



PRESS RELEASE

**BNP Paribas announces a comprehensive settlement
regarding the review of certain USD transactions by
US authorities**

BNP Paribas today announced a comprehensive settlement of the pending investigation relating to US dollar transactions involving parties subject to US sanctions, including agreements with the U.S. Department of Justice, U.S. Attorney's Office for the Southern District of New York, the New York County District Attorney's Office, the Board of Governors of the U.S. Federal Reserve System (FED), the New York State Department of Financial Services (DFS), and the US Department of the Treasury's Office of Foreign Assets Control (OFAC).

The settlement includes guilty pleas entered into by BNP Paribas SA in relation to violations of certain US laws and regulations regarding economic sanctions against certain countries and related recordkeeping. BNP Paribas also agrees to pay a total of USD 8.97 billion (Euros 6.6 billion). Beyond what has already been provisioned, this will result in an exceptional charge of Euros 5.8 billion to be booked in the second quarter of 2014. BNP Paribas also accepts a temporary suspension of one year starting 1st January 2015 of the USD direct clearing focused mainly on the Oil & Gas Energy & Commodity Finance business line in certain locations.

BNP Paribas has worked with the US authorities to resolve these issues and the resolution of these matters was coordinated by its home regulator (Autorité de Contrôle Prudentiel et de Résolution - ACPR) with its lead regulators. BNP Paribas will maintain its licenses as part of the settlements, and expects no impact on its operational or business capabilities to serve the vast majority of its clients. During 2015, the activities of the perimeter concerned will clear US dollars through a third party bank instead of clearing through BNP Paribas New York and all necessary measures are being taken to ensure smooth transition and no material impact for the clients concerned. BNP Paribas notes that part of the Group's USD clearing is already done today through third party banks.

Based on its estimates, BNP Paribas expects its fully loaded Basel III CET1 ratio as at 30 June 2014 to be at around 10%, consistent with the Group's targets announced within its 2014-2016 business development plan. This estimate takes into account in particular solid underlying second quarter net results and pro rata temporis the current intention of the bank to adapt its dividend for 2014 to a level equal to that of 2013 (1.50 euros per share).



In advance of the settlement, the bank designed new robust compliance and control procedures. Many of these are already in force and are working effectively, and involve important changes to the Group's procedures. Specifically:

- a new department called Group Financial Security US, part of the Group Compliance function, will be headquartered in New York and will ensure that BNP Paribas complies globally with US regulation related to international sanctions and embargoes.
- all USD flows for the entire BNP Paribas Group will be ultimately processed and controlled via the branch in New York.

As a result of BNP Paribas' internal review, a number of managers and employees from relevant business areas have been sanctioned, a number of whom have left the Group.

Jean-Laurent Bonnafé, CEO of BNP Paribas, said: "We deeply regret the past misconduct that led to this settlement. The failures that have come to light in the course of this investigation run contrary to the principles on which BNP Paribas has always sought to operate. We have announced today a comprehensive plan to strengthen our internal controls and processes, in ongoing close coordination with the US authorities and our home regulator to ensure that we do not fall below the high standards of responsible conduct we expect from everyone associated with BNP Paribas".

"Having this matter resolved is an important step forward for us. Apart from the impact of the fine, BNP Paribas will once again post solid results this quarter and we want to thank our clients, employees, shareholders and investors for their support throughout this difficult time."

"The Group remains focused on implementing its 2014-2016 business development plan. We confirm our ambition to meet the targets of this plan announced in March this year. In particular, North America remains a strategic market for the Group where we plan to further develop our retail, investment solutions and corporate & investment banking franchise over the coming years".

"BNP Paribas is a client-centric bank and we will continue to work every single day to earn the trust and respect of all our stakeholders in service of our clients and the economy".

About BNP Paribas

BNP Paribas has a presence in 75 countries with more than 180,000 employees, including more than 140,000 in Europe. It ranks highly in its three core activities: Retail Banking, Investment Solutions and Corporate & Investment Banking. In Europe, the Group has four domestic markets (Belgium, France, Italy and Luxembourg) and BNP Paribas Personal Finance is the leader in consumer lending. BNP Paribas is rolling out its integrated retail banking model across Mediterranean basin countries, in Turkey, in Eastern Europe and a large network in the western part of the United States. In its Corporate & Investment Banking and Investment Solutions activities, BNP Paribas also enjoys top positions in Europe, a strong presence in the Americas and solid and fast-growing businesses in Asia-Pacific.

Press Contacts:

Bertrand Cizeau	+33 1 42 98 33 53
Carine Lauru	+33 1 42 98 13 36
Isabelle Wolff	+33 1 57 43 89 26
Julia Boyce	+33 1 43 16 82 04
Pascal Hénisse	+33 1 40 14 65 14

bertrand.cizeau@bnpparibas.com
carine.lauru@bnpparibas.com
isabelle.wolff@bnpparibas.com
julia.boyce@bnpparibas.com
pascal.henisse@bnpparibas.com

Andrew Achimu	+44 20 7595 6647
---------------	------------------

andrew.achimu@uk.bnpparibas.com
--

Cesaltine Gregorio	+1 212 841 3719
--------------------	-----------------

cesaltine.gregorio@us.bnpparibas.com
--

