

Paris, 21st October 2008

Press release

BNP Paribas commits to financing the real economy

The Group takes part to the tune of €2.55 billion
in the plan to support growth

The French government has announced¹ the introduction of a plan to support lending growth within the economy. This plan is subject to review by the European Commission. Open to banks who comply with regulatory capital requirements imposed by the Commission bancaire, this plan allows them access to complementary funding in the form of subordinated debt which counts towards Tier 1 capital.

In the interests of its clients and shareholders, BNP Paribas has decided to take part in this plan to the tune of €2.55 billion. Under this plan, BNP Paribas will have access to complementary funding on satisfactory terms, taking into account the Group's financial strength, at a time when debt markets for this kind of funding remain inactive.

The subordinated debt to be issued equates to a loan which doesn't give rise to the French State taking a stake in BNP Paribas in contrast to the recent mechanisms, set up by Governments around the world, for recapitalising banks in difficulty. This issue will not be dilutive for shareholders and will not impact the bank's governance nor its dividend policy.

The purpose of this operation is not to increase the bank's Tier 1 ratio which complies with the Commission bancaire's requirements². BNP Paribas has one of the best credit ratings in the world. Generally speaking the French market remains one of the most resistant in Europe. In addition, the BNP Paribas Group has, since the beginning of the crisis, demonstrated its ability to generate solid earnings based on its widely diversified activities and its rigorous risk policy. It is therefore particularly well placed to play its role in accompanying its customers and the financing of the economy.

Commenting on this plan, Baudouin Prot, CEO of BNP Paribas said, "With the acquisition of Fortis' businesses, BNP Paribas both becomes the Eurozone's number 1 bank by deposits and significantly strengthens its capital position. In taking part in the French State's scheme and issuing subordinated debt, BNP Paribas has the means to pursue its organic growth strategy which is based on the dynamism of its salesforce and an even further strengthened financial structure."

Annex

Transaction terms³

BNP Paribas commits to issue €2.55 billion of hybrid debt before year end, entirely bought by SPPE, a company created by the French State for this purpose.

These securities will take the form of hybrid debt (TSSDI), with a 5 year call option at the issuer's option. An earlier reimbursement is allowed in agreement with the Commission bancaire if the securities are replaced by hybrids of equivalent subordination and nominal value.

These securities count towards Tier 1 capital.

For BNP Paribas, the debt will be remunerated to the French State on the following basis: 5-year OAT yield + approximately 400bps

In exchange, BNP Paribas will fix growth objectives for its loan commitments to the economy and commit to applying ethical rules as defined by the MEDEF which are already largely in place within the Group.

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About BNP Paribas

BNP Paribas (www.bnpparibas.com) is a European leader in global banking and financial services and is one of the 3 strongest banks in the world according to Standard & Poor's. The group is present in over 85 countries, with more than 168,000 employees, including 129,500 in Europe. The group holds key positions in three major segments: Corporate and Investment Banking, Asset Management & Services and Retail Banking. Present throughout Europe in all of its business lines, the bank's two domestic markets in retail banking are France and Italy. BNP Paribas also has a significant presence in the United States and strong positions in Asia and the emerging markets.

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¹ French Government press release available on : <http://www.minefe.gouv.fr/>

² Commission Bancaire press release available on : <http://www.banque-france.fr/>

³ Subject to review by the European Commission