

**KONSERVASI LINGKUNGAN PADA TANGGUNG JAWAB  
PERUSAHAAN BERDASARKAN UNDANG-UNDANG NOMOR 25  
TAHUN 2007 TENTANG PENANAMAN MODAL**

**TESIS**

**MIDONAL  
0806427360**



**UNIVERSITAS INDONESIA  
FAKULTAS HUKUM  
PROGRAM MAGISTER KENOTARIATAN  
DEPOK  
JANUARI 2011**

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**TESIS**

**Diajukan Untuk Memenuhi Syarat  
Untuk Memperoleh Gelar Magister Kenotariatan**

**MIDONAL  
0806427360**



**UNIVERSITAS INDONESIA  
FAKULTAS HUKUM  
PROGRAM MAGISTER KENOTARIATAN  
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JANUARI 2011**

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Nama :MIDONAL  
NPM :0806427360  
Tanda Tangan :

Tanggal :12 Januari 2011

## HALAMAN PENGESAHAN

Tesis ini diajukan oleh :

Nama : MIDONAL  
NPM : 0806427360  
Fakultas : Hukum  
Judul Tesis : KONSERVASI LINGKUNGAN PADA TANGGUNG JAWAB  
PERUSAHAAN BERDASARKAN UNDANG-UNDANG NOMOR  
25 TAHUN 2007 TENTANG PENANAMAN MODAL

Telah berhasil dipertahankan di hadapan Dewan Penguji dan diterima sebagai bagian persyaratan yang diperlukan untuk memperoleh gelar Magister Kenotariatan pada Program Studi Kenotariatan Fakultas Hukum, Universitas Indonesia

### DEWAN PENGUJI

Pembimbing : Prof. Dr. Rosa Agustina, S.H.,M.H. ( )  
Penguji : Dr. Drs. Widodo Suryandono, S.H.,M.H. ( )  
Penguji : Akhmad Budi Cahyono, S.H.,M.H. ( )

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NPM : 0806427360  
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## KATA PENGANTAR

Tujuan dari penyusunan Tesis ini adalah dalam rangka memenuhi persyaratan untuk memperoleh Magister Kenotariatan. Penulis menyadari Tesis ini memiliki kekurangan, Penulis menerima saran yang membangun demi kesempurnaan penulisan ini.

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4. Dosen-Dosen Magister Kenotariatan Fakultas Hukum Universitas Indonesia
5. Civitas Academica Fakultas Universitas Indonesia
6. Mereka yang berada di dalam perjalanan hidup penulis

Jakarta,12 Januari 2011

## ABSTRAK

Nama : MIDONAL  
Program Studi : Magister Kenotariatan  
Judul : Konservasi Lingkungan Pada Tanggung Jawab Perusahaan Berdasarkan Undang-Undang Nomor 25 Tahun 2007 tentang Penanaman Modal

Konservasi adalah tindakan yang menurunkan kadar, menghentikan, mengendalikan, pemeliharaan atau melindungi lingkungan dari segala tindakan yang diakibatkan oleh manusia. Konservasi menitikberatkan terhadap perlindungan lingkungan yang berasal dari kerusakan yang terjadi, konservasi bukan pencegahan tetapi pengaturan kehati-hatian Sumber Daya Alam. Tanggung Jawab Sosial Perusahaan bertujuan membantu konsumennya, pengembangan etika bisnis terapan yang menerapkan prinsip moral dan etika yang muncul di lingkungan bisnis. Penelitian yang dilakukan oleh penulis menggunakan metode penelitian normatif, disarankan agar pemerintah tidak menambah biaya birokrasi yang rumit agar pelayanan penanaman modal menjadi lebih baik

Kata Kunci: konservasi, tanggung jawab perusahaan, penanaman modal.

## ABSTRACT

Name : MIDONAL  
Programme : Notarial Law Post Graduate  
Title : Environmental Conservation on Corporate Responsibility Under Law  
25/2007 Concerning Investments

Conservation action for reducing, halting,controlling or to protect the environment from human activities. Which focuses on protecting environments from damaging change. Conservation is not preservation,but instead involves careful management of the Earth's resources. Corporate Social Responsibility is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers. Development business ethics is one of the forms of applied ethics that examines ethical principles and moral or ethical problems that can arise in a business environment. The Descriptive Normative research method conducted by the author suggestion for government does not increase the cost of bureaucracy for better investment services.

Key Words: conservation, corporate responsibility,Capital Investment.



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## BAB I

### KONSERVASI LINGKUNGAN PADA TANGGUNG JAWAB PERUSAHAAN BERDASARKAN UNDANG-UNDANG NOMOR 25 TAHUN 2007 TENTANG PENANAMAN MODAL

#### A. LATAR BELAKANG PERMASALAHAN

##### 1. PENANAMAN MODAL

Perusahaan, Pemerintah dan Akademisi mulai memfokuskan pada konsep Tanggung Jawab Sosial Perusahaan yang sangat berkaitan terhadap perlindungan lingkungan, tanggung jawab secara moral dan sosial serta memiliki keinginan yang kuat terhadap perlindungan lingkungan dan berkaitan juga dengan konservasi dalam bidang penanaman modal.

Semenjak abad ke-17 hingga sekarang telah terjadi tiga gelombang investasi. Dalam periode kolonialisme kuno antara abad ke-17 dan abad ke-18, perusahaan-perusahaan Spanyol, Belanda dan Inggris mendirikan tambang-tambang dan perkebunan di beberapa negara jajahan di Asia, dengan cara merampas dan mengeksploitasi sumber-sumber alam dan kekayaan penduduk jajahan.

Dalam periode kedua, yang dikenal dengan periode “Imperialisme Baru” yakni, pada akhir abad ke-19, negara-negara di Afrika, Asia Tenggara dan beberapa negara lainnya terbelenggu dalam sistem penjajahan. Investasi negara-negara eropa di beberapa fasilitas pelabuhan, jalan-jalan dan pusat-pusat kota pada waktu itu telah menciptakan suatu infrastruktur yang penting dari negara-negara jajahan tersebut. Gelombang terakhir terjadi pada tahun-1960-an, ketika negara-negara yang sedang berkembang memperkenalkan strategi substitusi impor sebagai cara yang dianggap tercepat menuju industrialisasi.<sup>1</sup>

Melalui penerapan rintangan yang ketat dan kebijaksanaan pajak, negara-negara tersebut memaksa perusahaan-perusahaan multinasional Amerika Serikat dan negara-negara maju lainnya mendirikan cabang-cabang perusahaan manufaktur di negara-

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<sup>1</sup> Erman Rajagukguk, *Hukum Investasi*, (FHUI, 1995), hal.1.

negara maju lainnya. Pendirian cabang-cabang perusahaan manufaktur di negara-negara yang sedang berkembang dan juga mendirikan cabang-cabang perusahaan di beberapa negara industri baru untuk produksi komponen-komponen dan dalam rangka pemenuhan ekspor ke negara-negara maju. Arus investasi negara-negara maju menuju negara-negara berkembang akan terus berlanjut.

Terdapat dua teori mengenai penanaman modal negara maju di negara berkembang, teori yang pertama adalah *The Product Cycle Theory* yang dikembangkan oleh Raymond Vernon (1966), sedangkan teori kedua adalah *The Industrial Organization Theory of Vertical Integration* yang pertama kali dikembangkan oleh Stephen Hymer dan Charles Kindleberger.

a) *The Product Cycle Theory* (Teori Siklus Produk)

Teori ini paling cocok diterapkan pada investasi asing secara langsung dalam bidang manufaktur, yang merupakan usaha ekspansi awal perusahaan-perusahaan Amerika atau dikenal juga sebagai investasi integrasi horizontal yang difokuskan pada pendirian pabrik-pabrik untuk membuat barang-barang yang serupa dimana-mana. Menurut teori ini setiap teknologi ataupun produk berevolusi melalui tiga fase: fase pertama adalah fase permulaan atau fase inovasi, dilanjutkan dengan fase kedua yakni fase perkembangan proses dan fase ketiga adalah fase pematangan atau fase standarisasi. Dalam berbagai fase tersebut setiap negara memiliki keunggulan komparatif di dalam produksi barang-barang komponennya.<sup>2</sup>

Fase pertama ini cenderung bertempat di negara-negara maju atau di negara-negara industri paling maju seperti negara Britania Raya pada abad ke-19, Amerika Serikat pada awal pasca perang dunia dan Jepang pada akhir abad ke-20. Perusahaan-perusahaan oligopolistik di negara-negara tersebut mempunyai keunggulan komparatif di dalam pengembangan-pengembangan produk-produk baru dan proses-proses industri karena adanya permintaan pasar dalam negeri yang besar dan persediaan sumber produksi yang melimpah terhadap aktifitas-aktifitas inovatif selama fase awal ini. Pada fase awal ini perusahaan-perusahaan di negara-negara maju menikmati posisi monopoli dalam faktor teknologi. Karena

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<sup>2</sup> *Ibid.* hal.3

permintaan dari luar negeri akan produksi terus meningkat, perusahaan-perusahaan pertama kali mengekspor produk-produknya ke pasar luar negeri. tidak lama kemudian terjadi penyebaran teknologi ke pesaing-pesaing luar negeri yang potensial, adanya rintangan-rintangan dagang yang memaksa diadakannya usaha produksi barang yang sama di luar negeri. Pada fase kedua, proses manufaktur terus berkembang dan tempat produksi cenderung berkembang di negara-negara maju lainnya. akhirnya, dalam fase ketiga, adanya standarisasi proses manufaktur memungkinkan peralihan lokasi-lokasi produksi ke negara-negara yang sedang berkembang terutama negara-negara industri baru. negara industri baru ini mempunyai keunggulan komparatif berupa tingkat upah yang rendah.

Produk-produk dari negara-negara yang sedang berkembang ini diekspor ke pasaran global. Selanjutnya kombinasi antara produk-produk yang distandarisasi teknik-teknik produksi dengan kehadiran tenaga kerja yang membuat negara-negara industri baru tersebut menjadi negara-negara sumber produk dan komponen industri yang sangat penting. Teori siklus produksi membantu menjelaskan sebab-sebab adanya ciri-ciri penting dari ekonomi dunia kontemporer. yakni perusahaan multinasional dan persaingan oligopoli, perkembangan dan penyebaran teknologi industri merupakan unsur-unsur penentu utama terjadinya perdagangan dan penempatan lokasi-lokasi aktifitas ekonomi secara global melalui investasi dan timbulnya strategi perusahaan yang mengintegrasikan perdagangan dan produksi di luar negeri.<sup>3</sup>

*b) The Industrial Organization Theory of Vertical Integration* (Teori Organisasi Industri Integrasi Vertikal)

Teori ini paling cocok diterapkan pada multinasionalisme baru dan pada investasi yang terintegrasi secara vertikal, yakni produksi barang-barang di beberapa pabrik yang menjadi masukan bagi pabrik-pabrik lain dari suatu perusahaan. Pendekatan teori ini berawal dari pemahaman bahwa biaya-biaya untuk melakukan bisnis di luar negeri (dengan investasi) harus mencakup biaya-

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<sup>3</sup>*Ibid*, hal.5

biaya lain yang harus dipikul oleh perusahaan lebih banyak daripada biaya-biaya yang diperuntukkan untuk hanya sekedar mengekspor barang-barang dalam pabrik dalam negeri. Oleh karena itu, perusahaan harus memiliki beberapa keunggulan kompensasi atau keunggulan yang spesifik bagi perusahaan, seperti keahlian teknis manajerial, keadaan perekonomian yang memungkinkan perolehan sewa secara monopoli untuk operasi perusahaannya di negara-negara lain.

Aset yang unik yang pada awalnya dibangun di negaranya sendiri, kemudian dapat diperalihkan ke negara luar, sehingga memungkinkan biaya produksi di negara luar tersebut menjadi murah dan memberikan kemampuan untuk berkompetisi secara sukses dengan perusahaan-perusahaan tuan rumah.

Menurut teori ini, investasi dilakukan dengan cara integrasi secara vertikal, yakni dengan menempatkan beberapa tahapan produksi di beberapa lokasi yang berbeda-beda di seluruh dunia. Motivasi utamanya adalah untuk mendapatkan keuntungan berupa biaya produksi yang rendah, manfaat kebijaksanaan pajak lokal dan lain-lain. Motivasi yang lain adalah, agar monopoli dapat dipertahankan.

Perkembangan hubungan modal asing dengan negara penerima modal pada umumnya dikuasai oleh suatu prinsip bahwa semakin rendah tingkat perkembangan ekonomi suatu negara, berarti kebutuhan pembangunan akan lebih besar, sehingga membutuhkan sumber modal, teknologi, dengan keahlian dari pemodal asing yang lebih besar. Namun demikian, banyak faktor yang menentukan tingkat aliran modal, teknologi dan keahlian negara maju (pemodal asing), yakni iklim penanaman modal dan prospek pengembangan di negara penerima modal.<sup>4</sup>

Dilihat dari dua faktor tersebut, tampaknya arus penanaman modal asing lebih banyak mengalir ke negara yang maju daripada negara berkembang. Sedangkan aliran modal ke negara berkembang masih dipengaruhi oleh perkembangan ekonomi di negara penerima modal, stabilitas politik yang memadai, tersedianya prasarana dan sarana yang diperlukan oleh si pemodal, aliran

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<sup>4</sup> *Ibid.* hal.6-7

modal cenderung mengalir kepada negara dengan tingkat pendapatan nasional per kapita yang tinggi. Pertimbangan lain yang cukup menentukan adalah tersedianya bahan baku, tenaga kerja yang relatif murah dan besarnya pasar dalam negara tersebut.<sup>5</sup>

Dalam era globalisasi, dapat dirasakan mengecilnya dunia dengan kemajuan teknologi, komunikasi dan transportasi. Era tersebut telah menciptakan dasar bagi adanya saling ketergantungan antara bangsa-bangsa. Kebutuhan akan kontribusi modal asing bagi suatu negara tidak dapat dielakkan, meskipun di sisi lain ada kekhawatiran modal asing dari negara maju akan lebih dominan sehingga dapat menimbulkan ketergantungan antara negara penerima modal kepada pihak pemodal asing. Investor asing tertarik menanamkan modal di Indonesia dengan adanya peraturan yang mendukung investor asing menanamkan modalnya di Indonesia, Tenaga Kerja Indonesia yang besar dengan upah relatif rendah, pasar produksi yang luas dengan jumlah penduduk Indonesia yang besar, sumber-sumber kekayaan alam yang melimpah.

## 2. TANGGUNG JAWAB SOSIAL PERUSAHAAN

Tanggung Jawab Sosial Perusahaan atau dikenal juga dengan *Corporate Social Responsibility (CSR)*. Dalam sistem hukum, khususnya di Indonesia merupakan komitmen perusahaan untuk berkontribusi dalam pembangunan ekonomi yang berkelanjutan dengan menitikberatkan pada keseimbangan pengembangan aspek ekonomi, sosial dan lingkungan menjadi salah satu isu penting abad ke-21 ini.

CSR dalam pembangunan Indonesia (khusus dalam pertambangan dan Sumber Daya Alam) CSR dalam era pembangunan Indonesia bukanlah seluruhnya baru dilihat dari hak-hak masyarakat untuk bicara dalam kepentingan masyarakat secara luas, CSR dalam konsep partisipasi publik dan pengembangan kehidupan masyarakat serta pelaksanaan hak-hak publik

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<sup>5</sup> *Ibid.* hal.19

masyarakat yang terbentuk dalam teori partisipasi publik, adalah suatu konsep pembangunan di negara berkembang terutama sejak tahun 1960-an.<sup>6</sup>

Pelaksanaan pembangunan di negara berkembang telah memperlihatkan akar perkembangan CSR dalam bentuk *Community Development* (Pembangunan Komunitas), CSR mendapatkan tempat yang sangat penting dan menjadi perdebatan yang cukup mendasar menyangkut dimensi sosial dan ekonomi yang sangat luas dan mendasar menyangkut hajat hidup orang banyak yang berakibat terhadap lingkungan setempat dan dunia secara umumnya.

Kepedulian-kepedulian pelaku bisnis terhadap isu-isu lingkungan hidup telah berkembang karena adanya kesadaran yang tinggi terhadap kerusakan lingkungan seperti penipisan ozon, kerusakan hutan, pencemaran air laut dan lain sebagainya.

CSR dalam pembangunan yang berkelanjutan akan menjadi dasar terhadap pembangunan di masa yang akan datang, konsep pembangunan di negara berkembang, yang dilatarbelakangi oleh partisipasi publik, yang menjadi dasar hukum meningkatnya hak-hak masyarakat dalam pembangunan ekonomi dari waktu ke waktu. Konsep pembangunan Indonesia dan perkembangannya dalam hukum sumber daya alam. dasar pemikiran CSR dapat pula dilihat akarnya dalam pelaksanaan *Community Development* sebagai perwujudan pelaksanaan hak-hak publik dalam pembangunan pemanfaatan sumber daya alam.

Di bidang pertambangan *Community Development* sebagai bagian dari pelaksanaan kontrak karya, terus dipersoalkan karena dipandang kurang sesuai dengan harapan masyarakat, dengan permasalahan lebih banyak kurang dipahaminya tujuan penting dari *Community Development* oleh para pemilik kepentingan, khususnya pemerintah. Secara konseptual *Community Development* dimaksudkan untuk memberikan peluang pada masyarakat meningkatkan kapasitasnya untuk ikut berpartisipasi dalam pembangunan ekonomi.

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<sup>6</sup> M.Daud Silalahi, *Peran CSR Dalam Pembangunan Berkelanjutan*, (Jakarta: FH Unika Atmajaya, 2007), hal.1.



Secara konstitusional, sumberdaya alam adalah hak-hak masyarakat sehingga memiliki hak untuk berpartisipasi untuk memperoleh hak dan jaminan Sumber Daya Alam.<sup>7</sup>

### 3. KONSERVASI LINGKUNGAN<sup>8</sup>

Manusia tidak akan lepas dari lingkungan tempat hidupnya. Manusia selalu menggunakan dan merusak lingkungan tempat tinggal dan tempat hidupnya secara sengaja atau karena tidak memiliki pengetahuan tentang lingkungan tempat tinggalnya.

Sejak manusia menjadikan hewan sebagai bahan makanan dan menggali sumber daya alam sebagai kebutuhan hidup serta melindungi keluarganya dari keganasan bahaya yang datang, manusia melakukan pembuangan limbah dan tidak memperhatikan akibat yang ditimbulkannya. Pembuangan limbah dalam jumlah kecil tidak merusak lingkungan secara langsung, tetapi pembuangan limbah yang terus menumpuk mengakibatkan pencemaran yang sangat berpengaruh bagi lingkungan khususnya lingkungan tempat tinggal manusia. Konservasi pada masa kini juga berpengaruh terhadap profesi manusia yang mengakibatkan konservasi diikuti oleh kepentingan-kepentingan manusia di tiap tingkatan kehidupan dari tingkat lokal hingga tingkat global untuk mengambil keputusan dan pilihan yang sesuai dengan keinginan lingkungan serta umat manusia di dunia. Konservasi berkaitan erat dengan peran pemerintah dalam bidang politik, ekonomi dan juga peran kelompok-kelompok lingkungan hidup serta tindakan-tindakan manusia lainnya.

Konservasi kini juga erat kaitannya dengan bidang ilmu eksakta, sosial, ekonomi dan etika. Sehingga ilmu pengetahuan dan teknologi turut merubah lingkungan dan memberikan perlindungan yang terbatas berbanding terbalik

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<sup>7</sup> *Ibid.* hal.2

<sup>8</sup> Konservasi bersifat melindungi dan mencegah lingkungan dari kerusakan yang terjadi oleh manusia ataupun alam yakni berdasarkan prinsip-prinsip: *A Duty to Prevent, Reduce and Control Environmental Harm, Due Dilligence and Harm Prevention, Absolute Obligations of Prevention, Foreseeability of Harm and the Precautionary Principle, Transboundary Cooperation in cases of Environmental Risk, The Polluter Pays Principle, Equal Access and Non Discrimination.*

dengan pertumbuhan manusia di dunia yang cenderung melakukan perusakan terhadap lingkungan, pada kenyataannya manusia sangat tergantung pada lingkungan tempat tinggal dimana mereka berada.

Bumi tempat kediaman manusia menyediakan tempat tinggal, makanan, pakaian dan segala sumber daya lainnya yang digunakan untuk memenuhi kebutuhan hidup manusia dalam menjalani kehidupannya di bumi ini.

Di dalam perjalanan hidup manusia di bumi ini, manusia yang pada awalnya tidak mengetahui apapun mulai mempelajari hidupnya tentang cara hidup di bumi ini. Populasi manusia semakin bertambah banyak dan meluas. Manusia yang awalnya hanya kelompok kecil berkembang menjadi kelompok besar dan melakukan perluasan wilayah baik dalam skala kecil atau besar menghindari dominasi kelompok asal dengan tujuan kehidupan yang lebih baik. Hal itu semua didasari oleh keinginan manusia, tetapi manusia belum mengetahui segala tindakannya berpengaruh pada lingkungan hidup yang didiaminya.

Keinginan konservasi yang ada pada manusia dibentuk manusia untuk menimbulkan rasa aman dan nyaman dalam menjalani kehidupan. Pemikiran untuk mendominasi alam muncul pada abad ke delapan belas dan abad ke sembilan belas karena pikiran manusia yang bertujuan menguasai alam yang dilakukan secara sewenang-wenang mengakibatkan kerugian bagi manusia sendiri.

Konservasi adalah tindakan yang menurunkan kadar, menghentikan, mengendalikan, pemeliharaan atau melindungi lingkungan dari segala tindakan yang diakibatkan oleh manusia. Konservasi menitikberatkan terhadap perlindungan lingkungan yang berasal dari kerusakan yang terjadi, konservasi bukan suatu tindakan penyelamatan dari bahaya, konservasi bersifat memperbaharui atau memberikan perbaikan terhadap lingkungan pada situasi kondisi yang aktif dan dinamis.<sup>9</sup> di dalam Kamus Besar Bahasa Indonesia. konservasi dapat didefinisikan sebagai pelestarian, usaha konservasi hutan dan

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<sup>9</sup> Nicholas Foskett, *Conservation*, terjemahan bebas oleh penulis (London: Houdder and Stoughton, 1999),hal.6

tanah terus-menerus dilakukan untuk menjaga dan memelihara lingkungan hidup, salah satu caranya adalah pemeliharaan dengan perlindungan untuk mencegah kemusnahan, kerusakan dengan cara pengawetan.<sup>10</sup>

Definisi kata konservasi mengalami perubahan sesuai zaman pada tahun 1960-an hingga tahun 1970-an pengertian konservasi digunakan untuk menggambarkan kegiatan penyelamatan terhadap lingkungan. Penggunaan kata tersebut dipengaruhi untuk mencegah perubahan lingkungan dan pengabaian terhadap lingkungan itu sendiri. Keadaan sedikit berubah ketika pengertian konservasi telah mengarah kepada arah perlindungan lingkungan atau pengaturan lingkungan yang digunakan pada masa kini, konservasi semakin diakui dan konservasi berarti banyak hal yang berarti.

Pada beberapa masa terlihat pertumbuhan dan perkembangan yang terjadi mengenai pemikiran mengenai konservasi dan lingkungan. Banyaknya dukungan terhadap kepedulian lingkungan yang dipengaruhi oleh maju dan pesatnya perkembangan pendidikan dan teknologi yang mengakibatkan manusia mulai mengenal keutamaan lingkungan tempat tinggalnya.

Kasus lingkungan hidup yang menjadi tonggak pemicu terhadap kepedulian lingkungan hidup adalah kebocoran reaktor nuklir Chernobyl di Ukraina tahun 1986 atau peningkatan zat nitrat air tanah yang mempengaruhi kesehatan kehidupan dan masa depan dunia. Tumbuhnya kepedulian lingkungan ditandai dengan riset yang dilakukan oleh ilmuwan dalam ilmu pengetahuan kimia, biologi dan ilmu atmosfer. Kepedulian terhadap lingkungan semakin bertambah dengan adanya organisasi lingkungan hidup seperti *GreenPeace*, *Friends of Earth* dan *Sierra Club*. Kepedulian Negara-negara semakin meningkat dengan meletakkan agenda lingkungan hidup dalam program pembangunan. Konferensi Tingkat Dunia merupakan bentuk kepedulian negara-negara dengan meletakkan agenda lingkungan hidup untuk berpikir tentang lingkungan hidup, seperti perbedaan pandangan yang sering berubah mengenai lingkungan dunia.<sup>11</sup> Permasalahan ini

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<sup>10</sup> Konservasi, *Kamus Besar Bahasa Indonesia*. (Tim prima pena: Gita Media Press, 2006), hal. 449

<sup>11</sup> Nicholas Foskett, *op.cit.*, hal. 7.

selalu terkait dengan konservasi dan menitikberatkan kepada perlindungan lingkungan dari perbuatan-perbuatan yang merusak. Konservasi tidak dapat disamakan dengan dengan penyelamatan. Penyelamatan dapat diartikan menyelamatkan dari kerusakan sedangkan konservasi diartikan secara luas sebagai pengaturan di dalam penggunaan sumber daya alam.

Konservasi diartikan juga sebagai kehati-hatian dalam mengatur penggunaan sumber daya alam. Perlindungan lingkungan dapat ditafsirkan sebagai perlindungan alam. Alam tempat manusia hidup dan tempat manusia tinggal dengan sumber daya alam yang ada seperti tanah, tumbuhan, hewan dan atmosfer termasuk di dalam pembahasan lingkungan alam yang merupakan arti sebenarnya dari konservasi.

Lingkungan secara keseluruhan berarti jumlah dari tempat yang dihuni oleh manusia. Hasil dari sebuah peradaban seperti kota, pertanian dan berbagai bentang alam lainnya yang dibentuk oleh manusia untuk meningkatkan kualitas hidupnya berakhir menjadi suatu kumpulan dan membentuk susunan peradaban manusia yang dikenal dengan lingkungan manusia. Konservasi Lingkungan merupakan bagian penting dalam kehidupan dan budaya manusia, konservasi juga dapat dilakukan pada bangunan-bangunan penting, taman dan daerah yang bersejarah pada kota-kota yang sangat penting ataupun pada hutan yang belum dirambah. Definisi konservasi mengalami kenaikan dan penurunan sesuai keadaan zaman pada tahun 1960-an hingga tahun 1970-an.<sup>12</sup>

Konservasi merupakan pekerjaan yang dapat dilakukan secara berkelompok ataupun yang dapat dikerjakan secara sendiri dilakukan oleh masyarakat dalam berbagai tingkatan kehidupan, dari tingkatan lokal maupun secara global, untuk membuat keputusan dan pilihan yang ada merupakan bentuk dari kebutuhan lingkungan hidup dan juga kebutuhan masyarakat terhadap lingkungan. Konservasi juga dapat diartikan sebagai kegiatan politik tingkat tinggi yang dilakukan yang dilakukan dalam bentuk motif politik, bisnis dan kelompok

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<sup>12</sup> *Ibid.*

lingkungan dan berbagai sikap dan tindakan yang dilakukan manusia berkaitan dengan ilmu politik, ekonomi, sejarah dan etika.

## **B. POKOK PERMASALAHAN**

Dari latar belakang permasalahan yang disampaikan sebelumnya, maka pokok permasalahan yang dapat diambil adalah :

1. Bagaimanakah konsep konservasi lingkungan pada tanggung jawab perusahaan dalam Penanaman Modal di Indonesia berdasarkan Undang-Undang Nomor 25 Tahun 2007?
2. Bagaimanakah pengaturan konservasi lingkungan tersebut berdasarkan Undang-Undang Nomor 25 Tahun 2007?
3. Bagaimanakah Pelaksanaan Konservasi Lingkungan oleh Perusahaan?

## **C. METODE PENELITIAN**

Dalam melakukan penelitian, penulis perlu menetapkan metode penelitian sebagai cara penelitian sebagai suatu bidang ilmu pengetahuan yang dijalankan. Setiap data yang terkumpul memiliki keterkaitan dengan data-data yang diteliti, Metode penelitian yang digunakan berdasarkan pada:

Tipe penelitian yang dilakukan oleh penulis adalah: penelitian hukum secara normatif. yakni, penelitian yang memiliki nilai metode penelitian yang akan digunakan dalam penelitian ini adalah metode penelitian normatif, yaitu metode yang menggunakan penelitian kepustakaan. Berdasarkan kandungan nilai kualitas data secara ilmiah dan teoritis yang bertujuan mendapatkan gambaran terhadap objek penelitian.<sup>13</sup>

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<sup>13</sup> Soerjono Soekanto dan Sri Mamudji, Penelitian Hukum Normatif Suatu Tinjauan Singkat. Cetakan IX (Jakarta: Raja Grafindo Persada, 2006), hal. 1

## 1. Tipologi Penelitian

Penelitian yang dilakukan disini bersifat eksploratif karena akan mengungkapkan teori-teori atau konsep-konsep yang akan dipakai untuk menganalisis permasalahan yang dikemukakan dengan tujuan untuk memperdalam pengetahuan. Bentuk penelitian yang akan dipakai adalah preskriptif yaitu penelitian yang tujuannya memberikan jalan keluar atau saran untuk mengatasi permasalahan. Hal ini dimaksudkan agar dapat memberikan analisis yang mendalam terhadap permasalahan yang dipaparkan dalam penelitian ini, sehingga akan memperoleh jalan keluar dalam mengatasi permasalahan tersebut.

## 2. Jenis Data dan alat pengumpul data

Sejalan dengan metode penelitian yang digunakan disini maka jenis data yang utama yang akan diambil adalah data sekunder yang berupa bahan-bahan yang memberi penjelasan terhadap bahan hukum primer seperti hasil penelitian, pendapat ahli hukum dan artikel-artikel yang terkait dengan permasalahan yang dibahas melalui penelitian kepustakaan.

## 4. Metode Analisis Data

Metode analisis yang akan digunakan adalah metode analisis kualitatif, karena analisis yang diharapkan disini adalah untuk memahami makna dibalik data yang terkumpul, dimana data yang berasal dari hasil identifikasi masalah akan dianalisis berdasarkan konsepsi yang tersedia di bidang Penanaman Modal terutama jika dikaitkan dengan sumber hukum positif terkait.

#### **D. SISTEMATIKA PENULISAN**

Penulisan tesis ini akan diatur dalam sistematika yang terdiri dari beberapa bab. bab tersebut mempunyai keterkaitan antara satu sama lain sehingga menjadi satu-kesatuan:

##### **BAB I: PENDAHULUAN**

Pada bab ini penulis membagi empat sub bab yang terdiri dari latar belakang permasalahan, pokok permasalahan, metode penelitian dan sistematika penulisan.

##### **BAB II PEMBAHASAN**

Pada bab ini penulis menguraikan dan membahas teori mengenai prinsip-prinsip konservasi lingkungan, tanggung jawab sosial dan faktor-faktor lainnya secara umum maupun secara khusus, bab kedua ini akan menjelaskan pengaruh konservasi lingkungan terhadap tanggung jawab sosial pada penanaman modal di Indonesia berdasarkan Undang-Undang nomor 25 tahun 2007.

##### **BAB III PENUTUP**

Bab ini merupakan simpulan dari penelitian yang telah dilakukan.

## BAB II

### KONSERVASI LINGKUNGAN DAN TANGGUNG JAWAB SOSIAL PERUSAHAAN DALAM KAITANNYA DENGAN PENANAMAN MODAL ASING DI INDONESIA BERDASARKAN UNDANG-UNDANG PENANAMAN MODAL NO 25 TAHUN 2007

#### A. KONSERVASI LINGKUNGAN, TANGGUNG JAWAB SOSIAL PERUSAHAAN DAN PENANAMAN MODAL ASING

##### 1. KONSERVASI LINGKUNGAN DI INDONESIA

Sebuah studi yang dilakukan oleh *East Asia Environmental Sector Unit*, Bank Dunia yang diberi judul “*Environment Crisis and Adjustment in East Asia*” menyebutkan bahwa sumber dari krisis ekonomi di Asia disebabkan oleh beberapa faktor antara lain:

- a. Perluasan kegiatan ekonomi yang sangat ekspansif yang mendorong peningkatan hutan luar negeri swasta
- b. Kelemahan pada sektor keuangan yang disebabkan oleh ketiadaan manajemen resiko, kelemahan regulasi dan pengawasan terhadap lembaga keuangan (khususnya perbankan)
- c. Kelemahan struktural, penundaan agenda reformasi dan ketiadaan transparansi dalam hubungan antara pemerintah dan sektor bisnis. Hal ini dapat dilihat melalui berbagai contoh seperti halnya campur tangan pemerintah dalam “*bailouts*” hutang-hutang swasta, subsidi, monopoli perdagangan dalam negeri maupun luar negeri maupun luar negeri dan berbagai restriksi, yang kesemuanya menunda *adjustment* dan daya saing industri dan mengurangi daya saing industri nasional di pasar internasional.<sup>14</sup>
- d. Efek eksternal dan ketidakpastian politik

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<sup>14</sup> Mas Achmad Santosa, *Good Governance & Hukum Lingkungan*, (ICEL, 2001), hal. 86



Keempat faktor yang dikemukakan dalam hasil studi tersebut, sangat relevan untuk menunjukkan penyebab krisis ekonomi di Indonesia. secara sederhana, keempat faktor di atas sebenarnya dapat diungkapkan dengan bahasa yang lain, bahwa penyebab krisis ekonomi yang berkepanjangan di Indonesia disebabkan pembangunan ekonomi yang ekspansif dengan mengabaikan aspek *good governance*. Konsep *good governance* dengan demikian menjadi sangat berkaitan untuk diwujudkan ke dalam upaya reformasi di bidang politik, ekonomi dan hukum yang menjadi tuntutan masyarakat luas saat ini

*United Nations Development Programme* (UNDP) mendefinisikan *governance* sebagai pelaksanaan kewenangan politik, ekonomi, administrasi dalam mengelola masalah-masalah bangsa. *Governance* dikatakan baik apabila sumber daya dan masalah-masalah publik dikelola secara efektif, efisien yang merupakan respon terhadap kebutuhan masyarakat. Tentu saja pengelolaan yang efektif, efisien dan responsif terhadap kebutuhan rakyat menuntut iklim demokrasi dalam pemerintahan dalam pengelolaan masalah-masalah publik yang didasarkan pada keterlibatan masyarakat, akuntabilitas serta transparan. *Good Governance* menuntut komitmen terhadap pelaksanaan aturan hukum. Konsep aturan hukum harus memenuhi karakter-karakter:

- a. Supremasi Hukum, setiap tindakan negara harus dilandasi oleh hukum dan bukan berdasarkan pada diskresi (tindakan sepihak berdasarkan kekuasaan yang dimilikinya)
- b. Kepastian Hukum, juga erat hubungannya dengan jaminan bahwa suatu masalah diatur secara jelas, tegas dan tidak duplikatif, serta bertentangan dengan peraturan perundang-undangan lainnya.<sup>15</sup>
- c. Hukum yang responsif (hukum harus mampu menyerap aspirasi masyarakat luas dan mampu mengakomodasikan kebutuhan masyarakat dan bukan dibuat untuk kepentingan segelintir elit)

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<sup>15</sup> *Ibid.* hal.86-87

- d. Penegakan Hukum yang konsisten dan non-diskriminatif mensyaratkan adanya sanksi, mekanisme untuk menjalankan sanksi, sumber daya manusia/penegak hukum yang memiliki integritas)
- e. Keberadaan Independensi peradilan (independensi peradilan sebagai syarat penting dalam perwujudan aturan hukum karena kunci penegakan hukum terletak pada efektifitas peradilan)

Dengan demikian, kelima karakter di atas menjadi sangat penting dalam mengupayakan *good governance*.

Untuk mencapai *good governance* di Indonesia, perlu dilakukan perombakan serta pembenahan dalam tatanan sosial, politik dan hukum yang dibangun oleh rezim orde baru selama ini. Untuk membenahi dan memperkuat *good governance* di Indonesia, paling tidak mensyaratkan hal-hal sebagai berikut,

- a. Lembaga Perwakilan yang mampu menjalankan fungsi kontrol yang efektif
- b. Pengadilan yang independen (mandiri, bersih dan profesional)
- c. Aparatur pemerintah (birokrasi) yang professional dan memiliki integritas yang kokoh
- d. Masyarakat sipil yang kuat sehingga mampu melaksanakan fungsi kontrol publik
- e. Desentralisasi dan lembaga perwakilan di daerah yang kuat<sup>16</sup>

Perjalanan dan sejarah pembentukan kebijakan pengelolaan lingkungan hidup di Indonesia cukup panjang yang diawali dengan kesertaan Indonesia dalam pertemuan *United Conference on the Human Environment* di Stockholm, Swedia pada tahun 1972. Setelah itu ditetapkan MPR RI tentang GBHN di tahun 1973 menetapkan pembangunan berwawasan lingkungan, yang kemudian berkembang menjadi kebijaksanaan<sup>17</sup> pembangunan berkelanjutan yang berwawasan lingkungan dalam TAP-TAP MPR selanjutnya 1978, 1983, 1988, 1993, 1998.

Bersamaan dengan pengakuan pembangunan berkelanjutan yang berwawasan lingkungan dalam GBHN, kelembagaan pemerintah di bidang pengelolaan

<sup>16</sup> *Ibid.* hal. 87-88.

<sup>17</sup> *Ibid.* hal.96

lingkungan dikembangkan melalui pendirian Kantor Menteri Negara Lingkungan Hidup dan Badan Pengendalian Dampak Lingkungan. Bersamaan dengan itu berbagai piranti pengelolaan lingkungan juga dikembangkan seperti peraturan perundang-undangan, Analisis Mengenai Dampak Lingkungan (AMDAL), audit lingkungan, ISO 14000 dan sebagainya.

Kepemimpinan di bidang lingkungan hidup yang dimotori oleh Profesor Dr. Emil Salim sebagai Menteri Negara Lingkungan Hidup (1978-1993) sempat mengangkat isu lingkungan lebih dikenal menjadi lebih dikenal di akhir tahun 1970-an dan 1980-an namun demikian, Emil Salim dan gerakan lingkungan pada saat itu (organisasi non politik dan universitas) tidak berhasil mencegah lajunya pencemaran dan perusakan lingkungan. Laju perusakan hutan sebagaimana dikemukakan oleh Barber (1997) dalam *“Environmental Scarcities, State Capacities and Civil Violence: the case of Indonesia”* menunjukkan angka yang tinggi yaitu 1 juta hektar per tahun. Apabila praktek perusakan hutan terus berlangsung, tambahan jumlah 15 juta sampai dengan 32,5 juta hektar hutan akan hilang di tahun 2020. Di sektor lingkungan perkotaan, laporan Bank Dunia *“Indonesia Environment and Development: challenges for the future”* (1994) menggarisbawahi ancaman pencemaran air, udara dan limbah bahan berbahaya dan beracun yang terus meningkat. Kondisi lingkungan seperti yang diungkapkan dalam berbagai studi tersebut menunjukkan bahwa kepedulian atau agenda lingkungan belum merupakan pertimbangan yang sungguh-sungguh dalam kepemimpinan politik orde baru. Tingginya laju perusakan hutan (Barber, 1997) kecenderungan meningkatnya masalah lingkungan perkotaan (Bank Dunia, 1994) dan kebakaran hutan dan lahan yang terjadi (laporan UNDP, 1988) lebih disebabkan faktor utama yaitu karena tidak memiliki elemen-elemen *Good Governance* sehingga aturan yang dibuat hanya untuk menguntungkan pelaku usaha yang dekat dengan kekuasaan, tingkat penataan terhadap aturan-aturan juga menjadi sangat lemah karena tingginya faktor korupsi, kolusi dan nepotisme pada tingkat pengawasan dan penegakan hukum.<sup>18</sup>

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<sup>18</sup> *Ibid.* hal. 96-97

Lembaga-Lembaga negara seperti Dewan Perwakilan Rakyat tidak menjalankan fungsi pengawasannya secara efektif, pengadilan yang bersih, mandiri dan profesional masih merupakan impian rakyat, belum terwujudnya aparatur birokrasi yang bersih dan kokoh, serta masyarakat sipil yang kuat dan desentralisasi politik keseluruhan, faktor ini menyebabkan tumbuh subur nya pelanggaran hak-hak dasar generasi kedua (*second generation of human rights*) yang berkaitan dengan lingkungan hidup yaitu hak hidup, hak untuk mendapatkan derajat kesehatan dan hak atas lingkungan hidup yang baik.

Di samping tidak ada kehendak politik yang kuat dari pemerintah orde baru, kelemahan aktivis lingkungan dalam birokrasi, maupun universitas yang mengaitkan antara *good governance* sebagai prasyarat dasar pengelolaan lingkungan yang efektif dengan isu lingkungan yang diadvokasi juga merupakan kendala dalam mewujudkan *good governance*. Dengan kata lain, selama ini tidak sedikit para aktivis lingkungan yang berperilaku elitis dan kurang mampu mendorong iklim demokrasi. Yang mengakibatkan ketidak selarasan aktivis lingkungan dengan aktivis hak asasi manusia, yang sebenarnya kekeliruan tersebut tidak perlu terjadi.

Pada masa orde baru, sumber kebijaksanaan tentang pengelolaan sumber daya alam di Indonesia adalah Pasal 33 ayat (3) undang-undang dasar 1945 yang berbunyi “Bumi, Air dan Kekayaan Alam yang terkandung di dalamnya dikuasai oleh negara dan dipergunakan untuk sebesar-besarnya bagi kemakmuran rakyat” rumusan pasal tersebut tidak memberikan batasan tentang batasan dan tugas-tugas negara dalam menguasai Bumi, Air dan Kekayaan Alam. Sedangkan tujuan untuk kemakmuran rakyat yang harus dijabarkan dalam produk hukum yang lebih bersifat operasional tidak banyak dilakukan selama orde baru berlangsung. Ketiadaan batas-batas yang jelas dari hak negara dalam menguasai bumi, air, dan kekayaan alam melahirkan peraturan perundang-undangan yang memberikan peran negara yang sangat besar tanpa adanya kontrol dari rakyat sehingga esensi untuk sebesar-besarnya kemakmuran rakyat yang seharusnya menjadi tujuan dari penguasaan bumi, air dan kekayaan alam seringkali menjadi hilang. Di samping persoalan yang terletak pada sumber dari kebijaksanaan negara yaitu UUD 1945,

berbagai produk kebijaksanaan di bawah UUD 1945 jelas juga memberikan kontribusi terhadap persoalan yang terkait dengan pengelolaan sumber daya alam.<sup>19</sup>

Ketiadaan kriteria yang jelas tentang hal-hal apa yang penting yang seharusnya terkandung dalam sebuah peraturan/kebijakan merupakan salah satu penyebab dari persoalan yang muncul dalam pengelolaan sumber daya alam ini.

Untuk melihat apakah suatu perangkat hukum atau perundang-undangan di bidang sumber daya alam mendukung perwujudan pemerintahan yang baik dan memberikan pengakuan aspek perlindungan daya dukung lingkungan/ekosistem (*good environmental governance*). Di sektor kehutanan melalui Undang-Undang nomor 5 Tahun 1967 tentang ketentuan-ketentuan pokok pertambangan belum mencerminkan kedelapan elemen yang mendukung yang mendukung *good environmental governance*. Kedua undang – undang ini pada saat diundangkannya sangat dipengaruhi oleh pola pikir pemulihan kondisi ekonomi pada saat itu dengan cara menarik perhatian sebanyak mungkin investasi (asing maupun dalam negeri) melalui eksploitasi sumber daya alam. Apabila dilihat dari tanggal dan tahun diundangkannya undang-undang tentang kehutanan (24 Mei 1967) dan undang-undang Pertambangan (2 Desember 1967) maka kedua undang-undang ini merupakan undang-undang yang mendukung kebijaksanaan penanaman modal asing pada saat itu yaitu undang-undang nomor. 1 tahun 1967 tentang Penanaman Modal Asing (diundangkan 10 Januari 1967). Kemudian pada tanggal 3 Juli 1968 dikeluarkan Undang-Undang No. 6 Tahun 1968 tentang Penanaman Modal Dalam Negeri sebagai pelengkap dari Undang-Undang nomor 1 tahun 1967.<sup>20</sup>

## 2. GOOD CORPORATE GOVERNANCE

Pada tahun 1999, Komite Nasional Kebijakan Corporate Governance (KNKCG) yang dibentuk berdasarkan Keputusan Menko Ekuin Nomor: KEP/31/M.EKUIIN/08/1999 telah mengeluarkan Pedoman *Good Corporate Governance* (GCG) yang pertama. Pedoman tersebut telah beberapa kali

<sup>19</sup> *Ibid.* hal. 98-99

<sup>20</sup> *Ibid.* hal. 99-102

disempurnakan, terakhir pada tahun 2001. Berdasarkan pemikiran bahwa suatu sektor ekonomi tertentu cenderung memiliki karakteristik yang sama, maka pada awal tahun 2004 dikeluarkan Pedoman GCG Perbankan Indonesia dan pada awal tahun 2006 dikeluarkan Pedoman GCG Perasuransian Indonesia.<sup>21</sup>

Sejak Pedoman GCG dikeluarkan pada tahun 1999 dan selama proses pembahasan pedoman GCG sektor perbankan dan sektor perasuransian, telah terjadi perubahan-perubahan yang mendasar, baik di dalam negeri maupun di luar negeri. Walaupun peringkat penerapan GCG di dalam negeri masih sangat rendah, namun semangat menerapkan GCG di kalangan dunia usaha dirasakan ada peningkatan. Perkembangan lain yang penting dalam kaitan dengan perlunya penyempurnaan Pedoman GCG adalah adanya krisis ekonomi dan moneter pada tahun 1997-1999 yang di Indonesia berkembang menjadi krisis multidimensi yang berkepanjangan. Krisis tersebut antara lain terjadi karena banyak perusahaan yang belum menerapkan GCG secara konsisten, khususnya belum diterapkannya etika bisnis. Oleh karena itu, etika bisnis dan pedoman perilaku menjadi hal penting.

Di luar negeri terjadi pula perkembangan dalam penerapan GCG. *Organisation for Economic Co-operation and Development* (OECD) telah merevisi *Principles of Corporate Governance* pada tahun 2004. Tambahan penting dalam pedoman baru OECD adalah adanya penegasan tentang perlunya penciptaan kondisi oleh Pemerintah dan masyarakat untuk dapat dilaksanakannya GCG secara efektif.

Peristiwa WorldCom dan Enron di Amerika Serikat telah menambah keyakinan tentang betapa pentingnya penerapan GCG. Di Amerika Serikat, peristiwa tersebut ditanggapi dengan perubahan fundamental peraturan perundang-undangan dibidang audit dan pasar modal. Di negara-negara lain, hal tersebut ditanggapi secara berbeda, antara lain dalam bentuk penyempurnaan pedoman GCG dinegara yang bersangkutan.

Sehubungan dengan pelaksanaan GCG, Pemerintah juga makin menyadari perlunya penerapan good governance di sektor publik, mengingat pelaksanaan

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<sup>21</sup> Komite Nasional Kebijakan *Governance*, Pedoman Umum *Good Corporate Governance Indonesia* ,(Jakarta: KNKG,2006),hal.8.

GCG oleh dunia usaha tidak mungkin dapat diwujudkan tanpa adanya *good public governance* dan partisipasi masyarakat. Dengan latar belakang perkembangan tersebut, maka pada bulan November 2004, Pemerintah dengan Keputusan Menko Bidang Perekonomian Nomor: KEP/49/M.EKON/11/2004 telah menyetujui pembentukan Komite Nasional Kebijakan Governance (KNKG) yang terdiri dari Sub-Komite Publik dan Sub-Komite Korporasi.<sup>22</sup>

Dengan telah dibentuknya KNKG, maka Keputusan Menko Ekuin Nomor: KEP.31/M.EKUIIN/06/2000 yang juga mencabut keputusan Nomor. KEP.10/M.EKUIIN/08/1999 tentang pembentukan KNKG dinyatakan tidak berlaku lagi.

Pedoman Umum *Good Corporate Governance* Indonesia yang untuk selanjutnya disebut Pedoman GCG merupakan acuan bagi perusahaan untuk melaksanakan GCG dalam rangka: Mendorong tercapainya kesinambungan perusahaan melalui pengelolaan yang didasarkan pada asas transparansi, akuntabilitas, responsibilitas, independensi serta kewajaran dan kesetaraan.

Mendorong pemberdayaan fungsi dan kemandirian masing-masing organ perusahaan, yaitu Dewan Komisaris, Direksi dan Rapat Umum Pemegang Saham. Mendorong pemegang saham, anggota Dewan Komisaris dan anggota Direksi agar dalam membuat keputusan dan menjalankan tindakannya dilandasi oleh nilai moral yang tinggi dan kepatuhan terhadap peraturan perundang-undangan. Mendorong timbulnya kesadaran dan tanggung jawab sosial perusahaan terhadap masyarakat dan kelestarian lingkungan terutama di sekitar perusahaan. Mengoptimalkan nilai perusahaan bagi pemegang saham dengan tetap memperhatikan pemangku kepentingan lainnya.

Meningkatkan daya saing perusahaan secara nasional maupun internasional, sehingga meningkatkan kepercayaan pasar yang dapat mendorong arus investasi dan pertumbuhan ekonomi nasional yang berkesinambungan. Pedoman GCG ini dikeluarkan bagi semua perusahaan di Indonesia termasuk perusahaan yang beroperasi atas dasar prinsip syariah. Pedoman GCG ini, yang memuat prinsip dasar dan pedoman pokok pelaksanaan GCG, merupakan standar minimal yang

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<sup>22</sup> *Ibid.* hal.1

akan ditindaklanjuti dan dirinci dalam Pedoman Sektor yang dikeluarkan oleh KNKG. Berdasarkan pedoman tersebut, masing-masing perusahaan perlu membuat manual yang lebih operasional.

Perusahaan yang sahamnya telah tercatat di bursa efek, perusahaan negara, perusahaan daerah, perusahaan yang menghimpun dan mengelola dana masyarakat, dan perusahaan yang produk atau jasanya digunakan oleh masyarakat luas, serta perusahaan yang mempunyai dampak luas terhadap kelestarian lingkungan, diharapkan menjadi pelopor dalam penerapan Pedoman GCG ini.<sup>23</sup> Regulator juga diharapkan dapat menggunakan Pedoman GCG ini sebagai acuan dalam menyusun peraturan terkait serta sanksi yang perlu dikenakan.

GCG diperlukan untuk mendorong terciptanya pasar yang efisien, transparan dan konsisten dengan peraturan perundang-undangan. Oleh karena itu penerapan GCG perlu didukung oleh tiga pilar yang saling berhubungan, yaitu negara dan perangkatnya sebagai regulator, dunia usaha sebagai pelaku pasar dan masyarakat sebagai pengguna produk dan jasa dunia usaha. Prinsip-prinsip dasar yang harus dilaksanakan oleh masing-masing pilar adalah:

- a. Negara dan perangkatnya menciptakan peraturan perundang-undangan yang menunjang iklim usaha yang sehat, efisien dan transparan, melaksanakan peraturan perundang-undangan dan penegakan hukum secara konsisten (*consistent law enforcement*)
- b. Dunia usaha sebagai pelaku pasar menerapkan GCG sebagai pedoman dasar pelaksanaan usaha.
- c. Masyarakat sebagai pengguna produk dan jasa dunia usaha serta pihak yang terkena dampak dari keberadaan perusahaan, menunjukkan kepedulian dan melakukan kontrol sosial (*social control*) secara obyektif dan bertanggung jawab.

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<sup>23</sup> *Ibid.* hal.2



### 3. PEDOMAN POKOK PELAKSANAAN GOOD CORPORATE GOVERNANCE

#### a. Peranan Negara

Melakukan koordinasi secara efektif antar penyelenggara negara dalam penyusunan peraturan perundang-undangan berdasarkan sistem hukum nasional dengan memprioritaskan kebijakan yang sesuai dengan kepentingan dunia usaha dan masyarakat. Untuk itu regulator harus memahami perkembangan bisnis yang terjadi untuk dapat melakukan penyempurnaan atas peraturan perundang-undangan secara berkelanjutan.

Mengikutsertakan dunia usaha dan masyarakat secara bertanggungjawab dalam penyusunan peraturan perundang-undangan (*rule-making rules*). Menciptakan sistem politik yang sehat dengan penyelenggara negara yang memiliki integritas dan profesionalitas yang tinggi.

Melaksanakan peraturan perundang-undangan dan penegakan hukum secara konsisten. Mencegah terjadinya korupsi, kolusi dan nepotisme (KKN). Mengatur kewenangan dan koordinasi antar-instansi yang jelas untuk meningkatkan pelayanan masyarakat dengan integritas yang tinggi dan mata rantai yang singkat serta akurat dalam rangka mendukung terciptanya iklim usaha yang sehat, efisien dan transparan.<sup>24</sup>

Memberlakukan peraturan perundang-undangan untuk melindungi saksi dan pelapor (*whistleblower*) yang memberikan informasi mengenai suatu kasus yang terjadi pada perusahaan. Pemberi informasi dapat berasal dari manajemen, karyawan perusahaan atau pihak lain. Mengeluarkan peraturan untuk menunjang pelaksanaan GCG dalam bentuk ketentuan yang dapat menciptakan iklim usaha yang sehat, efisien dan transparan. Melaksanakan hak dan kewajiban yang sama dengan pemegang saham lainnya dalam hal negara juga sebagai pemegang saham perusahaan. Menerapkan etika bisnis secara konsisten sehingga dapat terwujud iklim usaha yang sehat, efisien dan transparan. Bersikap dan berperilaku yang memperlihatkan kepatuhan dunia usaha dalam melaksanakan peraturan perundang-undangan.

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<sup>24</sup> *Ibid.*

Mencegah terjadinya KKN. Meningkatkan kualitas struktur pengelolaan dan pola kerja perusahaan yang didasarkan pada asas GCG secara berkesinambungan. Melaksanakan fungsi ombudsman untuk dapat menampung informasi tentang penyimpangan yang terjadi pada perusahaan. Fungsi ombudsman dapat dilaksanakan bersama pada suatu kelompok usaha atau sektor ekonomi tertentu.<sup>25</sup>

b. Peranan Masyarakat

Melakukan kontrol sosial dengan memberikan perhatian dan kepedulian terhadap pelayanan masyarakat yang dilakukan penyelenggara negara serta terhadap kegiatan dan produk atau jasa yang dihasilkan oleh dunia usaha, melalui penyampaian pendapat secara obyektif dan bertanggung jawab.

Melakukan komunikasi dengan penyelenggara negara dan dunia usaha dalam mengekspresikan pendapat dan keberatan masyarakat. Mematuhi peraturan perundang-undangan dengan penuh kesadaran dan tanggung jawab.

Setiap perusahaan harus memastikan bahwa asas GCG diterapkan pada setiap aspek bisnis dan di semua jajaran perusahaan. Asas GCG yaitu transparansi, akuntabilitas, responsibilitas, independensi serta kesetaraan dan kewajaran diperlukan untuk mencapai kesinambungan usaha perusahaan dengan memperhatikan pemangku kepentingan.

c. Transparansi (*Transparency*)

1) Prinsip Dasar

Untuk menjaga obyektivitas dalam menjalankan bisnis, perusahaan harus menyediakan informasi yang material dan berkaitan dengan cara yang mudah diakses dan dipahami oleh pemangku kepentingan. Perusahaan harus mengambil inisiatif untuk mengungkapkan tidak hanya masalah yang disyaratkan oleh peraturan perundang-undangan, tetapi juga hal yang penting untuk

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<sup>25</sup> *Ibid.* hal. 3-4

pengambilan keputusan oleh pemegang saham, kreditur dan pemangku kepentingan lainnya.

## 2) Pedoman Pokok Pelaksanaan

Perusahaan harus menyediakan informasi secara tepat waktu, memadai, jelas, akurat dan dapat diperbandingkan serta mudah diakses oleh pemangku kepentingan sesuai dengan haknya. Informasi yang harus diungkapkan meliputi, tetapi tidak terbatas pada, visi, misi, sasaran usaha dan strategi perusahaan, kondisi keuangan,<sup>26</sup> susunan dan kompensasi pengurus, pemegang saham pengendali, kepemilikan saham oleh anggota direksi dan anggota dewan komisaris beserta anggota keluarganya dalam perusahaan dan perusahaan lainnya yang memiliki benturan kepentingan, sistem manajemen resiko, sistem pengawasan dan pengendalian internal, sistem dan pelaksanaan GCG serta tingkat kepatuhannya, dan kejadian penting yang dapat mempengaruhi kondisi perusahaan. Prinsip keterbukaan yang dianut oleh perusahaan tidak mengurangi kewajiban untuk memenuhi ketentuan kerahasiaan perusahaan sesuai dengan peraturan perundang-undangan, rahasia jabatan, dan hak-hak pribadi. Kebijakan perusahaan harus tertulis dan secara proporsional dikomunikasikan kepada pemangku kepentingan.

### d. Akuntabilitas (*Accountability*)

#### 1) Prinsip Dasar

Perusahaan harus dapat mempertanggungjawabkan kinerjanya secara transparan dan wajar. Untuk itu perusahaan harus dikelola secara benar, terukur dan sesuai dengan kepentingan perusahaan dengan tetap memperhitungkan kepentingan pemegang saham dan pemangku kepentingan lain. Akuntabilitas merupakan prasyarat yang diperlukan untuk mencapai kinerja yang berkesinambungan.

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<sup>26</sup> *Ibid.* hal.4-5

## 2) Pedoman Pokok Pelaksanaan

Perusahaan harus menetapkan rincian tugas dan tanggung jawab masing-masing organ perusahaan dan semua karyawan secara jelas dan selaras dengan visi, misi, sasaran usaha dan strategi perusahaan.<sup>27</sup>

Perusahaan harus meyakini bahwa semua organ perusahaan dan semua karyawan mempunyai kemampuan sesuai dengan tugas, tanggung jawab, dan perannya dalam pelaksanaan GCG. Perusahaan harus memastikan adanya sistem pengendalian internal yang efektif dalam pengelolaan perusahaan. Perusahaan harus memiliki ukuran kinerja untuk semua jajaran perusahaan yang konsisten dengan nilai-nilai perusahaan, sasaran utama dan strategi perusahaan, serta memiliki sistem penghargaan dan sanksi (*reward and punishment system*). Dalam melaksanakan tugas dan tanggung jawabnya, setiap organ perusahaan dan semua karyawan harus berpegang pada etika bisnis dan pedoman perilaku (*code of conduct*) yang telah disepakati.

### e. Tanggung Jawab (*Responsibility*)

#### 1) *Prinsip Dasar*

Perusahaan harus mematuhi peraturan perundang-undangan serta melaksanakan tanggung jawab terhadap masyarakat dan lingkungan sehingga dapat terpelihara kesinambungan usaha dalam jangka panjang dan mendapat pengakuan sebagai *good corporate citizen*.

#### 2) Pedoman Pokok Pelaksanaan

Organ perusahaan harus berpegang pada prinsip kehati-hatian dan memastikan kepatuhan terhadap peraturan perundang-undangan, anggaran dasar dan peraturan perusahaan (*by-laws*).

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<sup>27</sup> *Ibid.*

Perusahaan harus melaksanakan tanggung jawab sosial dengan antara lain peduli terhadap masyarakat dan kelestarian lingkungan terutama di sekitar perusahaan dengan membuat perencanaan dan pelaksanaan yang memadai.

f. Independensi (*Independency*)

1) Prinsip Dasar

Untuk melancarkan pelaksanaan asas GCG, perusahaan harus dikelola secara independen sehingga masing-masing organ perusahaan tidak saling mendominasi dan tidak dapat diganggu oleh pihak lain.<sup>28</sup>

2) Pedoman Pokok Pelaksanaan

Masing-masing organ perusahaan harus menghindari terjadinya dominasi oleh pihak manapun, tidak terpengaruh oleh kepentingan tertentu, bebas dari benturan kepentingan dan dari segala pengaruh atau tekanan, sehingga pengambilan keputusan dapat dilakukan secara obyektif. Masing-masing organ perusahaan harus melaksanakan fungsi dan tugasnya sesuai dengan anggaran dasar dan peraturan perundang-undangan, tidak saling mendominasi dan atau melempar tanggung jawab antara satu dengan yang lain sehingga terwujud system pengendalian internal yang efektif.

g. Kesetaraan dan Kewajaran (*Fairness*)

1) Prinsip Dasar

Dalam melaksanakan kegiatannya, perusahaan harus senantiasa memperhatikan kepentingan pemegang saham dan pemangku kepentingan lainnya berdasarkan asas kesetaraan dan kewajaran.

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<sup>28</sup> *Ibid.* hal. 5-6

## 2) Pedoman Pokok Pelaksanaan

Perusahaan harus memberikan kesempatan kepada pemangku kepentingan untuk memberikan masukan dan menyampaikan pendapat bagi kepentingan perusahaan serta membuka akses terhadap informasi sesuai dengan prinsip transparansi dalam lingkup kedudukan masing-masing. Perusahaan harus memberikan perlakuan yang setara dan wajar kepada pemangku kepentingan sesuai dengan manfaat dan kontribusi yang diberikan kepada perusahaan. Perusahaan harus memberikan kesempatan yang sama dalam penerimaan karyawan, berkarir dan melaksanakan tugasnya secara profesional tanpa membedakan suku, agama, ras, gender, dan kondisi fisik.<sup>29</sup>

### h. Etika Bisnis dan Pedoman Perilaku

#### 1) Prinsip Dasar

Untuk mencapai keberhasilan dalam jangka panjang, pelaksanaan GCG perlu dilandasi oleh integritas yang tinggi. Oleh karena itu, diperlukan pedoman perilaku (*code of conduct*) yang dapat menjadi acuan bagi organ perusahaan dan semua karyawan dalam menerapkan nilai-nilai (*values*) dan etika bisnis sehingga menjadi bagian dari budaya perusahaan. Prinsip-prinsip dasar yang harus dimiliki oleh perusahaan. Setiap perusahaan harus memiliki nilai-nilai perusahaan (*corporate values*) yang menggambarkan sikap moral perusahaan dalam pelaksanaan usahanya. Untuk dapat merealisasikan sikap moral dalam pelaksanaan usahanya, perusahaan harus memiliki rumusan etika bisnis yang disepakati oleh organ perusahaan dan semua karyawan.

Pelaksanaan etika bisnis yang berkesinambungan akan membentuk budaya perusahaan yang merupakan manifestasi dari

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<sup>29</sup> *Ibid.* hal.7

nilai-nilai perusahaan. Nilai-nilai dan rumusan etika bisnis perusahaan perlu dituangkan dan dijabarkan lebih lanjut dalam pedoman perilaku agar dapat dipahami dan diterapkan.

## 2) Pedoman Pokok Pelaksanaan

Nilai-nilai perusahaan merupakan landasan moral dalam mencapai visi dan misi perusahaan. Oleh karena itu, sebelum merumuskan nilai-nilai perusahaan, perlu dirumuskan visi dan misi Perusahaan. Walaupun nilai-nilai perusahaan pada dasarnya universal, namun dalam merumuskannya perlu disesuaikan dengan sektor usaha serta karakter dan letak geografis dari masing-masing perusahaan. Nilai-nilai perusahaan yang universal antara lain adalah terpercaya, adil dan jujur.<sup>30</sup>

Sedangkan etika bisnis adalah acuan bagi perusahaan dalam melaksanakan kegiatan usaha termasuk dalam berinteraksi dengan pemangku kepentingan. Penerapan nilai-nilai perusahaan dan etika bisnis secara berkesinambungan mendukung terciptanya budaya perusahaan. Setiap perusahaan harus memiliki rumusan etika bisnis yang disepakati bersama dan dijabarkan lebih lanjut dalam pedoman perilaku.

Pedoman perilaku merupakan penjabaran nilai-nilai perusahaan dan etika bisnis dalam melaksanakan usaha sehingga menjadi panduan bagi organ perusahaan dan semua karyawan perusahaan, pedoman perilaku mencakup panduan tentang benturan kepentingan, pemberian dan penerimaan hadiah dan donasi, kepatuhan terhadap peraturan, kerahasiaan informasi, dan pelaporan terhadap perilaku yang tidak etis. Benturan kepentingan adalah keadaan dimana terdapat konflik antara kepentingan ekonomis perusahaan dan kepentingan ekonomis pribadi

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<sup>30</sup>*Ibid*.hal.8

pemegang saham, anggota dewan komisaris dan direksi, serta karyawan perusahaan.

Dalam menjalankan tugas dan kewajibannya, anggota dewan komisaris dan direksi serta karyawan perusahaan harus senantiasa mendahulukan kepentingan ekonomi perusahaan di atas kepentingan ekonomi pribadi atau keluarga, maupun pihak lainnya.

Anggota dewan komisaris dan direksi serta karyawan perusahaan dilarang menyalahgunakan jabatan untuk kepentingan atau keuntungan pribadi, keluarga dan pihak-pihak lain, dalam hal pembahasan dan pengambilan keputusan yang mengandung unsur benturan kepentingan, pihak yang bersangkutan tidak diperkenankan ikut serta; pemegang saham yang mempunyai benturan kepentingan<sup>31</sup> harus mengeluarkan suaranya dalam RUPS sesuai dengan keputusan yang diambil oleh pemegang saham yang tidak mempunyai benturan kepentingan.

Setiap anggota dewan komisaris dan direksi serta karyawan perusahaan yang memiliki wewenang pengambilan keputusan diharuskan setiap tahun membuat pernyataan tidak memiliki benturan kepentingan terhadap setiap keputusan yang telah dibuat olehnya dan telah melaksanakan pedoman perilaku yang ditetapkan oleh perusahaan.

Setiap anggota dewan komisaris dan direksi serta karyawan perusahaan dilarang memberikan atau menawarkan sesuatu, baik langsung ataupun tidak langsung, kepada pejabat negara dan atau individu yang mewakili mitra bisnis, yang dapat mempengaruhi pengambilan keputusan.

Setiap anggota dewan komisaris dan direksi serta karyawan perusahaan dilarang menerima sesuatu untuk kepentingannya, baik langsung ataupun tidak langsung, dari mitra bisnis, yang dapat mempengaruhi pengambilan keputusan, sumbangan oleh

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<sup>31</sup> *Ibid.* hal. 8-9



perusahaan ataupun pemberian suatu aset perusahaan kepada partai politik atau seorang atau lebih calon anggota badan legislatif maupun eksekutif, hanya boleh dilakukan sesuai dengan peraturan perundang-undangan. Dalam batas kepatutan sebagaimana ditetapkan oleh perusahaan, sumbangan untuk amal dapat dibenarkan. Setiap anggota dewan komisaris dan direksi serta karyawan perusahaan diharuskan setiap tahun membuat pernyataan tidak memberikan sesuatu dan atau menerima sesuatu yang dapat mempengaruhi pengambilan keputusan.

Organ perusahaan dan karyawan perusahaan harus melaksanakan peraturan perundang-undangan dan peraturan perusahaan, dewan komisaris harus memastikan bahwa direksi dan karyawan perusahaan melaksanakan peraturan perundang-undangan dan peraturan perusahaan-perusahaan harus melakukan pencatatan atas harta, utang dan modal secara benar sesuai dengan prinsip akuntansi yang berlaku umum.<sup>32</sup>

Anggota dewan komisaris dan direksi, pemegang saham serta karyawan perusahaan harus menjaga kerahasiaan informasi perusahaan sesuai dengan peraturan perundang-undangan, peraturan perusahaan dan kebiasaan dalam dunia usaha.

Setiap anggota dewan komisaris dan direksi, pemegang saham serta karyawan perusahaan dilarang menyalahgunakan informasi yang berkaitan dengan perusahaan, termasuk tetapi tidak terbatas pada informasi rencana pengambil-alihan, penggabungan usaha dan pembelian kembali saham. Setiap mantan anggota dewan komisaris dan direksi serta karyawan perusahaan, serta pemegang saham yang telah mengalihkan sahamnya, dilarang mengungkapkan informasi yang menjadi rahasia perusahaan yang diperolehnya selama menjabat atau menjadi pemegang saham di perusahaan, kecuali informasi tersebut diperlukan untuk

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<sup>32</sup> *Ibid.*

pemeriksaan dan penyidikan sesuai dengan peraturan perundang-undangan, atau tidak lagi menjadi rahasia milik perusahaan. Dewan komisaris berkewajiban untuk menerima dan memastikan bahwa pengaduan tentang pelanggaran terhadap etika bisnis dan pedoman perilaku perusahaan dan peraturan perundang-undangan, diproses secara wajar dan tepat waktu.

Setiap perusahaan harus menyusun peraturan yang menjamin perlindungan terhadap individu yang melaporkan terjadinya pelanggaran terhadap etika bisnis, pedoman perilaku perusahaan dan peraturan perundang-undangan. Dalam pelaksanaannya, dewan komisaris dapat memberikan tugas kepada komite yang membidangi pengawasan implementasi GCG.<sup>33</sup>

Setiap perusahaan harus membuat pernyataan tentang kesesuaian penerapan GCG dengan Pedoman GCG ini dalam laporan tahunannya. Pernyataan tersebut harus disertai laporan tentang struktur dan mekanisme kerja organ perusahaan serta informasi penting lain yang berkaitan dengan penerapan GCG. Dengan demikian, pemegang saham dan pemangku kepentingan lainnya, termasuk regulator, dapat menilai sejauh mana Pedoman GCG pada perusahaan tersebut telah diterapkan.

Pernyataan tentang penerapan GCG beserta laporannya, merupakan bagian dari laporan tahunan perusahaan. Pernyataan dan laporan tersebut dapat sekaligus digunakan untuk memenuhi ketentuan pelaporan dari otoritas terkait.

Dalam hal belum seluruh aspek pedoman GCG ini dapat dilaksanakan, perusahaan harus mengungkapkan aspek yang belum dilaksanakan tersebut beserta alasannya. Laporan tentang struktur dan mekanisme kerja organ perusahaan meliputi, struktur dan mekanisme kerja dewan komisaris, yang antara lain mencakup:

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<sup>33</sup> *Ibid.* hal. 10

- a) Nama anggota dewan komisaris dengan menyebutkan statusnya yaitu komisaris independen atau komisaris non-independen.
- b) Jumlah rapat yang dilakukan oleh dewan komisaris, serta jumlah kehadiran setiap anggota dewan komisaris dalam rapat.
- c) Mekanisme dan kriteria penilaian sendiri (*self assessment*) tentang kinerja masing-masing para anggota dewan komisaris.
- d) Penjelasan mengenai komite-komite penunjang dewan komisaris yang meliputi, nama anggota dari masing-masing komite, uraian mengenai fungsi dan mekanisme kerja dari setiap komite, jumlah rapat yang dilakukan oleh setiap komite serta jumlah kehadiran setiap anggota dan mekanisme dan kriteria penilaian kinerja komite.

Struktur dan mekanisme kerja direksi antara lain mencakup:

- a) Nama anggota direksi dengan jabatan dan fungsinya masing-masing
- b) Penjelasan ringkas mengenai mekanisme kerja direksi, termasuk didalamnya mekanisme pengambilan keputusan serta mekanisme pendelegasian wewenang.
- c) Jumlah rapat yang dilakukan oleh direksi, serta jumlah kehadiran setiap anggota direksi dalam rapat.
- d) Mekanisme dan kriteria penilaian terhadap kinerja para anggota direksi.
- e) Pernyataan mengenai efektivitas pelaksanaan sistem pengendalian internal yang meliputi pengendalian risiko serta sistem pengawasan dan audit internal.

Informasi penting lainnya yang berkaitan dengan penerapan GCG dan perlu diungkapkan dalam laporan penerapan GCG

adalah, visi, misi dan nilai-nilai perusahaan, pemegang saham pengendali, kebijakan dan jumlah remunerasi dewan komisaris dan direksi, transaksi dengan pihak yang memiliki benturan kepentingan, hasil penilaian penerapan GCG yang dilaporkan dalam RUPS tahunan dan kejadian luar biasa yang telah dialami perusahaan dan dapat berpengaruh pada kinerja perusahaan.

Pelaksanaan GCG perlu dilakukan secara sistematis dan berkesinambungan. Untuk itu diperlukan pedoman praktis yang dapat dijadikan acuan oleh perusahaan dalam melaksanakan penerapan GCG. Dalam rangka penerapan GCG, masing-masing perusahaan harus menyusun pedoman GCG perusahaan dengan mengacu pada Pedoman GCG ini dan pedoman sektoral (bila ada).

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Pedoman GCG perusahaan tersebut adalah, visi, misi dan nilai-nilai perusahaan, kedudukan dan fungsi RUPS, dewan komisaris, direksi, komite penunjang, dewan komisaris dan pengawasan internal, kebijakan untuk memastikan terlaksananya fungsi setiap organ perusahaan secara efektif, kebijakan untuk memastikan terlaksananya akuntabilitas, pengendalian internal yang efektif dan pelaporan keuangan yang benar, pedoman perilaku (*code of conduct*) yang didasarkan pada nilai-nilai perusahaan dan etika bisnis, sarana pengungkapan informasi untuk pemegang saham dan pemangku kepentingan lainnya dengan kebijakan penyempurnaan berbagai peraturan perusahaan dalam rangka memenuhi prinsip GCG.

Agar pelaksanaan GCG dapat berjalan efektif, diperlukan proses keikutsertaan semua pihak dalam perusahaan. Untuk itu diperlukan tahapan Membangun pemahaman, kepedulian dan komitmen untuk melaksanakan GCG oleh semua anggota direksi, dewan komisaris dan pemegang saham pengendali, serta semua karyawan.

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<sup>34</sup> *Ibid.*

Melakukan kajian terhadap kondisi perusahaan yang berkaitan dengan pelaksanaan GCG dan tindakan korektif yang diperlukan, menyusun program dan pedoman pelaksanaan GCG perusahaan, melakukan internalisasi pelaksanaan GCG sehingga terbentuk rasa memiliki dari semua pihak dalam perusahaan, serta pemahaman atas pelaksanaan pedoman GCG dalam kegiatan sehari-hari, melakukan penilaian sendiri (*self assessment*) atau dengan menggunakan jasa pihak eksternal yang independen untuk memastikan penerapan GCG secara berkesinambungan. Hasil penilaian tersebut diungkapkan dalam laporan tahunan dan dilaporkan dalam RUPS tahunan.<sup>35</sup>

#### 4. TANGGUNG JAWAB SOSIAL PERUSAHAAN DI INDONESIA

Pada 1990-an, tanggung jawab sosial korporasi atau *Corporate Social Responsibility* (CSR) menjadi suatu gagasan yang menyita perhatian banyak kalangan, dari masyarakat akademik, lembaga swadaya masyarakat (LSM), sampai para pelaku bisnis. Tidak mengherankan jika laporan tahunan beberapa perusahaan multinasional yang telah melakukan praktek CSR keberhasilan meraih keuntungan tidak lagi ditempatkan sebagai satu-satunya alat ukur keberhasilan dalam mengembangkan eksistensi perusahaan.

Perbincangan mengenai CSR ini sebenarnya bukan merupakan hal baru. Istilah CSR mulai berkembang pada era 1970-an. Pada era tersebut dicetuskan agar pemerintah melakukan intervensi yang bertujuan memperluas ruang lingkup CSR. ruang lingkup CSR, ruang lingkup CSR tidak hanya mencakup tanggung jawab korporasi kepada pemegang saham, tetapi juga para pekerja, konsumen, pemasok. Masyarakat, terciptanya udara bersih, air bersih, dan konstituen lain dimana korporasi itu berada.

Wacana akan perlunya CSR telah dielaborasi oleh Undang-Undang 25 Tahun 2007 tentang Penanaman Modal ketika CSR dielaborasi oleh kedua

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<sup>35</sup> *Ibid.*

Undang-Undang tersebut timbul beberapa kontroversi baik yang berkaitan dengan Konsep CSR itu sendiri maupun yang berkaitan dengan tanggung jawab yang diderivasi dari etika bisnis menjadi sebuah norma hukum.<sup>36</sup>

Untuk mendapatkan yang lebih baik mengenai makna CSR sebaiknya dikaji terlebih dahulu persoalan etika bisnis, karena pada dasarnya CSR merupakan perubahan dari etika bisnis.

Secara historis etika sebagai usaha filsafat lahir dari ambruknya tatanan moral di lingkungan kebudayaan Yunani 2500 tahun yang lalu. Karena pandangan-pandangan lama tentang baik dan buruk tidak lagi dipercayai, para filsuf mempertanyakan kembali norma-norma dasar bagi kelakuan manusia. Situasi itu juga berlaku pada zaman sekarang etika bukan suatu sumber tambahan bagi ajaran moral, melainkan merupakan filsafat atau pemikiran kritis dan mendasar tentang ajaran-ajaran dan pandangan-pandangan moral.

Secara umum, hubungan bisnis sebenarnya adalah hubungan antara manusia. Bisnis adalah suatu interaksi yang terjadi akibat adanya kebutuhan yang tidak dapat diperoleh sendiri oleh Individu. Ini menunjukkan bahwa meskipun manusia dikaruniai banyak kelebihan (akal, perasaan dan naluri) dalam kenyataannya banyak memiliki kekurangan. Kekurangan itu makin dirasakan justru ketika akal, perasaan dan naluri menuntut peningkatan kebutuhan-kebutuhan. Akibatnya, kebutuhan manusia kian berkembang dan kompleks sehingga tak terbatas. Melalui interaksi bisnis inilah manusia saling melengkapi pemenuhan kebutuhan satu sama lain. Etika harus dibedakan antara etika dalam bisnis dan etika bisnis. Kedua istilah tersebut memiliki makna yang berbeda. Etika dalam bisnis terkait dengan etika yang bersinggungan dengan bisnis sedangkan etika bisnis terkait dengan etika pada umumnya.

Nilai-nilai dasar yang menjadi tolak ukur etika bisnis adalah tingkah laku para pengusaha dalam menjalankan usahanya. Apakah dalam usahanya mengambil keuntungan dari masyarakat konsumen dilakukan melalui persaingan usaha yang *fair* (jujur), *transparent* (terbuka) dan *ethic* (etis).

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<sup>36</sup> Ridwan Khairandy, *Perseroan terbatas*, (Yogyakarta: Total Media, 2009), hal. 129-130

Perbuatan yang termasuk dalam kategori *unethical conduct*. Misalnya memberikan informasi yang tidak benar mengenai bahan mentah, karakteristik dan mutu suatu produk, menyembunyikan harta kekayaan perusahaan yang sebenarnya untuk menghindari atau mengurangi pajak, membayar upah karyawan di bawah Upah Minimum Regional, melakukan persengkongkolan tender, dan melakukan persaingan tidak sehat.

Pada dasarnya, bisnis perlu dijalankan secara etis, karena bagaimana pun juga bisnis menyangkut tentang kepentingan siapa saja dalam masyarakat. Entah dia berperan sebagai penjual, produsen, pembeli, perantara, dan apapun perannya, hampir semuanya tersangkut dalam bisnis ini. hal itu berarti bahwa kita semua, berdasarkan kepentingan kita masing-masing, menghendaki adanya agar bisnis itu berjalan dengan baik. Oleh karena itu, kita semua menghendaki agar bisnis dijalankan secara etis sehingga tidak ada salah satu pihak yang merasa dirugikan oleh pihak lain.<sup>37</sup>

Secara umum, prinsip-prinsip yang berlaku dalam kegiatan bisnis yang baik sesungguhnya tidak bisa dilepaskan dari kehidupan kita sebagai manusia pada umumnya. Demikian pula, prinsip-prinsip tersebut sangat erat terkait dengan sistem nilai yang dianut oleh masyarakat masing-masing. Namun, sebagai etika khusus atau etika terapan, prinsip-prinsip dalam etika bisnis sesungguhnya adalah penerapan dari prinsip etika pada umumnya. Oleh karena itu, tanpa melupakan kekhasan sistem nilai dari setiap masyarakat bisnis, di sini akan dikemukakan beberapa prinsip etika bisnis yaitu:

a. Prinsip Otonomi

Otonomi adalah sikap dan kemampuan manusia untuk bertindak berdasarkan kesadarannya sendiri tentang apa yang dianggapnya baik untuk dilakukan. Orang yang otonom adalah orang yang sadar sepenuhnya akan apa yang menjadi kewajibannya dalam dunia bisnis. Orang yang otonom adalah orang yang tahu aturan dan tuntutan sosial, tetapi bukan orang yang sekedar mengikuti begitu saja apa yang berlaku dalam masyarakat atau mengikuti begitu saja apa yang dilakukan orang lain.

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<sup>37</sup> *Ibid.*

Untuk bertindak secara otonom, diandaikan ada kebebasan untuk mengambil keputusan dan bertindak berdasarkan keputusan itu. Dalam kerangka etika, kebebasan untuk mengambil keputusan dan bertindak berdasarkan keputusan itu. Dalam kerangka etika, kebebasan adalah syarat yang harus ada agar manusia bisa bertindak secara etis. Hanya karena ia mempunyai kebebasan maka ia dituntut untuk bertindak secara etis. Namun kebebasan saja belum menjamin bahwa orang bisa bertindak secara otonom dan etis. Otonomi mengandalkan juga adanya tanggung jawab, Jadi orang yang otonom adalah orang tidak hanya sadar akan kewajibannya dan bebas, mengambil keputusan dan tindakan berdasarkan kewajibannya, melainkan juga orang yang bersedia mempertanggungjawabkan keputusan dan tindakannya serta mampu bertanggung jawab atas keputusan dan tindakannya, serta dampak dari keputusan dan tindakan itu.<sup>38</sup>

b. Prinsip Kejujuran

Dalam dunia bisnis kejujuran menemukan wujudnya dalam tiga aspek yaitu: Pertama, kejujuran terwujud dalam pemenuhan syarat-syarat perjanjian dan kontrak. Kedua, kejujuran menemukan wujudnya dalam penawaran barang dan jasa dengan mutu yang baik. Ketiga, kejujuran menyangkut pula hubungan dalam perusahaan. Dalam ketiga aspek wujud kejujuran tadi terkait dengan erat dengan kepercayaan. Kepercayaan yang dibangun atas dasar prinsip kejujuran. Merupakan modal dasar usaha yang akan mengalirkan keuntungan yang berlimpah. Keuntungan merupakan simbol kepercayaan dan tanda terima kasih masyarakat dan mitra bisnis atas kejujuran kegiatan bisnis.

c. Prinsip Tidak Berbuat Jahat (*non-maleficence*) dan Prinsip berbuat baik (*beneficence*)

Perwujudan kedua prinsip ini mengambil dua bentuk. Pertama, Prinsip berbuat baik menuntut agar secara aktif dan maksimal kita semua berbuat hal yang baik bagi orang lain. Kedua, dalam wujudnya yang minimal dan pasif, sikap ini menuntut agar kita tidak berbuat jahat kepada orang lain. Maksud

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<sup>38</sup> *Ibid.*



dari kedua prinsip di atas adalah bahwa secara maksimal orang bisnis dituntut untuk melakukan kegiatan yang menguntungkan bagi orang lain (atau lebih tepatnya adalah saling menguntungkan) tapi kalau situasinya tidak memungkinkan, maka titik batas yang masih ditoleransi adalah tindakan yang tidak merugikan pihak lain.

d. Prinsip Keadilan

Prinsip ini menuntut agar kita memperlakukan orang lain sesuai dengan haknya. Hak orang lain perlu dihargai dan jangan sampai dilanggar, persis seperti kita pun mengharapkan agar hak kita dihargai dan tidak dilanggar. Prinsip ini mengatur agar kita bertindak sedemikian rupa sehingga hak semua orang terlaksana secara kurang lebih sama sesuai dengan apa yang menjadi haknya tanpa saling merugikan.<sup>39</sup>

e. Prinsip Hormat Kepada Diri Sendiri

Prinsip ini bukan bersifat egoistis, melainkan ingin menunjukkan bahwa tidak etis jika kita membiarkan diri kita diperlakukan secara tidak adil, tidak jujur, ditindas, diperas dan sebagainya. Jadi sebagaimana kita sepantasnya tidak boleh memperlakukan orang lain secara tidak adil, tidak jujur dan sebagainya, kita pun berhak untuk memperlakukan diri kita dan diperlakukan secara baik. Kita wajib membela dan mempertahankan kehormatan diri kita, jika martabat kita sebagai manusia dilanggar. Korporasi adalah badan hukum. Dengan status ini di dalam korporasi harus dibedakan pengelolaan dan kepemilikan korporasi, dengan tujuan dipisahkannya pengelolaan dari kepemilikan perusahaan yaitu agar pemilik perusahaan memperoleh keuntungan yang semaksimal mungkin dengan biaya yang seefisien mungkin. Dengan dikelolanya perusahaan oleh tenaga-tenaga profesional. Para profesional, dalam hal ini direksi menjalankan tugasnya demi kepentingan perusahaan semata. Para Profesional, dalam hal ini direksi dan manajer dalam

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<sup>39</sup> *Ibid.*

teori klasik di atas memiliki *fiduciary duty*<sup>40</sup> dan *duty of care*<sup>41</sup>, dan bertanggung jawab kepada perusahaan dan para pemegang saham.

Dalam pandangan teori korporasi yang klasik di Amerika Serikat, CSR dimaknai sebagai tanggung para manajer dan direksi kepada pemegang saham. Pandangan tradisional ini tidak mencakup kewajiban manajemen untuk memperhatikan kepentingan konstituen perusahaan yang lain. Hal ini membatasi penerapan CSR dalam perusahaan di mana perusahaan seolah-olah hanya mementingkan kepentingan dirinya sendiri. Belakangan terjadi perluasan terhadap ruang lingkup tanggung jawab korporasi dari hanya tanggung jawab korporasi kepada pemegang saham tetapi juga kepada pemilik kepentingan perusahaan.

Perubahan ini seiring dengan adanya pembaruan *Corporate Governance* bermula pada sebuah buku yang berjudul *The Modern Corporation and Private Property*. Buku ini ditulis oleh Adolf Berle and Gardiner Means dan dipublikasikan pertama kali tahun 1932. Isi buku ini juga secara garis besar memuat tentang pemisahan kepemilikan dan pengendalian perusahaan dan juga memiliki kekayaan yang sangat besar dalam perusahaan tidak lagi mengendalikan dan mengelola kekayaan mereka yang ada dalam perusahaan. Kekayaan tersebut telah menjadi aset perusahaan dan dikendalikan oleh seseorang yang dipercaya untuk mengelolanya demi kepentingan mereka. Keadaan demikian dikenal dengan nama *Separation Ownership From Control*, dalam pembaharuan *Corporate Governance* memuat tentang prinsip

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<sup>40</sup> Fiduciary Duty, seorang direksi bertanggung jawab terhadap perseroan, bukan pada satu organ perseroan. Fiduciary duty merupakan tugas-tugas yang dipercayakan kepada dari direksi oleh perseroan dan dasar bertindak dari kegiatan direksi dalam mengambil keputusan berkenaan dengan tugasnya menjalankan kegiatan (bisnis) perseroan. Kendati demikian, penulis yakin masih terdapat pandangan yang berbeda-beda atas konsep ruang lingkup fiduciary duty. Mengingat luasnya tanggung jawab direksi, sangat tidak mungkin untuk membahas seluruhnya. apakah menyelenggarakan RUPS merupakan fiduciary duty seorang direksi dari sudut pandang Undang-Undang No. 40 tahun 2007 tentang Perseroan Terbatas (“UUPT”). Dalam hukum perseroan, fiduciary duty mengandung arti dalam melaksanakan tugas dan wewenangnya untuk mengurus perseroan, direksi harus bertolak dari landasan bahwa tugas dan wewenang yang diperolehnya didasarkan pada dua prinsip. Kedua prinsip itu adalah kepercayaan yang diberikan perseroan dan prinsip yang merujuk kepada kemampuan dan kehati-hatian dari tindakan direksi.

<sup>41</sup> Direksi dan komisaris memiliki *duty of care*, yaitu kewajiban untuk memberikan kepedulian seoptimal mungkin kepada kepentingan perseroan sesuai dengan maksud dan tujuan perseroan (memperhatikan “*asas kepedulian*”).

keterbukaan kepada publik dan kewajiban bagi perusahaan untuk menjalankan perusahaannya dengan tidak merugikan publik. Jadi secara tidak langsung konsep CSR juga sebenarnya telah termuat dalam konsep *Corporate Governance*. Konsep CSR itu sendiri juga telah mengalami perubahan. Konsep CSR yang lama menyatakan bahwa perusahaan hanya mempunyai tanggung jawab kepada pemegang perusahaan.<sup>42</sup>

## 5. AMDAL (Analisis Mengenai Dampak Lingkungan)

AMDAL merupakan singkatan dari Analisis Mengenai Dampak Lingkungan. AMDAL merupakan kajian dampak besar dan penting terhadap lingkungan hidup, dibuat pada tahap perencanaan dan digunakan untuk pengambilan keputusan. Hal-hal yang dikaji dalam proses AMDAL: aspek fisik-kimia, ekologi, sosial-ekonomi, sosial-budaya, dan kesehatan masyarakat sebagai pelengkap studi kelayakan.<sup>43</sup>

AMDAL adalah kajian mengenai dampak besar dan penting untuk pengambilan keputusan suatu usaha dan/atau kegiatan yang direncanakan pada lingkungan hidup yang diperlukan bagi proses pengambilan keputusan tentang penyelenggaraan usaha dan/atau kegiatan (Peraturan Pemerintah No. 27 tahun 1999 tentang Analisis Mengenai Dampak Lingkungan).

AMDAL berguna untuk :

- a. Bahan bagi perencanaan pembangunan wilayah
- b. Membantu proses pengambilan keputusan tentang kelayakan lingkungan hidup dari rencana usaha dan/atau kegiatan
- c. Memberi masukan untuk penyusunan disain rinci teknis dari rencana usaha dan/atau kegiatan
- d. Memberi masukan untuk penyusunan rencana pengelolaan dan pemantauan lingkungan hidup

<sup>42</sup> Ridwan Khairandy, *op.cit.*

<sup>43</sup> [www.menlh.go.id/index.php?idx=amdalnet](http://www.menlh.go.id/index.php?idx=amdalnet)

- e. Memberi informasi bagi masyarakat atas dampak yang ditimbulkan dari suatu rencana usaha dan atau kegiatan<sup>44</sup>

Proses dan prosedur UPL(Upaya Pantau Lingkungan)-UKL (Upaya Kelola Lingkungan) tidak dilakukan seperti AMDAL tetapi dengan menggunakan formulir isian yang berisi :

- a. Identitas pemrakarsa
- b. Rencana usaha dan/atau kegiatan
- c. Dampak lingkungan yang akan terjadi
- d. Program pengelolaan dan pemantauan lingkungan hidup
- e. Tanda tangan dan cap

Formulir Isian diajukan pemrakarsa kegiatan kepada :

- a. Instansi yang bertanggungjawab di bidang pengelolaan lingkungan hidup Kabupaten/Kota untuk kegiatan yang berlokasi pada satu wilayah kabupaten/kota
- b. Instansi yang bertanggungjawab di bidang pengelolaan lingkungan hidup Propinsi untuk kegiatan yang berlokasi lebih dari satu Kabupaten/Kota
- c. Instansi yang bertanggungjawab di bidang pengelolaan lingkungan hidup dan pengendalian dampak lingkungan untuk kegiatan yang berlokasi lebih dari satu propinsi atau lintas batas negara

Rencana kegiatan yang sudah ditetapkan wajib menyusun AMDAL tidak lagi diwajibkan menyusun UKL-UPL (Keputusan Menteri LH 17/2001). UKL-UPL dikenakan bagi kegiatan yang telah diketahui teknologi dalam pengelolaan limbahnya. AMDAL dan Audit Lingkungan Hidup wajib bagi lingkungan yang sedang berjalan Bagi kegiatan yang telah berjalan dan belum memiliki dokumen pengelolaan lingkungan hidup sehingga dalam operasionalnya menyalahi peraturan perundangan di bidang lingkungan hidup, maka kegiatan tersebut tidak bisa dikenakan kewajiban AMDAL, untuk kasus seperti ini kegiatan tersebut dikenakan audit lingkungan hidup wajib sesuai keputusan Menteri Lingkungan Hidup Nomor

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<sup>44</sup> *Ibid.*

30 tahun 2001 tentang pedoman pelaksanaan Audit Lingkungan yang diwajibkan. audit lingkungan wajib merupakan dokumen lingkungan yang sifatnya spesifik, dimana kewajiban yang satu secara otomatis menghapuskan kewajiban lainnya kecuali terdapat kondisi-kondisi khusus yang aturan dan kebijakannya ditetapkan oleh Menteri Negara Lingkungan Hidup.<sup>45</sup>

Kegiatan dan/atau usaha yang sudah berjalan yang kemudian diwajibkan menyusun audit lingkungan tidak membutuhkan AMDAL baru dan audit lingkungan hidup, kegiatan yang telah memiliki AMDAL dan dalam operasionalnya menghendaki untuk ketaatan dalam pengelolaan lingkungan hidup dapat melakukan audit lingkungan secara sukarela yang merupakan alat pengelolaan dan pemantauan yang bersifat internal. Pelaksanaan Audit Lingkungan tersebut dapat mengacu pada Keputusan Menteri Negara Lingkungan Hidup Nomor 42 tahun 1994 tentang Panduan umum pelaksanaan Audit Lingkungan.

Penerapan perangkat pengelolaan lingkungan sukarela bagi kegiatan-kegiatan yang wajib AMDAL tidak secara otomatis membebaskan pemrakarsa dari kewajiban penyusunan dokumen AMDAL. Walau demikian dokumen-dokumen sukarela ini sangat didorong untuk disusun oleh pemrakarsa karena sifatnya akan sangat membantu efektifitas pelaksanaan pengelolaan lingkungan sekaligus dapat memperbaiki ketidaksempurnaan yang ada dalam dokumen AMDAL. Dokumen lingkungan yang bersifat sukarela ini sangat bermacam-macam dan sangat berguna bagi pemrakarsa, termasuk dalam melancarkan hubungan perdagangan dengan luar negeri. Dokumen-dokumen tersebut antara lain adalah audit lingkungan secara sukarela, dokumen-dokumen yang diatur dalam ISO 14000, dokumen-dokumen yang dipromosikan penyusunannya oleh asosiasi-asosiasi industri/bisnis, dan lainnya.<sup>46</sup>

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<sup>45</sup> *Ibid.*

<sup>46</sup> *Ibid.*

## B. PENANAMAN MODAL ASING DI INDONESIA

### 1. JENIS PENANAMAN MODAL DI INDONESIA

Pada dasarnya, Investasi dapat digolongkan berdasarkan aset, ekonomi, menurut sumbernya, dan cara penanamannya. Kelima hal tersebut disajikan berikut ini:

#### a. Investasi Berdasarkan Asetnya

Investasi berdasarkan asetnya merupakan penggolongan investasi aspek modal atau kekayaannya. Investasi berdasarkan asetnya dibagi menjadi dua jenis yaitu:

- a) *Real asset* merupakan investasi yang berwujud, seperti gedung-gedung, kendaraan dan sebagainya
- b) *Financial asset* *Financial Assets* merupakan dokumen (surat-surat) klaim tidak langsung pemegangnya terhadap aktivitas riil pihak yang menerbitkan sekuritas tersebut. Perbedaan lainnya terletak pada likuiditas, pengertian likuiditas disini adalah mudahnya mengkonversi sebagai suatu aset yang secara umum kurang likuid daripada aset keuangan. Hal ini disebabkan oleh sifat heterogennya dan khusus kegunaannya.<sup>47</sup>

#### b. Investasi Berdasarkan Pengaruhnya

Investasi berdasarkan pengaruhnya merupakan investasi berdasarkan pada faktor-faktor yang mempengaruhi atau tidak berpengaruh pada kegiatan investasi. Investasi berdasarkan pengaruhnya dibagi dua macam, yaitu sebagai berikut:

- a) Investasi *Autonomous* (berdiri sendiri) merupakan merupakan investasi yang tidak dipengaruhi tingkat pendapatan, bersifat spekulatif. misalnya, pembelian surat-surat berharga.
- b) Investasi *Induced* (mempengaruhi-menyebabkan) merupakan investasi yang dipengaruhi kenaikan permintaan akan barang dan

<sup>47</sup> Salim HS dan Budi Sutrisno. *Hukum Investasi Indonesia. Ed. 1-2. (Jakarta: Raja Grafindo Persada, 2008), hal. 36*

jasa serta tingkat pendapatan. Misalnya, penghasilan transitori, yaitu penghasilan yang didapat selain dari bekerja, seperti bunga dan sebagainya. Teori ini dikembangkan oleh Milton Friedman

c. Investasi Berdasarkan Sumber Pembiayaannya

Investasi berdasarkan sumber pembiayaannya (Undang-Undang Nomor 1 Tahun 1967) tentang Penanaman Modal Asing; Undang-Undang Nomor 11 Tahun 1968 tentang Penanaman Modal Dalam Negeri) Investasi berdasarkan sumber pembiayaannya merupakan investasi yang didasarkan pada asal-usul investasi itu diperoleh. Investasi ini dibagi dua macam, yaitu Investasi yang bersumber dari modal asing (PMA) dan Investasi yang bersumber dari modal dalam negeri (PMDN)

Investasi yang bersumber dari modal asing (PMA) merupakan investasi yang bersumber dari pembiayaan luar negeri. Sementara itu investasi yang bersumber dari modal dalam negeri (PMDN) merupakan investasi yang bersumber dari pembiayaan dalam negeri.<sup>48</sup>

d. Investasi Berdasarkan Bentuknya

Investasi berdasarkan bentuknya merupakan investasi yang didasarkan pada cara menanamkan investasinya. Investasi cara ini terdapat dua macam yaitu: investasi portofolio dan investasi langsung, Investasi langsung merupakan bentuk investasi dengan jalan yang membangun, membeli total atau mengakuisi perusahaan. Kelebihan penanaman modal asing atau *Foreign Direct Investment* (FDI) adalah: bersifat jangka panjang/ permanen, memberi andil dalam alih teknologi, member andil daam alih keterampilan dan membuka lapangan kerja baru.

Dampak positif *Foreign Direct Investment* (FDI) membuka lapangan kerja. Dengan adanya investasi, tenaga kerja yang terserap sangat banyak , seperti misalnya penanaman investasi di bidang tambang. Maka, jumlah tenaga kerja yang terserap dalam bidang ini sekitar 12.000 orang.

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<sup>48</sup> *Ibid.*

Sementara itu, untuk menanamkan investasi di bidang pasar modal, jumlah tenaga yang dibutuhkan sangat kecil.<sup>49</sup>

## 2. PAKET KEBIJAKAN PENANAMAN MODAL ASING

Tujuan utama Paket Kebijakan Modal Asing adalah untuk

- a. Meningkatkan kuantitas dan kualitas penanaman modal demi peningkatan pertumbuhan ekonomi, peningkatan kapasitas teknologi, penciptaan lapangan kerja, peningkatan ekspor, dan lain-lain.
- b. Peningkatan Iklim Investasi mengurangi ketidak pastian hukum dan berusaha mengurangi atau menghilangkan biaya tinggi, dan menciptakan atmosfer bisnis yang bersahabat.
- c. Mengundang kegiatan penanaman modal (termasuk penanaman modal asing), untuk memenuhi kebutuhan akan modal,teknologi, akses pasar, pengembangan sumber daya manusia, dan lain-lain<sup>50</sup>

## 3. PENANAMAN MODAL ASING BERDASARKAN UU NO 25 TAHUN 2007

Undang-Undang No.25 Tahun 2007 tentang penanaman modal telah disahkan oleh Presiden pada tanggal 26 April 2007. dengan bertujuan meningkatkan kuantitas dan kualitas penanaman modal antara lain:

- a. Peningkatan pertumbuhan ekonomi,peningkatan kapasitas teknologi,penciptaan lapangan kerja,peningkatan ekspor.
- b. Peningkatan Iklim Investasi memberikan kepastian hukum dan berusaha, menghilangkan biaya ekonomi tinggi.
- c. Mengundang kegiatan penanaman modal demi memenuhi kebutuhan modal, teknologi, akses pasar, pengembangan SDM.

Hak-Hak Penanam Modal adalah:

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<sup>49</sup>Edwaard, “Undang-Undang no 25 tahun 2007 tentang Penanaman Modal dari aspek kepentingan pelaku usaha” (makalah disampaikan pada seminar sehari tentang penanaman modal tentang kebijakan dan paket investasi,Jakarta 7 Agustus 2007)



- a. Mendapat Perlakuan sama
- b. Tidak ada nasionalisasi, kecuali dengan Undang-Undang
- c. Mengalihkan aset sesuai dengan peraturan perundang-undangan
- d. Melakukan repatriasi dan transfer dalam valuta asing
- e. Menggunakan tenaga ahli warga negara asing untuk jabatan dan keahlian tertentu
- f. Kegiatan Penanaman Modal demi kepastian hak, hukum, dan perlindungan, informasi mengenai bidang usaha, hak pelayanan dan fasilitas kemudahan.

Kewajiban Penanam Modal adalah, di bidang ketenagakerjaan investor wajib menggunakan tenaga kerja Warga Negara Indonesia, menyelenggarakan pelatihan kerja dan melakukan alih teknologi (dalam hal menggunakan tenaga ahli warga negara asing). Kegiatan Penanam Modal adalah, Menerapkan prinsip tata kelola perusahaan yang baik, melaksanakan tanggung jawab sosial, membuat laporan dan disampaikan kepada BKPM (Badan Koordinasi Penanaman Modal), menghormati tradisi budaya masyarakat sekitar, mematuhi peraturan perundang-undangan, wajib mengalokasikan dana untuk pemulihan lokasi (dalam hal penanaman modal yang mengusahakan sumber daya alam yang tidak terbarukan)<sup>51</sup> sedangkan tanggung jawab penanam modal adalah, menjamin tersedianya modal dari sumber yang tidak bertentangan dengan ketentuan peraturan perundang-undangan, menyelesaikan segala kewajiban dan kerugian jika investasi dihentikan atau ditelantarkan secara sepihak. Menciptakan iklim usaha persaingan yang sehat, menjaga kelestarian lingkungan hidup, mematuhi semua peraturan perundang-undangan. bidang usahanya adalah, semua bidang usaha atau jenis usaha terbuka kecuali yang dinyatakan tertutup dan terbuka dengan persyaratan.

Pemerintah menetapkan kriteria dan persyaratan bidang usaha yang tertutup dan yang terbuka dengan persyaratan, serta daftar bidang usaha yang tertutup dan yang terbuka dengan persyaratan. Masing-masing ditetapkan dalam Peraturan Presiden. Pemerintah menetapkan bidang usaha yang dicadangkan untuk usaha

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<sup>51</sup> *Ibid.*

mikro,kecil,menengah dan koperasi. Bentuk badan usaha dan kedudukan PMDN (Penanaman Modal Dalam Negeri), dilakukan dalam bentuk badan usaha berbadan hukum atau tidak berbadan hukum atau usaha perseorangan. PMA (Penanaman Modal Asing) wajib dalam bentuk perseroan terbatas, berdasarkan hukum Indonesia dan berkedudukan di Indonesia, kecuali ditentukan oleh Undang-Undang.

Sedangkan, Pengesahan dan Perizinan badan usaha dalam Penanaman Modal dilakukan sesuai dengan ketentuan peraturan perundang-undangan. Penanam Modal yang akan melakukan kegiatan usaha wajib memiliki izin yang didapat dari instansi yang berwenang melalui pelayanan terpadu satu pintu.<sup>52</sup>

Tujuan pelayanan terpadu satu pintu itu adalah, membantu dalam memperoleh kemudahan pelayanan,fasilitas fiskal dan informasi. Pelayanan terpadu satu pintu dilakukan oleh lembaga atau instansi yang berwenang di bidang penanaman modal yang mendapatkan pendelegasian atau pelimpahan wewenang dari lembaga atau instansi yang memiliki kewenangan.

Sedangkan di dalam koordinasi pelaksanaan kebijakan Penanaman Modal, koordinasi pelaksanaan kebijakan Penanaman Modal dilakukan oleh BKPM. Kepala BKPM diangkat, bertanggung jawab serta diberhentikan oleh presiden. ,BKPM melibatkan perwakilan secara langsung dari setiap sector dan daerah terkait dengan pejabat yang mempunyai kompetensi dan kewenangan. Tugas dan Fungsi BKPM adalah:

- a. Melaksanakan tugas dan koordinasi pelaksanaan kebijakan di bidang penanaman modal
- b. Mengkaji dan mengusulkan kebijakan pelayanan penanaman modal
- c. Menetapkan norma,standar dan prosedur pelaksanaan kegiatan dan pelayanan penanaman modal
- d. Mengembangkan peluang dan potensi penanaman modal di daerah dengan memberdayakan badan usaha.

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<sup>52</sup> *Ibid.*

- e. Membuat peta penanaman modal Indonesia
- f. Mempromosikan Penanaman Modal, mengembangkan sektor usaha penanaman modal, antara lain meningkatkan kemitraan, meningkatkan daya saing. Menciptakan persaingan usaha yang sehat dan menyebarkan informasi yang seluas-luasnya dalam lingkup penyelenggaraan penanaman modal.
- g. Membantu penyelesaian berbagai hambatan dan konsultasi permasalahan yang dihadapi penanam modal dalam menjalankan kegiatan penanaman modal.
- h. Mengkoordinasikan penanam modal dalam negeri yang menjalankan kegiatan penanaman modalnya di luar wilayah Indonesia.
- i. Mengkoordinasikan dan meaksanakan pelayanan terpadu satu pintu.

Fasilitas-Fasilitas yang diberikan kepada penanaman modal adalah melakukan perluasan usaha atau melakukan penanaman modal baru. Syarat-syarat penerima fasilitas dalam penanaman modal adalah menyerap banyak tenaga kerja, termasuk skala prioritas tinggi, termasuk pembangunan infrastruktur, melakukan alih teknoogi, melakukan industri pionir, berada di daerah terpencil, daerah tertinggi, daerah perbatasan, atau daerah lain yang dianggap perlu, menjaga kelestarian lingkungan hidup, bermitra dengan usaha mikro, kecil, menengah atau koperasi. Industri yang menggunakan barang modal/mesin/peralatan produksi dalam negeri.<sup>53</sup>

Sedangkan bentuk fasilitas lainnya adalah fasilitas fiskal yang merupakan, fasilitas pajak penghasilan melalui pengurangan penghasilan netto sampai tingkat tertentu terhadap jumlah penanaman modal yang dilakukan dalam waktu tertentu. Pembebasan/keringanan bea masuk atas impor barang modal, mesin/peralatan untuk keperluan produksi yang belum dapat diproduksi di dalam negeri.

Pembebasan/keringanan bea masuk bahan baku/bahan penolong untuk keperluan produksi baik untuk jangka waktu tertentu dan persyaratan tertentu, pembebasan/penangguhan Pajak Pertambahan Nilai atas impor

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<sup>53</sup> *Ibid.*

barang modal/mesin/peralatan untuk keperluan produksi yang belum dapat diproduksi di dalam negeri selama jangka waktu tertentu.

Penyusutan/amortisasi yang dapat dipercepat, keringanan Pajak Bumi dan Bangunan, khususnya untuk bidang usaha tertentu, pada wilayah atau daerah atau kawasan tertentu. Pembebasan atau pengurangan pajak penghasilan badan dalam jumlah dan waktu tertentu hanya dapat diberikan kepada penanaman modal baru yang merupakan Industri pionir, yaitu industri yang memiliki keterkaitan yang luas, memberi nilai tambah dan eksternalitas yang tinggi, memperkenalkan teknologi baru, serta memiliki nilai strategis bagi perekonomian nasional.<sup>54</sup>

Bagi penanaman modal yang sedang berlangsung yang melakukan penggantian mesin atau barang modal lainnya. Dapat diberikan fasilitas berupa keringanan atau pembebasan bea masuk, ketentuan lebih lanjut diatur dengan peraturan Menteri Keuangan.

Sedangkan fasilitas non-Fiskal terdiri dari:

a. Fasilitas Hak Atas Tanah adalah:

Dijelaskan pada Pasal 22 Undang-Undang Nomor 25 Tahun 2007 fasilitas itu adalah, Hak Guna Usaha yang dapat diberikan dengan jangka waktu 95 (sembilan puluh lima) tahun dengan cara dapat diperpanjang di muka sekaligus selama 60 (enam puluh) tahun dan dapat diperbaharui selama 35 (tiga puluh) tahun .

Hak Guna Bangunan dapat diberikan dengan jumlah 80 (delapan puluh) tahun dengan cara dapat diberikan dan diperpanjang dimuka sekaligus selama 50 (lima puluh) tahun dan dapat diperbarui selama 30 (tiga puluh) tahun.

Hak Pakai dapat diberikan dengan jumlah 70 (tujuh puluh) tahun dengan cara dapat diberikan dan diperpanjang di muka sekaligus selama 45 (empat puluh lima) tahun dan dapat diperbaharui selama 25 (dua puluh lima) tahun,

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<sup>54</sup> *Ibid.*

Persyaratan hak atas tanah dapat diberikan dan diperpanjang sekaligus antara dengan syarat, Penanaman modal tidak mengganggu rasa keadilan masyarakat dan tidak merugikan kepentingan umum yang dijelaskan

Penanaman modal yang dilakukan dalam jangka panjang dan terkait dengan perubahan struktur perekonomian Indonesia yang lebih berdaya saing, Penanaman modal dengan tingkat resiko penanaman modal yang memerlukan pengembalian modal dalam jangka panjang sesuai dengan jenis kegiatan penanaman modal yang dilakukan. Penanaman modal yang tidak memerlukan area yang luas, penanaman modal dengan menggunakan hak atas tanah negara, Hak atas tanah dapat diperbaharui setelah dilakukan evaluasi bahwa tanahnya masih digunakan dan diusahakan dengan baik sesuai dengan keadaan, sifat dan tujuan pemberian hak.<sup>55</sup>

Pemberian dan perpanjangan hak atas tanah yang diberikan sekaligus dimuka dan didapat dapat dihentikan/dibatalkan oleh pemerintah jika perusahaan penanaman modal menelantarkan tanah, merugikan kepentingan umum, menggunakan atau memanfaatkan tanah tidak sesuai dengan maksud dan tujuan pemberian hak atas tanahnya, serta melanggar ketentuan peraturan perundang-undangan di bidang pertanahan.

#### b. Fasilitas Pelayanan Keimigrasian

Fasilitas diberikan untuk penanaman modal yang membutuhkan tenaga kerja asing dalam merealisasikan penanaman modal. Penanaman modal yang membutuhkan tenaga kerja asing yang bersifat sementara dalam rangka perbaikan mesin, alat bantu produksi lainnya, dan pelayaran purnajual. Calon penanam modal yang akan melakukan peninjauan penanaman modal dilengkapi kemudahan pelayanan dan/atau perizinan atas fasilitas keimigrasian yang diberikan kepada penanaman modal setelah penanam modal mendapat rekomendasi dari Badan Koordinasi Penanaman Modal. PMA diberikan fasilitas

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<sup>55</sup> *Ibid.*

Pemberian izin tinggal terbatas bagi penanam modal asing selama 2 (dua) tahun. Pemberian alih status izin tinggal terbatas bagi penanam modal menjadi izin tinggal tetap dapat dilakukan setelah tinggal di Indonesia selama 2 (dua) tahun berturut-turut. Pemberian izin masuk kembali untuk beberapa kali perjalanan bagi pemegang izin tinggal terbatas dan dengan masa berlaku 1 (satu) tahun diberikan untuk jangka waktu paling lama 12 (dua belas) bulan terhitung sejak izin tinggal terbatas diberikan.<sup>56</sup>

Pemberian izin masuk kembali untuk beberapa kali perjalanan bagi pemegang izin tinggal tetap diberikan untuk jangka waktu paling lama 24 (dua puluh empat) bulan terhitung sejak izin tinggal tetap diberikan. Pemberian izin tinggal terbatas hingga 2 (dua) tahun. Pemberian Alih Status izin tinggal terbatas menjadi izin tinggal tetap, Pemberian izin masuk kembali untuk beberapa kali perjalanan bagi pemegang izin tinggal terbatas. Pemberian izin tinggal terbatas bagi Penanam Modal Asing dilakukan oleh Dirjen Imigrasi atas rekomendasi dari BKPM yaitu adalah,

c. Fasilitas Perizinan Impor

Fasilitas dapat diberikan untuk impor: Barang yang selama tidak bertentangan dengan ketentuan peraturan perundang-undangan yang mengatur perdagangan barang<sup>57</sup>

Barang yang tidak memberikan dampak negatif terhadap keselamatan, keamanan, kesehatan, lingkungan hidup dan moral bangsa. Barang dalam rangka relokasi pabrik dari luar negeri ke Indonesia. Barang modal atau bahan baku untuk kebutuhan produksi sendiri penyelenggaraan urusan penanaman modal yang ruang

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<sup>56</sup> *Ibid.*

<sup>57</sup> Undang-Undang No.25 Tahun 2007 Tentang Penanaman Modal dari Aspek Kepentingan Pelaku Usaha, Edward, Anggota Tim Investasi, Jakarta, 7 Agustus 2007

lingkupnya lintas provinsi berhadapan langsung dengan Pengelolaan oleh Pemerintah Pusat.

Penanaman Modal yang ruang lingkupnya lintas kabupaten/kota Pemerintah berhadapan langsung dengan Pengelolaan oleh Pemerintah Provinsi Penanaman modal yang ruang lingkupnya berada dalam satu kabupaten/kota berhadapan langsung dengan pemerintah kabupaten/kota. Sedangkan kewenangan pemerintah adalah terhadap investasi yang terkait dengan: sumber daya alam yang tidak terbarukan dengan tingkat resiko kerusakan lingkungan yang tinggi bidang Industri yang merupakan prioritas tinggi pada skala nasional. Jika menurut pelaksanaan strategi pertahanan dan keamanan nasional pada bidang penanaman modal yang menjadi urusan Pemerintah menurut undang-undang penyelesaian sengketa di bidang penanaman modal yaitu adalah:

1. Musyawarah Mufakat
2. Arbitrase/Alternatif Penyelesaian Sengketa/ Pengadilan

Dalam investasi berdasarkan kontrak kerja dengan pemerintah, jika ditemukan adanya kejahatan korporasi maka pemerintah dapat mengakhiri perjanjian/kontrak kerja sama tersebut. Jika penanam modal yang tidak memenuhi kewajibannya dapat dikenakan sanksi administratif, yaitu peringatan tertulis, pembatasan kegiatan usaha, pembekuan kegiatan usaha dan/atau fasilitas, pencabutan kegiatan usaha dan/atau fasilitas. Sanksi administratif diberikan oleh lembaga yang berwenang sesuai dengan ketentuan peraturan perundang-undangan. Selain dikenai sanksi administratif, badan usaha atau usaha perseorangan dapat dikenai sanksi lain sesuai dengan peraturan perundang-undangan.

Pada dasarnya, semua bidang usaha terbuka bagi penanam modal, kecuali bidang usaha yang tertutup dan bidang usaha yang terbuka dengan persyaratan. Bidang usaha yang tertutup adalah jenis usaha

tertentu yang dilarang diusahakan sebagai kegiatan penanaman modal baik oleh penanam modal dalam negeri ataupun oleh penanam modal asing, kecuali oleh negara<sup>58</sup> bidang usaha yang terbuka dengan persyaratan adalah jenis usaha tertentu yang dapat diusahakan sebagai kegiatan penanam modal dengan persyaratan tertentu oleh penanam modal dalam negeri dan/atau penanam modal asing dan/atau BUMN/BUMD/BHMN. Persyaratan bidang usaha yang terbuka dengan persyaratan adalah, berbentuk kemitraan, kepemilikan modal, karakteristik modal yang menyangkut skala usaha, atau lokasi penanaman modal atau perizinan khusus.

d. Prinsip-Prinsip Dasar Penanaman Modal:

- 1) Non Diskriminasi secara nasional untuk daftar tertutup (daftar tertutup berlaku secara nasional)
- 2) Penyederhanaan (cakupan yang semakin sempit dalam penanaman modal)
- 3) Kepatuhan terhadap Perjanjian Internasional (tidak bertentangan dengan kewajiban-kewajiban Indonesia yang termuat dalam perjanjian-perjanjian internasional seperti WTO, ASEAN)
- 4) Transparansi
- 5) Kepastian Hukum
- 6) Kesatuan Wilayah Indonesia sebagai Pasar Tunggal (kebebasan aliran barang, jasa, modal, sumber daya manusia dan informasi dalam kawasan Indonesia)

Pemerintah berdasarkan Peraturan Presiden menetapkan bidang usaha yang tertutup untuk penanaman modal baik asing maupun dalam negeri, dengan berdasarkan kriteria:<sup>59</sup>

- 1) Kesehatan

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<sup>58</sup> *Ibid.*

<sup>59</sup> *Ibid.*



- 2) Moral
- 3) Kebudayaan
- 4) Lingkungan Hidup
- 5) Pertahanan dan Keamanan Nasional, Serta kepentingan Nasional lainnya.

Pemerintah menetapkan bidang usaha yang terbuka dengan persyaratan berdasarkan kriteria kepentingan nasional yaitu:

- 1) Perlindungan Sumber Daya Alam
- 2) Perlindungan Pengembangan Usaha Mikro, Kecil, Menengah dan Koperasi
- 3) Pengawasan Produksi dan Distribusi
- 4) Peningkatan Kapasitas Teknologi
- 5) Partisipasi Modal Dalam Negeri
- 6) Kerjasama dengan badan usaha yang ditunjuk oleh Pemerintah
- 7) Kepemilikan Modal, lokasi penanaman modal
- 8) Perizinan Khusus (rekomendasi dari instansi yang berwenang sebagai prasyarat pembentukan perusahaan)
- 9) Dicadangkan untuk Usaha Mikro, Kecil Menengah dan Koperasi (bidang usaha yang memenuhi persyaratan skala usaha Mikro, Kecil Menengah dan Koperasi. Disamping bidang-bidang usaha yang dicadangkan hanya untuk usaha mikro kecil menengah dan koperasi ada bagian dari bidang usaha tersebut bekerjasama dengan perusahaan Mikro, Kecil Menengah dan Koperasi yang bergerak dalam bidang usaha tersebut.
- 10) Kemitraan dengan usaha Mikro, Kecil, Menengah dan Koperasi (Kerjasama usaha antara usaha Mikro, Kecil Menengah dan Koperasi dengan usaha besar disertai pembinaan dan pengembangan oleh usaha besar dengan memperhatikan prinsip

saling memerlukan, saling memperkuat dan saling menguntungkan)<sup>60</sup>

Mekanismenya bidang usaha yang terbuka dengan persyaratan berdasarkan kriteria kepentingan nasional adalah :

Penyusunan dan penyempurnaan bidang usaha yang tertutup dan bidang usaha yang terbuka dengan persyaratan dikoordinasikan oleh Kementerian Koordinator Bidang Perekonomian.

Menteri atau Pimpinan Instansi terkait mengusulkan bidang usaha yang tertutup dan bidang usaha yang terbuka dengan persyaratan beserta pembuktian kepada Menteri Koordinator Bidang Perekonomian dengan Menggunakan kriteria dan pertimbangan tertentu. Kementerian Koordinator Bidang Perekonomian membentuk tim antar departemen guna menilai, menyusun, mengevaluasi dan menyempurnakan daftar bidang usaha yang terbuka dengan persyaratan. Usulan bidang usaha yang tertutup dan terbuka dengan persyaratan wajib dilengkapi dengan pembuktian bahwa:

- 1) Mekanisme Pasar tidak efektif dalam mencapai kepentingan nasional
- 2) Kepentingan nasional tidak dapat dilindungi dengan lebih baik melalui instrumen kebijakan lain
- 3) Mekanisme bidang usaha yang tertutup dan terbuka dengan persyaratan adalah efektif untuk melindungi kepentingan nasional, dan atau
- 4) Manfaat pelaksanaan mekanisme bidang usaha yang tertutup dan terbuka dengan persyaratan melebihi biaya yang ditimbulkan bagi ekonomi Indonesia<sup>61</sup>

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<sup>60</sup> *Ibid.*

<sup>61</sup> *Ibid.*

Daftar bidang usaha yang tertutup dan bidang usaha yang terbuka dengan persyaratan wajib dipublikasikan secara terbuka di area publik, baik publikasi cetak maupun elektronik yang dapat diakses dari situs Pemerintah Indonesia. Setiap bidang usaha yang tertutup dan terbuka dengan persyaratan ditetapkan melalui Peraturan Presiden baru yang merupakan peraturan satu-satunya tentang daftar bidang usaha yang tertutup dan terbuka dengan persyaratan.

### C. PROSEDUR PENANAMAN MODAL ASING DI INDONESIA ALUR DAN PROSES DI BADAN KOORDINASI PENANAMAN MODAL

1. Proses Penanaman Modal Persetujuan/Perizinan Perusahaan dalam rangka Penanaman Modal (PMA/PMDN) di Indonesia, Pelayanan Terpadu di Pusat (Persetujuan Prinsip dan Persetujuan Pelaksanaan di Pusat)<sup>62</sup> Permohonan Penanaman Modal dalam Negeri (untuk sektor – sektor tertentu diperlukan rekomendasi departemen teknis terkait) Dari Badan Koordinasi Penanaman Modal (BKPM) dilanjutkan dengan memperoleh Surat Persetujuan Penanaman modal dalam negeri dengan jangka waktu Maksimal 10 hari dari BKPM diperoleh 1.APIT (Angka Pengenal Importir Terbatas) 2.RPTK (Rencana Penggunaan Tenaga Kerja) 3.TA.01 (Rekomendasi Visa Tenaga Kerja Asing) 4.IMTA (Izin Menggunakan Tenaga Kerja Asing) ((1-4) dengan Maksimal waktu 5. Hari 5.SP (Surat Persetujuan).Pabean Barang Modal/Bahan Baku (Maksimal 14 Hari) Permohonan Penanaman Modal Asing (untuk sektor – sektor tertentu diperlukan rekomendasi Departemen teknis terkait)
2. Dari BKPM (Badan Kordinasi Penanaman Modal) mendapatkan Surat Persetujuan PMA (Penanaman Modal Asing) dengan Surat Persetujuan Penanaman Modal Asing jangka waktu Maksimalnya adalah 10 Hari, diperlukan syarat-syarat dan izin-izin dari instansi lain: 1.Akte Notaris, 2.Depkumham, 3.NPWP dari Dirjen Pajak, 4.Kitas (Kartu Izin Tinggal Sementara) (Depnakertrans), izin usaha tetap (diajukan saat perusahaan melakukan produksi komersial)

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<sup>62</sup> *Ibid.*

Perizinan Pelaksanaan di daerah: Surat.Persetujuan Penanaman Modal Asing (maksimal 10 hari) dilanjutkan untuk mendapatkan Instansi Penanaman Modal Propinsi/kabupaten/ kota untuk mendapatkan izin lokasi, izin mendirikan bangunan, izin undang-undang gangguan, hak atas tanah, izin amdal selanjutnya diajukan ke BKPM dengan izin usaha tetap maksimal 10 hari untuk mendapatkan produksi komersial

### 3. Alur Pengajuan Aplikasi Model I/ Penanaman Modal Asing

langkah-langkah yang harus dicermati Investor dengan lama proses 10 hari kerja. Investor harus mencermati bidang usahanya tertutup atau bidang usaha terbuka, untuk mengetahui apakah terdapat syarat rekomendasi, ataukah terdapat syarat sebagai saham nasional<sup>63</sup>

Dengan aplikasi model I/Penanaman Modal Asing (dilampiri dengan semua persyaratan) melakukan *Self Assessment (check list)* di *Front Office* (Penelitian Dokumen Aplikasi oleh Petugas) dan disetujui (Investor mendapatkan tanda terima Aplikasi Model I/Penanaman Modal Asing) dengan Aplikasi Model I/ Penanaman Modal Asing (lengkap) dilaporkan kepada *Back Office* yakni, Proses Aplikasi dan penerbitan surat persetujuan dan tata usaha pemberian nomor surat persetujuan kepada Investor.

Investor harus mencermati bidang usahanya tertutup atau bidang usaha terbuka, apakah terdapat syarat rekomendasi ? ataukah terdapat syarat saham nasional ?

Dengan aplikasi model I/Penanaman Modal Asing (dilampiri dengan semua persyaratan) dilakukan *Self Assessment (check list)* diajukan kepada *Front Office* (Penelitian Dokumen Aplikasi oleh Petugas) jika tidak disetujui maka Aplikasi belum lengkap diberi catatan atas kekurangan data dan diberikan kepada Investor.

Persyaratan Permohonan baru dalam rangka Penanaman Modal Asing (Model I/PMA) dapat diajukan oleh:

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<sup>63</sup> *Ibid.*

- a. Warga Negara Asing dan/atau Badan Hukum Asing dan/atau perusahaan PMA (Penanaman Modal Asing)
- b. Warga Negara Asing dan/atau Badan Hukum Asing dan/atau perusahaan PMA (Penanaman Modal Asing), dilampiri dengan:
  - 1) Peserta WNA dan/atau Badan Hukum Asing:
    - a) Akta pendirian perusahaan dan perubahannya dalam Bahasa Inggris/Bahasa Indonesia
    - b) Rekaman Paspor yang masih berlaku bagi perorangan<sup>64</sup>
  - 2) Peserta Asing Badan Hukum Indonesia (Perusahaan PMA)
    - a) Akta Pendirian Perusahaan dan perubahannya
    - b) Rekaman NPWP (Nomor Pokok Wajib Pajak)
  - 3) Peserta WNI dan/atau Badan Hukum Indonesia
    - a) Akta Pendirian Perusahaan dan Perubahannya atau Kartu Tanda Penduduk bagi perorangan
    - b) Rekaman NPWP (Nomor Pokok Wajib pajak)

Ditambahkan dengan melampirkan surat kuasa dari yang berhak apabila penanda tangan bukan pemohon sendiri, uraian rencana kegiatan

- a. Uraian Proses Produksi yang dilengkapi dengan akhir proses (*flow chart*) Serta mencantumkan Jenis Bahan Baku/Bahan Penolong bagi Industri Pengolahan
- b. Uraian kegiatan usaha bagi kegiatan di bidang jasa, disertai dengan Rekomendasi/Penetapan/ Izin Prinsip, sesuai ketentuan sektoral tertentu seperti yang tercantum dalam buku Petunjuk Teknis Pelaksanaan Penanaman Modal (PT .PPM)

Khusus sektor pertambangan yang merupakan kegiatan ekstraksi, sektor energi, sektor perkebunan kelapa sawit dan sektor perikanan harus mendapat rekomendasi dari instansi yang terkait. Khusus untuk bidang usaha industri

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<sup>64</sup> *Ibid.*

pengolahan hasil perkebunan Kelapa Sawit yang bahan bakunya tidak berasal dari kebun sendiri, harus dilengkapi dengan jaminan bahan baku dari pihak lain yang diketahui oleh dinas perkebunan Kabupaten/Kota setempat. Bagi badan usaha yang dipersyaratkan kemitraan, harus adanya kesepakatan/ Perjanjian Kerjasama tertulis mengenai kesepakatan bermitra dengan usaha kecil, yang antara lain memuat nama dan alamat masing-masing pihak, pola kemitraan yang akan digunakan, hak dan kewajiban masing-masing pihak dan bentuk pembinaan kepada usaha kecil<sup>65</sup> Surat Pernyataan diatas meterai dari usaha kecil yang menerangkan bahwa yang bersangkutan memenuhi kriteria usaha kecil sesuai Undang-Undang nomor 9 tahun 1995

4. Alur Pengajuan Aplikasi Model I/PMDN (Penanaman Modal dalam Negeri) dengan jangka waktu maksimal 10 hari kerja

Apakah bidang usaha Investor bersifat terbuka? adakah terdapat syarat rekomendasi? melakukan pembuatan permohonan Aplikasi model I/Penanaman Modal Dalam Negeri melakukan *Self Assessment (check list)* diajukan kepada *Front Office* (Penelitian Dokumen Aplikasi oleh Petugas) jika Disetujui maka Investor menerima tanda terima Aplikasi Model I/PMDN dan bila Aplikasi Model I Penanaman Modal Dalam Negeri telah lengkap diberikan kepada *Back Office*, Proses Aplikasi dan Penerbitan Surat Persetujuan sebagai Pemberian nomor surat persetujuan pada tata usaha kepada Investor. Jika bidang usaha Investor bersifat terbuka? Adakah terdapat syarat rekomendasi? selanjutnya Membuat permohonan Aplikasi model I/Penanaman Modal Dalam Negeri dilanjutkan dengan *Self Assessment (check list)* diberikan kepada *Front Office* (Penelitian Dokumen Aplikasi oleh Petugas) jika Tidak Disetujui karena Aplikasi belum lengkap diberi catatan atas kekurangan data kepada Investor<sup>66</sup>

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<sup>65</sup> *Ibid.*

<sup>66</sup> *Ibid.*

5. Persyaratan Permohonan baru dalam rangka penanaman modal dalam negeri (model I/PMDN)

Dapat diajukan oleh PT, CV, Firma (Fa), Koperasi, BUMN, BUMD, Perorangan  
Diajukan 2 (dua) rangkap menggunakan formulir model I/PMDN dilampiri dengan:

a. Bukti diri pemohon

1. Rekaman Akta Pendirian Perusahaan dan Perubahannya bagi PT, BUMN/ BUMD, CV, Firma
2. Rekaman Anggaran Dasar bagi Badan usaha Koperasi
3. Rekaman Kartu Tanda Penduduk (KTP) bagi perorangan

b. Surat Kuasa dari yang berhak apabila Penandatanganan bukan pemohon sendiri

c. Rekaman NPWP (Nomor Pokok Wajib Pajak)

d. Uraian Rencana Kegiatan;

Uraian proses produksi yang dilengkapi dengan alir proses (*flow chart*) serta mencantumkan jenis/bahan baku/bahan penolong bagi industri pengolahan, uraian kegiatan usaha, bagi kegiatan di bidang usaha jasa

e. Rekomendasi/ Penetapan

Rekomendasi/ Penetapan/ Izin Prinsip sesuai ketentuan sektoral tertentu, seperti yang tercantum di dalam buku petunjuk teknis Penanaman Modal (PT PPM)

f. Khusus sektor pertambangan yang merupakan kegiatan ekstraksi, sektor energi, sektor perkebunan, kelapa sawit dan sektor perikanan. Harus mendapat rekomendasi dari instansi yang bersangkutan.<sup>67</sup>

g. Khusus untuk bidang usaha Industri Pengolahan hasil perkebunan kelapa sawit yang bahan bakunya tidak berasal dari kebun sendiri harus dilengkapi

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<sup>67</sup> *Ibid.*

dengan jaminan bahan baku dari pihak lain yang diketahui oleh dinas perkebunan/ kota setempat.<sup>68</sup>

h. Bagi bidang usaha yang dipersyaratkan kemitraan:

Tertulis mengenai kesepakatan bermitra dengan usaha kecil, yang antara lain memuat nama dan alamat masing-masing pihak, pola kemitraan yang akan digunakan hak dan kewajibannya. Hak dan Kewajiban masing-masing pihak, dan bentuk pembinaan yang diberikan kepada usaha kecil.

- i. Akta Pendirian atau perubahannya/ Risalah Rapat Umum Pemegang Saham (RUPS) mengenai penyertaan usaha kecil sebagai pemegang saham apabila kemitraan dalam bentuk penyertaan saham
- j. Surat Pernyataan diatas meterai dari usaha kecil yang menerangkan bahwa yang bersangkutan memenuhi kriteria usaha sesuai Undang-Undang nomor 9 tahun 1995.

6. Alur Pengajuan aplikasi perluasan model II/Penanaman Modall (Maksimal 10 Hari Kerja )

Investor mencermati adakah bidang usaha terbuka atau terdapat syarat rekomendasi untuk mendapatkan Aplikasi Model II PMA (Penanaman Modal Asing) atau dilampiri dengan kelengkapan semua persyaratan. persyaratan permohonan perluasan dalam Rangka PMA (Penanaman Modal Asing) Model II/PMA Diajukan oleh perusahaan yang telah berproduksi rangkap 2 (dua), dilengkapi dengan:<sup>69</sup>

- a. Rekaman IUT (Izin Usaha Tetap) atas proyek sebelumnya atau surat pernyataan telah berproduksi, komentar yang diketahui oleh pengelola kawasan Industri (bagi yang berlokasi di kawasan Industri), surat persetujuan penanaman modal atas proyek sebelumnya kecuali:
  - 1) Proyek perluasan yang dimohonkan berbeda lokasi

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<sup>68</sup> *Ibid.*

<sup>69</sup> *Ibid.*



- 2) Proyek perluasan yang dimohonkan berbeda lokasi dan jenis kegiatan usahanya
- b. Uraian proses produksi proyek perluasan dilengkapi dengan diagram alir proses dan mencantumkan jenis bahan baku penolong bagi Industri pengolahan atau uraian kegiatan usaha bagi kegiatan bidang usaha yang berbeda dari proyek sebelumnya
  - c. Rekaman LKPM (Laporan Kegiatan Penanaman Modal) periode terakhir
  - d. Surat kuasa dari yang berwenang apabila penandatanganan permohonan bukan oleh direksi/pimpinan perusahaan
  - e. Bagi bidang usaha yang dipersyaratkan kemitraan:
    - 1) Kesepakatan/perjanjian kerjasama bermitra dengan usaha kecil yang memuat:
      - a) Nama dan alamat para pihak
      - b) Pola dan kemitraan yang akan digunakan
      - c) Hak dan kewajiban para pihak
      - d) Bentuk dan pembinaan yang diberikan kepada usaha kecil
    - 2) Bukti kesediaan perusahaan untuk mensyaratkan usaha kecil sebagai pemegang saham apabila kemitraan dalam bentuk penyertaan saham.
    - 3) Surat pernyataan di atas meterai dari usaha kecil yang sesuai dengan Undang-Undang nomor 9/1995.
    - 4) Penetapan/Izin prinsip-prinsip sesuai ketentuan sektoral tertentu. Seperti yang tercantum dalam buku Petunjuk Teknis Pelaksanaan Penanaman Modal (PT PPM)
    - 5) Khusus dalam rangka Penanaman Modal Asing (PMA)
    - 6) Surat Persetujuan BKPM dan Akta Notaris yang mencantumkan pemegang saham yang terakhir<sup>70</sup>
    - 7) Rekaman RUPS yang dibuat/ diketahui keasliannya oleh Notaris/ cara lain yang ditetapkan dalam Anggaran Dasar Perseroan apabila terjadi perubahan permodalan dalam perseroan

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<sup>70</sup> *Ibid.*

7. Alur Pengajuan Aplikasi Perluasan Model II/ Penanaman Modal dalam Negeri (Maksimal 10 Hari Kerja)

Investor Mencermati apakah bidang usahanya terbuka? atukah ada surat rekomendasi untuk memberikan aplikasi perluasan model II/PMDN dilengkapi semua syarat dan melakukan pemeriksaan sendiri dilanjutkan oleh *Front Office*, Jika disetujui mendapat tanda terima Aplikasi yang diberikan kepada investor dan dokumen diteliti oleh petugas jika Aplikasi lengkap maka *Back office* melakukan proses Aplikasi selanjutnya dan menerbitkan surat persetujuan dan memberikannya kepada Investor. Persyaratan permohonan perluasan dalam rangka PMDN (Model II/PMDN)

Diajukan oleh perusahaan yang telah berproduksi rangkap 2 (dua) yang dilampiri dengan;

- a. Rekaman IUT (Izin Usaha Tetap) atas proyek sebelumnya atau surat pernyataan telah berproduksi komersial yang diketahui oleh pengelola kawasan Industri (bagi yang berlokasi di kawasan industri) atau surat persetujuan penanaman modal atas proyek sebelumnya kecuali:
- b. Proyek perluasan yang dimohonkan berbeda lokasi
- c. Proyek perluasan yang dimohonkan berbeda jenis kegiatan usahanya<sup>71</sup> Uraian proses produksi proyek perluasan dilengkapi dengan diagram alir proses dan mencantumkan jenis bahan baku, penolong bagi Industri pengolahan atau uraian kegiatan usaha bagi kegiatan bidang usaha jasa untuk/ bidang usaha yang berbeda dari proyek sebelumnya dilengkapi dengan Rekaman LKPM periode terakhir, Surat Kuasa yang berwenang apabila penandatanganan Permohonan bukan oleh Direksi/ Pimpinan Perusahaan, sedangkan

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<sup>71</sup> *Ibid.*

bagi bidang usaha yang dipersyaratkan kemitraan harus dilengkapi dengan:

- 1) Kesepakatan/ Perjanjian Kerja Sama bermitra dengan usaha kecil yang memuat :
    - a) Nama dan Alamat Para Pihak
    - b) Pola kemitraan yang akan digunakan
    - c) Hak dan Kewajiban Para Pihak
    - d) Bentuk Pembinaan yang diberikan kepada usaha kecil
  - d. Bukti kesediaan perusahaan untuk mensyaratkan Usaha Kecil sebagai pemegang saham dalam bentuk akta pendirian dan perubahannya/ Risalah RUPS atau cara lain yang ditetapkan dalam Anggaran Dasar perseroan mengenai penyertaan usaha kecil sebagai pemegang saham/ apabila kemitraan dalam bentuk penyertaan saham.<sup>72</sup>
  - e. Surat Penyertaan diatas meterai dari Usaha Kecil yang memenuhi kriteria dengan Undang-Undang nomor 9 Tahun 1995
  - f. Rekomendasi/ Penetapan/Izin Prinsip sesuai ketentuan sektoral tertentu, sesuai dengan Petunjuk Teknis Pelaksanaan Penanaman Modal (PTPM)
8. Alur Pengajuan Aplikasi Model III (lama proses maksimal 7 hari kerja)

Investor melakukan evaluasi sudah adakah RUPS yang dibuat/ disahkan Notaris? atau telah terjadi perubahan saham selanjutnya Investor mengisi Aplikasi model 3/III dan melakukan *Self Assessment (Check List)* dilanjutkan kepada *Front Office* untuk dilakukan Penelitian Dokumen Aplikasi oleh petugas, selanjutnya jika disetujui investor mendapatkan tanda terima aplikasi (jika belum lengkap, investor diberi catatan atas kekurangan data) dilanjutkan dengan memperoleh Aplikasi model III yang diberikan kepada *Back Office* proses

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<sup>72</sup> *Ibid.*

Aplikasi dan penerbitan surat persetujuan (SP) yang diberikan kepada tata usaha pemberian nomor Surat Persetujuan kepada Investor

Persyaratan Permohonan Perubahan Lainnya (Model III) Diajukan 2 (dua) rangkap dilampiri dengan:

- a. Rekaman surat persetujuan (SP) PMDN/PMA dan perubahannya serta Izin Usaha Tetap (IUT). Bagi perusahaan yang telah berproduksi komersial
- b. Akta Pendirian beserta perubahannya
- c. Surat Kuasa dari yang berhak apabila penandatanganan permohonan bukan oleh direksi / pimpinan perusahaan
- d. Rekaman Laporan Kegiatan Penanaman Modal periode terakhir
- e. Bagi perubahan lokasi harus memberikan alasan penggunaan tanah jika terdapat penambahan tanah
- f. Perubahan pimpinan perusahaan, rekaman RUPS yang dibuat/ diketahui keasliannya oleh notaris atau cara lain, sesuai dengan Anggaran Dasar Perseroan, tentang persetujuan perubahan pemilikan saham susunan pimpinan perusahaan terakhir dicantumkan pada Akta Notaris <sup>73</sup> bagi pemegang saham terbaru syarat kelengkapannya adalah,
  - 1) Rekaman Akta Pendirian dan Perubahannya, serta Rekaman NPWP bagi badan Hukum Indonesia
  - 2) Rekaman KTP yang masih berlaku serta NPWP bagi perorangan WNI
  - 3) Rekaman Paspor yang masih berlaku bagi perorangan WNA
  - 4) Rekaman Akta Pendirian dengan salinan dengan copy perubahannya yang diterjemahkan dalam Bahasa Indonesia atau Bahasa Inggris
  - 5) Bagi perubahan Bidang Usaha / Jenis Produksi

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<sup>73</sup> *Ibid.*

- 6) Uraian proses produksi tersebut dilengkapi dengan aliran proses bagi bidang usaha/ jenis produksi, rekomendasi/ penetapan izin prinsip sesuai ketentuan sektoral tertentu seperti yang tercantum dalam buku petunjuk penanaman modal
- 7) Khusus untuk perusahaan kontrak kerja harus mendapatkan rekomendasi dari Departemen Energi dan Sumber Daya Mineral terlebih dahulu.

#### Persyaratan Perubahan Status Perusahaan Penanaman Modal Asing menjadi PMDN (Model IIIA)

Perusahaan PMA (Penanaman Modal Asing) menjadi PMDN (Penanaman Modal Dalam Negeri), Perusahaan PMA yang seluruh sahamnya telah dimiliki oleh peserta atau pemegang saham, Indonesia wajib mengajukan Permohonan Status menjadi PMDN, Permohonan diajukan 2 (dua) rangkap menggunakan Form Model III/A dilampiri dengan:<sup>74</sup>

- a. Rekaman Surat Persetujuan PMA (Penanaman Modal Asing) serta perubahannya/ rekaman Izin Usaha Tetap (IUT) bagi perusahaan yang telah berproduksi
- b. Rekaman Akta Pendirian Perusahaan serta perubahannya
- c. Rekaman RUPS yang dibuat atau diketahui keasliannya oleh Notaris atau dengan cara lain sesuai ketentuan Anggaran Dasar perseroan yang menyetujui pengalihan saham dan perubahan statusnya menjadi PMDN (Penanaman Modal Dalam Negeri)
- d. Rekaman Akta/ Bukti Perusahaan yang telah disahkan Departemen Hukum dan Hak Asasi Manusia serta perubahan. NPWP bagi perusahaan (Badan Hukum) serta KTP dan NPWP bagi perorangan
- e. Surat Kuasa dari yang berwenang jika penandatanganan permohonan bukan direksi/ pimpinan perusahaan

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<sup>74</sup> *Ibid.*

f. Rekaman Laporan Kegiatan Penanaman Modal Periode terakhir

9. Pengajuan Aplikasi Model IIIA adalah Perubahan status menjadi PMDN (Penanaman Modal Dalam Negeri) dengan Maksimal 7 hari kerja

Investor melakukan evaluasi adakah terdapat akta jual-beli saham dengan Aplikasi model III A dengan syarat lengkap melakukan *Self Assessment* yang selanjutnya diberikan kepada *Front Office*, Jika disetujui maka investor mendapat tanda terima Aplikasi model IIIA, Jika belum disetujui maka tata usaha memberikan catatan kurang data kepada investor. untuk Penerbitan Surat Persetujuan (*Back Office*) maka tata usaha memberikan nomor tertentu kepada Investor

10. Alur Pengajuan Aplikasi Model III/B (Perubahan status Menjadi Perusahaan Penanaman Modal Asing) Maksimal 7 hari kerja

Investor melakukan evaluasi apakah bidang usahanya bersifat terbuka? adakah syarat memiliki kepemilikan saham nasional yang mengisi Aplikasi model III/B dengan syarat lengkap hingga dilakukan *Self Assessment (Check List)* sehingga *Front Office* melakukan penelitian Aplikasi oleh petugas jika disetujui maka Investor mendapat tanda terima Aplikasi (Jika belum disetujui karena Aplikasi belum lengkap diberi catatan atas kekurangan data yang ada) dan memperoleh Aplikasi Model III/ B lengkap diberikan kepada *Back Office* untuk memberikan proses Aplikasi dan penerbitan Surat Persetujuan maka tata usaha memberikan nomor surat persetujuan kepada Investor.

Persyaratan Perubahan Status Perusahaan PMDN/Non PMDN/ PMA menjadi Perusahaan Penanaman Modal Asing Model III/B adalah,<sup>75</sup>

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<sup>75</sup> *Ibid.*

- a. Perubahan status Perusahaan menjadi Perusahaan Penanaman Modal Asing hanya dapat dilakukan apabila bidang usahanya terbuka bagi Perusahaan Penanaman Modal Asing
- b. Permohonan wajib diajukan oleh perusahaan Penanaman Modal Dalam Negeri (PMDN)/ Non Penanaman Modal Dalam Negeri (Non PMDN)/ Penanaman Modal Asing yang telah berbadan hukum asing dan/ atau oleh Warga Negara Asing
- c. Permohonan diajukan rangkap 2 (dua) dilampiri dengan:
  - 1) Dokumen Perusahaan PMDN (Penanaman Modal Dalam Negeri) yang menjual saham
  - 2) Rekaman Surat Persetujuan PMDN serta perubahannya atau rekaman IUT (Izin Usaha Tetap) bagi perusahaan yang telah berproduksi
  - 3) Rekaman Akta pendirian perusahaan yang telah disahkan Departemen Hukum dan Hak Asasi Manusia serta perubahannya bagi perusahaan yang belum berproduksi
  - 4) Rekaman RUPS yang dibuat/ diketahui keasliannya oleh notaris atau cara lain sesuai Anggaran Dasar Perseroan yang menyetujui penjualan saham dan perubahan status perusahaan menjadi Perusahaan Penanaman Modal Asing (PMA)
  - 5) Rekaman Laporan Kegiatan Penanaman Modal Periode terakhir
  - 6) Surat Kuasa dari yang berwenang apabila penandatanganan permohonan bukan dilakukan oleh direksi/pimpinan perusahaan

Sedangkan Dokumen Perusahaan non PMDN/ PMA yang menjual sahamnya meliputi:

- 1) Rekaman Akta Pendirian Perusahaan yang telah disahkan oleh Departemen Hukum dan Hak Asasi Manusia serta perubahannya

- 2) Rekaman Persetujuan Prinsip dari Departemen teknis bagi Perusahaan yang belum berproduksi/ Izin Usaha Tetap (IUT) bagi perusahaan yang telah berproduksi<sup>76</sup>
- 3) Rekaman RUPS yang dibuat/ diketahui keasliannya oleh notaris atau cara lain sesuai dengan ketentuan Anggaran Dasar Perseroan yang menyetujui penjualan saham dan perubahan status perusahaan menjadi Perusahaan Penanaman Modal Asing
- 4) Rekaman NPWP
- 5) Surat kuasa dari yang berwenang apabila penandatanganan permohonannya bukan dilakukan oleh direksi/ pimpinan perusahaan
- 6) Rekaman Izin Usaha/ IUT (Izin Usaha Tetap)
- 7) Rekaman Akta Pendirian Perusahaan dan Perubahannya, Yang telah disahkan oleh Departemen Hukum dan Hak Asasi Manusia
- 8) Rekaman Laporan Kegiatan Penanaman Modal Periode terakhir

Dokumen Warga Negara Asing dan/atau Badan “Hukum Asing” yang membeli saham

- 1) Rekaman Paspor yang masih berlaku bagi perorangan Warga Negara Asing
- 2) Rekaman Akta Pendirian dan perubahannya serta terjemahannya dalam bahasa indonesia atau bahasa inggris bagi Badan Hukum Asing

Dokumen Perusahaan Penanaman Modal yang membeli saham adalah:

- 1) Rekaman Izin Usaha (IUT)
- 2) Rekaman NPWP
- 3) Rekaman Akta Pendirian Perusahaan dan perubahannya yang telah disahkan oleh Departemen Hukum dan Hak Asasi Manusia
- 4) Laporan Kegiatan Penanaman Modal periode terakhir

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<sup>76</sup> *Ibid.*



11. Alur Proses Aplikasi Surat Persetujuan Pabean dan daftar Induk (*Master List*) barang dan bahan (Proses Maksimal 14 Hari Kerja)<sup>77</sup>

Investor mengevaluasi apakah bidang usaha yang akan diajukan termasuk bidang usaha yang mendapatkan Fasilitas? lalu Investor mengisi Aplikasi Model III B untuk daftar Induk barang dan bahan yang berasal dari Master List dan Persyaratan tersebut harus lengkap (1. Surat Permohonan, 2. Daftar Induk Barang dan Bahan (*Master List*) 3. Disket Investor Modul BKPM 4. NPWP 5. Bagan Alir Proses Produksi 6. Pemberitahuan Impor Barang Modal 7. Kalkulasi Penggunaan Bahan Baku 8. Izin Usaha Tetap industri 9. *Copy* Surat Persetujuan Penanaman Modal Dalam Negeri / Penanaman Modal Asing 10. *Copy* Surat Persetujuan Pabean Barang Modal 11. LKPM (Laporan Kegiatan Penanaman Modal) selanjutnya diberikan kepada *Front Office* (Self Assessment)

Sedangkan Alur proses *Master List* Pabean adalah,

Investor melakukan pengecekan dan memeriksa sendiri (*self assessment*) kepada *Front Office* (Penelitian Administrasi oleh petugas untuk memperoleh tanda bahwa pemohon dapat diproses lebih lanjut selanjutnya investor mendapat tanda terima) diberikan kepada *Back Office* (1. Proses *Master List* dan Surat Persetujuan Pabean 2. Verbal Verifikasi 3.tanda terima tetap 4. Penerbitan *Master List* dan Surat Persetujuan Pabean) Investor akan dihubungi untuk rapat penjelasan teknis dan pengecekan lapangan untuk menghitung kapasitas mesin serta jumlah dan jenis material yang dibutuhkan serta menambahkan kelengkapan data teknis (bila perlu) selanjutnya tata usaha memberikan nomor Surat Persetujuan Pabean dan daftar Induk (*Master List*) barang dan jasa kepada investor

12. Alur aplikasi surat persetujuan pabean dan daftar induk (master list) barang modal (Proses Maksimal 14 Hari Kerja)<sup>78</sup>

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<sup>77</sup> *Ibid.*

<sup>78</sup> *Ibid.*

Investor melakukan evaluasi apakah bidang usaha yang akan diajukan apakah bidang usaha yang menerima fasilitas untuk mengisi aplikasi model IV /A pada daftar induk barang modal dan melengkapi persyaratan 1. Surat Permohonan 2. Daftar Induk Barang Modal (*Master List*) 3 Disket Investor Modul BKPM 4. NPWP 5. Bagan Alir Produksi 6. Kalkulasi kapasitas produksi 7. Denah tata letak mesin 8. Data Teknis 9. Laporan Kegiatan Penanaman Modal 10. Surat – Surat lain yang diperlukan sesuai dengan sektor usaha 11. Copy Surat Persetujuan PMDN/ PMA dan Kontrak Karya (khusus Pertambangan) dan Persyaratan lengkap untuk Melakukan Pemeriksaan Sendiri (*Self Assessment*) oleh investor (*check list*) selanjutnya *Front Office* Penelitian Administrasi oleh petugas untuk bahwa permohonan dapat diproses lebih lanjut dengan mendapat tanda terima sementara Investor akan dihubungi untuk rapat pengelolaan teknis (Proses Verifikasi), menambahkan kelengkapan data teknis (bila perlu) selanjutnya diberikan kepada *Back Office*.

Investor akan dihubungi untuk Proses Penyelesaian *Master List* dan Surat Persetujuan Pabean, Verbal Verifikasi, Tanda Terima tetap, Penerbitan *Master List* dan Surat Persetujuan Pabean maka Tata Usaha memberikan nomor Surat Persetujuan pabean atau daftar induk barang modal untuk diberikan kepada Investor.

Persyaratan Penggabungan Perusahaan (Merger) Model III/D Permohonan merger dibuat 2 rangkap menggunakan Form Mode III/D yang dilampiri dengan :

- a. Rekaman Surat persetujuan dan Perubahannya untuk Perusahaan Penanaman Modal dalam Negeri (PMDN) dan Penanaman Modal Asing (PMA) yang akan bergabung
- b. Rekaman akta pendirian dan perubahan masing-masing perusahaan yang akan bergabung
- c. Rekaman izin usaha apakah yang belum memiliki Izin Usaha Tetap (IUT) bagi perusahaan yang akan meneruskan kegiatan usaha

- d. Rekaman RUPS yang dibuat / diketahui keasliannya oleh Notaris atau cara lain sesuai Anggaran Dasar Perseroan yang menyatakan persetujuan penggabungan dari masing-masing Perusahaan yang akan bergabung<sup>79</sup>
  - e. Neraca Keuangan 3 tahun terakhir
  - f. Surat kuasa dari yang berwenang apabila penandatanganan permohonan tidak dilakukan oleh direksi atau pimpinan perusahaan
  - g. Rekaman Laporan Kegiatan Penanaman Modal Periode terakhir untuk perusahaan Penanaman Modal Dalam Negeri (PMDN) dan Perusahaan Penanaman Modal Asing (PMA) yang akan meneruskan kegiatan usaha
13. Alur Pengajuan Aplikasi Model III/D Merger (Maksimal 10 Hari Kerja)
- Investor melakukan evaluasi sudah adakah Izin Usaha Tetap (IUT) untuk perusahaan yang akan meneruskan usaha maka investor mengisi aplikasi model III D lengkap dan sesuai syarat untuk melakukan *Self Assessment (Check List)* diberikan kepada *Front Office* untuk dilakukan penelitian dokumen aplikasi III D oleh petugas secara lengkap maka jika disetujui maka investor mendapat tanda terima aplikasi, jika belum lengkap diberi catatan atas kekurangan data dan diberikan kembali kepada *Back Office* akan melakukan proses aplikasi dan penerbitan surat persetujuan dan tata usaha memberikan nomor surat persetujuan kepada investor
14. Alur Pengajuan Aplikasi III C Perpanjangan Waktu Penyelesaian Proyek (Maksimal 5 hari Kerja)<sup>80</sup>
- Investor dengan *Master List* melakukan pengecekan apakah sudah terdapat barang modal? selanjutnya Aplikasi Model III C dan dilakukan *Self Assessment (Check List)* kepada *Front Office* melakukan pengecekan dan penerbitan dokumen Aplikasi oleh petugas, jika disetujui maka aplikasi model 3C telah lengkap dan diberi tanda terima aplikasi dilanjutkan tata usaha memberikan nomor dan surat

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<sup>79</sup> *Ibid.*

<sup>80</sup> *Ibid.*

persetujuan, jika belum lengkap maka diberi catatan atas kekurangan data kepada investor.

#### Persyaratan Permohonan Perpanjangan Waktu Penyelesaian Proyek Model III C

Permohonan Perpanjangan waktu penyelesaian proyek bagi perusahaan PMDN / PMA dengan jadwal waktu penyelesaian proyek berakhir dan belum berproduksi komersial, diajukan rangkap 2 (dua) dilampiri dengan:

- a. Rekaman surat persetujuan pabean bagi perusahaan yang sudah memiliki:
- b. Rekaman Surat Persetujuan Penanaman Modal Dalam Negeri (PMDN)/ Perusahaan Penanaman Modal Asing dan perubahannya
- c. Surat Kuasa dari yang Berwenang apabila penandatanganan permohonan bukan oleh direksi / Pimpinan Perusahaan
- d. Rekaman Laporan Kegiatan Penanaman Modal Periode terakhir

sedangkan syarat kelengkapan Izin Usaha Tetap (IUT) dengan syarat khusus adalah,

- a. Untuk bidang usaha pelayanan purna jual, penelitian pasar dan jasa pameran / konversi, harus bekerjasama dengan perusahaan nasional
- b. Untuk bidang usaha jasa pergudangan, memiliki gudang sendiri dengan luas 2,5 hektar
- c. Bekerjasama dengan perusahaan nasional<sup>81</sup>
- d. Untuk bidang usaha jasa Mall, Supermarket, Departemen Store, Pusat Pertokoan :
  - 1) Bermitra dengan pengusaha kecil
  - 2) Memiliki lahan minimal 2 Hektar
  - 3) Untuk bidang jasa *Mall*, supermarket, departemen store, pusat pertokoan:
  - 4) Bermitra dengan pengusaha kecil
  - 5) Lahan minimal 2 Hektar
- e. Untuk bidang Jasa *Mall*, Supermarket, Departemen Store, Pusat Pertokoan:
  - 1) Bermitra dengan Pengusaha kecil
  - 2) Memiliki lahan Minimal 2 Hektar

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<sup>81</sup> *Ibid.*

- f. Untuk bidang usaha jasa Distributor Utama: Adanya Surat Penunjukkan Sebagai Distributor
- g. Untuk bidang Jasa *Freight Forwarding* (Pengurusan Transportasi)
- 1) Investasi Minimal USD 2.000.000,00 (2 Juta Dollar)
  - 2) Memiliki Minimal 2 (dua) kantor cabang di luar Pulau Jawa
  - 3) Memiliki Peralatan Bongkar Muat Barang
- h. Untuk Bidang Usaha Restoran
- 1) Harus bekerjasama kemitraan dengan pengusaha kecil/koperasi
  - 2) Bidang usaha biro perjalanan wisata harus bekerjasama kemitraan dengan pengusaha kecil / koperasi<sup>82</sup>
- i. Untuk Bidang Usaha Akomodasi harus melampirkan bukti penetapan klasifikasi / golongan kelas hotel dari dinas Pariwisata (PHRI)
- j. Untuk Bidang Usaha Telekomunikasi harus menyampaikan izin penyelenggaraan telekomunikasi/ penyelenggaraan jasa telekomunikasi dari departemen teknis terkait
- k. Untuk Bidang Usaha Perhubungan
- 1) Jasa Angkutan Udara sebagai bukti kepemilikan atau penguasaan Pesawat dan *Certificate Air Operation*
  - 2) Jasa Angkutan Laut
  - 3) Bukti kepemilikan/ Penguasaan Kapal/ Pendaftaran Kapal
- l. Untuk Bidang Usaha Rumah Sakit

Harus melampirkan izin operasional dari Menteri Kesehatan/ Ditjen Pelayanan Medik

Aplikasi izin usaha tetap dalam rangka perluasan, perubahan status penggabungan (merger) dan pembaruan wajib melampirkan izin usaha (IUT, IUI, IUP dan lain lain) yang dimiliki sebelumnya.<sup>83</sup>

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<sup>82</sup> *Ibid.*

15. Alur Pengajuan Izin Usaha Tetap (IUT) (Perluasan/Merger/Perubahan Status) dengan lama proses maksimal 10 hari kerja isi Aplikasi dilampiri :
- a. Rekaman Akta Pendirian dan Perubahannya serta pengesahan Departemen Hukum dan Hak Asasi Manusia
  - b. Rekaman Hak Atas Tanah / Perjanjian Sewa Menyewa
  - c. Rekaman (Izin Mendirikan Bangunan) IMB
  - d. Rekaman Undang-Undang Gangguan
  - e. Dokumen Amdal UKL/SPPL/UPL
  - f. Rekaman Surat Persetujuan Penanaman Modal Asing / Penanaman Modal Dalam Negeri Beserta perubahannya
  - g. Surat Kuasa jika tanda tangan aplikasinya bukan oleh direksi
  - h. Rekaman NPWP
  - i. Rekaman LKPM
16. Alur Pengajuan IUT (Izin Usaha Tetap) dengan jangka waktu Maksimal 10 hari
- Investor mengisi Aplikasi izin usaha Tetap dengan syarat meneliti bidang usaha yang memiliki persyaratan khusus 1 Memerlukan Izin pelaksanaan 2. Penunjukkan sebagai distributor 3. Sertifikasi Hotel 4. Kerjasama Kemitraan dilakukan *Self Assessment (Check List)* selanjutnya diproses di *Front Office* dilakukan Pemeliharaan dokumen dan pemberian tanda terima diberikan kepada *Back Office* Proses Aplikasi dan Penerbitan Izin Usaha Tetap dan dilanjutkan oleh Tata Usaha untuk memberikan nomor Izin Usaha Tetap kepada Investor.
17. Alur Pengajuan APIT (Proses Maksimal 5 hari kerja) Investor mengisi Aplikasi APIT yang baru dilampiri:
- a. Spesimen tanda tangan dan pas foto penandatanganannya
  - b. Rekaman Akta Pendirian dan Perubahan
  - c. Surat Kuasa Apabila Penandatanganan Kartu / Aplikasi APIT bukan oleh Direksi
  - d. Rekaman NPWP

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<sup>83</sup> *Ibid.*

- e. Izin Mempekerjakan Tenaga Asing bagi Penandatanganan WNA (Warga Negara Asing)
- f. Rekaman Surat Persetujuan Penanaman Modal Asing/ Penanaman Modal Dalam Negeri beserta perubahannya
- g. Surat Keterangan Domisili Perusahaan<sup>84</sup>

Aplikasi APIT Perubahan dilampiri :

- a. Spesimen tanda tangan dan pas foto penandatanganan Dokumen Impor
  - b. Rekaman Akta Pendirian dan Perubahannya
  - c. Surat Kuasa jika penandatanganan kartu aplikasi APIT bukan oleh direksi
  - d. Rekaman NPWP
  - e. IMTA bagi penandatanganan Warga Negara Asing
  - f. Rekaman Surat Persetujuan Penanaman Modal Asing/ PMDN (Penanaman Modal Dalam Negeri) beserta perubahannya
  - g. Surat Keterangan Domisili Perusahaan
  - h. Rekaman Laporan Kegiatan Penanaman Modal periode terakhir
  - i. Kartu APIT yang telah ditandatangani dan adanya cap perusahaan
  - j. Kartu APIT lama asli berikut rekaman SK APIT terakhir
18. Alur Pengajuan APIT Dengan Maksimal 5 Hari Kerja

Investor yang ingin mengajukan permohonan APIT baru atau APIT perubahan dilakukan *Self Assessment (check list)* kepada *Front Office* dilakukan penelitian dokumen oleh petugas dan dilakukan pemberian tanda terima kepada *Back Office* untuk melakukan Proses Aplikasi dan Perubahan APIT sehingga Tata Usaha memberikan nomor APIT kepada Investor.

Alur pengajuan Rencana Penggunaan Tenaga Kerja Asing (RPTKA)

Investor mengajukan permohonan Aplikasi Baru, Aplikasi Perpanjangan, Aplikasi Rangkap Jabatan untuk Melakukan *Self Assessment (Check List)* kepada Front Office melakukan Penelitian Dokumen, Dokumen yang lengkap diberi tanda terima dan

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<sup>84</sup> *Ibid.*

Back Office melakukan proses Aplikasi dan penerbitan RPTKA sehingga tata usaha memberikan pemberian nomor RPTK kepada Investor <sup>85</sup>

Alur pengajuan RPTK (maksimal 4 hari kerja)

Investor mengajukan Aplikasi Baru dilampiri

a.Rencana Penggunaan Tenaga Kerja Indonesia Pendamping

b.Rekaman Surat Persetujuan Penanaman Modal Asing/ Penanaman Modal Dalam Negeri dan perubahannya

c.Rekaman Akta Pendirian dan perubahannya

d.Rekaman LKPM

e.Rekomendasi dari Direktorat Jenderal yang bersangkutan untuk bidang usaha tertentu

Aplikasi Perpanjangan/ Perubahan/ Penambahan/ Perubahan Jabatan dilampiri dengan

a.Rekaman SK RPTK

b.Laporan Pelaksanaan Pelaksanaan Program diklat Tenaga Kerja Indonesia

c.Bukti Lapor Ketenagakerjaan

d.Alasan Perpanjangan

e.Rekaman Surat Keterangan Pengangkatan Pegawai dan Penunjukkan Tenaga Kerja Indonesia Pendamping beserta *Copy* KTP

Aplikasi rangkap jabatan melampirkan:

a.Permohonan oleh perusahaan yang akan menggunakan Tenaga Kerja Asing (TKA) sebagai Direksi / Komisaris

b.Rekaman RPTK dari 2 (dua) Perusahaan atau lebih yang masih berlaku

c.Rekaman Akta Pendirian Perusahaan dan Perubahannya<sup>86</sup>

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<sup>85</sup> *Ibid.*

<sup>86</sup> *Ibid.*



19. Alur Pengajuan Rekomendasi Visa Tenaga Kerja Asing untuk Imigrasi .01 dan IMTA (dengan Proses Maksimal 4 Hari Kerja)

Investor melakukan evaluasi TA.01 atau IMTA dan memeriksa sendiri persyaratan tersebut (*Self Assessment*) dan melakukan *Check List* di *Front Office* untuk melakukan penelitian dokumen oleh petugas jika lengkap diberi tanda oleh *Back Office*, Proses Aplikasi dan Penerbitan Rekomendasi TA.01 dan IMTA baru atau dilakukan perpanjangan agar tata usaha memberikan nomor TA.01 dan IMTA baru atau perpanjangan kepada Investor

Aplikasi TA.01 dilampirkan :

- a.Rekaman Paspor Lengkap
- b.Rekaman Ijazah, Riwayat Hidup Asli dan pengalaman kerja
- c.Rekaman Surat Persetujuan Penanaman Modal Asing (PMA) / Penanaman Modal dalam Negeri (PMDN) dan Perubahannya
- d.Rekaman NPWP
- e.Rekaman LKPM untuk KPPA (A3)
- f.Rekaman RPTK
- g.Kontrak Kerja (kecuali untuk direktur / komisaris)
- h.Bukti EPO (*Exit Permit Only*)

Aplikasi IMTA Baru dilampiri dengan:

- a.Rekaman Paspor (lengkap)
- b.Rekaman Surat Persetujuan Penanaman Modal Asing (PMA)/ Penanaman Modal Dalam Negeri (PMDN) dan perubahannya
- c.Pas foto 4 x 6 (2 lembar)
- d.Bukti Pembayaran DP KK
- e.Rekaman KITAS / Persetujuan UBS
- f.Rekaman LKPM untuk KPPA (A3)<sup>87</sup>
- g.Program Diklat TKI Pendamping

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<sup>87</sup> *Ibid.*

Aplikasi IMTA Perpanjangan dilampiri:

- a. Rekaman RPTK
- b. Rekaman IMTA
- c. Bukti Pembayaran DPKH
- d. Rekaman Paspor lengkap
- e. Program diklat TKI Pendamping
- f. Pas foto 4x6 (2 Lembar)
- g. Laporan Realisasi Pelaksanaan Program Pendidikan dan Pelatihan Tenaga Kerja Indonesia Pendamping

#### D. TANGGUNG JAWAB PENANAM MODAL ASING DALAM BIDANG KONSERVASI LINGKUNGAN

##### 1. BNP PARIBAS (*la Banque Nationale de Paris et de Paribas*)

BNP Paribas adalah pemimpin Eropa dalam Perbankan dan Pelayanan Keuangan. Grup BNP Paribas merupakan salah satu grup yang memiliki jaringan internasional yang sangat luas, hadir lebih di 80 (delapan puluh) Negara dan memiliki lebih dari 170.000 pekerja, termasuk 135.000 (seratus tiga puluh lima ribu) di Eropa.

BNP Paribas memiliki posisi kunci dalam tiga aktifitas utama;

- a) Perbankan secara langsung yang dikelola oleh *French Retail Banking (FRB)*, *BNL Banca Commerciale (BNL bc)*, *Italian Retail Banking*, *BancWest*.
- b) Manajemen Asset dan Pelayanan
- c) Perusahaan dan Bank Penanaman

BNP Paribas *Société Anonyme* adalah induk perusahaan dari Grup BNP PARIBAS, pada tahun 2007 BNP Paribas menunjukkan kepeduliannya terhadap lingkungan terutama pada karbon audit<sup>88</sup> Pinjaman BNP

<sup>88</sup> BNP PARIBAS, Report on Environmental and Social Responsibility 2008, hlm 11

PARIBAS kepada lembaga keuangan mikro, MBK Ventura Indonesia sebesar 1 (satu) Juta Dollar<sup>89</sup>

## 2. PT. L'OREAL INDONESIA

L'Oréal Indonesia Gulirkan Dana Rp700 juta untuk Pendidikan

PT L'OREAL Indonesia menggulirkan dana sebesar Rp 700 juta untuk mendukung program pemerintah dalam memajukan pendidikan. Dana itu diutamakan untuk bidang sains bagi siswa kurang mampu dalam program sosial L'Oréal *Science Discovery Lab* (LSDL). Program itu adalah bagian dari *Corporate Social Responsibility* (CSR) perusahaan. Perusahaan kosmetik tersebut memberikan bantuan kepada 10 sekolah menengah di pulau Jawa. Bantuan berupa peralatan perlengkapan belajar, seperti buku-buku sains, bimbingan dan materi laboratorium. Serta, pelatihan bagi para guru untuk mata pelajaran ilmu pengetahuan, seperti biologi, kimia dan fisika.

Pelatihan tersebut diharapkan dapat mendukung dan memudahkan akses praktek pelajaran. Sehingga para pelajar akan mendapatkan peluang untuk mempelajari ilmu pengetahuan lebih lanjut. Laboratorium diharapkan menjadi salah satu fasilitas untuk kreativitas, menurut *Corporate Communications* dan PR Manager L'Oréal Indonesia Melanie Kridaman, di Jakarta. Sekolah yang menerima bantuan itu adalah SMAN 1 Gunung Sindur, SMAN 1 Cibitung dan SMAN 3 Tambun Selatan di Bekasi, SMAN 1 Tamansari dan SMAN 1 Cibungbulang di Bogor. Selain itu, bantuan juga diberikan kepada SMAN 1 Pamarayan dan SMAN 1 Kibin di Serang, SMAN 4 Depok serta SMA Budhi Warman 1 dan SMA Diponegoro, Jakarta. Adapun kriteria sekolah yang kami bantu, adalah sekolah dengan peralatan infrastruktur terbatas. Namun, mau bekerjasama untuk memelihara alat kelengkapan laboratorium tersebut<sup>90</sup>

<sup>89</sup> <http://www.bnpparibas.co.id/en/news/news.asp?Code=LPOI-7VXJDN,16> September 2009

<sup>90</sup> <http://jurnalnasional.com>, 15 Juli 2009

### 3. PT. COCA – COLA INDONESIA

Sebagai Perusahaan Asing di Indonesia Coca-Cola memiliki program tanggung jawab social dalam Aksi *Corporate Sosial Responsibility* CCBI Jakarta *Operation* adalah: Saat ini, peran bidang usaha di dalam kemasyarakatan ditekankan pada peningkatan kesejahteraan sosial khususnya terkait pada lingkungan hidup dan *ethical issues* (etika dan moral). Upaya bidang usaha atau industri untuk membantu Pemerintah ini sering disebut sebagai *Corporate Social Responsibility* (CSR) atau tanggung jawab sosial korporasi sebagai bagian dari masyarakat. Tentunya semua kebijakan mengenai CSR ini berbeda di setiap perusahaan tergantung dari kinerja, kebutuhan dan isu-isu terkait. Untuk kepentingan CSR, CCBI Jakarta *Operation* telah melakukan banyak hal khususnya di area sekitar Pabrik Nasional Cibitung. Yang terbaru adalah perbaikan jalan. Perbaikan jalan sepanjang lebih dari 200 meter ini didedikasikan untuk kepentingan umum khususnya warga Cibitung sejalan dengan program pemerintah daerah. Jalan yang terletak di samping Pabrik dan masih merupakan jalan lingkungan.

Karena letaknya yang strategis dan sebagai jalan pintas menuju jalan tol, jalan tersebut kini kian ramai digunakan warga setempat, sehingga perbaikan jalan menjadi hal yang sangat diharapkan oleh banyak pihak. Dengan fondasi yang kokoh dan badan jalan yang terbuat dari beton, diharapkan jalan tersebut cukup kuat dilintasi berbagai kendaraan selama beberapa tahun ke depan. Perusahaan juga sering terlibat dalam kegiatan sosial berskala Nasional seperti dukungan kepada Program Donor Darah Indonesia. Dalam program terbarunya dimana Titi DJ menjadi duta DDI, selain dukungan penyediaan produk, karyawan CCBI juga ikut menyumbangkan darah. Upaya Perusahaan untuk tetap menjaga keharmonisan hubungan kemasyarakatan ini akan terus dikembangkan dan dipertahankan. Pada tahun 2008, Enam individu yang memiliki kepedulian terhadap lingkungan hidup dari beragam latar belakang profesi dipilih oleh Coca-Cola Indonesia untuk bergabung sebagai pembawa obor dalam Kirab Obor Olimpiade (*Olympic Torch Relay*) Beijing 2008 di

Jakarta pada tanggal 22 April 2008 mendatang. Keenam individu tersebut berasal dari latar belakang yang beragam mulai dari tokoh senior, LSM, selebritis, serta kalangan individu yang dipandang telah memberi inspirasi dan kontribusi terhadap pelestarian lingkungan hidup. Pemilihan kriteria ini diambil sejalan dengan konsep Olimpiade Beijing 2008 yang bertema lingkungan (*Green Olympic*). Penetapan nama-nama pembawa obor ini ditentukan baik secara langsung maupun berdasarkan masukan yang diberikan oleh *World Wide Fund for Nature* (WWF) di Indonesia.

Coca-Cola merupakan partner terlama Olimpiade dan salah satu presenting partner dalam program *Olympic Torch Relay* 2008. Kami bangga bisa terlibat dalam program internasional seperti *Olympic Torch Relay* (Kirab Obor Olimpiade) ini, apalagi untuk pertama kalinya kirab obor Olimpiade melintasi Jakarta, menurut Titie Sadarini, Corporate Affairs Director, PT Coca-Cola Indonesia.<sup>91</sup>

Adapun individu yang dipilih oleh Coca-Cola sebagai Pembawa Obor dalam Kirab Obor Olimpiade 2008 di Jakarta adalah: Emil Salim, sosok yang sangat dikenal dalam upaya pelestarian lingkungan di Indonesia; Tri Mumpuni W. Iskandar, Direktur Institut Bisnis dan Ekonomi Kerakyatan (IBEKA) yang aktif bergerak dalam pengembangan Pembangkit Listrik Tenaga Mikrohidro; Azhar Idris, warga Aceh yang memprakarsai penanaman kembali pohon bakau (*mangrove*) di daerah pesisir Aceh yang rusak akibat tsunami; Valerina Daniel, Duta Lingkungan Kementerian Lingkungan Hidup yang juga mantan model dan presenter TV; Agustinus Gusti 'Nugie' Nugroho, musisi dan Supporter Kehormatan WWF-Indonesia serta; Nirina Zubir, pemain film, presenter TV, dan juga Supporter Kehormatan WWF-Indonesia yang kedua-duanya aktif pada kampanye penyelamatan lingkungan hidup bersama WWF-Indonesia. Pemilihan keenam nama di atas sebagai Pembawa Obor dalam Kirab Obor Olimpiade, merepresentasikan penghargaan Coca-Cola terhadap upaya-upaya pelestarian lingkungan. Mereka diharapkan

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<sup>91</sup> [http://www.coca-colabottling.co.id/ina/news/index.php?act=detail&p\\_id=248](http://www.coca-colabottling.co.id/ina/news/index.php?act=detail&p_id=248)

mampu menularkan semangat peduli lingkungan kepada masyarakat di Indonesia dan juga di seluruh dunia senada dengan semangat *Green Olympics*

Kirab Obor Olimpiade Beijing 2008 akan menjadi Kirab olimpiade terbesar dan terpanjang dari segi rute perjalanan karena akan mengunjungi 21 negara serta mengelilingi 31 Provinsi di China selama 130 hari, mencetak rekor jarak tempuh kira-kira 137,000 kilometer dengan melibatkan sekitar 22,000 Pembawa Obor. *The Coca-Cola Company* menjadi *presenting partner* OTR sejak tahun 1992 yaitu pada Olimpiade Barcelona.<sup>92</sup>

Sebagai pendukung program *Olympic Torch Relay*, Coca-Cola ingin mengajak masyarakat untuk turut mengambil tindakan positif yang bisa membawa perubahan bagi masyarakat melalui kepedulian di bidang<sup>93</sup> lingkungan. Dengan menunjukkan komitmen pada pelestarian sumber air, pencegahan perubahan iklim dan upaya penerapan sistem daur ulang kemasan serta memberikan penghargaan kepada mereka yang berdedikasi dalam menciptakan perubahan positif di masyarakat – partisipasi lokal dalam kegiatan peduli lingkungan dapat meningkat.

Untuk menyambut dan memeriahkan kedatangan Obor Olimpiade di Indonesia dan menggalakkan semangat peduli lingkungan, mulai 19 Maret sampai 22 April 2008, Coca-Cola di Indonesia akan meluncurkan serangkaian kegiatan peduli lingkungan khususnya untuk remaja melalui program yang menarik dan menghibur. Di Jakarta, Bis berdesain khusus (*Eco Bus*), berbahan bakar biodiesel yang ramah lingkungan, membawa misi peningkatan kesadaran terhadap lingkungan akan mengunjungi 20 SMU dan universitas di Jakarta dan menggelar beragam acara yang melibatkan pelajar dan mahasiswa yang dikunjungi. Sejumlah sekolah juga akan diperkenalkan pada teknologi biopori yang mampu meningkatkan penyerapan air ke dalam tanah untuk mencegah banjir sekaligus sebagai langkah konservasi air,” kata David Tjokro, *Marketing Director* Coca-Cola Indonesia. Dengan tujuan para siswa akan lebih aktif berperanserta dalam menjaga lingkungan hidup.

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<sup>92</sup> *Ibid.*

<sup>93</sup> *Ibid.*

Selain itu, Coca-Cola Bottling Indonesia di Lampung dan Jawa Tengah akan bekerjasama dengan lembaga swadaya masyarakat, media, dan pemerintah daerah untuk menanam dan membagikan bibit pohon ke sekolah-sekolah serta mengkampanyekan pelestarian lingkungan. Di Surabaya, Coca-Cola akan menyelenggarakan program bersih-bersih sungai bersama organisasi yang memiliki kepedulian terhadap lingkungan. Dalam acara konferensi pers, secara simbolis dilakukan penyerahan bor biopori kepada perwakilan tiga sekolah dari Bekasi. Penyerahan dilakukan oleh Titie Sadarini, Corporate Affairs Director Coca-Cola Indonesia, David Tjokro, Marketing Director Coca-Cola Indonesia dan Mubariq Ahmad, CEO WWF-Indonesia.

Coca-Cola menjadi *partner* Olimpiade sejak tahun 1928 sekaligus sebagai perusahaan yang paling lama mensponsori Olimpiade. Pada Agustus 2005, Coca-Cola dan Panitia Olimpiade Internasional mengumumkan pembaruan kesepakatan kerja sama untuk tahun 2009 sampai tahun 2020. Dengan demikian, kedua belah pihak berhasil menciptakan hubungan kerjasama selama 92 tahun tanpa henti dan paling lama sepanjang sejarah Olimpiade Coca-Cola adalah produk minuman terkemuka di dunia yang digemari ratusan juta konsumen. Saat ini Coca-Cola diproduksi di lebih dari 200 negara di dunia. Coca-Cola masuk ke Indonesia sejak 1927 dan diproduksi pertama kalinya pada tahun 1932. Coca-Cola kini diproduksi di 11 pabrik pembotolan di Indonesia.<sup>94</sup>

#### E. CONTOH KASUS TENTANG KONSERVASI LINGKUNGAN

Nama Kasus : Gugatan Walhi terhadap PT. Freeport Indonesia

Model Penyelesaian : Litigasi

Jenis Kasus : Perdata

Jenis Gugatan : *Legal Standing*

Penggugat : Yayasan Wahana Lingkungan Hidup (WALHI)

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<sup>94</sup> *Ibid.*

Tergugat : P.T. Freeport Indonesia Company

Tahun Putusan : 2000

Nomor Putusan : 459/Pdt.G/2000/PN.Jak.Sel.

Pengadilan : Pengadilan Negeri Jakarta Selatan

Wilayah : DKI Jakarta

Kronologis Perkara:

Pada tanggal 30 Desember 1991, sebelum berakhirnya Kontrak Karya (KK) yang pertama (ditandatangani pada 7 April 1967 dengan jangka waktu 30 tahun), telah dilakukan penandatanganan KK yang baru antara P.T. Freeport Indonesia yang selanjutnya disebut sebagai Tergugat dan Negara RI cq. Pemerintah, berdasarkan kontrak karya baru tersebut Tergugat tidak hanya diberikan oleh pemerintah melakukan kegiatan pertambangan tembaga, tetapi juga emas dan perak. Kegiatan operasi penambangan emas, tembaga, dan perak tersebut meliputi dua daerah kontrak karya, yaitu (1) Kontrak Karya Blok A yang merupakan daerah penambangan yang terletak di pulau Irian dengan luas 100 km persegi dan mempunyai titik pusat di Gunung Erstberg (2) Kontrak Karya Blok B yang merupakan daerah proyek dengan luas 2.890 km persegi yang membentang dari pesisir Laut Arafura di selatan hingga daerah tambang di utarea pada ketinggian 4000 meter.

Berdasarkan kontrak karya tanggal 30 Desember 1991 sebagaimana disebutkan di atas, luas wilayah kontrak karya adalah 2.610.182 Ha, yang membentang dari dataran rendah mulai dari daerah pesisir hingga dataran tinggi dan termasuk dalam kawasan Daerah Aliran Sungai Kamoro, Ajkwa, Minajerwi, dan Mawati (DAS KAMM). Dalam kegiatan penambangannya Tergugat melakukan penggalian tambang terbuka (*open pit*) di Grasberg yang juga merupakan deposit utama dan penggalian tambang bawah tanah (*undergrown mining*) di Erstberg bagian timur. Berdasarkan laporan utama Studi AMDAL Regional tahun 1997, kegiatan Tergugat membuang batuan limbah ke Danau Wanagon akan menimbulkan tumpukan batuan limbah setinggi 500 meter yang memiliki kemiringan lereng yang curam, dan mengakibatkan tertutupnya permukaan danau seluas 5,5 km x 2 km. Dari Laporan Utama Studi AMDAL Tergugat tahun 1997, diketahui batuan limbah yang berasal dari Grasberg mengandung pirit (sewanya, besi sulfida/FeS<sub>2</sub>) dan tembaga sulfida. Bila terkena udara luar, senyawa sulfida ini akan teroksidasi dan

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menghasilkan asam sulfat. Dengan adanya rembesan air, seperti air hujan, maka akan dihasilkan air yang bersifat asam dan kaya kandungan tembaga, yang disebut Air Asam Tambang (AAT) atau sering disebut pula sebagai Air Asam Batuan (AAB).

Dasar danau Wanagon yang terdiri atas pasir organik, lumpur, dan endapan kapur yang menjadikan kondisi pondasi yang kurang baik yang dapat menimbulkan kegagalan lereng timbunan (longsornya tumpukan batuan limbah). Apabila terjadi kegagalan tumpukan batuan limbah dapat menimbulkan gelombang yang besar ke dalam danau dan dapat menutupi bagian tepi batuan dan membentuk dam alamiah di danau tersebut, yang dapat menciptakan arus banjir yang besar. Tanpa penanggulangan perhitungan yang cermat, banjir besar dapat terjadi. Pada tanggal 4 Mei 2000 pukul 21.30 WIT telah terjadi longsoran *overburden* penambangan P.T. Freeport Indonesia di danau Wanagon Irian Jaya. Longsoran tersebut menyebabkan meluapnya material (*sludge*, *overburden*, dan air) ke Sungai Wanagon dan Desa Banti yang letaknya berada di bawah Danau Wanagon. Pada kejadian tersebut mengakibatkan hanyutnya 7 orang sub kontraktor Tergugat yang sedang bekerja menyelesaikan konstruksi dan Danau Wanagon, 4 orang hilang dan dinyatakan tewas karena tidak ditemukan sementara 3 orang lainnya berhasil diselamatkan. Peristiwa longsornya timbunan *overburden* tersebut merupakan peristiwa yang ketiga. Peristiwa pertama terjadi pada bulan Juni 1998, dan yang kedua pada bulan Maret 2000. Mengingat kejadian tersebut terjadi berulang kali maka diduga kuat hal tersebut disebabkan oleh kelalaian Tergugat.

Sehubungan dengan peristiwa longsornya tumpukan batuan limbah di Danau Wanagon pada tanggal 4 Mei 2000 dan bulan Juni 1998 Tergugat membuat beberapa pernyataan. Pernyataan Tergugat dalam siaran pers tanggal 5 Mei 2000 dan dalam rapat dengar pendapat dengan Komisi VIII DPR RI pada tanggal 28 Juni 2000 menyebutkan bahwa “Sebuah sistem tanda bahaya yang telah dipasang bekerja dengan baik dan telah menyiagakan seluruh masyarakat di desa Banti untuk menjauhi sungai” dan “... banjir di Banti (16 km dari Wanagon) yang tidak memakan korban jiwa karena alarm peringatan dini dibunyikan pada waktunya” adalah bertentangan dengan informasi yang diterima Tergugat bahwa masyarakat Desa Banti mengetahui datangnya banjir air dan lumpur dari bunyi gemuruh air dan bahwa sistem tanda bahaya baru berbunyi sekitar 30 menit kemudian. Informasi yang diberikan oleh Tergugat atas jebolnya Danau Wanagon

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merupakan informasi yang menyesatkan publik. Disamping itu selain memberikan informasi yang menyesatkan publik atas jebolnya Danau Wanagon, Tergugat pun telah memberikan informasi-informasi yang tidak benar sehubungan dengan pengelolaan lingkungan hidup. Tergugat mempublikasikan laporan audit Montgomery Watson dalam siaran persnya tertanggal 22 Desember 1999 dengan menyatakan bahwa secara menyeluruh Sistem Pengelolaan Lingkungan yang dimiliki Tergugat patut dijadikan contoh dan Program Kerja Tergugat, termasuk pengelolaan *tailing* adalah alternatif terbaik. Dalam kesempatan yang sama Tergugat juga menyatakan bahwa Pengelolaan limbah padat dan limbah B3, pengontrolan limbah cair dan air, kualitas udara, yang semuanya memenuhi standar nasional dan internasional untuk sektor pertambangan dan industri.

Hasil audit Montgomery Watson seperti yang telah diutarakan di atas pada kenyataannya bertentangan hasil laporan Menteri Negara Lingkungan Hidup/Kepala Badan Pengendali Dampak lingkungan pada Rapat Koordinasi Bidang Ekonomi dan Industri tanggal 3 April 2000 pada halaman 2 di mana dalam laporan tersebut dijelaskan bahwa kegiatan pembuangan batuan limbah ke Danau Wanagon yang dilakukan Tergugat dijadikan contoh negatif akibat kegiatan pertambangan di Indonesia bila tempat penimbunan limbah B3-nya tidak mengacu pada kaidah lingkungan sehingga menimbulkan pencemaran, yaitu "P.T. Freeport Indonesia menggunakan Danau Wanagon sebagai tempat penimbunan dan menetralsir asam *waste rock*-nya. Tetapi sudah dua kali limpahan air yang menimbulkan pencemaran di sungai Wanagon, yaitu tanggal 22 Juni 1998 dan 21-25 Maret 2000.

Berdasarkan fakta-fakta di atas, perbuatan Tergugat yang dengan sengaja menutup-nutupi informasi, memberikan informasi yang salah dan tidak akurat atas peristiwa longsornya batuan limbah (*overburden*) di Danau Wanagon serta fakta-fakta kerusakan lingkungan yang diakibatkan oleh buruknya pengelolaan lingkungan hidup yang dilakukan oleh Tergugat, dapat menyesatkan publik. Selanjutnya, dalam Gugatan yang diajukan oleh Walhi tertanggal 1 November 2000 dengan menggunakan hak gugat organisasi lingkungan yang diatur dalam UU No. 23 Tahun 1997 tentang Pengelolaan Lingkungan Hidup, Pasal 38 ayat (1), Tergugat digugat telah melakukan Perbuatan Melawan Hukum dan diperintahkan untuk mengajukan permintaan maaf secara terbuka

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dengan cara memasang iklan atas perbuatan melawan hukum yang telah dilakukan Tergugat pada sedikitnya 10 harian umum nasional serta membayar uang paksa sebesar US\$ 100.000,- (seratus ribu dollar Amerika Serikat) untuk setiap keterlambatan menjalankan putusan.

Putusan Hakim:

Menyatakan:

1. Dalam eksepsi:

Menolak eksepsi tergugat untuk seluruhnya

2. Dalam pokok perkara:

- Mengabulkan gugatan penggugat untuk sebagian;
- Menyatakan bahwa tergugat PT. Freeport Indonesia Company telah melakukan perbuatan melawan hukum dengan pernyataan yang telah diberikannya sehubungan dengan longsohnya *overburden* di danau Wanagon Irian Jaya;
- Memerintahkan tergugat untuk berupaya semaksimal mungkin untuk meminimalkan risiko terjadinya longsor *overburden* yang dibuang ke danau Wanagon tersebut dan upaya semaksimal mungkin agar limbah yang terdiri dari Bahan Berbahaya Beracun (B3) yang ditimbulkan dari *overburden* tersebut dapat ditekan seminimal mungkin hingga mencapai baku mutu air yang baik bagi danau Wanagon serta sungai yang dialirkannya;
- Menolak gugatan penggugat selain dan selebihnya;
- Membebaskan tergugat untuk membayar biaya perkara sebesar Rp 209.000,- (dua ratus sembilan ribu rupiah)

Diputuskan pada Selasa, 28 Agustus 2001 oleh Rusman Dany Ahmad, S.H. sebagai Ketua Majelis, H. Abdul Madjid Rahim, S.H. dan Iersjaf, S.H. masing-masing sebagai anggota, serta panitera pengganti Anies Sundarni, S.H.

## **BAB III**

### **PENUTUP**

#### **A. KESIMPULAN**

Konservasi Lingkungan dalam Penanaman Modal adalah Tanggung Jawab Perusahaan agar dapat melindungi lingkungan hidup serta alam sekitarnya agar menjadi lebih baik dan teratur yang telah diatur juga pada pasal 74 (1) Undang-Undang Nomor 40 tahun 2007 Perseroan Terbatas yakni, Perseroan yang menjalankan kegiatan usahanya di bidang dan/atau berkaitan dengan sumber daya alam wajib melaksanakan Tanggung Jawab Sosial dan Lingkungan. Sedangkan Tanggung Jawab Sosial dan Lingkungan untuk selanjutnya diatur oleh Peraturan Pemerintah yang diatur di Pasal 74 (4) Undang-Undang Perseroan Terbatas.

Konservasi Lingkungan dan Tanggung Jawab Sosial Perusahaan tidaklah terpisah tetapi bidang yang selaras bagi perusahaan untuk mewujudkan lingkungan hidup dan pembangunan yang berkelanjutan yang lebih baik, perwujudan perlindungan lingkungan dan tanggung jawab sosial perusahaan tidak merugikan perusahaan tetapi memberikan nilai lebih yang baik terhadap masyarakat.

Perusahaan Penanaman Modal juga harus memperhatikan akibat-akibat yang ditimbulkan oleh usahanya terhadap lingkungan hidup dan masyarakat sekitar agar bumi tetap lestari dan terjaga.

1. Dalam hal kaitannya dengan konsep konservasi lingkungan yang didefinisikan sebagai perlindungan lingkungan yang berasal dari kerusakan yang terjadi, konservasi bukan suatu tindakan penyelamatan dari bahaya, konservasi bersifat memperbaiki atau memberikan perbaikan terhadap lingkungan pada tanggung jawab perusahaan dalam Undang-Undang Nomor 25 Tahun 2007 dicerminkan pada Pasal 17 Undang -Undang Nomor 25 Tahun 2007 yakni Penanam modal yang mengusahakan sumber daya alam yang tidak terbarukan wajib mengalokasikan dana secara bertahap untuk pemulihan lokasi yang memenuhi standar kelayakan lingkungan hidup, yang pelaksanaannya diatur sesuai dengan ketentuan peraturan perundang-undangan.

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2. Pengaturan konservasi lingkungan berdasarkan Undang-Undang Nomor 25 Tahun 2007 dalam Pasal 17 yang menyatakan bahwa Penanam modal yang mengusahakan sumber daya alam yang tidak terbarukan wajib mengalokasikan dana secara bertahap untuk pemulihan lokasi yang memenuhi standar kelayakan lingkungan hidup, yang pelaksanaannya diatur sesuai dengan ketentuan peraturan perundang-undangan
3. Pelaksanaan Konservasi Lingkungan oleh Perusahaan diatur oleh Undang-Undang Nomor 40 Tahun 2007 tentang Perseroan Terbatas pada Pasal 74 yaitu:
  - (1) Perseroan yang menjalankan kegiatan usahanya di bidang dan/atau berkaitan dengan sumber daya alam wajib melaksanakan Tanggung Jawab Sosial dan Lingkungan.
  - (2) Tanggung Jawab Sosial dan Lingkungan sebagaimana dimaksud pada ayat (1) merupakan kewajiban Perseroan yang dianggarkan dan diperhitungkan sebagai biaya Perseroan yang pelaksanaannya dilakukan dengan memperhatikan kepatutan dan kewajaran.
  - (3) Perseroan yang tidak melaksanakan kewajiban sebagaimana dimaksud pada ayat (1) dikenai sanksi sesuai dengan ketentuan peraturan perundang-undangan.
  - (4) Ketentuan lebih lanjut mengenai Tanggung Jawab Sosial dan Lingkungan diatur dengan peraturan pemerintah.

## **B. SARAN**

Pada Badan Koordinasi Penanaman Modal terjadinya sentralisasi permasalahan investasi yang bersifat koordinatif berada di Pusat mempersulit pengurusan Investasi yang berada di daerah, Pemerintah terlalu menekankan pada pelayanan satu atap, sedangkan sistem perizinannya tidak dibenahi. izin yang berkaitan dengan investasi, ditambah dengan persyaratan pendukung, maka pengurusan penanaman modal akan memakan waktu lama. Masalah ini merupakan sorotan dalam paket kebijakan investasi, yang menyatakan bahwa pendirian perusahaan dan izin usaha cukup 30 hari. Kenyataannya, Kepala Kantor Pelayanan satu atap atau kelembagaan yang memberikan pelayanan satu atap, tidak memiliki kompetensi mengeluarkan izin karena apabila izin

masih bersifat sektoral berakibatnya waktu pengurusan tetap lama. Yang berakibat hubungan pribadi dan dapat berdampak pada kolusi.

Diharapkan agar pemerintah secara khusus “BKPM” kembali menggunakan media internet sebagai solusi memangkas waktu pengurusan investasi dan

Pemerintah Indonesia walaupun secara normatif telah mengeluarkan perangkat-perangkat hukum namun dalam prakteknya diharapkan kinerja pemerintah selalu dan menjadi semakin baik dan penggunaan media internet dapat kembali digunakan terhadap pelayanan Penanaman Modal Asing ataupun Pelayanan Penanaman Modal Dalam Negeri memangkas birokrasi dan biaya-biaya yang tidak perlu agar pelayanan publik menjadi semakin baik terutama di era globalisasi.



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## **B.PERANGKAT HUKUM**

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Report on Environmental and Social Responsibility 2008



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

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# Statement

from the Chairman and  
Chief Executive Officer



Over the past 18 months the financial sector has gone through an unprecedented financial crisis, which started in the US and immediately propagated to Europe as a consequence of globalisation and which currently touches all players.

Until last September the crisis concerned mainly speculative transactions like subprime mortgages and securitisation. Therefore BNP Paribas was able to weather the storm thanks to our diligent risk management procedures, our focus on customer service, and an effective, balanced business model backed by a robust retail banking chain.

Since September 2008 and the bankruptcy of a major US bank the crisis grew increasingly violent and far-reaching while a global economic crisis developed. Our investment banking business was battered by extreme market volatility, and BNP Paribas as a whole suffers from the slowing economy and the difficulties met by some of our clients.

In this context, we can observe that we are one of the global banks to best weather the crisis. BNP Paribas generated a sizeable profit in 2008. Our business model is reinforced and our strength renowned as is reflected by our ratings which provide us access to optimal refinancing conditions.

The Banker magazine recognised our solid health by naming BNP Paribas the 2008 Bank of the Year.

Our economic responsibility stems from our culture of managing risks and serving the real economy which constitutes the foundation of our Corporate and Social Responsibility and drives the Group's overall performance:

- BNP Paribas is the only French bank in the FTSE4Good Environmental Leaders Europe 40 Index.
- BNP Paribas is the first bank to receive ISO 14001 certification for over half of its branches in France.
- BNP Paribas is one of the first seven French companies to receive the Diversity label.
- BNP Paribas is the leading French bank in terms of corporate governance (according to Riskmetric-Capitalcom) and the only company that includes non-discrimination in its risk management policy.

During this time of crisis, difficulty and widespread uncertainty, our CSR efforts are being appreciated as never before. This shows our credibility and a renewed confidence from all of our partners and awards our employees' commitment and sensitivity particularly evident during the last Global People Survey which was carried throughout all BNP Paribas business units.

This report on the social responsibility of our company presents our CSR effort and the main initiatives taken in 2008.

# Presentation of the BNP Paribas Group



# Group presentation

BNP Paribas is a European leader in banking and financial services. The Group has one of the largest international banking networks, a presence in over 80 countries and more than 170,000 employees, including 130,000 in Europe. BNP Paribas enjoys key positions in its three activities:

- **Retail banking, which includes the following operating entities:**
  - French Retail Banking (FRB),
  - BNL banca commerciale (BNL bc), Italian retail banking,
  - BancWest,
  - Emerging Markets Retail Banking,
  - Personal Finance,
  - Equipment Solutions;
- **Asset Management & Services (AMS);**
- **Corporate and Investment Banking (CIB).**

**BNP Paribas SA is the parent company of the BNP Paribas Group.**

## Key figures

### Results

	2004 (*)	2005 (**)	2006 (**)	2007 (**)	2008 (**)
Revenues (in millions of euros)	18,823	21,854	27,943	31,037	27,376
Gross operating income (in millions of euros)	7,231	8,485	10,878	12,273	8,976
Net income Group share (in millions of euros)	4,668	5,852	7,308	7,822	3,021
Earnings per share (in euros) (***)	5.51	6.96	8.03	8.49	3.07
Return on equity (****)	16.8%	20.2%	21.2%	19.6%	6.6%

(\*) Under French GAAP.

(\*\*) Under International Financial Reporting Standards (IFRS) as adopted by the European Union.

(\*\*\*) Adjusted for the impact of the 2006 rights issue on years 2003 to 2005.

(\*\*\*\*) 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).

### Long term credit ratings

	31/12/03	31/12/04	31/12/05	31/12/06	31/12/07	31/12/08
Market capitalisation (in billions of euros)	45.1	47.2	57.3	76.9	67.2	27.6

Source: Bloomberg.

### Notations long terme

Standard and Poors: AA, negative outlook – rating revised on 28 January 2009

Moody's: Aa1, negative outlook – outlook revised on 16 January 2009

Fitch: AA, negative outlook – outlook revised on 3 February 2009

# History

## **1966: Creation of BNP**

The merger of BNCI and CNEP to form BNP represented the largest restructuring operation in the French banking sector since the end of the Second World War.

## **1968: Creation of Compagnie Financière de Paris et des Pays-Bas**

### **1982: Nationalisation of BNP and Compagnie Financière de Paris et des Pays-Bas at the time of the nationalisation of all French banks**

In the 1980s, deregulation of the banking sector and the growing tendency of borrowers to raise funds directly on the financial market transformed the banking business in France and worldwide.

## **1987: Privatisation of Compagnie Financière de Paribas**

With 3.8 million individual shareholders, Compagnie Financière de Paribas had more shareholders than any other company in the world. Compagnie Financière de Paribas owned 48% of the capital of Compagnie Bancaire.

## **1993: Privatisation of BNP**

BNP's return to the private sector represented a new start. During the 1990s, new banking products and services were launched and financial market activities were developed. At the same time, the Bank expanded its presence in France and internationally, and prepared to reap the full benefits of the introduction of the euro. Privatisation also significantly boosted the Bank's profitability – in 1998, it led the French banking industry in terms of return on equity.

## **1998: Creation of Paribas**

On 12 May 1998, the merger between Compagnie Financière de Paribas, Banque Paribas and Compagnie Bancaire was approved.

## **1999: A benchmark year for the Group**

Following an unprecedented double tender offer and a stock market battle waged over six months, BNP was in position to carry out a merger of equals with Paribas. For both groups, this was the most important event since their privatisation. At a time of economic globalisation, the merger created a leading player in the European banking sector, poised to compete on a global scale.

## **2000: Creation of BNP Paribas**

Merger of BNP and Paribas on 23 May 2000.

Building on strong banking and financial services businesses, the new Group's objectives, are to create value for shareholders, clients and employees by building the bank of the future and becoming a benchmark player in the global world.

## **2006: Acquisition of BNL in Italy**

BNP Paribas acquired BNL, Italy's 6th-largest bank. This acquisition transformed BNP Paribas, providing it access to a second domestic market in Europe. In both Italy and France, all of the Group's businesses can now draw on a national banking network to develop their activities.



# Presentation of business lines

## Retail Banking

In 2008, BNP Paribas generated 60% of its revenues from retail banking. It has a strong international presence in retail banking, with 4,000 of its 6,000 branches outside France, and 250,000 points of contact with customers in its specialist businesses of Personal Finance and business equipment loans. Retail banking activities employ a total of more than 120,000 people in 52 countries, representing over 70% of the Group's entire headcount.

Retail Banking comprises branch networks in France, Italy, the USA and the emerging markets, together with non-banking services. It is divided into six Operating Units:

- French Retail Banking;
- BNL bc, the branch network in Italy;
- BancWest, the branch network in the USA;
- Emerging Markets Retail Banking;
- Personal Finance, which comprises the specialist consumer credit and mortgage financing businesses;
- Equipment Solutions, dedicated to financing equipment purchases by companies (Arval, BNP Paribas Lease Group).

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

- providing retail banking clients with the benefits of a truly global network;
- industrialising activities, pooling major investments and transferring know-how and innovation between the banking networks and the specialised Personal Finance and Equipment Solutions businesses;
- developing cross-selling between the networks and the specialised retail financing businesses, and with Corporate & Investment Banking and Asset Management & Services;

- promoting the Group's expansion in these businesses, both through acquisitions and organic growth.

To support Retail Banking in its expansion, six central missions have been created to provide operating units with the benefit of their expertise in cross-functional activities and projects:

- Distribution, Markets & Solutions, to promote business development in the Operating Units;
- Retail Banking Development, to oversee the Group's acquisitions in Retail Banking businesses and coordinate benchmarking and strategic intelligence for Retail Banking;
- Retail Banking Brand & Communications, to coordinate internal communications and ensure a consistent brand policy across the whole of Retail Banking;
- US Coordination, to facilitate relations between BancWest and other Group entities;
- Wealth Management Networks, to accelerate growth in the Wealth Management business across the Retail Banking networks;
- Retail Banking HR, to roll out the Group's HR model to all Operating Units and sites, tailored to specific local needs.

This support system has been rounded out by the creation of "Retail Banking Information Systems" within French Retail Banking, which supports the six Operating Units according to their needs. Cash management has also been reorganised on an international basis.



## French Retail Banking

French Retail Banking (FRB) has a client base made up of 6.1 million individual and private banking clients, 500,000 entrepreneurs and small business clients, and 22,000 corporate and institutional clients. The division offers a comprehensive line-up of products and services, ranging from current account services to the most complex financial engineering services in the areas of corporate financing and asset management.

The French Retail Banking Division network has been strengthened with a view to enhancing local coverage and client service. As at 31 December 2008, it consisted of 2,200 branches, of which 1,100 had been updated with the new "Welcome & Services" concept, and 5,200 cash dispensers. As such, the network is now more compatible with a multi-channel organisational structure. FRB focuses on regions with strong economic potential and has a 15% market share in the Paris region <sup>(1)</sup> FRB also has a strong presence in the most attractive segments of the personal banking market – 22% of households with net annual revenues in excess of EUR 82,000 have their main bank account with BNP Paribas <sup>(2)</sup>. It also has a leading position in business banking.

The French Retail Banking Division employs 31,000 people working in the BNP Paribas branded branch network, Banque de Bretagne, BNP Paribas Factor, BNP Paribas Développement, a provider of growth capital, and Protection 24, a telesurveillance firm.

To improve its response to client needs, French Retail Banking has reorganised its sales structure on the basis of network segmentation. The division is now made up of branches serving individuals and small businesses, Private Banking Centres, and Business Centres, all supported by a Client Relations Centre (CRC) and back offices in charge of after-sales operations.

In parallel, the division has continued actively expanding the personal banking business, drawing on the multi-channel structure (branch, telephone and online banking) that was rolled out from 2002. The underlying aim of these changes is to offer clients the highest standard of service and to step up the role of in-branch client advisers. The Client Relations Centre's three platforms in Paris, Orleans and Lille deal with calls made to the branches and process client e-mails.

In 2008, the NetÉpargne area of the BNP Paribas.net website was set up to inform customers and enable them to apply for savings accounts and life insurance products. A contact centre dealing with mortgage requests in less than 48 hours was also set up (Net Crédit Immo).

The new workstations operated by the client advisers are geared to managing client relations within a multi-channel framework.

As such, they represent the very heart of the system, whose effectiveness has been clearly proved after several years of use.

In addition, FRB has the largest network of Private Banking Centres in France <sup>(3)</sup> with 218 units conveniently located across the country.

The new business approach adopted for business clients led to the emergence at the end of 2005 of a structure that is unique in the French banking sector. This new organisation is based on 26 Business Centres located throughout the whole of France, as well as a professional assistance service – Service Assistance Entreprise (SAE) – and Cash Customer Services (CCS).

Finally, the division is reengineering its back offices into Production and Sales Support Branches (PSSBs). Specialised by type of transaction, they span the whole of France and have fully integrated information systems. At end-2008, 76 specialist centres were in charge of transaction processing.

<sup>(1)</sup> SBNP Paribas FRB 2007 marketing research, market share based on number of counters.

<sup>(2)</sup> Source: Ipsos 2006.

<sup>(3)</sup> Source: internal data.



ROME



ROME

## BNL banca commerciale

BNL banca commerciale (BNL bc) – ranking 6th in terms of total assets <sup>(1)</sup> – is one of the major players in the Italian banking and financial system, which is fully integrated in the European market and nowadays includes intermediaries of international stature as a result of the consolidation process in recent years.

BNL bc offers a wide and complete range of banking, financial and insurance products and services, from traditional ones to the more innovative, structured to satisfy, under a strictly segmented offering approach, all kinds of requirements of its considerable client base, represented by:

- around 2.5 million individual clients and 12,000 private clients (family groups);
- over 119,000 small businesses (turnover < 5 millions of euros);
- around 30,000 medium and large enterprises;
- 16,000 local authorities and non-profitable entities.

In the course of 2008 the introduction of a reviewed client segmentation criteria has led to two notable changes: (i) clients with a turnover between 1.5 and 5 million euro, previously managed as medium-sized enterprises, have migrated to small business coverage; (ii) private clients are no longer counted as individual relationships but grouped according to family nucleus.

In the Retail & Private business, BNL bc reaches a significant positioning in lending (especially on residential mortgages, with a market share of over 6% <sup>(2)</sup>), while consolidating a deposits' market share (around 3.5% <sup>(2)</sup>) well ahead of its network penetration (2.3% <sup>(2)</sup>) of the System in terms of number of branches).

Another point of strength of BNL bc is represented by the relations with Corporate and Local Authorities, where it boasts an average market share in the region of 5% <sup>(2)</sup> and 7% respectively, with a market-recognised focus on cross-border payments, project and structured financing and factoring (the specialised subsidiary Iitalia ranks 3rd <sup>(3)</sup> in Italy in terms of credit outstanding).

To maximise its commercial franchise, BNL bc has deployed a distribution model designed to increase direct contact with clients, enhance the central role and flexibility of the sale network, improve the communication of commercial policies for both innovative and traditional products. In the framework of a multi-channel distribution approach, the network is organised under five regions ("direzioni territoriali") with a differentiated structure for the retail and the corporate business:

- 125 retail districts with nearly 750 retail agencies;
- 27 private banking centres;
- 21 corporate business centres with 51 corporate branches managing SME, Large Corporate and LAPS (Local Authorities Public Sector) portfolios.

Moreover, 5 Trade Centres are fully operational in Italy, offering enterprises a platform of products, services and solutions for cross-border activities and complementing BNP Paribas' international network which operates in 55 countries with 85 other centres. In parallel, the network of Italian Desks to assist Italian enterprises operating abroad and multinational groups with direct investments in Italy has been expanded to cover 12 countries, mainly in the Mediterranean area.

<sup>(1)</sup> Source: internal estimates based on published financial information as of 30 September 2008.

<sup>(2)</sup> Source: Bank of Italy statistics as of 30 September 2008.

<sup>(3)</sup> Source: Assifact as of 30 September 2008.



The multi-channel offering is completed by self-service positions (over 1,450 ATM and 20,000 POS – Points Of Sale with retailers), phone banking and e-banking for both retail and corporate clients.

Complementary to the organisational set-up are specialised local back-office units at

regional level, which are closely interfaced with the distribution network, and operate on the basis of a model centred on boosting customer satisfaction, both internal and external, by providing high-quality and efficient services and ensuring an improved management of operating risk.

## BancWest

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

Bank of the West offers a very large 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 national positions in certain niche lend-

ing markets, such as Marine, Recreational Vehicles, Church Lending, Small Business and Agribusiness.

With a market share of almost 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 companies.

In total, with close to 11,800 employees, 742 branches and total assets of almost USD 80 billion at 31 December 2008, BancWest currently serves some 5 millions client accounts. It is now the 6th-largest bank in the western United States by deposits <sup>(1)</sup>.

<sup>(1)</sup> Source: SNL Financial, 30 June 2008.

## Emerging markets retail banking

Emerging Markets Retail Banking now operates in 38 sites, covering the Mediterranean belt (795 branches), the Near & Middle East (62 branches), Africa (81 branches), Eastern Europe (950 branches) and French overseas departments & territories (60 branches).

Across all these regions, the business line gathers a total network of 1,948 branches, more than 4.7 million individual, small business and corporate clients, and more than 30,000 employees.

Business also operates in Asia through two partnerships with local banks, totalling 64 branches in China and 65 in Vietnam.

Since 2004, business has been developed very quickly: branches have been multiplied by 6, number of clients by 4. Operations have also been set up in 10 new countries since the end of 2004,

through acquisitions (Turkey and China in 2005, Ukraine in 2006, Vietnam and Libya in 2007) and organic development (Saudi Arabia, Kuwait, Israel, Mauritania and Russia).

As a consequence of this huge change, regional platforms have been created, and a new commercial strategy focusing on individuals and small and medium-sized companies has been launched recently.

Thanks to a strong client portfolio growth, these networks represent a single distribution platform for all the Group's operating entities: partnerships with Personal Finance in Turkey, Ukraine, Algeria, Morocco, and China; distribution of CIB financial structured products, development of CIB Trade Centers in many sites, creation of a joint-venture with Wealth Management.





CASABLANCA

## Personal Finance

BNP Paribas Personal Finance: a new dimension in personal finance

On 1 July 2008, BNP Paribas Personal Finance was formed, housing the Group's worldwide activities in consumer finance, mortgages and loan consolidation. With 29,000 staff in 30 countries and 4 continents, BNP Paribas Personal Finance leads the French and European Personal Finance markets <sup>(1)</sup>. Its aim is to help customers fulfil their plans, from the smallest purchase up to buying their home, while complying with its commitment to "responsible lending".

European number one and global player <sup>(1)</sup>

BNP Paribas Personal Finance's aim is to help customers fulfil their plans, subject to their debt capacity. BNP Paribas Personal Finance is Europe's leading multi-specialist Personal Finance player, with a comprehensive range of solutions available at the point of sale (stores, car dealerships), through authorised business providers (brokers, estate agents, property developers) and directly via the internet and its customer relations centres. As a global player, BNP Paribas Personal Finance is aiming to be one of the world's Top 5 consumer finance providers.

A socially responsible global player

In the tough economic conditions of late 2008, the commitment to social responsibility is even more important for BNP Paribas Personal Finance and its Cetelem trading brand.

Its approach is based on four main pillars:

### Lend responsibly

The aim is to promote access to credit across the widest possible number of people, while avoiding over-indebtedness. In France, BNP Paribas Personal Finance, under its Cetelem brand, reports annually on its four responsible lending indicators: refusal rate, percentage of loans with no payment incident, percentage of loans paid off entirely, and risk rate as a percentage of outstanding loans.

In 2008, these indicators were extended to the mortgage business.

### Protect the environment

BNP Paribas Personal Finance's "Oxygen" programme, introduced in October 2007, aims to motivate employees and customers. Since the programme was launched, five initiatives have been developed, exemplified by the French carbon audit. For current and prospective customers, BNP Paribas Personal Finance has launched, under the Cetelem brand, products aimed at financing photovoltaic panels, in partnership with EDF ENR.

### Help the helpers

Through the Cetelem Foundation, BNP Paribas Personal Finance is helping to develop microcredit and supports various humanitarian and social charities: ATD Quart Monde, Secours Populaire Français, Secours Catholique, FACE (Fondation Agir Contre L'Exclusion), SNC (Solidarités Nouvelles face au Chômage), Adie (Association pour le Droit à l'Initiative Economique), AGIRabcd, Cash de Nanterre, Réussir Aujourd'hui.

### Promote diversity

BNP Paribas Personal Finance knows how to carry out and facilitate change. To enable every member of staff to continue sharing its ambitious plans, human resources is one of its top priorities.

<sup>(1)</sup> Source: annual reports of consumer finance companies.

# Equipment Solutions

Equipment Solutions uses a multi-channel approach (direct sales, sales via referrals or via partnerships) to offer corporate and business clients a range of rental solutions specific to each asset market, from financing to fleet outsourcing.

Equipment Solutions offers its end users and business providers the opportunity to outsource the credit, market or technical risks associated with corporate assets.

Equipment Solutions consists of three International Business Lines (IBL<sup>(1)</sup>) organised around assets and specially developed rental solutions:

- the passenger car and light commercial vehicle IBL managed by Arval, dedicated to operational leasing;
- the Technology Solutions IT, telecom and office equipment IBL run jointly by BNP Paribas Lease Group, specialised in equipment financing, and Arius, specialising in the leasing and management of IT equipment;
- the Equipment&Logistics Solutions IBL, covering construction, farming and transport equipment, which is run by specialists at BNP Paribas Lease Group and Artegy, dedicated to operational leasing for industrial vehicles.

Commercial real estate and other assets are managed by the local entities of BNP Paribas Lease Group

Despite the deteriorating economic and financial environment, the Equipment Solutions business has maintained firm commercial impetus. Aside from real estate financing, the Equipment Solutions business ranks no.1 in Europe in terms of both outstandings and new business<sup>(2)</sup>.

In 2008, Arval's commercial activity remained very strong, with 210,000 new cars registration (up 17%/2007).

At end-2008, Arval leased a total of 602,000 vehicles, an increase of 12% during the year, and its total managed fleet comprised 688,000 vehicles. In terms of the leasing fleet, Arval leads the French market<sup>(3)</sup> and ranks 2nd in Europe<sup>(4)</sup>. BNP Paribas Lease Group arranged 248,000 financing deals, taking its loans outstanding to EUR 21 billion.

<sup>(1)</sup> IBL = International Business Lines.

<sup>(2)</sup> Source: Leaseurope 2007.

<sup>(3)</sup> Source: SNLVLD 2007.

<sup>(4)</sup> Source: internal data.



## Asset Management & Services

Asset Management & Services (AMS) provides a unique range of solutions to meet all the needs of institutional, corporate and retail investors.

AMS houses the all Bank's expertise in the highly buoyant markets of gathering, managing, protecting and administering its clients' assets, savings and wealth:

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

In 2008, each AMS business was a leader in its market.

AMS operates in 64 countries and employs almost 25,000 people of more than 70 different nationalities. It continues to expand its international reach, mainly in Europe, Asia and the Middle East, through new operations, acquisitions, joint ventures and partnership agreements.

AMS takes a client-focused, future-oriented approach and innovates continuously to provide the best products and services whilst maintaining the highest standards of sustainable development.

### BNP Paribas Investment Partners

BNP Paribas Investment Partners combines all the Asset Management businesses of BNP Paribas.

A single platform providing simplified and immediate access to a vast range of specialised partners, BNP Paribas Investment Partners is one of the biggest names in Asset Management in Europe <sup>(1)</sup>. At 31 December 2008, BNP Paribas Investment Partners had EUR 305 billion of assets under management <sup>(2)</sup>, almost half of which was managed for institutional investors.

With 2,200 professionals serving clients in more than 70 countries, BNP Paribas Investment Partners draws on more than half a century of experience in Asset Management and has enjoyed strong growth over the last decade, punctuated by targeted acquisitions and the creation of joint ventures. This solid development reflects a clear multi-specialisation strategy and a partnership approach which has enabled BNP Paribas Investment Partners to consistently enrich its product and service offering with the support of companies that are experts in their particular field.

BNP Paribas Investment Partners is present in the major financial centres, including Paris, London, New York, Tokyo and Hong Kong. It also has first-rate knowledge of new markets thanks to its teams in Brazil, South Korea, China, India, Morocco, Turkey and Saudi Arabia. With 360 client relationship managers in 32 countries, BNP Paribas Investment Partners has a local presence that ensures close ties with its clients.

<sup>(1)</sup> Source: Watson Wyatt rankings at end-December 2007, "The World's 500 Largest Asset Managers".

<sup>(2)</sup> Including assets under advisory.





## Assurance

BNP Paribas Assurance designs and sells products and services under two brands: BNP Paribas for products distributed by the BNP Paribas branch network in France, and Cardif for other networks and distribution partners in France and abroad.

It operates in 41 countries including 25 in Europe, 7 in Asia, 6 in Latin America, 2 in North America and 1 in Africa.

- The savings business includes the sale of life insurance policies to individuals in some ten countries. In France, it also provides companies with Group pension, end-of-career bonus and early retirement benefit contracts.
- In the protection business, it offers a broad range of products in many countries, including creditor insurance, bill protection, credit card protection, extended warranty, gap insurance and individual protection. In France, BNP Paribas Assurance markets both standard and personalised Group policies to large companies and SMEs.
- Property and casualty insurance in France is provided through Natio Assurance, a company owned equally with AXA. The products offered cover a wide range of risks and include comprehensive home insurance, automobile insurance, educational insurance, travel insurance, and legal protection coverage.

BNP Paribas Assurance's partners comprise 35 of the world's 100 leading banks plus a large number of financial institutions, including consumer credit companies, credit subsidiaries of car makers and major retail groups. BNP Paribas Assurance is France's 4th-largest life insurer <sup>(1)</sup> and is the world leader in creditor insurance <sup>(2)</sup>.

## Wealth Management

In 2008 BNP Paribas rebranded its private banking business BNP Paribas Wealth Management, a more accurate reflection of the universal dimension of its private banking client relationships. It also carries a guarantee of security by being part of a strong global banking group, together with an ability to innovate and offer new investment techniques and products.

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

- estate planning services including estate organisation and advice on asset ownership methods;
- financial services: advice on asset allocation, investment products, securities and discretionary portfolio management;
- expert advice in specific fields such as art and real estate.

Wealth Management (WM) has been reorganised into two business lines: Wealth Management Networks (WMN) and Wealth Management International (WMI). WMN's role is to develop the wealth management business in countries where the Bank has a retail client base. WMI's role is to develop the wealth management business in other markets where the Bank wants to gain a foothold or strengthen its existing position, by working closely with CIB and through partnerships or acquisitions.

Both business lines draw on the expertise of WM's support teams, for both financial and wealth management services and diversification activities, particularly philanthropy. Wealth Management also has an open-architecture offering. It sources solutions from the Group's other businesses (Asset Management, Securities Services, Insurance, Corporate Finance, Fixed Income, Equity Derivatives, etc.), as well as external providers.

<sup>(1)</sup> Source: FFSA.

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



In order to strengthen their ability to attract and advise the world's largest fortunes, WMI and WMN have created a "Key clients" unit responsible for global coverage of this segment.

BNP Paribas Wealth Management is the world's 6th private bank and is ranked no.4 in Western Europe <sup>(1)</sup> with almost EUR 141 billion in client assets at year end 2008 and over 4,400 professionals in thirty countries. It ranks no.1 in France <sup>(1)</sup> with EUR 56 billion of assets under management. The network comprises 219 private banking centres covering the whole of France and a dedicated wealth management department for clients with more than EUR 5 million of assets.

### Personal Investors

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

- **Cortal Consors**, Europe's leading online savings and brokerage player for individuals <sup>(2)</sup>, offers personalised investment advice and online trading services in five European countries: Germany, France, Spain, Belgium, and Luxembourg. Cortal Consors offers clients its investment advisory experience through several channels – online, telephone or face to face. Its broad range of independent products and services includes short-term investment solutions, mutual funds and life insurance. The range is supported by leading-edge online brokerage technology;
- **B\*capital**, a brokerage firm, specialises in personalised advice on securities and derivatives as well as discretionary management for affluent clients. It provides clients with direct access to all markets, financial analysis, personalised portfolio advisory and portfolio management services;

- **Geojit** is one of the leading retail brokers in India. It provides brokerage services for equities, derivatives and financial savings products (funds and life insurance). Geojit also operates in the United Arab Emirates, Saudi Arabia, Oman, Bahrain and Kuwait, where it targets a principally non-resident Indian clientele. BNP Paribas is its main shareholder.

At 31 December 2008, BNP Paribas Personal Investors had 1.64 million clients and EUR 25.4 billion of assets under management, with 34% in equities, 35% in savings products or mutual funds and 31% in cash. BNP Paribas Personal Investors employs over 4,100 people.

The goal of BNP Paribas Personal Investors is to provide personal, independent investment advice and to strengthen its leading position in Europe and in emerging markets with strong savings potential.

### BNP Paribas Securities Services

**BNP Paribas Securities Services** is the eurozone's leading securities services provider <sup>(2)</sup>. The bank operates across the entire investment cycle, providing post-trade administration solutions to buy-side and sell-side financial institutions as well as corporates and issuers:

- sell-side clients (banks, broker-dealers, investment banks, market infrastructures) are offered customised services for clearing and settlement and global custody for all asset classes as well as outsourcing solutions for middle and back office activities;

<sup>(1)</sup> Source: Euromoney 2009 ranking.

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



- buy-side clients (asset managers, alternative fund managers, sovereign wealth managers, insurance companies, pension funds, fund distributors and promoters) have an array of custodian and fund administration services, including fund distribution support, transfer agency services, depository bank and trustee service, fund accounting, middle-office outsourcing and risk and performance measurement;
- corporates and issuers (originators, arrangers and corporations) are provided with a wide range of services including administrative services, securitisation as well as stock-option and employee-shareholder plan management.

### BNP Paribas Real Estate

BNP Paribas Real Estate employs 3,400 staff and is a leading provider of real estate services to companies <sup>(1)</sup> in Continental Europe, and is a major player in residential real estate in France <sup>(1)</sup>.

The offering comprises a range of skills and is unrivalled in Europe, both in terms of its geographical reach and the diversity of its business offerings.

The unit serves companies, investors, local authorities, property developers and individuals.

#### International network

In commercial real estate, BNP Paribas Real Estate serves customers in 25 countries worldwide:

- it has a direct presence through 80 units in 13 countries, i.e. Germany, Belgium, Spain, France, Ireland, Italy, Jersey, Luxembourg, the UK, Romania, Bahrain, Dubai and India, along with a representative office in New York;
- it operates in a further 12 countries through alliances with local partners.

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

### A variety of skills in six complementary real estate business lines

#### ■ Transactions

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

In residential real estate, its 27 branches in France represent one of the leading networks for selling new and existing residential properties.

#### ■ Advisory

In commercial real estate, BNP Paribas Real Estate advises clients to help them put together real estate projects, design and build working premises, optimise their real estate assets and so forth.

#### ■ Valuation

BNP Paribas Real Estate values all types of real estate, including offices, retail units, hotels, warehouses and land, using international standards defined in the International Valuation & Accounting Standards and the RICS Red Book.

#### ■ Property development in France and Italy

BNP Paribas Real Estate is one of France's leading real estate developers, and ranks 2nd in commercial real estate <sup>(2)</sup>.

#### ■ Investment Management Department

BNP Paribas REIM, BNP Paribas REIS and BNL Fondi Immobiliari manage EUR 8 billion of real estate assets in France – where it is one of the leading non-trading property investment trust (SCPI) managers – Italy and the UK.

#### ■ Property Management

BNP Paribas Real Estate Property Management manages 24 million sq.m. of commercial real estate in Europe, including almost 12 million sq.m. in France where it is the market leader <sup>(3)</sup>.

In residential real estate, it manages almost 29,000 housing units in France, including more than 5,500 units in serviced residences.

<sup>(1)</sup> Source: internal data

<sup>(2)</sup> Source: "Classement des promoteurs" published by Innovapresse in June 2008.

<sup>(3)</sup> Source: internal data.

# Corporate and Investment Banking

BNP Paribas Corporate & Investment Banking (CIB) employs 17,000 people across 53 countries. CIB provides financing, advisory and capital markets services, and accounts for 18% of Group revenues.

BNP Paribas CIB is a globally recognised leader in two areas of expertise: derivatives on all asset classes, and structured financing. BNP Paribas CIB also has a solid corporate advisory network in Europe and Asia, and has been expanding in emerging market countries for many years.

BNP Paribas CIB has 14,000 clients, consisting of companies, financial institutions, investment funds and hedge funds. They are central to BNP Paribas CIB's business model. Staff's main aim is to develop and maintain long-term relationships with clients, to support them in their investment strategy and meet their financing and risk management needs. More than 9,000 relationship managers work with these 14,000 clients, offering a wide range of services to enhance their strategy, supported by experts in BNP Paribas CIB's various business areas.

BNP Paribas CIB has a presence on all continents, and provides clients worldwide with a global perspective and a pioneering spirit, adapting solutions to suit local conditions.

BNP Paribas CIB benefits from the Group's large asset base and diverse business model, and is proving relatively resilient against the economic and financial crisis that has been affecting the banking sector for the last 18 months.

Although it has been affected, particularly by the market crisis in late 2008 following the failure of Lehman Brothers, BNP Paribas CIB has remained the world's no.2 corporate and investment banking unit in terms of profitability (24) since the sub-prime crisis broke. BNP Paribas CIB has received numerous industry awards. These

awards recognise the esteem in which it is held by market operators, both clients and competitors, together with its professionalism and the excellent quality of its franchises. These awards include:

- Best Investment Bank in France - Euromoney – July 2008;
- Most Innovative in Islamic Finance - The Banker – October 2008;
- Global Loan House - IFR – December 2008;
- Structured Products House of the Year - Risk Magazine – January 2009;
- Equity Derivatives House of the Year 2009 - Risk Magazine - January 2009 and IFR Magazine – December 2008;
- Euro Bond House - IFR – December 2008;
- Inflation Derivatives House of the Year - Risk Magazine – January 2009;
- Best Commodity and Energy Finance Bank - Trade Finance Magazine – June 2008;
- World's Best Global Bank in Trade Finance - Global Finance – August 2008.

## CONFIRMED LEADERSHIP IN FINANCING ACTIVITIES IN 2008

### Structured Finance

Structured Finance (SF) operates in the area where lending and capital markets activities meet. It designs customised financing products for a global clientele. SF operates in over 30 countries, with more than 1,600 experts worldwide, and manages the full financing process including origination, structuring and execution of the structured debt, and syndication. Despite adverse market conditions, 2008 was an exceptional year, with excellent results.

SF is a leading player in the following business areas:

<sup>(1)</sup> Source: BNPP CIB, cumulative pre-tax income since July 2007.



- **energy and commodity financing:** this business specialises in financing companies operating in energy and commodities (oil, gas, metals and softs), providing short-term financing suited to all phases from production to the final buyer, along with longer-term financing structured around the natural resources being produced;
- **asset financing** provides a broad range of products for the financing of non-current assets, i.e. real estate financing, aircraft and maritime financing and export financing. It also develops innovative leasing structures;
- **leveraged financing and project financing** provide long-term funding for projects whose revenues depend on future cash flows. These activities also cover refinancing and restructuring, along with leveraged debt repurchasing. The business also includes financing in the media and telecoms sectors;
- the **corporate acquisition finance** teams arrange and provide medium- and long-term facilities to fund strategic acquisitions, either through private deals or through public tender offers;
- finally, the **Syndication and Trading** teams cover all of the Group's syndicated loan activities worldwide. They set prices and syndicate the debt of BNP Paribas clients among other banks and institutional investors. This business also includes insurance services, covering financing providers against strategy and credit risks through the private insurance market.

Once again in 2008, Structured Finance won a number of awards acknowledging the excellence of its staff and the quality of its service:

- Global Loan House - IFR - December 2008;
- EMEA, Asia Pacific & Latam Loan House - IFR – December 2008;

- Syndicated Loan House of the Year - Financial News – December 2008;
- Best Energy Commodity Finance Bank - Trade Finance Magazine – June 2008;
- Energy Finance House of the Year - Energy Risk – June 2008;
- Global Adviser of the Year - Project Finance International (published by Thomson Reuters) – January 2009;
- Aircraft Leasing Innovator of the Year - Jane's Transport Finance – December 2008;
- Ship Financier of the year - Lloyd's List – April 2008;
- No.1 Bookrunner of EMEA Syndicated Loans - Bloomberg – full year 2008, published in January 2009;
- No.1 MLA of all Export Credit Agencies backed transactions - Dealogic – full year 2008 published in January 2009;
- No.2 MLA of global project finance loans - Project Finance International (Thomson Reuters) – full year 2008 published in January 2009;
- No.1 Bookrunner of EMEA acquisition/demerger finance by number of deals and No.2 by volume - Thomson Reuters – full Year 2008 published in January 2009.

### Corporate & Transaction Group

Corporate & Transaction Group (CTG) combines all of BNP Paribas CIB's flow product activities within a single unit. This gives customers a comprehensive, integrated service combining product expertise with dedicated sales staff.

CTG's sales force consists of around 220 professionals worldwide, and its goal is to meet all of its clients' needs through a broad range of products spanning Trade Finance, Cash Management and plain-vanilla fixed-income products.



PARIS

In Trade Finance, CTG has a network of 90 Trade Centers housing 250 award-winning specialists: once again in 2008, BNP Paribas was named the “World’s Best Global Bank in Trade Finance” by Global Finance (August 2008) and no.2 Mandated Arranger of Global Trade Finance Loans (Dealogic – full Year 2008, published in January 2009).

Our Cash Management business operates in 59 territories, employing 120 experts, and provides cash flow and Cash Management services to international companies. These services are supported by leading-edge technologies, and provide broad geographical coverage. Our international offering had a Top 10 ranking in the Euromoney 2008 poll.

Advisory and capital markets: affected by the capital markets crisis in 2008

### Corporate Finance

Corporate Finance offers advisory services for mergers and acquisitions and primary equity capital market transactions. The M&A teams advise both buyers and targets and also offer advice on other strategic financial issues, such as privatisations. Primary capital market services include flotations, equity issues, secondary issue placements, and convertible/exchangeable bond issues. Corporate Finance employs almost 400 professionals in a global network, combining the skills of sector, geographical and product specialists. The business is mainly focused on Europe and Asia. In the last two years, BNP Paribas CIB has also developed its presence in Russia, Middle East and Latin America. For the fourth consecutive year, BNP Paribas CIB ranked no.1 in the French M&A advisory market in 2008 <sup>(1)</sup>. In the same survey, it ranked among the world’s Top 10 banks for the first time, and was no.9 in Europe (M&A - deals announced), confirming its international development while maintaining its leadership in

France. As regards primary equity deals, BNP Paribas CIB ranked 10th in Europe in the Thomson Reuters survey (full Year 2008, published in January 2009).

Corporate Finance also won various awards in 2008, showing its excellence in its two main markets of Europe and Asia:

- “France M&A Adviser of the Year” and “Iberia M&A Adviser of the Year”, Acquisitions Monthly – December 2008;
- “Financial Advisor of the year for France”, FT Mergermarket December 2008;
- “Rising Star M&A House” and “Best Mid Cap Equity Issue” in Asia, The Asset December 2008.

### Global Equity & Commodity Derivatives (GECD)

BNP Paribas CIB’s Global Equities & Commodity Derivatives (GECD) division has three complementary business lines: commodity derivatives, BNP Paribas Securities Asia and equity derivatives.

The **commodity derivatives teams** provide comprehensive commodity risk management solutions. With around 180 staff across 6 international trading platforms, teams operate both in organised and OTC markets. The Futures team acts as an intermediary for clients, providing execution, clearing and margin financing services for contracts traded in the main European, American and Asian commodity markets. The OTC team provides a market-making service suited to client requirements, acting as a swaps and options counterparty for bilateral trades. The team covers all industrial commodities (metals, energy, softs) and new markets such as carbon emissions rights and freight.

**BNP Paribas Securities Asia** provides institutional investors with a comprehensive range of research, execution and service distribution for Asian equities and equity derivatives in Asia. BNP Paribas Securities Asia’s staff are based mainly in Hong Kong and cover the whole of Asia, particularly China, Japan, India,

<sup>(1)</sup> Source: Thomson Reuters, full year 2008, published in January 2009.



SINGAPOUR

South Korea, Taiwan and Southeast Asia (Singapore, Indonesia, Malaysia and Thailand). Overall, the unit has more than 250 staff working in the secondary markets and providing a distribution platform for the primary and derivatives markets.

BNP Paribas CIB's **equity derivatives** business line encompasses research, structuring, trading and sales of equities, equity derivatives, indices and funds. With some 1,500 front-office staff based across five core platforms, the business line is active on both the primary and secondary markets: Paris, London, Tokyo, Hong Kong and New York. Equity derivatives products are aimed at financial institutions, hedge funds, companies and individuals in more than 60 countries. GECD is a leading player in structured products <sup>(1)</sup>. In the last few years it has also developed a complete range of flow products that address client needs as regards financing, indexation, leveraged borrowing, coverage and market access. Through its in-house skills in product design, along with the large resources dedicated to developing products incorporating new strategies, the equity derivatives business offers innovative solutions tailored to the needs of clients in all market environments.

BNP Paribas' skills in equity derivatives are shown by the numerous awards it has won:

- Structured Products House of the Year - Risk Magazine – January 2009;
- Equity Derivatives House of the Year - Risk Magazine – January 2009;
- Most Innovative in Equity Derivatives - The Banker – October 2008;
- Equity Derivatives House - IFR – December 2008.

More recently, GECD has strengthened its position in the USA, acquiring the equity prime brokerage business of Bank of America. This now enables it to offer a wide range of services to US hedge funds and mutual funds. The deal gave GECD an additional 500 clients and 300 staff.

### **Fixed Income, Foreign Exchange and Credit activities**

BNP Paribas CIB's fixed income, forex and credit business line is a major provider of global solutions in these areas. Its talented team has built a large global client base. The business line covers a broad range of products and services, including origination, syndication, trading, sales, structuring and research. It has acquired a reputation for excellence in all asset classes.

The business model is client-centric: teams of dedicated experts meet the needs of clients (pension funds, investment funds, central banks, corporations, insurance companies, governments and supranational organisations) in areas such as bond issues, interest rate, forex and credit derivatives and structured products. In 2008, BNP Paribas CIB ranked among the Top 10 bookrunners for global bond issues <sup>(2)</sup> and no.2 bookrunner for euro-denominated bond issues <sup>(2)</sup>

The unit's fixed-income, forex and credit specialists also offer a full range of research products and services underpinning its client-focused approach, with research analysts available for one-on-one client support. They also produce an extensive array of research notes and reports that are available through a variety of channels, including the Global Markets web portal. Research methods are underpinned by pioneering quantitative techniques delivered by a group of world-class experts.

<sup>(1)</sup> Source: Risk Magazine, January 2009.

<sup>(2)</sup> Source: Thomson Reuters, Full year 2008, published in January 2009.



NEW YORK

League tables show BNP Paribas' strength in this area: "no.3 for Overall Investment Grade Research" and "no.1 for Utilities" in the Euromoney Fixed Income research poll 2008 and "no.3 Globally for Issuer Research" in the Euromoney Primary debt poll 2008.

This global network allows the unit to provide clients with a complete range of tailor-made services on a global scale across a broad range of markets and currencies. With headquarters in London, five other trading floors in Hong Kong, New York, Paris, Singapore and Tokyo, and additional regional offices throughout Europe, the Americas, the Middle East and Asia-Pacific, the fixed income, forex and credit business employs around 1,900 professionals globally.

In 2008, the fixed income and forex business not only consolidated and improved its rankings across the full range of activities and regions, but also broke new ground in several areas, as demonstrated by a number of prestigious awards received from leading industry publications:

- Bond bookrunner in all currencies and segments (full year 2008, published in January 2009):
  - No.2 for all Euro-denominated (5 in 2007) – IFR,
  - No.3 for all Swiss-franc-denominated (3 in 2007) – IFR,
  - No.6 for all Sterling-denominated (8 in 2007) – IFR,
  - No.4 for all Covered bonds, all currencies (4 in 2007) – IFR,
  - No.4 for all Global and Euromarket yen (8 in 2007) – IFR;
- Derivatives and structured products:
  - Inflation Derivatives House of the Year – *Risk* 2009, January 2009;
  - Structured Products House of the Year – *Risk* 2008, January 2009;
  - Best Credit Derivatives House – *Euromoney* 2008, July 2008;
  - Interest Rates House of the Year – *Structured Products Europe* 2008, November 2008.



# BNP Paribas Principal Investments

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

## BNP Paribas Capital

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

This portfolio had an estimated value of EUR 3.3 billion at 31 December 2008 and is split into four segments:

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

## Listed investment and sovereign loan management

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

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

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



## Klépierre

Founded in 1990, Klépierre is a real estate investment company (SIIC) listed on Euronext Paris™ (compartment A). With a market capitalisation of EUR 2,909 million <sup>(1)</sup>, Klépierre is Europe's second-largest owner of shopping centres.

Klépierre operates in 13 European countries including France, Norway, Italy and Spain, and has a portfolio worth EUR 13,075 million, mainly in shopping centres.

Through its subsidiary Ségécé, Klépierre is also continental Europe's leading shopping centre manager. Ségécé manages 322 centres, including 246 owned by Klépierre, providing retailers with the expertise and professionalism born of more than half a century of experience. In 2008, Klépierre expanded its European operations with the acquisition of Steen & Strøm, Scandinavia's leading shopping centre owner. Steen & Strøm manages 56 shopping centres including 30 of its own.

Klémurs is a SIIC that is 84.1%-owned by Klépierre and has been listed since December 2006. It specialises mainly in retail real estate, assets outsourced by leading retailers. The combination of Klépierre and Klémurs provides retailers with a comprehensive solution to their real estate needs. Klémurs' portfolio, which is valued at EUR 642.1 million, is spread across the whole of France.

Klépierre also lets and manages a portfolio of mostly prime office properties in Paris and the inner suburbs, valued at EUR 1,068.9 million.

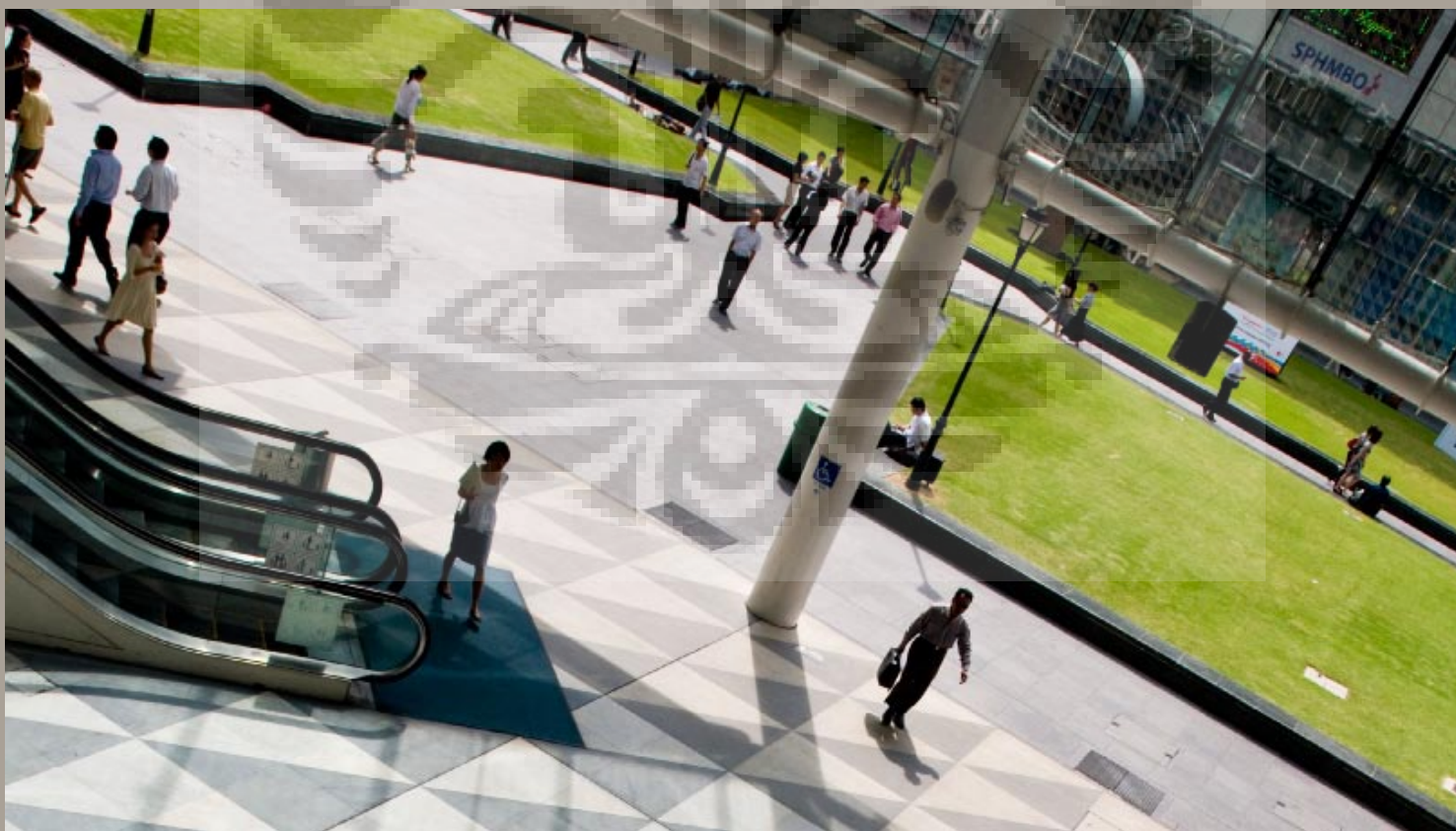
Overall, Klépierre's portfolio is worth EUR 14.8 billion.

Klépierre employs more than 1,500 people across Europe.



<sup>(1)</sup> Value at 12/31/2008.

# The Group's approach to corporate social responsibility

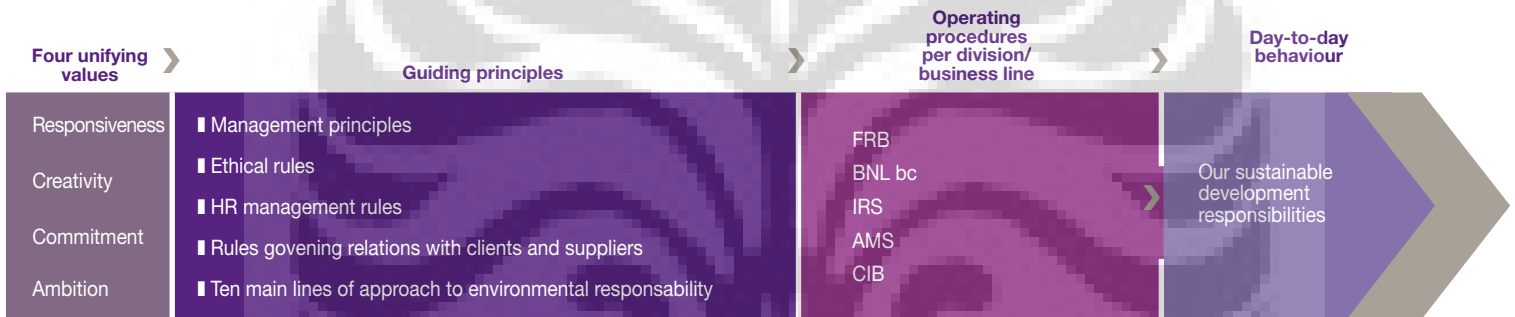


# The Group's approach

Responsibility based on core values and guiding principles

BNP Paribas does not take its approach to sustainable development lightly. The Group's economic, social, and environmental responsibilities are an integral part of its business ethic and are rooted in its

founding values: responsiveness, creativity, commitment, and ambition. These values unite individual actions into a cohesive Group-wide approach.



A strong commitment to sustainable development

BNP Paribas bases its sustainable development policy on targeted, consistent public commitments. In 2008 it actively pursued its participation in numerous initiatives, some of which are specific to the banking sector and others of which are more far-reaching. This allowed the Group to promote sustainable development in a range of areas and at different levels.

### Global initiatives

BNP Paribas has been a member of the United Nations Global Compact since 2003. The Compact's ten principles are embedded in the Group's policies and guide all operating decisions. As in previous years, the Group published a Communication on Progress (COP) report in 2008 that outlines its approach to diversity.

BNP Paribas contributes to the work of ORSE (the French research centre for corporate social responsibility), Entreprise Pour les Droits de l'Homme (a coalition of French companies committed to implementing the Universal Declaration of Human Rights), and Entreprises pour l'Environnement (a coalition of forty French companies united by a commitment to the environment and sustainable development). The Group also chairs meetings of the sustainable development club within ANVIE, the French association for interdisciplinary research in humanities and social sciences in the business sector.

### Finance sector initiatives

In 2008 BNP Paribas formally adopted the Equator Principles for its project financing activities. These Principles constitute a benchmark for the financial sector to identify, assess, and manage the social and environmental risks related to project financing activities. They are based on the social and environmental performance criteria established by the World Bank and the International Finance Corporation.

In association with the Institutional Investors Group on Climate Change (IIGCC) and the Carbon Disclosure Project, BNP Paribas Asset Management (BNP PAM) encourages companies to consider climate change issues in their investment decisions. BNP PAM is one of the founding members of the Enhanced Analytics Initiative (EAI) through which it allocates 5% of its brokerage commissions to developing extra-financial research. BNP Paribas is involved in the UK's Business in the Community (BITC) organisation, which brings together more than 700 companies that promote responsible corporate behaviour within society.

The Group's commitment can be witnessed in its involvement in initiatives that expand the reach of its business principles. At an international level, BNP Paribas Investment Partners signed the Principles for Responsible Investment (PRI), launched under the auspices of UNEP Finance. These Principles help companies incorporate environmental, social, and corporate governance issues into their investment decision-making processes.

### The public commitments of BNP Paribas

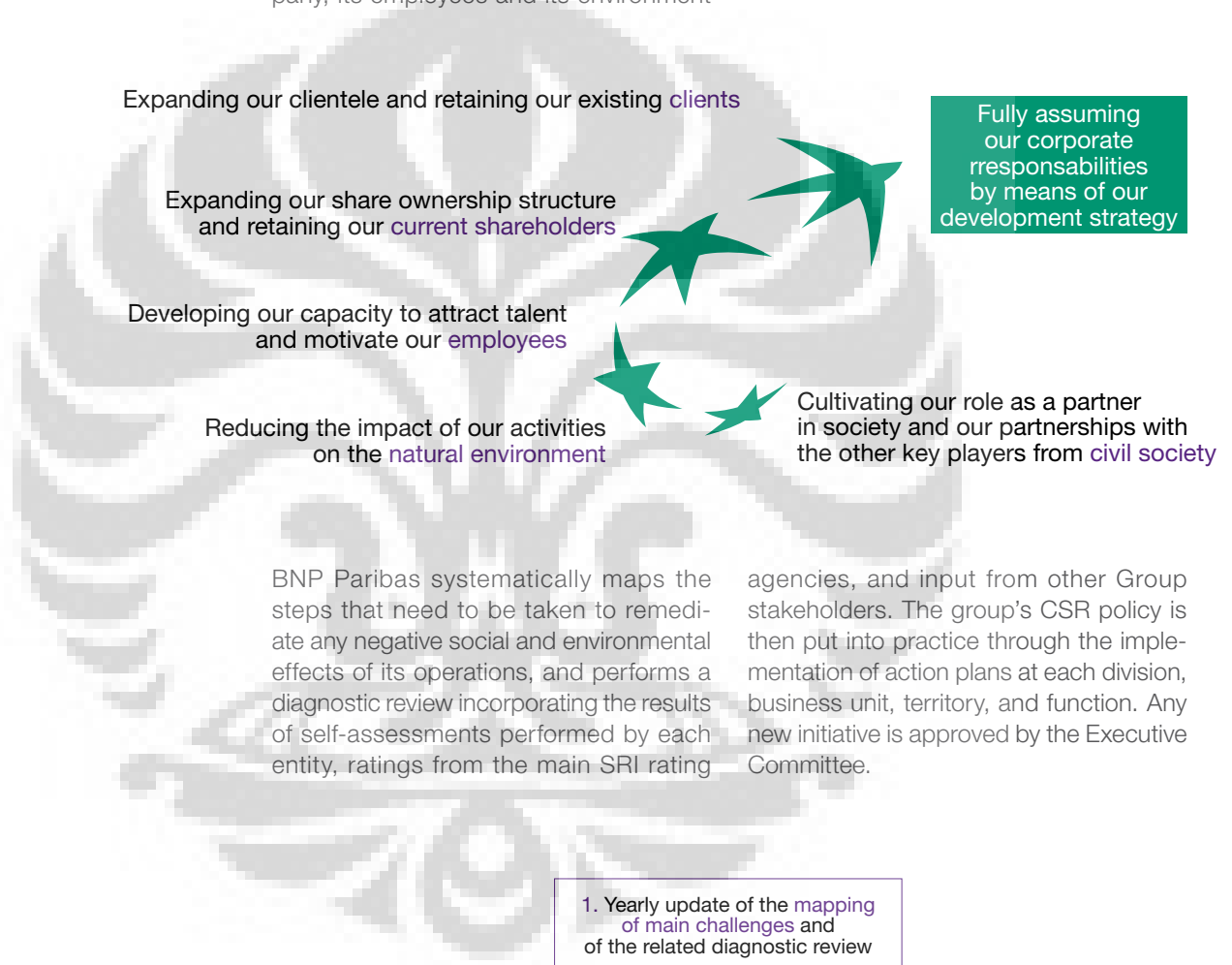


## Combining CSR and economic performance

### An act of management

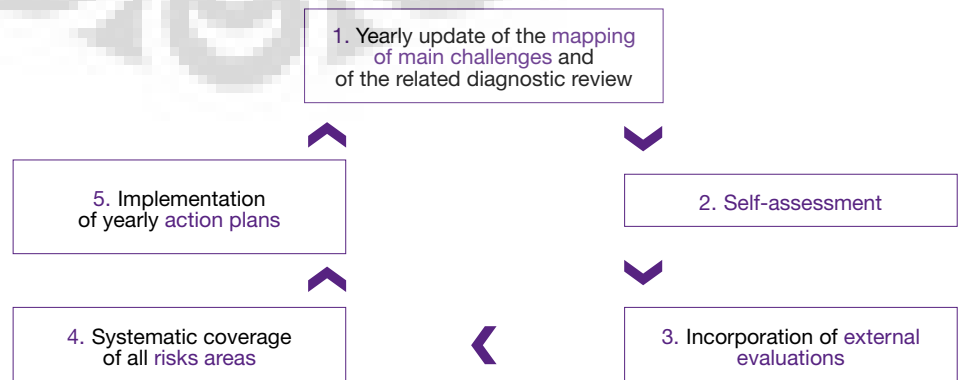
BNP Paribas does not consider corporate social responsibility (CSR) as a simple act of altruism, but rather as an act of management that helps ensure that a company, its employees and its environment

are in line with its economic, social and environmental values. The Group places a great deal of emphasis on CSR, with each business assuming responsibility for any effects that its operations may have on its stakeholders or the environment.



BNP Paribas systematically maps the steps that need to be taken to remediate any negative social and environmental effects of its operations, and performs a diagnostic review incorporating the results of self-assessments performed by each entity, ratings from the main SRI rating

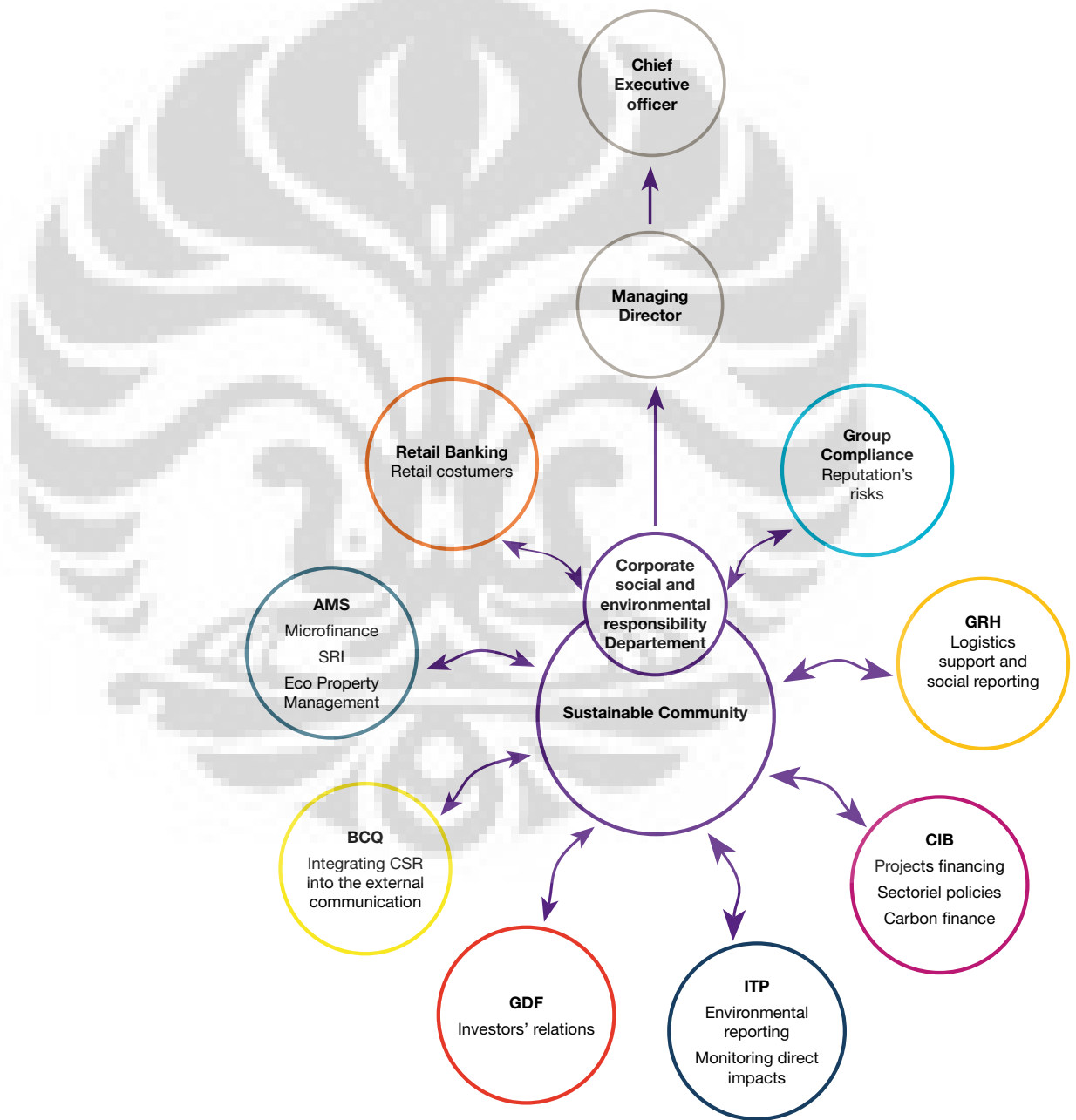
agencies, and input from other Group stakeholders. The group's CSR policy is then put into practice through the implementation of action plans at each division, business unit, territory, and function. Any new initiative is approved by the Executive Committee.



### A Group-wide mission

All of BNP Paribas' business units, which operate in 83 countries around the world, play a role in the Group's CSR policy. A Group-wide Corporate Social and Environmental Delegation oversee implementation of the overall policy. The Delegation maintains a direct link with managers throughout the Group and coordinates a network of over 200 experts from all divisions, business units, territories, and functions.

### The CSR Delegation: interactions within the Group



**Internal controls**

The Group has an elaborate internal control system whose various components contribute to the application of its CSR policy. These components include first-level controls by operational staff and their managers, as well as regular audits.

In 2004 the General Inspection Unit and Corporate Social and Environmental Delegation introduced an audit methodology designed to ensure that all

BNP Paribas entities apply directives in accordance with the Group's internal control system. Several controls were put in place to ensure that all components of the Group's CSR policy are applied.

This methodology was completely revamped in 2008 with updated reference documents and guides, and a more systematic treatment of the issues and challenges that BNP Paribas entities face in France and in other territories.

**The internal control mechanism**



Recognition from SRI rating agencies

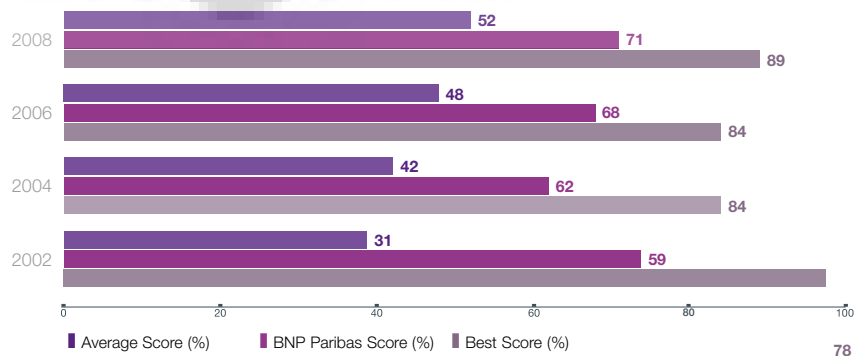
**BNP Paribas is included in the main SRI indices: DJSI World, DJSI Stoxx, ASPI Eurozone, FTSE4Good Global 100, FTSE4Good Europe 50, and FTSE4Good Environmental Leaders Europe 40. BNP Paribas is one of the few banks worldwide to have received this unanimous acknowledgement.**

**SAM**

2008 marked the seventh year in a row in which BNP Paribas was included in both Dow Jones Socially Responsible Investing indices: the DJSI World and DJSI Stoxx. BNP Paribas was the only French bank to be included in both indices in 2008.

The companies included in the SRI indices are selected by means of an annual questionnaire. In 2008, the banking

**Changes in overall score**





sector's questionnaire comprised 98 questions on topics of economic, environmental, and social concern. Sustainable Asset Management Inc. (SAM), a ratings agency, identifies the top companies in each sector based on the questionnaire replies. Out of 2,500 companies rated, only 250 actually make it onto the DJSI World index. In the banking sector, BNP Paribas was one of only 13 European banks included in the DJSI Stoxx index and 23 banks worldwide included in the DJSI World index. In 2008 BNP Paribas came in significantly higher than the sector average in almost all segments of the study, with an overall rating of 71 out of 100 (vs. a sector average of 52 out of 100). The Group's rating has improved steadily since 2002, especially with respect to economic and environmental concerns.

BNP Paribas' inclusion in widely used SRI indices is an acknowledgement of the effectiveness of its Corporate Social Responsibility initiatives.

### **Vigeo**

Vigeo is Europe's leading Social and Environmental rating agency. Since 2007 ratings issued by Vigeo are protected by copyrights. The details of this rating can be obtained from BNP Paribas upon request.

In 2008 Vigeo issued a report entitled Green, Social, and Ethical Funds in Europe. This report confirms that the number of European SRI funds jumped 23% in 2008 to 537 (vs. 437 in 2007), with total assets under management of EUR 48 billion. In this report Vigeo ranked BNP Paribas as one of the ten European stocks most frequently included in SRI fund portfolios, for the third consecutive year.

### **CFIE**

Every year CFIE, the French centre for information on businesses, reviews how thoroughly French listed companies have taken France's NRE Act into account in their annual reports. For the fifth year in a row BNP Paribas' annual report was ranked among the top ten, and the company was quoted as "leading in CSR reporting in the banking sector". CFIE gave BNP Paribas' CSR report a highly positive evaluation, stating that "Like last year, BNP Paribas issued a high-quality report in 2007... It is easy to read and provides a granular level of detail and thorough explanations. The report has a clear layout and its tables, graphs, and pictures effectively supplement the text."

### **European Federation for Ethics and Sustainable Development**

In 2008 the European Federation for Ethics and Sustainable Development issued a consumer guide entitled Buy for a Better World (published by Eyrolles). This guide rates the practices of more than 100 French and foreign companies operating in France according to five criteria: corporate governance; social responsibility; environmental responsibility; quality; and citizenship. The ratings are given on a scale from one star (average initiatives) to four stars (outstanding initiatives).

BNP Paribas was the only bank – and one of very few French companies – to receive three stars for all five criteria in 2007.

Buy for a Better World also includes a detailed sector analysis by family of products and services. All of BNP Paribas' banking and insurance businesses received three stars in most of the five criteria. According to the guide, "BNP Paribas has undertaken the highest number of initiatives in its sector."

## Organised dialogue with stakeholders

Stakeholder	Communication initiative
Shareholders	<ul style="list-style-type: none"> <li>• Shareholder Liaison Committee: Opinion on the Sustainable Development Report</li> <li>• Dialogue with fund managers and analysts: SRI Roadshow (investor relations)</li> <li>• Development of a periodical communication, specifically aimed at Socially Responsible Investors</li> <li>• A half-yearly financial newsletter</li> <li>• Annual shareholder meeting minutes</li> <li>• Meetings between shareholders and Executive Management in various French cities</li> <li>• Attendance at the Actionaria trade show for shareholders of French companies</li> <li>• <i>La Vie du Cercle</i> newsletter issued three times a year to members of Cercle BNP Paribas</li> <li>• Science and art seminars and visits to manufacturing sites</li> <li>• A toll-free number in France (0800 666 777) and a telephone news service</li> <li>• BNP Paribas' corporate website, <a href="http://invest.bnpparibas.com/en">http://invest.bnpparibas.com/en</a></li> <li>• A Minitel service: 3614 BNPPACTION</li> <li>• Cooperation with the French Federation of Investment Clubs</li> <li>• Regular earnings releases</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• 25,000 employees surveyed on the working environment</li> <li>• European Works Council</li> <li>• Group Works Council in France</li> <li>• An Employment Law Committee for maintaining an active dialogue with employees</li> <li>• Local BNP Paribas SA committees in France for making decisions at the appropriate level</li> <li>• Mix City, an association of female executives</li> </ul>
Customers and suppliers	<ul style="list-style-type: none"> <li>• Regular customer satisfaction surveys</li> <li>• A Cetelem booklet on responsible lending</li> <li>• A guide for the disabled on access to BNP Paribas branches and ATMs</li> <li>• Relationships with consumer organisations – dedicated relations with Cetelem and BNP Paribas' French retail banks</li> <li>• A well-defined procedure for resolving customer complaints in branches through a mediator</li> </ul>



Community	<ul style="list-style-type: none"><li>• Participation in the business forum (<i>Forum des Entreprises</i>) with government representatives</li><li>• Over 1,300 partnerships formed by the Group's retail banks in France, most notably with educational establishments</li><li>• 41 local partnerships set up in 2008 through the <i>Projet Banlieues social</i> outreach initiative</li><li>• Chair of ANVIE's Sustainable Development Club</li><li>• Member of working groups run by ORSE and EpE (French associations active in environmental and CSR issues)</li><li>• A new citizen's blog, <a href="http://www.pourunmondequichange.com">www.pourunmondequichange.com</a></li></ul>
Environment	<p><b>Employee awareness building</b></p> <ul style="list-style-type: none"><li>• Use of the Group intranet, the in-house newsletter (<i>Ambition</i>), and internal agreements</li><li>• A guide on how to be environmentally conscious at work (<i>P'tit Mémo Buro</i>), distributed to BNP Paribas employees (100,000 copies)</li><li>• Numerous articles on the environment and new automotive trends posted on Arval's website (<a href="http://www.arval.co.uk/eng">http://www.arval.co.uk/eng</a>) and on the Corporate Vehicle Observatory website (<a href="http://www.corporate-vehicle-observatory.com/eng">http://www.corporate-vehicle-observatory.com/eng</a>)</li><li>• A guide for employees written by Arval on responsible driving practices</li><li>• Helped design the French Sustainable Development Savings Account (formerly CODEVI)</li><li>• Training on the Equator Principles given to employees in Paris, New York, and Singapore</li></ul>

# Shareholder Relations



## Share capital

At 31 December 2007, BNP Paribas' share capital stood at EUR 1,810,520,616 divided into 905,260,308 shares. Details of the historical evolution of the capital are provided in the "Changes in share capital" section of the Activity Report.

In 2008, two series of transactions led to changes in the number of shares outstanding:

- 1,149,570 shares were issued through the exercise of stock options;
- 5,360,439 shares were issued as part of a capital increase reserved for employees.

At 31 December 2008, BNP Paribas' share capital stood at EUR 1,823,540,634 divided into 911,770,317 shares with a par value of EUR 2 each (1).

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

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

## Changes in share ownership

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

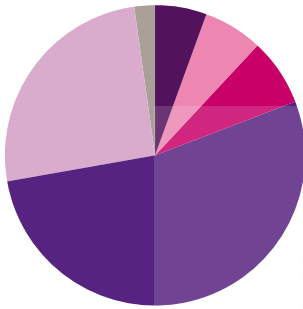
Shareholders	31/12/06		31/12/07		31/12/08	
	Number of shares (in millions)	% of capital and voting rights <sup>(1)</sup>	Number of shares (in millions)	% of capital and voting rights <sup>(1)</sup>	Number of shares (in millions)	% of capital and voting rights <sup>(1)</sup>
<b>Axa</b>	<b>52.65</b>	<b>5.7%</b>	<b>53.56</b>	<b>5.9%</b>	<b>53.08</b>	<b>5.8%</b>
<b>Employees</b>	<b>49.36</b>	<b>5.3%</b>	<b>52.64</b>	<b>5.8%</b>	<b>57.69</b>	<b>6.3%</b>
- o/w corporate mutual funds	35.86	3.9%	38.53	4.2%	42.75	4.7%
- o/w direct ownership	13.50	1.4%	14.11	1.6%	14.94	1.6%
<b>Corporate officers</b>	<b>0.26</b>	<b>NS</b>	<b>0.36</b>	<b>NS</b>	<b>0.43</b>	<b>NS</b>
<b>Treasury shares<sup>(2)</sup></b>	<b>19.25</b>	<b>2.1%</b>	<b>9.14</b>	<b>1.0%</b>	<b>5.46</b>	<b>0.6%</b>
<b>Public</b>	<b>59.55</b>	<b>6.4%</b>	<b>57.00</b>	<b>6.3%</b>	<b>64.36</b>	<b>7.1%</b>
<b>Institutional investors</b>	<b>693.47</b>	<b>74.5%</b>	<b>717.40</b>	<b>79.3%</b>	<b>717.75</b>	<b>78.8%</b>
(o/w "Socially Responsible Investors")	(7.50)	(0.8%)	(9.52)	(1.1%)	(3.92)	(0.4%)
- Europe	480.61	51.6%	516.54	57.1%	484.10	53.1%
- Outside Europe	212.86	22.9%	200.86	22.2%	233.65	25.7%
<b>Other and unidentified</b>	<b>55.93</b>	<b>6.0%</b>	<b>15.16</b>	<b>1.7%</b>	<b>13.00</b>	<b>1.4%</b>
<b>TOTAL</b>	<b>930.47</b>	<b>100.0%</b>	<b>905.26</b>	<b>100.0%</b>	<b>911.77</b>	<b>100.0%</b>

<sup>(1)</sup> Excluding trading desks' working positions.

<sup>(2)</sup> In accordance with article 223-11 of the AMF's General Regulations, the number of voting rights must be calculated on the basis of all shares to which voting rights attach, including those on which voting rights are not exercised such as treasury shares. Since BNP Paribas uses the "1 share = 1 vote" principle, percentages of the capital are the same as percentages of voting rights.

<sup>(1)</sup> Since the end of the financial year, 325,790 shares have been created following the exercise of options. As a result, at 23 January 2009, BNP Paribas' share capital stood at EUR 1,824,192,214 divided into 912,096,107 shares with a par value of EUR 2 each.

**BNP Paribas ownership structure at 31 December 2008**



- AXA 5.8%
- Employees 6.3% (o/w corporate mutual funds 4.7%, o/w direct ownership 1.6%)
- Public 7.1%
- European institutional investors 53.1%
- Non-European institutional investors 25.7%
- Other and unidentified 2.0%

**To the company's knowledge, no shareholder other than AXA owns more than 5% of its capital or voting rights. To BNP Paribas' knowledge, there is no agreement, whose execution at a later date could lead to a change in its control.**

**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 in Milan and they have been listed on the Tokyo Stock Exchange since 13 March 2000 (and the First Section since 7 February 2005). Since privatisation, a Level 1 144A ADR programme has been active in the USA, where JP Morgan Chase is the depository bank (2 ADRs correspond to 1 BNP Paribas share).

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

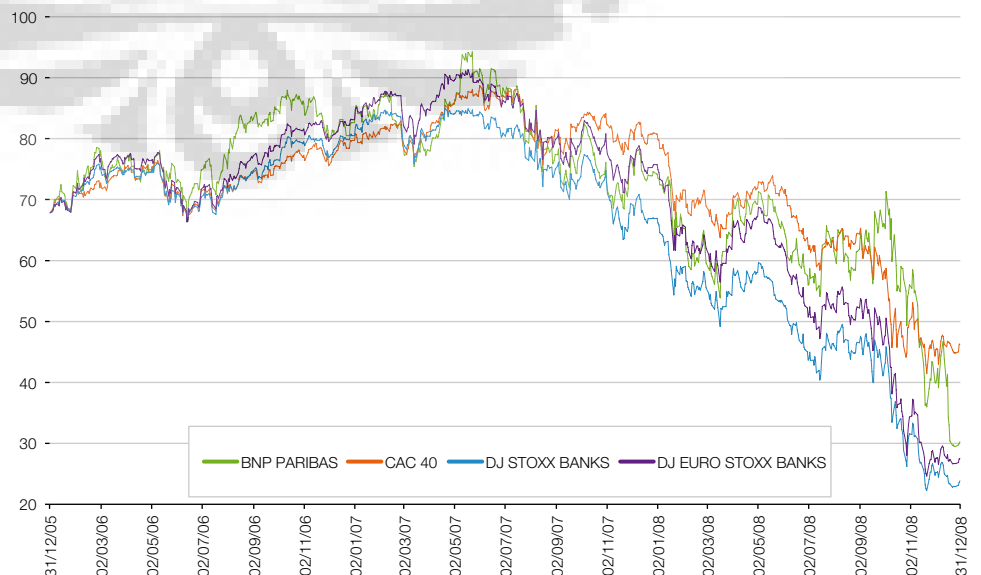
BNP became a constituent of the CAC 40 index on 17 November 1993 and of the Euro Stoxx 50 index on 1 November 1999. Since 18 September 2000, it has been a constituent of the Dow Jones Stoxx 50 index. In 2007, BNP Paribas joined the Global Titans 50, an index comprising the 50 largest corporations worldwide.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

**Share performance**

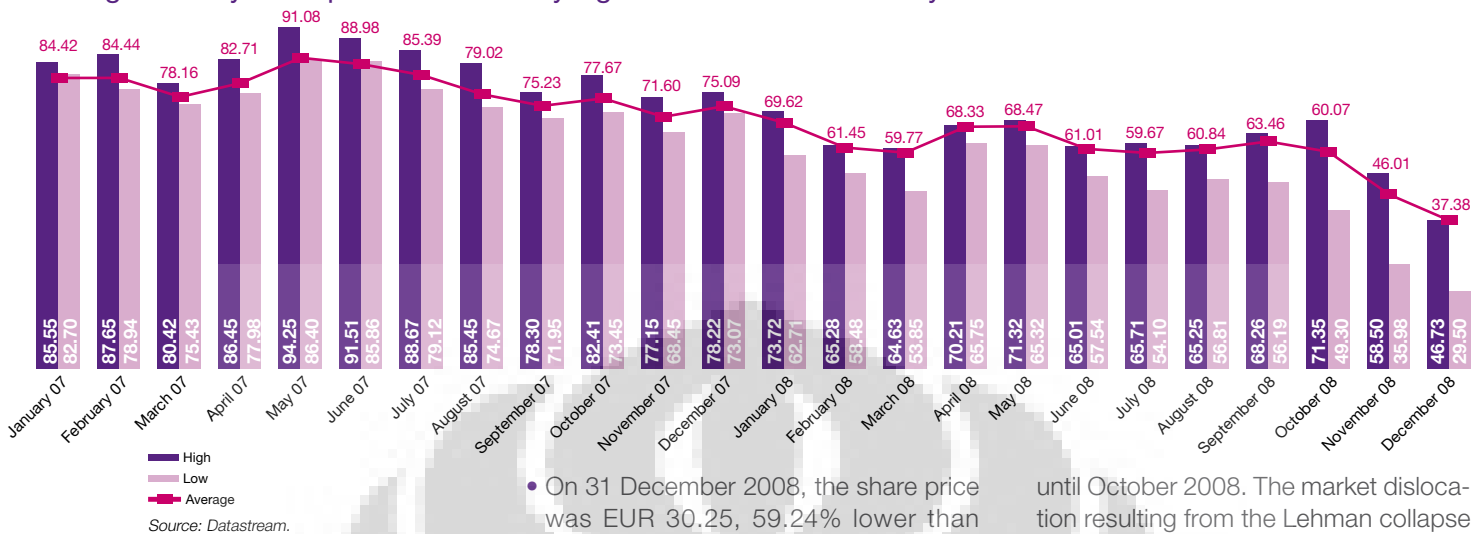
between 31 December 2005 and 31 December 2008

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

Source: Datastream.



## Average monthly share prices and monthly highs and lows since January 2007

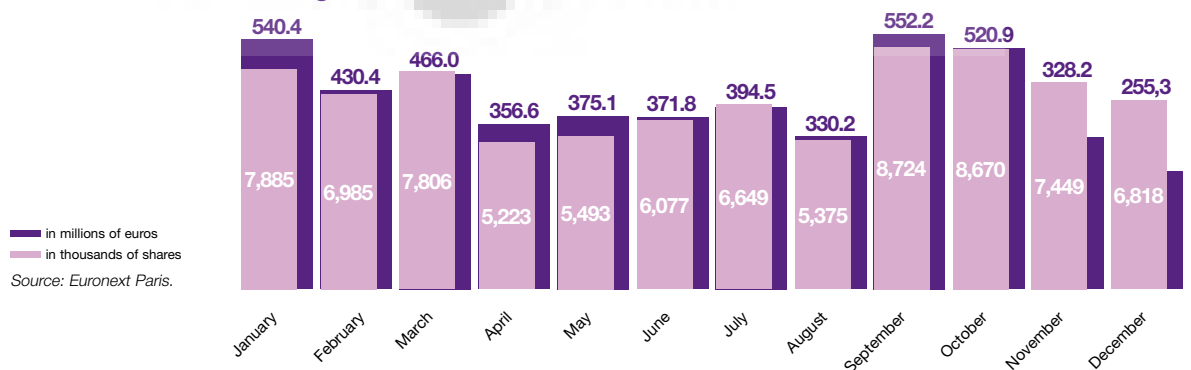


- On 31 December 2008, the share price was EUR 30.25, 59.24% lower than it had been on 31 December 2007 (EUR 74.22). Over the same period, the CAC 40 fell by 42.68%, the DJ EuroStoxx Banks was down 63.74% and the DJ Stoxx Banks was down 64.38%.
- Between 30 December 2005 and 31 December 2008, the share price fell by 55.40% against a 31.75% decline for the CAC 40, but a 59.51% fall for the DJ EuroStoxx Banks and a 64.85% drop for the DJ Stoxx Banks. After reaching an all-time high at EUR 94.25 in May 2007, BNP Paribas' share price was dragged down by the widespread loss of confidence in financial institutions, triggered by the subprime mortgage crisis in the US. However, because of BNP Paribas' lower exposure to the crisis compared with many competitors, its share price performance compared very well with banking-sector indexes

until October 2008. The market dislocation resulting from the Lehman collapse affected the Group's business, and in turn this pushed down its share price in late 2008, wiping out much of its out-performance against bank indexes until that point.

- At 31 December 2008, BNP Paribas' market capitalisation was EUR 27.6 billion, making it the 8th-ranked stock in the CAC 40, down two places relative to end-2007. In terms of free float, BNP Paribas is the 7th-ranked CAC 40 stock (down from third at end-2007). BNP Paribas had the 19th-largest free float in the DJ EuroStoxx50 index at end-2008, down from 11th place a year before.
- Daily trading volume on Euronext Paris averaged 6,936,205 shares in 2008, up 19.2% on the 2007 figure of 5,821,304. This is a clear indication of the stock's increasing liquidity.

## Trading volume on Euronext Paris in 2008 (daily average)



## Key shareholder data

In euros	French GAAP		IFRS		
	2004	2005	2006	2007	2008
Earnings per share <sup>(1) (*)</sup>	5.50	7.00	8.00	8.50	3.10
Net assets per share <sup>(2) (*)</sup>	35.90	45.80	49.80	52.40	47.00
Net dividend per share	2.00	2.60	3.10	3.35	1.00 <sup>(3)</sup>
Payout rate (%) <sup>(4)</sup>	37.90	37.40	40.30	39.80	33.00 <sup>(3)</sup>
<b>Share price</b>					
High <sup>(5) (*)</sup>	54.57	68.71	88.50	95.07	75.41
Low <sup>(5) (*)</sup>	45.71	50.31	66.65	67.54	28.50
Year-end <sup>(*)</sup>	52.89	67.82	82.65	74.22	30.25
<b>CAC 40 index on 31 December</b>	<b>3,821.16</b>	<b>4,715.23</b>	<b>5,541.76</b>	<b>5,614.08</b>	<b>3,217.97</b>

\* Data in the above table have been adjusted to reflect the share issue with preferential subscription rights in March 2006 (adjustment ratio = 0.992235740050131).

<sup>(1)</sup> Based on the average number of shares outstanding during the year.

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

<sup>(3)</sup> Subject to approval at the Annual General Meeting of 13 May 2009.

<sup>(4)</sup> Dividend recommended to the AGM, expressed as a percentage of net income adjusted for coupons on undated super-subordinated notes (TSSDs).

<sup>(5)</sup> Registered during trading.

## Creating value for shareholders

### Total Shareholder Return (TSR)

#### Calculation parameters

- Dividends reinvested in BNP shares, then in BNP Paribas shares; 50% tax credit included until tax credit system abolished in early 2005.
- 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 2008, 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 (opening price)	Initial investment multiplied by	Effective annual rate of return
Since privatisation	18/10/1993	x 2.95	+ 7.38%
15 years	03/01/1994	x 2.27	+ 5.62%
14 years	03/01/1995	x 2.60	+ 7.05%
13 years	02/01/1996	x 2.82	+ 8.29%
12 years	02/01/1997	x 3.02	+ 9.65%
11 years	02/01/1998	x 1.82	+ 5.60%
10 years	04/01/1999	x 1.19	+ 1.78%
Since inception of BNP Paribas	01/09/1999	x 1.17	+ 1.66%
9 years	03/01/2000	x 0.92	- 0.91%
8 years	02/01/2001	x 0.87	- 1.69%
7 years	02/01/2002	x 0.795	- 3.23%
6 years	02/01/2003	x 0.98	- 0.34%
5 years	02/01/2004	x 0.75	- 5.66%
4 years	03/01/2005	x 0.67	- 9.66%
3 years	02/01/2006	x 0.50	- 20.57%
2 years	02/01/2007	x 0.39	- 37.27%
1 year	02/01/2008	x 0.43	- 57.17%

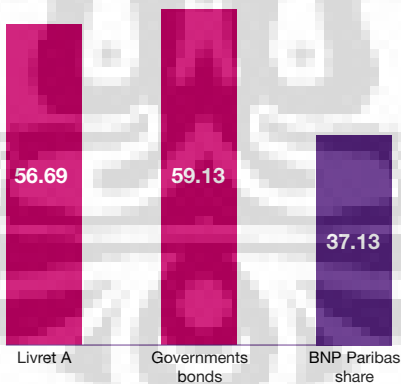


BNP Paribas uses two methods to measure the value created for shareholders, based on a medium- to long-term investment period reflecting the length of time during which the majority of individual investors hold their BNP Paribas shares.

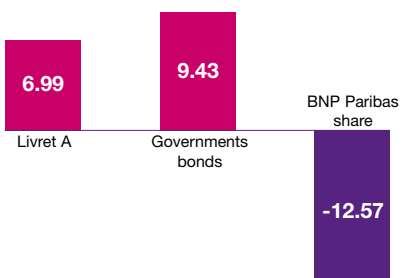
Five-year comparison of an investment in BNP Paribas shares at an opening price of EUR 49.70 at 2 January 2004 with the "Livret A" passbook savings account and medium-term government bonds.

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

### Value at 31/12/2008 of a EUR 49.70 investment made on 02/01/2004



### Comparative total 5 year return for an investment or EUR 49.70



### Total return on an investment in BNP Paribas shares

Initial investment = 1 share at the opening price on 2 January 2004 = EUR 49.70

Dividends reinvested

Exercise of pre-emptive rights to subscribe for shares in the March 2006 share issue.

Value at 31 December 2008: 1.2274 shares at EUR 30.25, i.e. EUR 37.13.

### Investment of EUR 49.70 on 1 January 2004 in a "Livret A" passbook account:

The interest rate on the investment date was 2.25%, reduced to 2% on 08/01/2005. The interest rate was increased to 2.25% on 1 February 2006 and to 2.75% on 1 August 2006, and to 3% on 1 August 2007. The interest rate was increased twice more in 2008, to 3.50% on 1 February and to 4% on 1 August. At 31 December 2008, this investment was worth **EUR 56.69**, an increase of EUR 6.99 (+14.1%), as opposed to a decrease of EUR 12.57 per BNP Paribas share over the same period (-25.30%).

### Investment of EUR 49.70 on 1 January 2004 in 5-year French government bonds.

The five-year interest rate (BTAN) on that date was 3.553%. At the end of each subsequent year, interest income is reinvested in a similar note on the following terms:

- 2.8986% (BTAN) in January 2005 for 4 years;
- 2.94696% (BTAN) in January 2006 for 3 years;
- 3.88011% (BTAN) in January 2007 for 2 years;
- 4.745% in January 2008 for 1 year (Euribor).

At the end of five years, the accrued value of the investment is **EUR 59.13**, representing a growth of EUR 9.43 (+18.97%), as opposed to a EUR 12.57 decline for an investment in a BNP Paribas share.

## 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 stockmarket authorities.

The **Investor Relations** team informs institutional investors and financial analysts, in France and abroad, of the Group's strategies, major events concerning the Group's business and, of course, the Group's quarterly results. In 2009, for example, the following dates have been set<sup>(1)</sup>:

- 19 February 2009: publication of 2008 results;
- 6 May 2009: results for the first quarter of 2009;
- 4 August 2009: publication of 2009 half-year results;
- 5 November 2009: results for the third quarter and first nine months of 2009.

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

The **Individual Shareholder Relations Department** provides information and deals with queries from the Group's 670,000 or so individual shareholders (*source: 31 December 2008 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 in July. During the year, senior management presents the Group's policy to individual shareholders at meetings organised in various French cities and towns. For example, in 2008, meetings were held in Versailles on 17 June, Nice on 24 June and Rennes on 30 September. BNP Paribas representatives also met and spoke with over 1,000 people at the "Actionaria" shareholder fair held in Paris on 21 and 22 November 2008.

In 1995, the "**Cercle BNP Paribas**" was set up for individual shareholders holding at least 200 shares. The Cercle currently has 55,000 shareholder members. Three times a year, in alternation with financial newsletters, they receive *La Vie du Cercle*, a publication inviting them to take part in artistic and cultural events with which BNP Paribas is associated, as well as training sessions. These include seminars on trading in equities (including technical analysis and financial research), on private Asset Management and warrants, as well as economic-update sessions, organised by BNP Paribas teams specialising in these fields. In addition, the Bank regularly organises scientific conferences and visits to industrial sites. The seminars are held in Paris and the provinces, on weekdays and the weekend, to enable as many people as possible to attend. Illustrating the growing variety of the offering, 409 events were organised for 16,230 participants in 2008, as opposed to 389 events for 16,351 participants in 2007. Shareholders can obtain information about these services by dialling a **special freephone number** (in France): **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. Finally, the Cercle BNP Paribas's own website was set up in 2008, providing information about the Cercle's services.

### **BNP Paribas Shareholders' Guide**

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

<sup>(1)</sup> Subject to alteration.

**BNP Paribas ranked among the winners of the Boursorama 2008 website survey**

Boursorama and its partner OpinionWay, a consultancy specialising in analysing individual shareholder behaviour, have for the past eight years conducted an annual survey in France (Boursorama), with a view to finding the best websites of companies listed on the Paris Stock Exchange. As part of the 2008 survey, more than 7,340 web users visited the sites of Paris-listed companies in September and October 2008. 250 sites were rated by participants, who focused on how up-to-date the information was, how transparent the financial communication was and how easy the site was to navigate around.

BNP Paribas' "Investors/Shareholders" site (<http://invest.bnpparibas.com>), which won the "Coup de Cœur" award for the most popular website among first-time visitors in 2007, was ranked no. 2 in the Grand Prix Boursorama survey in 2008. This achievement recognises the accessible, informative and innovative nature of the information provided to individual investors by BNP Paribas. These characteristics are particularly important during a period of financial crisis.

The BNP Paribas website (<http://invest.bnpparibas.com>) can be consulted in both French and English. Large portions of the website are also available in Italian. It provides information on the Group, including press releases, key figures and details of significant developments and presentations. All financial documents such as Annual Reports and Registration Documents can also be viewed and downloaded. Publications compiled by the Bank's Economic Research unit can be viewed on the website. The website also naturally features the latest share performance data and comparisons with major indexes. Among the website's features is a returns calculation tool.

The Investors/Shareholders section now includes all reports and presentations concerning the Bank's business and strategy, irrespective of the original target audience (individual shareholders, institutional investors, asset managers or financial analysts). The website also has a section entitled "To be a shareholder", which was specifically designed with individual shareholders in mind, offering information tailored to their needs and details of proposed events. In addition, there is a specific section dedicated to the

Annual General Meeting of shareholders, which includes information regarding the conditions for attending the meeting, ways of voting, practical questions, as well as a presentation of the resolutions and the complete text of all speeches made by corporate officers. Webcasts of the sessions 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 increasing transparency and regulated reporting requirements, BNP Paribas relaunched the "Investors/Shareholders" section of its website in late 2008. Content has been enhanced, including an improved glossary, and new functions have been added. The site is now more user-friendly and easier to navigate around. The financial calendar gives the dates of important forthcoming events, such as the AGM, results publications and shareholder seminars.

Recent information about the BNP Paribas Group is also available on the French **Minitel service 3614 BNPPACTION**, at a cost of EUR 0.057 per minute. Through this service, shareholders can ask questions, leave messages and order documents.

### 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 socioeconomically 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 2009, 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, President of Asras BNP Paribas (the Association of Employee, Retiree 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 2008, on 21 March and 3 October, in addition to taking part in the Annual General Meeting and attending the Actionaria shareholder fair. The main topics of discussion included:

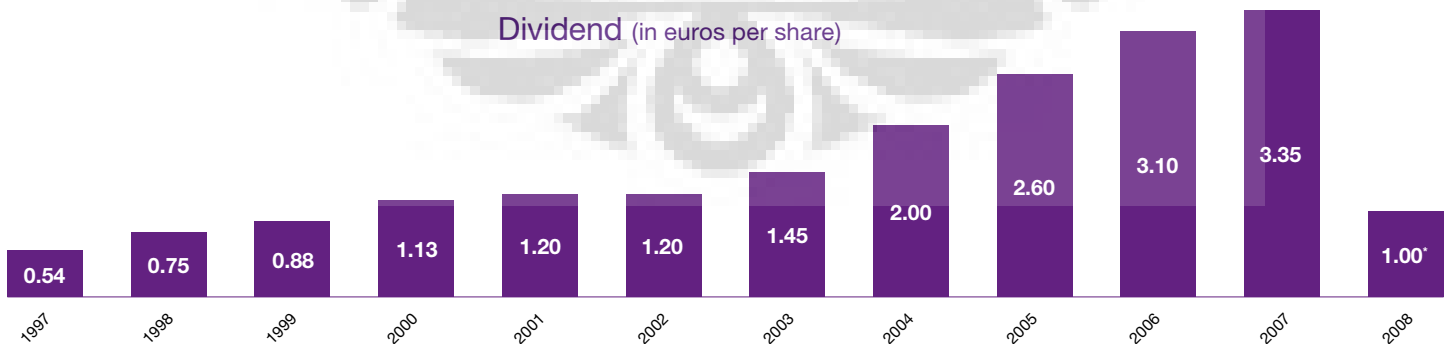
- BNP Paribas' ownership structure and changes in the structure, particularly among individual shareholders;
- the periodical publications which provide information on the Group's achievements and strategy;
- the draft 2007 Registration Document and Annual Report;
- quarterly results presentations;
- the new version of the website focusing on relations with financial market operators and Cercle des Actionnaires members;
- initiatives taken in preparation for the Annual General Meeting;
- BNP Paribas' participation in the "Actionaria" shareholder fair. At this event, several Liaison Committee members explained the role played by the committee to people who visited the Bank's stand.

**Dividend**

At the 13 May 2009 Annual General Meeting, the Board of directors will recommend a dividend of EUR 1.00 per share. The shares will go ex-dividend on 20 May 2009 and the dividend will be paid on 16 June 2009, subject to approval at the Annual General Meeting.

The total amount of the payout is EUR 912.1 million, compared with EUR 3,034.1 million in 2008. The proposed payout rate is 33.0% <sup>(1)</sup>.

**Dividend (in euros per share)**



<sup>(1)</sup> Subject to approval at the Annual General Meeting of 13 May 2009. Dividends for 1997-2000 have been adjusted to reflect the two-for-one share split carried out on 20 February 2002.

**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.

<sup>(1)</sup> Dividend recommended at the 13 May 2009 Annual General Meeting expressed as a percentage of earnings per share.

## BNP Paribas registered shares

At 31 December 2008, 26,437 shareholders had BNP Paribas registered shares.

### Registered shares directly with BNP Paribas

Shareholders who hold shares under the pure registered form:

- automatically receive all documents regarding the Bank which are sent to shareholders;
- can call a **French freephone number (0800 600 700)** to place buy and sell orders and to obtain any information;
- benefit from special, discounted brokerage fees;
- have access to “GIS Nomi” (<http://gisnomi.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;

- pay no custodial fees and are automatically invited to General Meetings, without the need for an ownership certificate.

### Registered shares held in an administered account

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

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

## Annual General Meeting

The last Annual General Meeting was held on 21 May 2008 on first call. The text of the resolutions and the video of the meeting can be viewed on the BNP Paribas website, which is where the original live webcast took place. The composition of the quorum and the results of the votes

cast were posted online the day after the meeting. In addition, the meeting was written about in the specialist press and a specific letter was sent to shareholders summarising the meeting.

The quorum breaks down as follows:

### Breakdown of quorum

	Number of shareholders	(%)	Number of shares	(%)
Present	1,927	17.90%	106,600,567	22.94%
Proxy given to spouse or another shareholder	36	0.33%	12,504	NS
Proxy given to Chairman	5,410	50.25%	38,505,103	8.29%
Postal votes	3,393	31.52%	319,503,686	68.77%
<b>Total</b>	<b>10,766</b>	<b>100%</b>	<b>464,621,860</b>	<b>100%</b>
<b>Total number of shares issued excluding treasury stock</b>			<b>900,040,571</b>	<b>Quorum 51.62%</b>

All resolutions proposed to the shareholders were approved.

	<b>Results</b>	<b>Rate of approval (%)</b>
<b>ORDINARY MEETING</b>		
Resolution 1:	Approval of the consolidated balance sheet at 31 December 2007 and the consolidated profit and loss account for the year then ended	98.27%
Resolution 2:	Approval of the parent-company balance sheet at 31 December 2007 and the parent-company profit and loss account for the year then ended	98.26%
Resolution 3:	Appropriation of net income and dividend distribution	99.82%
Resolution 4:	Agreements and commitments governed by Article L. 225-38 of the Code de commerce	96.49%
Resolution 5:	Share buybacks	99.66%
Resolution 6:	Appointment of Daniela Weber-Rey as a director	99.13%
Resolution 7:	Renewal of the term of office of François Grappotte as a director	99.09%
Resolution 8:	Renewal of the term of office of Jean-François Lepetit as a director	97.43%
Resolution 9:	Renewal of the term of office of Suzanne Berger Keniston as a director	99.03%
Resolution 10:	Renewal of the term of office of H�el�ene Ploix as a director	99.15%
Resolution 11:	Renewal of the term of office of Baudouin Prot as a director	97.11%
Resolution 12:	Powers to carry out formalities	99.81%
<b>EXTRAORDINARY MEETING</b>		
Resolution 13:	Authorisation to issue shares and share equivalents with pre-emptive rights for existing shareholders maintained	94.58%
Resolution 14:	Authorisation to issue shares and share equivalents with pre-emptive rights for existing shareholders waived and a priority subscription period granted	87.99%
Resolution 15:	Issue of securities to be given in exchange for securities tendered as part of public exchange offers	87.46%
Resolution 16:	Issue of securities to be given in exchange for unlisted securities tendered, up to a maximum of 10% of the capital	91.42%
Resolution 17:	Overall limit on authorisations to issue shares with pre-emptive rights for existing shareholders waived	91.37%
Resolution 18:	Issuance of shares to be paid up by capitalising income, retained earnings or additional paid-in capital	96.76%
Resolution 19:	Overall limit on authorisations to issue shares with pre-emptive rights for existing shareholders maintained or waived	94.45%
Resolution 20:	Transactions reserved for members of the employee savings plan	93.12%
Resolution 21:	Allotment of bonus shares to employees of the company and to employees and corporate officers of related companies	92.84%
Resolution 22:	Stock options	94.12%
Resolution 23:	Reduction in the Bank's capital by cancelling shares	99.32%
Resolution 24:	Amendment of the Bank's Articles of Association relating to attendance at General Meetings	97.25%
Resolution 25:	Powers to carry out formalities	99.41%

The 2008 Annual General Meeting was an additional opportunity for BNP Paribas to demonstrate its commitment to sustainable development. BNP Paribas seeks to create value consistently, to show its quality and its respect not only for "traditional" partners comprising shareholders, clients and employees, but also for the community at large. It seemed appropriate that these principles be reflected in the Group's 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 19,920 in 2008) 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 contributions in 2008 were divided between 34 projects, all initiated by Bank employees. Six projects obtained the maximum grant of EUR 4,000. The sums awarded vary according to the scale of the project, its quality and the commitment of employees. The projects receiving the most funding were humanitarian projects, mainly in Southeast Asia and Sub-Saharan Africa, followed by projects to assist disabled and disadvantaged people.

The allocation of funds is contained in the convening for 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 Meetings for the purpose of amending the Articles of Association, and especially to increase the Bank's share capital. Resolutions are adopted by a two-thirds majority of shareholders present or represented.

The Ordinary and Extraordinary General Meeting may be called in a single notice of meeting and held on the same date. BNP Paribas will hold its next Ordinary and Extraordinary General Meeting on 13 May 2009 <sup>(1)</sup>.

## Notice of meetings

For combined Ordinary and Extraordinary General Meetings:

- holders of registered shares are notified by post; regardless of the number of shares held the notice of meeting contains the agenda, the draft resolutions and a postal voting form;
- holders of bearer shares are notified via announcements in the press, particularly investor and financial journals; in addition to legal requirements, BNP Paribas sends the following documents aimed at boosting attendance:
  - notices of meetings and a postal voting form for shareholders who own over a certain number of shares (set at 250 shares in 2008); these same documents may be accessed freely on the website;
  - information letters concerning the Annual General Meeting and the attendance procedures. In 2008, these were sent to all holders of at least 150 bearer shares.

In total, nearly 70,000 of the Bank's shareholders personally received the information needed to participate in 2008.

In addition, staff at all BNP Paribas branches are specifically trained to provide the necessary assistance and carry out the required formalities.

## Attendance at meetings

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

<sup>(1)</sup> Subject to alteration.

## Voting

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

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

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

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

## Disclosure thresholds

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

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

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

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



# Human Resources Development





Michel Pébereau  
Chairman, BNP Paribas Group

### **“A genuine enterprise project is underpinned”**

Values are often considered, in major groups, as a communications tool, a public relations display that bears little relation to how work is carried out on the ground. This is not our point of view. We believe that our Group values should be shared by everyone and lived on a daily basis. They should help to rally our teams and ensure the Group's overall cohesiveness. BNP Paribas is no ordinary company. Its uniqueness is very dear to our hearts.

### Group values underpinning HR management

For BNP Paribas, the goal of being “the bank for a changing world” stems from the core values chosen by the new Group's top management at the time of the merger between BNP and Paribas in 2000. These values are illustrative of the Group's commitment to three goals:

- bringing together a global, multicultural Group;
- forging a strong, unique identity;
- enlisting employee support for the corporate mission by giving that mission lasting sense.

#### **A unifying approach**

BNP Paribas is a global group on the move and, as such, takes great care to respect the cultural backgrounds of all its employees in the ways it conducts its business and manages its teams. The Group's core values bind the diverse group of men and women that make up the BNP community, giving them a strong sense of shared identity.

#### **A distinctive corporate identity**

BNP Paribas expresses its distinctive identity in all its businesses and territories throughout the world. It has chosen to focus on original values, at both an individual and collective level. Only three other global groups have included Commitment and Ambition among their core values, and BNP Paribas is unique in choosing Creativity and Responsiveness.

#### **Action-centred values**

To have a truly rallying effect, corporate values must be shared by everyone and lived on a daily basis. Accordingly, the Group's top managers have spelt out the meaning and direction of the individual and collective behaviour that these values call for:

Responsiveness means rapidly appraising situations, identifying opportunities and risks, making decisions and taking effective action.

Creativity means promoting new initiatives and ideas and rewarding their originators.

Commitment involves devoting best efforts to customer service and team success, while meeting the highest standards of behaviour.

Ambition reflects an appetite for challenge and leadership, with the goal of winning, as a team, a series of contests in which the client is judge.

These core values were chosen in 2000 and redefined in 2006. In Ambition, the in-house newsletter, the Chairman described how the Group's values reflect its goals.

The same spirit presided over the work of defining the management principles and attitudes that are expected to govern the behaviour of all team leaders. These principles have been translated into the new format for annual performance evaluations. A single evaluation form is now used throughout the Group, across all business lines, territories and levels of responsibility.

### Human Resources policy framework

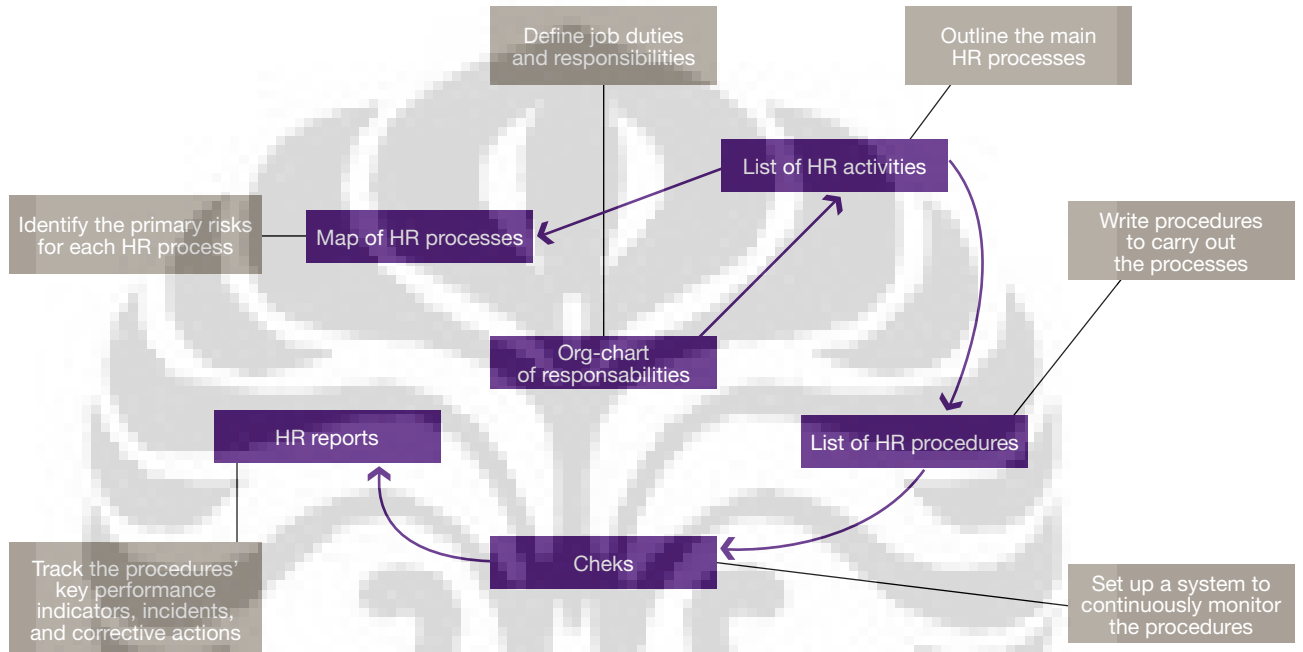
The human resources (HR) responsibilities charter was updated in 2007 as part of an overall review of the work and organisation of the Group's various functions.

The list of HR activities was also overhauled in 2007 and is now divided into ten areas, six involving HR management and four covering support functions. This policy framework provides a structure for the ongoing HR controls: risk mapping, procedures, key controls and reporting.

In parallel, the list of procedures is updated and extended on a regular basis to include new organisations and delegations and changes in processing procedures.

A scorecard of thirty major operational risks has been compiled for the Group. Among these operational risks, concerning HR discrimination has been deemed a determining risk factor by BNP Paribas. A grid of potential incidents giving rise to risk of discrimination was prepared in 2008, and action plans to counter it have been written up.

### Fundamentals of HR management



### The delegations

In view of the diverse businesses and cultures brought under one roof when BNP Paribas was formed, the Group elected to have an integrated human resources organisation. By developing consistent career management and compensation practices, the groupwide human resources organisation enabled the merger to be conducted successfully.

Subsequently, the Group human resources organisation simplified decision-making processes and empowered local management by broadening the responsibilities of the various core businesses, subsidiaries and countries, as well as expanding the role and scope of Group-level operational leadership in the management of key positions.

Group Human Resources is responsible for following the careers of executives and upper-level managers in key posts under its oversight, and it takes the lead in managing career paths for high-potential employees.

## Observance of the UN Global Compact

With a presence in 83 countries, BNP Paribas operates in a variety of political and regulatory environments. This means that the Group must take particular care to ensure compliance with the principles of the United Nations Global Compact, to which it is a signatory.

In 2008, 49 countries were identified by authoritative organisations (84) in this field as representing the greatest risk in terms of human rights. BNP Paribas is present in fifteen of these countries, employing staff accounting for 3.3% of its total global headcount. In the most risk-exposed countries, where regulations are often quite lax, local human resources departments apply Group rules to all employee management procedures.

BNP Paribas and six other major French groups have helped to found *Entreprises pour les Droits de l'Homme* (EDH – Companies For Human Rights). EDH seeks to identify practical ways in which companies can ensure observance of fundamental human rights. It works with organisations such as Amnesty International that focus on human rights, and it undertakes to promote this approach among other companies. In December 2008 EDH celebrated the 60th anniversary of the Universal Declaration of Human Rights in Paris.

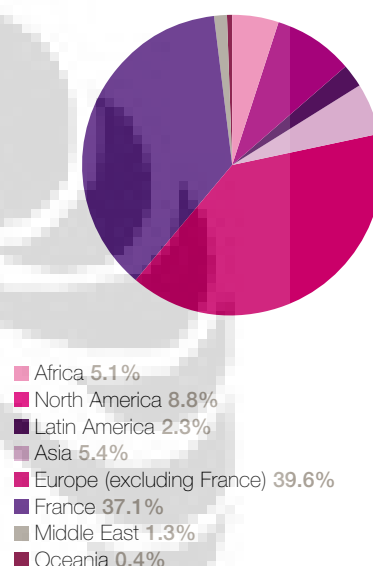
### Workforce evolution <sup>(2)</sup>

To keep up with business growth, total Group staff expanded to 173,188 net permanent paid (NPP) employees at 31 December 2008, an increase of 10,501 from one year before.

The increase reflects continued external growth with the acquisitions of Sahara Bank JSC in Libya and JetFinance International in Bulgaria as well as organic growth of retail banking in emerging countries.

The Group's worldwide workforce breaks down as follows:

### Breakdown by geographic area



### Workforce in France and outside France

The Group is present in 83 countries, with more than 60% of its workforce outside France at 31 December 2008.

	2006	2007	2008
France	57,123	64,080	64,217
Europe (excl. France)	53,461	62,473	68,542 <sup>(1)</sup>
North America	14,810	15,046	15,222
Asia	5,571	8,833	9,494
Africa	6,201	6,692	8,883
Latin America	2,924	3,287	3,957
Middle East	1,308	1,700	2,194
Oceania	513	576	679
<b>Total</b>	<b>141,911</b>	<b>162,687</b>	<b>173,188</b>

<sup>(1)</sup> Includes Italy: 19,397.

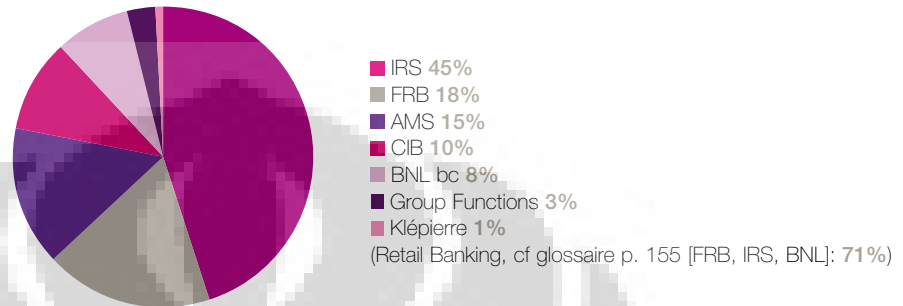
<sup>(1)</sup> Source: Amnesty International, Freedom House and Eiris.

<sup>(2)</sup> For human resources development data, the scope of this analysis is the entire NPP workforce managed by BNP Paribas as opposed to the consolidated workforce, which is limited to staff working for fully or proportionately consolidated entities calculated pro rata to the consolidation percentage of each subsidiary:

In NPP	2002	2003	2004	2005	2006	2007	2008
Consolidated workforce	87,685	89,071	94,892	101,917	132,507	145,477	154,069
Total workforce	92,488	93,508	99,433	109,780	141,911	162,687	173,188

## By business line

In 2008 the proportion of the workforce in growing businesses increased primarily outside France, while the proportion in retail banking in the more mature markets of France and Italy declined.

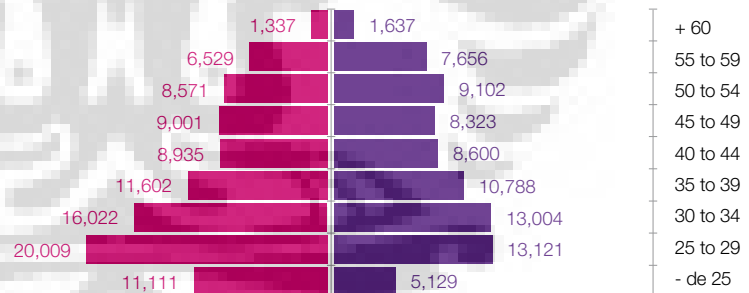


## Age pyramid

The Group's age pyramid remains balanced overall. The lower age groups are predominant in most of the Group's divisions, while the opposite is true of retail banking in France and Italy, where the age pyramid is closer to the standard pattern of employment demographics in continental Europe<sup>(1)</sup>.

## Group age pyramid - headcount (December 2008)

Women: 93,117 (54.6%) Men: 77,360 (45.4%)



## Key challenges of human resources management

Amid the crisis that has struck the financial industry, BNP Paribas today stands out as one of the most robust and profitable banking groups. This is in no small part a result of the personal commitment of each employee, day after day, in the service of the Group's goals. The diversity of BNP Paribas – in its business lines with their particular histories, in its languages, cultures, etc. – represents an ongoing challenge, as does employees' adherence to Group values and strategy: as an enterprise, the Group must be attentive to each person's expectations and must know how to be responsive to them by adapting its human resource policies and managerial practices.

In the extremely turbulent environment of 2008, the Group confronted four major challenges in human resources management: keeping up with development and change, valuing and motivating staff and retaining their loyalty, promoting diversity, and always listening to employees' concerns.

<sup>(1)</sup> Calculated on the basis of physical headcount managed by the Group, one for one.

## Keeping up with development and change

The Group's total workforce (NPP) has risen from 99,433 in 2004 to 173,188 in four years, an increase of 74%. Staff numbers outside France surged 141% over the same period, rising from 45,070 to 108,971.

The Group is expanding internationally, and human resources management must consequently meet two main challenges:

- anticipate employment trends by forecasting the cumulative effects of organic growth, productivity gains and the Group's age pyramid, which will bring about an average of 1,100 retirements per year by 2020 at BNP Paribas SA in France alone;
- develop the managerial resources needed not only to take the helm as key positions become available through natural attrition, but also to drive the Group's development and external growth plans.

The increasingly high levels of expertise required in the business lines and the Group's changing demographics make identifying and retaining talent a critical element of human resources management. This element presupposes a committed policy of adapting the job to the resource, taking into account the entire population of the Group without discrimination on the basis of age, sex or nationality.

### ■ Adapting quantitatively and qualitatively the workforce

Negotiations on forward-looking management of jobs and job skills began in early 2008 and are continuing, with the prospect of reaching an agreement in 2009.

To meet the challenges resulting from business changes and major Group projects, such as the need to recruit in several business lines and eliminate positions in a few other entities, two kinds of measures have

been taken, following the objectives set in early 2008 and complying with the terms of the Group's social agreement in France: reclassification of job holders between business lines and oversight of outside recruitment. For this purpose, a special staff unit coordinates job management policy across divisions, business lines and support functions.

In parallel with these measures, the BNP Paribas SA jobs adaptation plan for 2006-2008 has gone forward, with an upward revision in the potential number of assisted departures in line with the initial objectives of the plan. During 2008, 339 employees left the company under this plan, 304 for the opportunity to take another salaried job and 35 to start or take over a business. The average number of jobs created by each of these departures is 1.2, counting new business formation and expansion.

Within BNL in Italy, the plan that was the subject of agreements signed in November 2006 with trade unions on retirement, recruitment, mobility and professional development has gone forward in accordance with the forecasts made in 2008:

- 604 employees left the company;
- 720 new hires were made;
- 1,000 employees took advantage of mobility opportunities;
- more than 78,000 days, or close to 585,000 hours, of training were provided.

### ■ Ensuring recruitment that meets the specific needs of each business

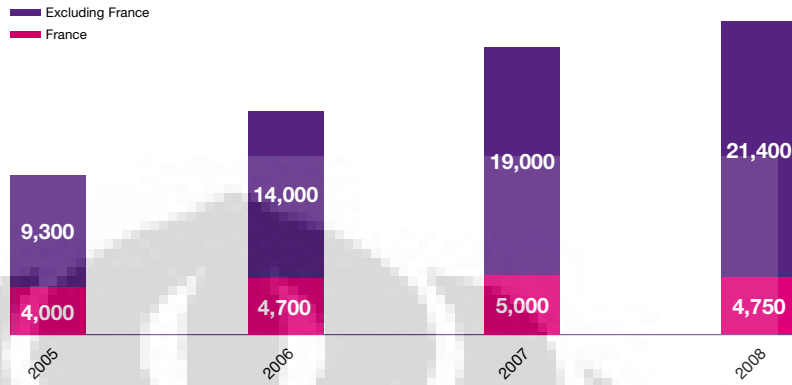
Recruitment held at a high level until August but then declined as economic conditions deteriorated. During 2008 as a whole, 26,158 new permanent hires<sup>(1)</sup> were made worldwide, compared with 24,080 in 2007. In France, recruitment was lower than in 2007 but still substantial, with 4,748 hires on permanent contracts.

<sup>(1)</sup> Excluding movements of Personal Finance Bulgaria and Sahara Bank, which were included in the workforce data during the year.

BNP Paribas – an attractive Group

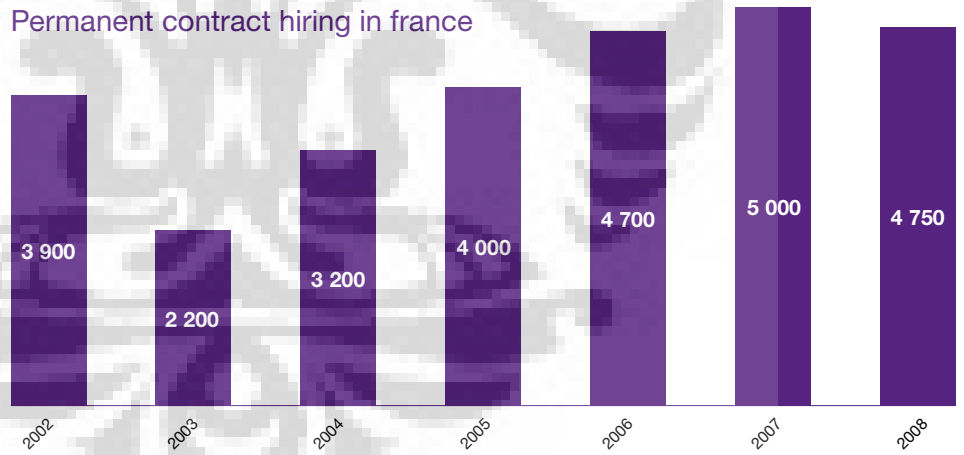
BNP Paribas remained in 1st place, for the third year in a row, on unprompted attractiveness as scored in the TNS Sofres 2008 survey of third-year business school students and held on to 2nd place among engineering school students, making it the no. 1 bank and the no. 1 service-sector enterprise cited by this population. BNP Paribas also placed 1st in 2008 among business students in the Student panel of Trendence Institute, conducted among 15,000 students of more than 151 training institutions (4th in 2007).

Recruitment of permanent employees (excluding fixed-term contracts)



The distribution of hires in France by age profile was stable in terms of relative shares, with young graduates accounting for 45%. There were 768 hires on work-study contracts, including 456 in professional internships and 312 in apprenticeships, comparable to the levels in 2007. At 31 December, there were 1,246 young employees on work-study. The number of trainees taken on under the VIE (Volontariat International en Entreprise) programme was stable, with 205 volunteers sent on missions in 2008 compared with 207 in 2007. The number of work placements for master's students also increased to over 1,200.

Permanent contract hiring in france



Close links with schools and universities

Recruitment policy was scaled down in 2008 to match the decreasing needs, but without sacrificing any of the key policy components. Relations with schools were actively maintained, with more than 100 events organised. The flow of candidates for pre-recruitment (internships, VIE, work-study) held at about 64,000 CVs, a volume comparable to 2007.

The Ace Manager programme, a business game on selected campuses in 26 countries, boosted recognition of BNP Paribas as a brand-name employer among students outside France. The Group's international recruitment site, *careers.bnpparibas.com*, was updated with a redesign.

These initiatives have all served to maintain or raise the Group's attractiveness score among strategic target populations.



### The Louveciennes Training Centre

The Group training centre, in the magnificent setting of Louveciennes near Paris, is a veritable company university. Its mission is not just to build competencies but to provide a forum for sharing ideas and building company spirit. Employees from all businesses, countries and cultures come here for training sessions. In 2008 nearly 21,000 employees came here to participate in integration seminars, business-specific courses, cross-functional training programmes and major Group events.

### Combating discrimination

A Code of Ethics for all Group employees with a role in the recruitment process has been drawn up and disseminated. This Code is supplemented by two documents to help employees evaluate candidates' skills: a methodological guide for the individual interview and a grid to formalise and document the decision taken after the interview of the candidate.

### Diversity of educational backgrounds

Young graduates of quite varied educational backgrounds – trained in social sciences, literature, sport, communication, etc. – find a place in the banking trades and help to diversify employee profiles, as investment advisers and junior account managers. With a two-year or four-year post-baccalaureate diploma in hand and aged less than 26 years, they undergo a year of work-study training in law, finance, taxation and customer relations management in a banking environment. They thereby acquire professional experience in the field as well as solid theoretical training, provided in partnership with the consortium of local public educational institutions (Greta).

#### ■ Developing skills of employees and teams

### Training as a tool of business effectiveness

Given the rapid pace of transformation in businesses, work organisation and the labour market, training and skills development is a key means of:

- raising employees' performance levels;
- enhancing their employability within the enterprise;
- valuing them and developing their loyalty.

Training supports each employee in his or her willingness to learn in order to achieve professional objectives and prepare for future changes. In addition, train-

ing provides a means to become better acquainted with the Group and its culture, its environment, and the regulations that cover banking activities. Lastly, training mechanisms foster exchange of knowledge between employees as a means of sharing skills. To be effective, training sessions must be tied together and made part of a long-term training programme. The Group's training curriculum is constructed by combining professional training for the business lines with cross-functional Group training.

In support of this training policy, BNP Paribas has a training centre that serves as a campus for bringing together employees from throughout the Group.

### Raising employees' performance levels

The training provided by the business lines is intended primarily to raise the level of employees' professionalism and expertise in their field. For this reason, each business line draws up a training plan that seeks to maintain competencies at the level needed for employees to exercise their responsibilities. The training programmes are designed and developed with the help of training specialists in order to make optimal use of new apprenticeship arrangements. The training curriculum thus combines classroom training with e-learning, and the training approach is supplemented by testing to ensure that appropriate knowledge is imparted.

Effective performance also requires acquisition of more multilateral skills, such as:

- proficiency in English – deployment of the Step-up programme introduced in 2007 continued throughout 2008;
- knowledge of compliance principles – programmes to raise awareness and understanding of the broad principles of preventing money laundering and handling conflicts of interest have been delivered in the form of e-learning;





#### Performance evaluation training recognised for merit

**BNP Paribas' Serious Game performance evaluation interview was awarded a prize in the most recent International IntraVerse Serious Game Awards competition. This prize recognises the Group's initiative and highlights the value of "serious games" as a component of professional training.**

- professional development – training in supervision, project management, personal effectiveness and operations management is provided frequently at the Group training centre in Louveciennes, where 1,567 executives received training in 2008.

#### Enhancing employees' employability with the Group

To face up to the massive changes affecting business lines within the banking industry, enhancing employees' ability to move from one business to another has been made a priority.

A first step in this direction was accomplished in 2008 by instituting a new support mechanism for employee mobility.

Called "Pro mobilité", this mechanism covers any Group employee in France who has officially applied for a mobility transfer or is considering whether to apply. The purpose of the mechanism is to:

- realise the value to the Group that is gained from naturally dynamic mobility in a context of ongoing sharp changes within BNP Paribas;
- prepare employees for their mobility transfer;
- support the reorganisations that mobility transfers will entail;
- foster exchanges and better understanding of the Group through sharing between participants.

In 2008, seven sessions open to more than 80 people met with great success. This mechanism thus provides an effective way for the bank to support employee transfers during a period of sharp changes.

#### Training of new employees

Introductory training enables new employees to learn about BNP Paribas and understand how the business units where they work fit into the whole. These programmes provide an occasion for new hires to build their first network of acquaintances within the enterprise. They help to create a sense of belonging by offering shared terms of reference as regards values, business principles and methodologies. Introductory training is just one among other highlights of new employees' first days; others are meeting their managers and fellow team members for the first time, being shown the work station where they will sit, and learning about the environment in which they will operate.

Welcoming new employees is also the occasion to show them how innovative the BNP Paribas Group is. To this end, the training engineering staff has developed a novel approach that couples new technologies and knowledge of the Group in a "serious game" that teaches about banking activities as it is being played. This game is part of the introductory programme for new employees.

#### **Valuing, motivating and building loyalty**

- Building loyalty with competitive remuneration

##### Remuneration

Work performed, skills and level of responsibility are remunerated by base pay commensurate with the employee's experience and the market norm for each business. Individual performance is rewarded by variable pay based on achievement of set objectives. Variable remuneration takes different forms in different business lines.

The Group strives to apply a fair, competitive and selective remuneration policy.



- annual performance reviews are driven by a search for fairness in accordance with a global procedure monitored by Group Human Resources.
- the Compensation and Benefits department of Group Human Resources updates annual benchmarks by business, type of post and country. This process is illustrative of the importance given to competitive fixed and variable pay.
- remuneration is revised in accordance with selective criteria that are closely linked to the development of the employee's skills, responsibilities and performances as reflected in the annual performance evaluation.

An extensive range of benefits

**Employee savings plans**

**Incentive and profit-sharing plans**

The Group seeks to optimise collective profit-based incentive schemes according to the legal, social and tax context of each entity: profit-sharing (mandatory) and incentive (voluntary) plans in France, similar "profit-sharing" plans in many other territories.

**Profit-sharing and incentive plans – BNP Paribas SA**

<b>Amount payable in respect of the year listed (in euros)</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
Total gross amount	116,769,620	148,701,874	186,076,788	227,719,000	232,530,560	84,879,969
Minimum amount per employee	2,328	2,945	3,772	4,696	4,728	1,738
Maximum amount per employee	7,831	10,020	10,689	12,732	12,800	4,641

**Employee share ownership**

The Group has always encouraged employee share ownership through an annual share issue reserved for employees. Since the formation of the BNP Paribas Group in 2000, the worldwide employee share ownership plan has offered employees the opportunity to become shareholders of their own company for a minimum period of five years. They are entitled to a discount on the shares they purchase and to top-up payments from the company. To date, eight share issues have been offered to Group employees.

**Employee savings plans**

These plans enable employees to build up their savings, in particular with a view to retirement, while at the same time optimising local tax treatment and social benefit schemes.

Outside France, supplementary pen-

sion schemes are the preferred means, whereas in France employee savings plans allow staff to set up savings accounts that receive preferential tax treatment in return for a medium-term holding period. These plans can be topped up by payments from incentive and profit-sharing plans, by voluntary payments from the employees themselves, and, where applicable, by partial matching payments from the company. Employees can choose the investment vehicles that suit their objectives: funds invested in BNPP shares, in diversified equities, in bonds, or simply a blocked cash account. PERCO, the Group retirement savings plan, was introduced in 2005, and several thousand employees have subscribed to it. The savings become available on retirement, in the form of an annuity or a lump-sum payment. Top-up payments into PERCO amounted to EUR 6 million in 2008.

Paribas El Djazair company benefits

In 2008 BNP Paribas El Djazair introduced a supplementary health coverage plan. All employees can subscribe to a mutual insurance plan that offers good benefits and competitive rates. A pioneer in this respect in Algeria, the bank pays 75% of the premiums, with the remaining 25% shared between the social welfare scheme and the employee in proportion to the employee's income. This plan also covers employees' spouses and children.

BOMBAY



**Other company benefits**

The Group has a longstanding benefits policy of providing a high level of protection to its employees. These mechanisms have been harmonised, particularly outside France, with the aim of ensuring greater consistency between local systems that are sometimes quite disparate. Outside France, the Group seeks to provide company benefits that cover medical consultations and hospital stays to its local employees and their families.

**A flexible customised contingency plan in France**

BNP Paribas' personal contingency insurance plan was set up under a company-wide agreement and has few equivalents in French companies. This flexible plan offers staff a high level of cover for absences from work due to illness, disability or death. Starting from a basic plan that applies by default, employees adjust the protection to their personal or family situation by choosing benefit amounts and supplementary cover as needed: higher benefit for accidental death, education annuity, temporary income for the spouse, one-off payment in the event of the death of the spouse. Choices can be modified regularly. An enterprise agreement in 2008 extended a number of benefits under the personal contingency plan. This flexible benefits plan applies in 36 French entities and covers more than 62,000 people.

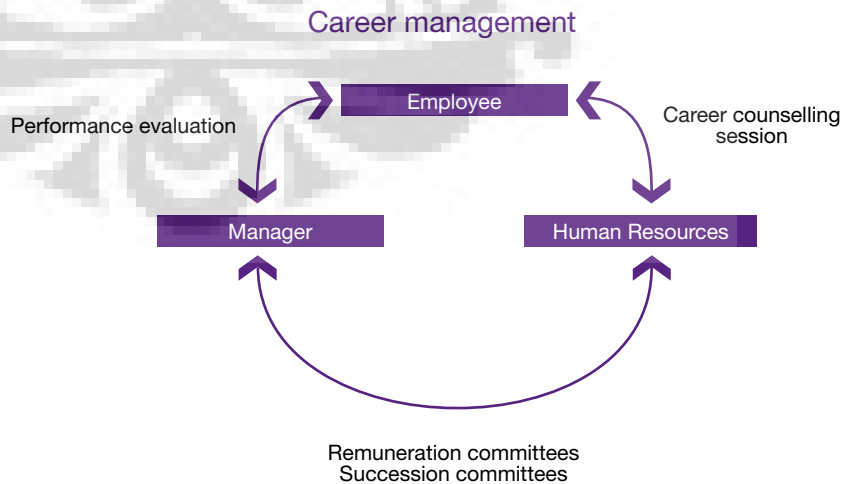
■ **Dynamic career and mobility management**

Career development efforts in 2008 focused on improving the management processes in several areas, such as expanding the scope for identifying high-potential executives, incorporating evaluations of managerial performance into the identification process, and ensuring effective succession management.

Career management that prepares and supports employees' advancement

BNP Paribas' career management policy is designed to enable each employee to progress continuously within a coherent, well-constructed framework. The Group invests in various ongoing training programmes adapted to individual profiles and aspirations.

Career management is based first and foremost on the relationship between the employee and his or her "manager". Human resources managers' mission is to monitor this relationship and to follow up on each individual's career advancement.





KIEV

#### Organised succession process

One of the Group's most important career management projects is preparing for the future by ensuring long-term succession for executive management positions. Succession committees that bring together managers from the various divisions and functions and human resources managers meet once a year to identify high-potential executives who could in future take over key posts within the company. The Leadership for Development programme was set up in 2005 to help these executives draw up individual career development plans in conjunction with their immediate superiors. For a limited number of key posts, a People Review mechanism has been set up for the Executive Committee.

In addition, for junior managers, a special career-tracking mechanism has been put in place, with one-on-one career counselling sessions, customised seminars and meetings with Group leaders. Several different tracking programmes are offered to assist them through the main stages of their early careers. These include *Cadres à Potentiel Juniors* for high-potential junior managers and *Diplômés de l'Enseignement Supérieur* (DES) for holders of advanced degrees.

#### Transmitting the culture and strategic messages of the Group

An ambitious project, the Talent Development Program, was launched to better identify and further the careers of high-potential employees. This is a collaborative project, created with the help of HR and other managers from the various divisions and territories. The goals are to ensure effective management succession and to keep pace with the Group's growth. In April 2008 this programme had been deployed in 17 territories. Under it, more than 200 HR managers, including 80 assigned to posts outside France, underwent two modules of training. Deployment kits with full documentation were prepared for HR and operating managers and executive committees of the business lines and territories.

The Talent Development Program provides 3 programmes of training courses. *Leadership for Development*, established in 2005 in partnership with *Collège de l'École*

*Polytechnique*, is intended for experienced high-potential managers and designed to enhance leadership abilities. It is organised in two sessions, and it drew 156 participants in 2008. Two new programmes intended for more junior employees with high potential were added in 2008: *Go to Lead* and *Share to Lead*. The pilot sessions of these programmes, which proved to be highly satisfactory, drew 114 participants.

Two programmes for senior executives, PRISM and NEXTEP, also continued in 2008. The objectives of these two programmes are closely linked to those of career management policy. They are to create and nurture a community of senior executives in key positions (PRISM) and to help ensure success in high-stakes career moves (NEXTEP). The aim is to ensure that training and career management policies are complementary and that conditions are in place to provide senior executives with the skills they need to drive the Group's development. In 2008, 146 people took part in five PRISM sessions, with the target being key "manager of managers" posts. 28 participants attended the three sessions of the NEXTEP seminar, which is targeted at managers faced with a substantial increase in responsibilities.

#### A dynamic mobility policy

Career mobility is not only a competitive advantage of BNP Paribas but also a preferred means of adapting the Group's human resources to the development of its business operations. It allows employees to enhance their professional experience and move ahead in their careers. Different forms of career mobility can help develop employees' potential in new business lines and enable them to acquire new skills:

- *functional mobility*. Mobility need does not mean a change of position; it can also mean professional development via enhancement of the employee's skills, abilities and knowledge;
- *geographic mobility*. The employee moves to another town or, in the case of international mobility, to another country;
- *inter-company mobility*. The employee moves from one Group entity to another.



TOKYO

Although the diversity of the Group's businesses allows huge scope for career mobility, choices must take account of individual aspirations while at the same time ensuring that optimum use is made of the skills already gained by the employee. For this reason, the Group's performance evaluation system encourages discussion between employees and managers as the basis for career management.

In 2008 the *E-jobs* intra-Group mobility information tool was put online. With this tool, employees can learn about jobs posted by the various entities via an extranet or intranet connection. HR managers in a country can post available job positions, and employees can apply for them online. Deployment is underway in Germany, Japan, India, the Gulf States and Switzerland.

Following an external audit on mobility, a team International Mobility was organised to provide better support to expatriates through cross-cultural training and assistance in finding employment for spouses. This service is offered to the divisions and functional departments for their expatriates. The number of job openings posted on *E-jobs* is currently around one thousand for France, Italy and Spain.

### Promoting diversity in all its forms

Before the merger, BNP was predominantly characterised by one business in one country: Retail Banking in France. Over the past few years, business lines and operating territories have multiplied at an accelerating pace. The structure of the Group today reflects this evolution and shows a balance across business lines and geographic areas.

#### ■ BNP Paribas and its commitment to diversity

With more than 170,000 employees of more than 160 nationalities in 83 countries, BNP Paribas views staff diversity as a major strength for *the bank for a changing world*, a strength that enhances performance. The Group has a duty to be a beacon of corporate social responsibility. The Global People Survey conducted in-house in 2008 showed that environmental and social responsibility and diversity are key drivers of employee commitment, in 2nd place behind only leadership. BNP Paribas also believes that mixing together people from different backgrounds serves as a source of creativity and effectiveness by mirroring the surrounding society.

Non-discrimination is a prerequisite for managing diversity. For this reason, the Group has identified discrimination as one of the thirty major operational risks.

BNP Paribas signed the Diversity Charter in France in 2004 and has since waged an active policy of combating discrimination and promoting diversity, notably by naming a diversity officer in 2005 and a manager of the Handicap Project in 2006 and by launching the Banlieues Project in 2006.

In 2006 and 2007, several external audits of non-discrimination and diversity at the Group revealed the strong points and the points that still need work. Action plans were drawn up on the basis of these audits. Diversity policy is underpinned by a set of non-discrimination principles common to all procedures throughout the Group. For the 2007-2010 period, diversity policy is articulated along four dimensions, with goals that will be updated as the Group evolves: diversity of origin, gender equality, employment and accommodation of persons with disabilities, and age diversity.



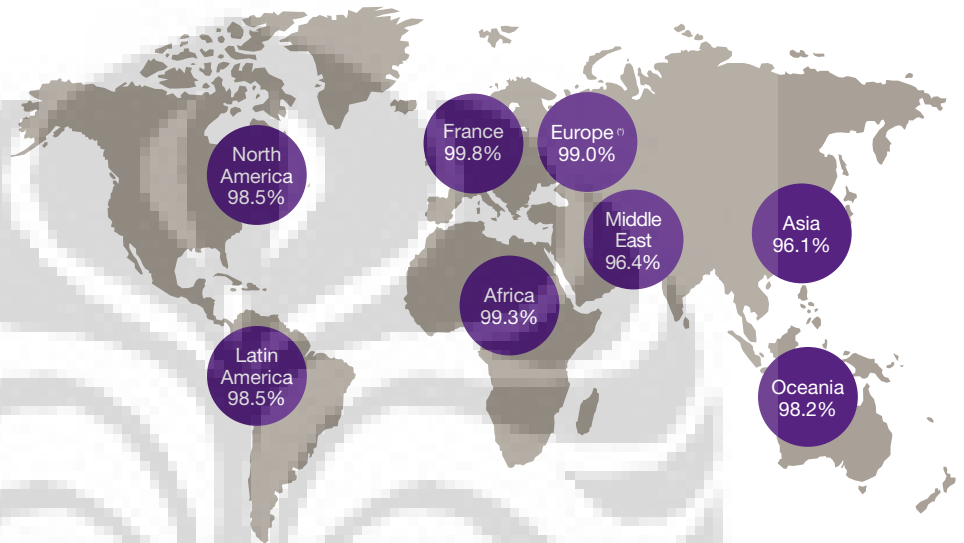
MARSEILLE

### Dedicated international teams

By employing local people, BNP Paribas directly contributes to the development of the countries in which it operates and is thus naturally integrated into the differ-

ent cultures and communities concerned. Local employees<sup>(1)</sup> can gain access to positions of higher responsibility within the subsidiaries and branches and pursue careers within the Group

### Percentage of local staff employed by geographic area



### Recruitment

Recruitment is governed by a rule of non-discrimination: job postings make no mention of sex, and hiring criteria are based exclusively on the skills and qualifications of the candidate. Men and women are guaranteed the same grade level and starting salary when hired for a given post with the same level of experience and training.

In France, numerous oversight tools and actions have been developed by the central recruitment unit: quantitative recruitment audits, site audits of recruitment centres, diversity training for recruiting staff. In 2008 a handbook for conducting individual recruitment interviews was prepared in collaboration with the *Observatoire des Discriminations*. This handbook includes a code of ethics, an analytical grid, and a how-to guide for the individual interview. The candidacy management tool implemented in 2006 provides detailed, documented tracking of the candidate throughout the recruitment process. Another tool evaluates candidates' professional behaviour in a consistent, uniform way. Lastly, the hiring interview

processes are a focal point for oversight in the HR internal control system.

In 2008, BNP Paribas in London expanded its "sourcing policy" for young graduates and its list of target universities to attract a more diversified set of candidates. It has entered into partnerships with associations of students of a number of different origins: Women in Business Society – London School of Economics, Imperial College Arabic Society, Cambridge University Arabic Society and Cambridge University German Society. The Group's brochures, websites and other tools of communication about recruitment have been redone to attract a broad sample of candidates as well as specific groups such as the National Black MBA Association.

To draw more female candidates, the London staff worked with women in the branch network in London to organise Women Insight Days in 2008. For three days, female students could attend presentations and discussions on corporate finance jobs, visit the trading room and participate in question-and-answer sessions with women executives of the Bank.

<sup>(1)</sup> Employee not under the expatriation agreement regime.

[BNP Paribas, the 1st bank in France to obtain the AFNOR diversity label](#)

**BNP Paribas is the only bank in the first group of seven companies to receive the AFNOR diversity label. Conferred in recognition of the Group's policy against discrimination, this label is awarded by France's national standards organisation (AFNOR) on the recommendation of a committee of representatives from government, labour unions, employer associations and France's national association of human resources directors (ANDRH). Companies are evaluated for this label on the basis of specifications covering five areas: achieved diversity, diversity policy, internal communication, activities within the company, evaluation and areas in need of improvement.**

[BNP Paribas the no. 1 private employer in Seine-Saint-Denis](#)

**With the arrival of 6,000 employees of its BNP Paribas Securities Services subsidiary at the Grands Moulins de Pantin complex, renovated and adapted to meet the HQE environmental standard, BNP Paribas has become the largest private employer in Seine-Saint-Denis. In addition, as part of its Banlieues Project, BNP Paribas in 2008 enabled its partners ADIE and AFEV to open a new centre at Aulnay-sous-Bois and Saint-Denis, thereby providing a stronger anchorage for its social services to the community.**

[Training in diversity](#)

In 2008 a one-day training session for managers on managing diversity as component of performance – their own and the Group's – was deployed on a pilot basis in the business lines and departments. 450 managers attended. It will be expanded in 2009 to a target sample of 1,000 managers. The training session combines theoretical background, individual work on each person's stereotypes, pair exchanges and case studies.

[Career development](#)

BNP Paribas is committed to all of the following principles: evaluation and career direction are based exclusively on professional skills and qualities; criteria for promotion are identical for men and women; family obligations and constraints are considered in managing mobility transfers; and alternative working schedules, in particular part-time, do not penalise an employee's prospects for career development or pay.

In France, the Bank has made commitments on specific actions at pivotal stages of employees' careers: on convergence of rates of promotion for men and women; on systematic career interviews with all employees having fifteen to twenty years of business experience; on systematic career interviews with all part-time employees returning to full-time work; and on increasing the proportion of women executives.

The Talent Development Program, an international talent-spotting programme, takes into account managers' ability to promote a multicultural, cross-functional approach.

■ Diversity of origin

[Promoting talent of every kind, regardless of origin](#)

Respecting diversity among employees and candidates is a corporate social responsibility. In many of the countries where the Group operates, discriminatory practices within companies are prohibited by law. The Group owes itself to be ever more open to hiring talent of every kind and every origin, ethnic, religious, cultural or social. After hiring and over the course of a career, assessment of a person's capabilities must be based exclusively on appraising contributions made and competencies demonstrated at every stage along the way.

[International teams](#)

As BNP Paribas has grown and expanded internationally, the Group's worldwide workforce has increased every year since 2000, rising to more than 173,000 employees at year-end 2008. In eight years, the percentage of employees outside France has risen from 40.8% to 63%. To go along with this very rapid international expansion, BNP Paribas strives to include more international managers in its executive teams, as demonstrated by its appointment to the Executive Committee of a member who is not a French national.

The Group's expatriation policy has been devised to help develop an international corporate culture and facilitate the building of international teams. An expatriation kit, a support programme for expatriate spouses, and cross-cultural training are provided with these goals in mind. In the United States, a new training programme has been designed for employees transferred from other countries. The programme sensitises these employees to cultural differences that can have an impact on methods of working, managing and collaborating with others.



### Outreach to visible minorities in France

In the educational area, BNP Paribas signed the Apprenticeship Charter in 2005 and the Charter on Equal Opportunity in Education in 2006. BNP Paribas SA focuses on work-study arrangements that enable young people at baccalaureate level from all backgrounds to continue their studies under an apprenticeship or professional internship contract. Each year, the Group trains approximately 1,000 young people on internships and close to 300 on apprenticeships. These two-year contracts involve tutors to follow each of these 1,300 students, who become eligible to be recruited for permanent staff positions at the Bank after they have obtained their diplomas.

To limit the self-censorship that prevents minority candidates from applying, and thereby to diversify the candidate pool, BNP Paribas organises numerous outreach events among visible minorities in France. To promote equal opportunity, the Group participates in job fairs oriented towards visible minorities and in employment diversity forums in underprivileged areas. These include IMS, Africagora, AFIJ, the *Zéro Discrimination* initiative in Lyons, and the *Nos quartiers ont du talent* project with MEDEF, the French employers' association, etc.

BNP Paribas Personal Finance is a partner of *Nos Quartiers ont du talent*, an association formed in 2005 to build bridges between companies and young graduates from disadvantaged neighbourhoods. The project brings hiring employers face-to-face with young graduates (four or more years post-baccalaureate) from the Seine Saint-Denis department. The collective sponsorship programme launched in 2008 has had success: in December 2008, 25 of 48 young graduates sponsored by 26 Personal Finance employees, 3 of them members of the entity's Executive Committee, had found a job with the help of this sponsorship.

Every year since 2005, BNP Paribas has been successfully holding hiring events called *Entretien Immédiat* at bank branches

in Paris and the surrounding area. At these events, graduates of all origins with 2 to 5 years of post-baccalaureate study can come into a branch and apply for a job on the spot, with no need to make an appointment beforehand.

In March 2008, BNP Paribas and nine other large employers from the private and public sectors (Accenture, AXA, Ministry of Defence, L'Oréal, SNCF, La Poste, Orange, Keolis, TLF), jointly with ANPE and the Conseil National des Missions Locales, conducted an innovative recruitment initiative to promote diversity, *Le Train pour l'Emploi et l'Égalité des Chances*.

### ■ Gender equality in the workplace

In 2004, in accordance with governing law, BNP Paribas chose to examine the conditions under which the principle of equality between men and women was actually being borne out within the Bank. Although well represented in the workforce, women are in some cases coming up against a "glass ceiling" that is keeping them from rising above a certain level. Upon this finding, the Group committed to foster equal opportunity and treatment between men and women at all stages of professional life and to do more to bring women into management positions.

### Company agreements

BNP Paribas SA signed a new long-term agreement on gender equality in the workplace in July 2007. This agreement takes the place of the previous one on the same subject, signed in April 2004 for a term of three years. The new agreement sets down the principles that should be followed in observing and developing equality of opportunity and treatment between men and women at all stages of professional life. It provides for means of fostering work/life balance and for closing, over a period of three years, observed pay discrepancies between men and women at the same grade and with comparable levels of training, responsibility and professional effectiveness as revealed by evaluations of their performance, skills and experience. A funding envelope of





### Conference in Bahrain

**More than 200 people from the Gulf region accepted BNP Paribas' invitation to the Women and Leadership conference in Bahrain. Royal families, government representatives, business leaders, news media, students – all sectors of the economy and society were represented at this extraordinary event in honour of diversity. The conference programme included presentations, case studies, first-person accounts and exchanges. The conference was not only about offering women their rightful place in business and society, but also about reflecting on how to attract talent in the BNP Paribas Group. With this initiative, BNP Paribas in Bahrain added another dimension to the Group's drive for diversity.**

EUR 3 million has been provided. Some pay discrepancies were closed in 2008, and the operation will continue in 2009.

At BNP Paribas Assurance, a special committee determines what individual gap-closing measures are to be implemented to meet the agreed gender equality indicators.

### The gender Equality label

Personal Finance and BNP Paribas Assurance have been awarded this professional Equality label in recognition of their actions to encourage equal opportunity and treatment of men and women in the workplace. These actions relate to sensitisation of management, parental leave for education, extension of paternity leave to two calendar weeks with full pay, enhanced support for maternity leave, comparable pay studies and implementation of tracking indicators. The gender Equality label is an effective tool in advancing equality and evenness between the sexes in business and enhancing the social dialogue. It was instituted by the Ministry of Labour in 2004 and is awarded for three years at a time.

### Proportion of women in positions of responsibility within the company

In 2008 in France, the percentage of women promoted into management-rank positions (as defined in the banking industry collective agreement) or management positions (for subsidiaries not governed by that agreement) was 32%, up from 28.5% in 2007. At BNP Paribas SA, the proportion of women executives has been rising steadily in recent years; it was 38.8% in 2005, 40.3% in 2006, 41.4% in 2007 and 42.6% in 2008 <sup>(1)</sup>. In 2007 BNP Paribas surpassed the 40% target set by the banking industry for 2010 in terms of the proportion of women in the management population. The Bank's own target for 2010 is now 44%.

### Gender equality networking

In France, under the impetus of Group Human Resources, a working group of women in upper management positions was formed in late 2004. It is called Mix City, and its mission is to propose measures to make life easier for women in the workplace and bring more of them into upper management positions. The working group acts along three lines:

- develop women's managerial potential: networking and a study on coaching;
- achieve a better work/life balance: concierge services;
- neutralise the maternity period as a factor in career management: maternity leaflet and influence to propose more progressive procedures within BNP Paribas SA.

Other networks on the model of Mix City have been set up in Luxembourg in 2007 and London in 2008.

At the initiative of the territory director and the Human Resources department in Luxembourg, a group of women managers there has set up a working group of men and women. One of its major actions consists in transposing the agreement on gender equality in the workplace that was signed by BNP Paribas SA in 2007. Another is to improve communication on gender equality and create conditions favourable for the advancement of female employees. Regarding work/life balance, its recommendations are to assist female employees in managing their work schedules, to favour flexibility and to include more services in the concierge service offering.

In London, the women's networking group sponsored by Human Resources consists of a steering committee of 25 women executives. In 2008 and 2009, the group is concentrating on a mentoring project and on actions to increase the number of women applying for positions in investment banking.

<sup>(1)</sup> 43.1% in NPP stated according to the new standard used in the 2008 Social Report.

### Family-friendly policies

In the United Kingdom, a number of initiatives are in place for employees who are or are about to be parents: paid leave for maternity, paternity or adoption, flex-time via part-time working or teleworking, and year-long sabbaticals. A plan in place since 2008 enables employees with children to buy cheques to pay for childcare out of before-tax income. In London, the Employee Assistance Program can provide employees with counselling from professional advisers, on a confidential basis and at no charge, on financial, matrimonial, emotional or family matters. In the United States, the length and level of pay of leaves for reason of family events have been improved.

### Parenthood

By signing the Parenthood Charter in 2008, BNP Paribas affirmed its commitment to balance between work and private life and to offering employees who are parents an environment better suited to their family responsibilities.

Giving more attention to the wellbeing of each and every employee, BNP Paribas is taking concrete steps such as establishing concierge services in Montreuil, Rueil-Malmaison, Levallois and Luxembourg. A customer satisfaction survey has shown that employees – both men and women – are thrilled to have this kind of services available to them. Leaflets prepared by Mix City on *The gender equality agreement* and on *Maternity and adoption* are published for all employees. The Group has formed a partnership with FEPEM, an association of in-home employers in the Paris region, to advise Group employees in France on the formalities of daycare: filing requirements for the hiring of care providers, collective agreements covering in-home workers, family allowance benefits, available reductions of social security and other tax charges, and so on.

The Group contributed to the publication of a guide on *Promoting parental responsibility among male employees* by ORSE (observatory on corporate social responsibility) issued in November 2008. Copies are distributed to employees.

Starting in January 2009, the eleven-day paternity leave available to employees of BNP Paribas SA comes with full pay.

#### ■ Employment and integration of persons with disabilities in France

At year-end 2008, the number of employees with disabilities at BNP Paribas SA was 754. Nearly 70% of them are aged over 50. Integration of persons with disabilities is an important issue of social responsibility for the Group. For this reason, the Group strives to keep such persons in work and to be more effective in hiring workers with disabilities.

### Agreement on employment of persons with disabilities signed in 2008

This agreement came into force on 1 January 2008 for a term of four years. It gives the Bank the means to develop an action plan consistent with its business project and culture.

The objective is to promote recruitment of persons with disabilities by hiring at least 170 such persons over four years, emphasising work-study arrangements and paying special attention to candidates' business experience and adaptability. This approach will be rounded out with processes for receiving new hires and introducing them to their fellow staff members. Keeping persons with disabilities in work will be optimised with physical and organisational accommodations and by providing secure transitions between jobs. Procurement of services from the protected worker sector will be increased.

The signing of this agreement continued a policy initiated several years before. With Handicap Project, begun in 2006, the Bank developed and implemented a proactive policy of employing persons with disabilities as part of its social responsibility policy. The agreement in which the Bank pledged to meet recruitment targets and intensify its efforts to keep persons with disabilities in work was signed in May 2007 with Agefiph, a collecting organisation for corporate contributions. It was renewed in 2008 for a term of four years.

For more than twenty years, BNP Paribas has been working on behalf of persons with disabilities by supporting an employment rehabilitation centre (ESAT) that it formed, Institut des Cent Arpents.

### Accomplishments

#### **Joint labour-management working group**

Initiated jointly with the employee representative organisations in 2007 to look at issues in keeping persons with disabilities in work, this working group identified and specified actions that were included in the enterprise agreement signed in early 2008.



### **Exposition for employees on the topic of handicaps**

*Le talent ne fait pas de différence* (talent makes no distinction) is the title of a travelling exposition mounted in 2008 upon the signing of the enterprise agreement on employment of persons with disabilities. Twelve panels created by Compagnie Regard' en France invite viewers to learn about exceptional artists who had handicaps, from Homer to Glenn Gould.

### **Twelfth annual national week for employment of persons with disabilities**

In observance of this week, BNP Paribas in 2008 held its second annual reception for persons with disabilities and informed them on the kinds of jobs it can provide. Sensitivity training workshops were also organised for employees in Paris, and technologies to help the employer accommodate a worker's disabilities were presented.

#### ■ Age diversity

As part of its diversity and gender equality drive, BNP Paribas follows an employment policy designed to help extend its employees' working lives. At BNP Paribas SA, measures that allowed employees to leave on early retirement were restricted in 2004 and eliminated altogether in 2006. The proportion of employees aged 55 and over reached 20% of the workforce at year-end 2008, compared with 10% at year-end 2003.

With the lengthening of working lives, BNP Paribas seeks to provide career prospects for employees aged 45 and over by facilitating further development of their skills and responsibilities. Under the branch agreement of 9 July 2008 on age discrimination and employment of seniors, the enterprise is committed to a gradually increasing average age of retirement, rising from 55 years to a target of 60 years by 31 December 2012. The enterprise is also committed to doing more to manage the latter part of employees' careers and to producing an annual report on employment of seniors.

The enterprise commits to the principle of equal access to professional training and individual right to training regardless of age. In 2007 the percentage of employees aged 45 and over who had taken a training course was 41.72%.

The seminar on managing diversity as a component of performance, deployed in 2008, sensitises managers to age diversity and reminds them that any form of age discrimination is to be banned.

### **Listening to employees**

In any financial services business, human capital is a core asset and managing change is a key challenge, because all facets of the operating environment – markets, business lines, growth and globalisation – are changing faster than employees' business culture and behaviour.

To respond to these accelerating changes and to employees' varied expectations, managers need to be good listeners, good explainers and good example-setters. The corporate training programmes offer managers the skills they need to meet these leadership challenges so that employees are not left feeling disconnected, under accumulating stress or discouraged by unmet expectations.

It is by presenting clearly identified operational challenges that these issues can be addressed.

#### ■ Protecting employee health

The Group's occupational health policy goes beyond simply complying with changes in legislation. The major components of the policy are risk mitigation and support for vulnerable employees or those who have become unfit for work.

### Dealing with stress, anxiety and depression

**Stress is the second most prevalent occupational pathology after musculoskeletal disorders.**

**A special body to monitor it, OMSAD (Observatoire Médical du Stress, de l'Anxiété et de la Dépression), has been set up in collaboration with IFAS, the French institute for action on stress, in Paris and Lyons.**

**At the beginning of each periodic medical visit, each employee can fill out a confidential, anonymous questionnaire that is immediately analysed and commented upon by an occupational medicine specialist for purposes of a personal diagnosis.**

**The data are then compiled and processed by IFAS, an independent firm, which returns the results to BNP Paribas. The data are used to measure stress levels, pinpoint populations at risk and take appropriate preventive measures.**

### Prevention of occupational hazards

Prevention begins with identification of the occupational hazards: violence at bank branches, musculoskeletal disorders, air conditioning and ventilation malfunctions. A cross-disciplinary team set up in 2006 pools the skills and knowledge of its members to prevent these risks and deal with pathologies arising from multiple factors. This approach to working conditions offers greater opportunity for prevention and fosters joint action.

In 2008, special attention was given to the quality and comfort of the office environment, in particular ventilation, air conditioning and lighting. For customer relations staff, the acoustic environment was improved by changing headsets and installing sound-deadening materials.

Medical assistance to employees that have been victims of attacks, in particular in the Paris region, is provided in conjunction with the city's emergency medical services. This initiative has been progressively improved in recent years, and its effects can be seen in the decrease in both the number and length of post-attack absences and the reduction in requests for transfer to another position subsequent to an attack. In 2008, 137 employees received medical assistance after an attack, and 5 of them were referred to specialists for psychological help.

Mitigation of other occupational hazards is addressed with appropriate measures such as information campaigns, training, design ergonomics, remedial ergonomics and alert procedures. In 2008, 9 plan studies, 119 premises visits and 14 studies were conducted on the ergonomics of work stations. The high degree of vigilance exercised jointly by the occupational health department, team managers, facilities management departments, the ergonomics unit and works committees has contributed to the very low rate of musculoskeletal problems reported in BNP Paribas SA.

More than 2,550 influenza vaccinations were administered. Informational and preventive public health campaigns were organised on healthful eating, organ donation and addiction prevention.

### Public health issues

BNP Paribas SA's occupational health department has been working for many years to promote employee health. During the annual medical checkup, the physician provides personalised care in all areas of public health. Awareness campaigns, brochures and specific programmes are designed to address the major risks, including cardiovascular disease, cancer, obesity and tobacco.

Several other public health initiatives were launched in 2008. At French Retail Banking, for example, a training module for learning how to manage rudeness in business encounters has been deployed. Role-playing games and sharing of experiences serve to identify mechanisms that lead to aggressiveness and teach techniques of handling tense situations and controlling emotions.

The cardiovascular disease prevention programme, PCV Métra, continues to screen for risk factors such as high cholesterol, hypertension, tobacco addiction and stress. Medical evaluations at Broussais Hospital of employees found to be at risk and screening for coronary impairments with a view to early treatment have resulted in 248 blood tests and 10 hospitalisations.

Each occupational health office is now equipped with a tonometer to screen for glaucoma.

635 people took part in the programme to help employees and their family members in the Paris region quit smoking through the Allen Carr method; 47% of those who responded to the satisfaction survey quit smoking in 2008. In other parts of France, 73 people participated in sessions held in Arras, Dijon, Orleans, Chartres and Marseilles.

Taking advantage of the impact of the 10th national skin cancer prevention and screening day, organised on 15 May 2008 by France's national association of dermatologists, BNP Paribas provided screening for employees. 603 employees took part in 29 screening sessions. 60 of them were referred to a dermatologist for a biopsy, and 187 were recommended for annual checkups.

Surveillance of emerging health risks is conducted with Institut de Veille Sanitaire (WHO) to keep staff informed and provide recommendations.

A working group of human resources operating managers from all divisions and functional departments makes enterprise-wide preparations for dealing with a pandemic. Sanitary and organisational plans for such an event provide for purchases of masks, listing recommended hygiene products, communicating on measures such as washing hands, and posting notices in washrooms.

#### Supporting fragilities and incapacities

As with prevention, redeployment of employees following several months of absence due to illness entails concerted efforts by the occupational health department, HR managers and functional management. Given the rapid pace of change within the Group, the reintegration process must factor in an adjustment to the new circumstances, so as to dispel employees' worries and allow them the time to get on their feet again.

In some cases, employees can meet with the occupational physician before resuming work, either because they request it or because their personal physician or the reviewing physician recommends it. In such instances the company doctor prepares the employee for his or her return, taking into consideration any after-effects or residual handicap he or she may be suffering.

Outside France, the entities are endeavouring to optimise occupational risk prevention and access to care for employees in conjunction with local health authorities. In Ukraine, employees of UkrSibbank who were exposed to radiation following the Chernobyl disaster qualify for benefit payments and additional leave, and their health is closely monitored as part of an initiative run by the Ukrainian authorities.

BNP Paribas is an active member of *Sida Entreprises*, a business-funded association focused on AIDS. The aim of this association of leading French investors in Africa is to help resolve ongoing issues of prevention and lack of access to treatments, problems that are still prevalent despite the financial aid provided to affected countries. BNP Paribas helps to set up inter-company platforms in most of the countries in West Africa where it is present, through its network of associated banks (BICI). BICI of Madagascar participated in the annual *Sida Entreprises* seminar held in 2008 in Antananarivo. This seminar brought together coordinators of company programmes to combat HIV AIDS.

In Senegal, Banque Internationale pour le Commerce et l'Industrie (BICIS) helped to organise the 15th international conference on AIDS and sexually transmitted diseases in Africa, which was held in Dakar in December 2008.

#### ■ Maintaining a qualitative social dialogue

In 2008, the Commission on Employment Law, BNP Paribas SA's labour information and negotiation body, met on 37 occasions and negotiated the signature of nine company-wide agreements. Some of these agreements improve or continue employee benefit plans, while others strengthen employee representation on various bodies.

A wage agreement for 2009 signed by 4 of the 5 labour unions provides for an across-the-board pay increase, a rise in the flat-rate annual bonus paid to managerial employees, and consolidation of a portion of employees' variable pay into base pay.



An agreement on employment and inclusion of persons with disabilities was signed. This agreement is part of BNP Paribas' global non-discrimination and diversity initiative, and it follows up on commitments made when the Diversity Charter was signed in 2004. The agreement expresses all parties' desire to see BNP Paribas implement a proactive long-term policy in favour of employment and inclusion of persons with disabilities. It calls for actions in four areas: develop a plan for hiring in an ordinary business setting; improve conditions for bringing persons with disabilities into jobs by offering appropriate working conditions, access to professional training and technological accommodations; seek out stronger partnerships with the protected workers sector; and pay ongoing attention to the various aspects of keeping such persons in work.

An agreement was also signed in the area of flexible insurance benefits, improving the previous agreement signed in 2000. Death benefits will be increased, employees on part-time for therapeutic reasons stemming from pre-existing conditions at the time they signed up for the flexible benefit contract will be covered in full, and administrative costs will be revised downwards.

The time savings account system, in particular the terms and procedures for "deposits" and "withdrawals", has been improved to reflect the reduction in working time (RTT). Employees now have the option of monetising the RTT rights they have saved.

The Group's two occupational health departments were merged in 2008. Having a single department will enable the Group to develop a groupwide occupational health policy for the benefit of all employees.

Continuing the agreement of 10 July 1996 that created the European Works Council, an amendment was signed in 2008. The amendment recognises the Group's expansion in Europe, in particular the integration of BNL, and facilitates the exercise of responsibilities by the Council and its members.

#### ■ Deploying a global change management scheme

##### [Global People Survey, a survey for moving forward](#)

In 2008 the Group's executive management chose to deploy an annual Global People Survey in 10 languages on a sample of 25,000 employees in 78 countries. The purpose is not to conduct an opinion poll but to identify the drivers of employee commitment and to derive indications to guide actions and concrete projects at Group level, division level, by function, by business and by territory. Response rates to the survey have been very high, and employees are frequently adding comments and suggestions in their responses – further proof of their interest and their attachment to the company.

Pride in belonging to BNP Paribas, confidence in its leaders, a high level of commitment and adherence to its values and strategy are widely shared across the Group. The corporate culture is seen to be centred on customer service and capacity to innovate. But it is also characterised by a degree of compartmentalisation felt by employees, who regret a still-insufficient appreciation of diversity and a lack of horizontal dimension, both in the business and in their careers.

Besides this finding, the Global People Survey highlights the drivers of employees' commitment and the factors that affect their motivation, their lasting attachment to the Group and their desire to be part of its development. All but systematically throughout the Group, confidence in the employee's manager comes at the head of the list: leadership, listening, recognition of performance; along with social and environmental responsibility, ethics and respect for diversity. These results set out the challenges for the management and human resources of BNP Paribas.

### Internal communication: 2008, a year under the sign of change

The Group's internal communication effort was able to adapt to the highly unusual circumstances of 2008. Several messages and leaflets were sent round to explain the corporate strategy and reassure employees during a period of turmoil.

A new intranet, *Echo'Net*, was introduced, with enhanced customisation of information according to the user's profile and with far more modern and interactive functionalities and content. This intranet is already available to the majority of employees, and expansion will continue in 2009.

*Ambition*, the Group's in-house magazine, changed its look in 2007. It now boasts a new, more attractive layout, new features, and is available in Russian. The new package was designed to better meet employees' needs by helping them to follow news of BNP Paribas and giving them a better understanding of its strategy.

*Starlight*, the in-house video journal, is devoted to BNP Paribas innovations. Each issue runs six minutes and is posted online monthly on the Group's intranet sites, in French, English and Italian. A survey was conducted in 2008 on how this journal is perceived by employees. 88% of respondents felt that *Starlight* offered a value-added news channel inside the Group. Several special issues were put out in 2008 to comment on how the Group was doing in terms of results during the crisis.

More than 8,000 employees are now signed up for *Flash Groupe*, the Group's weekly e-bulletin that comes in three languages and covers the highlights of the past seven days. This electronic news format has been a big success in territories outside France, inspiring some to start their own internal e-bulletins. More than fifteen territorial versions have been launched, in Portugal, Switzerland, Luxembourg, Tunisia, the Netherlands, Spain and other areas.

### The spirit of innovation

#### **A core issue**

The growing impact of information technology, which accounts for 15% to 20% of banking groups' operating expenses, coupled with the high level of expertise in financial services and the importance that banking clients accord to new services, means that banking is one of the most innovative sectors of the economy.

Intense competition in a sector where patent protection is not available means the bar for what constitutes standard banking services is constantly being raised. As a result, ongoing innovation is required to create value-added products (product innovation) and to ensure cost-effective production of those that have become standard (process innovation).

Financial innovation is thus encouraged, and its benefits are passed on to customers, whether those benefits relate to risk hedging, investment yields, simpler access to transactions or lower unit transaction costs.

#### **The Innovation and Innov@ction Awards**

The annual Innovation Awards, introduced at the BNP Paribas Day events in 2006, recognise innovation in all its forms: business innovation, which results from initiatives taken by employee or teams whose job it is to innovate in their fields of activity; and Innov@ction, which comes from suggestions made by employees, individually or as a team and irrespective of their job duties, for improving products, services or processes and enhancing customer satisfaction. Since 2007, nine prize categories have been established, including one for Sustainable Development. Two prizes are awarded in each category, the prize for business innovation and the prize for Innov@ction. The first of the Innovation Day events organised in June 2008 was devoted entirely to corporate social responsibility as an important vector of innovation in BNP Paribas culture.

# Relations with clients and suppliers





### Arval, more than just a car leasing company, a fleet management consultant

Managing a fleet of corporate cars entails a wide range of services, such as financing, daily maintenance, insurance, and tax advice. Moreover, clients are becoming more and more concerned about the social costs of accidents and the environmental costs of their fleets. Therefore, in addition to its car leasing services, Arval provides consulting services to help clients develop an effective fleet management approach. It works with clients to structure fleet management procedures into a policy that takes into account human resources, regulations, and efficiency criteria. Arval stands apart from ordinary car leasing companies through its sustainable solutions, making it a valuable partner for today's corporations.

In 2008 Arval introduced a new service to help clients manage their CO<sub>2</sub> emissions and steadily reduce their carbon footprints. This service uses a three-step approach: (i) measure the level of vehicles' CO<sub>2</sub> emissions; (ii) assess the progress made on sustainability by reducing the fleet's overall environmental impact (e.g., by using appropriate materials and equipment, training people on environmentally-friendly driving practices, and using effective fleet management methods); and (iii) propose options for offsetting CO<sub>2</sub> emissions using formulas derived from a model developed by BNP Paribas' Carbon Team. In early 2008 Arval also made a commitment to begin offering courses on safe and responsible driving to clients in all countries in which it operates.

### Closely-attuned relationships

#### **Listening to clients and meeting their needs**

##### ■ Anticipating client expectations

BNP Paribas' consumer surveys unit brings together a network of Group entities specialised in market surveys, some of them authorities in their fields. These include the Cetelem Observer for consumer spending and the Corporate Vehicle Observatory set up by Arval Service Lease. The synergies offered by this network lead to a better understanding of different consumer profiles and retail channels, as well as customer satisfaction. They also favour the design of advanced indicators of changes in consumer behaviour and purchasing patterns, enhancing the Group's ability to innovate and renew its range of products, services, and distribution methods.

Demographic and social changes, new information technologies, and an increasingly nomadic lifestyle have given rise to increasingly diverse requests from various customer segments. BNP Paribas is expected to provide greater convenience and responsiveness, and to offer a wide range of choice based on each client's particular circumstances.

##### ■ Tailor-made services

BNP Paribas, a multi-channel bank, meets its clients' needs through a real-time integration of its various distribution channels: appointments with advisors at its branches, phone calls with the Client Relations Centre, and online correspondence via bnpparibas.net. This approach has made the Group's marketing efforts much more effective thanks to a single database that centralises and updates information from the various sources and allows information to be shared across sales channels. More than 32 million contact opportunities were generated in 2008, resulting in

15 million client interviews, a 25% rise year-on-year. The online channel made great advances, with the number of clients using bnpparibas.net services each month surging past the 1.7 million mark for the first time in 2007.

BNP Paribas has developed specific migrant banking services for migrant clients. In Marseille, BNP Paribas makes special efforts to serve clients from the Maghreb region and its branches have Arab-speaking advisors. In California, following the highly-successful Pacific Rim service for Asian clients, Bank of the West has introduced products designed specifically for Hispanic clients – a high-potential market. Migrant banking services are also being introduced in Turkey, Morocco, and Tunisia.

##### ■ Measuring client satisfaction

In 2002 the French Retail Banking business began developing and implementing systems to measure the satisfaction of its six million clients in all segments: individuals, entrepreneurs, small businesses, corporations, associations, employees, and private banking customers. Barometers were developed to measure satisfaction with specific services such as the Customer Call Centre, the online customer support centre, and account statements. It also measured satisfaction at a key point in the bank/client relationship.

The implementation at more and more bank branches of the new Accueil & Services branch concept has contributed to the continual improvement of satisfaction with client reception and ATMs.

For individual and small business clients, French Retail Banking has implemented a system that each year measures clients' satisfaction with the reception and service that they have received. Each operating entity tracks service quality indicators, which serve as tools for improvement at

a local level. For instance, local managers can use the indicators to adjust how they coach their sales force and develop targeted action plans. 65,000 individual and small business clients were surveyed for this barometer in 2008 on their satisfaction and the quality of branches' client relations. They were asked questions about client reception, advisors, ATMs, products and services (prices, online banking, transactions, etc.), and their intention to use or recommend BNP Paribas to friends and family.

Private banking clients were asked about products, services, online banking, prices, and their intention to use or recommend BNP Paribas Private Banking to their peers. Over two-thirds of the clients surveyed had already recommended BNP Paribas Private Banking.

Corporate clients reported an increase in satisfaction with Business Centres in 2008. The Group also uses a Mystery Visit indicator to measure branch service quality. 3,000 Mystery Visits were carried out in 2008; each branch was visited between one and three times during the year.

#### Client satisfaction measurement tools used in 2008

Tool	Comment
BNP Paribas Private Banking	2 200 interviews were carried out with a representative sample of private banking clients. These interviews showed a decline in client satisfaction for the first time, although this decline is linked to the recent plunge in equity markets.
Client Relations Centre	100 interviews were carried out every month with a representative sample of call centre users. Performance indicators were issued monthly and a summary report was issued every six months.
Entrepreneurs and small businesses	2 400 interviews were carried out with a representative sample of entrepreneur and small business clients. Satisfaction among these clients improved sharply in 2008.
Corporates and associations	2 580 interviews were carried out with a representative sample of corporate clients and associations using Business Centres. Satisfaction among these clients increased for the third year in a row.
Employee clients	1 500 interviews were carried out with a representative sample of employee clients (700 from the Paris Laffitte branch and 800 from other branches). These results have been improving steadily over the past four years.
Clients who have filed complaints	200 interviews were carried out with a representative sample of clients whose complaint was handled in the previous month. Performance indicators were communicated quarterly at national level and monthly at regional level.

The Group has other systems in place to track the satisfaction of professional, corporate, association, and private banking clients through regular surveys. Each Business Centre has a satisfaction index for corporate clients, which takes into account the characteristics of local markets.

■ **Corporate and Investment Banking, a client-focused business model sur les clients**

BNP Paribas Corporate and Investment Banking (CIB) puts its relationships with its 16,000 clients at the heart of its strategy, which aims to build long-term relationships, provide ongoing assistance, and meet their numerous needs. To achieve this, BNP Paribas offers a single interface for its entire product range and provides coordinated access to product specialists in all of the Group's business units. It also structures comprehensive, innovative solutions adapted to specific client needs.

Employees responsible for maintaining client relationships are now equipped with shared software, particularly for Customer Relationship Management (CRM) applications. This software gives

them a comprehensive, real-time overview of the commercial relationship between BNP Paribas and a client group (parent company and subsidiaries). The Group's platform for recording client contacts, visits, and transactions underway makes it easier for CRM managers to share information and anticipate and meet client needs.

Throughout the 2008 financial crisis, BNP Paribas CIB staff remained attentive to client needs in order to develop specific solutions and protect their interests. This helped drive client profitability, proving that CIB's client-focused business model is solid – even during a crisis.

■ **Dialogue with consumers**

BNP Paribas' process for responding to client complaints consists of the following four stages.

**Stage 1**

Client complaints represent a major commercial risk, and if handled properly, can contribute to overall client satisfaction. BNP Paribas' process, introduced in 2003, aims to resolve complaints as quickly as possible using a **special intranet application**.

**Stage 2**

Client complaints are handled at the branch level by **Consumer Relationship Managers**. The Group uses complaint management software to register complaints directly in client files, process complaints efficiently, generate replies to clients, track the status of complaints, and calculate and analyse complaint statistics.

**Stage 3**

**Consumer Relationship Experts** assist Consumer Relationship Managers with resolving complicated complaints. They investigate some of the more sensitive cases and may negotiate directly with clients to avoid recourse to mediation. The Consumer Relationship Experts department received ISO 9001 certification in 2007.

**Stage 4**

Clients can refer complaints to an **independent mediator** at any time; the mediator's contact information is given on clients' bank account statements. The mediator reviews disputes between the Bank and clients with non-professional bank accounts, and issues a judgement within two months. BNP Paribas clients referred 2,876 complaints to the mediator in 2008, 1,990 of which were eligible for mediation. 1,430 of these were resolved at the branch level, while the remaining 550 were settled by the mediator.

BNP Paribas is the only bank to implement such a comprehensive, transparent, and easy-to-use system. This system has successfully reduced the number of complaints sent directly to Executive Management and allows the Group to implement targeted corrective and preventative actions.

Replies to client complaints are judged on multiple criteria, including: response time, clarity, empathy, and level of explanation.

BNP Paribas' Quality and Customer Relationship Management function implements the Group's customer satisfaction policy. This policy is further facilitated by software to handle client suggestions and queries related to complaints.

When BNP Paribas' mediation system was set up in 2002, the mediator's involvement was limited to the areas allowed for under French law (i.e., deposit account agreements, free offers and incentives, and bundled sales). However BNP Paribas has gradually extended the mediator's scope so that it now includes all products and services sold to retail clients.

### **The quality approach**

#### **■ Building client loyalty**

Numerous studies have revealed a strong correlation between clients' perception of service quality and their loyalty, which is a major component of profitability in retail banking. Enhancing the quality of client relationships is therefore part of the Group's strategy and provides a framework for its sales initiatives.

#### **■ Integration with management**

In 2004, BNP Paribas added two new criteria to employees' annual appraisals to measure their contribution to improving client satisfaction: retail client satisfaction (measured at local level) and client loyalty. Quality assurance is an integral part of managing sales performance, and indicators show that clients are particularly satisfied with their advisors and the services that they receive.

In order to further improve quality, the Group has streamlined processes with a view to increasing reliability and shortening processing times. This change involved installing workflow software allowing for the contribution of multiple players, and centralising skills into centres of expertise that can handle client requests.

BNP Paribas' quality policy focuses on three key areas: continually improving client satisfaction; using quality as a driver of business development; and increasing staff involvement to reach these goals. The Objective Quality page on the Group's website, <http://www.quality.bnpparibas.com/>, describes its initiatives to satisfy clients and meet their changing quality demands.

#### **■ An extensive search for certification**

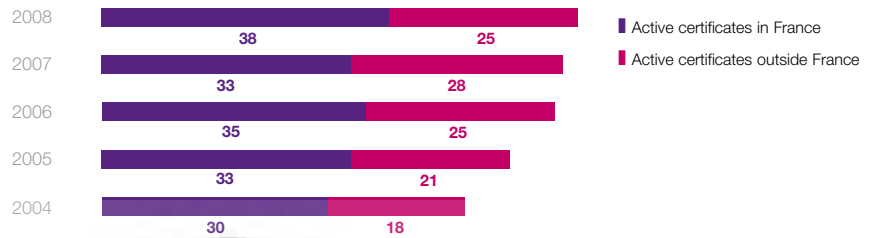
BNP Paribas' constant drive for client satisfaction is based on its sales efforts and process management approach. This has meant going through a process of obtaining the most relevant certifications in this area.

In December 2008, the French Retail Banking business was awarded ISO 14001 environmental certification for its new Accueil & Services branch concept; 1,115 branches have been transformed to this concept so far. BNP Paribas is the first bank in France to receive certification for a branch concept. This ISO 14001 certification marks a significant step towards the Retail Banking business' goal to control the environmental impact from its consumption of energy, water, and paper, its waste management, and the effects of its construction work. Launched in 2004, the Accueil & Services modernisation programme will continue until 2014 when all 2,200 French branches are scheduled to have been switched to the new concept.

With 63 active ISO 9001 certifications at the end of 2008, BNP Paribas remains a highly active player in the certification process. ISO 9001 is a quality management system focused on client satisfaction. It consists of a set of international standards developed by an independent organisation, which assesses the management processes that should be implemented within companies to improve client satisfaction, meet client needs, and ensure compliance with the regulatory requirements for performance improvement. Compliance with international standards is a mark of a product's or service's quality, safety, and reliability.



### Number of active ISO 9001 certificates



BNP Paribas received seven new certifications and 17 certification renewals in 2008. The newly ISO 9001 certified operations in France are the Protection 24 video surveillance service, the Cortal Consors online savings account and brokerage service, as well as the services provided by the international Retail Banking division and the Group's Information, Technology and Processes function. Newly certified operations outside France include the Production Services service at BNP Paribas New York.

#### Protecting the most vulnerable clients

##### ■ Cetelem says *Yes to sound loans, No to over-indebtedness*

Using advanced client rating techniques, Cetelem has continued to meet its growth targets and strengthen its ability to say no. The company refuses 30% of the applications it receives, thereby protecting people who would not be able to pay back their loan. This selectiveness maintains the quality of the company's risks, reflected in the fact that 98% of its loans are repaid in full. In 2005, Cetelem set up a special centre to help indebted individuals in precarious situations.

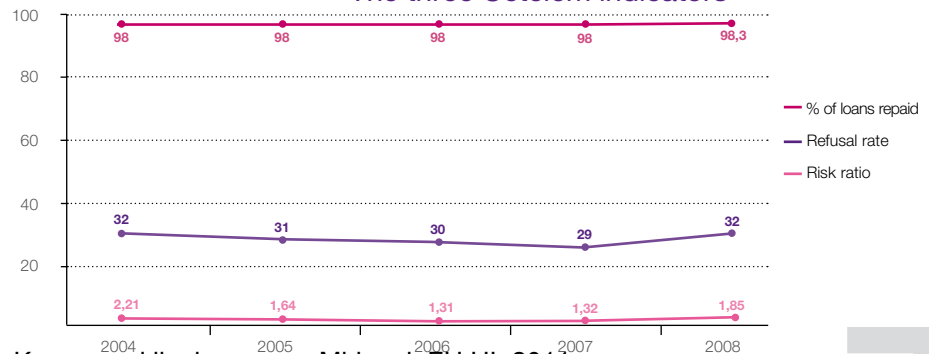
Cetelem has published a booklet explaining its actions to promote responsible lending, which is defined as "lending that

meets four fundamental commitments at each stage of the client relationship, from the loan request through to disbursement, repayment, and final settlement." The aim is to prevent over-indebtedness, promote access to loans for the greatest possible number of people, provide all clients with flexible support, and take care of clients in the event of difficulties.

In order to report the results of these commitments concretely, Cetelem has added three new indicators to its Annual Report: the loan refusal rate; the percentage of payment defaults; and the risk ratio, which is calculated by dividing provisions recorded for bad debts by total outstanding loans. This ratio has declined significantly over the last few years and now stands at less than 2% – very low compared to the ratios seen in the sector in the US and UK.

In an effort to enhance dialogue with consumers, in June 2008 Cetelem launched the first non-commercial website devoted entirely to providing information on consumer credit ([moncreditresponsable.com](http://moncreditresponsable.com)) and to explain its responsible borrowing policy. The website is intended for any individual – regardless of whether he or she is a Cetelem customer – with questions about the risks and opportunities of various loans.

### The three Cetelem indicators



Konservasi lingkungan..., Midonal, FH UI, 2011

#### ■ BNP Paribas Assurance, equal access to insurance

BNP Paribas Assurance, the global leader in personal insurance, provides sick people with greater access to insurance through France's AERAS agreement (S'Assurer et Emprunter avec un Risque Aggravé de Santé, or Obtain Insurance Despite an Elevated Health Risk) signed by banking federations, insurance federations, associations representing consumers and sick people, the French Ministry of Economy and Finance, and the French Ministry of Healthcare and Solidarity. However BNP Paribas Assurance intends to go beyond the scope of the agreement and implement initiatives to encourage prevention. It has already taken initial steps towards this goal in the area of respiratory diseases, most notably asthma. Asthma is an extremely common illness; 3 million people in France, or 5.8% of the population, suffer from the disease. It is aggravated by air pollution, and over the past few years much progress has been made in the areas of treatment and prevention. At BNP Paribas Assurance, people with asthma wishing to apply for health insurance are asked to fill out a medical questionnaire that enables a detailed assessment of the actual claims that the applicant would submit. This information is used to develop a more equitable pricing policy for each applicant. For example, excess premiums may be reduced or eliminated depending on the severity of the disease, whether the applicant sees a doctor regularly, and how well the applicant manages his or her disease. In addition to offering pricing policies tailored to individual applicant's probable claims, BNP Paribas Assurance promotes prevention, the most effective weapon against respiratory diseases. In contributing to preventive care, BNP Paribas Assurance is doing its part as a responsible insurer. The company plans to introduce similar measures for other diseases.

#### ■ Sales facilities and services accessible to all

BNP Paribas goes beyond regulatory requirements and takes measures to facilitate access for disabled people to its branches and ATMs. 95% of its ATMs in France can be used by disabled persons, versus an industry average of 80%. The Group has developed a methodological guide in association with a specialised consulting firm, and gives the guide to all people involved in the construction of sales facilities and the installation of ATMs.

BNP Paribas' new Accueil & Services branch concept includes numerous features facilitating disabled access. 850 BNP Paribas branches have voice-controlled ATMs, making it the first French bank to offer such services to the visually impaired thanks to a partnership with one of the world's leading ATM suppliers. These new machines allow the visually impaired to withdraw cash via an audio assistance system that is activated by inserting headphones into a standard headphone jack.

The multi-channel bank provides all clients with access to information and banking services. Clients always have at least one remote channel - phone or internet - available for day-to-day transactions.

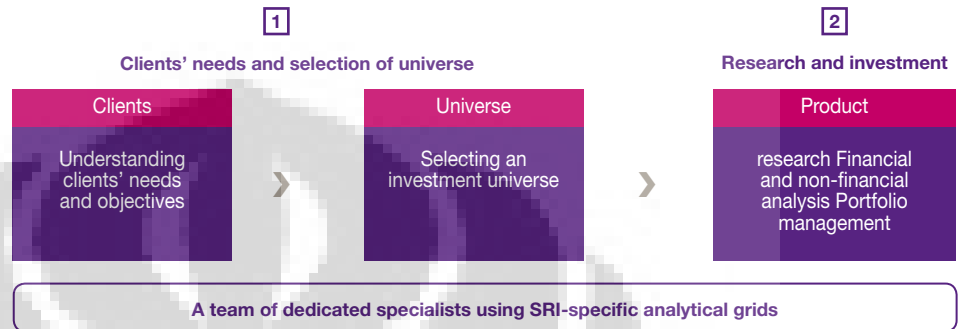
## Socially Responsible Investment (SRI)

### Increasingly aware investors

Investors are more and more concerned about the social and environmental responsibility of companies, and want to be able to assess the potential impact of such issues on the performance of their investments. BNP Paribas Asset Management seeks to promote the long-term value of its investments, and has therefore developed recognised expertise in this area. It offers a complete range of products that systematically take into account sustainable development and corporate governance. The broadly encouraging results in 2008 prove that Socially Responsible Investment (SRI) is not only ethical, but also create value for investors.

## The Socially Responsible Investment process

The Socially Responsible Investment process is the same as that for regular investments, and consists of the following two steps.



### ■ Identifying clients' needs and selecting the investment universe

To meet clients' specific SRI needs, BNP Paribas Asset Management defines a risk profile and an approach based on specific sectors and expected returns. It also takes into account ethical criteria and companies' social commitment levels. It then selects an investment universe according to clients' needs and market opportunities, as for instance regions or available securities.

### ■ The characteristics of SRI research and investment: analyses based on extra-financial criteria

Portfolio management is based on comprehensive financial and extra-financial analyses, from a quantitative and qualitative perspective. For SRI investments, BNP Paribas Asset Management carries out in-depth research to identify potential sources of value creation or destruction by considering corporate governance and CSR issues. This non-financial analysis rounds out standard financial analyses by highlighting companies' sustainable development approach in terms of the commitments they make, the resources they allocate, and the results they obtain. Like the research for financial analyses, the research for non-financial analyses is conducted by a team of specialists. It

was designed with a view to value creation, and relies on grids of assessment criteria selected according to the specific challenges of each industry. As an example, compliance with fundamental labour rights by a company and its suppliers is a major issue in the textile and electronics sectors, while greenhouse gas emissions and risks related to climate change receive priority treatment in assessing the energy, power generation, transport, insurance, and building materials industries. A portfolio is then assembled using risk modelling and rankings by sector.

These analyses are regularly reviewed and systematically integrated into portfolio management processes. Such extra-financial analyses are supplemented by direct contact with companies, ratings from ratings agencies, and brokers' reports.

In addition to this system, a monitoring process is used to detect any possible critical situations that could lead to valuations being revised.

### Exercising voting rights

At BNP Paribas Asset Management, the exercise of voting rights is an integral part of the management process and a component of the ongoing dialogue with companies in which investments are made on clients' behalf.

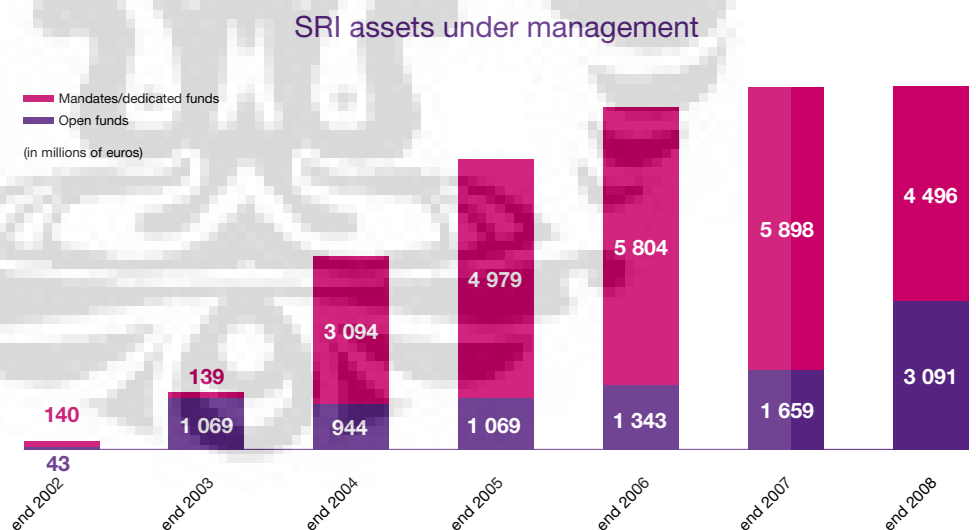
The voting policy incorporates the governance principles set out in key international codes and standards. All mutual funds in France and elsewhere exercise their voting rights at AGMs. This includes a scope of approximately 300 companies invested in by 200 mutual funds. The voting process is based on review of draft resolutions and votes are cast through electronic voting platforms that allow secure processing. Documents concerning the exercise of voting rights at AGMs are available on BNP Paribas Asset Management's website, [www.am.bnpparibas.com](http://www.am.bnpparibas.com).

### Research and assets management teams

BNP Paribas Investment Partners has 25 fund managers and analysts with extensive skills in SRI. These fund managers work for three partners: BNP Paribas Asset Management, for fundamental and index-based funds; FundQuest for funds of funds; and Impax Asset Management for environmentally-themed funds. Fund managers systematically take into account the results of financial and non-financial analyses when building SRI portfolios.

### A leading position in the French market

Recent studies place BNP Paribas Investment Partners among one of the industry leaders in France and in Europe in terms of assets under management, and one of the market leaders with regards to quality. It had over EUR 7.5 billion of assets under management in mutual funds and SRI funds at 31 December 2008. These funds are geared towards institutional and retail clients.



### A wider range of SRI products

In order to expand its range of SRI products, BNP Paribas Investment Partners has tapped into an increasing number of partners such as BNP Paribas Asset Management, Impax, EasyETF, and FundQuest. In 2008 BNP Paribas Investment Partners increased its stake in Impax Group plc, a London-listed asset management firm specialised in environmental funds, to 29.4% of the firm's common shares. This move reinforces their partnership in the management and distribution of ethical funds.



### BNP Paribas Investment Partners creates a new carbon index

On 24 October 2008, NYSE Euronext and EasyETF launched a new European index, Low Carbon 100 Europe®, comprised of European companies with a low carbon footprint, and the first exchange traded fund (ETF), EasyETF Low Carbon, tied to this index and listed on Euronext Paris. The Low Carbon 100 Europe® index measures the performance of the 100 largest European companies with the lowest level of CO<sub>2</sub> emissions in their industry. These companies' CO<sub>2</sub> emissions are on average 42% lower than the 300 largest-cap companies in Europe. The exchange traded fund is managed by BNP Paribas Asset Management in association with AgriSud, GoodPlanet, and WWF, thereby enabling investors to invest in low-carbon footprint companies.

In 2008, BNP Paribas Investment Partners introduced the following funds:

- The BNP Paribas Acqua fund launched by BNP Paribas Assurance in December that invests in water-related companies;
- The Shinhan Bonjour Clean World Fund, in association with Impax Asset Management, that invests in the Asia-Pacific region;
- BNP Paribas Mone Etheis, a money-market fund;
- An SRI fund of funds managed by FundQuest includes Parworld Global Sustainable Development 80, an environmental capital-protected fund of funds, for BNL Vita.

### **A continuing commitment to SRI**

#### ■ Principles for Responsible Investment

BNP Paribas Investment Partners follows the Principles for Responsible Investment (PRI) under the aegis of the United Nations Environment Programme Finance Initiative (UNEP FI) and the Global Compact. The PRI provide a framework that goes beyond Socially Responsible Investment. They concern all financial assets and recognise the importance of environmental, social, and governance (ESG) issues for this sector as regards responsibility and portfolio returns. PRI encompass the following six principles in addition to thirty possible actions:

- Incorporating ESG issues into investment analysis and decision-making processes;
- Incorporating ESG issues into stakeholders' policies and practices;
- Seeking appropriate disclosure on ESG issues by entities in which investments are made;
- Promoting acceptance and implementation of these principles within the investment industry;
- Working together to enhance effectiveness in implementing the principles;

- Reporting on activities and progress towards implementing the principles.

#### ■ Driving SRI initiatives

In 2008 BNP Paribas Investment Partners confirmed its role as a main driver of SRI through its participation in several working groups.

BNP Paribas Investment Partners exercises the vice-presidency of the Institutional Investor Group on Climate Change (IIGCC) for over a year. The IIGCC comprises 39 European institutional investors representing over EUR 3.500 trillion. In April 2008 it held a seminar on climate change and its implications for institutional investors. The IIGCC has also issued two reports, one on the electricity industry and one on the automobile industry, undertaken by BNP Paribas Investment Partners with several North American and Australian pension funds.

In early 2008, BNP Paribas Investment Partners and other asset management firms including Axa Investment Managers, Dexia Asset Management, and Crédit Agricole Asset Management formed a working group in response to the concerns raised by Amnesty International in 2007 about the financing of companies involved in manufacturing cluster bombs and anti-personnel mines. This working group aims to develop a better understanding of the technical and regulatory frameworks set forth in the Oslo and Dublin conventions. The working group, assisted by an expert consultant, has precisely identified companies involved in manufacturing these weapons and has helped rapidly and systematically implement the commitments that BNP Paribas made publically this year.

In an effort to support extra-financial and academic research, BNP Paribas Asset Management became a founding member of the Enhanced Analytics Initiative (EAI), an international collaboration of asset owners and asset managers designed to encourage research on non-financial investment criteria. Its members, like

BNP Paribas Asset Management, have committed to allocating 5% of their annual broker commissions to develop extra-financial analyses, particularly on corporate governance, climate change, and human resources issues. In 2008 BNP Paribas Investment Partners played a key role in aligning the EAI with the United Nations Principles for Responsible Investment (PRI), which now includes over 150 pension funds worldwide.

BNP Paribas Investment Partners also sponsors the sustainable finance and responsible investment chair in cooperation with France's Ecole Polytechnique and the Toulouse Institute of Industrial Economics.

In late 2008 BNP Paribas Investment Partners sponsored Novethic's<sup>(1)</sup> first annual conference specifically for pension funds and personal protection insurance providers. During the event, around 100 French and European institutions learned about the necessity of including environmental, social, and corporate governance factors in their investment policies.

### **Recognised commitments**

BNP Paribas was selected by Novethic for the quality of its environmental funds. In response to the growing number of environmental funds, Novethic issued a study calling for investors to be vigilant in ensuring that these funds' policies are indeed responsible. The study encouraged investors to consider the clean technologies that these funds invest in as well as to what extent the funds consider companies' SRI policies, by for example using a filter to weed out companies involved in corruption or market distortion mechanisms. The report identifies seven environmentally-responsible funds in France; topping the list is the Parworld Environmental Opportunities fund managed by Impax Asset Management.

### **BNP Paribas Assurance, a comprehensive SRI policy**

As a reflection of its commitment to SRI, BNP Paribas Assurance is the first institutional investor to adopt a comprehensive SRI approach covering EUR 55 billion of assets in its euro funds. This approach involves applying SRI criteria in its investment decisions. Nearly 1.3 million clients are able to take advantage of this policy through the euro fund component of their BNP Paribas Assurance life insurance contracts.

#### **■ SRI and life insurance**

In 2007, BNP Paribas Assurance became the first private investor to have its euro funds assessed by Vigeo, Europe's leading extra-financial ratings agency. In 2008 BNP Paribas Assurance carried out a client survey to evaluate the results of its SRI promotion efforts. 86% of the clients surveyed approved of the company's approach to increase the percentage of SRI holdings in its euro funds while maintaining the financial performance of the invested contracts. Some clients stated they are ready to invest a significant amount of their contracts in SRI instruments; 37% of those surveyed are ready to invest over 20% of their life insurance savings in SRI assets. Therefore BNP Paribas Assurance now considers SRI criteria when selecting investment securities for its euro funds as follows.

- For equity investments, BNP Paribas Assurance continues to select the best in class to favour companies with the highest ratings from extra-financial rating agencies, assuming equal returns and prospects, concerning the values in which BNP Paribas Assurance invests.
- For government bond investments, BNP Paribas Assurance fund managers will clarify their SRI approach by translating their investment decisions into concrete terms. They will favour countries that have ratified the main international treaties on human rights and workplace rights.

<sup>(1)</sup> A Caisse des Dépôts subsidiary and one of France's leading SRI firms

- BNP Paribas Assurance has introduced an SRI fund, IRD BNP Paribas Asset Management, with EUR 300 million of assets under management. It has also invested EUR 55 million in a selection of SRI funds of funds.

BNP Paribas Assurance will sell new contracts expressed according to three SRI accounting units to give clients the opportunity to extend their citizenship involvement. These three accounting units are based on the following fields: water, renewable energy, and professional insertion.

## Supplier relations

### Maintaining core competencies

Although the Group relies on outside suppliers for products and services that are not central to its businesses, it has chosen to retain control over its core competencies. Production processes remain highly integrated, thus limiting the use of outsourcing.

In the IT field, where outsourcing is common among financial institutions, BNP Paribas has adopted a unique approach by creating a joint venture with IBM France to meet the Group's IT processing requirements. This strategic alliance allows the Group to retain control over technology while reducing its IT costs, and to remain a leading-edge centre of excellence.

### Limited, carefully-managed offshoring

The Group has streamlined its system for specific IT development and programming activities by pooling some of its IT resources in Asia within BNP Paribas India Solutions in Mumbai. It also created a software development centre in Morocco, MEDIHA Informatique-BNP Paribas MED IT, which offers the social and economic advantages of a nearby location, a shared language, and a common time zone. The Group chose to keep these activities within its subsidiaries rather than to outsource them. The two entities are expected to employ several hundred people out of a group-wide total of around 10,000 IT specialists. This plan was imple-

mented while maintaining a net creation of IT jobs in France.

### Worldwide management of the purchasing function

The Group considers that suppliers' social and environmental responsibility is of great importance. This dimension is a decision tool for the purchasing function, helped by BNP Paribas Asset Management expertise to evaluate its main supplier's portfolio.

Contracts have systematically included social and environmental clauses since 2002. For social aspects, these clauses require compliance with International Labour Organisation (ILO) standards and with national employment legislation if this legislation is stricter than the ILO standards. The obligation to work with suppliers guaranteeing compliance with these principles has been remind to all Group entities in order to standardise the relationships with the suppliers in their delegation.

The Group's external growth means that new entities are constantly entering its scope of consolidation. Nonetheless, the high rate of input into the global database has been maintained. The overall percentage of purchases from approved suppliers, which has been increasing steadily for several years as contracts are renewed, does not adequately reflect the major progress made in this area in absolute terms, given the large increase in the scope of consolidation.

For the precedent contracts signed with suppliers, special instructions were given to BNP Paribas entities in 2008.

In April 2008, BNP Paribas created a Group Procurement Board comprised of around 20 representatives from the purchasing functions of business units and divisions. This Board has outlined a Group purchasing policy to meet BNP Paribas' goals and better structure the global purchasing function. Moreover, coordinated purchasing activities make it easier for suppliers to meet the Group's ethics standards. A supplier identification process has been introduced to insure effective management of supplier relationships. Finally, risk concerning the Group's

suppliers is monitored through a special database.

In 2008 BNP Paribas added a supplier section to the Group's website. This section lists suppliers in light of the Group's CSR policy and International Labour Organisation conventions. The Group mentions its equal treatment of suppliers, even when a supplier is also a client, its commitment to the confidentiality of supplier information, and its desire to prevent conflicts of interest.

BNP Paribas' IT system was updated in 2008 to support sustainable development through a new platform designed to facilitate the sharing of best practices on green technology, in France and abroad.

#### ■ Arval

Arval's suppliers, stakeholders in its sustainable development approach, have been rated based on environmental and social criteria. Since this assessment, a Sustainable Development Engagement Charter has been systematically included in suppliers' contracts. This Charter requires suppliers to implement sustainable development initiatives, adopt transparent environmental and social behaviours, and adhere to the ten principles of the United Nations Global Compact which Arval signed up to in 2004. The Charter was introduced in France in 2007 and extended to most other countries in 2008. In 2008 Arval defined minimum standards to ensure that suppliers are indeed able to follow the Global Compact principles.

#### ■ Klépierre

Klépierre offers joint training on environmental issues to its employees and suppliers. In 2008 Klépierre developed an external version of its e-learning software on corporate social and environmental responsibility to be used by Steen & Strøm's suppliers and subcontractors; Steen & Strøm is Scandinavia's leading shopping centre developer and was acquired by Klépierre in October 2008.

#### ■ BNP Paribas Real Estate

BNP Paribas carefully follows all environmental regulations for its construction and acquisitions operations. A real estate guide sums up the strictest regulations in each country where BNP Paribas operates so that these regulations can be applied at all sites worldwide. All of a company's central buildings are audited before the company is acquired. BNP Paribas Immobilier remains continuously abreast of new environmental laws and regulations, and includes CSR requirements for suppliers in all its property contracts.

# Impact on the natural environment



Since January 2004, BNP Paribas has been implementing a set of guidelines on environmental responsibility, in accordance with the United Nations Global

Compact. These guidelines contain ten focus points and form part of the general business principles followed by Group employees.



### Action areas

#### Conserving energy and monitoring greenhouse gas emissions: the carbon footprint

Companies are helping to combat global warming by controlling their greenhouse gas emissions. In 2004, BNP Paribas, helped by a team of consultants, devised a method for estimating the carbon dioxide emissions from its operations. The calculations cover emissions generated by the production, transportation, and consumption of energy sources. For liquid fossil fuels, the methodology calculates emissions related not only to combustion but also to the extraction, shipping, and refinement of fuels from conventional crude oil. The initial energy used by electricity producers is also taken into account. Further information on measurement methods and the related margins of error are provided under item 7 of the environmental chapter of the NRE Act.

BNP Paribas has steadily expanded the scope of its data collection, which has revealed that emissions vary significantly by country. An analysis of the data shows that these differences are mainly due to the following structural factors:

- the presence of management from an international business line accounts for regular air travel by managers (for example the Fixed Income business line in London);

- the presence of a data processing unit that consolidates data processing for entities within one territory or for neighbouring countries;

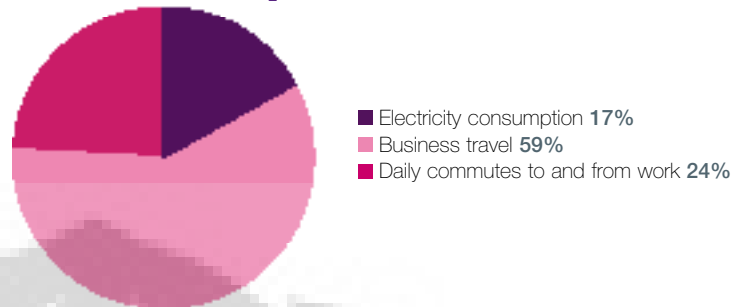
- the conversion ratio for KWh consumed depends on the combination of energy sources used within a given country. For example, the conversion ratio used for the emissions rate in France is favourable because a significant amount of the energy used comes from nuclear sources.

A country's energy infrastructure also has a significant effect on emissions estimates; for instance, the weighting factor used to calculate CO<sub>2</sub> emissions from electricity use is about six times higher for the UK and the US than for France. Since the nature of businesses conducted also vary widely by country, it seems more relevant to monitor emissions on a country-by-country basis than to try to consolidate very different situations.

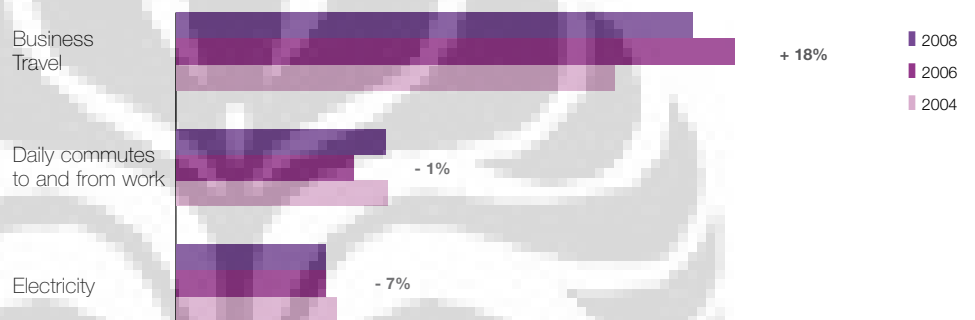
In France, CO<sub>2</sub> emissions in 2008 amounted to 2.59 tonnes of CO<sub>2</sub> equivalent per FTE.

Details about the carbon emissions of the Group's international operations are provided under item 7 of the environmental chapter of the NRE Act.

## Breakdown of CO<sub>2</sub> emissions in France in 2008



## Variation in emissions in France 2004-2008



**Business travel** is the main source of the Group's carbon emissions, and is undertaken for the purposes of client contact, business negotiations, and project studies. Business travel has been the focus of a stringent cost control policy. A maximum use of phone and video conferencing was made in 2008 as an alternative to travel.

BNP Paribas has a business travel policy in France. Under this policy, air travel is subject to approval procedures and train travel is highly encouraged for trips within France; train travel is mandatory for cities served by Eurostar and Thalys. The implementation of this policy has resulted in a 28% increase in train travel and an 11% drop in short-haul air travel.

BNP Paribas and BNP Paribas Assurance set up a carpooling website in 2008 for their 33,000 employees living in the Paris region. Over 1,000 employees registered on the website in the first few days after its launch, and the website received 10,000 visits during the same period. Carpooling is an efficient way for employees to get to work as well as cut their gasoline bills and reduce greenhouse gas emissions.

Daily commutes to and from work account for 24% of emissions in France. In provincial towns, BNP Paribas covers a part of the costs incurred by employees using public transport to get to work, going beyond its legal obligations in this respect. The contribution is higher for employees living in towns with more than 100,000 residents. Over 12,000 employees in France benefit from these measures. Cortal Consors employees in France and Germany receive a discount on their public transport tickets.

**The energy consumption of buildings** is also controlled. The Technology & Process function oversees facilities management, the purchasing function, and IT systems, and develops and implements a coordinated general environmental policy for the Group.

The Group's French operations used 306 GWh of electricity in 2008, or 173 kWh per meter squared, excluding renewable energy. A comparable calculation for the electricity used by BNP Paribas' international operations is not relevant due to the diverse conditions from country to country, especially between northern and southern countries.

### An eco-branch in Rome

**The Colli Portuensi branch in Rome has installed rooftop solar panels to supply its electricity. These panels will generate over 280,000 kWh of power over their 20-year lifetimes, supplying all of the branch's energy needs. Moreover, they will prevent 150 tonnes of CO<sub>2</sub> emissions and 0.43 tonnes of NO<sub>x</sub> emissions – the equivalent of 66 tonnes of oil. Right now it seems to be the only banking branch in Europe, if not the world, that produces all of its own energy. This innovative branch makes BNP Paribas' environmental commitment more visible and more tangible to its clients and other partners.**

The main improvements carried out by the Group in 2008 were related to the addition of energy-efficient technologies during building renovation and construction, and the replacement of equipment. In 2008 the Group introduced a centralised facilities management system for its buildings. Thus, in the building at 37 Place du Marché St. Honoré in Paris, the lighting in offices and hallways is programmed to be on for 16 hours every weekday. Similarly, the lighting in BNP Paribas Personal Investors' French and German offices is programmed to turn off automatically at 9pm every night.

In obtaining ISO 14001 certification for 1,115 of its retail banking branches in France, BNP Paribas set a goal of reducing these branches' energy use 15% by 2011. This will involve the following two steps:

- Upgrading equipment and controls to meet the technical recommendations for building work. This includes optimising the lighting, replacing electric air curtains with ones fuelled by a heat-pump, installing standardised air conditioning systems with a wattage based on geographical location, reviewing the life cycle of outdoor signage, and programming façade lighting to turn off at night.
- Improving branches' energy efficiency by using automated lighting, heating, and air conditioning systems that operate according to ambient and outdoor temperatures.

BNP Paribas maps the energy use of its office buildings in France (current condition, past energy use, building history, etc.) in order to prioritise its energy-saving efforts. Then an energy audit and an assessment of the buildings' energy performance are made before implementing the recommended steps.

BNP Paribas has offset the carbon emissions related to its Annual General Meeting in May 2008 as part of its fight against climate change. The methodology took into account the carbon emissions of the return trips for all attending shareholders and people who helped host the event,

and quantified the emissions related to the use of the meeting hall (the *Carrousel du Louvre* in Paris).

BNP Paribas Personal Finance has launched the Oxygène Programme to measure the CO<sub>2</sub> emissions at Cetelem's and UCB's sites in France. Personal Finance measured its greenhouse gas emissions in 2007, then implemented an action plan in 2008 designed to reduce the environmental impact of its car fleet, reduce air travel through the use of video conferencing, develop a business travel policy, map the energy use at its sites, and issue an environmental code of conduct for all the business' employees in France.

In 2008 BNP Paribas Assurance measured the carbon footprint of all its operations at its 41 sites worldwide using the French Bilan Carbone™ method. This carbon footprint covers emissions from the following ten items: daily commutes to and from work; business travel; energy use; tangible assets (property, equipment, computer hardware, etc.); supplies (paper, pens and pencils, food and beverages, etc.); fret; air conditioning; waste; purchased services; and visitor travel. Of these ten items, the greatest emitters proved to be energy use, business travel, daily commutes, and tangible assets. BNP Paribas Assurance aims to lower the greenhouse gas emissions from its operations in France and worldwide by 10% by 2010.

The Moroccan Bank for Commerce and Industry (BMCI), a BNP Paribas subsidiary, reduced the electricity use at its headquarters by 8% by installing remote control switches. BMCI plans to install remote control switches in its branches as well.

In 2008 the Group's Technology and Processes function introduced the Greening IT programme, a frontrunner for responsible computing in the banking sector. This programme has three goals: saving energy; reducing the amount of toxic compounds in computers; and recycling old equipment.



### [The Carbon Disclosure Project France selects BNP Paribas](#)

BNP Paribas is one of only three banks among the 20 French companies selected by the Carbon Disclosure Project (CDP) France for its Climate Disclosure Leadership Index. CDP, a British NGO founded in 2000, sends annual surveys to the world's 3,000 largest companies in order to assess their response to climate change and their ability to cut their greenhouse gas emissions. BNP Paribas has been part of this initiative since it was started in 2002. CDP ranks companies on the basis of their survey replies, and the top third are included in CDP France's Climate Disclosure Leadership Index.

### [BNP Paribas is one of EcoFolio's biggest investors](#)

EcoFolio, an environmental organisation established in 2006, applies the principle of extended producer responsibility in the area of informational and advertising brochures and leaflets. Its mission is economic, environmental, and social; by using financial contributions from producers of these media, EcoFolio provides funding to local government authorities to promote selective collection and recycling, and to inform citizens and raise awareness. Owing to the nature of its business, BNP Paribas produces only modest quantities of promotional paper media compared with the press and retail industries. Yet it is one of the first funding shareholders of EcoFolio, and the BNP Paribas Head of Sustainable Development serves on EcoFolio's Board of Directors. In 2008 the scope was extended to internal corporate communications.

Three years ago the London office introduced the NightWatchman programme, which enables IT staff to turn employee workstations on and off remotely at a set time of day. Workstations are turned on every morning just before employees get to work, and are turned off every evening. This programme is designed to save energy, lower costs, and make the office more environmentally-friendly – without being intrusive. The *NightWatchman* programme is currently being rolled out at offices in Singapore, Brussels, Milan, Tokyo, and other BNP Paribas subsidiaries.

### Supplier selection

The careful selection of suppliers is a central feature of BNP Paribas' environmental policy. All supplier contracts include clauses on social and environmental responsibility, which the Group's key suppliers accepted following an in-depth discussion of the issues involved.

#### ■ Paper suppliers

BNP Paribas has outlined a process for selecting paper and printer suppliers based on sustainable development criteria. The Group has signed agreements with paper producers that guarantee a responsible approach to forest management, including full replanting after harvesting. These criteria apply to the paper used by Group employees as well as outside companies that print publications for the Group.

#### ■ Renewable energy suppliers

BNP Paribas carried out an inventory of its electricity purchases in France, Italy, and the UK in order to assess the market and its options for switching to renewable energy. However, because of the heterogeneity of the offer and their currently high costs, the Group has for now decided against setting an overall target for its energy generated from renewable sources. It will instead focus on reducing energy use with an immediate impact on the environment. Nevertheless, some subsidiaries have already undertaken local initiatives to purchase green energy; for example, at Bank of the West in the United States, 20% of the energy used comes from renewable sources.

### Waste management

BNP Paribas is continuing to roll-out a waste management policy based on recycling paper, cardboard, and toner and ink cartridges, which are being recycled more and more frequently. This waste management policy applies to the Group's operations in France and abroad. For instance, 98% of the paper and cardboard collected at the Group's Paris region offices in 2008 was recycled. A company collects and sorts the office waste. Recycled paper is used for urban heating, cardboard boxes, and paper pulp.



### The first HEQ-BREEAM dual certification

**Le Mermoz is a two-building, three-level office complex in Bourget, France. It has a unique, modern, and dynamic architectural design whose transparent façades have high-performing acoustic and thermal insulation for comfort and energy efficiency. The complex meets the latest sustainable building standards, making it the first to receive France's High Environmental Quality (HEQ) certification as well as the UK's Building Research Establishment Environmental Assessment Method (BREEAM) certification. «(...) the environmental targets assigned to the buildings have stringent specifications (...) because both the French and other worldwide certification systems have a strict requirement to divide the buildings' greenhouse gas emissions by four. (...) It helps create references, spread best practices and generate momentum. (...) The goal is to merge the systems (...) toward an environmental quality, (...)» explains Patrick Nossent, President of Certivéa.**

## Levers

### Prevention

#### ■ Preventing the impact of real estate operations

In order to mitigate the environmental impact of its operations, BNP Paribas Immobilier implements the French High Environmental Quality (HEQ) standard in association with the French Scientific and Technical Advisory Centre for the Building Industry (CSTB). In 2007 BNP Paribas Immobilier signed a partnership agreement with CSTB and Certivéa, a certification body for the building industry. BNP Paribas Immobilier makes sure that the buildings it constructs use energy-efficient technology, environmentally-friendly materials, and acoustic and thermal insulation and controls the cleanness of the worksites. "Green" construction techniques are used as much as possible, and the buildings are designed to enhance the local landscape. The primary goal is to minimise their impact on the natural environment and to their tenants' environment.

Five of the BNP Paribas Immobilier Promotion Immobilier d'Entreprise property projects in France that are in construction phase, and four that are in design phase, have been HEQ certified by Certivéa and have received the Afnor label. During France's first high-performance building trade show (Salon du Bâtiment Performant) in 2008, BNP Paribas Immobilier received the Constructeo Award for best performance in the renovation category.

BNP Paribas Immobilier Résidentiel Promotion won a bid to build homes, businesses, and a nursery in the mixed development zone along the Seine River in Issy-les-Moulineaux – the same place where BNP Paribas Immobilier is currently building its new headquarters. The mixed development zone is intended to revitalise the banks of the Seine, which had been used exclusively for manufacturing sites and has been lying fallow for the past several years. This new contract confirms BNP Paribas Immobilier Résidentiel

Promotion's ambitions under its comprehensive policy for environmental quality buildings, and marks its 20th *Habitat et Environnement* project in the process of being certified since 2004.

This is also the second BNP Paribas Immobilier Résidentiel Promotion project to receive France's low-energy use label (*Bâtiment Basse Consommation*). In addition to environmental concerns, BNP Paribas Immobilier places a strong emphasis on sustainable development in its construction projects. It has strengthened its ties with sustainable development organisations by:

- Publishing the first dictionary of sustainable development terms in France and the UK;
- Developing a UK website for Atisreal, [www.seeandthink.com](http://www.seeandthink.com);
- Assisting with the first edition of *IPD Environment Code: Measuring the Environmental Performance of Buildings*, published in the UK in February 2008.

The Beaulieu Ile de Nantes shopping centre renovated by Klépierre serves a model for large-scale renovations, especially in terms of social and environmental responsibility. The renovation project has been nominated for the 2009 ICSC Award in the renovation and extension category. The shopping centre first opened in 1975 with 60 stores and a hypermarket spread over 28,500 m<sup>2</sup> of commercial space. However it recently underwent 18 months of renovation work, which culminated in the unveiling of an almost entirely new centre in March 2008. Modern architectural designs were used to considerably reduce the centre's environmental impact. For example, the delivery dock was remade into an acoustic tunnel lined with climbing plants in order to reduce noise pollution for nearby residents. This wall of vegetation is not only insulating and aesthetically pleasing, but it also lowers greenhouse gas emissions thanks to the plants' natural ability to absorb CO<sub>2</sub>. The roof is made from around 100 glass cones so as to bring in natural light and limit the need for



#### Accueil et Services branches receive ISO 14001 certification

BNP Paribas has been awarded ISO 14001 environmental certification for its 1,115 French retail banking branches renovated according to the Accueil & Services model. The 1,115 branches represent more than the half of the branches constituting the French Retail Banking branches network. This new branch model incorporates environmentally-friendly measures regarding building materials, construction processes, and operating and maintenance procedures. As part of the certification process, the French Retail Banking business set up an environmental management system to better control its environmental performance. Some of the top priorities include reducing energy use, limiting paper consumption, mitigating the environmental impact of construction work, installing a waste management system, and increasing the awareness of employees, partners, and contractors on environmental issues.

artificial lighting. The portion of the roof extending over the parking silo has solar panels that generate enough energy to supply the annual needs of 80 households.

#### ■ Cleaner cars

After safety, the environment is the fastest-growing concern of vehicle fleet managers. Therefore in 2007 Arval developed a comprehensive environmental strategy with a considerable focus on lowering the CO<sub>2</sub> emissions of car fleets owned by its companies and providing CO<sub>2</sub> emission management services to its clients.

The following steps were taken towards this goal in 2008:

- All Arval companies decided to measure their fleets' CO<sub>2</sub> emissions on an individual basis and use special tools for client fleets;
- A car purchasing policy was introduced with CO<sub>2</sub> emission specifications in grams per kilometre;
- All Arval companies began offering employees the Corporate Vehicle Observatory's training programme on safe and environmentally responsible driving;
- All Arval companies began offsetting their CO<sub>2</sub> emissions, with a preference for local offsetting mechanisms.

#### ■ Saving paper

For a financial services group, paper is the main raw material consumed. 9,580 tonnes of paper were used by the Group in France in 2008. All BNP Paribas entities are implementing paper-saving initiatives based on their business operations. Paper-saving measures are a top priority in the French Retail Banking division and the IT function. Such measures include centralised electronic publishing, double-sided bank account statements, reduction of mailings for some bank account statements and listings, electronic accounting statements within the Group, the elimination of needless printouts, printing optimisation efforts, direct marketing activities carried out online and by telephone (as opposed to mailed brochures), and monitoring measures for the paper used at branches that has been purchased from printers. Data provided by printers allows the Group to choose printing jobs that waste less paper. Such paper-saving measures are being introduced at other BNP Paribas operations across the Group in France.

The Moroccan Bank of Commerce and Industry (BMCI), a BNP Paribas subsidiary, has saved 1.48 million sheets of paper, or 160 trees, per year since 2007 by better use of electronic publishing for its communication with clients.

#### Raising employee awareness

BNP Paribas uses internal communication channels such as a Group intranet, the Group newsletter, *Ambition*, and internal conferences to raise employee awareness about environmental issues.

BNP Paribas has also put together a booklet, *P'tit Mémo Buro*, outlining everyday environmentally-friendly habits to encourage in the workplace; nearly 100,000 copies of this booklet have been distributed to employees. The booklet was printed on recycled paper in French, English, and Italian by a French company for disabled persons.

The sustainable development section of the BNP Paribas intranet is regularly updated with the latest sustainable development news, under the heading News, and contains a monthly sustainable development newsletter titled *Monthly Sustainable Development Newsletter*.

BNP Paribas launched its first citizenship blog, [forachangingworld.com](http://forachangingworld.com), in 2008 to encourage all responsible initiatives, in accordance with its ethical undertakings and values. The blog was created as a space for communication, exchange, and interaction

### The CR Academy

Steen & Strøm, Klépierre's Scandinavian subsidiary, created an online e-learning platform called CR Academy to train its employees on sustainable development. This virtual academy centre offers a course on each of the three main aspects of sustainable development: environmental, economic, and social. 94% of Klépierre's employees in Norway, Sweden, and Denmark have taken at least one of these courses.

### The MillionTreesNYC initiative

The MillionTreesNYC initiative is a joint programme led by the New York Restoration Project, the New York Department of Parks & Recreation, and BNP Paribas. BNP Paribas has been operating in the US for over thirty years, and has always demonstrated a commitment to the environment and the New York community. This initiative, launched in 2008, aims to plant one million trees in New York's five districts. In April 2008, BNP Paribas volunteers helped build a greenhouse in Manhattan's Union Square to collect donations from city residents.

between employees and internet users interested in subjects such as ecology, employment, sustainable development, and sponsorship. Its aim is to demonstrate the diversity of the Group's undertakings, as well as those of its employees and their projects.

As part of the Group's efforts to obtain ISO 14001 certification for its new branch model, it aims to teach branch employees about environmental issues. Therefore the Group launched an employee awareness campaign in 2008, which included distributing kits describing BNP Paribas' environmental approach, appointing an environmental correspondent in the branch management department, forming a sustainable development committee for operating property, and drafting an environmental checklist for building materials and construction projects for new branch models.

In 2008 BNP Paribas Assurance maintained its employee awareness campaign on CSR in general and respect for the environment in particular. During the Sustainable Development Week, 2,500 employees were invited to take part in numerous activities promoting CSR.

### **Compliance**

In the environmental field as in other areas, the Group requires compliance with the most demanding standards, be they legal, regulatory, or internal.

Guidelines on the technical regulations applicable to managing buildings in France are issued to facilities managers. For international operations, these guidelines are drafted based on the most stringent regulations in all countries where BNP Paribas operates. Construction and renovation projects are approved based on these guidelines, and the buildings of newly-acquired companies are audited.

Currently, in accordance with the directive, all Group entities in France collect and recycle electronic equipment through producers, distributors, brokers, and recycling companies. The process relies on a system that measures these flows.

### **Effective Internal Control**

BNP Paribas continuously strives to meet the highest standards of ethical behaviour, compliance, risk management, and internal controls. Due to the rapidly-changing banking environment and increasing regulatory requirements concerning these issues, the global Group Compliance function, whose manager reports directly to the Chief Executive Officer, has been given broad powers throughout the Group.

The General Inspection unit's social and environmental methodology, updated and reinforced in 2008, allows it to assess the extent to which audited entities apply Group environmental standards and procedures. Reporting directly to the Chief Executive Officer, the General Inspection unit is completely independent to apply this methodology across the entire Group without limitation. Its audits supplement the checks already performed by entity managers.

Diversification of commitments by industry remained at a healthy level in 2008, with no further concentrations of risk arising during the year (see the Registration Document). Operations in the Energy & Commodities sector mainly finance commodities trading, which is usually highly structured and secured by collateral. Commodity financing commitments – production and international trade – are reviewed on a regular basis. The Utilities portfolio, which mainly includes electricity production and distribution, is reviewed every six months.

The Internal Controls, Risk Management, and Compliance Committee met five times in 2008 to review the Group Risk Management Report and all the areas affected by the crisis. The Committee was informed of the allocation of the Group's commitments by region and sector, and of any major concentrations of risk as defined by prudential standards. It was also regularly notified of the Bank's exposure to the different areas affected by the crisis. The Board of Directors devoted a large portion of its discussions to risk-related issues, in particular market risk, liquidity risk, and operational risk.

## Means of action

### Cost containment

Efforts to limit consumption are crucial to successful sustainable development policies. Cost containment makes it possible to offer clients the best services at the best price.

Environmental indicators and the monitoring of flows of materials have rounded out the management criteria used by the Group's procurement function. The measurement and analysis of energy consumption helps identify the principal discrepancies among entities and enables consumption to be streamlined.

### Environmental risk management

Environmental risks are included in the analysis of credit and operational risks. Credit risk management policy requires the identification of environmental risks and defines specific adaptations for certain business lines. The ratings policy for corporate financing sets modalities of implementation for factoring environmental risk data into ratings models.

### Project finance

#### ■ A business requiring specific expertise

When considering financing for large-scale environmentally-sensitive projects, the due diligence stage includes an audit of the social and environmental consequences of the project, performed by a recognised expert in the field. This audit identifies the environmental impacts and how they may affect a project's viability.

The audit is performed by independent consultants prior to any financing arrangements, so that the Bank, if needed, can reject a project that does not offer satisfactory performance with regard to local standards and international guidelines such as those set forth by the OECD. If financing is granted, the consultant's recommendations are included in the project's financial documents, and the developer must implement and maintain an environmental management plan that guarantees the project's compliance with applicable laws and guidelines.

The Corporate and Investment Banking business takes special care to ensure that corporate clients follow environmental regulations' constraints when operating in non-EEC countries within Europe.

#### ■ The Equator Principles

In 2008 BNP Paribas formally adopted the Equator Principles for its project financing activities. These Principles constitute a benchmark for the financial sector for the identification, assessment, and management of social and environmental risks related to project financing activities. They are based on the social and environmental performance criteria set forth by the World Bank and the International Finance Corporation. BNP Paribas applies these principles on a global level for all new financing or advisory services for projects exceeding USD 10 million, regardless of the particular sector.

BNP Paribas is one of the global leaders in project financing. The adoption of the Equator Principles is consistent with the Group's approach to risk management and analysis. Indeed, BNP Paribas had already implemented some of the Principles' social and environmental risk assessment procedures before it signed up to the Principles. By adopting the Principles, BNP Paribas has formally confirmed its commitment to sustainable development.

As part of the adoption process, the Group introduced a procedure to identify potential projects that could pose social or environmental problems. This procedure uses an expert system to warn division managers before they meet with loan committees, so that the committee can either refuse the project or introduce measures that would bring the project into compliance with the Principles.

In 2008 the Group formed a team to formalise and distribute procedures for all transactions concerned by the Principles, and to train project finance staff – as well as all other employees involved in the loan agreement process – on the Principles. This team developed an Equator Principles training programme in the form of an intensive one-day seminar, and gave the seminar to over 100 experienced staff and managers in the first quarter of 2009. Additional measures have also been taken to ensure consistent application of the Principles and the sharing of best practices.

#### ■ Financing renewable energy projects

BNP Paribas is a major player in the field renewable energy, especially in Europe, and financed numerous projects in 2008. It has a team of 120 employees working across the main countries who are qualified to make investment decisions for renewable energy projects.

The Group was awarded for its commitment to renewable energy several times during the year. For example, BNP Paribas financed the innovative Fred Olsen Wind Portfolio, which opened the door to new large-scale financing and greater flexibility for the sector. The Portfolio invested GBP 304 million to build or refinance four wind farms in Scotland generating a total of 315 MW of power. The borrowers have the option to buy new wind farms using the same financing structure. This transaction won two prestigious awards: Euromoney European Wind Deal of the Year and Project Finance International European Renewables Deal of the Year.

In the US, Capstar Partners Capital LLC, a fully-owned BNP Paribas subsidiary, was highly active in providing advisory and financing services for major renewable energy projects in 2008.

#### Environmentally-friendly loans

BNP Paribas offers a wide range of loans to promote the use of energy-efficient equipment and materials during building construction, a key issue identified during Grenelle Environnement.

French Retail Banking offers a low-interest personal loan, **Energibio**, to help clients finance home improvements that focus on energy savings and sustainable development.

BNP Paribas Personal Finance offers the **Bons Plans Ecologie** loan for clients planning to buy a new home and install energy-efficient equipment and materials. This green loan offers a 1% interest rate and is available for any amount up to EUR 6,000.

BNP Paribas Personal Finance and EDF have joined forces to offer an original type of loan, the **Prêt Photovoltaïque**. This loan can be used to pay for the installation of solar panels on homes without having to use up cash. The loan includes installation and start-up services from EDF, and borrowers receive government grants and VAT refunds that can be used to pay-off some of the loan without penalty. The rest of the loan can be paid-off annually with the help of income received by selling back to EDF any unused power generated by the solar panels. This loan enables borrowers to enjoy a free, green source of energy – and an additional revenue stream once the loan is paid off.

In 2008 Cortal Consors continued the **Investir Utile** programme started in 2006. This programme aims to encourage clients to invest in environmental and sustainable development funds. Under this programme, clients pay a reduced subscription fee of 0.5% on all online investment orders for two weeks; these subscription fees are topped-up by Cortal Consors France and its partner companies. 2% of the money collected is given to GoodPlanet to pay for reforestation in Chile, electric boiler plates to save wood energy in Cambodia, and anaerobic digesters to recycle waste into compost and biogas in India.

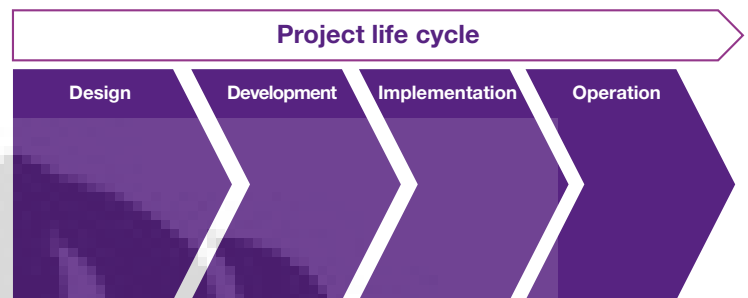
The Global Equity Derivatives business has created a series of indices comprised of companies that develop systems to cut greenhouse gas emissions or that have a positive effect on society or the environment. These indices cover several issues such as energy efficiency, renewable energy, and waste management. They also include the European companies considered the most socially responsible based on a variety of ratings and indicators.

#### **BNP Paribas and emissions trading markets**

The Kyoto Protocol and the EU Emissions Trading Directive have placed a monetary value on an environmental factor, namely, CO<sub>2</sub> emissions. The European Union Emissions Trading Scheme (EU ETS), introduced in 2005, sets CO<sub>2</sub> emission targets for 12,000 industrial sites in Europe and lets them meet these targets at a relatively lower cost by trading quotas on a market.

Within this context, the goal of BNP Paribas' Carbon team is to include considerations related to greenhouse gas emissions while operating all business lines. The carbon emission restrictions set forth in international agreements will have a long-term influence on the structure of financed assets, and need to be taken into account in financing decisions. In addition to developing new products, companies will have to consider the financial aspects of schemes to reduce greenhouse gas emissions in the services they offer. BNP Paribas draws from its solid skills in asset financing and asset management to help companies meet their emissions targets as cost-effectively as possible.

A full range of CO<sub>2</sub> Risk management solutions at every project stage.



- **EUA:** European Union Emission Allowance. Granted to entities participating in the European system for trading emissions rights.
- **CER:** Certified Emission Reduction. A credit equivalent to one tonne of CO<sub>2</sub> reduction achieved through the clean development mechanism.
- **ERU:** Emission Reduction Unit. A credit equivalent to one tonne of CO<sub>2</sub> reduction achieved through the Joint Implementation (JI) mechanism.

BNP Paribas is actively involved in the EU ETS for both proprietary and client trading, and is a major participant in carbon emissions markets. BNP Paribas Commodity Futures is one of the largest institutions in the London Clearinghouse in terms of amounts cleared and EUA futures executed. Commodity Futures accounts for approximately 20% of the orders on the European Climate Exchange (ECX), which is the largest platform for carbon

emissions trading in Europe. Commodity Derivatives is one of the main participants in the EU ETS. BNP Paribas Commodity Futures is a key player in the carbon credit derivatives market, especially in carbon credit options – a booming market. On 16 May 2008 BNP Paribas became the first institution to trade Certified Emission Reduction (CER) options on the European Climate Exchange, with a volume of 1,250,000 CERs.

Environmental Finance, one of the most widely-recognised magazines in the industry, named BNP Paribas the best options trader in the carbon market and the best financier of Kyoto projects (CDM and JI) in the primary market.

BNP Paribas is highly active in emissions trading markets and has a substantial portfolio of carbon credits from Clean Development Mechanism projects with high environmental value, making the Group well-positioned to offer intermedia-



[BNP Paribas is among FTSE4Good's European environmental leaders](#)

**2008 marked another year that BNP Paribas was included in the FTSE4Good Environmental Leaders Europe 40 Index. This index is comprised of Europe's leading companies for environmental management, based on a rating of their environmental initiatives. BNP Paribas is the only French bank in the index. The European Investment Bank (EIB) and the international banking community have adopted this index, which provides investors with information on the environmental responsibility of the main European issuers.**

tion services to clients subject to CO<sub>2</sub> emission limits. These services include placing buy and sell orders for carbon credits, guaranteeing delivery of carbon credits, and developing derivatives-based hedging solutions. The volume of carbon credits traded by BNP Paribas more than doubled in 2008 relative to 2007.

In 2008, BNP Paribas served as an arranger for projects that enabled significant reductions in CO<sub>2</sub> emissions. These projects included the construction of a 750 MW gas turbine power plant in Azerbaijan, which replaced an old facility and cut CO<sub>2</sub> emissions by over 700,000 tonnes per year. They also included a partnership with Eskom, Africa's largest utility company, to replace 35 million incandescent light bulbs in South Africa with energy-saving light bulbs between 2007 and 2009. This project will reduce the country's energy use and eliminate the need to build a new power plant (which would probably have been coal-fired). It also helps the local community since it cuts households' electricity bills and creates an integrated system for disposing of old light bulbs. BNP Paribas' Carbon Finance team, backed by South Africa's Coverage team, will help Eskom register the project with the CDM Executive Board so that revenue from selling carbon credits can be used to refinance the project.

BNP Paribas, a group that is constantly attuned to the market and seeking to offer innovative services, developed a new type of carbon security for Sterling Waterford, a South African bank. This security, issued on 1 November 2008, allows South African investors to invest in CDM projects and take advantage of market prices for carbon credits. BNP Paribas selected a diversified portfolio of CDM projects for this security, which has been listed in Johannesburg since it was issued.



# A partner in society





### [BNP Paribas launches a corporate social responsibility blog](#)

Acutely aware of its duty towards society, BNP Paribas created its own corporate social responsibility blog in 2008: *forachangingworld.com*. Open to everyone, this first interactive blog aims to build bridges between people from different backgrounds, invite exchange and encourage dialogue. The blog, available in French and English, is dedicated to the Bank's goodwill initiatives around the world.

### **BNP Paribas, committed to developing its host territories**

BNP Paribas places great importance on cultural diversity and has taken various initiatives to strengthen its roots in the social fabric, which is inseparable from its retail banking business. These initiatives focus mainly on microfinance and social inclusion through education, entrepreneurship and cultural patronage. The BNP Paribas Foundation, which discreetly accompanies the Group's business activities, also offers many valuable opportunities for discovery, exchange and dialogue. Although not a core part of its civic commitment, patronage nonetheless expresses the way in which the Group more broadly assumes the other areas of its social responsibility.

### A deeper commitment to microfinance

Just two years after launching its international microfinance activity, BNP Paribas is now ranked among the world's top ten in the sector for wholesale loans, according to a recent survey. This activity is based on three complementary types of commitment:

1. Financing international microfinance institutions (MFIs);
2. Microfinance funds;
3. Skills-based volunteer work.

### **Financing international microfinance institutions**

BNP Paribas believes that one of the crucial success factors in the microfinance business is the close support given by Microfinance Institutions (MFIs). For this reason, BNP Paribas does not intend to develop a direct microfinance activity itself, but will seek to identify the most professional MFIs and finance their development, especially in the countries where the bank operates.

According to an international survey published in March 2008, BNP Paribas is the third largest lender to the microfinance sector in terms of commitments. At end September 2008, BNP Paribas worked with twenty-two MFIs in twelve countries. Commitments totalled €75 million, of which 63% in Africa, 21% in Latin America and 16% in Asia. Micro loans granted to 450,000 borrowers, 80% of whom are women, have an impact on at least two million people counting their families

With its MFI partners, the Group endorses the six guiding principles set out by the Consultative Group to Assist the Poor (CGAP), an association of development agencies, as regards consumer protection and transparency: protection against excessive debts, pricing transparency, appropriate collection practices, compliance of MFI staff with a code of conduct, a mechanism for handling complaints and disputes and data protection.

BNP Paribas has forged partnerships with several international microfinance networks such as Solidarité Internationale pour le Développement et l'Investissement (SIDI), Horus, Grameen Foundation in the United States and PlaNet Finance. The aim is to develop relationships with networks which share the same risk management and social impact methodologies with their affiliates.

### **Microfinance funds**

The market in microfinance investment vehicles is growing rapidly, reaching \$5.5 billion in 2008, a threefold increase in two years. There are some one hundred funds, twenty-five of which are commercial in nature. Since 2005, as part of its philanthropic offering, BNP Paribas Wealth Management has provided its international clientele with a microfinance fund founded by responsAbility and PlaNet Finance.



#### BNP Paribas' microfinance initiatives in India

With a growth rate of about 50%, the Indian micro loan market is growing rapidly. In 2007, India was the world leader in the sector, with some 25 million borrowers. It has a hundred or so MFIs in total and BNP Paribas has granted almost €10 million to seven of them, selected for their professional approach.

#### **Micro insurance**

In micro insurance, BNP Paribas Assurance and State Bank of India (SBI) – a banking group with 138 million customers – created the first private Indian life insurance company, SBI Life, which is now playing a major role in developing micro insurance in India. SBI Life provides products tailored to over 770,000 self help groups, the members of which are mostly women from extremely underprivileged backgrounds. For example, a network of SBI branches, NGOs and MFIs now offer two micro life insurance policies

guaranteeing a capital sum in the event of death for a premium of less than one euro a year.

#### **Bandhan Group, an MFI financed by BNP Paribas Microfinance**

Bandhan Group comprises two legal entities, an NGO and a non-banking finance company (NBFC). It aims to alleviate poverty by lending small sums of money to women from very underprivileged backgrounds for setting up a business venture. Calcutta-based Bandhan has been involved in micro finance since 2001. It now has 4,000 employees in 160 branches across ten Indian states. It has 1.3 million borrowers, all women, and a loan portfolio of €91 million. Bandhan has recently introduced a new mechanism, which consists of providing a productive asset, such as a cow, in the guise of a loan. This avoids the risk of poor money management and repayments are made from the income obtained from selling the milk.

#### **Microfix**

BNP Paribas has also confirmed its commitment to microfinance by supporting the creation of Microfix, a microfinance fund for currency hedging. BNP Paribas provides technical assistance and its expertise in the derivatives markets to PlaNet Finance, Corporate Connect (investment consultancy in the emerging markets), FMO (the Dutch development agency) and TCX (a currency hedging fund launched in 2007). Microfix works with MFIs and international investors to open up the capital markets to developing countries and to help them better understand currency risk by providing currency hedging services. MFIs are exposed to currency risk because they grant micro loans in local currencies whilst their own functional currency is the dollar or the euro. Microfix provides them with a practical solution.

#### **Obli Etheis**

In early 2009, BNP Paribas launched Obli Etheis, its first microfinance mutual fund. Obli Etheis invests 5% to 10% of its assets in microfinance and has received the seal of approval from Finansol, the French solidarity finance organisation. This portion of the fund, which represents about €3 million, is reinvested in the responsAbility Global Microfinance Fund, which has an impact on more than 3,000 micro entrepreneurs in developing countries.

### Skills-based volunteer work

*MicroFinance Sans Frontières* and *JACadie* (an association that supports micro entrepreneurs financed by the ADIE), BNP Paribas' two skills-based volunteer schemes launched in 2007, began to produce results as early as 2008.

*MicroFinance Sans Frontières* provides MFIs in emerging countries with the benefit of banking skills in areas such as risk management, financial control and information systems. It organised about ten technical support missions in 2008 in partnership with organisations such as SIDI, Horus and the Aga Khan Foundation. MFIs appreciate this service and recognise its effectiveness in improving economic efficiency in the area of banking.

Capitalising on its initial experience in 2005, *JACadie* has attracted a growing number of volunteers. They provide management skills to micro entrepreneurs financed by the *Association pour le Droit à l'Initiative Economique* (ADIE) to help them set up their business ventures. The BNP Paribas Association of Retirees (ADR), which has 22,000 members, partners this project. There are also strong connections between *JACadie* and the *Projet Banlieues* scheme run by the BNP Paribas Foundation, and with French Retail Banking's initiatives in partnership with ADIE.

### Projet Banlieues three years on

In December 2005, just after the urban rioting that spread across France, BNP Paribas decided to set up a new scheme called *Projet Banlieues* in addition to the initiatives it was already taking to promote employment and social inclusion.

Co-ordinated by the BNP Paribas Foundation and relayed through the retail banking network, *Projets Banlieues* was launched quickly thanks to the Foundation's ten years of experience in outreach work, especially through its partnerships with the leading national outreach associations. Its two main partners in this field are ADIE, which provides micro loans to the unemployed and people on income support to help them set up their own business ventures, and the Association de la Fondation Étudiante pour la Ville (AFEV), which recruits volunteer students to help youngsters from difficult neighbourhoods

with their school work.

*Projet Banlieues* has three focuses: creating jobs through micro loans in partnership with ADIE, educational support for youngsters in difficulties in partnership with AFEV, and support for community projects undertaken by local associations in difficult neighbourhoods.

Capitalising on its excellent results, *Projets Banlieues*, which was originally due to expire in 2008, was renewed on the same basis for a further three years from 2009 to 2011.

### Micro financed business start-ups in partnership with ADIE (see table below)

With the support of BNP Paribas, ADIE has been able to open seven branches in the difficult districts of Marseille, Toulouse, Lyon, Evry, Aulnay-sous-Bois, Asnières and

	Total	2006 6 branches	2007 6 branches	2008 7 branches
<b>Targets</b>				
Business start-ups	800	100	300	400
<b>Results</b>				
Micro loans granted (= number of people financed)	1,108	100	348	660
Business start-ups	867	100	295	472



*Projet Banlieues*: Inauguration of the ADIE branch in Aulnay-sous-Bois by Maria Nowak



*Projet Banlieues*: Afev campaign

Montpellier. In three years, more than 1,100 micro loans have been granted by these branches, financing more than 860 business start-ups. 65% of people financed by the scheme are on minimum social support. 16% of them are self-employed people who had set up their venture and needed financing before they knew about ADIE.

Under the terms of the partnership with ADIE, French Retail Banking provides a credit line raised to €6.6 million in 2008, undertakes to cover part of the risk of non-collection, and helps to finance ADIE's operating expenses (for around €350,000). BNP Paribas also provides ADIE's entrepreneur members with the Esprit Libre Pro package at no cost for six months. In 2008, BNP Paribas developed the I-adie software package to facilitate the exchange of instructions between ADIE and the Bank's branches.

### Educational programmes in partnership with AFEV

Under the *Projet Banlieues* scheme, the AFEV opened three new branches in Évry, Rouen and Nice, strengthened its Lyon, Toulouse and Saint-Denis branches, and recruited six permanent staff. As a result, it was able to support almost 1,200 more children, which was better than initially expected. AFEV also recruited 700 more volunteer students as a result of its involvement in these new vulnerable neighbourhoods.

	Additional students recruited thanks to <i>Projet Banlieues</i>	Additional children supported thanks to <i>Projet Banlieues</i>
Évry	69	95
Lyon	195	285
Nice	90	90
Rouen	70	85
Toulouse	240	328
Saint-Denis	42	290
<b>Total</b>	<b>706</b>	<b>1,173</b>

### Assistance in recruiting new volunteers

In addition to the financial support provided by the Foundation, BNP Paribas has implemented targeted campaigns through its networks to promote AFEV's action and its volunteer scheme, particularly among young people. After its 2007 national e-mail campaign targeting 330,000 customers aged 18 to 25, in 2008 BNP Paribas launched a new campaign by including information on AFEV in the pack given to students when they open an account with BNP Paribas

### Support for actions taken by neighbourhood associations

BNP Paribas knows that local associations working in difficult neighbourhoods very often play an important role in the town through their community projects. It therefore decided to reach out to them and provide financial support for their actions in the ten priority departments of France.

In three years, the BNP Paribas Foundation has supported 124 associations, including 41 in 2008. Their initiatives focus mainly on culture and sport, education, training, professional and social inclusion, leisure and disability.

## BNP Paribas Foundation: imaginative and active support

Its historical partnerships include microfinance organisations, the Telethon in Italy and France, as well as many other associations. But BNP Paribas is also known internationally for its patronage of the creative arts, for promoting and preserving cultural heritage and for its commitment to research and associations involved in social inclusion, education and development. Over the years, it has become a real powerhouse for local and global initiatives and a true innovator in corporate social responsibility.

Against this background, the BNP Paribas Foundation, which operates under the auspices of the Fondation de France, has developed sound expertise and knowledge of the countries and cultures where the bank operates. The Foundation has taken on a leading role in the bank's patronage policy as a result of its experience, the advice it provides to business units and territories in setting up their actions or programmes, as well as the projects it has gradually developed internationally in line with the values that underpin the Group's social commitment.

In 2008, the Foundation's role and its governance system were redefined. BNP Paribas entered into a new agreement with the Fondation de France. Among the key points were the appointment of a new Chairman, a reshuffle of the Foundation's executive committee, which comprises a college of founders made up of bank representatives and a college of experienced outside people. These changes also provided the opportunity to set out the guiding principles for identifying and supporting partners:

- Identifying partners means being able to pick out projects that are in line with the Foundation's guiding spirit and its areas of involvement. It also means looking beyond those projects that come to it directly. It requires a good knowledge of the areas concerned by patronage, a sense of curiosity and the ability to assess a project's impact and reach.
- Supporting projects is a core part of the Foundation's approach. Supporting a project does not simply mean providing funds for a few years but, just as importantly, it means listening to the people running the project, providing input, advising them and introducing them to useful contacts, particularly in institutional networks and the bank's own networks.

In 2008, the Foundation's actions were split more or less equally between healthcare and outreach programmes on one side and cultural patronage. In healthcare, actions focused on medical research and improvement of the living conditions of disabled people. In outreach, actions mainly comprised programmes to promote the social inclusion of vulnerable populations and initiatives where bank employees can become personally involved. In culture, actions focused on preserving and promoting museum heritage, rediscovering and promoting musical heritage, as well as supporting artistic expression in contemporary dance, new circus arts, jazz and literature.



Medical research: Laboratory of Human Genetics of Infectious Diseases, Necker Hospital, Paris.

## Healthcare

As part of its support for healthcare and research, the BNP Paribas Foundation assists researchers and physicians working in both medical research and applied clinical research. Drawing on the expertise of organisations recognised by the scientific community, its actions most often take the form of funding for newly established teams over a period of several years

### ■ National Cancer Center Singapore

In 2008, the BNP Paribas Foundation, in association with BNP Paribas Singapore, decided to support the NCCS Regional Fellowship Program, a new research and co-operation programme set up by the National Cancer Center Singapore. Led by Professor Soo, a member of several international oncology societies, the NCCS has four missions: treating patients, research, educating the public and training.

The NCCS Regional Fellowship program hosts for one-year at the National Cancer Center in Singapore a team of oncology specialists, comprising a doctor, surgeon and research scientist, all from the same medical institution in the same region. Apart from forging professional and human relationships, the idea behind this cooperation and skills transfer program is that the medical teams will use the knowledge they gain from their training to improve research, treatment and care for cancer patients in their home countries.

A Vietnamese medical team was selected to receive support from the Foundation and BNP Paribas Singapore

### ■ BNP Paribas Corporate and Investment Banking and the Institut Pasteur

In 2008, BNP Paribas Corporate and Investment Banking (CIB) decided to provide financial backing for medical research in a sum equal to the budget previously dedicated to end-of-year gifts. This year, CIB has decided to join the global combat against infectious diseases alongside the Institut Pasteur, a long-time partner of the BNP Paribas Foundation. BNP Paribas CIB will provide funding in 29 countries to the medical research teams from the international network of Instituts Pasteur as well as laboratories working in association with the Institut Pasteur in Paris. The selected research programmes include dengue fever (Mexico), hepatitis C (Spain), measles and HIV (United Kingdom), amoebiasis (India), malaria (Colombia, Brazil), West Nile virus (Czech Republic) and tuberculosis (Belgium).

In France, BNP Paribas CIB supports research into high pathogenic avian flu in the natural, rural and urban environment as part of a project partially funded by the European Union.

### ■ Disability research funding

Each year, the Garches Foundation invites applications for grants and research contracts from young research teams working on motor, sensory and cognitive impairment as well as from doctors working on improving patient care. In November 2008, at the Garches Foundation's 21st annual seminar on disability, the BNP Paribas Foundation presented awards to four young researchers for their work in this field. A partner to the programme since 1991, the BNP Paribas Foundation has so far provided grants enabling more than 60 researchers to continue their work on disability.

## Outreach

In outreach, the BNP Paribas Foundation has chosen to become involved in innovative pilot projects aiming to promote social reinsertion and combat various forms of exclusion.





Helping Hand Programme:  
Enfants de tous pays association



Helping Hand Programme: Sports et Loisirs association in a helio-marine Center



Helping Hand Programme:  
Gloria association

■ Employee initiatives

**The Helping Hand programme for employee projects in France**

Since 2003, through the Helping Hand programme for employee projects, the BNP Paribas Foundation has supported projects of general interest run personally by employees of BNP Paribas France. The programme provides funding and support for associations in which employees are involved on a volunteer basis. The diversity of issues addressed, such as outreach, healthcare, disability and precariousness, reflects the personal commitment of the bank's people as well as the human dimension of these initiatives.

Among the 34 associations supported in 2008 were Enfants de Tous Pays, which defends children's rights. With support from the BNP Paribas Foundation, this association was able to build a hostel for some thirty young street girls in Pondicherry, India, and provide them with education and professional training. Another example is Solidarités Nouvelles pour le Logement, an association whose project is to open a hostel in Maisons-Alfort in the Paris region with the aim of offering a viable, decent home for people in difficulties and victims of social exclusion.

Since the programme was launched, 215 projects have been undertaken in Europe, Asia, Africa and South America.

**Helping Hand worldwide**

Similar initiatives have been taken in several other countries, promoting the values of commitment, solidarity and respect for human rights, such as the Apoyamos tus ideas programme in Spain and Mano Amica run by the BNL Foundation in Italy. A Helping Hand programme has also been set up in Luxembourg and Switzerland where each year the BNP Paribas Switzerland Foundation supports more than ten associations in which employees are involved.



*Projet Banlieues:*  
Chess tournament in Montreuil

## ■ BNP Paribas Foundation projects

### Combating school failure

In September 2008, the BNP Paribas Foundation supported the first day devoted to combating school failure, launched by AFEV in partnership with France 5-Curiosphère and Trajectoires-Reflex. The event aimed to raise public awareness of this issue, invite debate and encourage the proposal of concrete solutions to help prevent the 150,000 or so young people who leave school each year with no qualifications from plunging into the downward spiral of failure.

### Support for schools

Since 2007, BNP Paribas has strengthened its support for difficult urban areas by allocating a major part of its apprenticeship tax to schools in vulnerable neighbourhoods. In 2008, the Foundation contributed one million euros to some one hundred schools in these areas to finance the purchase, rental and maintenance of educational and professional material and equipment.

### EVEQ: promoting an enterprise spirit in difficult neighbourhoods

Since 2006, the BNP Paribas Foundation has supported the Entreprendre Villes et Quartiers (EVEQ) association by providing funding for prize winners of enterprise competitions in disadvantaged areas organised each year by the association. In 2007, BNP Paribas strengthened its support for EVEQ as part of its campaign «It's time to take a fresh look at our city suburbs», providing both funding and the skills of the bank's employees.

### Discovering the business world

BNP Paribas and AFEV experimented with a new type of partnership in 2008. Bank employees agree to mentor a secondary school pupil to help them discover the world of work and the banking business. The aim is to combat social inequalities when it comes to career choice and insertion. The BNP Paribas mentors undertake to spend two hours a month with the pupil and a volunteer student to help the pupil discovering and understanding the business world. The pilot test began in early 2008 with some fifteen student-pupil teams in Paris and Lyon.

### Music in the cities

Introducing vulnerable neighbourhoods to art music – an experiment successfully conducted by the BNP Paribas Foundation in 2008 thanks to its long-standing links with the Ysaÿe Quartet and AFEV. Miguel da Silva, violist with the Ysaÿe Quartet, accompanied by his pupils, the young Connivences Quartet, spent two days in AFEV's premises in Saint-Denis to help forty or so youngsters discover the world of classical music and string quartets. In a relaxed atmosphere, the youngsters were able to ask all questions they wanted to help everyone better understand each musician's place in a formation that demands a sharp ear, respect and rigour. The high note of the project was an outing for the youngsters, accompanied by their close friends and families, to the Musée d'Orsay auditorium on 30 March and 6 April 2008 to hear all Beethoven's quartets as interpreted by the Ysaÿe String Quartet.

### Chess tournament in Montreuil

For the second year running, as part of the Projet Banlieues scheme, the BNP Paribas Foundation has supported the French Chess Federation and its programme to create chess clubs in vulnerable urban neighbourhoods. After Clichy-sous-Bois in 2007, it was the turn of the Tous aux Echecs! Chess club in Montreuil to benefit from the initiative to set up workshops in the town's secondary schools and organise an event based around chess. Organised on 22 November 2008 with the BNP Paribas Saint-Denis group of branches, the event attracted many youngsters accompanied by their parents, all linked by their common interest in the world's most popular strategy game.



Taubou: Aurélien Bory  
Tangiers Acrobatic Troupe



Press / Pierre Rigal  
Dernière Minute Company

## Culture

In culture, the BNP Paribas Foundation focuses on contemporary artistic expression by providing ongoing support for creative artists in disciplines often neglected by corporate benefactors. At the same time, it helps to discover rare or unheard musical works and to promote cultural co-operation programmes.

### ■ Eastern jazz with BNP Paribas El Djazair

On 12 November 2008, the Orient-Europe Express Trio gave a concert at the Palais de la Culture in Algiers with the joint support of the BNP Paribas Foundation and BNP Paribas El Djazair. The trio, which was created as part of the Culture & Coopération association's programme to promote intercultural dialogue, brings together musicians from different backgrounds and traditions, who combine to create a surprising musical dialogue. Their repertoire is a blend of original and well known compositions from Arab or Persian music as well as jazz and western classical music.

### ■ A talented prize-winner

Winner of the 2007 Young Writer's prize – of which the BNP Paribas Foundation is a long-time partner – Jean-Baptiste Del Amo has confirmed his taste and talent for writing by publishing his first novel, *Une éducation libertine*. Published by Gallimard, the novel by this young twenty-six year old author has not gone unnoticed. It was selected by journalists of the magazine *Lire* from amongst the hundreds of works published for the new literary season. It also won the Laurent-Bonelli prize and was short-listed for the Goncourt prize.

### ■ Tretyakov Gallery in Moscow: restoration of Natalia Goncharova's triptych *The Bathers*

At the end of 2008, as part of its continuing programme to help restore international works of art, the BNP Paribas Foundation chose *The Bathers* by Natalia Goncharova (1881-1962), currently in Moscow's Tretyakov Gallery, one of Russia's most highly respected museums.

Natalia Goncharova, founder of the Rayonist movement with her husband Mikhail Larionov in 1908, was a leading light of the Russian avant-garde in the early 20th century. She developed a personal style which was a synthesis of Cubism, Futurism and Orphism. In 1914, she went to Paris and began a long association with Sergei Diaghilev, creating costumes and sets for the ballet. Her triptych *The Bathers*, which was painted in Paris in 1922, was exhibited for the first time at the Salon des Indépendants in the same year. A highly original work in more than one respect, it combines Natalia Goncharova's talent as a colorist painter with her experience in creating theatre sets. The harmonious composition of large shapes and bold colours make this a monumental independent work of art, synthesising Gontcharova's non-figurative work.

Once restored and put back together, these three paintings, which were donated to the Tretyakov Gallery in 1988, will be exhibited in public for the first time and will take pride of place in the rooms dedicated to works by Goncharova and Larionov and in the suite of rooms dedicated to early twentieth century art.

### ■ Pierre Rigal and his company *Dernière Minute*

The Foundation supports the career of choreographer Pierre Rigal and his company *Dernière Minute*. A former 400 metre hurdles champion, Pierre Rigal swapped his mathematics studies for choreography and theatre design at the age of twenty-four. His high level sports training has given him a sense of effort, endurance and performance. *Press*, his fifth and latest work, created for the Gate Theatre in London, was performed for three weeks in Notting Hill. The British press was highly appreciative of the show, which obtained four stars from the *Guardian* and five from *Time Out*. Back in France, this solo performance, which combines dance, theatre, illusion and acrobatics, was the central event of the *Rencontres Chorégraphiques* in Seine-Saint-Denis in June 2008.

## Outside France, outreach actions to promote social inclusion and cohesion

BNP Paribas contributes to the economic and social development of its host territories, not only by focusing on local recruitment (see chart showing percentage of local employees on page 124), but also by supporting local initiatives in partnership with associations and organisations involved in civil society.

### Bank of the West and financial education

In 2000, the Group's US subsidiary became a partner of Operation Hope Inc. (OHI). Operation Hope provides underserved inner-city communities with mainstream financial services and financial literacy programs. From 2000 to 2008, Bank of the West contributed a total of \$1.3 million to OHI. The partnership has sponsored several financial literacy programs including Banking On Our Future (BOOF), aimed at school children between nine to eighteen years of age in Oakland, Portland and Denver. More than 160 Bank of the West employees have already taken part in the programme as volunteers, providing approximately 750 hours of training to some 5,000 pupils. Hope Centers provide free adult financial literacy and economic empowerment workshops as well as financial support to help people become home owners or set up their own business. The Hope initiative also provides financial counselling and aid to help natural disaster victims rebuild their lives.

### Creation of the BMCI Foundation

The Banque Marocaine pour le Commerce et l'Industrie (BMCI) created its Foundation in 2008. BMCI has pursued a policy of cultural and social patronage since the end of the nineteen nineties, contributing to Morocco's social and cultural development through partnerships in music, publishing and outreach. Drawing on its experience in general interest causes and with the BNP Paribas Foundation, BMCI has deepened its commitment by creating its own Foundation.

BMCI has developed a cultural patronage focused on classical music. It has supported several flagship musical events and institutions in Morocco since their beginnings, such as the Morocco Philharmonic Orchestra, which celebrated its tenth anniversary last year, and the music festival Printemps Musical des Alizés, which is now in its eighth year. Whilst consolidating these partnerships, the BMCI Foundation has broadened its music patronage policy to encompass jazz and contemporary music, as demonstrated by its patronage of the 2008 Tangiers Jazz Festival Tanjazz.

For the launch of its Foundation, BMCI chose to partner the Moroccan tour of the Taoub show performed by the Acrobatic Troupe of Tangiers, with the joint support of the BNP Paribas Foundation and the Instituts Français in Morocco. The show, a blend of the traditional and the contemporary, has already successfully toured fifteen countries around the world and made its debut tour of Morocco in summer 2008.

### Geojit in India

As India has a very young population, Geojit, the Indian subsidiary of BNP Paribas Personal Investors, and the Indian Stock Exchange have joined forces to promote knowledge about the investment world among young people. Geojit organises initiation seminars in secondary schools to teach pupils about the financial markets.

On a totally different note, Geojit also took part in distributing food to provide meals for penniless patients at the Ernakulam hospital in Kerala State, India. For 30 days, Geojit volunteers served food to 300 patients and their carers.

### BICIS in Senegal

In 2008, the Banque Internationale pour le Commerce et l'Industrie du Sénégal (BICIS) granted 2 million CFA francs (€3,000) to Samusocial, an association dedicated to combating the dangers threatening street children. This is not an isolated gesture by BICIS, which regularly provides support for various organisations. In 2008, during the severe flooding that hit Dakar and inland areas, BICIS donated 4 million CFA francs (€6,000) to Senegal's national committee for action against flooding.

In 2008, Action Sanitaire pour le Fouta (Asfo) again received funding from BICIS. Asfo is an association of physicians, paediatricians, ophthalmologists, gynaecologists, pharmacists, dentists and nurses who give up their time to provide free consultations for people in fifteen or so villages.

### Arval's international network

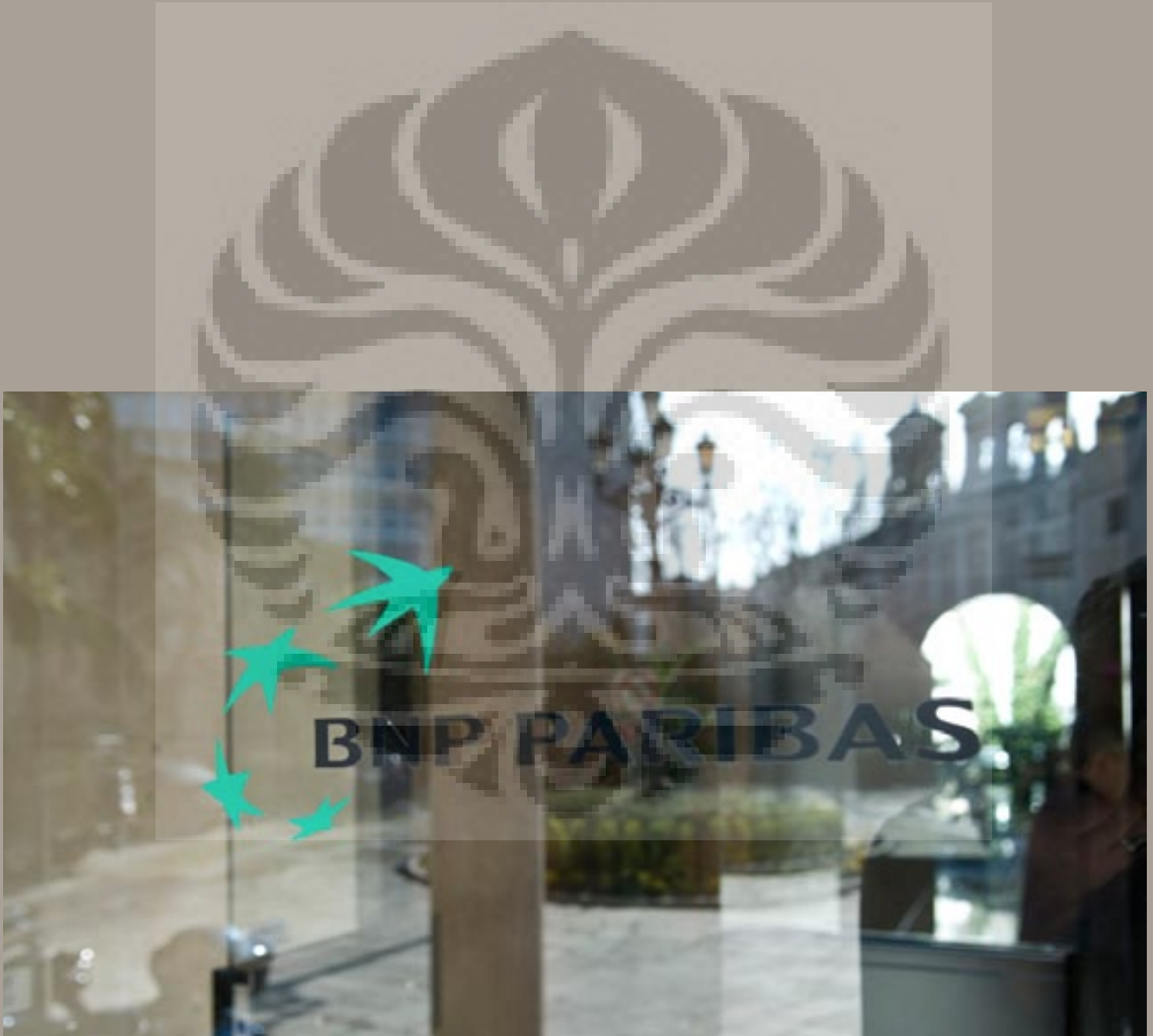
Arval's social responsibility policy focuses on the combat against social exclusion and helping integrate the disabled into social and professional life. Arval's local offices support a variety of organisations, such as the ELEPAP association for disabled children in Greece, the Jasnenka foundation in the Czech Republic, SOS Children's Villages in Germany, UNICEF in Poland and the Mohammed V Foundation in Morocco.

### SOS Children's Villages

In 2008, UBCI, the Bank's Tunisian subsidiary, supported the SOS Children's Villages association by organising a «Best Drawing Competition» in three SOS Villages in Gammarth, Siliana and Mahrès. UBCI has supported this association since 2006. It helps children with no parental care grow up together as brothers and sisters in a caring family environment. The 44 participants in the competition, who were between 6 and 12 years old, were awarded prizes by a jury of artists, volunteers and employees from the bank. At the prize giving, three winners from each village were given a UBCI savings pass-book worth 500 to 1,000 Tunisian dinars. All the others participants received gifts including dictionaries, encyclopaedias, fairy tales and board games.

SOS Children's Villages is also supported in Algeria by BNP Paribas El Djazair and in Morocco by the BMCI Foundation.

# Corporate Governance



# The Board of Directors



Michel  
PÉBEREAU

**Principal function<sup>(1)</sup>:**  
Chairman of the Board of directors of BNP Paribas

- Born on 23 January 1942
- Elected on 23 May 2006. Term expires at the 2009 AGM
- First elected to the Board on: 14 May 1993
- Number of BNP Paribas shares held<sup>(2)</sup>: 184,192
- Office address:  
3, rue d'Antin – 75002 Paris, France

Functions at 31 December 2008<sup>(1)</sup>

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

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

**Non-voting director of:**  
Société Anonyme des Galeries Lafayette

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

**Member of:**  
Académie des sciences morales et politiques, the Executive Committee of Mouvement des Entreprises de France, Haut Conseil de l'Éducation, European Financial Round Table, 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>:**  
*Real estate project manager*

- Born on 18 June 1951
- Director elected to a three-year term by BNP Paribas executive employees on 7 March 2006
- First elected to the Board on: 14 December 1993
- Number of BNP Paribas shares held<sup>(2)</sup>: 33
- Office address:  
20, avenue Georges-Pompidou 92300 Levallois-Perret, France



Claude  
BÉBÉAR

**Principal function<sup>(1)</sup>:**  
*Honorary Chairman of AXA*

- Born on 29 July 1935
- Elected on 23 May 2006. Term expires at the 2009 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 2008<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>:**  
Chairman of the Board of directors of Compagnie de Saint-Gobain

- Born on 11 August 1941
- Elected on 23 May 2006. Term expires at the 2009 AGM
- First elected to the Board on: 22 October 1986
- Number of BNP Paribas shares held<sup>(2)</sup>: 13,986
- Office address:  
"Les Miroirs"  
18, avenue d'Alsace 92096 La Défense Cedex, France

Functions at 31 December 2008<sup>(1)</sup>

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

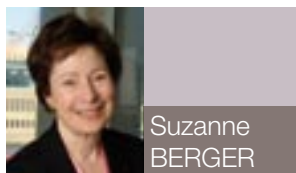
**Chairman of:**  
Claude Bernard Participations

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

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

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

<sup>(2)</sup> At 31 December 2008.



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)*

- Born on 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>: 250
- Office address:  
30, Wadsworth Street,  
E53-451 Cambridge,  
MA 02139-4307, USA

Functions at 31 December 2008<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.*



Jean-Marie  
GIANNO

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

*Sales associate*

- Born on 7 September 1952
- Director elected to a three-year term by BNP Paribas employees on 7 March 2006
- First elected to the Board on: 15 March 2004 (Jean-Marie Gianni was an employee representative on the Board of Banque Nationale de Paris from 1993 to 1999)
- Number of BNP Paribas shares held<sup>(2)</sup>: 10
- Office address:  
21, avenue Jean-Médecin  
06000 Nice – France

Functions at 31 December 2008<sup>(1)</sup>

**Member of:**

*Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI), "Confrontation" (a European "think tank")*



François  
GRAPPOTTE

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

*Honorary Chairman of Legrand, Director of companies*

- Born on 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>: 2,537
- Office address:  
128, avenue de-Lattre-de-Tassigny  
87045 Limoges, France

Functions at 31 December 2008<sup>(1)</sup>

**Director of:**

*Legrand, Legrand France*

**Member of the Supervisory Board of:**

*Michelin*



Alain  
JOLY

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

*Director of Air Liquide*

- Born on 18 April 1938
- Elected on 23 May 2006. Term expires at the 2009 AGM
- First elected to the Board on: 28 June 1995
- Number of BNP Paribas shares held<sup>(2)</sup>: 5,227
- Office address:  
75, quai d'Orsay  
75007 Paris, France



Denis  
KESSLER

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

*Chairman and Chief Executive Officer of Scor SE*

- Born on 25 March 1952
- Elected on 23 May 2006. Term expires at the 2009 AGM
- First elected to the Board on: 23 May 2000
- Number of BNP Paribas shares held<sup>(2)</sup>: 2,000
- Office address:  
1, avenue du Général-de-Gaulle  
92074 Paris-La Défense Cedex,  
France

Functions at 31 December 2008<sup>(1)</sup>

*Scor Group*

**Chairman of:**

*Scor Global P&C SE, Scor Global Life US Re Insurance Company (United States), Scor Global Life Re Insurance Company of Texas (United States), Scor Reinsurance Company (United States), Scor US Corporation (United States), Scor Holding (Switzerland) AG (Switzerland)*

**Chairman of Supervisory Board of:**

*Scor Global Investments SE*

**Director of:**

*Scor Global Life SE, Scor Canada Reinsurance Company (Canada)*

*Other functions*

**Director of:**

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

**Member of the Supervisory Board of:**

*Yam Invest NV (Netherlands)*

**Non-voting director of:**

*Financière Acofi SA, Gimar Finance & Cie SCA*

**Member of:**

*Commission Économique de la Nation, Conseil Économique et Social, Board of directors of Siècle, Association de Genève, Board of the French Foundation for Medical Research, Comité des Entreprises d'Assurance*

**Chairman of:**

*Board of directors of: Siècle, Cercle de l'Orchestre de Paris*

**Vice-Chairman of:**

*Reinsurance Advisory Board*

**Global Counsellor of:**

*Conference Board*



Jean-François  
LEPETIT

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

*Chairman of Conseil national de la comptabilité*

- Born on 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>: 7,500
- Office address:  
30, boulevard Diderot  
75572 Paris Cedex 12, France

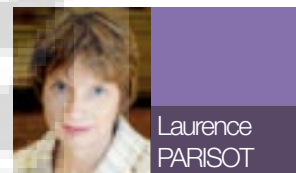
Functions at 31 December 2008<sup>(1)</sup>

**Director of:**

*Smart Trade Technologies SA, Shan SA*

**Member of:**

*Board of the QFCRA – Qatar Financial Center Regulatory Authority – (Doha), Collège de l'Autorité des Marchés Financiers*



Laurence  
PARISOT

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

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

- Born on 31 August 1959
- Elected on 23 May 2006. Term expires at the 2009 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

Functions at 31 December 2008<sup>(1)</sup>

**Chairman of:**

*Mouvement des Entreprises de France (MEDEF)*

**Director of:**

*Coface SA*

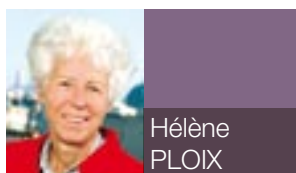
**Member of the Supervisory Board of:**

*Michelin*

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

<sup>(2)</sup> At 31 December 2008.





Hélène  
PLOIX

**Principal function <sup>(1)</sup> :**  
*Chairman of Pechel Industries SAS and Pechel Industries Partenaires SAS*

- Born on 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> : 1,371
- Office address: 162, rue du Faubourg-Saint-Honoré 75008 Paris, France

Functions at 31 December 2008 <sup>(1)</sup>

**Director of:**  
*Lafarge, Ferring SA (Switzerland), Completel NV (Netherlands)*

**Permanent representative:**  
*Pechel Industries Partenaires in Ypso Holding (Luxembourg)*

**Member of the Supervisory Board of:**  
*Publicis Groupe*

**Legal manager of:**  
*Hélène Ploix SARL, Hélène Marie Joseph SARL, Sorepe Société Civile*

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



Baudouin  
PROT

**Principal function <sup>(1)</sup> :**  
*Director and Chief Executive Officer of BNP Paribas*

- Born on 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> : 118,311
- Office address: 3, rue d'Antin 75002 Paris, France

Functions at 31 December 2008 <sup>(1)</sup>

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

**Member of:**  
*Executive Committee of Fédération Bancaire Française*



Louis  
SCHWEITZER

**Principal function <sup>(1)</sup> :**  
*Chairman of the Board of directors of Renault*

- Born on 8 July 1942
- Elected on 15 May 2007. Terms expires at the 2010 AGM
- First elected to the Board on: 14 December 1993
- Number of BNP Paribas shares held <sup>(2)</sup> : 6,255
- Office address: 8-10, avenue Émile-Zola 92109 Boulogne-Billancourt Cedex, France

Functions at 31 December 2008 <sup>(1)</sup>

**Chairman of the Board of directors of:**  
*AstraZeneca Plc (United Kingdom)*

**Chairman of the Supervisory Board of:**  
*Le Monde & Partenaires Associés (SAS), Le Monde SA, Société Editrice du Monde*

**Director of:**  
*L'Oréal, Veolia Environnement, AB Volvo (Sweden)*

**Chairman of:**  
*Haute Autorité de lutte contre les discriminations et pour l'égalité (Halde)*

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

**Member of the Board:**  
*Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du Quai Branly*



Daniela  
WEBER-REY

**Principal function <sup>(1)</sup> :**  
*Partner at Clifford Chance, Frankfurt*

- Born on 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> : 850
- Office address: Mainzer Landstrasse 46 D 60325 – Frankfurt-am-Main, Germany

Functions at 31 December 2008 <sup>(1)</sup>

**Member:**  
*Advisory group on corporate governance and company law of the European Commission, Expert Group on "Removing obstacles to cross-border investments" of the European Commission, German Government Commission on the German Corporate Governance Code*

## Other corporate officers

Jean-Laurent  
BONNAFÉ

**Principal function <sup>(1)</sup> :**  
*Chief Operating Officer of BNP Paribas*

- Born on 14 July 1961
- Number of BNP Paribas shares held <sup>(2)</sup> : 12,853
- Office address: 3, rue d'Antin 75002 Paris, France

Functions at 31 December 2008 <sup>(1)</sup>

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

Georges  
CHODRON DE COURCEL

**Principal function <sup>(1)</sup> :**  
*Chief Operating Officer of BNP Paribas*

- Born on 20 May 1950
- Number of BNP Paribas shares held <sup>(2)</sup> : 70,050
- Office address: 3, rue d'Antin 75002 Paris, France

Functions at 31 December 2008 <sup>(1)</sup>

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

**Director of:**  
*Alstom, Bouygues, Société Foncière, Financière et de Participations SA, Nexans, BNP Paribas ZAO (Russia), Erbé SA (Belgium), Scor Holding (Switzerland) AG (Switzerland), Verner Investissements SAS*

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

**Non-voting director of:**  
*Exane, Safran, Scor SA*

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

<sup>(2)</sup> At 31 December 2008.

# Report of the Chairman

of the Board of directors  
on the conditions for the  
preparation and organisation  
of the work of the Board  
and on internal control  
procedures implemented  
by BNP Paribas

## Corporate governance at BNP Paribas

The following information has been prepared in accordance with article L. 225-37, as amended <sup>(1)</sup>, of the French Commercial Code and with article L. 621-18-3 of the French Monetary and Financial Code.

It makes reference to the General Regulation of the AMF (the French Financial Markets Authority), notably article 229-9-11, and, if appropriate, to Appendix 1 of European Commission Regulation no. 809/2004 of 29 April 2004 as well as to the "Guide to Preparing Registration Documents" published on 27 January 2006 by the AMF, to the Act of 3 July 2008 containing various measures adapting company law to Community law and to the AMF report of 27 November 2008 on corporate governance and internal control procedures.

In preparing the Chairman's report, the Board of directors of BNP Paribas had voluntarily decided to make reference to the corporate governance code for listed companies of December 2008, which is the result of the consolidation of the report of the French employers' organisations AFEP (Association Française des Entreprises Privées) and MEDEF (Mouvement des Entreprises de France) of October 2003 and of their recommendations of January 2007 and October 2008 on the compensation of corporate officers. This decision was published on 6 November 2008.

This report also refers, where appropriate and for information purposes, to the document entitled "Enhancing Corporate Governance for Banking Organisations" published in February 2006 by the Basel Committee on Banking Supervision.

### Conditions for the preparation and organisation of the work of the Board

#### ■ The Board of directors' internal rules

- The Internal Rules define and determine conditions for the preparation and organisation of the work of the Board <sup>(2)</sup>.

These rules were adopted in 1997 by the Board of the former BNP and are regularly updated to comply with legal requirements, regulations and French corporate governance guidelines and to keep pace with corporate governance best practices recognised as being in the best interests of both shareholders and the Bank.

- The Internal Rules set out the terms of reference of the Board of directors; they describe the manner in which meetings are organised and the procedures for informing directors and for carrying out the periodic assessment of the Board's performance. They describe the terms of reference of the various Committees of the Board, their composition, the manner in which they function and the conditions relating to the payment of directors' fees. They provide guidelines concerning the conduct expected of a director of BNP Paribas. Key extracts of the Internal Rules are provided in this report in the various sections to which they relate.
- According to the Internal Rules, the Board of directors is a collegial body <sup>(3)</sup> that collectively represents all shareholders and acts at all times in the corporate interests of the Bank. It is tasked with monitoring its own composition and effectiveness in advancing the Bank's interests and carrying out its duties.
- Based on proposals submitted by the Chief Executive Officer, the Board formulates BNP Paribas' business strategy and oversees its implementation. It examines any and all issues related to the efficient running of the business, and makes any and all business decisions within its remit.
- It may decide to either combine or separate the functions of Chairman and Chief Executive Officer <sup>(4)</sup>. It appoints corporate officers. It proposes the appointment of directors for three-year terms. It may decide to limit the powers of the Chief Executive Officer. It approves the draft of the Chairman's report.

<sup>(1)</sup> Amended by article 26 of Act no. 2008-649 of 3 July 2008 containing various provisions adapting company law to Community law.

<sup>(2)</sup> AMF: Guide to Preparing Registration Documents: interpretation no. 3.

<sup>(3)</sup> AFEP-MEDEF Corporate Governance Code (point 1).

<sup>(4)</sup> AFEP-MEDEF Corporate Governance Code (point 3).

- The Board or one or more of its directors or Committees, or a specific Committee authorised by the Board, may perform any or all controls and verifications that it considers appropriate, supervise the management of the business and the fairness of its accounts, review and approve the financial statements and ensure that the financial information disclosed to the shareholders and the markets is of high quality <sup>(5)</sup>.

#### ■ Separation of the functions of Chairman and Chief Executive Officer

- At the Annual General Meeting held on 14 May 2003, the Chairman announced the Board's intention to separate the functions of Chairman and Chief Executive Officer within BNP Paribas. This decision brought the Group into line with corporate governance best practice, while at the same time ensuring a smooth and transparent handover of the Chief Executive role.
- The Chairman organises and directs the work of the Board, and ensures that the corporate decision-making bodies of BNP Paribas operate effectively. Working closely with Executive Management, he is competent to represent the Group in high-level dealings with, for example, major clients and government authorities both domestically and internationally. He has no executive responsibilities.
- The Chief Executive Officer has the broadest powers to act in the Bank's name in all circumstances (see limitation of the powers of the Chief Executive Officer on p. 141). He has authority over the entire Group, including Heads of core businesses, business lines, territories and Group functions. He is also responsible for internal control systems and procedures, and for all the statutory information in the report on internal control.

#### ■ The Board of directors and Annual General Meetings

- The organisation and conduct of Annual General Meetings are described in the "Shareholder information" section of the Registration document.
- Based on proposals submitted by the Board of directors, the Annual General Meeting of 21 May 2008 re-elected Suzanne Berger Keniston, François Grappotte, Jean-François Lepetit, Hélène Ploix and Baudouin Prot as directors and approved the appointment of Daniela Weber-Rey to the Board. All of the directors attended this meeting.

#### ■ Membership of the BNP Paribas Board of directors

- Following the Annual General Meeting of 21 May 2008, the Board of directors had fifteen members, of which thirteen were elected by shareholders and two by employees. Board membership details are provided in section 2.1. of the Reference Document.

#### Independence of directors

- Following a review of the directors' personal circumstances carried out by the Corporate Governance and Nominations Committee, the Board considers that the following nine directors qualify as independent under French corporate governance guidelines: Claude Bébéar, Suzanne Berger Keniston, François Grappotte, Alain Joly, Denis Kessler, Jean-François Lepetit, Laurence Parisot, Hélène Ploix and Daniela Weber-Rey. Based on its own assessment, the Board of directors did not consider, when it proposed his re-election to the Board to the Annual General Meeting of May 15, 2007, that the criterion concerning the loss of independence of a director who has served for more than twelve years to be relevant to the person of Louis Schweitzer.

<sup>(5)</sup> AFEP-MEDEF Corporate Governance Code (point 2).

- Three of the directors elected by the shareholders – Michel Pébereau, non-executive Chairman of the Board, Baudouin Prot, Chief Executive Officer, and Jean-Louis Beffa – do not qualify as independent under the guidelines.
- The two employee representatives on the Board, Patrick Auguste and Jean-Marie Gianni, do not qualify as independent under the guidelines, despite their status and the method by which they were elected, which safeguards their independence.
- The independence of directors is measured against the definition given by the AFEP-MEDEF Corporate Governance Code: “A director is independent when he or she has no relationship of any kind whatsoever with the corporation, its group or the management of either that is such as to colour his or her judgment.”
- Except for some of the directors who are BNP Paribas employees, the members of the Board have declared – as part of the implementation of International Accounting Standards IAS 24 – that they have no financial relationship with BNP Paribas SA or any Group company.
- The Board of directors’ Internal Rules set out a certain number of rules of conduct applicable to directors, listed below under section 5 “Corporate Governance”. They are intended to promote directors’ independence and responsibility in discharging their duties.

The following table presents the situation of each director with regard to the independence criteria recommended in the AFEP-MEDEF Corporate Governance Code:

	1 <sup>st</sup> criterion	2 <sup>nd</sup> criterion	3 <sup>rd</sup> criterion	4 <sup>th</sup> criterion	5 <sup>th</sup> criterion	6 <sup>th</sup> criterion	7 <sup>th</sup> criterion
M. Pébereau	x	o	o	o	o	x	o
P. Auguste	x	o	o	o	o	x	o
C. Bébéar	o	o	o	o	o	o	o
J.-L. Beffa	o	x	o	o	o	x	o
S. Berger	o	o	o	o	o	o	o
J.-M. Gianni	x	o	o	o	o	o	o
F. Grappotte	o	o	o	o	o	o	o
A. Joly	o	o	o	o	o	o (*)	o
D. Kessler	o	o	o	o	o	o	o
J.-F. Lepetit	o	o	o	o	o	o	o
L. Parisot	o	o	o	o	o	o	o
H. Ploix	o	o	o	o	o	o	o
B. Prot	x	o	o	o	o	o	o
L. Schweitzer	o	o	o	o	o	x (**)	o

“o” compliance with independence criterion defined by AFEP-MEDEF.

“x” non-compliance with independence criterion defined by AFEP-MEDEF.

1<sup>st</sup> criterion: Not an employee or corporate officer of the corporation within the previous five years.

2<sup>nd</sup> criterion: No issue of corporate offices held in another corporation.

3<sup>rd</sup> criterion: No material business relationships.

4<sup>th</sup> criterion: No family ties to a corporate officer.

5<sup>th</sup> criterion: Not an auditor of the corporation within the previous five years.

6<sup>th</sup> criterion: Not a director of the corporation for more than twelve years.

7<sup>th</sup> criterion: No issue related to control by a major shareholder.

(\*) This criterion will apply only upon expiry of the term of office during which the 12-year limit is reached – AFEP-MEDEF Code.

(\*\*) Refer to previous comment in section 1 – “Membership of the BNP Paribas Board of directors”.

■ Work of the Board and its Committees in 2008

- In 2008, the Board held thirteen meetings, including 6 specially convened meetings (estimated results at 31 December 2007, Global Share-Based Incentive Plan for 2008, changes in Executive Management, Fortis acquisition project). The average attendance rate at Board meetings was 90%.
- The Financial Statements Committee met five times and the rate of attendance was 100%.
- The Internal Control, Risk Management and Compliance Committee met five times with an attendance rate of 93%.
- The Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee held a joint meeting at which all the respective committee members were present.
- The Corporate Governance and Nominations Committee met three times with an attendance rate of 78%.
- The Compensation Committee met five times with an attendance rate of 87%.

Attendance at meetings of the board and its committees in 2008

Director	Board meetings		Committee meetings		All meetings		
	1	2	1	2	1	2	3
M. Pébureau	13	13			13	13	100%
P. Auguste	12	13	5	5	17	18	94%
C. Bébéar	12	13	1	3	13	16	81%
J.-L. Beffa	10	13	3	5	13	18	72%
S. Berger (*)	9	13			9	13	69%
J.-M. Gianno	12	13	4	5	16	18	89%
F. Grappotte	13	13	10	10	23	23	100%
A. Joly	12	13	5	5	17	18	94%
D. Kessler	12	13	5	5	17	18	94%
J.-F. Lepetit	13	13	5	5	18	18	100%
L. Parisot	8	13	3	3	11	16	68%
H. Ploix	13	13	5	5	18	18	100%
B. Prot	13	13			13	13	100%
L. Schweitzer	13	13	5	5	18	18	100%
D. Weber-Rey (*)	6	7			6	7	85%
<b>Average</b>		<b>90%</b>		<b>91%</b>			

The first column shows the number of meetings attended.  
 The second column shows the total number of meetings held during the year.  
 The third column shows the individual attendance rates.  
 (\*) Daniela Weber-Rey was appointed by the Annual General Meeting held on 21 May 2008.

**Extracts from the Board of directors' Internal Rules:  
terms of reference of the Board of directors**

*"The Board of directors is a collegial body that collectively represents all shareholders and acts at all times in the corporate interests of the Bank.*

*It is tasked with monitoring its own composition and effectiveness in advancing the Bank's interests and carrying out its duties.*

*Toward these ends:*

*Based on proposals submitted by the Chief Executive Officer, it draws up the BNP Paribas business strategy and monitors its implementation.*

*It examines any and all issues related to the efficient running of the business, and makes any and all business decisions within its remit.*

*It may decide to either combine or separate the functions of Chairman and Chief Executive Officer.*

*It appoints corporate officers for three-year terms.*

*It may decide to limit the powers of the Chief Executive Officer.*

*It approves the draft of the Chairman's report presented along with the management report.*

*The Board or one or more of its directors or Committees, or a specific Committee authorised by the Board, may perform any or all controls and verifications that it considers appropriate, supervise the management of the business and the fairness of its*

*accounts, review and approve the financial statements and ensure that the financial information disclosed to the shareholders and the markets is of high quality.*

*The Chairman - or the Chief Executive Officer if the functions have been separated - submits for review by the Board, at least once a year, drafts of the budget, of the management report and of the various reports required under applicable laws and regulations.*

*The Chief Executive Officer is required to submit to the Board for prior approval any investment or divestment decision (excluding portfolio transactions) of more than EUR 250 million, and any proposed acquisition or divestment of equity interests of more than EUR 250 million. The Chief Executive Officer also regularly informs the Board of material transactions which fall below the EUR 250 million threshold.*

*Any material strategic operation which lies outside the approved business strategy must be submitted to the Board for prior approval.*

*When the Board of directors grants the Chairman – or the Chief Executive Officer if the functions have been separated – the authority to issue debt securities as well as share and share equivalents, the holder of this authority is required to report to the Board, at least once a year, on the issuance of these securities."*

### **Extracts from the Board of directors' Internal Rules: the Chairman of the Board**

*"Barring exceptional circumstances, only the Chairman may speak and act in the Board's name in conducting relations with other BNP Paribas management bodies and with outside parties, other than in cases where a specific assignment or function has been entrusted to another director.*

*Working closely with Executive Management, he is competent to represent the Group in high-level dealings with, for example, major clients and government authorities both domestically and internationally.*

*He monitors relations with shareholders, in close cooperation with the work of Executive Management in this area, to guarantee that these relations remain of a high quality.*

*He ensures that principles of corporate governance are defined and implemented at the highest levels.*

*He oversees the smooth running of BNP Paribas' management bodies.*

*With the help of the Corporate Governance and Nominations Committee, and subject to approval by the Board and by the Annual General Meeting, he endeavours to build an effective and balanced Board, and to manage replacement and succession processes that concern the Board and the nominations within its remit.*

*He organises the work of the Board of directors. He sets the timetable and agenda of Board meetings and calls them.*

*He ensures that the work of the Board is well organised, in a manner conducive to constructive discussion and decision-making. He facilitates the work of the Board and coordinates its activities with those of the specialised Committees.*

*He sees to it that the Board devotes an appropriate amount of time to issues relating to the future of the Bank, particularly its strategy.*

*He ensures that directors from outside the Bank get to know the Management team thoroughly.*

*He ensures that he maintains a close relationship based on trust with the Chief Executive Officer, to whom he provides*

*help and advice while respecting his executive responsibilities.*

*The Chairman directs the work of the Board, to give it the means of exercising all the responsibilities which fall within its remit.*

*He ensures that the Board is provided in a timely fashion with the information it needs to carry out its duties and that this information is clearly and appropriately presented.*

*The Chairman is regularly informed by the Chief Executive Officer and other members of the Executive Management team of significant events and situations in the life of the Group, particularly those relating to strategy, organisation, investment or disinvestment projects, financial transactions, risks or the financial statements.*

*The Chief Executive Officer provides the Chairman with all information required under French law regarding the internal control report.*

*The Chairman may ask the Chief Executive Officer for any information that may help the Board and its Committees fulfil their duties.*

*He may interview the Statutory Auditors in order to prepare the work of the Board and the Financial Statements Committee.*

*He ensures that the directors are in a position to fulfil their duties, and in particular that they have the information they need to take part in the work of the Board, and that they can count on appropriate cooperation from the Bank's management in conducting the activities of the specialised Committees.*

*He also ensures that directors participate effectively in the work of the Board, with satisfactory attendance, competence and loyalty.*

*He reports, in a document submitted alongside the management report, on the preparation and organisation of the work of the Board, as well as on the Bank's internal control procedures and any limits the Board may have decided to place on the Chief Executive Officer's authority."*

## Strategy

Based on proposals submitted by Executive Management, the key elements of which are presented following a documented in-house process, the Board of directors formulates BNP Paribas' strategy and overall business objectives <sup>(1)</sup>. It examines and decides on strategic operations in accordance with its Internal Rules <sup>(2)</sup>; it oversees the implementation of the objectives it has approved, particularly in the course of discussions on the financial statements and budgets. The Board is also kept regularly informed of the Group's cash position and ongoing commitments <sup>(3)</sup>.

In 2008, the Board spent considerable time analysing the consequences of the financial crisis and defining the necessary steps and adaptations in operational, capital management, liquidity, risk control and cost control. As in previous years, the Board met in a strategy seminar where each of these subjects were further examined and approved of the proposed principles for the entire group and for each of its core businesses.

A number of investment projects <sup>(4)</sup> were examined during Board meetings, including a project to acquire control of the business of Fortis in Belgium and in Luxembourg as well as its international banking activities. The Board was not called upon to deliberate on any strategic operation that was not in line with approved strategic objectives and would as such have required its prior approval in accordance with the Internal Rules <sup>(5)</sup>. The Board reviewed the reorganisation of some of the Group's businesses, in particular in the field of consumer lending in Europe.

- The Board reviewed the negotiations and implementation of investment projects that it had previously discussed or validated. In particular, it was kept regularly informed of progress concerning the acquisition of control over the business of Fortis which it examined during five successive meetings, including two specially convened meetings.
- It was briefed several times on the findings of a comparison of the performance of its core businesses with those of its main competitors.
- On 1 July 2008, the board approved of a key change in Executive Management aimed at grouping together, as of 1 September 2008, all retail banking business under a sole line of responsibility. On 16 December 2008, it also approved of the measures implemented in the Corporate and Investment Banking business due to the extremely unfavourable market conditions and of a durably difficult context.

## Internal control, risk management and compliance

As early as 1994, the Board of directors recognised the key importance of risk management and internal control <sup>(6)</sup> in the banking sector when it set up an Internal Control and Risk Management Committee, thus splitting the work normally carried out by the Audit Committee between this newly-formed committee and the Financial Statements Committee. In 2007, the Board extended the remit of the Internal Control and Risk Management Committee to include all matters relating to compliance policy that may impact on reputation risk and professional ethics. The Internal Control, Risk Management and Compliance Committee acts independently and on a complementary basis to the Financial Statements Committee which oversees matters in connection with the preparation and control accounting and financial information. The Internal Control, Risk Management and Compliance Committee and the Financial Statements Committee hold a joint meeting at least once a year in order to discuss matters affecting both risk management policy and the provisions to be set aside in the books of BNP Paribas. The membership of these two Committees and the work that they carry out in the field of internal control, risk manage-

<sup>(1)</sup> The strategic vocation of the Group is the very first principle of sound corporate governance identified by the Basel Committee (February 2006). It is also emphasised in the 2008 AFEP-MEDEF Corporate Governance Code (point 4).

<sup>(2)</sup> AFEP-MEDEF Corporate Governance Code (point 4).

<sup>(3)</sup> AFEP-MEDEF Corporate Governance Code (point 4).

<sup>(4)</sup> The Internal Rules of the Board of directors specify that the Board's prior approval is required for any investment or disinvestment project of more than EUR 250 million.

<sup>(5)</sup> AFEP-MEDEF Corporate Governance Code (point 4).

<sup>(6)</sup> "Board of directors approves (...) the overall risk policy and risk management procedures (...) meet regularly with senior management and internal audit to review policies...". Enhancing corporate governance for banking organisations – 1st principle – February 2006.



ment and compliance and in that of internal control procedures for the preparation and processing of accounting and financial information are designed to meet the stringent regulatory requirements in the banking and prudential fields. These include both the measures imposed by external regulators and BNP Paribas' own requirements regarding the quality of its internal control processes and risk management policy <sup>(1)</sup>.

In 2008, the Board reviewed the report of the Internal Control, Risk Management and Compliance Committee, drafted based on information provided by Executive Management, and examined the following issues:

- it was regularly updated on and discussed developments concerning the financial crisis that began in the summer of 2007, which was amplified throughout the year 2008 and worsened when Lehman Brothers went into bankruptcy;
- the Board was informed of the Group's overall policy in the area of credit risk, market risk and counterparty risk. At the initiative of Executive Management, it decided to adapt the Value-at-Risk" (VaR) limit it had previously authorised to market conditions. It was informed of the result of the risk measurements as well as of the crisis situation simulation methods;
- the Board was informed of the breakdown of the Bank's commitments by industry and by geographic area, as well as of the concentration of individual major risks with respect to applicable capital-adequacy requirements. It was regularly briefed on the Bank's exposure in the sectors most affected by the financial crisis. Over the course of the summer, it was presented a comparison by Executive Management of crisis-specific adjustments by several international banks;
- the Board was regularly informed of the situation on liquidity markets and kept abreast of the measures taken by BNP Paribas to bolster its financing base and security;
- the Board was briefed on deliverables of the internal control function and the resources placed at its disposal. It was provided with draft reports for the year ended 31 December 2007 on measuring and monitoring of risks, compliance, permanent controls and periodic controls. It was informed of the progress made on measures taken by Executive Management so as to review the processes intended to ensure the control and security of market transactions;
- the Board approved changes made to Executive Management so as to heighten the coordination of internal control procedures;
- the Board heard the Chairman of the internal Control, Risk Management and Compliance Committee on the findings of periodic controls reported by the General Inspection unit and on the follow-up to recommendations previously issued as well as on the permanent control reporting. It adopted a project, in accordance with CRBF Regulation no. 97-02 and the Internal Audit Charter, leading to centralising the periodic control of several subsidiaries within the Group's periodic control system;
- the Board was informed of the joint work of the Financial Statements Committee and of the Internal Control, Risk Management and Compliance Committee on the management and accounting treatment of the counterparty risk on financial instruments, on the main risks resulting from the financial crisis and on the principles of the operation of conduits;
- the Board heard the report, presented by the Chairman of the Internal Control, Risk Management and Compliance Committee, of the interviews conducted by it without any member of Executive Management being present, of the Head of the General Inspection unit, who is in charge of period controls, the Head of permanent control and compliance, of Asset and Liabilities Management and the Head of Group Risk Management, whose remit covers the Group's global risk policy;

<sup>(1)</sup> Code de gouvernement d'entreprise Afep-Medef (point 2).

- it heard briefings from the Chairman of the Internal Control, Risk Management and Compliance Committee on the relations and exchange of correspondence with regulators, in France and abroad, as reported by Executive Management;
- reports on the meetings of the Internal Control, Risk Management and Compliance Committee are made to directors during the first Board meeting following their approval by the Committee.

### **Budget, financial statements and results, financial management and communications**

- **Budget.** As is customary, at its last meeting of the year, the Board reviewed and approved the draft budget for 2009 presented by Executive Management for the Group as a whole as well as its core businesses and major business lines. At this meeting, the Board also discussed the economic and financial context in which this budget will be implemented.

- **Financial statements and results.** The results and financial statements of the Group and of BNP Paribas SA for fourth quarter 2007, the first three quarters of 2008, for the first half and first nine months of 2008, presented by Executive Management, were reviewed and approved as required by the Board. Its work covered the entire consolidated Group as well as each of its core businesses and major business lines.

The Board was informed of the findings of the Financial Statements Committee and the Group's three Statutory Auditors <sup>(1)</sup> – who are entitled to attend Board meetings held to review the results and financial statements – concerning the results for the period.

Based on the report submitted jointly by the Statutory Auditors and Executive Management, it reviewed and approved the key choices made concerning the application of accounting standards. It was informed, on that basis, of the application made by the Bank, in preparing its financial statements at 30 September 2008, of clarification amendments to the accounting rules issued by the Securities and Exchange Commission (SEC) and the Financial Accounting Standards Board (FASB), as well as of its decision not to apply the amendment to IAS 39 to the 3rd quarter of 2008.

The Board was regularly informed of the direct and indirect impact of the financial crisis on the revenues and cost of risk of BNP Paribas.

The Board was also briefed by the Financial Statements Committee – which examined the information presented to it by Executive Management – on the key internal control audit points raised by Group entities as part of the certification process aimed at ensuring the reliability of the consolidation reporting package.

The Board heard the report, presented by the Chairman of the Financial Statements Committee, of the interviews conducted without any member of Executive Management, Statutory Auditors or the Head of the Group Finance-Development Department being present.

- **Financial management.** The Board was informed of the methodological principles followed in determining the Tier 1 ratio under Basel II standards. It was regularly briefed on issues of debt instruments, possible share buybacks and the profitability trends in new lending. It approved profit distribution policy and the draft resolution concerning the dividend for the year ended 31 December 2007.

The Board was briefed on the provisions of the agreement on the subscription of subordinated notes by the State. It approved of the commitment made by the Bank not to carry out share buybacks during period of holding of the notes subscribed by the State, except for buybacks so as to comply with the employee share ownership plan and transactions in the normal course of business.

<sup>(1)</sup> The firms of Deloitte & Associés, Mazars, and PricewaterhouseCoopers Audit were appointed by the Annual General Meeting for the period 2006-2011, based on a proposal by the Board of directors.

- **Financial communication** <sup>(1)</sup>. The Board also approved, at each meeting devoted to results, draft press releases. It noted the application of the recommendations of the Financial Stability Forum (FSF) on information on sensitive exposure. The Board approved of the draft report of the Board of directors for 2007 integrating French corporate governance guidelines on off-balance sheet commitments and on risks as well as the Chairman's report on internal control procedures on the preparation and processing of accounting and financial information.

### Corporate Governance

#### ■ Assessment of the performance of the Board of directors in 2008

- For the seventh consecutive year an assessment of the performance of the BNP Paribas Board of directors and of its specialised Committees was carried out <sup>(2)</sup>.
- As in previous years, the methodology employed was self-evaluation based on an anonymous survey dealing with overall processes and the various aspects of the Board's work – strategy, internal control and risk management, financial management, compensation – and with the operation of its four Committees (Financial Statements; Internal Control, Risk Management and Compliance; Corporate Governance and Nominations; Compensation). The directors were invited to make proposals for improvement of each of these topics. This survey was accompanied by a summary of the survey carried out by AFEP in November 2008 on the 2007 annual reports, so as to enable directors to assess by comparison the way in which BNP Paribas reports on the application of AFEP-MEDEF's corporate government guidelines.
- The directors expressed satisfaction with the Board's work. They also stressed the relevance of the topics discussed, the quality of information received by Board members and the freedom with which

issues could be debated. They also stressed the competence of the members of the Board's Committees as well as the quality of the reports submitted on their work. Suggestions for improvement mainly concerned deepening the analyses already carried out by the Board on market and liquidity risks and on operational risks, as well as on the integration in the strategic thought process of the lessons to be progressively learnt from the upheavals caused by the financial crisis in terms of the stakes involved and opportunities provided to the Group.

#### ■ Follow-up on the 2007 assessment of the performance of the Board of directors

Suggestions for improvement made by directors, in particular concerning a broader range of comparative data for use in the strategic thought process and deepening the analyses already carried out by the Board in the area of risk management, were implemented. The Board received several briefings during 2008 on the comparative performance of the core businesses of BNP Paribas with that of their main competitors. Much of the Board's work focused on issues in connection with risks, notably market risks, liquidity risks and operational risks. The Internal Control, Risk Management and Compliance Committee met five times to report to the Board on developments of the financial crisis and on its consequences on the business of BNP Paribas. The reports presented to the Chairman of the Committee systematically contained a section devoted to the Group's exposure and a section devoted to the liquidity of markets and to the position of BNP Paribas. Management of risk and of liquidity was a topic examined by the Board during a strategic seminar held in 2008.

#### ■ Evaluation of Directors' performance - Changes in membership of the Board

Based on the report made to the Board by the Corporate Governance and Nominations Committee, on its review of

<sup>(1)</sup> AFEP-MEDEF Corporate Governance Code (point 2). The Bank's ratings from financial rating agencies are provided at the beginning of this Registration Document.

<sup>(2)</sup> AMF "Guide to Preparing Registration Documents" (January 2006). AFEP-MEDEF Corporate Governance Code (point 9).

the situation of each director in terms of their independence of spirit, freedom in discussing issues and sense of responsibility towards shareholders and other stakeholders of the Group<sup>(1)</sup>, the Board ascertained that it had, based on its membership and on the personality of its directors, the competencies, experience and diversity of viewpoints required to perform its duties. After discussions concerning the personal implication of and contribution to the work and discussions of the Board made by Suzanne Berger, Hélène Ploix, François Grappotte and Jean-François Lepetit, and analysed the independence of their four directors in view of the criteria adopted in the AFEP-MEDEF recommendations, the Board proposed that the Annual General Meeting adopt a resolution renewing their term of office for a term of three years. It also proposed the renewal of the term of office of Baudouin Prot after having conducted a performance evaluation of the Chief Executive Officer. Lastly, the Board submitted a resolution to the Annual General Meeting appointing Daniela Weber-Rey as a director of BNP Paribas as of 21 May 2008.

#### ■ Procedure for selecting directors<sup>(2)</sup>

The procedure for recruiting directors, in accordance with the criteria defined by the Board, is based on information and assessments provided by the members of the Corporate Governance and Nominations Committee and the Chairman of the Board. This ensures that successful candidates have the personal and professional qualities required to carry out the function of director at BNP Paribas.

#### ■ Evaluation of the Chairman's performance - Evaluation of the performance of the Chief Executive Officer and of the Chief Operating Officers – Changes in Executive Management<sup>(3)</sup>

In accordance with the decision taken at the end of 2007, the Board set aside part of a Board meeting in 2008 to evaluate the performance of the Chairman, of the Chief Executive Officer and of the Chief Operating Officers<sup>(4)</sup>. The Board heard the Chairman's report on the efforts by the Chief Executive Officer and the Chief Operating Officers to develop the Bank and improve its operational efficiency in 2007. In the absence of Michel Pébereau, the Board carried out a performance review of the Chairman of the Board of directors. At the request of Baudouin Prot and at the initiative of the Corporate Governance and Nominations Committee, Jean-Laurent Bonnafé was appointed Chief Operating Officer in replacement of Jean Clamon, effective as of 1 September 2008; it also approved various appointments and the resulting membership of the Executive Committee.

#### ■ Compliance with European Commission Regulation EC 809/2004

- To the best of the Board's knowledge, no directors are faced with conflicts of interest; in any event, the Board of directors' Internal Rules require that they "inform the Board of any situation involving even a potential conflict of interest" and "abstain from taking part in the vote on the matter concerned". To the best of the Board's knowledge, there are no family ties between Board members.
- To the best of the Board's knowledge, none of its members has been convicted of fraudulent offences "*for at least the previous five years*", nor was involved in any bankruptcies, receiverships or liquidations while acting as a member of administrative, management or supervisory bodies, or as Chief Executive Officer, "*for at least the previous five years*".
- To the best of the Board's knowledge, there have been no "*official public incrimination and/or sanctions*" of members of the Board of Directors or of the Chief Executive Officer, none of whom have been disqualified by a court from acting in their current capacity, "*for at least the previous five years*".

<sup>(1)</sup> AFEP-MEDEF Corporate Governance Code (points 6 and 8).

<sup>(2)</sup> AFEP-MEDEF Corporate Governance Code (point 12).

<sup>(3)</sup> AFEP-MEDEF Corporate Governance Code (point 6).

<sup>(4)</sup> AFEP-MEDEF Corporate Governance Code (point 9).

- Apart from regulated agreements, there are no arrangements or agreements with key shareholders, clients, suppliers or any other parties which involve the appointment of a member of the Board of directors.

■ **Implementation of AFEP-MEDEF Corporate Governance Code for Listed Companies**

The Board of directors decided to implement the recommendations made by AFEP and MEDEF dated 6 October 2008 on the compensation of corporate officers of listed companies and, more generally, to confirm that all of those recommendations comprise the Corporate Governance Code referred to by BNP Paribas.

Reports ascertaining the application of such recommendations as regards the compensation of corporate officers are featured in note 8.d to the consolidated financial statements. The Board has made known its intent to apply the recommendations concerning option grants to any option plan it may decide to implement in 2009. As regards the provisions concerning termination of employment contracts, the Board observed that the Chairman did not have an employment contract. It decided to terminate the employment contract of the Chief Executive Officer before renewing his term of office, which was made prior to 6 October 2008, in accordance with the AFEP-MEDEF recommendations published on that date.

The Board approved the Chairman's report on the conditions for the preparation and organisation of the Board's work and the internal control procedures implemented by the Bank.

■ **Directors' access to information and initial training <sup>(1)</sup>**

- In accordance with the Board's Internal Rules, directors may request that the Chairman of the Board or the Chief Executive Officer provide them with all documents and information required to enable them to carry out their functions, participate effectively in Board meetings and make informed decisions, provided that such documents are useful for decision-making purposes and related to the Board's authority.
- Directors have free access to the reports of all Board meetings.
- Committee meetings also provide opportunities to update the information available to directors on specific issues related to the items on the agenda. The Board is also kept informed of developments in regulatory guidelines on corporate governance, in particular in the field of banking industry. At the last Board meeting in 2008, directors were briefed on the periods in 2009 during which they are authorised to trade in BNP Paribas shares, barring exceptional circumstances.
- When directors take up their appointment, they are provided with written documentation describing the Group, its profile and organisation, its most recent financial statements and a series of pointers on the information available from the Group's websites. The Board's support staff provides the new director with a copy of the Internal Rules and organises a number of working meetings between the new directors and managers of Group functional and operating units that are of interest to the new directors in light of their functions and personal priorities.

<sup>(1)</sup> AFEP-MEDEF Corporate Governance Code (point 11).

#### ■ Code of ethics applicable to directors <sup>(1)</sup>

- According to the Internal Rules, "(...) directors shall interact effectively with others in the workplace and respect their opinions, and shall express themselves freely on subjects debated in Board meetings, even in the face of opposition".
- "They shall have a strong sense of responsibility towards shareholders and other stakeholders."
- "They shall show a high level of personal integrity during the term of their office, and respect the rules related to their responsibilities."
- "In the event of a significant change in the functions or positions held, directors agree to allow the Board to decide whether or not it is appropriate for them to continue to serve as directors of BNP Paribas."
- "All directors are required to comply with legal obligations and the stock market recommendations and regulations related to information that concerns directors personally."
- "Any director of American nationality must choose not to participate in certain Board discussions in view of the regulatory obligations pertaining to his or her nationality."
- "The legislation banning insider trading applies to directors both in a personal capacity and when exercising responsibilities within companies that hold shares in BNP Paribas. Directors are also advised to purchase or sell BNP Paribas shares only within the six-week period following the publication of the quarterly and annual accounts, or of any press release concerning business performance. However, if they have access to privileged information that would make them insiders under stock exchange rules, no BNP Paribas shares may be purchased or sold during this six-week period."
- "Directors must not disclose any information that is not publicly available to any third party, including the managers of BNP Paribas shares."
- "If a director has any questions related to ethics and compliance, he or she can consult the Head of the Group Compliance and Permanent Control function."
- "Directors who deem that they are no longer able to effectively carry out their responsibilities on the Board or Committees of which they are a member should step down."
- "Any director or any other person who is called upon to attend meetings of the Board and the Committees of the Board is required to treat all matters discussed during the meeting as strictly confidential. In particular, directors or other persons shall treat as strictly confidential all insider information as well as information that may interest competitors or external parties in connection with "economic intelligence" and confidential information described as such by the Chairman. In case of failure to comply with this obligation, the director or other person may be exposed to a claim for damages."
- "Directors shall endeavour to participate regularly and actively in the meetings of the Board and the Committees of the Board and to be present at the Annual General Meeting of shareholders" (see section above "Board of directors and Annual General Meeting").
- "In addition to the number of shares that directors are required to hold under the Articles of Association, directors elected at the Annual General Meeting should personally hold BNP Paribas shares equivalent to at least one year of directors' fees" (the number of shares held appears in the personal profile of each director).

<sup>(1)</sup> AFEP-MEDEF Corporate Governance Code (point 12).

### ■ Compensation of directors <sup>(1)</sup>

- Directors who are not Group employees receive no form of compensation other than directors' fees <sup>(2)</sup>.
- The amount of fees payable to each director individually has remained unchanged since 2005, at EUR 29,728, including EUR 14,864 – 50% of the total – as the fixed portion and EUR 1,238.67 per meeting. The Chairman of the Board of directors does not, however, receive any additional fees under this rule. To take into account the additional constraints they face, directors who live outside France are paid 1.5 times the fixed portion of directors' fees.
- The amount of fees payable to the members of the Board's Committees has also remained unchanged since 2005, at EUR 5,946, including EUR 2,973 as the fixed portion and EUR 594.60 per meeting. The Chairmen of the Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee are paid a fixed portion of EUR 15,000 and a variable portion of EUR 1,239 per meeting. Based on a recommendation submitted by Alain Joly, the directors' fees attributable to him as Chairman of the Compensation Committee and Chairman of the Corporate Governance and Nominations Committee were respectively of EUR 1,000 to EUR 2,973.
- Based on the foregoing, the Board decided to grant directors a total appropriation of EUR 523,724, up from EUR 498,178 in 2007. The overall amount of directors' fees was set at EUR 780,000 by the Annual General Meeting of 18 May 2005.

### Compensation

- Acting on a report from the Compensation Committee, the Board examined the compensation of Michel Pébereau, Baudouin Prot, Georges Chodron de Courcel and Jean Clamon, corporate officers <sup>(3)</sup>. In accordance with the policy on the determination of the compen-

sation of corporate officers described in note 8.d of the consolidated financial statements, it ascertained the results of the application of quantitative targets in connection with the Group's performance, on that part corresponding to variable compensation for 2007. It also examined the attainment of personal objectives during that year, after having reviewed the Corporate Governance and Nominations Committee's performance review for each corporate officer.

- The Board determined the fixed salary and basic bonus of Jean-Laurent Bonnafé, as well as his obligation, as of 1 September 2008, to hold shares allocated following the exercise of stock options. In accordance with AFEP-MEDEF's corporate governance code, the Board made its decision public on 6 November 2008. The Board also authorised the compensation and benefits to be received by Jean Clamon under his employment contract following the end of his duties as a corporate officer.
- The Board set the fixed portions of directors' compensation for 2008 as well as the bases for determining the variable portion in the light of the results of a survey of executive compensation in a number of comparable European banks.
- Neither the Chairman nor the Chief Executive Officer was involved in the preparation of decisions concerning their compensation, nor did they take part in the Board's vote on decisions setting their compensation.
- The individual compensation of the Chairman, Chief Executive Officer and Chief Operating Officers were presented in detail at the Annual General Meeting of the shareholders on 21 May 2008.
- Based on a report from the Compensation Committee, the Board noted the fixed portion of the compensation for members of the Executive Committee other than corporate officers and the variable portion determined for 2007.

<sup>(1)</sup> AFEP-MEDEF Corporate Governance Code (point 18).

<sup>(2)</sup> Directors members of the Group: Patrick Auguste, Jean-Marie Gianni, Michel Pébereau, Baudouin Prot.

<sup>(3)</sup> AFEP-MEDEF Corporate Governance Code (point 20-1).

**Note 8.d to the consolidated financial statements describes the compensation policy for corporate officers as well as the policy on the grant of stock options. This note also contains information on the pension plans applicable to corporate officers as well as the corresponding provisions for pension obligations. It features a standardised presentation of all information concerning compensation due on the basis of, and paid in, 2008, and of options granted and exercised in 2008. This note has been prepared in accordance with AFEP-MEDEF's Corporate Governance Code of December 2008.**

#### ■ Global Share-Based Incentive Plan

- Acting on a recommendation from the Compensation Committee, the Board adopted the Group's Global Share-Based Incentive Plan for 2008. This plan involves 3,985,590 stock options (representing 0.45% of the share capital) and 820,890 bonus shares (representing 0.09% of the share capital). It concerns 3,731 employees whose level of responsibility, contribution to results or professional potential make them key players in Group strategy as well as in the Group's development and profitability. The Board approved the payment and the terms and conditions of this plan.
- The Board determined the number of options granted to corporate officers in accordance with the grant policy defined by it.
- The Board noted, based on the report submitted by the Compensation Committee, that the practices applied by BNP Paribas complied with both legal obligations and AFEP-MEDEF recommendations in force until 6 October 2008 concerning the granting of stock options or bonus shares to corporate officers.

#### ■ Share issue reserved for employees

The Board approved the terms and conditions of a new share issue reserved for employees.

#### Financial Statements Committee

- The Financial Statements Committee was set up in 1994; in 2008 its membership was unchanged from the previous year and included Louis Schweitzer (Chairman), Patrick Auguste, Denis Kessler and H el ene Ploix. Most of its members have extensive experience and expertise in the areas of corporate financial management, accounting and financial information.
- The Committee's membership complies with AFEP-MEDEF's Corporate Governance Code, which recommends that at least two thirds of the directors be independent. No members of the Bank's Executive Management sit on the Committee. Its duties and modus operandi are set out in the Board's Internal Rules. As is the case for all of the Board's Committees, it can rely on external experts if necessary.
- To ensure that the Committees' knowledge remains fully up to date, its meetings include briefings on key issues, which are then examined and discussed in the presence of the Statutory Auditors. The information presented can be rounded out, as the case may be, by meetings with managers of Group functional and operating units, organised by the Board's support staff for any Committee members who express a need for further clarification.
- The Committee met five times in 2008, including in one specially convened meeting, and the rate of attendance was 100%. It also met once with the Internal Control, Risk Management and Compliance Committee. Documentation on agenda items – presented in standardised form – was distributed on average three days prior to each meeting.



#### ■ Review of the financial statements and financial information <sup>(1)</sup>

- In 2008, the Committee reviewed the financial statements based on the documents and information provided by Executive Management and the verification procedures carried out by the Statutory Auditors. In doing so, it verified the relevance and consistency of accounting methods used in drawing up the Bank's consolidated and corporate accounts. The Committee reviewed management accounting data by core business and reviewed the impact of changes in the scope of consolidation. It was presented an analysis of the consolidated balance sheet and of its changes between 31 December 2006 and 31 December 2007 by the Head of Group Finance-Development. It held a special meeting in early 2008 to review the summary report of forecasted results for the 4th quarter and of the year 2007.
- It reviewed draft press releases concerning the Group's results prior to their presentation to the Board.
- During the course of its work, the Committee dedicated special focus to the effects of the financial crisis on the Group's financial statements and on the results of its core businesses. In this context, it was briefed by the Head of the Group-Finance Development Department and by the Statutory Auditors on the consequences of the impairments recorded, on the methods of valuing exposure to risk and on the provisioning made. It reviewed sensitive exposures presented as per the FSF's guidelines.
- The Committee was briefed on the methodological principles applied in determining total regulatory capital and risk-weighted assets; it elected the Tier 1 capital adequacy ratio.
- During their joint meeting, the members of the Financial Statements Committee and of the Internal Control, Risk Management and Compliance Committee decided, based on a memorandum prepared by the Group Finance Development Department, on the management and accounting coverage of

the counterparty risk on financial instruments. The Committees were briefed by the Head of Group Risk Management on the Bank's commitments in terms of the financing of conduits as well as on the increase of the Value-at-Risk (VaR) as of the end of the 3rd quarter of 2008.

- The Committee was presented the joint report by the Group Finance-Development Department and the Statutory Auditors on the key choices made concerning the application of accounting standards and on the clarification amendments of accounting rules issued on 30 September 2008 by the SEC and FASB, which it took into consideration in preparing its financial statements for the 3rd quarter of 2008.
- When reviewing the financial results for each quarter or in the course of its discussions of specific issues, the Committee interviewed the Head of Group Finance-Development. During its review of the 2007 financial statements, it interviewed the Head of Group Finance-Development, without any member of Executive Management being present.
- The Committee listened to the comments and findings of the Statutory Auditors concerning the financial results for each quarter, without any member of Group-Finance Development Department, the Chairman or the Chief Executive Officer being present, and asked them any questions it deemed relevant.
- The Committee reviewed – in the presence of the Statutory Auditors – the accounting internal control points identified by Group entities as part of the process of certifying their quarterly financial statements.
- The Committee reviewed the section of the draft report of the Chairman of the Board concerning internal control procedures relating to the preparation and processing of accounting and financial information, and recommended it for adoption by the Board.
- The Financial Statements Committee reported its findings to the Board of directors at the end of each meeting.

<sup>(1)</sup> AFEF-MEDEF Corporate Governance Code (point 14-2-1)

## **Extracts from the Board of directors' Internal Rules: the Financial Statements Committee**

*"The Committee shall hold at least four meetings per year.*

### **Membership**

*At least two-thirds of the members of the Financial Statements Committee shall qualify as independent directors based on the definition used by the Board in accordance with French corporate governance guidelines.*

*No members of the Bank's Executive Management shall sit on the Committee.*

### **Terms of Reference**

*The Committee is tasked with analysing the quarterly, half-yearly and annual financial statements issued by the Bank and obtaining further explanations of certain items prior to presentation of the financial statements to the Board of directors.*

*The Committee shall examine all matters related to the financial statements, including the choices of accounting principles and policies, provisions, management accounting data, capital adequacy requirements, profitability indicators, and all other accounting matters that raise methodological issues or give rise to potential risks.*

### **Relations with the Group's Statutory Auditors**

*The Committee shall steer the procedure for selection of the Statutory Auditors, express an opinion on the amount of fees charged for conducting the statutory auditing engagements and report to the Board on the outcome of this selection process.*

*It shall review the Statutory Auditors' audit plan, together with the Auditors' recommendations and the implementation of these recommendations.*

*It shall be notified on a yearly basis of the amount and breakdown of the fees paid by the BNP Paribas Group to the Statutory Auditors and the networks to which they belong, calculated using a model approved by the Committee. It shall ensure that the portion of the audit firms' revenues that BNP Paribas represents is not likely to compromise the Statutory Auditors' independence.*

*Its prior approval shall be required for any engagement entailing total fees of over EUR 1 million (before tax). The Committee shall approve on an ex post basis all other engagements, based on submissions from the Group Finance-Development Department. The Committee shall validate the Group Finance-Development Department's fast-track approval and control procedure for all "non-audit" assignments entailing fees of over EUR 50,000. The Committee shall receive on a yearly basis from the Group Finance-Development Department a report on all "non-audit" engagements carried out by the networks to which the Group's Statutory Auditors belong.*

*Each Statutory Auditor shall report on a yearly basis to the Committee on its internal control mechanism for guaranteeing its independence, and shall provide a written statement of its independence in auditing the Group.*

*At least twice a year, the Committee shall devote part of a meeting to a discussion with the team of Statutory Auditors, without any member of Executive Management being present.*

*The Statutory Auditors shall attend the Committee meetings devoted to the review of quarterly, half-yearly and annual financial statements.*

*However, the Statutory Auditors shall not attend all or part of Committee meetings dealing with their fees or their re-appointment.*

*The Statutory Auditors shall not attend all or part of Committee meetings dealing with specific issues that concern a member of their staff.*

*Barring exceptional circumstances, the files containing the quarterly, half-yearly and annual results and financial statements shall be sent to Committee members at the latest on the Friday or Saturday morning preceding Committee meetings scheduled for the following Monday or Tuesday.*

*Where questions of interpretation of accounting principles arise in connection with the publication of quarterly, half-yearly and annual results, and involve choices with a material impact, the Statutory Auditors and the Group Finance-Development Department shall submit, on a quarterly basis, a memorandum to the Committee analysing the nature and significance of the issues at play, presenting the pros and cons of the various possible solutions and explaining the rationale for the choices ultimately made.*

### **Report of the Chairman**

*The Committee shall review the draft report of the Chairman of the Board on internal control procedures relating to the preparation and processing of accounting and financial information.*

### **Interviews**

*With regard to all issues within its purview, the Committee may, as it sees fit, and without any other member of Executive Management being present if it deems this appropriate, interview the Heads of Group Finance and Accounting, as well as the Head of Asset/Liability Management.*

*The Committee may request an interview with the Head of Group Finance-Development with regard to any issue within its purview for which it may be liable, or the Bank's management may be liable, or that could compromise the quality of financial and accounting information disclosed by the Bank.*

### **Common provisions**

*The Internal Control, Risk Management and Compliance Committee and the Financial Statements Committee shall hold a joint meeting at least once a year in order to discuss matters affecting both risk management policy and the provisions to be set aside in the books of BNP Paribas. This meeting shall be chaired by the Chairman of the Financial Statements Committee.»*

#### ■ Relations with the Group's Statutory Auditors <sup>(1)</sup>

- The Committee received from each of the Statutory Auditors a written statement of its independence vis-à-vis the conduct of the engagement.
- It was informed by the Statutory Auditors of the audit plan for the Group prepared in accordance with professional auditing standards.
- In the absence of the Statutory Auditors, it received notification of the amount of fees paid by the BNP Paribas Group to the Statutory Auditors in 2007 as well as of the results of a comparative study. Based on the information collected by Executive Management, it ensured that the amount or portion represented by BNP Paribas in the overall revenues of the audit firms and the networks to which they belong was not likely to compromise the Statutory Auditors' independence.
- The Committee recommended that the Board of directors modify the internal procedure on services not directly related to auditing so as to comply with the new auditing standards published in 2008. The Committee reviewed and approved engagements not directly related to auditing on an as-needed basis.

#### Internal Control, Risk Management and Compliance Committee

The Internal Control, Risk Management and Compliance Committee was set up in 1994 to cater to the specific needs of banking operations; in 2008 its membership was unchanged from the previous year and included François Grappotte (Chairman), Jean-Marie Gianno and Jean-François Lepetit, i.e., two-thirds of its members were independent directors in accordance with the AFEP-MEDEF Corporate Governance Code. Most of its members have extensive experience and expertise in the field of finance or accountancy. No members of the Bank's Executive Management sit on the Committee.

- In 2008, the Committee met five times (including in one specially convened meeting) and the rate of attendance was 93%. It also met once with the Financial Statements Committee.
- Documentation on agenda items was distributed to Committee members on average three days prior to meetings.

#### ■ Internal control, compliance and relations with regulatory authorities

- The Committee was provided with the draft annual reports on compliance, permanent control for the 2008 and discussed the main topics addressed in those draft reports. It also received the draft periodic control report on 2007 prepared by the Bank's General Inspection as well on the follow up of the recommendations made by it.
- It reviewed the report on permanent control comprising quantified data relating to operational risks, permanent control measures set up in the core businesses and in operational departments, to the objectives and progress of the control plans as well as to the follow-up of action plans. It reviewed a summary prepared for it by the Head of Compliance on salient events in the 1st half of 2008, in the regulatory, compliance and permanent operational control fields. The Committee was also briefed on the report on operations by the Bank's General Inspection unit for the 1st half of 2008. The Committee also reviewed the Group's policies for combating fraud.

<sup>(1)</sup> AFEP-MEDEF Corporate Governance Code (point 14-2-2).

- The Committee received several briefings on the progress made on the project launched at the start of the year by Executive Management to review operational processes and measures geared to ensure the control and security of market transactions.
- The Committee examined and proposed a draft resolution to the Board aimed at centralising the periodic control of several subsidiaries at the Group level.
- It examined the correspondence exchanged between Executive Management, the Commission Bancaire and the AMF and reported on this to the Board.
- Without any member of Executive Management being present, the Committee interviewed the Head of Permanent Control and Compliance, and the Head of the General Inspection unit, who is in charge of periodic controls.
- The Committee reviewed the section of the Chairman's draft report on internal control and recommended its approval by the Board of directors.
- **Credit risks, market risks and liquidity risks**
- The Committee duly reviewed all of the sectors affected by the financial crisis highlighted in the Group Risk Management's report and analysed the breakdown by industry and geographical area. The Head of Group Risk Management's deputies, specialised in credit, counterparty and market risks were interviewed by the Committee and answered the Committee's questions in their respective areas of responsibility.
- The Committee dedicated an exceptional meeting and a significant part of each of its ordinary meetings to reviewing sensitive exposures both in terms of market operations and corporate risk; in 2008 it also carried out several reviews of the Group's consumer credit and mortgage loan portfolios.
- The Committee was briefed on the impact of market trends on Value-at-Risk (VaR), which were regularly updated. It was informed of the results of the stress tests performed by Group Risk Management on the risk profile of portfolios as well as of the conclusions of the Risk Policy Committees convened regularly by Executive Management to discuss specific issues.
- During each of those meetings, the Committee reviewed the report of the Head of Asset and Liabilities Management on trends in liquidity markets and the position of BNP Paribas.
- The Committee interviewed, without any member of Executive Management being present, the Head of Group Risk Management and the Head of Asset and Liabilities Management.

**Extracts from the Board of directors' Internal Rules:  
the Internal Control, Risk Management and Compliance Committee**

*"The Committee shall hold at least four meetings per year.*

**Membership**

*A majority of the members of the Internal Control, Risk Management and Compliance Committee shall qualify as independent directors based on the definition used by the Board in accordance with French corporate governance guidelines.*

*No members of the Bank's Executive Management shall sit on the Committee.*

**Terms of reference**

*The Committee is tasked with analysing reports on internal control and on measuring and monitoring risks, as well as the General Inspection unit's reports on its operations and key findings, and with reviewing the Bank's exchanges of correspondence with the General Secretariat of the French banking regulator (Commission Bancaire).*

*It examines the key focuses of the Group's risk management policy, based on measurements of risks and profitability provided to it in accordance with applicable regulations, as well as on its analyses of specific issues related to these matters and methodologies.*

*The Committee also tackles all compliance-related issues, particularly those in the areas of reputation risk or professional ethics.*

**Interviews**

*It may interview, without any other member of Executive Management being present if it deems this appropriate, the Head of the General Inspection unit, who is in charge of Periodic Controls, the Head of the Group Compliance and Permanent Control function and the Head of Group Risk Management.*

*It presents the Board of directors with its assessment concerning the methodologies and procedures employed.*

*It expresses its opinion concerning the way these functions are organised within the Group and is kept informed of their programmes of work.*

*It receives a half-yearly summary on the operations and reports of the Internal Audit function.*

**Common provisions**

*The Internal Control, Risk Management and Compliance Committee and the Financial Statements Committee shall hold a joint meeting at least once a year in order to discuss matters affecting both risk management policy and the provisions to be set aside in the books of BNP Paribas. This meeting shall be chaired by the Chairman of the Financial Statements Committee.»*

## Corporate Governance and Nominations Committee

In 2008, the members of the Corporate Governance and Nominations Committee were Alain Joly (Chairman), Claude Bébéar and Laurence Parisot. All of its members qualify as independent directors. Each member is well versed in corporate governance issues and has a proven track record in the management of major international corporations.

- No members of the Bank's Executive Management sit on the Committee. The Commission shall include the Chairman of the Board of directors in its work on seeking out and selecting new directors and on the replacement of corporate officers <sup>(1)</sup>.

The Board of Directors' Internal Rules define the Committee's tasks as follows:

### Extracts from the Board of directors' Internal Rules Corporate Governance and Nominations Committee

*The Committee is tasked with monitoring corporate governance issues. Its role is to help the Board of directors to adapt corporate governance practices within BNP Paribas and to assess the performance of Board members,*

*it tracks developments in corporate governance at both global and domestic levels. It selects the measures best suited to the Group with the aim of bringing its procedures, organisation and conduct into line with best practices,*

*it regularly assesses the performance of the Board using either its own resources or any other internal or external procedure that it deems appropriate,*

*it examines the draft report of the Chairman of the Board on corporate governance and all other documents required by applicable laws and regulations,*

*the Committee puts forward recommendations for the post of Chairman of the Board for consideration by the Board of directors,*

*acting jointly with the Chairman of the Board, the Committee puts forward recommendations for the post of Chief Executive Officer for consideration by the Board, and acting on the recommendation of the Chief Executive Officer, it puts forward candidates for the post of Chief Operating Officer,*

*the Committee assesses the performance of the Chairman, in his absence. It also assesses the performances of the Chief Executive Officer and Chief Operating Officers, in the absence of the parties in question,*

*it is also responsible for developing plans for the succession of corporate officers,*

*it makes recommendations to the Board of directors on the appointment of Committee Chairmen and Committee members,*

*it is also tasked with assessing the independence of the directors and reporting its findings to the Board of directors. The Committee shall examine, if need be, situations arising should a director be repeatedly absent from meetings.*

In 2008, the Corporate Governance and Nominations Committee met three times with an attendance rate of 78%.

<sup>(1)</sup> AFEP-MEDEF Corporate Governance Code (point 15-1).

### ■ Performance of the Board - Assessing the performance of the directors <sup>(1)</sup>

In 2008, the Committee prepared an assessment of the performance of the Board of directors and of its specialised Committees. A summary of the assessments made by directors was submitted to them for review before being presented the report by the Committee's Chairman.

- The Committee noted that improvements recommended by the Board in the assessment for 2007 were duly implemented.
- The Committee assessed the individual contribution of each director to the Board of directors and to the Committees. It examined the conditions under which François Grappotte carried out his duties and functions as Chairman of the Internal Control, Risk Management and Compliance Committee, particularly with regard to the requirements of commitment and independence required by these duties, and recommended that the Board renew the term of office of François Grappotte, Suzanne Berger Keniston, Jean-François Lepetit and Hélène Ploix.
- After having examined her candidature in view of the criteria previously defined by it and submitted to the Board's approval, the Committee proposed the choice of Daniela Weber-Rey to the Board in replacement of Gerhard Comme, who resigned from the Board. It carried out a first review of the terms of office coming up for expiry in 2009.
- The Committee did not find any instance of non-compliance with EC Regulation no. 809/2004 in the personal circumstances of directors, nor did it receive any statement from a director indicating that there was such an instance. It did not note any breaches of ethical rules by any BNP Paribas director.

### ■ Succession planning <sup>(2)</sup>

- With the Chairman of the Board, the Board carried out an in-depth examination of the situation in terms of succession and continuity in the Group's Executive Management.
- It reviewed a plan to modify Executive Management and the Chairman's proposal, in accordance with the Chief Executive Officer, to appoint Jean-Laurent Bonnafé as Chief Operating Officer, in replacement of Jean Clamon. It recommended that the Board adopt these proposals.

### ■ Evaluation of corporate officers

- The Board carried out a performance review, outside his presence, of its Chairman.
- It also assessed the performances of the Chief Executive Officer and Chief Operating Officers, with the parties in question not present.
- The performance reviews of corporate officers is made in view of the foresight, decision-making and leadership skills shown by the officer in implementing the Group's strategy and preparing its future. Based on this review the variable part of compensation tied to personal objectives is determined.

### ■ Report by the Chairman

- The Committee reviewed the section of the Chairman's draft report on corporate governance and recommended its approval by the Board of directors.

### Compensation Committee

- In 2008, the members of the Compensation Committee's members were Alain Joly (Chairman), Jean-Louis Beffa and François Grappotte, i.e., two-thirds of its members were independent directors. Its members have extensive experience and expertise in the field of compensation systems, share-based incentive plans and pension issues in major international corporations.

<sup>(1)</sup> AFEP-MEDEF Corporate Governance Code (point 15-2).

<sup>(2)</sup> AFEP-MEDEF Corporate Governance Code (point 15-2-2).

- No members of the Bank's Executive Management sit on the Committee. The Chairman of the Board of directors is not a member of the Committee, but is invited to take part in its deliberations, except those which concern him personally <sup>(1)</sup>. The Committee interviews the Head of Group Human Resources.
- According to the Board of directors' Internal Rules, the Compensation Committee is tasked with addressing all issues related to the personal status of corporate officers, including compensation, pension benefits, stock options and provisions governing the departure of members of the Bank's corporate decision-making or representative bodies.
- The Committee proposes the basis of calculation and the individual amounts of annual directors' fees within the overall limits set by the Annual General Meeting of shareholders.

In 2008, the Committee met five times with an attendance rate of 87%.

- The Committee examined the compensation of the Chairman, Chief Executive Officer and Chief Operating Officers. It set the amount of variable compensation payable in respect of 2007 and submitted proposals to the Board in this respect. Having been briefed on the findings of a survey of executive compensation in a number of comparable European banks, the Committee submitted its recommendations to the Board of directors concerning fixed compensation and the basis for determining variable compensation for 2008.
- It was informed of the compensation of the members of the Executive Committee.
- The Committee approved the terms and conditions of a new share-based incentive plan that includes both stock options and bonus shares. It ensured that this share-based incentive plan for 2008 was set up in accordance with legal requirements. It approved the list of beneficiaries of this plan, determined and proposed to the Board of directors the number of stock options to be granted to corporate officers. It specified the basis for calculating the exercise price after having ascertained that the adjustment mechanism implemented since 21 March 2003 had lead, in each annual plan, to one or more increases in that price.
- The Committee defined the fixed compensation of Jean-Laurent Bonnafé, appointed Chief Operating Officer with effect as of 1 September 2008, as well as the basis for the calculation of his variable compensation for 2008 and submitted its proposals to the Board. It approved the compensation to which Jean Clamon may be eligible at the end of his duties as Chief Operating Officer and submitted its proposals to the Board.
- The Committee examined the AFEP-MEDEF recommendations of 6 October 2008 on the compensation of corporate officers and proposed that the Board implement them.
- The Committee carried out a preliminary review of the terms of the 2009 Global Share-Based Incentive Plan in view of the AFEP-MEDEF recommendations.

#### ■ Compensation of directors

- The individual amount of directors' fees has remained unchanged since 2005. The Committee examined the proposed allocation of directors' fees for 2008 and presented its proposals to the Board.

<sup>(1)</sup> AFEP-MEDEF Corporate Governance Code (point 16-2).



## Internal control

The information below concerning the Group's internal control system has been provided by Executive Management. The Chief Executive Officer is responsible for internal control systems and procedures, and for all the statutory information in the report on internal control. This document was prepared using information provided by the following Group functions: Compliance, Risk Management, Finance-Development, Legal Affairs and the General Inspection unit. It was validated by the decision-making body.

### **BNP Paribas internal control guidelines**

Internal controls in the banking sector in France and internationally are at the centre of banking and financial regulations and are governed by a wide range of laws and regulations.

The main regulation applicable to BNP Paribas in this sector is CCLRF Regulation no. 97-02<sup>(1)</sup> as amended, which defines the conditions for implementing and monitoring internal control systems in banks and investment firms. These rules lay down the principles relating to control systems for transactions and internal procedures, accounting systems and information processing, risk and performance measurement systems, risk supervision and control systems, and internal control documentation and reporting systems. Under article 42 of this Regulation, banks are required to prepare an annual statutory report on internal control for the attention of the Board of directors.

As required by Regulation no. 97-02, BNP Paribas has set up an internal control system (referred to herein as internal control) in which distinct organisations and managers are in charge of permanent controls and periodic controls. The internal control system must also take into account, as appropriate, the General Regulations of AMF (French Financial Markets Authority), regulations applicable to branches and subsidiaries outside France and to specialised operations such as portfolio man-

agement and insurance, the most widely accepted industry practices in this area and the recommendations of international bodies dealing with the capital adequacy framework issues, foremost among which are the Basel Committee and the Senior Supervisory Group.

### **Internal Control Definition, aims and standards**

The Executive Management of the BNP Paribas Group has set up an internal control system whose main aim is to ensure overall control of risks and provide reasonable assurance that the Bank's goals in this area are being met. This system is defined in the Group's Internal Control Charter, which serves as its basic internal reference document. Widely distributed within the Group and freely available to all Group employees, this Charter defines internal control as a mechanism for ensuring:

- the development of a strong risk control culture among employees;
- the effectiveness and quality of the Group's internal operations;
- the reliability of internal and external information (particularly accounting and financial information);
- the security of transactions;
- compliance with applicable laws, regulations and internal policies.

The Charter lays down rules relating to the organisation, lines of responsibility and remit of the various players involved in internal control, and establishes the principle that the different control functions (Compliance, General Inspection unit and Risk Management) must be exercised independently.

### **Scope of Internal Control**

One of the fundamental principles of internal control is that it must be exhaustive in scope: it applies in the same degree to all types of risk and to all entities in the BNP Paribas Group, whether operational (Core Businesses, Business Lines, Functions, Territories) or legal (branches and consolidated subsidiaries), without

<sup>(1)</sup>This document is frequently amended so as to improve the efficiency of internal control mechanisms.

exception. It also extends to core services or operational activities that have been outsourced, in accordance with regulatory requirements, as well as to companies for which the Group ensures operational management, even if not integrated in the scope of consolidation.

Implementing this principle requires a precise overview of the allocations of responsibilities and must factor in the ongoing growth in the Group's businesses.

### Fundamental Principles of Internal Control

Internal control in BNP Paribas is based on four key principles:

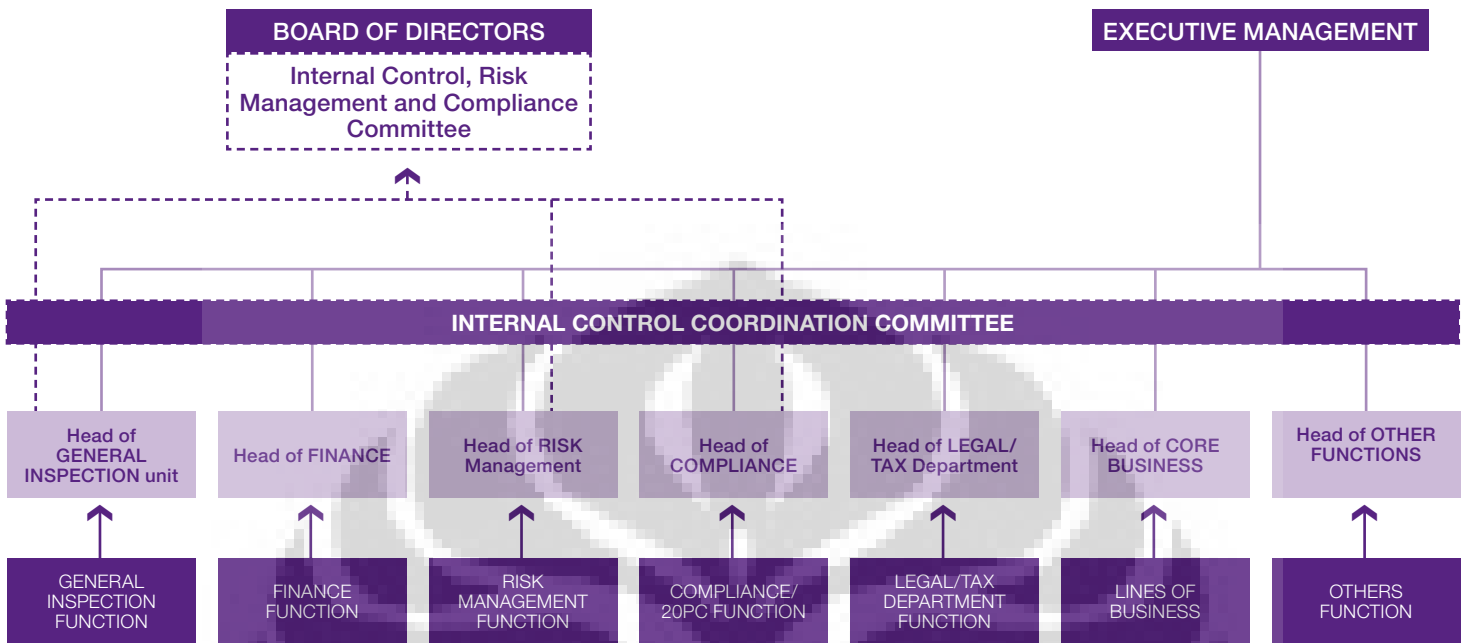
- **responsibility of operational staff:** the permanent control system must be incorporated within the operational organisation of the entities. Operational managers must ensure effective control over the activities for which they are responsible, and all employees are under the duty to provide early warnings about any problems or failings of which they are aware;
- **exhaustiveness** of internal control (see above, under "Scope of Internal Control");
- **separation of tasks:** this applies to the various phases of a transaction, from initiation and execution, to recording, settlement and control. The separation of tasks also exists between independent functions carrying out independent controls and between permanent controls and periodic controls;
- **proportionality of risks:** the scope and number of controls must be proportional to the risk level covered. These controls may consist in one or more controls carried out by operational managers and, if necessary, one or more permanent control Functions;
- **internal control traceability:** this relies on written procedures and audit trails. Controls, results, exploitation and information reported by entities to higher Group Corporate Governance levels must be traceable.

Periodic control teams (General Inspection unit) verify that these four principles are complied with by carrying out regular inspections.

### Organisation of Internal Control

Internal control at BNP Paribas consists in permanent and periodic controls. While they are complementary, they are distinct and independent of one another:

- permanent control is an overall process for the ongoing implementation of risk management and monitoring of strategic actions. It is carried out by operational staff, and their line managers, and by permanent control Functions either within or independent of these operational entities;
- periodic control is an overall process for "ex post" verification of the operation of the Bank, based on surveys that are conducted by the General Inspection unit, which performs these functions on an independent basis.



### Players involved in internal control

- Executive Management, reporting to the Board of directors, is responsible for the Group's overall internal control system.
- Operational staff, at all levels (front/middle/back office, support function etc.), and in particular those in the reporting line of command have first-level responsibility for risk management and leading permanent control players. They carry out first-level controls: controls of the transactions handled by them and for which they are responsible, controls on the operations or transactions handled by other operational staff or management controls.
- Permanent Control Functions. These Functions carry out second-level controls:
  - the Compliance function contributes to permanent control of the risk of non-compliance, so as to ensure that the Group conforms to legal and regulatory provisions, professional and ethical standards, as well as the overall strategy of the Board of directors and Executive Management guidelines. It has considerable independence, notably ensured by its joint exercise with the Heads of operating units over the managers of

teams in charge of compliance in the core businesses and support functions via a joint oversight arrangement. The Head of Compliance reports to the Chief Executive Officer and represents the Bank before the Commission Bancaire with regard to all matters concerning permanent controls,

it also ensures, through dedicated teams, the supervision of the operational permanent control system of lines of business (Core Businesses and Lines of Business) and of support and control Function,

lastly, it ensures a coordination role for the Group's overall internal control system, by coordinating the Internal Control Coordination Committee and major cross-functional projects, in particular those geared at bolstering the internal control system, which took on increased importance in 2008 and will be continued in 2009,

- the Risk Management Function contributes, notably by its "second-tier" controls of transactions and new activities, to ensuring that the credit and market risks taken by BNP Paribas comply and are compatible with its policy, the rating level it seeks to have and its profitability

objectives. The duties associated to this Function at the Group Risk Management level are exercised independently of the core businesses and support Functions, contributing to the objectiveness of its permanent control. Its Head, who is a member of the Executive Committee, reports directly to the Chief Executive Officer,

- the Finance-Development Function is responsible for the preparation of financial statements and quality control management, overseeing project management for the Group's financial information systems and ensuring the compliance of the Group's financial structure. Its Head, who is a member of the Executive Committee, reports directly to the Chief Executive Officer,
- other Functions, which are key players involved in permanent control in their respective areas of responsibility: Legal Department, Tax Department, IT Production, Information Technology & Processes Department, Human Resources Department.
- Periodic control: periodic control (called "third-level" control) is independently exercised by the General Inspection until for all Group entities. It includes:
  - inspectors based at headquarters, who are authorised to carry out controls throughout the Group,
  - auditors deployed in geographic or line of business hubs.

Periodic Controls are the responsibility of the Head of the General Inspection unit who reports operationally to the Chief Executive Officer. The Head also reports to the Board of directors directly, or through the Internal Control, Risk Management and Compliance Committee.

- The Board of directors exercises internal control duties. In particular, it set up an Internal Control, Risk Management and Compliance Committee (ICRMCM), which:
  - analyses reports on internal control and on measuring and monitoring risks, as well as the General Inspection unit's reports on its operations, and exchanges of correspondence with main regulators,
  - examines the key focuses of the Group's risk management policy.

### **Coordination of Internal Control**

An Internal Control Coordination Committee (ICCC) meeting is held monthly with the main players involved in permanent control (see above), the Heads of the five core businesses or their representatives, and the Head of Periodic Control.

This Committee:

- is chaired by the Head of Compliance, who sits on the Executive Committee, and steers the coordination of the Group's internal control;
- is not intended to replace the different Group Risk Management Committees but to enhance their effectiveness within the overall system;
- guarantees the consistency of the internal control system and its compliance with regulations;
- seeks to promote the use of shared internal control tools;
- enhances the overall consistency of the annual reports on internal control and control of investor services prepared by the Permanent Control and Periodic Control functions as required under their "Charter of responsibilities", and of the report of the Chairman of the Board of Directors on internal control procedures.

The Chairman of the ICCC reports to the Chief Executive Officer and, if the CEO or the Board of directors deems it necessary, to the Board of directors or the relevant Committee of the Board (usually the Internal Control, Risk Management and Compliance Committee).

In 2008, the ICC's work covered the following main topics:

- review of the Group's Internal Control Charter;
- fraud prevention policies and procedures;
- cross-functional projects to improve the permanent control system;
- half-yearly reports on permanent control.

### Procedures

Checking procedures is one of the key tasks of the permanent control system, alongside identifying and assessing risks, running controls, verifying reporting processes and overseeing the monitoring system.

Written guidelines are distributed throughout the Group and provide the basic framework for the Group's internal control, setting out the organisational structures, procedures and controls to be applied. The Compliance Function, at the headquarters level, and in the context of the supervision of permanent operational control, checks that procedural guidelines are regularly monitored for completeness via a network of procedure and permanent control correspondents. Efforts are ongoing to streamline the set of procedures and the applicable standards, improve their distribution and planning, make them more accessible and design better tools for storing them, both at the level of cross-function procedures and procedures for operational entities (level-3 procedures).

The Group's cross-functional guidelines (levels 1 and 2) are updated as part of an ongoing process in which all the core businesses and Functions actively participate. As regards the organisation of controls, the twice-yearly surveys on the effectiveness of processes have been integrated into the twice-yearly reporting of the permanent controls function.

Among the Group's cross-functional procedures, applicable in all entities, those dealing with the validation of exceptional transactions, new products and new activities are especially important in the field of

risk management, approval of day-to-day credit and market transactions. These processes rely essentially on committees (exceptional transactions committees, credit committees, etc.) primarily composed of operating staff and by permanent control functions (Risk and Compliance, as well as Finance Department, Legal Department and other concerned functions) who carry out a "second tier" control on transactions. In case of dispute, it is escalated to a higher level in the organisation. At the summit of the process are the committees (Credit Committee, Capital Market Risk Committee, Risk Policy Committee) on which members of Executive Management sit. At the end of 2008, so as to allow Executive Management to carry out a periodic review on risk trends in the Group, beyond that entailed by the participation of its members in such Committees, a monthly Risk Committee was held.

### Highlights of 2008

#### ■ Group Compliance

In 2008, the Group's internal control system was strongly marked by fraud prevention issues and by the consequences of the financial crisis.

A fraud prevention, detection and oversight policy, prepared in the course of 2007, was published in early 2008. It focuses on the essential role played by fraud prevention and detection in the permanent control system and organises oversight of Permanent Operational Control in this area. A second key action, which is still underway, is the review of the fraud prevention system in market operations in light of a ministerial report published at the start of year, and the introduction of necessary improvements.

As regards the financial crisis, besides setting up the Risk Committee referred to above, BNP Paribas has endeavoured to come up with summary of the salient findings made by international bodies such as the Senior Supervisory Group and private bodies such as the Institute of International Finance on failings in the internal control systems of financial institutions, to assess its system in view of those findings and implement any desirable improvements.

The very significant impact of the financial crisis on the internal control system did not prevent the continuance of efforts to introduce new organisational standards.

#### ■ Permanent Operational Control

The Group's permanent control system was further consolidated in 2008 from a dual standpoint: the involvement of operational staff in risk management and the systematisation of this approach.

The role of operational staff was reaffirmed and the responsibilities of the teams in charge of coordinating and supervising the permanent control system were clarified. These teams were merged under the aegis of the Group Compliance Function, with dual central and operational lines of reporting at the level of core businesses and functions respectively, so as to make them more independent and allow them to play a whistle blowing and control role.

Permanent operational control at BNP Paribas is structured around five main aspects, which were bolstered in 2008:

- identification and assessment of risks, with special focus on the risk of fraud and significant incidents;
- risk measurement, with the application, since 1 January 2008, of advanced methods in terms of capital requirements for operational risk (Basel II);
- formalisation of generic control plans by main processes, to be adapted to each entity in view of its risk criticality;
- production of management reports as regards operational risks and controls, at a local and headquarters level, with a broader scope;
- enhanced steering of the system, in particular through the extension of Internal Control Committees to new entities and monitoring of the recommendations by the permanent control function.

These actions will be further developed in 2009, specifically as regards risk mapping and the industrialisation of the approach, so as to enable BNP Paribas to rely on a system of permanent operational control that reflects its objectives and its values.

#### ■ Periodic control

The reorganisation of the General Inspection unit's resources was fully deployed in 2008. Internal audit staff are now grouped by geographic or line of business hubs. This new organisation has enabled defining clearer responsibilities, setting up short lines of communication and heightening the professionalism of internal audit staff at BNP Paribas, under optimum management and operating conditions.

In 2008, the Function also reviewed its "Recommendations" process, which is henceforth monitored by the permanent operational control. A workflow tool shared with auditees and Permanent Operational Control was developed to support this process.

The risk assessment methodology for this function was finalised and distributed in the form of a tool in the first half of 2008. This risk assessment methodology shared by all auditors of this function, so as to ensure the homogeneity of risk assessment, is the yardstick by which terms of reference are prepared.

The periodic control function also continued to invest in auditor skills development. The training offer was extended, and reliance on e-learning was increased while a catalogue featuring the function's training guidelines and enabling better skills management was made available to auditors. Lastly, based on the work and findings of the quality program, the General

Inspection unit launched a Knowledge program aiming at harmonising and enriching the knowledge base associated to the audit process. In this framework, existing guidelines on the internal audit process were reviewed and others created, specifically with a view to professional auditing standards.

### internal control human resources

At the end of 2008, the number of full-time equivalent employees (FTE) in the various internal control function components was as follows:

	2005	2006	2007	2008	Variation 2007/2008
Compliance	465	614	740	928	+24%
Permanent Operational Control <sup>(1)</sup>	50	70	439	492 <sup>(2)</sup>	+12%
Group Risk Management	834	869	881	954	+8%
Periodic Control	746	902	854	829	-3%
<b>TOTAL</b>	<b>2,095</b>	<b>2,455</b>	<b>2,839</b>	<b>3,203</b>	<b>+13%</b>

<sup>(1)</sup> The merger of the Permanent Control and Operational Risk monitoring having become effective in 2008, the new scope of the Permanent Control-Operational Risk entity was reconstituted for 2007 for the sake of comparison. It includes the Permanent Control, Operational Risk and Business Continuity Planning coordination teams.

<sup>(2)</sup> Survey at mid-2008.

#### ■ Second-level Permanent Controls

- The number of FTEs working in the Compliance function jumped 24% to stand at 928 at end-December 2008. Their rapid increase since 2005 has been driven by two developments:
  - continued strong like-for-like and acquisition-led growth throughout the Group,
  - major changes in regulations including a number of new requirements with structural implications for BNP Paribas (MiFID, Market Abuse Directive, the Third Directive, measures concerning embargoes, transparency requirements, etc.).

This attests to the eagerness of BNP Paribas to provide adequate non-compliance risk management oversight procedures to keep pace with the sustained growth in the Group's businesses.

- The new Permanent Operational Control entity created following the merger in 2007 of the permanent control and Operational Risk monitoring teams, coordinates the implementation of the approach in the different Group entities. This new entity counted 492 FTE at mid-2008. This figure includes the head teams in the core businesses and functions but excludes the resources dedicated to accounting internal control and the numerous teams of specialised controllers throughout the Group.

- At the end of 2008, Group Risk Management had 954 FTE. GRM continued to bolster its resources to as to better face the current financial crisis within the scope of GRM RCM (Risk Capital Market) and created two new departments (GRM R AMS and GRM R IRS) respectively responsible for the risk of the AMS and the International Retail Banking and Financial Services core businesses.

#### ■ Periodic controls

Average headcount in the Bank's General Inspection unit fell slightly from 854 at 2007 year-end to 829 at 2008 year-end. This reduction is primarily explained by the restructuring of BNL, which has transferred lines of business and staff associated to periodic control to permanent control and experienced difficulties hiring. Difficulties of the same nature were also met by the IRS core business at some of its centres. The periodic control headcount of the other core businesses increased slightly. The ratio of auditors to auditees stood at 0.6% at the end of 2008, unchanged from 2007.

#### Limitation of the powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in all circumstances in the name of BNP Paribas and to represent the Bank in its dealings with third parties.

He shall exercise these powers within the limits of the corporate purpose and subject to those powers expressly granted by French law to Shareholders' Meetings and the Board of directors.

Within the Group, the Internal Rules of the Board of directors require the Chief Executive Officer to submit to the Board for prior approval any investment or divestment decision (excluding portfolio transactions) of more than EUR 250 million, and any proposed acquisition or divestment of equity interests of more than EUR 250 million. The Chief Executive Officer must seek preliminary approval from the Financial Statements Committee of the Board for audit engagements entailing total fees of over EUR 1 million (before tax).

#### Internal control procedures relating to the preparation and processing of accounting and financial information

##### **Roles and responsibilities regarding the preparation and processing of accounting and financial information**

Acting under the authority of the Chief Executive Officer, the Group Finance-Development function is responsible for the preparation and processing of accounting and financial information. Its duties and responsibilities include:

- producing and distributing high quality financial statements;
- producing quality management accounts, and providing all forecast quantitative data needed for steering Group policy;
- overseeing project management for the Group's financial information systems;
- optimising the Group's financial position;
- ensuring that the Group's financial position is well presented to the financial markets;
- coordinating the Group's development strategy and managing its external growth;
- providing Executive Management with early warnings.

The responsibilities of the Finance function are exercised at different levels of the Group: within each accounting entity <sup>(1)</sup> by the local Finance Department function, at the level of each core business by the Finance Department function and by the Group Finance-Development function.

<sup>(1)</sup> "Accounting entity" refers to the parent company, BNP Paribas, as well as each of the consolidated subsidiaries and branches.



The production of accounting and financial data, and controls designed to ensure their reliability, are first handled by the Finance Department of the accounting entity which reports this information to the core business, then on to the Group, and attests that it is reliable, based on the internal certification procedure described below.

The core businesses/business lines/territories then perform further controls at their level on the financial statements prepared by the accounting entities. They enhance the quality of the reporting by carrying out appropriate reconciliations of accounting and management data.

The Group Finance-Development function gathers all the accounting and management information produced by the accounting entities in line with formalised reporting procedures validated by the core businesses/business lines/region. It then consolidates such data for use by Executive Management or for external reporting to third parties.

### **Production of accounting and financial information**

#### **■ Accounting policies and rules**

The local financial statements for each entity are prepared under local GAAP while the Group consolidated financial statements have been prepared under IFRS (International Financial Reporting Standards) as adopted for use by the European Union.

The Accounting Policies Department of the central Group General Accounting Department defines, based on IFRS, the accounting policies to be applied on a Group-wide basis. It monitors regulatory changes and prepares new internal accounting policies and interpretations in accordance with such changes. An IFRS accounting manual has been produced and distributed to accounting teams within

core businesses, business lines and entities on the internal network communication tools (Intranet) at BNP Paribas. It is regularly updated to reflect regulatory changes. This central department also regularly carries out specific analyses for the accounting entities.

The central Budget and Strategic Management Control Department draws up management control rules that apply to all the Group's business lines. The Group's accounting and management control policies can be accessed using the internal network tools.

#### **■ Systems used**

The role of dedicated teams within Group Finance-Development includes defining the target architecture of the information systems of the Finance Department function (accounting systems, cost-accounting systems, accounting and regulatory consolidated reporting systems and consolidated management reporting systems). They facilitate the sharing of information and the implementation of cross-functional projects in a context of increasing convergence of the different existing accounting platforms, both at the Group and business line level.

The information used to prepare the BNP Paribas Group consolidated financial statements is derived from the Bank's various transaction processing systems, from the Front Office to the accounting department. Routing controls are ensured at each level of the data transmission chain to ensure these systems are adequately fed. The Group also regularly upgrades these systems to adapt them to the growth and increasing complexity of its business.

Lastly, dedicated teams are responsible for defining the accounting procedures in the back office and accounting systems for application at the operational level of the accounting principles established by Group Finance-Development.

### ■ Process for collecting and preparing consolidated accounting and financial information

The process for collecting accounting and financial information is organised around two separate reporting channels, one dedicated to accounting data and the other to management data. Both data collection channels use an integrated consolidation software package known as MATISSE (“Management & Accounting Information System”). At local level, the Finance teams enter validated financial and accounting data into the system in accordance with Group principles.

This reporting process applies to the channels dedicated to both financial and management accounting data:

- **Accounting data:** the procedures for preparing the Group’s financial statements are set out in the guidelines distributed to all core businesses and consolidated accounting entities. This facilitates the standardisation of accounting and financial data and compliance with Group accounting standards. Each Group entity closes its accounts on a monthly or quarterly basis and prepares a consolidation reporting package and management accounts in accordance with Group reporting deadlines. The validation procedures which accompany each phase in the reporting process seek to verify that:

- group accounting standards have been correctly applied;
- inter-company transactions have been correctly adjusted and eliminated for consolidation purposes;
- pre-consolidation entries have been correctly recorded.

The Finance function of the relevant core business controls the consolidation packages from the accounting entities within its scope before reporting them to the department within Group Finance-Development in charge of preparing the consolidated financial statements.

- **Management data:** management information is reported on a monthly basis by each entity and business line to the Finance function of the relevant core business, which then reports management data consolidated at its level to the Budget and Strategic Management Control unit at Group Finance-Development.

For each entity and core business, a reconciliation is performed between the main income and expense items based on management data and the profit and loss account intermediate balances, prior to submitting the package to the Group reporting system. This is supplemented by an overall reconciliation performed by the Group Finance-Development function to ensure consistency between consolidated accounting profits and management reporting profits. These two reconciliations form part of the procedure for ensuring reliable accounting and management data.

### Procedure for control of accounting and financial information

#### ■ Accounting Internal Control within the Group Finance-Development function

To enable it to ensure the monitoring of accounting risks centrally, the Group Finance-Development function has combined the teams from “Group Control & Certification” and “BNP Paribas SA (France) Control & Certification” in a “Control & Certification” department.

“Group Control & Certification” has the following key responsibilities:

- defining the Group's policy as regards the accounting internal control system. This system provides for the implementation by the accounting entities of a certain number of principles organising the accounting internal control environment and key controls geared at ensuring the reliability of the information featured in their consolidation reporting package. The Group has issued accounting internal control guidelines for use by the consolidated entities and distributed a standard plan of accounting controls in 2008 listing the major controls aimed at covering the accounting risk;
- ensuring the correct functioning of the accounting internal control environment within the Group, in particular through the internal certification procedure described below;
- quarterly reporting to Executive Management and the Financial Statements Committee of the Board of directors on the quality of the financial statements being produced within the Group;
- monitoring implementation by the entities of the Statutory Auditors' recommendations in conjunction with the core businesses/business lines. This monitoring is facilitated by use of a dedicated tool (FACT) allowing each accounting entity to monitor the recommendations made to it and to regularly report on the progress made on different action plans. Group Finance-Development can identify improvements to the accounting internal control system made within the consolidated entities and provide, as applicable, solutions to any cross-functional problems that may have been identified thanks to the centralised monitoring of such recommendations.

The "BNP Paribas SA (France) Control & Certification" team is in charge of providing quality control on accounting information provided by the French Retail Banking network, and by Corporate and Investment Banking businesses that report to BNP Paribas SA (France) and entities for which Group Finance-Development is in

charge of their accounting. The team has the following key responsibilities:

- liaising between the back offices feeding the accounting system and the Group Accounting department;
- training back office teams in accounting controls and tools made available to them;
- coordinating the "elementary certification process" (described below) whereby back offices report on the controls conducted by them;
- implementing second-level accounting controls within all entities within its scope. These controls are in addition to the first-level controls carried out by back offices.

The accounting control of BNP Paribas SA (France) relies in particular on accounting control tools that permit:

- identifying for each account, the sector responsible for its justification and control;
- running reconciliations of the balances recorded in the accounting system with the balances in the operational systems for each business;
- identifying suspense accounts so as to monitor their discharge.

#### ■ Internal certification process

##### At Group level

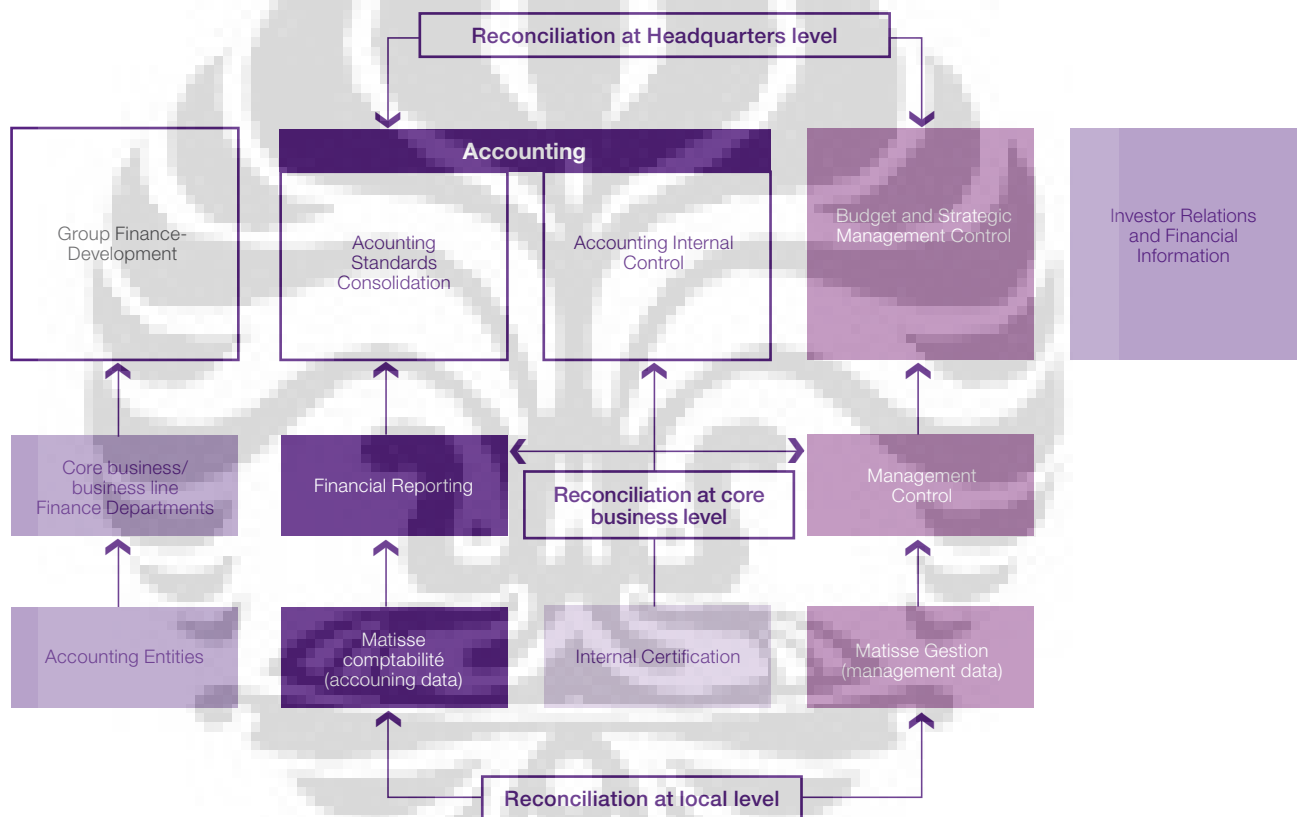
The Group Finance-Development function has introduced a process of internal certification of quarterly data produced by the different accounting entities, as well as of the controls performed within Finance departments of the core businesses/business lines and by the Consolidation department within the Group Finance-Development function. The process uses the FACT (Finance Accounting Control Tool) internet/intranet-based application.

The Heads of Finance of the entities concerned certify to Group Finance-Development that:

- the accounting data reported to the Group Finance-Development function are reliable and comply with Group accounting policies;

- the accounting internal control system designed to ensure the quality of accounting data is operating effectively.

This internal certification process forms part of the overall Group accounting internal control monitoring system and enables the Group Finance-Development function, which has overall responsibility for the preparation and quality of the Group's consolidated financial statements, to be informed of any problems in the financial statements and to monitor the implementation by the accounting entities of appropriate corrective measures and, if necessary, to set aside appropriate provisions. A report on this procedure is presented to Executive Management and to the Financial Statements Committee of the Board of directors at the close of the Group's quarterly consolidated accounts.



### At entity level

The certification procedure vis-à-vis the Group requires a suitably adapted accounting internal control system for each accounting entity that gives the local Finance function an overview of the entire accounting process. Towards this end, “Group Control & Certification” recommends implementing an “elementary certification” (or “sub-certification”) process for accounting data whenever the processing of transactions and the preparation of accounting and financial data are organised in such a way that such process is necessary.

This process requires that those involved in preparing accounting data and in performing accounting controls (e.g., Middle Office, Back Office, Human Resources, Risk Management, Tax Department, Management Control/Planning, Accounts Payable, Treasury, IT Department, etc.) formally certify that the information provided is accurate and that the basic controls designed to ensure the reliability of the accounting and financial data for which they are responsible are working effectively. The elementary certificates are sent to the local Finance department, which analyses them, prepares a summary report and liaises with the other players in order to monitor the effectiveness of the system.

The FACT application also makes it possible to automate the elementary certification process by providing entities with a dedicated environment in which they can directly manage the processes set up at their level.

### ■ Oversight arrangements for measuring financial instruments and determining the results of market transactions

The Group Finance-Development function, which is responsible for the production and quality of the Group’s financial statements and management accounting data, delegates the production and control of market values or models of financial instruments to the different players involved in measuring financial instruments within the overall process of monitoring market risk and management data.

Controlling these operations, which concerns all players, is the responsibility of the Finance function.

The purpose of these control procedures is as follows:

- to ensure that transactions involving financial instruments are properly recorded in the Group’s books in accordance with Group policies for producing financial and management data;
- to guarantee the quality of financial instrument measurement and reporting used both in preparing the financial and management accounts and in managing and monitoring market and liquidity risk;
- to ensure that the results of market transactions are determined, understood and analysed correctly;
- to control the related operational risks.

This permanent control process uses first- and second-level controls in accordance with Group Internal Control Charter guidelines and exists at each level in the organisation, i.e., Group, Corporate and Investment Banking and in the main territories recording market transactions in their accounts.

Finance departments perform second-level controls and have visibility over the entire process via dedicated corporate investment banking teams (“CIB Financial Control”). They decide on the information that must be reported by the various players: this comprises both quantitative and qualitative data indicating trends in different businesses as well as the results and quality of upstream controls carried out.

Committees that meet on a monthly basis are gradually being set up to bring all of the players together to discuss the entire range of issues concerning the measurement and recognition of market transactions. As part of the quarterly accounts closing process, the Corporate Investment Banking Finance department reports back to an Executive Committee chaired by the Group Chief Financial Officer on the actions of the CIB Financial Control teams and their work to enhance control effectiveness and the reliability of the measurement and recognition of the results of market transactions. This Committee meets every quarter and brings together the directors of Group Finance-Development-Accounting, Corporate Investment Banking and Group Risk Management.

#### **Periodic Control - Central Accounting Inspection Team**

The General Inspection unit includes a team of inspectors (the Central Accounting Inspection Team) specialised in financial audits. This reflects the strategy of strengthening the Group’s internal audit capability both in terms of technical scope and the areas of accounting risk tackled in the audit engagements undertaken.

Its action plan is based on the remote accounting internal control tools available to the Group-Finance Development function and the risk evaluation chart set up by the General Inspection unit.

The core aims of the team are as follows:

- to constitute a hub of accounting and financial expertise in order to reinforce the capability of the General Inspection unit when carrying out inspections in such areas;
- to disseminate internal audit best practices and standardise the quality of audit work throughout the BNP Paribas Group;
- to identify and inspect areas of accounting risk at Group level.

#### **Development of the Accounting Internal Control System**

The accounting internal control system is constantly being adapted to the Group’s requirements. The aforementioned procedures form part of an evolving system that aims to guarantee an adequate level of control throughout the Group.

#### **Relations with the Group’s Statutory Auditors**

Each year, the Statutory Auditors issue a report in which they give their opinion concerning the fairness of the consolidated financial statements of the BNP Paribas Group as well as the annual financial statements of the Group’s companies.

The Statutory Auditors also carry out limited reviews on the quarterly accounts close. As part of their statutory audit assignment:

- they examine any significant changes in accounting standards and present their recommendations concerning choices with a material impact to the Financial Statements Committee;
- they present the entity/business line/core business Finance functions with their findings, observations and recommendations for the purpose of improving certain aspects of the internal control system for the preparation of accounting and financial information, reviewed in the course of their audit.

The Financial Statements Committee of the Board of directors was briefed concerning accounting choices that have material impact, as discussed in the section “Corporate Governance” above.

### **Corporate Communications (Press Releases, Special Presentations, etc.)**

Financial reports are prepared for external publication by the Investor Relations and Financial Communications team, within the Group Finance-Development function, for the purpose of presenting the Group's different activities, explaining its financial results and providing details of its development strategy to shareholders, institutional investors, analysts and rating agencies.

The team, which reports to Executive Management and the Chief Financial Officer, devises the format in which financial information is published by the BNP Paribas Group. The team liaises with the core businesses and functions when

designing the presentation of the Group's results, strategic projects and special presentations for external publication.

Due to the growing demands of investors and the Group's determination to be at the leading edge of European corporate communications, BNP Paribas has adopted a detailed communications format designed to present its results to the financial markets on a quarterly basis. The Statutory Auditors are associated to the validation and review phase of press releases in connection with the close of quarterly, half-yearly or annual financial statements, before their presentation to the Financial Statements Committee and to the Board of directors.



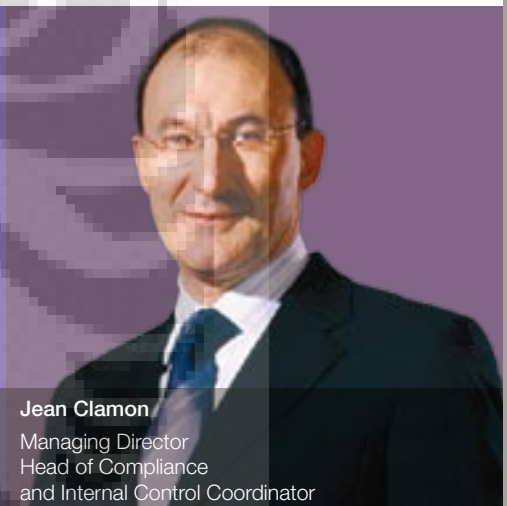
# Executive Committee



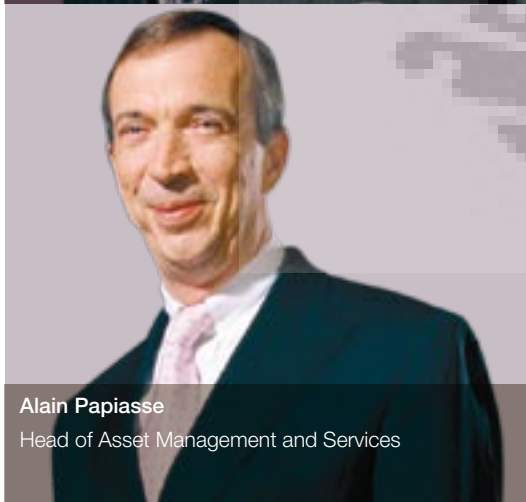
**Philippe Bordenave**  
Senior Executive Vice-President  
Chief Financial Officer



**Frédéric Lavenir**  
Head of Group Human Resources



**Jean Clamon**  
Managing Director  
Head of Compliance  
and Internal Control Coordinator



**Alain Papiasse**  
Head of Asset Management and Services



**Alain Marbach**  
Global Head of Information  
Technology and Processes



**François Villeroy de Galhau**  
Head of French Retail Banking



Since November 2007, the Executive Committee of BNP Paribas has been assisted by a permanent secretariat.

**Jacques d'Estais**, current Head of CIB, was appointed Head of AMS. **Alain Papiasse**, current Head of AMS, was appointed Head of CIB. Both appointments shall be effective as of 31 March 2009.



**Georges Chodron de Courcel**  
Chief Operating Officer



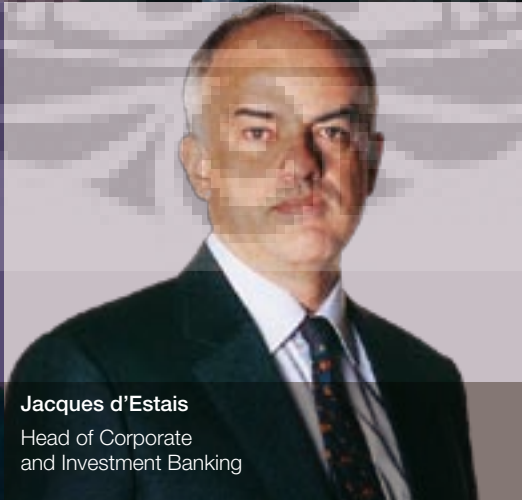
**Baudouin Prot**  
Chief Executive Officer



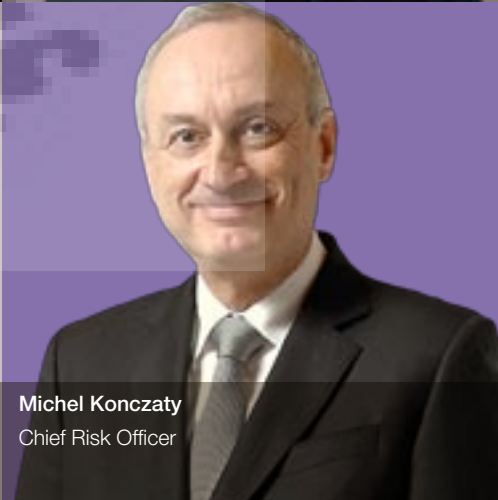
**Jean-Laurent Bonnafé**  
Chief Operating Officer



**Fabio Gallia**  
Head of BNL bc



**Jacques d'Estais**  
Head of Corporate  
and Investment Banking



**Michel Konczaty**  
Chief Risk Officer

# Compliance



BNP Paribas' Compliance function is one of the key elements of the Group's internal controls system. This function falls within the scope of the Group's requirements under French Banking and Financial Regulations Committee (CRBF) Regulation No. 97-02 on internal controls in credit institutions, and under AMF General Regulations as amended following the transposition of the Markets in Financial Instruments Directive (MiFID).

The management of all types of risk is key to BNP Paribas' processes, management, and strategy, with the management of risks that could endanger the Bank's compliance being of particular significance. The Group defines compliance as adhering to laws, regulations, professional and ethical standards, Board of Directors guidelines, and Executive Management instructions. It encompasses protecting the Group's reputation, implementing the Group's rules of conduct, fighting against money laundering, terrorism, and corruption, and respecting market integrity, professional ethics, and the primacy of customers' interests.

The Group's compliance policy meets criteria of exhaustiveness and universality, and the same high standards are applied regardless of the entity or business, in France or abroad. The policy is based on the «best interests» principle, which states that the most stringent regulations in each country where the Group operates will be applied, along with the Group's own directives and procedures.

#### Dedicated staff

The Compliance control mechanism, which is an integral part of internal control, comes under the responsibility of a dedicated Group Compliance function. This function falls under the direct control of the Chief Executive Officer and is managed by an Executive Committee member who is also responsible for ensuring that on-going internal control is in compliance with French law as well as coordinating the workings of the control mechanism.

The Compliance function, whose responsibilities are laid down by the Group's internal controls and compliance charters, comprises both a central team and local teams. The central team oversees the running of the function and sets the standards and procedures applicable in the Group. The local teams in the core businesses, business lines, functions, subsidiaries, and branches, who are in direct contact with transactions, represented 883 employees at the end 2008; i.e., over 95% of the function's staff. These teams are placed at the top level within the various entities and are under the joint control of the Compliance function and entities' operating managers, in accordance with the idea that operational staffs are at the front-line of risk management.

#### Up-to-date standards

In 2008 the Compliance function continued its work to develop a set of high-level, up-to-date standards, as well as the following:

- An employee code of conduct was issued in early 2008, a fraud prevention, detection, and management policy, and a responsible selling policy – essential to protecting customers' interests;
- A BNP Paribas SA policy on employee transactions in financial instruments and a new policy on gifts;
- Policies on relationships with HALDE (the French High Authority on Equality and Discrimination), employee conflicts of interest, and compliance with the US Federal Reserve's disclosure requirements and limits on investment activities were adopted and disseminated.

On the operational front, the Compliance function ran all work concerning the introduction, on 1 November 2007, of the AMF General Regulation transposing The Markets in Financial Instruments Directive (MiFID). This Directive has a major impact on customer relations and significantly improves the protection of customer interests. This is particularly true for conflicts of interest, matching banking products to customer needs, best execution practices, transparency, and reports.

Tools for detecting and managing non-compliance risks play an increasingly central role. The roll-out of the ethics alert mechanism continued in 2008 across the Group, in France and abroad. This mechanism is in accordance with banking and finance regulations and data protection laws, and ensures transaction confidentiality. It aims to detect any dysfunction, especially concerning compliance issues, that could put the bank at risk; i.e., anything that may harm the Group or the Group's reputation, or impede its compliance with laws, procedures, market integrity, and respect for the primacy of customer interests. In another area, tools for detecting market abuse (insider trading and share price manipulation) are gradually being put in place.

Compliance training, whether with regard to protecting customer interests, market integrity, or the fight against money laundering, is one of the Compliance function's main responsibilities. This training was given to over 70,000 employees in the first nine months of 2008. At a central Group level, new employee awareness modules were developed concerning conflicts of interest and compliance with financial embargoes.

### **Monitoring financial security mechanisms**

Within the Compliance function, financial security teams coordinate the prevention of money laundering, the fight against corruption and terrorism financing, and the application of financial embargoes, a major source of obligations for financial intermediaries. They deal with the reporting of suspicious transactions in France and set standards in fields of expertise such as Know Your Customer (KYC) with regard to the prevention of money laundering, the acceptance of intermediaries (non-Group asset managers, referral agents, etc.), and relations with politically-exposed persons. The duty of care principle is a legal obligation for financial institutions, which extends to all their core businesses. International circumstances have led authorities to introduce sanctions on certain countries or goods by imposing embargoes. Instructions for applying these embargoes lay down guidelines for detecting and dealing with transactions targeted by these measures, in accordance with current legislation. In 2008, the mechanism for ensuring compliance with financial embargoes was strengthened.

BNP Paribas' strict policy on operations in tax havens involves closely monitoring its entities' administrations and any risks to the Group's reputation. The procedures and rules of conduct specifying the countries involved the methods for monitoring entities operating in these countries, and the corresponding compliance and financial security mechanisms were updated in late 2008. In accordance with the "best interests" principle, Group regulations on compliance with embargoes and the fight against money laundering, corruption, and terrorism financing apply to entities domiciled in tax havens, even if local regulations are less strict.

The display of monitoring and detecting transactions tools remains a priority. These software tools are an important investment for the Group and were developed further in 2008. The development work included: updating the database of politically-exposed persons; introducing, in France and abroad, automatic checks of the customer database against lists of sanctioned or politically-exposed persons; referencing a list of sanctions and anti-terrorism filters; and applying embargoes. The roll-out in 2008 of the Group's mechanism for detecting market abuse provides an additional measure of the procedure's reliability.

The bank also took advantage of its software architecture to implement European Commission Regulation (EC) No. 1781 on information on the payer accompanying transfers of funds.

## Business continuity

Business continuity has played a key role in BNP Paribas' risk management strategy for many years. Being able to back-up employees' work and maintain efficient customer service – an important economic driver – are crucial, and therefore warrant an ambitious business continuity plan. BNP Paribas has developed a continuity plan based on resilience, the allocation of the adequate resources, and a long-term vision of the Group's progress.

### A strategy...

In 2008 BNP Paribas furthered the business continuity plan initiated in 2006 by introducing:

- Operational governance; and
- An industrialisation policy for the business continuity management processes.

#### ■ Operational governance

Governance guidelines have been implemented across the Group, and each entity has appointed a Business Continuity Plan Manager. The company's communication actions help bind the community.

#### ■ Industrialisation of the business continuity management processes

Due to BNP Paribas' size and wide range of operations, streamlined processes are essential for ensuring a consistent approach across the Group and minimising the time spent on document maintenance – time that could be better used for qualitative tasks like testing. The steps taken towards this goal in 2007 were continued in 2008 with the installation of management and reporting software.

### ...That has proven effective...

The Group makes a continuous effort to improve its business continuity plan on several levels, including:

- The quality and coherence of the methodology adopted throughout the Group;

- The implementation policy for continuity plans that was adopted upon Executive Management's initiative in 2006. This policy is communicated by the Global Business Continuity Plan Coordinator and is combined with the plans of individual business units and divisions; and
- The strengthening of the expertise of employees involved in managing the business continuity plan, who continue to grow in number (up 8% in 2008) and quality. To support this evolution, the Group Coordinator has developed a five-day training course which helps improve the community's expertise.

### ...And is continuously being improved

Based on the initial reports and results, the Group's main challenges going forward will be to:

- Better incorporate business continuity procedures into the associated support functions like IT support, crisis management, security, etc.;
- Finish developing methodology tools (employee unavailability, mobility, etc.);
- Build expertise further (through training and awareness programmes) and transfer it to local entities;
- Develop a system for managing extreme risks, mainly through a crisis unit, and extend the steps taken in 2007 (i.e., plans for a flu pandemic and severe floods);
- Take business continuity issues into greater account when developing outsourcing plans.

# NRE Appendices - Social chapter

NRE indicators Year 2008	Scope for 2008
<b>1. Remuneration and benefits paid to each corporate officer during the financial year</b>	
See the section of the CSR Report under Corporate governance – Remuneration.	Group
<b>2. Remuneration and benefits received from controlled companies during the financial year by each corporate officer within the meaning of Article L.233-13 of the French Commercial Code</b>	
See the section of the CSR Report under Corporate governance – Remuneration.	Group
<b>3. List of all directorships and positions held during the financial year in any company by each of the corporate officers</b>	
See the section of the CSR Report under Corporate officers, module 1	Group
<b>4. Total number of employees including employees on fixed-term contracts</b>	
See section 7.1. of the CSR Report under Human resource development – Growth in workforce.	
Beginning in 2008, workforce numbers are measured in NPP, Net Permanent Paid, rather than FTE, Full-Time Equivalent, as was done previously. NPP figures are measured pro rata to working time. The NPP workforce measures count active employees and employees on paid absences who are on contracts (permanent or fixed-term) of six months or longer. Interns, apprentices, VIE volunteers, subcontractors and temporary staff are not counted.	
The number of permanent employees managed by the Group at 31 December 2008 was 173,188 NPP, up 10,501 NPP compared with 2007.	Group
In France, the workforce managed by the Group was 64,217 NPP. For BNP Paribas SA, it was 38,128 NPP, including 92 employees on fixed-term contracts longer than six months.	France
The concept of cadre as used in a French work environment, loosely translated as “executive” or “manager”, cannot be transposed as such to the worldwide environment. For information purposes only, the ratio of cadres (executive or managerial employees) to all employees of BNP Paribas SA was stable in 2008:	
35.7% en 2002	
37.7% en 2003	
39.7% en 2004	
42.4% en 2005	
44.6% en 2006	
47.4% en 2007	
47.4% en 2008	SA Mainland
<b>5. Number of new permanent and fixed-term contract employees</b>	
In the year to 31 December 2008, the total number of new hires worldwide was 26,158, of which 55% were women.	Group
The Group made 4,748 recruitments on fixed-term contracts in France in 2008.	France
For BNP Paribas SA in mainland France, the number of new hires was 2,204: 1,003 men (45.5%) and 1,201 women (54.5%).	SA Mainland
See the CSR Report under Recruitment processes that meet the specific needs of each business line.	
<b>6. Recruitment difficulties, if any</b>	
The attractiveness of the BNP Paribas Group as an employer remains very high, with 173,000 unsolicited job applications received in 2008.	
In 2008 new hires continued to be split almost evenly between young graduates (45%) and employees with some previous experience (55%).	Group
See the CSR Report under Recruitment processes that meet the specific needs of each business line.	
<b>7. Number of and reasons for dismissals</b>	
In 2008 the total number of employees dismissed by BNP Paribas SA in mainland France amounted to 384 FTE. This figure includes employees on work-study contracts and unpaid employees. Under the method used in 2007, the figure would be 277 FTE.	
The main reasons for dismissals remain professional incompetence and misdeeds.	SA Mainland
<b>8. Overtime hours</b>	
In 2008 BNP Paribas SA in mainland France paid 76,739 hours of overtime, equivalent to less than 0.1% of regular hours.	SA Mainland
<b>9. Temporary staff</b>	
<i>Outside help: The monthly average number of temporary staff was 253 NPP. The average contract length was 25 days.</i>	
The agreements between BNP Paribas and temporary staffing agencies and service providers include very strict clauses on compliance with labour laws and prevention of selling at a loss, which is prohibited under French law.	SA Mainland
<b>10. If applicable, information relating to headcount adjustments, redeployment and career support advice</b>	
See the section of the CSR Report under Quantitative and qualitative adaptation of the workforce.	SA Mainland

**11. Working hours**

Extensive possibilities for requesting part-time work arrangements are available to employees. A total of 11.1% of employees at BNP Paribas SA in mainland France have opted for part-time work arrangements.

After one year of service, employees are eligible for a working time savings account in which leave days can be accumulated. Leave days saved in this account can be taken in various forms (personal convenience leaves, co-investment in training, financing a shift to part-time). Since 2008, days saved under the RTT, the French legislation that reduced the number of hours in the working week, can be monetised as pay. In 2008, 15,168 employees were using a time savings account.

With the agreement of their manager, employees can also take 5 to 20 days of unpaid leave.

SA Mainland

**12. Working hours and days for full-time employees**

In France, the average working week for a full-time employee is generally 35 hours. At BNP Paribas SA, the theoretical number of days worked per employee per year (on a fixed working hours basis) was 205 in 2008.

SA Mainland

**13. Working week for part-time employees**

Of the employees who have chosen to work part time, 93.4% are women. The most common arrangements are to work at 50%, 60%, or 80% of full time. 69% of part-time employees have opted to work at 80% of full time.

SA Mainland

**14. Absenteeism and reasons for absenteeism**

In 2008 the absenteeism rate at BNP Paribas SA in mainland France was 9.0%. Maternity leave accounted for 1.7 percentage points of this rate. For 2008, this rate includes unpaid absences, such as long-term leave without pay and leave to start a business. Unpaid absences accounted for 3% of total absences. The 2007 absenteeism rate stated on the same basis was 8.9%.

After maternity leave and business formation, the main cause of absenteeism continues to be illnesses that result in long-term absences.

See the 2007 Social Audit.

SA Mainland

**15. Remuneration**

The average monthly remuneration of BNP Paribas SA employees in mainland France was EUR 3,217 in 2008.

- 95.4% of employees received variable pay in the form of a bonus (95.3% of women and 95.6% of men)
- 41% were awarded an increase in base pay
- 12.6% were promoted to a higher level

See the CSR Report under Creating loyalty through competitive remuneration.

SA Mainland

**16. Changes in remuneration**

The annual wage bargaining round in 2008 for pay in 2009 led to an agreement signed by four of the five labour unions. The agreement has several components, all of which are in the direction of ongoing measures:

- an across-the-board 1.6% wage increase, but with certain floor and ceiling provisions,
- an increase in the flat-rate bonus,
- consolidation of some variable pay into base pay,
- improvement of the annual flat-rate bonus paid to managerial employees.

In addition, the agreement earmarks EUR 1 million to closing wage discrepancies between men and women.

SA Mainland

**17. Payroll expenses**

The Group's payroll taxes for 2008 amounted to EUR 2,588 million.

Group

**18. Application of the provisions of Title IV, Book IV of the French Labour Code (incentive and profit-sharing plans, employee savings plans)**

See the CSR Report under Creating loyalty through competitive remuneration.

In 2008, profit-sharing and incentive amounts accruing to employees of BNP Paribas SA in respect of 2007 earnings reached a record high of more than EUR 232.5 million, or a minimum of EUR 4,696 and a maximum of EUR 12,800 per employee (on a full-time employee basis).

BNP Paribas SA

The geographic breakdown of staff outside France that took up the 2008 employee share issue is as follows:

Europe: 58%  
Asie: 23%  
Amérique du Nord: 7%  
Amérique latine: 5%  
Afrique: 5%  
Moyen-Orient: 2%.

Groupe

**19. Gender equality in the workplace**

See the CSR Report under Promoting diversity in all its forms.

54.6% of BNP Paribas employees worldwide are women (based on physical NPP headcount).

Group

BNP Paribas SA's staff in mainland France is composed of 17,086 NPP men and 21,042 NPP women.

The enterprise agreement of 9 April 2004 was amended in 2005 and 2006 and then replaced by the agreement of 30 July 2007. This agreement sets down the principles that should be followed in observing and developing equality of opportunity and treatment between men and women at all stages of professional life. The proportion of female executives continued to rise: 34.2% in 2001; 35.7% in 2002; 36.9% in 2003; 37.7% in 2004; 38.8% in 2005; 40.3% in 2006; 41.4% in 2007; 42.6% in 2008.

The proportion of female employees receiving promotion developed as follows: 54.7% in 2002; 55.6% in 2003; 55.8% in 2004; 57.1% in 2005; 58.1% in 2006; 58% in 2007; 59% in 2008.

SA Mainland

In 2008, at BNP Paribas in France, 32% of appointments to administrator and senior management positions were women, compared with 28.5% in 2007.

Group in France

**20. Employee relations and collective bargaining**

See the CSR Report under High quality employer-employee relations.

As in previous years, there was constructive dialogue with employee representatives within BNP Paribas SA in 2008. The Commission on Employment Law, BNP Paribas SA's labour negotiation body, met on 37 occasions, and 8 new agreements were signed with trade unions.

SA Mainland

**21. Health and safety**

See the CSR Report under *Protecting employee health*.

Over and above the initiatives discussed in the Report, other more specific actions were taken in 2008:

- *Medical assistance to employees who were victims of attacks*  
In 2008, 117 employees received medical assistance after an attack. Five of them were referred to specialists for psychological help.
- *Training for medical staff and refresher courses for first-aid workers*  
Increased throughput in refresher courses for first-aid workers: 108 employees were trained and 379 went through courses to refresh their skills.
- *Vaccinations*  
Continued large-scale vaccination campaign with 2,550 flu shots administered.
- *Preventive clinical activities*
  - Cardiovascular: 248 evaluations of cardiovascular health, ten of which required a day in hospital,
  - Screening for glaucoma and diabetes,
  - Ergonomics of work stations: 9 plan studies, 119 premises visits and 14 studies were conducted in 2008.
- 737 people participated in the blood donation drive.
- *Programme offered to help employees and their family members quit smoking (Allen Carr method)* – 47% of the 635 people registered in Paris in 2007 became non-smokers in 2008.  
In 2008, 73 people took part in smoking cessation programmes held outside Paris (in Arras, Dijon, Chartres, Orleans and Marseilles).
- *Screening for skin cancers*  
- 603 people were screened at the 29 sessions that were organised. 60 people were referred to a dermatologist for a biopsy, and 187 were recommended for annual screening.

SA Mainland

**22. Training**

See the CSR Report under Developing the skills of employees and teams.

For BNP Paribas SA in mainland France, the numbers of employees enrolled in courses of study leading to a diploma were 304 for the Brevet Professionnel diploma in banking, 501 for the BTS diploma in banking and 260 for the Institut Technique de Banque diploma.

In 2008, 10,447 employees of BNP Paribas SA Métropole applied for training under the DIF (individual right to training), compared with 8,733 in 2007. 39.5% of eligible employees exercised their DIF right, putting the Bank above the average (30.6%) for companies subject to this provision.

SA Mainland

**23. Employment and integration of persons with disabilities**

See the CSR Report under *Promoting diversity*.

In 2008 the number of employees with disabilities at BNP Paribas in France was 754, compared with 730 in 2007. The number of beneficiary (handicap-equivalent) units (BU) was 986, compared with 1,014.9 in 2007. Subsequent to changes in legislation, 54 BU for severe handicap were not renewed in 2008.

An agreement on employment and inclusion of persons with disabilities was signed in 2008. This agreement is part of BNP Paribas' overall non-discrimination and diversity initiative, and it follows up on commitments made when the Diversity Charter was signed in 2004. This agreement expresses all parties' desire to see BNP Paribas implement a proactive long-term policy in favour of employment and inclusion of persons with disabilities. It calls for actions in four areas:

- develop a plan for hiring in an ordinary business setting,
- improve conditions for bringing persons with disabilities into jobs by offering appropriate working conditions, access to professional training and technological accommodations,
- seek out stronger partnerships with the protected worker sector,
- ongoing attention to the various aspects keeping persons with disabilities in employment.

The Group keeps an active list of organisations in the protected worker sector so that subcontractors of Group entities can be referred to and encouraged to call on such organisations.

France



## 24. Social and cultural activities

Social and cultural activities that are national in scope are managed by the Central Works Council. Local service activities are managed by local works councils. Services include children's summer camps and organised holidays for staff, contributions to meal expenses, family welfare, lending libraries for books, records, videos and other media, and discounts for theatres and cinemas. A sports and cultural association gives employees the opportunity to take part in a variety of team sports and cultural activities.

A breakdown of BNP Paribas SA's contributions to company cultural and social activities is provided in the company's Social Report.

The budget for such activities in 2008 amounted to EUR 93.22 million.

SA Mainland

## 25. Relations with the community, including associations to combat social exclusion, educational institutions, environmental and consumer associations, and local residents

See the CSR Report under A partner in society.

Over the years, BNP Paribas SA's local banking network in France has been involved in more than 1,300 formal or informal voluntary partnerships with various organisations. These relationships often take the form of offers of internships, apprenticeships or jobs to gain work experience. Many of these partnerships also serve to promote the sporting, cultural and artistic initiatives of young people, as well as local projects to help integrate them into the labour force, fight social exclusion and protect the environment.

**Projet Banlieues:** Through the Projet Banlieues, launched in December 2005, the BNP Paribas Foundation offers its support to ADIE (a non-profit association providing microcredit to the unemployed) to foster business development in disadvantaged neighbourhoods through several initiatives:

- job creation and business formation: in three years, this project has financed the opening of seven lending centres throughout France. 1,200 microcredit loans have been granted by these centres, enabling 850 new businesses to be formed.
- tutoring and coaching: in partnership with Afar, 1,200 school children have received help at six branches in disadvantaged neighbourhoods.
- support for community projects: the Foundation has provided help to 124 associations, including 41 in 2008. Ongoing initiatives relate to social inclusion via culture, education, training, as well as to sport, disabilities, and also recreation.

Initially scheduled for a term of three years, the partnership has been renewed until 2011.

**Consumer associations:** The Quality & Consumer Relations Department of the French Retail Banking division has set up partnerships with around ten consumer advocacy groups.

**Mediation of banking disputes:** BNP Paribas is one of the first and only financial institutions to have committed since 2003 to follow the recommendations and opinions of the Mediator in any and all cases. In 2007, before it was required to do so, BNP Paribas extended mediation of banking disputes to all products and services marketed to individuals.

The Chatel Act made this obligatory for all financial institutions only beginning in 2008. Up until then, only disputes involving deposit accounts, sales with premiums and bundled sales were subject to mandatory mediation under the 2001 economic and financial reform legislation (Murcef Act of 12 December 2001).

**Links with schools**

- The Group's very active 'campus management' policy, with over one hundred events organised at schools in 2008, maintained a substantial flow of applicants for pre-recruitment (internships, VIE, work-study) from nearly 64,000 candidates.

Under partnership agreements or as part of specific projects, groups of BNP Paribas branch offices maintain very close relationships with the associations and schools in their catchment areas. These partnerships are often much more than purely commercial relationships, offering financial, technical or even organisational support of projects undertaken by the partnerships.

- BNP Paribas has awarded one million euros in grants to some one hundred institutions in underprivileged urban areas as payment of the apprenticeship tax. This amount was used to purchase, hire and maintain teaching and professional equipment and facilities.

SA Mainland

## 26. Contribution to regional development and employment

The Group seeks to promote economic development in the territories where it is based by providing its clients with the financing to fuel their development. BNP Paribas plays a major role in financing entrepreneurs and new small businesses, which are the mainstay of the French economy. The latest barometer of corporate customer satisfaction measures perceived progress in the quality of follow-up and assistance provided by the business centres. Regional access to centres of expertise (Trade Centers; dealing rooms) is also very well received.

SA Mainland

BNP Paribas and the European Investment Bank (EIB) signed the first refinancing agreement for EUR 300 million in October 2008.

The signing of the first EIB loan to SMEs by BNP Paribas took place at the laboratory premises of Prodene Klint, an innovative small business client of the Group and the first enterprise to benefit from this loan. The EIB SME loan terms are simple and flexible, and enable European banks to finance all kinds of investments and expenditures, for tangible and intangible assets and working capital, needed for development by companies of fewer than 250 employees. Providing financing of this kind is proof of the Group's determination to do its utmost to cushion the effects of financial shocks to the real economy throughout Europe.

Outside France, BNP Paribas also contributes to the financing and development of the local economy through its local banking network.

The Group takes steps to ensure that local employees are promoted to positions of responsibility. The number of expatriate posts is intentionally restricted.

Group

### 27. Outsourcing and the Bank's policy with subcontractors: steps to ensure that subcontractors comply with International Labour Organization (ILO) standards

Since 2002, the majority of contracts negotiated and signed by ITP's purchasing department include clauses that require compliance with fundamental International Labour Organization (ILO) standards or with principles of labour law in the country where the agreement is signed, when those principles are stricter than ILO standards. For those contracts not yet covered, CSR clauses are being introduced progressively.

To promote transparency, the purchasing department has set up a dedicated suppliers' portal on the Group's website, which makes specific reference to sustainable development and compliance with ILO standards. For more information, go to <http://fournisseur.bnpparibas.com/deven.htm>.

CRBF Regulation 97-02 clauses are always included in subcontracting agreements signed by ITP's purchasing department.

Going against the grain of the widespread trend toward outsourcing of information technology functions, BNP Paribas has opted for a novel solution by forming a joint venture with IBM France to operate the Group's IT systems. This strategic alliance answers the call for controlling and reducing IT costs while preserving a centre of excellence with leading-edge technology in France. Thanks to this original partnership, BNP Paribas was able to stay in command of its technological capabilities while still ensuring a painless transition for the employees involved, since all were able to retain the individual and collective benefits associated with their previous status.

Group

### 28. Steps taken by the Bank to ensure that subsidiaries comply with ILO standards

The purchasing department performs, gathers and audits all the major outsourcing agreements entered into locally by Group entities worldwide. Based on the 2006-2007 audit, recommendations were made to the entities regarding necessary updates.

Group Compliance sent a notice to all Group entities reminding them of the rules that apply to subcontracting and the clauses that must be part of subcontracting agreements. The subsidiaries and entities are responsible for seeing to it that these directives are followed properly.

In addition to the management controls required by the Group's internal control system, internal audit and inspection teams are also responsible for ensuring compliance with these directives. In 2008 the Group's CSR audit methodology was overhauled: the reference documents and methodology guides were updated to take more systematic account of the problems and issues that Group entities encounter in France and other operating territories.

An ethics alert mechanism enables all employees to report any compliance risks they may come up against.

Group

### 29. Steps taken by foreign subsidiaries to address the impact of their business on regional development and local communities

All Group subsidiaries are part of a business line and must contribute to fulfilling its strategy, implementing its policies and exercising its social responsibility.

The levels of remuneration which BNP Paribas provides to its employees, particularly in emerging countries, and benefits such as health insurance and death/disability coverage, help raise the standard of living in the employees' families and communities.

The Group makes only limited use of expatriate staff, giving local staff the opportunity to take up managerial functions and other positions of responsibility.

Group

# NRE Appendices – Environmental chapter

NRE indicators - Environmental - Year 2008

Scope for 2008

## 1. Water consumption

The data gathered on water consumption in 2008 represented 41% of the staff concerned in mainland France. On this sample population, water consumption per NPP employee (see the definition of NPP in section 4 of the NRE Social appendix) was 17 cu.m.	France: IC Ile de France + branches
In other countries, water consumption statistics are compiled for less than 50% of the Group outside France. As examples, though, water consumption was 16 cu.m per NPP in Spain, 31 cu.m per NPP in the United States, and 42 cu.m per NPP in Italy and Morocco.	International: data from 10 countries

## 2. Raw material consumption

For a financial services group, paper is the main raw material consumed.	
Overall paper consumption in France, including paper rolls used at printing centres, envelopes and paper purchased by printers for BNP Paribas print jobs amounts to 9,580 tonnes. On this basis, paper consumption per employee comes to 157 kg per NPP.	France: IC + Subsidiaries + French Retail Banking network
In other countries, the waste paper collection process is being expanded and has become more reliable. For example, consumption per NPP is 145 kg in Italy, 101 kg in the United Kingdom and 70 kg in Turkey.	International: Italy, United Kingdom, Turkey
In France, across the entire branch network, measures to reduce paper consumption have been taken, such as: <ul style="list-style-type: none"> <li>• optimising printing: decreasing the number of pages, eliminating the printing of multiple standard copies, printing on both sides of the page;</li> <li>• expanding telemarketing and use of the internet in place of hardcopy mailings;</li> <li>• lengthening statement periods for certain printed statements;</li> <li>• offering a number of notices and statements in electronic form;</li> <li>• eliminating unneeded paper documents.</li> </ul> A project to optimise and pool printing activities was begun in 2008. Optimisation of printing activity is organised by groups of projects that involve employees from different Group entities.	France: French Retail Banking network
In France, consumption of products labelled as environmentally friendly in the catalogue of listed suppliers accounts for about 22% of the Group's purchases of office supplies.	France

## 3. Energy consumption

The Group's electricity consumption in France, excluding power from renewable energy sources, is 306 GWh, representing average consumption of 173 kWh per square metre.	France
A calculated average consumption figure for the Group's sites in the rest of the world is not relevant owing to the disparity of the situations, especially between northern and southern countries.	International: 21 countries

## 4. Measures taken to improve energy efficiency

See the CSR Report under <i>Impact on the natural environment</i>	
With the ITP organisation, which brings together the management of facilities, purchasing and information systems, the Group defines and implements a coordinated general environmental management policy.	France
In connection with ISO 14001 certification of the 1,350 branches in France fitting the <i>Accueil et Service</i> concept, an environmental analysis identified energy consumption as a significant environmental impact. A target of a 15% reduction in the branches' energy consumption was set for 2011. Two approaches have been defined to meet this objective. The first is to improve the installed equipment and control settings based on studies of the technical specifications recommended at the time of installation: optimise lighting; replace electrically heated air curtains with curtains of warm air supplied by the heat pump; standardise power ratings of air conditioning installations based on geographic location; analyse life cycles of building façade signage; manage exterior illumination of branch fronts by time of day, turning it off at night. The second approach is to go after energy efficiency at the branches, that is, to automate control of lighting, heating and air conditioning systems as a function of ambient temperatures inside and out.	France: 1,350 branches of the French Retail Banking network
At branch offices in France, energy management systems have been implemented across the entire network in a two-phase process. The first phase is mapping energy use at the site: assessing the state of the property, gathering historical consumption data and other property information. The second phase is performing a diagnostic examination of energy performance and an energy monitoring audit on the recommended actions. In 2008 a number of specialist firms in energy management were consulted and tested.	France: buildings in Ile de France
The parking facility of a shopping centre in Nantes renovated by Klépierre is now equipped with a photovoltaic solar power system. It produces power equivalent to the annual electricity consumption of 80 households. The shopping centre itself is equipped with about a hundred glass cones on the roof to admit more natural light and limit the need for artificial lighting.	France: Nantes
The NightWatchMan Program, introduced three years ago in London, enables an IT department to power up and power down work stations at a remote site at chosen times. Work stations are shut down in the evening after daily updates and turned back on in the morning before employees arrive. The objective is threefold: economise on energy, become more environment-friendly, and cut costs unobtrusively. This programme is currently being deployed in other territories such as Singapore, Brussels, Milan and Tokyo and in other BNP Paribas subsidiaries.	International: United Kingdom, Japan, Singapore, Italy, Belgium

## 5. Use of renewable energy sources

A portion of the Group's electricity in France is supplied by an operator who is contractually obliged to provide 15% of it from renewable energy sources.	France
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Internationally, some subsidiaries have taken the initiative locally to buy green power. For example, 20% of the electricity bought by Bank of the West in the United States is from renewable sources.

The first bank branch with self-sufficient photovoltaic solar power went into service in Rome in 2008.

Data on actual Group purchases of electricity in France, the United Kingdom and Italy has made it possible to analyse the market and the possibilities for expanding the use of renewable energy. Owing to the heterogeneity of power sources marketed as "green energy" and the current higher costs, the Group is not setting a global target for green power consumption at this time. The priority today is to reduce electricity consumption with an immediate impact on the environment.

United States, Italy,  
United Kingdom

#### 6. Land use

For each project, BNP Paribas Immobilier engages a specialised consulting firm to conduct a diagnostic review of the extent of soil contamination. A soil identification programme is defined, contamination studies are performed using tests and analyses, and a soil report is drawn up. BNP Paribas Immobilier relies on the diagnosis to carry out any clear of pollution work required to ensure that the soil meets all applicable regulatory standards.

In addition to these initiatives, the Group applies environmental housing certification provisions to numerous BNP Paribas Immobilier programmes. These entail containing pollution-related problems with a view to meeting the objectives required in terms of health, ecological balance and comfort of use.

BNP Paribas Real Estate Property Management, a subsidiary of BNP Paribas Immobilier, has issued an international charter, Ecoproperty Management®, with the objective of helping to combat global warming by reducing CO<sub>2</sub> emissions from buildings over the course of their service lives. Solutions are offered for existing buildings where consumption cannot be optimised by design. The Grands Moulins de Pantin renovation project has won HQE certification of its planning phase; it is one of the very first renovations to be so certified. The 30,000 sq.m. Haussmann-style building on rue Bergère in Paris has also received certification for its development and design phases. These two buildings are to be used by BNP Paribas.

Klépierre systematically assesses its environmental impact when building new shopping centres. This subsidiary has installed equipment such as distributed water meters in its shopping centres in order to improve management of water, energy and fluid consumption.

France

#### 7. Emissions into air, water and soil

Effluents into water and soil are not taken into account as they are not significant.

Ongoing indicators have been put in place to enable the Group to calculate its CO<sub>2</sub> emissions for the year 2008.

The available data do not permit this survey to be performed on the full scope of consolidation, but it has been extended to several sizeable territories outside France.

The data collected relate to electricity consumption, work-related travel by car, train and air, and in France, commuting between home and office. These data can be used to estimate emissions of CO<sub>2</sub> equivalent per employee:

- France: 2.59 tonnes of CO<sub>2</sub> equiv. per NPP
- Norway: 3.43 tonnes of CO<sub>2</sub> equiv. per NPP
- Italy: 4.58 tonnes of CO<sub>2</sub> equiv. per NPP
- United States: 5.72 tonnes of CO<sub>2</sub> equiv. per NPP
- Great Britain: 5.91 tonnes of CO<sub>2</sub> equiv. per NPP

The methods of calculation chosen take into account emissions generated by the production, transmission and consumption of energy. For electricity, the primary energy source used by the producer is taken into account. For air travel, the factors considered are fuel consumption, average load factors, the distinction between short-, medium- and long-haul flights, and which class in the passenger cabin was occupied. For travel by car, the methodology assesses emissions based on miles travelled, rated horsepower of the vehicle and type of fuel.

For France, commuter trips were estimated using three concentric circles, one for employees living in the city, a second for those living in near suburbs or just outside a provincial city, and a third for those living in an outer ring of suburbs or a rural area. Emissions generated by these trips were then estimated based on the type of transport used. The statistical margins of error of these estimates, not reflecting errors attributable to imperfect reliability or completeness of the data, are as follows:

- Electricity: 10%
- Travel by vehicle in km: 10%
- Travel from home to work: 20%
- Travel by air: 20%

France, United Kingdom,  
United States,  
Italy and Norway

#### 8. Noise and odour pollution

No complaints relating to noise or odour issues were filed against the Group in 2008.

BNP Paribas Immobilier always studies the environmental impact of its projects from the standpoint of noise and odours and engages in dialogue with occupants of the surrounding area.

Where technical equipment can be a source of noise pollution, the company selects models offering the best available acoustic performance. Specific testing is carried out following construction and, if required, additional measures are taken to comply with applicable noise regulations. The location of air intake and discharge vents is designed with regard to neighbouring buildings and dominant wind patterns. The construction methods and equipment used, as well as the management of construction waste, are specified so as to minimise the impact of construction work on the immediate environment.

Group

#### 9. Waste processing

In France, the system for collecting used toner and ink cartridges in association with Conibi, the industrial association of toner cartridge producers, is still in place. The quantity of cartridges collected rose in 2008 to 95,408.

France

**NRE indicators - Environmental - Year 2008****Scope for 2008**

Data collection outside France has increased in scope and become more reliable, but it remains below 50%. However, the collection rate on recycling of used toner and ink cartridges is 100% at some entities in the United States and the United Kingdom and 95% in Ukraine. International

In France, collection of paper and paperboard for recycling is also on the increase. In 2008, 98% of waste paper and paperboard collected was sent for recycling.

At offices in the Greater Paris area, the Corbeille Bleue company collects and sorts the office waste bins; paper waste is used for district heating or recycled to make packaging cartons and paper pulp.

Most of the Group's Paris head office buildings are now equipped with dual bins, for paper and all other waste, and a clause requiring separate collection has been included in cleaning company contracts. France: IC Ile de France

In other countries, waste paper collection is not yet being measured on a significant scope.

The aluminium sockets and the glass from fluorescent light bulbs used in most offices are recycled and the gas is reprocessed. International

In France, collection of Waste Electrical and Electronic Equipment (WEEE) at BNP Paribas SA is done in a way that provides measurements of these flows.

As part of the Greening IT programme, the Centre for Innovation and Technology (CIT) finalised the Second Life PC project in October 2008. This project is recycling more than 200 computers, complete with Windows XP licences, Microsoft Office software, and new keyboards and mice, by providing them to non-profit associations such as Emmaus, Restos du Coeur, Secours Catholique and ADIE.

The Asset Management and Services division has its used computers reconditioned by an association called Ateliers San Frontières.

Reconditioned computers of the division's entities in France are returned to it. Computers in working condition are sent to Romania or to countries in North Africa to meet local equipment needs. France

**10. Measures taken to avoid damaging the biological balance**

As part of its CO<sub>2</sub> survey, the Group identifies processes that could harm the environment – for example the use of refrigerants at its Paris head office buildings – in order to reduce their use.

Means for detecting the presence of asbestos in buildings are implemented as part of the asbestos action plan. Diagnostic reviews of materials are carried out before launching any renovation work in France. These reviews complement the technical recommendations drawn up previously and distributed to BNP Paribas sites. Air quality and water quality are measured on a regular basis.

In France, a survey to identify sites that could be equipped with photovoltaic panels or solar hot water heaters is in progress.

Two innovative air conditioning systems have been installed: an adiabatic air-cooled chiller, which combines the closed-tower technique down to 27° C with misting in humidification spaces thereafter, has been installed in Levallois, and a magnetic-lift centrifugal chiller has been installed in the Rue Bergère building in Paris. France

**11. Measures taken to ensure compliance with legal requirements**

BNP Paribas continuously strives to meet the highest standards of ethical behaviour, compliance, risk management and internal control. Within a changing banking environment characterised by increasing regulatory requirements, the global Group Compliance (CG) function, whose director reports directly to the Chief Executive Officer, has broad powers throughout the Group. Group Compliance distributes Group-level directives regarding permanent control and monitors the development of the mechanism in the Group's entities.

Guidelines have been drawn up to ensure that buildings are managed in accordance with technical regulations applicable in France.

Outside France, guidelines are drafted based on the most stringent regulations of countries in which BNP Paribas operates. These guidelines apply at all international sites. Before a company acquisition is made, a property audit of all new head office buildings is conducted.

Group Legal Affairs monitors changes in environmental laws and regulations. Clauses covering the corporate and environmental responsibility of suppliers are systematically included in service agreements.

In 2008 the Group's CSR audit methodology was overhauled: the reference documents and methodology guides were updated to take more systematic account of the problems and issues that Group entities encounter in France and other operating territories.

In 2008 the Group's Environmental and Social Responsibility organisation was put under the authority of a member of the Executive Committee, the Group's Managing Director in charge of Compliance and Internal Control Coordination. Group

**12. Steps taken towards environmental evaluation and certification**

BNP Paribas is present in the leading SRI benchmark indices: DJSI World, DJSI Stoxx, Aspi Eurozone, FTSE4Good Global 100 Index, FTSE4Good Europe 50 Index and FTSE4Good Environmental Leaders Europe 40.

Although the Group's inclusion in these indices represents neither an evaluation nor a certification, it nevertheless provides a positive indication of BNP Paribas' compliance with the requirements for corporate social and environmental responsibility.

As in previous years, the extra-financial part of the CSR has been reviewed by an external auditor with regard to the most significant themes and disclosures.

The retail banking network in France obtained ISO 14001 environmental certification for the Accueil et Services branch model. This is the first time that a network of banking branches in France has received such recognition for environmental excellence.

At BNP Paribas Immobilier Promotion Immobilier d'Entreprise in France, five projects in the programme phase and four projects in the design phase have received the High Environmental Quality label (HQE) issued by CERTIVEA and certified by AFNOR.

The HQE-certified Mermoz programme has also received certification under the Building Research Establishment Environmental Assessment Method Ltd. (BREEAM) in the United Kingdom.

At the time of the first Salon du Bâtiment Performant efficient ecobuilding trade show, BNP Paribas Immobilier Promotion Immobilier d'Entreprise received the Constructeo 1st prize trophy in the renovation category, awarded for office building performance. Group and France

## 13. Expenditures incurred to prevent environmental consequences of business activity

The Group's operations, which involve banking and financial services, have limited direct consequences on the environment.

The Group has since 2004 focused on ten principles for fulfilling its environmental responsibilities and taking preventive action. The cost of these cross-functional measures has not yet been specifically calculated.

Criteria for purchasing or leasing a building include its proximity to existing sites and to public transport.

To cut costs and improve efficiency, BNP Paribas is expanding its use of videoconferencing systems. Videoconferencing should be considered prior to making any trips. Videoconferencing equipment is being installed at the Group's main sites. Public transport is recommended for employees, and rail travel is favoured over air travel. Some Group entities have implemented a system of supplementary financial participation for employees who take public transport.

Group

The following measures apply to the fleet of 4,200 company vehicles managed by the Group in France: systematic choice of vehicles with good ratings in terms of CO<sub>2</sub> emissions; 95% of fleet vehicles equipped with diesel engines; almost all fleet vehicles classed in segments 1 or 2, with CO<sub>2</sub> emissions between 110 and 130 g/km; no petrol engines in segments 1 and 2; fleet management optimised by vehicle pooling and onboard GPS equipment to reduce overall energy consumption. Beginning in 2008, the automobile fleet manager offers hybrid petrol/electric vehicles with CO<sub>2</sub> emissions of 104 g/km or less.

France

## 14. Internal department for environmental management

The ITP organisation, formed in 2007, is in charge of assessing the Group's environmental impacts and taking steps to reduce them. This function is responsible for providing the entities throughout BNP Paribas with procedural, IT, property, purchasing, security and individual support services to help to improve the Group's operational efficiency. Following adoption of the Equator Principles in 2008, a dedicated team has been formed within CIB to write and distribute specific procedures for all covered transactions and provide training of project finance teams.

Group

## 15. Environmental training and information programmes for employees

All the Group's internal communications channels – its website, the Ambitions in-house newsletter, the monthly Sustainable development newsletter, as well as conventions and other company events – are used to promote social and environmental responsibility.

In December 2008 the Group launched the blog [www.forachangingworld.com](http://www.forachangingworld.com) for exchanges between all stakeholders, including employees, regarding the Group's commitments to public interest causes.

In 2008 several communication activities were conducted to inform, to develop awareness and to train employees. Examples include:

- Arval offers environmentally conscious driving training to employees in France and abroad who want it.
- Klépierre's Scandinavian subsidiary, Steen & Strom, established the CR Academy to train its employees in sustainable development. This virtual academy is an e-learning platform that offers three modules, one on each dimension of sustainable development: environmental, social and economic. 94% of the employees of the Klépierre group in Norway, Sweden and Denmark have participated in one of these modules.
- The Centre for Innovation and Technology launched an exchange platform to spread best practices in green technology in France and abroad. This forum, opened in November 2008, is helping to make BNP Paribas' IT systems more environment-friendly.
- In 2008 the Group launched a carpooling website for the nearly 33,000 employees in the Paris region. Within days after the launch, more than 1,000 people had signed up.
- In May 2008 BNP Paribas Canada participated in the Climate Challenge campaign to raise companies' awareness on climate change. A majority of employees in Montréal and Toronto mobilised for this event.

Group

## 16. Resources devoted to the reduction of environmental risks

BNP Paribas has a Carbon Finance team dedicated to researching and promoting market solutions for corporate clients wishing to fulfil their obligations to reduce greenhouse gas emissions in accordance with the Kyoto protocol and European Directives on CO<sub>2</sub> emission quotas. As a financial institution, BNP Paribas plays a role in facilitating the operation of markets of this kind and fostering their development.

BNP Paribas is a member of the French association Entreprises pour l'Environnement (EpE – companies for the environment) and participates in its working groups.

The Group entered into two new agreements to purchase Certified Emission Reductions (CERs), expanding its platform of international markets in the environmental domain. The Group funds two projects, in Mexico and India, within the scope of the Clean Development Mechanism (CDM). These investments are in addition to BNP Paribas' current CER portfolio.

BNP Paribas' Innovation and Technology Centre (CIT) within ITP has launched a Greening IT programme to limit the CO<sub>2</sub> emissions of its IT facilities. CIT carries out assessment and design projects that take into account technological advances such as the use of renewable energy sources.

BNP Paribas retains its leading position in the European market for trading greenhouse gas emission quotas, having increased its market share in 2008.

Group

## 17. Structure to deal with pollution incidents extending beyond the company

Any crisis situation is managed by an ad hoc committee composed of the Group's top executives. This committee takes the measures it deems most appropriate and informs the operating entities concerned. If the scale of the crisis warrants, information may be passed on to the entire Group, and there may be a call for solidarity. As part of the process of validating the operational risk model in 2008, in-depth work was done to define and strengthen the Business Continuity Plan, in particular in the event of pollution or accident.

Group

**18. Amount of provisions and guarantees covering environmental risks**

USD 3.4 million. The provision is for private litigation and is not intended to cover any penalties for non-compliance with regulations.

Group

**19. Amount of compensation paid following legal decisions relating to the environment**

The Group has not had any court rulings on environmental matters.

Group

**20. Environmental objectives set for foreign subsidiaries**

BNP Paribas' guiding principles, notably the Global Compact and the ten principles in the Group's environmental responsibility charter, apply to all employees regardless of the business entity or country in which they are employed. The businesses are responsible for implementing the Group's guiding principles throughout their reporting organisations, including subsidiaries, in all territories.

The General Inspection and Sustainable Development units have designed an audit methodology for corporate social and environmental responsibility to measure the Group's compliance with its environmental guidelines. In 2008 this methodology was completely overhauled: the reference documents and methodology guides were updated to take more systematic account of the problems and issues that Group entities encounter in France and other operating territories. The auditors have full access to information and can perform any type of audit with complete independence in any of the consolidated subsidiaries. Audit findings and results of inspection assignments are presented in an annual report sent to the Commission Bancaire in accordance with its requirements.

Group



# Review Report

by one of the statutory auditors on the process used by BNP Paribas group to compile social data and on selected sustainable development data and issues

PricewaterhouseCoopers Audit  
63, rue de Villiers  
92208 Neuilly-sur-Seine Cedex

Further to your request and in our capacity as Statutory Auditor of BNP Paribas, we have performed a review enabling us to express moderate assurance on the process used to compile social data, and on selected sustainable development data and issues relating to 2008, which are presented in the Group's CSR Report.

The procedures used to compile social data, as well as the selected sustainable development data and issues appearing in the CSR Report, were drawn up under the responsibility of BNP Paribas' Corporate Social and Environmental Responsibility Department. Our responsibility is to form a conclusion on the process used for compiling such data and on the selected sustainable development data and issues, based on our work.

## Nature and scope of our work

We performed the procedures described below to obtain moderate assurance as to whether the process for compiling social data and the selected sustainable development data and issues are free of material misstatement. A higher level of assurance would have required us to carry out more extensive work.

■ As regards the process for compiling social data, we reviewed the relevant organisational system, the appropriateness, reliability, objectivity and clarity of the procedures in place, and the dedicated reporting tools.

This work was performed on the basis of interviews and consistency tests:

- At head office with:
  - various representatives of the Group Human Resources (GHR) function in charge of social reporting;
  - the members of the Corporate Social and Environmental Responsibility Department
- At Group entities with the officers in charge of social reporting at:
  - BNP Paribas Frankfurt
  - BNL Rome
  - BMCI Casablanca.

■ As regards the selected sustainable development data and issues, we reviewed the consistency and substance of the issues described in the CSR Report and the organisational system in place, existing procedures, available documents and dedicated reporting tools.

This work was performed on the basis of interviews and consistency tests:

- For information on "Gender equality in the workplace" (pages 61 to 62 of the CSR Report), with:
  - the Head of Diversity within the Group HR function – Career development.
- For information on "A deeper commitment to microfinance" (pages 96 to 97 of the CSR Report), with:
  - the Head of Group Microfinance and the Project Coordinator.
- For information on "Micro financed business start-ups in partnership with Adie" (pages 98 to 99 of the CSR Report), with:
  - the Manager within the BNP Paribas Foundation.
- For information on "Financing renewable energy projects" (page 91 of the CSR Report), with:
  - the Business Manager of Energy & Commodities Structured Debt, Europe, Middle East & Africa.

This is a free translation into English of the review report by one of the Statutory Auditors issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.



- For information on “Preventing the impact of real estate operations” (page 87 of the CSR Report), with:
  - the Chief Operating Officer of Meunier Immobilier d’Entreprise and the Communications Director (France) of BNP Paribas Immobilier.
- For information on “Accueil et Services Branches receive ISO 14001 certification” (page 88 of the CSR Report), with:
  - the Quality and Customer Relations Manager of FRB.
- For the data on “Workforce evolution” and the “Group age pyramid” (pages 49 to 50 of the CSR Report), with:
  - the Social Reporting Manager within the Group HR function.

In performing our work, we were assisted by members of our teams specialised in sustainable development issues.

### Conclusion

Based on our review no material irregularities came to light causing us to believe that the process for compiling social data and the related reporting procedures, and the consistency of the selected sustainable development data and issues, do not comply with the Group’s reporting instructions for 2008.

Neuilly-sur-Seine, 11 May 2009

One of the Statutory Auditors  
PricewaterhouseCoopers Audit

Étienne Boris

Partner of the Sustainable Development  
Division of PricewaterhouseCoopers  
Advisory

Sylvain Lambert

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\* The NRE appendices, pages 155 to 164, mention elements of reporting under the French NRE Act.

\*\* MA : management approach defined in the guiding lines GRI G3 ; EC : Economy ; EN : Environment ; IP : Responsibility regarding products ;

LA : Employment, social relations and work; HR : Human Rights ; SO : Company.

\*\*\* UNEP Statement by Financial Institutions on the Environment and Sustainable Development.

# Glossary



<b>Accretion</b>	Reverse of dilution. Accretion is where a corporate action (share buyback or issue of shares in a smaller proportion than the increase in income following a merger or public tender offer, for example) leads to an increase in earnings per share.
<b>ADR (American Depositary Receipt)</b>	Negotiable certificates representing one or several shares. Their face value is stated in dollars and interest is also payable in dollars. ADRs allow American investors to buy shares in foreign-based companies that are not quoted on an American Stock Exchange.
<b>AMS</b>	Asset Management and Services.
<b>Arbitrage</b>	Activity that consists of attempting to profit by price differences on the same or similar financial assets. For example, in the case of a takeover bid, where the predator offers a price that exceeds the price at which the target's shares are trading.
<b>Attribution right</b>	The right to receive bonus shares issued in connection with a capital increase paid up by capitalising retained earnings. Attribution rights are quoted.
<b>Avoir fiscal</b>	Dividend tax credit available to individual shareholders resident in France on the dividends distributed by French companies. The purpose of the tax credit is to avoid double taxation of distributed earnings, in the hands of the company and the shareholder. The <i>avoir fiscal</i> granted to individual shareholders resident in France is equal to one-half of the net dividend. It is deductible from personal income tax. If the <i>avoir fiscal</i> cannot be set off against taxable income, it is refunded by the French Treasury.
<b>B2B or BtoB</b>	Business to Business: sales of products or services by one company to another.
<b>B2C or BtoC</b>	Business to Consumer: sales of products or services by a company to a consumer.
<b>B2E portal</b>	Intranet site for Group employees. The home page includes a browser, links to services and a wealth of information concerning the various functions within the Group, practical information for employees and career information.
<b>Back office</b>	Department responsible for all administrative processing.
<b>BNL bc</b>	BNL banca commerciale (formerly Banca Nazionale del Lavoro).
<b>Bond/Debenture</b>	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.

<b>Capital</b>	Amount of cash or assets contributed by shareholders, plus any profits, retained earnings or premiums transferred to the capital account. The capital may be increased or reduced during the life of the company.
<b>Capital increase</b>	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.
<b>Cash flow</b>	Cash generated by operations that can be used to finance investment without raising equity or debt capital.
<b>CECEI</b>	<i>Comité des Établissements de Crédit et des Entreprises d'Investissement</i> : Committee headed by the Governor of the Banque de France responsible for monitoring the proper operation of the French financial and banking system.
<b>CIB</b>	Corporate and Investment Banking, one of the BNP Paribas Group's core businesses.
<b>Comité Consultatif des Actionnaires</b>	Shareholder Consultation Committee. A group of individual shareholders selected to advise the company on its communications targeted at individual shareholders. The BNP Paribas <i>Comité Consultatif des Actionnaires</i> was set up in the first half of 2000, at the time of the merger.
<b>Consolidated net income</b>	Net income of the Group after deducting the portion of the profits of subsidiaries attributable to minority shareholders.
<b>Convertible bond</b>	Bond convertible into the issuer's shares on terms set at the time of issue..
<b>Corporate governance</b>	Series of principles and recommendations to be followed by the management of listed companies.
<b>Coupon</b>	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.
<b>Custody fee</b>	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.
<b>CVR (Contingent Value Rights Certificate)</b>	Financial instrument generally issued in connection with the acquisition of a listed company, guaranteeing the value of the underlying security at a pre-determined date. The CVR entitles the shareholder of the target to receive an amount equal to the positive difference between the offer price and a "reference" price.
<b>Derivatives</b>	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.
<b>Dilution</b>	Impact on the rights attached to a share of the issue of securities (in connection with a capital increase, a merger, a stock-for-stock tender offer or the exercise of rights), assuming that there is no change in the total income of the issuer.
<b>Dividend</b>	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.
<b>EONIA</b>	Euro OverNight Index Average.
<b>EUREX</b>	A derivatives market.

<b>EURIBOR (EUROpean InterBank Offered Rate)</b>	The most commonly used money-market rate in the eurozone.
<b>Euroclear</b>	Formerly Sicovam. Clearing house for securities transactions.
<b>Euronext SA</b>	Company that operates the Paris, Brussels and Amsterdam Stock Exchanges. Euronext SA establishes market rules, decides to accept or reject listing applications and manages all trading technologies.
<b>FCP (<i>Fonds Commun de Placement</i>)</b>	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.
<b>FRB</b>	French Retail Banking.
<b>Free cash flow</b>	Cash available after financing operations and investments, available to pay down debt.
<b>Free float</b>	The amount of capital which is not under the control of stable shareholders. In other words, capital that can be freely bought and sold and is therefore available to investors, excluding for example shares held by the State, or shares that are subject to shareholders' pacts and so on. On 1 December 2003, the stocks that make up the CAC 40 index became weighted according to their free floats, as opposed to their market capitalisations. This change was born out of a desire to be consistent with the major world market indexes which already function in this manner, and to ensure greater comparability between industries and shares. BNP Paribas has a free float of 95% – one of the highest on the Paris stock market.
<b>Gain/loss on securities</b>	Positive/negative difference between the sale price of a security and the purchase price.
<b>Goodwill</b>	Difference between the cost of shares and the Group's equity in the fair value of the underlying net assets.
<b>Hedge funds</b>	Funds that take both long and short positions, use leverage and derivatives and invest in many markets.
<b>IAS</b>	International Accounting Standards
<b>IFRS</b>	International Financial Reporting Standards.
<b>IFU (<i>Imprimé Fiscal Unique</i>)</b>	French tax return issued by a bank or broker, listing all the securities transactions carried out on behalf of the taxpayer and all the coupon payments made to the tax payer.
<b>Institutional investor</b>	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.
<b>Investment club</b>	A variable- or split-capital company, which enables its members to jointly manage a portfolio of marketable securities formed from an initial investment and/or regular capital contributions. Clubs benefit from a favourable regime in respect of capital gains tax. The FNACI (National Federation of Investment Clubs), which is located at 39, rue Cambon, 75001 Paris, provides on request all the information required for the launching and smooth running of these clubs.
<b>IRFS</b>	International Retail Banking and Financial Services. Abbreviation replaced by IRS in 2008.
<b>IRS</b>	International Retail Services. Abbreviation that replaces IRFS.

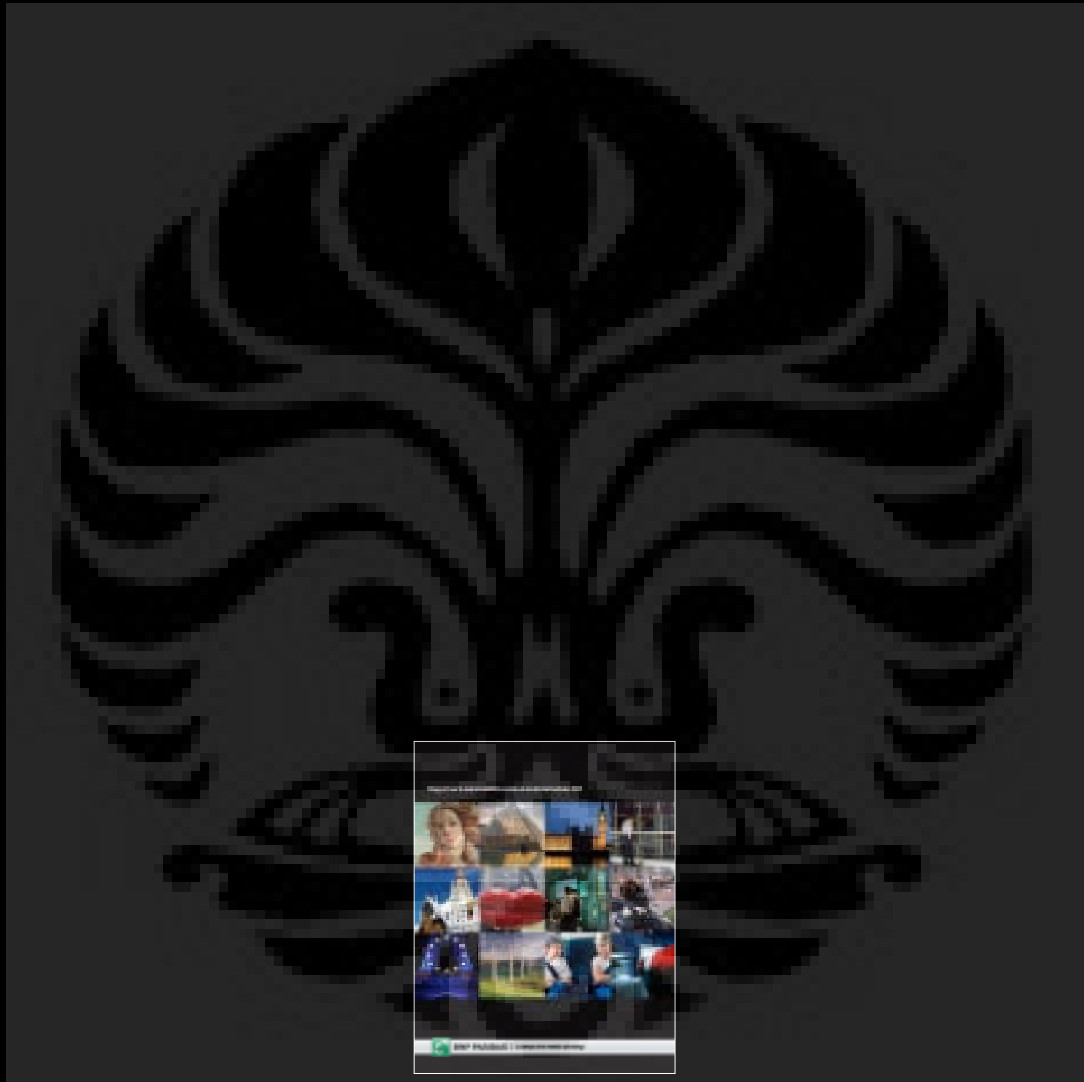
<b>ISIN code</b>	The new identification number for securities listed on the stock market. The ISIN code replaces the well-known Sicovam code which had since become the Euroclear code. On 30 June 2004, Euronext Paris put an end to its existing system for identifying securities and replaced it with a system that uses ISIN codes. Having already been adopted by a number of European stock markets including Amsterdam, Brussels, Lisbon and Frankfurt, the new system gives a unique identity to each share and therefore facilitates cross-border transactions between investors, primarily by improving harmonisation within Euronext. The ISIN code comprises 12 characters: 2 letters to indicate the issuing country (e.g., FR for France and US for the United States) and 10 figures. BNP Paribas's ISIN code is FR0000131104.
<b>LBO</b>	Leveraged Buy Out. Company acquisition financed primarily by debt. In practice, a holding company is set up to take on the debt used to finance the acquisition of the target. The interest payments due by the holding company are covered by ordinary or exceptional dividends received from the acquired target.
<b>LIFFE</b>	London International Financial Futures and Options Exchange.
<b>Liquidity</b>	Ratio between the volume of shares traded and the total number of shares in issue.
<b>LME</b>	London Metal Exchange.
<b>M &amp; A</b>	Mergers & Acquisitions.
<b>Market capitalisation</b>	Value attributed to a company by the stock market. Market capitalisation corresponds to the share price multiplied by the number of shares outstanding.
<b>Market-maker/ Market-making contracts</b>	Market-makers commit to maintaining firm bid and offer prices in a given security by standing ready to buy round lots at publicly-quoted prices. Market-making contracts generally concern mid-cap stocks and are intended to enhance the stocks' liquidity. In France, market-making contracts (contrats d'animation) are entered into between Euronext, the issuer and a securities dealer.
<b>Microfinance Institution (MFI)</b>	A Microfinance Institution is an entity that proposes financial services (savings, micro-credit, micro insurance, fund transfers) to people without or with limited access to the formal financial sector.
<b>Microfinance Investment Vehicle (MIV)</b>	Microfinance Investment Vehicles are private investment funds that invest primarily in microfinance. MIVs provide capital to Microfinance Institutions (MFIs) as well as to non-specialised financial intermediaries for investment in microfinance projects. MIVs play an increasingly important financial intermediation role between foreign investors and microfinance institutions.
<b>MONEP (Marché d'Options Négociables de Paris)</b>	Paris traded options market, including CAC 40 index options and equity options.
<b>OAT (Obligation Assimilable du Trésor)</b>	French government bonds.
<b>OCEANE (Obligation Convertible En Actions Nouvelles ou Existantes)</b>	Bond convertible for new shares or exchangeable for existing shares of the issuer.
<b>OPA (Offre Publique d'Achat)</b>	French acronym for a public tender offer for cash.
<b>OPE (Offre Publique d'Échange)</b>	French acronym for a public stock-for-stock tender offer.
<b>OPF (Offre à Prix Fixe)</b>	French acronym for a public offering of securities at a set price.
<b>OPR (Offre Publique de Retrait)</b>	French acronym for a compulsory buyout offer (final stage in a squeeze-out).

<b>OPRA (<i>Offre Publique de Rachat d'Actions</i>)</b>	French acronym for an offer to buy out the minority shareholders of a company that is already largely controlled (first stage in a squeeze-out).
<b>Option</b>	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.
<b>OPV (<i>Offre Publique de Vente</i>)</b>	French acronym for a public offering of securities at a set price.
<b>ORA (<i>Obligation Remboursable en Actions</i>)</b>	French acronym for equity notes, representing bonds redeemable for shares.
<b>P/E</b>	Price/Earnings ratio. Ratio between the share price and earnings per share. The P/E serves to determine the multiple of earnings per share represented by the share price.
<b>Par value</b>	The par value of a share is the portion of capital represented by the share.
<b>PEA (<i>Plan d'Épargne en Actions</i>)</b>	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.
<b>PEE (<i>Plan d'Épargne Entreprise</i>)</b>	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.
<b>Pre-emptive subscription rights</b>	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.
<b>Preference shares</b>	Preference shares are shares that pay dividends at a specified rate and have a preference over ordinary shares in the payment of dividends and the liquidation of assets. They do not carry voting rights.
<b>Price guarantee</b>	When a company acquires control of a listed target, it is required to offer the target's minority shareholders the opportunity to sell their shares at the same price as that received by the sellers of the controlling interest. The offer must remain open for at least fifteen trading days.
<b>Primary market</b>	Market where newly-issued securities are bought and sold.
<b>Prime brokerage</b>	Activity consisting of providing a wide range of services to hedge funds, including financing, securities settlement/delivery, custody, securities lending/borrowing, etc.
<b>Public tender offer</b>	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".
<b>Quorum</b>	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".

<b>Quotation</b>	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.
<b>Rating/rating agencies</b>	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.
<b>Report</b>	On the Euronext Paris market, transaction allowing an investor to carry forward a buy or sell position from one deferred settlement date to the next.
<b>Retail Banking</b>	Comprising French Retail Banking, BNL bc, BancWest, Emerging Markets, Personal Finance and Equipment Solutions.
<b>ROE</b>	Return on Equity. Ratio between consolidated net income and consolidated shareholders' equity.
<b>Secondary market</b>	Market where securities are bought and sold subsequent to their issue.
<b>Settlement</b>	Monthly date when transactions with deferred settlement ( <i>Service de Règlement Différé</i> ) are unwound (or extended). This date corresponds to the fifth trading day before the last trading day in the month.
<b>Share</b>	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".
<b>SICAV (<i>Société d'Investissement à Capital Variable</i>)</b>	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.
<b>SICOVAM (<i>Société Interprofessionnelle pour la Compensation des Valeurs Mobilières</i>)</b>	Now renamed Euroclear France. Organisation responsible for clearing securities trades, centralising all stock market transactions and facilitating the transfer of securities between member institutions.
<b>Solvency ratio</b>	Measure of a company's ability to meet its medium- and long- term obligations.
<b>SPVT (<i>Spécialiste en Pension des Valeurs du Trésor</i>)</b>	Primary dealer in French government bond repos.
<b>SRD (<i>Service de Règlement Différé</i>)</b>	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).
<b>Subordinated debt</b>	A debt whose repayment is contingent on the prior repayment of all other secured or unsecured creditors. In exchange for the additional risk, subordinated creditors receive a higher interest rate than other creditors.
<b>Subscription right</b>	Right to participate in a share issue for cash.
<b>TBB (<i>Taux de Base Bancaire</i>)</b>	Interest base rate.



<b>TMO (Taux Mensuel de Rendement des Emprunts Obligataires)</b>	Interest rate corresponding to the monthly bond yield.
<b>TPI (<i>Titre au Porteur Identifiable</i>)</b>	Procedure allowing issuers to obtain information about the identity of holders of bearer shares from Euroclear.
<b>Trade Centre</b>	Specialised sales force set up by BNP Paribas to partner its corporate customers' international development. The Trade Centres offer importers and exporters a wide range of customised services based on the "one-stop-shopping" principle.
<b>Treasury shares</b>	Shares held by the issuer. Treasury shares are stripped of voting and dividend rights and are not taken into account in the calculation of earnings per share.
<b>TSDI (<i>Titre Subordonné à Durée Indéterminée</i>)</b>	French acronym for perpetual subordinated notes.
<b>TSR</b>	Total Shareholder Return: corresponding to return on the capital invested by shareholders, including dividends and unrealised gains on the shares.
<b>UCITS</b>	Undertaking for Collective Investment in Transferable Securities. Term covering unit trusts and variable capital investment companies.
<b>Voting right</b>	Right of a shareholder to vote in person or by proxy at General Meetings.
<b>Warrant</b>	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.
<b>Work flow</b>	Process automation technology allowing the sequential transmission of digital documents and files to the various people responsible for processing the data.
<b>Yield</b>	Indicator of the return on an investment, expressed in percent. For shares, the yield corresponds to the ratio between the last dividend paid and the last share price.



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Brand, Communications and Quality - BNP Paribas

Advisory, Creation and Production



Photographers

Pascal Dolémieux – Grégoire Korganow – Gilles Leimdorfer – Jean-Erick Pasquier – Stéphanie Tétu

Photo credits

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

Tel: +33 1 40 14 45 46

RCS Paris 662 042 449

Société anonyme (Public Limited Company) with capital of EUR 2,198,641,552

SHAREHOLDERS RELATIONS Tel. : +33 1 42 98 21 61 / +33 1 40 14 63 58

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

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| The bank for a changing world

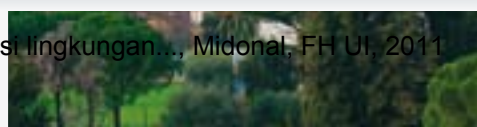


# REPORT ON ENVIRONMENTAL AND SOCIAL RESPONSIBILITY 2009



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

Konservasi lingkungan..., Midonal, FH UI, 2011



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# MESSAGE FROM THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER



During the crisis, BNP Paribas' efforts to continue financing the economy were exemplary. We fully complied with our commitments to the French government in 2009 and we put our capital, resources and staff to work in financing the real economy. We also set an example by complying strictly with the new recommendations adopted by the G20 as regards tax havens and the remuneration of capital market operators.

While learning the lessons of the crisis, we maintained our long-standing commitment to social and environmental responsibility. More than ever, we believe that this responsibility, in all of its aspects, is crucial in maintaining our reputation, our attractiveness and the trust placed in us over the long term. We have therefore increased the resources dedicated to implementing our policies in this area. This report sets out our approach to corporate social responsibility and the main initiatives we undertook in 2009 in favour of a more sustainable development.

BNP Paribas' social and environmental responsibility has always been based on our economic responsibility. The importance of this connection was demonstrated more clearly than ever during the recent crisis, which has given rise to a strong expectation that banks should act in a socially useful, compliant and ethical manner.

In these demanding circumstances, BNP Paribas was able to maintain its socially and environmentally responsible approach, which is one of the key factors behind our employees' commitment to the group, as the latest

survey in 2009 confirmed. Several of our initiatives have been certified by independent organisations. On social issues, we have obtained the French diversity label, and on our environmental commitments our "Accueil & Services" branch programme has received ISO 14001 certification.

Despite serious pressure on the banking sector as a whole, BNP Paribas' robust model and values have resulted in positive ratings from the main CSR agencies, as well as our inclusion in all leading CSR indexes.

*T. Pélissier* *CEO*

# GROUP PRESENTATION



# History

---

## 1966

### Creation of BNP

The merger of BNCI and CNEP to form BNP represented the largest restructuring operation in the French banking sector since the end of the Second World War.

## 1968

### Creation of Compagnie Financière de Paris et des Pays-Bas

## 1982

### Nationalisation of BNP and Compagnie Financière de Paris et des Pays-Bas at the time of the nationalisation of all French banks

In the 1980s, deregulation of the banking sector and the growing tendency of borrowers to raise funds directly on the financial market transformed the banking business in France and worldwide.

## 1987

### Privatisation of Compagnie Financière de Paribas

With 3.8 million individual shareholders, Compagnie Financière de Paribas had more shareholders than any other company in the world. Compagnie Financière de Paribas owned 48% of the capital of Compagnie Bancaire.

## 1993

### Privatisation of BNP

BNP's return to the private sector represented a new start. During the 1990s, new banking products and services were launched and financial market activities were developed. At the same time, the Bank expanded its presence in France and internationally, and prepared to reap the full benefits of the introduction of the euro. Privatisation also significantly boosted the Bank's profitability – in 1998, it led the French banking industry in terms of return on equity.

## 1998

### Creation of Paribas

On 12 May 1998, the merger between Compagnie Financière de Paribas, Banque Paribas and Compagnie Bancaire was approved.

## 1999

### A momentous year for the Group

Following an unprecedented double tender offer and a stock market battle waged over six months, BNP was in position to carry out a merger of equals with Paribas. For both groups, this was the most important event since their privatisation. It gave rise to a new Group with tremendous prospects. At a time of economic globalisation, the merger created a leading player in the European banking sector, poised to compete on a global scale.

## 2000

### Creation of BNP Paribas

BNP and Paribas merged on 23 May 2000. Drawing on its strong banking and financial services heritage, the new Group's objectives are to create value for shareholders, clients and employees by building the bank of the future and becoming a leading global player.

## 2006

### Acquisition of BNL in Italy

BNP Paribas acquired BNL, Italy's 6th-largest bank. This acquisition transformed BNP Paribas, providing it with access to a second domestic market in Europe. In both Italy and France, all of the Group's businesses can now develop their activities by leveraging a nationwide banking network.

## 2009

### Merger with the Fortis group

BNP Paribas took control of Fortis Bank and BGL (Banque Générale du Luxembourg), thereby creating a European leader in retail banking, with four domestic markets.



# Presentation of our activities and business lines

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BNP Paribas, Europe's leading provider of banking and financial services, has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg.

It is present in over 80 countries and has more than 200,000 employees, including 160,000 in Europe.

BNP Paribas holds key positions in its three activities:

- **RETAIL BANKING**, which includes the following operating entities:
  - French Retail Banking (FRB);
  - BNL banca commerciale (BNL bc), Italian Retail Banking;
  - BNP Paribas Fortis;
  - BGL BNP Paribas;
  - BancWest;
  - Europe Mediterranean;
  - Personal Finance;
  - Equipment Solutions;
- **CORPORATE AND INVESTMENT BANKING (CIB)**
- **INVESTMENT SOLUTIONS**

The acquisition of Fortis Bank and BGL has strengthened the Retail Banking businesses in Belgium and Luxembourg, as well as Investment Solutions and Corporate and Investment Banking.

BNP Paribas SA is the parent company of the BNP Paribas Group.

# RETAIL BANKING

Over **7,000** branches including **5,000** outside France, to serve the real economy/ A powerful growth driver for the Group/**21 million** individual clients/**200,000** corporate clients/**271** Business Centres and **90** Trade Centres

## French Retail Banking

- **32,700** employees
- **7.2 million** clients
- Record performance in 2009, with **145,000** net new accounts openings
- Continued expansion of multi-channel banking
- Sharp growth in cross-selling with other BNP Paribas businesses

### Individual clients

- **2,250** branches and **5,400** ATMs
- **224** Private Banking Centres across France

### Corporate clients

**27** Business Centres with a wide range of services, including:

- Experts linked through a global Trade Centre network
- **7** Regional Trading Rooms
- Structured Finance
- Corporate Finance
- Cash Management
- Corporate Support Service

### Specialised subsidiaries

- Banque de Bretagne
- BNP Paribas Factor
- BNP Paribas Développement
- Protection 24

### Awards

- 2009 Best Services Award (*le Revenu*)
- Excellence Award (*Dossiers de l'Épargne* 2010) for the Bank's Bienvenue and Esprit Libre products
- **15%** market share in the Île-de-France region (*BNP Paribas French Retail Banking marketing research*)
- Strong presence in the individual client segment (*IPSOS*)
- A top-tier bank in the corporate market
- **1st** private bank for the fifth time (*Euromoney* 2010)
- **Best** Cash Management Bank in Southern Europe (*Treasury Management International, January 2009*)

## BNL bc

### Italian Retail Banking

- **14,400** employees
- Robust sales growth in 2009 with **60,800** net new accounts openings
- An innovative spirit

### Individual clients

- **810** branches and over **1,800** ATMs across Italy
- **29** Private Banking Centres
- **2.6 million** individual and small business clients

### Corporate clients

- **27,000** corporate clients
- **16,000** local government clients

- **52** corporate and local government centres
- **20** Regional Business Centres
- **5** Trade Centres

### Specialised subsidiaries

- Ifitalia
- Artigiancassa
- BNL Finance

### Awards

- Italy's **6th**-largest bank by total assets
- Global Italian bank with **5** Trade Centres in Italy and **11** "Italian offices" abroad
- **Leading** Bookrunner and Mandated Lead Arranger for mid-caps

## BNP Paribas Fortis

- **33,900** employees (including **9,300** in Retail & Private Banking Belgium)

### Individual clients

- **1,338** BNP Paribas Fortis and Fintro branches
- Around **3,900** ATMs
- **35** Private Banking Centres and **2** Wealth Management Centres
- **3.6 million** individual clients (one-third of the Belgian population)
- **1.7 million** users of internet banking
- Corporate clients
- Over **35,000**

### Corporate clients

- **22** Business Centres in Belgium

### Awards

- **1st** retail bank in terms of clients and deposits in Belgium
- **1st** private bank in terms of clients and deposits in Belgium
- Market **leader** for middle and large corporates' financial services

# BGL BNP Paribas

- Luxembourg Retail Banking
- **4,000** employees
  - Biggest banking employer in Luxembourg
  - **37** branches
  - **300,000** clients

## Awards

- **1st** private bank in Luxembourg (*Euromoney 2010*)
- **1st** bank in terms of deposits in Luxembourg
- **1st** bank for SMEs and **2nd-leading** bank for individual clients residing in Luxembourg

# BancWest

- Two US retail banks: Bank of the West and First Hawaiian Bank
- **11,200** employees
  - **750** branches in **20** states
  - **1,041** ATMs
  - **2.2** million clients

## Awards

- **7th-largest** bank in Western America in terms of deposits
- California's **2nd-largest** trading bank

# Europe Mediterranean

- Retail banking operating in **25** countries around the Mediterranean and in Central and Eastern Europe
- **34,000** employees
  - **2,300** branches
  - **3,500** ATMs
  - **6.2 million** individual, professional,

## Awards

- BNP Paribas is the only international bank with branches in all **5** North African countries: Morocco, Algeria, Tunisia, Libya, and Egypt
- UkrSibbank was named Ukraine's "Bank of the Year" in 2010 by *Global Finance*, for the fourth year in a row
- BMCI was given a short-term credit rating of F1+ and a long-term credit rating of AAA by Fitch
- TEB was named the most transparent bank in Turkey by Sabanci University

# Equipment Solutions

- Equipment financing for professionals through a range of rental options tailored to the markets for specific assets, as well as fleet outsourcing services
- **6,300** employees in **40** countries
  - BNP Paribas Lease Group, Arval, and Arius

## Awards

### Arval

- Operations in **22** countries
- **1st** provider of long-term leases with related services in France and Italy, and **2nd-largest** in Europe (*sources: SNLVLD for France, ANIASA for Italy, and Arval for Europe*)

### BNP Paribas Lease Group

- **1st** leasing company in Europe (excluding real estate) (*Leaseurope*)
- **Best** Service from an asset based finance provider in UK (*Business Money Facts Awards 2010*)

# BNP Paribas Personal Finance

- Loans activities for individual clients (consumer credit and home loans)
- Nearly **28,000** employees in over **30** countries
  - Around **115 billion** euros of outstanding loans

## Awards

- **1st** provider of consumer loans in France and Europe (*2009 independent benchmark*)
- **1st** bank for online loans in Europe

# CORPORATE & INVESTMENT BANKING

A global leader and major player in Europe / A top bank for derivatives and financing solutions / A trusted partner for clients around the world, with **16,000** employees in **53** countries

## Financing Solutions

## Capital Markets and Derivatives

## Advisory

## Leading positions in its businesses:

### Financing Solutions

- **1st** global mandated lead arranger for Export Credit Agency (ECA) backed trade finance loans (*Dealogic 2009*)
- **1st** bookrunner and mandated lead arranger of Europe Middle East Africa syndicated loans by volume and number of deals (*Dealogic 2009*)
- **1st** EMEA bookrunner and mandated lead arranger in acquisition/demerger Finance (*Dealogic 2009*)
- **3rd** Global mandated lead arranger in Project Finance (*Project Finance International 2009*)
- “**Gold** Award for Excellence in Renewable Energy” (*Energy Business 2009*)

### Capital Markets and Derivatives

- **1st** bookrunner for eurodenominated bond issues and Top 10 bookrunner for global bond issues (*Thomson Reuters 2009*)
- “Euro Bond House and Swiss Franc Bond House of the Year” (*IFR 2009*)
- **2nd-largest** bookrunner for all European “equitylinked” ECM issues, and **No. 9** bookrunner for all European ECM issues (*Dealogic 2009*)
- “Europe Middle East Africa Equity Issue of the Year: 4.43 billion euros HeidelbergCement Equity Offering” (*IFR 2009*)
- “Most Innovative in Risk Management and Most Innovative in Interest Rate Derivatives” (*The Banker 2009*)
- “Derivatives House of the Year and Structured Products House of the Year, Asia” (*The Asset 2009*)

### Advisory

- **1st** bank in France for M&A advisory services (*Acquisitions Monthly 2009*)
- **No. 10** in Europe for M&A advisory services, closed deals (*Thomson Reuters, Dealogic 2009*)

# INVESTMENT SOLUTIONS

A unique range of integrated investment solutions for institutional, corporate, and retail investors / Assets under management: **820 billion** euros / Assets in custody: **4,021 billion** euros / An expansive global reach / **30,000** employees in **61** countries

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BNP Paribas  
Investment Partners

BNP Paribas  
Assurance

BNP Paribas Wealth  
Management

BNP Paribas  
Personal Investors

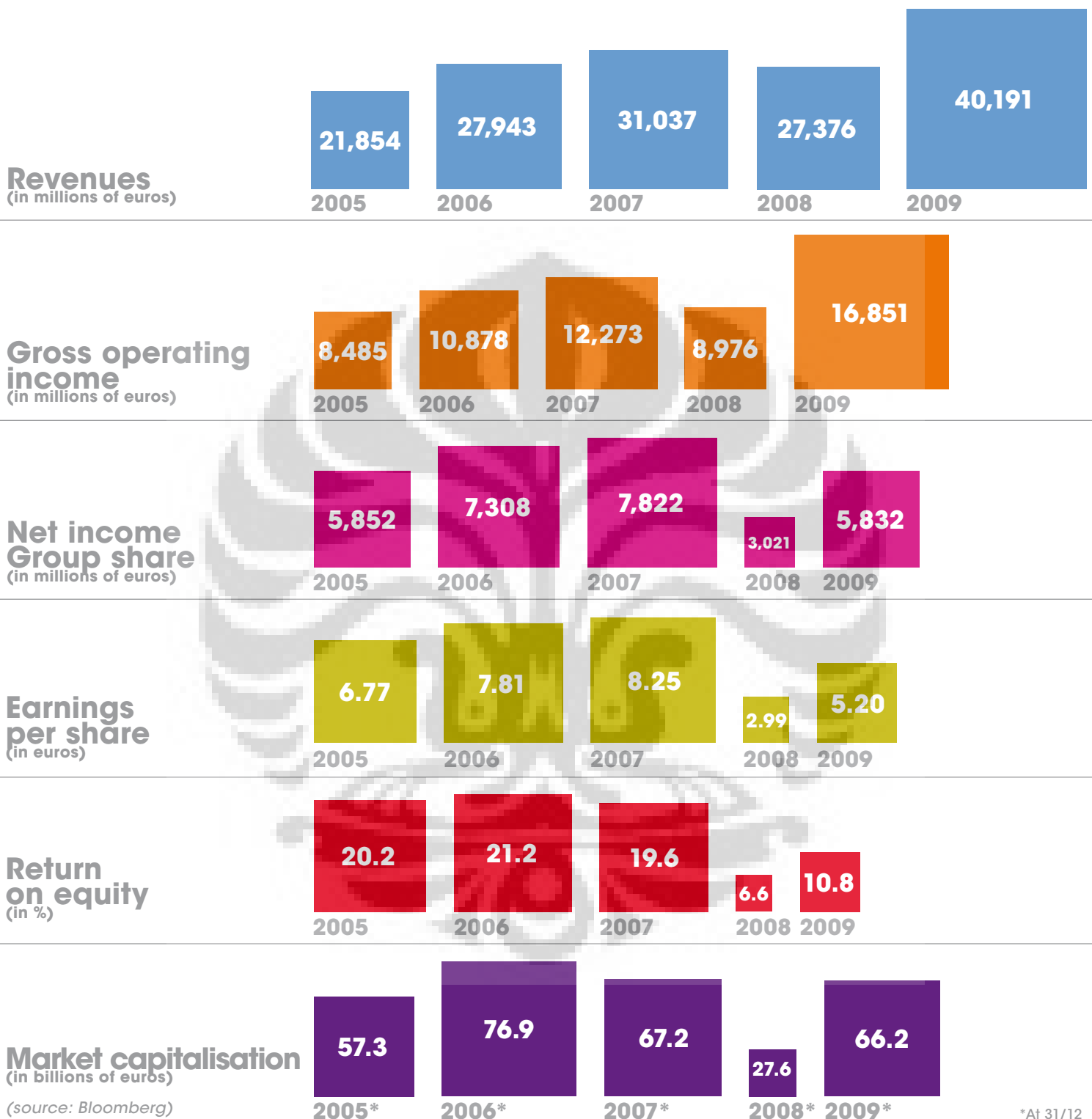
BNP Paribas  
Securities Services

BNP Paribas  
Real Estate

## Leading positions in its six businesses:

- **BNP Paribas Investment Partners** (asset management): Europe's **5th-largest** asset manager (in terms of assets under management)
  - **BNP Paribas Assurance** (insurance): France's **4th-largest** life insurer (*FFSA*) and the global leader in payment protection insurance
  - **BNP Paribas Wealth Management** (private banking): **1st** private bank in the eurozone, **6th**-leading worldwide (*Euromoney 2010*)
  - **BNP Paribas Personal Investors** (online savings and brokerage services): Europe's **leading** online savings and brokerage service for retail investors (*company data*)
  - **BNP Paribas Securities Services**: **1st** securities services provider in Europe, **5th**-leading worldwide (*Global Custodian 2009*)
  - **BNP Paribas Real Estate**: **Top** provider of commercial real estate services in continental Europe (*Property Week, June 2009*)
-

# Key figures



## LONG TERM CREDIT RATINGS

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

# THE GROUP'S APPROACH TO CORPORATE SOCIAL RESPONSIBILITY



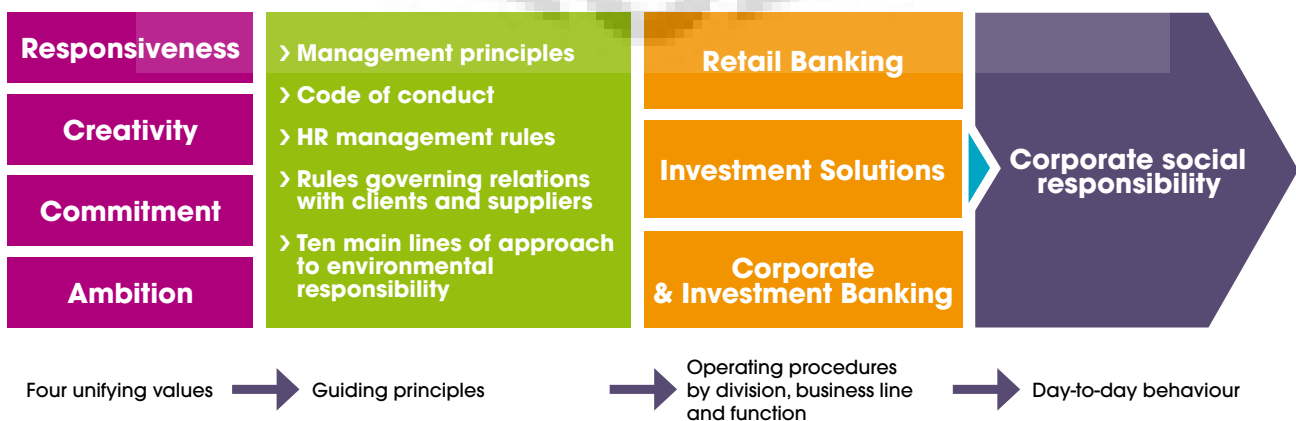
# THE GROUP'S APPROACH



## Responsibility based on core values and guiding principles

BNP Paribas does not take its approach to sustainable development lightly. The Group's economic, social, and environmental responsibilities are an integral part of its business ethic and are rooted in its founding values: **responsiveness**,

**creativity, commitment**, and **ambition**. These values unite individual actions into a cohesive Group-wide approach.





# BNP Paribas, a strong commitment to sustainable development

BNP Paribas bases its sustainable development efforts on targeted, consistent public commitments. In 2009, it actively pursued its participation in numerous initiatives, some of which are specific to the banking sector and others of which are more far-reaching. This allowed the Group to promote sustainable development in a range of areas and at different levels.

## Global initiatives

BNP Paribas has been a member of the United Nations Global Compact since 2003. The Compact's ten principles are embedded in the Group's policies and guide all operating decisions. As in previous years, the Group published a Communication on Progress (COP) report in 2009, presenting its ISO 14001 certification for the new Accueil & Services branch model.

BNP Paribas contributes to the work of ORSE (the French research centre for corporate social responsibility), EDH (a coalition of French companies committed to implementing the Universal Declaration of Human Rights), and EpE (a coalition of forty French companies united by a commitment to the environment and sustainable development).

For several years now, the Group has also chaired meetings of the sustainable development club within ANVIE, the French association for interdisciplinary research in humanities and social sciences in the business sector.

BNP Paribas won the 2009 Alpha award for Best Diversity Report in the gender equality category. The jury of CSR specialists judged that the 2008 Report fully met the criterion of good quality of information provided to stakeholders on managing diversity.

## Finance sector initiatives

In 2008 BNP Paribas formally adopted the Equator Principles for its project financing activities. These Principles constitute a benchmark for the finance sector to identify, assess, and manage the social and environmental risks related to project financing activities. They are based on the social and environmental performance criteria established by the World Bank and the International Finance Corporation. BNP Paribas also became a member of the Equator Principles Steering Committee in 2009. In association with the Institutional Investors Group on Climate Change (IIGCC) and the Carbon Disclosure Project,

BNP Paribas Asset Management (BNP PAM) encourages companies to consider climate change issues in their investment decisions. BNP PAM is one of the founding members of the Enhanced Analytics Initiative (EAI) through which it allocates 5% of its brokerage commissions to developing extra-financial research. BNP Paribas is involved in the UK's Business in the Community (BITC) organisation, which brings together more than 700 companies that promote responsible corporate behaviour within society.

The Group's commitment is evident through its involvement in initiatives that expand the reach of its main activities. At an international level, BNP Paribas Investment Partners signed the Principles for Responsible Investment (PRI), launched under the auspices of UNEP Finance. These Principles help companies incorporate environmental, social, and corporate governance issues into their investment decision-making processes.

## BNP PARIBAS' PUBLIC COMMITMENTS



# Combining CSR and economic performance

## An act of management

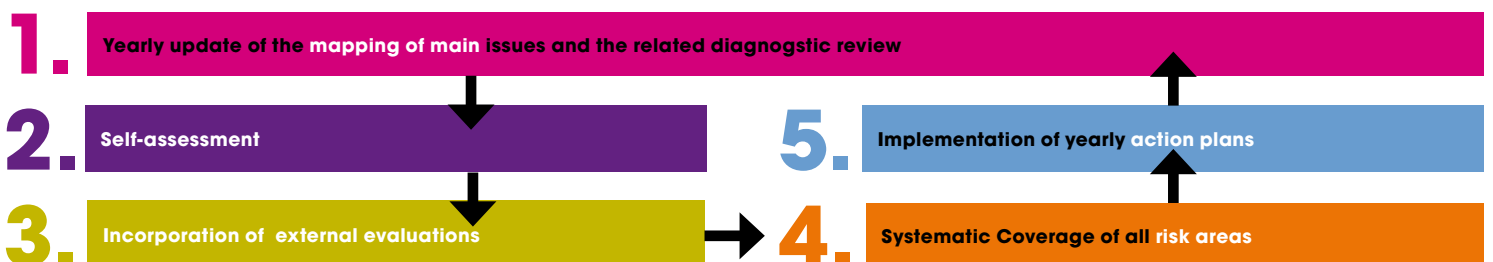
BNP Paribas does not consider corporate social responsibility (CSR) as a simple act of altruism, but rather as an act of management that helps ensure that a company, its employees and its environment are in line with its economic, social and environmen-

tal values. The Group places a great deal of emphasis on CSR, with each business assuming responsibility for any potential impacts its operations may have on its stakeholders or the environment.



BNP Paribas systematically maps all issues involving the social and environmental impacts of the Group's business activities on all its stakeholders. It then carries out a diagnostic review, incorporating the results of self-assessments performed by each entity, ratings from the extra-financial rating agencies,

and input from other stakeholders. The Group's CSR policy is then put into practice through the implementation of action plans at each division, business unit, territory, and function. Any new initiative is approved by the Executive Committee.

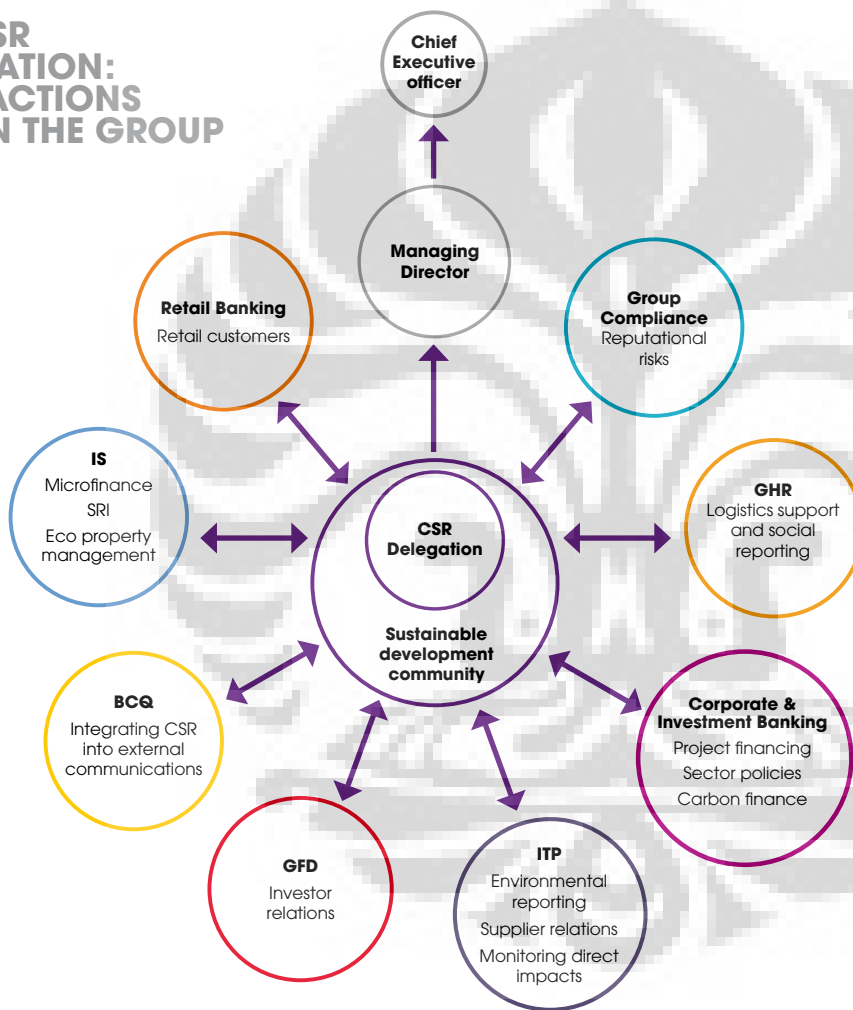


## A Group-wide mission

All of BNP Paribas' business units, which operate in more than 80 countries around the world, play a role in the Group's approach. A Group-wide Corporate Social and Environmental Delegation oversees implementation

of the overall policy. The Delegation maintains a direct link with managers throughout the Group and coordinates a network of over 200 experts from all divisions, business units, territories, and functions.

## THE CSR DELEGATION: INTERACTIONS WITHIN THE GROUP



## The CSR approach at CIB

CIB has its own structure for implementing a wide scale CSR policy. CIB's CSR team is a centre of cross-functional skills in all environmental and social issues and makes its expertise available to clients and employees. It helps ensure that the Equator Principles are applied and develops sector policies for sensi-

tive industries in conjunction with CIB management and the business lines involved.

It also aims to introduce a widespread environmental and social screening process in its methods of assessing transactions and clients.



BNP Paribas/London

## Internal controls

The Group has an elaborate internal control system whose various components contribute to the application of its CSR policy. These components include first-level controls by operational staff and their managers, as well as regular audits.

In 2004 the Internal Audit Department and the Corporate Social and Environmental Delegation introduced an audit methodology designed to ensure that all BNP Paribas entities apply directives in accordance with the Group's internal control system. Several

controls were put in place to ensure that all components of the Group's CSR policy are applied.

This methodology was completely revamped in 2008 with updated reference documents and guides, and a more systematic treatment of the issues and challenges facing the Group's entities in France and the territories.

### THE INTERNAL CONTROL MECHANISM



BNP Paribas/Lyon

## Recognition by SRI rating agencies

**BNP Paribas is included in all the main sustainability indices: DJSI World, DJSI Stoxx, ASPI Eurozone, FTSE4Good Global 100, FTSE4Good Europe 50, and Ethibel. It is one of only a handful of banks worldwide to feature in all these indices.**

### SAM

2009 marked the eighth year in a row in which BNP Paribas was included in both the Dow Jones sustainability indices: the DJSI World and DJSI Stoxx. In 2009, it was the only French bank to have been included in both these internationally renowned indices without interruption since 2002.

The companies included in the DJSI indices are selected by means of an annual survey. In 2009, the banking sector survey comprised 94 questions on topics of economic, environmental, and social concern. Sustainable Asset Management Inc. (SAM), a ratings agency, identifies the top companies in each sector based on their replies.

Out of 2,500 companies rated, only 250 actually make it into the DJSI World index. In the banking sector, BNP Paribas was one of only 11 European banks included in the DJSI Stoxx index.

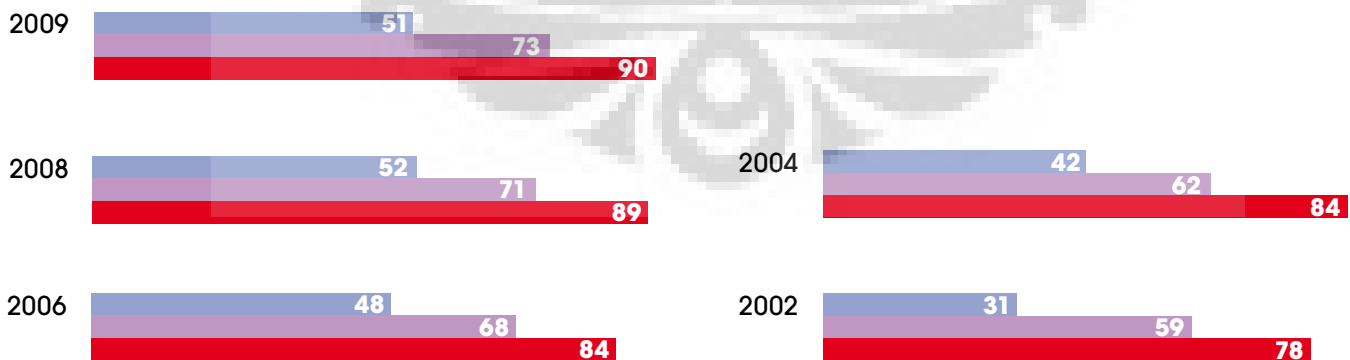
In 2009 BNP Paribas came in significantly higher than the sector average in almost all segments of the survey, with an overall score of 73 out of 100 compared with a sector average of 51. The Group's

score has improved steadily since 2002, especially with respect to economic and environmental concerns.

BNP Paribas' inclusion in these benchmark sustainability indices is an acknowledgement of the effectiveness of its Corporate Social Responsibility policy.



## CHANGES IN OVERALL SCORES



SECTOR AVERAGE SCORE (%)  
BNP PARIBAS SCORE (%)  
BEST SCORE (%)

**sam**  
sustainability investing

**Vigeo**

Vigeo is Europe’s leading social and environmental rating agency. The Group is highly rated, particularly for Human Resources, the Environment,

Human Rights, and Contribution to Society. Relevant comparisons cannot be drawn with its ratings in previous years due to changes in methodology.



BNP Paribas/Hong Kong

BNP Paribas is included in:



**ASPI Eurozone® index, comprising the Top 120 listed companies in the eurozone in terms of social and environmental performance. Index members are selected on the basis of Vigeo ratings.**



**Ethibel Excellence Index® Europe, comprising 200 listed European companies (DJ Stoxx 600 Europe universe) and Ethibel Excellence Index® Global, which comprises listed companies in Europe, North America and Asia-Pacific (DJ Stoxx 1,800 universe). These are companies which have an above-average social and environmental performance based on Vigeo ratings and which apply the ethical criteria set out by the independent Forum Ethibel organisation.**

**Covalence**

Covalence’s EthicalQuote system measures the ethical reputation of multinationals based on how they are perceived by the world’s key media. In 2009, BNP Paribas ranked among the Top 10 world banks, a strong advance in a sector that has suffered a sharp decline in

image since 2007 due to the financial crisis. The Group has therefore not only improved its position within the finance sector but also its overall ranking, moving up to 74th place at end-2009 out of a total of 541 companies.



## Organised dialogue with stakeholders

### Stakeholders

#### Shareholders

- In the last two years, meetings have been arranged with the main SRI investors in Finland, Sweden, the Netherlands, Switzerland, France and the United Kingdom
- Shareholder Liaison Committee: Opinion on the CSR Report
- Dialogue between Investor Relations and fund managers and analysts
- Development of a periodical communication, specifically aimed at Socially Responsible Investors
- A half-yearly financial newsletter
- Annual Shareholder Meeting minutes
- Meetings between shareholders and Executive Management in various French cities
- Attendance at the Actionaria trade show for shareholders of French companies
- *La Vie du Cercle* newsletter issued three times a year to members of Cercle BNP Paribas
- Science and art seminars and visits to manufacturing sites
- A toll-free number in France (**0800 666 777**) and a telephone news service “BNP Paribas en actions”
- BNP Paribas’ corporate website, <http://invest.bnpparibas.com/eng>
- A Minitel service: 3614 BNPPACTION
- Cooperation with the French Federation of Investment Clubs
- Regular earnings releases

#### Employees

- More than 163,000 employees in 75 countries surveyed as part of the Global People Survey on the working environment
- European Works Council
- Group Works Council in France
- Structured dialogue with trade unions
- Local BNP Paribas SA committees in France for making decisions at the appropriate level
- MixCity, an association of female executives
- Echo’Net intranet, which provides daily information on the Group’s strategy and projects to its 200,000 employees
- Flu pandemic campaign

#### Clients and Suppliers

- Regular customer satisfaction surveys
- A Cetelem booklet on responsible lending and a non-merchant site providing practical advice and services: [www.moncreditresponsable.com](http://www.moncreditresponsable.com)
- A guide for the disabled on access to BNP Paribas branches and ATMs
- Relationships with consumer organisations -- dedicated relations with Cetelem and BNP Paribas’ French Retail Banking
- A well-defined procedure for resolving customer complaints in branches through a mediator

#### Community

- Participation in the business forum (Forum des entreprises) with government representatives
- Over 1,300 partnerships formed by the Group’s retail banks in France, most notably with educational establishments
- 124 local partnerships set up, including 41 in 2008, and 207 micro-businesses set up in 2009 through the *Projet Banlieues* social outreach initiative
- Running ANVIE’s Sustainable Development Club
- Member of working groups run by ORSE, EpE, Medef, AFEV, FBF and Europlace (French associations active in environmental and CSR issues)
- A new citizen’s blog, <http://www.forachangingworld.com> and the “En Région” site which describes the Bank’s initiatives to help its customers in France

#### Environment

##### Employee awareness building

- Use of the Group intranet, the in-house newsletter (*Ambition*), and internal agreements
- A guide on how to be environmentally conscious at work (*P’tit Mémo Buro*)
- Promotion of environmentally-friendly publications (Imprim’Vert) and numerous articles on the environment and new automotive trends posted on Arval’s website (<http://www.arval.co.uk/eng>) and on the Corporate Vehicle Observatory website (<http://www.corporate-vehicle-observatory.com/eng>)
- A guide for employees written by Arval on responsible driving practices
- Training on the Equator Principles given to employees in Paris, New York, and Singapore
- A new car sharing site on the Echo’Net intranet for all Group employees.

# BNP PARIBAS AND ITS SHAREHOLDERS





# BNP PARIBAS AND ITS SHAREHOLDERS

## Share capital

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

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

31 March 2009 to the French government as part of the second phase of France's growth support plan; the preferred shares were cancelled on 26 November 2009.

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

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

# Changes in share ownership

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

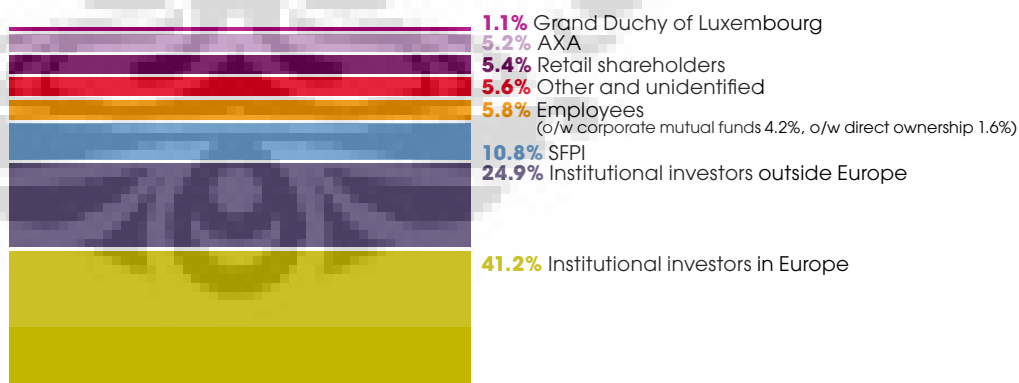
SHAREHOLDERS	31/12/07			31/12/08			31/12/09		
	Number of shares (in millions)	% of capital	% of voting rights	Number of shares (in millions)	% of capital	% of voting rights	Number of shares (in millions)	% of capital	% of voting rights
SFPI (*)	-	-	-	-	-	-	127.75	10.8%	10.8%
AXA	53.56	5.9%	6.0%	53.08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

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

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



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

— On 19 May 2009 (AMF disclosure no. 209C0702), SFPI disclosed that its

interest in BNP Paribas' capital and voting rights had risen above the 5% and 10% disclosure thresholds following its transfer of a 74.94% stake in Fortis Banque SA/NV in return for 121,218,054 BNP Paribas shares, which at the time represented 9.83% of its share capital and 11.59% of its voting rights. The disclosure stated that

neither the Belgian government nor SFPI were considering taking control of BNP Paribas.

On the same day (19 May 2009), BNP Paribas informed the AMF (AMF disclosure no. 209C0724) that an agreement had been reached between the Belgian government, SFPI and Fortis SA/NV, giving Fortis SA/NV an option to buy the

# Listing information

121,218,054 BNP Paribas shares issued as consideration for SFPI's transfer of its shares in Fortis Banque, with BNP Paribas having a right of subrogation regarding the shares concerned. On 4 December 2009 (AMF disclosure no. 209C1459), SFPI disclosed that it owned 10.8% of BNP Paribas' capital and voting rights. This change mainly resulted from:

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

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

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

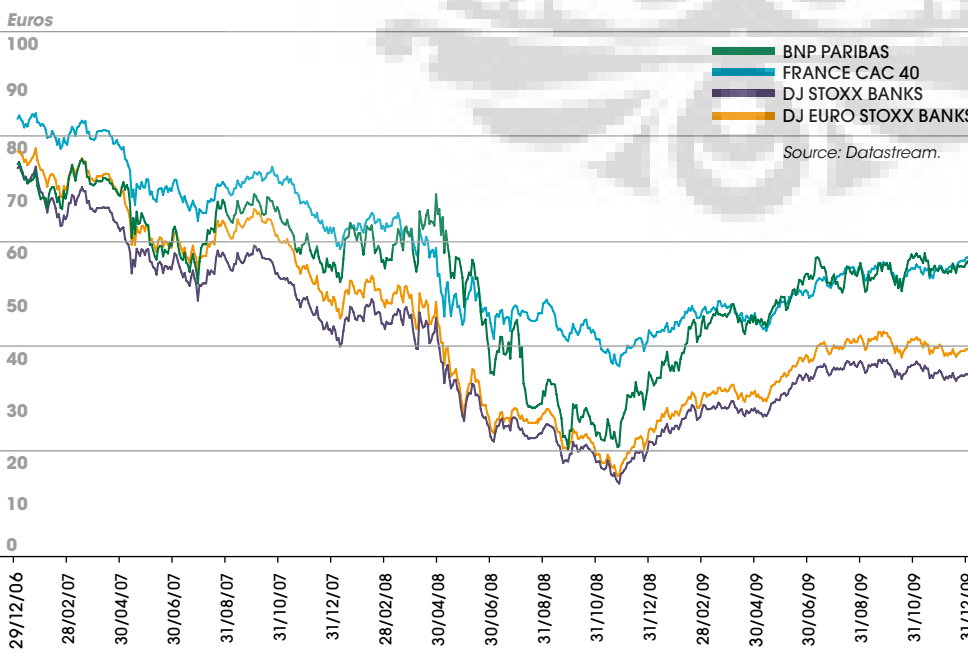
International exchange in Milan. Since privatisation, a Level 1 144A ADR programme has been active in the United States of America, where JP Morgan Chase is the depository bank (2 ADRs correspond to 1 BNP Paribas share).

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

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

## SHARE PERFORMANCE BETWEEN 29 DECEMBER 2006 AND 31 DECEMBER 2009

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



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

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

**HIGH**  
**LOW**  
**AVERAGE**  
Source: Datastream.

80



(\* ) Share prices have been adjusted to account for the capital increase with preferential subscription right issue carried out from 30 September to 13 October 2009.

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

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

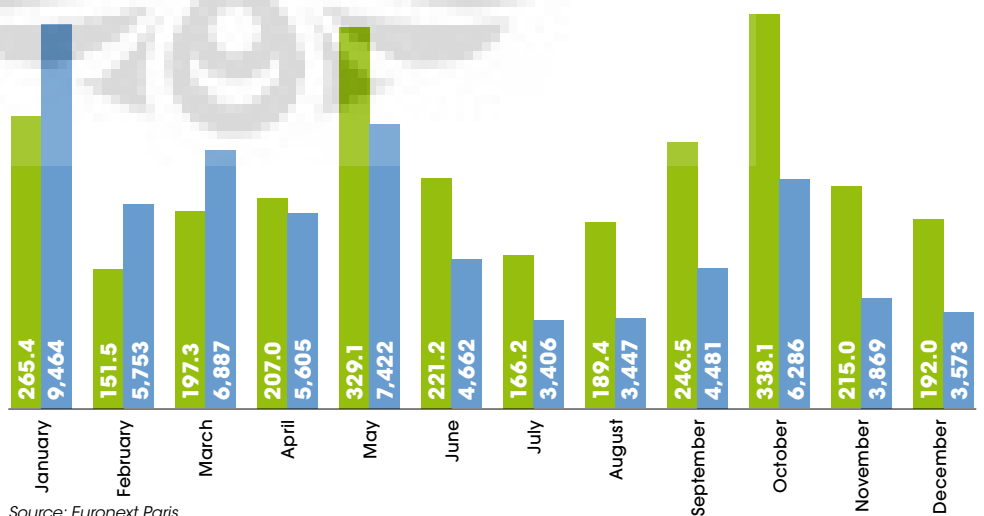
— At 31 December 2009, **BNP Paribas' market capitalisation was EUR 66.2 billion**, making it the 5th-ranked stock in the CAC 40, having been the 8th-ranked stock at end-2008. In terms of free float, BNP Paribas is the 3rd-ranked CAC 40 stock, having been the 7th-ranked stock at end-2008. BNP Paribas had the 6th-largest free float in the DJ Euro Stoxx 50 index at end-2009, up from 19th place a year before.

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

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

## TRADING VOLUME ON EURONEXT PARIS IN 2009 (DAILY AVERAGE)

IN MILLIONS OF EUROS  
IN THOUSANDS OF SHARES



Source: Euronext Paris.

## KEY SHAREHOLDER DATA

In euros	2005	2006	2007	2008	2009
Earnings per share <sup>(1)*</sup>	6.77	7.81	8.25	2.99	5.20
Net assets per share <sup>(2)*</sup>	44.51	48.40	50.93	45.68	51.9
Net dividend per share*	2.53	3.01	3.26	0.97	1.5 <sup>(3)</sup>
Payout rate (%) <sup>(4)</sup>	37.4	40.3	39.8	33.0	32.3 <sup>(3)</sup>
Share price					
High <sup>(5)*</sup>	66.78	86.01	92.40	73.29	58.58
Low <sup>(5)*</sup>	48.89	64.78	65.64	27.70	20.08
Year-end*	65.91	80.33	72.13	29.40	55.90
<b>CAC 40 index on 31 December</b>	<b>4,715.23</b>	<b>5,541.76</b>	<b>5,614.08</b>	<b>3,217.97</b>	<b>3,936.33</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 12 May 2010.

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

(5) Registered during trading.

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

— March 2006 (adjustment ratio = 0.992235740050131);

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

## Creating value for shareholders

## RETURNS AND YIELDS

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

### Total Shareholder Return (TSR):

#### Calculation parameters:

- dividends reinvested in BNP shares, then in BNP Paribas shares; 50% tax credit included until tax credit system abolished in early 2005;
- 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 31 December 2009, the total return on a BNP share, then a BNP Paribas share, as well as the effective annual rate of return.

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

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

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

Total shareholder return on an investment in BNP Paribas shares:

Calculation basis

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

Dividends reinvested

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

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

**29.4%** increase in initial investment

Effective rate of return: 5.30% per year

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

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

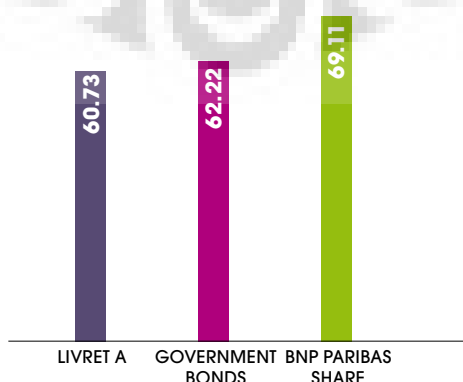
Investment of EUR 53.40 on 1 January 2005 in 5-year French government bonds:

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

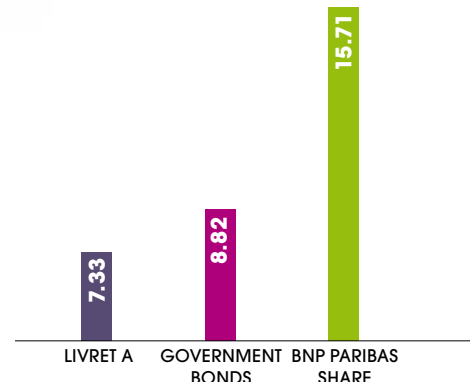
- 2.99393% (BTAN) in January 2006 for 4 years;
- 3.89016% (BTAN) in January 2007 for 3 years;
- 4.07272% (BTAN) in January 2008 for 2 years;
- 3.049% in January 2009 for 1 year (Euribor).

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

**VALUE AT 31/12/2009 OF A EUR 53.40 INVESTMENT MADE ON 01/01/2005**



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



# Communication with shareholders

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

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

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

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

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

## BNP Paribas Shareholders' Guide

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

## The "Cercle BNP Paribas"

In 1995, the "Cercle BNP Paribas" was set up for individual shareholders holding at least 200 shares. The Cercle currently has 57,200 shareholder members. Every year, alternating with three financial newsletters, three issues of "la Vie du Cercle" are sent to shareholders. This is a publication inviting them to take part in artistic and cultural events with which BNP Paribas is associated, as well as training sessions.

These include seminars on trading in equities (including carrying out technical and financial analysis and placing orders), private asset management and warrants, as well as economic-update sessions, organised by BNP Paribas teams specialising in these fields. In addition, the Bank regularly organises scientific conferences and visits to industrial sites. The seminars are held in Paris and the provinces, on weekdays and the weekend, to enable as many people as possible to attend.

To illustrate the variety on offer, 370 events were organised for 14,275 participants in 2009. Shareholders can obtain information about these services by dialling a special toll-free number (in France): **0800 666 777**. A telephone news service can also be accessed through the same number, offering a wide range of information to BNP Paribas shareholders, such as the share price, shareholders' events, news and interviews. There is also a Cercle des Actionnaires website ([cercle-actionnaires.bnpparibas.com](http://cercle-actionnaires.bnpparibas.com)), which features all offers and services available to members.

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

The BNP Paribas website (<http://invest.bnpparibas.com>) can be consulted in both French and English. Large portions of the website are also available in Italian. It provides information on the Group, including press releases, key figures and details of the main events. All financial documents such as Annual Reports and Registration Documents can also be viewed and downloaded. Publications compiled by the Bank's Economic Research Unit can be viewed on the website as well. The website also naturally features the latest share performance data and comparisons with major indexes. Among the website's features is a returns calculation tool.

The Investors/Shareholders section now includes all reports and presentations concerning the Bank's business and strategy aimed at all audiences (individual shareholders, institutional investors, asset managers and financial analysts). The website also has a section entitled "To be a shareholder", which was specifically designed with individual shareholders in mind, offering information tailored to their needs and details of proposed events. In addition, there is a specific section dedicated to the Annual General Meeting of Shareholders, which includes information regarding the conditions for attending the meeting, ways of voting, practical questions, as well as a presentation of the resolutions and the complete text of all speeches made by corporate officers. A webcast of the AGM can be viewed by going to the section entitled "General shareholders meeting" then by clicking on the relevant meeting in the submenu. In response to the expectations of indi

(1) Subject to alteration.

# Shareholder Liaison Committee

vidual 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. The financial calendar gives the dates of important forthcoming events, such as the AGM, results publications and shareholder seminars.



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

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

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

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

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

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

**Michel Pébereau,**  
Chairman,

**Franck Deleau,**  
resident of the Lot *département*,

**Nicolas Derely,**  
resident of the Paris area,

**Jean-Louis Dervin,**  
residing in Caen,

**Jacques de Juvigny,**  
resident of the Alsace region,

**André Laplanche,**  
residing in Cavaillon,

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

**Dyna Peter-Ott,**  
residing in Strasbourg,

**Jean-Luc Robaux,**  
residing in Nancy,

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

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

**Odile Uzan-Fernandes,**  
BNP Paribas employee,

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



# Dividend

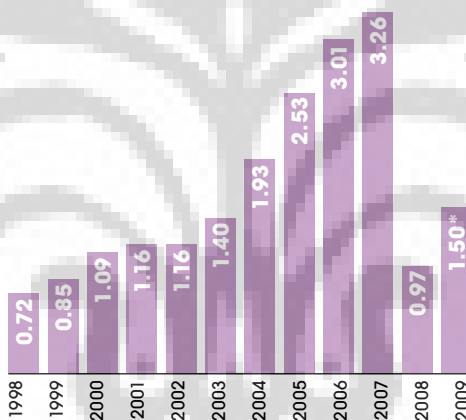
- the integration with the Fortis group;
- the draft 2008 Registration Document and Annual Report;
- quarterly results presentations;
- initiatives taken in preparation for the Annual General Meeting;
- BNP Paribas' participation in the "Actionaria" shareholder fair. At this event, several Liaison Committee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

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

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

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

## DIVIDEND (EUR PER SHARE)



Dividends for 1998-2008 have been adjusted to reflect:

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

\* Subject to approval by the 12 May 2010 AGM

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

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

# BNP Paribas registered shares

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

## Registered shares held directly with BNP Paribas

Shareholders who hold shares in pure registered form:

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

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

## Registered shares held in an administered account

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

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

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

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

# Annual General Meeting

BNP Paribas held two General Meetings of shareholders in 2009.

— On 27 March, an Extraordinary General Meeting was held, on first call, to approve the creation of preferred shares to be issued to the French government under the second phase of France's growth sup-

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

The quorum broke down as follows:

## BREAKDOWN OF QUORUM

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

All resolutions proposed to the shareholders were approved.

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

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

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

The quorum broke down as follows:

#### BREAKDOWN OF QUORUM

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

#### Quorum

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

#### RESULTS RATE OF APPROVAL (%)

##### ORDINARY MEETING

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

##### EXTRAORDINARY MEETING

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

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

sion 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 18,030 in 2009, including EUR 1,390 through

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

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

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

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

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

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

## Notice of meetings

For combined Ordinary and Extraordinary General Meetings:

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

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

## Attendance at meetings

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

## Voting

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

This document enables them to either:

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

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

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

# Disclosure thresholds

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

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

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

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

(1) Subject to alteration.

# HUMAN RESOURCES



# HUMAN RESOURCES DEVELOPMENT

## Group values underpinning HR management

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For BNP Paribas, the goal of being “the bank for a changing world” stems from the core values chosen by the new Group’s top management at the time of the merger between BNP and Paribas in 2000. These values were reasserted in 2006 as follows:

- bringing together a global, multicultural Group;
- forging a strong, unique identity; and
- enlisting employee support for the corporate mission by giving that mission lasting sense.

### **A unifying approach**

BNP Paribas is a global group on the move. As such, it takes great care to respect the cultural and personal backgrounds of all its employees in the conduct of its business and its human resources management processes. The Group’s core values bind the diverse group of men and women that make up the BNP Paribas community, giving them a strong sense of shared identity.

### **A distinctive corporate identity**

BNP Paribas expresses its distinctive identity in all its businesses and territories throughout the world. It has chosen to focus on distinctive values, at both an individual and collective level: only three other global groups have included Commitment and Ambition among their core values, and BNP Paribas is unique in choosing Creativity and Responsiveness.

### **Action-centred values**

To serve as a common rallying point, corporate values must be universally accepted and exemplified on a daily basis. Accordingly, the Group’s top managers have spelt out the meaning and direction of the individual and collective behaviour that these values call for:

Responsiveness means rapidly appraising situations, identifying opportunities and risks, making decisions and taking effective action.

Creativity means promoting new initiatives and ideas and rewarding their originators.

Commitment involves devoting best efforts to customer service and team success, while meeting the highest standards of behaviour.

Ambition reflects an appetite for challenge and leadership, with the goal of winning, as a team, a series of contests in which the client is judge.

The same spirit presided over the work of defining the management principles and attitudes that are expected to govern the behaviour of all team leaders. These principles have been translated into the new format for annual performance evaluations. A uniform evaluation process is now used throughout the Group, across all business lines, territories and levels of responsibility.

# Human Resources policy framework

## An integrated system

The Human Resources (HR) responsibilities Charter was updated in 2009 as part of an overall review of the work and organisation of the Group's Human Resources Function.

This policy framework provides a structure for the ongoing Human Resources controls: risk mapping, procedures, key controls and reporting.

In parallel, the list of procedures is updated and extended on a regular basis to include new organisations and changes in processing procedures and applicable regulations.

A scorecard of thirty major operational risks has been compiled for the Group. Among these operational risks, combating Human Resources discrimination has been deemed a critical risk factor by BNP Paribas.

The merger with Fortis Bank has provided an opportunity to redefine the principles of the Human Resources policy framework. This initiative is being pursued through a collaborative approach involving Human Resources teams and the executive management teams of each business line.

## The delegations

Recognising the diverse businesses and cultures brought under one roof when BNP Paribas was formed, the Group elected to adopt an integrated Human Resources organisation. Developing cohesive career management and compensation practices have been a critical factor contributing to the success of the Group's internal and external growth efforts.

Subsequently, the Group Human Resources organisation simplified decision-making processes and empowered local management by extending the responsibilities of the various core businesses, subsidiaries and countries, as well as reinforcing the role and purview of Group-level operational leadership in the management of key positions.

Group Human Resources is responsible for supervising career management for executives and upper-level managers in key posts under its oversight, and it takes the lead in managing career paths for high-potential employees.

## Observance of the United Nations Global Compact

With a presence spanning more than 80 countries, BNP Paribas operates in a variety of political and regulatory environments. This means that the Group must take particular care to ensure compliance with the principles of the United Nations Global Compact, to which it is a signatory.

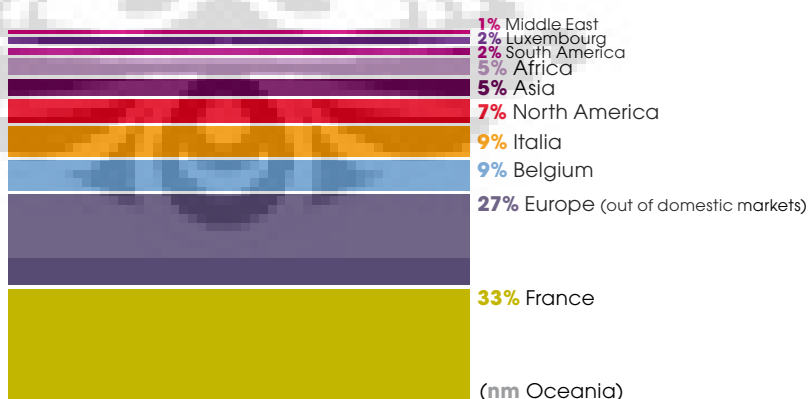
In 2009, 45 countries were identified as representing the greatest risk in terms of human rights by authoritative organisations<sup>(1)</sup> in this field. BNP Paribas is present in nine of these countries, employing staff accounting for 3.3% of its total global headcount. In the most risk-exposed countries, where regulations tend to be less stringent, local human resources departments apply Group rules to all employee management procedures.

BNP Paribas and seven other major French groups have helped to found Entreprises pour les Droits de l'Homme (EDH -- companies for human rights). EDH seeks to identify practical ways in which companies can ensure observance of fundamental human rights. It brings together experts in human rights, global NGOs and academics, and it undertakes to promote its approach to companies. A training module was devised in 2009 and is destined for use by HR managers and heads of Human Resources working in at-risk countries.

## Change in workforce<sup>(2)</sup>

At end-December 2009, the Group had 201,740 net permanent paid (NPP) employees, representing an increase of 28,552 NPP employees compared with 2008. This increase was primarily attributable to the acquisition of Fortis Banque and BGL which consolidated the Group's presence in Europe. The Group's worldwide workforce breaks down as follows:

### BREAKDOWN BY GEOGRAPHIC AREA



(1) Amnesty International, Freedom House and Eiris.

(2) For human resources development data, the scope of this analysis is the total NPP workforce managed by BNP Paribas as opposed to the consolidated workforce, which is limited to staff working for fully or proportionately consolidated entities calculated pro rata to the consolidation percentage of each subsidiary:

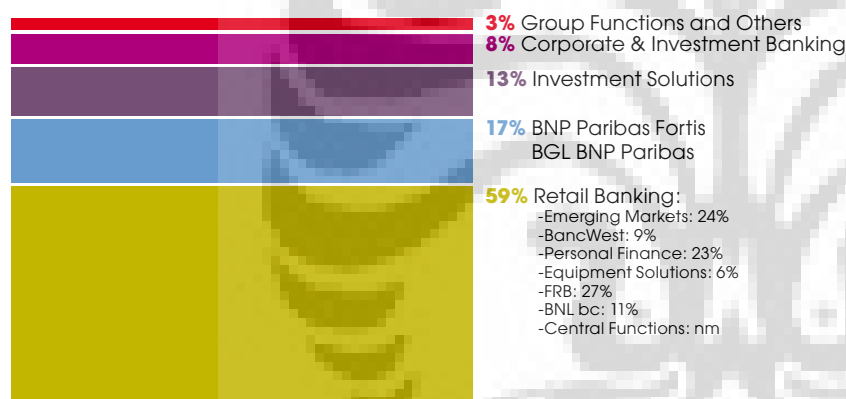
	2002	2003	2004	2005	2006	2007	2008	2009
Consolidated workforce	87,685	89,071	94,892	101,917	132,507	145,477	154,069	182,459
Total workforce	92,488	93,508	99,433	109,780	141,911	162,687	173,188	201,740

## BREAKDOWN BY GEOGRAPHIC AREA

	2006	2007	2008	2009
France	57,123	64,080	64,217	64,635
Europe (excl. France)	53,461	62,473	68,542	95,201
North America	14,810	15,046	15,222	14,984
Asia	5,571	8,833	9,494	10,143
Africa	6,201	6,692	8,883	9,205
Latin America	2,924	3,287	3,957	4,801
Middle East	1,308	1,700	2,194	2,096
Oceania	513	576	679	675
<b>TOTAL</b>	<b>141,911</b>	<b>162,687</b>	<b>173,188</b>	<b>201,740</b>

The Group's workforce in France remained stable in 2009 and now represents less than one-third of the global workforce. The integration of Fortis Banque and BGL was chiefly attributable for the increase in the Group's headcount in Europe. In Eastern Europe, the Group's workforce was reduced significantly due to the extent of the economic crisis affecting the region's local markets.

## TOTAL WORKFORCE BY BUSINESS LINE



## Age pyramid

The Group's age pyramid remains balanced overall. The lower age groups are predominant in most of the Group's divisions, while the opposite is true of retail banking in France and Italy, while the age pyramid of the Group's retail banking operations in Western Europe is predominantly comprised of older employees. <sup>(1)</sup>

## GROUP AGE PYRAMID - PHYSICAL HEADCOUNT - DECEMBER 2009

**FEMALE: 105,718 - 53.13%**  
**MALE: 93,244 - 46.87%**

Age Group	Female	Male
more 60	1,500	1,975
55 to 59	7,932	9,875
50 to 54	10,206	11,344
45 to 49	11,104	10,700
40 to 44	11,077	10,690
35 to 39	14,635	13,601
30 to 34	19,086	15,631
25 to 29	20,987	14,732
under 25	9,191	4,696

(1) Statistical data at December 2009 (excl. TEB, Fundquest and Sahara Bank JSC).



# Key challenges of Human Resources management

Amid the crisis that has struck the financial services industry, BNP Paribas stands out as one of the most robust and profitable banking groups. This is in no small part a result of the personal commitment of each employee, day after day, in the service of the Group's goals. The diversity of BNP Paribas — in its business lines with their particular histories, in its languages, cultures, etc. — represents an ongoing challenge, as does employees' adherence to Group values and strategy: as an enterprise, the Group must be attentive to each person's expectations and must know how to be responsive to them by adapting its human resources policies and managerial practices.

In an extremely turbulent operating environment, the key HR management challenges for the Group revolve around keeping pace with development and change, valuing and motivating staff and retaining their loyalty, promoting diversity, and listening to employees' concerns.

## Keeping pace with development and change

As a direct consequence of the major external growth initiatives, the Group's total workforce (NPP) has risen from 99,433 to 201,740 in the last five years. Staff numbers outside France have increased from 45,070 to 137,105 over the same period.

These developments pose two key challenges for HR management:

- anticipate employment trends by forecasting the cumulative effects of organic growth, productivity gains and the Group's age pyramid, which will bring about an average of 1,100 retirements per year by 2020 at BNP Paribas SA in France alone;
- develop the managerial resources needed not only to take the helm as key positions become available through natural attrition, but also to steer the Group's development and external growth plans.

The increasingly high levels of expertise required in the business lines and the Group's changing demographics make identifying and retaining talent a critical component of human resources management. This element presupposes a committed policy of adapting the job to the resource, taking into account the entire population of the Group without discrimination on the basis of age, sex or nationality.

Completing the integration of Fortis will remain a key challenge for coming years. Thanks to the unstinting efforts of more than 4,000 employees, an Industrial Master Plan was developed in less than 150 days. In its four domestic markets (France, Italy, Belgium and Luxembourg), BNP Paribas is uniquely positioned to offer carefully tailored solutions for customers in Europe. The industrial master plan was presented to investors and is being rolled out progressively over the 2009-2011 period.

## Adapting quantitatively and qualitatively the workforce

Two specific measures have been adopted to support the Group's external growth initiatives: cross-divisional job mobility and tighter coordination of external recruitment. For this purpose, a dedicated staff unit coordinates workforce planning policy across divisions, business lines and support functions.

The workforce adaptation plan developed for the CIB business lines that were the worst affected by the economic crisis in France was initiated and completed in 2009. It concerned 200 people.

In managing the integration of Fortis' operations within BNP Paribas, the Group is committed to respecting the cultural backgrounds and individual capabilities of staff members in accordance with its corporate values and practices. The priority areas of focus for the Group are to: promote the internal redeployment of employees where positions are eliminated; comply with individual and collective employee benefit obligations; ensure that appointment procedures are fair and based on professional criteria.

To this end, all of the means available to implement restructuring measures in compliance with the terms of the Group's social agreement will be used. Thus, in Belgium, 1,250 jobs will be created through the consolidation of the Group's commercial position and the establishment of several international competency centres in the country.

## Speed recruiting events

In France, the Group introduced a novel hiring initiative in October 2009 which focuses on recruitment for the Retail Banking network.

The speed recruiting format was introduced in 2009 and was tested at five job fairs in France. As another aspect of this original approach, Recruitment managers joined forces with the representatives from the Mozaik HR association to coach candidates from disadvantaged neighbourhoods prior to the interview sessions.

## Ace Manager: Successful inaugural edition and launch of "the second set"

The inaugural version of this online banking adventure contest attracted a total of 4,364 students, from 106 countries on all 5 continents who competed in 1,091 four-person teams.

The operation showcased the BNP Paribas employer brand to over 700,000 students worldwide as part of the campus tours and promotional events organised to highlight the contest. During the operation, the Ace Manager website received more than 200,000 visitors.

Round two of the operation "Ace Manager - The Second Set" was organised for business school and university students in 26 countries. Ace Manager has been devised in collaboration with BNP Paribas bankers to give students an understanding of the Group's three core businesses: Retail Banking, Corporate and Investment Banking and Investment Solutions. Ace Manager is part of the Group's strategy for boosting its brand awareness as one of the leading employers of graduates worldwide.

Furthermore, natural employee attribution in Belgium and the other countries concerned by the merger (e.g. the other domestic markets of the Group, namely, France, Italy and Luxembourg) will provide possibilities for the redeployment of staff members whose positions are affected by the reorganisations planned in Belgium. To this end, the Group has developed specific resources to promote internal mobility (e.g. mobility centres, dedicated training budgets, support services for redeployed employees, etc.) and is committed to prioritising internal mobility ahead of external recruitment wherever possible.

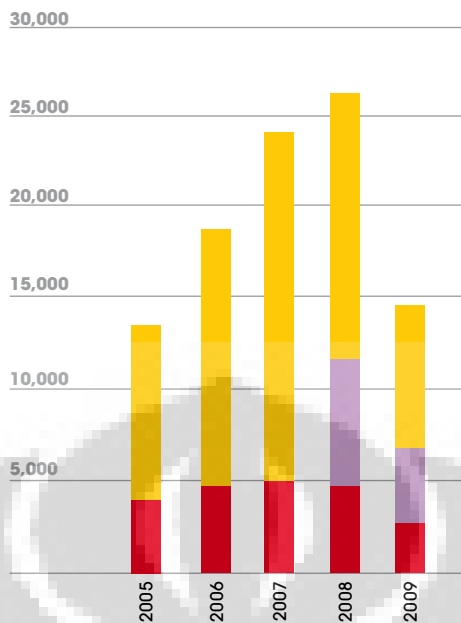
At BNL, the implementation of the workforce reduction plan progressed in consultation with local labour representatives. In view of the demonstrated effectiveness of the workforce planning tools used in France over the past two decades, the Group intends to extend these tools to Italy and Belgium where they will be used on a Europe-wide scale.

**Ensuring recruitment that meets the specific needs of each business**

In a turbulent economic and financial environment, recruitment remained at a high level in 2009. During the year, a total of 14,549 permanent hires were made by the Group while 2,691 permanent hires were made in France.



**FRANCE  
MAIN EUROPEAN TERRITORIES  
EXCLUDING FRANCE\***  
**REST OF THE WORLD**



(\*) United Kingdom, Italy, Russia, Turkey, Ukraine.

The distribution of hires in France by age profile was stable in terms of relative shares, with recent graduates accounting for 50%. There were 1,234 hires on work-study contracts, including 764 in professional internships and 470 in apprenticeships, comparable to the levels in 2008. At 31 December 2009, 1,539 young people were employed under work-study contracts in France. The number of trainees taken on under the VIE (Volontariat International en Entreprise) programme was stable, with 190 volunteers sent on missions in 2009, compared with 205 in 2008. The number of work placements for master's students amounted to approximately 1,200.

**Close links with schools and universities**

The Group maintained and reinforced its policy of developing close ties with third-level institutions in France and Belgium and implemented a wide range of innovative approaches aimed at young people.

These initiatives helped to maintain or raise the Group's attractiveness score among strategic target populations.

**BNP Paribas – an attractive employer brand**

For the fourth consecutive year, BNP Paribas received a top ranking from final-year business school students in the 2009 edition of the TNS Sofres survey on the best places to work. The Bank was rated in 7th place by engineering students. TNS Sofres polled 269 students from 21 business schools in France. Polls were conducted in the form of one-on-one interviews. Results demonstrate that despite the economic crisis and the recent damage to the reputation of the banking sector, BNP Paribas remains the most attractive employer for university students. The Group was the top company spontaneously named by respondents when asked about the company in which they would most like to work. This preference is attributable to the Group's global presence and the opportunities offered for international careers as well as by the superior working conditions, attractive compensation and extensive training offered by BNP Paribas.

**Work-study training for students: a priority**

In 2009, BNP Paribas' work-study programme was extended to a further 1,000 students, bringing the total number of work-study positions in the organisation to 1,539. Students following diploma and masters' courses receive work-study training in a specific business line and obtain the necessary experience to ensure that they are fully prepared for the world of work when they graduate. Students following diploma and masters' courses receive work-study training in a specific business line and obtain the necessary experience to ensure that they are fully prepared for the world of work when they graduate. Work-study training not only helps to promote social mobility and professional insertion for participants but also enables them to receive a salary during their studies and, in some cases, to obtain grant assistance from companies for their university fees. The scheme enables young people from all social backgrounds to obtain higher-level training and to enter the workforce.

## **Combating discrimination**

In 2008, three policy documents were developed and circulated within the Group: a Code of Ethics for all Group employees with a role in the recruitment process, together with a methodology for individual hiring interviews and a scorecard to formulate and document decisions taken after interviews with candidates. During the year under review, a handbook on the employee recruitment procedure and ethics code was developed in English for circulation throughout the Group.

In 2009, guidelines on non-discrimination were issued to managers responsible for hiring decisions within Group entities. These guidelines aim to ensure that the recruitment process is managed in an objective, transparent and respectful manner. A series of awareness raising events were organised for managers in each business line and a "recruitment" portal was developed online for employees.

In France, the Group decided to participate in the French government's testing of recruitment via anonymous CVs and carried out studies to examine how to incorporate the approach into their recruitment process.

An ongoing control framework has been developed to verify that hiring decisions are based on skills assessments that are characterised as objective, factual and professional. This framework is designed to ensure the traceability, quality and compliance of the hiring process.

## **Developing skills of employees and teams**

### **Training, a tool for business effectiveness**

Given the rapid pace of transformation in businesses, work organisation and the labour market, training and skills development plays a critical role in:

- enhancing employees' performance levels;
- increasing their employability within the organisation;
- recognising employees and developing loyalty;
- transmitting the corporate culture and strategic vision of the Group.

Training is designed to provide employees with opportunities for learning so that they can achieve their career goals and prepare for future changes. Training also provides a means to become better acquainted with the Group and its corporate culture, its environment, and regulations governing banking activities. Lastly, training initiatives foster knowledge transfer between employees as a means of sharing skills.

To be effective, training initiatives must be closely coordinated and structured as a long-term training programme.

The Group's training catalogue is designed to meet these objectives by combining professional training for the business lines with cross-functional Group training which fosters a shared corporate culture and management principles.

In support of this training policy, BNP Paribas's training centre provides a venue for bringing together employees from across Group.

### **Enhancing employees' performance levels**

Training provided by the business lines is intended primarily to raise the level of employees' professionalism and expertise in their field. For this reason, business lines establish training plans that seek to maintain competencies at the requisite level for employees to exercise their responsibilities. Training programmes are then developed with input from training specialists in order to make optimal use



BNL/Rome



BNP Paribas Fortis/Brussels

of new learning technologies. Training initiatives combine classroom training with e-learning, and the training approach is supplemented by testing to ensure that knowledge is transferred.

Effective performance also requires acquisition of more cross-cutting skills. In France, the key thrusts for training initiatives include:

- Proficiency in English — existing initiatives were overhauled in 2009 to ensure a closer linkage between requirements identified during testing and training content.
- Professional development — training courses in project commissioning, project management, personal effectiveness and operational management are provided by the Group training centre in Louveciennes. Training also focuses on bringing together employees from a variety of horizons. In 2009, more than 1,800 employees attended a training course at the Louveciennes centre. To facilitate access to training, a dedicated training catalogue, *Formad'hoc*, has been developed to assist staff in finding the training offering that best meets their needs.

### **Enhancing employees' employability with the Group**

To confront the massive changes for banking sector business functions, the Group has focused on enhancing employees' cross-business mobility.

To this end, the support framework for employee mobility devised in 2008 was rolled out at Group level with the following objectives:

- realising the value for the Group to be gained from mobility in a context of ongoing and substantial changes within BNP Paribas;
- preparing employees for future mobility;
- supporting business reorganisations that involve employee mobility;
- fostering sharing and knowledge of the Group.

In 2009 a total of 14 sessions were organised for 145 people in order to support employees through major organisational changes.

BNP Paribas further facilitated access to training in 2009 by providing upskilling courses for eligible employees in France. A total of 2,500 training sessions were organised during the year, resulting in the provision of 57,500 training hours.

### **Induction and orientation for employees**

Induction training enables new employees to learn about BNP Paribas and understand the role of their business units within the wider organisation. These programmes provide an occasion for new hires to develop a professional network. They help to create a sense of community by offering shared terms of reference as regards values, business principles and methodologies. Integration training also involves various other components for employees such as initial meetings with managers and fellow team members, discovering their workstations, and learning about the environment in which they will operate.

In 2009, the induction programme for new hires was structured into three key elements:

- first steps: new hires are received by their managers and by HR representatives. A specific training tool has been developed which couples new technologies and knowledge of the Group in a "serious game". The so-called "Starbank" game teaches about banking activities as it is being played and can be used by BNP Paribas entities throughout the world.
- professionalism: this involves preparing staff to take up their functions and familiarising them with the Group's management principles.
- perspectives: introducing employees to the wider Group and to their peers within the organisation. This final phase generally includes an induction seminar which provides participants with a strategic overview of the Group.

The induction programme also ensures that new hires are introduced to the organisation in a manner that is consistent with their level of seniority and business function while ensuring compliance with the Group's principles. It is particularly suitable for graduate recruits as it marks the transition from university into employment.

### **Transmitting the corporate culture and strategic vision of the Group**

The Group's cohesive risk management culture is a key advantage and competitive strength. The rapid growth experienced by the Group in the last five years and the ongoing economic crisis have highlighted the need to reinforce, promote and proliferate BNP Paribas' risk management culture throughout the Group while tailoring this approach to suit the specific environment of each business line.

## **Louveciennes Training Centre**

The Group Training Centre, in the magnificent setting of Louveciennes near Paris, is a fully-fledged corporate campus. It not only focuses on building competencies but also on providing a forum for sharing ideas and nurturing the corporate culture. The Centre caters to employees from all businesses, countries and backgrounds. In 2009 close to 22,000 employees attended the Centre to participate in integration seminars, business-specific courses, cross-functional training programmes and major Group events. The Centre's facilities have been upgraded to ensure that they are environmentally friendly and that they comply with sustainable development objectives.

## **Risk Academy**

To provide a pragmatic and flexible response to this need, the Group's Risk Management and Human Resources Departments launched a joint project, known as "Risk Academy", which is supported by the Group Executive Committee. The project has three goals:

- consolidating and disseminating the Group's risk management approach and capabilities;
- providing a coherent view of the Group's training offering in the area of risk management to all employees;
- developing a community of practitioners.



BNP Paribas/Paris

## Employee savings plans

BNP Paribas organises employee savings schemes, which are eligible for top-up payments by the company and which provide a tax-efficient savings vehicle for staff. Employees can choose the investment vehicles that suit their objectives: funds invested in BNP Paribas shares, in diversified equities, in bonds, or simply a blocked cash account. In 2009, the range of investment vehicles proposed under the Group's employee savings scheme was extended to include solidarity and socially responsible savings plans.

## Valuing, motivating and inspiring loyalty

### Inspiring loyalty through competitive remuneration

#### ■ Remuneration

Work performed, skills and level of responsibility are remunerated by base pay which is commensurate with employees' experience and the market norm for each business. Levels of variable pay are determined by individual and collective performance over the year. Variable remuneration takes different forms in the various business lines. Variable pay for investment banking staff conforms to the criteria of the G20 agreement as promulgated by the order issued by the French economy and finance ministry on 3 November 2009 and the professional standards of the French Banking Federation of 5 November 2009. These principles are as follows:

- deferring payment of at least one-half of annual variable pay over a three-year period;
- implementing claw back arrangements with performance conditions for deferred payments;

- indexing the total amount of deferred payments to the performance of the BNP Paribas share, in order to align the interests of beneficiaries and shareholders.

### **New practices with respect to the variable compensation of market professionals**

The financial crisis highlighted the need for wide-reaching change to how bonuses are paid to traders. Although it is one of the banks to best withstand the crisis, BNP Paribas decided to be a driving force behind this change. The bonus payment policy and rules introduced fully comply with the G20's new international standards and reflects the willingness to exercise restraint. In this new environment, the Group intends to promote the need for consistency between the actions of the employees in question and the company's long-term objectives, in particular with regard to risks.

The bonus pool is determined after taking into account all the charges affecting CIB's market businesses, notably liquidity costs, cost of risk, allocated equity remuneration.

neration, exceptional taxes.

The method used to determine individual bonuses includes a quantitative and qualitative performance review of each employee. The evaluation of personal conduct, especially team spirit, and the observance of rules of ethics and compliance are explicitly a part of this process.

Deferred bonuses will be subject to performance requirements over a number of years and pegged to BNP Paribas's share price, in keeping with the Group's determination to promote sustainable practices.

More generally, the Group's remuneration policy is founded upon principles of fairness and transparency which are supported by:

- a uniform process for annual variable pay applying to worldwide operations;
- a strict delegation system which operates in accordance with directives set at Group level;
- reinforced oversight performed by Remuneration Committees and, in the investment banking function, by Compliance, Risk and Finance Committees.

### **An extensive range of benefits**

#### **■ Employee share ownership**

The Group has always encouraged employee share ownership through an annual share issue reserved for employees. Since the formation of the BNP Paribas Group in 2000, the worldwide employee share ownership plan has offered employees the opportunity to become shareholders of their company for a minimum period of five years. They are entitled to a discount on the shares they purchase and to top-up payments from the company. To date, nine share issues have been offered to

Group employees.

#### **■ Employee savings and pension plans**

Employee savings plans enable employees to build up their savings, in particular with a view to retirement, while at the same time ensuring optimal local tax treatment and social security benefits. In recognition of the demographic trends prevailing in a wide variety of nations, the Group has prioritised the issue of provision for retirement. In France, several thousand employees subscribe to the Group retirement savings plan (PERCO). Their savings become available on retirement, in the form of an annuity or a lump-sum payment. Top-up payments into PERCO amounted to EUR 3 million in 2009.

#### **■ Other company benefits**

The Group has a longstanding benefits policy which provides a high level of protection for employees. These mechanisms have been harmonised, particularly outside France, with the aim of ensuring greater consistency between local systems that are sometimes quite disparate. Outside France, the Group seeks to provide company benefits that cover medical consultations and hospital stays to its local employees and their families.



## **A flexible, customised contingency plan in France**

BNP Paribas' personal contingency insurance plan was set up under a company-wide agreement and has few equivalents in French companies. This flexible plan offers staff a high level of cover for absences from work due to illness, disability or death. Starting from a basic plan that applies automatically, employees can adjust the protection to their personal or family situation by choosing benefit amounts and supplementary cover as needed: higher benefit for accidental death, education annuity, temporary income for the spouse and a lump sum payment in the event of the death of a spouse. Plan options can be modified regularly.

## **Incentive and mandatory profit-sharing plans in France**

The Group seeks to optimise collective profit-based incentive schemes according to the legal, social and tax context of each entity: profit-sharing (mandatory) and incentive (voluntary) plans in France, similar profit-sharing plans in many other territories.

## **Information on the total compensation package**

In 2009, more than 47,500 employees in France received a new document for the first time. This document provides a detailed breakdown of the monetary and non-monetary components of the employee's compensation package in 2008. It provides an easy-to-grasp summary of the employee's personal situation, combining data which had previously only been available from a variety of sources. It will continue to be distributed to employees over coming years and the number of staff members concerned by the initiative will be increased.

## **PROFIT-SHARING AND INCENTIVE PLANS – BNP PARIBAS SA (AMOUNTS IN EUROS)**

<b>Amount payable in respect of the year listed</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total gross amount	148,701,874	186,076,788	227,719,000	232,530,560	84,879,969	181,349,984
Minimum amount per employee	2,945	3,772	4,696	4,728	1,738	3,782
Maximum amount per employee	10,020	10,689	12,732	12,800	4,641	10,128

### **Dynamic career and mobility management**

Career development efforts in 2009 focused on improving career management processes in several areas such as expanding the scope for identifying high-potential executives, incorporating evaluations of managerial performance into the identification process, and ensuring effective succession planning.

### **Career management to prepare and support employee advancement**

BNP Paribas' career management policy is designed to enable employees to progress continuously within a coherent and structured framework. The Group invests in various continuous training programmes which are tailored to individual profiles and aspirations.

Career management is based first and foremost on the relationship between the employee and his or her manager. Human resources managers' role is to monitor this relationship and to follow up on each individual's career advancement.

### **A robust succession planning process**

One of the Group's most important tasks in terms of career management consists of preparing for the future by ensuring long-term succession for executive management positions. Succession planning committees which bring together managers from the various divisions and functions and human resources managers meet once a year to identify promising executives who show the potential to take up key posts within the organisation. Executive roles within the Group provide a springboard

for talented individuals while promoting their integration within the Group and providing opportunities to develop leadership skills.

Specific training programmes (PRISM and NEXTEP) have been developed for high-potential executives within the Group and are provided by the Louveciennes training centre.

### **Transmitting the culture and strategic vision of the Group: Talent Development Program**

BNP Paribas has developed a Talent Development Program which is designed to provide high-potential employees with international experience. The programme is devised in a collaborative way, created with the help of HR and managers from the various divisions and territories. Its purpose is to ensure effective executive succession planning and to keep pace with the Group's growth.

The Talent Development Program comprises three training cycles: "Leadership for Development", established in 2005 in partnership with Collège de l'École polytechnique, is intended for experienced high-potential managers and designed to enhance leadership abilities. Training is provided in two sessions and was extended to 105 participants in 2009. In addition, the two training programmes developed for high-potential junior managers and first deployed in 2008 were repeated in 2009: The "Go to Lead" module was provided to 117 employees and is designed to strengthen their ability to collaborate in multi-disciplinary and multi-cultural environments. The "Share to Lead" module for high-potential junior managers was completed by 113 participants and provides them with

## **Executive development seminars**

The objectives for the PRISM and NEXTEP programmes are closely aligned with those of the Group's career management process. They focus on creating and nurturing a community of senior executives in key positions (PRISM) and ensuring success in high-profile career promotions (NEXTEP). The aim is to ensure a linkage between training and career management policies and that conditions are in place to provide senior executives with the skills they need to drive the Group's expansion. In 2009, 127 people took part in four PRISM sessions which were focused on individuals taking up "manager of managers" positions within the organisation. In addition, NEXTEP seminars were organised for executives taking up positions of increased responsibility within the Group.

## **Anta Diagne Diack, named "Best Female Manager" in Senegal**

Ms. Anta Diagne Diack, Deputy CEO of BICIS, BNP Paribas's subsidiary in Senegal, was voted the "Best Female Manager 2008" by the jury of the 5th Cauris d'Or, an annual business awards ceremony organised by the Senegalese employers' federation, MEDS. A gala award ceremony was held to present the prize on 9 May 2009. Ms. Diack expressed her gratitude on receiving this honour: "This award is symbolic. Through its decision, the panel has chosen to reward a female manager and to encourage her to pursue her efforts in her professional and personal life. Above and beyond the personal recognition, I am especially delighted about the positive impact that this may have on BICIS and BNP Paribas who gave me the opportunity to succeed in such a challenge."

## **CAREER MANAGEMENT**





BNP Paribas/London

insights on team leadership while helping them to identify their potential for improvement.

#### **A dynamic mobility policy**

Career mobility is not only a source of competitive advantage for BNP Paribas. It is also the preferred means of adapting human resources to organisational change. Mobility enables employees to enrich their professional experience and move ahead in their careers. Various forms of career mobility are used to develop employees' potential in new business lines and enable them to develop new capabilities:

- *functional mobility*. Mobility does not automatically involve a change of position; it may also encompass professional development through the enrichment of skills, abilities and knowledge;
- *geographical mobility*. This involves moving employees to new cities or, in the case of international mobility, to another country;
- *inter-company mobility*. Employees move from one Group entity to another.

Although the diversity of the Group's businesses provides enormous scope for career mobility, mobility decisions must take account of employees' individual

aspirations while ensuring that optimal use is made of their existing skills. Thus, the Group's performance evaluation framework encourages dialogue between employees and managers as a key prerequisite for career management. More generally, the size, scale and breadth of the Group's worldwide operations provide ample opportunities for career mobility. Despite the impact of the economic crisis, mobility opportunities were provided for several thousand employees in 2009.

A support framework has been developed for expatriate managers in order to facilitate cross-border mobility. This comprises intercultural awareness training, support for spouses seeking employment, administrative assistance, etc. In addition, an internal job vacancy postings service ("E-jobs") is also being deployed at Group level. The number of job openings posted on E-jobs currently stands at around one thousand across France, Italy and Spain.

In other countries, particularly in Belgium, France and Italy, the Group has put in place dedicated structures (staff, training, information, etc.) to promote career mobility.

## **Promoting diversity in all its forms**

The Group has expanded rapidly into new business lines and operating territories in recent years. The Group's operating structure reflects this evolution and shows a balance across business lines and geographic areas.

### **BNP Paribas and its commitment to diversity: "The Spirit of Diversity"**

With over 200,000 employees of more than 160 nationalities across 80-plus countries, BNP Paribas views employee diversity both as a major strength for "the bank for a changing world" and a source of performance enhancement. The Group has a duty to be a standard setter for corporate social responsibility. BNP Paribas also believes that mixing people from different backgrounds not only helps to spur creativity and efficiency, but also ensures that its organisation mirrors the societies in which it operates. To fulfil its corporate mission statement as "the bank for a changing world", BNP Paribas has made a key investment in promoting diversity. The Group's Diversity policy is coordinated by the Group's executive management and the Executive Committee. Its overarching purpose is to ensure non-discrimination. The Diversity policy provides a common framework for the Group. Each country has developed an individual diversity policy which is designed to cater to its specific legal, cultural and social context. BNP Paribas published its first

### **Diversity: a patchwork of local initiatives throughout the world**

Diversity initiatives are being pursued by Group entities in a variety of countries. In the United States, BNP Paribas's subsidiaries in New York have established a Diversity Council which organises high-profile initiatives such as Diversity Day (scheduled for 28 October 2009). In Bahrain, gender equality is a key element in diversity initiatives and training efforts. In the United Kingdom, a Women's Internal Network has been established in London and mirrors a similar Group initiative in France. In Belgium, Fortis took steps to develop a diversity policy as part of its integration into the BNP Paribas Group. A series of audits have been performed and working groups established.



Diversity Report in November 2009. The report is designed to measure the results of initiatives underway within the Group since 2004. Specific indicators have been developed for each cross-cutting component of the Group's Diversity policy. These include: diversity of backgrounds, gender equality, employment opportunities and integration of disabled persons and age diversity. Group initiatives in the area of diversity are publicised on the corporate website: [www.bnpparibas.com/diversity](http://www.bnpparibas.com/diversity); as well as through BNP Paribas's corporate blog: [www.forachangingworld.com](http://www.forachangingworld.com).

## Diversity of backgrounds

### International teams

As BNP Paribas has grown and expanded internationally, the Group's worldwide workforce has increased over successive years since 2000, exceeding 200,000 employees at end-2009. In the last nine years, the percentage of employees outside France has risen from 40.8% to 67%. To accompany its rapid international expansion, BNP Paribas strives to include more international managers in its executive teams, as demonstrated by its appointment of a non-French national to the Executive Committee. The proportion of non-French nationals in the management cadre has increased significantly thus creating ever more international management teams.

The Group's expatriation policy has been devised to foster an international corporate culture and to facilitate the formation of international teams: expatriation kit, support programme for spouses of expatriates, intercultural awareness training. In the United States, a new training programme has been designed for employees transferred from other countries. The programme helps employees to understand cultural differences that can impact on their working methods, management styles and teamwork approaches.

By employing local people, BNP Paribas directly contributes to the development of the countries in which it operates. This not only ensures that the Group becomes closely embedded within each culture and community, but also provides local employees<sup>(1)</sup> with access to positions of higher responsibility within the subsidiaries and branches while enabling them to pursue careers within the Group.

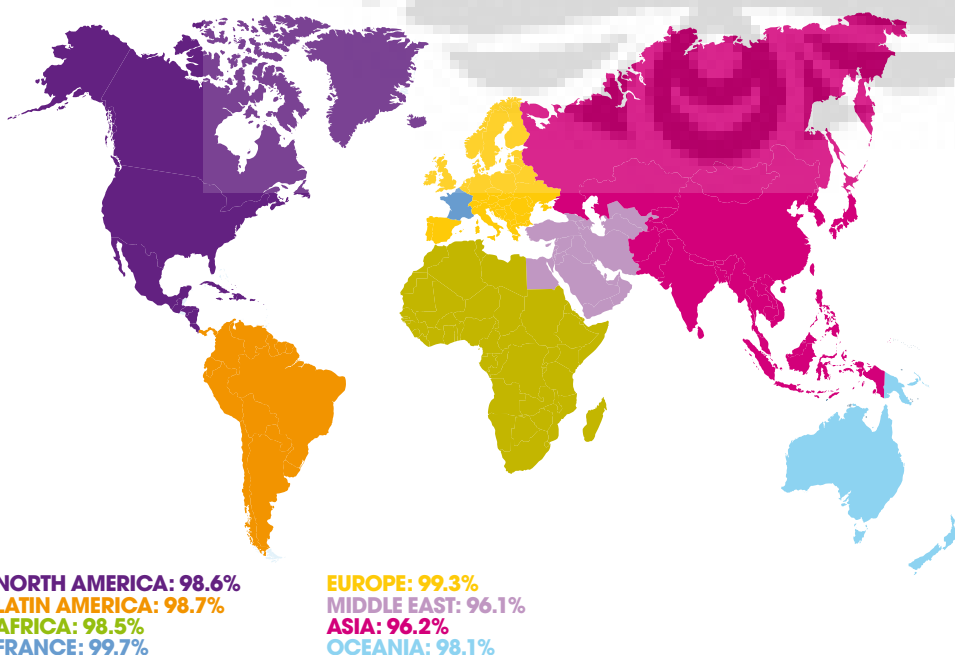
In 2008, the Group pilot tested a new training course for HR managers entitled "Managing diversity as a component of performance". The training course was trialled across a variety of business lines and functions. In 2009, this training course was extended to managers outside the HR Function. In France, a total of 1,200 managers had undergone the course by end-2009.



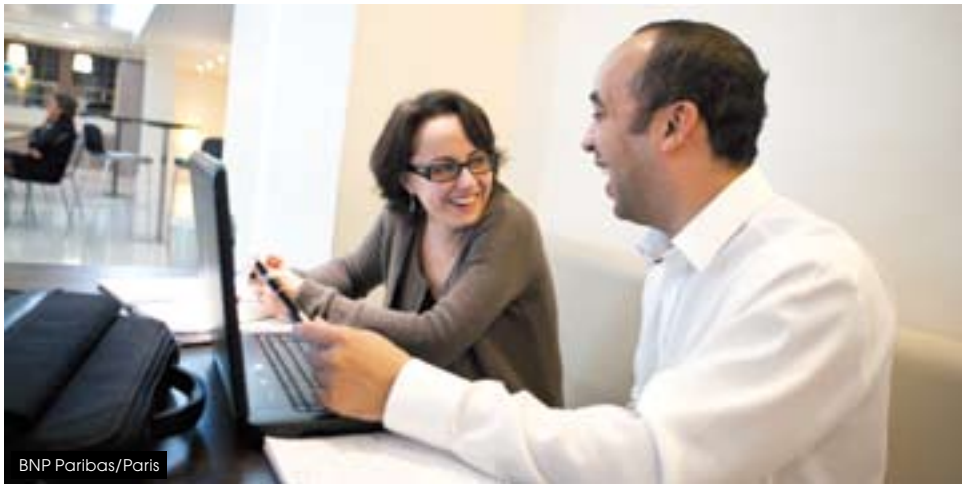
## A Diversity award in France

In 2009, BNP Paribas became the first and only French bank to be awarded the French government's "Label Diversité". This certificate recognises the initiatives pursued by the Bank since the signature of its Diversity Charter in 2004 and rewards BNP Paribas for its exemplary practices in terms of diversity in France. The "Spirit of Diversity" policy covers 18 forms of discrimination which are prohibited by law: origin, gender, age, marital status, pregnancy, physical appearance, surname, health status, disability, genetic characteristics, lifestyle, sexual orientation, political beliefs, membership of a trade union and belonging or non-belonging, whether actual or assumed, to an ethnic group, nation, race or religion. The award was conferred on the recommendation of a committee of representatives from government, trade unions, employer representative bodies and France's national association of human resources directors (ANDRH). It recompenses the Group's determination to play a key role in fostering social insertion, equal opportunity, social bonds and non-discrimination.

## PERCENTAGE OF LOCAL STAFF EMPLOYED BY GEOGRAPHIC AREA



(1) Staff members who are not employed under expatriate agreements.



BNP Paribas/Paris

### **Outreach to visible minorities in France**

BNP Paribas organises a range of outreach events for visible minorities in France. These actions are designed to enable the Group to diversify its candidate pool and to ensure that minority candidates are not dissuaded from applying to join the organisation. To promote equal opportunity, the Group participates in job fairs organised for visible minorities and in employment diversity forums in underprivileged areas. These include IMS, Africagora, AFIJ, the "Zéro Discrimination" initiative in Lyon, and the "Nos quartiers ont du talent" project with the French employers' federation (MEDEF), etc. As in 2008, the Group participated in the equal opportunity employment roadshow "Train pour l'emploi" organised in March 2009. This event enabled the ten companies taking part to meet job seekers who were pre-screened by public sector employment services, youth employment services and associations involved in promoting equal opportunities.

Please refer to section "Ensuring recruitment that meets the specific needs of each business" for more information on initiatives to promote non-discrimination and professional insertion.

BNP Paribas stepped up its actions to promote diversity in the workforce in 2009. During the year, the Group marked the tenth anniversary of its presence in the Seine-Saint-Denis department with an inauguration ceremony for the Grands Moulins de Pantin office complex.

Initiatives in favour of visible minorities are coordinated in partnership with non-profit associations working in the area of professional insertion. Please refer to the CSR Report under "A partner in society" for more information on these partnerships.

### **Gender equality in the workplace**

In 2004, as required by the law, BNP Paribas chose to examine the conditions under which gender equality was being upheld within the Bank's operations. Although well represented in the workforce, in some cases women face a "glass ceiling" which keeps them from rising above a certain level. In recognition of this issue, the Group has committed itself to foster equality of opportunity and treatment between men and women at all stages of professional life and to do more to promote women into managerial and supervisory positions.

### **Objective 2012: 20% of women in senior management positions within the Group**

Diversity management is a key component of organisational efficiency. In this area, the Group CEO has set an ambitious goal. By 2012, women will occupy 20% of the key management positions within the Group. This will entail a concerted effort to promote at least 100 additional women to senior management positions.



FundQuest/Boston

## **2009 Prize for "Best Diversity Report"**

Each year, France's "International Conference on Diversity" awards a prize for the CAC 40 listed company with the most comprehensive section on diversity in their corporate social responsibility report. In 2009, the French association "Défis de la Diversité" worked alongside the prospective research centre of Groupe Alpha to analyse corporate social and environmental responsibility reports using 33 different indicators. BNP Paribas's 2008 annual report fully satisfied the award jury's selection criterion of "high quality of information provided to stakeholders on diversity management". The jury, which comprised practitioners and academics specialised in the field of CSR and diversity management, awarded its first prize to BNP Paribas for the "Best Diversity Report" under the "Gender Equality" category.

## **Company agreements in France**

BNP Paribas SA signed a long-term agreement on gender equality in the workplace in July 2007. The agreement replaced the previous three-year agreement, signed in April 2004. The agreement defines the principles to be observed to promote equal opportunity and gender equality at work. It provides for means of fostering work-life balance and for bridging, over a period of three years, pay differences between men and women working at the same grades and with comparable levels of qualifications, responsibility and professional effectiveness as determined by performance evaluations. A budget of EUR 3 million was set aside to reduce salary differentials in 2008 and 2009. The initiative will be repeated in 2010.



BNP Paribas/Bahrain

## BNP Paribas, the leading CAC 40 listed company for its level of representation of women on its Board of Directors

A survey conducted by ORSE, the French observatory on corporate social responsibility, the French Institute of Company Directors, and the European Professional Women's Network - Paris, found that women accounted for 28.5% of the members of the Board of Directors of BNP Paribas, making it a leader among its peers. Only four CAC 40 companies had boards with more than 20% women directors.

In France, the percentage of women promoted into management positions (as defined in the banking industry collective agreement) or executive management positions (for subsidiaries not governed by that agreement) stood at 38% in 2009, versus 32% a year earlier, and 28.5% in 2007. At BNP Paribas SA, the proportion of women executives has been rising steadily in recent years; it was 38.8% in 2005, 40.3% in 2006, 41.4% in 2007, 43.1% in 2008 and 44% in 2009. See NRE appendix - Social chapter for more information. By 2007, BNP Paribas had already exceeded the 2010 target set within the banking industry for the feminisation of managerial employment. As of end-2009, BNP Paribas had achieved its 44% goal, one year ahead of schedule.

The Group's operations in Italy have also taken steps in this area. Thus, women accounted for 37.9% of the workforce in 2009, versus 31.3% a year earlier. Women accounted for 26.6% of managerial positions and 10.7% of executive management teams.

### Gender Equality networks

In France, the MixCity network was formally incorporated as a non-profit association — BNP Paribas MixCity. The objective is to create an active, value-added social network within the company and to serve as an advocate for diversity both within the organisation and within society.

Membership is open to all female executives with an employment status equivalent to that of the French "cadre". The association's purpose is to provide a forum for exchange between members and the Group's executive management bodies as well as with other women's groups in France and internationally. Its objective is to propose new "rules of the game" and to develop new possibilities for the advancement of women and to assist women in their day-to-day management roles by promoting measures which facilitate work-life balance. A wide range of activities are proposed: breakfast and lunch meetings, awareness-raising workshops, training sessions and meetings with motivational speakers who have specific experience to share ([www.association-bnpparibas-mixcity.com](http://www.association-bnpparibas-mixcity.com)).

As from 2008, the MixCity initiative was spread to other countries, starting in Luxembourg. In 2009, in the United Kingdom, a Women's Internal Network was established in London while in the Gulf Region, a similar initiative was organised in Bahrain. Other networks are in the process of being formed, for instance a project is underway in Belgium.

In London, the women's networking group is coordinated by a Steering Committee of 25 women executives. The group has initially concentrated on mentoring efforts and on actions to increase the number of women applying for positions in investment banking.



BNP Paribas/Bahrain

### **Parenthood: pilot initiatives in France**

The Group has adopted a range of family-friendly initiatives and developed partnerships aimed at assisting employees who are or about to become parents:

- the eleven-day paternity leave available to employees of BNP Paribas SA comes with full pay in order to encourage fathers to fulfil their parenting role;
- crèches and concierge services are provided at BNP Paribas Securities Services and BNP Paribas Assurance. BNP Paribas Assurance provides around 30 places in its crèches. Both subsidiaries have established partnerships in France to provide children's leisure activities on Wednesdays and during the school holidays;
- the MixCity women's network produced two brochures for employees: "Group agreement on gender equality in the workplace" and "Maternity or adoption";

- the Group has formed a partnership with FEPEM, an association of in-home employers in the Paris region, to advise Group employees in France on the formalities of day-care: filing requirements for the hiring of care providers, collective agreements covering in-home workers, family allowance benefits, entitlements to reduced rates of social security contributions and income tax, etc;
- the Group contributed to the publication of a guide on promoting parental responsibility among male employees by ORSE (observatory on corporate social responsibility) issued in November 2008. The guide was distributed to employees in France.

These initiatives were favourably received both by male and female employees. In 2009, the Group became a corporate member of the French "Parenthood Observatory", an organisation which seeks to promote work-life balance for parents.

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## **Employment and integration of persons with disabilities in France**

Integration of persons with disabilities is a key aspect of the Group's commitment to social responsibility. To this end, the Group strives to retain disabled employees and to be more effective in hiring disabled professionals.

### **Implementation of the 2008 agreement on employment of persons with disabilities**

Year two of the implementation of the agreement on the employment of persons with disabilities for the 2008-2012 period saw the approval of an action plan for the recruitment of disabled employees and a target of hiring at least 170 disabled employees by the end of 2011. The plan is being implemented in partnership with Agefiph, the French agency responsible for collecting employer social security contributions. It will focus initially on disabled persons who have had uncommon career paths and varied professional experience outside the banking industry. The plan includes measures to facilitate the integration of disabled employees and provide training which is appropriate to their careers. As from 1 July 2009, the Group's Human Resources Department has borne the cost of payroll expenses for disabled employees who are newly hired under permanent and fixed-term contracts for the first twelve months of their employment. This initiative is designed to encourage operational entities to take part in the scheme.

In Italy, BNL has introduced measures to provide increased support for employees with disabilities, particularly in the areas of career planning, workplace ergonomics and information. In 2009, 52 persons with disabilities were hired by BNL, bringing the total number of disabled professionals employed by the Italian subsidiary to 509.

## **Equality for employees in married and civil partnership couples**

Since 1 January 2009, as part of BNP Paribas SA's commitments to promoting diversity and parenthood, the Bank has extended the same parental leave rights to employees in civil partnership couples as those in marriages. This non-discrimination measure follows on from the signature by BNP Paribas of a "Parenthood Charter" in 2008.

## **France's High Council for the Family**

The High Council for the Family, in France, is chaired by the Prime Minister. Its purpose is to coordinate family-friendly policies and to monitor changes in social, economic and demographic patterns.

The 52 Council members are drawn from family organisations, employee representative bodies, regional authorities, social security funds and national government. Seven expert members are

appointed up a recommendation by the French Minister with responsibility for family affairs. On 30 July 2009, the Director of Human Resources of BNP Paribas Personal

Finance was appointed as an expert member by the Minister with responsibility for family affairs and will participate in the deliberations of the Council.

Under the aegis of “Projet Handicap”, ongoing efforts are being pursued to raise the awareness of non-disabled employees, to improve conditions for the inclusion and retention of disabled employees in the workforce. The project team coordinates the work of a variety of participants and seeks to develop new partnerships. The retention of disabled employees is optimised through physical and organisational accommodations and by providing secure transitions between jobs. Procurement of services from the sheltered employment sector will be increased. A commission meeting to monitor implementation of the agreement will be held each year in spring.

For more than twenty years, BNP Paribas has been working on behalf of persons with disabilities by supporting an employment rehabilitation centre (ESAT) that it formed, “Institut des Cent-Arpents”.

### **Outreach efforts for people with disabilities**

**Awareness-raising workshops:** “Projet Handicap” organised a series of roving workshops to raise awareness about the capabilities of staff with visual and hearing disabilities as well as disability-friendly technologies. These workshops were organised over several months at a variety of office locations and gave participants an opportunity to meet with employees in their workplaces.

**Promoting the recruitment of disabled persons:** In spring 2009 BNP Paribas launched a communications initiative targeting disabled persons. The campaign used print media and online advertising to highlight the Group’s commitment to providing disabled professionals with positions that match their skills. The Group is committed to promoting the recruitment of disabled persons on permanent contracts and work-study contracts as well as improving workplace ergonomics to permit the retention of existing employees.

**Open day for disabled persons:** In November 2009, BNP Paribas held an “open house” at its marché Saint-Honoré office building in central Paris for the third consecutive year. The event was held to coincide with France’s thirteenth annual “National week for the employment of disabled persons”. It provided participants with an introduction to the Group’s business lines and enabled them to submit their CVs. The event was attended by employees representing each of BNP Paribas’s divisions — Retail Banking, Investment Solutions, Corporate and Investment Banking, core functions and subsidiaries.

## **Age diversity**

As part of its diversity and gender equality drive, BNP Paribas follows an employment policy designed to help extend employees’ working lives. At BNP Paribas SA, measures that allowed employees to leave on early retirement were restricted in 2004 and eliminated altogether in 2006. The proportion of employees aged 55 and over stood at 20.5% of the workforce at end-2009 versus 10% at end-2003.

With the lengthening of working lives, BNP Paribas seeks to provide career prospects for employees aged 45 and over by facilitating further development of their skills and responsibilities. Under the sectoral agreement of 9 July 2008 on age discrimination and the employment of seniors, the enterprise is committed to a gradually increasing average age of retirement, rising from 55 years to a target of 60 years by 31 December 2012. The enterprise is also committed to doing more to manage the latter part of employees’ careers and to producing an annual report on the employment of seniors.

The enterprise commits to the principles of equal access to professional training and individual right to training regardless of age.

The “Managing Diversity as a Performance Lever” seminar launched in 2008 is designed to draw managers’ attention to the issue of age diversity and remind them that all forms of age discrimination are prohibited.

By the end of 2009, all Group entities in France had defined their employment policies for seniors. These will be implemented as from 2010 over a three-year period. Policies set overall objectives for the proportion of senior employees within the workforce while identifying measures to promote the employment of seniors. The employment policy for seniors is a key component of the Group’s overall efforts in the areas of non-discrimination and equality of opportunity.



# Listening to employees

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“By asking us to participate in this survey, BNP Paribas has demonstrated that it is committed to achieving improvements. It gives me the feeling of working for a company that is attentive to its employees.”

(Quote taken from the questionnaire)

## Global People Survey

### **Global People Survey: tracing the road ahead**

In 2008 the BNP Paribas launched an annual “Global People Survey” in 10 languages for a population of 25,000 employees around the world.

In 2009, the survey process was greatly expanded and was conducted online for the first time. The questionnaire was developed in 17 languages and included 80 questions in 15 different themes. It also included an open-ended question asking employees to comment on the direction for change within the organisation. The new edition of the survey provided an opportunity to gauge the level of commitment of the Group’s worldwide employees along with their opinions about their day-to-day work, their image of the Bank and of its management teams and BNP Paribas’s corporate social and environmental responsibility (CSR) efforts. The second edition of the Global People

Survey was conducted with the assistance of Towers Watson which analysed and processed the survey results in a manner which ensured strict anonymity and confidentiality. The June 2009 edition of the survey was extended to a sample base of 163,000 employees in 75 countries and included employees from BNP Paribas Fortis. This larger sample base provided more representative survey results. The survey was one of the first corporate projects organised in collaboration with Fortis. The overall survey response rate for 2009 was 51%, giving 83,000 completed questionnaires. The results provided data for each business area, division, function and country. Survey results were further broken down by age, seniority, etc. to provide an invaluable information source which enables comparisons between Group entities and facilitates sharing of good practices. The changes in survey responses from year to year helped to highlight areas of action for Group entities.



### **European Committee**

The Group has had a European Committee since 1996, before having such a committee became a legal requirement. The committee monitors the Group's development in Europe. Its composition was adjusted after the integration of Italian bank BNL in 2006, and it now consists of 25 members from 16 countries. It is chaired by the Chief Executive Officer of BNP Paribas. In 2009, the integration of BNP Paribas Fortis' banking units in Belgium and Luxembourg sharply increased the Group's scale.

Following this substantial change, talks about the Committee's composition and operating methods started in late 2009 and continued in early 2010. The Group's new scale prompted an extraordinary meeting of the European Committee in December 2009 in Brussels.

### **The spirit of innovation**

#### **A major issue**

Banking is a highly innovative sector. Information technology is having an increasing impact, accounting for 15-20% of banks' operating expenses, while financial services involve a large amount of IT expertise and customers are very interested in innovation.

In the absence of patent protection, intense competition in the banking sector means that innovative services quickly become standardised. As a result, permanent innovation is needed to create value-added products (product innovation) and to offer mainstream products efficiently and on an industrial scale (process innovation).

Financial innovation is therefore encouraged, and made available to customers. Innovation can improve risk coverage, investment returns, access to transactions and unit costs.

#### **Innovation Awards**

Every year, our Innovation Awards reward innovation in all its forms. There are nine categories of awards, including sustainable development. Two prizes are awarded in each category. The business innovation prize acknowledges initiatives taken by staff or teams tasked with innovating in their areas of activity. The Innov@ction prize rewards individual initiatives taken by one or more employees to improve products, services or processes and to increase customer satisfaction.

The open-ended question concerning the direction for change within the organisation elicited 32,152 responses (52% of respondents). In addition to expressing satisfaction at being able to participate in a worldwide survey, employees also expressed a wide range of expectations which were carefully analysed in order to plan the direction for future initiatives. The numerous suggestions helped to enrich the content of action plans for Group entities.

Despite the turbulent economic climate, the survey results demonstrated the extent of employees' commitment to the organisation and their confidence in the strategic choices of its executive management. Employees consider that the Group is well positioned to meet future challenges.

In relation to BNP Paribas's commitment to corporate social and environmental responsibility, employee perceptions were even more favourable in relation to 2008 and their comments provided a

variety of suggestions for locally-based initiatives.

The Group's CSR policy was cited as the second-most motivating factor for employees, next to leadership. The emphasis placed on the Group's commitment to CSR was consistent across the entire Group irrespective of the business line or function in which employees operate, age, hierarchical level, employment status (managerial or line positions) and regardless of whether staff belong to special population groups.

In the current economic crisis, the survey results underline the contrast between employees' perceptions of the Group's responsibility and the negative treatment of the banking industry in the French media.

These awards were created to share the initiatives and success of the winning teams across the Group. They raise staff awareness about the winning innovations through articles published on the Group intranet.

### **Internal communications: contributing to social responsibility**

Internal communications efforts had to respond to an unprecedented range of challenges in 2009, including a systematically negative treatment of the banking industry in the French media. Throughout the turmoil of the financial crisis, BNP Paribas took all available opportunities to keep its staff informed by circulating memos and informative brochures outlining the Group's strategy. In 2009 a series of communication activities were targeted at employees using a variety of media: "*Ambition*", the Group's in-house magazine is published in English, French, Italian, Dutch and Russian and serves as a source of news about BNP Paribas as well as insights into its strategy. "*Starlight*", the in-house video channel, is devoted to BNP Paribas innovations. Programming is presented in a six-minute newsflash format. Clips can be viewed each month on the Group's intranet sites in French, English and Italian. Since 2009 a newsflash in Dutch has also been introduced. A weekly newsletter, "*Flash Groupe*" is circulated to staff in 15 territories and provides a round-up of key news issues each week. Similarly, an annual review is also published while the Group's business-to-employee intranet was overhauled in 2008. The intranet website recorded 104 million page views in 2009. Finally, a dedicated electronic newsletter covering CSR issues is published on the Group's intranet each month.

### **Protecting employee health**

The Group's occupational health policy goes beyond simply complying with changing legislative requirements. The major components of the policy are risk mitigation and support for employees who are at-risk or who have become unfit for work.

### **Preventing occupational hazards**

Prevention begins with an assessment of occupational hazards: violence in bank branches, musculoskeletal disorders, air conditioning and ventilation malfunctions. A multidisciplinary team set up in 2006 pools the skills and knowledge of its members to prevent these risks and deal with pathologies stemming from multiple factors. This approach to working conditions offers greater opportunity for prevention and fosters concerted action.

In 2009, particular emphasis was placed on the following areas:

- the approach to hazard evaluation and prevention (mandatory document required by the French ministerial order of 5 November 2001);
- the quality of ventilation and air conditioning;
- lighting, office floor plate ergonomics and new technologies (e.g. WiFi);
- ergonomics of staff workstations for employees working in Accueil & Services retail banking branches;
- ergonomic enhancements for call centres in Lille and Paris.

Medical assistance to employees that have been victims of attacks, in particular in the Paris region, is provided in conjunction with the city's emergency medical services. This initiative has been progressively reinforced in recent years, and its effects can be seen in the reductions in both the number and length of leaves of absence in the wake of attacks and in requests for transfer to another position subsequent to an attack. In 2009, 46 employees received medical assistance after an attack. Five of them were referred to specialists for psychological help.

## **Supporting staff initiatives**

In February 2009, BNP Paribas launched [forachangingworld.com](http://forachangingworld.com), a website focused on public-interest initiatives undertaken or supported by BNP Paribas worldwide.

The website and related blog were designed as an interactive space for the general public, available in French and English. They show the importance that BNP Paribas places on its commitments and staff initiatives in all areas relating to corporate philanthropy, including microcredit, support for schools, medical research, culture and urban regeneration. The [forachangingworld.com](http://forachangingworld.com) blog encourages ideas, reactions and contacts, with the aim of providing constant guidance regarding the initiatives taken by the Group and its staff.

## **A reference guide on best practice in CSR**

BNP Paribas Wealth Management has developed a best practice guide for employees to showcase its initiatives in the field of corporate social and environmental responsibility (CSR). This informative guide educates staff about ways in which they can contribute to the company's sustainability drive. The guide is designed to be both practical and fun. It is presented in a quiz format which gives staff all of the relevant information they need to understand BNP Paribas Wealth Management's sustainability initiatives.

## **A formal psychological support programme**

This dedicated assistance unit was created in France in 2008 as part of BNP Paribas's effort to provide support for victims, and members of the public suffering from trauma as well as staff members, service providers and clients in the wake of hold-ups, violence, hostage-taking, workplace suicides, attacks, terrorism, landslides, fires, explosions and other natural disasters. A 24-hour hotline is available seven days a week and provides psychological assistance to individuals throughout France and French overseas territories on behalf of BNP Paribas and its subsidiaries. The service is available for all employees and service providers working in the Group's premises in France.



On behalf of the French Retail Banking Division, BNP Paribas SA's occupational health department participated in a working group set up to help to prevent and manage customer incivility and to assist and support customer-facing staff. In the area of prevention, for example, behaviour training is provided which combines role-playing games and experiencing sharing exercises. Staff learns how to identify factors that lead to aggressiveness, apply techniques for handling confrontational situations and cope with feelings of anger and humiliation. In 2009 close to 2,300 persons participated in incivility awareness training. Assistance and support for employees are provided by management. Psychological and medical assistance is provided by the Occupational Health Department. In cases where death threats are made, an emergency psychological support team is mobilised. Similarly, administrative and legal assistance is provided for employees having to notify social security or policy authorities of workplace accidents or civil and criminal complaints. Specific initiatives are pursued to mitigate other occupational hazards: information campaigns, training, design ergonomics, remedial ergonomics and alert procedures. In 2009, the Group stepped up its efforts in the area of workplace ergonomics: 13 plan studies, 122 premises inspections and 8 studies were conducted. The high degree of vigilance exercised jointly by the occupational health department, management teams, facilities management functions, the work of the ergonomics unit and works committees has contributed to the very low rate of musculoskeletal problems reported in BNP Paribas SA.

### **Public health issues**

BNP Paribas SA's occupational health department has been working for many years to promote employee health. In the course of annual medical check-ups, occupational physicians provide personalised care in all areas of public health. Awareness campaigns, brochures and specific programmes are designed to address key health risks, including cardiovascular disease, cancer, obesity and smoking.

A variety of additional public health initiatives were pursued in 2009.

A working group comprised by operational HR managers from all Group divisions and functions was set up to engage in contingency planning for pandemic preparation and to define appropriate

sanitary and organisational responses. The plan developed covers purchasing of hygienic masks, compiling a database of hygiene products, measures to raise awareness about personal hygiene (hand washing) and the display of posters in washrooms. More than 3,960 influenza vaccinations were administered in 2009. In addition, a business continuity plan was developed to deal with an outbreak of the A H1N1 virus.

The cardiovascular disease prevention programme, "PCV Métra", continues to screen for risk factors such as high cholesterol, hypertension, smoking and stress. Medical evaluations at Broussais Hospital of employees found to be at risk and screening for coronary impairments with a view to early treatment have resulted in 226 blood tests and 5 one-day hospital admissions.

635 people took part in a programme to help employees and their family members in the Paris region stop smoking through the Allen Carr method; 47% of those who responded to the satisfaction survey stopped smoking in 2008. In other parts of France, 73 people participated in sessions held in Arras, Dijon, Orleans, Chartres and Marseille. A free-of-charge follow-up session was organised by the Allen Carr Foundation on 6 November 2009. This session was organised for staff who had resumed smoking after having been cigarette free.

Each occupational health office is now equipped with a tonometer to screen for glaucoma. Screening tests for diabetes are also offered.

### **Support for employees with long-term illnesses or incapacity for work**

As in the area of prevention of occupational hazards, the occupational health department, HR managers and line managers work closely together to redeploy employees returning to work after several months' absence due to illness. Given the rapid pace of change within the Group, the reintegration process must factor in an adjustment to the new circumstances, so as to dispel employees' worries and allow them the time to get back on their feet.

In some cases, employees can meet with the occupational physician before resuming work, either because they request it or because their general practitioner or the reviewing physician recommends it. In such instances the occupational physician helps the employee to prepare for a return to work, taking into consideration any

## **A medical Observatory to monitor stress and mental health issues**

Stress is the second most prevalent occupational pathology after musculoskeletal disorders.

An observatory to monitor stress and mental health issues set up in collaboration with IFAS, the French institute for action on stress, in Paris and Lyon. At the beginning of each periodic medical visit, employees fill out a confidential, anonymous questionnaire that is immediately assessed by an occupational physician for purposes of a personal diagnosis. The data is then compiled and processed by IFAS, an independent body, which returns the results to BNP Paribas. Results are used to measure stress levels, pinpoint populations at risk and take appropriate preventive measures. In 2009 close to 7,000 persons completed this questionnaire. The medical observatory of stress and mental health issues was extended to BNP Paribas Personal Finances and BNPP Assurance in 2009.

## **Training employees in life-saving techniques**

In 2009, the Group overhauled its crisis communications programme for workplace emergencies. Each employee of BNP Paribas SA received a guide outlining the life-saving techniques to be applied in crisis situations. A dedicated "emergencies" section of the Group's intranet was also created. The section includes an interactive graphical sequence which educates staff about their role and responsibilities.



after-effects or residual handicap the employee may be suffering.

The Group's entities outside France focus efforts on the mitigation of occupational hazards and improving access to care for employees through partnerships with local health authorities. In Ukraine, employees of UkrSibbank who were exposed to radiation following the Chernobyl disaster qualify for benefit payments and additional leave, and their health is closely monitored as part of an initiative run by the Ukrainian authorities.

BNP Paribas is an active member of Sida Entreprises, an association bringing together leading French investors in Africa to help resolve ongoing problems in the areas of AIDS prevention and access to treatments. These difficulties persist despite the financial aid provided to affected countries. BNP Paribas helps to set up inter-company groups in the West African countries where it is present, through its network of associated banks (BICI).

**Developing harmonious labour relations across the countries in which the Group operates that are consistent with the Group's values**

■ **France**

In 2009, the Labour Rights Commission, BNP Paribas SA's labour information and negotiation body, met on 37 occasions and negotiated the signature of 14 company-wide agreements. Some of these agreements were designed to improve or continue employee benefit plans and management-employee dialogue, while others strengthen employee representation on various bodies. The ongoing financial crisis had a major impact on labour relations in France. Trade unions stepped up their campaigns on the themes of preserving jobs and purchasing power, reducing salary differentials and combating social inequality.

Despite the deteriorating economic climate, BNP Paribas succeeded in maintaining positive labour relations. Labour protests organised at national level had no impact on the continuity of operations. Mandatory negotiations in connection with the annual wage bargaining round led to an agreement signed with three labour unions. For more information, please refer to the NRE appendix – Social chapter – item 16: Changes in remuneration.

The other major development of the year was the ongoing reforms to employee representative bodies. In the wake of the negotiations concluded in 2008, 100 works councils at national and local level were combined into 10 regional works councils. In addition, a significant number of meetings were held with social partners to discuss the integration of Fortis.

Finally, several meetings of the Labour Rights Commission were convened to discuss employer subsidies for commuting in accordance with the terms of the French law on social security financing for 2009 as well as employee savings, the presentation of the total compensation report, the results of the agreement on the employment of persons with disabilities.

■ **Italy**

In 2009, wide-ranging negotiations and consultative meetings were engaged with labour representative bodies to examine restructuring proposals for a number of BNP Paribas entities in Italy. Thanks to the synergies achieved with BNL, these negotiations enabled the planned reorganisations to be implemented without need for workforce reductions.

The negotiations also gave rise to the signature of a framework agreement on security measures for bank branches and on classifications, staffing, company benefits and training.

■ **Belgium**

In recognition of their shared concerns for enterprise growth and in a spirit of mutual respect, management and staff representatives pursued an ongoing dialogue on labour relations issues in order to prepare formal meetings of representative bodies.

This transparent approach helped to lead to the decision taken by Fortis's employee representative bodies in the second half of 2009 to support BNP Paribas's acquisition of Fortis Bank and, in the second half, to back the ratification of the Group's industrial plan by the works council of Fortis.

Thanks to the trust established, a dozen collective bargaining agreements were concluded within BNP Paribas Fortis. A number of these agreements were made necessary by the industrial plan. Agreements covered areas such as working time reduction, job security and functional mobility as well as the financial status of employees of BNP Paribas's Belgian branch following the transfer of its operations to BNP Paribas Fortis.

■ **Luxembourg**

In Luxembourg, the key area of focus for dialogue with employee representatives during 2009 was the industrial plan for the integration of BGL within BNP Paribas. This plan was presented to employee representatives and approved on 25 November 2009.

In addition, agreements were also signed with the Luxembourg Ministry of Labour covering the secondment of BGL employees to BNP Paribas Luxembourg as well as agreements with the four largest trade union bodies in the financial services sector covering the extension of the provisions of the 2009 collective bargaining agreement for bank employees for the 2010 financial year.

# RELATIONS WITH CLIENTS AND SUPPLIERS



# RELATIONS WITH CLIENTS AND SUPPLIERS

## Closely-attuned relationships

### Listening to clients and meeting their needs

#### Anticipating client expectations

A personalised approach, using diagnostic tools to make products better suited to the needs of each client: preparing investment plans, protecting assets and appraising pension provision, to meet the requirements of 6.5 million personal and private-banking customers in France. We also offer a range of services, from start-up financing to loans and investment solutions, for 565,000 small businesses, entrepreneurs and non-profit organisations. We support our 22,000 corporate and institutional customers with key account managers based in 27 Business Centres. We offer customised solutions by cross-selling services from other Group businesses, particularly Corporate and Investment Banking and Cash Management. BNP Paribas' consumer surveys unit brings together a network of Group entities specialised in market surveys, some of them authorities in their fields. These include the Cetelem Observatory for consumer spending and the Corporate Vehicle Observatory set up by Arval Service Lease. The synergies offered by this network lead to a better understanding of different consumer profiles and retail channels, as well as customer satisfaction. This research helps us to calculate leading indicators of likely developments in consumer behaviour and lifestyles. The resulting indicators make us more able to innovate in our range of products and services and in our distribution methods. Demographic and social changes, new information technologies and an increasingly nomadic lifestyle have given rise to increasingly diverse demand in various customer segments. BNP Paribas is ex-

pected to provide greater convenience and responsiveness, and to offer a wide range of choice based on each client's particular circumstances.

#### Cetelem Observatory

In 2009, like every year for the last twenty-five years, the Cetelem Observatory published the results of various surveys of the property market, the European auto market and consumer spending in 12 European countries.

#### ■ Cetelem Observatory: property market

Owning a home is a priority for 34% of those surveyed, a dream for 25% and a natural event for 20%. Compared with the 53% of French people who already own their home, these figures show that the property market has significant room for growth. 79% of people would like to own their home, but only 53% actually do, a gap of 26 points.

#### ■ Cetelem Observatory: auto market. The focus is on low-cost vehicles

29% of Europeans surveyed are considering buying a low-cost car. However, beneath this large figure lie wide variations between countries. The Portugal, the UK and Spain have the largest proportions of those intending to buy a low-cost car, i.e. over a third.

In France, in 2006, the Cetelem Observatory revealed that 5% of French consumers were ready to buy a low-cost vehicle as their main car. Since then, low-cost vehicles have become much more popular, and the figure has risen to 18%.

#### ■ Cetelem Observatory: consumer spending. Spending smarter, not less

The global recession has prompted people to improve their consumption habits, for themselves, others and the planet.

They are not seeking to cut consumption, but they want to consume in a more responsible way. Three underlying trends are emerging: organic, fair-trade and second-hand. 38% of Europeans say that they regularly buy organic products. 10% claim to buy fair-trade products on a regular basis, and 60% have bought second-hand books, CDs or video games.

### Arval and carbon offsetting

Carbon offsetting has been developed by Arval as an extension of its Measure & Management offering. As it does for itself, Arval enables fleet managers to set multi-year emissions reduction targets, and to offset any overshoot in a given year. The same offsetting mechanism can be offered to companies and organisations wanting a "zero emissions" position, in which case all CO<sub>2</sub> emissions are offset. Arval selected this option in 2009, offsetting all emissions from its own vehicles in all countries. It did so using a diverse range of methods depending on the country, working with various specialists and certified NGOs, or through the certificates market with the support of BNP Paribas Carbon Finance.

### Measuring customer satisfaction

Since 2002, French Retail Banking has introduced and developed several ways of measuring the satisfaction of its 6 million customers in all categories, i.e. personal customers, small businesses and entrepreneurs, corporate and non-profit customers, private banking customers

and staff. Barometers were developed to measure satisfaction with specific services such as the Customer Call Centre, the Online Customer Support Centre, and account statements. Satisfaction was also measured at a key point in the bank/client relationship.

## TOOLS USED BY BNP PARIBAS IN 2009 - MAIN CUSTOMER SATISFACTION MEASURES

2009 tools	Comments
BNP Paribas Private Banking	2,200 interviews were carried out with a representative sample of Private Banking clients. For the second consecutive year, the results showed the effect of the recession, which has hurt wealthy savers and damaged the image of banks. Wealthy customers are attracted to BNP Paribas' status as a top-ranking bank.
Customer Relations Centre	150 interviews were carried out every month with a representative sample of call centre users. Performance indicators were issued monthly and a summary report was issued every six months.
Calls made by the Customer Relations Centre	To calculate this new indicator, which was launched in 2009, a representative sample of 100 customers contacted by the call centre is surveyed every month. Performance indicators were issued monthly and a summary report was issued every six months.
Small businesses and entrepreneurs	2,400 interviews were carried out with a representative sample of entrepreneur and small business clients. After a sharp improvement in the satisfaction of small-business and entrepreneur customers between 2005 and 2008, there was a decline in 2009 as a result of the recession. However, as in the personal customer segment, BNP Paribas remains attractive to these customers.
Corporate and non-profit customers	In early 2009, 2,760 interviews were carried out with a representative sample of corporate and non-profit clients using Business Centres. Satisfaction among these clients increased for the fourth year in a row. Despite the recession, satisfaction rates among corporate and non-profit customers rose further, in line with commercial results. The main factor remains the mix between "relationship quality and competitiveness". A high level of satisfaction was achieved, and the increase was seen across all customer segments.
Employees	1,500 employee-clients, including 700 Paris Lafitte customers and 800 customers at other branches, were surveyed, taking a representative sample of all employee-clients. Results have been improving steadily over the past five years.
Clients who have filed complaints	120 interviews were carried out with a representative sample of clients whose complaint was handled in the previous month. Performance indicators were communicated monthly at national level and quarterly at regional level.
<a href="http://bnpparibas.net">bnpparibas.net</a> users	To calculate this new indicator, introduced in 2009, 200 customers using the online banking service are surveyed. Performance indicators are issued quarterly and a summary report is issued every year.

In addition to these indicators, BNP Paribas has for several years used a **Branch Relationship Quality indicator**. Each operating entity tracks service quality indicators, which serve as tools for improvement at a local level. For instance, local managers can use the indicators to adjust how they coach their sales force and develop targeted action plans. 67,300 individual and small business clients were surveyed for this barometer in 2009. They were asked about their satisfaction and the quality of branches' client relations. 507 reports were published on the intranet, covering 411 entity managers, 88 group managers and 8 regions. Since 2009, each of the 88 groups has prepared a Customer Satisfaction Action Plan based on the QRA indicator results.

The 2009 results reflect the recession, which made customers more demanding, and satisfaction fell across the customer base as a whole. Despite this situation, which affected all banks, the customer loyalty rate remained steady.

The Group also uses a Mystery Visit indicator to measure branch service quality. 3,330 Mystery Visits were carried out in 2009; each branch was visited between one and three times during the year.

Satisfaction with in-branch service and ATMs has been improving steadily due to the roll-out of the *Accueil & Services* concept across all branches.

For **BNP Paribas CIB**, relationships with its 16,000 customers are central to its strategy. The business works with customers, aiming to meet all their needs, as part of long-term relationships of trust. This approach is the main ingredient of CIB's recipe for success. Since the start of the recession, customers have wanted simpler, more secure products. Certain businesses have therefore been reorganised, particularly those in charge of structured loans. A regional structure has been put in place to help businesses understand their customers better and serve them more effectively through appropriate products.

Employees responsible for maintaining client relationships are now equipped with shared software, including Client Relationship Management (CRM) applications. This software gives them a comprehensive, real-time overview of the commercial relationship between BNP Paribas and a client group (parent company and subsidiaries). The Group's platform for recording client contacts, visits and ongoing transactions makes it

## Financial education: helping customers through training initiatives

Outside France, BNP Paribas also supports customers by providing financial advice and education. In 2009, UBCI in Tunisia invited executives from a client microfinance institution to its Skills Development Centre. An initial seminar took place in November, and was followed by a further two sessions in December. UBCI is also planning to make its 2010 training catalogue available to the institution. In Turkey, TEB is continuing to help SME customers through a team of advisers working in branches, under the banner TEB SME Consultants. These consultants provide advice in areas such as foreign trade, marketing, sales, production and financing. 184 consultants are already offering this service, and 44 more are undergoing training.

## French Retail Banking introduces NET Agence

BNP Paribas has set up a remote bank branch called NET Agence that is accessible online. Individual customers can use the service to access all BNP Paribas' products and services, and can contact dedicated advisers by telephone and e-mail. Customers can access BNP Paribas' 2,200 branches to carry out their day-to-day banking, and can meet with an adviser to discuss issues such as wealth management and mortgages. The aim of NET Agence is to win new customers, particularly those aged 18-35 who live in France and are active internet users. The branch is located in France and has around 10 advisers.

easier for CRM managers to share information and anticipate and meet client needs.

## Tailor-made services

Multi-channel banking meets customer needs by allowing real-time integration of the various distribution channels, i.e. branch appointments, contact through the call centre and online through the [bnpparibas.net](http://bnpparibas.net) inbox. There is a single customer database that centralises information from various sources and provides the same up-to-date information to all channels. This supports the multi-channel approach, resulting in major improvements in commercial activity.

At end-2009, the number of customers using [bnpparibas.net](http://bnpparibas.net) per month was 1,939,000, 20% more than in 2008. In French Retail Banking, branch staff is making major efforts to show customers how to use [www.bnpparibas.net](http://www.bnpparibas.net). Along with the system of contact centres, various promotional campaigns and BNP Paribas' presence on mass-audience websites like Facebook and Pages Jaunes, this has led to a further increase in [bnpparibas.net](http://bnpparibas.net) user numbers in 2010.

Every month, 314,000 new users manage their accounts, consult statements, order products and access information about BNP Paribas products and services online. With its programme to boost internet banking, French Retail Banking is maintaining its ambition of being France's leading online bank in 2012, with the aim of achieving 2.5 million users in 2010.

## Services for migrant clients

BNP Paribas has developed specific migrant banking services. In Marseille, BNP Paribas makes special efforts to serve clients from North Africa and its branches have Arabic-speaking advisers. In California, following the highly successful Pacific Rim service for Asian clients, Bank of the West has introduced products designed specifically for Hispanic clients, which is a high-potential market. Migrant banking services are also being introduced in Turkey, Morocco and Tunisia.

### ■ Services for retired customers

BNP Paribas has designed a practical guide to help customers taking retirement. The guide, which is available in branches, gives useful information about retirement and what steps to take, and advice about organising finances and budgeting in order to ensure the best quality of life.

During retirement, BNP Paribas offers financing solutions to help retired people fulfil their plans as regards housing and vehicles. It offers savings solutions to supplement their income, along with advice on how to maximise and pass on their assets. BNP Paribas also publishes a practical guide to estate planning. Products and services focusing on protecting customers, their loved ones and property are available.

BNP Paribas also offers complementary health insurance, with coverage tailored to retired people. The Aveilla remote assistance service helps elderly, isolated and vulnerable people to continue to live at home, and the Protection Habitat alarm and remote surveillance service protects their homes.

BNP Paribas Obsèques is an insurance policy that pays out a lump sum to cover the policyholder's funeral expenses.

BNP Paribas offers other services to simplify day-to-day life. The Servissimes personal service offering enables customers to call upon professionals to do certain occasional tasks or provide regular assistance, for example with housework, gardening, cooking, travelling and shopping.

This range of products and services means that BNP Paribas is a major player in the market for retired people.

### Mirò and EduCare projects

In 2009, BNL developed a new, simplified, advice process called Mirò, along with EduCare, which develops useful dialogue between customers and banking staff through individual meetings in branches. The range of ethical products has been expanded. Retail banking has also seen the development of more advanced ATMs, more welcoming and more environmentally friendly branches, and a huge staff training effort, involving 2,000 days of training.

## The quality approach

### Building client loyalty

Numerous studies have revealed a strong correlation between clients' perception of service quality and their loyalty, which is a major component of profitability in Retail Banking. Enhancing the quality of client relationships is therefore part of the Group's strategy and provides a framework for its sales initiatives.

### ■ BNP Paribas: the bank with the most loyal customers

A survey about how satisfied French people are with their banks was published in late 2009 by the *Le Parisien* and *Aujourd'hui en France* newspapers. Research company Cegma Topo asked customers who had received their annual summary of bank charges if they were considering changing banks as a result. More than half of those surveyed were considering changing banks, but BNP Paribas clearly stood out as the bank with the most loyal customers. Less than a third (30%) of BNP Paribas' customers were considering changing banks, as opposed to 47% at other banks.

### Increased certification efforts

BNP Paribas leads the banking and insurance sector in terms of ISO certification, with more than 70 certifications <sup>(1)</sup>:

- World leader in ISO 9001 certification within the banking and insurance sector.
- First bank with dual ISO 9001 and ISO 20000 for the provision of IT services.
- First French bank with ISO 14001 certification for its Accueil & Services branch model.

The list of all of the Group's ISO 9001 certifications can be seen at [www.quality.bnpparibas.com](http://www.quality.bnpparibas.com).

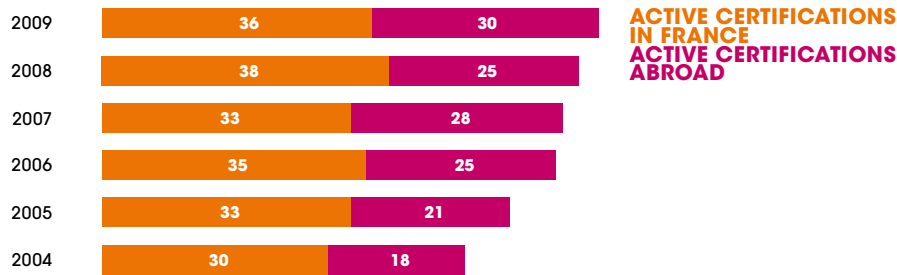
ISO 14001 certification for the Accueil & Services concept, adopted by 1,325 branches in France (see the "impact on the natural environment" section), gives the Group a large lead in terms of environmental management.

## BNP Paribas Securities Services: innovation through electronic notices of meeting

BNP Paribas Securities Services is providing a new service for issuer customers, by sending out electronic notices of meeting, i.e. e-mail invitations to attend their AGMs. This is the first system of its kind in France. It enables shareholders to vote online via a special website. The new system saves time, as well as paper and energy, and enhances the dialogue between shareholders and their companies.

(1) This leading position is based on global ISO Survey data, and on data from Afnor Certification and Bureau Veritas, which operate globally and currently account for 75% of the French certification market.

## NUMBER OF ACTIVE CERTIFICATIONS



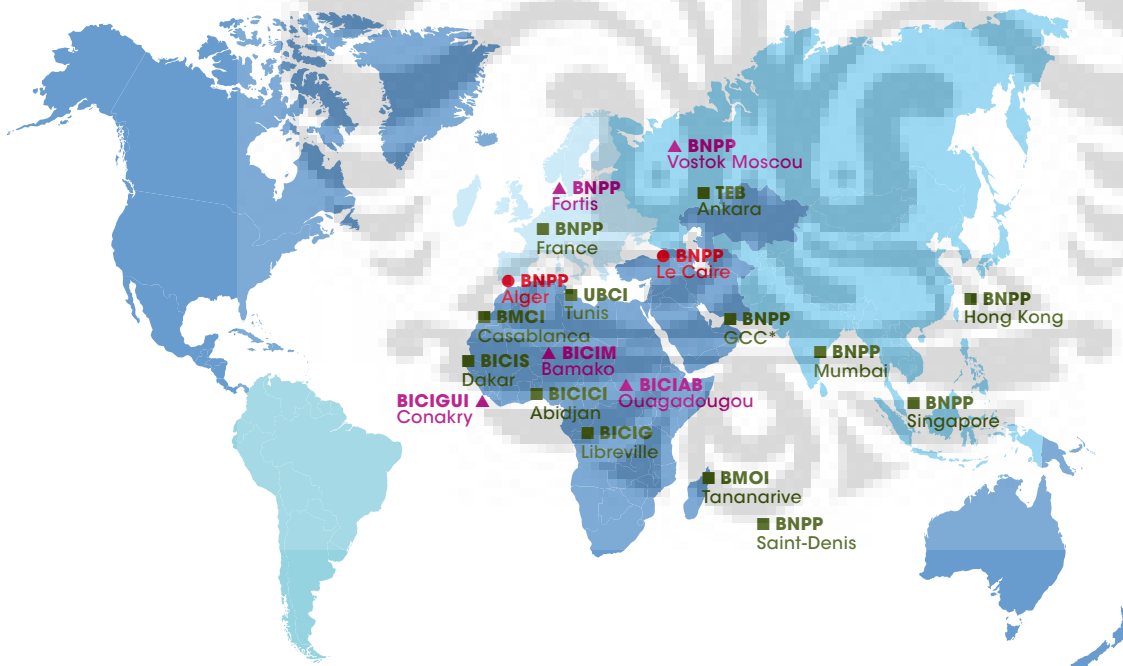
**ACTIVE CERTIFICATIONS IN FRANCE**  
**ACTIVE CERTIFICATIONS ABROAD**

BNP Paribas received 6 new certifications and 11 certification renewals in 2009. In France, the activities receiving ISO 9001 certification for the first time were the remote surveillance department at IMEX, and BDDF's LACM customer support department. Outside France, Cardif's claims department in Italy, BICI's

lending and collection departments in Côte d'Ivoire and Gabon, and Banco Cetelem's consumer relations department in Portugal all received ISO 9001 certification.

In 2009, 7.9% of Group staff worked in an ISO 9001-certified environment.

## ROLLING OUT ISO CERTIFICATION AMONG TRADE CENTRES



**ISO 9001-CERTIFIED SITES**  
**APPLICATION UNDERWAY**  
**SCHEDULED FOR THE SECOND HALF OF 2010**

\* GCC: United Arab Emirates, Dubai, Abu Dhabi, Kuwait, Qatar, Cyprus, Bahrain, Saudi Arabia.

## Certification at BNP Paribas Factor

In April 2009, BNP Paribas Factor, a subsidiary specialising in accounts receivable management, obtained ISO 14001 environmental certification as well as the renewal of its ISO 9001 certification. This covers all BNP Paribas Factor's factoring activities in France, along with its export and multi-domestic services. These include the financing of accounts receivable and payable, invoice management, securitisation services, guarantees against client insolvency, invoice chasing and recovery.



## Dialogue with consumers

The system for responding to customer complaints has four stages:

### Stage 1

Client complaints represent a major commercial risk, and proper handling can contribute to overall client satisfaction. BNP Paribas' process, introduced in 2003, aims to resolve complaints as quickly as possible.

### Volet 2

Complaints are handled by **Consumer Relationship Managers** from within a group of around 100 branches. The Group uses complaint management software to register complaints directly in client files, process complaints efficiently, generate replies to clients, track the status of complaints, and calculate and analyse complaint statistics.

### Stage 3

**Consumer Relationship Experts** work with Consumer Relationship Managers, providing their expertise to ensure the best response to complex complaints. The department investigates certain sensitive complaints. It can also negotiate with customers in order to avoid mediation. The Consumer Relationship Experts Department received ISO 9001 certification in 2007.

### Stage 4

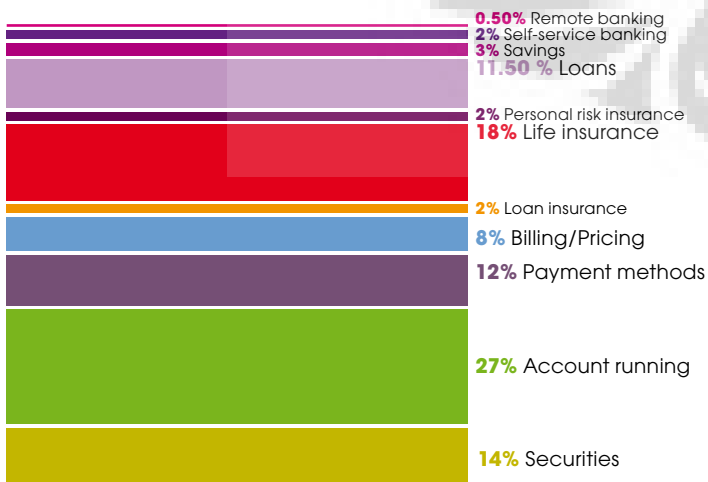
Customers can refer matters to an **external mediator**, independent of BNP Paribas, at any time. The mediator's contact details appear on the customer's account statement. The mediator handles complaints made against the bank by individuals in their non-professional capacity. It provides an opinion within two months. In 2009, the mediator received 3,306 letters. Of these, 2,595 were forwarded to the correct contact person, and opinions were issued on 711 matters.

BNP Paribas is the only bank to implement such a comprehensive, transparent, and easy-to-use system. This system has reduced the number of complaints sent directly to the Executive Management and allows the Group to implement targeted remedial and preventative actions.

Performance criteria are used to measure the quality with which client complaints are addressed, including response time, clarity, empathy and information provided.

BNP Paribas' Quality and Customer Relationship Management function implements the Group's customer satisfaction policy. This policy is further facilitated by software to handle client suggestions and queries related to complaints.

## REASONS FOR MEDIATOR REFERRALS IN 2009



When introducing Mediation in 2002, BNP Paribas focused on the legal application of the mediator's jurisdiction. Disputes relating to deposit account agreements, sales with premiums and bundled sales could be referred to the mediator. However, BNP Paribas has gradually extended the mediator's scope so that it now includes all products and services sold to retail clients.

The mediation service was affected by severe turbulence arising from the recession in 2009. However, the 27% increase in mediator opinions issued is modest given the impact that the recession has had on those with low incomes and the impact of falling markets on financial assets.

The average time taken to deal with complaints fell from 49 to 39 days.

## Protecting the most vulnerable clients

### Engagements campaign: financing the real economy in response to the recession

This campaign launched by French Retail Banking has two main objectives. It aims to highlight the day-to-day activities and commitments made by French Retail Banking staff with respect to existing and prospective customers, and to promote BNP Paribas' position during the recession. The commitments made by BNP Paribas cover a wide area, including housing, savings, microcredit and recruitment. The initiative enables the branch network to show customers the tangible effects of its day-to-day efforts.

### Mortgages

Housing and mortgages are a priority for BNP Paribas. We have introduced measures to make life easier for first-time buyers. In 2009, the total amount of mortgages outstanding at BNP Paribas increased by 5% to EUR 56.7 billion. To achieve that growth, BNP Paribas made regular, large-scale cuts to its interest rates starting in October 2008. The average interest rate on a 15-year mortgage fell from 5.20% to 3.70% in February 2010.

In May and June, BNP Paribas launched a comprehensive mortgage offering through its French branch network. This consists of solutions suited to all customers regarding home insurance and protection, renovation work, moving house and settling in. New mortgage production rose by 85% in the fourth quarter of 2009 in the branch network, and this resulted in a 4% increase in 2009 as a whole.

### Young customers

For many years, BNP Paribas has increased its commitment to young people, helping apprentices, students and other active young people to fulfil their plans. Study finance increased by 9% in 2009 and more than 1,000 apprentices signed up for dedicated services. BNP Paribas can also provide guarantees enabling young tenants to rent a home.

### Small businesses and corporates

In 2009, 96,000 new small businesses and entrepreneurs came to BNP Paribas, and 3,200 sole traders opened a business current account. Contrary to widely expressed concerns, credit was not restricted for SMEs, since loans outstanding to these businesses increased by 2.5%. In August, BNP Paribas tripled its budget for strengthening the equity and quasi-equity of SMEs from EUR 50 million to EUR 150 million over twelve months. BNP Paribas also plays an active role in the mediation system.

### Helping people who are struggling because of the recession

BNP Paribas takes into account its customers' situation in light of tough economic conditions. We offer solutions such as restructuring loans, by reducing monthly mortgage payments or extending bridging loans. BNP Paribas offers a new insurance product that covers all loan repayments if the policyholder loses his/her job. We also pay a EUR 200 bonus to all borrowers who have received compensation under their redundancy insurance policy.

## Solidarity with storm victims

To show its solidarity with the victims of windstorm Klaus, French Retail Banking set up a special offer entitled "Faire face aux premiers besoins" (dealing with initial needs). This gave storm victims preferential terms on loans and mortgages. BNP Paribas offered a loan of up to EUR 5,000 at a fixed rate of 2.30% excluding insurance, for a term of between four and thirty-six months. There were no arrangement fees, and one loan could be taken out per family. The only documentation needed to access these preferential terms was a loss statement from an insurance company. BNP Paribas also enabled families that had taken out a mortgage since 1996 to defer between three and twelve monthly payments. Deferral could only take place after twenty-four months of repayments, and had to last for at least three months.

**Cetelem: promoting responsible borrowing**

Cetelem, which is the main brand under which the Personal Finance business lends to individuals, has been committed to responsible borrowing for a number of years and in 2009 embarked on a campaign to publicise its approach. In the third quarter of 2009, Cetelem launched a new advertising campaign across several media to raise awareness of its *responsible lending products*. The campaign involved a fictitious organisation, "Bingo Crédit", and was accompanied by the launch of a new tag line in France, i.e. *Cetelem, le crédit responsable*<sup>®</sup>. Both the campaign and the new tag line form part of Cetelem's strategy of affirming its position as a responsible lender.

In June 2009, Cetelem launched the first entirely non-commercial credit information service, [www.moncreditresponsable.com](http://www.moncreditresponsable.com). This is the first non-commercial website dedicated fully to providing information on consumer finance and mortgages. Through the website, French people, whether they are customers of Cetelem or not, can receive a personal response to their credit-related questions. The topics covered by Cetelem specialists include excessive debt, lending conditions and the cost of borrowing. The site also sets out Cetelem's commitments in terms of responsible lending, combating exces-

sive debt, extending credit to the largest number of people and helping customers in difficulty.

To show the results of its commitment, Cetelem has reported responsible lending indicators every year since 2006. These include the proportion of applications refused, the percentage of loans with no payment incidents, the percentage of loans paid off in full and risk-related costs. Risk-related costs are measured by dividing allowances relating to delinquent loans by total loans outstanding. Risk-related costs fell substantially between 2003 and 2008, when the figure was less than 2%. In 2009, as a result of the recession, the figure rose back to the 2003 level, but remained low relative to levels seen in other large countries, particularly the UK and the USA.

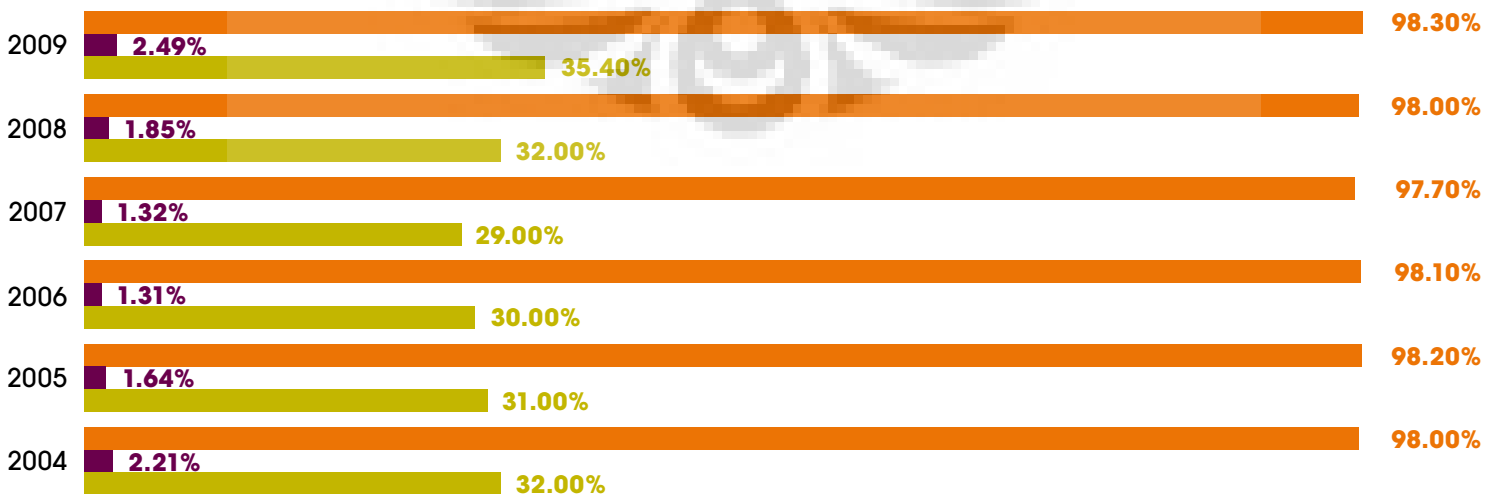
Les Indicateurs de crédit responsable<sup>®</sup> Cetelem's responsible lending indicators for 2009, covering the French consumer finance market, are as follows:

- Refusal rate: 35.4%;
- Loans with no payment incidents: 95.6%\*;
- Loans repaid in full: 98.9%\*;
- Risk-related costs: 2.49%

\* Four years after the loans were granted.



**CETELEM'S THREE INDICATORS**



**LOANS PAID OFF IN FULL**  
**RISK-RELATED COSTS**  
**REFUSAL RATE**

Cetelem's responsible lending approach "complies with four commitments that are fundamental to each phase of the customer relationship, i.e. the loan application, the arrangement of the loan, the life of the loan and the final repayment". These commitments are: combating excessive debt; seeking to extend credit to the largest number of people; helping each customer in a flexible manner and assisting every customer in difficulty.

More generally, the responsible lending policy initiated in France from 2004 onward has now been adjusted and implemented in other countries like Portugal, Brazil, Italy, Hungary and Slovakia. These efforts include:

- launching websites like [www.moncreditresponsable.com](http://www.moncreditresponsable.com) to inform the general public;
- monitoring indicators like the refusal rate and the proportion of loans repaid in full;
- participating in conferences to explain the social and economic role of consumer credit;
- and marketing products and services like Cetelem's "responsible loans", which have been available in France since the third quarter of 2009.

### **BNP Paribas Assurance: fairer and broader access to insurance**

BNP Paribas Assurance makes it easier for disabled people to access borrower insurance, particularly people suffering from paraplegia<sup>(1)</sup>. In France, 30,000 people suffer from paraplegia, and around 2,000 new cases are diagnosed each year. There has been a great deal of research into paraplegia in the last few years, resulting in better understanding and improved support for those affected. Those suffering from paraplegia, and from all disabilities, play an increasingly integral role in society and the world of work. The number of disabled people in work has risen by a factor of 16 in the last twenty years, from 7,000 in 1987 to 111,000 in 2006.

To support the social integration of those suffering from paraplegia and to help them adjust, BNP Paribas Assurance has taken these figures into account and changed its conditions for granting borrower insurance as well as its pricing structure. The company can now offer better insurance terms to people suffering from paraplegia.

As part of its efforts to improve access to insurance for vulnerable people, and in line with the spirit of the AERAS convention, BNP Paribas Assurance is:

- continuing its in-depth studies into the risks of paraplegia-related illnesses,
- planning to apply this approach to other conditions like tetraplegia and Parkinson's disease in 2010,
- strengthening its position as a specialist in elevated risks.

### **Banking facilities and services accessible to all**

In addition to its regulatory obligations, BNP Paribas is taking steps to help people with reduced mobility access its branches and ATMs. In France, 95% of ATMs can be accessed by people with reduced mobility, whereas the sector average is 80%. The Group has developed a methodological guide in association with a specialised consulting firm, and gives the guide to all people involved in building banking facilities and installing ATMs. BNP Paribas' new Accueil & Services branch concept includes features facilitating disabled access. 850 BNP Paribas branches have voice-controlled ATMs. This makes us the first French bank to offer such services to the visually impaired, enabling them to withdraw money without assistance. Multi-channel banking provides all clients with access to information and banking services. Clients always have at least one remote channel – phone or internet – available for day-to-day transactions.

# Socially Responsible Investment (SRI)

Socially responsible investment was for a long time practised only by specialist ethical investors. In the last few years, however, sustainable development has become a political and financial reality. The recession has strengthened the focus on sustainable development. An increasing number of investors are now looking for investments that meet sustainable development objectives. BNP Paribas Investment Partners is supporting this trend, and has developed a broad range of products that meet environmental, social and governance (ESG) criteria. They are managed by various partners, i.e. BNP Paribas Asset Management, Impax Asset Management, FundQuest and EasyETF. While each entity has its own research and investment procedures, they share a common understanding of customers' needs and expectations.

To meet the specific expectations of customers as regards responsible investing, BNP Paribas Asset Management implements investment strategies suited to investors' risk profiles, investment timeframes and desired returns. Socially responsible investment is based on two complementary strategies, which are designed to meet customers' specific requirements, i.e. best-in-class strategies and theme-based strategies.

### **Best-in-class strategies**

These strategies involve investing in companies, organisations and countries that display best practice as regards environmental, social and governance (ESG) issues in all areas of the economy. The ESG analysis is designed to identify sustainable development-related issues that represent major risks and opportunities. For example, the analysis identifies companies with a proactive Human Resources Department or an ambitious CO<sub>2</sub> emissions-reduction plan. Companies, organisations or countries that do not comply with the principles set out in the United Nations Global

(1) An impairment in motor or sensory function of the lower extremities.

Compact with respect to human rights, labour laws or the environment, along with producers of controversial products like arms, alcohol and tobacco, are excluded from the investment universe.

Corporate social responsibility (CSR) analysis is carried out by a team of six analysts with broad ESG expertise. The analysis process is based around close co-operation between financial analysts and CSR analysts to ensure that the portfolio management process incorporates sustainable development issues before decisions are made. One of the main benefits of this method is the prevention of reputational risks resulting from holding controversial investments.

### Theme-based strategies

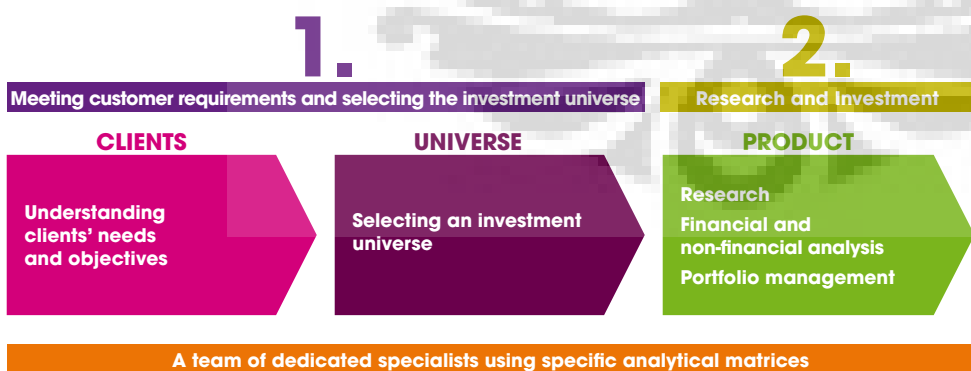
Theme-based strategies focus mainly on products and services that offer solutions to environmental problems and that encourage the efficient use of natural resources. To be eligible for selection, a company must carry out at least 20% of its investment in key sustainable development areas such as renewable energy, water processing, waste processing and compliance with environmental regulations. This policy applies to all investments globally, and excludes companies that do not comply with international standards such as the Global Compact.

## Increasingly aware investors

Investors are more and more concerned about the social and environmental responsibility of companies, and want to be able to assess the potential impact of such issues on the performance of their investments. BNP Paribas Asset Management seeks to promote the long-term value of its investments, and has therefore developed recognised expertise in this area. It offers a complete range of products that systematically take into account sustainable development and corporate governance. The encouraging results prove that SRI is not only ethical, but also creates value for investors.

### The SRI process

The SRI process is the same as that for regular investments, and consists of the following two steps:



## BNP Paribas Fortis' successful sustainable investment campaign

In October 2009, Belsif, a Belgian socially responsible investing (SRI) organisation, organised a "sustainable investment week". BNP Paribas Fortis participated by launching a campaign to promote SRI investments. For every sustainable investment of more than EUR 1,000, BNP Paribas Fortis committed to invest EUR 10 in sustainable projects. A survey of Group customers identified four priority areas of action and four NGOs to be supported: the Red Cross for voluntary work, Max Havelaar for fair trade, Natagora-Natuurpunt for environmental protection, and Plan Belgique for development. The campaign was a success, and as a result, BNP Paribas Fortis donated EUR 120,000 to these four NGOs. During the campaign, more than 10,000 BNP Paribas Fortis customers invested in a wide range of SRI products.

### **Identifying clients' needs and selecting the investment universe**

To meet clients' specific SRI needs, BNP Paribas Asset Management defines a risk profile and an approach based on specific sectors and expected returns. It also takes into account ethical criteria and companies' social commitment levels. It then selects an investment universe according to clients' needs and market opportunities, based on factors such as regions and available securities.

### **Specific features of the SRI research process: non-financial analysis.**

Portfolio management is based on fundamental analysis that factors in quantitative and qualitative aspects of financial and non-financial issues for SRI investments, BNP Paribas Asset Management carries out in-depth research to identify potential sources of value creation or destruction by considering corporate governance and Non-financial issues.

This non-financial analysis supplements standard financial analysis by highlighting companies' sustainable development approach in terms of the commitments they make, the resources they allocate, and the results they obtain. Like the research done by financial analysts, non-financial research is conducted by a team of specialists. Non-financial research is designed with a view to value creation, and relies on assessment criteria selected according to the specific challenges of each industry.

Particular attention is paid to compliance with fundamental labour rights by a company and its subcontractors in the textiles and electronics sectors. Similarly, greenhouse gas emissions and climate-change risks are priority areas of analysis in the energy, power generation, transport, insurance and building materials sectors. A portfolio is then assembled using risk modelling and rankings by sector.

These analyses are regularly reviewed and systematically integrated into portfolio management processes. This non-financial analysis is supplemented by direct contact with companies, ratings from ratings agencies, and brokers' reports. In addition to this system, a monitoring process is used to detect any possible critical situations that could lead to valuations being revised.

### **Exercising voting rights**

At BNP Paribas Asset Management, the exercise of voting rights is an integral part of the investment management process and a component of the ongoing dialogue with companies in which investments are made on clients' behalf. The voting policy incorporates the governance principles set out in key international codes and standards. All mutual funds in France and elsewhere exercise their voting rights at AGMs held by more than 300 companies invested in by around 200 mutual funds. The voting process is based on a review of draft resolutions and votes are cast through electronic voting platforms that allow secure processing. Documents concerning the exercise of voting rights at AGMs are available on BNP Paribas Asset Management's website: [www.am.bnpparibas.com](http://www.am.bnpparibas.com).

### **Research and asset management teams**

Overall, there are around 35 analysts and asset managers providing their socially responsible investment expertise across all BNP Paribas Investment Partners entities.

Best-in-class strategies are applied by teams of analysts and traditional asset managers. This staff is experts in specific product areas, and they offer non-financial analysis focusing on environmental, social and governance (ESG) criteria. These teams cover European equities and bonds as well as the money market.

Environmental strategies are managed by Impax Asset Management, BNP Paribas' partner specialising in the environmental sector. Over the years, Impax has developed a broad array of equity investment portfolios. The asset allocation team implements balanced solutions for equity and fixed-income investments.

The team in charge of structured products develops funds based on SRI performance indexes and equity portfolios based on ESG criteria.

The EasyETF team has developed a comprehensive range of trackers, which seek to reproduce the performance of SRI indexes based on best-in-class and environmental strategies.

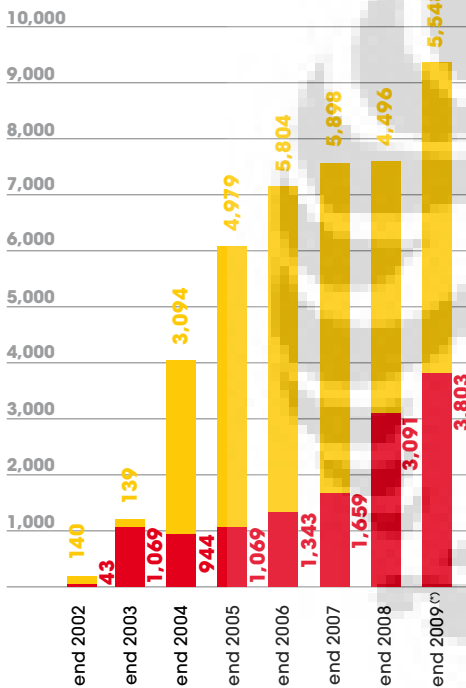
FundQuest has built a set of asset investment solutions based on environmental and best-in-class funds.

## A leading position in the French market

Recent studies place BNP Paribas Investment Partners among the industry leaders in France and in Europe in terms of assets under management, and one of the market leaders as regards quality. It had over EUR 9.3 billion of assets under management in SRI mutual funds and investment mandates at 31 December 2009. These funds are geared towards institutional and retail clients.

## BNP PARIBAS SRI ASSETS UNDER MANAGEMENT (in millions of euros)

OPEN FUNDS  
MANDATES/DEDICATED FUNDS



(\*) BNP Paribas assets under management at 31 December excluding Fortis, which had AuM of around EUR 3 billion.

## A wider range of SRI products

In 2009, BNP Paribas Investment Partners broadened its range of products for institutional investors, focusing on specific areas:

- the BNP Paribas Aqua fund, created for BNP Paribas Assurance, enabling individuals to invest in water-related companies;
- an environmental fund aimed at individuals and institutional investors in Australia;
- two European equity-focused institutional asset management mandates. One of these portfolios is intended to be marketed to the general public in France;
- the BNP Paribas Sélection IRD Garantie 2015 structured fund, where returns are linked to a basket of 20 European stocks that have positive CSR ratings, aimed at our private banking clients in France;
- two bond asset management mandates obtained from major institutional clients;
- an environmental asset management mandate from a European financial institution.

## A continuing commitment to SRI

### Principles for Responsible Investment

As an asset management company that has been a signatory to the Principles for Responsible Investment since 2006, BNP Paribas Asset Management offers institutional and individual customers a comprehensive and innovative range of investment solutions that meet two complementary objectives, i.e. compliance with fundamental values and long-term value creation.

BNP Paribas Investment Partners follows the Principles for Responsible Investment (PRI) adopted by the United Nations Environment Programme Finance Initiative (UNEP FI) and the Global Compact. The PRIs create a framework for incorporating environmental, social and governance (ESG) issues into asset management. PRIs encompass six principles in addition to around thirty possible actions:

- Incorporating ESG issues into investment analysis and decision-making processes.

## BNP Paribas launches a green fund in Australia

The environmental investment approach focuses on the environmental commitments made by large companies. BNP Paribas Investment Partners in Australia and Impax Asset Management have announced plans to launch a local fund in which investments will focus on the environment and sustainable development. Impax Environmental Markets Trust will invest in companies where at least half of profits, revenue or capital employed related to environmental activities. This is Australia's first and only fund dedicated to areas like renewable energy, water management and waste management.

## BNP Paribas Investment Partners has developed an index for companies with small carbon footprints.

In late 2008, NYSE Euronext launched the Low Carbon 100 Europe® index, which identifies European companies with small carbon footprints. Subsequently, EasyETF developed the first Exchange-Traded Fund based on this index and listed on Euronext Paris, called EasyETF Low Carbon 100. The Low Carbon 100 Europe® index measures the performance of the 100 largest European companies with the lowest level of CO<sub>2</sub> emissions in their industry. These companies' CO<sub>2</sub> emissions are on average around 20% lower than those of the 300 largest-cap companies in Europe. The EasyETF fund developed by BNP Paribas Asset Management enables investors to gain exposure to the equity market while focusing on companies with small carbon footprints.

- Incorporating ESG issues into ownership policies and practices.
- Seeking appropriate disclosure on ESG issues by the entities in which investments are made.
- Promoting acceptance and implementation of the Principles within the investment industry.
- Working together to enhance our effectiveness in implementing the Principles.
- Reporting on activities and progress towards implementing the Principles.

### **Driving SRI initiatives**

In 2009, BNP Paribas Investment Partners confirmed its role as a main driver of SRI through its participation in several sector initiatives.

BNP Paribas Investment Partners is vice-president of the Institutional Investor Group on Climate Change (IIGCC). The IIGCC comprises 50 European institutional investors managing over EUR 4,000 billion.

In November 2009, BNP Paribas Investment Partners organised a climate change conference in Copenhagen ahead of the international summit. More than 170 institutional clients, journalists and participants from 15 European countries attended the conference, which gave them greater insight into climate issues. Talks and round-table discussions led by expert portfolio and pension-fund managers enabled those present to gain a greater understanding the potential impact of these changing investment methods. This event, the first one of its kind, was organised jointly by BNPP IP, Alfred Berg and Fortis Investments. It bodes well in terms of skills synergies between these entities and their ability to work together.

BNP Paribas Investment Partners also sponsors the sustainable finance and responsible investment chair in co-operation with France's École Polytechnique and the Toulouse Institute of Industrial Economics.

### **Recognised commitments**

In response to the growing range of products available, Novethic has developed a mass-market accreditation label for SRI funds distributed in the French market. The aim of the label is to encourage transparency about the management process and composition of SRI funds, and to provide a simple reference point for individual investors. It is given only to funds that perform systematic analysis of environmental, social and governance criteria and that report on the CSR aspects of their portfolios.

In September 2009, three BNP Paribas Investment Partners funds were awarded the Novethic label: BNP Paribas Etheis, BNP Paribas Obli Etheis and Parvest Europe Sustainable Development.

In addition, two of these funds have ESG ratings reserved for funds that communicate about CSR indicators in an innovative way. This rating has only been awarded to 4 out of 92 funds, including BNP Paribas Etheis and Parvest Europe Sustainable Development.

The indicators developed by BNP Paribas allow investors to compare portfolios with benchmark indexes based on CO<sub>2</sub> emissions, changes in the workforce and independence of the board of directors.

The CSR reporting of the accredited funds can be viewed at the BNP Paribas Asset Management website: [www.am.bnpparibas.com](http://www.am.bnpparibas.com). The reporting is updated quarterly.

Impax Asset Management has received various awards for the quality of its environmental investment management. It was named SRI/Sustainable Investment Manager of the Year in the Awards for Excellence in Institutional Asset Management, presented by *Financial News* in London in October 2009.

### **BNP Paribas Assurance, a comprehensive SRI policy**

BNP Paribas Assurance, as part of its CSR policy, promotes socially responsible investing among individuals. After making environmental, social and governance criteria an integral part of its non-unit-linked funds (more than EUR 60 billion), BNP Paribas Assurance is responding to client demand expressed in a 2008 survey, which showed that more than half of all clients were prepared to invest part of their policies in SRI-themed funds.

According to the survey, 94% of clients wanting to invest in SRI funds would select the social theme and 93% the environmental theme. As a result, BNP Paribas Assurance is offering three new policy units to clients wanting to take a more pro-active approach to SRI: BNP Paribas Aqua, SAM Smart Energy and BNP Paribas Insertion Salariés. All three are equity-focused funds and managed using an SRI approach. The environmentally themed funds (BNP Paribas Aqua and SAM Smart Energy) invest in companies that carry out a significant proportion of their activity in the sector concerned, i.e. water and renewable energies.

BNP Paribas Insertion Salariés invests up to 10% in unlisted companies and solidarity-based entities with a social purpose.

In addition, these three funds are managed using an SRI process that systematically takes into account environmental, social and governance criteria when selecting assets.

## **BNP Paribas Investment Partners has Finansol accreditation for three investment products**

Finansol is France's only socially responsible savings accreditation label, and the label has been awarded to three BNP Paribas Investment Partners products: BNP Paribas Obli Etheis, a BNP Paribas Asset Management socially responsible fund; Multipar Solidaire Prudent and Multipar Solidaire Dynamique, two employee savings plans distributed by BNP Paribas Épargne & Retraite Entreprises.

This accreditation means that BNP Paribas IP is one of France's most dynamic players in socially responsible savings, and acknowledges its long-standing commitment to socially responsible investment.



# Relationships with suppliers

## Maintaining core competencies

Although the Group relies on outside suppliers for products and services that are not central to its businesses, it has chosen to retain control over its core competencies. Production processes remain highly integrated, thus limiting the use of outsourcing.

In the IT field, where outsourcing is common among financial institutions, BNP Paribas has adopted a unique approach by creating a joint venture with IBM France to meet its IT processing requirements. This strategic alliance allows the Group to retain control over technology while reducing its IT costs, and to maintain a leading-edge centre of excellence.

## Worldwide management of the Purchasing Function

In line with the Group's general approach, BNP Paribas has always placed major importance on the social and environmental responsibility of its suppliers.

Since 2001, the Group has applied conduct and professional ethics rules to its relationships with suppliers. These rules create strict obligations of confidentiality, transparency and fairness on all staff involved in selecting suppliers.

Since 2002, all contracts negotiated and signed by the Group have contained clauses relating to social and environmental matters. As regards social aspects, these clauses require compliance with International Labour Organisation (ILO) standards and with national employment legislation if this legislation is stricter than the ILO standards.

Since 2006, the Group has performed periodic risk monitoring on listed suppliers. This includes analysing indicators relating to ethics and environmental protection. CSR criteria have also been gradually integrated into the supplier selection process in certain product categories:

- Hardware: Invitation to tender for the supply of PCs, including sustainable development requirements;
- Printers: pre-qualification of suppliers based on environmental management, manufacturing processes and eco-certification;
- Office supplies and paper: PEFC-certified paper <sup>(1)</sup> for printing and copying and for electronic publishing centres in France;
- Vehicle leasing: inclusion of low-CO<sub>2</sub>-emission cars in the vehicle catalogue with the addition of the Toyota Prius in 2009.

Finally, the Group's purchasing teams have launched various initiatives in this area in the last few years:

- Arval has introduced a sustainable development charter for its suppliers.
- In Italy, BNL has carried out an awareness-raising campaign to reduce paper consumption. In addition, a catalogue of green office supplies has been compiled, and multifunction printers that save energy and lead to lower CO<sub>2</sub> emissions have been selected. "Green certificates" have been bought from Enel Energia, guaranteeing that a defined proportion of energy consumed comes from renewable sources. One of BNP Paribas Milan's buildings is equipped with sensors that improve electricity management. The Group also uses a company that employs people in a sheltered workshop to process waste, and reports annually to BNP Paribas staff about reductions in paper, water and energy consumption.

- ITP ARF supports projects led by business lines and the IT Department. These projects include digitising documents, reducing energy consumption and using video conferencing in order to reduce business travel.
- In all entities, processes for the recycling of toners and ink cartridges have been introduced, in accordance with local legislation.

In 2009, the Purchasing Department strengthened and increased the scope of its governance system, and placed greater importance on sustainable development in the purchasing process. A guide to purchasing standards was distributed to all Group purchasing teams in 2009. The guide includes compulsory rules and CSR standards.

A sustainable development team has been set up within the Purchasing Department in order to extend the sustainable development approach and make it more systematic, and to coordinate actions taken by the various teams in this area. A sustainable development charter covering all Group purchasing teams will be distributed. CSR criteria will be integrated into the various phases of the purchasing process, from the definition of the purchasing strategy (defining ways of reducing expenditure) to the selection of suppliers (systematically including CSR criteria in invitations to tender, with minimum weightings). Supplier CSR ratings will be expanded, CSR performance indicators will be defined and CSR issues will be included in the training of all purchasing staff from 2010 onwards.

(1) PEFC: a label guaranteeing that the paper comes from forests whose owners are committed to complying with sustainable forest management rules. The label also guarantees that processing companies meet the requirements of the PEFC control chain.

This system is based on the shared conviction by all Group purchasing teams that, far from being an obstacle to cost reduction, CSR can often boost savings, since it results in a greater focus on limiting consumption and making efficient use of resources.

### **Arval**

Arval's suppliers, stakeholders in its sustainable development approach, have been assessed on the basis of environmental and social criteria. Since this assessment, a Sustainable Development Engagement Charter has been included in all suppliers' contracts. This Charter requires suppliers to implement sustainable development initiatives, adopt transparent environmental and social behaviours, and adhere to the ten principles of the United Nations Global Compact which Arval signed up to in 2004. The Charter was introduced in France in 2007 and extended to most other countries in 2008. In 2008, Arval defined minimum standards to ensure that suppliers are indeed able to follow the Global Compact principles.

### **BNP Paribas Real Estate**

BNP Paribas works hard to comply with all environmental regulations in its property construction and acquisitions operations. A real estate guide sums up the strictest regulations in each country where BNP Paribas operates so that these regulations can be applied at all sites worldwide. All of a company's central buildings are audited before the company is acquired. The Group permanently monitors developments in environmental legislation and regulations. Clauses covering the corporate and environmental responsibility of suppliers are included in all contracts, particularly in property-related contracts.

### **BNP Paribas Fortis**

In 2009, new guidelines were introduced in Belgium to encourage sustainable purchasing. These guidelines apply to all new contracts and contract renewals. Existing contracts will be amended at the earliest legal opportunity. Sustainability issues are included at each stage, and account for 10-30% of the total weighting in the selection process.

### **BNL**

BNL has stepped up its efforts to raise awareness of social responsibility and quality issues among suppliers. More generally, BNL has renewed its commitment to the Global Compact via the Italian network, and is maintaining its approach through its commitment to sustainable development principles.



# IMPACT ON THE NATURAL ENVIRONMENT



# IMPACT ON THE NATURAL ENVIRONMENT

BNP Paribas implements a set of guidelines on environmental responsibility, in accordance with the United Nations Global Compact. It has done so since January 2004, and it has reaffirmed its

commitment every year since. These guidelines contain ten focus points and form part of the general business principles followed by Group employees.



## Areas for action

### Initiatives to save energy and monitor greenhouse gas emissions - CO<sub>2</sub> footprint

Group companies are combating climate change by limiting their greenhouse gas emissions. In 2004, BNP Paribas, helped by a team of consultants, devised a method for estimating the carbon dioxide emissions from its operations. The calculations cover emissions generated by the production, transportation, and consumption of energy sources. For liquid fossil fuels, the methodology calculates emissions related not only to combustion but also to the extraction, shipping, and refinement of fuels from conventional crude

oil. The initial energy used by electricity producers is also taken into account. Further information on measurement methods and the related margins of error are provided under item 7 of the NRE Act-compliant environmental chapter. BNP Paribas has steadily expanded the scope of its data collection, which has revealed that emissions vary significantly between countries. An analysis of the data shows that these differences are mainly due to the following structural factors:

- the presence within the country of management from an international business line, which accounts for regular air travel by managers (for example the Fixed-Income business line in London);
- the presence of a data processing unit that consolidates data processing for entities within one territory or for neighbouring countries;

— the conversion ratio for kWh consumed, which depends on the combination of energy sources used within a given country. For example, the conversion ratio used for the emissions rate in France is favourable because a significant proportion of the energy used comes from nuclear sources.

A country's energy infrastructure also has a significant effect on emissions estimates; for instance, the weighting factor used to calculate CO<sub>2</sub> emissions from electricity use is about six times higher for the UK and the US than for France. Since the types of businesses conducted also vary widely by country, it seems more relevant to monitor emissions on a country-by-country basis. After the Fortis integration, the Group's worldwide CO<sub>2</sub> footprint (covering 64% of global net permanent paid staff) shows average emissions of 2.34 tonnes of CO<sub>2</sub> equivalent per employee.

Details about the methods used to calculate the CO<sub>2</sub> footprint are set out in item 7 of the NRE Act-compliant environmental chapter. In France, including employee journeys between home and work, the CO<sub>2</sub> footprint was 2.39 tonnes of CO<sub>2</sub> equivalent per net permanent paid employee in 2009, down from 2.59 in 2008. This reduction was partly the result of updating the transformation coefficient regarding air travel in version 6 of the Bilan Carbone® (carbon audit) method used in France.

**Daily commutes to and from work** account for 38% of emissions in France. In provincial towns, BNP Paribas covers a part of the costs incurred by employees using public transport to get to work, going beyond its legal obligations in this respect. The contribution is higher for employees living in towns with more than 100,000 residents. Cortal Consors employees in France and Germany also receive a discount on their public transport tickets.

In January 2009, BNP Paribas set up a car-sharing website for its French employees, which number more than 60,000. The site was visited 10,000 times in 2009. Car-sharing reduces fuel consumption by a factor of two or three and also reduces vehicle maintenance costs. For example, for BNP Paribas staff travelling in Rueil-Malmaison and on the basis of three people sharing an average journey of 18 km, the potential cost saving is EUR 1,000 per year and the reduction in CO<sub>2</sub> emissions can be as much as 1 tonne per person per year.

**Business travel is the 2nd-largest source of the Group's carbon emissions** and is undertaken for the purposes of client contact, business negotiations and project studies. Business travel has been the focus of a stringent cost control policy. Phone calls and video conferencing were used as much as possible in 2009 as an alternative to travel.

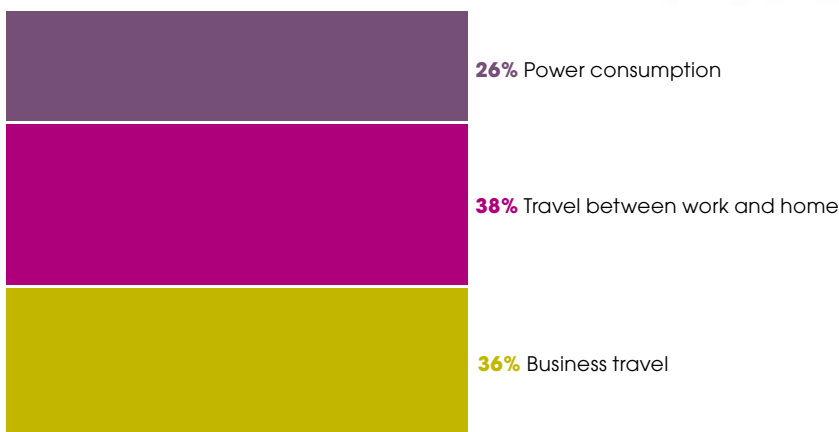
BNP Paribas has a business travel policy in France. Under this policy, air travel is subject to approval procedures and train travel is strongly encouraged for journeys within France. Train travel is mandatory for cities served by Eurostar and Thalys. At 30 June 2009, SNCF calculated that Eurostar journeys saved almost 500 tonnes of CO<sub>2</sub> compared with the same journeys by plane. BNP Paribas Assurance also took steps to reduce greenhouse gas emissions from air travel by 10%. Awareness among managers was raised through an air travel carbon scorecard, which was developed in 2009 so that each manager can see the carbon impact of air travel by his/her team every quarter, by destination country. This tool leads to a reduction in travel where videoconferencing is a possible alternative.

**The energy consumption of buildings** is also controlled. The Technology & Process Function oversees facilities management, purchasing and IT systems, and develops and implements a co-ordinated general environmental policy for the Group.

## Youbike in Taiwan

BNP Paribas subsidiary Cardif has agreed to partner the YouBike project in Taipei, Taiwan for two years. Five self-service bicycle stations were set up in March 2009 in Xin-Yi, the central business district. Youbike is an environmentally friendly service that is accessible to all. It forms part of Taipei's "building a green city" project. The project is inspired by the Vélib® scheme in Paris. It reduces CO<sub>2</sub> emissions by providing a simple way of travelling short distances. Users can access the bikes with their city public transport cards (EasyCard).

## BREAKDOWN OF CO<sub>2</sub> EMISSIONS IN FRANCE IN 2009



Internationally, the system for collecting electricity consumption data has been expanded and now covers 70% of the Group's workforce worldwide. Across the Group, consumption is 189 kWh per sq.m.

The main improvements carried out by the Group in 2009 were related to the addition of energy-efficient technologies during building renovation and construction, and the replacement of equipment. In 2008, the Group introduced a centralised facilities management system for its buildings. In the building at 37, place du Marché-Saint-Honoré in Paris, lighting in offices and hallways is programmed to be on for sixteen hours every weekday. Similarly, the lighting in BNP Paribas Personal Investors' French and German offices is programmed to turn off automatically at 9 pm every night.

In obtaining ISO 14001 certification for its Accueil & Services programme, covering 1,325 of its Retail Banking branches in France, BNP Paribas set a goal of reducing these branches' energy use by 15% by 2011. This will involve two steps:

- Upgrading equipment and controls to meet the technical recommendations for building work. This includes upgrading lighting, replacing electric air curtains with ones fuelled by heat pumps, installing standardised air conditioning systems with a wattage based on geographical location, reviewing the life cycle of outdoor signage, and programming façade lighting to turn off at night.
- Improving branches' energy efficiency by using automated lighting, heating, and air conditioning systems that adjust to ambient and outdoor temperatures.

BNP Paribas maps the energy use of its office buildings in France (current condition, past energy use, building history, etc.) in order to prioritise its energy-saving efforts. An energy audit and an assessment of the buildings' energy performance are then carried out before implementing the recommended steps.

Personal Finance's "Programme Oxygène" measures CO<sub>2</sub> emissions at French sites. After calculating its greenhouse gas emissions, Personal Finance adopted a plan of action. The plan's aims are to reduce the impact of the vehicle fleet, reduce air travel by making greater use of videoconferencing,

prepare a corporate travel plan, draw up an energy map of Personal Finance sites, and write an environmental charter for all Personal Finance staff in France.

In 2009, BNP Paribas Assurance arranged for a full carbon audit (Bilan Carbone®) covering all of its activities. The main sources of emissions are energy, business travel, travel between home and work and depreciation.

After the carbon audit (Bilan Carbone®) carried out by the head office of BNP Paribas Wealth Management, a donation was made to the SKG Sanga non-profit organisation, whose main activity is to set up energy infrastructure products using biomass as an energy source around the world. This donation enabled the subsidiary to offset the negative environmental impact of its carbon emissions. SKG Sanga's proposed project involves the construction of biogas storage facilities in India. The facilities will be provided to local populations and will help protect the environment.

The Greening IT programme implemented by the Technology and Processes Department has three goals: saving energy, reducing the amount of toxic compounds in computers, and recycling old equipment.

The NightWatchMan Programme, introduced three years ago in London, enables an IT Department to power up and power down work stations at a remote site at chosen times. Work stations are shut down in the evening after daily updates and turned back on in the morning before employees arrive. The initiative has three objectives, i.e. to save energy, to protect the environment and to reduce costs in an unobtrusive manner. NightWatchMan not only reduces electricity consumption by around 50%, it also cuts CO<sub>2</sub> emissions. The programme is invisible to employees and does not alter their working methods in any way.

It is currently being implemented at other sites.

## Supplier selection

Since 2002, all contracts negotiated and signed by the Group's Purchasing Department have contained clauses relating to social and environmental matters. In 2009, the Purchasing Department strengthened its governance and expanded its scope of operation. It decided to focus more on sustainable development in its purchasing efforts. As a result, a Sustainable Development team was set up. The team aims to extend the sustainable development approach, ensuring that it is used systematically within the department, and to co-ordinate initiatives led by the various teams. CSR criteria are included in the process, which covers all aspects from defining the purchasing strategy to selecting suppliers. From 2010, a CSR module will be included in the training provided to all Group purchasing teams.

### Paper suppliers

BNP Paribas has outlined a process for selecting paper and printer suppliers based on sustainable development criteria. These criteria apply to the paper used by Group employees as well as outside companies that print publications for the Group. Paper used in printing, copying and electronic publishing in France must be PEFC-certified. All paper used internally features the Imprim'Vert logo.

The Group has signed agreements with paper producers that guarantee a responsible approach to forest management and compliance with sustainable forest management rules, including full replanting after harvesting. Internally, paper publications are limited as far as possible through the use of Echo'Net.

### Imprim'Vert accreditation for BNP Paribas' Reprographics Department

In December 2009, the Group's Reprographics Department, which prints more than 30 million documents per year, obtained Imprim'Vert accreditation. All printing machines are covered by a recovery and recycling programme, in which even electronic components are recovered. Waste paper and ink cartridges are sorted and recycled. Spent aerosols and neon lighting are treated separately. Since the start of 2009, the Reprographics Department has used paper featuring the PEFC (Programme for the Endorsement of Forest Certification) label for all printing, in order to ensure the sustainable management of consumables.

BGL BNP Paribas and BNP Paribas Fortis in Belgium only use 100% recycled envelopes and paper when sending account statements, internal mail and direct marketing.

### **Renewable energy suppliers**

Reducing electricity consumption is a priority, since it has an immediate impact on the environment. Certain subsidiaries buy green electricity at the local level. BNP Paribas Assurance also has a green electricity contract with EDF, i.e. a contract for the supply of electricity from renewable sources. The contract covers all of BNP Paribas Assurance's power consumption, and part of the price goes towards developing solar energy in France.

### **Waste management**

BNP Paribas is continuing to roll out a waste management policy based on recycling paper, cardboard, and toner and ink cartridges. This waste management policy applies to the Group's operations in France and abroad. For instance, all of the paper and cardboard collected at the Group's Paris region offices in 2009 was recycled. A company is used to collect and sort waste from office waste-paper baskets. The paper recovered is used to produce urban heating, packaging cardboard and paper pulp. In 2009, BGL BNP Paribas' *SuperDreckKëscht fir Betriber* environmental accreditation, awarded by a Luxembourg organisation, was renewed for its central buildings and branches. This accreditation recognises the subsidiary's efforts to raise awareness about preventing and managing waste.

All office buildings in the Paris region are now equipped with waste-paper bins that allow selective sorting. Secure sorting, covering confidential documents, was in place at 70% of French Retail Banking branches in December 2009. The coverage rate is likely to rise much further in 2010.

## Drivers

### **Prevention**

#### **Reducing the impact of real estate operations**

##### **■ BNP Paribas Real Estate: strong environmental commitment**

BNP Paribas Real Estate, the Group's property subsidiary, is committed to sustainable development through an approach that involves customers, suppliers and staff. BNP Paribas Real Estate is a founding member of the International Sustainability Association (ISA), an international network that works to promote progress in the construction sector by comparing different certification systems between countries and seeking convergence between them.

##### **■ HQE accreditation**

In order to mitigate the environmental impact of its operations, BNP Paribas Real Estate implements the French HQE (high environmental quality) standard in association with the French Scientific and Technical Advisory Centre for the Building Industry (CSTB). In 2007 BNP Paribas Real Estate signed a partnership agreement with CSTB and Certivea, a certification body for the building industry.

BNP Paribas Real Estate makes sure that the buildings it constructs use energy-efficient technology, environmentally-friendly materials and acoustic and thermal insulation, and it monitors the cleanliness of its worksites. The primary goal is to minimise the buildings' impact on the natural environment and on their tenants' environment.

In 2009, several construction projects involving THPE (Very High Energy Performance) and BBC (Low-Consumption Building) accreditation got underway. Also in 2009, Cœur Défense, Europe's largest managed office building in the La Défense business district, was one of the first to obtain "HQE Exploitation" (operational high environmental quality) accreditation, with "high-performance" ratings on 9 out of 14 criteria.

### **Sorting waste paper**

In 2009, for the first time in fifteen years, a campaign to encourage the sorting of waste paper was launched in France by EcoFolio, supported by the secretary of state with responsibility for the environment. BNP Paribas is a founder and director of EcoFolio, which was set up in 2006 with the government-approved mission of organising the paper recycling system. The economic and environmental harmonisation of paper sorting-related directives was a key objective of France's Grenelle Environnement think-tank.

In the commercial real estate business, the Transaction and Advisory teams launched Next Office, a think-tank comprising researchers, materials producers, sociologists, end-users and investors, to come up with ideas about the offices of tomorrow. The aim is to build links between these people, working together to find the best way of protecting the environment.

BNP Paribas Real Estate won a bid to build homes, businesses and a nursery in the mixed development zone along the Seine River in Issy-les-Moulineaux, where it is currently building its new headquarters. The mixed development zone is intended to revitalise the banks of the Seine, which had been used exclusively for manufacturing sites and have been lying fallow for the past several years.

In France, five projects in the programme phase and four projects in the design phase have received the High Environmental Quality Label (HQE) issued by Certivea and certified by Afnor. During France's first high-performance building trade show (Salon du Bâtiment Performant) in 2008, BNP Paribas Real Estate received the Constructeo Award for best performance in the Renovation category.

BNP Paribas Real Estate is committed to carrying out renovation and building work to HQE (High Environmental Quality) standards. The quality approach is intended to make environmental protection an integral part of the various phases of a building's life, i.e. design, construction, operation and demolition. The Bergère building in Paris, which in the 19th century housed Comptoir National d'Escompte de Paris, one of BNP Paribas' predecessors, was restored in 2009 in accordance with HQE standards. Similarly, after three years of work, the Grands Moulins de Pantin, which have been an industrial monument in North-Eastern Paris for more than a century, have been restored and are now occupied by BNP Paribas Securities Services. The work complied with HQE standards, and made the most of the buildings' main features. BNP Paribas Real Estate also has a 200-hectare construction project in the 19th arrondissement of Paris, in the Claude-Bernard mixed development zone. This new district, which featured contemporary architecture and

very high environmental standards, demonstrates the diversity that is typical of Paris, incorporating offices, homes, amenities, shops and other activities. Completion is scheduled for late 2011. In Nanterre, to the west of Paris, HQE-compliant building work on BNP Paribas Assurance's head office began in June 2009. Innovative techniques used on this site will enable BNP Paribas Assurance to beat regulatory energy performance requirements by 35%.

#### ■ ISO 14001 certification

The Beaulieu-Île de Nantes shopping centre, renovated by Klépierre, is a model refurbishment project, particularly as regards environmental and social issues. It won the ICSC Award in 2009 in the Refurbishment/Extension category. The Group also regards environmental accreditation as crucial outside France. In Brussels,

BNP Paribas Fortis has received Entreprise Éco-dynamique accreditation. This gives official recognition of the Group's environmentally responsible approach in Belgium, particularly as regards waste management, energy consumption and travel.

ISO 14001 is an environmental management standard that is applicable to any activity. The aim is to reduce the environmental footprint of a company's activity. BNP Paribas has six ISO 14001 certificates. Two have been obtained in France, the first in 2008 by the BNP Paribas branch network for its Accueil & Services branch model, and the second by BNP Paribas Factor. Two have been obtained in the UK by BNP Paribas Real Estate and Arval, one in Italy, also by Arval, and one in Turkey by TEB.

BNP Paribas' environmental policy and its ISO 14001-certified Accueil & Services programme, which was rolled out across 1,325 branches in France in late 2009, not only reduce the direct environmental impact of the bank's activities through management of paper consumption and waste, they also encourage energy-saving and raise awareness of environmental issues among customers and staff. BNP Paribas is the first French retail bank network to have received this acknowledgement of environmental excellence.

#### **Cleaner cars**

After safety, the environment is the fastest-growing concern of vehicle fleet managers. Since 2007, Arval has developed a broad environmental strategy, including a major initiative to reduce CO<sub>2</sub> emissions. The project covers CO<sub>2</sub> emissions by vehicles owned by Arval companies, as well as solutions for managing customers' CO<sub>2</sub> emissions. Through its Mesure & Management® programme, Arval measures the direct impact of a change in driving style on fuel consumption and CO<sub>2</sub> emissions. The programme has two complementary strands: teaching drivers how to drive in an environmentally responsible manner, and monitoring vehicle use through remote data transmission (on board machine-to-machine communication). The first phase of the Mesure & Management® pilot was launched in late 2008 within Arval and some of its customers. The programme is now capable of managing emissions other than CO<sub>2</sub>. A pilot is being set up in early 2010 across a fleet of around 200 vehicles.

Arval aims to reduce the emissions of vehicles used by its companies:

- Since 2008, all Arval companies have measured their fleets' CO<sub>2</sub> emissions on an individual basis, and they use special tools for client fleets.
- Arval has a car purchasing policy that specifies CO<sub>2</sub> emissions in grams per kilometre.
- All Arval entities train staff in environmentally responsible and safe driving via the Observatoire du Véhicule d'Entreprise.



## **Saving paper**

For a financial services group, paper is the main raw material consumed. 16,280 tonnes of paper were used by the Group in France in 2009. All BNP Paribas entities are implementing paper-saving initiatives based on their business operations. Paper-saving measures are a top priority in the French Retail Banking Division and the IT Function. Measures include centralised electronic publishing, double-sided bank account statements, reduction of mailings for some bank account statements and listings, electronic accounting statements within the Group, the elimination of needless printouts, printing optimisation efforts, direct marketing activities carried out online and by telephone (as opposed to mailed brochures), and monitoring of branch usage of paper that has been purchased from printers. Data provided by printers allows the Group to choose printing jobs that waste less paper. Such paper-saving measures are being introduced at other BNP Paribas operations across the Group in France. In 2009, BNP Paribas Wealth Management set up the Green IT project, the aim of which is to reduce pollution resulting from its activities and to favour green technologies. One of the project's main aspects is reducing paper consumption by installing printers capable of printing on both sides of a sheet of paper, and by reducing the number of individual printers. These measures are expected to save 3.5 tonnes of paper per year.

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## **Raising staff awareness**

BNP Paribas uses internal communication channels such as a Group intranet, the Group newsletter ("Ambition"), and internal conferences to raise employee awareness about environmental issues.

A staff booklet, called the *P'tit mémo buro*, contains advice about environmentally friendly behaviour, and encourages environmentally responsible behaviour in the office. It can be downloaded by BNP Paribas staff from the intranet. It is available in French, English and Italian.

The sustainable development section of the BNP Paribas intranet is regularly updated with the latest sustainable development news, and contains a monthly sustainable development newsletter. BNP Paribas launched its first citizenship blog, [forachangingworld.com](http://forachangingworld.com), in 2008 to encourage all responsible initiatives, in accordance with its ethical undertakings and values. The blog was created as a space for communication, discussion and interaction between employees and internet users interested in subjects such as ecology, employment, sustainable development and sponsorship. Its aim is to demonstrate the diversity of the Group's commitments, as well as those of its employees and their projects.

In 2009, Arval's guide to *Environmentally responsible practices* was updated. The guide, printed on recycled paper, was first published in 2005, and aims to present the main sustainable development and environmental themes in a humorous way. Themes include water, electricity, paper, consumables, travel, consumption and environmentally responsible behaviour. The guide explains how staff can protect the environment through their day-to-day activities.

To support the Group's CSR initiatives, BNP Paribas Wealth Management prepared a guide to best practice for its staff in October 2009. The guide takes the form of a quiz, and is a fun and practical way of encouraging all staff to make a more active contribution to environmentally responsible practices in the workplace.

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## **Klépierre's sustainable development e-learning module**

In order to get these messages across to staff more effectively, Klépierre introduced an e-learning module to coincide with "Sustainable Development Week". The module is available in 8 languages. It gives staff a better understanding of the issues, and helps them gauge the matters for which they are personally responsible. In the space of a few weeks, more than half of Klépierre's staff in Europe had taken the module. Klépierre is now planning to launch a new module explaining the environmental and social issues that particularly affect the Group, and to present its CSR plan of action.

## **The Million Trees NYC initiative**

BNP Paribas sponsored the Million Trees NYC initiative for the second successive year. The aim of this combined public/private initiative is to plant and care for a million trees in the city's five boroughs over the next nine years. The project will increase the number of trees in the city by 20%, enhancing the quality of life. In 2009, BNP Paribas employees worked with 300 New York high-school students and the inhabitants of Brooklyn to plant trees in housing estates, schoolyards and parks.

## Compliance

In the environmental field as in other areas, the Group requires compliance with the most demanding standards, be they legal, regulatory, or internal.

Guidelines on the technical regulations applicable to managing buildings in France are issued to facilities managers. For international operations, these guidelines are drafted on the basis of the most stringent regulations in all countries where BNP Paribas operates. Construction and renovation projects are approved using these guidelines, and the buildings of newly acquired companies are audited.

Currently, all Group entities in France collect and recycle electronic equipment through producers, distributors, brokers and recycling companies. The process relies on a system that measures this equipment.

## Effective internal control

BNP Paribas continuously strives to meet the highest standards of ethical behaviour, compliance, risk management and internal controls. Within a changing banking environment characterised by increasing regulatory requirements, the global Group Compliance (CG) Function, whose director reports directly to the Chief Executive Officer, has broad powers throughout the Group.

The General Inspection Unit's social and environmental methodology, which was updated and reinforced in 2008, allows it to assess the extent to which audited entities apply Group environmental standards and procedures. Reporting directly to the Chief Executive Officer, the General Inspection Unit is completely independent in applying this methodology across the entire Group without limitation. Its audits supplement the checks already performed by entity managers.

# Key success factors

## Cost containment

Efforts to limit consumption are crucial to successful sustainable development policies. Cost containment makes it possible to offer clients the best services at the best price.

Environmental indicators and the monitoring of materials flows supplement the management criteria used by the Group's procurement function. The measurement and analysis of energy consumption helps identify the principal discrepancies among entities and enables consumption to be streamlined.

## Environmental risk management

Environmental risks are included in the analysis of credit and operational risks. The Group's general lending policy states that identifying environmental risks is part of the risk management process. For certain business lines, specific adjustments are defined. The ratings policy for corporate financing specifies arrangements for integrating environmental risk data into ratings models.

Diversification of commitments by industry remained at a healthy level in 2009, with no further concentrations of risk arising during the year (see the Registration Document, note 4d to the financial statements). Operations in the Energy & Commodities sector mainly consist of financing commodities trading, which is usually highly structured and secured by collateral. The commodity financing portfolio — as regards both production and international trade — is reviewed on a regular basis. The Utilities portfolio, which mainly includes electricity production and distribution, is reviewed every six months.

## Project finance

### A business requiring specific expertise

When considering financing for large-scale environmentally-sensitive projects, the due diligence stage includes an audit of the social and environmental consequences of the project, performed by a recognised expert in the field. This audit identifies the environmental impacts and how they may affect a project's viability.

The audit is performed by independent consultants prior to any financing arrangements, so that the Bank, if needed, can reject a project that does not offer satisfactory performance with regard to local standards and international guidelines such as those set forth by the OECD. If financing is granted, the consultant's recommendations are included in the project's financial documents, and the developer must implement and maintain an environmental management plan that guarantees the project's compliance with applicable laws and guidelines.

Corporate and Investment Banking takes special care to ensure that corporate clients comply with environmental regulations when operating in non-EEC countries within Europe.

### Compliance with and promotion of the Equator Principles

The Equator Principles set a benchmark in the financial sector for identifying and managing the social and environmental risks of project financing activities. They are based on general sector-specific criteria and are developed by the International Finance Corporation (IFC), the private-sector arm of the World Bank. BNP Paribas officially signed up to the Equator Principles in 2008, and plays an active role in several related working parties alongside other financial institutions. These working parties deal with climate change, the scope of intervention, relationships with NGOs and governments and future issues for the Equator Principles. In October 2009, BNP Paribas was elected by member institutions to the steering committee.

BNP Paribas has implemented the Equator Principles in its project financing activities. Staff is directly responsible for complying with the Principles,

since it has the most knowledge about transactions and clients. The procedure classifies projects according to their importance, ensuring the most sensitive ones are brought to the attention of CIB's management before a decision is taken. These projects are systematically managed by a specific transactions approval committee. This committee existed before the Equator Principles were formally adopted, and deals with exceptional transactions. It analyses aspects of the transaction other than its financial viability, focusing on exceptional risks that need to be validated by senior management.

To help project financing staff with categorising the Equator Principles, a sustainable finance tool is used. This tool is also used by other signatory banks, and has been tailored to BNP Paribas. It identifies environmental and social issues in specific sectors, and provides a guide for categorising them. It offers possible solutions to mitigate identified environmental and social risks, as well as recommendations to be passed on to the client.

All key participants in project financing have received specific training. Sessions have taken place in Paris, New York and Singapore. In all, 163 staff have taken part in training, including around 90% of project finance staff, along with others involved in the transaction approval process. Additional sessions will be organised as required.

In addition, an intranet tool has been developed to disseminate knowledge of the Equator Principles, including information for resolving complex problems and a legal glossary to be used to draft loan documentation, particularly the environmental and social sections.

In 2009, 58 transactions were examined. 88% were rated in categories B or C (with limited or insignificant environmental and social impact). 12% were rated in category A, showing a potentially material negative impact, but also adequate mitigation prospects according to the Equator Principles categorisation.

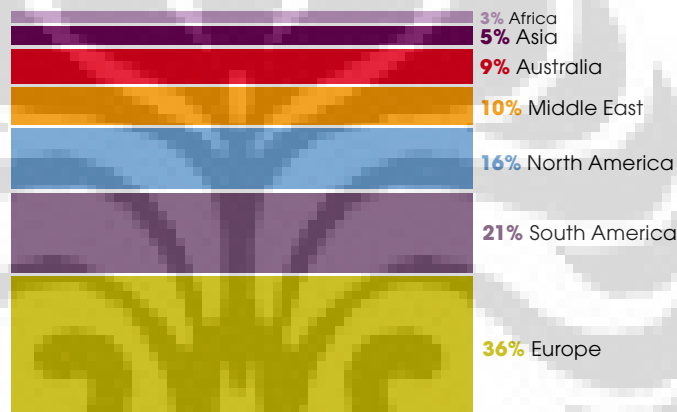
A detailed review covering the implementation of the Equator Principles and annual reporting documents relating to transactions can be accessed at the following web address:

<http://www.bnpparibas.com/en/sustainable-development/equator-principles.asp>

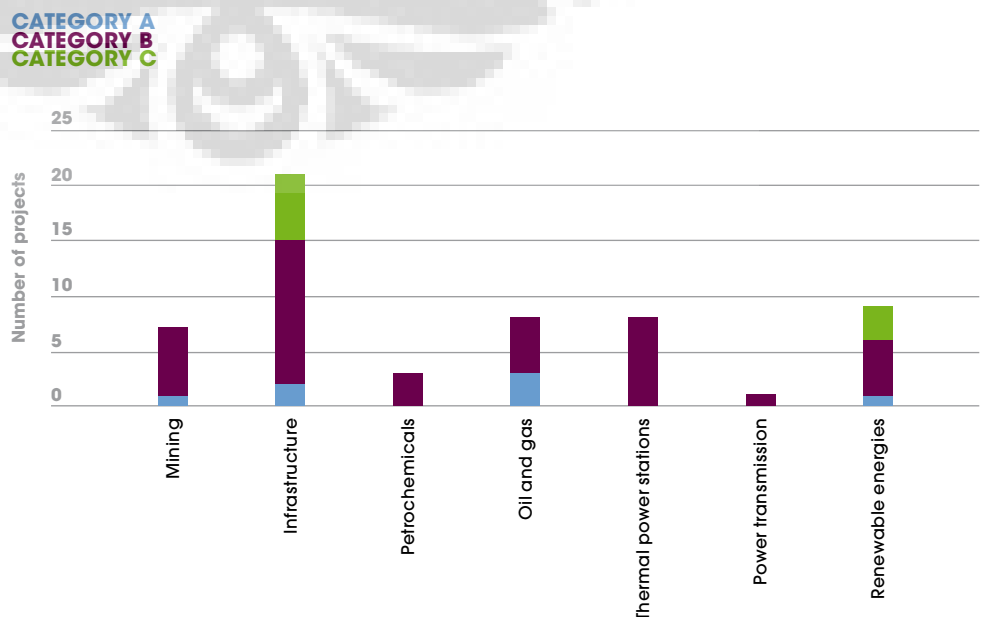
The acquisition of a 75% stake in Fortis Banque became effective on 12 May 2009. BNP Paribas Fortis' acceptance of the Equator Principles was confirmed after the acquisition. A separate reporting document is included in the CSR report and can be accessed at the BNP Paribas Fortis website:

[http://www.fortisbank.com/en/CorporateResponsibility/CSR\\_reports.asp](http://www.fortisbank.com/en/CorporateResponsibility/CSR_reports.asp)

## PROJECTS BY GEOGRAPHICAL REGION



## BREAKDOWN OF PROJECTS BY CATEGORY AND SECTOR



## Financing renewable energy projects

BNP Paribas is a major player in the field of renewable energy, especially in Europe, and financed numerous projects in 2009. It has a team of 120 employees working across the main countries, who are qualified to make investment decisions for renewable energy projects.

In May 2009, BNP Paribas granted a 11.5-year, EUR 130 million loan guaranteed by Coface, and a related 5-year commercial credit facility, to finance a wind farm in Ashegegoda, Ethiopia, for Ethiopian Electric Power Corporation. BNP Paribas worked with the Vergnet group on its offer to supply and install wind turbines. The deal will create the largest wind farm in sub-Saharan Africa.

In the UK, the European Investment Bank (EIB) asked the Department of Energy and Climate Change (DECC) to select three banks to arrange a loan of up to GBP 1 billion to finance wind farms in the next three years. BNP Paribas Fortis was the only non-UK bank selected, showing the Group's strong position as a lender in the international renewable energies market.

## 2009 Gold Award for Excellence in Renewable Energy: Financing the energy of the future

In 2009, BNP Paribas won the Gold Award in the Energy Business Awards, which reward companies that make a positive impact on the way energy business is conducted. The award recognises BNP Paribas' commitment to green energy.

## Environment-focused services

BNP Paribas offers a wide range of loans to promote the use of energy-efficient equipment and materials in the construction sector, a key issue identified by France's Grenelle Environnement think-tank.

French Retail Banking offers a low-interest personal loan, Energibio, to help clients finance home improvements that focus on energy savings and sustainable development.

BNP Paribas Personal Finance offers the Bons Plans Écologie loan for clients planning to buy a new home and install energy-efficient equipment and materials. This green loan offers a 1% interest rate and is available for any amount up to EUR 6,000.

BNP Paribas Personal Finance and EDF have joined forces to offer a novel type of loan, the Prêt photovoltaïque. This loan can be used to pay for the installation of solar panels on homes without having to use up cash. The loan covers installation by EDF and getting the system up and running. Customers receive government subsidies and a VAT rebate, which they use to repay part of their loan. The rest of the loan can be paid-off annually with the help of income received by selling back to EDF any unused power generated by the solar panels. This loan enables borrowers to enjoy a free, green source of energy, and an additional revenue stream once the loan is paid off.

## BNP Paribas and emissions trading markets

### BNP Paribas's role in the market

The Kyoto Protocol and the EU Emissions Trading Directive have placed a monetary value on an environmental factor, namely, CO<sub>2</sub> emissions. A quota mechanism was set up by the European Union in 2005, called the European Union Emissions Trading Scheme (EU-ETS). The system gives emissions targets to 12,000 European CO<sub>2</sub>-emitting industrial sites, and enables them to attain those targets more cheaply by trading quotas on a market.

Within this context, the goal of BNP Paribas' Carbon team is to incorporate considerations related to greenhouse gas emissions into all business lines. The carbon emission restrictions set out in international agreements will have a long-term influence on the structure of assets financed, and need to be taken into account in financing decisions. In addition to developing new products, companies will have to consider the financial aspects of schemes to reduce greenhouse gas emissions in the services they offer. BNP Paribas draws from its solid skills in asset financing and asset management to help companies meet their emissions targets as cost-effectively as possible.

A full range of CO<sub>2</sub> risk management solutions at every project stage:

- EUA (European Union Emission Allowance): a greenhouse gas emissions allowance granted to entities participating in the European system for trading emissions rights.
- CER (Certified Emission Reduction): a credit equivalent to one tonne of CO<sub>2</sub> reduction achieved through the Clean Development Mechanism.
- ERU (Emission Reduction Unit): a credit equivalent to one tonne of CO<sub>2</sub> reduction achieved through the Joint Implementation (JI) mechanism.

BNP Paribas is actively involved in the EU-ETS for both proprietary and client trading, and is a major participant in carbon emissions markets. BNP Paribas Commodity Futures is one of the largest members of the London Clearing House by volume of EUA futures cleared and executed: Commodity Futures clears around 20% of orders on the European Climate Exchange (ECX), which is the largest platform for trading carbon emissions rights in Europe. Commodity Derivatives is one of the main participants in the EU-ETS. BNP Paribas Commodity Futures is a key player in the carbon credit derivatives market, especially the carbon credit options market.

BNP Paribas is highly active in emissions trading markets and has a substantial portfolio of carbon credits from Clean Development Mechanism projects with high environmental value, making the Group well-positioned to offer intermediation services to clients subject to CO<sub>2</sub> emission limits. These services include placing buy and sell orders for carbon credits, guaranteeing delivery of carbon credits, and developing derivatives-based hedging solutions.

### **Main projects financed in 2009**

In 2009, BNP Paribas' Carbon Finance team again stood out in the market as an arranger of finance for projects that reduce CO<sub>2</sub> emissions. In the province of Heilongjiang, in northeast China, BNP Paribas worked alongside Jixi Coal Mine Methane to finance a project to build 13 power plants with total capacity of 78 MW, which burn methane from the Jixi coal mine. BNP Paribas is managing the sale of carbon credits from the project.

In Russia, BNP Paribas and Russian oil company TNK-BP have entered into two agreements. The first consists of collecting flare gas at the Samotlor gasfield in Siberia, generating almost a million carbon credits. These carbon credits made it possible to finance the transaction, illustrating the new investment opportunities arising from these mechanisms introduced following the Kyoto Protocol. The second agreement between TNK-BP and BNP Paribas consisted of two energy production projects that reduce related CO<sub>2</sub> emissions. These projects are being implemented in 2010, and will substantially reduce emissions volumes.

These projects show BNP Paribas' expertise in transactions based on Kyoto Protocol mechanisms. In 2009, for the second consecutive year, the Group was named as the Best Trading Company for CDM Projects by *Environmental Finance* magazine.

As regards carbon credit transactions, BNP Paribas continued to provide its services to European industrial clients in 2009. These services enabled clients to hedge market price risk when implementing emissions reduction strategies.

BNP Paribas also extended its operations in the USA, where the market is in its infancy but where transactions may be carried out from 2012 onwards. There is major demand among US industrial companies for hedging future risks resulting from exposure to a national quota system.

### **BNP Paribas: one of the world's top 100 companies based on environmental criteria according to FTSE4Good**

In 2009, BNP Paribas remained a constituent of the FTSE4Good Global 100 index. This index is comprised of the world's leading companies in terms of environmental management, based on a rating of their environmental commitments. The European Investment Bank (EIB) and the international banking community have adopted this index, which provides investors with information on the environmental responsibility of the main European issuers.

# A PARTNER IN SOCIETY



# A PARTNER IN SOCIETY

## **BNP Paribas: commitment to developing the communities in which it operates.**

BNP Paribas places great importance on cultural diversity and has taken various initiatives to become more integrated into the social fabric, which is inseparable from its Retail Banking business. These initiatives focus mainly on microfinance and social inclusion through education, entrepreneurship and cultural activities. The BNP Paribas Foundation, which discreetly accompanies the Group's business activities, also offers many valuable opportunities for discovery and dialogue. Although not a core part of its civic commitment, corporate philanthropy nonetheless enables the Group to fulfil more broadly its commitment to social responsibility.

## **BNP Paribas and its involvement in microfinance**

Three years after the launch of its international microfinance business, BNP Paribas continues its commitment based on three complementary lines of action in France and the emerging countries:

- Financing international microfinance institutions (MFIs);
- Microfinance funds;
- Skills-based volunteer work.

## **Financing international microfinance institutions**

BNP Paribas believes that one of the crucial success factors in the microfinance business is the close support given by Microfinance Institutions (MFIs). For this reason, BNP Paribas does not intend to develop a direct microfinance activity itself, but seeks to identify the most professional MFIs and finance their development, especially in the countries where the Bank operates.

Since 1993, the Group has partnered the ADIE (*Association pour le Droit à l'Initiative Économique*), an association that provides microfinance to unemployed people wishing to set up their own business. Under the partnership, the Bank provides the ADIE with an EUR 8 million credit line and helps to finance its operating costs with a subsidy of about EUR 380,000 a year. In 2009, the partnership supported 2,298 new business ventures with an average loan of EUR 3,056 over eighteen months.

In addition, since December 2007, BNP Paribas has supported FinanCités, a solidarity venture capital fund that finances micro-businesses in underprivileged neighbourhoods. BNP Paribas committed to providing FinanCités, a subsidiary of the PlaNet Finance Group, with EUR 1 million of share capital. Since then, FinanCités has equity financed 13 small business ventures for a total of EUR 800,000 with an average amount of EUR 60,000 per project. All in all, since its creation in 2007, FinanCités has supported 34 small business ventures for a total of EUR 1.8 million. These investments enable young businesses in a broad variety of sectors, such as ethical clothing, online invitation printing and wedding organisation, to expand and contribute to revitalising the local economy and creating local jobs.

## **BNP Paribas launches a corporate social responsibility blog**

Conscient de ses devoirs à l'écoute BNP Paribas is acutely aware of its duty towards society, and created its own corporate social responsibility blog in 2009: [www.forachangingworld.com](http://www.forachangingworld.com). This first interactive blog, open to everyone, aims to build links between people from different backgrounds, invite discussion and encourage dialogue. The blog, in French and English, talks about the BNP Paribas Group's commitments and the initiatives of its staff in all areas relating to social responsibility. Areas covered include microcredit, educational support, medical research, culture, the environment, diversity and suburban regeneration.



Despite the crisis, BNP Paribas has not revised its initial target and at the end of 2009 financed 17 partners in 8 countries (Mexico, Morocco, Mali, Tunisia, Egypt, Guinea, India and Indonesia). Authorised microfinance outstandings amount to almost EUR 50 million, split 51% in Africa, 40% in Asia and 9% in Latin America. Micro-loans have been granted to 300,000 borrowers, 86% of whom are women, and have an impact on more than 1.5 million people counting their families.

With its MFI partners, the Group endorses the six guiding principles set out by the Consultative Group to Assist the Poor (CGAP), an association of development agencies, as regards consumer protection and transparency: protection against excessive debts; pricing transparency; appropriate collection practices; compliance of MFI staff with a code of conduct; a mechanism for handling complaints and disputes and customer data protection.

BNP Paribas has forged partnerships with several international microfinance networks such as *Solidarité Internationale pour le Développement et l'Investissement* (SIDI), Horus, Grameen Foundation in the United States and PlaNet Finance. The aim is to develop relationships with networks which share the same risk management and social impact methodologies with their affiliates.

### **Micro-insurance**

As an adjunct to its microfinance activities, BNP Paribas Assurance has become a shareholder of PlaNet Guarantee, a subsidiary of PlaNet Finance, set up in 2007 to develop micro-insurance for MFIs. From January to October 2009, PlaNet Guarantee worked with 8 partner MFIs in 7 countries, providing insurance for 125,000 micro-entrepreneurs. It also initiated 10 research and development projects in 12 countries.

### **Microfinance funds**

The market for microfinance investment vehicles is growing rapidly. There are currently 103 investment vehicles with USD 6.6 billion of assets under management. Of these, 25 are commercial in nature. As part of its responsible investment offering, BNP Paribas Wealth Management has since 2005 marketed a microfinance fund to its international clients. The fund helps support around 320,000 entrepreneurs in more than 40 developing countries.

#### ***Obli Etheis***

This mutual fund won two major accreditations in 2009. It gained Novethic accreditation for its incorporation of environmental, social and governance criteria into its investment process and for the quality of its CSR reporting, as well as Finansol accreditation for its microfinance investments.

At end-2009, around EUR 16.4 million was invested with financing institutions (Agence Française de Développement, European Bank for Reconstruction and Development), helping to finance numerous sustainable development projects in Europe and worldwide. EUR 3.7 million was also allocated to microfinance institutions, giving around 3,500 micro-entrepreneurs in Africa, Asia and South America access to small loans to enable them to develop their businesses.

### **Microfinance in Tunisia**

BNP Paribas has supported microfinance in Tunisia since 2008 through financing provided by its UBCI subsidiary to the Enda Inter Arabe NGO. Enda Inter Arabe has operated in Tunisia for 20 years, and has been involved in microcredit for 15 years. It is a member of Senegal-based Enda Tiers Monde, and has focused on individual entrepreneurs and very small companies since 2000. Enda's 57 branches serve 134,000 customers in deprived areas. They have granted 564,000 loans totalling 310 million Tunisian dinars (EUR 160 million) to 200,000 people. In 2008, Enda was ranked the 18th most effective microfinance institution in the world, out of 1,300 surveyed by the World Bank, in terms of profitability, transparency and governance. This success arises from its close community ties and its efforts to understand and educate its customers. Enda is a founder member of Sanabel, a microfinance network in Arab countries, and of Women's World Banking in New York. Nafissa Chebbi, an Enda customer from southern Tunisia, left school at 13 and is a weaver. She currently specialises in all kinds of traditional weaving. Her skills enable her to provide for her family. In the last two years, Nafissa, a customer of Enda Inter Arabe, has taken out 4 loans totalling 2,000 Tunisian dinars (EUR 1,000). She runs a small company that employs 8 young women, whom she has trained. The links between UBCI and Enda were strengthened in 2009 when UBCI helped Enda to train its executives about risk management, the regulation of foreign exchange operations and commercial techniques. This reflects the desire of UBCI and BNP Paribas to work with microfinance organisations that have a major social impact on communities.



## Skills-based volunteer work

*MicroFinance Sans Frontières* and *Bénévolat de compétences et solidarité* (BCS), BNP Paribas' two skills-based volunteer schemes launched in 2007, began to produce results as early as 2008. BCS is an association that supports micro-entrepreneurs financed by the ADIE. The scheme is partnered by the BNP Paribas Association of Retirees (ADR), which has 21,000 members. In two years, it has provided the ADIE with skills support from some one hundred volunteers throughout France. Over a period of eighteen months, 2,000 people have received information about the scheme, 500 have expressed an interest, 200 have been interviewed and one hundred have been accepted as new volunteers for the ADIE. With encouragement from BNP Paribas and the ADR, the experiment has been further developed by creating a new "Skills-based Volunteer and Outreach" association in November 2009. The new association recruits volunteers from among active employees as well as retirees and has extended its voluntary support to other organisations beyond microfinance, such help for children and the disabled.

*MicroFinance Sans Frontières* (MFSF) provides MFIs in emerging countries with technical support. It has organised more than 20 missions since its creation in 2007 in partnership with organisations and networks such as SIDI, Horus, Pamiga, Agroinvest and the Aga Khan Foundation. To date, more than one hundred volunteers have expressed an interest in making their skills available to MFSF. In 2009, BNP Paribas Fortis established contact with MFSF, which resulted in the recruitment of some fifty new potential volunteers.

As a result of its growing success, MFSF has restructured its organisation. Since December 2009, it has become an official association with an employee provided by the Bank, which will enable it to develop its activity and missions abroad.



## BNP Paribas' suburbs project: commitment to suburban renewal

In December 2005, just after the urban rioting that spread across France, BNP Paribas decided to set up a new scheme called *Projet Banlieues* in addition to the initiatives the Group was already taking to promote employment and social inclusion.

Co-ordinated by the BNP Paribas Foundation and supported by the Retail Banking network, *Projet Banlieues* relied on the Foundation's ten years of experience in outreach work, especially through its partnerships with the leading national outreach associations. Its two main partners in this field are ADIE, which provides microloans to the unemployed and people on income support to help them set up their own business ventures, and the Association de la Fondation Étudiante pour la Ville (AFEV), which recruits volunteer students to help youngsters from difficult neighbourhoods with their school work.

*Projet Banlieues* has three focuses: creating jobs through microloans in partnership

with ADIE, educational support for struggling youngsters in partnership with AFEV, and support for community projects undertaken by local associations in difficult neighbourhoods. Because of its excellent results, *Projet Banlieues*, which was originally due to expire in 2008, was renewed on the same basis for a further three years from 2009 to 2011.

In 2009, support from BNP Paribas led to:

- increased action by AFEV in sensitive urban areas, with the involvement of more than 1,000 extra students, resulting in help for around 1,400 more young people;
- support for 104 community initiatives, including renewals, focusing on education, integration into the world of work, integration through sport and culture and training;
- contributions totalling around EUR 950,000 to schools in sensitive urban areas through the apprenticeship tax.

## MFSF's mission in Burkina Faso

Florence, a young branch manager in the south of France, decided to help *MicroFinance Sans Frontières* (MFSF). With the professional skills she had developed through her day-to-day work, her interest in microfinance and her ability to adapt, she became a MFSF volunteer in 2009. In November 2009, she took travelled to Burkina Faso to take part in a project run by a microfinance institution. She was put in touch with the institution by an NGO called Pamiga (Participatory Microfinance Group for Africa). Pamiga's mission is fully in line with the spirit of *Microfinance Sans Frontières*:

to provide skills on a volunteer basis where technical assistance is required. Florence analysed the lending procedures of an association of village institutions (Caisses Villageoises de Crédit et d'Épargne Autogérée or CVECAs) and made recommendations to improve them. CVECA Boucle du Mouhoun has operated in Burkina Faso since 2002. It has 59 operational units and almost 30,000 members, and it finances agricultural activities. Florence spent eight days with the institution, which benefited from her expertise and her perspective as an outsider.

Having seen how the process worked at the grass-roots level, Florence developed control solutions and improved procedures in line with her original assignment. As she says, "you have to adapt and be pro-active." This first assignment enabled Florence to increase her understanding of microfinance and the specific features of Burkina Faso. It helped her to gain a fresh perspective on her work in France and to hone her technical skills.

## Micro-financed business start-ups in partnership with ADIE

With the support of BNP Paribas, ADIE has been able to open nine branches in sensitive districts of Marseille, Toulouse, Lyon, Evry, Aulnay-sous-Bois, Asnières(2), Clichy and Montpellier. In four years, 1,868 microloans have been granted by these branches, financing more than 1,387 business start-ups. 65% of people receiving loans through the projects are on basic benefits. 16% are self-employed people who set up their business before finding out about ADIE's services, and who required financing.

French Retail Banking's partnership with ADIE has several aspects. French Retail Banking provides a credit facility, increased to EUR 8 million in 2009, to cover part of the risk of non-collection, and contributes EUR 380,000 to ADIE's operating expenses. In addition, BNP Paribas has a special offer for entrepreneurs supported by ADIE: Esprit Libre Pro, which includes basic business banking services, is provided free of charge for one year, and then half-price until the expiry of the ADIE microloan.

## Educational programmes in partnership with AFEV

In 2009, as part of the *Projet Banlieues* programme, AFEV opened five new branches in Lille, Montpellier, Bordeaux, Nantes and Marseille, bolstered its Lyon, Toulouse and Saint-Denis branches, and recruited six permanent staff. As a result, it was able to support almost 1,400 more children, which was better than initially expected. AFEV also recruited 1,000 more volunteer students as a result of its involvement in these new vulnerable neighbourhoods.

## MICRO-FINANCED BUSINESS START-UPS IN PARTNERSHIP WITH ADIE

	Total	2006 6 Branches	2007 6 Branches	2008 7 Branches	2009 9 Branches
Microloans granted (= number of people receiving financing)	1,868	100	348	660	754
Business start-ups	1,387	100	295	472	520

## PROJET BANLIEUES - AFEV 2009

	Additional students helping with <i>Projet Banlieues</i>	Additional children supported by <i>Projet Banlieues</i>
Évry	45	55
Lyon	200	250
Nice	130	145
Rouen	70	85
Toulouse	200	300
Saint-Denis	60	180
Lille	30	50
Montpellier	30	50
Bordeaux	40	40
Nantes	100	120
Marseille	100	110
<b>TOTAL</b>	<b>1,005</b>	<b>1,385</b>

## Support for initiatives undertaken by neighbourhood associations

We know that local associations working in difficult neighbourhoods very often play an important role through their community projects. We therefore decided to reach out to them and provide financial support for their initiatives. The priority regions are Alpes-Maritimes, Eure, Haute-Garonne, Rhône, Seine-Maritime, Essonne, Seine-Saint-Denis, Bas-Rhin, Bouches-du-Rhône and Loire-Atlantique. In 2009, the BNP Foundation supported 104 community initiatives. They focus mainly on culture and sport, education, training, professional and social inclusion, leisure and disabilities.



# BNP Paribas Foundation: imaginative and active support

Since the merger that led to its creation in 2000, BNP Paribas has always striven to combine performance with responsibility, both in its day-to-day business activities and in its corporate philanthropy and partnership policy.

It has long-standing partnerships with microfinance organisations, Telethon fund-raising organisations in Italy and France, as well as many other associations. BNP Paribas is also known internationally for its patronage of the creative arts, for promoting and preserving cultural heritage and for its commitment to researchers and associations involved in social integration, education and development. Over the years, BNP Paribas has become a real powerhouse for local and global initiatives and a true innovator in corporate social responsibility.

Against this background, the BNP Paribas Foundation, which operates under the auspices of the Fondation de France, has developed substantial expertise and knowledge of the countries and cultures where the bank operates. The Foundation has taken on a leading role in the Bank's corporate philanthropy policy as a result of its experience, the advice it provides to business units and territories in setting up their initiatives, as well as the projects it has gradually developed internationally in line with the values that underpin the Group's social commitment.

## Improved governance

The BNP Paribas Foundation has strengthened its activities substantially in the last few years. The scope of its efforts has widened to cover new programmes, and extends far beyond France. The Foundation has also introduced a new governance structure suited to its work.

These changes also provided an opportunity to set out guiding principles for identifying and supporting partners:

— Identifying partners means being able to pick out projects that fit with the Foundation's guiding spirit and its areas of involvement. It also means looking beyond those projects that come to it directly. It requires a good knowledge of corporate philanthropy

areas, a sense of curiosity and the ability to assess a project's impact and reach.

— Supporting projects is a core part of the Foundation's approach. Supporting a project does not simply mean providing funds for a few years. Just as importantly, it means listening to the people running the project, providing input, advising them and introducing them to useful contacts, particularly in institutional networks and the bank's own networks.

In 2009, the BNP Paribas Foundation had a budget of EUR 3.5 million for supporting its various programmes. Half of the budget was allocated to cultural, outreach and health-related projects.

## Increased network effects

Within BNP Paribas, new foundations have been created, to which the BNP Paribas Foundation provides its expertise. The Fortis foundations have also been integrated. This shows the Group's desire to develop its support for civil society in France and far beyond. Nine foundations have been set up alongside the BNP Paribas Foundation: the BNL Foundation, the BNP Paribas Suisse Foundation, the BNP Paribas Brazil Foundation, the BMCI Foundation, the Cetelem Foundation and the Fortis Foundations in Belgium, France, Luxembourg and Poland.

The BNP Paribas Foundation has increased its efforts to co-ordinate this network, in order to ensure a shared vision of corporate philanthropy as well as consistency between each foundation's commitments. Three main themes have been identified, around which each business line and country can develop corporate philanthropy programmes depending on their community's needs.

In the social field, projects supporting education, social integration and people with disabilities will be particularly encouraged. Staff will be encouraged to take part in solidarity-based projects, and medical and scientific research programmes will be financed. Cultural projects will focus on preserving and promoting cultural heritage, and on

supporting creativity in the performing arts. Thirdly, in the environmental field, active support will be provided to scientific initiatives.

## Scientific research

In the field of healthcare, the BNP Paribas Foundation has for twenty-five years assisted researchers and physicians working in both medical research and applied clinical research. Drawing on the expertise of organisations recognised by the scientific community, its actions most often take the form of funding for newly established teams over a period of several years. Since the programme was implemented, 19 research teams have been supported and almost 200 researchers have received grants.

### National Cancer Center Singapore

In 2008, the BNP Paribas Foundation, in association with BNP Paribas Singapore, decided to support the Regional Fellowship Program, a new research and co-operation programme set up by National Cancer Center Singapore (NCCS). The centre has several missions: treating patients, research, educating the public and training.

The NCCS Regional Fellowship Program, which is an internationally renowned programme for cancer research, treatment and training, wanted to interact more with hospitals in the region's emerging countries.

In 2009, in order to increase interaction with these hospitals, the NCCS welcomed three cancer specialists into its teams with the support of BNP Paribas. These three young Vietnamese specialists work in hospitals in Ho Chi Minh City, and were selected following an invitation for applications from NCCS. With a budget of EUR 90,000 over three years, this programme, the first of its kind, aims to develop a network of cancer expertise, to encourage the sharing of knowledge and to facilitate the flow of information about cancer developments within the region.

## **BNP Paribas Corporate & Investment Banking and the Institut Pasteur**

In 2009, for the second consecutive year, BNP Paribas Corporate & Investment Banking (CIB) decided to involve its customers in its charitable donations, by allocating its end-of-year gift budget to a global cause, i.e. the fight against infectious diseases. Working with the BNP Paribas Foundation, CIB continued the partnership set up in 2008 with the Institut Pasteur, a non-profit private foundation which works to prevent and treat infectious diseases through research, teaching and public health initiatives. BNP Paribas CIB has provided funding in 29 countries to medical research teams from Institut Pasteur's international network, as well as laboratories working in association with the Institut Pasteur in Paris. The research programmes relate to issues like dengue fever (Mexico), hepatitis C (Spain), vaccines against measles and HIV (UK), diagnosing amoebiasis (India), malaria (Brazil and Colombia), West Nile virus (Czech Republic), tuberculosis (Belgium), bird flu (France) and typhoid (Ireland).

In 2009, BNP Paribas again supported Pasteurdon, the Institut Pasteur's campaign to raise awareness and money. In Paris, Bordeaux, Rouen and Besançon, a "Pasteurdon village" was set up, including an exhibition about diseases, scientific workshops for young people and information areas.



### **BNP Paribas and Telethon: a long-standing partnership**

BNP Paribas has supported France's Telethon fund-raising organisation since it began in 1987, by printing tax receipts and taking part in various initiatives for Association française contre les myopathies (AFM) (French myopathy association). The Group is a major supporter of Telethon organisations in France, with 2,400 branches on the French mainland and in overseas territories involved in solidarity initiatives, and in Italy, through its presence on the internet and on the high street. Funds raised by Telethon organisations have been spent on tools, laboratories and networks.

In 2009, staff working at six BNP Paribas offices in Paris collected more than EUR 17,000 for Telethon. In Italy, BNL organises around 1,000 events every year. In 2009, BNL raised money in new ways, such as encouraging people to donate 0.5% of their monthly income to Telethon or to pay for their monthly expenditure by credit card.

### **Support for *la Boudeuse's* "Terre Océan" mission**

The BNP Paribas Foundation is a partner of the new "land and sea" scientific project being undertaken by *la Boudeuse*, a three-masted schooner, which began in October 2009. The aim of the project is to study the main aspects of sustainable development on the seas and rivers of South America and the Pacific Ocean. In this new mission, around 15 experts will be sailing on *la Boudeuse*, led by Patrice Franceschi. In South America, scientists will focus on assessing the environmental impact of rubber production, the consequences of the growth in organised tourism in India, problems related to mercury pollution in rivers caused by gold explorers, the development of unregulated urban development and the study of biodiversity. In the Pacific Ocean, the aim will be to study and propose solutions to preserve "disappearing islands" in view of climate change and the likely increase in sea levels.



## UK: support for schools through the Community & Charity programme

Since 2001, BNP Paribas UK has had volunteer programmes aimed at encouraging disadvantaged children in local primary and secondary schools to fulfil their potential. The programme is part of the "UK Community and Charity Programme". For the staff of CIB UK (BNP Paribas' UK corporate and investment banking unit), this is an excellent opportunity to provide direct and ongoing support to children living in the Church Street community. This community lies close to the bank's UK head office on Harewood Avenue, and is one of the 10% most deprived districts in the UK. 52 BNP Paribas UK volunteers visit three local primary schools for an hour and a half per week, helping children with reading and maths.

## Outreach

In outreach, the BNP Paribas Foundation has chosen to become involved in innovative pilot projects aiming to promote social integration and combat various forms of exclusion.

### Employee initiatives

#### **"Coup de Pouce" programme: supporting staff projects in France and abroad**

Since 2003, the "Coup de Pouce" programme has supported general-interest projects devised by BNP Paribas staff. The programme provides funding and support for associations in which employees are involved on a volunteer basis. The diversity of issues addressed, such as outreach, healthcare, disability and helping the disadvantaged, reflects the personal commitment of the Bank's people as well as the human dimension of these initiatives.

Since the programme was launched in 2003, EUR 450,000 has been spent on supporting more than 200 projects per year, with grants ranging from EUR 400 to EUR 4,000.

In 2009, the three rounds of applications were highly successful, with staff putting forward 86 proposals. In all, 62 outreach projects were awarded a total of EUR 162,000, covering areas such as organising sporting holidays for young people from deprived areas, buying equipment for a school in Mali, support for medical research projects and the renovation of a specialist education centre for disabled children in Tunisia.

#### **The "Coup de Pouce" programme worldwide**

Similar initiatives have been introduced in other countries, with the same values of commitment, solidarity and respect for human rights. They include *Apoyamos tus ideas* in Spain and the *Mano Amica* programme devised by the BNL Foundation in Italy. Similar programmes have also been set up in Belgium, Luxembourg and Switzerland, where each year the BNP Paribas Switzerland Foundation supports more than ten associations in which employees are involved. Programmes are also being developed in Greece, Senegal, Morocco, Portugal and certain Eastern European countries.



"Proximité" association in Saint-Denis (France)

## Supporting social integration through education

### Support for schools

Since 2007, BNP Paribas has strengthened its support for difficult urban areas by allocating a large part of its apprenticeship tax to schools in vulnerable neighbourhoods. In 2009, the Foundation contributed EUR 950,000 to some one hundred schools in these areas to finance the purchase, rental and maintenance of educational and professional equipment. Over the years, BNP Paribas SA's local banking network in France has been involved in more than 1,400 formal or informal voluntary partnerships with various organisations. The Group's relationships with more than 1,000 training organisations often result in internships, apprenticeships and work experience. More than 400 of these partnerships also serve to promote the sporting, cultural and artistic initiatives of young people, as well as local projects to help integrate them into the labour force, fight social exclusion and protect the environment.

### BNP Paribas and IEP in Lille: integrated study programme

In 2006, BNP Paribas signed La Charte de l'égalité des chances dans le monde de l'éducation, (charter of equal opportunities in education). It is also working with the Institut d'Études Politiques in Lille to set up a programme d'études intégrées (PEI - integrated study programme). Since 2007, when the programme began, 300 students in their penultimate and final year of senior school have ben-

efited from the programme, with support from more than 150 teachers from schools and the Sciences Po Lille university and 60 IEP student teachers. The project has been a great success. 20% of students gained a place at IEP last year, whereas the average success rate is 8%. 50% of students went into "classes préparatoires", which prepare students for entry into France's elite universities, and 30% went to study law. This initiative to broaden access to higher education in the Nord-Pas-de-Calais region shows the Group's desire to promote equal opportunities and to combat all forms of discrimination. For qualifying students, BNP Paribas has provided support including paid work experience, tutors, help from its HR staff with writing CVs, practice interviews and personalised advice.

### Odyssee Jeunes: partnership between the Seine-Saint-Denis regional council and the BNP Paribas Foundation

In December 2009, the BNP Paribas Foundation and the Seine-Saint-Denis regional council signed a partnership agreement regarding the financing of school trips. EUR 3 million will be spent on school trips in 2010, with the focus on trips outside France. The destination and content of trips will be decided by teachers, then validated by the Foundation. The second aspect of BNP Paribas' efforts in the region relates to youth employment, through the Charte BNP Paribas in Seine-Saint-Denis, a charter to be introduced in February 2010.

## BNP Paribas: the no.1 private-sector employer in Seine-Saint-Denis

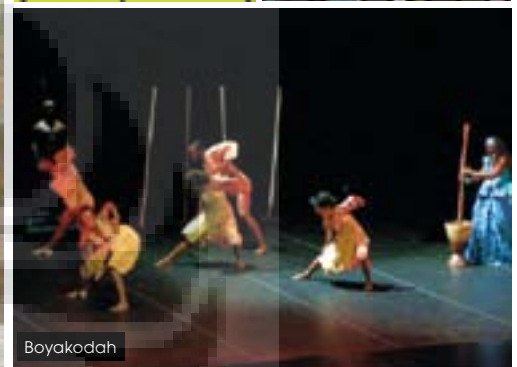
With the arrival of 6,000 BNP Paribas Securities Services employees at the Grands Moulins de Pantin complex, which has renovated and adapted to meet HQE environmental standards, BNP Paribas has become the largest private employer in Seine-Saint-Denis. In addition, as part of its Banlieues project, BNP Paribas in 2008 enabled its partners ADIE and AFEV to open a new centre at Aulnay-sous-Bois in Saint-Denis, thereby strengthening its community roots.

## BNP Paribas Personal Finance and "Nos quartiers ont du talent"

In 2008, BNP Paribas Personal Finance formed a partnership with "Nos quartiers ont du talent", an association created in 2008 to build bridges between companies and young graduates from disadvantaged neighbourhoods. The project brings employers face to face with young graduates (four or more years post-baccalaureate) from the Seine-Saint-Denis department. The project involved 84 young people, who were mentored by 29 Personal Finance staff. In November 2009, the BNP Paribas parent company also started working with the association, and an additional 34 mentors from the Group's various entities signed up.



Panel restored by Jurriaan Andriessen



Boyakodah

## Culture

In its cultural support efforts, the BNP Paribas Foundation focuses on contemporary artistic expression by providing ongoing support to creative artists in disciplines often neglected by corporate benefactors. At the same time, it helps to discover rare or unheard musical works and to promote cultural co-operation programmes.

### Preserving and promoting cultural heritage

Outside France, the BNP Paribas Foundation is providing increasing support for the restoration of museum collections through joint financing with the countries in which the Group operates.

#### **Amsterdam: joint financing for the restoration of major works of art**

In Amsterdam, the restoration of six panels by Jurriaan Andriessen (1742-1819) in the Van Loon museum was jointly financed by BNP Paribas Netherlands. Following a meticulous restoration project overseen by the scientific specialists at the Rijksmuseum in Amsterdam, the unique series is once again on public display as part of the first ever solo exhibition of Jurriaan Andriessen's work. Panel paintings were a popular element of interior design in affluent Dutch homes in the 18th century. The works done by Jurriaan Andriessen depict landscapes inspired by Arcadia and Holland, creating the rich illusion of perspective for visitors.

#### **"Wild thing" exhibition at the Royal Academy of Arts in London**

With the support of BNP Paribas, the Royal Academy of Arts in London held an exhibition celebrating the development of British sculpture since the start of the 20th century. Jacob Epstein, Henri Gaudier-Brzeska and Eric Gill, three exceptional sculptors brought together by the Royal Academy, represented the period from 1905 to 1915. The "Wild Thing" exhibition includes more than 90 of their sculptures, drawings and pastels. The show brings together spectacular works including Epstein's Rock Drill, Gaudier-Brzeska's Birds Erect, and Gill's controversial sculpture Ecstasy.



Elizabeth Kontomanou, the 17th Saint-Louis Jazz festival in Senegal

## Supporting creativity

### **BNP Paribas Foundation: supporting jazz, a musical style that knows no borders**

BNP Paribas is one of the few corporate sponsors to support jazz, both in France and increasingly in other countries.

In 2009, BNP Paribas Foundation again joined forces with the Saint-Germain-des-Prés jazz festival. The festival showcases young artists, and stages exclusive shows by established artists as well as concerts in unusual locations. It is open to the widest possible audience, who share in the festival's community spirit.

BNP Paribas subsidiary Banque Internationale pour le Commerce et l'Industrie du Sénégal (BICIS) has partnered the Saint-Louis jazz festival in Senegal for nearly ten years, and has recently increased its support. Through its collaboration with the BNP Paribas Foundation since 2008, BICIS has been able to attract leading artists sponsored by the Foundation.

The BNP Paribas Foundation's efforts to support jazz artists over the last ten years have been extended by the BMCI Foundation which, for the second consecutive year, sponsored the Tanjazz festival in Tangiers, Morocco in June 2009.

### **Dance and contemporary circus**

In the area of modern circus and dance, BNP Paribas has for many years followed an audacious policy of helping troupes to be creative, raise their profile and co-operate.

French choreographer Abou Lagraa, artistic director of the *La Baraka* troupe, has been supported by the BNP Paribas Foundation since 2006. Algeria's ministry of culture has appointed Mr Lagraa to develop cultural links between France and Algeria. Throughout 2009, events were held in Algeria in the run-up to this project, supported jointly by BNP Paribas El Djazaïr and the BNP Paribas Foundation. From 2010, this three-year co-operation between the two countries will involve the creation of a 20-member contemporary dance troupe within Algeria's national ballet company, and the creation of a piece entitled *Nya*, the European premiere of which will take place in the "Biennale internationale de la danse" festival in Lyon.

Aurélien Bory is the artistic director of Compagnie 111 and has worked with the BNP Paribas Foundation for 7 years. For Mr Bory, 2009 was a breakthrough year, due to the success of his *Les sept planches de la ruse* show. The show was created in December in Dalian, China, and is the result of co-operation between the French director and 15 Chinese dancers and acrobats from the Dalian Opera. Its title *Les sept planches de la ruse* is a literal translation of the Chinese name (Qi Qiao Ban) for the popular game known as Tangram. After an international tour, the show triumphed in the summer of 2009 when it visited Asia, including Hong Kong and Singapore.

The BNP Paribas Foundation supports the contemporary work done by choreographer Georges Momboye. As part of Brazil's "French season", Mr Momboye presented his *Boyakodah* show in a number of Brazilian cities including Rio de Janeiro, São Paulo, Porto Alegre, Curitiba and Recife. This tour was made possible by the combined efforts of the BNP Paribas Foundations in France and Brazil.

## 25th annual "Prix du Jeune Écrivain" (young writers' award)

The "Prix du Jeune Écrivain", an award for young French-language authors aged between 15 and 27 and judged by a panel of writers, has been supported by the BNP Paribas Foundation since its inception. Guy Chevalley, a 24-year-old from Switzerland, won first prize for *l'Enfant sur la falaise*. Winning entries were published in a collection in March 2010, and the winners were invited to the 2010 Paris book fair (Salon du Livre).

## BNP Paribas supports the "Saison de la Turquie" in Paris

BNP Paribas sponsored the season of Turkish culture in France and thereby paid homage to Turkey's vast expertise and know-how in cultural, scientific, industrial and economic areas. The Season of Turkish culture in France, which ran from July 2009 to March 2010, seeks to make Turkish culture better known in France and encourages co-operative programmes between the two countries. This major cultural event is another of the activities and partnerships in which BNP Paribas has been involved for many years through the BNP Paribas Foundation. It strengthens the group's commitment to the cultural and social life of the countries in which it operates.





## Community initiatives to promote social integration and solidarity

BNP Paribas contributes to the economic and social development of countries in which it operates, not only by focusing on local recruitment (see chart showing percentage of local employees in the Human Resources chapter), but also by supporting local initiatives in partnership with associations and civil society organisations.

### Bank of the West and financial education

In 2000, the Group's US subsidiary became a partner of Operation Hope Inc. (OHI). Operation Hope provides underserved inner-city communities with mainstream financial services and financial literacy programmes. The partnership has sponsored several financial literacy programmes including Banking On Our Future (BOOF), aimed at school children between 9 to 18 years of age in Oakland, Los Angeles, Portland and Denver. More than 190 Bank of the West employees have already taken part in the programme as volunteers, providing approximately 900 hours of training to some 5,600 pupils. Operation Hope Centers provide free adult financial literacy and economic empowerment

workshops as well as financial support to help people become home owners or set up their own business. The Operation Hope initiative also provides financial counselling and aid to help natural disaster victims rebuild their lives.

### BMCI Foundation

Banque Marocaine pour le Commerce et l'Industrie (BMCI), the Group's Moroccan subsidiary, has pursued a policy of cultural and social philanthropy since the late nineteen nineties with the aim of contributing to Morocco's social and cultural development. It has deepened this commitment by setting up its own foundation which works alongside the BNP Paribas Foundation.

In culture, the BMCI Foundation supports young musical talent and events covering classical, jazz and contemporary music. It is the official partner to the Morocco Philharmonic Orchestra and sponsors the International Music and Dance School in Casablanca, international and national music competitions in Morocco and Tanjazz, the Tangiers jazz festival. It supports the country's literary heritage and encour-

ages young people to read and learn by financing the publication of children's books and the reprinting of old books. It also sponsors the Casablanca *Grand Prix des Jeunes Lecteurs* award for young readers and the *Grand Prix de la Nouvelle* award for short stories. It supports troupes of artistes and promotes contemporary artistic expression, dance and new circus arts. The BMCI Foundation is a member of the Mohammed-V Solidarity Foundation's Permanent Support Committee and the Mohammed-VI Environmental Protection Foundation, and is a founding member of the Initiatives Association. The Foundation's social commitment is expressed through four actions. The first involves the inclusion of people in difficulties through training and artistic activities. The second aims to help disabled people in their daily lives by providing support from specialised associations. The third focuses on medical research and help for the impoverished sick through support for Moroccan research scientists. The fourth is developing BNP Paribas Employee Helping Hand projects within the subsidiary.

## Arval's international network

Arval's social responsibility policy focuses on the combat against social exclusion and helping integrate the disabled into social and professional life. Arval's local offices support a variety of organisations, such as the ELEPAP association for disabled children in Greece, the Jasnenka foundation in the Czech Republic, SOS Children's Villages in Germany, UNICEF in Poland and the Mohammed-V Foundation in Morocco.

## BNP Paribas Egypt and Egyptian Food Bank

In 2009, BNP Paribas Egypt joined forces with the Egyptian Food Bank (EFB) in its mission to overcome hunger. The EFB won recognition from the United Nations in 2008. Throughout the year, the Bank helped provide food to two villages in Upper Egypt, and sponsored the EFB's educational and promotional campaign on TV and in other media to combat food wastage and encourage donations. During Ramadan, employees were granted a day's leave to work voluntarily for the EFB in putting together food parcels for the poor.

## UBCI and SOS Children's Villages

For the second year running in 2009, UBCI, the Bank's Tunisian subsidiary, supported the SOS Children's Villages association by organising a drawing competition in three SOS Villages in Gammarth, Siliana and Mahrès. The theme this year was the Environment. SOS Children's Villages, an association that helps vulnerable children with no parental care, brought together a jury of artists, volunteers and employees of the bank. Prizes were awarded to the three best drawings in each village. SOS Children's Villages is also supported in Algeria by BNP Paribas El Djazair and in Morocco by the BMCI Foundation.

## BNP Paribas Wealth Management and Ateliers sans frontières

In 2009, as part of its recycling initiatives, BNP Paribas Wealth Management continued its partnership with the association *Ateliers Sans Frontières*, whose mission is to help bring stability to the personal and professional lives of the most excluded. BNP Paribas Wealth Management donates its used computer equipment to the association to help it create jobs and equip educational associations in Northern Africa and Eastern Europe.

## BNL and support for L'Aquila earthquake victims

On 9 July 2009 in the town of L'Aquila in Italy, BNP Paribas and BNL took part in the inauguration of the *Arti e Spettacolo* association's *Sale per lo Spettacolo*, in the presence of a number of celebrities. *Sale per lo Spettacolo*, which is financed by the banks, was created after the earthquake that ravaged the Italian region of Abruzzo on 6 April 2009. L'Aquila was particularly badly hit with the loss of 299 lives, thousands of people injured and 18,000 people left homeless. The BNP Paribas Foundation provided financial support to organise and present a variety of events and workshops, to meet families in their makeshift homes and also to pay the artistes a modest sum for their contribution. This initiative not only provides support for the victims but also encourages artists to stay in the region.



SOS Children's Villages



The Egyptian Food Bank

# CORPORATE GOVERNANCE



# THE BOARD OF DIRECTORS



**MICHEL  
PÉBEREAU**

**Principal function<sup>(1)</sup> :**  
Chairman of the Board of Directors of BNP Paribas

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

**Functions at 31 December 2009<sup>(1)</sup>**

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

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

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

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

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



**PATRICK  
AUGUSTE**

**Principal function<sup>(1)</sup> :**  
Chief Technical Officer

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



**CLAUDE  
BÉBEAR**

**Principal function<sup>(1)</sup> :**  
Honorary Chairman of AXA

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

**Functions at 31 December 2009<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> :**  
Chairman of the Board of Directors of Compagnie de Saint-Gobain

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

**Functions at 31 December 2009<sup>(1)</sup>**

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

**Chairman of:**  
Claude Bernard Participations

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

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



**SUZANNE  
BERGER**

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

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

**Functions at 31 December 2009<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) Functions shown in italics are not governed by French Act no. 2001-401 of 15 May 2001 concerning multiple directorships.

(2) At 31 December 2009.



## JEAN-MARIE GIANNO

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

- Born on 7 September 1952
- Elected to a three-year term by BNP Paribas employees on 5 February 2009
- First appointed to the Board on 15 March 2004 (Jean-Marie 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 2009<sup>(1)</sup>**

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



## FRANÇOIS GRAPPOTTE

**Principal function<sup>(1)</sup> :**  
*Honorary Chairman of Legrand, Company Director*

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

### **Functions at 31 December 2009<sup>(1)</sup>**

**Director of:**  
*Legrand, Legrand France*

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



## ALAIN JOLY

**Principal function<sup>(1)</sup> :**  
*Director of Air Liquide*

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

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



## DENIS KESSLER

**Principal function<sup>(1)</sup> :**  
*Chairman and Chief Executive Officer of Scor SE*

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

### **Functions at 31 December 2009<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)*

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

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

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



## JEAN-FRANÇOIS LEPETIT

**Principal function<sup>(1)</sup> :**  
*Chairman of Conseil national de la comptabilité*

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

### **Functions at 31 December 2009<sup>(1)</sup>**

**Director of:**  
*Smart Trade Technologies SA, Shan SA*

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

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

(2) At 31 December 2009.



## LAURENCE PARISOT

**Principal function<sup>(1)</sup> :**  
Vice-Chairman of the Board of Directors of IFOP SA

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

### Functions at 31 December 2009<sup>(1)</sup>

**Chairman of:**  
*Mouvement des Entreprises de France (MEDEF)*

**Director of:**  
Coface SA

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



## HÉLÈNE PLOIX

**Principal function<sup>(1)</sup> :**  
*Chairman of Pechel Industries SAS and Pechel Industries Partenaires SAS*

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

### Functions at 31 December 2009<sup>(1)</sup>

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

**Permanent representative of:**  
*Pechel Industries Partenaires (part of Ypso 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*



## BAUDOÏN PROT

**Principal function<sup>(1)</sup> :**  
Director and Chief Executive Officer of BNP Paribas

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

### Functions at 31 December 2009<sup>(1)</sup>

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

**Chairman of:**  
*Fédération Bancaire Française (from September 2009 to August 2010)*

**Member of:**  
*Executive Board of Fédération Bancaire Française*



## LOUIS SCHWEITZER

**Principal function<sup>(1)</sup> :**  
Chairman of the Board of Directors of Renault

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

### Functions at 31 December 2009<sup>(1)</sup>

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

**Chairman of the Supervisory Board of:**  
*Le Monde & Partenaires Associés (SAS), Le Monde SA, Société Editrice du Monde*

**Director of:**  
*L'Oréal, Veolia Environnement, AB Volvo (Sweden)*

**Chairman of:**  
*HALDE (Haute Autorité de lutte contre les discriminations et pour l'égalité)*

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

**Member of the Board of:**  
*Fondation Nationale des Sciences Politiques, Institut Français des Relations Internationales, Musée du Quai Branly*



## DANIELA WEBER-REY

**Principal function<sup>(1)</sup> :**  
*Partner at Clifford Chance, Frankfurt*

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

### Functions at 31 December 2009<sup>(1)</sup>

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

## Non-Voting directors

### MICHEL TILMANT

**Principal function<sup>(1)</sup> :**  
Managing Director of Strafin SPRL

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

### EMIEL VAN BROEKHOVEN

**Principal function<sup>(1)</sup> :**  
*Economist, Honorary Professor at the University of Antwerp*

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

## Other corporate officers

### JEAN-LAURENT BONNAFÉ

**Principal function<sup>(1)</sup> :**  
*Chief Operating Officer of BNP Paribas*

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

### Functions at 31 December 2009<sup>(1)</sup>

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

**Chief Executive Officer of:**  
BNP Paribas Fortis

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

### GEORGES CHODRON DE COURCEL

**Principal function<sup>(1)</sup> :**  
*Chief Operating Officer of BNP Paribas*

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

### Functions at 31 December 2009<sup>(1)</sup>

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

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

(2) At 31 December 2009.

# REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS ON THE CONDITIONS FOR THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD AND ON INTERNAL CONTROL PROCEDURES IMPLEMENTED BY BNP PARIBAS

## Corporate Governance at BNP Paribas

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The following information has been prepared in accordance with Article L. 225-37 of the French Commercial Code. It makes reference to Appendix 1 of European Regulation (EC) no. 809/2004 of 29 April 2004 as well as to the 2009 report by the AMF (the French Financial Markets Authority) on corporate governance and internal control published on 8 December 2009 and to the "Guide to preparing Registration Documents", also published by the AMF, on 10 December 2009.

In accordance with the provisions of Article 26 of Act no. 2008-649 of 3 July 2008 containing various provisions adapting company law to Community law, the Corporate Governance Code referred to on a voluntary basis in preparing this report is the Corporate Governance Code for listed companies published in December 2008 by the French employers' organisations AFEP (Association Française des Entreprises Privées) and MEDEF (Mouvement des Entreprises de France).

# Conditions for the preparation and organisation of the work of the Board

## Terms of reference of the Board of Directors

— The Internal Rules adopted in 1997 by the Board define the duties of the Board and of its specialised Committees; they are regularly updated to comply with the legal requirements, regulations and French Corporate Governance guidelines and to keep pace with corporate governance best practices. They also contain a code of ethics applicable to Directors.

— The Chairman's report reproduces, in the form of citations or excerpts, all of the provisions of the Internal Rules dealing with the composition and operation of the Board, the allocation of work between Executive Management and the decision-making body, the composition, operation and terms of reference of specialised Committees, as well as the course of conduct of Directors and non-voting Directors<sup>(1)</sup>.

(1) Upon the proposal of the Chairman, the Board may appoint one or two non-voting directors. Notices of meetings shall be served to non-voting directors, who shall attend Board meetings in an advisory capacity.

## Extracts from the Board of Directors' Internal Rules: terms of reference of the Board of Directors

*"The Board of Directors is a collegial body that collectively represents all shareholders and acts at all times in the corporate interests of the Bank.*

*It is tasked with monitoring its own composition and effectiveness in advancing the Bank's interests and carrying out its duties.*

*Towards these ends:*

*Based on proposals submitted by the Chief Executive Officer, it draws up the BNP Paribas business strategy and monitors its implementation.*

*It examines any and all issues related to the efficient running of the business, and makes any and all business decisions within its remit.*

*It may decide to either combine or separate the functions of Chairman and Chief Executive Officer.*

*It appoints corporate officers for three-year terms.*

*It may decide to limit the powers of the Chief Executive Officer.*

*It approves the draft of the Chairman's report presented along with the management report.*

*The Board or one or more of its Directors or Committees, or a specific Committee authorised by the Board, may:*

*- perform any or all verifications and controls that it considers necessary pursuant to the applicable legislation;*

*- supervise the management of the business and the fairness of its accounts;*

*- review and approve the financial statements; and*

*- ensure that the financial information disclosed to the shareholders and the markets is of high quality.*

*The Chairman – or the Chief Executive Officer if the functions have been separated – submits for review by the Board,*

*at least once a year, drafts of the budget, of the management report and of the various reports required under applicable laws and regulations.*

*The Chief Executive Officer is required to submit to the Board for prior approval any investment or divestment decision (excluding portfolio transactions) of more than EUR 250 million, and any proposed acquisition or divestment of equity interests of more than EUR 250 million. The Chief Executive Officer also regularly informs the Board of material transactions which fall below the EUR 250 million threshold.*

*Any material strategic operation which lies outside the approved business strategy must be submitted to the Board for prior approval."*



## Separation of the functions of Chairman and Chief Executive Officer <sup>(1)</sup>

- At the Annual General Meeting held on 14 May 2003, the Chairman announced the Board's intention to separate the functions of Chairman and Chief Executive Officer within BNP Paribas. This decision brought the Group into line with corporate governance best practice, while at the same time ensuring a smooth and transparent handover of the Chief Executive role.
- The Chairman organises and directs the work of the Board, and ensures that the corporate decision-making bodies of BNP Paribas operate effectively. Working closely with Executive Management, he contributes to developing the Group's relationships with its major clients and with the national and international financial and monetary authorities. He has no executive responsibilities.
- The Chief Executive Officer has the broadest powers to act in the Bank's name in all circumstances (cf. below "Limitation of the powers of the Chief Executive Officer"). He has authority over the entire Group. He is also responsible for internal control systems and procedures, and for all the statutory information in the report on internal control.

## The Board of Directors and Annual General Meeting <sup>(2)</sup>

- The Articles of Association define the participation by shareholders at Annual General Meeting. A summary of these rules, as well as the report on the organisation and holding of the Annual General Meeting on 13 May 2009 are provided in the "BNP Paribas and its shareholders" section of the Registration Document and annual financial report.
- Based on proposals submitted by the Board of Directors, the Annual General Meeting of 13 May 2009 re-elected Claude Bébéar, Jean-Louis Beffa, Denis Kessler, Laurence Parisot and Michel Pébereau as Directors. Fourteen Directors attended this meeting.

## Pursuant to the Internal Rules, the Chairman

*"monitors relations with shareholders, in close cooperation with the work of Executive Management in this area, to guarantee that these relations remain of a high quality.*

*He ensures that principles of Corporate Governance are defined and implemented at the highest levels.*

*He oversees the smooth running of BNP Paribas' management bodies.*

*With the help of the Corporate Governance and Nominations Committee, and subject to approval by the Board and by the Annual General Meeting, he endeavours to build an effective and balanced Board, and to manage replacement and succession processes that concern the Board and the nominations within its remit.*

*He organises the work of the Board of Directors. He sets the timetable and agenda of Board meetings and calls them.*

*He ensures that the work of the Board is well organised, in a manner conducive to constructive discussion and decision-making. He facilitates the work of the Board and coordinates its activities with those of the specialised Committees.*

*He sees to it that the Board devotes an appropriate amount of time to issues relating to the future of the Bank, particularly its strategy.*

*He ensures that Directors from outside the Bank get to know the Management team thoroughly.*

*He ensures that he maintains a close relationship based on trust with the Chief Executive Officer, to whom he provides help and advice while respecting his executive responsibilities.*

*The Chairman directs the work of the Board, to give it the means of exercising all the responsibilities which fall within its remit.*

*He ensures that the Board is provided in a timely fashion with the information it needs to carry out its duties and that this information is clearly and appropriately presented.*

*The Chairman is regularly informed by the Chief Executive Officer and other members of the Executive Management team of significant events and situations in the life of the Group, particularly those relating to strategy, organisation, investment or disinvestment projects, financial transactions, risks or the financial statements.*

*The Chief Executive Officer provides the Chairman with all information required under French law regarding the internal control report.*

*The Chairman may ask the Chief Executive Officer for any information that may help the Board and its Committees fulfil their duties.*

*He may interview the Statutory Auditors in order to prepare the work of the Board and the Financial Statements Committee.*

*He ensures that the Directors are in a position to fulfil their duties, and in particular that they have the information they need to take part in the work of the Board, and that they can count on appropriate cooperation from the Bank's management in conducting the activities of the specialised Committees. He also ensures that directors participate effectively in the work of the Board, with satisfactory attendance, competence and loyalty.*

*He reports, in a document submitted alongside the management report, on the preparation and organisation of the work of the Board, as well as on the Bank's internal control procedures and any limits the Board may have decided to place on the Chief Executive Officer's authority."*

(1) AFEP-MEDEF Corporate Governance Code (point 3).

(2) AFEP-MEDEF Corporate Governance Code (point 5).

## Membership of the BNP Paribas Board of Directors <sup>(1)</sup>

- Following the Annual General Meeting on 13 May 2009, the Board of Directors had fourteen Directors, of which twelve were elected by shareholders (eight men and four women) and two by employees.
- Upon the proposal of the Corporate Governance and Nominations Committee, the Board of Directors appointed two non-voting Directors on 4 November 2009. Board membership details are provided in Section 2.1. of the Registration Document.

## Independence of Directors <sup>(2)</sup>

- Following a review of the Directors' personal circumstances carried out by the Corporate Governance and Nominations Committee, the Board considered that the following eight Directors qualify as independent Directors pursuant to the AFEP-MEDEF Corporate Governance Code: Claude Bébéar, Suzanne Berger, François Grappotte, Denis Kessler,

Jean-François Lepetit, Laurence Parisot, Hélène Ploix and Daniela Weber-Rey. Based on its assessment of Louis Schweitzer before proposing his re-election to the Annual General Meeting of 15 May 2007, the Board did not consider that the criterion concerning the loss of independence of a Director who has served for more than twelve years to be relevant to the person of Louis Schweitzer. This assessment, made in accordance with the provisions of the AFEP-MEDEF Corporate Governance Code (point 8.3), remains unchanged.

- More than one half of the Directors qualify as independent under the AFEP-MEDEF Corporate Governance Code (point 8.2).
- Three of the Directors elected by the shareholders, Michel Pébereau, Chairman of the Board, Baudouin Prot, Chief Executive Officer, and Jean-Louis Beffa, were considered not to meet the AFEP-MEDEF Corporate Governance Code's criterion defining an independent Director.
- The two employee representatives on the Board, Patrick Auguste and Jean-Marie Gianni, do not

qualify as independent Directors under the AFEP-MEDEF Corporate Governance Code despite their status and the method by which they were elected, which safeguards their independence.

- The BNP Paribas Directors declared - as part of the implementation of International Accounting Standards IAS 24 — that they do not benefit from any financial arrangement with BNP Paribas SA or any Group company other than at arm's length conditions.
- The "Code of Ethics Applicable to Directors" section of the Board of Directors' Internal Rules sets out the rules of conduct applicable to Directors, and is intended to promote the independence and responsibility of Directors and non-voting Directors in discharging their duties (cf. "Corporate Governance" below).

The following table presents the situation of each Director with regard to the independence criteria set forth in the AFEP-MEDEF Corporate Governance Code:

	1st criterion	2nd criterion	3rd criterion	4th criterion	5th criterion	6th criterion	7th criterion
M. Pébereau	X	o	o	o	o	X	o
P. Auguste	X	o	o	o	o	X	o
C. Bébéar	o	o	o	o	o	o	o
J.L. Beffa	o	X	o	o	o	X	o
S. Berger	o	o	o	o	o	o	o
J.M. Gianni	X	o	o	o	o	o	o
F. Grappotte	o	o	o	o	o	o	o
D. Kessler	o	o	o	o	o	o	o
J.F. Lepetit	o	o	o	o	o	o	o
L. Parisot	o	o	o	o	o	o	o
H. Ploix	o	o	o	o	o	o	o
B. Prot	X	o	o	o	o	o	o
L. Schweitzer	o	o	o	o	o	X <sup>(*)</sup>	o
D. Weber-Rey	o	o	o	o	o	o	o

Key:

"o": compliance with independence criterion defined in the AFEP-MEDEF Code.

"x": non-compliance with an independence criterion defined in the AFEP-MEDEF Code.

1st criterion: Not an employee or corporate officer of the corporation within the previous five years.

2nd criterion: No issue of corporate offices held in another corporation.

3rd criterion: No material business relationships.

4th criterion: No family ties to a corporate officer.

5th criterion: Not an auditor of the corporation within the previous five years.

6th criterion: Not a Director of the corporation for more than twelve years.

7th criterion: No issue related to control by a major shareholder (10% of capital or voting rights).

(\*) Refer to previous comment in Section 1 - "Membership of the BNP Paribas Board of Directors".

(1) AFEP-MEDEF Corporate Governance Code (points 6 and 7).

(2) AFEP-MEDEF Corporate Governance Code (point 8).

## Work of the Board and its Committees in 2009

— In 2009, the Board held thirteen meetings, including 6 specially convened meetings (estimated results at 31 December 2008, structuring and completion of the acquisition of the activities of Fortis, issue of non-voting shares subscribed by Société de Prise de Participation de l'État, capital increase and redemption of non-voting shares). The average attendance rate of Directors at Board meetings was 89%.

- The Financial Statements Committee met six times with an average attendance rate of 87%.
- The Internal Control, Risk Management and Compliance Committee met four times with an attendance rate of 100%.
- The Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee held a joint meeting at which all of the respective committee members were present.
- The Corporate Governance and

Nominations Committee met three times with an average attendance rate of 89%.

- The Compensation Committee met six times with an average attendance rate of 94%.

### ATTENDANCE AT MEETINGS OF THE BOARD AND ITS COMMITTEES IN 2009

	Board meetings		Committee meetings		All meetings		
	1	2	1	2	1	2	3
<b>Directors</b>							
M. Pébereau	13	13			13	13	100%
P. Auguste	12	13	5	6	17	19	89%
C. Bébéar	10	13	3	3	13	16	81%
J.L. Beffa	11	13	6	6	17	19	89%
S. Berger	10	13			10	13	77%
J.M. Gianno	13	13	4	4	17	17	100%
F. Grappotte	12	13	10	10	22	23	96%
A. Joly	8	8	4	4	12	12	100%
D. Kessler	12	13	7	8	19	21	90%
J.F. Lepetit	12	13	4	4	16	17	94%
L. Parisot	9	13	2	3	11	16	69%
H. Ploix	13	13	5	6	18	19	95%
B. Prot	13	13			13	13	100%
L. Schweitzer	9	13	6	6	15	19	79%
D. Weber-Rey	12	13	1	1	13	14	93%
<b>Non-voting directors</b>							
E. Van Broekhoven	1	1			1	1	100%
M. Tilmant	1	1			1	1	100%
<b>Average</b>		<b>89%</b>		<b>93%</b>			

The first column shows the number of meetings attended.  
The second column shows the total number of meetings held during the year.  
The third column shows the individual attendance rates.

# Strategy

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The Board of Directors formulates BNP Paribas' strategy and overall business objectives based on proposals submitted by Executive Management, the key elements of which are presented following a documented in-house process.

It examines and decides on strategic operations in accordance with its Internal Rules<sup>(1)</sup>.

It oversees the implementation of the objectives it has approved, particularly in the course of discussions on the financial statements and on the budget.

The Board is also kept regularly informed of the Group's cash position and ongoing commitments<sup>(1)</sup>.

In 2009, as in 2008, the Board spent considerable time analysing the effects of the financial crisis.

The Board reviewed the implementation of the steps and adaptations presented to it by Executive Management, in particular in the field of capital management, liquidity and of risk control. It reviewed measures implemented in the Corporate and Investment Banking business it had approved at the end of 2008 due to the very unfavourable market conditions.

— On 25 January 2009, the Board approved of the plan to have BNP Paribas participate in the second tier of the French plan to support the economy. On 25 September 2009, it approved of a capital increase in view of the redemption of the non-voting shares subscribed on 31 March 2009 by Société de Prise de Participation de l'État.

— The Board was briefed several times and approved the project to acquire control of Fortis Bank and well as the strategic partnership with Fortis Assurance Belgique. It examined and approved the industrial and integration plan prepared following the merger between BNP Paribas, Fortis Bank and BGL as well as the adjustments to the scope of consolidation aimed at improving risk control, optimising liquidity management and pursuing integration synergies.

- The Board was not called upon to deliberate on any strategic operation that was not in line with approved strategic objectives and would as such have required its prior approval in accordance with the Internal Rules. It regularly reviewed the negotiations of investment projects that it had previously discussed; in particular it approved of the project by BNP Paribas Personal Finance to acquire control over Findomestic.
- As in previous years, the Board met in a strategy seminar dedicated to the Group's development model and to the proposed priorities for each of its business lines. In particular, it examined the performance and prospects of the operational entities in the Retail Banking business.
- The Board was briefed several times on the findings of comparative studies on the performance of its business lines with those of its main competitors.
- It deliberated concerning ethical guidelines as well as on the security and competitive stakes of the Group's Human Resources policy.

# Internal Control, Risk Management and Compliance

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As early as 1994, the Board of Directors decided to set up an Internal Control and Risk Management Committee separate from the Financial Statements Committee, thus splitting the work normally carried out by the Audit Committee. In 2007, the Board extended the remit of the Internal Control and Risk Management Committee to include all matters relating to compliance policy that may impact on reputation risk and professional ethics. The Internal Control, Risk Management and Compliance Committee acts independently and on a complementary basis to the Financial Statements Committee which oversees matters in connection with the preparation and control accounting and financial information. In 2009, the Board decided that these two Committees should henceforth hold a joint meeting twice a year in order to discuss common matters affecting both risk management policy and the provisions to be set aside in the books of BNP Paribas, review the General Inspection unit's terms of reference and the audit plan of the Statutory Auditors, and prepare the work of the Board in assessing risk management policies and management tools.

In 2009, the Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee met together or separately eleven times. The membership of these two Committees and the work that they carry out in their respective fields are designed to meet the regulatory requirements in the banking and prudential fields. These include both the measures imposed by external regulators and BNP Paribas' own requirements regarding the quality of its internal control processes and risk management policy<sup>(2)</sup>.

(1) AFEP-MEDEF Corporate Governance Code (point 4).  
(2) AFEP-MEDEF Corporate Governance Code (point 2).

- it discussed the main stakes identified for the different categories of risk;
- it was regularly updated on Value-at-Risk (VaR) trends as well as on the results of the risk measurements and crisis situation simulation methods;
- it was informed of the breakdown of the Bank's commitments by industry, line of business and geographic area, as well as of the concentration of individual major risks. It was regularly briefed on the Bank's sensitive exposure as per the presentation recommendations of the Financial Stability Board (FSB). It discussed the Group's risk in the businesses, subsidiaries and countries most affected by the crisis. It carried out the first reviews of the investment portfolio and market and credit operations of BNP Paribas Fortis;
- throughout the course of the year, the Board was regularly informed of the situation on liquidity markets and kept abreast of the measures taken by BNP Paribas to bolster its financing security. It was briefed on the conditions under which medium — and long-term financing programs were carried out;
- the Board adapted the organisation of its work to the new measures on the assessment and control of policies, measures and procedures introduced by the Bank to comply with CRBF Regulation no. 97-02 relating to internal control in banks and investment firms. It set the identification criteria and threshold for the reporting of significant incidents revealed by internal control procedures. It was informed of the measures taken by Executive Management to verify that risk policies are being properly applied and appropriate measures taken to remedy any possible shortcomings;
- the Board was briefed on the Internal Control Function activity as well as the resources placed at its disposal. It was provided with draft reports for the year ended 31 December 2008 on measuring and monitoring of risks, compliance, permanent controls and periodic controls. It was informed of the progress made on measures taken by Executive Management designed to ensure the control and security of market transactions;

- the Board heard the Chairman of the Internal Control, Risk Management and Compliance Committee on the deliverables of the Periodic Control Function reported by the General Inspection Unit and on the follow-up to recommendations previously issued as well as on the Permanent Control reporting;
- the Board was informed of the joint work of the Financial Statements Committee and of the Internal Control, Risk Management and Compliance Committee on the process for the valuation of financial products and control system;
- the Board heard the report, presented by the Chairman of the Internal Control, Risk Management and Compliance Committee, of the interviews conducted by it without the Chairman or the Chief Executive Officer being present, of the Head of the General Inspection Unit, who is in charge of Periodic Control, of the Head of Permanent Control of Compliance, of Asset and Liabilities Management and the Head of Group Risk Management, whose remit covers the Group's global risk policy;
- the Board was periodically informed of the exchange of correspondence with the Commission Bancaire and of observations made by the Internal Control, Risk Management and Compliance Committee with respect to each such exchange. It heard briefings on the relations with regulators abroad, as reported by Executive Management.

# Budget, financial statements and results, financial management and communications

## Budget

As is customary, at its last meeting of the year, the Board reviewed and approved the draft budget for 2010 presented by Executive Management for the Group as a whole as well as its core businesses and major business lines.

## Financial statements and results

- The results and financial statements of the Group and of BNP Paribas SA for the fourth quarter of 2008, the first three quarters of 2009, for the first half and first nine months of 2009, presented by Executive Management, were reviewed and approved as required by the Board. Its work covered the entire consolidated Group as well as each of its fields of activity and core businesses. In view of the climate of great uncertainty prevailing on the stock exchange market in early 2009, the Board decided to publish, in January 2009, the Group's forecasted results at 31 December 2008. The Board was informed of the findings of the Financial Statements Committee and the Group's three Statutory Auditors<sup>(1)</sup> — who are entitled to attend Board meetings held to review the results and financial statements — concerning the results for the period.
- Based on the report submitted jointly by the Statutory Auditors and Executive Management, it reviewed the key choices made concerning the application of accounting standards. The Board was informed of the findings of the work of the Financial Statements Committee at a meeting specifically dedicated to the measurement of financial instruments.

(1) The firms of Deloitte et Associés, Mazars and PricewaterhouseCoopers Audit were appointed by the Annual General Meeting for the period 2006-2011, based on a proposal by the Board of Directors.

- The Board was regularly informed of the effects of the crisis on the revenues and cost of risk of BNP Paribas. It was also provided with the results of a comparative analysis of the balance sheets of the leading European banks at 31 December 2008.
- It was informed of the adjustments made following the assessment of the first consolidation of BNP Paribas Fortis; it approved, acting upon the proposal of the Financial Statements Committee, of the allocation of the audit assignments of the Statutory Auditors of the Fortis Group entities between the members of the team of auditors of BNP Paribas and recommended the adoption thereof by the competent decision-making bodies of Fortis in Belgium and of BGL in Luxembourg.
- The Board was also briefed by the Financial Statements Committee — which examined the information presented to it by Executive Management — on the internal control audit operations and results and on the key audit points raised by Group entities as part of the certification process aimed at ensuring the reliability of the consolidation reporting package.
- The Board heard the report, presented by the Financial Statements Committee, of the interviews conducted without the Chairman, the Chief Executive Officer, the Statutory Auditors and the Head of Group Finance-Development Department being present.

## Financial management

- The Board was regularly briefed on issues of debt instruments and profitability trends in new lending. It reviewed and approved the financial statements and results for the year ended 31 December 2008 and approved the profit distribution policy; it approved the draft resolution concerning the dividend and ascertained the issue price of new ordinary shares delivered in payment of the dividend.
- The Board approved the draft resolutions, which were adopted by the Extraordinary Shareholders' Meeting on 27 March 2009, authorising BNP Paribas to participate in the French plan to support the economy. It subsequently made use of the delegation of authority given to it by the Annual General Meeting of 21 May 2008 in order for

BNP Paribas to carry out a capital increase and redeem the non-voting shares subscribed by Société de Prise de Participation de l'État. Following that transaction, it reduced the share capital by cancelling the non-voting shares in accordance with Article 6 of the Articles of Association.

- To enable BNP Paribas to acquire control over Fortis Bank, it used the delegation of authority given to it by the Annual General Meeting of 21 May 2008 to approve the transfer of the shares of Fortis Bank and ascertain completion of the correlative increase in the share capital of BNP Paribas. It also approved of the draft resolutions adopted by the Annual General Meeting of 13 May 2009.
- The Board was briefed throughout the course of the year on trends in average risk-weighted assets and of the solvency ratio. It was provided with elements for the comparison of the results and returns on capital of major international banks for the first nine months of 2009.

## Financial communication <sup>(1)</sup>

The Board examined and approved, at each meeting devoted to results, draft press releases. It approved of the draft report of the Board of Directors for 2008 as well as the Chairman's draft report on internal control procedures on the preparation and processing of accounting and financial information. The Bank's long-term ratings from financial rating firms are provided at the beginning of the Registration Document.

## Follow-up on the 2008 assessment of the performance of the Board of Directors

Suggestions for improvements made by Directors, in particular concerning the deepening of the analyses carried out by the Board on market risks and the integration in the strategic thought process of the lessons to be learned from the crisis in terms of stakes and opportunities for the Group, were followed through.

- The Board devoted part of a meeting to an in-depth examination of risk governance principles. It was informed of the changes made to the manner in which general purpose, segment and special purpose Committees function, designed to secure the foresight and decision-making process. It was informed of the tools, models and indicators developed in that aim by the teams dedicated to risk analysis and internal control. The Internal Control, Risk Management and Compliance Committee provided it with a detailed report on its work on market risk. Written reports on Board meetings were systematically provided to the Directors before the first Board meeting following their approval by the Committee.
- In the area of strategic, the Board of Directors devoted most of its work to the structuring arrangements for the acquisition of Fortis Bank. This subject was addressed at eight Board meetings, including three specially convened meetings. The Board also discussed the changes made in investment banking operations. It acknowledged the managerial decisions taken by the Chief Executive Officer, in agreement with the Chairman, designed to permit Corporate and Investment Banking and Investment Solutions to take an innovating approach to a period of adaptation in their development.

(1) AFEP-MEDEF Corporate Governance Code (point 2).

## Assessment of the performance of the Board of Directors in 2009

- For the eighth consecutive year an assessment of the organisation and performance of the BNP Paribas Board of Directors and of its specialised Committees was carried out<sup>(1)</sup>.
- The Board of Directors considered that the self-evaluation methodology used in previous years was adequate. The assessment of the performance of the Board was therefore carried out on the basis of an anonymous survey dealing with the organisation of the Board, its conditions of operation and the main aspects of the Board's work (strategy, internal control and risk management, financial management, compensation) and with the competence of the members of the Board's Committees, the relevance of the topics discussed and the quality of the reports submitted on their work. The survey contained thirty-four questions grouped into ten topics. The Directors were invited to make proposals for improvements on each of these topics.

The Directors expressed a favourable view of the Board's work. They expressed particular satisfaction with the clarity of strategic presentations, the relevance of the topics discussed and the quality of the information presented. They stressed the preciseness of the information on results as well as the relevance of the work carried out by the specialised Committees and the quality of their reports to the Board. The Directors also expressed satisfaction with the information received on risk, in particular liquidity risk.

The main suggestion for improvement concerned deepening the analyses carried out by the Board on the Group's strategy in its new dimension. The Board also suggested that the strategic thought process on risk should be more systematically broadened to include risk to reputation.

## Evaluation of Directors' performance - Changes in membership of the Board and of specialised Committees

- Based on the report made to the Board by the Corporate Governance and Nominations Committee, on its review of the situation of each Director in terms of their competencies, discernment and freedom of thought and of expression, it considered that the Board's membership assured it of the independence and ability to perform its duties in a satisfactory manner<sup>(2)</sup>.
- Alain Joly's term having expired at the end of the Annual General Meeting of 13 May 2009, the Board of Directors decided not to fill his seat on the Board immediately. After having discussed the competencies and contribution to the work of the Board and to its discussions made by Claude Bébéar, Jean-Louis Beffa, Denis Kessler, Laurence Parisot and Michel Pébereau, the Board proposed that the Annual General Meeting adopt the resolutions concerning the renewal of their term of office for a period of three years, as part of the policy implemented to organise the smooth renewal of Directors<sup>(3)</sup>.

Acting on the proposal of the Corporate Governance and Nominations Committee, the Board renewed Michel Pébereau in his duties and functions as Chairman of the Board of Directors. In replacement of Alain Joly, the Board appointed Claude Bébéar as Chairman of the Corporate Governance and Nominations Committee and Denis Kessler as member and Chairman of the Compensation Committee. It also appointed Daniela Weber-Rey as a member of the Corporate Governance and Nominations Committee.

The Board appointed Emiel Van Broekhoven and Michel Tilmant as non-voting Directors.

## Procedure for selecting members of the Board of Directors<sup>(4)</sup>.

The selection procedure is based on information and assessments provided by the members of the Corporate Governance and Nominations Committee and the Chairman of the Board, in accordance with the criteria defined by the Committee. This ensures that successful candidates have the requisite personal and professional qualities.

This procedure is also followed by the Board in appointing the two non-voting Directors proposed by the Belgian government following the acquisition of Fortis Bank.

## Assessment of BNP Paribas management<sup>(5)</sup>

The Board devoted a part of one of its meetings to assessing the Bank's management. Without Baudouin Prot being present, it heard the Chairman's observations concerning leadership by the Executive Management and the managerial performance of the Chief Executive Officer during the course of a year marked by the continuing crisis and by a major acquisition. In the absence of Michel Pébereau, the Board of Directors also carried out a performance review of the Chairman of the Board of Directors.

(1) AFEP-MEDEF Corporate Governance Code (point 9).

(2) AFEP-MEDEF Corporate Governance Code (points 6 and 8).

(3) AFEP-MEDEF Corporate Governance Code (point 12).

(4) AFEP-MEDEF Corporate Governance Code (points 6 and 15).

(5) AFEP-MEDEF Corporate Governance Code (point 9).

## **Compliance with European Commission Regulation (EC) no. 809/2004 of 29 April 2004**

- To the best of the Board's knowledge, no Directors are faced with conflicts of interest; in any event, the Board of Directors' Internal Rules, which include the code of ethics applicable to Directors, require that they "inform the Board of any situation involving even a potential conflict of interest" and "abstain from taking part in the vote on the matter concerned". To the best of the Board's knowledge, there are no family ties between Board members.
- To the best of the Board's knowledge, none of its members has been convicted of fraudulent offences "for at least the previous five years", nor was involved in any bankruptcies, receiverships or liquidations while acting as a member of administrative, management or supervisory bodies, or as Chief Executive Officer, "for at least the previous five years".
- To the best of the Board's knowledge, there have been no "official public incrimination and/or sanctions" of members of the Board of Directors or of the Chief Executive Officer, none of whom have been disqualified by a court from acting in their current capacity, "for at least the previous five years".
- Apart from regulated agreements and commitments, there are no arrangements or agreements with key shareholders, clients, suppliers or any other parties which involve the appointment of a member of the Board of Directors.

## **Implementation of AFEP-MEDEF Corporate Governance Code for Listed Companies**

On 6 November 2008, the Board of Directors confirmed that the recommendations made by AFEP and MEDEF comprise the Corporate Governance Code referred to by BNP Paribas on a voluntary basis. It ensured that the practices of BNP Paribas complied in all points with the provisions of that Code, most recently published in December 2008. It carried out a new review of the provisions concerning termination of the employment contract of the Chief Executive Officer and decided to terminate Baudouin Prot's employment contract before the expiry of his term of office, the latter appointment having been made prior to 6 October 2008<sup>(1)</sup>.

Reports ascertaining the application of the provisions of the AFEP-MEDEF Corporate Governance Code as regards the compensation of corporate officers are featured in a note to the Consolidated Financial Statements included in this Registration Document.

## **Changes to Internal Rules - Report by the Chairman**

Acting upon the proposal of the Corporate Governance and Nominations Committee, the Board of Directors approved of several changes to the Internal Rules, as consistent with the provisions of CRBF Regulation 97-02 and dealing, for the most part, with the duties and functions of the Financial Statements Committee, the Compensation Committee and of the Internal Control, Risk Management and Compliance Committee.

The Board approved of this report by the Chairman on the conditions for the preparation and organisation of the Board's work and the internal control procedures implemented by the Bank.

## **Directors' access to information and training<sup>(2)</sup>**

- In accordance with the Board's Internal Rules, Directors may request that the Chairman of the Board or the Chief Executive Officer provide them with all documents and information required to enable them to carry out their functions, participate effectively in Board meetings and make informed decisions, provided that such documents are useful for decision-making purposes and related to the Board's authority.
- Directors have free access to the reports of all meetings of the Board's Committees.
- Committee meetings also provide opportunities to update the information available to Directors on specific issues related to the items on the agenda. The Board is also kept informed of developments in regulatory guidelines on Corporate Governance, in particular in the banking field. At the last Board meeting in 2009, the members of the Board were briefed on the periods in 2010 during which they are authorised to trade in BNP Paribas shares, barring exceptional circumstances.
- When Directors take up their appointment, they are provided with written documentation describing the Group, its profile and organisation, its most recent financial statements and a series of pointers on the information available from the Group's websites. The Board's support staff provides the new Director with a copy of the Internal Rules and organises a number of working meetings between the new Directors and managers of Group functional and operating units that are of interest to the new Directors in light of their functions and personal priorities. The foregoing also applies when non-voting Directors take up their appointment.

(1) AFEP-MEDEF Corporate Governance Code (point 19).

(2) AFEP-MEDEF Corporate Governance Code (point 11).



## Excerpt from Internal Rules: Code of ethics applicable to Directors <sup>(1)</sup>

*“Directors shall interact effectively with others in the workplace and respect their opinions, and shall express themselves freely on subjects debated in Board meetings, even in the face of opposition.*

*They shall have a strong sense of responsibility towards shareholders and other stakeholders.*

*They shall show a high level of personal integrity during the term of their office, and respect the rules related to their responsibilities.*

*In the event of a significant change in the functions or positions held, Directors agree to allow the Board to decide whether or not it is appropriate for them to continue to serve as Directors of BNP Paribas.*

*All Directors are required to comply with legal obligations and the stock market recommendations and regulations related to information that concerns Directors personally.*

*The Director of American nationality must choose not to participate in certain Board discussions in view of the regulatory obligations pertaining to his or her nationality.*

*The legislation banning insider trading applies to Directors both in a personal capacity and when exercising responsibilities within companies that hold shares in BNP Paribas.*

*Directors are also advised to purchase or sell BNP Paribas shares only within the six-week period following the publication of the quarterly and annual accounts, or of any press release concerning business performance. However, if they have access to privileged information that would make them insiders under stock exchange rules, no BNP Paribas shares may be purchased or sold during this six-week period.*

*Directors must not disclose any information that is not publicly available to any third party, including the managers of BNP Paribas shares.*

*If a Director has any questions related to ethics and compliance, he or she can consult the Head of the Group Compliance and Permanent Control Function.*

*Directors shall inform the Board of any situation involving even a potential conflict of interest and abstain from taking part in the vote on the matter concerned.*

*Directors who deem that they are no longer able to effectively carry out their responsibilities on the Board or Committees of which they are a member should step down.*

*Any Director or any other person who is called upon to attend meetings of the Board and the Committees of the Board is required to treat all matters*

*discussed during the meeting as strictly confidential.*

*In particular, Directors or other persons shall treat as strictly confidential all insider information as well as information that may interest competitors or external parties in connection with “economic intelligence” and confidential information described as such by the Chairman.*

*In case of failure to comply with this obligation, the Director or other person may be exposed to a claim for damages.*

*Directors shall endeavour to participate regularly and actively in the meetings of the Board and the Committees of the Board and to be present at the Annual General Meeting of shareholders.”*

*“In addition to the number of shares that Directors are required to hold under the Articles of Association, Directors elected at the Annual General Meeting should personally hold BNP Paribas shares equivalent to at least one year of Directors’ fees.”*

## Remuneration of Directors <sup>(2)</sup>

Directors who are not Group employees receive no form of compensation other than Directors’ fees <sup>(3)</sup>.

— The amount of fees payable to each Director individually has remained unchanged since 2005, at EUR 29,728, including EUR 14,864 — 50% of the total — as the fixed portion and EUR 1,061.71 per meeting. The Chairman of the Board of Directors does not, however, receive any additional fees under this rule. To take into account the additional constraints they face, Board members who live outside

France are paid 1.5 times the fixed portion of Directors’ fees.

— The amount of fees payable to the members of the Board’s Committees has also remained unchanged since 2005, at EUR 5,946, including EUR 2,973 as the fixed portion and EUR 495.50 per meeting. The Chairmen of the Financial Statements Committee and of the Internal Control, Risk Management and Compliance Committee are paid a fixed portion of EUR 15,000 and a variable portion of EUR 1,239 per meeting. The Chairmen of the Corporate Governance and Nominations Committee and of the

Compensation Committee respectively received a fixed portion of EUR 2,973 and a variable portion of EUR 1,239 per meeting.

— Based on the foregoing, the Board decided to grant the members of the Board a total appropriation of EUR 532,509 in 2009, down from EUR 523,724 in 2008. The overall amount of Directors’ fees was set at EUR 780,000 by the Annual General Meeting on 18 May 2005.

(1) AFEP-MEDEF Corporate Governance Code (point 17).

(2) AFEP-MEDEF Corporate Governance Code (point 18).

(3) Directors members of the Group: Patrick Auguste, Jean-Marie Gianno, Michel Pébureau, Baudouin Prot.

# Compensation

- The Board of Directors duly noted, on 25 January 2009 and on 27 March 2009 respectively, the decision by the corporate officers to waive their entitlement to any variable remuneration for 2008 and to any grant of stock options in 2009. It approved of their decision, taken upon the redemption of the non-voting shares subscribed by Société de Prise de Participation de l'État, to maintain the commitments made to the French authorities in the scope of the French plan to support the economy, as regards the compensation and grant of stock options to corporate officers.
- Upon the proposal of the Compensation Committee and following discussion by the Board, the Board defined the methods of determination of the variable component of compensation of corporate officers for 2009<sup>(1)</sup>. The Board's decision was made public after having been presented to the Annual General Meeting of shareholders. Neither the Chairman, nor the Chief Executive Officer was involved in the preparation of the decisions concerning their compensation, nor did they take part in the Board's vote on decisions setting their compensation. The Board also increased the fixed salary of Jean-Laurent Bonnafé, Chief Operating Officer, to reflect the operational nature and scope of his responsibilities following the acquisition of Fortis Bank. This decision was also made public.
- Based on a report from the Compensation Committee, the Board noted the compensation determined by the Chief Executive Officer for members of the Executive Committee other than corporate officers determined for 2008.
- The Board of Directors approved of the principles of the compensation policy of BNP Paribas, as well as the main methods of application for market professionals.
- The Board determined the compensation of non-voting Directors in accordance with Article 19 of the Articles of Association.

## Global Share-Based Incentive Plan

- Acting on a recommendation from the Compensation Committee, the Board adopted the Group's Global Share-Based Incentive Plan for 2009. This plan involves 2,376,600 stock subscription options (representing 0.26% of the share capital) and 638,255 bonus shares (representing 0.07% of the share capital) subject to performance conditions. It concerns 4,022 beneficiaries whose level of responsibility, contribution to results or professional potential make them key players in Group strategy as well as in the Group's development and profitability. The Board approved of the rules and the terms and conditions of this plan.

## Share issue reserved for employees

The Board approved the terms and conditions of a new share issue reserved for employees.

## Corporate officers

A note to the Financial Statements included in the Registration Document deals specifically with the compensation and benefits of corporate officers. This note also contains information on the pension plans applicable to corporate officers as well as the corresponding provisions for pension obligations. It features a standardised presentation of all information in connection with compensation and benefits granted to corporate officers. This note has been prepared in accordance with AFEP-MEDEF's Corporate Governance Code and with the AMF's recommendations.

(1) AFEP-MEDEF Corporate Governance Code (point 20).

# Financial Statements Committee

In 2009, the membership of the Financial Statements Committee was unchanged from the previous year and included Louis Schweitzer (Chairman), Patrick Auguste, Denis Kessler and H el ene Ploix. Most of its members have extensive experience and expertise in the areas of corporate financial management, accounting and financial information.

The Committee's membership complies with AFEP-MEDEF's Corporate Governance Code. No members of the Bank's Executive Management sit on the Committee. Its duties and *modus operandi* are set out in the Board's Internal Rules. As is the case for all of the Board's Committees, it can rely on external experts if necessary.

To ensure that the Committees' information and knowledge remains fully up to date, its meetings include briefings on key issues, which are then examined and discussed in the presence of the Statutory Auditors. The information presented can be rounded out, as the case may be, by meetings with managers of Group functional and operating units, organised by the Board's support staff for any Committee members who express a need for further clarification.

The Financial Statements Committee met six times, including two times in a specially convened meeting, and the rate of attendance was 87%. It also met with the Internal Control, Risk Management and Compliance Committee. Documentation on agenda items, specifically the quarterly, half-yearly and annual results and financial statements — presented in standardised form — was previously addressed to the Committee members.

## Review of the financial statements and financial information <sup>(1)</sup>

- The Committee reviewed the financial statements based on the documents and information provided by Executive Management and the verification procedures carried out by the Statutory Auditors. In doing so, it verified the relevance and consistency of accounting methods used in drawing up the Bank's consolidated and corporate accounts. It analysed the results and returns on capital by field of operation. It examined the draft press releases on the results before their presentation to the Board.
- It was briefed on trends in the consolidated balance sheet between 31 December 2007 and 31 December 2008 and on a comparative analysis of the balance sheets of European banks on that last date.
- It examined the effects of the crisis on the Group's revenues and cost of risk. It reviewed sensitive exposures by reference to the recommendations of the Financial Stability Board. It devoted a specially convened meeting with the Statutory Auditors, without the Chairman or the Chief Executive Officer being present, to matters in connection with the valuation of financial instruments and the financing of fund derivatives as well as with the accounting standards applicable to provisions for impairment of equity interests.
- The Committee periodically discussed trends in the Group's solvency ratios.
- The Committee was presented the joint report by the Group-Finance Development Department and the Statutory Auditors on the key choices made concerning the application of accounting standards and on the reclassifications of financial assets, in accordance with the amendments to IAS 39 and to IFRS 7, in the portfolio of loans and receivables.

- Based on a document prepared by the Global Finance-Development Department, it discussed the composition of the Basel II risk-weighted assets and risks of the consolidated balance sheet.
- During their joint meeting, the members of the Financial Statements Committee and of the Internal Control, Risk Management and Compliance Committee discussed the process for the valuation of financial instruments based on a document prepared by the Head of Compliance. The Heads of Global Finance-Development and of Group Risk Management as well as the Head of Periodic Control also took part in that meeting.
- When reviewing the financial results for each quarter and in the course of its discussions of specific issues, the Committee interviewed the Head of Group Finance-Development. During its review of the 2008 financial statements, it interviewed the Head of Group Finance-Development, without the Chairman or the Chief Executive Officer being present. The Committee listened to the comments and findings of the Statutory Auditors concerning the financial results for each quarter, without the Chairman, the Chief Executive Officer or Head of Group-Finance Development being present, and asked them any questions it deemed relevant.
- The Financial Statements Committee was informed of the work carried out in the scope of the first consolidation of BNP Paribas Fortis. During a specially convened meeting, it reviewed the adjustments made to the net equity of the group acquired. It monitored the findings of the evaluations subsequently carried out on the opening balance sheet.
- The Financial Statements Committee reported its findings to the Board of Directors at the end of each meeting.

(1) AFEP-MEDEF Corporate Governance Code (point 14.2).

## Accounting internal control

- Every quarter, the Financial Statements Committee examined the summary of the control audit points reported by the Group entities in the context of the certification of their financial statements.
- It was informed of the integration in the internal control system of allocation indicators of accounting risk levels and of the introduction of accounting control plan and of the main disputes, cases of fraud or attempted fraud.
- In accordance with the requirements under CRFB Regulation 97-02, the Financial Statements Committee examined the system for the monitoring of accounting risk and for the assessment of the accounting internal control environment.
- It examined the section of the Chairman's draft report concerning internal control procedures in connection with the preparation and processing of accounting and financial information and recommended its approval by the Board of Directors.

## Relations with the Group's Statutory Auditors <sup>(1)</sup>

- The Financial Statements Committee received from each of the Statutory Auditors a written statement of their independence vis-à-vis the conduct of the engagement.
- It was informed by the Statutory Auditors of the Group's audit plan. During its joint meeting with the Internal Control, Risk Management and Compliance Committee, it was provided with an update to this plan including Fortis Bank and its main topics for thought for 2010.
- In the absence of the Statutory Auditors, it received notification of the amount of fees paid to them in 2008. It examined engagements not directly related to auditing and decided on the engagements of this type submitted to it for approval, in accordance with the Group's internal procedure. It ensured that the amount of the fees received by the Statutory Auditors was not likely to compromise their independence.
- It examined the results of the call for tenders, launched pursuant to the methodology previously approved by it, so as to share the audit engagement assignments of the Statutory Auditors of BNP Paribas Fortis, BGL BNP Paribas and of their subsidiaries between the members of the team of BNP Paribas Statutory Auditors and proposed that this be approved by the Board of Directors.

(1) AFEP-MEDEF Corporate Governance Code (point 14.2.2).

## Extracts from the Board of Directors' Internal Rules: the Financial Statements Committee

"The Committee shall hold at least four meetings per year.

### Membership

At least two-thirds of the members of the Financial Statements Committee shall qualify as independent Directors based on the definition used by the Board in accordance with French Corporate Governance guidelines.

No members of the Bank's Executive Management shall sit on the Committee.

### Terms of Reference

The Committee is tasked with analysing the quarterly, half-yearly and annual financial statements issued by the Bank and obtaining further explanations of certain items prior to presentation of the financial statements to the Board of Directors.

The Committee shall examine all matters related to the financial statements, including the choices of accounting principles and policies, provisions, management accounting data, capital adequacy requirements, profitability indicators, and all other accounting matters that raise methodological issues or give rise to potential risks.

The Committee shall analyse at least two times a year the summary of the operations and the results of the accounting and financial internal control based on the information communicated to it by Executive Management. It shall be informed of incidents revealed by the accounting and financial internal control, reported on the basis of the thresholds and criteria defined by the Board of Directors and report its findings to the Board of Directors.

It is informed by the Chairman of the Board of Directors of any possible failure to implement corrective measures decided in the scope of the accounting and financial internal control, that is brought to his direct knowledge by the Head of Periodic Control and reports on its findings to the Board of Directors.

### Relations with the Group's Statutory Auditors

The Committee shall steer the procedure for selection of the Statutory Auditors,

express an opinion on the amount of fees charged for conducting the statutory auditing engagements and report to the Board on the outcome of this selection process.

It shall review the Statutory Auditors' audit plan, together with the Auditors' recommendations and the implementation of these recommendations.

It shall be notified on a yearly basis of the amount and breakdown of the fees paid by the BNP Paribas Group to the Statutory Auditors and the networks to which they belong, calculated using a model approved by the Committee. It shall ensure that the portion of the audit firms' revenues that BNP Paribas represents is not likely to compromise the Statutory Auditors' independence.

Its prior approval shall be required for any engagement entailing total fees of over EUR 1 million (before tax). The Committee shall approve on an ex post basis all other engagements, based on submissions from the Group Finance-Development Department. The Committee shall validate the Group Finance-Development Department's fast-track approval and control procedure for all "non-audit" engagements entailing fees of over EUR 50,000. The Committee shall receive on a yearly basis from the Group Finance-Development Department a report on all "non-audit" engagements carried out by the networks to which the Group's Statutory Auditors belong.

Each Statutory Auditor shall report on a yearly basis to the Committee on its internal control mechanism for guaranteeing its independence, and shall provide a written statement of its independence in auditing the Group.

At least twice a year, the Committee shall devote part of a meeting to a discussion with the team of Statutory Auditors, without any member of Executive Management being present.

The Statutory Auditors shall attend the Committee meetings devoted to the review of quarterly, half-yearly and annual financial statements.

However, the Statutory Auditors shall not attend all or part of Committee meetings dealing with their fees or their re-appointment.

The Statutory Auditors shall not attend all or part of Committee meetings dealing with specific issues that concern a member of their staff.

Barring exceptional circumstances, the files containing the quarterly, half-yearly and annual results and financial statements shall be sent to Committee members at the latest on the Friday or Saturday morning preceding Committee meetings scheduled for the following Monday or Tuesday.

Where questions of interpretation of accounting principles arise in connection with the publication of quarterly, half-yearly and annual results, and involve choices with a material impact, the Statutory Auditors and the Group Finance-Development Department shall submit, on a quarterly basis, a memorandum to the Committee analysing the nature and significance of the issues at play, presenting the pros and cons of the various possible solutions and explaining the rationale for the choices ultimately made.

### Report of the Chairman

The Committee shall review the draft report of the Chairman of the Board on internal control procedures relating to the preparation and processing of accounting and financial information.

### Interviews

With regard to all issues within its purview, the Committee may, as it sees fit, and without any other member of Executive Management being present if it deems this appropriate, interview the Heads of Group Finance and Accounting, as well as the Head of Asset/Liability Management.

The Committee may request an interview with the Head of Group Finance-Development with regard to any issue within its purview for which it may be liable, or the Bank's management may be liable, or that could compromise the quality of financial and accounting information disclosed by the Bank."

# Internal Control, Risk Management and Compliance Committee

In 2009, the membership of the Internal Control, Risk Management and Compliance Committee remained unchanged from the previous year and included François Grappotte (Chairman), Jean-Marie Gianno and Jean-François Lepetit, i.e., two-thirds of its members were independent Directors in accordance with the criteria of the AFEP-MEDEF Corporate Governance Code. Most of its members have, based on their training or experience, extensive expertise in the field of finance or accountancy. No members of the Bank's Executive Management sit on the Committee. In 2009, the Committee met four times and the rate of attendance was 100%. It also met once with the Financial Statements Committee. Documentation on agenda items — presented in standardised form — was previously addressed to the Committee members.

## Market risk, credit risk and liquidity risk

— The Committee duly reviewed, based on the information presented by Group Risk Management, all of the market, credit and counterparty risks. In particular, it analysed the Group's exposure in the sectors, business lines and geographic areas most affected by the crisis. It was informed, as was the Financial Statements Committee, of the Group's sensitive exposures as per the recommendations of the Financial Stability Board. The Committee was informed of the conclusions of the Risk Policy Committees held by Executive Management. It examined the exposure of BNP Paribas Fortis, in particular as concerns structured credit portfolios. The Head of Group Risk Management and his deputies specialised in different risk categories were interviewed at a Committee meeting and answered its questions in their respective areas of responsibility.

— The Committee was regularly informed of Value-at-Risk (VaR) trends as well as of the results of back testing. It was briefed on the changes made to secure the stress testing methodology, specifically by applying strong shocks to the positions.

— It was updated on and discussed, at each of its meetings, trends in liquidity markets and on the situation of BNP Paribas. It was briefed on the policy guidelines adopted by Executive Management to adapt the organisation, risk tolerance and internal management model of liquidity to the new environment. The Committee was informed of the outcome of the stress testing carried out at the request of the Commission Bancaire.

— The Committee interviewed, without the Chairman or the Chief Executive Officer being present, the Head of Group Risk Management and the Head of Assets and Liabilities Management.

## Internal Control, Compliance, relations with regulatory authorities

— The Committee was provided with the draft annual reports on Compliance and permanent operational control for 2008 as well as the draft periodic control report prepared by the General Inspection Unit for 2008. It discussed the measures taken by Executive Management to prevent fraud and bolster the Group's compliance system. It was briefed on the main risk areas identified and on the measures decided to monitor the implementation of the recommendations of the General Inspection Unit. It reviewed the permanent operational control system introduced in the fields of operation and functions of the Group and the progress made on their control plans. It also reviewed

a summary of salient events in 2008 and the action plan for 2009 of the business continuity plan.

— The Committee received several briefings on the progress made on projects launched at the start of 2008 by Executive Management to ensure the control and security of transactions and of information systems in market transactions. It was informed of the findings of the audit assignments of the General Inspection Unit at 30 June 2009 and analysed the main observations made by it during its assignments in the Group's fields of operation or during its special-topic assignments. It was informed of the terms of references for 2010.

— It was updated on and discussed the Group's presence in the countries featured on the OECD list of 2 April 2009.

— The Committee examined the risk control and monitoring systems and procedures. It examined the new provisions of CRBF Regulation 97-02 and submitted changes to the organisation of its work it considered to be necessary for approval by the Board.

— It examined the correspondence exchanged between Executive Management and the Commission Bancaire and reported on this to the Board.

— Without the Chairman or the Chief Executive Officer being present, the Committee interviewed the Head of Permanent Control and Compliance, and the Head of the General Inspection Unit, who is in charge of periodic controls.

— It reviewed the section of the Chairman's draft report on internal control and recommended its approval by the Board of Directors.

## **Extracts from the Board of Directors' Internal Rules: The Internal Control, Risk Management and Compliance Committee**

*"It shall hold at least four meetings per year.*

### **Membership**

*A majority of the members of the Internal Control, Risk Management and Compliance Committee shall qualify as independent Directors based on the definition used by the Board in accordance with French Corporate Governance guidelines.*

*No members of the Bank's Executive Management shall sit on the Committee.*

### **Terms of reference**

*The Committee examines the key focuses of the Group's risk management policy, based on measurements of risks and profitability provided to it in accordance with applicable regulations, as well as on its analyses of specific issues related to these matters and methodologies.*

*The Committee also tackles all compliance-related issues, particularly those in the areas of reputation risk or professional ethics.*

*The Committee analyses the risk measurement and monitoring report. Twice a year it examines the internal control operations and findings (excluding accounting and financial internal control, which is of the responsibility of the Financial Statements Committee) based on the information provided to it by Executive Management and the reports presented to it by the Heads of Permanent Control, Compliance and Periodic Controls. It reviews the Bank's exchanges of correspondence with the General Secretariat of the Commission Bancaire.*

*The Committee is briefed on incidents revealed by internal control that are reported on the basis of the thresholds and criteria defined by the Board of Directors and reports on its findings to the Board of Directors.*

*It analyses the status of recommendations made by the General Inspection Unit that were not implemented. It is informed by the Chairman of the Board of Directors of any possible failure to implement corrective measures decided in the scope of the accounting and financial internal control, that is brought to his direct knowledge by the Head of Periodic Control and reports on its findings to the Board of Directors.*

### **Interviews**

*It may interview, without any other member of Executive Management being present if it deems this appropriate, the Head of the General Inspection Unit and of Periodic Controls, the Head of the Group Compliance and Permanent Control Function and the Head of Group Risk Management.*

*It presents the Board of Directors with its assessment concerning the methodologies and procedures employed.*

*It expresses its opinion concerning the way these functions are organised within the Group and is kept informed of their programmes of work.*

### **Common provisions**

*The Financial Statements Committee and the Internal Control, Risk Management and Compliance Committee shall meet twice a year.*

*They shall be briefed in that context of the terms of reference of the General Inspection Unit and of the audit plan of the Statutory Auditors and shall prepare the work of the Board in assessing the risk policies and management systems.*

*They shall deal with common subjects relating to the risk and provisioning policy of BNP Paribas. This meeting shall be chaired by the Chairman of the Financial Statements Committee."*

# Corporate Governance and Nominations Committee <sup>(1)</sup>

The members of the Corporate Governance and Nominations Committee are Claude Bébéar (Chairman), Laurence Parisot and Daniela Weber-Rey. All of its members qualify as independent Directors, and each member is versed in Corporate Governance issues and has a proven track record in the management of major international corporations.

No members of the Bank's Executive Management sit on the Committee. The Committee shall include the Chairman of the Board of Directors in its work on seeking out and selecting new Directors or non-voting Directors and on the replacement of corporate officers <sup>(2)</sup> <sup>(3)</sup>.

Its terms of reference are defined by the Internal Rules (see inset below).

In 2009, the Committee met three times with an attendance rate of 89%.

## Organisation and performance of the Board and of the specialised Committees - Assessing the performance of the Directors

- The Committee prepared the assessment by the Board of Directors of the performance of the Board and of its specialised Committees. It ensured that a summary of the assessments made by Directors was submitted to them for review before being presented the report by the Committee's Chairman.
- It took due note of the implementation, in 2009, of improvements recommended by the Board in its assessment for 2008.
- The Committee assessed the contribution of each of the Directors based on the diversity of their experience and personality. It discussed the respective contribution made by them to the work of the Board and to its discussions.

## Excerpt from the Internal Rules of the Board of Directors: The Corporate Governance and Nominations Committee

*"The Committee is tasked with monitoring Corporate Governance issues. Its role is to help the Board of Directors to adapt corporate governance practices within BNP Paribas and to assess the performance of Board members."*

*"It tracks developments in Corporate Governance at both global and domestic levels."*

*"It regularly assesses the performance of the Board using either its own resources or any other internal or external procedure that it deems appropriate."*

*It examines the draft report of the Chairman of the Board on Corporate Governance and all other documents required by applicable laws and regulations."*

*"The Committee puts forward recommendations for the post of Chairman of the Board for consideration by the Board of Directors. Acting jointly with the Chairman of the Board, the Committee puts forward recommendations for the post of Chief Executive Officer for consideration by the Board, and acting on the recommendation of the Chief Executive Officer, it puts forward candidates for the posts of Chief Operating Officers."*

*The Committee assesses the performance of the Chairman, in his absence. It also assesses the performances of the Chief Executive Officer and Chief Operating Officers, in the absence of the parties in question."*

*It is also responsible for developing plans for the succession of corporate officers."*

*It makes recommendations to the Board of Directors on the appointment of Committee Chairmen and Committee members."*

*It is also tasked with assessing the independence of the Directors and reporting its findings to the Board of Directors. The Committee shall examine, if need be, situations arising should a Director be repeatedly absent from meetings."*

- To replace Alain Joly, it proposed to the Board of Directors to appoint Claude Bébéar as Chairman and Daniela Weber-Rey as member of the Corporate Governance and Nominations Committee. It also proposed appointing Denis Kessler as Chairman and member of the Compensation Committee.
- Acting upon the proposal of the Chairman of the Board of Directors, it examined the candidatures presented by the Belgian government to the posts of non-voting Directors and recommended that the Board appoint Emiel van Broekhoven and Michel Tilmant.
- The Committee approved of the changes made to the Internal Rules following the detailed analyses carried out by the three other Committees on possible changes to be made to the organisation of the work of the Board in the wake of the new provisions of the CRBF Regulation 97-02 on internal control.

## Evaluation of corporate officers

- The Board carried out a performance review, outside his presence, of the Chairman of the Board of Directors.
- It also assessed the performances of the Chief Executive Officer and Chief Operating Officers, without them being present.
- The performance reviews of corporate officers are made in view of the foresight, decision-making and leadership skills shown by the officer in implementing the Group's strategy and preparing its future.

## Report by the Chairman

The Committee reviewed the section of the Chairman's draft report on Corporate Governance and recommended its approval by the Board of Directors.

(1) AFEP-MEDEF Corporate Governance Code (point 15).

(2) AFEP-MEDEF Corporate Governance Code (point 15.1).

(3) AFEP-MEDEF Corporate Governance Code (point 15.2).



# Compensation Committee <sup>(1)</sup>

The members of the Compensation Committee are Denis Kessler (Chairman), Jean-Louis Beffa and François Grappotte. In line with the recommendations made by the AFEP-MEDEF Corporate Governance Code (point 16), two-thirds of its members are independent Directors. All of its members have experience in the field of compensation systems and market practices in this field.

No members of the Bank's Executive Management sit on the Committee. The Chairman of the Board of Directors is not a member of the Committee, but is invited to take part in its deliberations, except those which concern him personally <sup>(2)</sup>.

The Committee interviews the Head of Group Human Resources.

According to the internal rules, the Compensation Committee *"is tasked with addressing all issues related to the personal status of corporate officers, including compensation, pension benefits, and provisions governing the departure of members of the Bank's corporate decision-making or representative bodies. It examines the conditions, amount and allocation of stock subscription or purchase option plans. Similarly, it examines the conditions of bonus share grants. It prepares the work of the Board based on the principles of the Group's compensation policy, in particular as regards market professionals, in accordance with the applicable laws and regulations."*

The Committee proposes the basis of calculation of Directors' fees to the Board and submits the amounts thus granted to each Director for approval by the Board, within the overall limits set by the Annual General Meeting of shareholders.

In 2009, the Board met six times with an attendance rate of 94%.

— The Committee reviewed all measures taken in terms of the compensation of corporate officers and ensured their compliance with the AFEP-MEDEF Corporate Governance Code.

— It determined, on an indicative basis, the amounts of the variable compensation that were not paid to corporate officers for 2008. It proposed that the Board of Directors approve an increase in the fixed salary of Jean-Laurent Bonnafé in view of his extended responsibilities following the merger with Fortis Bank.

— It submitted its recommendations to the Board of Directors concerning the basis for determining variable compensation for corporate officers for 2009.

— The Committee reviewed and proposed that the Board of Directors approve the features and payments made under the 2009 Global Share-Based Incentive Plan. It was informed of the decision by corporate officers not to receive stock options under that plan. It approved of the introduction of a performance condition in the provisions relating to bonus share grants. It carried out a preliminary review of the features of the 2010 Global Share-Based Incentive Plan.

— The Committee proposed that the Board of Directors approve the table of allocation of Directors' fees for 2009 as well as the compensation of the two non-voting Directors <sup>(3)</sup>.

— The Committee was informed of the compensation determined by the Chief Executive Officer for 2008 for the members of the Executive Committee (excluding corporate officers).

## Compensation guidelines

— The Committee was informed, at its first meeting of the year, of the guidelines adopted by BNP Paribas for its compensation policy in market operations.

— It was briefed on international, European and French documents in connection with governance and variable compensation of capital market professionals. On that basis, it proposed that the Board of Directors set the compensation guidelines of BNP Paribas. It ascertained that the presence within the Board of François Grappotte and Denis Kessler, respectively Chairman of the Internal Control, Risk Management and Compliance Committee and member of the Financial Statements Committee facilitated the work of the Board as regards the match between the BNP Paribas compensation policy and its risk policy.

(1) AFEP-MEDEF Corporate Governance Code (point 16).

(2) AFEP-MEDEF Corporate Governance Code (point 16-2).

(3) In accordance with the AFEP-MEDEF Corporate Governance Code, the table of Directors' fees paid to Directors is featured in the note to the financial statements referred to above.

The information below concerning the Group's internal control system has been provided by Executive Management. The Chief Executive Officer is responsible for internal control systems and procedures, and for all the statutory information in the report on internal control. This document was prepared using information provided by the following Group functions: Compliance, Risk Management, Finance-Development, Legal Affairs and the General Inspection Unit. It was validated by the decision-making body.

## **BNP Paribas Internal Control references**

Internal controls in the banking sector in France and internationally are at the centre of banking and financial regulations and are governed by a wide range of laws and regulations.

In this sector, the main regulation applicable to BNP Paribas is CCLRF Regulation no. 97-02<sup>(1)</sup> as amended, which defines the conditions for implementing and monitoring internal control systems in banks and investment firms. These rules lay down the principles relating to control systems for transactions and internal procedures, accounting systems and information processing, risk and performance measurement systems, risk supervision and control systems, and internal control documentation and reporting systems. Under Article 42 of this Regulation, banks are required to prepare an annual statutory report on internal control for the attention of the Board of Directors.

As required by Regulation no. 97-02, BNP Paribas has set up an internal control system (referred to herein as internal control) in which distinct organisations and managers are in charge of permanent controls and periodic controls. The internal control system must also take into account, as appropriate, the General Regulations of AMF (French Financial Markets Authority), regulations applicable to branches and subsidiaries outside France and to specialised operations such as portfolio management and insurance, the most widely accepted industry practices in this area and the recommendations of international bodies dealing with the capital adequacy framework issues, foremost among which are the "Basel Committee" and the "Senior Supervisory Group."

## **Internal control, definition, objectives and standards**

The Executive Management of the BNP Paribas Group has set up an internal control system whose main aim is to ensure overall control of risks and provide reasonable assurance that the Bank's goals in this area are being met.

This system is defined in the Group's Internal Control Charter, which serves as its basic internal reference document. Widely distributed within the Group and freely available to all Group employees, this Charter defines Internal Control as a mechanism for ensuring:

- the development of a strong risk control culture among employees;
- the effectiveness and quality of the Group's internal operations;

- the reliability of internal and external information (particularly accounting and financial information);
- the security of transactions;
- compliance with applicable laws, regulations and internal policies.

The Charter lays down rules relating to the organisation, lines of responsibility and remit of the various players involved in Internal Control, and establishes the principle that the different control functions (Compliance, General Inspection Unit and Risk Management) must be exercised independently.

## **Scope of Internal Control**

One of the fundamental principles of internal control is that it must be exhaustive in scope: it applies in the same degree to all types of risk and to all entities in the BNP Paribas Group, whether operational (core businesses, business lines, functions and territories) or legal (branches and consolidated subsidiaries), without exception. It also extends to core services or operational activities that have been outsourced, in accordance with regulatory requirements, as well as to companies for which the Group ensures operational management, even if not integrated in the scope of consolidation.

Implementing this principle requires a precise overview of the allocations of responsibilities and must factor in the ongoing growth in the Group's businesses.

(1) This document is frequently amended so as to improve the efficiency of internal control mechanisms.

## Fundamental principles of Internal Control

Internal Control in BNP Paribas is based on the following key principles:

- **responsibility of operational staff:** the permanent control mechanism must be incorporated within the operational organisation of the entities. Operational managers must ensure effective control over the activities for which they are responsible, and all employees are under the duty to blow the whistle on any problems or failings of which they are aware;
- **exhaustiveness** of internal control (see above, under “Scope of Internal Control”);
- **separation of tasks:** this applies to the various phases of a transaction, from initiation and execution, to recording, settlement and control. The separation of tasks also exists between independent functions carrying out independent controls and between Permanent Control and Periodic Control;

- **proportionality of risks:** the scope and number of controls must be proportional to the risk level covered. These controls may consist of one or more controls carried out by operational managers and, if necessary, one or more Permanent Control managers;

- **internal control traceability:** this relies on written procedures and audit trails. Controls, results, exploitation and information reported by entities to higher Group Corporate Governance levels must be traceable.

Periodic Control teams (General Inspection Unit) verify that these principles are complied with by carrying out regular inspections.

## Organisation of Internal Control

Internal Control at BNP Paribas consists of Permanent and Periodic Control. While they are complementary, they are distinct and independent of one another:

- Permanent Control is an overall process for the ongoing implementation of risk management and monitoring of strategic actions. It is carried out by operational staff, and their line managers, and by Permanent Control Functions either within or independent of these operational entities;
- Periodic Control is an overall process for “ex post” verification of the operation of the Bank, based on surveys that are conducted by the General Inspection Unit, which performs these functions on an independent basis.



## Players involved in internal control

- **Executive Management**, reporting to the Board of Directors, is responsible for the Group's overall internal control system;
- **Operational staff**, at all levels (front/middle/back office, support function etc.), and in particular those in the reporting line of command have first-level responsibility for risk management and leading permanent control players. They carry out first-level controls: controls of the transactions handled by them and for which they are responsible, controls on the operations or transactions handled by other operational staff or management controls;
- **Permanent Control Functions**. These Functions carry out second-level controls:
  - the **Compliance Function** contributes to permanent control of the risk of non-compliance, so as to ensure that the Group conforms to legal and regulatory provisions, professional and ethical standards, as well as the overall strategy of the Board of Directors and Executive Management guidelines. It has considerable independence, notably ensured by its joint exercise with the Heads of operating units over the managers of teams in charge of compliance in the core businesses and support functions via a joint oversight arrangement. The Head of Compliance reports to the Chief Executive Officer and represents the Bank before the Commission Bancaire with regard to all matters concerning permanent controls.  
It also ensures, through dedicated teams, the supervision of the Permanent Operational Control system of business lines (Core Businesses and Business Lines) and of support and control functions. Lastly, it ensures a coordination role for the Group's overall internal control system, by coordinating the Internal Coordination Control Committee and major cross-functional projects, in particular those geared at bolstering the Internal Control system;
  - the **Risk Management Function** contributes, notably by its "second-tier" controls of transactions and new activities, to ensuring that the credit and market risks taken by

BNP Paribas comply and are compatible with its policy, the rating level it seeks to have and its profitability objectives. The duties associated to this function at the Group Risk Management level are exercised independently of the core businesses and support functions, contributing to the objectiveness of its permanent control. Its Head, who is a member of the Executive Committee, reports directly to the Chief Executive Officer;

- the **Finance-Development Function** is responsible for the preparation of financial statements and management control reporting of quality, overseeing project management for the Group's financial information systems and ensuring the compliance of the Group's financial structure. Its Head, who is a member of the Executive Committee, reports directly to the Chief Executive Officer;
- **other Functions**, which are key players involved in Permanent Control in their respective areas of responsibility: **Legal Department, Tax Department, Information Technology & Processes Department, Human Resources Department**.
- **Periodic Control**: periodic control (called "third-level" control) is independently exercised by the General Inspection Unit for all Group entities. It includes:
  - inspectors based at headquarters, who are authorised to carry out controls throughout the Group,
  - auditors deployed in geographic or line of business hubs.Periodic Controls are the responsibility of the Head of the General Inspection Unit who reports operationally to the Chief Executive Officer. The Head also reports to the Board of Directors directly, or through the Internal Control, Risk Management and Compliance Committee.
- The **Board of Directors** exercises internal control duties. In particular, it set up an Internal Control, Risk Management and Compliance Committee, which:
  - analyses reports on internal control and on measuring and monitoring risks, as well as the General Inspection Unit's reports on its operations, and exchanges of correspondence with main regulators;
  - examines the key focuses of the Group's risk management policy.

The Heads of the Compliance, Risk Management and of the General Inspection functions report on the performance of their duties to the Chief Executive Officer. Whenever the latter or the Board of Directors deem necessary, they also periodically report to the competent Board Committee (as a general rule, the Internal Control, Risk Management and Compliance Committee) and, as the case may be, directly to the Board of Directors. At their request, they may be interviewed by the Board.

## Coordination of Internal Control

An Internal Control Coordination Committee (ICCC) meeting is held periodically with the main players involved in Permanent Control (see above), the Heads of the Core Businesses or their representatives, and the Head of Periodic Control. This Committee:

- is chaired by the Head of Compliance, who sits on the Executive Committee, and steers the coordination of the Group's Internal Control;
- is not intended to replace the different Group Risk Management Committees but to enhance their effectiveness within the overall system;
- guarantees the consistency of the internal control system and its compliance with regulations;
- seeks to promote the use of shared internal control tools;
- enhances the overall consistency of the annual reports on internal control and control of investor services prepared by the Permanent Control and Periodic Control functions as required under their "Charter of responsibilities", and of the report of the Chairman of the Board of Directors on Internal Control procedures.

In 2009, the ICCC's work covered the following main topics:

- review of the Group's fraud prevention and detection policy;
- representative offices;
- "Closer to Emerging Standards" project, aimed at aligning the Bank on best international practices in the field of risk management;
- archival & records storage policy;
- monitoring of corrective measures, in particular those recommended by the General Inspection Unit.

## Procedures

Checking procedures is one of the key tasks of the permanent control system, alongside identifying and assessing risks, running controls, verifying reporting processes and overseeing the monitoring system.

Written guidelines are distributed throughout the Group and provide the basic framework for the Group's Internal Control, setting out the organisational structures, procedures and controls to be applied. The Compliance Function, at the headquarters level, and in the context of the supervision of permanent operational control, checks that procedural guidelines are regularly monitored for completeness via a network of correspondents. Efforts are ongoing to streamline the set of procedures and the applicable standards, improve their distribution and planning, make them more accessible and design better tools for storing them, both at the level of cross-function procedures and procedures for operational entities (level-3 procedures).

The Group's cross-functional guidelines (levels 1 and 2) are updated as part of an ongoing process in which all the core businesses and functions actively participate. As regards the organisation of controls, the surveys on the effectiveness of processes have been integrated into the twice-yearly reporting of the Permanent Control Function.

Among the Group's cross-functional procedures, applicable in all entities, the following are especially important in terms of controlling risk:

- procedures dealing with the validation of exceptional transactions, new products and new activities;
- the procedure for the approval of day-to-day credit and market transactions.

These processes rely essentially on committees (exceptional transactions and new activities committees, credit committees, etc.) primarily composed of operating staff and Permanent Control Functions (Risk and Compliance, as well as Finance Department, Legal Department and other concerned functions) who carry out a "second tier" control on transactions. In case of dispute, it is escalated to a higher level in the organisation. At the summit of the process are the Committees (Credit Committee,

Capital Market Risk Committee, Risk Policy Committee) on which members of Executive Management sit. Since the end of 2008, a monthly Risk Committee has been held on which all Executive Management members sit, as well as, in particular, the Heads of the Risk Function (GRM) and Finance Function so as to ensure more frequent monitoring of Group risk trends.

## Highlights of 2009

### Group Compliance

In 2009, the Group's internal control system was strongly marked by the increase in Compliance issues and by the integration of Fortis.

The Compliance Function faced a strong increase in issues concerning:

- new regulations, in particular the transposition into French law of the 3rd European Money Laundering Directive and new requirements in the field of professional certification;
- stricter requirements in the field of internal control, with 3 amendments to CRBF Regulation 97-02 during the course of 2009:
  - Decree of 14 January 2009, specifically requiring that the Board of Directors define the criteria and thresholds of materiality of incidents revealed by internal control procedures;
  - Decree of 29 October 2009 creating a new chapter on the fight against money laundering and the financing of terrorism (transposition of the 3rd European Money Laundering Directive);
  - Decree of 3 November 2009 on the compensation of employees whose activities are likely to have an impact on the risk exposure of financial institutions, requiring that risk be taken into consideration in the compensation policy (capital adequacy) and the preparation of an annual report submitted to the Commission bancaire;
- Decree of 5 May 2009 creating new obligations relating to the measurement and monitoring of liquidity risk;
- reorganisation and enlargement of the Group with the creation of the Retail Banking Division and the acquisition of Fortis Bank.

The integration of Fortis was a major topic for Compliance in 2009 and will continue to be in 2010 and has resulted in the general mobilisation of the function, at headquarters and operational level.

Since the end of 2008, close contacts have been created between the Heads of Compliance of BNP Paribas and their counterparts at Fortis Group, so as to determine the measures to be introduced without delay as of the date of the "closing" (which took place on 12 May 2009), in the field of compliance, in particular so as to protect the reputation of the enlarged BNP Paribas Group. In particular, the following measures were introduced:

- measures to better manage conflict of interest situations related to the presence of minority shareholders in BNP Paribas Fortis;
- rules in the field of information exchanges;
- measures geared at coordinating action in sensitive areas such as politically exposed persons or transactions involving "sensitive" employees;
- a consolidation of the Group's "equity" positions in view of application of the rules on information to be reported to markets.

In addition, Compliance was involved in steering the overall merger so as to contribute to its integrity.

The inclusion of BNP Paribas Fortis, the implementation of numerous new rules, in particular prudential and the improvement of the operational compliance system, are among the Group's priority objectives for 2010.

### **Permanent Operational Control**

The efforts that began a few years ago in the field of permanent operational control, focusing on the involvement of operational staff in risk management and systematisation of this approach, continued and are progressively bearing fruit. In 2009, several salient measures should be noted:

- the consolidation of the structure of the permanent operational control system. Following the decision taken in 2008 to have the permanent operational control structure go beyond a coordination role so as to play a supervision and early warning role, 2009 was marked by the formalisation of the general framework in which the permanent operational control system applies at the Group level, and by the determination of the scope in which the supervision and whistle blowing role is exercised. This formalisation work also permitted integrating the significant changes introduced by Regulation 97-02 in the internal control system of financial institutions;
- the adaptations made or prepared in 2009 in the context of the Basel II framework approved by the Commission Bancaire:
  - updating of the data feeding the model by the entities, with a special focus on the most significant incidents;
  - definition of a capital allocation that is more sensitive to the risk profiles for implementation as of 2010;
- extension of the scope of the business continuity scenarios. In 2009, the efforts of the teams tasked with business continuity largely focused on the scenario of the unavailability of human resources and more specifically on preparing for a large scale epidemic;
- the merger with Fortis. Management of the integration of Fortis was one of the key projects in 2009. A target system was defined, and the main measures implemented were to align BNP Paribas Fortis along the practices of BNP Paribas, with a review of such practices so as to reflect the strong points of Fortis. The main projects for 2010 are management of the transition towards the BNP Paribas system in calculating capital requirements and of the migration of the Fortis tools to those of BNP Paribas.

Besides aspects in connection with the merger with Fortis, 2010 will be marked by the consolidation of the supervision and whistle blowing function on the deployment and operation of the permanent operational control system in all of the Group entities.

### **Periodic Control**

In the context of the “Knowledge” program launched in 2008, designed to harmonise and enrich the knowledge base associated to the audit process, the General Inspection Unit made considerable progress on several points in 2009.

The function acquired four new guidelines on:

- conduct of audit process;
- supervision of audit process;
- constitution, archival and access to the audit file;
- use and access to internal audit tools.

These guidelines provide precise instructions, in accordance with the professional standards, that enable improving the audit trail and improve the homogeneity of working methods and audit deliverables in all of the “hubs” of the General Inspection Unit.

Training was organised in all “hubs” to present these operational procedures which entered into force on 1 November 2009.

The “How-To” program ultimately contemplates (end of 2010) the delivery of 9 guidelines, covering the main internal audit processes.

The integration of Fortis within the scope of consolidation of BNP Paribas has led to the setting up of many working groups having for their duties to organise the Function and converge the tools, methods and guidelines (the “How-To” has applied since 1 January 2010 within this scope).

Training on the BNP Paribas tools and guidelines has also been provided to all employees.

Within the BNP Paribas scope, the professionalisation effort has continued: training actions in 2009 increased by 8% compared to 2008, as did professional certifications (+22%).

In the area of “Risk Assessment”, the Function upgraded its tools in 2009: the MyRiskAssessment tool was improved so as to better formalise the audit trail between the different “Risk Assessment” factors and the listing of auditable macro domains.

## Internal Control Human Resources

At the end of 2009, the number of full-time equivalent employees (FTE) in the various Internal Control Function components was as follows:

	2006	2007	2008	2009 (excl. Fortis)	Variation 2008/2009	2009 (incl. Fortis)
Compliance (excluding Permanent Operational Control - POC)	614	740	864	904	+4.5%	1,120
Permanent Operational Control <sup>(1)</sup>	70	439	562	637	+13%	760
Group Risk Management	869	881	954	950	-0.5%	2,940 <sup>(2)</sup>
Periodic Control	902	854	829	822	-0.8%	1,023
<b>TOTAL</b>	<b>2,455</b>	<b>2,839</b>	<b>3,209</b>	<b>3,313</b>	<b>+3%</b>	<b>5,143</b>

(1) The Permanent Control / Operational Risk merger having become effective in 2008, the new scope of the "Permanent Operational Control" entity was reconstituted for 2007 for the sake of comparison. It includes the Permanent Control, Operational Risk and Business Continuity Planning coordination teams.

(2) Before the restatements referred to below.

### Second-level Permanent Controls

— The number of FTEs working in the Compliance Function (excluding POC) jumped 4.5% to stand at 904 (excluding Fortis), at end-December 2009. This slower increase compared to previous years is explained by degree of maturity achieved by the Compliance system. However, in view of the new Compliance issues, this number should stand, on a like-for-like basis, at 950 FTE at 2010 year-end.

With the enlarged scope of the new Group, Compliance counted 1,120 FTE (excluding POC) at 2009 year-end.

— The "Permanent Operational Control" entity (also called "Oversight of Permanent Operational Control -" 2OPC) created following the merger in 2007 of the Permanent Control and Operational Risk teams, coordinates the implementation of the approach in the different Group entities and counted 637 FTE at 2009 year-end. This figure includes the head teams in the core businesses, business lines and functions but excludes the resources dedicated to accounting internal control and the numerous teams of specialised controllers throughout the Group. With the teams of BNP Paribas Fortis, Permanent Operational Control counted 760 FTE at 2009 year-end.

— At the end of 2009, GRM totalled 950 FTE. The year was marked by the transfer to the Group Finance-Development Function of the consolidated periodic Reporting process for credit risk. In addition, GRM continued to bolster its resources with an additional thirty persons, essentially in the scope of the RCM (Risk Capital Market) and RIS (operational risk of the "Investment Solutions" Core Business) Departments.

The teams of the "Risk" Function at BNP Paribas Fortis represent approximately 2,000 FTE of which 924 FTE for Belgium (budgetary estimate at 31 December 2009) and 1,066 FTE worldwide (current budget estimate).

Following the integration, a substantial portion of this headcount should be classified outside the Risk Function.

### Periodic Controls

— BNP Paribas (excluding Fortis) scope: the average headcount in the Bank's General Inspection Unit in 2009 was 822 FTE (829 in 2008), equivalent to 783 FTE in terms of the sole audit coverage of the core businesses, business lines and functions.

— Fortis scope: the average audit headcount in 2009 was 201 FTE, equivalent to 188 FTE dedicated exclusively to audit coverage.

The ratio of auditors to auditees within the global scope of consolidation (BNP Paribas + Fortis) was 0.5%.

# Limitation of the powers of the Chief Executive Officer

The Chief Executive Officer has the broadest powers to act in all circumstances in the name of BNP Paribas and to represent the Bank in its dealings with third parties.

He shall exercise these powers within the limits of the corporate purpose and subject to those powers expressly granted by French law to Shareholders' Meetings and the Board of Directors.

Within the Group, the Internal Rules of the Board of Directors require the Chief Executive Officer to submit to the Board for prior approval any investment or dis-

investment decision (excluding portfolio transactions) of more than EUR 250 million, and any proposed acquisition or divestment of equity interests (excluding portfolio transactions) of more than EUR 250 million. The Chief Executive Officer must seek preliminary approval from the Financial Statements Committee of the Board for audit engagements entailing total fees of over EUR 1 million (before tax).

## Internal control procedures relating to the preparation and processing of accounting and financial information

### Roles and responsibilities regarding the preparation and processing of accounting and financial information

Acting under the authority of the Chief Executive Officer, the Group Finance-Development Function is responsible for the preparation and processing of accounting and financial information. Its duties and responsibilities are defined in a specific charter and include:

- producing and distributing high quality financial statements;
- producing quality management accounts, and providing all forecast quantitative data needed for steering Group policy;
- overseeing project management for the Group's financial information systems;
- optimising the Group's financial position;

- ensuring that the Group's financial position is well presented to the financial markets;
- coordinating the Group's development strategy and managing its external growth;
- providing Executive Management with early warnings.

The responsibilities of the Finance Function are exercised at different levels of the Group: within each accounting entity<sup>(1)</sup> by the local Finance Department Function, at the level of each core business/business line by the Finance Department Function and by the Group Finance-Development Function.

The production of accounting and financial data, and controls designed to ensure their reliability, are first handled by the Finance Department of the accounting entity which reports this information to the core business, then on to the Group, and attests that it is reliable, based on the internal certification procedure described below.

The core businesses/business lines/territories then perform further controls at their level on the financial statements prepared by the accounting entities. They enhance the quality of the reporting by carrying out appropriate reconciliations of accounting and management data.

The Group Finance-Development Function gathers all the accounting and management information produced by the accounting entities in line with formalised reporting procedures validated by the core businesses/business lines. It then consolidates these data for use by Executive Management or for external reporting to third parties.

(1) "Accounting entity" refers to the parent company, BNP Paribas, as well as each of the consolidated subsidiaries and branches.



## Production of accounting and financial information

### Accounting policies and rules

The local financial statements for each entity are prepared under local GAAP while the Group consolidated financial statements have been prepared under IFRS (International Financial Reporting Standards) as adopted for use by the European Union.

The Accounting Policies Department of the central Group General Accounting Department defines, based on IFRS, the accounting policies to be applied on a Group-wide basis. It monitors regulatory changes and prepares new internal accounting policies with the level of interpretation necessary to adapt them to the operations carried out by the Group. An IFRS accounting manual has been produced and distributed to accounting teams within core businesses, business lines and entities on the internal network communication tools (intranet) at BNP Paribas. It is regularly updated to reflect regulatory changes. This central department handles requests for specific accounting studies made by the accounting entities or business lines outside the design or recording of a financial product. The central Budget and Strategic Management Control Department draws up management control rules that apply to all the Group's business lines. The Group's accounting and management control policies can be accessed in real time using the internal network tools (intranet).

### Systems used

The role of dedicated teams within Group Finance-Development includes defining the target architecture of the information systems of the Finance Department Function (accounting systems, cost-accounting systems, accounting and regulatory consolidated reporting systems and consolidated management reporting systems). They facilitate the sharing of information and the implementation of cross-functional projects in a context of increasing convergence of the different existing accounting platforms, both at the Group and business line level.

The information used to prepare the BNP Paribas Group Consolidated Financial Statements is derived from the Bank's various transaction processing systems, from origination by the Front Office through to their accounting entry. Routing controls are ensured at each level of the data transmission chain to ensure these systems are adequately fed. The Group also regularly carries out upgrade maintenance on these systems to adapt them to the growth and increasing complexity of its business. Lastly, dedicated teams are responsible for defining the accounting procedures in the back office and accounting systems for application at the operational level of the accounting principles established by the Accounting Policies.

### Process for collecting and preparing consolidated accounting and financial information

The process for collecting accounting and financial information is organised around two separate reporting channels, one dedicated to accounting data and the other to management data, using the same integrated collection and consolidation software package known as MATISSE ("Management & Accounting Information System"); at local level, the Finance teams enter validated financial and accounting data into the system in accordance with Group principles.

This reporting process applies to the channels dedicated to both financial and management accounting data:

— **accounting data:** the procedures for preparing the Group's Financial Statements are set out in the guidelines distributed to all core businesses/business lines and consolidated entities. This facilitates the standardisation of accounting and financial data and compliance with Group accounting standards. Each Group entity closes its accounts on a monthly or quarterly basis and prepares a consolidation reporting package and management accounts in accordance with Group reporting deadlines. The validation procedures which accompany each phase in the reporting process seek to verify that:

- Group accounting standards have been correctly applied
- inter-company transactions have been correctly adjusted and eliminated for consolidation purposes
- pre-consolidation entries have been correctly recorded.

The Finance Function of the relevant core business controls the consolidation packages from the accounting entities within its scope before reporting them to the department within Group Finance-Development in charge of preparing the Consolidated Financial Statements;

— **management data:** management information is reported on a monthly basis by each entity and business line to the Finance Function of the relevant core business and business line, which then reports management data consolidated at its level to the Budget and Strategic Management Control Unit at Group Finance-Development.

For each entity and core business/business line a reconciliation is performed between the main income and expense items based on management data and the profit and loss account intermediate balances, prior to submitting the package to the Group reporting system. This is supplemented by an overall reconciliation performed by the Group Finance-Development Function to ensure consistency between consolidated accounting profits and management reporting profits. These two reconciliations form part of the procedure for ensuring reliable accounting and management data.

## Procedure for control of accounting and financial information

### Accounting internal control within the Group Finance-Development Function

To enable it to ensure the monitoring of accounting risks centrally, the Group Finance-Development Function has combined the teams from “Group Control & Certification” and “BNP Paribas SA (France) Control & Certification” in a “Control & Certification” Department. “Group Control & Certification” has the following key responsibilities:

- defining the Group’s policy as regards the accounting internal control system. This system provides for the implementation by the accounting entities of a certain number of principles organising the accounting internal control environment and key controls geared at ensuring the reliability of the information featured in their consolidation reporting package. The Group has issued accounting internal control guidelines for use by the consolidated entities and distributed a standard plan of accounting controls listing the mandatory major controls aimed at covering the accounting risk;
- ensuring the correct functioning of the accounting internal control environment within the Group, in particular through the internal certification procedure described below;
- quarterly reporting to Executive Management and the Financial Statements Committee of the Board of Directors on the quality of the financial statements being produced within the Group;
- monitoring implementation by the entities of the Statutory Auditors’ recommendations in conjunction with the core businesses/business lines. This monitoring is facilitated by use of a dedicated tool FACT (Finance Accounting Control Tool) allowing each accounting entity to monitor the recommendations made to it and to regularly report on the progress made on different action plans. Group Finance-Development can identify improvements to the accounting internal control system made within the consolidated enti-

ties and provide, as applicable, solutions to any cross-functional problems that may have been identified thanks to the centralised monitoring of such recommendations.

The “BNP Paribas SA (France) Control & Certification” team is in charge of providing quality control on accounting information provided by the French Retail Banking network, and by Corporate and Investment Banking businesses that report to BNP Paribas SA (France) and some French entities for which Group Finance-Development is in charge of their accounting. The team has the following key responsibilities:

- liaising between the back offices feeding the accounting system and the Group Accounting Department;
  - training back office teams in accounting controls and tools made available to them;
  - coordinating the “elementary certification process” (described below) whereby back offices report on the controls conducted by them;
  - implementing second-level accounting controls within all entities within its scope. These controls are in addition to the first-level controls carried out by back offices.
- The accounting control of the French accounting hub relies in particular on accounting control tools that permit:
- identifying for each account, the sector responsible for its justification and control;
  - running reconciliations of the balances recorded in the accounting system with the balances in the operational systems for each business;
  - identifying suspense accounts so as to monitor their discharge.

### Internal Certification Process

#### • At Group level

The Group Finance-Development Function has introduced a process of internal certification of quarterly data produced by the different accounting entities, as well as of the controls performed within Finance Departments of the core businesses/business lines and by the Consolidation Department within the Group Finance-Development Function. The process uses the FACT (Finance Accounting Control Tool) internet/intranet-based application.

The Heads of Finance of the entities concerned certify to Group Finance-Development that:

- the accounting data reported to the Group Finance-Development Function are reliable and comply with Group accounting policies;
- the accounting internal control system designed to ensure the quality of accounting data is operating effectively.

Since the first quarter of 2009, the main certificate completed by all entities consolidated by global or proportional integration reproduces all of the major controls defined in the standard accounting control plan published by Group Finance-Development and not only a selection of such controls.

This internal certification process forms part of the overall Group accounting internal control monitoring system and enables the Group Finance-Development Function, which has overall responsibility for the preparation and quality of the Group’s Consolidated Financial Statements, to be informed of any problems in the financial statements and to monitor the implementation by the accounting entities of appropriate corrective measures and, if necessary, to set aside appropriate provisions. A report on this procedure is presented to Executive Management and to the Financial Statements Committee of the Board of Directors at the close of the Group’s quarterly consolidated accounts.

#### • At entity level

The certification procedure vis-à-vis the Group requires a suitably adapted accounting internal control system for each accounting entity that gives the local Finance Function an overview of the entire accounting process. Towards this end, “Group Control & Certification” recommends implementing an “elementary certification” (or “sub-certification”) process for accounting data whenever the processing of transactions and the preparation of accounting and financial data are organised in such a way that such process is necessary.

This process requires that those involved in preparing accounting data and in performing accounting controls (e.g., Middle Office, Back Office, Human Resources, Risk Management, Tax Department, Management Control/Planning, Accounts Payable, Treasury,

IT Department, Overheads, etc.) formally certify that the information provided is accurate and that the basic controls designed to ensure the reliability of the accounting and financial data for which they are responsible are working effectively. The elementary certificates are sent to the local Finance Department, which analyses them, prepares a summary report and liaises with the other players in order to monitor the effectiveness of the system.

The FACT (Finance Accounting Control Tool) application also makes it possible to automate the elementary certification process by providing entities with a dedicated environment in which they can directly manage the processes set up at their level.

**Oversight arrangements for measuring financial instruments and determining the results of market transactions**

The Group Finance-Development Function, which is responsible for the production and quality of the Group's financial statements and management accounting data, delegates the production and control of market values or models of financial instruments to the different players involved in measuring financial instruments within the overall process of monitoring market risk and management data.

Controlling these operations, which concerns all players, is the responsibility of the Finance Function.

The purpose of these control procedures is as follows:

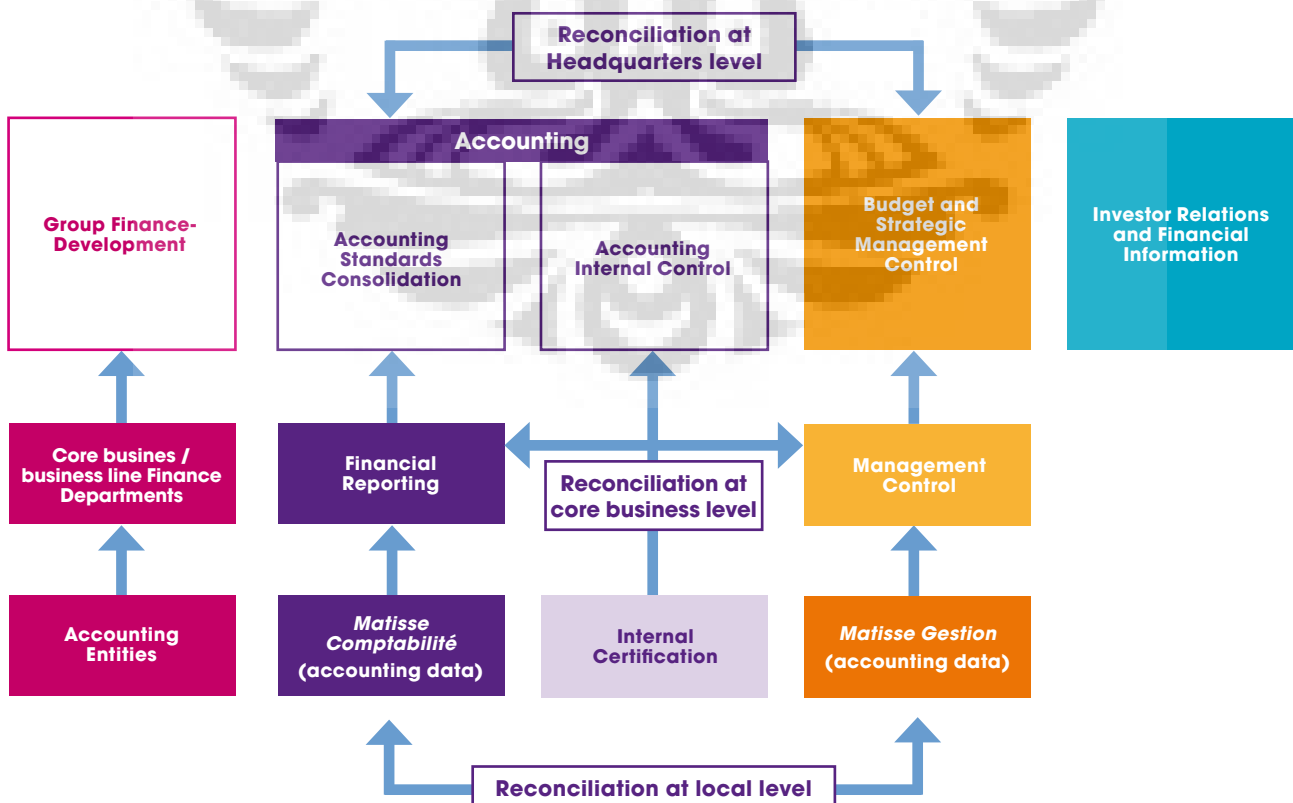
- to ensure that transactions involving financial instruments are properly recorded in the Group's books in accordance with Group policies for producing financial and management data;
- to guarantee the quality of financial instrument measurement and reporting used both in preparing the financial and management accounts and in managing and monitoring market and liquidity risk;

— to ensure that the results of market transactions are determined, understood and analysed correctly;

— to control the related operational risks. This permanent control process uses first- and second-level controls in accordance with Group Internal Control Charter guidelines and exists at each level in the organisation, i.e., Group, Corporate and Investment Banking and in the main territories recording market transactions in their accounts.

Finance departments perform second-level controls and have visibility over the entire process via dedicated corporate investment banking teams ("CIB Financial Control"). They decide on the information that must be reported by the various players: this comprises both quantitative and qualitative data indicating trends in different businesses as well as the results and quality of upstream controls carried out.

Committees that meet on a monthly basis are being set up to bring all of the players together to discuss the entire range of issues concerning the measurement and recognition of market transactions. As part of the quarterly accounts closing process, the Corporate Investment Banking Finance Department reports back to an arbitration and decision-



making Committee (“PFC” – Product Financial Control Committee) chaired by the Group Chief Financial Officer on the actions of the CIB Financial Control teams and their work to enhance control effectiveness and the reliability of the measurement and recognition of the results of market transactions. This Committee meets every quarter and brings together the Directors of Group Finance-Development-Accounting, Corporate Investment Banking and Group Risk Management.

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### **Periodic Control - Central Accounting Inspection Team**

The General Inspection Unit includes a team of inspectors (the Central Accounting Inspection Team) specialised in financial audits. This reflects the strategy of strengthening the Group’s internal audit capability both in terms of technical scope and the areas of accounting risk tackled in the audit engagements undertaken.

Its action plan is based on the remote accounting internal control tools available to the Group-Finance Development Function and the risk evaluation chart set up by the General Inspection Unit.

The core aims of the team are as follows:

- to constitute a hub of accounting and financial expertise in order to reinforce the capability of the General Inspection Unit when carrying out inspections in such areas;
  - to disseminate internal audit best practices and standardise the quality of audit work throughout the BNP Paribas Group;
  - to identify and inspect areas of accounting risk at Group level.
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### **Development of the accounting internal control system**

The accounting internal control system is constantly being adapted to the Group’s requirements. The aforementioned procedures form part of an evolving system that aims to guarantee an adequate level of control throughout the Group. Accordingly, the entities of Fortis subgroup BNP Paribas acquired in May 2009 progressively deploy at their level the accounting internal control organisational principles defined by Group Finance-Development. In that context, BNP Paribas Fortis prepared a certificate on the consolidation package of the subgroup that relies on a sub-certification system to which the most significant entities in its scope contribute.

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### **Relations with the Group’s Statutory Auditors**

The Statutory Auditors are required to issue a report every financial year in which they give their opinion concerning the fairness of the Consolidated Financial Statements of the BNP Paribas Group and of the annual financial statements of the Group’s companies.

The Statutory Auditors also carry out limited reviews of the quarterly accounts for the first and third quarters of the financial year. As part of their statutory audit assignment:

- they examine any significant changes in accounting standards and present their recommendations concerning choices with a material impact to the Financial Statements Committee;
- they present the entity/business line/core business Finance functions with their findings, observations and recommendations for the purpose of improving certain aspects of the internal control system for the preparation of accounting and financial information, reviewed in the course of their audit.

The Financial Statements Committee of the Board of Directors is briefed concerning accounting choices that have material impact, as discussed above.

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### **Corporate communications (press releases, special presentations, etc.)**

Financial reports are prepared for external publication by the Investor Relations and Financial Information Team, within the Group Finance-Development Function, for the purpose of presenting the Group’s different activities, explaining its financial results and providing details of its development strategy to individual shareholders, institutional investors, financial analysts and rating agencies.

The team, which reports to Executive Management and the Chief Financial Officer, devises the format in which financial information is published by the Group. It liaises with the core businesses and functions when designing the presentation of the Group’s results, strategic projects and special presentations for external publication.

Due to the growing demands of investors and the Group’s determination to be at the leading edge of European corporate communications, BNP Paribas has adopted a detailed communications format designed to present its results to the financial markets on a quarterly basis. The Statutory Auditors are associated to the validation phase of press releases in connection with the close of quarterly, half-yearly or annual financial statements, before their presentation to the Financial Statements Committee and to the Board of Directors.

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# EXECUTIVE COMMITTEE

**BAUDOIN PROT**  
CHIEF EXECUTIVE OFFICER



**MICHEL KONCZATY**  
CHIEF RISK OFFICER



**JEAN-LAURENT BONNAFFE**  
CHIEF OPERATING OFFICER



**GEORGES CHODRON DE COURCEL**  
CHIEF OPERATING OFFICER

**JACQUES D'ESTAIS**  
HEAD OF INVESTMENT SOLUTIONS



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



**FRÉDÉRIC LAVENIR**  
HEAD OF GROUP HUMAN RESOURCES



**PHILIPPE BORDENAVE**  
SENIOR EXECUTIVE VICE-PRESIDENT, CHIEF FINANCIAL OFFICER

**FRANÇOIS VILLEROY DE GALHAU**  
HEAD OF FRENCH RETAIL BANKING



**ALAIN PAPIASSE**  
HEAD OF CORPORATE & INVESTMENT BANKING



**ALAIN MARBACH**  
GLOBAL HEAD OF INFORMATION, TECHNOLOGY AND PROCESSES



**FABIO GALLIA**  
HEAD OF BNL BC

Since November 2007, the Executive Committee of BNP Paribas has been assisted by a permanent secretariat.

Konservasi lingkungan..., Midonal, FH UI, 2011

# COMPLIANCE



# THE COMPLIANCE FUNCTION WITHIN BNP PARIBAS

BNP Paribas's Compliance Function (Group Compliance) is a key element of the Group's internal control system. It was created in 2006 to deal with issues that very quickly became regulatory requirements. The relevant provisions are CRBF regulation 97-02 regarding the internal control of credit institutions, and the general regulations of the *Autorité des Marchés Financiers*, amended following the transposition into French law of the European directive regulating markets for financial instruments.

Managing risks of all kinds is a vital part of BNP Paribas' organisation, management and strategy. Particular attention is paid to compliance risks. According to the Group's definition, compliance is "respect for legislative and regulatory provisions, professional and ethical standards, guidelines given by the Board of Directors and instructions given by head management." It involves protecting the Group's reputation and implementing conduct rules, including respecting market integrity and the primacy of client interests, helping to combat money laundering, terrorist financing and corruption, and complying with financial embargos and professional ethics.

Compliance applies exhaustively and universally, i.e. to the same degree regardless of the activity or entity, in France or abroad, through the application of the "ethical highest bidder" principle. This principle requires that, of the rules set out by legislation and regulations in various territories and those arising from the Group's directives and procedures, the most demanding ones should be followed.

## Dedicated teams

Group Compliance is under the CEO's direct authority and is led by a member of the Executive Committee, who is also responsible for co-ordinating the internal control system.

Group Compliance has a central team as well as decentralised teams. The central team supervises and co-ordinates the Compliance Function within the Group, and establishes the applicable standards. Decentralised teams within business segments, business lines, functions, subsidiaries and branches are in direct contact with operations. Their headcount was stable relative to 2008, with around 900 FTE staff, equal to almost 95% of all compliance staff. Decentralised teams are supervised in two ways. They are supervised in functional terms by Group Compliance, and in hierarchical terms by those responsible for entities' operations, in line with the principle that operational staff have primary responsibility for risk.

In 2009, the central team continued its work to provide the Group with a high-level, up-to-date body of standards. This work included:

- tasks relating to the Fortis integration: procedure for managing conflicts of interest involving the Group's minority shareholders and critical compliance requirements arising from the BNP Paribas - Fortis / BGL integration;



**Baudouin Prot, CEO of BNP Paribas, reiterated the Code of Conduct's importance in a letter sent to all staff:**  
*"At BNP Paribas, we pride ourselves on the reputation for excellence which we have established with our clients, counterparties and authorities in all the countries in which we operate. This reputation is key to the success and stability of BNP Paribas. Our reputation rests primarily on the quality and integrity of our employees. Our corporate values (responsiveness, creativity, commitment and ambition) are reflected in our work and we must behave in an exemplary manner. The BNP Paribas Code of Conduct sets out the fundamental rules of conduct in force within our firm. I expect each and every one of you to strictly comply with this Code of Conduct, regardless of your position or the services you provide, in order to guarantee the success and stability of our Group."*

- Procedures relating to the accessibility, integrity and retention of information;
- Procedures relating to the flu pandemic business continuity plan;
- Numerous compliance policies and procedures (relations with regulators, outsourcing, controls over personal transactions etc.).

## Professional Ethics Department

This department draws up an annual control plan, through which it ensures compliance with the Group's Code of Conduct and the proper application by BNP Paribas SA staff of obligations arising from the *Autorité des Marchés Financiers'* general regulations relating to personal transactions. This includes the prevention of insider dealing and market abuse. No material violations were reported in 2009.

More generally, the process of harmonising practices with the parent company's high standards, and the integration of professional ethics procedures (relating to personal transactions, gifts and whistleblowing) is progressing well.

In accordance with BNP Paribas' values, the Group Code of Conduct sets out fundamental principles governing the conduct of all staff. Application procedures are used in defining basic behavioural rules. The Code of Conduct comprises ten principles. Failure to comply with them may lead to disciplinary proceedings.

The Group is constantly building and adjusting its professional ethics systems, in order to protect the reputation of the bank and of its staff.

While doing this work, the Group seeks to maintain the sometimes difficult balance between ever-tougher regulations, respect for privacy (including application of CNIL rules), strict compliance with the French Labour Code and the desire for BNP Paribas to set the highest standards in terms of ethics.

Compliance training, which covers protecting client interests, maintaining market integrity and combating money laundering, is a key responsibility of the compliance function.

Almost 60,000 training sessions<sup>(1)</sup> relating to financial security were taken by Group staff in 2009. Almost 40,000 staff received training on other compliance themes in 2009, including client interests, conflicts of interest, gifts and whistleblowing.

A new module to raise awareness of compliance issues has been developed to combat fraud, and the compliance awareness-raising module initially introduced in 2006 has been updated to reflect changes in compliance.

## Financial Security

The mission of the BNP Paribas Group's Financial Security Unit is to co-ordinate efforts to combat money laundering, corruption and terrorist financing. It also applies financial sanctions such as embargos.

It sets standards for the whole Group and oversees various IT projects, including those related to filtering money flows and monitoring transactions.

In 2009, the system was adjusted to meet new requirements arising from the third European money laundering directive, which was transposed into French law by the order of 30/01/2009. This included the introduction of a tool to assess customers' sensitivity to risk.

In its operational role, Financial Security handles suspected money laundering cases in France, as well as alerts arising from the filtering of international money flows.

Financial Security also works with business segments to provide training in its area of expertise, both in France and in the international network.

In 2005, the Group set up a system for monitoring entities in tax havens. After the most recent G20 meetings, BNP Paribas has increased its monitoring activities and undertaken to withdraw from certain countries that fail to co-operate in terms of tax evasion.

Following the transposition of the third European money laundering directive, the Group will step up its efforts to monitor business relationships with low-tax countries.

Despite the lack of any major changes regarding financial sanctions in 2009, the international situation gave rise to an increase in new regulations increasing existing restrictions. As a result of these regulatory developments — relating to embargos, new designations for individuals and entities subject to financial sanctions — instructions and systems used within the Group were updated.

The system set up by Financial Security was enhanced. This included efforts to improve sanction lists, which are used in various Group monitoring systems, and increased use within entities of tools for transaction filtering, client profiling and management of suspect transactions. Financial Security also co-ordinates procedures used to process cross-border fund transfers, which are subject to specific regulations.

(1) Each training module taken by a member of staff counts as 1 session. An employee taking two financial security modules in the last 12 months will be counted as 2 sessions.



# Business continuity

To deal with the consequences of an A/H1N1 flu pandemic, BNP Paribas stepped up its preparations in 2009, working closely with the authorities. The aim is to meet its responsibilities as a socially responsible employer and a financial institution, in order to help ensure the smooth running of the real economy.

## Preparing for a pandemic: a priority

### **1. Objectives: The BNP Paribas Group's preparations have three major objectives:**

- protecting staff through comprehensive health arrangements covering all aspects of the pandemic: recommendations for personal hygiene in the workplace, provision of masks, dealing with infected people;
- helping maintain the essential activities specified by the authorities for large banks and financial institutions: supplying ATMs with banknotes, maintaining interbank payments, continuing activities in financial markets and the insurance sector;
- maintaining each institution's specific activities, i.e. continuing services to customers and counterparty activities, in the event that the pandemic causes a high level of staff absences.

### **2. Strategy: a central scenario, general Group guidelines and centralised decision-making.**

To implement this strategy, the Group intends to have consistent arrangements across the Group, without any differences in treatment between businesses or geographic areas. The BNP Paribas Group has appointed a global co-ordinator to organise its pandemic programme. The co-ordinator is a member of the Group Executive Committee, and his task is to ensure that all participants concerned are fully mobilised. This means ensuring that central, business line and country participants fulfil their roles in terms of HR, business continuity, security, real estate and IT infrastructure, communication and liaison with the financial authorities.

### **3. Resources: resources allocated in 2005 were increased substantially in 2009, in order to:**

- ensure that all staff have access to protection equipment (masks, disinfectant fluids, cloths);
- enable staff to work from home, limiting the risk of contamination;
- deploy a business continuity plan for each business, based on the methodology developed by the Group's business continuity co-ordination team.

Areas of improvement have been clearly identified, and those responsible have a plan of action. The plan includes:

- ensuring that systems are operational through more precise definition of their control arrangements, including via a comprehensive independent review;
- updating methodological tools, including reconciliation with those used by Fortis, in order to adopt best practice across the whole Group;
- continuing to scale up processes, in order to reallocate resources to the operational implementation of business continuity plans.

## **Ongoing objective: ensuring the BNP Paribas Group's resilience**

In 2009, further improvements were made to the business continuity system to ensure that it is fully operational.

The scope covered by the system is increasing every year. Almost all of the Group is now covered, including Fortis entities, which form part of periodic reporting.

Business continuity efforts are also becoming more business-like, due to the increasing involvement of management and more efficient tools.

# NRE APPENDICES

## NRE Appendices – Social

NRE indicator – 2009 year	Scope for 2009
1. Remuneration and benefits paid to each corporate officer during the financial year	
See the section of the Registration Document and CSR Report under <i>Corporate Governance – Remuneration</i> .	Group
2. Remuneration and benefits received from controlled companies during the financial year by each corporate officer within the meaning of Article L.233-13 of the French Commercial Code	
See the section of the Registration Document and CSR Report under <i>Corporate Governance – Remuneration</i> .	Group
3. List of all directorships and positions held during the financial year in any company by each of the corporate officers	
See the section of the Registration Document and CSR Report under <i>Corporate officers, module 1</i> .	Group
4. Total number of employees including employees on fixed-term contracts	
See the section of the Registration Document and CSR Report under <i>Human resource development – Workforce evolution</i> .	
The number of Net Permanent Paid (NPP) employees managed by the Group at 31 December 2009 was 201,740, up 28,552 NPP from the prior year. NPP figures are measured pro rata to working hours. The NPP workforce measures count active employees and employees on paid absences who are on contracts (permanent or fixed-term) of six months or longer. Interns, apprentices, VIE volunteers, subcontractors and temporary staff are not counted.	Group
In France, the workforce managed by the Group was 64,635 NPP. For BNP Paribas SA, the figure stands at 37,833 NPP, including 172 employees hired under fixed-term contracts with a duration of more than six months.	France
The concept of cadre as used in a French work environment, loosely translated as “executive” or “manager”, cannot be transposed as such to worldwide operations.	
For information purposes only, the ratio of “cadres” (executive or managerial employees) to all employees of BNP Paribas SA has varied as follows since 2002:	
35.7% in 2002;	
37.7% in 2003;	
39.7% in 2004;	
42.4% in 2005;	
44.6% in 2006;	
47.4% in 2007;	
47.3% in 2008;	
49.0% in 2009;	
As from 2008, this indicator was based on the total workforce (including employees on unpaid absences and young people employed under work-study contracts)	SA Mainland
5. Number of new permanent and fixed-term contract employees	
In the year to 31 December 2009, the total number of persons hired under permanent contracts worldwide was 14,549, of which 55% were women.	Group
The Group hired 2,691 employees on permanent contracts in France in 2009.	France
See the Registration Document and CSR Report under <i>Recruitment processes that meet the specific needs of each business line</i> .	France
6. Recruitment difficulties, if any	
The attractiveness of the BNP Paribas Group as an employer remains very high, with 170,000 unsolicited job applications received in 2009.	Group
In 2009 new hires continued to be evenly split between young graduates (50%) and employees with previous work experience (50%).	
See the Registration Document and CSR Report under <i>Recruitment processes that meet the specific needs of each business line</i> .	Group

## NRE indicator – 2009 year

Scope for 2009

### 7. Number of and reasons for dismissals

In 2009 the total number of employees dismissed by BNP Paribas SA in mainland France amounted to 278 FTE.

The main reasons for dismissals remain professional incompetence and misdeeds.

SA Mainland

### 8. Overtime hours

In 2009 BNP Paribas SA in mainland France paid 82,704 hours of overtime.

SA Mainland

### 9. Temporary staff

External workforce: The monthly average number of temporary staff in France was 701 NPP.

France

For BNP Paribas SA in mainland France, this number was 272 NPP. The average contract length was 21 days. The agreements between BNP Paribas and temporary staffing agencies and service providers include very strict clauses on compliance with labour laws and prevention of selling at a loss, which is prohibited under French law.

SA Mainland

### 10. If applicable, information relating to headcount adjustments, redeployment and career support advice

See the section of the Registration Document and CSR Report under *Adapting quantitatively and qualitatively the workforce*.

SA Mainland

### 11. Working hours

Extensive possibilities for requesting part-time work arrangements are available to employees. A total of 10.8% of employees at BNP Paribas SA in mainland France have opted for part-time work arrangements.

After one year of service, employees are eligible for a working time savings account in which leave days can be accumulated. Leave days saved in this account can be taken in various forms (personal convenience leaves, co-investment in training, financing a shift to part-time). In 2009, 16,418 employees were using a working time savings account.

With the agreement of their manager, employees can also take 5 to 20 days of unpaid leave. See the *Social Audit*.

SA Mainland

### 12. Working hours and days for full-time employees

In France, the average working week for a full-time employee is generally 35 hours. At BNP Paribas SA, the theoretical number of days worked per employee per year (on a fixed working hours basis) was 205 in 2009.

SA Mainland

### 13. Working week for part-time employees

Of the employees who have chosen to work part time, 93.6% are women. The most common arrangements are to work at 50%, 60%, or 80% of full time. 70% of part-time employees have opted to work at 80% of full time.

SA Mainland

### 14. Absenteeism and reasons for absenteeism

As from 2009, absenteeism rates are calculated using a base headcount of over 60,000 NPP employees in France.

Prior to 2009, the absenteeism rate was calculated exclusively for BNP Paribas SA in mainland France. In 2009 the absenteeism rate for the Group in France was 9.2%. Maternity leave accounted for 2.1 percentage points of this rate.

France

In 2008 the absenteeism rate at BNP Paribas SA in mainland France was 9%.

Maternity leave accounted for 1.7 percentage points of this rate.

Since 2008, absenteeism rates have included unpaid absences, such as long-term leave without pay and leave to start a business. Unpaid absences accounted for 4% of total absences within BNP Paribas SA.

After maternity leave and leave to start a business, the main cause of absenteeism continues to be illnesses that result in long-term absences.

See the *Social Audit*.

France

### 15. Remuneration

The average monthly remuneration of BNP Paribas SA employees in mainland France was EUR 3,255 in 2009.

- 91.1% of employees received variable pay in the form of a bonus (90.7% of women and 91.7% of men).
- 40.9% were awarded an increase in base pay.
- 12.7% received promotion.

See the Registration Document and CSR Report under *Creating loyalty through competitive remuneration*.

SA Mainland

## 16. Changes in remuneration

The annual wage bargaining round in 2009 for pay in 2010 led to an agreement signed by three of the five labour unions. These three bodies represented 70% of the votes cast at the last election for employee representatives.

The agreement has several components:

- a long-term measure: an across-the-board 1% wage increase, but with a floor provision of EUR 320 as from 1 January 2010;
- an exceptional bonus of EUR 1,200 pro-rated according to working hours.
- In addition, as in previous years, the agreement earmarks EUR 1 million to closing wage discrepancies between men and women. This is the third consecutive year that this measure has been enforced.

SA Mainland

## 17. Payroll expenses

The Group's social security charges for 2009 totalled EUR 3,529 million, up from last year due primarily to the integration of BNP Paribas Fortis.

Group

## 18. Application of the provisions of Title IV, Book IV of the French Labour Code (incentive and profit-sharing plans, employee savings plans)

See the Registration Document and CSR Report under *Creating loyalty through competitive remuneration*.

In 2009, profit-sharing and incentive amounts accruing to employees of BNP Paribas SA in respect of 2008 earnings amounted to EUR 84.9 million, or a minimum of EUR 1,738 and a maximum of EUR 4,641 per employee (on a full-time employee basis).

SA Mainland

The geographic breakdown of staff outside France that took up the 2009 employee share issue was as follows:

- Europe: 58.7%
- Asia: 24.6%
- North America: 7.0%
- Latin America: 4.2%
- Africa: 3.9%
- Middle East: 1.6%

Group

## 19. Gender equality in the workplace

See the Registration Document and CSR Report under *Promoting diversity in all its forms*.

53.1% of BNP Paribas employees worldwide are women (based on physical headcount).

Group

The physical headcount of the Group in France comprises 43% of men and 57% of women.

Group in France

BNP Paribas SA's physical staff in mainland France is composed of 16,916 men and 21,975 women. The enterprise agreement of 9 April 2004 was amended in 2005 and 2006 and then replaced by the agreement of 30 July 2007. This agreement sets down the principles that should be followed in observing and developing equality of opportunity and treatment between men and women at all stages of professional life.

The proportion of female executives has continued to rise:

- 34.2% in 2001;
- 35.7% in 2002;
- 36.9% in 2003;
- 37.7% in 2004;
- 38.8% in 2005;
- 40.3% in 2006;
- 41.4% in 2007;
- 43.1% in 2008;
- 44.0% in 2009

The proportion of female executives receiving promotion has varied as follows:

- 54.7% in 2002;
- 55.6% in 2003;
- 55.8% in 2004;
- 57.1% in 2005;
- 58.1% in 2006;
- 58% in 2007;
- 59% in 2008;
- 59.6% in 2009.

SA Mainland

In 2009, at BNP Paribas in France, 38% of appointments to management positions (as defined in the banking industry collective agreement) and executive management positions (for subsidiaries not governed by that agreement) were women, compared with 32% in 2008 and 28.5% in 2007.

Group in France

## 20. Employee relations and collective bargaining

See the Registration Document and CSR Report under *Developing harmonious labour relations*.

As in previous years, there was constructive dialogue with employee representatives within BNP Paribas SA in 2009. The Commission on Employment Law, BNP Paribas SA's labour negotiation body, met on 37 occasions, and 14 new agreements were signed with trade unions.

SA Mainland

## 21. Health and safety

See the Registration Document and CSR Report under *Protecting employee health*.

- Medical assistance to employees who were victims of attacks  
In 2009, 46 employees received medical assistance after an attack. Five of them were referred to specialists for psychological help.
- Training for medical staff and refresher courses for first-aid workers  
Initiatives aimed at providing refresher courses for first-aid workers were maintained: 144 employees were trained and 276 went through courses to refresh their skills.
- Vaccinations  
Continued large-scale vaccination campaign with 3,960 flu shots administered.
  - Preventive clinical activities
  - Cardiovascular: 226 evaluations of cardiovascular health, five of which required a day in hospital,
  - Screening for glaucoma and diabetes,
- Ergonomics of workstations: 13 plan studies, 122 premises inspections and 8 studies were conducted in 2009.
- 739 people participated in the blood donation drive.

SA Mainland

## 22. Training

See the Registration Document and CSR Report under *Developing skills of employees and teams*.

For BNP Paribas SA in mainland France, the number of employees enrolled in courses of study leading to a diploma were 268 for the Brevet Professionnel diploma in banking, 478 for the BTS diploma in banking and 226 for the Institut Technique de Banque diploma.

In 2009, 10,642 employees of BNP Paris SA in mainland France applied for training under the DIF (Individual right to training) scheme.

SA Mainland

## 23. Employment and integration of persons with disabilities

See the Registration Document and CSR Report under *Promoting diversity in all its forms*.

In 2009, the number of employees with disabilities at BNP Paribas SA was 850 versus 754 in 2008 and 730 in 2007. The number of beneficiary (handicap-equivalent) units (BU) was 1,006 versus 986 in 2008.

SA Mainland

An agreement on employment and inclusion of persons with disabilities was signed in 2008. This agreement is part of BNP Paribas' overall non-discrimination and diversity initiative, and it follows up on commitments made by the Group when the Diversity Charter was signed in 2004. This agreement expresses all parties' desire to see BNP Paribas implement a proactive long-term policy in favour of the employment and inclusion of persons with disabilities. It calls for actions in four areas:

- develop a recruitment plan for persons with disabilities in the ordinary work environment;
- improve conditions for bringing persons with disabilities into jobs by offering appropriate working conditions, access to professional training and technological accommodations;
- seek out stronger partnerships with the sheltered work sector;
- an ongoing focus on key considerations for maintaining persons with disabilities in employment.

The Group keeps an active list of organisations in the sheltered work sector so that subcontractors of Group entities can be referred to and encouraged to call on such organisations.

France

## 24. Social and cultural activities

Social and cultural activities that are national in scope are managed by the Central Works Council. Local service activities are managed by local works councils. Services include children's summer camps and organised holidays for staff, contributions to meal expenses, family welfare, lending libraries for books, records, videos and other media, and discounts for theatres and cinemas.

A sports and cultural association gives employees the opportunity to take part in a variety of team sports and cultural activities.

A breakdown of BNP Paribas SA's contributions to cultural and social activities is provided in the Company's Social Audit.

The budget for such activities in 2009 amounted to EUR 94.6 million.

SA Mainland

25. Relations with the community, including associations to combat social exclusion, educational institutions, environmental and consumer associations, and local residents

See the CSR Report under *A partner in society*.

Over the years, BNP Paribas SA's local banking network in France has been involved in more than 1,400 formal or informal voluntary partnerships with various organisations. Through, relationships with more than 1,000 further education institutes, the Group offers internships, apprenticeships and work experience for young people. It has developed around 400 partnerships which are designed to promote the sporting, cultural and artistic initiatives of young people, as well as local projects to help integrate them into the labour force, combat social exclusion and preserve the environment.

**Projet Banlieues:** Through *Projet Banlieues*, launched in December 2005 and reconducted in 2008 for three more years, the BNP Paribas Foundation offers its support to ADIE (a non-profit association providing microcredit to the unemployed) to foster business development in disadvantaged neighbourhoods through several initiatives:

- job creation and business formation: in four years, the project has financed the opening of eight lending centres throughout France. In 2009, 754 micro-loans were granted by these branches, financing almost 520 business start-ups;
- tutoring and coaching: In partnership with AFEV, close to 1,400 school children living in disadvantaged neighbourhoods received educational assistance thanks to the efforts of 1,000 additional student volunteers;
- support for community projects: The Foundation provided help to 104 ongoing and new community projects. Projects focus mainly on education, professional inclusion, social inclusion through culture and sport, and training initiatives.

**Consumer associations:** The Quality & Consumer Relations Department of the French Retail Banking Division has forged partnerships with around ten consumer advocacy groups.

**Mediation of banking disputes:** BNP Paribas is one of the few financial institutions to have committed since 2003 to follow the recommendations and opinions of the Mediator in any and all cases. As from March 2009, in response to the needs of its small business customers, BNP Paribas decided to introduce a specific mediation procedure for small business owners and appointed a Mediator for Entrepreneurs.

**Links with educational institutions:**

- The Group's very active 'campus management' policy, with over fifty events organised at educational institutions in 2009, maintained a substantial flow of applicants for pre-recruitment (internships, VIE, work-study) from nearly 63,000 candidates;
- Under partnership agreements or as part of specific projects, groups of BNP Paribas branch offices maintain very close relationships with the associations and educational institutions in their catchment areas. These partnerships generally extend beyond purely commercial relationships, offering financial, technical or even organisational support for projects undertaken by partners;
- BNP Paribas awarded EUR 950,000 in grants to schools located in underprivileged urban areas as payment of the apprenticeship tax in France. These funds were used for the purchase, hire and upkeep of teaching and professional equipments and facilities.

France

## 26. Contribution to regional development and employment

In response to the economic and financial crisis, the Group launched a large-scale project in September 2009 which is designed to increase lending for investment purposes. The project will run for fifteen months. Its objective is to increase financing for investment by SMEs, tradespeople and shop owners. The Bank is committed to distributing at least EUR 1 billion in new investment loans each quarter until the end of 2010.

A total of EUR 5 billion will be made available over the 15-month period. Through the timeframe of the project, BNP Paribas will provide support for around 40,000 investment projects.

In France, the Group seeks to promote economic development in the areas where it operates by providing business customers with financing to drive the growth of their businesses. BNP Paribas plays a major role in financing entrepreneurs and start-ups, which are the mainstay of the French economy. The latest barometer of corporate customer satisfaction measures perceived progress in the quality of follow-up and assistance provided by the business centres. Regional access to centres of expertise (Trade Centres; Dealing Rooms) is also very well received.

France

Outside France, BNP Paribas also contributes to the financing and development of communities through its local banking network. In Belgium, BNP Paribas launched a project to provide EUR 1 billion in investment loans to Belgian business owners in 2009.

The Group takes steps to ensure that local employees are promoted to positions of responsibility. The number of expatriate positions is intentionally restricted.

Group

### 27. Outsourcing and the Bank's policy with subcontractors: steps to ensure that subcontractors comply with International Labour Organization (ILO) standards (OIT)

Since 2002, all contracts negotiated and signed by the Group's purchasing department contain contractual provisions relating to corporate and social responsibility. In terms of corporate responsibility, clauses require compliance with fundamental International Labour Organization (ILO) standards or with principles of labour law in the country where the agreement is signed, where those principles are stricter than ILO standards.

To promote transparency, the purchasing department has set up a dedicated suppliers' portal on the Group's website, which makes specific reference to sustainable development and compliance with ILO standard. For more information, go to: <http://fournisseur.bnpparibas.com/dev/en.htm>  
CRBF Regulation 97-02 clauses are systematically included in subcontracting agreements signed by ITP's purchasing department.

Going against the grain of the widespread trend toward outsourcing of information technology functions, BNP Paribas has opted for a novel solution by forming a joint venture with IBM France to administrate the Group's IT systems. This strategic alliance enables the Group to control and contain IT costs while preserving a centre of excellence with leading-edge technology in France. Through this unique partnership, BNP Paribas has retained control of its technological capabilities while ensuring a seamless transition for IT systems administration employees, since all were able to retain the individual and collective benefits associated with their positions.

Group

### 28. Steps taken by the Bank to ensure that subsidiaries comply with ILO standards

The Purchasing Department performs, gathers and audits all the major outsourcing agreements entered into locally by Group entities worldwide. The findings of these audits are used to formulate recommendations for entities regarding necessary updates.

In 2009, the Purchasing Department launched a Purchasing Standards Guide which was distributed to all of the Group's purchasing staff. The guide summarises the rules and mandatory standards to be adhered to by the Purchasing Function in order to ensure compliance with CSR objectives. Subsidiaries and entities are responsible for ensuring that these directives are properly followed.

In addition to the management controls required by the Group's internal control system, internal audit and inspection teams are responsible for verifying compliance with directives. In 2008 the Group's CSR audit methodology was overhauled: the reference documents and methodology guides were updated to take more systematic account of the problems and issues that Group entities encounter in France and other territories.

A whistleblower hotline enables employees to report any compliance risks they may encounter.

Group

### 29. Steps taken by foreign subsidiaries to address the impact of their business on regional development and local communities

All Group subsidiaries are part of a business line and must contribute to fulfilling its strategy, implementing its policies and exercising its social responsibility.

The levels of remuneration provided by BNP Paribas to employees, particularly in emerging nations, and benefits such as health insurance and death/disability coverage, help raise standards of living for employees' families and communities.

The Group makes limited use of expatriate staff, giving local staff the opportunity to take up managerial functions and other positions of responsibility.

Group

# NRE Appendices – Environmental chapter

NRE indicator - 2009 year	Scope for 2009
1. Water consumption	
<p>Water consumption statistics are now compiled for 63% of the worldwide NPP employee headcount (see the definition of NPP in section 4 of the NRE Social appendix). For this scope, water consumption per NPP employee was 15 cu.m.</p> <p>Actual water consumption levels vary substantially from country to country, reflecting conditions in each geographical area and variations in water systems.</p>	Group - 63% of worldwide NPP headcount
2. Raw material consumption	
<p>For a financial services group, paper is the main raw material consumed.</p> <p>Overall paper use for a scope equivalent to 65% of Group worldwide employee headcount, including paper rolls used at printing centres, envelopes and paper purchased by printers for BNP Paribas print jobs, amounts to 197 kg per NPP.</p>	Group - 65% of worldwide NPP headcount
<p>In France, across the entire branch network, the measures taken to reduce paper consumption include:</p> <ul style="list-style-type: none"> <li>• optimising printing: reduced pagination, eliminating printing of multiple standard copies, printing on both sides of the page;</li> <li>• increased use of telemarketing and use of the Internet in place of hardcopy mailings;</li> <li>• lengthening statement periods for certain printed statements;</li> <li>• offering customers the possibility to receive notices and statements in electronic form;</li> <li>• eliminating unnecessary paper documents.</li> </ul>	France Retail Banking network
<p>Efforts to optimise and pool printing activities were initiated in 2008 and continued in 2009.</p> <p>For a scope equivalent to 55% of the Group's total NPP headcount, consumption of products labelled as environmentally friendly in the catalogue of listed suppliers accounts for about 13% of the Group's purchases of office supplies.</p>	Group - 55% of worldwide NPP headcount
3. Energy consumption	
<p>Electricity usage statistics are now compiled for a scope representing 70% of the Group's worldwide NPP headcount. Average electricity consumption for this scope is 189 kWh per sq.m.</p>	Group - 70% of worldwide NPP headcount
4. Measures taken to improve energy efficiency	
<p>See the Registration Document and CSR Report under <i>Impact on the natural environment</i></p>	
<p>The Information, Technology and Processes (ITP) organisation, which coordinates facilities management, purchasing and information systems, is responsible for defining and implementing a cohesive environmental management policy throughout the Group and monitoring its deployment in the field.</p>	France
<p>As part of the ISO 14001 certification programme for the 1,295 branches in France operating under the "Accueil &amp; Services" concept, an environmental assessment identified energy consumption as a significant environmental impact. A target of a 15% reduction in the branches' energy consumption was set for 2011. Two approaches have been defined to meet this objective. The first consists of upgrading installed facilities and enhancing their control settings by analysing applicable technical specifications prior to performing refurbishment work: optimising lighting; replacing electrically heated air curtains with curtains of warm air supplied by the heat pump; standardising the power ratings of air conditioning installations based on geographic location; analysing the lifecycles of building façade signage; adjusting exterior illumination of branch façades by time of day and switching off lighting at night. The second approach focuses on improving the energy efficiency of the branches through automated lighting controls, heating and air conditioning systems in line with ambient temperatures inside and out.</p>	Retail Banking
<p>At office locations in France, energy management systems have been implemented across the entire real estate portfolio in a two-phase process. Phase one involves the mapping of energy use at sites : property surveys, gathering historical consumption data and real estate statistical data. Phase two consists of performing an energy-efficiency assessment which is followed by an energy use audit to monitor the results of recommended actions.</p>	Office locations in the Paris region
<p>A software-based solution, NightWatchMan, enables IT administrators to switch on and off computer workstations at remote sites at designated times of the day. Workstations are shut down in the evening after daily updates and turned back on in the morning before employees arrive for work. The objective is threefold: to achieve energy savings, reduce the environmental footprint, and cut costs in a manner which is invisible for employees. This international initiative is being rolled out to all of the Group's financial centres.</p>	Group



## 5. Use of renewable energy sources

Outside France, subsidiaries have pioneered local initiatives to purchase green electricity. This is the case of Bank of the West in the United States, BNP Paribas Fortis in Belgium and BGL BNP Paribas in Luxembourg.

In Italy, BNL opened a new bank branch which is energy self-sufficient using solar power. The branch, which is located in the city of Alessandria, is fitted with photovoltaic panels that generate clean energy. This ensures that the branch generates sufficient energy to cover its entire energy consumption. The first energy self-sufficient bank branch using photovoltaic solar power was inaugurated in Rome in 2008.

Data gathered on electricity purchasing in Europe is used to analyse energy purchasing strategies and evaluate opportunities for greater use of renewable energies. Owing to the wide variation in power sources marketed as "green energy" as well as the price premium associated with such sources, the Group has not set a global target for green power consumption at this time. For the moment, the key priority is to reduce consumption of electricity which has an immediate impact on the environment.

Group

## 6. Land use

For real estate development projects, BNP Paribas Real Estate hires a specialised consulting firm to conduct a diagnostic review of the extent of soil contamination. A soil identification programme is developed, contamination studies are performed using tests and analyses, and a soil report is drawn up. BNP Paribas Real Estate uses the findings of the contamination evaluation to perform any remediation work necessary to ensure that soil meets applicable regulatory requirements. In addition to these initiatives, the Group applies environmental housing certification provisions to a large number of BNP Paribas Real Estate's development projects. These entail containing pollution nuisances with a view to meeting the objectives required in terms of health, ecological balance and comfort of use.

France

## 7. Emissions into air, water and soil

Discharges into water and soil are not taken into account as they are non-material. Robust indicators are used within the Group to calculate CO<sub>2</sub> emissions.

Data is collected for a scope equivalent to 64% of the Group's worldwide NPP headcount and relates to electricity consumption and work-related travel by car, train and air. Based on this data, emissions of CO<sub>2</sub> equivalent are estimated at 2.34 tonnes per NPP employee.

Actual consumption levels vary substantially from country to country, reflecting conditions in each geographical area as well as variations in the energy use mix and in the nature of the Group's operations. As an example, the Group estimates emissions of CO<sub>2</sub> equivalent per NPP employee as follows:

- United States: 5.40 tonnes of CO<sub>2</sub> equiv. per NPP;
- France: 1.47 tonnes of CO<sub>2</sub> equiv. per NPP;
- Italy: 4.16 tonnes of CO<sub>2</sub> equiv. per NPP;
- Luxembourg: 2.22 tonnes of CO<sub>2</sub> equiv. per NPP;
- United Kingdom: 7.02 tonnes of CO<sub>2</sub> equiv. per NPP;
- Switzerland: 1.47 tonnes of CO<sub>2</sub> equiv. per NPP.

Calculation methods take into account emissions generated by the production, transmission and consumption of energy. For electricity, the primary energy source used by the producer is taken into consideration. For air travel, criteria used include fuel consumption, average load factors, the distinction between short and long-haul flights, and the class in the passenger cabin occupied by travellers. For car travel, the methodology assesses emissions based on kilometres travelled, rated horsepower of the vehicle and type of fuel.

Exceptionally, the 2009 assessment of CO<sub>2</sub> emissions worldwide was performed using the Bilan Carbone™ (V6.0) method in collaboration with a consultancy licensed by the French Environment and Energy Management Agency (ADEME) for the scope prior to the Fortis merger, and using the Greenhouse Gas Protocol method for the scope of the former Fortis Bank.

Group - 64%  
of worldwide NPP  
headcount

In France, emissions from commuting are estimated using three concentric circles, one for employees living in the city, a second for those living in the inner suburbs or just outside a regional city, and a third for those living in the outer suburbs or a rural area. Emissions generated by these trips are then estimated based on the form of transport used. The detailed study carried out in 2009 in the Paris region in conjunction with the enterprise transport plan provided an opportunity to refine and improve the estimate by examining the commuting patterns of a sample population of 22,000 people.

The estimate of CO<sub>2</sub> equivalent emissions generated in France including emissions from commuting is estimated at 2.39 tonnes of CO<sub>2</sub> equivalent per NPP versus 2.59 tonnes of CO<sub>2</sub> equivalent in 2008.

France

The statistical margin of error of these estimates which reflects the uncertainties linked to data conversion and the reliability of data gathering in each country is 20%.

## 8. Noise and odour pollution

No complaints relating to noise or odour issues were filed against the Group in 2009. BNP Paribas Real Estate consistently seeks to limit the environmental impact of its property development schemes in terms of noise and odour pollution and engages in dialogue with community residents. Insofar as building infrastructures can be a source of noise pollution, the company selects machines offering the best available acoustic performance. Specific tests are performed upon completion of construction and, if required, additional measures are taken to comply with applicable noise regulations. Locations of air intake and discharge vents are chosen with regard to neighbouring buildings and dominant wind patterns. Choices concerning building methods, construction machinery and the manner in which construction waste is managed are made with the objective of minimising the impact of building work on the immediate environment.

Group

## 9. Waste processing

For the process of collecting toners and ink cartridges, data collection has increased in scope and been made more reliable. Statistics are now compiled for a scope representing 68% of the Group's worldwide NPP headcount. Within this scope, 64% of toner and ink cartridges were collected for elimination, representing a total of 154,159 units.

Group - 68%  
of worldwide NPP  
headcount

In France, used toner and ink cartridges continue to be collected by Conibi, the industrial association of toner cartridge producers. The quantity of cartridges collected amounted to 93,665, representing 64% of the purchased total.

In France, programmes for the collection of paper and paperboard for recycling are also being expanded. In 2009, all of the wastepaper and paperboard waste collected in head office buildings was sent for recycling.

France

At offices in the Paris region, the Corbeille Bleue company collects and sorts office waste bins. Paper waste is used for district heating or recycled to make packaging cartons and paper pulp. The Group's Paris office buildings are now equipped with dual bins, for paper and all other waste, and a clause requiring separate collection has been included in cleaning company contracts.

France Paris  
region head office  
buildings

Outside France, waste paper collection is not being measured for a significant scope.

Regarding the recycling of lighting fixtures, aluminium sockets and the glass from fluorescent light bulbs used in most offices are recycled and the gas is reprocessed.

Group

In France, collection procedures for Waste Electrical and Electronic Equipment (WEEE) at BNP Paribas SA are specifically designed to facilitate the measurement of waste flows.

France

## 10. Measures taken to avoid disruption to the biological balance

As a financial institution, the Group's direct impact on biodiversity is very limited. The key thrusts of the Group's efforts to avoid disruption to the biological balance focus on reducing emissions of greenhouse gases.

As part of its CO<sub>2</sub> survey, the Group identifies processes that could harm the environment — e.g. the use of refrigerants at its Paris head office buildings — in order to reduce their use.

Test materials for detecting the presence of asbestos in buildings are used in connection with the asbestos abatement plan. Surveys of materials are carried out before launching any renovation work in France. Surveys complement the preliminary technical recommendations defined for BNP Paribas sites and are disseminated to engineers. Air quality and water quality are measured on a regular basis.

The Group's project finance business has adopted the Equator Principles, which also help ensure that these projects are respectful of the environment.

Group

State-of-the-art air conditioning systems have been installed: an adiabatic air-cooled chiller, which combines the closed-tower technique down to 27 °C with misting in humidification spaces thereafter, has been installed at the Group's site in Levallois-Perret, and a magnetic-lift centrifugal chiller has been installed in the rue Bergère building in Paris which was inaugurated in 2009.

France

### 11. Measures taken to ensure compliance with legal requirements

BNP Paribas continuously strives to meet the highest standards of ethical behaviour, compliance, risk management and internal control. Within a changing banking environment characterised by increasing regulatory requirements, the global Group Compliance (CG) Function, whose director is a member of the Executive Committee, has a broad remit to coordinate internal control systems across the Group. Group Compliance circulates Group-level directives regarding continuous internal control and monitors the functioning of the internal control framework in the Group's entities. Guidelines have been drawn up to ensure that buildings are managed in accordance with technical regulations applicable in France.

Outside France, property management guidelines are drafted based on the most stringent regulations of countries in which BNP Paribas operates. These guidelines apply at all overseas sites. Before a company acquisition is made, a property audit of all new head office buildings is conducted. Group Legal Affairs monitors changes in environmental laws and regulations. Clauses covering the corporate and environmental responsibility of suppliers are systematically included in service agreements.

In 2008 the Group's CSR audit methodology was overhauled: the reference documents and methodology guides were updated to take more systematic account of the problems and issues that Group entities encounter in France and other operating territories. All new inspectors receive training in this new methodology.

In 2009, a redeployment plan was implemented for the Group's CSR organisation, which reports to the Managing Director. The plan was approved by the Executive Committee.

Group

### 12. Steps taken towards environmental evaluation and certification

By the end of 2009, BNP Paribas had obtained six ISO 14001 certifications. Three new certifications were obtained during the year and a fourth was renewed. Two certifications were achieved in France: the first by the BNP Paribas retail banking network for the Welcome&Services programme and the second by BNP Paribas Factor. Two certifications were obtained in the United Kingdom by BNP Paribas Real Estate and Arval. One certification was obtained in Italy by Arval and a fourth in Turkey by TEB. With a large number of certification projects underway, ISO 14001 is now a key element in the Group's environmental policy. This environmental policy and ISO 14001 certification of the Accueil & Services programme applies to 1,325 branches in France by end-2009.

This policy reduces the environmental footprint of the Bank's operations by reducing paper consumption, promoting waste management and energy efficiency, and raising customer and staff awareness about environmental issues. BNP Paribas is the first retail banking network in France to receive certification for a very substantial number of its operating locations.

BNP Paribas is included as a component in leading SRI benchmark indices: DJSI WORLD, DJSI STOXX, Aspi Eurozone, Ethibel, FTSE4Good Global 100 Index and FTSE4Good Europe 50 Index.

Although the Group's inclusion in these indices represents neither an evaluation nor a certification, it nevertheless provides a positive indication of BNP Paribas' compliance with the requirements for corporate social and environmental responsibility.

Group

BNP Paribas Real Estate Property Management, a subsidiary of BNP Paribas Real Estate, has devised an international code of practice, Ecoproperty Management®, with the objective of helping to combat global warming by reducing CO<sub>2</sub> emissions from buildings over the course of their service lives. Solutions are offered for existing buildings where there may be difficulties in reducing consumption due to design constraints. The Grands Moulins de Pantin renovation project has obtained HQE certification for the planning phase: it is one of the very first renovations to be so certified. The renovation of the 30,000 sq.m. Haussmann-style building on rue Bergère in Paris has also been awarded certification for its planning and design phases. Work on both buildings was completed in 2009 and staff teams have taken occupancy of the properties.

France

## 13. Expenditures incurred to prevent environmental consequences of business activity

The Group's operations, which involve banking and financial services, have limited direct consequences on the environment.

Since 2004, the Group has focused on ten principles for fulfilling its environmental responsibilities and taking preventive action. The cost of these cross-cutting measures has not yet been specifically calculated.

Group

In the area of real estate, the criteria applied to guide decisions to acquire or let property include proximity to existing sites and to public transport. To cut costs and improve efficiency, BNP Paribas is expanding its use of videoconferencing systems. Staff are required to consider the option of videoconferencing rather than travel when scheduling meetings. Efforts to deploy videoconferencing equipment at the Group's main sites were continued in 2009. The Group's travel policy encourages employees to use public transport to commute to work and favours rail over air travel. Furthermore, some Group entities provide top-up subsidies for employees who use public transport.

France

Employees have responded favourably to incentives provided to encourage use of public transport for commuting purposes. In the Paris region, 80% of employees use public transport, a level well above the average, notably insofar as managers account for 67% of the total employee population in the Paris region.

Paris region

For the replacement of the fleet of 2,600 company cars used by the retail banking network in France, the Group selected vehicles offering the best ratings in terms of CO<sub>2</sub> emissions while 99% of the new vehicles purchased were equipped with diesel engines. Vehicles with CO<sub>2</sub> emissions of between 100 and 120 g/km are given precedence in purchasing decisions while an "eco" segment has also been created for vehicles with CO<sub>2</sub> emissions of less than 100 g/km. Onboard GPS units, which reduce energy consumption, and diesel particulate filters are widely used. The first wave of training in energy-efficient driving techniques was launched in 2009 with the objective of achieving a 10%-15% reduction in fuel consumption in year one and 5%-8% in subsequent years.

France

## 14. Internal department for environmental management

The Information, Technology and Processes (ITP) organisation, formed in 2007, is in charge of assessing the Group's environmental impacts and taking steps to reduce them. This function is responsible for providing BNP Paribas entities with support services in the areas of processes, IT, real estate, purchasing, occupational safety and individual support services, to help improve the Group's operational efficiency.

Following adoption of the Equator Principles in 2008, a dedicated team has been formed within CIB to draft and disseminate specific procedures for all transactions concerned by the Equator Principles and to provide training for project finance teams.

At Group level, the Corporate Social and Environmental Responsibility delegation, which reports to the Group's Managing Director in charge of compliance, ensures that the appropriate measures are implemented consistently and effectively.

See the CSR Report under *Impact on the natural environment*

Group

## 15. Training and inform employees

All of the Group's internal communications channels — its website, the *Ambition* in-house newsletter, the monthly Sustainable Development newsletter, as well as conventions and other company events — are used to promote social and environmental responsibility.

The Group has developed a corporate blog [www.forachangingworld.com](http://www.forachangingworld.com) to communicate with its stakeholders, including employees, about the Group's commitments to public interest causes.

In 2009, a series of communication activities were conducted with the objective of informing, raising awareness and training employees. Examples include:

- Arval provides energy-efficient driving training to employees in France and abroad who so request. To mark "Sustainable Development Week" in France, Arval employees pilot tested the energy-efficient driving training e-module developed for customers. The objectives for this training course are to educate customers about safe and environmentally friendly driving techniques. The approach pioneered by Arval also assists companies in reducing the environmental footprint and cost of their vehicle fleets while ensuring the safety of motorists through regular vehicle maintenance and optimal driving techniques.
- Klépierre informs employees in Europe about its sustainable development policy and has developed an e-learning module on the subject. It organised its first sustainable development training session in early April 2009 to coincide with "Sustainable Development Week" in France. The aim for this initiative is to raise employee awareness about sustainability issues and to empower employees to become champions for sustainability in their day-to-day roles. The e-learning modules provide employees with an overview of corporate sustainability issues and educate staff about ways in which they can incorporate sustainable behaviours into their personal and professional life. Modules include a quiz, lively graphic presentations and expert analyses. This pioneering training initiative was developed in eight languages and has been extended to more than 1,000 Klépierre employees. By adopting an e-learning format, training can be extended to the widest possible range of employees while enabling staff to access training from their computer.

Group

## 16. Resources dedicated to mitigation of environmental risks

BNP Paribas has a Carbon Finance team dedicated to researching and promoting market solutions for corporate clients seeking to fulfil their obligations to reduce greenhouse gas emissions in accordance with the Kyoto protocol and European Directives on CO<sub>2</sub> emission quotas. As a financial institution, BNP Paribas plays a role in facilitating the operation of carbon trading markets and fostering their development.

In November 2009, BNP Paribas and the Russian oil company TNK-BP signed two milestone agreements on climate change. The first agreement is for the purchase of carbon credits generated by the Samotloneftegas project. The second agreement is for the development of two new CO<sub>2</sub> emission reduction projects.

BNP Paribas is a member of the French association *Entreprises pour l'Environnement* (EpE - companies for the environment) and participates in its working groups.

BNP Paribas' Innovation and Technology Centre (CIT) within ITP has launched the "Greening IT" programme to reduce the carbon footprint of its IT facilities. CIT designs and carries out assessments for projects that leverage technological advances in the field of renewable energies and other areas.

Group

## 17. Structure to deal with pollution incidents extending beyond the Company

Any crisis situation is managed by an ad hoc committee composed of the Group's top executives. This committee is responsible for ensuring appropriate measures are taken and informing the concerned operating entities. As required by the scale of the incident, information may be passed on to the entire Group, and there may be a call for mutual assistance. As part of the process of validating the operational risk framework, detailed studies were performed to define and reinforce the Business Continuity Plan, in particular in the event of pollution discharges or accidents.

Group

## 18. Amount of provisions and guarantees covering environmental risks

USD 3.4 million. The provision is for private litigation and is not intended to cover penalties for non-compliance with regulations.

Group

## 19. Amount of compensation paid following legal decisions relating to the environment

The Group has not been the subject of any adverse court rulings on environmental matters.

Group

## 20. Environmental objectives set for foreign subsidiaries

BNP Paribas' guiding principles, notably the Global Compact and the ten principles in the Group's environmental responsibility charter, apply to all employees regardless of the business entity or country in which they are employed. The businesses are responsible for implementing the Group's guiding principles throughout their reporting organisations, including subsidiaries, in all territories. The General Inspection and Sustainable Development units have designed an audit methodology for corporate social and environmental responsibility to measure the Group's compliance with its environmental guidelines.

General Inspection auditors have full access to information and can perform any type of audit with complete independence in any of the consolidated subsidiaries. Audit findings and results of inspection missions are presented in an annual report which is sent to the Commission Bancaire in accordance with its requirements.

Group

# REVIEW REPORT FROM ONE OF THE STATUTORY AUDITORS ON A SELECTION OF SUSTAINABLE DEVELOPMENT INDICATORS AND ISSUES PUBLISHED IN THE BNP PARIBAS GROUP'S 2009 CORPORATE SOCIAL RESPONSIBILITY REPORT

*This is a free translation into English of the Statutory Auditor's review report issued in French and is provided solely for the convenience of English speaking readers. The review report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

Further to your request and in our capacity as the Statutory Auditors of BNP Paribas, we have carried out work for the purpose of enabling us to express moderate assurance on a selection of sustainable development indicators and issues published in the BNP Paribas 2009 Corporate Social Responsibility Report.

The sustainable development indicators and issues are the following:

— Social section:

- Indicator "FTE Staff" (worldwide),
- Indicator "Age Pyramid" (worldwide),
- Issue "Gender equality in the workplace" (France),
- Issue "Microfinance" (worldwide),

— Environmental section:

- Indicator "Electricity consumption" (worldwide) as used in calculating the electricity consumption per square meter ratio;
- Indicator "Water consumption" (worldwide) as used in calculating the water consumption per NPP (Net Permanent Staff Paid) ratio;
- Indicator "Percentage of printer cartridges and toners recycled" (worldwide);
- Indicator "Travel by plane and by train" (France) as used in calculating CO<sub>2</sub> emissions data;
- Issue "Implementation of the Equator Principles" (worldwide);
- Issue "ISO 14001 certification of Accueil & Services branches" (France);
- Issue "Business travel" (worldwide).

These sustainable development indicators and issues are prepared under the responsibility of the Corporate Social Responsibility Department of the BNP Paribas Group in accordance with the Group's "2009 social reporting protocol" and "2009 environmental reporting protocol" as used by BNP Paribas, available from the BNP Paribas Group Corporate Social Responsibility Department.

Our responsibility is to express our conclusion on these indicators and issues based on our work.

## Nature and scope of our work

We performed our work in accordance with the professional standards applicable in France. We carried out the procedures described below to obtain moderate assurance that no irregularities exist with regard to the selected sustainable development indicators and issues. A higher level of assurance would have required us to carry out more extensive work.

- We reviewed the reporting procedures used by the Group in the light of their relevance, reliability, objectivity and understandability.
- At the Group level:
  - We performed analytical procedures and verified, on a test basis, that the data used to produce the indicators had been correctly calculated and consolidated. This work involved, in particular, interviews with the persons from the BNP Paribas group Corporate Social Responsibility Department responsible for compiling and applying the procedures and consolidating the data.
  - We held interviews with the people in charge of editing the selected issues and received qualitative and quantitative data used while editing these issues. We interviewed, more specifically:
    - the Head of Diversity at Group Human Resources for the issue “Gender equality in the workplace”;

- the Head of Group Microfinance for the issue “Microfinance”;
- the Head of CSR at Corporate & Investment Banking for the issue “Implementation of the Equator Principles”;
- the responsible officer for ISO 14001 certification at the Accueil & Services Program for the issue “ISO 14001 certification of Accueil & Services branches”;
- two corporate officers of the Sustainable Purchasing Function for the issue “Employee business travel”.

— We selected a sample of entities, as follows:

- BNP Paribas SA in Paris (France);
- BNP Paribas Fortis in Brussels (Belgium);
- BNP Paribas in Frankfurt (Germany);
- BNL in Rome (Italy);
- BMCI in Casablanca (Morocco);
- BNP Paribas London (UK).

This selection was made on the basis of quantitative and qualitative criteria applied to the indicators.

— With regard to the selected entities:

- We checked that the procedures had been properly understood and correctly implemented on the basis of interviews with the persons responsible for preparing the data;
- We performed in-depth checks on a test basis to verify the calculations and reconcile the data with the supporting documents.

The contribution of these entities to the Group’s consolidated indicators represents between 29% and 89% of each indicator.

We were assisted in our work by our teams specializing in sustainable development.

## Conclusion

Based on our work, no material irregularities came to light causing us to believe that the sustainability indicators and issues reviewed do not comply, in all material respects, with the Group’s “2009 social reporting protocol” and “2009 environmental reporting protocol” as used by BNP Paribas and applicable for the year 2009.

Neuilly-sur-Seine, 30 April 2010

Statutory Auditor  
PricewaterhouseCoopers Audit

G rard Hautefeuille

Partner in charge of the Sustainable Development  
Department of PricewaterhouseCoopers Advisory

Sylvain Lambert

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\* The NRE appendices, pages 134 to 145, mention elements of reporting under the french NRE Act.

\*\* MA: Management approach defined in the guiding lines GRI G3; EC: Economy; EN: Environment; IP: Responsibility regarding products; LA: Employment, social relations and work; HR: Human Rights. SO: Company.

\*\*\* UNEP Statement by Financial Institutions on the Environment and Sustainable Development.



# GLOSSARY

<b>Accretion</b>	Reverse of dilution. Accretion is where a corporate action (share buyback or issue of shares in a smaller proportion than the increase in income following a merger or public tender offer, for example) leads to an increase in earnings per share.
<b>ADR (American Depositary Receipt)</b>	Negotiable certificates representing one or several shares. Their face value is stated in dollars and interest is also payable in dollars. ADRs allow American investors to buy shares in foreign-based companies that are not quoted on an American Stock Exchange.
<b>Arbitrage</b>	Activity that consists of attempting to profit by price differences on the same or similar financial assets. For example, in the case of a takeover bid, where the predator offers a price that exceeds the price at which the target's shares are trading.
<b>Attribution right</b>	The right to receive bonus shares issued in connection with a capital increase paid up by capitalising retained earnings. Attribution rights are quoted.
<b>B2B or BtoB</b>	Business to Business: sales of products or services by one company to another.
<b>B2C or BtoC</b>	Business to Consumer: sales of products or services by a company to a consumer.
<b>B2E portal</b>	Intranet site for Group employees. The home page includes a browser, links to services and a wealth of information concerning the various functions within the Group, practical information for employees and career information.
<b>Back office</b>	Department responsible for all administrative processing.
<b>BNL bc</b>	BNL banca commerciale (formerly Banca Nazionale del Lavoro).
<b>Bond/Debenture</b>	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.
<b>Capital</b>	Amount of cash or assets contributed by shareholders, plus any profits, retained earnings or premiums transferred to the capital account. The capital may be increased or reduced during the life of the company.
<b>Capital increase</b>	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.
<b>Cash flow</b>	Cash generated by operations that can be used to finance investment without raising equity or debt capital.
<b>CECEI</b>	<i>Comité des Établissements de Crédit et des Entreprises d'Investissement</i> : Committee headed by the Governor of the Banque de France responsible for monitoring the proper operation of the French financial and banking system.
<b>CER</b>	Certified Emission Reductions are carbon credits, equivalent to one tonne of CO <sub>2</sub> equivalent of emission reductions under the Clean Development Mechanism (CDM) of the Kyoto Protocol.
<b>CIB</b>	Corporate and Investment Banking, one of the BNP Paribas Group's core businesses.
<b>Clean Development Mechanism (CDM)</b>	Mechanism defined in the Kyoto Protocol, allows states to realise projects abroad that aim to reduce emissions and then to deduct this reduction from their own national reduction objectives under the Kyoto Protocol.
<b>Consolidated net income</b>	Net income of the Group after deducting the portion of the profits of subsidiaries attributable to minority shareholders.
<b>Convertible bond</b>	Bond convertible into the issuer's shares on terms set at the time of issue.

<b>Corporate governance</b>	Series of principles and recommendations to be followed by the management of listed companies.
<b>Coupon</b>	The coupon represents the right of the security for a given year.
<b>Custody fee</b>	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.
<b>CVR (Contingent Value Rights Certificate)</b>	CVR (Contingent Value Rights Certificate) Financial instrument generally issued in connection with the acquisition of a listed company, guaranteeing the value of the underlying security at a pre-determined date. The CVR entitles the shareholder of the target to receive an amount equal to the positive difference between the offer price and a «reference» price.
<b>Derivatives</b>	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.
<b>Dilution</b>	Impact on the rights attached to a share of the issue of securities (in connection with a capital increase, a merger, a stock-for-stock tender offer or the exercise of rights), assuming that there is no change in the total income of the issuer.
<b>Dividend</b>	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.
<b>EAI (Enhanced Analytics Initiative)</b>	An international group of financial institutions, who cooperate on taking into account non-financial or non-accounting analysis in classical financial analysis.
<b>EONIA</b>	Euro Overnight Index Average.
<b>EpE</b>	Created in 1992, EpE (Businesses for the Environment) is an association regrouping 40 big businesses in France, who are looking to better take the environment into account in their strategic decisions and their day to day management.
<b>Equator Principles</b>	a voluntary set of guidelines established in 2003, that help financial institutions to better evaluate, reduce, document and monitor potential social and environmental issues arising from project finance activities.
<b>EUA (European Union Emission Allowance)</b>	Allowance to emit Greenhouse Gases accorded to participants in the European Union Emission Trading System.
<b>EUREX</b>	A derivatives market.
<b>EURIBOR (European InterBank Offered Rate)</b>	The most commonly used money-market rate in the eurozone.
<b>Euroclear</b>	Formerly Sicovam. Clearing house for securities transactions.
<b>Euronext SA</b>	Company that operates the Paris, Brussels and Amsterdam Stock Exchanges. Euronext SA establishes market rules, decides to accept or reject listing applications and manages all trading technologies.
<b>FCP (Fonds Commun de Placement)</b>	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.
<b>FRB</b>	French Retail Banking.
<b>Free cash flow</b>	Cash available after financing operations and investments, available to pay down debt.
<b>Free float</b>	The amount of capital which is not under the control of stable shareholders. In other words, capital that can be freely bought and sold and is therefore available to investors, excluding for example shares held by the State, or shares that are subject to shareholders' pacts and so on. On 1 December 2003, the stocks that make up the CAC 40 index became weighted according to their free floats, as opposed to their market capitalisations. This change was born out of a desire to be consistent with the major world market indexes which already function in this manner, and to ensure greater comparability between industries and shares.
<b>Gain/loss on securities</b>	Positive/negative difference between the sale price of a security and the purchase price.
<b>Goodwill</b>	Difference between the cost of shares and the Group's equity in the fair value of the underlying net assets.
<b>Hedge funds</b>	Funds that take both long and short positions, use leverage and derivatives and invest in many markets.

<b>HQE - High Environmental Quality Norm</b>	The objective of the High Environmental Quality norm is to better control a buildings' life-cycle, by taking into account, from the design phase on, all impacts from raw material consumption to energy management, comfort, location and maintenance.
<b>IAS</b>	International Accounting Standards.
<b>IFRS</b>	International Financial Reporting Standards.
<b>IFU (<i>Imprimé Fiscal Unique</i>)</b>	French tax return issued by a bank or broker, listing all the securities transactions carried out on behalf of the taxpayer and all the coupon payments made to the tax payer.
<b>Institutional investor</b>	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.
<b>Investment club</b>	A variable- or split-capital company, which enables its members to jointly manage a portfolio of marketable securities formed from an initial investment and/or regular capital contributions. Clubs benefit from a favourable regime in respect of capital gains tax. The FNACI (National Federation of Investment Clubs), which is located at 39, rue Cambon, 75001 Paris, provides on request all the information required for the launching and smooth running of these clubs.
<b>Investment Solutions</b>	Within BNP Paribas, Investment Solutions regroups the 6 business lines: asset management, insurance, wealth management, online savings & trading, securities services and real estate.
<b>ISIN code</b>	The new identification number for securities listed on the stock market. The ISIN code replaces the well-known Sicovam code which had since become the Euroclear code. On 30 June 2004, Euronext Paris put an end to its existing system for identifying securities and replaced it with a system that uses ISIN codes. Having already been adopted by a number of European stock markets including Amsterdam, Brussels, Lisbon and Frankfurt, the new system gives a unique identity to each share and therefore facilitates cross-border transactions between investors, primarily by improving harmonisation within Euronext. The ISIN code comprises 12 characters: 2 letters to indicate the issuing country (e.g., FR for France and US for the United States) and 10 figures. BNP Paribas's ISIN code is FR0000131104.
<b>LBO</b>	Leveraged Buy Out. Company acquisition financed primarily by debt. In practice, a holding company is set up to take on the debt used to finance the acquisition of the target. The interest payments due by the holding company are covered by ordinary or exceptional dividends received from the acquired target.
<b>LIFFE</b>	London International Financial Futures and Options Exchange.
<b>Liquidity</b>	Liquidity Ratio between the volume of shares traded and the total number of shares in issue.
<b>LME</b>	London Metal Exchange.
<b>M &amp; A</b>	Mergers & Acquisitions.
<b>Market capitalisation</b>	Value attributed to a company by the stock market. Market capitalisation corresponds to the share price multiplied by the number of shares outstanding.
<b>Market-maker/ Market-making contracts</b>	Market-makers commit to maintaining firm bid and offer prices in a given security by standing ready to buy round lots at publicly-quoted prices. Market-making contracts generally concern mid-cap stocks and are intended to enhance the stocks' liquidity. In France, market-making contracts ( <i>contrats d'animation</i> ) are entered into between Euronext, the issuer and a securities dealer.
<b>Microfinance Institution (MFI)</b>	A Microfinance Institution is an entity that proposes financial services (savings, microcredit, micro insurance, fund transfers) to people without or with limited access to the formal financial sector.
<b>Microfinance Investment Vehicle (MIV)</b>	Microfinance Investment Vehicles are private investment funds that invest primarily in microfinance. MIVs provide capital to Microfinance Institutions (MFIs) as well as to non-specialised financial intermediaries for investment in microfinance projects. MIVs play an increasingly important financial intermediation role between foreign investors and microfinance institutions.
<b>MONEP (<i>Marché d'Options Négociables de Paris</i>)</b>	Paris traded options market, including CAC 40 index options and equity options.
<b>OAT (<i>Obligation Assimilable du Trésor</i>)</b>	French government bonds.
<b>OCEANE (<i>Obligation Convertible en Actions Nouvelles ou Existantes</i>)</b>	Bond convertible for new shares or exchangeable for existing shares of the issuer.

<b>OPA (Offre Publique d'Achat)</b>	French acronym for a public tender offer for cash.
<b>OPE (Offre Publique d'Échange)</b>	French acronym for a public stock-for-stock tender offer.
<b>OPF (Offre à Prix Fixe)</b>	French acronym for a public offering of securities at a set price.
<b>OPR (Offre Publique de Retrait)</b>	French acronym for a compulsory buyout offer (final stage in a squeeze-out).
<b>OPRA (Offre Publique de Rachat d'Actions)</b>	French acronym for an offer to buy out the minority shareholders of a company that is already largely controlled (first stage in a squeeze-out).
<b>Option</b>	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.
<b>OPV (Offre Publique de Vente)</b>	French acronym for a public offering of securities at a set price.
<b>ORA (Obligation Remboursable en Actions)</b>	French acronym for equity notes, representing bonds redeemable for shares.
<b>ORSE</b>	The French corporate social responsibility observatory.
<b>P/E</b>	Price/Earnings ratio. Ratio between the share price and earnings per share. The P/E serves to determine the multiple of earnings per share represented by the share price.
<b>Par value</b>	The par value of a share is the portion of capital represented by the share.
<b>PEA (Plan d'Épargne en Actions)</b>	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.
<b>PEE (Plan d'Épargne Entreprise)</b>	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.
<b>Pre-emptive subscription rights</b>	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.
<b>Preference shares</b>	Preference shares are shares that pay dividends at a specified rate and have a preference over ordinary shares in the payment of dividends and the liquidation of assets. They do not carry voting rights.
<b>Price guarantee</b>	When a company acquires control of a listed target, it is required to offer the target's minority shareholders the opportunity to sell their shares at the same price as that received by the sellers of the controlling interest. The offer must remain open for at least fifteen trading days.
<b>Primary market</b>	Market where newly-issued securities are bought and sold.
<b>Prime brokerage</b>	Activity consisting of providing a wide range of services to hedge funds, including financing, securities settlement/delivery, custody, securities lending/borrowing, etc.
<b>Public tender offer</b>	An 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".
<b>Quorum</b>	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".

<b>Quotation</b>	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.
<b>Rating/rating agencies</b>	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.
<b>Report</b>	On the Euronext Paris market, transaction allowing an investor to carry forward a buy or sell position from one deferred settlement date to the next.
<b>Retail Banking</b>	Regroups all BNP Paribas group retail banking activities: FRB, BNL bc., Europe-Mediterranean, Bancwest, Personal Finance, Equipment Solutions.
<b>ROE</b>	Return on Equity. Ratio between consolidated net income and consolidated shareholders' equity.
<b>Secondary market</b>	Market where securities are bought and sold subsequent to their issue.
<b>Settlement</b>	Monthly date when transactions with deferred settlement ( <i>Service de Règlement Différé</i> ) are unwound (or extended). This date corresponds to the fifth trading day before the last trading day in the month.
<b>Share</b>	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".
<b>Shareholder's Consultative Committee</b>	Body of individual shareholders chosen by some share issuing companies to advise them on communicating to individual shareholders. After its formation in 2000, BNP Paribas decided to create a Shareholder Liaison Committee to help the Group improve communications with its individual shareholders.
<b>SICAV (Société d'Investissement à Capital Variable)</b>	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.
<b>SICOVAM (Société Interprofessionnelle pour la Compensation des Valeurs Mobilières)</b>	Now renamed Euroclear France. Organisation responsible for clearing securities trades, centralising all stock market transactions and facilitating the transfer of securities between member institutions.
<b>SPVT (Spécialiste en Pension des Valeurs du Trésor)</b>	Primary dealer in French government bond repos.
<b>Split</b>	Decision by a company to increase the number of its shares that are outstanding while dividing the nominal value of the share. The objective is essentially to increase the liquidity of the stock and to make it more accessible to individual shareholders.
<b>SRD (Service de Règlement Différé)</b>	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).
<b>Subscription right</b>	Right to participate in a share issue for cash.
<b>Swaps</b>	A swap is a financial derivative in which counterparties exchange certain benefits of one party's financial instrument against those of the other's financial instrument. The counterparties are generally banks or financial institutions.
<b>TBB (Taux de Base Bancaire)</b>	Interest base rate.
<b>TMO (Taux Mensuel de Rendement des Emprunts; Obligataires)</b>	Interest rate corresponding to the monthly bond yield.

<b>TPI (Titre au Porteur Identifiable)</b>	Procedure allowing issuers to obtain information about the identity of holders of bearer shares from Euroclear.
<b>Trade Centre</b>	Specialised sales force set up by BNP Paribas to partner its corporate customers' international development. The Trade Centres offer importers and exporters a wide range of customised services based on the "one-stop-shopping" principle.
<b>Treasury shares</b>	Shares held by the issuer. Treasury shares are stripped of voting and dividend rights and are not taken into account in the calculation of earnings per share.
<b>TSDI (Titre Subordonné à Durée Indéterminée)</b>	French acronym for perpetual subordinated notes.
<b>TSR</b>	Total Shareholder Return: corresponding to return on the capital invested by shareholders, including dividends and unrealised gains on the shares.
<b>UCITS</b>	Undertaking for Collective Investment in Transferable Securities. Term covering unit trusts and variable capital investment companies.
<b>UNEP - FI</b>	The United Nations Environment Programme Finance Initiative is a worldwide partnership between the UNEP and private sector financial institutions.
<b>Voting right</b>	Right of a shareholder to vote in person or by proxy at General Meetings.
<b>Volatility</b>	The tendency of a financial market or a certain financial security to register big and abrupt fluctuations in price levels.
<b>Warrant</b>	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 underlying (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.
<b>Waste Electrical and Electronic Equipment Directive (WEEE Directive)</b>	The European WEEE Directive imposes the obligation to recycle Waste from Electrical and Electronic Equipment in all EU member states. The directive imposes the responsibility for the disposal and treatment of waste from electrical and electronic equipment as well as its associated costs, on the manufacturers and importers of such equipment.
<b>Work flow</b>	Process automation technology allowing the sequential transmission of digital documents and files to the various people responsible for processing the data.
<b>Yield</b>	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.