



# 2010 ANNUAL REPORT



**BNP PARIBAS** | The bank for a changing world



The  
founders  
of  
change

keep reaching



are  
people  
like  
you.



**BNP PARIBAS** | The bank for a changing world

[www.bnpparibas.com](http://www.bnpparibas.com)

# CONTENTS

02	<b>MESSAGE</b> from the Chairman and the CEO
06	<b>2010 KEY FIGURES</b>
09	<b>EXECUTIVE COMMITTEE</b>
10	<b>THE BOARD OF DIRECTORS</b>
14	<b>BNP PARIBAS &amp; ITS SHAREHOLDERS</b>
24	<b>NEWS: ONE BANK FOR CORPORATES IN EUROPE</b>
28	<b>RETAIL BANKING</b> French Retail Banking • 30 BNL banca commerciale • 36 Belux Retail Banking • 40 Europe Mediterranean • 45 BancWest • 47 BNP Paribas Personal Finance • 49 Equipment Solutions • 52
56	<b>INVESTMENT SOLUTIONS</b> BNP Paribas Cardif • 58 BNP Paribas Investment Partners • 60 BNP Paribas Personal Investors • 62 BNP Paribas Real Estate • 64 BNP Paribas Securities Services • 66 BNP Paribas Wealth Management • 68
70	<b>CORPORATE AND INVESTMENT BANKING</b> Corporate Finance • 72 Corporate and Transaction Banking Europe • 74 Fixed Income • 75 Global Equities & Commodity Derivatives • 77 Structured Finance • 79
82	<b>KLÉPIERRE &amp; BNP PARIBAS PRINCIPAL INVESTMENTS</b> Klépierre • 83 BNP Paribas Principal Investments • 84
86	<b>HUMAN RESOURCES</b>
92	<b>CORPORATE SOCIAL RESPONSIBILITY</b>
108	<b>GLOSSARY</b>

The poster opposite and the one on the outside back cover of this document are part of the worldwide BNP Paribas institutional campaign. This was launched in 2010 and will continue in 2011. The objective of this campaign is to enhance BNP Paribas's recall internationally by stressing the Group's strong relationships with its clients. The campaign will be run in most countries around the world, except for France where BNP Paribas's recall is already close to 99%, and where advertising on the theme of "Parlons Vrai" (Straight talking) also highlights the importance of the client relationship.

# THE MESSAGE

**MICHEL PÉBEREAU,**  
Chairman  
**BAUDOUIN PROT,**  
Chief Executive  
Officer

## // BNP Paribas' diversified business model, designed to serve the real economy, once again proved its worth. //

**2**010 was marked by the successful integration of Fortis following our acquisition of the Belgian-Dutch bank in 2009. This merger has transformed our Group profoundly—and the resulting synergies have already surpassed our expectations. We completed the integration according to schedule; each of our businesses and divisions implemented the key steps of the BNP Paribas Fortis and BGL BNP Paribas business plans both swiftly and meticulously. As a result, we expect the cost savings from this merger to be even higher than initially forecast: EUR 1.2 billion by 2012, up from an initial estimate of EUR 900 million.

### **The benefits of a diversified business model serving the real economy**

In the wake of the unprecedented crisis that shook the entire financial system and the resulting transformations in the banking industry, BNP Paribas' diversified business model, designed to serve the real economy, once again proved its worth. This is reflected in our excellent FY 2010 results: net banking income jumped 9.2% while net income surged over 34% to EUR 7.8 billion. At our core businesses, Retail Banking saw a sharp rebound, Investment Solutions continued to win new business, and Corporate & Investment Banking held up well despite the tough economic climate.

This remarkable performance comes in spite of the strong headwinds facing the financial sector: a European sovereign debt crisis, heavy market volatility, tension and uncertainty in the global financial markets, and widespread investor apprehension. Our people deftly used their extensive experience and unshakable commitment to excellence to meet the demanding needs of our clients, employees, and shareholders.



**EUR 7.8**

BILLION

NET INCOME, GROUP SHARE

**EUR 43.9**

BILLION

NET BANKING INCOME

**EUR 17.4**

BILLION

GROSS OPERATING INCOME

**12.3%**

RETURN ON EQUITY

**EUR 2.10\***

PER SHARE

DIVIDEND PAYOUT

### Retail Banking gets a makeover

Our Retail Banking business, which generates half of BNP Paribas' revenue, reaped the benefits of the new organisational structure introduced in early 2010.

The ambitious goal of this restructuring was to rapidly roll out our integrated production and distribution model in a consistent manner—and to promote synergies. We rose to this challenge thanks to the hard work of our Retail Banking staff in providing best-in-class service to our retail, corporate, and small business clients. Our staff again demonstrated a strong capacity for innovation in terms of both technology and sales and marketing. Loans at French Retail Banking grew 3.6% in 2010, while BeLux Retail Banking saw a sharp increase in net income for its first full year within the Group.

BNL continued to improve its operating efficiency and lower its cost/income ratio despite the grim economic climate.

BancWest swung back to a profit and Mediterranean Europe confirmed a return to breakeven.

### Investment Solutions' robust growth

Investment Solutions (IS) reported robust growth in both revenue and pre-tax net income in 2010, unfazed by the sluggish market conditions. All its business lines underscored their ability to generate solid returns; BNP Paribas Wealth Management implemented a new organisational structure and took over as the eurozone's market leader, BNP Paribas Investment Partners racked up major sales wins, BNP Paribas Cardif delivered excellent performance, and BNP Paribas Securities Services bounced back after a tough start to the year and weak transaction volumes.

### Undaunted strength at CIB

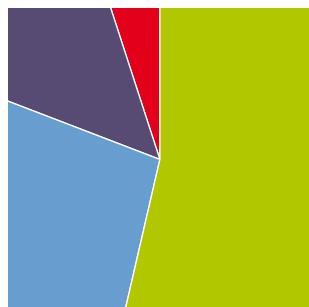
At Corporate & Investment Banking (CIB), pre-tax net income grew 2.5% in 2010 despite the considerably bleaker market conditions relative to the prior year. This robust performance reflects the high quality of our CIB business, the strength of its diversified, customer-focused business model, and its ability to withstand violent market shocks like the ongoing sovereign debt crisis. Our CIB business has a lower level of market risk than its competitors and the industry's highest operating efficiency. Its financing division accounted for half of its pre-tax net income—back up to levels seen before the crisis. ■■■

\* Subject to shareholders' approval at the AGM on 11 May 2011.



**At BNP Paribas we remain convinced that we play a vital role in society by financing the economy and helping clients turn their dreams into reality.**

**Net banking income by business  
(in billions of euros)**



■ Retail Banking: 23.6 (53.8%)

■ Corporate and Investment Banking: 12.0 (27.3%)

■ Investment Solutions: 6.2 (14.1%)

■ Other: 2.1 (4.8%)

#### ■■■ **New regulatory requirements**

In late 2010 the Basel Committee issued new capital and liquidity requirements for banks, which will most likely affect our Group starting in 2011. We must take these new requirements into account in all our business activities, ranging from sales and marketing efforts to day-to-day operations. It will be crucial to not only maintain our tight controls on capital, but also expand them to liquidity.

#### **Fighting like a true challenger**

2011 has already seen several major world events, from political uprisings to natural disasters. Therefore, regulatory changes will be far from the only challenge facing us in 2011. For now regulators are focusing more on quantitative measures than on the need to enhance global supervision. We intend to continue to fight like the challenger we are. We will refocus our priorities on organic growth, our capacity to respond to change, loyalty to our values, and maintaining our solid expertise in risk management and operational efficiency.

## 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

### Goals for 2011

As usual, we have set some ambitious goals for the year ahead. Europe will drive most of our growth; it was home to three-quarters of our revenue in 2010. We aim to outperform in our four domestic markets of France, Italy, Belgium, and Luxembourg, which are particularly robust with low private-sector debt and high savings rates. These markets provide a promising environment in which our business model grows and rolls out on a much larger scale. Synergies stemming from the Fortis integration will constitute another growth driver. And we will roll out the One Bank for Corporates in Europe initiative in 2011.

Mediterranean Europe should also make a significant contribution to the Group's 2011 profits thanks to our ambitious investment strategy and business development plans for both Poland and Turkey. In Italy, BNL will complete its branch renovations and introduce a new slate of services for small businesses. The goal in the US will be to leverage the Group's new scale so as to maximise synergies.

We also intend to take advantage of the buoyant Latin American and APAC economies by implementing targeted growth strategies at Investment Solutions and Corporate & Investment Banking: 2011 will be a key year for the execution of these strategies.

Although the financial crisis seems to have permanently tarnished the banking industry's image, we remain convinced that we play a vital role in society by financing the economy and helping clients turn their dreams into reality. At BNP Paribas our number one goal is to fulfil this important role, responsibly.

T. Pebernard  




The 2010 Annual Report's interviews are on:  
[http://media.bnpparibas.com/  
invest/rapports-annuels/ra2010en/](http://media.bnpparibas.com/invest/rapports-annuels/ra2010en/)

# 2010

## SUSTAINED BUSINESS GROWTH THANKS TO THE GROUP'S ACTIVE ROLE IN FINANCING THE ECONOMY

In 2010, BNP Paribas confirmed the robustness of its diversified and integrated model driven by the needs of its customers.

All the Group's employees are dedicated to supporting their clients—individuals, corporations and institutions—in their plans. Retail Banking's income rebounded greatly; Investment Solution's income grew again and Corporate and Investment Banking maintained a contribution as strong as in 2009.

**EUR 43.9**

BILLION  
REVENUES

**EUR 7.8**

BILLION  
NET INCOME GROUP SHARE

**12.3%**

RETURN ON EQUITY

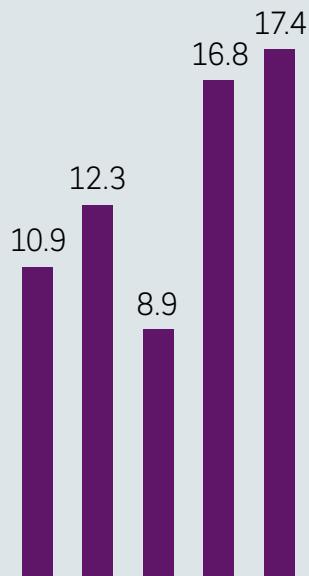
### Revenues

(in billions of euros)



### Gross operating income

(in billions of euros)



### Net income Group share

(in billions of euros)



## Results (in millions of euros)

	31 December 2009	31 December 2010
<b>Total Assets</b>	<b>2,057,698</b>	<b>1,998,158</b>
Customer deposits	604,903	580,913
Customer loans (gross)	678,766	684,686
Shareholder's equity	69,501	74,632
International capital adequacy ratio	14.20%	14.50%
Tier one ratio	10.1%	11.4%

## Workforce

	31 December 2009	31 December 2010
World	201,700	205,300
Europe (including overseas department and territories)	159,800	162,200

## Long-Term Credit Ratings

Standard & Poor's	AA	negative outlook	rating confirmed on 9 February 2011
Moody's	Aa2	stable outlook	rating revised on 21 January 2010
Fitch	AA -	stable outlook	rating revised on 21 June 2010

### Earnings per share\*

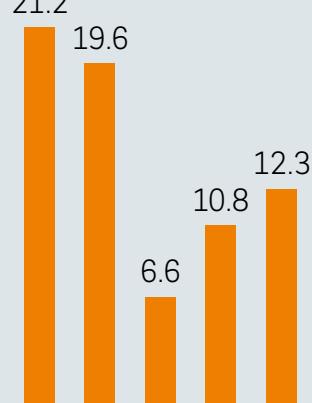
(in euros)

\* 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)



# PROFILE

BNP Paribas is one of the 6 strongest banks in the world\*. With a presence in more than **80 countries** and more than **205,000 employees**, including **162,200 in Europe**, BNP Paribas is a leading European provider of financial services on a worldwide scale.

It ranks highly in its three core activities:

**Retail Banking | Investment Solutions | Corporate and Investment Banking.**

In Europe, the Group has four domestic markets: Belgium, France, Italy and Luxembourg; and BNP Paribas Personal Finance is the leader in consumer lending. BNP Paribas is rolling out its integrated model across the Europe Mediterranean zone and boasts a large network in the western part of the United States.

In its Corporate and Investment Banking and Investment Solutions activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas and solid and fast-growing businesses in Asia.

\* Rated AA by Standard & Poor's i.e. 3rd rating level on a scale of 22.

## WITH YOU AROUND THE WORLD

**OVER  
205,000  
EMPLOYEES\*** OPERATING  
**IN OVER  
80 COUNTRIES**

\* Workforce at 31/12/2010

### • EUROPE

**162,200 EMPLOYEES INCLUDING**  
**65,400 IN FRANCE**  
**19,100 IN ITALY**  
**18,300 IN BELGIUM**  
**3,900 IN LUXEMBOURG**

### • AMERICAN CONTINENT

**19,500 EMPLOYEES INCLUDING**  
**15,100 EMPLOYEES  
IN THE US**  
**4,400 EMPLOYEES  
IN SOUTH AMERICA**

### • ASIA

**11,000 EMPLOYEES**

### • AFRICA

**9,800 EMPLOYEES**

### • MIDDLE EAST

**2,200 EMPLOYEES**

### • OCEANIA

**600 EMPLOYEES**

# EXECUTIVE COMMITTEE



**BAUDOIN PROT**  
Chief Executive Officer



**JEAN-LAURENT BONNAFÉ**  
Chief Operating Officer



**GEORGES CHODRON DE COURCEL**  
Chief Operating Officer



**PHILIPPE BORDENAVE**  
Senior Executive Vice-President,  
Chief Financial Officer



**JACQUES D'ESTAIS**  
Head of Investment Solutions



**ALAIN PAPIASSE**  
Head of Corporate  
& Investment Banking



**FABIO GALLIA**  
Head of BNL bc



**FRANÇOIS VILLEROY DE GALHAU**  
Head of French Retail Banking



**MAXIME JADOT**  
Head of BNP Paribas Fortis<sup>(\*)</sup>



**JEAN CLAMON**  
Managing Director,  
Head of Compliance and Internal  
Control Coordinator



**MICHEL KONCZATY**  
Chief Risk Officer



**FRÉDÉRIC LAVENIR**  
Head of Group Human Resources

(\*) Maxime Jadot has been a member of the BNP Paribas Executive Committee since 1st March 2011.

# THE BOARD OF DIRECTORS



**Michel  
Pébereau**

**Principal function<sup>(1)</sup>:**

Chairman of the BNP Paribas Board of Directors

- Date of birth 23 January 1942
- Elected on 13 May 2009. Term expires at the 2012 AGM
- First elected to the Board on: 14 May 1993
- Number of BNP Paribas shares held<sup>(2)</sup>: 214,260
- Office address: 3, rue d'Antin 75002 Paris, France

**Functions  
at 31 December 2010<sup>(1)</sup>**

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

**Member of the  
Supervisory Board of:**

Banque Marocaine pour le Commerce et l'Industrie (Morocco)

**Non-Voting Director of:**  
Société Anonyme des Galeries Lafayette

**Chairman of:**

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

**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)

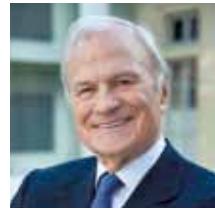


**Patrick  
Auguste**

**Principal function<sup>(1)</sup>:**

Technical Services Manager

- Date of birth 18 June 1951
- Director elected to a three-year term by BNP Paribas executive employees on 22 January 2009
- First elected to the Board on: 14 December 1993
- Number of BNP Paribas shares held<sup>(2)</sup>: 36
- Office address: 20, avenue Georges-Pompidou, 92300 Levallois-Perret, France



**Claude  
Bébérard**

**Principal function<sup>(1)</sup>:**

Honorary Chairman of AXA

- Date of birth 29 July 1935
- Elected on 13 May 2009. Term expires at the 2012 AGM
- First elected to the Board on: 23 May 2000
- Number of BNP Paribas shares held<sup>(2)</sup>: 3,074
- Office address: 25, avenue Matignon, 75008 Paris, France

**Functions  
at 31 December 2010<sup>(1)</sup>**

**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<sup>(1)</sup>:**

Honorary Chairman of Saint-Gobain

- Date of birth 11 August 1941
- Elected on 13 May 2009. Term expires on 19 July 2010
- First elected to the Board on: 22 October 1986
- Number of BNP Paribas shares held<sup>(2)</sup>: 15,757
- Office address: "Les Miroirs" 18, avenue d'Alsace 92096 La Défense Cedex, France

**Functions  
at 31 December 2010<sup>(1)</sup>**

**Chairman of:**  
Claude Bernard Participations (SAS), JL2B Conseil (SAS)

**Vice-Chairman of the  
Supervisory Board of:**

Fonds de réserve pour les retraites—FRR

**Member of the Board  
of Directors:**

Compagnie de Saint-Gobain (SA), GDF Suez (SA) France, Groupe Bruxelles Lambert—GBL (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 (SA)



**Suzanne  
Berger**

**Principal function<sup>(1)</sup>:**  
Professor of Political Science at the Massachusetts Institute of Technology, Cambridge, Massachusetts (USA)—Director of the MIT International Science and Technology Initiative (MISTI)

- Date of birth 11 March 1939
- Elected on 21 May 2008. Term expires at the 2011 AGM
- First elected to the Board on: 8 March 2007
- Number of BNP Paribas shares held<sup>(2)</sup>: 850
- Office address: 30, Wadsworth Street, E53-451, Cambridge, MA 02139-4307, USA

**Functions  
at 31 December 2010<sup>(1)</sup>**

**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) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.



## Jean-Laurent Bonnafé

### Principal function<sup>(1)</sup>:

*Chief Operating Officer of BNP Paribas*

- Date of birth 14 July 1961
- Elected on 12 May 2010. Term expires at the 2013 AGM
- First elected to the Board on: 12 May 2010
- Number of BNP Paribas shares held<sup>(2)</sup>: 14,675 (\*)
- Office address: 3, rue d'Antin, 75002 Paris, France

### Functions

#### at 31 December 2010<sup>(1)</sup>

##### Director of:

*Carrefour, BNP Paribas Personal Finance, Banca Nazionale del Lavoro (Italy)*

**Chairman of:** *Management Committee and Executive Committee of BNP Paribas Fortis (Belgium)*

**Chief Executive Officer :** *BNP Paribas Fortis (Belgium)*



## Jean-Marie Gianno

### Principal function<sup>(1)</sup>:

*Sales associate*

- Date of birth 7 September 1952
- Director elected to a three-year term by

- BNP Paribas employees on 5 February 2009
- First elected to the Board on: 15 March 2004 (Jean-Marie Gianno was an employee representative on the Board of Banque Nationale de Paris from 1993 to 1999)
- Number of BNP Paribas shares held<sup>(2)</sup>: 10
- Office address: 21, avenue Jean-Médecin 06000 Nice, France

### Functions

#### at 31 December 2010<sup>(1)</sup>

##### Member of:

*Comité des établissements de crédit et des entreprises d'investissement (CECEI), "Confrontations" (a European think tank)*



## François Grappotte

### Principal function<sup>(1)</sup>:

*Honorary Chairman of Legrand, Director of companies*

- Date of birth 21 April 1936
- Elected on 21 May 2008. Term expires at the 2011 AGM
- First elected to the Board on: 4 May 1999
- Number of BNP Paribas shares held<sup>(2)</sup>: 2,963
- Office address: 128, avenue de Lattre-de-Tassigny, 87045 Limoges, France

### Functions

#### at 31 December 2010<sup>(1)</sup>

##### Director of:

*Legrand, Legrand France*

**Member of the Supervisory Board of:** *Michelin*



## Denis Kessler

### Principal function<sup>(1)</sup>:

*Chairman and Chief Executive Officer of SCOR SE*

- Date of birth 25 March 1952
- Elected on 13 May 2009. Term expires at the 2012 AGM
- First elected to the Board on: 23 May 2000
- Number of BNP Paribas shares held<sup>(2)</sup>: 2,344
- Office address: 1, avenue du Général-de-Gaulle 92074 Paris La Défense Cedex, France

### Functions

#### at 31 December 2010<sup>(1)</sup>

##### Director of:

*Bolloré, Dassault Aviation, Fonds Stratégique d'Investissement, Invesco Ltd (United States)*

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

**Member of:** *Commission Économique de la Nation, Board of Directors of Siècle, Board of Directors of Association de Genève, Board of the French Foundation for Medical Research, Strategic Board of the European Insurance Federation*

**Chairman of:** *Reinsurance Advisory Board, Global Reinsurance Forum*



## Meglena Kuneva

### Principal function<sup>(1)</sup>:

*Chairman of the Board of the European Policy Centre (Brussels)*

- Date of birth 22 June 1957
- Elected on 12 May 2010. Term expires at the 2013 AGM
- First elected to the Board on: 12 May 2010
- Number of BNP Paribas shares held<sup>(2)</sup>: 10
- Office address: Ul. "Plachkovica"—1 Vhod A, Sofia 1164, Bulgaria

### Functions

#### at 31 December 2010<sup>(1)</sup>

##### Member of:

*Board of the American University (Bulgaria)*

- Office address: 30, boulevard Diderot, 75572 Paris Cedex 12, France

### Functions

#### at 31 December 2010<sup>(1)</sup>

##### Director of:

*Smart Trade Technologies SA, Shan SA*

**Member of:** *Board of the OFCRA—Qatar Financial Center Regulatory Authority—(Doha)*



## Laurence Parisot

### Principal function<sup>(1)</sup>:

*Vice-Chairman of the Board of Directors of IFOP SA*

- Date of birth 31 August 1959
- Elected on 13 May 2009. Term expires at the 2012 AGM
- First elected to the Board on: 23 May 2006
- Number of BNP Paribas shares held<sup>(2)</sup>: 360
- Office address: 6/8 rue Eugène-Oudiné 75013 Paris, France



## Jean-François Lepetit

### Principal function<sup>(1)</sup>:

*Company Director*

- Date of birth 21 June 1942
- Elected on 21 May 2008. Term expires at the 2011 AGM
- First elected to the Board on: 5 May 2004
- Number of BNP Paribas shares held<sup>(2)</sup>: 8,739

(1) Directorships and other functions shown in italics are not governed by the provisions of Law no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2010.

(\*) Jean-Laurent Bonnafé owns the equivalent of 14,618 BNP Paribas shares under the Company Savings Plan.



## Hélène Ploix

**Principal function<sup>(1)</sup>:** Chairman of Pechel Industries SAS, Pechel Industries Partenaires SAS, and FSH SAS  
 • Date of birth: 25 September 1944  
 • Elected on 21 May 2008. Term expires at the 2011 AGM  
 • First elected to the Board on: 21 March 2003  
 • Number of BNP Paribas shares held<sup>(2)</sup>: 1,609  
 • Office address: 162, rue du Faubourg-Saint-Honoré 75008 Paris, France

### Functions at 31 December 2010<sup>(1)</sup>

**Director of:** Lafarge, Ferring SA (Switzerland), Completel NV (Netherlands), Institut Français des Administrateurs

**Permanent representative of:** Pechel Industries Partenaires (SAS) in Ypsos Holding (Luxembourg)  
**Member of the Supervisory Board of:** Publicis Groupe

**Manager of:** Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile  
**Member of:** Investment Committee of the United Nations Staff Pension Fund, Independent Expert Oversight Advisory Committee (IEOAC) of the World Health Organisation (WHO)



## Baudouin Prot

**Principal function<sup>(1)</sup>:** Director and Chief Executive Officer of BNP Paribas  
 • Date of birth: 24 May 1951  
 • Elected on 21 May 2008. Term expires at the 2011 AGM  
 • First elected to the Board on: 7 March 2000  
 • Number of BNP Paribas shares held<sup>(2)</sup>: 137,211  
 • Office address: 3, rue d'Antin 75002 Paris, France

### Functions at 31 December 2010<sup>(1)</sup>

**Director of:** Pinault-Printemps-Redoute, Veolia Environnement, Erbé SA (Belgium), Pargesa Holding SA (Switzerland)  
**Member of:** Executive Board of the Fédération Bancaire Française



## Louis Schweitzer

**Principal function<sup>(1)</sup>:** Honorary Chairman of Renault  
 • Date of birth: 8 July 1942  
 • Elected on 12 May 2010. Terms expires at the 2013 AGM  
 • First elected to the Board on: 14 December 1993  
 • Number of BNP Paribas shares held<sup>(2)</sup>: 14,501  
 • Office address: 8-10, avenue Émile-Zola 92109 Boulogne-Billancourt Cedex, France

**Functions at 31 December 2010<sup>(1)</sup>**  
**Chairman of the Board of Directors of:** AstraZeneca Plc (United Kingdom), AB Volvo (Sweden)  
**Director of:** L'Oréal, Veolia Environnement, Member of the Advisory Committee: Banque de France, Allianz (Germany)  
**Member of the Board of:** Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du quai Branly



## Emiel Van Broekhoven

**Principal function<sup>(1)</sup>:** Economist, Honorary Professor of the University of Antwerp (Belgium)  
 • Date of birth: 30 April 1941  
 • Elected on 12 May 2010. Terms expires at the 2013 AGM  
 • First elected to the Board on: 12 May 2010 (Emiel Van Broekhoven was a non-voting Director of BNP Paribas from 4 November 2009 to 11 May 2010)  
 • Number of BNP Paribas held<sup>(2)</sup>: 150  
 • Office address: Zand 7–9 B-2000 Antwerp, Belgium



## Michel Tilmant

**Principal function<sup>(1)</sup>:** Legal Manager of Strafin sprl (Belgium)  
 • Date of birth: 21 July 1952  
 • Elected on 12 May 2010. Terms expires at the 2013 AGM  
 • First elected to the Board on: 12 May 2010 (Michel Tilmant was a non-voting Director of BNP Paribas from 4 November 2009 to 11 May 2010)  
 • Number of BNP Paribas shares held<sup>(2)</sup>: 500  
 • Office address: Rue du Moulin 10 B-1310 La Hulpe, Belgium

### Functions at 31 December 2010<sup>(1)</sup>

**Senior Advisor:** Cinven Ltd (UK)  
**Director of:** Sofina SA (Belgium), Groupe Lhoist SA (Belgium), Foyer Assurances SA (Luxembourg), CapitalatWork Foyer Group SA (Luxembourg), Université Catholique de Louvain (Belgium), Royal Automobile Club of Belgium (Belgium)

**Functions at 31 December 2010<sup>(1)</sup>**  
**Member of:** 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

## Other corporate officer



## Georges Chodron de Courcel

**Principal function<sup>(1)</sup>:** Chief Operating Officer of BNP Paribas  
 • Date of birth: 20 May 1950  
 • Number of BNP Paribas shares held<sup>(2)</sup>: 69,384  
 • Office address: 3, rue d'Antin 75002 Paris, France



## Daniela Weber-Rey

**Principal function<sup>(1)</sup>:** Partner at Clifford Chance, Frankfurt  
 • Date of birth: 18 November 1957  
 • Elected on 21 May 2008. Term expires at the 2011 AGM  
 • First elected to the Board on: 21 May 2008  
 • Number of BNP Paribas shares held<sup>(2)</sup>: 1,136  
 • Office address: Mainzer Landstrasse 46 D 60325—Frankfurt—am—Main, Germany

### Functions at 31 December 2010<sup>(1)</sup>

**Chairman of:** Compagnie d'Investissement de Paris SAS, Financière BNP Paribas SAS, BNP Paribas (Suisse) SA

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

**Director of:** Alstom, Bouygues, Société Foncière, Financière et de Participations SA, Nexans, Erbé SA (Belgium), Groupe Bruxelles Lambert—GBL (Belgium), SCOR Holding (Switzerland) AG (Switzerland), SCOR Global Life Rückversicherung Schweiz AG (Switzerland), SCOR Switzerland AG (Switzerland), Verner Investissements SAS

**Member of the Supervisory Board of:** Lagardère SCA

**Non-Voting Director of:** Exane, Safran, SCOR SE

## Remuneration

The table below shows gross compensation payable for the year to 31 December 2010, including benefits in kind and Directors' fees for 2010.

Compensation payable for 2010		Compensation			Directors' fees <sup>(4)</sup>	Benefits in kind <sup>(5)</sup>	TOTAL Compensation
In euros		Fixed <sup>(1)</sup>	Variable <sup>(2)</sup>	Deferred <sup>(3)</sup>			
<b>Michel PÉBEREAU Chairman of the Board of Directors</b>							
2010		700,000	(6)	(6)	37,160	4,124	741,284
(2009)		(700,000)	(280,000)	(280,000)	(29,728)	(3,598)	(1,293,326)
<b>Baudouin PROT Chief Executive Officer</b>							
2010		950,000	(6)	(6)	84,907	4,055	1,038,962
(2009)		(950,000)	(712,500)	(712,500)	(90,318)	(5,212)	(2,470,530)
<b>Georges CHODRON de COURCEL Chief Operating Officer</b>							
2010		600,000	(6)	(6)	115,225	3,840	719,065
(2009)		(600,000)	(450,000)	(450,000)	(112,302)	(4,273)	(1,616,575)
<b>Jean-Laurent BONNAFÉ Chief Operating Officer</b>							
2010 (by BNP Paribas SA)		600,000	(6)	(6)	52,839	3,333	656,172
2010 (by BNP Paribas Fortis)		200,000	(6)	(6)	24,031	-	224,031
(2009)		(563,172)	(633,926)	(211,309)	(51,638)	(3,329)	(1,463,374)
Total compensation payable to the Group's corporate officers for 2010 (for 2009)							3,379,514 (6,843,805)

(1) Compensation actually paid in 2010.

(2) & (3) Variable compensation payable for 2009 and 2010 respectively.

(3) Variable compensation granted in 2009 to corporate officers is deferred over the 2011, 2012 and 2013 financial years at a rate of 50% for Michel Pébereau, Baudouin Prot and Georges Chodron de Courcel and 25% for Jean-Laurent Bonnafé. The deferred amounts are indexed to the value of the share. Payment of these amounts is subject to satisfaction of a condition based on return on equity for each year under consideration.

(4) Michel Pébereau does not receive any Directors' fees from any Group companies other than from BNP Paribas SA.

Baudouin Prot does not receive any Directors' fees from any Group companies other than from BNP Paribas SA and Erbé. Directors' fees received by the Chief Executive Officer from Erbé are deducted from his variable compensation.

Jean-Laurent Bonnafé does not receive any Directors' fees from any Group companies other than from BNP Paribas SA, BNP Paribas Fortis, BNL and Personal Finance. The Directors' fees received by Jean-Laurent Bonnafé in respect of BNL and Personal Finance are deducted from his variable compensation.

Georges Chodron de Courcel does not receive any Directors' fees from any Group companies other than from BNP Paribas Suisse, Erbé and BNP Paribas Fortis. The Directors' fees received by Georges Chodron de Courcel from these companies are deducted from his variable compensation.

(5) 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.

(6) At the date of this document:

- BNP Paribas' Board of Directors has not defined the variable portion of corporate officers' compensation in respect of 2010.
  - BNP Paribas Fortis' Board of Directors has not defined the variable portion of Bonnafé's compensation in respect of 2010.
- The Board of Directors' decisions will be published in an update of the Registration Document and this Report in due course.

## Directors' compensation

- Directors who are not Group employees<sup>(1)</sup> do not receive any compensation from BNP Paribas other than Directors' fees.
- Having considered a comparative study of Directors' fees carried out by a specialised firm, the Board adopted the following provisions on a proposal from the Compensation Committee:
  - in the case of the Board of Directors:
    - the individual amount of Directors' fees calculated on the basis of the planned meetings (7 per year) was kept at EUR 29,728, of which EUR 14,864 (50%) constitutes the fixed part, and EUR 2,123.43 per planned meeting (7 per year) constitutes the variable part linked to actual attendance at meetings of the Board. In order to take account of the particular constraints they face, Board members residing abroad are paid 1.5 times the fixed portion of Directors'

fees. The Chairman of the Board does not receive any additional fee in that capacity.

- in the event of an exceptional meeting of the Board of Directors, each Director present receives an additional fee plus 75%;
- in the case of the specialised Committees:
  - the fixed part of the fees payable to the members of the Board's Committees was maintained, and is therefore EUR 15,000 for the Chairmen of the Financial Statements Committee and Internal Control, Risk Management and Compliance Committee, and EUR 2,973 for other Chairmen and members of Committees;
  - the variable parts linked to actual attendance at meetings of the Committees were set at:
    - 80% of the variable part per planned meeting of the Board, or EUR 1,698.74 per meeting for Chairmen of Committees,

- 50% of the variable part per planned meeting of the Board, or EUR 1,061.71 per meeting, for the members of Committees.
- Based on the above provisions, the Board had decided to grant the members of the Board of Directors the sum of EUR 753,527 in 2010. The amount paid in respect of 2009 was EUR 532,509. The number of Directors was higher in 2010 than in 2009.
- Note 8.e. to the financial statements included in this Registration Document and Annual Financial Report contains a table showing the Directors' fees paid to the members of the Board of Directors.

(1) The Directors who are members of the Group are: Patrick Auguste, Jean-Laurent Bonnafé, Jean-Marie Gianno, Michel Pébereau, Baudouin Prot.

# BNP PARIBAS & ITS SHAREHOLDERS

## Share capital

At 31 December 2009, BNP Paribas' share capital stood at EUR 2,368,310,748 divided into 1,184,155,374 shares.

In 2010, five series of transactions led to changes in the number of ordinary shares outstanding:

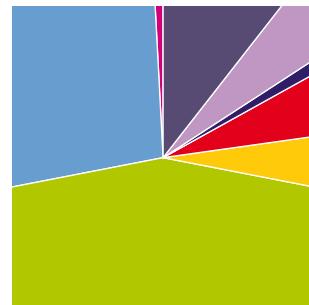
- 1,737,512 shares were issued through the exercise of stock options;
- 354 shares were issued following the merger between Fortis Banque France and BNP Paribas;
- 9,160,218 shares were issued as a result of shareholders opting to receive their 2009 dividends in shares;
- 600,000 shares were cancelled;
- 3,700,076 shares were issued under an employee share offering.

Thus, at 31 December 2010, BNP Paribas' share capital stood at EUR 2,396,307,068 divided into 1,198,153,534 shares with a par value of EUR 2 each<sup>(1)</sup>.

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.**

## BNP PARIBAS OWNERSHIP STRUCTURE AS AT 31 DECEMBER 2010 (VOTING RIGHTS)



European institutional investors:	43.8%
Non-European institutional investors:	27.3%
SFPI:	10.7%
Employees:	5.8%
- o/w corporate mutual funds:	4.2%
- o/w direct ownership:	1.6%
Retail shareholders:	5.5%
AXA:	5.2%
Grand-Duchy of Luxembourg:	1.1%
Others and unidentified:	0.6%

(1) Since the end of the financial year, 506,622 shares have been created following the exercise of stock options. Thus, at 17 January 2011, BNP Paribas share capital stood at EUR 2,397,320,312 divided into EUR 1,198,660,156 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:

SHAREHOLDER	31 December 2008			31 December 2009			31 December 2010		
	Number of shares (in millions)	% of share capital	% of voting rights	Number of shares (in millions)	% of share capital	% of voting rights	Number of shares (in millions)	% of share capital	% of voting rights
SFPI (*)	-	-	-	127.75	10.8%	10.8%	127.75	10.7%	10.7%
AXA	53.08	5.8%	5.9%	61.63	5.2%	5.2%	61.65	5.1%	5.2%
Grand-Duchy of Luxembourg	-	-	-	12.87	1.1%	1.1%	12.87	1.1%	1.1%
Employees	57.69	6.3%	6.4%	67.69	5.7%	5.8%	69.63	5.8%	5.8%
- o/w corporate mutual funds	42.75	4.7%	4.7%	49.43	4.2%	4.2%	50.84	4.2%	4.2%
- o/w direct ownership	14.94	1.6%	1.7%	18.26	1.5%	1.6%	18.79	1.6%	1.6%
Corporate officers	0.43	nm	nm	0.48	nm	nm	0.47	nm	nm
Treasury shares (**)	5.46	0.6%		3.66	0.3%	-	2.99	0.3%	-
Retail shareholders	64.36	7.1%	7.1%	63.63	5.4%	5.4%	66.00	5.5%	5.5%
Institutional investors	717.75	78.8%	79.2%	780.17	65.9%	66.1%	849.37	70.9%	71.1%
(o/w "Socially Responsible Investors")	(3.92)	(0.4%)	(0.4%)	(6.00)	(0.5%)	(0.5%)	(4.36)	(0.4%)	(0.4%)
- Europe	484.10	53.1%	53.4%	486.61	41.1%	41.2%	523.08	43.7%	43.8%
- Outside Europe	233.65	25.7%	25.8%	293.56	24.8%	24.9%	326.29	27.2%	27.3%
Others and unidentified	13.00	1.4%	1.4%	66.27	5.6%	5.6%	7.42	0.6%	0.6%
<b>TOTAL</b>	<b>911.77</b>	<b>100%</b>	<b>100%</b>	<b>1,184.15</b>	<b>100%</b>	<b>100%</b>	<b>1,198.15</b>	<b>100%</b>	<b>100%</b>

(\*) 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.

## 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 privatisation, a Level 1 144A ADR programme has been active in the USA, where JP Morgan Chase is the depositary bank.

(2 ADRs correspond to 1 BNP Paribas share). The ADRs have been traded on the OTCQX International Premier since 14 July 2010 to provide better liquidity and clarity for US investors.

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.

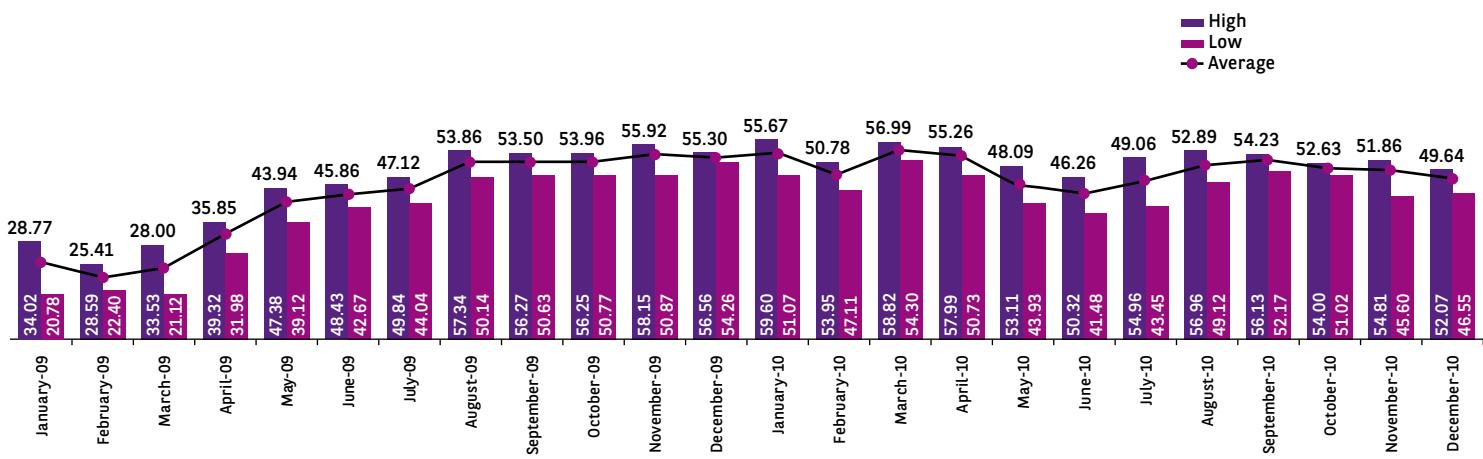
BNP became a constituent of the CAC 40 index on 17 November 1993 and of the Euro Stoxx 50 index on 1 November 1999. Since 18 September 2000, it has been a constituent of the Dow Jones Stoxx 50 index. In 2007, BNP Paribas joined the Global Titans 50, an index comprising the 50 largest corporations worldwide. BNP Paribas shares are also included in the main benchmark indexes for sustainable development: ASPI Eurozone, FTSE4Good (Global and Europe 50), DJSI World and Ethibel. 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.

### SHARE PERFORMANCE BETWEEN 31 DECEMBER 2007 AND 31 DECEMBER 2010

Comparison with the DJ EURO STOXX BANK, DJ STOXX BANK and CAC 40 indexes (rebased on share price)



### AVERAGE MONTHLY SHARE PRICES AND MONTHLY HIGHS AND LOWS SINCE JANUARY 2009 (\*)



(\*) Share prices have been adjusted to account for the capital increases with maintained preferential subscription rights, carried out from 30 September 2009 to 13 October 2009.

- Between 31 December 2007 and 31 December 2010, **the share price fell by 33.99% against a 32.23% decline for the CAC 40, but a 60.50% fall for the DJ Euro Stoxx Bank index** (index of banking stocks in the eurozone) **and a 53.73% drop for the DJ Stoxx Bank index** (index of banking stocks in Europe). BNP Paribas shares suffered from the widespread loss of confidence in financial institutions, triggered by the subprime mortgage crisis in the US. 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.

However, the tide turned at the beginning of 2009, and the share price rose from EUR 29.40 at 31 December 2008 to EUR 47.61 at 31 December 2010. This 61.94% increase comfortably beat the 18.24% rise in the CAC 40 index, the 8.93% rise in the DJ Euro Stoxx Bank index and the 29.91% rise in the DJ Stoxx Bank index over the same period.

During 2010, the share price shed 14.83%, underperforming the CAC 40 (down 3.34%) and similar to the DJ Stoxx Bank (down 11.57%), but significantly outperforming the DJ Euro Stoxx Bank (down 26.86%). The banks in this index were affected by investor fears over sovereign debt in some eurozone countries, and their share price retreated substantially in the spring, reaching lows in June. The increase from September 2010 onwards only partially offset the first half decline. In addition, the Basel Committee's publication of proposals to significantly strengthen capital and liquidity requirements for banks weighed heavily on investor perception of banks and, consequently, their share price.

- At 31 December 2010, BNP Paribas' market capitalisation was EUR 57 billion**, ranking it 5th among CAC 40 stocks (unchanged from end 2009). In terms of free float, BNP Paribas ranks 3rd among the CAC 40 stocks (also unchanged since 2009). BNP Paribas had the 8th-largest free float in the DJ Euro Stoxx 50 index at end-2010, down from 6th place a year before.

## KEY SHAREHOLDER DATA

In euros	2006	2007	2008	2009	2010
Earnings per share <sup>(1)*</sup>	7.81	8.25	2.99	5.20	<b>6.33</b>
Net assets per share <sup>(2)*</sup>	48.40	50.93	45.68	51.93	<b>55.62</b>
Net dividend per share*	3.01	3.26	0.97	1.5	<b>2.10<sup>(3)</sup></b>
Payout rate (%) <sup>(4)</sup>	40.3	39.8	33.0	32.3	<b>33.4<sup>(3)</sup></b>
Share price					
High <sup>(5)*</sup>	86.01	92.40	73.29	58.58	<b>60.38</b>
Low <sup>(5)*</sup>	64.78	65.64	27.70	20.08	<b>40.81</b>
Year-end*	80.33	72.13	29.40	55.90	<b>47.61</b>
CAC 40 index on 31 December	<b>5,541.76</b>	<b>5,614.08</b>	<b>3,217.97</b>	<b>3,936.33</b>	<b>3,804.78</b>

(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 11 May 2011.

(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:

• 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 BNP Paribas shares; 50% tax credit included until tax credit system abolished in early 2005;
- Exercise of pre-emptive rights during the rights issues in March 2006 and October 2009;
- Returns stated gross, i.e. before any tax payments or brokerage fees.

**Calculation results:**

The following table indicates, for various periods ending on 31 December 2010, the total return on a BNP share, then a BNP Paribas share, as well as the effective annual rate of return.

Holding period	Investment date	Share price at the investment date (in euros)	Number of shares at end of calculation period (31/12/2010)	Initial investment multiplied by	Effective annual rate of return
<b>Since privatisation</b>	18/10/1993	36.59	3.86	x5.03	+9.84%
<b>17 years</b>	03/01/1994	43.31	3.52	x3.87	+8.28%
<b>16 years</b>	03/01/1995	37.20	3.46	x4.42	+9.74%
<b>15 years</b>	02/01/1996	33.57	3.38	x4.80	+11.02%
<b>14 years</b>	02/01/1997	30.40	3.28	x5.14	+12.41%
<b>13 years</b>	02/01/1998	48.86	3.18	x3.10	+9.09%
<b>12 years</b>	04/01/1999	73.05	3.12	x2.03	+6.09%
<b>Since inception of BNP Paribas</b>	01/09/1999	72.70	3.03	x1.99	+6.24%
<b>11 years</b>	03/01/2000	92.00	3.03	x1.57	+4.18%
<b>10 years</b>	02/01/2001	94.50	2.95	x1.49	+4.04%
<b>9 years</b>	02/01/2002	100.40	2.85	x1.35	+3.42%
<b>8 years</b>	02/01/2003	39.41	1.38	x1.67	+6.61%
<b>7 years</b>	02/01/2004	49.70	1.33	x1.27	+3.50%
<b>6 years</b>	03/01/2005	53.40	1.27	x1.14	+2.14%
<b>5 years</b>	02/01/2006	68.45	1.23	x0.85	-3.10%
<b>4 years</b>	02/01/2007	83.50	1.18	x0.67	-9.50%
<b>3 years</b>	02/01/2008	74.06	1.14	x0.73	-9.92%
<b>2 years</b>	02/01/2009	30.50	1.08	x1.69	+30.07%
<b>1 year</b>	02/01/2010	56.11	1.03	x0.87	-12.66%

## 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 French and foreign institutional investors and financial analysts of the Group's strategies, major events concerning the Group's business and, of course, the Group's quarterly results. In 2011 the following dates have been set<sup>(1)</sup>:

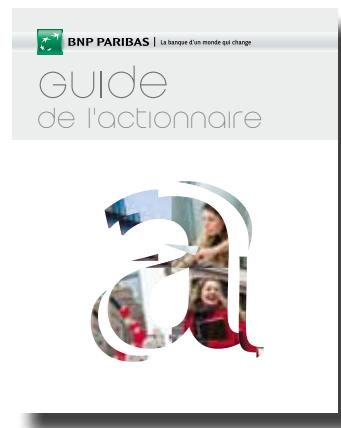
- 17 February 2011: publication of 2010 results;
- 4 May 2011: results for the first quarter of 2011;
- 2 August 2011: publication of 2011 half-year results;
- 9 November 2011: results for the third quarter and first nine months of 2011.

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. A Relations Officer is 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 585,000 or so individual shareholders (*source: 31 December 2010 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 very early in July. During the year, senior management presents the Group's strategy to individual shareholders at meetings organised in various French cities and towns. For example, in 2010, meetings were held in Rouen on 27 May, Massy on 22 June, Orléans on 29 June and Pau on 28 September. BNP Paribas representatives also met and spoke with over 1,000 people at the Actionaria shareholder fair held in Paris on 19 and 20 November 2010.

## BNP PARIBAS SHAREHOLDERS' GUIDE

The BNP Paribas Shareholders' Guide was designed to provide individual shareholders with full details on share price performance and the Bank's achievements. Its main purpose is to give investors a better idea and a deeper understanding of the economic environment and of 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 and downloaded on the website.



(1) Subject to alteration.

In 1995, the “**Cercle BNP Paribas**” was set up for individual shareholders holding at least 200 shares. The Cercle currently has 63,200 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 (technical analysis, financial research, placing orders etc.), private asset management and warrants. Economic update sessions are also organised by BNP Paribas teams. The Bank regularly organises scientific conferences and visits to industrial sites. These events 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, 286 events were organised for more than 13,000 participants in 2010. Shareholders can obtain information about these services by dialling a **special toll-free** number: **0 800 666 777**. 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](http://cercle-actionnaires.bnpparibas.com)), which features all offers and services available among others things through the Cercle membership card.

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, with Dutch soon to come. It provides information on the Group, including press releases, key figures and details of significant developments and events. All financial documents such as Annual Reports and Registration Documents can also be viewed and downloaded. The financial calendar gives the dates of important forthcoming events, such as the Annual General Meeting, communications of results and shareholder seminars. Publications compiled by the Bank's Economic Research unit can be viewed on the website. The website also naturally features the latest share performance data and comparisons with major indexes. Among its features is a tool for calculating returns.

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 attending the meeting, ways of voting, practical matters, as well as a presentation of the resolutions and the complete text of all speeches made by corporate officers. Webcasts of the Annual General Meeting 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 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.



***La Vie du Cercle***, a newsletter to the members of the Cercle BNP Paribas.

## Shareholder Liaison Committee

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.

At 1 January 2011, 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 employee, retired employee, and former employee shareholders of the BNP Paribas Group.

In accordance with the committee's Charter—i.e. the internal rules that all committee members have adopted—the committee met twice in 2010, on 19 March and 24 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;
- the integration with the Fortis group;
- the draft 2009 Registration Document and Annual Report;
- quarterly results presentations;
- initiatives taken in preparation for the Annual General Meeting;
- revision of the Shareholders' Guide and the best way of keeping it regularly up to date;
- the Bank's 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 Group's stand.



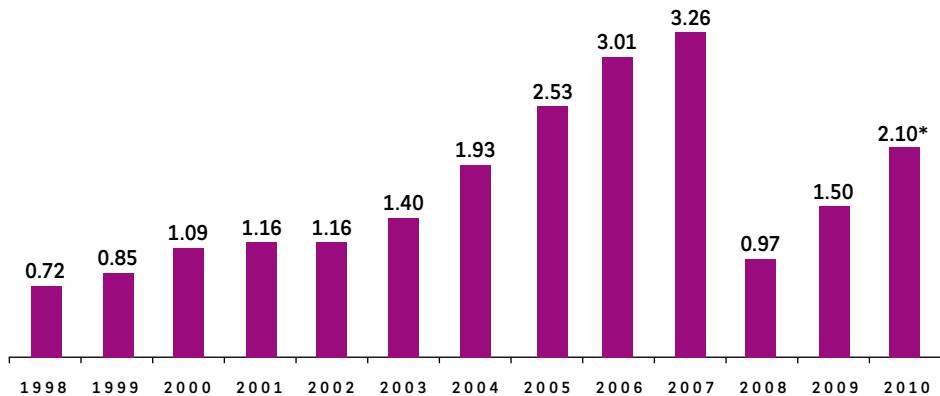
The Shareholder Liaison Committee on 18 March 2011.

## Dividend

At the 11 May 2011 Annual General Meeting, the Board of Directors will recommend a dividend of EUR 2.10 per share, an increase of 40% relative to 2010. The shares will go ex-dividend on 20 May and the dividend will be paid on 25 May 2011, subject to approval at the Annual General Meeting.

The total amount of the proposed payout is EUR 2,517 million, compared with EUR 1,778 million in 2010, representing an increase of 41.6%. The proposed payout rate is 33.4%<sup>(1)</sup>.

### DIVIDEND EVOLUTION (EURO PER SHARE)



\* Subject to approval at the Annual General Meeting of 11 May 2011

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.

**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.

(1) Dividend recommended at the 11 May 2011 Annual General Meeting expressed as a percentage of net earnings.

## BNP PARIBAS REGISTERED SHARES

At 31 December 2010, 37,287 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<sup>(2)</sup> and to obtain any information;
- benefit from special, discounted brokerage fees;
- have access to "PlanetShares" (<https://planetshares.bnpparibas.com>), a fully secure dedicated web server, allowing them to view registered share accounts, and account movements, to as well as place and track orders<sup>(2)</sup>;
- are automatically invited to General Meetings without the need for an ownership certificate;
- may receive notice of meetings by internet;
- and, of course, pay no custody fees.

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;
- shareholders may receive notice of meetings and vote at General Meetings online.

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

## **Annual General Meeting**

The 2010 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 environment and community at large. The Group considered it appropriate that these principles and values be reflected in its General Meetings. As a result, a decision was taken, in conjunction with the Shareholder 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 25,210 in 2010, including EUR 6,360 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 2010 contributions were ultimately divided between 70 projects (62 in 2009), all of which were initiated by BNP Paribas staff. In all, 98 projects were submitted and 88 of them were examined. The sums awarded varied from EUR 1,000 to EUR 4,000 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 18 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 combined 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 combined Ordinary and Extraordinary General Meeting on 11 May 2011.

### **Notice of meetings**

For combined Ordinary and Extraordinary General Meetings:

- holders of registered shares are notified by post; the convening notice contains the agenda, the draft resolutions and a postal voting form. Notice of meeting was sent via the Internet for the first time in 2010, once the Group had obtained the agreement of certain of its shareholders, as required by law: 7% of them took up this new option;
- 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:
- convening notices and a postal voting form for shareholders who own over a certain number of shares (set at 250 shares in 2010); 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 115,000 of the Bank's shareholders (representing about 20% of the total 590,000 at the time of the General Meeting) personally received the information needed to participate in 2010. Staff at all BNP Paribas branches 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 trading 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 convening notice.

This document enables them to either:

- vote by post;
- give their proxy to their spouse or any other 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 (<https://gisproxy.bnpparibas.com/bnpparibas.pg>).*

# ONE BANK

## FOR CORPORATES IN EUROPE

**Despite the emergence of new global economic heavyweights and dizzying growth in a number of countries and regions around the world, Europe—where BNP Paribas generates 75% of its revenue—remains a vibrant market and is home to 190 of the world's 500 biggest companies by sales.** The EU accounted for almost a third of global GDP in 2009 and was the planet's biggest exporter. Trade between EU member states alone totalled EUR 2,194 billion. Therefore, it comes as no surprise that corporations and multinationals are focusing their business expansion plans on this lucrative region. BNP Paribas' latest initiative—One Bank for Corporates in Europe—is designed to help businesses grow across the continent. Unveiled in February 2011, this seamless, end-to-end service is unique in Europe's corporate banking landscape and will deliver our renowned banking expertise to clients in 23 different countries—all through a single point of contact.



Advertising campaign  
for One Bank for  
Corporates in Europe,  
in six languages



// One Bank for Corporates in Europe will give corporate clients access to a network of 150 Business Centres in 23 different countries. //

**A single point of contact to access consistent, high-quality services across Europe**

One Bank for Corporates in Europe will give corporate clients access to a network of 150 Business Centres in 23 different countries. Unique in Europe, the service is designed to make corporate banking simple. Take a company in Belgium that plans to open offices in Germany, the Netherlands, and Turkey: gone are the days of working with a different banker in each country. With One Bank for Corporates in Europe, clients across the continent can enjoy seamless banking services with the level of quality they have come to expect from BNP Paribas, simply by contacting any one of our 150 Business Centres where some 1,700 account managers serve 160,000 corporate clients. This powerful new service is one of the many synergies resulting from the BNP Paribas-Fortis merger. Both companies have well-established networks throughout Europe. Bringing these complementary businesses together positions BNP Paribas to provide unparalleled service in the European corporate banking market. In addition to our four domestic markets (France, Italy, Belgium, and Luxembourg), the Group also boasts strong positions in Turkey and Poland, an expansive banking network, and, since early 2010, 4 Global Business Centres based in Brussels. These Business Centres—Corporate & Transaction Banking Europe, Global Cash Management, Global Trade Solutions, and Global Factoring—have already proven their worth in terms of the enhanced services now available to our corporate banking clients.

**The leading bank for companies expanding in Europe**

One Bank for Corporates in Europe is the ideal solution for local businesses wishing to expand into neighbouring countries, multinationals seeking to anchor their presence in the region, and corporations with subsidiaries in several European countries. Our ambitious goal is to become the go-to bank for corporate expansion projects in and across Europe and to play an active role in driving the region's economy. Through One Bank for Corporates in Europe we offer effective, competitive banking services to support both local businesses and multinationals targeting the European market.

What sets us apart, however, is not just our geographical reach, but also the wide range of banking services we offer. In addition to the bread-and-butter services (loans, cross-border trade finance, cash management, and fixed income) BNP Paribas also offers leasing and factoring services plus full advisory services for strategic decisions and capital markets transactions like mergers and acquisitions, restructurings, and financial engineering—all areas in which we possess best-in-class expertise. The Group is Europe's leading bank for cross-border trade finance, leasing, and euro-denominated bond issues, the no. 2 (as a leased fleet) under a long-term leasing agreement with corporate vehicle services—with Arval—, and the 3rd-leading bank for cash management.

Corporate & Investment Banking has won numerous awards and is a global leader in its market; it is also Europe's top bank for capital markets and derivatives transactions and boasts a robust consulting business. All of this is backed by the Group's powerful brand, ranked 4th in the world in commercial banking and 5th in investment banking.

### **A target of 3,000 new clients by end-2012**

BNP Paribas already offers a strong line-up of corporate banking services. However, the Group fully intends to build on this solid base, leveraging the added value of One Bank for Corporates in Europe to enhance its everyday banking services, get the most out of its assets, and gain market share. More specifically, BNP Paribas intends to bolster its European cash management platform, expand its foreign exchange and hedging services, build its visibility in the market for European high-yield bond issues, and set up factoring businesses in the UK, the Netherlands, and Poland.

Another pillar of the Group's strategy is to invest in more efficient back-office and cash management processes to give customers better European-wide support, and to employ new online, mobile phone, and Swift technology to optimise our cash management systems. BNP Paribas also plans to anchor our leadership in supply chain financing by offering innovative services. The Group aims to acquire 3,000 new clients by end-2012 and become a major corporate banking player in Germany and the Netherlands—two key markets for its business development.

The list of examples testifying to BNP Paribas unmatched ability to deliver tangible benefits to corporate clients across the region is long. For example, the Group developed a six-country European cash pool for a major food producer; as part of this service we help our client optimise its cash management, standardise its processes, and monitor its cash position.

BNP Paribas also sets up a leasing arrangement for the Portuguese branch of a Belgium-based transportation company—making sure that the leasing conditions are the same in both countries—and a five-country factoring service for a beverages company that is coupled with a framework agreement tailored to the specifics of local markets. These are just some of the ways in which BNP Paribas, even before the launch of One Bank for Corporates in Europe, was already setting the standard for European-wide service—reflecting the global vision that has guided the Group since it was founded.

### **BNP PARIBAS RANKS HIGHLY IN EUROPE:**

# **No.1**

**IN TRADE FINANCE  
IN LEASING  
IN EURO-DENOMINATED BOND ISSUES**

# **No.2**

**AS A LEASED FLEET  
UNDER A LONG-TERM LEASING AGREEMENT  
WITH CORPORATE VEHICLE SERVICES**

# **No.3**

**IN CASH MANAGEMENT**



**JEAN-LAURENT  
BONNAFÉ**  
Chief Operating Officer

In 2010, the Retail Banking businesses accounted for more than half of BNP Paribas' revenues. They adopted a new organisational structure and managed completion of the first phase of the Fortis merger.



## Our top priority for 2011 is to complete the second phase of the Fortis merger, which will involve employees across all businesses and regions.

### To what do you attribute Retail Banking's excellent 2010 results?

Our net income almost doubled in 2010, as we helped our clients achieve their goals by providing various types of loans and savings accounts—while lowering our cost of risk. Therefore, it was a good year all around. And, thanks to our merger with Fortis, we are now positioned as a major financial institution both across Europe and worldwide.

### Can you tell us about the new One Bank for Corporates in Europe initiative?

With this new initiative we plan to leverage the synergies between our Corporate and Investment Banking and Retail Banking businesses to provide pan-European services for large- and mid-cap companies. Our corporate clients can now access our banking services across Europe through a single point of contact—ideal for today's globalised markets and increasingly international businesses. This initiative, one of the first

of its kind in Europe, spans our entire network of 1,700 account managers at 150 Business Centres in 23 different countries. Its success will depend on the ability of employees from many different departments—not to mention countries and cultures—to work together effectively, making it an exciting challenge for the entire Group.

### What does the Retail Banking business have in store for 2011?

Our top priority is to complete the second phase of the Fortis merger. We also plan to continue investing in online and mobile banking, as well as other technologies that let our clients seamlessly combine traditional brick-and-mortar banking with secure remote banking. The One Bank for Corporates in Europe initiative will also be a key focus throughout 2011, along with our business development plans for Turkey and Poland—two countries where our business has taken on a new, larger scale thanks to the Fortis merger.

At BancWest our organic growth strategy should start yielding benefits following the recent restructuring of the sales and marketing activities at this business.

### What is your strategy for Specialised Financial Services?

Our consumer credit, leasing and car fleet financing businesses all performed well in 2010. This was especially true for consumer credit, where we were able to reduce our cost of risk. In 2011 we intend to anchor our market share in these businesses, which are all European market leaders, by introducing innovative new products and services and expanding into targeted emerging countries.



The interview is on:  
[http://media.bnpparibas.com/  
invest/rapports-annuels/ra2010en/](http://media.bnpparibas.com/invest/rapports-annuels/ra2010en/)

# RETAIL BANKING

French Retail Banking • 30  
BNL banca commerciale • 36  
BeLux Retail Banking • 40  
Europe Mediterranean • 45  
BancWest • 47  
BNP Paribas Personal Finance • 49  
Equipment Solutions • 52

BNP Paribas generated 54% of its 2010 revenues from retail banking and specialised financial services. Its Retail Banking networks have 22 million individual, professional and small business customers and 200,000 corporate clients, whilst its specialist credit activities have 13 million active customers. Retail Banking activities employ more than 148,000 staff in 52 countries, representing 72% of the Group's headcount.



Retail Banking operates branch networks, with a total of 7,300 branches including 6,500 in Europe and the Mediterranean Basin, together with specialised financial services. It is divided into seven Operating Entities:

- French Retail Banking;
- BNL bc, Italian retail banking;
- BeLux Retail Banking, covering retail banking activities in Belgium and Luxembourg, a new entity created following the integration of Fortis;
- Europe-Mediterranean, covering retail banking activities in Central and Eastern Europe, the Mediterranean Basin and West Africa;
- BancWest, the retail banking network in the USA;
- Personal Finance, comprising the specialist personal loan, consumer credit and mortgage financing businesses;
- Equipment Solutions, dedicated to financing equipment for corporate clients.

Retail Banking's creative structure is designed to encourage cross-functionality between operating entities. Eight transversal missions—Distribution, Markets & Solutions (DMS), IT Transverse, US Operations, Business Development, Wealth Management, Platforms, Operations & Process (POP), HR, Brand & Communications—provide the business lines with their expertise and work on shared cross-functional projects.

The effectiveness of this structure and the integrated distribution and origination business model was demonstrated during 2010. Through Retail Banking, BNP Paribas is the eurozone's leader in wealth management<sup>(1)</sup> and the European leader in consumer credit<sup>(2)</sup>, cash management<sup>(3)</sup> and equipment financing for businesses<sup>(4)</sup>. Integration of the Retail Banking networks and CIB has also made BNP Paribas one of the leading banks serving companies seeking to expand in Europe.

(1) Source: in-house study based on information published by competitors as at 30 September 2010.

(2) Source: Annual Reports of personal finance companies.

(3) Source: TMI, 2010.

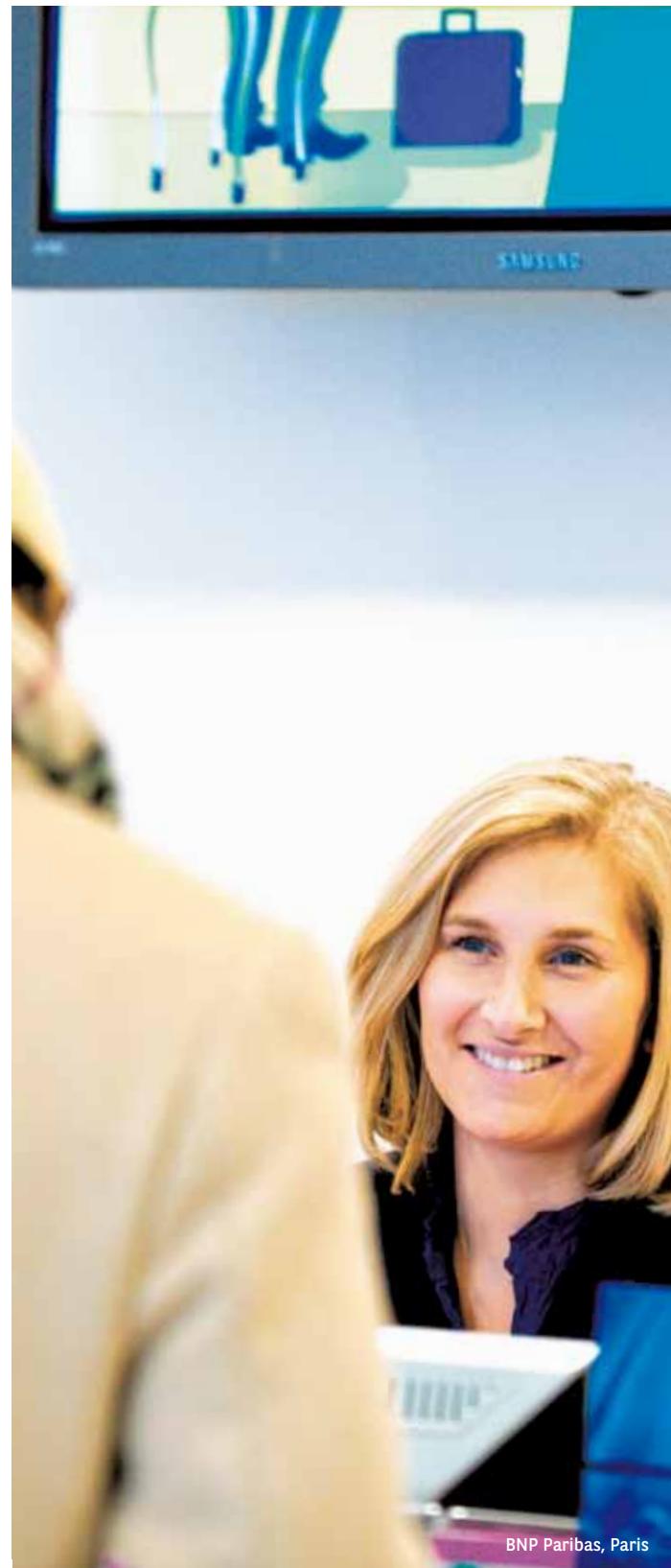
(4) Source: Leaseurope 2009 league tables reported in September 2010.



Retail Banking  
activities headquarters in Paris

# FRENCH RETAIL BANKING

French Retail Banking (FRB) supports all its clients with their projects. It has a client base made up of 6.7 million individual and private banking clients, 600,000 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.



BNP Paribas, Paris

## 2010 AT A GLANCE

**2,255**  
BRANCHES IN FRANCE

**32,000**  
EMPLOYEES



BNP Paribas, Lyon



BNP Paribas,  
Paris (La Défense)

The French Retail Banking Division network is strengthened every year with a view to enhancing local coverage and client service. At 31 December 2010, it consisted of 2,255 branches, of which over 1,460 had been refurbished with the "Welcome & Services" concept, and 5,620 cash dispensers. As such, the network is now more compatible with a multi-channel organisational structure. FRB focuses on regions with strong economic potential, notably with an 18% market share in the Paris region<sup>(1)</sup>. FRB is characterised by a strong presence in the upper affluent segments of the retail market and a prominent position among businesses with a penetration rate of 38% among companies with 50 or more employees<sup>(2)</sup>.

The French Retail Banking Division employs 32,000 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 the branch advisors has been strengthened in order to meet client expectations. The network is organised by client category:

- **2,255 branches dedicated to individual, professional and business clients;**
- **221 Private Banking Centres**, representing the most extensive private banking coverage in France<sup>(3)</sup>;
- a unique network of **28 Business Centres dedicated to business customers** across the length and breadth of the country, as well as a professional assistance service—"Service Assistance enterprises (SAE)"—and Cash Customer Services (CCS);
- **32 Small Business Centres** which help entrepreneurs and small businesses to manage their wealth planning projects or projects related to their company's lifecycle.

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 customer type, they span the whole of France. At year-end 2010, 61 production units were in charge of transaction processing.

Complementing the NetÉpargne area of the [bnpparibas.net](http://bnpparibas.net) website 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.

FRB 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 "NET Agence", an online bank.

(1) BNP Paribas French Retail Banking 2010 marketing research, percentage of adults living in the Paris region who are BNP Paribas clients.

(2) BNP Paribas French Retail Banking 2010 marketing research.

(3) Source: internal data.

## INDIVIDUAL CLIENTS

In a disrupted economic environment, FRB reaffirmed its presence alongside its customers by using all the levers of the multi-channel bank.

In 2010, advisers had more than 6.2 million appointments in their branches with their customers. More than 2.1 million clients used internet every month. The Client Relations Centre received more than 19 million incoming calls and handled 1 million contacts in outgoing calls. The quality of service associated with this level of commitment was recognised, since we were awarded the "Best customer service of the year" title in the banking category<sup>(1)</sup> (BVA).



BNP Paribas advertising campaign for juniors (on the left) and preparing for retirement (on the right)

### FRB supports a variety of client projects

- Juniors** - The back to school offer was centred on housing and flat-sharing. For advertising, the director Riad SATTOUF (César Award for Best First Film) directed a web series that broke all audience records with more than 6 million connections in six weeks. This programme included a solidarity component in cooperation with the "Association de la Fondation Étudiante pour la Ville" (AFEV).
- Real estate and credit** - With record mortgage loan origination, BNP Paribas extended real estate financing to 118,000 customers and prospects.
- Preparing for retirement** - The launch of Avenir Retraite rounds out the existing range and offers customers an innovative product featuring a strengthened guarantee.
- The BNP Paribas network** joined forces to help the victims of the Xynthia storm by proposing an offer to deal with first needs and by giving families the possibility to suspend repayments.
- With the EDUCARE programme**, FRB allows its clients to become acquainted with the banking and financial environment through a series of mini conferences.

### FRB - A bank at the forefront of innovation

- Very active in social networks, with in particular the launch of support on Twitter, and more than 116,000 fans on Facebook, BNP Paribas was the 1st bank on iPad. It now offers its customers the possibility of using an electronic signature to subscribe products via internet.
- With the creation of a Concept Store at 2, place de l'Opéra, a concept that combines showcasing technology and an innovative customer track, visitors can imagine the bank of the future.

(1) Through its Client Relations Centres and its [bnpparibas.net](http://bnpparibas.net) website.

## + 2010 AT A GLANCE

**6.2**

MILLION APPOINTMENTS  
IN BRANCHES

**2.1**

MILLION CONNECTIONS  
EVERY MONTH

**19**

MILLION INCOMING CALLS



The 2, place de l'Opéra in Paris, a BNP Paribas concept that offers its customers the possibility of using in branches, new technologies.



BNP Paribas, Lyon



Advertising campaign for private banking

## 2010 was a dynamic year in terms of activity and new business relationships

- Many new customer relationships were established in 2010. Supported by the strong dynamics of the market of young people, NET Agence's contribution, with more than 8,000 new business relationships, and the real estate financing contribution, the number of accounts had grown by more than 190,000 at the end of December 2010. Meanwhile, as of the end of December 2010, the branch network advisers had referred more than 11,300 new clients to Private Banking advisers.
- All this hard work led to an increase in market shares both in household lending with a 9.3% rise at the end of December 2010, beating the market, and in overall household savings, where our market share had grown by 10 basis points at the end of December 2010, and the number of Livret A passbooks reached 2 million, with total savings of EUR 6.1 billion at the end of December 2010.

## ENTREPRENEURS AND FREELANCE PROFESSIONALS

In 2010, BNP Paribas galvanised all energies to revitalise the supply of credit to micro-businesses, SoHos, and SMEs.

FRB's initiatives included launching a number of active advertising campaigns, with "BNP Paribas loves all creators" in February, "Open house for merchants and craftsmen" in April, participating in Microcredit Days in June organised by ADIE, an association that helps the unemployed, and participating for the first time in the *Mondial de l'Automobile* trade show in September.

FRB continued to strengthen its local coverage and the expertise provided to SMEs and their managers by consolidating its dedicated teams within the Maisons des Entrepreneurs.

Also in the area of financing and supporting SoHo and SME clients, the French Retail Banking Division offered a wide range of products and services:

- For investment financing, the objective to finance, before the end of 2010, 40,000 projects within the framework of a EUR 5 billion envelope as well as the provision of a EUR 150 million envelope of short-term loans available for Sohos was substantially exceeded: 50,000 projects for EUR 6 billion of loans.
- To strengthen shareholders' equity, our BNP Paribas Développement subsidiary raised its investment objective from EUR 50 million to EUR 150 million over twelve months.

Advertising campaign for professionals and entrepreneurs



The French Retail Banking Division also distinguished itself in the field of innovation by becoming the first bank to offer access to corporate and professional accounts from a mobile phone in France. This functionality complements the launch and development on the internet of the distribution of loans to professionals.

Our hard work has been awarded by the loyalty of our clients, but also by the fact that 47,000 new professionals and entrepreneurs joined us during 2010.

## CORPORATE AND INSTITUTIONAL CLIENTS, AS WELL AS ASSOCIATIONS

### Business Centres ever closer to their clients

Increasingly specialised client requirements have led BNP Paribas to differentiate its marketing approach according to specific client segments (corporate, institutional and large associations), by combining expertise and local availability.

The system relies heavily on the 28 Business Centres across the whole country, one of which is exclusively dedicated to large associations. Medium-sized and large companies are catered to by Accounts Managers in Business Centres and Key Relationship Managers in the Regional Division. Two professional support services, the Service Assistance Entreprises (SAE) and the Cash Customer Service (CCS), round out this platform.

### Regional Trading Rooms

The seven Regional Trading Rooms provide close support to large- and medium-sized companies as well as large associations and institutions in the form of debt management and currency and commodity price hedging. The trading rooms also provide a full range of investment services, from money market funds to structured products, thus enabling clients to optimise their cash investments across all maturities and all classes of underlying assets.

### Products and services provided by the Group

FRB canvasses corporate and institutional clients, as well as large associations by drawing on the specialised skills of each of the Group's business lines and by successfully developing cross-selling: in particular currency and interest rate derivatives, investments, international trade, specialised financing, private banking, etc.

### BNP Paribas Cash Management

2010 was a milestone year during which BNP Paribas Cash Management posted strong ambitions through numerous projects, aimed at strengthening its overall offering but also its local solutions, which led to:

- Major investments at the European level, with the creation of payment platforms: Single European Payments Area (SEPA) Credit Transfer and Direct Debit, making BNP Paribas a pioneer in this area;

### 2010 AT A GLANCE

# 47,000

PROFESSIONALS AND ENTREPRENEURS  
JOINED BNP PARIBAS DURING 2010

# 28

BUSINESS CENTRES

# 10

CORPORATE BRANCHES



BNP Paribas, Paris (La Défense)

- the creation of a global Cash Management Competence Centre based in Brussels;
- the presence of more than 2,500 experts in 60 countries around the world;
- innovations such as access to bank statements using a mobile phone (BNP Paribas was the first bank to offer this type of service to corporate clients in France) and the e-BAM electronic process of opening and managing an account (electronic Banking Account Management);
- leadership in Etebac migration with the Netcash offerings and the new SWIFT certificates;
- successful answers to calls for tenders, in particular CGGVeritas.

In addition, BNP Paribas has supported many clients in the implementation of European or global cash pooling projects or central payment institutions. BNP Paribas is a leader in the SWIFTNet for corporates solution and is also the first bank worldwide by number of clients connected to Fileact.

The 4th edition of the Cash Management University, chaired by Baudouin PROT, was highly successful. More than 250 attendees discussed the topic "Home and Away: Making your Cash Work", which gave CFOs and treasurers of global companies an opportunity to share their experience and get an update on the latest developments in the cash management business. The event also provided BNP Paribas with an excellent opportunity to be closer to its clients and to support them more effectively in their projects throughout the world.

Lastly, while BNP Paribas Cash Management received prestigious prizes, such as "Best Cash Management Bank in Europe", awarded by the *TMI* magazine (*Treasury Management International*) this year, the Group also joined the world's Top 5 in the ranking published by *Euromoney* in October 2010.



BNP Paribas, Lyon



BNP Paribas,  
Paris (La Défense)

## AFTER-SALES ORGANISATION (ASO)

FRB's back offices are constantly adjusting to the Bank's needs, with the processing in 2010 of heavy demand for loans to individual and corporate clients, as well as the implementation of SEPA for payments in the eurozone and the integration of Fortis Banque France's clients. ASO contributed to BNP Paribas's commitments to service quality and the environment with the renewal of the 9 001 ISO certification for the Computerised Relations Centre and for the Documentary Credit business and 14 001 ISO certification for the national desktop publishing platform.

The Lean Six Sigma process remains a focus for the 4,500 ASO employees regarding the satisfaction of demand and the improvement of service in the 61 production units across France.

# BNL BANCA COMMERCIALE

BNL banca commerciale (BNL bc) is one of the major players in the Italian banking and financial system, ranking 6th in terms of both total assets<sup>(1)</sup> and loans to customers<sup>(1)</sup>.

(1) Source: internal estimates based on published financial information as at 30 September 2010.



BNL, Rome

BNL bc provides a comprehensive range of banking, financial and insurance products and services to meet the needs of its large and diversified client base consisting of:

- around 2.5 million individuals and more than 16,000 private clients (households);
- over 157,000 business clients (with turnover under EUR 5 million);
- 27,000 medium and large companies, with a particular focus on Large Relationships ("Grandes Relations"), a sub-segment consisting of around 450 groups with 1,500 operating 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%<sup>(1)</sup>), and a good deposits base (market share of about 3.5%<sup>(1)</sup>) well ahead of its network penetration (2.6%<sup>(1)</sup> in terms of branch numbers).

BNL bc also has a longstanding tradition in supporting large companies and local authorities, boasting market shares of around 5% and 6% respectively<sup>(1)</sup>, with a well-established reputation in cross-border payments, project financing and structured finance, as well as factoring (its specialised subsidiary Ifitalia ranks 3rd in Italy in terms of credit outstandings and 2nd for turnover<sup>(2)</sup>).

BNL bc has adopted a multi-channel distribution approach, organised into 5 regions ("direzioni territoriali") with the Retail & Private Banking and Corporate Banking activities being run as separate structures:

- 104 Retail Districts ("distretti") with over 860 branches;
- 29 Private Banking Centres;
- 20 Business Centres with 52 branches dealing with small and medium enterprises, large corporates, local authorities and public sector organisations.

In addition, 5 Trade Centres provide companies with a range of products, services and solutions for cross-border activities, complementing BNP Paribas' international network. At the same time, the network of Italian desks that assist Italian companies abroad as well as multinational companies with direct investments in Italy now covers 10 countries, mainly in the Mediterranean area.

The multi-channel offering is complemented by more than 1,900 Automated Teller Machines and over 25,000 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.



BNL, Rome



(1) Source: internal data and Bank of Italy statistics as at 30 September 2010.  
(2) Source: internal data and Assifact as at 31 December 2010.

## IMPLEMENTING THE STRATEGY IN A CHALLENGING ENVIRONMENT

In 2010, the Italian economy continued its slow recovery which started in the second half of 2009, driven by exports but with an industrial sector that progressively lost momentum and with subdued levels of household consumption.

In response to a challenging operating environment and the burden of several regulatory changes introduced during the year, BNL bc continued to focus on its main operating objectives in order to generate sustainable development, whilst ensuring high efficiency levels, risk control and the preservation of adequate capital ratios:

- proactive business initiatives to sustain revenue growth, limiting recourse to upfront components and maximising synergies with Investment Solutions, CIB and Personal Finance;
- continuing to invest for growth: significant branch openings and renewal programme;
- simplification of operating processes and more stringent cost control actions;
- roll-out of Human Resources plan for Italy, focusing on training and mobility programmes;
- specific actions to control and mitigate asset quality deterioration;
- integration of Fortis Italia and Banca UCB;
- exploiting synergies with Findomestic;
- improvement of compliance and controls in order to structurally reduce operating risks.

## RETAIL & PRIVATE BANKING BUSINESS

The Italian retail banking system has been hampered by low interest rates, increased regulatory pressure and competition from new aggressive entrants. In order to mitigate this unfavourable external scenario and support growth, BNL bc focused its strategy on the following pillars:

- Enlarging the current account base while improving client mix in terms of quality and value:
  - expand client base by opening current accounts and increasing commercial agreements to credit salaries onto BNL bc accounts;
  - increase cross-selling, leveraging on synergy opportunities with Investment Solutions and Personal Finance;
  - improve service and customer satisfaction focusing on "Affluent" segment.
- Further develop a multi-channel approach to better serve all client segments while reducing cost of serving the "Mass" segment.
- Improve and simplify credit processes related to business clients in order to reduce approval lead-times while maintaining a focus on asset quality.
- Completing the roll-out of the 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.

## 2010 AT A GLANCE

**860**

BRANCHES

**29**

PRIVATE BANKING CENTRES

**20**

BUSINESS CENTRES



BNL, Rome



- Continuing to develop a new strategy in structuring and distributing investment products:
  - renewal of product offer reducing product complexity and limiting up-front pricing component;
  - launching new flexible multi-support bancassurance products coupling traditional and one or more unit-linked components enabling clients to choose asset allocation in line with their risk profile.
- Continuing enhancement of distribution capacity:
  - 54 new branches opened in 2010 and virtually completed renewal/restructuring of the network new layout;
  - new module for the sales platform facilitating sales when products are bundled together: clients sign a single contract saving time and reducing complexity;
  - launch of a pre-approved loan offer for existing customers having a significant credit history with BNL bc.

## CORPORATE BUSINESS

Similarly to Retail & Private Banking, the Corporate Banking business continued to face a difficult economic environment throughout 2010 with reduced demand for short-term loans and stronger competition in credit markets. The demand for medium/long-term loans remained stable but mostly for debt consolidation rather than for investments.

Corporate strategy focused on increasing market shares and renewing emphasis on risk-free revenues, as well as through the development of synergies within the Group, mainly in CIB activities:

- Clear trend of increasing market shares:
  - loan market shares increased for the third straight year;
  - stronger position in deposits even in a complex market with many competitors experiencing negative margins.
- A growing and more profitable medium/long-term portfolio:
  - increase in the loans stock yield;
  - significant increase in outstandings;
  - more than doubled loans with public guarantees, for the second consecutive year;
  - strong increase in new volumes of leasing activity.
- Enhanced profitability of cash management and trade finance:
  - double-digit growth in cash management flows and profitability in cash management and trade finance fees;
- Increased commercial operations:
  - trend in client acquisition consistently positive with new prospecting tools and standards;
  - product range expansion with new products for internationalisation and for SMEs;
  - continuing intense meetings between clients and the bank's senior management (1,800 clients reached in over 40 local meetings and main national events).



BNL, Rome

# BELUX RETAIL BANKING

According to the integration plan, the activities of BNP Paribas Fortis and BGL BNP Paribas were split into the different business lines of BNP Paribas Group and a new business line was created: BeLux Retail Banking, which encompasses the activities of retail and corporate banking in Belgium and Luxembourg, the new domestic markets of the Group.



BGL BNP Paribas, Luxembourg

# BNP PARIBAS FORTIS

## RETAIL & PRIVATE BANKING (RPB)

BNP Paribas Fortis is the no. 1 in personal banking in Belgium<sup>(1)</sup>, with 3.7 million customers and high-ranking positions in all banking products. Retail customers are reached through a multi-channel distribution strategy. The branch network comprises 1,014 branches plus 650 customer service points under the partnership with Banque de la Poste and 311 Fintro franchise outlets<sup>(2)</sup>.

RPB's Client Relationship Management (CRM) centre manages a network of 2,300 cash dispensers, as well as online banking services (1.3 million users), mobile banking and phone banking.

With 36 Private Banking Centres, BNP Paribas Fortis is a major player in the Belgian private banking market. Its services are aimed at individual customers with assets of more than EUR 250,000. Wealth Management caters to about 1,500 clients with assets of more than EUR 4 million.

### Good results and an optimised customer satisfaction

BNP Paribas Fortis Retail & Private Banking enjoyed good growth in terms of net capital inflows in 2010. The main driver of this growth was the Compte d'Épargne Premium Online savings account, which was launched in December 2009. Loans to professionals and mortgages also recorded strong growth, with market share gains to boot. The new Private Bank ended its first year of business with very solid results and an exhaustive range of products, offered under the form of the "private asset management agreement".

Our relentless efforts to optimise customer satisfaction have been rewarded. Compared to June 2009, RPB reported a very significant increase in satisfaction scores. Today, customer satisfaction has returned to its pre-crisis level. The five tenets that guide the Bank's action—listening, transparency, accessibility, partnership and commitment—have been deployed everywhere across the organisation and are appreciated by our clients.

Considerable progress has been achieved in the field of multi-channel service with the renovation of the website, which is now much more user-friendly, and the roll-out of mobile banking. Major importance has also been given to the branch offices, by enhancing the quality of advisory services and increasing the number of advisors. Significant initiatives have been undertaken to enhance the service offered to independent professionals and to small and midsize companies. New Professional Bankers have been hired, alongside payment and lending specialists. To allow them to devote more time to professional advisory services, the administrative support teams have been buttressed. As a result of these structural adjustments, we will be able to offer the multi-channel service to customers for free in 2011. Substantial communication efforts have been made to restore the confidence of clients, investors and other stakeholders, and to turn BNP Paribas Fortis into a strong brand. The keystones of this communication are the following: a positive image, objective information and a partner providing a transparent and tailored advisory service.

### 2010 AT A GLANCE

**3.7**

MILLION CUSTOMERS

**1,014**

BRANCHES

**36**

PRIVATE BANKING CENTRES



BNP Paribas Fortis,  
Brussels



(1) Source: BNP Paribas Fortis research.

(2) In December 2010, Fintro had 1,060 employees, over 336,257 customers and more than EUR 10.9 billion of deposits.



BNP Paribas Fortis, Brussels



BNP Paribas Fortis,  
Warsaw



## CORPORATE & PUBLIC BANK, BELGIUM (CPBB)

CPBB offers a comprehensive range of local and international financial services to Belgian enterprises, public entities and local authorities. With more than 450 corporate clients and 34,100 midcap clients, it is the market leader in both those categories<sup>(1)</sup>, and a challenger in public banking with 1,300 clients. CPBB keeps very close to the market through its team of more than 60 corporate bankers and 200 relationship managers operating out of 22 Business Centres, supported by specialists in specific areas.

### A widened offer of products and services

CPBB's Relationship Managers are present, as much as possible, alongside their business clients, reflecting with them on growth opportunities, on how proactively to supply solutions and swiftly resolve issues relating to financing and payment services, on the company's organisation and on risk-management, while at the same time suggesting new ideas and improvements relating to their daily operations. CPBB strives to build relationships based on trust with its customers, within the framework of which it aspires to understand their strategic priorities and their long-term goals.

We improved sales processes and our CRM in 2010, in a bid to support the proactive stance of our clients. This has led to growing customer loyalty and recommendations by clients who acknowledge the quality of the work of our relationship managers and specialists.

In 2010, CPBB launched its BNP Paribas Factor subsidiary, integrated Arval's services into its range, and marketed new Cash Management products such as Connexis, EasyCollect and the SEPA Direct Debit premium services. In addition, CIB's Capital Markets, Corporate and Structured Finance services are likewise offered to clients via CPBB. It has also continually deployed initiatives to provide its clients with efficient access to BNP Paribas's European and international network.

(1) Source: TNS survey.

# BGL BNP Paribas

One of the highlights of 2010 was the work done to achieve the combination and to execute the industrial plan of BNP Paribas in Luxembourg as approved by the Board of Directors of BGL BNP Paribas and as it fits into the company's overall strategy. The combination was finalised on 1 October 2010 by the merger-absorption of BNP Paribas Luxembourg SA by BGL BNP Paribas SA. BGL BNP Paribas is the largest employer in the financial sector and the leading bank in the "Grande Région"<sup>(1)</sup>. All of the Group's business lines are represented there: Retail Banking, Investment Solutions and Corporate and Investment Banking.

## RETAIL AND CORPORATE BANKING LUXEMBOURG (BDEL)

BDEL provides a broad range of financial products and services to its private and professional clients, as well as corporates through a network of 37 branches. BGL BNP Paribas is the second retail bank in Luxembourg in terms of services for individuals, with a total of 223,000 resident customers representing a market share of 16%<sup>(2)</sup>. It is the leading commercial bank with 36,000 corporate clients representing a market share of 38%<sup>(3)</sup>.



### A new organisation

BDEL has continued its dynamic sales drive by leveraging the return of customer confidence. In the retail business, we implemented a plan to build competencies in the network, focused on three priorities:

- the sales approach to the customer;
- procedures for evolving the tools of the network;
- canvassing customers.

New systems have been implemented to help the sales force optimise customer service. For example, the retail banking business now enjoys a new organisation, in particular with regional departments. Moreover, the development of centres of competencies has proved to be a core asset for the network, by enabling it to offer expertise suited to customers and to support prospecting. Lastly, the structure of the network was strengthened by the creation of four regional financial centres and the combination of three sales entities within the Corporate Banking Department.



(1) Sarre - Lorraine - the Rhineland-Palatinate - French-speaking Belgium - Luxembourg.

(2) Source: ILRES survey, October 2010.

(3) Source: ILRES survey, November 2010.

## WEALTH MANAGEMENT LUXEMBOURG

Wealth Management provides high-net-worth clients with integrated, customised financial planning and wealth management solutions. These high-potential clients enjoy a multilingual offering covering a broad international array of tailored wealth management products and solutions, including discretionary portfolio management and insurance. BGL BNP Paribas is the leading private bank in Luxembourg<sup>(1)</sup>.

### A strengthened commercial organisation

The merger of the Wealth Management operations of BGL BNP Paribas and BNP Paribas Luxembourg has led the combined entity to redefine its growth strategy in the local market and in particular to intensify its partnership with the network. Furthermore, the commercial organisation by markets<sup>(2)</sup> has been strengthened in a bid to offer each client the best service to meet his/her personal and professional requirements. Lastly, with respect to the offering of wealth management services, the number of specialists has been increased and the range of discretionary asset management services has been broadened.



BGL BNP Paribas, Luxembourg

(1) Euromoney 2010 league tables.

(2) France, Germany, Latin America, Eastern Europe, Luxembourg, etc.

## **+** 2010 AT A GLANCE

### IN LUXEMBOURG

**2nd**

BANK FOR INDIVIDUALS WITH

**223,000**

CUSTOMERS

**1st**

CORPORATE BANK WITH

**36,000**

CUSTOMERS

**1st**

PRIVATE BANK



# EUROPE MEDITERRANEAN

Europe Mediterranean (EM) operates a network of 2,220 branches in some 15 countries. It is present in Turkey, Central and Eastern Europe (Poland and Ukraine) and the southern Mediterranean Basin (Morocco, Algeria, Tunisia, Egypt) and in sub-Saharan Africa. EM is gradually rolling out the integrated Retail Banking model of the BNP Paribas Group which has proved so successful in its domestic markets by providing local customers with the expertise for which the BNP Paribas Group has a strong competitive position in the market (dynamic customer segmentation, cash management, trade finance, multi-channel distribution, specialised financing, wealth management, etc.).

In June 2010, BNP Paribas and the Colakoğlu group, co-shareholders of TEB—Türk Ekonomi Bankası AŞ—since 2005, and BNP Paribas Fortis entered into a memorandum of understanding regarding the merger of TEB and Fortis Bank Turkey. The merger was approved by the shareholders of the two banks on 25 January 2011 and was legally completed on 14 February 2011.



TEB, Istanbul

### In Turkey

TEB and Fortis Bank Turkey responded quickly to the recovery of the Turkish economy, which featured strong credit growth and a concomitant decrease in interest margins, as well as a decline in the cost of risk compared to 2009.

### In the Mediterranean Basin and in Africa

EM continued investing with the opening of 45 branches. The deployment of the integrated model has continued, as illustrated by:

- the development of a Personal Finance business (integrated within the bank) in Egypt and Tunisia,
- the deployment of the multi-channel bank in Morocco,
- pilot tests of Mobile Banking in Ivory Coast, Senegal and Mali.

### In Eastern Europe

- In Ukraine, the restructuring of the bank continued: acquisition of the minority shareholders' interest by the Group, recapitalisation and reinforcement of the partnership with the EBRD. The credit business was relaunched selectively and deposit inflow was sustained all year long.
- The Fortis Bank entity in Poland was integrated in the EM network. 2010 was a year of consolidation with a slightly positive result after heavy losses in 2009 and the structuring of its commercial activities in accordance with the integrated Retail Banking model. In the two entities, risk charges dropped significantly compared to 2009.

EM has also a significant presence in the five Gulf countries and is expanding in Asia through two minority interests in China and Vietnam.

### A strengthened Corporate Banking unit

To grow the corporate segment, EM set up a central Corporate Banking team with a broader remit. Its purpose is to help local units apply BNP Paribas's strategy in terms of cash management and financing, promote cross-selling and structure the organisation and the follow-up of commercial policies.



BMCI, Casablanca

### A “multi-channel” retail strategy

Multi-channel distribution, a keystone of BNP Paribas's model, is being deployed in the emerging markets. The model was rolled out in Ukraine at the end of 2009 and already has many tools. It is now operational in Morocco and will soon be deployed in Turkey and Poland.



Bank of Nanjing, Nanjing (China)



# 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. Until 2006, BancWest pursued a policy of acquisitions to develop its franchise in western America.

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 more than 40% in deposits<sup>(1)</sup>, First Hawaiian Bank is Hawaii's leading bank, offering banking services to a local clientele of private individuals and businesses. In total, with 11,300 employees, 769 branches and total assets of almost USD 73 billion at 31 December 2010, BancWest currently serves some 5 million client accounts. It ranks as the 7th-largest commercial bank in the western United States by deposits<sup>(1)</sup>.

### Significant developments in the business line

The recovery of the US economy was slow and uneven in 2010. It was mainly driven by corporate inventory rebuilding and massive pump-priming, while household spending only rose marginally and the residential property market did not stage a comeback. As a result of the features and the moderate pace of the recovery, the rate of unemployment remained unchanged at close to 10%.

Although demand for credit remained sluggish, Bank of the West was able to contain the erosion of its customer lending; in addition net deposits grew sharply.

While it has begun adjusting to fast-changing regulatory requirements, Bank of the West has continued making commercial and infrastructure investments, with new customer wins and a positive impact on the penetration rate of products and services among existing clients.

Coupled with the marked drop in risk charges, these developments allowed Bank of the West to return to profitability in 2010.

Against a difficult local economic backdrop, First Hawaiian Bank achieved another year of outstanding sales performance by growing its market share in deposits<sup>(1)</sup> and further strengthening its clear leadership in the State of Hawaii. Thanks to the preventive actions implemented previously, First Hawaiian Bank delivered a high level of profitability in 2010, comparable to the 2009 level.

In all, although the economic and financial backdrop remained very challenging in the United States, BancWest succeeded in strengthening its market positions. The strong improvement in the quality of its loan portfolio, which was more pronounced than for its competitors, and the stabilisation of financial markets led to a sharp decline in credit risk charges (more than halved), allowing BancWest to return to a profit at the consolidated operating level.

### A rewarded customer service

For the third consecutive year, Bank of the West's quality of service was again rewarded by the no. 1 rank<sup>(2)</sup> for customer satisfaction in the ranking of retail banks in the West of the United States.



Bank of the West, Los Angeles

(1) Source: SNL Financial, 30 June 2010.

(2) Source: JD Power & Associates.

AT CETELEM, THE HIGHEST RATE  
IS THE CUSTOMER SATISFACTION'S ONE



# BNP PARIBAS PERSONAL FINANCE

Within the BNP Paribas Group, BNP Paribas Personal Finance specialises in personal loans through its consumer credit and mortgage lending activities. With nearly 29,000 employees in more than 30 countries and on 4 continents, BNP Paribas Personal Finance ranks as the leading player in France and Europe<sup>(1)</sup>.

(1) Source: Annual Reports of personal finance companies

## BNP PARIBAS PERSONAL FINANCE: EUROPE'S NUMBER ONE IN PERSONAL FINANCE

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

## CORE COMMITMENT TO RESPONSIBLE LENDING

BNP Paribas Personal Finance is committed to responsible lending, through its commercial brands Cetelem and Findomestic, both in practice and in its communications. Its vision of personal finance consists of making a sustained contribution to improving the personal and social quality of consumers' lives, through four main vectors:

- developing a product and service offering tailored to customer expectations;
- improving access to lending for as many people as possible;
- supporting customers with individual solutions that meet their specific needs;
- combating overindebtedness.

In France, BNP Paribas Personal Finance provides the general public with information about personal loans on its non-commercial website: [www.moncreditresponsible.com](http://www.moncreditresponsible.com). Since 2007, BNP Paribas Personal Finance has supported the development of personal microfinance guaranteed by the Fonds de Cohésion Sociale. At the end of 2010, it had granted more than 200 micro-loans totalling EUR 428,111.

## NEW WORLD, NEW RULES

### BNP Paribas Personal Finance rebuilds its growth model

In 2010, the global credit industry accelerated its deep transformation to address new consumer requirements, revamped regulation and the growing traction of new technologies against a less supportive economic backdrop in Europe than in the past.

In this new environment, to ensure the sustainability of its growth, BNP Paribas Personal Finance has endeavoured to accelerate and deploy the necessary renovation of its business model, initiated in 2009. In 2010, our business line started reaping the first rewards of these efforts and delivered a very strong increase in pre-tax net income.

## 2010 AT A GLANCE

### No. 1

IN FRANCE AND IN EUROPE  
IN PERSONAL FINANCE



Findomestic advertising campaign in Italy

In the field of partnerships, a core strategic focus for BNP Paribas Personal Finance, we struck three major agreements in 2010: in Germany with Commerzbank<sup>(1)</sup>, with the formation of Commerz Finanz, a joint venture in consumer loans, in France with BPCE<sup>(2)</sup> for a long-term industrial alliance and at the European level with PayPal for the development of an online lending offering.

### Leading positions in Europe and a strong growth in the rest of the world

In Italy, Findomestic, one of the market leaders in consumer loans, succeeded in outpacing the market's growth, despite a tougher regulatory environment.

In Belgium, BNP Paribas Personal Finance is now a prominent player via its Alpha Credit subsidiary, the market leader in automobile financing on the point of sale, and is developing major banking partnerships (including, in Belgium, with Banque de la Poste and BNP Paribas Fortis and, in Luxembourg, with BGL BNP Paribas).

In France, its historical market, BNP Paribas Personal Finance has succeeded, in all areas, in relaunching its sales drive vigorously, after a year focused on controlling risk in 2009. We have also broadened our offering of savings and protection products. We launched five new products, including three savings products (the Livret A, the Cetelem Compte Épargne savings account and Cetelem Placement Vie life insurance policy) and two protection products (Protexxo Épargne and Protexxo Capital Famille).

Within the framework of its policy of responsible credit®, BNP Paribas Personal Finance has made two major decisions: setting up an independent corporate mediator to serve customers, and refocusing the Cetelem foundation for budget education, in a partnership with the main French associations involved in this area.

In the field of advertising, Cetelem has become one of the most active digital brands in France, ending the year 2010 in pole position among the bank brands on YouTube, with over 1.5 million Cetelem channel videos viewed.

Outside Western Europe, in the countries where BNP Paribas Personal Finance does not have a well-established franchise and where BNP Paribas is present via its international network, the PF Inside model has been developed with the creation of BNP Paribas Personal Finance—managed consumer loan business units. For example, Egypt, Poland, Ukraine, Morocco, Tunisia, Algeria<sup>(3)</sup> and China have now fully integrated this new business model, which affords an effective consumer loan offering for BNP Paribas's clients in these countries.

In Turkey, a strategic country for BNP Paribas's growth, BNP Paribas Personal Finance has finalised the integration of its subsidiary TEB Cetelem (now 80%-owned), a market leader in automobile financing on the point of sale.

Outside Europe and the Mediterranean region, Brazil and Russia are the two prominent and high-growth countries that hold the most exciting growth opportunities for BNP Paribas Personal Finance. In 2010, our business posted strong growth, with risk remaining under control.



Cetelem channel on YouTube:  
<http://www.youtube.com/user/CETELEM>

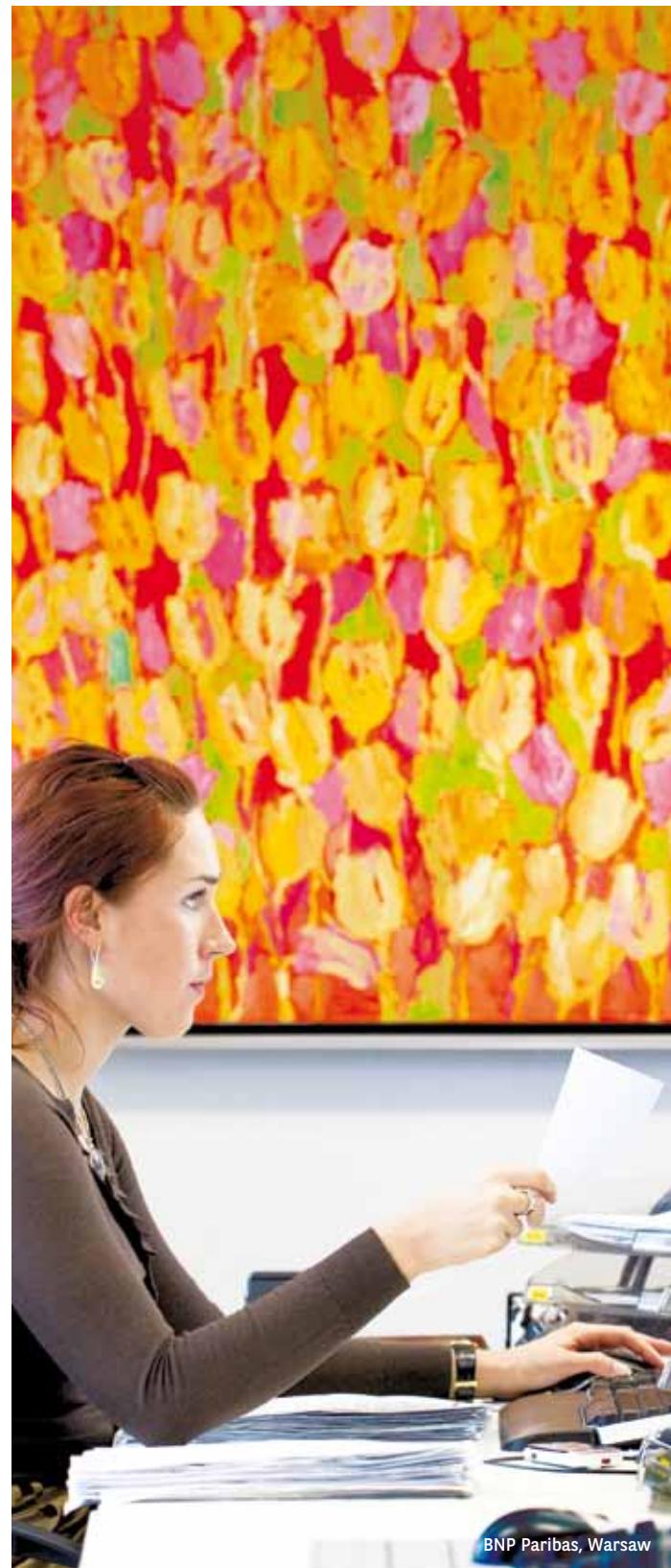
(1) In Germany, BNP Paribas Personal Finance products and services are exclusively marketed by Commerz Finanz, a joint venture set up by BNP Paribas Personal Finance and Commerzbank.

(2) The BPCE Group through its Banque Populaire et Caisse d'Épargne branch networks.

(3) Pending improved regulatory conditions, especially in the field of consumer loans.

# 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 equipment financing to fleet outsourcing.



BNP Paribas, Warsaw



## ⊕ 2010 AT A GLANCE

A TOTAL LEASED FLEET OF

**667,458**

VEHICLES FOR ARVAL

**267,000**

FINANCING DEALS

ARRANGED BY BNP PARIBAS LEASING  
SOLUTIONS IN 2010

Equipment Solutions consists of five international business lines organised by assets and specially designed rental solutions:

- Arval for cars and light commercial vehicles;
- Equipment & Logistics Solutions for public works, farm and transport equipment;
- Technology Solutions for office equipment, hardware and software, telecoms, medical and retail trade equipment;
- Specialised Assets Solutions provides centres of expertise in specialised high-value asset markets (real estate for investors, flight simulators, business jets, port infrastructure, etc.);
- Bank Leasing Services provides leasing products to BNP Paribas bank customers.

Despite the still fragile economic recovery, Equipment Solutions continues to enjoy strong business momentum and has become European leader in equipment financing both in terms of outstandings and new business<sup>(1)</sup>.

In 2010, Arval posted strong 10% growth in its leased fleet, with a 27% increase in the number of vehicles purchased to 180,557. At end-2010, it had a total leased fleet of 667,458 vehicles. Arval is a major European player in full service vehicle leasing and no. 1 in France<sup>(2)</sup> and Italy<sup>(3)</sup> in terms of leased vehicles.

BNP Paribas Lease Group has changed its name to BNP Paribas Leasing Solutions to better reflect the shift in its offering towards services and solutions that create value for its customers and partners.

It arranged over 267,000 financing deals in 2010, bringing its total outstandings up to EUR 25.6 billion at the year-end<sup>(4)</sup>.



(1) Source: Leaseurope 2009 league tables published in September 2010.

(2) Source: Syndicat National des Loueurs Véhicules Longue Durée (SNLVLD) data, 3rd quarter 2010.

(3) FISE ANIASA (Federazione Imprese di Servizi - Associazione Nazionale Industria dell'Autonoleggio e Servizi Automobilistici), Italy, 3rd quarter 2010.

(4) Amounts after servicing transfer.

### Strong recovery for Arval in 2010

For Arval, 2010 was a year of strong recovery and growth by acquisitions: Renault-Nissan chose Arval as the long-term rental partner of its network of dealerships in Spain, Arval and Daimler signed an agreement for the purchase of the portfolio of Daimler Fleet Management in Poland and Arval acquired Caixa's long-term car rental subsidiary in Spain. In December 2010, Arval Germany signed an agreement with Commerzbank to acquire Commerz Real Autoleasing GmbH. 2010 was also a year of innovation. In France, Arval launched Louveo, a medium-term lease offering for second-hand cars and created "SME Solutions", an international business line targeting very small businesses through new distribution channels. Then Arval became the first leasing company in France to order Citroën's C-Zero electric vehicles. Lastly, in November, Arval Analytics, a strategic reporting tool, won the International Fleet Industry Award.

### A year of success for BNP Paribas Leasing Solutions

- The new commercial brand confirms the Group's focus: offering solutions that blend excellence of service and value generation to help organisations expand. This commitment was rewarded at the Business Money Fact Awards, where BNP Paribas Leasing Solutions UK won the prize for the best service offered by a financial service provider.
- Our leadership in Europe and India, as well as our presence in North America and around the Mediterranean Sea (22 countries) have convinced many carmakers, retailers and software firms to sign cooperation agreements or strengthen existing ones with BNP Paribas Leasing Solutions: Hewlett Packard, Kion, Doosan Bobcat, Oracle, Térex, JCB, Acer, etc.
- With LeasePark Corporate, BNP Paribas Leasing Solutions was rewarded by BNP Paribas's 2010 Innovation Awards, which rewards the most innovative teams in the Group every year. This pan-European solution for the open-ended management and leasing of technological assets has already been adopted by several market-leading businesses.



BNP Paribas, São Paulo



Arval, Warsaw



## // In 2010, Investment Solutions and CIB had an excellent year, and they will continue to provide outstanding customer service. //

**GEORGES CHODRON**

**DE COURCEL**

Chief Operating Officer

**Building on the successes of 2009, Corporate and Investment Banking (CIB) had an excellent year in 2010, weathering the year's turbulent financial markets and sluggish economic climate with a well-balanced approach incorporating diverse lines of business. Investment Solutions also had an excellent year and brought liquidity to the Group.**



### **What do you feel drove CIB's solid 2010 results?**

The past few years have been rough. However, our markets began to stabilise in 2010 and CIB held up well despite the ongoing macroeconomic uncertainty and concerns about some sovereign countries. We were able to restore a balance between our capital markets and financing businesses and, more importantly, we were able to help our clients secure the financing they needed.

### **What are CIB's goals for 2011?**

We aim to capitalise on our solid European platform and continue expanding in Asia and Latin America, where we have some promising growth opportunities. We also plan to help our corporate clients execute their growth strategies, while underscoring our position as a reliable partner for their daily banking needs. We will have to adjust to new regulatory requirements in 2011 and cope with some continued market turbulence. But our main goal will be to focus our resources on providing outstanding customer service.

### **How does the new One Bank for Corporates in Europe initiative fit in?**

We are excited about this initiative and think it will create a lot of new opportunities. It's a perfect example of the synergies resulting from the BNP Paribas-Fortis merger. With One Bank for Corporates in Europe, CIB is poised to help European and multinational corporate clients expand their businesses across Europe, while continuing to serve as the go-to bank for all of their daily banking needs.

### **How do you view Investment Solutions' performance in 2010?**

Investment Solutions also had an excellent year and brought liquidity to the Group. This core business managed EUR 900 billion of assets for its clients in 2010—up 7% from 2009. It generated EUR 6 billion of revenues for a pre-tax net income of almost EUR 2 billion, an achievement we feel is truly remarkable.

### **What does Investment Solutions have planned for 2011?**

2011 will follow along the same buoyant trend as 2010. Investment Solutions should stand out again in terms of profitability and ability to provide the Group with liquidity. We plan to continue developing joint services among Investment Solutions' various businesses, as well as between Investment Solutions and both CIB and Retail Banking. Examples of this include our prime brokerage service and the private banking services we plan to roll out across our domestic banking network.



The interview is on:  
[http://media.bnpparibas.com/  
invest/rapports-annuels/ra2010en/](http://media.bnpparibas.com/invest/rapports-annuels/ra2010en/)

BNP Paribas Cardif • 58
BNP Paribas Investment Partners • 60
BNP Paribas Personal Investors • 62
BNP Paribas Real Estate • 64
BNP Paribas Securities Services • 66
BNP Paribas Wealth Management • 68

# INVESTMENT SOLUTIONS

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

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

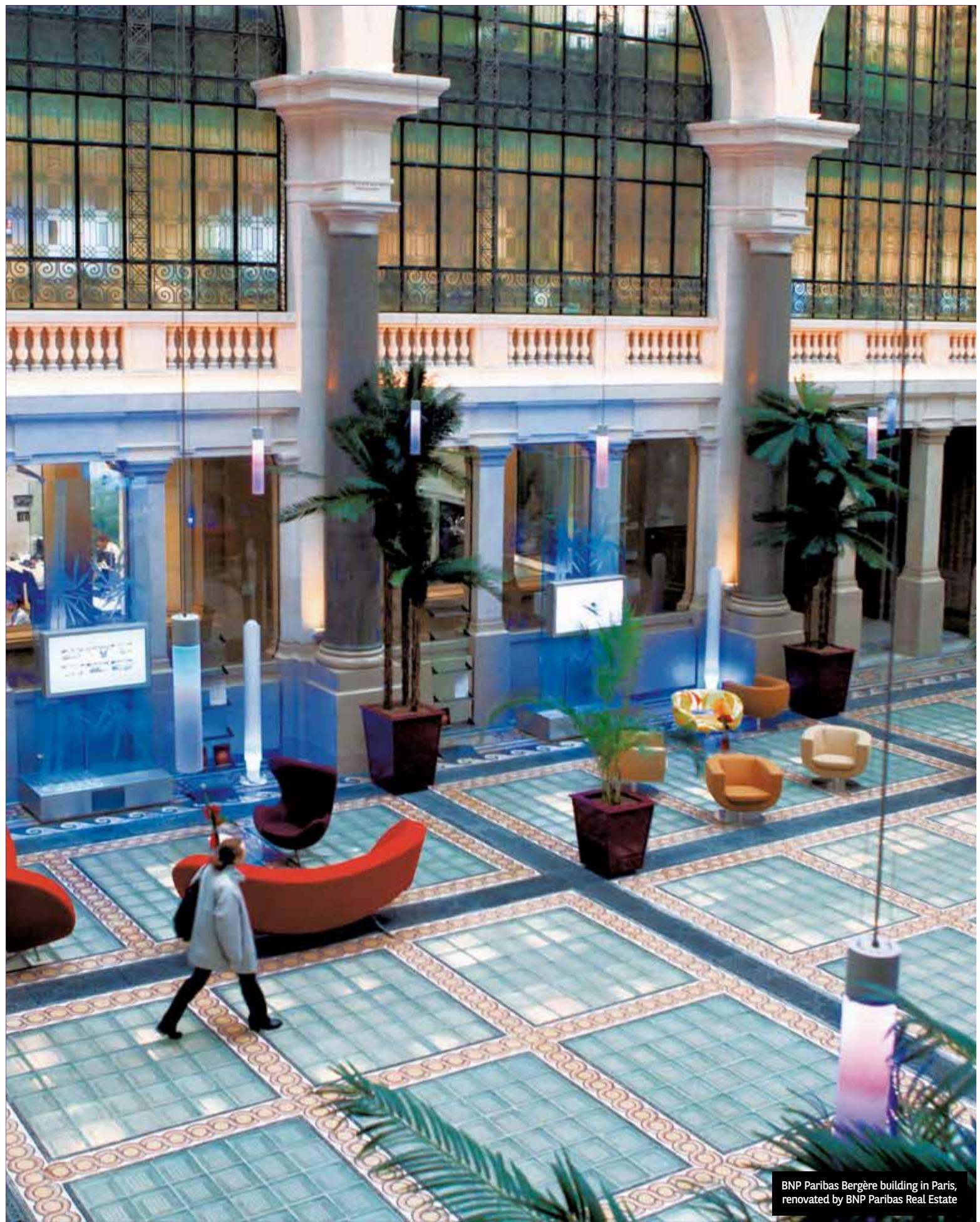


BNP Paribas, Frankfurt

In 2010, the 6 Investment Solutions businesses all held leading positions in their market.

Investment Solutions operates in 68 countries and employs almost 30,000 people representing more than 70 different nationalities. It continues to expand its international reach, mainly in Europe, Asia, Latin America and the Middle East, through new operations, acquisitions, joint ventures and partnership agreements.

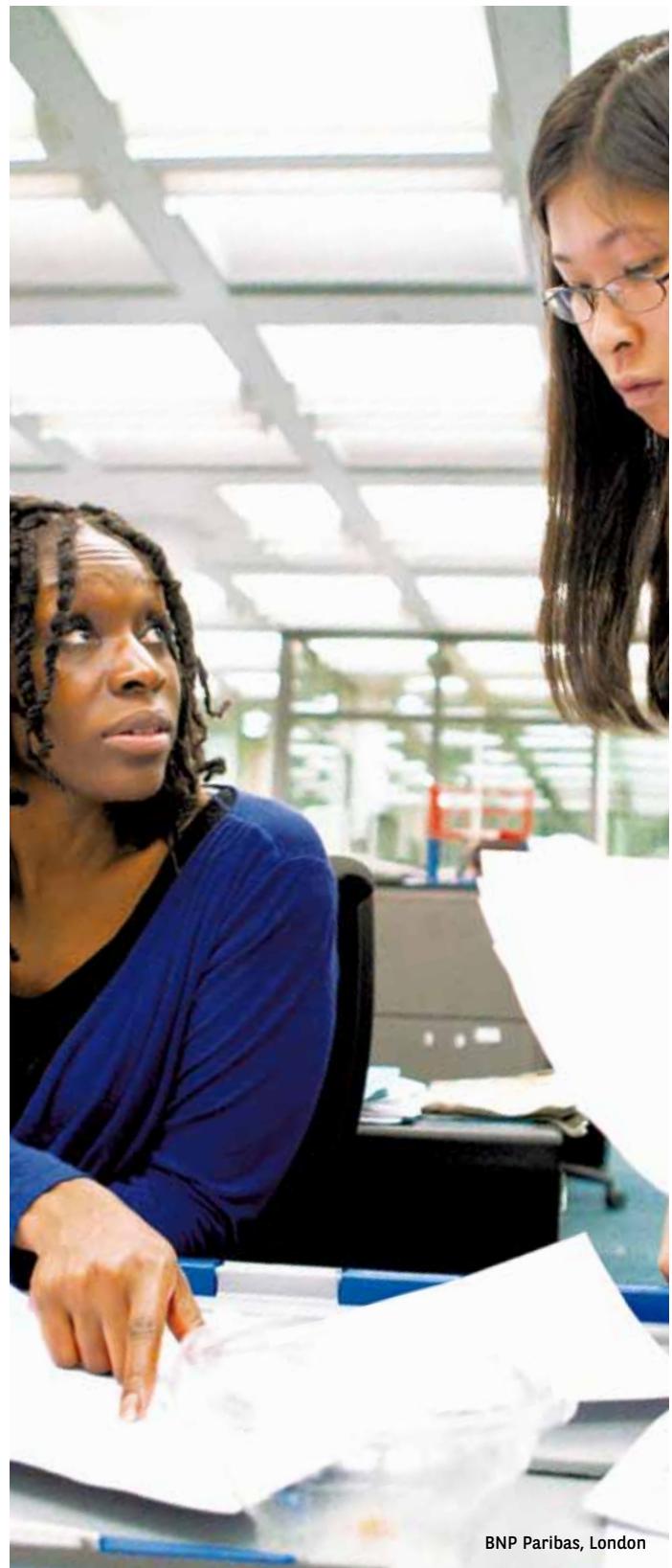
Investment Solutions' experts always endeavour to offer the products and services that are best suited to client expectations in terms of transparency, performance and security, while meeting the strictest sustainable development standards.



BNP Paribas Bergère building in Paris,  
renovated by BNP Paribas Real Estate

# BNP PARIBAS CARDIF

BNP Paribas Cardif insures people and what is dear to them. It designs and markets its products and services in savings and protection. Its distribution partners include 35 of the world's Top 100 banks, major retailers and many financial institutions.



BNP Paribas, London

BNP Paribas Cardif offers a wide range of products and services:

- the savings business encompasses capitalisation as well as individual and group pension contracts;
- the protection business covers a broad range of products including creditor insurance, extended warranties, credit card and cheque book protection, invoice protection, gap insurance<sup>(1)</sup>, individual and group personal risk insurance, property and casualty insurance and health insurance.

BNP Paribas Cardif has three major distribution channels:

- BNP Paribas retail branch networks (in France, Italy, Belgium, Luxembourg, Turkey, Ukraine);
- banks, financial institutions and major retailers;
- networks of independent financial advisors and distance networks such as telemarketing and internet.

BNP Paribas Cardif holds strong positions on three continents: Europe, Asia and Latin America. It is one of the world leaders in creditor insurance<sup>(2)</sup> and among the Top 15 insurers in Europe<sup>(2)</sup>.

## STRONG CULTURE OF PARTNERSHIPS

BNP Paribas Cardif'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 through its Customer Centric Programme.

## 2010 - AN EVENTFUL YEAR

### Taiwan: BNP Paribas Cardif TCB Life Assurance Company joint venture becomes official

The joint venture between TCB Bank and BNP Paribas Cardif in Taiwan was made official in April. The business kicked off to a good start with very significant premium income from the outset.

### Expansion of BNP Paribas Cardif's business in Turkey

BNP Paribas Cardif has acquired 100% of Fortis Emeklilik and signed an exclusivity agreement to market pension funds and protection products through the TEB and Fortis Bank Turkey networks.

### BNP Paribas Cardif is financing the Chair of Excellence in "Modeling Management"

#### of the Claude-Bernard Lyon-I University

BNP Paribas Cardif wants to promote the development of academic research in the Management of Modeling, a field that aims at reconciling algorithms with decision-making in the insurance business, to respond to changes better and faster.

### AFNOR praises BNP Paribas Cardif's actions in favour of diversity

BNP Paribas Cardif has joined the scope of BNP Paribas's Diversity Label certification. This label underscores the company's commitment to combat all forms of discrimination and to promote diversity by giving equal chances to everyone.

### BNP Paribas Cardif defends the healthcare of seniors

BNP Paribas Cardif has strengthened the guarantees provided by its BNP Paribas Protection Santé policy for older people.

## BNP Paribas Assurance becomes BNP Paribas Cardif

BNP Paribas Assurance becomes BNP Paribas Cardif and inaugurates new headquarters in France.



### BNP Paribas Cardif is helping internet users prepare for their retirement

BNP Paribas Cardif has launched an educational website called [www.la-retraite-en-clair.fr](http://www.la-retraite-en-clair.fr). Its purpose is to provide internet users with insights into the organisation and dynamics of the retirement system and the various insurance products that make it possible to top up their income.

### BNP Paribas Cardif has launched [www.credit-assurance.com](http://www.credit-assurance.com)

BNP Paribas Cardif has published a website dedicated to creditor insurance.

(1) Insurance covering the difference between the vehicle's value and the loan outstanding in the event of theft or damage.

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

# BNP PARIBAS INVESTMENT PARTNERS

BNP Paribas Investment Partners (BNPP IP) is the Asset Management arm of the BNP Paribas Group and is comprised of a unique network of 26 specialised partners worldwide.

A global investment solution provider, BNPP IP has three distinct groups of investment expertise:

- Multi-expertise investment capabilities: BNP Paribas Asset Management, the largest partner, encompasses the major asset classes with investment teams operating in all the major markets.
- Specialist Investment Partners: specialists in a particular asset class or field (mainly alternative and multi-management), operating as boutique-like structures.
- Local and regional solution providers: local asset managers covering a specific geographical region and/or clientele, the majority in emerging markets.



BNP Paribas, Paris (Bergère building)

With over EUR 546 billion in assets under management<sup>(1)</sup> (USD 730 billion) and 3,800 staff operating in 44 countries, BNPP IP offers a full range of investment management services to both institutional clients and distributors wherever they are located.

BNPP IP has offices in the world's major financial centres, including Hong Kong, London, New York, Paris and Tokyo. It has a strong presence in a large number of emerging markets with local teams—in China, Russia, Brazil, Indonesia, India and Turkey—enabling it to adapt its offering to the needs of each market. This is why BNPP IP can be considered both a global investor and a local partner. The merger in 2010 with Fortis Investments also had a positive effect on BNPP IP's position in the league tables. Based on assets under management as at 31 December 2010, BNPP IP ranks no. 5 in Europe<sup>(2)</sup>.

BNP Paribas Investment Partners combines the financial strength, distribution network and the rigorous management of BNP Paribas with the reactivity, specialisation and entrepreneurial spirit of investment boutiques.

## A MAJOR HIGHLIGHT IN 2010 WAS THE INTEGRATION OF FORTIS INVESTMENTS

For BNP Paribas Investment Partners (BNPP IP), 2010 was a year marked by the integration of Fortis Investments.

**In January**, the two entities launched their first joint product campaign for BNP Paribas Wealth Management in Hong Kong and Singapore, offering funds from the flagship funds of both asset managers.

**In April**, the legal merger took place and the combined new BNPP IP was rebranded with a new look and feel. Positive about the way the merger was handled, Fitch Ratings confirmed its M2+ Asset Manager rating for BNPP IP. To officially mark the successful merger, the company hosted a number of landmark client events in, notably, Paris, Hong Kong and London.

At the end of **June**, to promote the new entity, BNPP IP was one of the four key sponsors of Monaco's renowned FundForum International.

**In July**, BNPP IP and Erik Orsenna, economist, writer and member of the Académie française, organised the first of four conferences for institutional investors about Socially Responsible Investing (SRI), sustainable development and the consequences for investors.

**August** saw BNP Paribas Clean Energy Partners becoming BNPP IP's 26th dedicated partner, with a focus on investment in wind, solar, biomass and small scale hydro assets, generating clean electricity.

**In September**, BNPP IP announced a new governance structure and introduced an Executive Committee to replace its Integration Management Committee. BNPP IP's SRI funds were recognised by the Novethic Label, thus demonstrating their quality. In the same month, Antin Infrastructure Partners reached the final closing for its ten-year closed-end fund, having raised EUR 1.1 billion.

**In October**, the company launched a three-month brand awareness campaign in the Netherlands. The high-penetration media drive aimed to create awareness with Dutch retail clients and their advisors that BNPP IP is the country's market leader in mutual funds.

A long-term partner of the EDHEC Risk Institute, BNPP IP sponsored the EDHEC Risk Institutional Investors Days in Monaco in **December** and presented a joint whitepaper on Liability Driven Investments.

## ⊕ 2010 AT A GLANCE

# EUR 546

BILLION IN ASSETS UNDER MANAGEMENT

# No. 5

IN EUROPE

# 3,800

EMPLOYEES IN 44 COUNTRIES



BNP Paribas, Paris

(1) Including assets under advisory.

(2) Source: internal data.

# BNP PARIBAS PERSONAL INVESTORS

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

- Cortal Consors, Europe's leading online savings and brokerage player for individuals<sup>(1)</sup>, provides personalised investment advice and online trading services to over one million clients 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.
- B\*capital, an investment firm, specialises in personalised advice on listed securities and derivatives as well as portfolio advisory and active portfolio management for affluent clients. It provides clients with direct access to all markets, financial analysis, personalised portfolio advisory and portfolio management services.



GeoJit BNP Paribas, New Delhi

B\*capital is the majority shareholder in investment firm Portzamparc, which specialises in small and mid caps.

- 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) by 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.

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

In **Luxembourg** and **Singapore**, BNP Paribas Personal Investors provides products and services to an international and expatriate clientele.

At 31 December 2010, BNP Paribas Personal Investors<sup>(1)</sup> had 1.7 million customers and EUR 33 billion in assets under management, of which 39% was invested in equity assets, 38% in savings products or mutual funds and 23% in cash. BNP Paribas Personal Investors employs over 4,100 staff.

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

## INNOVATION & DEVELOPMENT

Cortal Consors France launched [www.hopee.fr](http://www.hopee.fr), the first stock market-related social network in France which rates the performance of the stock-market recommendations of its members.

In Germany and France, Cortal Consors launched the first trading application for the iPhone, which allows users to invest in the stock market using a mobile phone and to track stock prices in real time. Geojit BNP Paribas was the 1st member of the National Stock Exchange (NSE) to propose real-time trading using a mobile phone in India.

Also in India, Geojit BNP Paribas and Federal Bank combined to offer non-resident Indians a portfolio management system and to facilitate investing in the stock market.

BNP Paribas Personal Investors Luxembourg launched [www.thebankforexpats.com](http://www.thebankforexpats.com), which offers a wide range of services reserved to expatriates.

Thanks to the combination with Fortis, Cortal Consors Spain offers new services for corporate clients: electronic order routing, cash management and clearing agent of the Mercado Alternativo Bursatil.

## AWARDS

Cortal Consors Germany was elected Best Online Broker by *Börse am Sonntag* and awarded two Innovation Prizes from "[bankenversicherungen.de](http://bankenversicherungen.de)" in the following categories: Best Mobile Bank and Best 2.0. Web Application.

For the second consecutive year, Cortal Consors was awarded the Innovation Prize of the "Forum de l'Investissement" for [hopee.fr](http://hopee.fr), the first stock market-related social network in France. In 2009, the prize was obtained thanks to the online physical gold service.

The readers of *MoneyWeek*, a French financial weekly magazine, elected Cortal Consors France as the 2nd-best online broker.

## CORPORATE SOCIAL RESPONSIBILITY

Launch of the [www.investissons-utile.fr](http://www.investissons-utile.fr) website, which consolidates the initiatives of the Personal Investors entities in favour of sustainable development and aims at promoting links between the financial investment and its social usefulness.

Three "Socially Useful Investing" (Investir Utile) programmes were launched for the first time in three countries (Germany, France and Luxembourg) to encourage customers to make profitable investments, while helping to finance environmental projects.

In Germany, Cortal Consors launched the first "peer to peer" loan thanks to its cooperation with Smava, the first online platform of micro-credit between individual clients.

Cortal Consors France published its 2nd edition of the "Green rating of funds" (*Notation Verte des Fonds*), which rates more than 400 European equity funds based on their carbon emissions.

(1) With Geojit included at a rate of 34.33%, except for the number of clients (100%).



Cortal Consors France launched [www.hopee.fr](http://www.hopee.fr)

## ⊕ 2010 AT A GLANCE

CORTAL CONSORS

**No. 1**

ONLINE SAVINGS  
AND BROKERAGE PLAYER  
FOR INDIVIDUALS IN EUROPE

**1.7**

MILLION CUSTOMERS

**EUR 33**

AND BILLION IN ASSETS UNDER MANAGEMENT  
FOR BNP PARIBAS PERSONAL INVESTORS

# BNP PARIBAS REAL ESTATE

With 3,300 employees, BNP Paribas Real Estate is ranked no. 2 as Europe's provider of real estate services to corporates<sup>(1)</sup> and one of France's major players in residential property<sup>(2)</sup>. Its offering is unique in terms of its geographical reach and the diversity of its business lines. Its client base encompasses corporate occupiers, investors, local authorities, property developers and individuals.

(1) Source: Property Week, June 2010.

(2) Source: Innovapresse property developer league tables, September 2010.



BNP Paribas Real Estate, Frankfurt

## INTERNATIONAL NETWORK

In commercial real estate, BNP Paribas Real Estate supports its customers in 30 countries worldwide:

- 15 countries with direct operations:
    - Europe: Germany, Belgium, Spain, France, Hungary, Ireland, Italy, Jersey, Luxembourg, Poland, Czech Republic, United Kingdom, Romania, India and the Gulf countries;
    - 15 other countries through alliances with local partners;
- In residential real estate, BNP Paribas Real Estate is mainly active in France.

## 2010 - A POSITIVE YEAR FOR ALL BUSINESS LINES

2010 was a year of recovery, although real estate markets picked up slowly.

- **In residential real estate**, the year was exceptional, the best in four years. BNP Paribas Real Estate was able to increase housing starts by 75% and to launch 3,200 units. 2010 also saw the opening of the first two "Hipark" residences for business travellers in Grenoble and Nice.
- **In commercial property development**, 2010 also saw a high level of commercial reservations, with over 100,000 sq. m. of pre-sold and pre-rented offices, representing sales of almost EUR 500 million, including the sale of BNP Paribas Real Estate's new head office in Issy-les-Moulineaux and of three buildings in the Claude-Bernard development zone (ZAC) in the 19th arrondissement in Paris. BNP Paribas Real Estate has furthermore rebuilt its portfolio of projects and is able to launch more than 200,000 sq. m. worth of projects from 2011, of which 35,000 sq. m. in Milan.
- **In Advisory** (Transactions, Advisory services, Valuation), revenues advanced, in particular on the back of recovering markets in France and Germany. Major transactions include the sale of Sony's building in Berlin (150,000 sq. m.) and the sale of the Triangulo Princesa in Madrid (two four & five-star hotels, offices, shops, etc.).
- **In Property Management**, the portfolio of commercial real estate under management expanded by nearly 1 million sq. m. on the back of new mandates and the acquisition of three companies in Eastern Europe (Poland, Hungary and the Czech Republic).
- **In Investment Management**, the value of assets under management grew by nearly EUR 2 billion due to the addition of the assets managed by Fortis, the growth of the managed funds and the creation of new vehicles, including three new funds in Italy and the two new "Next Estate" funds launched by BNP Paribas REIS, which will manage EUR 1 billion worth of assets in the next four years.

BNP Paribas Real Estate continued and expanded its social responsibility commitments in 2010:

- commitments in favour of sustainable growth, in particular in real estate development, with buildings certified as compliant with environmental standards (High Environmental Quality, Housing and Environment, Low Consumption Building, etc.) and in Property Management.
- commitments in favour of architecture (3rd edition of the BNP Paribas Real Estate Prize of Architecture Hopefuls, etc.).

In 2010, BNP Paribas Real Estate won the "Grand Prix du SIMI" (Commercial Real Estate Event) for the renovation of Grands Moulins de Pantin.

(1) Source: Innovapresse property developer league tables, September 2010.

(2) Source: internal data.

## SIX COMPLEMENTARY REAL ESTATE BUSINESS LINES

### Property development

- 50,000 sq. m. of commercial property and 3,200 housing units started in 2010;
- **ranked among the top French real estate developers<sup>(1)</sup>**.

### Transaction

- commercial property: approximately 7.7 million sq. m. of commercial property let in 2010 (office, light industrial, retail space, etc.).
- **No. 1 in France, Germany and Luxembourg<sup>(2)</sup>**;
- residential property: more than 3,950 new housing units marketed in 2010.

### Consulting

- advising clients on their real estate projects and optimising their asset portfolios.

### Valuation

- 84,000 appraisals carried out in 2010 on all types of real estate assets (offices, retail, hotels, warehouses, land, etc.);

### No. 1 in France<sup>(2)</sup>.

### Property Management

- commercial property:  
30 million sq. m. managed.

### No. 1 in France, Belgium and Luxembourg<sup>(2)</sup>;

- residential property: over 6,000 housing units managed in student residences and serviced apartments for business users.

### Investment Management

- almost EUR 11 billion of real estate assets managed in France, Italy, Luxembourg, United Kingdom and Belgium. **One of the leading managers of non-trading property investment trusts in France<sup>(2)</sup>**.



BNP Paribas, Paris

# BNP PARIBAS SECURITIES SERVICES

BNP Paribas Securities Services is a Top 5 global provider of securities services<sup>(1)</sup>. Assets under custody expanded in 2010 by +12.9% over 2009 to EUR 4,641 billion. Assets under administration grew by +5.8% to EUR 771 billion and the number of funds rose by +0.7% to 6,329. The number of transactions settled declined by -5.1% to 47 million, against a background of very low activity in the financial markets.

(1) Source: BNP Paribas Securities Services' figures for assets under custody, 31 December 2010; [globalcustody.net](http://globalcustody.net) competitors' assets under custody tables, 2 February 2011.



BNP Paribas,  
Paris (Grands Moulins de Pantin,  
renovated by BNP Paribas Real Estate)

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

- Investment banks, broker-dealers, banks and market infrastructures are offered customised solutions in execution services, derivatives clearing, local and global clearing, settlement/delivery and 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 fund managers, sovereign wealth funds, insurance companies, pension funds, fund distributors and promoters) have access to an array of services. These include global custody, depository bank and trustee services, transfer agency and fund distribution support, fund administration and middle-office outsourcing, investment reporting and risk and performance measurement;
- Issuers (originators, arrangers and corporates) are provided with a wide range of corporate trust solutions: securitisation and structured finance services, debt agency services, issuer advisory, stock option and employee stock plans, shareholder services and management of Annual General Meetings;
- Market and financing services are provided across all client types. These include securities lending and borrowing, foreign exchange, credit and collateral management, and cash financing.

## BNP PARIBAS SECURITIES SERVICES EXPANDED IN 2010

BNP Paribas Securities Services continued its business strategy in 2010 by strengthening its position in Europe and extended its global presence, particularly in Asia, but also in the Americas. It has a local presence in 32 countries across all continents and a global custody network covering over 100 markets, 30 of which are proprietary locations—one of the most extensive networks in the industry.

Following the integration of BGL BNP Paribas Securities Services, the company is Luxembourg's leading provider of fund administration services (by number of funds). Moreover, BNP Paribas Securities Services acquired Banco Popolare di Milano's depository bank services, becoming the 2nd-largest securities services provider in Italy.

With expansion focusing on high-growth countries to facilitate clients' global ambitions, BNP Paribas Securities Services opened new offices in São Paulo and Beijing. In China, it offers institutional investors and sovereign wealth funds a comprehensive range of solutions, to support their global investments. BNP Paribas Securities Services was among the earliest providers to offer settlement and custody services for RMB-denominated bonds in Hong Kong, with the first trade settled in September.

BNP Paribas Securities Services consolidated its position in the corporate trust space by acquiring Lagardère's subsidiary, Arlis, which provides specialist registrar and related services to listed and non-listed companies. In response to the challenges of increasing company globalisation, the company became leader with a new web tool, Planetshares®, that offers Human Resources departments a mobility tracking solution, cross-referenced with tax reporting, to manage effectively their employee share plans.

To contribute positively to the community and the environment, BNP Paribas Securities Services supported an extensive range of projects across Europe, America and India. The company has put in place a new governance, which aims at better integrating Corporate Social Responsibility in the corporate culture and business activity.

## Several awards

BNP Paribas Securities Services won several awards for excellence from *The Asset (Asia)*, *Global Finance*, *Global Investor*, *Global Custodian*, *International Custody & Funds Administration (ICFA)* and *Systems in the City*.

## ⊕ 2010 AT A GLANCE

**32** COUNTRIES  
ACROSS ALL CONTINENTS



BNP Paribas, Paris



# 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 clients security coupled with innovative product and service capability. It provides 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 asset structures;
- financial services: advise on asset allocation, investment products and securities, notably discretionary portfolio management;
- expert advice in specific areas, such as art, real estate and philanthropy.



BNP Paribas, Frankfurt

In an environment strongly affected by new regulations, the business is now organised on the basis of four geographies: Domestic Markets (excluding Luxembourg), Luxembourg, Europe International (including the Middle East and Latin America), and Asia-Pacific.

The new organisational structure is designed to meet the following objectives:

- support the development of the wealth management business in countries where the Group has a retail banking clientele;
- gain or strengthen positions through close cooperation with Corporate & Investment Banking and through partnerships or acquisitions;
- increase cross-functionality between geographies and support functions.

The four geographies draw on the expertise of the business line's support teams in financial planning and asset management as well as diversification. It sources solutions from the Group's other businesses (Investment Partners, Securities Services, Insurance, Corporate Finance, Fixed Income and Equity Derivatives), as well as from selected external product and service providers. In addition, to strengthen its ability to attract and advise the world's largest fortunes, BNP Paribas Wealth Management relies on its Key Client Group, in charge of the global coverage of the UHNWI (Ultra High Net Worth Individuals) segment.

BNP Paribas Wealth Management ranks as no. 6 worldwide and no. 2 in Western Europe in private banking<sup>(1)</sup> with almost EUR 255 billion in assets under management at year-end 2010 and over 6,100 professionals in almost 30 countries.

## 2010 - A YEAR OF GROWTH

### Strengthened visibility and a profitability

The wealth management market faces some major challenges: its development prospects are important for the next years and the implementation of new regulations requires adjustments. BNP Paribas Wealth Management was able to adjust its model rapidly while maintaining its strategic direction:

- Creation of consolidated governance, to emphasize the cross-functional fit between the geographical areas and the support functions;
- Finalisation of the disposal to RBC of the operations in Panama and the Bahamas;
- Focus on the international facilities/markets with sufficient critical mass and offering attractive growth potential;
- Continuation of the strict control of risk, costs and shareholders' equity.

### Successful integration of Fortis - BGL

- Successful integration of the Wealth Management teams of BNP Paribas and Fortis-BGL during the 2010 fiscal year.
- Significant strengthening of our presence and offering in the European domestic markets (France, Belgium, Italy, Luxembourg) as well as in major international financial markets (Switzerland, Asia and London), specifically:
  - gradual deployment of the Wealth Management-Retail Banking integrated model in Belgium, which is already meeting with strong customer acceptance;
  - increased dynamism of our platforms in Asia, both in Singapore and Hong Kong.



BNL, Rome

### New products and services

- Expansion of the real estate offering of socially responsible and philanthropic investments and of the private asset management offering as well as product innovation.
- Enhanced monitoring of higher risk products.
- Strong commercial transactional activity, in particular in equities and in structured investments.
- Maintained penetration rate of discretionary asset management in the overall assets under management by innovating to adjust to client needs.
- Development and deployment in Switzerland (pilot site) of a new website targeted at the customer base.

### Development of customer base and markets

- Adjustment of the commercial organisation for:
  - bringing clients the best know-how via strengthened synergies and co-operation with all the business lines of the Group;
  - accelerating the development in target markets—European domestic markets and emerging markets—by deploying structured approaches in the various territories;
  - delivering custom solutions to the wealthiest and the most demanding clients by training dedicated and specialised teams.

(1) Source: Euromoney 2011 ranking

# CORPORATE & INVESTMENT BANKING

**BNP Paribas Corporate and Investment Banking (CIB) enjoyed a positive momentum in 2010 moving up to the top league in the industry thanks to its long-term strategy founded on a well-balanced client-centric business model, and is perfectly poised to seize opportunities across its businesses and geographies in the future.**



In Europe where CIB is already a leader in many of its businesses, CIB is expanding its investment banking franchise to rank as one of the Top 5 investment banking houses in Europe. To do so, CIB will concentrate on a select number of clients to whom CIB can bring added value in the investment banking sphere; CIB will also scale up its Corporate Finance business in Europe and is making a simultaneous and parallel upgrade of the cash equity platform in partnership with Exane BNP Paribas. The second group-wide initiative in which CIB will play an important role, in partnership with Retail Banking, is to become "THE Bank for Corporates in Europe" thanks to both the largest product range and the largest integrated network in Europe for corporate clients.

CIB's growth plans elsewhere around the world are well on target. In North America, CIB is leveraging on its high profitability businesses and is strengthening its client franchise and its distribution capacity with institutional investors. CIB also has ambitious plans for Latin America, the Middle East and Africa. CIB's ambition in Asia is to become the European investment bank of reference in the region.

CIB's success in 2010 is proof of its capacity to manage complex challenges both for itself and for its clients. Despite concerns about the Basel 3 regulatory reforms, liquidity and volatility, CIB used its skill at managing complexity and change to ensure its continued growth and the growth of its clients. And CIB has never lost sight of the importance of its clients' success; CIB brings to them the financial solutions they need to move forward into the future with confidence.



BNP Paribas, New York

# CORPORATE FINANCE

## FACILITATING CROSS-BORDER GROWTH

After a sharp decrease in market volumes in M&A in 2009, companies maintained a low profile in Europe during H1 2010. However, after a period of restructurings, of cuts in costs and capex, some companies began looking for levers of growth, be they driven by cost synergies or by expansion in other regions. As a consequence, companies needed a committed banking partner that could accompany them in their growth ambitions.

BNP Paribas accompanied its clients in several landmark deals, by providing them with a global solution including financing (through our corporate acquisition finance capabilities) and advisory services that allowed them to seize important growth opportunities:

In Europe, these deals illustrate this commitment:

- Adviser to GDF Suez in the acquisition of International Power;
- Adviser to Sanofi/Aventis on the announced and filed tender offer on Genzyme; and MLA/bookrunner of the USD 15 billion credit facility;
- Adviser to EDF in the sale of its UK network;
- Adviser to ACCOR in its demerger to form Edenred and MLA/bookrunner of the EUR 900 million term loan;
- Adviser to Vivendi in the acquisition of GVT.

Asia was no exception. Corporates were looking for cross-border growth opportunities and a financial partner that could accompany them around the world. For example, BNP Paribas was instrumental in the sale by Zain, the Kuwait-based mobile company, of its African business to the India-based group Bharti Airtel (deal size: USD 10.7 billion), through a three pillar involvement: advisor to Zain in the sale transaction, financing provider to the acquirer, Bharti Airtel, through a MLA role for the USD 7.5 billion foreign currency term loan, and finally facility and cash management bank for the closing, mandated by both parties.

BNP Paribas accompanied two other Asian clients looking for growth across their borders:

- Adviser to China's WISCO in the deal with the Brazilian iron ore and pig iron producer MMX;
- Adviser to China's SOE's CRCC<sup>(1)</sup> and the Tongling Group on the CAD 680 million tender offer for TSX/NYSE listed Coriente Resources.



BNP Paribas, São Paulo



BNP Paribas,  
Hong Kong

(1) China Railway Construction Corporation, Chinese public corporation.



BNP Paribas, Bahrain

// In 2010,  
BNP Paribas accompanied  
its clients in several  
landmark deals. //

In ECM, our European clients had to face very challenging capital-raising conditions in 2010 (volatile and mediocre markets, secondary volumes at their lowest since 2003 impacting the IPO market in particular). Through our innovative capacities and our ability to underwrite large transactions even in difficult conditions, we managed to help many of them tap the equity markets, be it through shares or through equity-linked bonds. Some examples include:

Banco Popolare's EUR 1 billion rights issue of convertible bonds, Artemis/PPR's EUR 690 million exchangeable bond, Steinhoff's EUR 390 million convertible bond (first ever convertible bond bookrunner role for BNP Paribas in South Africa) and the Parpublica/Galp's EUR 886 million exchangeable bond (first ever convertible bond bookrunner role for BNP Paribas in Portugal). GBP 925 million Tullow Oil ABB, NOK 10 billion Norsk Hydro rights issue, EUR 1.2 billion Michelin rights issue, EUR 1.1 billion Continental rights issue.

In Asia, BNP Paribas helped clients take advantage of the rebound in the equity markets (+40%) to accompany them in their IPOs—on the Hong Kong market: Huiyin Household Appliances, Chaowei Power, Shirble Department Store and on the Singapore market: Mewah—or in their rights issue, acting as bookrunner for the H-shares tranche of Industrial and Commercial Bank of China (ICBC) rights issue, one of only two international banks in this role, thus evidencing our growing franchise to serve our Asian clients.

# CORPORATE AND TRANSACTION BANKING EUROPE

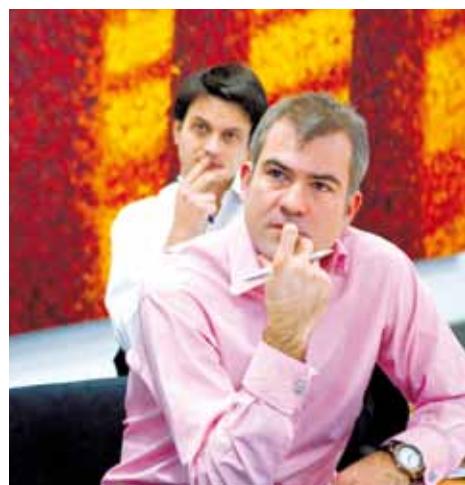
## WITH OUR CLIENTS ACROSS EUROPE

Corporates want a bank to be there, wherever they do business in Europe. A bank with a willingness to accompany them in their growth across the continent, a bank delivering a high level of expertise and the quality solutions they need to help them reach their objectives. They want a bank that will meet their daily needs as well as help them to achieve their more strategic and complex goals. And they want to know who to contact.

The creation of CTBE brings several significant advantages to existing and new BNP Paribas corporate clients, wherever they are. First, CTBE is extending its product offer with flow banking services in 18 countries in Europe and BNP Paribas corporate clients will be able to benefit from this extended offering immediately. A second advantage for corporate clients is that they will continue to use their dedicated relationship managers, whether they are in the CTBE network or outside it. Ultimately, the goal of the relationship managers is to help corporate clients navigate the complexity brought by different regulatory and fiscal laws in each of these 18 countries. Finally, these corporate clients are at the very heart of an efficient and homogeneous system designed to serve their interests. Each country is itself at the centre of the BNP Paribas network and provides an entry point to best-in-class products and services for all corporate clients.

Clients are already benefiting from this unique network of specialists that are helping them manage the complexity of their cross-border business. For example, CTBE brought its expertise to provide a trade guarantee solution to a global integrated technology company based in Europe that is developing a project in the Gulf. One of the world's largest fashion retailers turned to CTBE for trade facilities and letters of credit for managing its business. Thanks to CTBE's network, a European group, a leader in the food industry, was able to simplify and control its treasury more efficiently across six important markets on the continent.

In order to serve its clients wherever they need to go, CTBE has continued to enlarge its geographic coverage, opening in 2010 two new Business Centres in Amsterdam and Rotterdam, Holland, with two more planned in Utrecht and Eindhoven in 2011.



BNP Paribas, London



# FIXED INCOME

## HELPING CLIENTS TO NAVIGATE THE DEBT AND CURRENCY CRISIS

This past year, uncertainty surrounding the peripheral European sovereign debt crisis has been the defining theme, marking a year of volatility throughout the global fixed income markets. For clients, these conditions have been challenging and they have turned to BNP Paribas to help them navigate through the shoals. The Bank's Fixed Income unit continued to anchor its reputation around the world as the pre-eminent solutions provider for issuers, investors and liability managers alike, with its core capabilities in the global bond issue market going from strength to strength: in 2010 BNP Paribas brought a variety of clients to the market in this environment, retaining its no.1 bookrunner position for market share of all euro bonds, while for covered bonds in Euros the Bank has shot up to no.1, compared to 8th last year, as ranked by Thomson Reuters.

Over the year, a number of prominent non-European borrowers--both sovereigns and corporates--entered the euro market and BNP Paribas was pivotal in their success. This included Canada's debut EUR transaction, the United Mexican States' return to the EUR market after a five year absence and Brazilian mining company Vale's debut EUR transaction—the first Brazilian issuer to tap this market since 2006.

Other borrowers looked to the USD market and BNP Paribas again played a key role in 2010, helping high-profile US corporate issuers such as Kraft Foods, Oracle, Dow Chemical and PepsiCo bring multi-billion dollar transactions successfully to the market. Middle Eastern issuers continued to be active, with a USD 1.5 billion debut from Qatar National Bank (the largest ever bond from a Middle Eastern bank), a debut 144A from the Kingdom of Bahrain<sup>(1)</sup> and the Republic of Lebanon's USD 1.2 billion issue. In Latin America, Chile's ENAP mandated BNP Paribas for the second time for its USD 500 million issue, while Brazil's Telemar Norte Leste launched a USD 1 billion 144a/RegS issue and a liability management exercise.



BNP Paribas, Hong Kong

(1) Under Article 144A of the US Securities and Exchange Act, issuers are exempted from filing a full registration statement with the SEC, which allows them to offer or sell securities to qualified institutional investors in the United States without having to file a full prospectus with the SEC.

Closer to home, Merck KGaA's EUR 3.2 billion three-tranche bond transaction to re-finance the acquisition of Millipore was the largest EUR-denominated bond offering from a corporate in 2010. BNP Paribas, as global coordinator and joint bookrunner, developed a package of solutions via a well-planned strategic coordination of other teams within Fixed Income and beyond, including acquisition financing, ratings advisory and hedging, as well as the bond issue itself.

Elsewhere, clients looked for a financial partner to help them tackle a variety of challenges and BNP Paribas helped them push the boundaries in key product areas. In liability management, corporates such as Air Liquide, PSA Peugeot Citroën and EDF sought to optimise their capital structures, while corporate hybrid capital saw a resurgence of activity, with the bank helping issuers and investors take advantage of new rating frameworks. And regulatory reforms, such as Solvency II and Basel 3, saw clients looking to Fixed Income to provide structured solutions, such as IFRS-compliant hedging solutions.

Persistent uncertainty and regulatory scrutiny in 2010 have not diminished BNP Paribas' capacity to serve its clients' interests across the credit, interest rate and foreign exchange markets. The Bank's Fixed Income unit continues to increase its global profile and demonstrate a capacity for innovation for the benefit of its clients despite the market volatility—winning plaudits from throughout the industry, including *Structured Products Europe*'s "FX House" and "Interest Rates House" and *The Banker*'s "Most Innovative in FX".



BNP Paribas, New York



BNP Paribas, Shanghai

# GLOBAL EQUITIES & COMMODITY DERIVATIVES

## HELPING CLIENTS MEET MARKET CHALLENGES

Individual and institutional investors, retail and private banking networks, and corporates faced a variety of challenges in 2010 and BNP Paribas CIB's Global Equities & Commodity Derivatives business (GECD) was able to bring them the solutions they required to achieve their goals.

Individual investors demand for simple capital-guaranteed products continued to increase and in response, GECD offered them simple structured products through banking and insurance networks. Market turbulence was of course a source of concern for these investors. As a solution, GECD developed a new generation of dynamic products with adjustable market exposure that adapt to sudden market fluctuations. For instance, an innovative mechanism with a daily volatility control was used in a number of products and they were very successful, especially in Europe. In addition to their concerns about market volatility, clients were also sensitive to the risk of potential default from structured product issuers. To respond to their concerns, GECD developed innovative solutions which allowed investors to choose the counterparty to which they wanted exposure.

Institutional investors such as insurers, pension funds and hedge funds had to confront several challenges in 2010. First of all, insurance companies had to contend with a new regulatory environment. The Solvency II directive, applicable starting in 2010, imposing capital requirements, will make stock holdings less strategic for insurance companies. The solutions proposed by GECD will allow them to keep their stock exposure while limiting the amount of held regulatory capital. Hedge funds also saw their business evolve. In order to maintain their growth, hedge funds relied on the Prime Brokerage teams to put them in contact with quality investors. Finally, in May when volatility was at its most extreme, institutional clients, especially in Asia, greatly appreciated the volatility mechanisms GECD designed, allowing them to hedge in an erratic market context.



BNP Paribas, Frankfurt

Corporates were also at the heart of GECD's priorities in 2010. GECD was instrumental in helping them meet their financing needs with convertible bond issues, and as such, was ranked the no. 1 arranger of convertible bonds in Europe for the second straight year (*Dealogic*). Clients in the energy sector welcomed GECD's risk hedging expertise, as evidenced by GECD's Award for "Excellence in the energy markets" from *Commodities Now*. These same clients wanted to close their transactions with the greatest transparency and GECD brought them its clearing services, providing transparency and helping minimise risk.

GECD knows that investors' first concern is to understand and manage the products in which they are investing and so throughout the year, GECD offered to its clients educational seminars and conferences.



BNP Paribas, São Paulo

BNP Paribas, New York

# STRUCTURED FINANCE

## A WORLDWIDE LEADER IN PROVIDING FINANCING SOLUTIONS

As the loan market re-emerged in 2010, clients needed more than ever a trusted financial partner that understood their constraints, their market and that could provide them with the right financing solution for their development, their investments, acquisitions, exports, projects, cash management and trading needs, across a variety of sectors such as energy & commodities, transportation, media telecom, real estate. With a firm commitment to its clients, Structured Finance (SF) contributed to the financing of the global economy. Despite an environment characterised by volatility, disintermediation, and renewed competition, SF continued to provide to its clients those financing solutions that fit their ever-evolving needs, from security to new sources of financing. The below transactions illustrate how SF helped clients meet the challenges of 2010:

- Virgin Media (GBP 1.93 billion): Senior secured financing along with the issuance of senior secured notes in order to redefine the company's capital structure. These two products were a benchmark for establishing a complementary duo of debt products in the European market.
- Merck (USD 6.99 billion): Financing of the acquisition of Millipore Corp. comprising a bridge to bond and 2 term loans. Merck issued a bond to rapidly take out the short-term bridge loan within the debt package.

SF clients faced different challenges depending on their location and level of globalisation. With the economic slow-down in Europe and the Gulf, clients, faced with additional restrictions, looked for development opportunities. SF provided them with multi-product solutions to seize them:

- Sunrise Communications (CHF 3.3 billion): M&A advisor to CVC Capital Partners, coordinator and bookrunner on the bond and on the loan financing to support CVC's acquisition of Sunrise from TDC. Largest debt financing for a European buy-out in the last two years.



BNP Paribas,  
Shanghai



BNP Paribas, São Paulo



BNP Paribas, London

- BASF (EUR 3.1 billion): Financing of the bridge facility, providing rating advisory and advice on the restructuring of Cognis's debt in addition to an M&A mandate from BASF and bookrunner for the credit facility.
- Exeltium (EUR 2 billion): Mandated Lead Arranger (MLA), bookrunner, hedging and account bank to secure base-load electricity for electro-intensive companies in France at a competitive and stable price.
- Ma'aden (USD 8 billion): Financial Advisor to Alcoa to represent their individual interests towards the Phase 1 aluminium project and MLA in the Aluminium Smelter financing.

In Asia, corporates looked for cross-border growth opportunities and SF accompanied them in several key deals, by providing them with global and innovative solutions to expand outside their borders.

- China Southern Airline (USD 520 million): MLA for a French optimised lease funded by European export credit and bridge financing guaranteed by ECGD<sup>(1)</sup> to finance 10 aircraft. First export credit arranged for CSA without any Chinese bank guarantee.
- Zain Bharti (USD 10.7 billion): advisor to Zain, the Kuwait-based mobile company, in the sale of its African business to the India-based group Bharti Airtel, through a three pillar involvement: advisor to Zain in the sale transaction, financing provider to the acquirer; Bharti Airtel, through a MLA role for the USD 7.5 billion foreign currency term loan, and finally facility and cash management bank for the closing, mandated by both parties.
- Media Tek (USD 110 million): Innovative 90-day risk protection for Media Tek's receivables from its largest client. First supply chain management transaction closed for a tech company in Taiwan and the first unfunded programme in Asia.



BNP Paribas, Bahrain

(1) The Export Credits Guarantee Department is the UK guarantee agency for export credits.



BNP Paribas, London

After a difficult 2009, North American corporates were looking again for investments and SF helped finance them. Further south, Latin America has especially been an area of growth where SF supported clients in developing their business. Through innovative capacities and ability to underwrite large transactions even in difficult conditions, the Bank managed to help many of them:

- Kraft (GBP 7.1 billion): lead arranger on the secured bridge loan to cover the cash portion for the Cadbury acquisition. Bookrunner in the related permanent debt financing, a USD 9.5 billion four-tranche bond issue in addition to a corporate finance mandate following the Kraft/Cadbury combination.
- Citgo (USD 2.1 billion): Administrative agent and bookrunner on the secured revolver and on the high-yield bond in the refining sector. The Bank upsized the revolver, originated and placed a new term loan to raise the funds to complete the financing.
- Embraer (USD 1 billion): Coordinator and bookrunner to underwrite the refinancing of the multi-tranche revolver, to finance exports and working capital purposes in the jet aircraft sector.

Within a market strongly influenced by Corporate Social Responsibility (CSR), SF encouraged its clients to develop this business and the Bank has been awarded "Excellence in CSR".

- Yeong Yang Wind Park: Renewable energy project registered by the United Nations under the Clean Development Mechanism. BNP Paribas is the only commercial bank to have financed 3 wind farms representing 64% of South Korea's total wind capacity.
- Energy 21: Financing of the construction, operation and maintenance of up to 11 ground-mounted photovoltaic energy plants in Czech Republic.
- Terra-Gen Power Company, LLC (TGP): optimised capital lease for the 67 MW Dixie Valley geothermal power plant in Churchill County, Nevada..

BNP Paribas, Shanghai



# KLÉPIERRE & BNP PARIBAS PRINCIPAL INVESTMENTS

A major player in shopping center real estate in continental Europe, Klépierre, a French listed real estate investment company, enjoyed a brisk pace of expansion, driven by partnerships and acquisitions that have taken it into Spain and Italy (2000), central Europe (2004) and Scandinavia (2008). Its portfolio is worth EUR 15,114 million at 31 December 2010.

BNP Paribas Principal Investments manages the Group's portfolio of listed and unlisted investments and emerging market sovereign debt.



BNP Paribas, London

# KLÉPIERRE

Klépierre is an owner, manager and developer of shopping centres, providing major international retailers with a unique platform for their expansion in continental Europe through its portfolio of 356 managed shopping centres, 273 of which are also owned by Klépierre. The Group operates in 13 European countries, including France, Belgium, Norway, Sweden, Denmark, Italy and Spain. Ségécé and Steen & Strøm, subsidiaries of Klépierre, are the leading shopping centre managers in continental Europe and Scandinavia respectively<sup>(1)</sup>.

Klépierre also offers sale & lease back solutions in out-of-town and city-centre locations in France through its subsidiary Klémurs. Furthermore, Klépierre owns and manages a portfolio of office buildings concentrated in Paris' main business districts and inner rim (3.6% of the portfolio at 31 December 2010). At 31 December 2010, Klépierre's portfolio was valued at EUR 15.1 billion (excluding transfer duties) and the company employed 1,500 people. Klépierre and Klémurs, both of which are SIICs (French REITs), are listed on compartment A and compartment C respectively of Euronext Paris™.

## RENEWAL OF THE COMMERCIAL OFFERING

While household consumption is still cautious, the growth of Klépierre's income in 2010 reflected the quality of its portfolio and the continuous efforts made by the management teams to improve its attractiveness, in particular the deployment of the USE customer care and service programme (Unique Shopping Experience®), the renewal of the retail mix supply with the signature of approximately 2,000 leases and the set up of the most successful concepts (H&M, Zara), but also of innovative brands thanks to its European presence (Kiko or Hema in France, Jack & Jones or Vero Moda in Scandinavia, etc.). This active asset management enabled Klépierre to maintain a high occupancy rate (97.1% at the end of 2010).

Klépierre invested around EUR 430 million in 2010, in particular in many extension-renovation programmes: In 2010, besides the successful openings of the Noisy-Arcades (France), Sollentuna (Sweden) or Pescara Nord (Italy) programmes, Klépierre launched the extension of Claye-Souilly (Paris region). Several major shopping mall projects are in progress, such as that at the Saint-Lazare train station in Paris and Le Millénaire in Aubervilliers, which are among the biggest shopping malls projects in France, and the Emporia project (Malmö, Sweden), launched in 2010.

To optimise its portfolio, Klépierre sold several office buildings and retail assets for EUR 320 million.

## ⊕ 2010 AT A GLANCE

### THE KLÉPIERRE GROUP IN EUROPE\*

**13**  
COUNTRIES

**1,500**  
EMPLOYEES

**EUR 15.1**  
BILLION PORTFOLIO VALUE  
(EXCLUDING TRANSFER DUTIES)

**273**  
SHOPPING CENTRES OWNED

**356**  
SHOPPING CENTRES MANAGED



Emporia Project,  
Malmö, Sweden



Le Millénaire Project, Aubervilliers, France

(1) Source: internal data.

\* Data at 31 December 2010.

# BNP PARIBAS PRINCIPAL INVESTMENTS

BNP Paribas Principal Investments manages the Group's portfolio of listed and unlisted investments and emerging market sovereign debt.

## LISTED INVESTMENT MANAGEMENT

The Listed Investment Management unit acquires and manages minority interests in listed companies on behalf of the Group. Investments are generally made in large caps and the portfolio comprises mostly French companies. The unit's mission is to extract the greatest possible value from its assets over the medium-term.

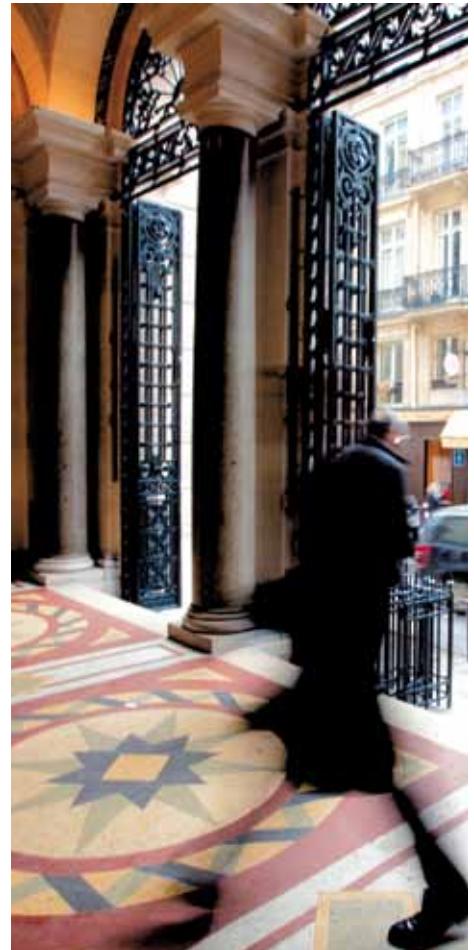
## UNLISTED INVESTMENT MANAGEMENT

The Unlisted Investment Management unit manages the Group's portfolio of interests in unlisted companies (direct and indirect through funds). It identifies and analyses investment opportunities, structures transactions, manages investments with a view to extracting value in the medium-term and organises the disposal of mature investments.

## EMERGING MARKET SOVEREIGN DEBT MANAGEMENT

The Sovereign Debt Management unit's role is to:

- monitor, on the Group's behalf, restructurings of emerging market sovereign debt in default or in difficulties and take part in or chair specially-created credit committees (London Club Committees);
- manage the portfolio of emerging market sovereign debt housed in Principal Investments, with a view to extracting value in the medium-term.



BNP Paribas, Paris

**FRÉDÉRIC LAVENIR**  
Head of Group Human Resources

As BNP Paribas becomes an increasingly international Group, our human resources policy must focus not only on hiring the best talent and providing career development opportunities, but also on promoting diversity, building a strong, unified corporate culture, and adopting best management practices.



## Our four key management principles establish a roadmap for managers as they lead their staff and perform their day-to-day duties.

### What are the main HR challenges for BNP Paribas?

The same challenges facing any rapidly-growing company. Despite the tough economic climate, we have expanded considerably over the past few years—especially internationally. Consequently, we have a much more diverse employee base. We aim to leverage this diversity to enrich our business, while underscoring our common corporate values and fostering a sense of belonging to the Group.

### Exactly how do you plan to leverage this diversity?

Mainly through equal opportunity initiatives and proactive career management policies based on clear, measurable objectives. But we don't plan to focus only on rules and procedures; employee diversity is a management issue. So we plan to instil a shared corporate culture and best management practices in all our managers. The BNP Paribas senior management, and more particularly the Group

Executive Committee, has personally given its full support to this goal.

### What are the HR challenges related to the Group's expansion?

When we were a less diverse company, all our managers had pretty much the same background and culture—meaning that they could share ideas without having to go into a lot of details or explanation. However, since our managers now come from all over the world, we need to be much more explicit in our management principles. This will enable us to overcome differences like culture and language and become an even stronger Group. The Executive Committee worked on this throughout 2010. It also gave us a chance to reflect on who we are as a Group and what we want to be.

### Can you describe some of your new management principles?

We have four key principles: Client Focus, Risk-Aware Entrepreneurship, People Care, Lead by Example. They establish a roadmap for

managers as they lead their staff and perform their day-to-day duties. But we must first convince our managers that these four principles can be a powerful foundation for effective, original, and motivating management methods. The Human Resources Department will of course provide tools to help managers follow these principles. At BNP Paribas, we are convinced that adopting best management practices is essential to our Group's continued success.



The interview is on:  
[http://media.bnpparibas.com/  
invest/rapports-annuels/ra2010en/](http://media.bnpparibas.com/invest/rapports-annuels/ra2010en/)

# HUMAN RESOURCES

In an increasingly international company, which brings together almost 170 nationalities in over 80 countries, the Human Resources function ensures the Bank's cohesion on the basis of shared values and management principles, promotes diversity and develops the pride of belonging to it.

## DEVELOPING THE SENSE OF BELONGING

2010 was a milestone year with in particular the integration of Fortis, the expansion of the Bank's international footprint and the instability of the economic and regulatory environment. Against this backdrop, the Company's cohesion and the pride of belonging to it on the basis of shared values—Creativity, Responsiveness, Ambition, Commitment—were a core strength, which the Bank's management endeavoured to consolidate further and which have become a strategic priority. That is why an action plan was devised in 2010 to disseminate the Bank's management culture, which will be deployed in 2011 and is articulated around four Management Principles:

- Client Focus;
- Risk-Aware Entrepreneurship;
- People Care;
- Lead by Example.

In 2010, the concept of establishing Group "Academies" was initiated by BNP Paribas, as an ideal opportunity for spreading the Group's management culture, for gaining access to crucial training and for providing leadership to communities. The Risk Academy is the first one of them; the Management Academy will be created in 2011.

Our commitment to the Principles of the United Nations Environment Programme (Global Compact), and our global and local policy of Corporate Social Responsibility reflect BNP Paribas's willingness to anchor our employees' pride in belonging to the Bank in a responsible, collective and durable commitment.

## Launching the Risk Academy

The risk management culture has always been at the top of BNP Paribas's priorities. The Risk Academy is geared toward evolution and participation, and associates all of Group business lines and functions. It has the following goals: steering the continuous strengthening and dissemination of the Bank's risk culture, promoting professional training and development in the field of risks, providing guidance and leadership to the Bank's risk communities and fostering the sharing of knowledge.

## Responsible innovation

Innovation is at the heart of BNP Paribas's strategy. The Spirit of Innovation programme has been promoting innovation by rewarding employees every year since 2007. For the 2010 edition, the Company wanted to reward responsible innovation by creating two new categories—Responsible Citizenship and Environment. Additional points have also been awarded to projects presenting a positive impact on environment or providing evidence of the Company's commitment to act as a good and responsible corporate citizen.



BNP Paribas, Paris



BNP Paribas, Frankfurt



BNP Paribas, London

### BNP Paribas SA's Handicap Project

Within the framework of its agreement to employ disabled persons, which was signed for four years in 2008, the Bank has been implementing a resolute and durable policy in favour of the employment and integration of disabled people, either directly or through specialised institutions. The Bank hires disabled employees. At the end of 2010 it had achieved 65% of its hiring target. BNP Paribas has been taking actions to support the continued employment of disabled employees, to raise awareness among all employees and to rely on the protected sector.

## PROMOTING DIVERSITY

With employees of almost 170 nationalities working in more than 80 countries, diversity has become a reality at BNP Paribas. It is also a commitment that has been put into action.

### Shared policies

BNP Paribas is actively promoting diversity, in other words equal access for everyone to all jobs, regardless of nationality, sex and origin. In 2010, the Bank's Chief Executive Officer set a target for at least 20% of all senior management positions to be held by women by 2012. The representation of women on BNP Paribas's Board of Directors is 27.8%, which already makes it one of the most feminised governance bodies in France.

While the Group's age pyramid is well balanced overall, it reflects contrasting situations, with a predominance of younger age groups in some of the business lines and a high proportion of senior employees in retail banking in Western Europe. In France in particular, this situation has driven the implementation of specific policies in favour of senior employees.

### Multiple local actions

In France, BNP Paribas won the Diversity label in January 2009. This label, which is perceived as a lever in favour of diversity, encompasses a wide variety of initiatives. These include the additional clause to the Men-Women Equality agreement, training of all the employees involved in recruiting, the signature in 2010 of the "Espoir Banlieues" plan (to promote the employment of young people from the economically disadvantaged urban areas, etc.). In Belgium, an ambitious action plan has been decided to promote diversity in all its forms. In Italy, BNL has made the integration of disabled employees a priority. These examples merely illustrate the variety of local initiatives in the United States, the United Kingdom, Bahrain, Luxembourg, etc.



## SUPPORTING EMPLOYEES SO THAT THEY MAY PLAY AN ACTIVE ROLE IN THE GROUP'S GROWTH AND EVOLUTION

### The Group is an active recruiter

Despite a challenging economic environment, the Bank recruited 24,500 new employees in 2010, of which almost 4,000 in France. BNP Paribas is a very attractive employer, as borne out by the polls and even more so by the growing number of applicants. The second edition of the Ace Manager online game was highly successful, attracting 8,133 students (twice as many as in 2009) from 98 countries. In France, the training of young people by the Group is viewed as a priority. The Group took on 1,358 working students (i.e. 29% more than in 2009) and has hired 52% of them under fixed-term or in definite-term employment contracts. In October, BNL Italy received the "Best Academic Project" award in 2010 for its unique talent identification project with the assistance of the students of La Sapienza University of Psychology.

### The Bank's on-boarding framework and facilities

In 2010, the Group deployed a framework for integrating and training new employees. The objective was to ensure both the quality of the on-boarding process and the effective learning of the BNP Paribas culture, values and strategy.

### An ongoing drive in favour of developing employee skills

The policies in the field of training and skills development aims at rewarding employees and building loyalty, transmitting the Group's culture and strategic messages, raising their performance level and, lastly, enhancing their employability within BNP Paribas for career development and mobility purposes.

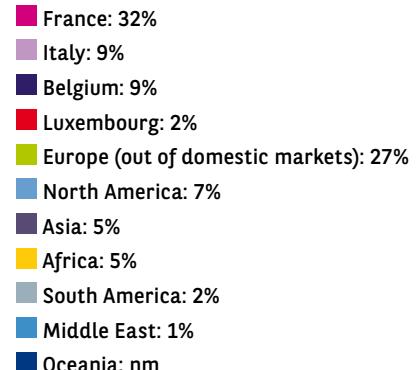
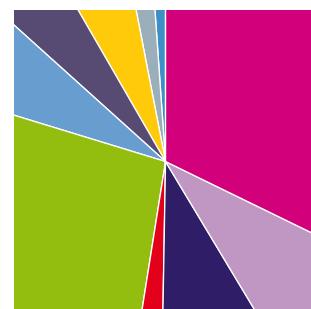
For example, the BNP Paribas Campus, located in Louveciennes (France), hosted 25,000 employees in training courses and seminars in 2010, in a functional and friendly environment.

### Long-term management of employment

BNP Paribas's headcount has almost doubled in the past five years. The Group has successfully anticipated trends in job numbers by managing with foresight the impact of organic growth, productivity gains and the age pyramid. The resources deployed for this purpose are geared toward responsible policies supporting training and mobility within the Group.

**TOTAL WORKFORCE\*:  
205,300 EMPLOYEES**

### Breakdown by geographic area



\* Figures at 31 December 2010.



BMCI, Casablanca



BNP Paribas Fortis, Warsaw

## BUILDING EMPLOYEE LOYALTY AND MOTIVATION FOR THE LONG TERM

### Individual career management

Individual career management at BNP Paribas is supported by a dynamic job mobility policy and decentralised, thus ensuring local contacts and personalised attention to employees. Nevertheless, the circulation of information via tools dedicated to mobility and the centralised monitoring of some populations enable the Group to conduct cross-functional career management, to support its growth and to meet employee expectations. It is in this spirit that the new IRKR (International Retail Key Resources) framework was deployed within the Retail Banking Division. This aims at identifying and supporting employees with strong business skills, with the required capabilities and drive to work in a multi-cultural universe and to make an international career.

### Developing talent with targeted policies

To ensure the renewal of strategic positions and build employee loyalty, one of the Bank's priorities is to identify top talents. That is the purpose of the Talent Development Program, which is based on dedicated training, managing communities, and career development management that focuses on hands-on experience and cross-functionality.

### A competitive compensation policy in line with international rules

The Group's compensation policy is based on principles of fairness and transparency, which lead in particular to a single annual global compensation setting process and a strict delegation system. Compensation for work and performance is complemented by employee stock-ownership plans, collective profit-sharing plans and welfare and retirement schemes, which reflect a responsible vision of our long-term working relationship with our employees.

### The combination of BNP Paribas and Fortis in Belgium and France

- In Belgium, the merger plan has entailed a substantial restructuring of the workforce and talent. Despite significant synergies in some business lines, but thanks in particular to a number of investments in others (for example Private Banking), 1,230 employees were finally hired in 2010. In addition, the Mobility Centre has helped significantly to bringing the required flexibility to the internal employment market.
- In France, the in-house redeployment of personnel who were previously employed in the various French units of Fortis, i.e. 1,600 employees, is almost completed. At Fortis Banque France, which alone employed a workforce of more than 1,200, 95% of the employees had been interviewed individually at the end of 2010 and 90% of the jobs offered to them had been accepted.

## A PERSONNEL RELATIONSHIP BASED ON DIALOGUE, LISTENING AND PEOPLE CARE

### High quality labour relations

Labour relations and respect for labour unions have always been at the heart of BNP Paribas's culture. This social dialogue was very active in 2010, in particular in France (60 labour agreements with companies or the whole Group at BNP Paribas SA and in the 10 main French subsidiaries), in Belgium (9 agreements), in Italy (23 agreements) and in Luxembourg (single status).

### An active listening relationship with our employees through the Global People Survey

In 2010, nearly all of the Group's employees (180,000 questionnaires were sent out) were interviewed anonymously within the framework of the Global People Survey, as was already the case in 2009. This survey is a real management tool to identify the expectations of BNP Paribas's employees, establishing priorities and action plans. This year, employees, once again said how proud they were to work at BNP Paribas and expressed their confidence in the strategic decisions made by Executive Management. They believe that the Group is well equipped to cope with the challenges of the future.

### Protecting the health of the employees

The Group's occupational health policy goes beyond simply complying with changes in legislation. Key issues include in particular the prevention of psychosocial risks. In France for example, we have set up a medical unit for monitoring stress, anxiety and depression (OMSAD), with a dual objective of preventing organisational or managerial issues, which are thus shared in full transparency with employee representatives and of identifying potentially dangerous individual situations by the occupational doctors.



BNP PARIBAS 2010 ANNUAL REPORT

### Adjusting the compensation policy to comply with the new EU regulation

The variable compensation system of market professionals was revamped in 2008, in order to combine competitiveness and discipline, in a crisis context. The new regulation in 2009, which was amended again in 2010 by the European CRD3 directive, vindicated BNP Paribas's moves in this direction. As a result, the Group's compensation policy, which is fully compliant with the applicable regulation, ensures that the interests of employees are aligned with the long-term interests of the company and its shareholders within the framework of strengthened governance, in particular with the spreading of payments over several years.

### The new European Committee

The Group set up a European Committee as early as 1996. To take into account the BNP Paribas' expansion in Europe, it was overhauled by the additional clause of the corporate agreement of 21 June 2010. The new body, chaired by the Group's Chief Executive Officer, represents some 140,000 employees with 49 representatives from 20 countries. It will meet at least twice every year and is already working on a European social responsibility report that will be published in 2011 and the drafting of social charters for Europe in three areas, namely employment, stress management and diversity.



The entire CSR Report is on:  
<http://media.bnpparibas.com/rse/rapport2010en/>

# CORPORATE SOCIAL RESPONSIBILITY

## More information on BNP Paribas's corporate social responsibility

BNP Paribas's 2010 Corporate Social Responsibility Report describes the year's main achievements. The reader will find the perennial features of the BNP Paribas' corporate social responsibility approach in sustainable development section of the Group's website, [www.bnpparibas.com](http://www.bnpparibas.com), and day-to-day events on the external weblog: [www.pourunmondequichange.com](http://www.pourunmondequichange.com). Additional performance indicators are also published in BNP Paribas's Registration Document.

This vision, in line with BNP Paribas's signature "the bank of a changing world", is reflected in the incorporation of sustainable development at the heart of the Group's mission. At the economic level, for BNP Paribas, acting as a responsible bank implies finding the resources to play its financing role in the real economy. In recent years, two thirds of its profits have therefore been reinvested in the company to strengthen its shareholders' equity and secure its ability to lend money. At the social and environmental level, in 2010 BNP Paribas set two priorities: fighting climate change and combating exclusion. It implements these two priorities within the company, in the course of its financial activities and in its relationships with its environment.

BNP Paribas deploys its sustainable development vision into an action plan articulated around four objectives:

### - strengthening BNP Paribas's culture of responsibility.

This culture, which is based on strong commitments, involves not only responsible lobbying, a vision of compliance that goes beyond legislative and regulatory requirements, but also training employees in the field of social and environmental responsibility and encouraging their involvement in initiatives that promote sustainable development;

### - injecting sustainable development into the company's

**DNA**, on the one hand with the responsible and committed management of employees and on the other by controlling the Group's direct and indirect impact on the environment;

### - taking into account the environmental and social impact of conducting the Group's businesses;

- participating, through sponsorship, in the economic and social development of the countries in which we operate.

## BNP PARIBAS'S VISION REGARDING SUSTAINABLE DEVELOPMENT

BNP Paribas's leadership in financial services goes hand-in-hand with heightened responsibility. The Group's activities influence those of its stakeholders, including individual clients, companies, institutions, investors, employees and even the whole civil society. Accordingly, enhancing sustainable development within BNP Paribas means promoting sustainable development within all of society.



BNP Paribas supports AFEV  
(Association de la Fondation  
Étudiante pour la Ville), which  
fights against cultural and social  
disadvantages of young people  
in deprived urban areas

# STRUCTURING COMMITMENTS

## DISCLOSED, RECOGNISED AND TARGETED COMMITMENTS

In accordance with its sustainable development approach, BNP Paribas has committed to flagship initiatives of the banking sector.

- **Climate Principles:** In 2010 BNP Paribas decided to sign the Climate Principles, thereby joining a group of financial institutions determined to play an active role in the fight against climate change while conducting their functions as adviser, lender, investor or insurer.
- **Equator Principles:** In 2009 BNP Paribas joined the Steering Committee of the Equator Principles, which constitute a system of reference for the identification, the assessment and the management of the social and environmental risk of projects exceeding USD 10 million.
- **Principles for Responsible Investment:** BNP Paribas Investment Partners is a signatory of these principles, which help companies incorporate environmental, social, and corporate governance concerns into their mainstream investment decision-making practices.
- **Institutional Investors Group on Climate Change (IIGCC):** BNP Paribas Investment Partners is involved in promoting the idea that climate change should be taken into account in investment decisions.
- **French Council of Investors in Africa (Conseil Français des Investisseurs en Afrique—CIAN):** BNP Paribas is a member of CIAN and adheres to its Sustainable Development Charter.

BNP Paribas also participates in initiatives covering broader issues, in order to implement and promote sustainable development at various levels and in different areas:

- **United Nations Global Compact:** Its ten principles have become a component of the Group's action principles.
- **Carbon Disclosure Project:** BNP Paribas has adhered to this UK British initiative since its creation. Its goal is to quantify the carbon footprint of the world's largest companies.
- **Entreprises pour les Droits de l'Homme (EDH):** BNP Paribas contributes to the work of the association regarding the respect for human rights in companies.
- **Sida-Entreprises,** the purpose of which is "to help companies meet the challenge of chronic diseases for their employees and their families, as well as for communities in African countries where the Bank is established".

## "OUR COMMITMENT FOR THE ENVIRONMENT" IN 2011

In 2011, BNP Paribas will publish its revised overall policy in favour of the environment, in which the Group commits in four areas:

- the reduction of its direct environmental impact;
- giving consideration to the environment in action taken alongside customers;
- a strong commitment to fight climate change;
- tangible actions in all the Group and dynamic thematic policies.



# AN ORGANISATION DEDICATED TO SUSTAINABLE DEVELOPMENT

In 2010, the Corporate Social Responsibility Delegation was strengthened to allow the Group to consolidate its organisation dedicated to the expertise and management of our sustainable development policies.

## A RESPONSIBILITY THAT IS BORNE BY THE EXECUTIVE COMMITTEE

Within the Executive Committee, the responsibility for BNP Paribas's CSR policies lies with Jean Clamon, Managing Director, who is also Head of Compliance and Internal Control Coordinator. He is in particular responsible for presenting to Executive Management the Group's priorities and actions regarding social and environmental responsibility, and informing the latter about any sensitive issues in this field.

## A STRENGTHENED CSR TEAM

In 2010, five additional employees joined the team in charge of the Group's CSR policy, raising the unit's headcount to eight. Correspondent groups have been created or strengthened in the divisions, business lines and functions, e.g. at BNP Paribas Fortis, which has a four-person staff, or within the Corporate and Investment Banking Division where two employees are in charge of social and environmental responsibility. Beyond its direct links with all the managerial lines, the CSR Delegation manages a network of experts and correspondents within the Group.

## CREATION OF THE CLIMATE CHANGE STEERING COMMITTEE

The Climate Change Steering Committee, created in 2010, comprises representatives of all the business lines and functions within the Group that are likely to play a role in the fight against climate change. It manages nine projects identified as key priorities so that BNP Paribas can play an active role in the shift towards a low-carbon economy: Research, Asset Management, Retail Banking, Insurance, Corporate Investment Banking, Direct Issuance, Communication, Vendor Relations and Risks.

### **Laurence Pessez, Head of the Group's Corporate Social Responsibility Delegation**

In early 2010, Laurence Pessez took in charge the Corporate Social Responsibility Delegation, after eight years within the Group, of which four as the Head of Public Relations and Corporate Social and Environmental Responsibility of BNP Paribas Assurance. Within the framework of her new position, in which she reports to Jean Clamon, her role is to manage the deployment of the Group's CSR strategy and to coordinate the dialogue with all the stakeholders.

# 2010 HIGHLIGHTS IN FAVOUR OF...

## → THE FIGHT AGAINST EXCLUSION

- **Update of BNP Paribas 2010 actions in favour of French suburbs**

For the past fifteen years, with the support of its retail branches and its foundation, BNP Paribas has been committed to helping disadvantaged neighbourhoods and has helped reinvigorate the local economy, encourage integration via knowledge and develop positive initiatives. In 2010, BNP Paribas therefore contributed to numerous actions, such as:

- in partnership with ADIE, the granting of 1,000 micro-credits;
- supporting 114 local associations;
- tutoring and coaching 10,000 disadvantaged young people, in partnership with AFEV;
- the organisation of 202 school trips benefiting 8,400 Seine-Saint-Denis high school children...

Lastly, BNP Paribas Group has implemented many other actions aimed at putting into practice the principle of equal opportunities, socially-oriented entrepreneurship, discovery and apprenticeship. In 2010, the total budget of the Banlieues Project amounted to EUR 15 million.

- **BNP Paribas Assurance enters the scope of BNP Paribas's diversity accreditation label**

Since 2009, BNP Paribas holds the Diversity Label awarded by AFNOR (French National Standardisation Organisation). In 2010, BNP Paribas Assurance's commitment and actions in favour of diversity enabled the Insurance business line to move into the scope of the Group's labelling.

- **Creation of the BNP Paribas Fortis Foundation for social inclusion and outreach projects**

This foundation, which was created in 2010 by BNP Paribas Fortis, mirrors the BNP Paribas Foundation, which manages the Group's philanthropy policy. The new foundation will focus on two themes: the social inclusion of disadvantaged persons through education and the promotion of outreach projects, supported by the Group's employees in Belgium.

- **Launching the Cetelem Foundation for budgetary education**

In 2010, the Cetelem Foundation decided to focus on a crucial mission, namely budgetary education targeted at young or disadvantaged people. With the support of four associations, the Foundation developed training programmes relating in particular to the construction and management of a budget, and the operation of a current account.



AFEV (Association de la Fondation Étudiante pour la Ville)



Solidarity Team Building organised by BNP Paribas Fortis Foundation with a hundred of employees in Belgium

## → THE FIGHT AGAINST CLIMATE CHANGE

- **An excellent Carbon Disclosure Project rating**

Every year, the Carbon Disclosure Project (CDP) appraises the commitment of companies to incorporate climate change issues in their businesses and to control their greenhouse gas emissions. This year, BNP Paribas's carbon reporting was awarded a rating of 81/100, against 52/100 in 2009. The Group has therefore become the best-rated French financial company on this criterion and the only French bank to rank among the world's Top 10 financial companies.

- **Solar energy: TEB bets on solar panels**

In 2010, TEB opened in Istanbul the first Turkish bank branch equipped with solar panels and the first Turkish solar powered mobile ATM. TEB received the 14001 ISO certificate for the quality of its environmental management, demonstrating its commitment toward the environment.

- **BNP Paribas finances wind energy in South Korea**

BNP Paribas participated in the financing of the construction and operation of the Yeong Yang wind farm in South Korea. This 61.5 MW wind farm is the third one that BNP Paribas has financed in South Korea. The Group has thereby strengthened its leadership in the financing of wind energy in the country, having participated in the financing of 64% of the total installed wind capacity of South Korea.

- **CSR policy regarding palm oil**

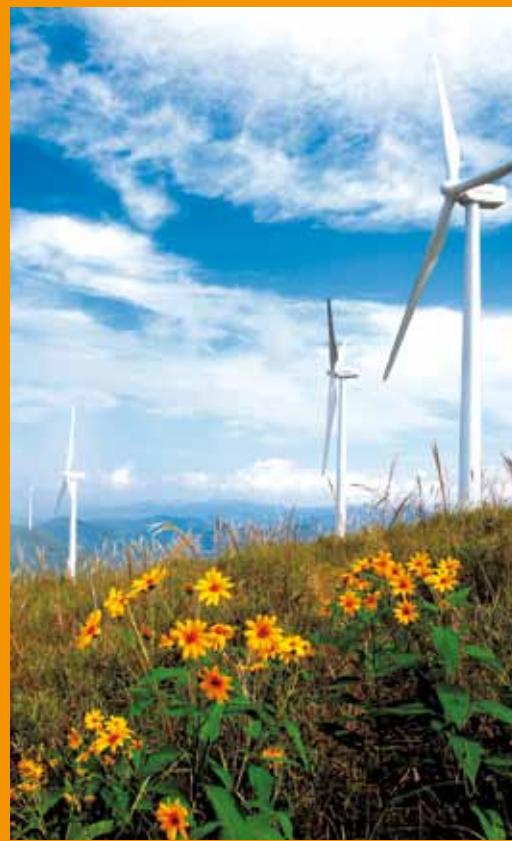
BNP Paribas published policy guidelines aimed at setting a framework for its business in a sector with strong environmental and social stakes: palm oil, the intensive farming of which can contribute to deforestation, a loss of biodiversity, climate disruption and the destabilisation of local communities. This policy applies to BNP Paribas's financing and investments throughout the world.

## ⊕ 2010 AT A GLANCE

# 81/100

THE RATING AWARDED IN 2010  
BY THE CARBON DISCLOSURE PROJECT  
TO THE BNP PARIBAS'S CARBON  
REPORTING IN 2009

The Yeong Yang  
wind farm in South Korea



# STRENGTHENING THE CULTURE OF RESPONSIBILITY

Aware that the Group's sustainable development hinges on the involvement of its more than 205,000 employees, BNP Paribas has made strengthening the responsible corporate culture the keystone of its CSR approach.

## INVOLVING EMPLOYEES IN THE CSR APPROACH

The involvement of employees in the CSR approach is one of the most effective ways of deploying the Group's CSR policy and also meets with strong demand from the Bank's employees, who said in the 2010 Global People Survey that CSR was the Group's no. 1 level of commitment.

### Raising CSR awareness among the Group's employees

In April 2010, BNP Paribas launched an online training module to raise the awareness of its employees regarding key CSR issues and its policies in this area. With this e-learning module, available to all employees via the intranet, every participant is entrusted with six missions, which unfold the key themes of the Group's CSR strategy.

To build on this training, environmental awareness-raising actions have been set up locally.

### Informing and encouraging dialogue

BNP Paribas's employees are also kept updated about day-to-day CSR events, and are invited to exchange on new issues and the Group's actions in this area.

### Disseminating day-to-day CSR news

In 2010, two communication channels were created specifically to keep employees updated about the Group's CSR policies:

- The CSR intranet, which consolidates BNP Paribas's main actions in the field of CSR;
- *CSR essentials*, a leaflet that summarises the Group's CSR policy in nine points.

### Handing over to the employees

The Group promotes exchanges with employees, both on social and environmental themes. Therefore, during the World Environment Day, BNP Paribas organised in June 2010 a chat session between the Bank's employees and Jean Jouzel (2007 Nobel Peace Prize with the Intergovernmental Panel on Climate Change (IPCC)). Our employees were therefore able to ask Jean Jouzel all the questions they had about climate change.



### BNP Paribas Fortis launched "Go Green"

BNP Paribas Fortis has designed "Go Green" an ecology-related online interactive training programme. The programme invites employees to reply to a certain number of questions regarding their habits. On the basis of their replies, participants receive a graphical representation of their personal environmental footprint at work and a personalised list of objectives to meet to reduce it.

## SUPPORTING EMPLOYEE INITIATIVES

BNP Paribas encourages its employees to play an active role in the implementation of its CSR policy both within the company and within its environment.

### **Proposing assignments to those employees who are keen to play a role: skills-based volunteer work**

Two associations offer the Bank's working and retired employees a means of getting involved in skills volunteering.

The MicroFinance sans Frontières association (MFSF) proposes skills-based volunteer work to microfinance institutions (MFIs) in emerging countries, so that the latter may benefit from the banking skills and qualifications of BNP Paribas's working and retired employees.

The Bénévolat de Compétences et Solidarité association (Skills Volunteering and Solidarity—BCS) provides a framework for volunteers, be they employed or retired, among associations that are active in two areas, namely outreach finance and deprived children. It is managed by a dozen volunteers who have already paired 150 volunteers (of which around 40 in 2010) with partner associations.



**// The Bénévolat  
de Compétences  
et Solidarité association  
is managed by a dozen  
volunteers. //**



BÉNÉVOLAT DE COMPÉTENCES  
ET SOLIDARITÉ AVEC BNP PARIBAS

# INJECTING SUSTAINABLE DEVELOPMENT INTO THE COMPANY'S DNA

For BNP Paribas, implementing an in-house CSR policy involves weaving social and environmental criteria into the company's fabric.

## BRINGING THE DIRECT ENVIRONMENTAL IMPACT UNDER CONTROL

### 2010, a milestone year

2010 will have been a transition year in bringing under control the direct impact of the current environment, with in particular the setting up of a dedicated team which manages the Environmental reports. The unit defines and conducts the Group's environmental policy in coordination with Group functions and the CSR/Environmental correspondents within the divisions and entities.

### Extensive environmental reporting

In 2010, environmental reporting covered 82.9% of the Group's total headcount and allowed us to determine by extrapolation a benchmark for the whole Group. Greenhouse emissions were thus measured by converting into ton CO<sub>2</sub> equivalent the energy used by the buildings and in the means of transportation used to travel for professional purposes. On this basis, in 2010 the Group emitted 701,905 teq CO<sub>2</sub> (or **3.42 teq CO<sub>2</sub>/FTE**) of which 76.3% for its buildings and 23.7% for the travelling professions.

### A strengthened and noted commitment

In 2010 BNP Paribas signed the **Manifesto for Energy Efficiency In the Office** of the World Business Council for Sustainable Development (WBCSD), which engages the Group in a move initiative policy approach method reasoning rationale overall energy efficiency in its offices. The quality of its carbon reporting has allowed the Bank to become part of the **Carbon Disclosure Leadership Index France index**, an extension of the Carbon Disclosure Project (CDP), and to obtain a CDP rating of 81/100 (vs. 52 last year).

### Three new ISO 14001 certifications

- Desktop publishing of the French Retail Branch network: printing the documents sent to clients;
- BNP Paribas Partners for Innovation: management of the three main Data Centres and most of the workstations in France ;
- BNP Paribas Personal Finance: Automobile and Cofiparc.

Taking all the above into account, the Group's nine entities representing 11,880 employees are now certified ISO 14001.

### Progress targets for 2011

In 2011, BNP Paribas will continue its policy of reducing its direct environmental footprint in several ways:

- The energy efficiency of the property assets with in particular the continued renovation of the branches in France as part of the Welcome & Services initiative—which has already made it possible to cut their consumption by 10% in two years ;
- Green IT;
- Optimising travel;
- Cutting the consumption of paper and increasing the share of responsible paper in paper usage.



Welcome & Services concept in a branch in Paris (La Défense)

## **CONVINCING BNP PARIBAS'S SUPPLIERS TO ADOPT A CSR APPROACH AND GUIDING AND SUPPORTING THEIR EFFORTS IN THIS FIELD**

Since 2009 the Purchasing Function incorporates CSR capabilities to ensure that the social and environmental aspects are systematically taken into account in the relationship with suppliers.

### **In 2010, we took several initiatives to give the policy concrete expression**

- Since 2010 a questionnaire relating to the social and environmental performance of suppliers is systematically included in tender invitations sent out by Group Purchasing through the online e-Sourcing platform. In 2011 the questionnaire will be gradually harmonised and extended to all the Group's Purchasing units.
- The Specifications template used for calls for tenders is being revised to incorporate the supplier's CSR requirements. The best in class in the field of energy efficiency is thus systematically looked for in calls for tenders for IT equipment (PCs, servers, printers, etc.).
- We have disseminated a guide of eco-labels that makes it easy to recognise green products with an ad hoc label.
- In 2010 we set up a "Durable Purchasing" training programme to allow around 80 buyers (over the 2010-2011 period) to better take into account key CSR issues in their purchasing practices.
- In 2010 the Group signed the "Charter of the ten commitments for responsible purchasing" framed by the CDAF (Médiation du Crédit et de la Compagnie des Dirigeants et Acheteurs de France). The signature of the Charter illustrates BNP Paribas's commitment to abide by a number of good practices in purchasing, especially versus small and midsize companies.



BNP Paribas, Paris

# MAKING ALLOWANCE FOR THE ENVIRONMENTAL AND SOCIAL IMPACT OF THE BANK'S OPERATIONS

For a bank like BNP Paribas, the key levers for contributing toward the sustainable growth of society lie in conducting its retail banking, financing, investment, and asset management businesses.

## RESPONSIBLE PRODUCTS AND SERVICES FOR RETAIL CLIENTS AND SMEs

In retail banking, BNP Paribas's responsibility is expressed both in the products offered to clients and in the way they are sold, and this at every stage of the client relationship, from the preliminary information to the assessment of customer satisfaction.

### Supporting customers in a responsible way

In the French retail branches, BNP Paribas has set up a commercial approach that meets customer requirements better:

- An easily understandable price list that is comparable with those of other financial institutions;
- A canvassing process agreed in advance between the adviser and the client;
- A fee schedule for advisory services that is spread out over time and based on an analysis of client needs to ensure the neutrality of advice;
- A measurement of customer satisfaction based on an indicator of the usage of the product by the client three months after the sale.

BNP Paribas proposes green products with a positive impact on society.

- In 2010, in a partnership with EDF, Domofinance of Cetelem (a commercial brand of BNP Paribas Personal Finance) made it possible to finance almost 50,000 loans to improve the energy efficiency of housing.
- Since 2010, BNP Paribas Cardif is able to offer customers who have been paralysed in an accident cheaper rate so they can borrow at the best terms.

BNP Paribas has been developing specific services and products for the emerging markets, where most of the unbanked people live:

- In Ukraine, BaLi (Light Bank) offers services designed specifically for individuals with medium and low incomes;
- In France, "Home Cash" allows a customer to send money to a relative in Morocco who does not have a bank account;
- In Ivory Coast, Senegal, Mali and Madagascar, "Orange Money" gives its 1.4 million customers secure mobile banking.

### Supporting SMEs

Supporting the local economy lies at the heart of BNP Paribas's business, and since the financial crisis the Bank has even stepped up its efforts in all the countries where it operates.

- In France, BNP Paribas launched an unprecedented programme and financed over fifteen months 49,881 SMEs, craftsmen and merchant projects for a total amount of EUR 6 billion.
- In Belgium 75,000 professional loans made it possible to finance projects meeting the needs of small- and medium-sized enterprises, craftsmen and merchants.

### Two new CSR financing and policies

In 2010, BNP Paribas worked to formalise its policy in the field of financing and investment in two sectors with high environmental and social stakes: defence and the production of palm oil. These policies are available in the sustainable development section on the Group's website [www.bnpparibas.com](http://www.bnpparibas.com)



Home cash allows a customer in France to send money to a relative in Morocco who does not have a bank account

IN THE EMERGING MARKETS

**EUR 45.5**

MILLION

IN LOANS AUTHORISED

IN LOCAL CURRENCIES AT THE END OF 2010

**18 MFIs**

FINANCED IN 8 COUNTRIES:

 INDIA, INDONESIA, BRAZIL, EGYPT, MOROCCO,  
TUNISIA, MALI, GUINEA

**EUR 243**

AVERAGE SIZE OF MICRO-CREDITS

**127,000**

CLIENTS FINANCED,

**88%**

ARE WOMEN

**636,000**

PERSONS IMPACTED

INDIRECTLY

## BNP PARIBAS'S MICROFINANCE COMMITMENT

The access of all customers to basic financial services is an essential component of the development and growth of developed markets and emerging countries. The support of BNP Paribas and its employees to microfinance institutions (MFIs) strengthened again in 2010.

### **Developed markets: a solution for the creation of jobs**

A historical partner of ADIE, BNP Paribas has for more than fifteen years supported the association both at the level of philanthropy and at the banking level. In 2010, the network of retail branches in France therefore decided to raise the line of credit granted to ADIE to EUR 9 million per annum (vs. EUR 8 million in 2009). 11,263 loans financed in six years.

In 2010, the cooperation between BNP Paribas Fortis, ADIE and the European Investment Fund led to the creation of two MicroStart agencies in Belgium. These agencies provide microloans (from EUR 1,000 to EUR 10,000) to persons excluded from bank lending and wishing to create or develop a small business where they are self-employed.

### **Emerging markets: the social performance of the partner MFIs is a major concern**

BNP Paribas continued financing the MFIs in emerging countries. In 2010, BNP Paribas's microfinance team set up a tool to measure the social and environmental performance of partner MFIs, to select and support the institutions with the best social performances and to establish them in a continuous improvement process.

### **Enabling our customers to invest in microfinance**

BNP Paribas's customers can also support microfinance institutions by investing in dedicated funds: ObliEtheis for retail customers and ResponsAbility for customers of the Private Bank.



adie

 ASSOCIATION POUR LE DROIT  
A L'INITIATIVE ECONOMIQUE

### CONTROLLING THE ENVIRONMENTAL IMPACT OF FINANCING AND PROMOTING THE SHIFT TOWARDS A LOWER CARBON ECONOMY

BNP Paribas Corporate and Investment Banking (CIB) embeds CSR in its advisory and capital markets activities, as well as in its financing business lines.

#### Prioritising the financing of the green economy

##### The financing of green infrastructure

As an active player in the fight against climate change, BNP Paribas has been a major investor in the renewable energy sector for more than ten years, via project financing, export financing and with fixed-income specialists.

BNP Paribas CIB finances and advises between eight to ten new large wind or solar projects in the world every year.

##### The development of market instruments that are useful for the green economy

BNP Paribas CIB's equity derivatives unit is constantly developing indices that allow investors to direct their savings towards the green economy. These indices with a positive impact on the environment or the society will for example relate to water, energy efficiency, renewable energies, waste processing or the 100 companies with the lowest carbon emissions.

##### The greenhouse-gas emission markets and BNP Paribas's role

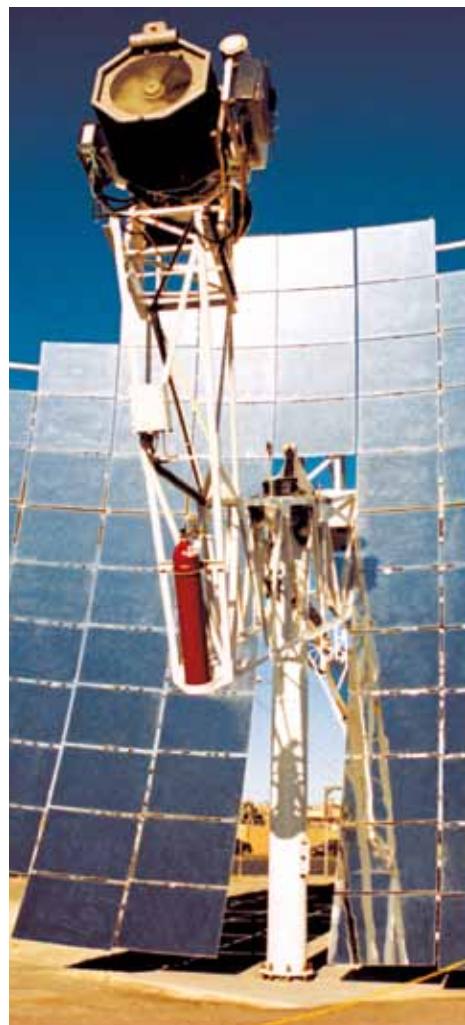
BNP Paribas is a major player in the greenhouse-gas emission rights markets and has a dedicated Carbon Finance team to help its clients. The Carbon Team aims at incorporating in all its business lines the effective consideration of the objectives assigned by the international treaties and declarations, which will durably influence the structure of the financed assets and which must be factored into the financing decisions.

For its own account or for its clients, BNP Paribas participates actively in the EU Emissions Trading System (EU ETS) and holds a leading position in the CO<sub>2</sub> markets.

##### Ensuring that environmental risks are properly monitored

BNP Paribas incorporates the environmental, social and governance risks into the analysis of credit and operational risks:

- The financing decisions of transactions or contracts or that are complex or sophisticated from a CSR point of view are discussed in "Transaction Acceptance Committees";
- The export financing of large projects presenting key CSR issues give rise to an independent preliminary audit;
- Project financing of more than USD 10 million (70 transactions in 2010) are reviewed according to the Equator Principles, to ensure compliance with the World Bank's environmental and social standards.



## DEVELOPING AND PROMOTING SOCIALLY RESPONSIBLE INVESTMENT

A socially responsible investment decision takes into account not only financial criteria but also three "extra-financial" areas: the environment, social responsibility and governance (ESG).

Not well known by the general public only a few years ago, SRI (Socially Responsible Investing) funds are now making a spectacular emergence in the portfolios of European investors.

### **Improving information and raising awareness of the Group's SRI policies among customers**

Whether they are retail or institutional, investors must be guided in their approach to responsible investing.

The first national SRI week, which took place from 4 to 10 October 2010, was an opportunity for BNP Paribas to expand its awareness-raising efforts. At its stand at the Investment Forum, the Bank's representatives answered the questions of investors and showcased the Group's range of SRI products.

The retail network also contributed by showing videos in 1,500 branches, raising awareness among the sales staff and making a training set available for the financial advisors.

### **Incorporating ESG criteria in all the asset management units**

Concurrently to the promotion of SRI among its customers, BNP Paribas is gradually embracing a voluntary approach to incorporate extra-financial criteria in its traditional asset management.

BNP Paribas Cardif therefore continued incorporating ESG criteria in the management of its 700 billion euro fund: asset managers systematically take into account extra-financial criteria in the investment selection process.

In 2010, Cortal Consors France published the second edition of its green rating of more than 400 European funds to help the customers who wish to incorporate the environment into their investment decisions.

### **Enhancing the SRI offering**

BNP Paribas Investment Partners obtained the Novethic accreditation label for 11 of its SRI funds with the "ESG indicators" endorsement for six of them. These labels are a tribute to BNP Paribas Investment Partners' efforts to achieve transparency about the management process and composition of SRI funds, as well as the innovative character of its CSR reporting. BNP Paribas Wealth Management is the only bank that markets the PhiTrust fund. This particularly innovative product combines a positive social impact and a strong financial performance. By investing in unlisted companies that strive to improve the living conditions of disadvantaged populations, customers can measure the social and/or environmental impact of their investment.



BNP Paribas, São Paulo



TEB, Istanbul

# BNP PARIBAS CORPORATE PHILANTHROPY: SPONSORSHIP FOR A CHANGING WORLD

In 2010, BNP Paribas created BNP Paribas Corporate Philanthropy. This new unit, overseen by the BNP Paribas Foundation, will help us ensure that the many corporate sponsorship initiatives we run are consistent across our five key philanthropy pillars: community outreach, the arts, education, medical research, and the environment. BNP Paribas runs numerous philanthropy programmes worldwide, and BNP Paribas Corporate Philanthropy will help us continue to "do good" even better.

The BNP Paribas Corporate Philanthropy network:

- Ten foundations: one each in France, Belgium, Brazil, Bulgaria, Italy, Luxembourg, Morocco, Poland, and Switzerland, as well as the Cetelem Foundation.
- Philanthropy programmes in all major world regions through BNP Paribas business lines and subsidiaries.

## **Community outreach: a helping hand for at-risk populations**

BNP Paribas is committed to providing opportunities for the economically disadvantaged by fostering economic development and supporting local communities. For instance, we are a long-time supporter of numerous microfinance organisations (e.g., ADIE in France and Belgium), select charities (addressing disability, infant mortality, sports for the disadvantaged, etc.), and initiatives to assist people from underprivileged neighbourhoods.

The Group also supports the efforts of our many employees who volunteer for charitable events and organisations like Help2Help, Solidarity Days, Coup de Pouce, and various telethons.

## **The arts: preserving cultural heritage and sponsoring the performing arts**

BNP Paribas has been a prominent corporate sponsor of museums since 1984, playing a pioneering role in forming partnerships with museums around the world to help preserve their collections, restore ancient works, and publish catalogues.

The Group also support the performing arts—such as modern dance, classical music, jazz, and contemporary circus arts—through partnerships with major cultural institutions across Europe and beyond. These partnerships aim to encourage creativity and artistic expression.

## **A comprehensive outreach programme in Mali**

In 2010 the BNP Paribas Foundation and BICIM (the Group's Mali subsidiary) renewed their partnership with Samusocial, a Mali-based aid organisation. Our support will provide Samusocial with additional resources to create educational and job opportunities for children and young adults living on the street.

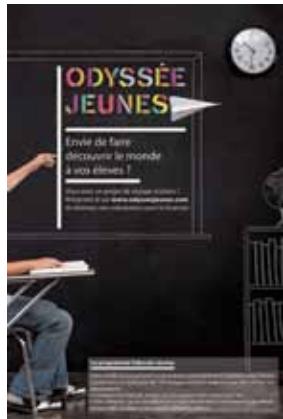


## **The Athens Byzantine and Christian Museum**

In 2010 the BNP Paribas Foundation and BNP Paribas Greece helped restore ten 15th-century frescoes at the Athens Byzantine and Christian Museum.



THE CORPORATE  
PHILANTHROPY  
PROGRAMMES IN 2010  
REPRESENT A BUDGET OF  
**EUR 20.8**  
MILLION  
ALL OVER THE WORLD



### **Education: teaching the young and spreading knowledge**

Because BNP Paribas realises that education plays a key role in social development and economic growth, our many educational programmes help give the underprivileged access to learning. In France these programmes include AFEV and Odyssée Jeunes; our other programmes around the world include Read India in India, Szansa/Pomagaj in Poland, Artists in Residence in Hong Kong, and Financial Literacy Courses in the United States.

### **Medical research: financing high-tech R&D**

The Pasteur Institute, the Curie Institute, the French Medical Research Foundation—these are just some of the many renowned research institutions to which we provide vital funding, both in France and around the world.

### **Environment: encouraging new thinking about environmental challenges**

In late 2010 BNP Paribas introduced a new corporate sponsorship initiative to help fight climate change. This science-focused initiative will reinforce the many measures we already have in place to build awareness about environmental issues.

### **Queen Elisabeth of Belgium International Musical Competition**

For the past 20 years BNP Paribas Fortis has been a proud sponsor of this prestigious competition, which recognises talented young instrumental musicians, vocalists, and composers. In 2010, thanks to our long-standing support of this competition, BNP Paribas Fortis won the Special Jury Prize in the Caïus cultural philanthropy awards.



### **The Research Pioneers programme**

In 2010 we decided to support the French Medical Research Foundation's Research Pioneers programme on the topic "The brain/machine interface." Our funding will help scientists working to develop new approaches for restoring patients' motor function.

# GLOSSARY

## **Attribution right**

Right to receive bonus shares issued in connection with a capital increase paid up by capitalising retained earnings. Attribution rights are quoted.

## **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 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.

## **CIB**

Corporate and Investment Banking, one of the three BNP Paribas core activities, providing financing, advisory, and capital markets services.

## **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 Comité Consultatif des Actionnaires was set up in the first half of 2000, at the time of the merger.

## **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.

## **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.

## **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**

Clearing house for securities transactions.

## **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.

## **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.

## **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 Solutions**

One of the three BNP Paribas core activities comprising six businesses: Asset Management, Insurance, Private Banking, Online Savings and Trading, Securities Services, and Real Estate.

## **Liquidity**

Ratio between the volume of shares traded and the total number of shares in issue.

## **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.

## **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.

## **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.

### **Primary market**

Market where newly-issued securities are bought and sold.

### **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.

### **Retail Banking**

One of the three BNP Paribas core activities, comprising French Retail Banking, BeLux Retail Banking, BNL bc, BancWest, Mediterranean Europe, Personal Finance, and Equipment Solutions.

### **Secondary market**

Market where securities are bought and sold subsequent to their issue.

## **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.

## **Solvency ratio**

Measure of a company's ability to meet its medium- and long-term obligations.

## **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).

## **Subscription right**

Right to participate in a share issue for cash.

## **TSR**

Total Shareholder Return: corresponding to return on the capital invested by shareholders, including dividends and unrealised gains on the shares.

## **Volatility**

Describes the behaviour of a stock market or a security that is experiencing strong and rapid price fluctuations.

## **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.

## **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.

# CONTACTS

## INVESTOR RELATIONS

### Individual shareholders

Toll-free from France: 0 800 600 700

(for holders of registered shares\*)

Email: [relations.actionnaires@bnpparibas.com](mailto:relations.actionnaires@bnpparibas.com)

Tel.: +33 (0)1 42 98 21 61

### Financial analysts and institutional investors

Email: [investor.relations@bnpparibas.com](mailto:investor.relations@bnpparibas.com)

Tel.: +33 (0)1 40 14 63 58

## PRESS RELATIONS

Email: [pressoffice.paris@bnpparibas.com](mailto:pressoffice.paris@bnpparibas.com)

Tel.: +33 (0)1 40 14 40 02

+33 (0)1 57 43 79 95

\* For shareholders who have already signed a stock market services contract (free of charge).

# INVESTOR EVENTS IN 2011\*\*

## WEDNESDAY 4 MAY

Release of Q1 2011 results

## WEDNESDAY 11 MAY

Annual General Meeting

## TUESDAY 2 AUGUST

Release of H1 2011 results

## WEDNESDAY 9 NOVEMBER

Release of Q3 2011 results

\*\* Dates are subject to change.

## BNP PARIBAS

HEAD OFFICE: 16, boulevard des Italiens, 75009 Paris (France)

Tel. : 33 (0)1 40 14 45 46

RCS Paris 662 042 449

Société anonyme (Public Limited Company) with capital of EUR 2,397,320,312

[www.bnpparibas.com](http://www.bnpparibas.com)



**BNP Paribas' 2010 Annual Report can be viewed, downloaded or ordered on the following website: <http://media.bnpparibas.com/invest/rapports-annuels/ra2010en/>**

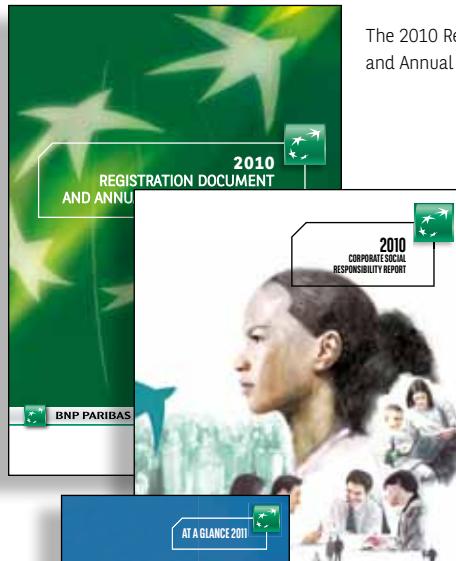


The 2011 film presenting BNP Paribas

The video interviews of the managers



**Other publications available on the [www.bnpparibas.com](http://www.bnpparibas.com)**



The 2010 Registration Document and Annual Financial Report



The 2010 Corporate Social Responsibility Report

2011 At a glance



For more information and to receive the latest BNP Paribas investor updates (press releases, earnings releases, Investor Day announcements, etc.), please visit [invest.bnpparibas.com](http://invest.bnpparibas.com).

#### DESIGN AND PUBLISHING

Brand, Communications and Quality – BNP Paribas

#### ADVISORY, CREATION AND PRODUCTION

TERRE DE SIENNE Paris | [www.terredesienne.com](http://www.terredesienne.com)



Annual Report printed on FSC-certified paper.

#### PHOTO CREDITS

**COMPANY** – Pascal Dolémieux, Grégoire Korganow, Jean-Érik Pasquier, Stéphane Remael, Stéphanie Tétu et Gérard Uféras.  
Amélie Laurin, Philippe Couette et Yves Denoyelle. Getty Images, Shutterstock.

**COVER PHOTO:** BNP Paribas Securities Services' offices in Paris (Grands Moulins de Pantin), renovated by BNP Paribas Real Estate LaCompany/Gérard Uféras

A young boy with brown hair, wearing a dark blue polo shirt and red shorts, is playing tennis on a court. He is in the middle of a serve, with his right arm extended and a tennis ball visible near his hand. Tennis balls are scattered across the court. In the background, there are trees and a fence.

Greatness  
starts  
somewhere...

keep reaching



BNP Paribas,  
the world's  
tennis sponsor  
since 1974.



**BNP PARIBAS** | The bank for a changing world

[bnpparibas.com](http://bnpparibas.com)