraine, employees of UkrSibbank who were exposed to radiation following the Chernobyl disaster qualify for benefit payments and additional leave, and their health is closely monitored as part of an initiative run by the Ukrainian authorities.

BNP Paribas is an active member of Sida Entreprises, an association bringing together leading French investors in Africa to help resolve ongoing problems in the areas of AIDS prevention and access to treatments. These difficulties persist despite the financial aid provided to affected countries. BNP Paribas helps to set up inter-company groups in the West African countries where it is present, through its network of associated banks (BICI).

Developing harmonious labour relations across the countries in which the Group operates that are consistent with the Group's values

■ France

In 2009, the Labour Rights Commission, BNP Paribas SA's labour information and negotiation body, met on 37 occasions and negotiated the signature of 14 company-wide agreements. Some of these agreements were designed to improve or continue employee benefit plans and management-employee dialogue, while others strengthen employee representation on various bodies. The ongoing financial crisis had a major impact on labour relations in France. Trade unions stepped up their campaigns on the themes of preserving jobs and purchasing power, reducing salary differentials and combating social inequality.

Despite the deteriorating economic climate, BNP Paribas succeeded in main-

taining positive labour relations. Labour protests organised at national level had no impact on the continuity of operations. Mandatory negotiations in connection with the annual wage bargaining round led to an agreement signed with three labour unions. For more information, please refer to the NRE appendix – Social chapter – item 20: Employee relations and collective bargaining.

The other major development of the year was the ongoing reforms to employee representative bodies. In the wake of the negotiations concluded in 2008, 100 works councils at national and local level were combined into 10 regional works councils. In addition, a significant number of meetings were held with social partners to discuss the integration of Fortis.

Finally, several meetings of the Labour Rights Commission were convened to discuss employer subsidies for commuting in accordance with the terms of the French law on social security financing for 2009 as well as employee savings, the presentation of the total compensation report, the results of the agreement on the employment of persons with disabilities.

■ Italy

In 2009, wide-ranging negotiations and consultative meetings were engaged with labour representative bodies to examine restructuring proposals for a number of BNP Paribas entities in Italy. Thanks to the synergies achieved with BNL, these negotiations enabled the planned reorganisations to be implemented without need for workforce reductions.

The negotiations also gave rise to the signature of a framework agreement on security measures for bank branches and on classifications, staffing, company benefits and training.

■ Belgium

In recognition of their shared concerns for enterprise growth and in a spirit of mutual respect, management and staff representatives pursued an ongoing dialogue on labour relations issues in order to prepare formal meetings of representative bodies.

This transparent approach helped to lead to the decision taken by Fortis's employee representative bodies in the second half of 2009 to support BNP Paribas's acquisition of Fortis Bank and, in the second half, to back the ratification of the Group's industrial plan by the works council of Fortis.

Thanks to the trust established, a dozen collective bargaining agreements were concluded within BNP Paribas Fortis. A number of these agreements were made necessary by the industrial plan. Agreements covered areas such as working time reduction, job security and functional mobility as well as the financial status of employees of BNP Paribas's Belgian branch following the transfer of its operations to BNP Paribas Fortis.

■ Luxembourg

In Luxembourg, the key area of focus for dialogue with employee representatives during 2009 was the industrial plan for the integration of BGL within BNP Paribas. This plan was presented to employee representatives and approved on 25 November 2009.

In addition, agreements were also signed with the Luxembourg Ministry of Labour covering the secondment of BGL employees to BNP Paribas Luxembourg as well as agreements with the four largest trade union bodies in the financial services sector covering the extension of the provisions of the 2009 collective bargaining agreement for bank employees for the 2010 financial year.

A PARTNER IN SOCIETY

BNP Paribas and its involvement in microfinance

Three years after the launch of its international microfinance business, BNP Paribas continues its commitment based on three complementary lines of action in France and the emerging countries:

- Financing international microfinance institutions (MFIs);
- Microfinance funds;
- Skills-based volunteer work.

Financing international microfinance institutions

BNP Paribas believes that one of the crucial success factors in the microfinance business is the close support given by Microfinance Institutions (MFIs). For this reason, BNP Paribas does not intend to develop a direct microfinance activity itself, but seeks to identify the most professional MFIs and finance their de-

velopment, especially in the countries where the Bank operates.

Since 1993, the Group has partnered the ADIE (*Association pour le Droit à l'Initiative Économique*), an association that provides microfinance to unemployed people wishing to set up their own business. Under the partnership, the Bank provides the ADIE with an EUR 8 million credit line and helps to finance its operating costs with a subsidy of about EUR 380,000 a year. In 2009, the partnership supported 1,256 new business ventures with an average loan of EUR 2,885 over eighteen months.

In addition, since December 2007, BNP Paribas has supported FinanCités, a solidarity venture capital fund that finances micro-businesses in underprivileged neighbourhoods. BNP Paribas committed to providing FinanCités, a subsidiary of the PlaNet Finance Group, with EUR 1 million of share capital. Since then, FinanCités has equity financed 13 small business ventures for a total of EUR 800,000 with an average amount of EUR 50,000 per project. All in all, since its creation in 2007, FinanCités has supported 34 small business ventures for a total of EUR 1.8 million. These investments enable young businesses in a

broad variety of sectors, such as ethical clothing, online invitation printing and wedding organisation, to expand and contribute to revitalising the local economy and creating local jobs.

Despite the crisis, BNP Paribas has not revised its initial target and at the end of 2009 financed 16 partners in 7 countries (Mexico, Morocco, Mali, Tunisia, Guinea, India and Indonesia). Authorised microfinance outstandings amount to EUR 50 million, split 57% in Africa, 35% in Asia and 7% in Latin America. Micro-loans have been granted to 315,000 borrowers, 94% of whom are women, and have an impact on more than one million people counting their families.

With its MFI partners, the Group endorses the six guiding principles set out by the Consultative Group to Assist the Poor (CGAP), an association of development agencies, as regards consumer protection and transparency: protection against excessive debts, pricing transparency, appropriate collection practices, compliance of MFI staff with a code of conduct, a mechanism for handling complaints and disputes and customer data protection.

BNP Paribas has forged partnerships with several international microfinance networks such as *Solidarité Internationale pour le Développement et l'Investissement* (SIDI), Horus, Grameen Foundation in the United States and PlaNet Finance. The aim is to develop relationships with networks which share the same risk management and social impact methodologies with their affiliates.



ADIE's support to micro-entrepreneurs

Micro-insurance

As an adjunct to its microfinance activities, BNP Paribas Assurance has become a shareholder of PlaNet Guarantee, a subsidiary of PlaNet Finance, set up in 2007 to develop micro-insurance for MFIs. From January to October 2009, PlaNet Guarantee worked with 8 partner MFIs in 7 countries, providing insurance for 125,000 micro-entrepreneurs. It also initiated 10 research and development projects in 12 countries.

Microfinance funds

The market in microfinance investment funds is growing rapidly and now represents USD 6.6 billion managed by 103 investment vehicles. There are some one hundred funds, 25 of which are commercial in nature. Since 2005, as part of its responsible investing offering, BNP Paribas Wealth Management has given its French and international clients the opportunity of investing in a microfinance fund that supports 8 million micro-borrowers in over 50 developing countries.

In early 2009, BNP Paribas launched Obli Etheis, its first microfinance mutual fund. Obli Etheis invests 5% to 10% of its assets in microfinance and has received the seal of approval from Finansol, the French solidarity finance organisation. This portion of the fund, which represents about EUR 3.7 million, is reinvested in a fund, which has an impact on more than 3,500 micro-entrepreneurs in the South countries.



NGO Enda in Tunisia

A BNP Paribas initiative in Indonesia

In August 2009, BNP Paribas granted its first micro-loan to MBK Ventura, an MFI, for the equivalent of USD 1 million. To avoid exposing MBK Ventura to any currency risk, BNP Paribas made the loan available in local currency. MBK Ventura was first founded in 2003 and grants loans to low-income Indonesian households to finance their micro-business ventures. In December 2008, it was ranked no.1 among the 1,300 MFIs listed by the World Bank (MixMarket) on criteria of profitability, transparency and governance. Among its projects in 2010, MBK Ventura is planning to launch an Islamic microfinance operation. The loan granted by BNP Paribas will help 10,000 families.



MBK Ventura in Indonesia

Skills-based volunteer work

MicroFinance Sans Frontières and *JACadie*, BNP Paribas' two skills-based volunteer schemes launched in 2007, began to produce results as early as 2008.

JACadie is an association that supports micro-entrepreneurs financed by the ADIE. The scheme is partnered by the BNP Paribas Association of Retirees (ADR), which has 21,000 members. In two years, it has provided the ADIE with skills support from some one hundred volunteers throughout France. Over a period of eighteen months, 2,000 people have received information about the scheme, 500 have expressed an interest, 200 have been interviewed and one hundred have been accepted as new volunteers for the ADIE. With encouragement from BNP Paribas and the ADR, the experiment has been further developed by creating a new "Skills-based Volunteer and Outreach" association in November 2009. The new association recruits volunteers from among active employees as well as retirees and has extended its voluntary support to other organisations beyond microfinance, such help for children and the disabled.

Microfinance Sans Frontières (MFSF) provides MFIs in emerging countries with technical support. It has organised more than 20 missions since its creation in 2007 in partnership with organisations and networks such as SIDI, Horus, Pami-ga, Agroinvest and the Aga Khan Foundation. To date, more than one hundred volunteers have expressed an interest in making their skills available to MFSF. In 2009, BNP Paribas Fortis established contact with MFSF, which resulted in the recruitment of some fifty new potential volunteers.

As a result of its growing success, MFSF has restructured its organisation. Since December 2009, it has become an official association with an employee provided by the Bank, which will enable it to develop its activity and missions abroad.



"Femmes Relais" association in Aulnay-sous-Bois (France)

© Philippe Cibille



"Proximité" association in Saint-Denis (France)

© Philippe Cibille

Corporate philanthropy at BNP Paribas: a set of commitments and values

BNP Paribas takes concrete action to combine performance with social responsibility, not just in its day-to-day business activities but also through its corporate philanthropy initiatives. These initiatives are involving more and more employees and countries where the Bank operates, particularly in the areas of outreach and health.

BNP Paribas is well-known for its patronage of the performing arts and jazz, for its efforts to preserve and promote our cultural heritage and for its commitment to research and associations involved in social inclusion, education and development. The Bank's commitment to culture, outreach, health and the environment is not new; it has been active in these areas for the past twenty five years through the BNP Paribas Foundation, a historic player in the French corporate philanthropy world.

A coherent, unifying corporate philanthropy policy

The Bank strives to pursue a coherent, unifying corporate philanthropy policy on a worldwide level. This policy, known generally under the name BNP Paribas Corporate Philanthropy, is overseen by the BNP Paribas Foundation, whose objectives are to:

- determine and run the Bank's corporate philanthropy policy;
- play an oversight, advisory and regulatory role with respect to the corporate philanthropy policies pursued by the Bank's other Foundations and its core businesses, business lines and countries;
- communicate the Bank's corporate philanthropy policy coherently both internally and externally.

Corporate philanthropy projects carried out within the Bank are all based on the same values: diversity (in project type and partners), risk-taking, innovation and the ability to support projects throughout their life, to share them and promote them effectively.



ADIE's support to micro-entrepreneurs

BNP Paribas Foundation: stronger governance structure

The BNP Paribas Foundation has expanded its activities substantially in the past few years. Its areas of involvement have been broadened to encompass new programs and its reach now extends well beyond France.

The Foundation has also established a new governance structure tailored to these new challenges. In January 2009, Alain Papiasse, Head of Corporate and Investment Banking (CIB), was appointed Chairman of the Foundation. The Executive Committee, which has been restructured and given broader objectives, met twice in 2009. It com-

prises a college of founders made up of Bank representatives and a college of four experienced outside people selected for their expertise (Jean-Laurent Casanova, Pascal Dreyer, Dominique Ferriot and Giacomo Scalisi). Each steering committee (culture, health, international outreach, environment, *Projet Banlieues* and Helping Hand for employee projects) met three times during the year.

In 2009, the BNP Paribas Foundation had a total budget of EUR 3.5 million for all its programs. The budget was divided equally between cultural initiatives and outreach and health programs.

Stronger network co-ordination

Within BNP Paribas, new foundations have been established and the existing Fortis Foundations integrated, demonstrating the Bank's aim of developing its corporate philanthropy actions and extending the benefits to civil society well beyond the borders of France. The BNP Paribas Foundation provides these foundations with its expertise, notably by sitting on their boards of governors.

There are now nine foundations working actively alongside the BNP Paribas Foundation: BNL Foundation, BNP Paribas Switzerland Foundation, BNP Paribas Brazil Foundation, BMCI Foundation, Cetelem Foundation and the Fortis Foundations in Belgium, France, Luxembourg and Poland. They all help enrich the Bank's corporate philanthropy policy, in addition to the many initiatives developed and managed directly by the Bank's various entities in France and abroad.

Against this background, the BNP Paribas Foundation has strengthened its co-ordination and control over this network. An initial seminar took place in June 2009, bringing together everyone involved in corporate philanthropy throughout Europe. One of its key objectives was to create a shared vision of corporate philanthropy and to ensure that all commitments are coherent and consistent. Three major themes were identified, which can be used by each business line and country to develop corporate philanthropy programs that meet the needs they have identified in their own environment.

In social support, the following types of project are more especially encouraged:

- projects in favour of education, social inclusion and disability;
- involving employees in outreach programs;
- financing medical and scientific research programs.

The main focuses of cultural support are:

- preserving and promoting our cultural heritage;
- support for innovation in the performing arts.

Environmental support encompasses:

- support for scientific initiatives.



Social support

Outreach programs are especially important to BNP Paribas, which has been involved in combatting the various forms of exclusion for several years now, through microfinancing initiatives, inclusion through education and other forms of employee engagement. This area of commitment has become even more important since the integration of the Fortis Foundations, which have focused on outreach since their creation.

Support for projects in favour of education, social inclusion and disability

France: *Projet Banlieues* renewed for a further three years

In 2006, supported by its Foundation and the French Retail Banking Division, BNP Paribas embarked on a major program called *Projet Banlieues*. A budget of EUR 3 million was earmarked for this three-year program, which is dedicated to creating jobs and promoting social solidarity in deprived neighbourhoods,

as well as providing educational support for children in difficulties.

It has been renewed for a further three years from 2009 to 2011, with three key objectives:

- helping create jobs through micro-finance in partnership with ADIE (*Association pour le Droit à l'Initiative Économique*);
- providing educational support in deprived urban areas in partnership with AFEV (*Association de la Fondation Étudiante pour la Ville*);
- supporting local general interest projects run by neighbourhood associations.

Projet Banlieues draws on the wealth of experience in urban outreach initiatives acquired by the BNP Paribas Foundation over the past fifteen years in partnership with ADIE and AFEV.

Major achievements in 2009 were:

- more than 520 micro-business start-ups, creating 590 new jobs;
- support for AFEV's campaigns in deprived urban areas by recruiting over 1,005 more students to help support almost 1,385 youngsters;
- support for 104 local initiatives (including renewals), mainly focusing on areas related to education, professional inclusion, inclusion through sport and culture, and training.

For example, the *Orchestre à l'école* (the Orchestra at School) association, which aims to provide all children with the benefit of group music lessons, received financial support from the Foundation's *Projet Banlieues* program and was able to open a music class in a primary school in Pantin, just north of Paris.

Financial support totalling almost EUR 950,000 for schools in deprived neighbourhoods, through training tax payments.

Morocco: support for IMOC, an association for people with cerebral motor disabilities

The BNP Paribas Foundation's Executive Committee agreed to provide support for an education and disability project run by IMOC, a Moroccan association for people with cerebral motor disabilities. The project is co-financed with the BMCI Foundation, created in 2008 by the Bank's Moroccan subsidiary.

Founded in October 2007, IMOC sets up community centres for children, adolescents and adults suffering from cerebral motor disabilities. It plans to broaden the scope of its action by setting up the first integrated teaching development unit, which will host 120 young people between the ages of 4 and 18, along with their families. The unit will have 11 class-



rooms made available by the National Education Ministry in Casablanca's El Id-rissi school, and will provide the children with educational and medical support. The finance provided by BNP Paribas Corporate Philanthropy will help launch a pilot class.

Employee commitment

Extension of the Helping Hand program in France and abroad

The Helping Hand program supports general interest projects run personally by BNP Paribas employees. The program provides funding and support for associations in which employees are involved on a volunteer basis. In 2009, the three project selection sessions were highly successful, with 86 proposals presented by employees involved in voluntary work. All in all, 62 outreach initiatives were selected and financial backing of EUR 162,000 provided for projects as diverse as organising sports breaks for youngsters from deprived neighbourhoods, purchasing educational material for a school in Mali, supporting medical research projects and renovating a specialised education centre for disabled children in Tunisia. *L'éclairage de l'espoir* is an example of a Helping Hand project supported by the BNP Paribas Foundation in France. Following a trip to Mali, Kouidiéji created an association called Afrique Lémou to develop education and healthcare in the poor countries of Africa. Since then, she has worked tirelessly to collect funds and run humanitarian projects for children in need. Given the desperate

urgency in Mali, the association has decided to help Malian schoolchildren. The school in Kersignané, an isolated village in the southern part of the country, has no access to energy. The association plans to equip it with photovoltaic lighting to enable the children to follow catch-up and support classes in the evenings. The project will be finalised in July 2010 when the solar panels will be installed in the presence of Afrique Lémou members.

In Switzerland, BNP Paribas launched the Helping Hand program for the first time in 2004. *Don du Chœur*, an association in which Aurélie, aged 24, is a volunteer, organises concerts each year in order to collect funds for projects to help children and support education in several Asian and African countries. The finance provided in 2009 by the BNP Paribas Switzerland Foundation helped drive forward another major project: the construction of a primary school and a water well for 270 children in the village of Ta Pen in Cambodia.



Other local initiatives

Bank of the West and financial education

In 2000, the Group's US subsidiary became a partner of Operation Hope Inc. (OHI). Operation Hope provides underserved inner-city communities with mainstream financial services and financial literacy programs. The partnership has sponsored several financial literacy programs including Banking On Our Future (BOOF), aimed at school children between 9 to 18 years of age in Oakland, Los Angeles, Portland and Denver. More than 190 Bank of the West employees have already taken part in the program as volunteers, providing approximately 900 hours of training to some 5,600 pupils. Operation Hope Centers provide free adult financial literacy and economic empowerment workshops as well as financial support to help people become home owners or set up their own business. The Operation Hope initiative also provides financial counselling and aid to help natural disaster victims rebuild their lives.

BMCI Foundation

Banque Marocaine pour le Commerce et l'Industrie (BMCI), the Group's Moroccan subsidiary, has pursued a policy of cultural and social philanthropy since the late nineteen nineties with the aim of contributing to Morocco's social and cultural development. It has deepened this commitment by setting up its own foundation which works alongside the BNP Paribas Foundation.

In culture, the BMCI Foundation supports young musical talent and events covering classical, jazz and contemporary music. It is the official partner to the Morocco Philharmonic Orchestra and sponsors the International Music and Dance School in Casablanca, international and national music competitions in Morocco and Tanjazz, the Tangiers jazz festival. It supports the country's literary heritage and encourages young people to read and learn by financing the publication of children's books and the reprinting of old books. It also sponsors the Casablanca *Grand Prix des Jeunes Lecteurs* award for young readers and the *Grand Prix de la Nouvelle* award for short stories. It supports troupes of artistes and promotes contemporary artistic expression, dance and new circus arts. The BMCI Foundation is a member of the Mohammed-V Solidarity Foundation's

Permanent Support Committee and the Mohammed-VI Environmental Protection Foundation, and is a founding member of the Initiatives Association. The Foundation's social commitment is expressed through four actions. The first involves the inclusion of people in difficulties through training and artistic activities. The second aims to help disabled people in their daily lives by providing support from specialised associations. The third focuses on medical research and help for the impoverished sick through support for Moroccan research scientists. The fourth is developing BNP Paribas Employee Helping Hand projects within the subsidiary.

Arval's international network

Arval's social responsibility policy focuses on the combat against social exclusion and helping integrate the disabled into social and professional life. Arval's local offices support a variety of organisations, such as the *ELEPAP* association for disabled children in Greece, the *Jasnenka Foundation* in the Czech Republic, *SOS Children's Villages* in Germany, *UNICEF* in Poland and the *Mohammed-V Foundation* in Morocco.

BNP Paribas Egypt and Egyptian Food Bank

In 2009, BNP Paribas Egypt joined forces with the Egyptian Food Bank (EFB) in its mission to overcome hunger. The EFB won recognition from the United Nations in 2008. Throughout the year, the Bank helped provide food to two villages in Upper Egypt, and sponsored the EFB's educational and promotional campaign on TV and in other media to combat food wastage and encourage donations. During Ramadan, employees were granted a day's leave to work voluntarily for the EFB in putting together food parcels for the poor.

UBCI and SOS Children's Villages

For the second year running in 2009, UBCI, the Bank's Tunisian subsidiary, supported the SOS Children's Villages association by organising a drawing competition in three SOS Villages in Gammarth, Siliiana and Mahrès. The theme this year was the Environment. SOS Children's Villages, an association that helps vulnerable children with no parental care, brought together a jury of artists, volunteers and employees of the bank. Prizes were awarded to

the three best drawings in each village. SOS Children's Villages is also supported in Algeria by BNP Paribas El Djazair and in Morocco by the BMCI Foundation.

BNP Paribas Wealth Management and Ateliers Sans Frontières

In 2009, as part of its recycling initiatives, BNP Paribas Wealth Management continued its partnership with the association *Ateliers Sans Frontières*, whose mission is to help bring stability to the personal and professional lives of the most excluded. BNP Paribas Wealth Management donates its used computer equipment to the association to help it create jobs and equip educational associations in Northern Africa and Eastern Europe.

BNL and support for L'Aquila earthquake victims

On 9 July 2009 in the town of L'Aquila in Italy, BNP Paribas and BNL took part in the inauguration of the *Arti e Spettacolo* association's *Sale per lo Spettacolo*, in the presence of a number of celebrities. *Sale per lo Spettacolo*, which is financed by the banks, was created after the earthquake that ravaged the Italian region of Abruzzo on 6 April 2009. L'Aquila was particularly badly hit with the loss of 299 lives, thousands of



SOS Children's Villages



The Egyptian Food Bank

people injured and 18,000 people left homeless.

The BNP Paribas Foundation provided financial support to organise and present a variety of events and workshops, to meet families in their makeshift homes and also to pay the artistes a modest sum for their contribution. This initiative not only provides support for the victims but also encourages artists to stay in the region.



Soup Kitchen in Sofia

In Bulgaria, the 8th Soup Kitchen season

This project began in the winter of 2001-2002, at the initiative of employees of BNP Paribas SA's Sofia subsidiary with support from the Sofia municipal authorities. Every working day in winter from December to March, hot meals are given out to the elderly and the needy. When the Soup Kitchen first started, 150 meals were distributed in various neighbourhoods of Sofia. By the winter of 2008-2009, this had increased to 1,750 meals distributed to the needy through 9 centres in Sofia and 1 in Varna. For the first time this season, employees of BNP Paribas Personal Finance Bulgaria and Cardif Bulgaria also took part in the campaign. Donations from employees have doubled thanks to the Bank's matching contributions as well as contributions from customers and partners. (This initiative won an Innovation Prize, see chapter on Innovation).

In the United Kingdom, educational support through the Community & Charity program

Since 2001, BNP Paribas UK has been involved in voluntary programs designed to support underprivileged primary and secondary school pupils. The program forms part of the UK Community and Charity Program. It is an excellent way for staff of CIB UK — BNP Paribas's corporate and investment banking arm in the United Kingdom — to make a direct and ongoing contribution to children living in the local Church Street community, which is on the doorstep of the Bank's Harewood Avenue office and in one of the 10% most deprived boroughs in the United Kingdom. 52 BNP Paribas UK volunteers spend one and a half hours a week in three local primary schools helping pupils with their reading and maths skills.

Medical research

BNP Paribas, 25 years of support for medical research

Since its creation in 1984, the BNP Paribas Foundation has supported researchers and physicians working in both medical research and applied clinical research. For several years now, it has mainly supported newly-established research teams both in France and abroad, with help from several highly reputed organisations in the scientific community. The Foundation supports some quite remarkable projects whether on a human, scientific or medical level. Since the program was implemented, 19 research teams and almost 200 scholarships have been financed.

Some of the Bank's business lines and entities have also chosen to co-finance initiatives with various institutes. Examples are CIB with its Business Gifts program in partnership with Institut Pasteur, and BNP Paribas Singapore, which finances a co-operation program between Vietnamese and Singaporean doctors at the Singapore National Cancer Centre.

Professor Marc Lecuit's Microbes and Host Barriers Group, Institut Pasteur/Avenir Inserm U604

Supported by the BNP Paribas Foundation, Marc Lecuit and his team are working on studying and understanding why and how certain pathogenic microbes (such as *Listeria monocytogenes*) are able to cross the "host barriers" that protect organs or key elements of the organism against attack from bacteria. The resulting pathologies can be extremely serious, such as meningitis or septicaemia. In addition, some microbes can more specifically infect one or more organs or cell types. This is true of hepatitis B, which infects the liver cells, or rabies, which attacks the central nervous system. Marc Lecuit intends to apply and adapt the knowledge acquired about *Listeria monocytogenes* to the study of other pathogens.

Vanessa Hayes, Cancer Genetic Group, Children's Cancer Institute Australia (CCIA): studying facial cancer in the Tasmanian devil to advance research into human cancers

In 2009, the Foundation extended its initial backing for Vanessa Hayes by financing her research work on the Tasmanian devil, a carnivorous marsupial native to Tasmania, in partnership with the Children's Cancer Institute. Since the end of the 1990s, facial cancer has killed a huge number of Tasmanian devils, threatening the very survival of the species.

Vanessa Hayes set up the first laboratory capable of sequencing the tumour's DNA. The lab houses all the technology and equipment required for sequencing. Her research consists of studying the mechanisms involved in this highly aggressive contagious tumour, which kills within the space of six months and is responsible for the disappearance of half the species in ten years. By sequencing the tumour's DNA in infected animals, she hopes to advance research into human cancers.



1. Marc Lecuit's team
2. Vanessa Hayes
3. V. Hayes and the Tasmanian devil



La Boudeuse

Environment

Support for the *la Boudeuse* Earth-Ocean expedition

BNP Paribas is partnering the new Earth-Ocean scientific expedition being undertaken by the three-masted sailing exploration schooner, *la Boudeuse*, launched in October 2009. The aim of the expedition is to study the main environmental issues affecting the oceans, and more particularly the Pacific Ocean, and the great rivers of South America.

Onboard *la Boudeuse* will be a team of fifteen researchers led by Patrice Franceschi. In South America, the team aims to assess the environmental impact of rubber cultivation, organised tourism in Indian territory, mercury pollution of rivers by gold miners and uncontrolled urban development. The team will also study biodiversity. In the Pacific Ocean, the aim is to study, save and propose solutions for preserving the "disappearing islands" threatened by global warming and rising sea levels.

This official expedition, commissioned by Jean-Louis Borloo, Minister of Ecology and Sustainable Development, will end in January 2011.

The BNP Paribas Foundation is involved with the scientific side of the expedition.



Panel restored by Jurriaan Andriessen



Boyakodah

Cultural support

Preserving and promoting our cultural heritage

Amsterdam: co-financing the restoration of a major work of art

Outside France, support for restoring museum collections is increasingly provided through co-financing between the BNP Paribas Foundation and the countries in which BNP Paribas operates.

In Amsterdam, six wall panels exhibited in the Van Loon museum have been restored through co-financing with BNP Paribas Netherlands. After meticulous restoration work, carried out under the scientific supervision of Amsterdam's Rijksmuseum, the panels are once again on public display and formed part of the first monographic exhibition devoted to Jurriaan Andriessen (1742-1819), a renowned 18th century artist. The panels depict Arcadian and Dutch landscapes

and were highly fashionable in Dutch stately homes of the 18th century.

Wild Thing exhibition at London's Royal Academy of Arts

With the support of BNP Paribas — which is the patron and honorary member — London's Royal Academy of Arts presented an exhibition celebrating the history of British sculpture since the beginning of the 20th century. Over a period of ten years from 1905 to 1915, three outstanding sculptors emerged in Britain, Jacob Epstein, Henri Gaudier-Brzeska and Eric Gill. The Royal Academy exhibition was the first time their work had been shown together. The exhibition contained more than 90 works, mainly sculptures, drawings and pastels. Among the most spectacular were Epstein's *Rock Drill*, Gaudier-Brzeska's innovative carving of *Birds Erect* and Gill's controversial carving *Ecstasy*.



Elizabeth Kontomanou, the 17th Saint-Louis Jazz festival in Senegal

Support for the performing arts

Jazz transcends national borders...

BNP Paribas is one of the rare patrons of jazz, not just in France but also increasingly in other countries.

In 2009, the BNP Paribas Foundation forged a new partnership with the Saint-Germain-des-Prés jazz festival, which held its 9th edition in May. Discovery of young musicians, novel encounters between experienced musicians, concerts in unexpected venues, attendance of a very broad public — these are just some of the strengths that united the festival and the BNP Paribas Foundation in a community spirit.

Banque Internationale pour le Commerce et l'Industrie du Sénégal (BICIS), BNP Paribas's subsidiary in Senegal, has been sponsoring the Saint-Louis jazz festival in Senegal for almost ten years now. BICIS recently strengthened its support for the festival with the help of the BNP Paribas Foundation. This partnership, which first began in 2008, enabled the festival to attract some internation-

ally acclaimed musicians supported by the Foundation — such as singer Elizabeth Kontomanou and Simon Goubert's drum quartet — giving them the opportunity to meet and play along with Senegalese musicians in events organised by the festival.

Lastly, building on the BNP Paribas Foundation's ongoing support for jazz musicians over the past ten years or so, the BMCI Foundation (Banque Marocaine pour le Commerce et l'Industrie) sponsored the Tanjazz festival, which took place in Tangiers in June 2009, for the second consecutive year.

Contemporary dance and circus around the world

For many years now, BNP Paribas has developed a bold policy in the field of contemporary circus arts and choreographic expression, supporting artists and their companies to help make them known to a broader public. In 2009, three of its partners chose to embark on an international adventure in three different continents.

French choreograph Abou Lagraa, artistic director of La Baraka Company, supported by BNP Paribas Foundation since 2006, was asked by the Algerian Ministry of Culture to build a cultural bridge across the Mediterranean between France and Algeria. Throughout 2009, several events were organised in Algeria as a precursor to the project, supported jointly by BNP Paribas El Djazair and the BNP Paribas Foundation. In 2010, this three-year co-operation program between the two countries will bring together a contemporary ensemble of twenty dancers within the Algerian National Ballet and create a new ballet called *Nya*, which will have its European premiere at the biennial international dance festival in Lyon.

For producer Aurélien Bory, artistic director of Compagnie 111 and seven-year partner of the BNP Paribas Foundation, 2009 was a year of consecration, particularly with his show *Seven-Board of Cunning*. Created in December 2007 in Dalian, China, this show is the result of an amazing collaboration between the French producer and some fifteen Chinese dancers and acrobats from the Dalian opera. Its title, *Seven-Board of Cunning*, is the literal translation of "Qi Qiao Ban", Chinese for the popular puzzle we know as "Tangram". After an international tour, the show was given a triumphal welcome in summer 2009 during its Asian tour from Hong Kong to Singapore.

As part of the French Season in Brazil, Franco-Ivorian choreograph Georges Momboye, supported in his contemporary works by the BNP Paribas Foundation, presented his flagship show *Boyakodah* in a number of Brazilian towns including Rio de Janeiro, São Paulo, Porto Alegre, Curitiba and Recife. The tour was made possible by the co-operation between the BNP Paribas Foundations in France and Brazil. It enabled the Brazilian public to share some moments of intense emotion provided by the Momboye Company's 35 musicians and dancers.

GLOSSARY

Accretion	Reverse of dilution. Accretion is where a corporate action (share buyback or issue of shares in a smaller proportion than the increase in income following a merger or public tender offer, for example) leads to an increase in earnings per share.
ADR (American Depositary Receipt)	Negotiable certificates representing one or several shares. Their face value is stated in dollars and interest is also payable in dollars. ADRs allow American investors to buy shares in foreign-based companies that are not quoted on an American Stock Exchange.
Arbitrage	Activity that consists of attempting to profit by price differences on the same or similar financial assets. For example, in the case of a takeover bid, where the predator offers a price that exceeds the price at which the target's shares are trading.
Attribution right	Right to receive bonus shares issued in connection with a capital increase paid up by capitalising retained earnings. Attribution rights are quoted.
B2B or BtoB	Business to Business: sales of products or services by one company to another.
B2C or BtoC	Business to Consumer: sales of products or services by a company to a consumer.
B2E portal	Intranet site for Group employees. The home page includes a browser, links to services and a wealth of information concerning the various functions within the Group, practical information for employees and career information.
Back office	Department responsible for all administrative processing.
BNL bc	BNL banca commerciale (formerly Banca Nazionale del Lavoro).
Bond/Debenture	Debt security whereby the issuer undertakes to pay the lender a fixed capital sum at a specific future date, plus twice-yearly or annual interest payments. Interest payments — generally at fixed rates — may vary over the life of the bond. Debentures are unsecured bonds.
Capital	Amount of cash or assets contributed by shareholders, plus any profits, retained earnings or premiums transferred to the capital account. The capital may be increased or reduced during the life of the company.
Capital increase	A method of increasing a company's shareholders' equity. The capital may be increased by issuing new shares for cash or in exchange for assets, such as shares in another company. Alternatively, it may be increased by capitalising additional paid-in capital, retained earnings or profits and either raising the par value of existing shares or issuing new shares without consideration. Existing shareholders may have a pre-emptive right to subscribe for the new shares or this right may be cancelled. A capital increase may be carried out to give new investors an opportunity to become shareholders. All capital increases must be authorised in advance by the shareholders, in Extraordinary General Meeting.

Cash Flow	Cash generated by operations that can be used to finance investment without raising equity or debt capital.
CECEI	<i>Comité des Établissements de Crédit et des Entreprises d'Investissement</i> : Committee headed by the Governor of the Banque de France responsible for monitoring the proper operation of the French financial and banking system.
CIB	Corporate and Investment Banking, a BNP Paribas core business that provides financing, advisory, and capital markets services.
Co-branding	The practice of using two or more brand names to develop and/or promote a product or service.
Collateral	A pledge of cash or securities required by an intermediary to secure future transactions carried out by a client. For example, the Deferred Settlement Service requires a minimum 20% collateral for cash, French government bonds, and money market funds, and 25% for listed bonds, negotiable debt instruments, and bond funds. The minimum is 40% for listed shares or funds invested primarily in equity. In practice, the intermediary can determine the collateral requirement and raise the percentages if deemed necessary, or ask for an amount equal to the full value of the purchase.
Comité Consultatif des Actionnaires	Shareholder Consultation Committee. A group of individual shareholders selected to advise the company on its communications targeted at individual shareholders. The BNP Paribas <i>Comité Consultatif des Actionnaires</i> was set up in the first half of 2000, at the time of the merger.
Consolidated net income	Net income of the Group after deducting the portion of the profits of subsidiaries attributable to minority shareholders.
Convertible bond	Bond convertible into the issuer's shares on terms set at the time of issue.
Corporate Governance	Series of principles and recommendations to be followed by the management of listed companies.
Coupon	The coupon represents the right of the holder of a security to collect an amount corresponding to the revenue distributed on the security for a given year.
Custody fee	Fee received by a bank or broker to hold and service securities recorded in a securities account. Custody fees are payable annually in advance. They are not refunded if the securities are sold during the year, but no fees are payable on securities deposited during the year until the beginning of the next year.
CVR (Contingent Value Rights Certificate)	Financial instrument generally issued in connection with the acquisition of a listed company, guaranteeing the value of the underlying security at a pre-determined date. The CVR entitles the shareholder of the target to receive an amount equal to the positive difference between the offer price and a "reference" price.

Derivatives	Contracts whose value is based on the performance of an underlying financial asset, index or other investment, used to hedge or profit from future changes in the value of the underlying.
Dilution	Impact on the rights attached to a share of the issue of securities (in connection with a capital increase, a merger, a stock-for-stock tender offer or the exercise of rights), assuming that there is no change in the total income of the issuer.
Dividend	Portion of net profit that the Annual General Meeting decides to distribute to shareholders. The amount of the dividend is recommended by the Board of Directors. It represents the revenue on the share and the amount can vary from one year to the next depending on the company's results and policy.
EONIA	Euro Overnight Index Average.
EUREX	A derivatives market.
EURIBOR (EUROpean InterBank Offered Rate)	The most commonly used money-market rate in the eurozone.
Euroclear	Formerly Sicovam. Clearing house for securities transactions.
Euronext SA	Company that operates the Paris, Brussels and Amsterdam Stock Exchanges. Euronext SA establishes market rules, decides to accept or reject listing applications and manages all trading technologies.
FCP (Fonds Commun de Placement)	Fund invested in stocks, bonds and/or money-market securities. A FCP is similar to a SICAV, but is not a separate legal entity. FCPs are generally smaller than SICAVs and are easier to manage. They are subject to less restrictive regulations and can be more specialised.
FRB	French Retail banking.
Free Cash Flow	Cash available after financing operations and investments, available to pay down debt.

Free Float	The amount of capital which is not under the control of stable shareholders. In other words, capital that can be freely bought and sold and is therefore available to investors, excluding for example shares held by the State, or shares that are subject to shareholders' pacts and so on. On 1 December 2003, the stocks that make up the CAC 40 index became weighted according to their free floats, as opposed to their market capitalisations. This change was born out of a desire to be consistent with the major world market indexes which already function in this manner, and to ensure greater comparability between industries and shares. BNP Paribas has a free float of 95% – one of the highest on the Paris stock market.
Gain/loss on securities	Positive/negative difference between the sale price of a security and the purchase price.
Goodwill	Difference between the cost of shares and the Group's equity in the fair value of the underlying net assets.
Hedge Funds	Funds that take both long and short positions, use leverage and derivatives and invest in many markets.
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards.
IFU (<i>Imprimé Fiscal Unique</i>)	French tax return issued by a bank or broker, listing all the securities transactions carried out on behalf of the taxpayer and all the coupon payments made to the tax payer.
Institutional investor	Financial institution which, by definition or by virtue of its articles of association, is required to hold a certain proportion of its assets in stocks and shares. Examples include insurance companies and pension funds.
Investment club	A variable- or split-capital company, which enables its members to jointly manage a portfolio of marketable securities formed from an initial investment and/or regular capital contributions. Clubs benefit from a favourable regime in respect of capital gains tax. The FNACI (national Federation of Investment Clubs), which is located at 39, rue Cambon, 75001 Paris, provides on request all the information required for the launching and smooth running of these clubs.
Investment Solutions	A BNP Paribas division comprising six businesses: Asset Management, Insurance, Private Banking, Online Savings and Trading, Securities Services, and Real Estate.

ISIN code

The new identification number for securities listed on the stock market. The ISIN code replaces the well-known Sicovam code which had since become the Euroclear code. On 30 June 2004, Euronext Paris put an end to its existing system for identifying securities and replaced it with a system that uses ISIN codes. Having already been adopted by a number of European stock markets including Amsterdam, Brussels, Lisbon and Frankfurt, the new system gives a unique identity to each share and therefore facilitates cross-border transactions between investors, primarily by improving harmonisation within Euronext. The ISIN code comprises 12 characters: 2 letters to indicate the issuing country (e.g., FR for France and US for the United States) and 10 figures. BNP Paribas's ISIN code is FR0000131104.

LBO

Leveraged Buy Out. Company acquisition financed primarily by debt. In practice, a holding company is set up to take on the debt used to finance the acquisition of the target. The interest payments due by the holding company are covered by ordinary or exceptional dividends received from the acquired target.

LIFFE

London International Financial Futures and Options Exchange.

Liquidity

Ratio between the volume of shares traded and the total number of shares in issue.

LME

London Metal Exchange.

M&A

Mergers & Acquisitions.

Market capitalisation

Value attributed to a company by the stock market. Market capitalisation corresponds to the share price multiplied by the number of shares outstanding.

Market-maker/ Market-making contracts

Market-makers commit to maintaining firm bid and offer prices in a given security by standing ready to buy round lots at publicly-quoted prices. Market-making contracts generally concern mid-cap stocks and are intended to enhance the stocks' liquidity. In France, Market-making contracts (contrats d'animation) are entered into between Euronext, the issuer and a securities dealer.

MONEP (Marché d'Options Négociables de Paris)

Paris traded options market, including CAC 40 index options and equity options.

OAT (Obligation Assimilable du Trésor)

French government bonds.

OCEANE (Obligation Convertible en Actions Nouvelles ou Existantes)

Bond convertible for new shares or exchangeable for existing shares of the issuer.

OPA (Offre Publique d'Achat)	French acronym for a public tender offer for cash.
OPE (Offre Publique d'Échange)	French acronym for a public stock-for-stock tender offer.
OPF (Offre à Prix Fixe)	French acronym for a public offering of securities at a set price.
OPR (Offre Publique de Retrait)	French acronym for a compulsory buyout offer (final stage in a squeeze-out).
OPRA (Offre Publique de Rachat d'Actions)	French acronym for an offer to buy out the minority shareholders of a company that is already largely controlled (first stage in a squeeze-out).
Option	Contract giving the buyer the right (but not the obligation), to purchase or sell a security at a future date, at a price fixed when the option is written (exercise price), in exchange for a premium paid when the option is purchased. Options to purchase a security are known as calls and options to sell a security are known as puts.
OPV (Offre Publique de Vente)	French acronym for a public offering of securities at a set price.
ORA (Obligation Remboursable en Actions)	French acronym for equity notes, representing bonds redeemable for shares.
P/E	Price/Earnings ratio. Ratio between the share price and earnings per share. The p/E serves to determine the multiple of earnings per share represented by the share price.
Par value	The par value of a share is the portion of capital represented by the share.
PEA (Plan d'Épargne en Actions)	French name for personal equity plans. Savings products designed to promote private share ownership, invested in shares of companies that have their headquarters in a European Union country or in units in qualifying unit trusts. Revenues and capital gains are exempt from personal income tax and capital gains tax provided that the savings are left in the plan for at least five years. Investments in PEAs are capped at EUR 120,000 per individual.
PEE (Plan d'Épargne Entreprise)	French name for employee share ownership plans. Payments into the plan and reinvested interest are exempt from personal income tax provided that they are left in the plan for at least five years (with early withdrawal allowed in certain specific cases). Surrender gains are also exempt from personal income tax.

Pre-emptive subscription rights

When a company issues shares for cash, each shareholder has a pre-emptive right to subscribe for a number of new shares pro rata to the number of shares already held. The right can be traded on the stock market. Companies can ask the General Meeting to cancel shareholders' pre-emptive subscription rights to facilitate certain operations or allow the company to open up its capital to new investors.

Preference shares

Preference shares are shares that pay dividends at a specified rate and have a preference over ordinary shares in the payment of dividends and the liquidation of assets. They do not carry voting rights.

Price guarantee

When a company acquires control of a listed target, it is required to offer the target's minority shareholders the opportunity to sell their shares at the same price as that received by the sellers of the controlling interest. The offer must remain open for at least fifteen trading days.

Primary market

Market where newly-issued securities are bought and sold.

Prime Brokerage

Activity consisting of providing a wide range of services to hedge funds, including financing, securities settlement/delivery, custody, securities lending/borrowing, etc.

Public tender offer

Offer to buy shares of a company, usually at a premium above the shares' market price, for cash or securities or a combination of both. Where only a small proportion of the company's shares are traded on the market and the offer is followed by a compulsory buyout, the process is known as a "squeeze-out".

Quorum

General Meetings can take place only if there is a quorum. For Ordinary General Meetings, on first call there is a quorum if the shareholders present and represented hold at least 1/4 of the voting rights. There is no quorum requirement on second call. For Extraordinary General Meetings, the quorum corresponds to 1/3 of the voting rights on first call and 1/4 on second call. For Combined Meetings, the quorum requirements depend on whether the resolutions are "ordinary" or "extraordinary".

Quotation

The quotation determines the price of a security on the market at a given point in time. Prices are generally quoted on a continuous basis throughout the day (from 9:00 a.m. to 5:30 p.m.), providing a real-time indication of the prices at which the security concerned is changing hands. Continuous quotation allows market players to closely track market trends. Quotations for securities with a low trading volume are made once a day.

Rating/rating agencies

A rating represents an assessment of the default risk on debt securities. The rating awarded to an issuer has a direct impact on the issuer's borrowing costs. Changes in ratings also have a significant impact on the issuer's share price. The main rating agencies are Standard & Poor's, Moody's and Fitch.

Report

On the Euronext Paris market, transaction allowing an investor to carry forward a buy or sell position from one deferred settlement date to the next.

Retail Banking	A BNP Paribas division comprising French Retail Banking, BNL bc, BancWest, Emerging Markets (now Mediterranean Europe), Personal Finance, and Equipment Solutions.
ROE	Return on Equity. Ratio between consolidated net income and consolidated shareholders' equity.
Secondary market	Market where securities are bought and sold subsequent to their issue.
Settlement SFPI/FPIM	Monthly date when transactions with deferred settlement (Service de Règlement Différé) are unwound (or extended). This date corresponds to the fifth trading day before the last trading day in the month. <i>Société Fédérale de Participations et d'Investissement/Federale Participatie en InvesteringsMaatschappij</i> : a public interest company acting on behalf of the Belgian government.
Share	A share is a transferable security representing a portion of the capital of a limited company or a partnership limited by shares. Ownership of shares is evidenced by an entry in the issuer's share register (registered shares) or in a securities account kept in the holder's name by a bank, stockbroker or other accredited intermediary (bearer shares). Shares quoted on the stock exchange are also referred to as "equities".
SICAV (Société d'Investissement à Capital Variable)	Variable capital investment company that manages a portfolio of securities on behalf of its shareholders. Shares may be purchased or redeemed at any time. The shares are not listed but their value (corresponding to the company's net asset value per share) varies each day based on changes in the value of the securities held in the portfolio.
SICOVAM (Société Interprofessionnelle pour la Compensation des Valeurs Mobilières)	Now renamed Euroclear France. Organisation responsible for clearing securities trades, centralising all stock market transactions and facilitating the transfer of securities between member institutions.
Solvency ratio	Measure of a company's ability to meet its medium- and long- term obligations.
SPVT (Spécialiste en Pension des Valeurs du Trésor)	Primary dealer in French government bond repos.
SRD (Service de Règlement Différé)	French market where the main French and foreign equities are traded. Equities or bonds purchased with deferred settlement are purchased on credit. The buyer is required to settle the purchase price and the seller is required to deliver the securities on the next settlement date, unless one or other of the parties asks for the transaction to be carried over to the next settlement date (report).
Subordinated debt	A debt whose repayment is contingent on the prior repayment of all other secured or unsecured creditors. In exchange for the additional risk, subordinated creditors receive a higher interest rate than other creditors.

Subscription right	Right to participate in a share issue for cash.
TBB (Taux de Base Bancaire)	Interest base rate.
TMO (Taux Mensuel de Rendement des Emprunts Obligataires)	Interest rate corresponding to the monthly bond yield.
TPI (Titre au Porteur Identifiable)	Procedure allowing issuers to obtain information about the identity of holders of bearer shares from Euroclear.
Trade Centre	Specialised sales force set up by BNP Paribas to partner its corporate customers' international development. The Trade Centres offer importers and exporters a wide range of customised services based on the "one-stop-shopping" principle.
Treasury shares	Shares held by the issuer. Treasury shares are stripped of voting and dividend rights and are not taken into account in the calculation of earnings per share.
TSDI (Titre Subordonné à Durée Indéterminée)	French acronym for perpetual subordinated notes.
TSR	Total Shareholder Return: corresponding to return on the capital invested by shareholders, including dividends and unrealised gains on the shares.
UCITS	Undertaking for Collective Investment in Transferable Securities. Term covering unit trusts and variable capital investment companies.
Voting right	Right of a shareholder to vote in person or by proxy at General Meetings.

Warrant

Certificate issued on a stand-alone basis or strippable from another security (share, bond) giving the holder the right to acquire securities (share, bond). Warrants issued by financial institutions acting as market-maker give the holder the right to purchase (call warrant) or sell (put warrant) various underlyings (interest rate, index, currency, equities) at a fixed exercise price during a fixed exercise period. Although these warrants constitute options, they cannot be sold short.

Work Flow

Process automation technology allowing the sequential transmission of digital documents and files to the various people responsible for processing the data.

Yield

Indicator of the return on an investment, expressed in percent. For shares, the yield corresponds to the ratio between the last dividend paid and the last share price.

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INVESTOR EVENTS IN 2010**

6 May 2010

Release of Q1 2010 figures

12 May 2010

Annual General Meeting

2 August 2010

Release of H1 2010 results

For more information and to receive the latest BNP Paribas investor updates (press releases, earnings releases, Investor Day announcements, etc.), please visit www.invest.bnpparibas.com.

* For shareholders who have already signed a stock market services contract (free of charge).

** Dates are subject to change.



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Cover photos

Front cover (from the left to the right and from top to bottom): BNP Paribas in London; BNP Paribas Securities Services at Grands Moulins de Pantin (near Paris); a street in Hong Kong; BNP Paribas Investment Partners, rue Bergère in Paris; BNP Paribas Fortis in Brussels; a street in New York; a street in London; BNL branch in Rome; a bridge in Istanbul; a sight of Rome; BNP Paribas in the United Arab Emirates.

Back cover (from top to bottom): BNP Paribas in Bahrain; BNP Paribas branch in Lyon; BNP Paribas CIB in New York; BNP Paribas in Paris.





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